

# BREAKING THE MONEY STIGMA AT WORK

How COVID-19 presents the opportunity for culture change

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**SALARY  
FINANCE**



## The Pandora's Box of employee financial stress has been opened...

And there's no closing it now.

Even before the COVID-19 pandemic, a significant percentage of employees (42%) reported being financially stressed, as we covered in our 2020 report, [Inside the Wallets of Working Americans](#). Now that the widespread economic impact of the pandemic has started to take hold, we've seen those numbers increase dramatically -- even amongst employees who haven't lost their jobs.

In this new world, it's no longer enough for employers to offer a retirement savings plan and assume that's enough. Employees need help now, and it's up to employers to provide financial wellness benefits that actually move the needle.

# Employers have earned employees' trust

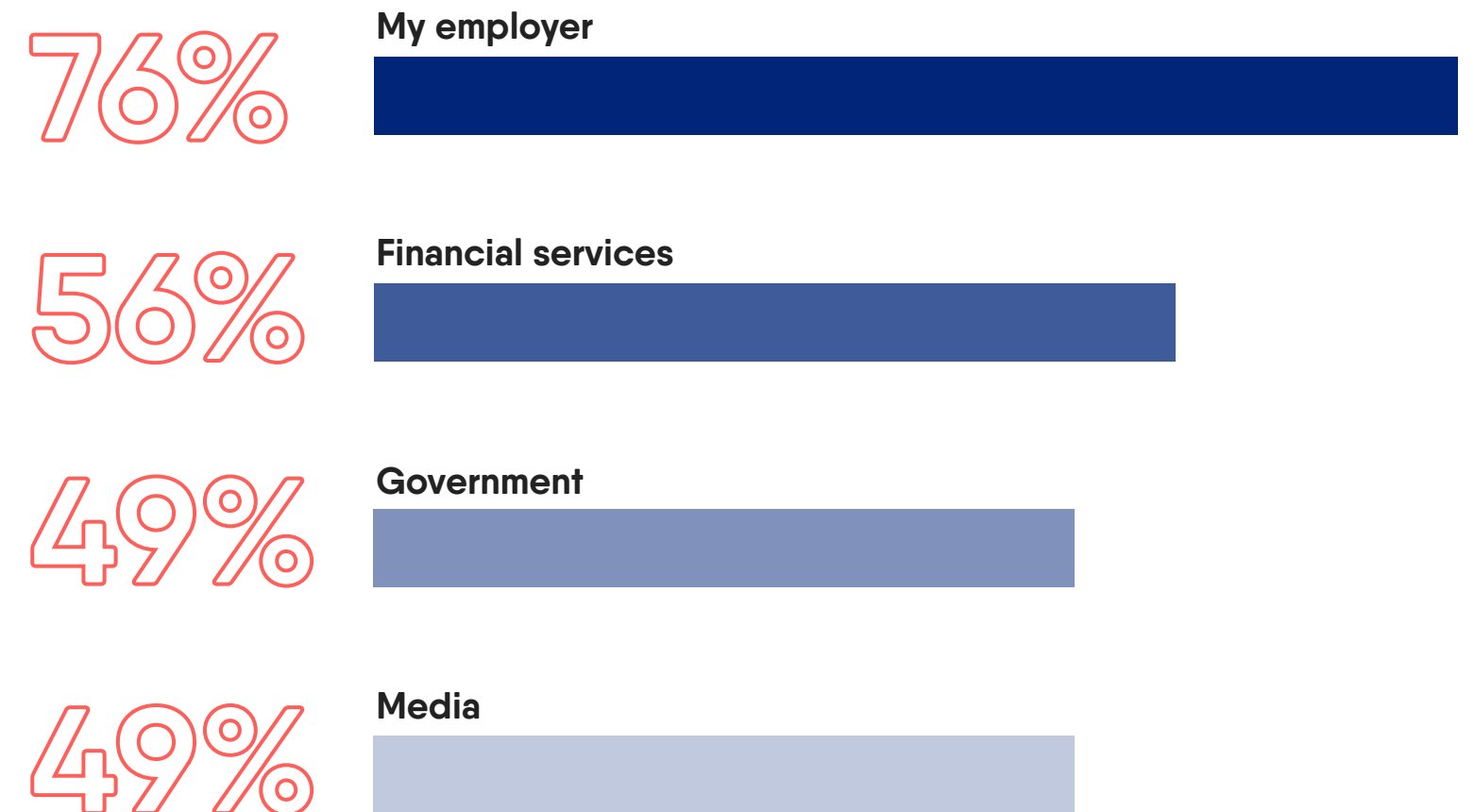
We see the world rapidly changing around us: the way we consume information, the kinds of jobs we do, and how we connect and communicate with each other are undergoing once-in-a-generation shifts. The evolving relationship between the employer and the employee is bound to be part of this change.

The Edelman Trust Barometer 2020 had already confirmed a growing sense of mistrust in government and media, and a more recent COVID-19 report has reinforced that. They found that employees believe the most credible source for information is actually **communications from their employer**. 62% of employees said that they have a high level of trust in their employer to respond effectively and responsibly to the virus.

This presents both a challenge and an opportunity for employers to continue to earn that trust, by listening to employees and responding to their needs quickly and effectively.

## Employees trust their employer more than other organizations

Percent of employees who trust each type of institution



Sources: [Edelman Special COVID-19 Report](#), [The Edelman Trust Barometer 2020](#)

## A new level of transparency

As well as trust being crucial in developing the right culture, we also know that thinking relationally has never been more important than it is today. The boundaries between work and home have further dissolved, due in large part to the shift to working from home for many employers, and the massive upheaval in routines and work schedules caused by childcare and school closures.

This has, in some ways, leveled the playing field in ways that were previously unimaginable: **issues of finding emergency childcare or dealing with a spouse temporarily out of work are commonplace now** in all strata of an organization. The fact that this global pandemic has affected each of us in some way makes it easier to talk about these previously deemed “personal issues” more openly in the workplace.

As a result, employees are coming to expect more openness from their employers, as well. Organizations that moved swiftly to respond to the impacts of COVID-19 are drawing praise and solidifying their positions as great places to work. Those who haven't taken this opportunity to pivot to a new model of employee engagement and transparency are being more publicly scrutinized than ever before.

A photograph of three women in athletic wear, smiling and talking. The image is overlaid with a blue tint and large orange quotation marks.

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COVID-19 has leveled the playing field in ways that were previously **unimaginable.**

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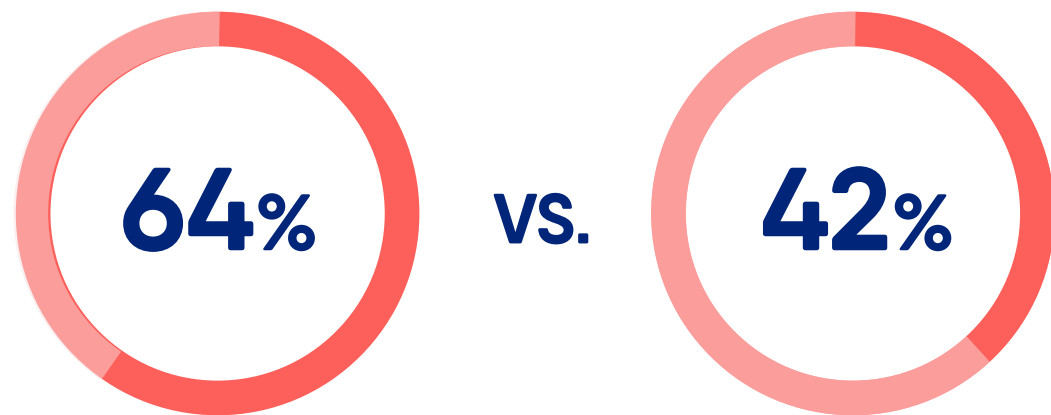
## Your people are your priority

Many organizations are moving away from looking crudely about their bottom line and are instead recognizing the importance of employee-centered leadership, where initiatives are driven by the value they deliver to employees' wellbeing.

These employers have realized that it's only by putting people first that they will be able to recover or even just maintain the status quo in such an uncertain environment.

# Employee financial stress is getting worse.

The COVID-19 pandemic has resulted in more employees dealing with money worries:



% of employees worried about money in **June 2020**

% of employees worried about money in **December 2019**

A similar number say that employers should be doing more to address financial insecurity

65%



## The impact on work:



**Presenteeism**  
Working hours a week are lost on money worries



**Absenteeism**  
Additional sick days taken a year per financially stressed person

**Productivity**  
Money worries make it



more likely people don't finish daily tasks

**Employee Relations**  
People with financial stress are



more likely to have troubled relationships with coworkers

A woman with dark hair tied back, wearing a white towel over her shoulder and blue earbuds, is smiling while looking at her smartphone. She is in a gym setting with exercise equipment visible in the background. The image has a blue tint.

## The opportunity for leading employers

Financial wellbeing is complex and context specific. Our feelings, habits, and behaviors towards money are linked to integral aspects of our personality and background, so providing a support system to help employees navigate their money journey can appear impossible or overwhelming.

But it doesn't need to be. There is a critical and unique role that every employer can play in helping their employees become **financially resilient**.

# What is inclusive financial wellbeing?

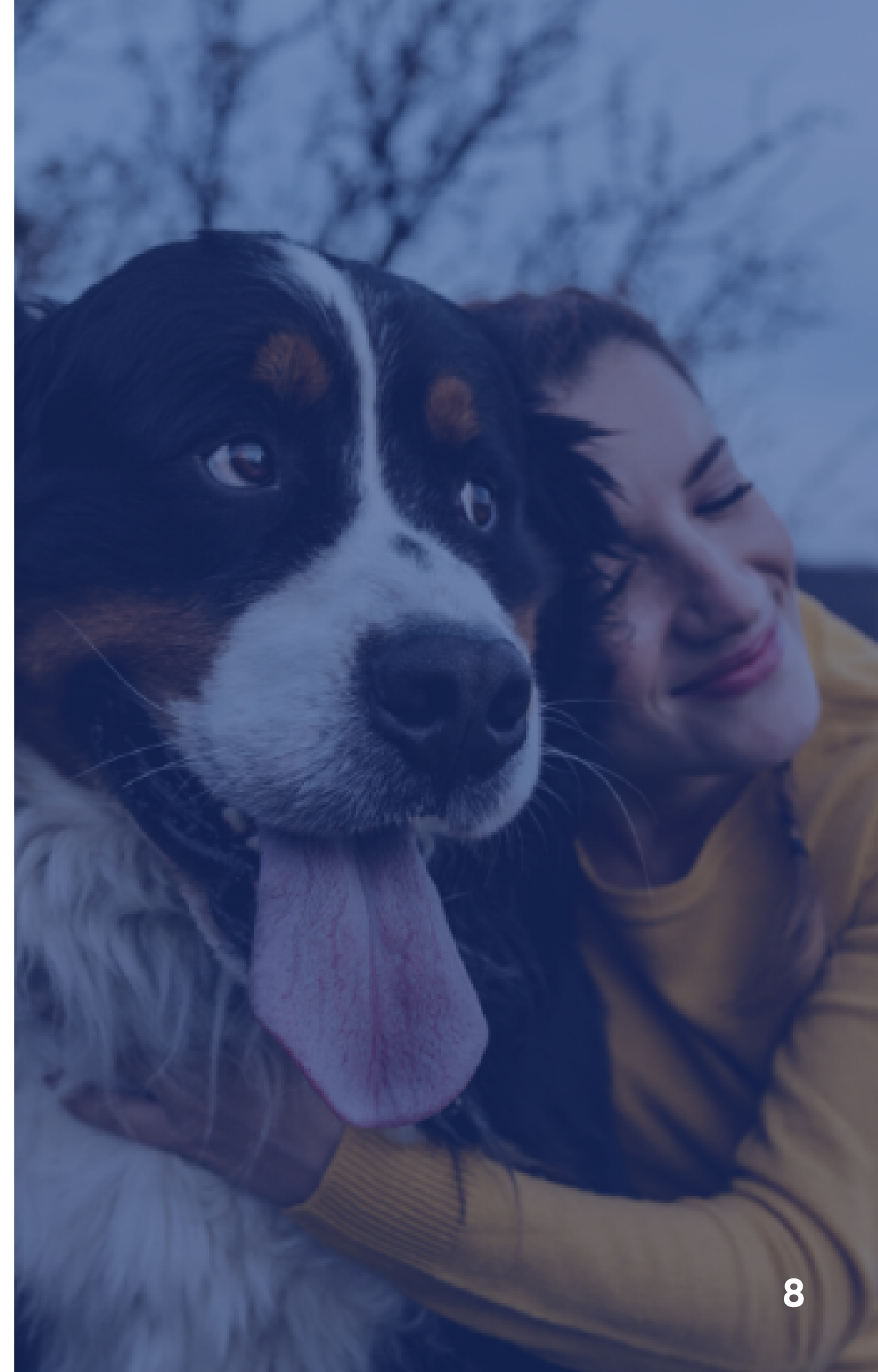
Most employers typically have the long-term covered, with robust retirement saving solutions, and are also starting to address widespread issues like student loan debt as well. These play an essential role in people's financial wellbeing and should not be discounted. However, for the most financially stressed employees, it's the more **urgent financial needs that cause the greatest stress** and have the greatest impact on all our daily lives. Without fixing today's stressors, it is difficult for people to realize their potential financial wellbeing and focus on the long-term.

These daily stresses could be anything from covering an unexpected expense, such as a car breaking down, to someone getting sick or losing a job.

To meet these needs, an inclusive financial wellness program should always include support to secure the present (like help avoiding or paying off high-cost debt) alongside products that help people improve their financial future.

<b>Secure your present</b>	<b>Dealing with a crisis</b> (ex. access to affordable credit, emergency savings accounts) <b>Managing existing debt</b> (ex. debt consolidation, credit counseling, EAP) <b>Getting organized</b> (ex. financial education, budgeting tools, calculators)
<b>Improve your future</b>	<b>Setting a new goal</b> (ex. investment advice, financial coaching) <b>Preparing for retirement</b> (ex. retirement planning, will writing services)

**Financial wellness** →





## Examining the stigma of borrowing

The reality is: your most financially distressed employees -- those who are most concerned about securing their present -- are paying much more than they should to access the same capital that those without financial issues do.

Whether it's to pay for necessary household bills, or to cover emergency expenses, **these employees are forced to turn to high-cost financial options**, like high-interest credit cards, payday loans, or other unsecured debt. HR leaders are beginning to recognize this: Buck's 2020 Financial Wellbeing and Voluntary Benefits Survey found that 66% of HR leaders' primary motivators for addressing financial wellness is related to credit card debt / score. 40% say the ability to absorb a financial shock is a primary motivator, a number that's doubled since the 2017 survey.

"Borrowing" doesn't have to be a dirty word: we all know that some debt is good. A mortgage, a credit card you use but pay off each month-- these are financial tools that help you build your credit history and show that you're worthy of more credit if and when you need it. The problem is, many working Americans are forced to borrow at much higher rates over shorter time periods, which puts them in a vicious cycle of debt versus helping them escape it and achieve financial stability.

66%

of HR leaders' primary motivation for addressing financial wellness is related to credit card debt / score

40%

say the ability to absorb a financial shock is a primary motivator

Source: 2020 Financial Wellbeing and Voluntary Benefits Survey (Buck)





# Culture & benefits go hand-in-hand

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It's important to focus concurrently on both the culture of your company and the financial wellness benefits the organization is offering. This will ensure your organization can help employees build financial resilience in the short, medium, and long-term.

## **Eradicate shame**

### **Culture and community**

Culture and community are the beating heart of your strategy. Removing the money stigma and encouraging people to talk and share their stories will help people realize they're not alone.

## **Enable financial freedom**

### **Action-oriented benefits**

The right financial wellness benefits will help you to not only de-stigmatize financial stress, but also to allow people to take action that can begin to move them from being financially disadvantaged to being in control of their money.

## Live your values

Over the last decade, companies have realized the importance of identifying and enacting internal values. These values can't just be printed on a wall or company handbook and occasionally looked at – they need to reflect everything an organization says and does, especially in this new era of increased visibility.

Internal initiatives are often developed with good intentions but can easily come undone when they're not underpinned by change that comes from the heart of the company. They end up being seen as 'purpose-washing' and never drive forward any real change.

Your organization's values should be the foundation on which you base your financial wellness program. As a starting point, you could create a mission statement that allows you and senior leadership to understand why you're doing what you're doing.

A photograph of a man in a white t-shirt and climbing harness assisting a young child on a climbing wall. The man is leaning over, holding the child's hands as they reach for a hold. The child is also wearing a harness and looking up at the man. The background is a climbing wall with various holds and ropes. The image has a blue tint.

## An example financial wellbeing mission statement:

**“We’re committed to ensuring that our employees are financially healthy. We understand the importance that financial health can have in supporting other elements of wellbeing and shaping the lives of our employees both inside and outside of work.**

**We believe it is our responsibility to do what we can to ensure that the people who choose to work for us are well. We understand that the responsibility for financial health does not solely rest with us as an employer, but we choose to work collaboratively with our employees to ensure their financial health is prioritized.”**

# Our journey is not their journey

**Sheryl Simmons, CEO and Founder, 3flightsHR**

As business leaders, we've now spent months immersed in our pandemic new normal. We've shifted, shorthanded, shutdown, and sheltered. We've worked through contingency plans, PPP paperwork, FFCRA legalities, PPE invoices, and Googled a laundry list of new acronyms as we tried to flatten the curve and keep our businesses afloat.

We've stayed in touch with our employees, made sure we've asked them, "How are you doing?" We truly care. We're relieved when they tell us they're hanging in there, they're doing fine, they're ready to come back to work.

For many of us, we switched to working from home, grateful to still have an income. That income gives us means to secure housing, the ability to have our groceries delivered, continue to auto-pay our utilities, get prescriptions filled. We just need to be careful with our money.

For many of us, we still have several years – if not decades – until retirement. We're in good health. Most of our kids are grown. We may have a spouse or partner working from home with us, helping to keep this new normal running.

“

**What am I going to do?.**

The car won't start. Buses aren't running my route anymore.

Why didn't I tarp the roof before now? Is the laundromat an essential business? Maybe I can use the sink..

”

We're fortunate to have reliable transportation. Our homes aren't in need of critical repairs. Our appliances are relatively new. When we need clean clothes, we head to the laundry room to throw in a load.

Yes, we're stressed about the market, revenue declines, disappearing sales pipelines, how to reopen or stay open while keeping our employees safe. We've curtailed all but essential spending as we reserve cash to weather the storm.

But at the end of the day, we know we're going to be okay. Different. Changed. Definitely a little grayer. But we're going to be okay.

Our Journey is Not Their Journey. Ours is tough. Theirs is traumatic. Ours is stressful. Theirs is brutal.

Acknowledge both the immediate and long-term effects this pandemic is having on employees' emotional health. Provide resources, over-communicate benefits, stay connected, and listen deeper than surface conversations

If we don't, we need to remove that core value vinyl from the wall. Vinyl doesn't buy food. Empty words don't pay PTO. Posturing doesn't connect employees to EAPs, unemployment links, and food banks.

**But servant leaders do.**

**"How are you really doing?"**

**How can we help you through this?"**

**Act. Meet your people where they live**

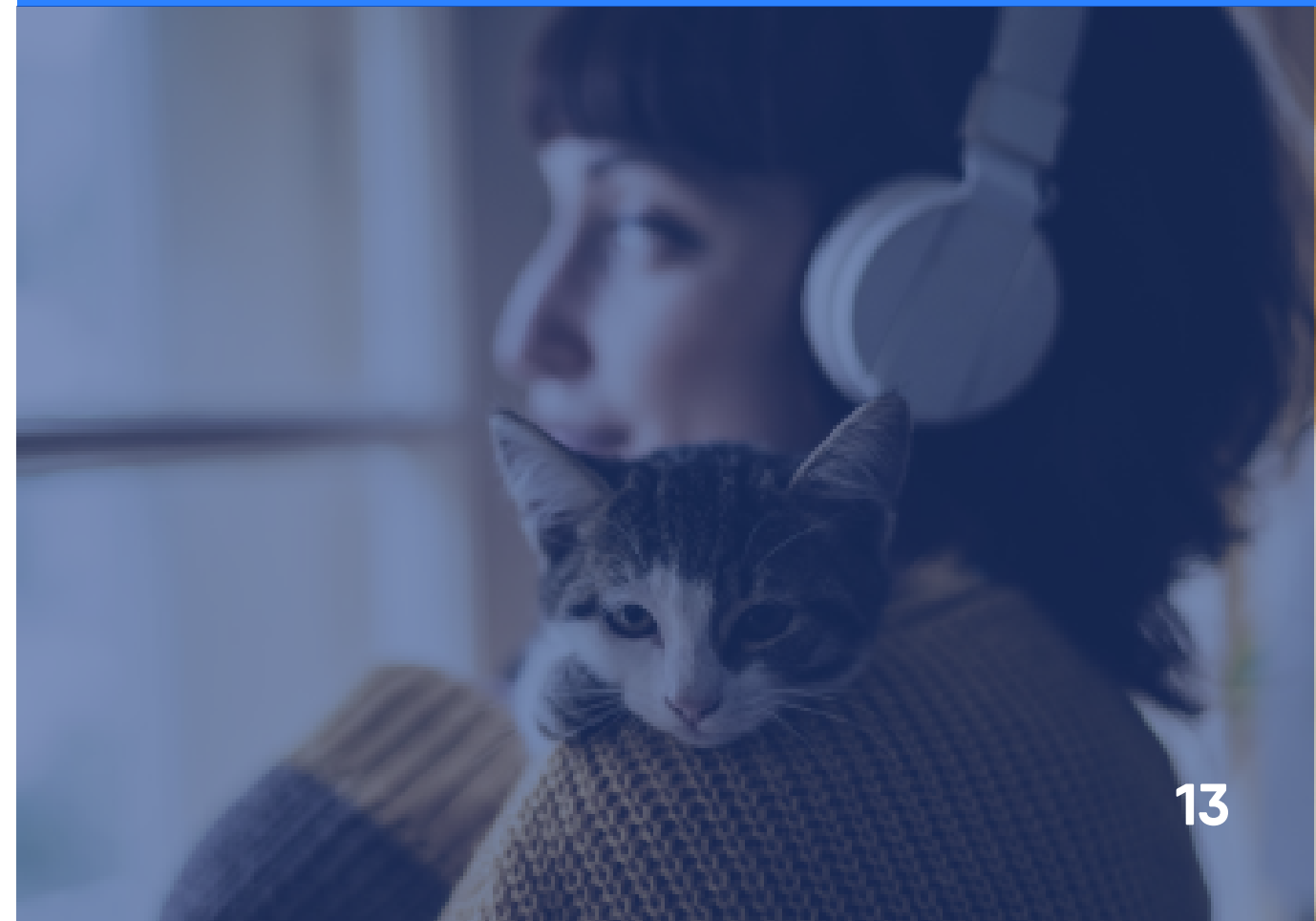
Originally published on [3flightsHR.com](https://3flightsHR.com)

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## I've been laid off.

My company closed. The unemployment website is still down. Rent was due last week, so were utilities. I have \$50 for groceries and no one to watch the kids while I go to the store. How do I get diapers? Formula?

”



# Culture change: top-down or bottom-up?

When it comes to implementing a successful financial wellness program, buy-in from senior leadership is a critical part of the process. It's important to ensure they are bought into the business case, but if you don't win hearts and minds as well, little will change from a cultural perspective and your program will end up being a "tick the box" exercise..

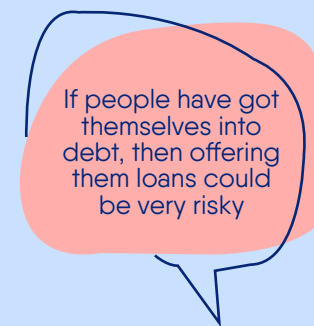
We might like to think of ourselves as rational beings, but **we're predominantly emotional.** We're motivated to drive change forward when we feel a connection to something and a sense of purpose - true change comes when it's heartfelt.

We also all have unconscious biases that feed into the way we think, feel, and act. When speaking to people who have high levels of financial wellbeing (who may not be as "in touch" with the real issues their employees are facing), it's easy for them to assume the following:

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We're motivated to drive change forward when we feel a connection to something and a sense of purpose.

”







## Lead from the top & create connections

The goal is to create opportunities for senior leaders to connect with everyone across the organization. Open and vulnerable leaders send a message of encouragement to those who might be struggling with shame or embarrassment.

1

**Find a financial wellness champion**, preferably within the senior leadership team, that is motivated to drive the program forward and openly advocate for it in interactions with team members. There are probably some senior leaders in your organization, perhaps someone who came from a disadvantaged background and had to overcome their own money struggles. It's likely they will quickly see the benefits of implementing a financial wellness program, and being open about their own experiences will help employees to see it through a new lens.

2

Encourage your financial wellness champion and other senior leaders within the organization to **share their own money stories**. They could share their story during a team meeting, via a lunch'n'learn style webinar, or via a short recorded video or blog post.

3

Getting senior leaders to endorse the program is important, but they also need **to continue to show up**. Ask senior leaders to drop in on employee represented steering groups or contribute to internal social media channels regularly to keep visibility up.

4

Look at ways for **senior leaders to connect with employees** more closely. This could be anything from encouraging participation in social events like virtual happy hours to matching senior leaders with individual contributors on other teams for informal coaching and mentoring.

## Creating a culture of openness around money

Not everyone is going to want to talk about money. The objective isn't to force people to talk about something they don't want to, but to let employees know:

- 1 It's okay to talk about how you feel in general, which includes talking about money if and when you want to.
- 2 You will not be judged by the organization. We will not tolerate judgement about how you manage your own money.
- 3 We don't have all the answers, but your financial wellbeing is important to us and we want to help empower you.



A photograph of two women sitting at a table in a restaurant, smiling and talking. The image has a blue overlay. A large orange number '4' is overlaid on the left side of the image. The text 'Ways to create an open culture' is overlaid on the right side of the image.

# 4 Ways to create an open culture



# Encourage action

Any effort at de-stigmatization should encourage action. Many mental health campaigns have been successful in encouraging people to speak-up, but have fallen short because once people do, the process of getting help is long, unhelpful, or even nonexistent. Consider what help and advice is available both inside and outside your organization that you can direct people to in a clear and consistent way.




# Ensure there is manager training and buy-in

Managers can make or break culture change. Even if there is senior-level buy-in, if managers aren't on board or familiar with the program, then it becomes very difficult to fully embed. Ensure managers understand the purpose behind the program, the details, timing, and, most importantly, have really 'bought into' it and want to actively drive it forward. Give managers proper training and the freedom to ask questions, give feedback, and contribute to shaping the program. They know their teams better than anyone.




# Create employee resource groups (ERGs)



There may be employees in your organization who want to be part of leading financial wellness initiatives, and they should be encouraged to become advocates. Resource groups will be more successful if you have a mix of employees from different parts of the organization, as well as at a variety of seniority levels. Done right, these groups will set the agenda and drive your culture forward.

# Consider financial wellness advocates




Financial wellness advocates, if developed properly, could be a game changer for enabling culture change. They will be the 'go-to' person for anyone who is going through any form of financial stress. Your employees want to talk to someone they trust who isn't going to judge them. These people don't necessarily need formal training, but they do need to understand your organization, be a great listener, and know how to direct employees to the resources and benefits available. Make sure you have considered the role of a financial wellness advocate and how it fits alongside your Employee Assistance Program (EAP) if you have one.

# Encourage sharing personal stories

People engage in things they are involved in building, and finances are a matter of the heart, not only the head. If you can encourage people to share stories and talk more freely, you will be helping to remove the stigma around financial health and enable employees to move from a place of fear to a place of confidence. Perhaps you could facilitate some conversations between employees from across the business? These types of connections create links and help to focus on the commonalities we share rather than exacerbating our differences. A few ideas to consider:

- 1** Encourage blogging - stories can be shared at company events, meet-ups, on team-wide emails and at meetings of employee resource groups. They can even be shared anonymously at the beginning to build trust.
- 2** Create an internal hashtag or channel - this could be effective if you have an enterprise social network such as Slack, Yammer, or Workplace. Employees can discuss financial wellness, as well as share advice and tips.

# Bring in inspirational and expert speakers



Listening to a speaker is a great way of bringing a story to life. They can share stories, tips, and generic advice on financial wellbeing. Your speakers could include inspirational employees, senior leaders, or an expert on financial wellness. High-quality filming allows an event to be live streamed or viewed via video playback, giving the potential to reach more employees.



# ABOUT SALARY FINANCE

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Money is a scary topic for many people.

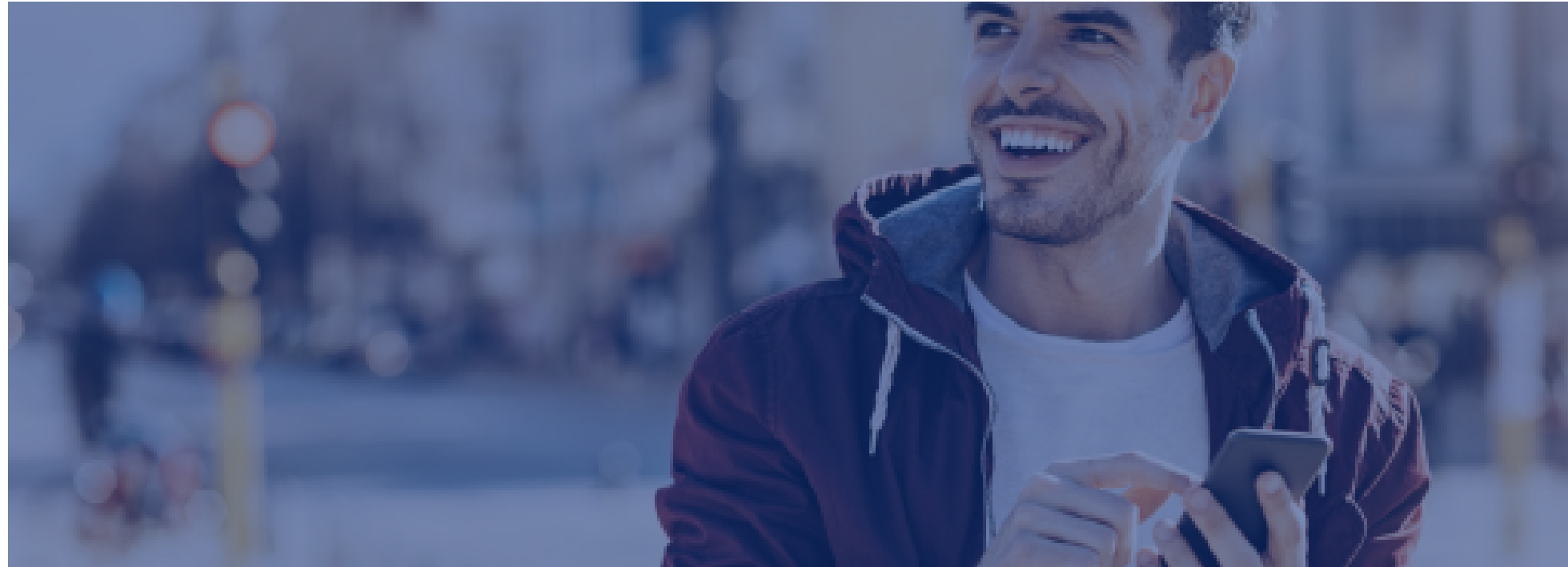
Salary Finance exists to make money simple. We partner with employers to help their people take control of their money, rather than have it control them. In doing so we aim to help people across the globe live healthier, happier financial lives.

Founded in 2015, we combined our passion for social purpose with an incredible knowledge for disruptive fintech. In five years we have grown from three founders with a compelling idea and lots of drive, to a team of nearly two hundred, operating in the UK, the US and India.

The problem we're tackling is real. This stress has a negative impact on mental health, relationships, and performance at work.

For employers, the effects are felt through increased absenteeism and presenteeism, reduced productivity, and lower retention.

We feel privileged to have won Business in the Community's 2018 **'Responsible Small Business of the Year Award'** and will always continue to put social purpose at the heart of our business strategy.



## GET IN TOUCH

**Did you find this useful?  
We want to know!**

We have a dedicated team of financial fitness experts that are here to answer any of your questions about building and implementing a financial wellness program

Email us: [hello.us@salaryfinance.com](mailto:hello.us@salaryfinance.com)

Follow us on Instagram: [@salaryfinance](https://www.instagram.com/salaryfinance)



Responsible Small  
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