



DEBT AND MENTAL HEALTH IN THE WORKPLACE

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The causes of mental health issues are many and varied, but wellbeing experts will say that debt and mental ill-health often go hand-in-hand.

The logo for Equifax, featuring the word "EQUIFAX" in a bold, white, sans-serif font with a registered trademark symbol, set against a dark red background.

“The UK is facing a mental health challenge at work.”

Author

Mark Bratley
Business Development Director

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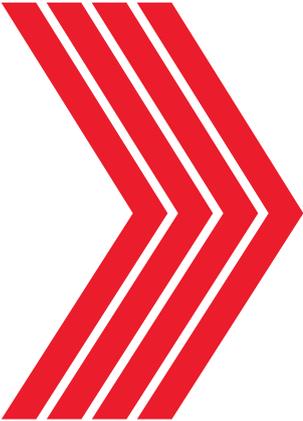
Introduction

Wellbeing at work has often focused on physical illness, with less thought spent on the less visible issue of mental health. And the fact is that there is still a stigma attached to mental health issues, which leaves people feeling isolated and unable to talk to anyone about their condition. This culture of fear and silence not only creates a vicious circle that can make mental health worse for employees, it also costs employers in lost talent and productivity.

A recent independent government review, ‘Thriving at Work’,⁽¹⁾ stated that ‘the UK is facing a mental health challenge at work’. It discussed the human cost of mental ill health at work, as well as the negative impacts on society, the economy and government. But it also highlighted the role employers can play in creating healthier workplaces that support staff and recognise mental health as a priority.

The causes of mental health issues are many and varied, but wellbeing experts will say that debt and mental ill health often go hand-in-hand. People can slip into debt as a result of their mental illness. The stresses and strains of financial worries could mark the start of mental health issues for others.

Equifax commissioned YouGov to conduct a piece of research amongst working people to understand the connection between debt and mental health issues. This white paper looks at the results of that research, as well as other independent analysis, to provide insight into the challenges facing employers – and their employees – when it comes to the impact of debt on mental wellbeing.



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How do money worries affect mental health?

It may not seem like a logical connection, but money and mental health often sit side by side.

In the YouGov study commissioned by Equifax in 2017,⁽²⁾ over a third (38%) of people who work said that money worries have stopped them from getting a good night's sleep. This makes it easy to see how financial hardship can lead to stress and other mental health issues.

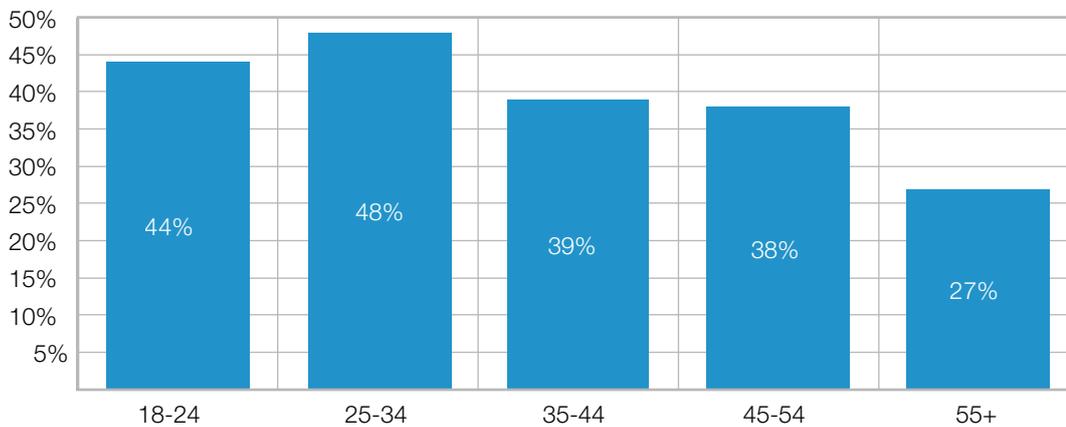
And, according to the YouGov research, it appears that women are more likely to have stayed awake worrying about money (44%), compared to 34% of men.

When it comes to age, 25- to 34-year-olds are most likely to have sleepless nights because of financial concerns (48%), followed by 18- to 34-year-olds (44%). In contrast, only 27% of over 55s sit up at night worrying about money.

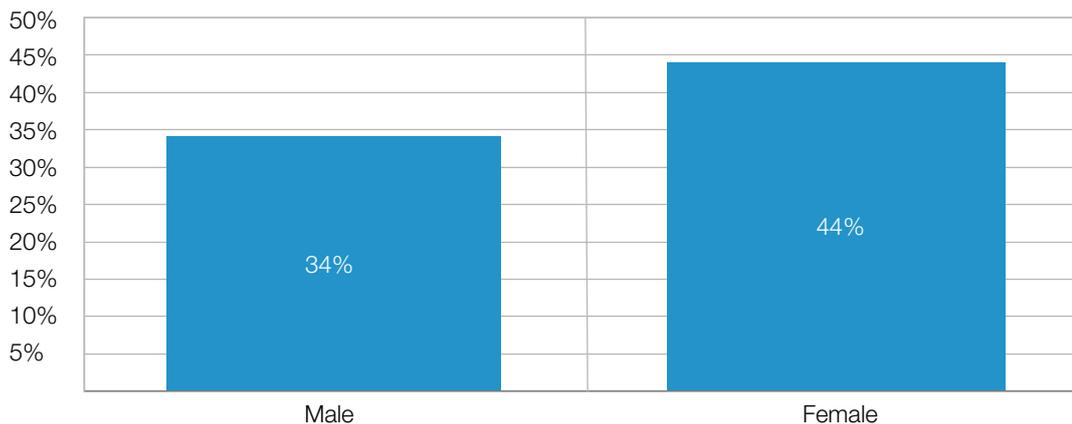
Money worries keeping people awake

Worrying about money (e.g. being able to pay the bills, being able to afford new purchases etc) has stopped me getting a good night's sleep.

Results by Age



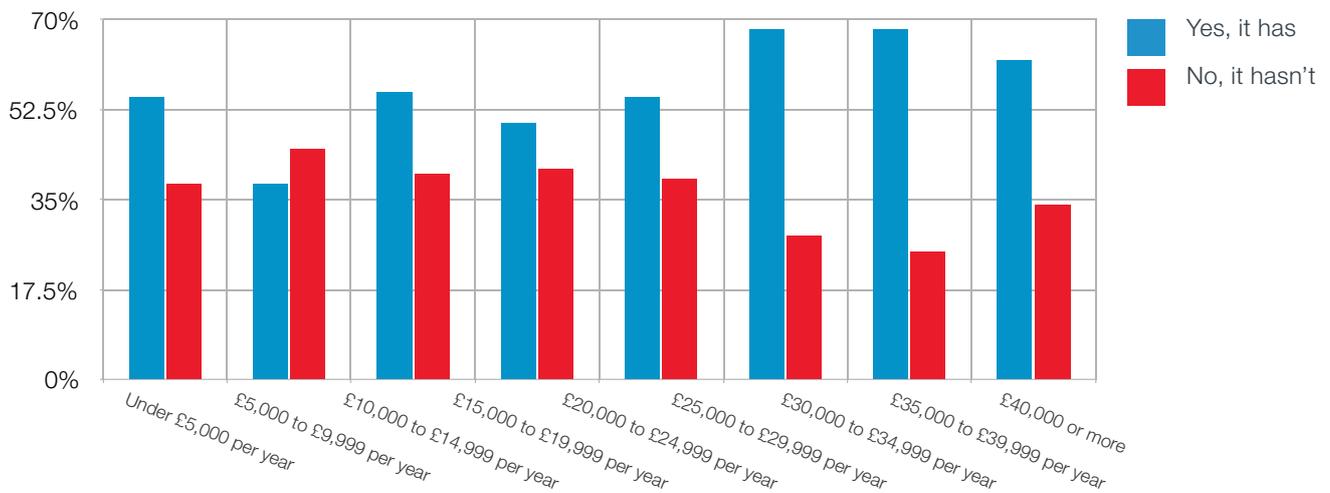
Results by Gender



Has struggling to get a good night's sleep ever had a negative impact on work performance?

The YouGov study commissioned by Equifax also shows that sleeplessness has the biggest impact on workers earning between £30,000 and £39,999 per year, with 68% of this group saying it affects their performance at work.

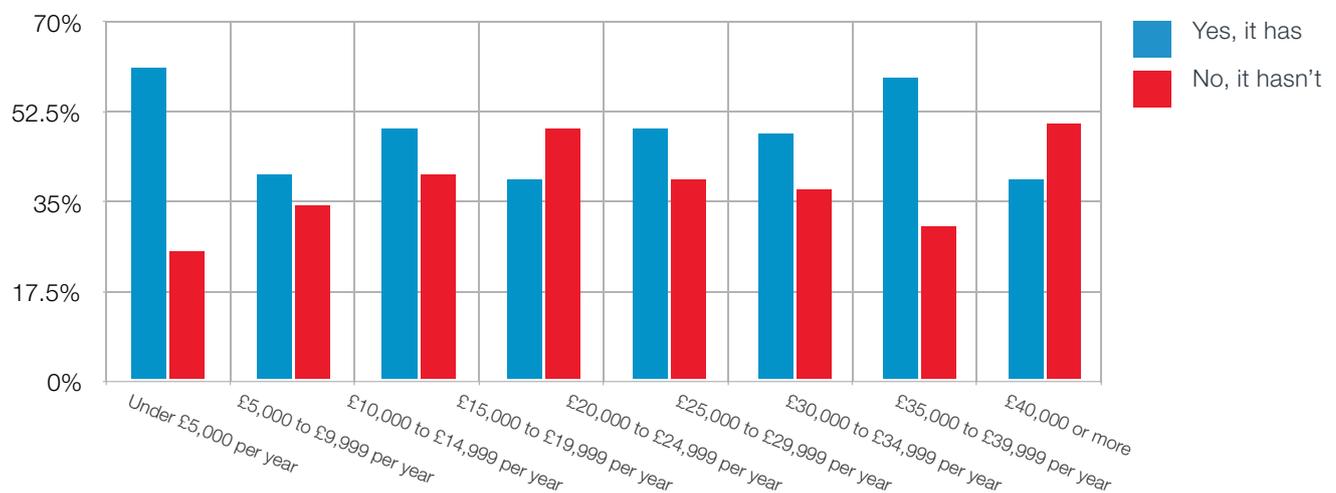
68% of workers earning £30,000-£39,999 say lack of sleep affects work



Has struggling to get a good night's sleep ever had a negative impact on physical health?

When it comes to their physical health, sleeplessness has had an impact on 49% of workers, but this has the biggest impact (61%) for some of the lowest earners, who earn from £5,000 to £9,999 per year.

People earning £35,000 to £39,999 per year also report an impact of sleeplessness on their physical health (59%), followed by those earning £15,000 to £19,999 per year and those earning £25,000 to £29,999 per year (49%).

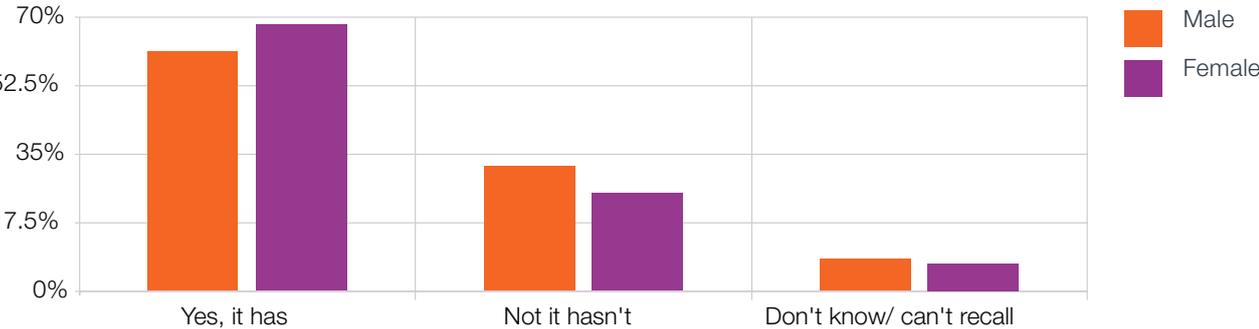
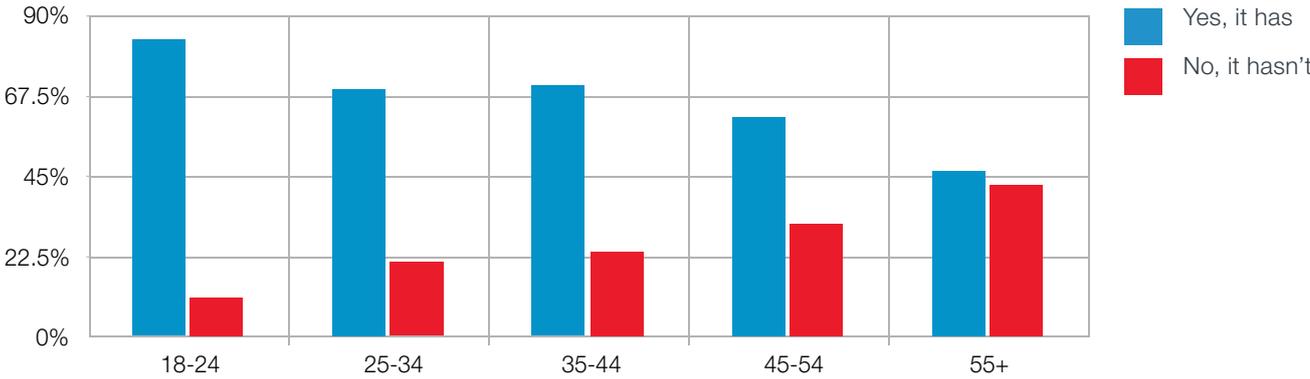
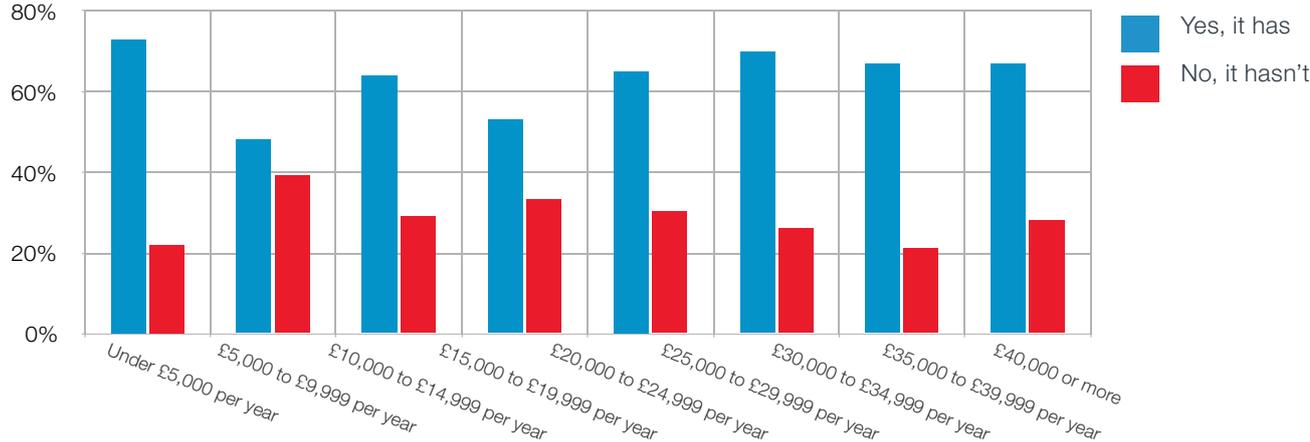


Has struggling to get a good night's sleep ever had a negative impact on mental health?

However, it is mental health that is really impacted by sleeplessness. According to the YouGov research it has affected the mental health of 64% of workers in Britain, with those earning between £5,000 and £9,999 per year most affected (73%), followed by 70% of those in the £30,000 to £34,999 wage bracket.

Over half of all people surveyed believe that struggling to get a good night's sleep has an impact on their mental health.

It is the youngest age group – 18-24-year-olds - that appear to be the hardest hit mentally by struggling to get a good night's sleep. And women appear to suffer more than men, according to the Equifax commissioned research.



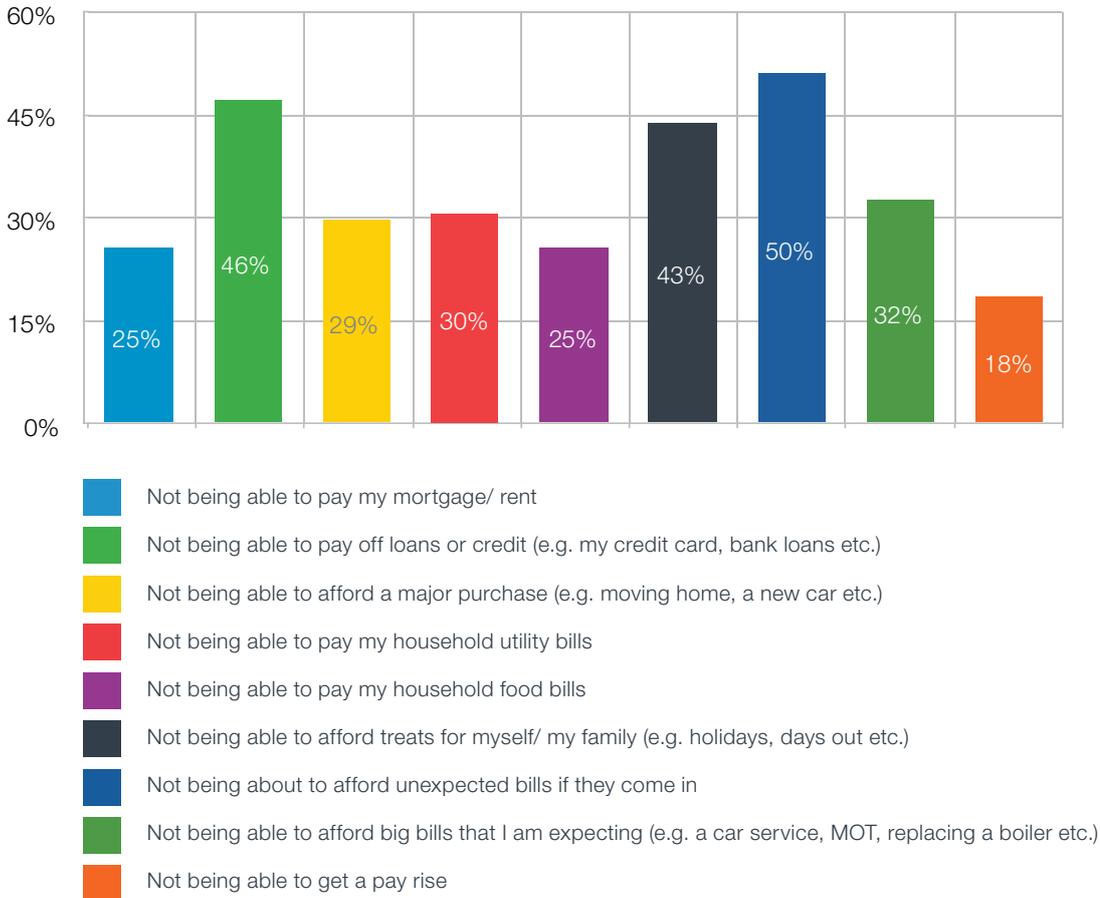
Debt and mental health – a vicious cycle

Money and mental health can be locked in a vicious cycle.

Someone who is already living with mental health issues may find it harder to manage their money. This could be due to impulsive decisions during periods of mania. Some people may spend money to make themselves feel better, potentially leading them into spiralling debt which, in turn, could make mental health conditions worse. Money worries can lead to increased stress, anxiety or even depression, with the added pressure of trying to keep everything together at work.

Amongst the money worries that keep employees awake at night, the YouGov research commissioned by Equifax shows that being unable to pay unexpected bills was the top concern (50%). Being unable to pay off loans and credit cards is the top worry for 46% of employees, with a further 30% having worried about paying their utility bills. And about a quarter (25%) worry about not being able to pay the rent or mortgage.

What money worries keep you awake at night?



The potential impact of debt as a result of redundancy is, of course, a key issue that employers must address. According to figures from the Royal College of Psychiatry,⁽³⁾ one in seven men develop depression within six months of losing their job. But, regardless of gender, lots of people define themselves by their job, so losing that focus puts an emotional strain on someone, on top of the financial pressure.

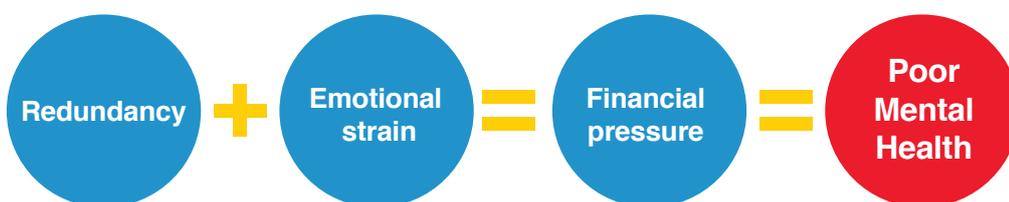
The debt and mental health connection

Citizens Advice has also found that debt is a particular problem for the people it supports who experience mental health problems. A third of those need advice on debts, compared to a fifth of all the general UK population it helps.⁽⁴⁾

Almost a third (31%) of those with mental health problems turning to Citizens Advice are finding it difficult to manage financially, compared to less than 12% of the general UK population. And more than two thirds (67%) have needed advice on multiple debts in the same year, compared to less than half (45%) of people the charity helps who don't have mental health problems.

These findings follow a report by the Money and Mental Health Institute,⁽⁵⁾ which revealed that mental health professionals feel they have to tackle urgent practical issues before they can focus on their patients' mental health. Some tasks that mental health professionals need to do include phoning or writing to creditors, giving practical advice about budgeting and managing debts, and filling in benefits paperwork. This shows just how complex the connection between money worries and mental health is and also how this can impact problems at work, which therefore could be a concern for employers.

The Citizens Advice figures also show that those it helps with mental health issues who need advice on multiple debts in a year are most likely to have problems with prioritising debt, such as rent or council tax. This puts them at greater risk of eviction, visits from bailiffs or being cut off from energy supplies.



In the report Gillian Guy, Chief Executive of Citizens Advice, said, "Practical advice and support can be invaluable to people's financial and mental wellbeing, but this burden should not fall on mental health professionals who are already overstretched."

What is the scale of the mental health issue in the UK?

According to the 'Thriving at Work' report commissioned by Theresa May, there are more people at work with mental health conditions than ever before.⁽⁶⁾ This recognition should be a cause for celebration because it means employers are better at understanding the mental health challenges faced by workers and devising solutions to ensure those individuals are supported and encouraged in the workplace.

However, the data shows that 300,000⁽⁷⁾ people with long-term mental health problems lose their jobs each year, which is around double the rate of those without a mental health condition. In addition, the rate of job loss is much higher for those with mental health conditions, compared to people with physical health conditions.

- 3% of employed people with no long term mental health conditions lose their jobs after just one quarter
- This increases to 4% for those with constant long term physical conditions
- And increases further to 6% for those with constant long term mental health conditions

Source: Thriving at work. The Stevenson / Farmer review of mental health and employers.

Mental health is one of the biggest causes of sickness absence in the UK. And whilst the overall rate of sickness absence has fallen by 15%-20% since 2009,⁽⁸⁾ absence due to mental health issues has risen by around 5% in the same period.⁽⁹⁾ Additionally, people living with a mental health condition are two to three times more likely to take long-term sickness absence.⁽¹⁰⁾

'Presenteeism' is another factor for employers and their staff. Staff with mental health issues often hide their illness and then feel pressure to come into work, even when they are unwell – a trend known as 'presenteeism'. The result is a loss of productivity which can even make an individual's condition worse.

Whilst the amount of sick days taken off for all sickness is lower than a decade ago, studies show⁽¹¹⁾ that 'presenteeism' is on the increase and this undoubtedly must be a cause for concern for employers,⁽¹²⁾ especially as the UK's productivity issues continue to hit the headlines.

Absence due to mental health issues has risen 5% in 8 years

Chapter 4

Counting the cost of mental health at work

The 'Thriving at Work' report, published in October 2017, reported that mental health costs employers between £33 billion and £42 billion,⁽¹³⁾ with 'presenteeism' representing over half of that cost.⁽¹⁴⁾ Absence due to sickness and the associated costs of staff turnover also put pressure on employers, with lost output estimated to cost between £37 billion – not bill and £52 billion per year.

Added to that, the government bill is between £24 billion and £27 billion,⁽¹⁵⁾ covering benefits, lost tax revenue and NHS care for mental health patients. And the total cost of poor mental health to the economy is between £74 billion and £99 billion⁽¹⁶⁾ per year, underlining the need for this issue to be tackled.

Crucially, the human cost of poor mental health is huge. Issues range from lack of sleep to anxiety and struggling with low confidence and an inability to concentrate. These can impact an individual's behaviour at home and their performance at work. Add to this the social stigma of mental health issues, and people can feel isolated, making them withdraw from social situations and unable to reach out for support.

Without the right support, people struggling with mental health issues could face financial challenges too, which is how money and mental health are interlinked.

Chapter 5

Starting the conversation about mental health

Figures from the Deloitte UK report,⁽¹⁷⁾ published in March 2017, show that around 72% of workplaces have no mental health policy, which suggests that the majority of employers are unfortunately failing to monitor or assess the mental health of their workforce. Yet they are in a position to really make a difference.

According to the Mental Health at Work 2017 Report,⁽¹⁸⁾ published by Business in the Community, there is a recognition of the need to address mental health in the workplace. The organisation's second National Employee Mental Wellbeing Survey, conducted in partnership with YouGov, found that three out of every five employees (60%) had experienced mental health issues in the past year because of work. While more people were comfortable talking about mental health at work than in 2016, just 13% felt able to disclose a mental health issue to their line manager.

The report identified that mental health is still one of the most difficult subjects to talk about at work, with just over half of all employees (53%) feeling comfortable talking about mental health issues such as depression and anxiety at work.

It seems that even when it comes to firms that do want to take steps to help staff, employers often don't know where to start, with line managers not having the training they need to feel confident offering support. It can be difficult for managers to know the difference between someone having a stressful day or week and someone who is struggling with mental health problems.

Indeed, the Business in the Community report underlined this challenge, with 91% of managers who responded to the YouGov survey agreeing that what they do affects the wellbeing of their staff. However, less than a quarter (24%) of managers said they have received any training in mental health. Nearly half (49%) said they would welcome some specific basic training in mental health.

The silver lining is that, although about one in four adults⁽¹⁹⁾ in the UK is experiencing some kind of mental health problem, these problems can be mitigated with the right help and support. The vast majority of people who have experienced mental health issues continue to work or return to work. Crucially, employers have a role to play in creating a positive workplace that offers a safe space for staff by having good processes in place.

Employers who manage to focus on some of these elements can enhance the wellbeing of their organisation and have a positive influence on their staff by creating an open and supportive environment that ends the silence on mental health.

One size doesn't fit all

There is no one size fits all solution when it comes to employers offering support to staff, but organisations can improve the general wellbeing of their workforce. Studies have identified several key factors which make up core mental health standards. These include:

- developing mental health awareness among employees
- encouraging open conversations about mental health and the support available when employees are struggling
- providing employees with good working conditions and ensuring they have a healthy work-life balance and opportunities for development
- promoting effective people management through line managers and supervisors
- routinely monitoring employee mental health and wellbeing.

Support resources

Recognising the link between mental health and money, Mental Health UK has launched the first dedicated advice service (www.mentalhealth-uk.org) that addresses these problems together.

The Mental Health and Money Advice Service combines support for people with mental illness who are struggling with their money, as well as those whose money problems are affecting their mental health.

The recent research from Mental Health UK of over 1,500 professionals and people affected by poor mental health highlighted the need for specialist support.⁽²⁰⁾

Of those surveyed, nearly nine out of ten (87%) wanted answers to mental health and money questions. Almost eight out of ten (78%) wanted this information provided on a website while half of respondents (49%) wanted to speak to a trained member of staff over the phone.

“Money problems and mental health issues like anxiety and depression can create a vicious cycle where problems can spiral. At its worst this can lead to debt, family breakdown and even homelessness.”

Brian Dow, Managing Director of Mental Health UK

How can employers empower employees through access to their credit information?

Equifax provides services that employers can offer to employees to help support debt management. These services can form part of an employer's employee benefits scheme.

Equifax Protect

Equifax Protect helps employers safeguard the financial wellbeing of employees by providing support when they need it most. It helps individuals to understand their credit history, keep track of their current credit agreements, understand the factors that can impact their ability to get credit, and get an indication of how creditworthy lender might find them. It also enables them to stay alert to the dangers of identity fraud, by monitoring websites that are frequented by fraudsters.

Equifax WebDefend

Equifax WebDefend gives individuals peace of mind by searching the web and alerting them when their personal information may be at risk of fraud.

The [Equifax Knowledge Centre](#) also provides a wealth of useful information that employees can access on a wide range of issues, including loans and credit, debt and money management, as well as identity protection.

About Equifax

Equifax Inc. (Equifax) is a global information solutions company that uses unique data, innovative analytics, technology and industry expertise to power organizations and individuals around the world by transforming knowledge into insights that help make more informed business and personal decisions.

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Equifax Limited is authorised and regulated by the Financial Conduct Authority.

- ¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/658145/thriving-at-work-stevenson-farmer-review.pdf
- ² All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,044 adults, of which 1,113 were workers. Fieldwork was undertaken August 2017. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).
- ³ <https://www.rcpsych.ac.uk/healthadvice/problemsanddisorders/depressionmen.aspx>
- ⁴ <https://www.moneyandmentalhealth.org/integrated-debt-advice-press-release/> and <https://www.citizensadvice.org.uk/joining-the-dots-integrating-practical-support-in-mental-healthcare-settings-in-england/>
- ⁵ <https://www.moneyandmentalhealth.org/integrated-debt-advice-press-release/>
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- ¹⁷ <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/public-sector/deloitte-uk-workplace-mental-health-n-wellbeing.pdf>
- ¹⁸ https://wellbeing.bitc.org.uk/system/files/research/bitcmental_health_at_work_report-2017.pdf
- ¹⁹ <http://healthsurvey.hscic.gov.uk/support-guidance/public-health/health-survey-for-england-2014/mental-health-problems.aspx>
- ²⁰ <http://malg.org.uk/mental-health-uk-launches-first-dedicated-advice-service-mental-health-money-problems/>

Links accessible as of 18/5/2018

Contact details

Phone

0800 085 4156*

Email

ukemployersolutions@equifax.co.uk

Open 9am to 6pm, 7 days a week (excluding 25/26 Dec)