

# Employees experiencing financial difficulties

## Offer support to employees with the assistance of Nibud

Employees troubled by money matters may find it difficult to perform at their best. Financial concerns lead to stress, which can make them struggle to concentrate and even prompt them to take (extended) sick leave. As an employer, you can help reduce the stress induced by financial issues and prevent sickness absence. By assisting your employees in managing and maintaining their financial affairs, for example. And also by knowing how to help them with financial problems so that they remain sustainably employable. Nibud (National Institute for Family Finance Information) can provide you with tools, e-learnings, workshops and budget coaches to assist you in this.

## Facts and figures

A study carried out by Nibud in 2022 found that 42% of households had faced payment difficulties at least once in the previous twelve months. 14% of households are either permanently or regularly (monthly) overdrawn.



Source: [Nibud, 2022](#)

- Research conducted by Deloitte in collaboration with SchuldenlabNL and employers' organisation VNO-NCW in 2023 revealed that four out of five employers (80%) have employees experiencing financial difficulties.
- Two consecutive studies (Nibud, 2012; Nibud, 2017) found that the costs associated with employees grappling with debt are attributable to the following factors:
  - 20% drop in concentration levels and productivity (decreased performance);
  - 7 additional days of sick leave per year due to financial worries;
  - 3 hours processing time per wage attachment.

Financial issues affecting employees therefore lead to a decline in productivity and an increase in absenteeism. That is unpleasant for employer and employee alike. And also problematic, in a labour market that is already extremely tight.

### **From awareness, to insight and actionable perspectives**

You can't instantly resolve someone's problems, however. Nibud suggests that a phased approach is essential for effectively addressing as well as preventing financial problems. This means that employers, at all levels, must first become aware of the importance of their employees' financial health. Employees, in turn, also need to be aware of the benefits of making sensible decisions to grasp and maintain control of their finances.

Next, it is important for both employers and employees to understand the financial situation of employees. Employers can do this by picking up signals such as wage attachment and other indicators that are listed below (see box).

#### **Identifying financial issues**

Spotting financial problems in employees early on can avert a great deal of misery and distress. One of the most common warning signs is wage attachment. This brings you directly into contact with the debt problems and is a sure indicator that the financial issues are fairly advanced by that stage. But there are further warning signs you can be alert to:

- Employee borrows money from colleagues;
- Employee requests a loan or advance;
- Increased absenteeism;
- Employee calls creditors and/or bailiffs;
- Fraud or theft;
- Employee requests additional working hours.

#### **Starting a dialogue and referral**

If you recognise one or more warning signs, it is advisable to start a dialogue with the employee concerned. The Nibud Gesprekshandreiking (Nibud Dialogue Guide, available in Dutch) can assist you with this. You don't have to be a large employer to offer your employees support in tackling their debts. If you can't offer help yourself, you can direct them toward the appropriate assistance. That, too, is very important. An option is the Nederlandse Schuldhulproute (debt counselling programme), which can help employees find expert help nearby.

For employees, this involves understanding their financial situation. Then we can determine together which approach is best suited to them. This could range from tools and workshops to budget coaching or individual courses. The aim is to work together to promote employees' financial wellness and in that way to resolve and prevent further financial problems.

#### **Awareness: For one day, be poor, workshop for managers and team leaders**

90-minute serious game in which you experience what it is like when bills pile up and bailiffs are breathing down your neck. How do you react when you feel you're struggling to cope, and what does it do to you? In this workshop, you will experience what financial stress is and be given tools to help you identify financial stress among employees on time. Available in English!

### Educational information: Money Special

If you find that initiating a dialogue in your organisation is challenging or requires significant effort, you could consider providing a Money Special to promote the dialogue. This paper contains budgeting tips, information and advice as well as pointers to help employees grasp and maintain control of their finances independently. The paper can also provide all manner of - easily accessible - support that they may require to achieve this.

### Assisted self-help for employees: Online Money Plans

The Online Nibud Money Plans are tailored to a specific situation or life event that has financial consequences. They include the Divorce Money Plan (Geldplan Scheiden), the Almost-18 Money Plan (Geldplan Bijna 18) and the Family Finances and Children's Needs Money Plan (Geldplan Rondkomen met kinderen).

Employees create a personal action plan by anonymously entering various details. Each step in the action plan is focused on strengthening their financial situation.

They then know what to do and can decide whether to do it themselves or ask for help. Ohra offers the Nibud Money Plans; to find out more, click this [link](#).



### E-learning: Managing your money

Managing your money is an online course that allows employees to grasp, or regain, control of their finances at their own pace. Microlearning and handy tips, tools and tests are employed to ensure Managing your money is easily accessible. Ideal for digitally adept colleagues who would like to work on their financial self-reliance themselves, from home and at their own pace. This online course can also be tailored to individual preferences.

## WerkUrenBerekenaar helps boost financial resilience

Do you work in an organisation with lots of part-timers in today's extremely tight labour market? If that's the case, it's understandable you'd like to gauge your part-time employees' interest in working more hours. That would not only be good for your organisation but also for your employees, since working more hours usually means they get to keep more money in their pocket.

However, employees can be sceptical about the potential benefits for them. This is because working more hours affects not only their take-home pay, but also any allowances they receive as well as tax and pension contributions. The concern that these effects will be negative discourages many workers from taking on additional hours. This has led Nibud to develop the *WerkUrenBerekenaar* (Working Hours Calculator): an online tool that shows your employees straight away the actual impact on their financial situation.

In this way, the *WerkUrenBerekenaar* helps boost employees' financial resilience. The tool also serves as a reference point for initiating the dialogue about possible financial problems. Added to that, there is evidence that employees are more willing to take on additional hours if they have a better understanding of the financial implications of doing so.

→ [Check it for yourself at the WerkUrenBerekenaar](#)



We can adjust the WerkUrenBerekenaar to suit your organisation, including your collective labour agreement, house style and contact persons.

## **Financial health & sustainable employability**

Of course, it's not possible for everyone to take on more hours as a way of solving or avoiding financial problems. Furthermore, financial issues often arise as a result of foreseen or unforeseen events with significant financial impact, such as getting divorced, the death of a partner or when a child turns 18. In such situations, income tends to decrease, leaving many individuals grappling with the task of readjusting their income and expenses.

That doesn't mean you have to solve your employee's financial problems, but it does give you the opportunity to offer a helping hand. Knowing how to identify financial issues, being able to discuss them and understanding who you can refer employees to not only helps your employees but also your organisation. That saves you money and helps boost productivity.

### **Information**

If you would like to find out more about any of our solutions for supporting employees who are experiencing financial difficulties, please contact Sandra Schoenmakers: [sschoenmakers@nibud.nl](mailto:sschoenmakers@nibud.nl) / +31 (0)6 - 455 84 763.

