

# Cost of Living Crisis

FINANCIAL STRESS AND  
EMPLOYEE WELLBEING

**Discover how financial stress is  
intrinsically linked with mental and  
physical health.**

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HEALTH



# Wellbeing in crisis



**Harry Bliss**

Co-founder and CEO, Champion Health

The cost of everyday essentials is skyrocketing. Inflation has hit its highest level since the 1980s. A recession is looming. Things are getting tougher – and it's affecting our teams.

In this report, the Champion Health team explore how the cost of living crisis is impacting all areas of wellbeing. By exploring this anonymised data, you will discover what employees across the country are experiencing daily, inside and outside the workplace.

You'll also explore how organisations can help through practical actions and advice from our experts. If you are responsible for wellbeing at work – or are purely passionate about wellbeing – this report is for you.

As you'll discover when reading on, financial wellbeing is intrinsically linked to mental health and physical health. At its most extreme, people experiencing financial stress are twice as likely to experience thoughts of suicide or self-harm. This statistic alone must galvanise employers to act.

Not everything is in our control - but we can help to ease the pressure on those around us. In this report you'll discover some of the actions you can take right now.

Harry Bliss

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## ABOUT THE DATA

The data in this report comprises 2,261 employees, who were surveyed during the period between October 2021 and June 2022. The participants represent a range of demographics and work in a variety of employment sectors. All data was fully anonymised before producing this report.



# The Quick Read

## 5 Key Findings

Short on time? Read these five key findings from the report.

### 1. Finances are a leading cause of stress

34% of employees cite financial pressure as a cause of stress, making it the most common cause of stress outside of work.

### 2. Young employees struggle with financial stress

35% of employees between the ages of 25-34 cite finances as a cause of stress. This is the highest proportion of any age group.

### 3. Female employees have more financial stress

Female employees are 33% more likely to experience financial stress than male employees.

### 4. Financial stress is linked with suicidal thoughts

Professionals experiencing financial stress are **more than twice** as likely to experience thoughts of suicide or self-harm.

### 5. Financial stress stifles work performance

15% of employees report that financial stress affects their productivity at work.

# What is financial wellbeing?

Financial wellbeing is the state of feeling content, comfortable and secure with your financial situation - while having the freedom to choose how you want to live your life.

It's a highly personal state, not fully described by objective measures such as salary. Therefore, every employee can experience financial wellbeing - or a lack of it - regardless of income.

It also encompasses your relationship with money; whether you feel in control of your spending, and how confident you feel about managing your finances. It means feeling assured that you can pay the bills today and deal with the unexpected tomorrow, while staying on track for a healthy financial future.

During the cost of living crisis, it's these feelings that have been absent for many employees, leading to poor financial wellbeing across the board. For leaders, this presents a growing challenge across all levels of your business.

As the definition above shows, financial wellbeing is not purely dictated by how much an employee earns. Therefore, the help leaders can provide is not limited to increasing wages.

As you'll discover throughout this report, there are other practical and affordable steps managers and organisations can take to nurture employee financial wellbeing, during the cost of living crisis and beyond.



## Financial Wellbeing

A state of feeling content, comfortable and secure with your financial situation, while having the freedom to live the life you want to live.

# Money worries: a leading cause of stress

Financial wellbeing is topping the workplace health agenda – and for good reason. Champion's data reveals that financial pressure is the most common cause of stress outside of work for employees.

This means finances have overtaken relationships as the leading cause of stress for employees, when compared with findings from the [Workplace Health Report: 2022](#), published by Champion Health.

# 34%

of employees cited financial pressure as a cause of stress

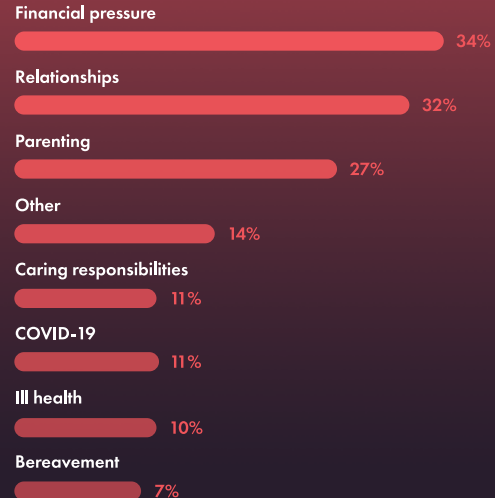
Champion's data also reveals that 71% of employees are currently experiencing moderate-to-high levels of stress. This figure has increased since Champion published the Workplace Health Report 2022.

With nearly 3 in 4 employees reporting moderate-to-high levels of stress, stress management strategies must be at the forefront of the workplace health agenda. With finances revealed as a leading cause of stress, it is clear financial wellbeing initiatives will play a key role in these strategies going forward.

## 71% of employees

are currently experiencing moderate-to-high levels of stress

### Causes of stress outside of work



# Providing signposting and resources



**with Arti Kashyap-Aynsley**

Global Head of Health & Wellbeing  
Ocado Group

Whether your organisation can provide support through the pay packet or not, it's crucial to provide help, signposting and resources to employees.

Start by communicating clearly the benefits your people are entitled to and how they can make the most out of them.

Outline the pension scheme you offer and how your people can best use it to their advantage. If you offer a share scheme, educate your employees on how it works and how they can get the most out of it. If you provide an EAP, encourage your people to make use of the free wellbeing support it provides.

Alongside spotlighting your benefits, you can also provide financial wellbeing coaching, either internally or through partnering with external wellbeing providers.

If you don't currently have the resources to provide financial coaching, signpost towards external services, like the UK government's Money and Pensions Service. They will offer your employees free, confidential and independent money and debt advice.

And wherever you are in the world, you can utilise this [Global Signposting Directory](#) to signpost your people towards free financial wellbeing support.



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# Diving into demographics

Money worries do not impact everyone equally. Champion's data shows that female employees are more likely to experience financial stress compared to their male counterparts.

Female employees are  
**33%**  
more likely to experience  
financial stress

This finding takes on added significance in the context of the gender gap in financial wellbeing that has been observed by numerous researchers. This gap exists in key indicators of financial wellbeing, such as pensions, income and financial engagement<sup>1</sup>.

These areas where the disparities are clearest present opportunities for employers to provide inclusive support which bridges the financial wellbeing gap between male and female employees.

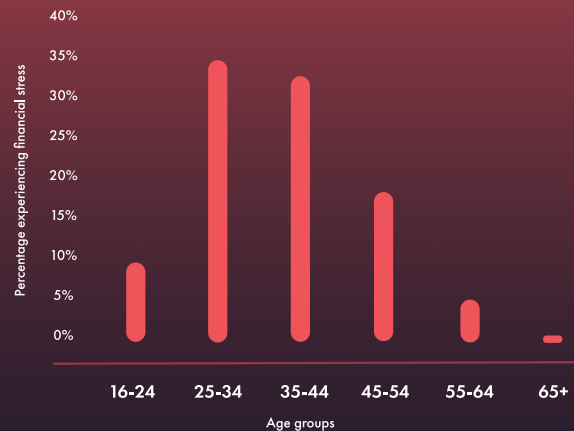
Once the key financial wellbeing challenges have been identified, employers must provide tailored strategies aimed at improving the financial health of their female employees.

Looking at generational demographics, the data shows that employees between the ages of 25-34 are more likely to experience financial stress compared to their older counterparts.

This is no surprise, as research from Deloitte<sup>2</sup> found that finance-related pressures, like job security, are more likely to impact this demographic.

However, research also suggests that younger employees are more likely to seek financial wellbeing support<sup>3</sup>. Therefore, employers have a significant opportunity to support one of the demographics most at-risk of experiencing financial stress.

## Financial stress across age groups



<sup>1</sup> Financial wellbeing for women in the workplace: closing the gap, 2022

<sup>2</sup> The Deloitte Global 2022 Gen Z and Millennial Survey

<sup>3</sup> Aviva's Working Lives Report 2022: The Big Squeeze



# Targeting your support



**with Andy Holmes**

Former Global Head of Wellbeing  
Reckitt

Financial wellbeing disparities between different demographics of your workforce will be exacerbated during this cost of living crisis.

Employers must provide targeted support, to close the financial wellbeing gap between different ages and different genders. To provide this targeted support, employers must first understand the financial pressures facing different employees at a granular level.

With that in mind, organisations need to find ways of collating information on their people's financial wellbeing, either through wellbeing platforms or internal surveys.

Employers must also encourage at-risk demographics to take advantage of available financial wellbeing provisions by tailoring their internal communications. This should be done whilst also ensuring that available support is visible, accessible and stigma-free.

Remember, the demographics that are struggling are also the demographics where you can have the most impact.



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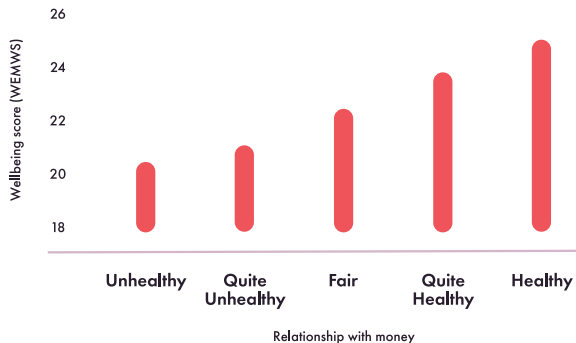
# Financial stress takes its toll on mental health

Our research highlights the connection between financial pressure and poor mental health. As the data on this page shows, symptoms of anxiety and depression are correlated with higher levels of financial stress.

The data also shows a clear link between our relationship with money and mental health. That is, better mental health is associated with a healthier relationship with money.

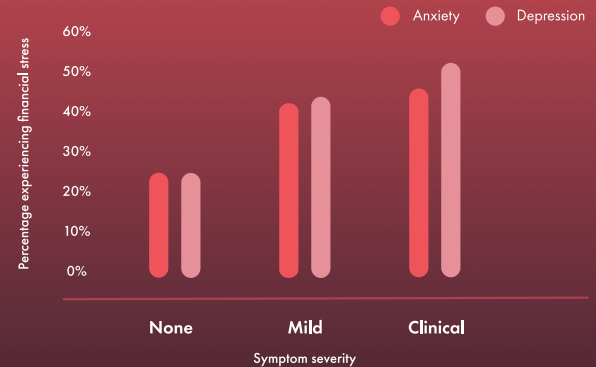
## Mental Wellbeing vs Relationship with Money

The relationship between mental wellbeing (as measured by the Warwick Edinburgh Mental Wellbeing Scale) and relationship with money.



## Relationship between financial stress and symptoms of anxiety & depression

Symptoms of anxiety and depression as measured by the GAD-7 and PHQ-9. Mild symptoms defined as scoring  $\geq 5$ . Clinically relevant symptoms defined as scoring  $\geq 10$ .



If you or someone you know is experiencing financial stress, contact:

citizens  
advice

0800 144 8848

NATIONAL  
DEBTLINE

0808 808 4000

Money  
Helper

0800 011 3797

# Taking on the taboo



**with Laura Dallas**

Head of Product  
Champion Health

Our data reflects external research that demonstrates a clear link between money and mental health. It's therefore no surprise that we're seeing higher levels of poor mental health as the cost of living crisis unfolds.

Like mental health, conversations around money are stigmatised, preventing many from seeking the support they need. This puts the onus on employers to take on the taboo, so that struggling employees can be identified and supported.

You may have already taken steps within your workplace to reduce the stigma of mental health. You'll find many parallels between this process and opening up the financial wellbeing conversation. These include:

- Making sure your people are aware of the financial benefits your organisation offers
- Bringing in senior leadership to share their stories and promote your financial support offerings
- Utilising national campaigns like "Talk Money Week" in your internal communications
- Bringing in external experts to inform your employees (many of us are not taught about mortgages, loans and investment at school)

Simple actions like these will go a long way. By normalising the conversation around money in work, you'll be well-placed to identify and support the employees who need your help.



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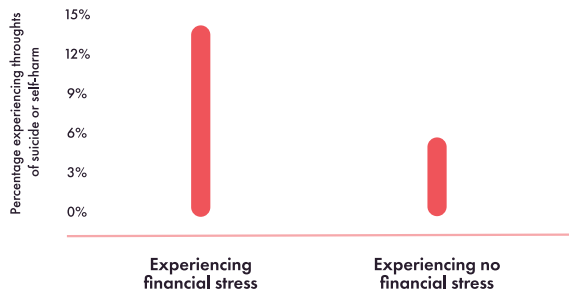
# Financial stress and suicide risk

Champion's data reveals that employees experiencing financial stress are twice as likely to experience thoughts of suicide or self-harm. That's a stark statistic, especially when employees are living through the cost of living crisis.

This data aligns with findings from the UK's Money and Mental Health Policy Institute<sup>4</sup> that those who have recently experienced a major financial crisis are almost eight times more likely to experience suicidal thoughts than those who have not.

## Relationship between suicidal thoughts and financial stress

Employees experiencing thoughts of suicide or self-harm on at least "several days", as measured by the PHQ-9 questionnaire.



<sup>4</sup>The State We're In, Money and Mental Health Policy Institute, 2021

## The CLASS Approach

A 5-step guide to supporting someone who is struggling with their mental health

### Connect

Make time to ask how the person you're concerned about is doing.

### Listen

Allow the person the time to talk things through and listen to what's being said.

### Assess

Assess the situation and consider what support the person could benefit from.

### Support

Make it clear that you're there to help. Explore with the person the support they could access.

### Signpost

Connect the person with services so they can access timely support. Main points of contact include their GP, NHS 111 (if out of hours) and confidential helplines (see below).

If you or someone you know is experiencing suicidal thoughts, contact:



☎ 0800 068 4141  
📞 Helpline for under 35s



☎ 116 123  
📞 24/7 helpline



☎ Text 85258  
📞 24/7 text service

# Suicide prevention



with Harry Bliss

Co-founder and CEO  
Champion Health

In 2018, my friend and mentor took his own life following a short bout of stress. His legacy has driven Champion Health to where it is today and suicide prevention is something that will always be close to our hearts.

We need to act right now because this crisis is already here. As leaders, managers and colleagues, we can all play our part in reaching struggling colleagues and helping them receive the support they need.

You don't need to be a counsellor, GP or financial wellbeing expert to make a huge difference.

To improve financial wellbeing – and improve overall wellbeing as a result – try the following:

- Sponsor and promote your financial wellbeing support offering
- Embed financial wellbeing into your employee pulse surveys
- Ask your people about their financial wellbeing in 1:1 meetings
- Train your team in mental health (there are many cost-effective ways to do this)

By coming together, we can support our people through this incredibly difficult time. In doing so, we can change and save lives.



# The cost to sleep, energy and productivity

Champion's research outlines how financial stress is linked with mental health, and how its impacts vary across ages and genders. It goes further: higher financial stress is correlated with lower levels of sleep quality and energy.

On average, employees experiencing financial stress rate their energy level as 'fatigued'. In contrast, employees experiencing no financial stress rate their energy level as 'energised'.



Employees experiencing financial stress are **fatigued**

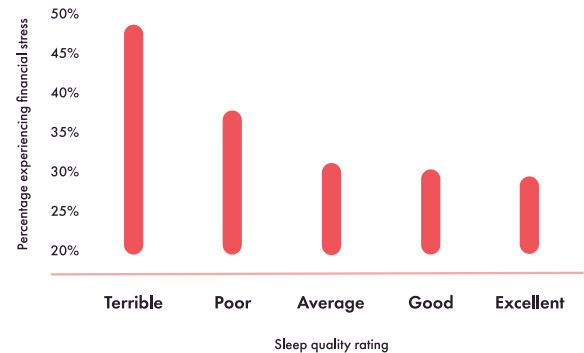


Employees experiencing no financial stress are **energised**

Financial stress is also impacting your people's ability to work at their best, with 15% of employees reporting that financial stress affects their productivity.

This result illustrates clearly the business case for prioritising financial wellbeing. Employers who take action to support their employees' financial wellbeing will reap the rewards - not only in terms of employee health, but also productivity and performance.

## Relationship between sleep quality & financial stress



**15% of employees**  
report that financial stress is affecting  
their productivity

# Embracing holistic wellbeing



**with Nick Davison**

Former Head of Wellbeing  
John Lewis Partnership

This report shows that financial wellbeing is closely linked with many areas of our health, from stress to sleep, mental wellbeing to productivity.

That's why employers must develop and utilise holistic workplace health strategies. Rather than addressing financial wellbeing (or other areas) in silo, these strategies encompass all areas of wellbeing.

By utilising this approach, you'll be better placed to support the unique needs of each employee. As we know, financial stress affects many other areas of wellbeing and no two people will experience it in the same way. Approach this challenge holistically and you'll provide better support by tackling financial stress alongside linked areas of health.

With that in mind, look out for workplace health providers that offer wellbeing support across many areas of health. Tools which also provide personalisation for the employee will be particularly effective because nobody will experience financial stress in the same way.



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# Small steps will go a long way



**Harry Bliss**

Co-founder and CEO, Champion Health

The data in this report describes a workforce under pressure. Financial stress is straining both mental and physical health.

Employees and employers alike face daunting challenges. But there is something to be positive about: by providing the right support at the right time, the employer community can make a difference.

Whether that's empowering our teams with financial expertise or developing a culture in which they can talk openly about mental health, together we support our people at a time when they really need it.

Small steps will go a long way - not only for your employees, but for your organisation as well.

Thank you for taking the time to read this report.

A stylized, handwritten signature in dark ink, likely belonging to Harry Bliss.

**Harry Bliss,**  
CEO & Co-Founder, Champion Health

# Discover Champion Health

Champion Health enables businesses like yours to thrive through our digital wellbeing platform.

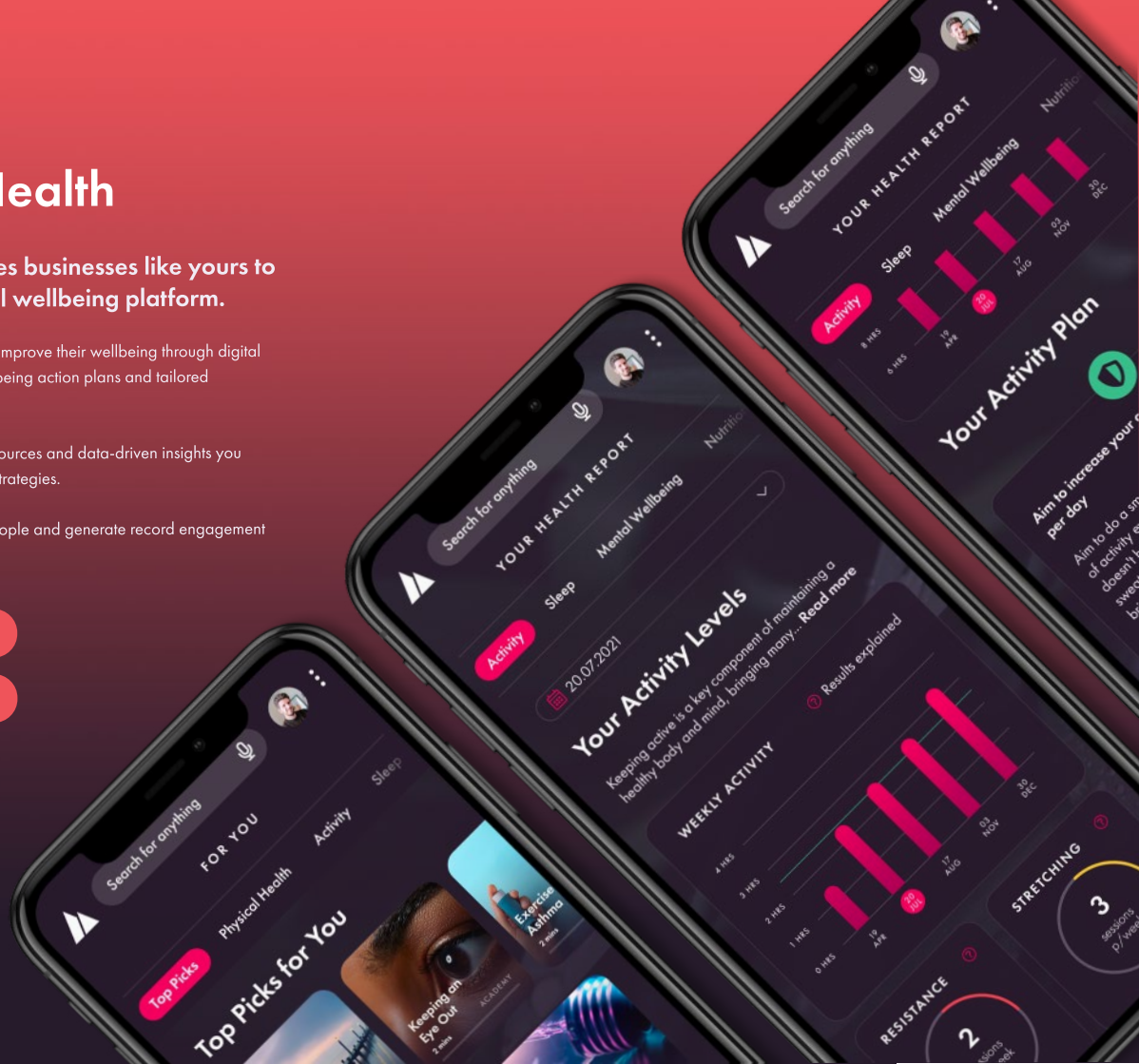
The platform empowers employees to improve their wellbeing through digital health assessments, personalised wellbeing action plans and tailored workplace health content.

Meanwhile, you'll get the support, resources and data-driven insights you need to develop impactful wellbeing strategies.

Find out how you can support your people and generate record engagement by talking to us today.

[hello@championhealth.co.uk](mailto:hello@championhealth.co.uk)

[www.championhealth.co.uk](https://www.championhealth.co.uk)





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