

## Employees' Financial Stress Can Hurt Your Bottom Line

Today's economic environment can be hard on the nerves—a volatile stock market, declining home values, rising gas and food prices, and, for many, job uncertainty. When employees start to feel over-pressured by financial issues, their health, and that of the companies they work for, is bound to suffer.

Research shows that an estimated one-quarter to one-third of U.S. workers feels financial stress. Workers' financial angst can surface in the workplace day-to-day in many ways—

- **Reduced productivity.** As many as 80% of financially stressed workers spend time while at work worrying about their financial problems and dealing with these problems, instead of working. (“Financial Distress Among American Workers,” a report from a group of financial experts and researchers)
- **Health problems.** According to this same study, as many as half of financially stressed workers report their health is directly and negatively impacted by these types of worries. This can result in added medical expenses for the company health plan.
- **Increased absenteeism.** Whether from time missed to deal with a financial issue or from sickness caused by or aggravated by financial stress, workers with money problems are likely to miss more days of work.
- **Accidents and mistakes.** Distractions are a key factor in causing workplace mishaps, and workers focused on their financial problems rather than the task at hand will make more mistakes which, depending on the nature of the business, may lead to accidents or injury.

An employee assistance program (EAP) can be an invaluable resource to employees struggling with financial stress of any kind—out-of-control credit card debt, looming college bills, rising adjustable mortgage rates, or the stress of living paycheck to paycheck, and worrying what will happen if an unexpected expense arises. EAPs provide referrals and/or treatment, crisis counseling and other services to employees with a variety of problems—marital, mental health, financial, work-related, substance-related...and financial. Specifically, for financially stressed employees, an EAP could provide referrals to financial planners or credit counselors; talk an employee through a financial crisis; and provide tools and materials to help employees with budgeting, retirement planning, college planning, and the like. EAPs with a more comprehensive financial education and literacy component could be a resource for workshops and seminars, in addition to helping employees on an individual basis.

Employers have good reason to help employees manage stress, whatever the source. In a Blue Cross and Blue Shield of Minnesota study, EAP participants self-reported productivity improvements of 8.5% after reaching out to the resources an EAP has to offer. An EAP is an included benefit in many health plans today, and is also available through standalone vendors. If your company makes EAP resources available to employees, be sure you are communicating this to employees on a regular basis, so that the EAP has a high enough profile that employees will think to call when struggling with financial stress. If your company does not offer an EAP benefit, consider how adding one could help your employees, and your bottom line.