
Employee Financial Stress: The Research Behind The Headlines

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Executive Summary

With the current state of the economy, what's becoming widely recognised by employers is that their employee's financial stress is having a huge impact on their productivity while at work. This stress is causing employees to miss work all together and is contributing negatively to company costs.

Financial stress is pervasive. Depending on the survey in question, between 76 and 84% of employees report some degree of financial stress.

76%

84%

Employees reporting significant financial stress cite internal factors as the main cause of their stress. For those reporting high or overwhelming financial stress, two main causes cited are "I don't think that I will meet future financial goals" and "I feel like my current financial situation is not under control". By contrast, those with less financial stress were much more concerned about external factors, most notable worries about the economy.

This implies that employees can actively reduce their financial stress by better controlling their personal finances, even in the face of major concerns about the economy.

This document comprises extracts from three financial stress related studies undertaken in Ireland, the UK and the USA.

1. Amárach Research on Financial Stress, Republic of Ireland, September 2013
2. The Money Sickness Syndrome, published by AXA UK
4. Financial Finesse Reports, Research on Financial Trends, 2012, USA

Extracts from Amárach Employee
Financial Stress Survey

September 2013

Survey Structure:

Sample demographics: 1,000 adults, geographically spread throughout Rep of Ireland, 47% male, 53% female; majority in employment; children/no children, equally divided between socio-economic groupings, 37% home mortgage owners; 63% without home mortgage.

Key findings:

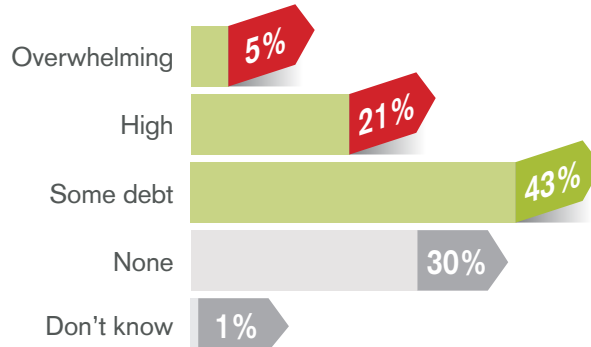


7-in-10 Irish adults say they have some level of debt

7-in-10 Irish adults say they have some level of debt (26% saying high/overwhelming) while this figure is higher for those in employment at 77%.

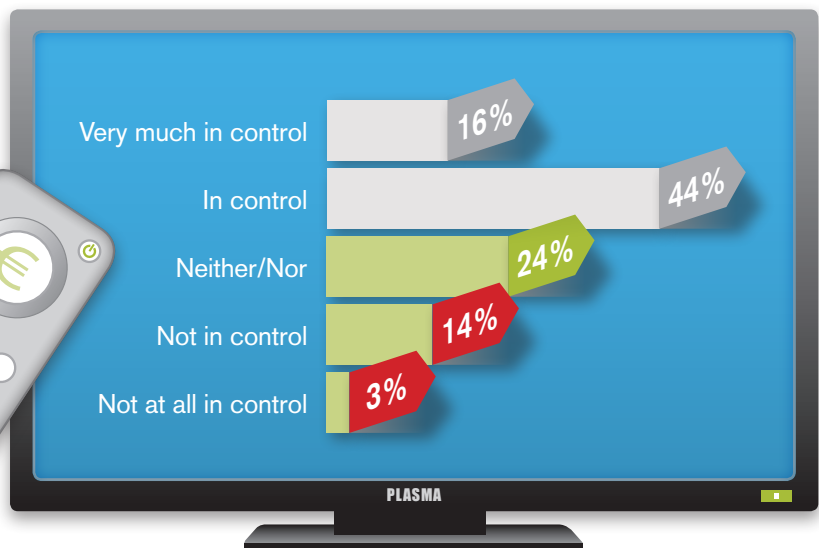
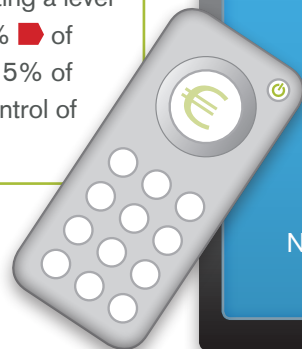
Those aged 35-54 are most likely to have some debt (83%).

Personal Debt Levels



15% of employees are not in control of their finances

6-in-10 Irish adults and Irish employees feel they are in control of their finances. A quarter said neither nor suggesting a level of uncertainty while 17% of the general public and 15% of employees are not in control of their finances.



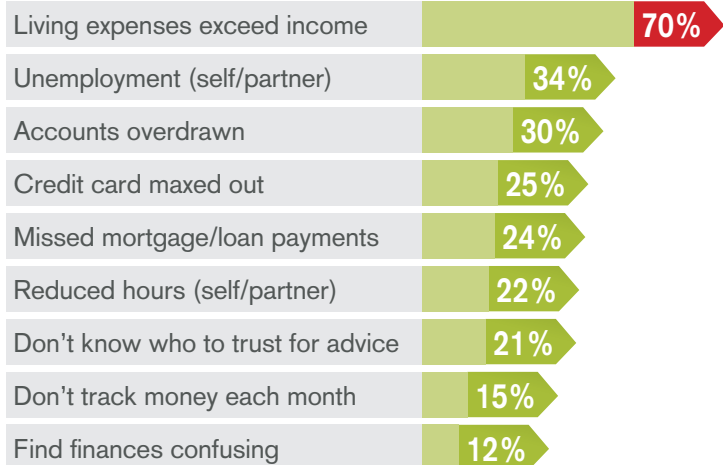


70% of those not in control have expenses that exceed income

There are a variety of reasons for not being in control of one's finances but the basic problem that expenses exceed income is mentioned by most Irish adults.

Assistance and education on methods for reducing expenses without impacting significantly on quality of life would be beneficial.

Reasons for not being in control of finances



FINAL DEMAND



91% of Irish adults have been stressed over the past 12 months

A very high proportion of Irish adults (91%) and Irish employees (93%) have been stressed over the past 12 months. 98% of those with overwhelming debt feel stressed while 84% of those without debt felt stressed in the past 12 months.



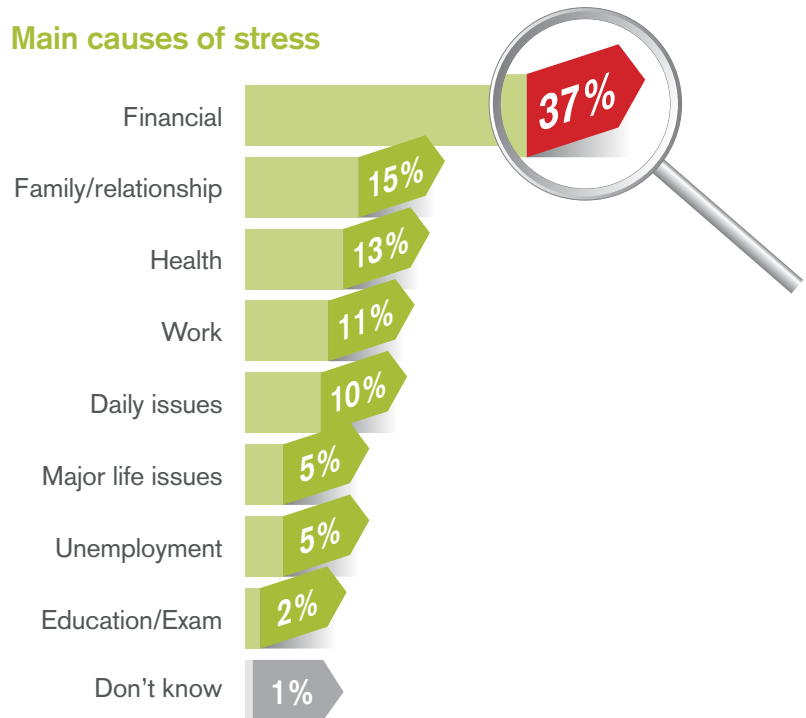


37% of adults say financial issues are the main cause of stress

Financial/monetary issues are the most likely cause of general stress for Irish adults (37%).

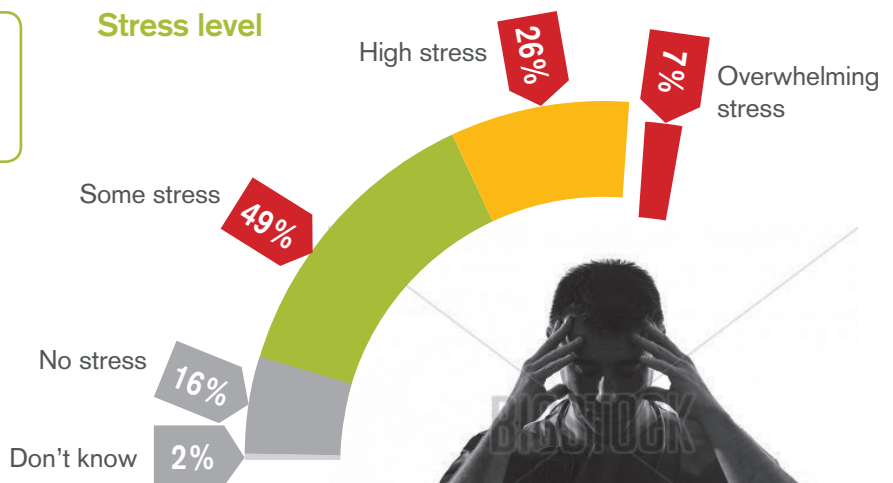
This is particularly true for those aged 35-54 (49%), those with a mortgage (49%), and those with overwhelming debt (69%) or high debt levels (64%).

Main causes of stress



82% have been financially stressed over the past 12 months

8-in-10 Irish adults (82%) are financially stressed (increasing to 86% for Irish employees).

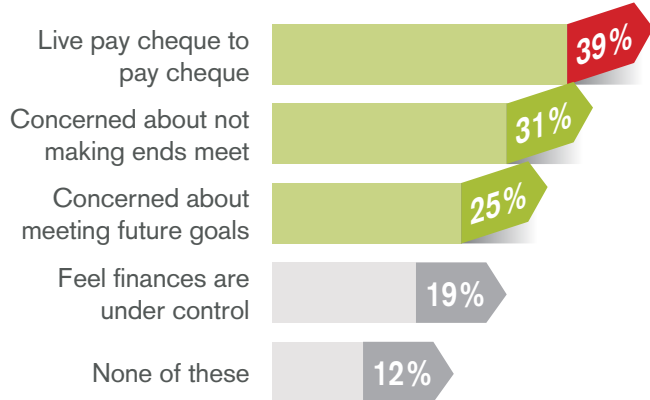




4-in-10 adults feel they live pay cheque to pay cheque

For those who are financially stressed, 4-in-10 (39% ■) feel they live pay cheque to pay cheque.

In the past 12 months:

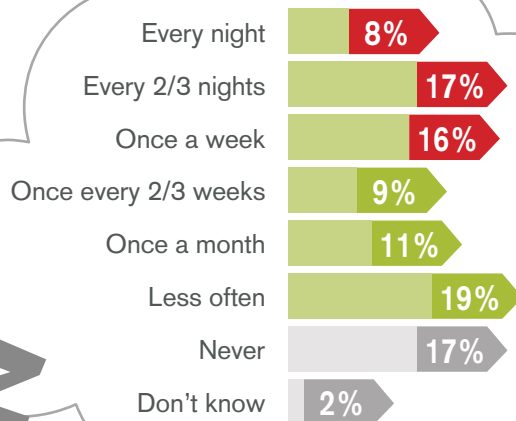


4-in-10 are having trouble sleeping on at least a weekly basis

4-in-10 ■ of those who are financially stressed are having trouble sleeping on at least a weekly basis.

This increases to 82% among those who are overwhelmed by debt and 97% among those who are overwhelmed by financial stress.

Frequency of sleeping difficulty

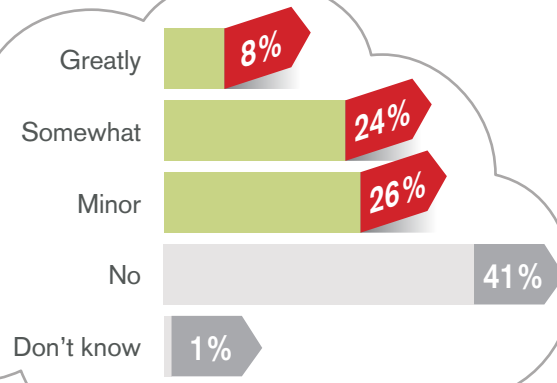




58% of employees feel financial stress effects their ability to work

6-in-10 employees (58% ■) with financial stress feel it is impacting on their ability to work. This is higher among men (64%) and those aged 25-34 (66%).

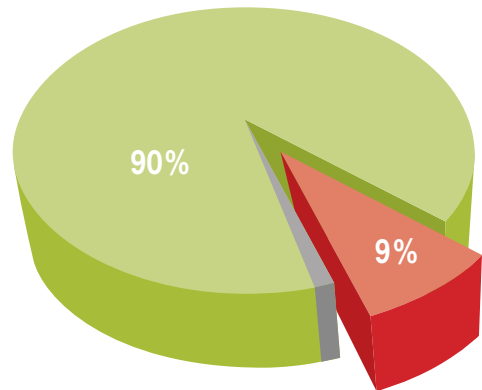
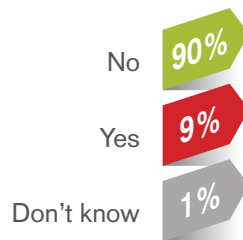
Impact on ability to work



9% of employees have missed work as a result of financial stress

9% of employees ■ who are financially stressed have missed work as a result. On average they have missed 9 days of work although the majority (51%) have only missed between 1-5 days.

Work missed

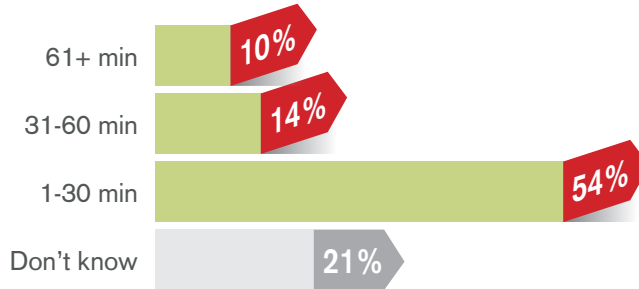




37 minutes per day pre-occupied with financial issues at work

The average employee spends 37 minutes pre-occupied with financial issues at work. This rises to 44 minutes among those aged 25-44, to 46 minutes for those with a mortgage, and is over an hour on average for those with overwhelming debt, a lack of financial control, overwhelming general and financial stress.

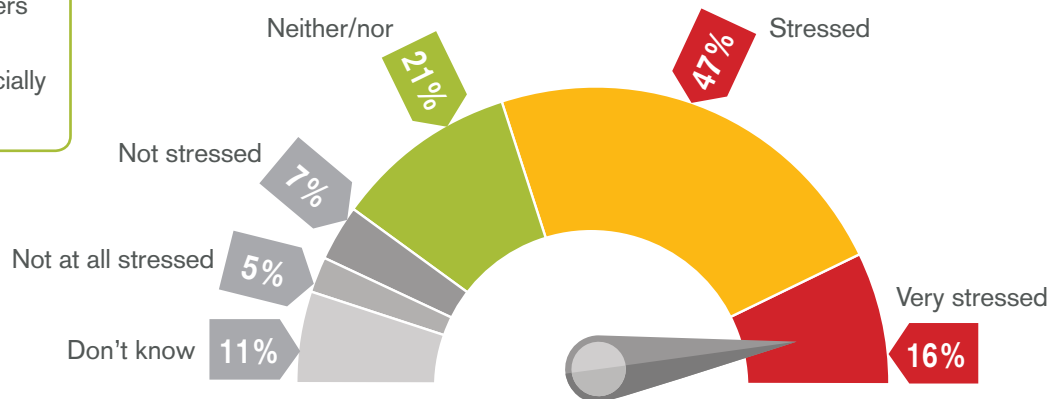
Pre-occupied at work



Employers perceive 69% of employees to be financially stressed

7-in-10 Irish employers say their employees (69% ■) feel financially stressed.

Stress level

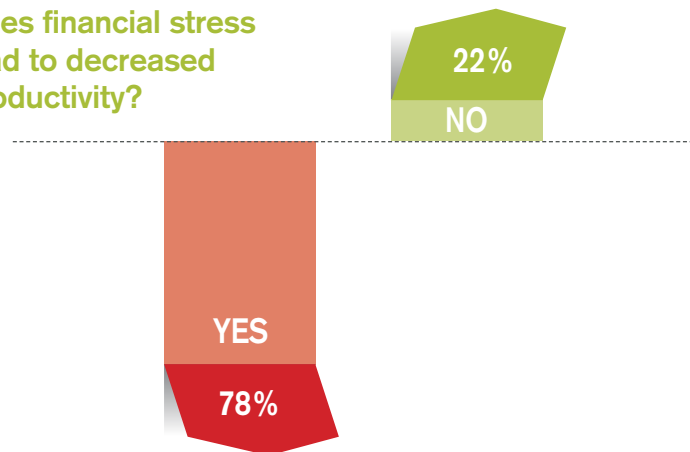




78% of employers have noticed an impact on productivity

Among those who say their staff are stressed, 78% ■ have noticed an impact on their staff's ability to work effectively. 55% of employers say staff have missed some time in work due to financial stress.

Does financial stress
lead to decreased
productivity?





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The Money Sickness Syndrome, published by AXA

Findings: The damaging impact of money worries on the nation's health and well-being is increasing at an alarming rate with almost 9 out of 10 adults complaining of symptoms such as increased anxiety, weight gain, depression and sleeplessness, according to new research commissioned by AXA.

Disturbingly, the overall number of people adversely affected by Money Sickness Syndrome has doubled since 2006 – when the condition was first identified in a report by GP and leading mental health expert Dr Roger Henderson. Everyone from high-level managers to unskilled workers are susceptible to symptoms triggered by financial strains. Indeed, a higher percentage of top managers (21%) suffered from constant money-related stress in the last 12 months compared with skilled manual workers (9%).

More than 57 per cent of top managers and 64 per cent of middle managers say their finance-related stress has worsened in the last year compared with 58 per cent for both skilled manual workers and pensioners.

Higher cost of living and bills

The findings suggest that over 33 million people have seen their worries magnify over the last year, blaming factors such as the higher cost of living and bills.

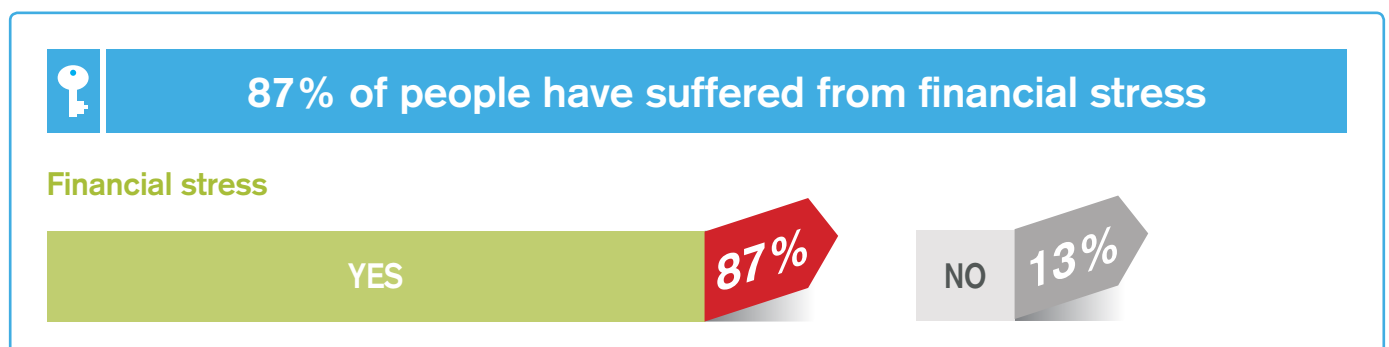
The AXA report indicates the situation will only worsen if sufferers fail to get a grip on their finances in the face of the current economic turmoil, the increasing cost of living, looming tax rises and the impact of public spending cuts.

The medical view

Dr Henderson said: *“Money Sickness Syndrome refers to the symptoms of stress arising from the anxiety generated by feelings of poor financial understanding or control of personal finances. With two-thirds of people saying their money worries have increased in the last 12 months, this is a cause for concern in terms of their health as well as their wealth.”*

He added: *“For some people it may be the issue of making ends meet that is the problem, but for others symptoms emerge from worrying about how to maintain a lifestyle that includes school fees and several foreign holidays.”*

The research found that in the last year:






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1 in 10 people suffer from financial stress all the time

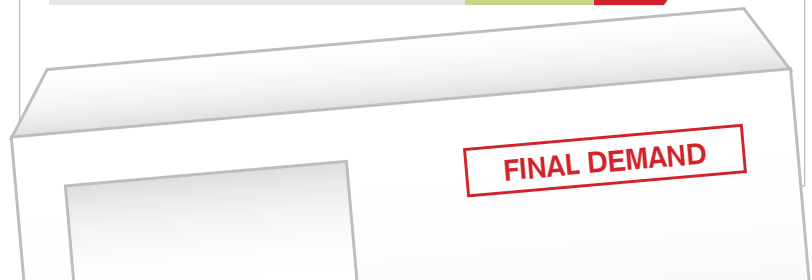
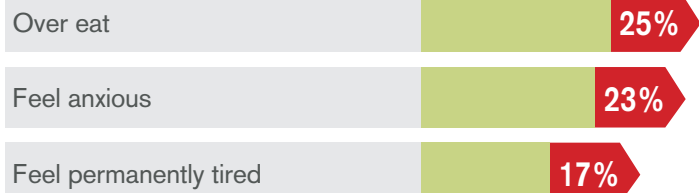
More than 1 in 10  suffer from symptoms of financial stress all the time, over a quarter frequently and one third sometimes



High level managers blame cost of living for their stress

High level managers blame the cost of living, bills and debt repayments for their worsening stress over the last year. As a result they tend to over eat (25%), feel anxious (23 per cent) and feel permanently tired (17 per cent%).

Results of financial stress



Respondents know 6 other people suffering from money stress

On average respondents know six people close to them suffering from money stress.







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Women experience higher levels of stress than men

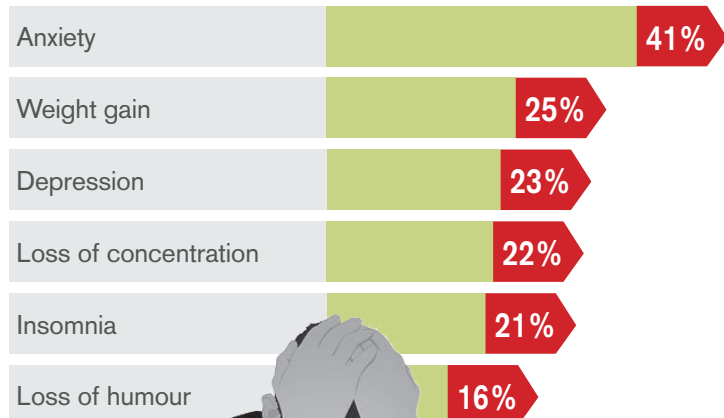
Women experience higher levels of stress than men: 14%  are always stressed, compared to 8%  of men



Significant symptoms suffered as a result of financial stress

Significant symptoms suffered overall include anxiety (41%), weight gain (25%), depression (23%), loss of concentration (22%), insomnia (21%) and loss of sense of humour (16%).

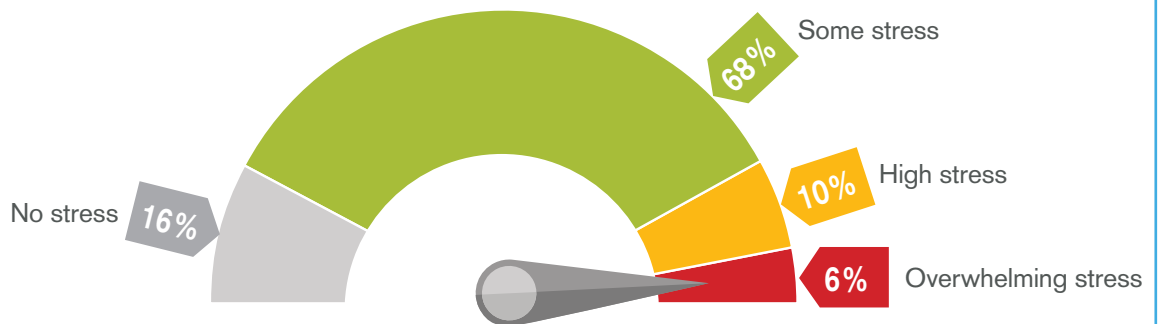
Symptoms suffered



The AXA report indicates the situation will only worsen if sufferers fail to get a grip on their finances in the face of the current economic turmoil, the increasing cost of living, looming tax rises and the impact of spending cuts.



Employee financial picture (first quarter 2012)

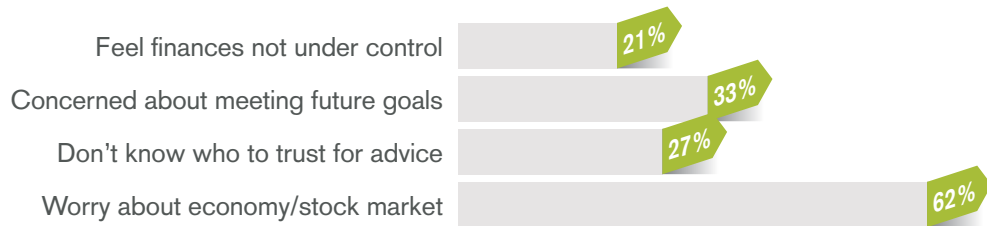




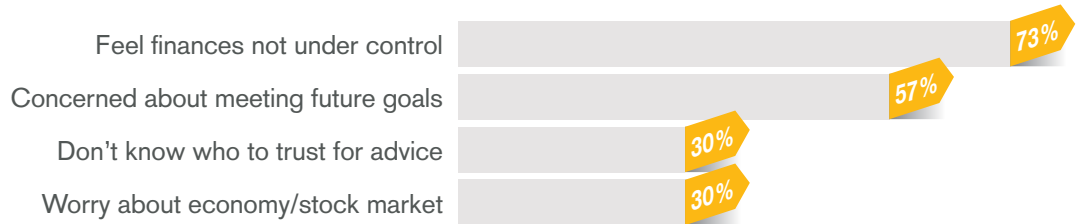
Causes of financial stress



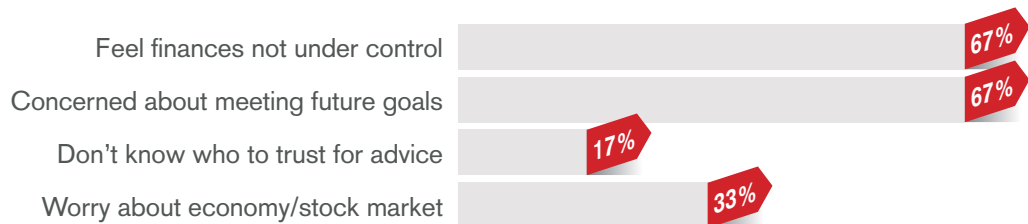
Some financial stress



High financial stress



Overwhelming financial stress





Impact of money management behaviours on financial stress

Poor money management is a leading cause of financial stress. The biggest thing employees can do to reduce their financial stress is to reduce expenses, pay off debts, build an emergency fund, and develop positive financial habits and behaviours that keep them from facing financial trouble in the future.

Impact of money management behaviours on financial stress

Employees with
no stress



Employees with
some stress



Employees with
high stress



Employees with
overwhelming stress

