

Financially Fit Employees: Benefits for Employers & What They Can Do To Help Employees

Employers are becoming increasingly aware of how personal financial difficulty is affecting performance at work, and ultimately, the bottom line. Employees who are stressed because of their finances are less able to focus on career and personal goals, are less able to communicate effectively and request more time off to attend to personal, legal and medical matters. Financial stress can affect employees at any income level – it's not how much you make, it's what you do with what you've got. Employers are not only in a key position to provide money management information and assistance to employees; they will also benefit directly if they do.

Benefits to Employers of Financially Fit Employees Include:

- **Increased productivity** – employees are less distracted and are better able to stay focused on company objectives
- **Decreased stress related illnesses and absenteeism**, incl. substance abuse, accidents on and off the job, tardiness
- **Decreased HR costs** – fewer garnishments, pay advance requests, use of assistance programs
- **Decreased theft** – not theft with malicious intent, but more out of desperation, e.g. “borrowing” money to make ends meet until next payday
- **Increased ability to communicate and cooperate effectively** with colleagues and to take instruction from supervisors

Early Signs of Financial Difficulty

Continually carrying debt on credit cards, depending on overdrafts or lines of credit to make ends meet, using one form of credit to pay for another, hiding spending from a partner or using credit to pay for essential living costs are some of the early indications that someone may be heading for financial difficulty.

Signs of more serious financial difficulty can quickly follow – receiving past due letters and collection calls at home or work, sleepless nights due to financial worries or legal action by creditors.

Pay cheques don't come with instructions – it's up to us to learn sound money management skills and enjoy reaping the rewards! As working adults, we are expected to be able to manage our finances responsibly. However, many people aren't taught how to do this. It's never too late to learn how to build a budget, use credit wisely, stay out of debt and save for the future – all of which fit hand in hand with developing a good financial plan for our money.

These are the main reasons we see why someone experiences financial difficulty:

1. Excessive use of credit / Using credit for living expenses
2. Unemployment / Underemployment
3. No budget / Lack of financial education
4. Injury / Illness
5. Divorce / Separation
6. High student loan debt / Education expenses
7. High housing costs

Source: Credit Counselling Society and Credit Counselling Canada

Recognize Possible Indications of Financial Difficulty, Including:

- Unexplainable or frequent calls at work
- Garnishments
- Wage assignment requests from payday loan companies
- Repeated confirmation of employment / income requests
- Requests for time off to deal with legal matters
- Moodiness or depression
- Different interactive / social behaviour in the office, e.g. previously was happy to chat with colleagues but now is much quieter
- Physical signs of stress, e.g. a more unkempt look than previously, tiredness, nervousness, irritability
- Sudden inability to problem solve or conduct objective analyses



Have Resources Available to Help Your Employees

- Ensure that, if your company has an EAP provider, that they are able to assist clients with personal financial matters. Many refer clients to the Credit Counselling Society.
- Know which reputable sources of assistance are available that you can refer employees to, such as the Credit Counselling Society, psychological counselling, help with addictions, etc. Keep a referral list handy, or better yet, make it available centrally for everyone to access confidentially.
- Know that your employees have rights as well as responsibilities around debt collection. Upsetting calls at work are unnecessary.
- Support an employee's efforts to live within their means, on a budget and without credit. Does your work place have ongoing fundraising campaigns, is eating out the norm, are your dress code expectations in line with salaries? Get creative with solutions to these situations, e.g. is your lunchroom a friendly place to eat?
- Contact the Credit Counselling Society for a Lunch & Learn session for your office as part of your Health & Safety commitment.

Coming to an employer is usually a last resort. Most people experiencing financial difficulty will have already exhausted any conventional options available to them. If an employee comes to you, try to be as flexible as possible and try to accommodate their request for assistance, e.g. to change their payroll account on short notice. They may need to do this to avoid an offset or to deal with legal matters.

What Employees Can Learn to Do to Help Themselves

<i>Manage personal finances:</i>	<i>The associated benefits include:</i>
Set up and follow a personal budget	Less stress; money is there when needed, better ability to communicate with family, friends and colleagues, positive example for children
Use credit cards and loans wisely	More opportunities (e.g. taking upgrading courses without a strain on the finances, buying a home or new car, helping family, vacations, planning for the future), decreased cost of borrowing
Plan for the future and have financial goals	Financial goals help us govern our spending and resist the pressure to spend impulsively – this helps us reach financial goals and avoid the negative cycle of feeling bad about oneself, spending and then feeling increased guilt and stress which causes more impulsive spending....
Get help at the first sign of trouble	More options to deal with debt are available earlier on, thus making it easier to avoid a financial crisis

Tips to Avoid Common Credit Pitfalls

- Make it a habit to pay bills on time
- Keep paperwork and personal documents organized and up to date
- File personal income tax on time every year
- Be conscious of the cost of borrowing
- Make choices that are consistent with pre-determined goals
- Pay credit cards in full every month
- Have savings to pay for unexpected expenses – avoid depending on credit in a crisis
- Develop a workable budget and review it periodically to determine if it is still helping you achieve your goals



Who is the Credit Counselling Society?

The Credit Counselling Society is a non-profit organization that was established in 1996 with the assistance of the credit industry. We are a registered, charitable organization governed by a volunteer board of directors and we adhere to sound business practices. Our trust account is independently audited each year. We are licensed and bonded in all four Western Provinces through each Province's consumer protection authority and we are a charter member of Credit Counselling Canada, a national association of non-profit credit counselling organizations.

Our Mandate

Our focus is two-fold; to educate Canadians in personal money management and the wise use of credit, and to help individuals and families find solutions to their financial difficulties through unbiased counselling and debt repayment alternatives. In short, we provide advice and assistance to consumers who are experiencing financial difficulty or have questions about money management.

Our services include:

- Credit and budget counselling
- Debt repayment programs and alternatives
- Educational workshops
- Awareness presentations
- Information and referral services
- Helpful money management articles on our websites



Our counselling appointments are conducted either in person or over the phone and provide consumers with an assessment of their situation and options to deal with their debt. Counselling appointments are confidential, unbiased and provided at no cost to consumers. Educational materials are also provided at no cost to consumers. Options discussed during an appointment may include a repayment program, strategies to increase the effectiveness of a budget so that someone is able to resolve their debts on their own, or referral to a community or professional service. Please visit our websites for more information, www.NoMoreDebts.org and www.MyMoneyCoach.ca.

We also offer a variety of **workshops and presentations for business and consumer groups**, financial institutions and post-secondary students. Each presentation is tailored to meet the needs of the audience in terms of topic, delivery method and time frame considerations. Please contact our Director of Education, Julie Jaggernath, at 604.636.0219 or by email, Julie@nomoredebts.org, for more information about our consumer education programs.