

Debt stress and how it impacts the workplace

As the cost of living steadily climbs, so does the stress of those struggling to cover their monthly expenses. Charnel Collins of National Debt Advisers looks at the impact of debt stress on the workplace and how employers can help employees manage their finances.



Charnel Collins - CEO of National Debt Advisers

Research done in 2022 for the [Floatpays State of Employee Wellbeing Barometer](#) looked at employees' experiences of their working environment and how their employers support their well-being. It showed that financial wellness is a key factor influencing overall well-being and ultimately, productivity in the workplace, with one in five participants reporting high levels of financial stress.

"Over the years, we have seen multiple ways in which debt stress impacts people's lives," says CEO of National Debt Advisors, Charnel Collins. "Financial constraints often result in changes in both their home and work environment, and the stress can cause a direct impact on their efficiency and productivity at work."

Below, Collins shares a few ways that debt stress can affect employees, and how employers can help lighten their load.

Ways that debt stress affects employees:

- **Lack of concentration** – According to Collins, debt stress often causes a lack of sleep and motivation, seeing employees coming to work stressed and tired.

- **Absenteeism** - Debt stress can result in employee absenteeism – the need to take excessive time off to deal with financial issues, become ill due to financial stress, or unable to afford transport costs to get to work.
- **Decreased employee morale** – Financial stress has a direct impact on one's well-being, and this might lead to various mental health issues.
- **Phone calls from debt collectors** - Employees who are over-indebted will be chased by debt collectors on payments during working hours, and this could cause them to be distracted.

How employers can offer support to financially stressed employees:

According to Collins, it's important that employers help educate and alleviate stress around financial issues by assisting employees to understand their finances. "We often find that exposure to financial education can assist people outside of debt review to take control of their finances."

- **Workplace financial literacy programmes** – Increased knowledge of financial matters will help employees regain control of their finances.
- **Providing a safe working environment and regular employee check-ins** can assist them to stay motivated, and manage their financial stress.
- **Provide access to debt solutions** - Providing employees with financial knowledge that can be applied in better money management, helping them reduce their reliance on debt.

Collins concludes, "We encourage employers to have open conversations with their employees on better money management and to help avoid debt traps. A financially secure employee is more likely to be engaged and productive in the workplace, and this makes for a happy work environment."

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