# SESSION 3: Personal Financial Stress, Depression and Workplace Performance

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In this session we'll look at the issues of financial stress from another perspective, examining the way people react to stress on a personal level. Our objective is to outfit ourselves with the sales tools it will take to convince corporate and organizational executives that employee stress plays a role in the productivity and profitability of their companies.

My passion is to identify people with disorders early on, before the real trouble starts. The goal is to spot people who are at risk early enough to intervene at a time when the job is still manageable.

Motivation is a very important component in the intervention process. We need to understand how to motivate people who are undergoing stress and may be depressed. People want to be independent, and they want to do well. But how do we encourage them in such a way that they will be motivated to take control of their own lives?

The issue of stigma is significant in the general population, and even more so in a corporate setting. To admit that you have a

mental disorder, that you're troubled, that you can't handle your job is a major deterrent to counseling and treatment. Everyone wants to be the warrior, the hero. Overcoming the stigma attached to help programs is a major undertaking. We need to continue to work on making people comfortable with the idea of seeking help for problems of stress and depression. If we break a leg, we're perfectly willing to see an orthopedic surgeon and get treatment. We follow the doctor's orders, do what's recommended, even accept a hospital stay if that's what's indicated.

But if the problem is stress, depression, or financial problems, the individual is much less likely to first seek, and then accept the recommended treatment. In this way, the stigma of mental disorder is a barrier to recovery.

*"The stigma of mental disorder is a barrier to recovery."*

## AN OVERVIEW OF FINANCIAL STRESS

Financial stress is a very real phenomenon in the lives of people at every level of society, and every walk of life. Poet E.E. Cummings once said: "I'm living so far beyond my income that we may almost be said to be living apart." Bob Hope said: "I don't even like money; it just quiets my nerves." In the medical world, this is known as anxielysis. We break the anxiety by possessing the thing that causes it.

In addressing the subject of employee financial stress, depression and workplace performance, I can't give you easy answers, but I can share my experience in observing how stress and depression affects employee performance and wellbeing. We need to find ways to get involved early and prevent and identify these disorders.

Figure 3-1 shows four major components of the equation as we discuss stress, depression and performance. First, there's the matter of employee stress and something I call the financial stress cycle. I've seen this cycle at work in the people I see professionally, and read about in the literature on the subject. Second, we'll consider the cost and burden of depression. Third, we'll examine how these problems affect workplace performance and absenteeism. And finally, we'll look at the types of intervention we can develop through credit unions and employee assistance programs.

**Figure 3-1:**
**Components: Employee Financial Stress, Depression and Workplace Performance**

- Employee Stress / Financial Stress Cycle
- Depression: Cost and Burden
- Workplace Performance / Absenteeism
- Intervention and Prevention: Credit unions and EAPs

## CASE STUDY

In a typical case of financial stress and depression, consider the story of a 42 year old male, married with three children, who works as a salesperson for a large northeast corporation. His job requires frequent travel. Although his salary is good, he has limited savings and lacks financial insight.

This individual finds himself in a vicious financial stress cycle in which he endures overwhelming personal debt, and in turn works excessive overtime to catch up. He has second jobs, spends more time on the road, and the result is that he is sleep deprived due to caffeine abuse. He suffers marital and family discord, and has a peptic ulcer that's aggravated by alcohol binges. His wife works several jobs cleaning homes and churches to supplement their income and meet their financial obligations.

*"Stress is the second most frequent occupational disease in the workplace."*

The cycle is destructive. The spouses in this marriage have trouble getting along, they don't communicate well. They are like two ships passing in the night.

This case – real people, incidentally – is just one example of a behavioral health disability that has consequences on the job. The UNUM Life Insurance Company did a study of behavioral health disability management, and found that stress is the second most frequent occupational disease in the workplace, following only musculoskeletal disorders such as back problems and carpal tunnel syndrome. This study also found that stress accounts for 90 million lost working days annually, and that mental and nervous (M&N) disorders are the fourth fastest

growing cause of workplace disabilities, growing by 335% during the 1989-1995 period.[18]

## AN EVOLVING CORPORATE CULTURE

Corporate America has seen significant changes in the way it does business during the past decade. Mergers, reorganizations, and layoffs appear to have increased psychiatric disability claims among employees.

The American Management Association surveyed companies that had recently undergone a round of mergers involving layoffs, and found a 33% higher M&N claim incidence in those companies. Another study of companies that eliminated jobs during a five year period reported increases in seven of eight disability categories.[19] The difference was greatest among psychiatric and substance use disorders, and the rise in disability rose not only in those who lost jobs, but in those who kept their jobs as well.

As more jobs in America are involved in customer service rather than in manufacturing and manual labor, we become more dependent on information processing skills and flexible interpersonal behavior. To be good customer service representatives, employees need to develop performance traits based not just on correctness and cost-effectiveness, but on helpfulness and professionalism in dealing with customers. They need to achieve a level of performance that keeps customers coming back.

*"Customer service employees need to achieve a level of performance that keeps customers coming back."*

When an employee suffers from depression and anxiety, cognition and social interaction are disrupted. The ability to attend to the situation at hand, memory, concentration and other factors are impaired. All these things interfere with successful occupational functioning. Customers are lost, and both production and profitability suffer. We all know how refreshing it is to deal with a customer service representative who displays a genuine desire to help. Unfortunately, we also know how discouraging it is to deal with an individual who is detached, uncooperative, and even aggressive.

[18] Oher, J.M. *The Employee Assistance Handbook.* John Wiley & Sons, 1999: 319-336
[19] ibid.

Employee stress levels rise when major changes occur within their employer organization. In a single newspaper edition,[20] I found two stories of corporate realignment that profoundly affected the employees of those firms. First, ASG Renaissance, a contract labor provider for Ford Motor Company informed 150 workers that their wages would be cut by seven percent. It was the first wage cut the company had imposed in 14 years. ASG also laid off administrative staff, froze merit raises and required employee co-pay for medical care. The result is that workers are working more overtime, changing their habits, and requiring more support services.

The second newspaper story dealt with the John Deere Company's $320 million quarterly loss. The company warned of continued poor financial results, and promised cost cutting including the closing of one plant and a cut in headquarters staff by 10%. Deere referred to "separation and redeployment" in announcing its actions. Euphemisms like separation and deployment are not sufficient to mask the cold facts of the situation, which employees recognize immediately as trouble for both the company and themselves.

## WORK AND FAMILY

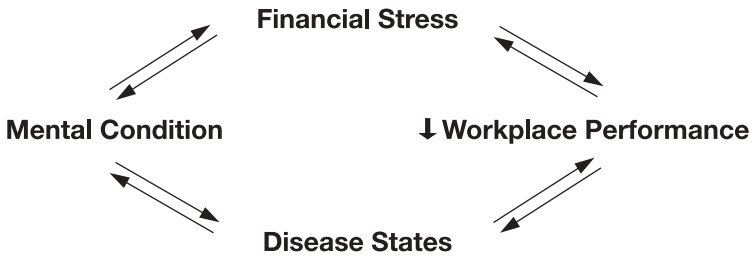
At the same time, the pool of applicants entering the job market has certain expectations. Students coming out of college are looking for the ideal job, one that allows them to balance work and other aspects of their lives. Recruits place high priority on personal, family and community relationships. Their quest focuses on long term career opportunities and financial security, and on safe, close-knit communities near their family. These individuals are also seeking a setting in which they have opportunities for volunteer community service.

When we look at the disparity between what is happening in the world of business and the expectations of the people entering the job market, we can easily see how a financial stress cycle can emerge, as shown in figure 3-2. Both financial and mental stressors have an effect on workplace performance, which leads to disease states, and creates new mental and financial stresses. The cycle

[20] *Wall Street Journal* 11/21/01, J. Hallinan, Technology and Health, B7

continues to escalate, and the mental and financial health of the individual and the family continues to deteriorate.

**Figure 3-2:**
**Financial Stress Cycle**




To break the cycle, I use the acronym I SAVE to represent the steps we need to take to break the financial stress cycle in employees' lives (figure 3-3). We need to first *identify* which employees are at risk. Credit union staff members do this every day in evaluating loan applicants. Without background information such as credit bureau reports, that job is much more difficult. In the field of psychiatry, we do the same thing when we work with the criminal justice system. We're examining the evidence to determine if an individual will pose a risk later on.

**Figure 3-3:**
**Breaking the Financial Stress Cycle**

**I** identify
**S** support
**A** attitude, awareness, availability
**V** volunteer
**E** engagement

Next we need to *support* the employee. That means we need to believe in the work of the employee assistance program, or the financial counseling service to which we're referring the employee.

We need to have the proper *attitude* toward the program. And we need to be aware of the support services *available.* Not just our own programs, but links to other services as well. And we need to know where these services are *available.*

We need to *volunteer* to help the employee, and do what we can to get them started on the path to break the cycle of financial stress, not just refer and forget.

Finally, we need to be sure *engagement* occurs, and that the employee has actually seen a financial counselor or an EAP person on the staff.

To break the stress cycle we need to intervene and provide the individual with coping tools and skills. When stress levels rise and disease increases, employees are less likely to perform at peak levels. To help them cope with financial stress, we can offer financial direction and planning, and debt consolidation. We can also give them access to credit union services. To break the stress of mental conditions, there's counseling, therapy and psychiatric help, along with employee assistance programs. To break the cycle of disease states we can offer rehabilitation services. All these intervention tools, along with feedback, rewards and incentives, will help us improve workplace performance.

## STRESS AND DISTRESS

Stress is unavoidable in our daily lives. It can be induced by a number of factors, including competition or a work assignment. But stress is not always damaging. We have different tolerance or threshold levels for stress. The secret is to know our own responses to different stressors. Some distress is necessary, to get the job done or meet a deadline.

Distress, on the other hand, is damaging or hurtful. Our minds and bodies cannot adapt to certain degrees of stress. For example, when we "get on each other's nerves" we are experiencing an unacceptable level of distress.

Eustress ("too much of a good thing") is the opposite of distress. Eustress occurs when we experience too much joy or success. This too can cause traumatic emotional and physical effects.

Figure 3-4 shows the typical symptoms and signals of distress. These are clues we can use to identify and intervene when employees are caught in the cycle of financial stress. Some of these symptoms can be addressed, while others are actionable.

**Figure 3-4: Symptoms and Signals of Distress**

- Expression of boredom with everything
- Vacillation in decision making
- Distraught with trifles
- Inattentiveness
- Irritability
- Procrastination
- Feelings of persecution
- Unexplainable dissatisfactions
- Forgetfulness
- Misjudgment of people and issues
- Loss of trust
- Loss of organization
- Confusion about roles or duties

There are also physical manifestations of stress. The individual may undergo any number of changes that signal distress problems, as shown in figure 3-5. A loss of appetite or sudden change in weight, change in appearance, alteration of schedule, and a change in social habits are all physical indications of distress. The employee may come to the office with a poor demeanor, poor appearance or hygiene. He may be tardy for meetings or be absent without notice. It's easy to overlook these symptoms because we're all dealing with our own problems and challenges. But it's important to catch these conditions and intervene as early as possible.

**Figure 3-5: Physical Changes Due to Distress**

- Loss of appetite or energy
- Sudden loss or gain in weight
- Change in appearance
- Change in usual schedule of going to work or returning home
- Change in smoking habits
- Sudden change in social habits
- Difficulty breathing
- New allergies

*"Medically, we respond to actual or perceived stress in many physiological ways.*

On the physiological level, stress can be actual or it can be perceived. Actual stress is produced by environmental conditions over which we have no control. A perceived stress, while equally real, may be something seen as a threat that may or may not be objectively true. Medically, we respond to actual or perceived stress in many physiological ways. The heart may respond with an increase in Norepinephrine, Epinephrine, Cortisol and Aldosterone, which in turn leads to increased vital signs, decreased heart rate variability, and increased blood glucose, fats, sugar, clotting elements and water retention. Our homeostasis changes when we experience stress. Now we have gone beyond the stage of inattentiveness and routine job performance, and into the area of physical damage. And an employee who develops problems such as congestive heart failure creates significant expense for both himself and his employer.

## DEPRESSION

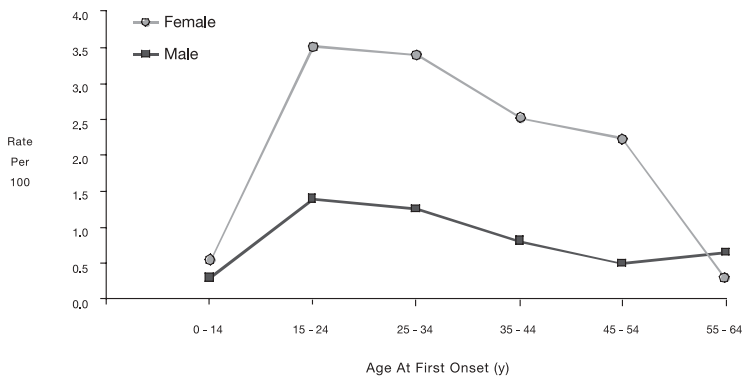
Depression is America's number one mental health problem. The stigma attached to mental health problems causes many people who are at risk to avoid seeking help until a crisis occurs. The National Institute of Health predicts that by the year 2010, depression will be the seventh most common medical condition. The signs and symptoms of depression are self-loathing, poor self-esteem, loss of pleasure in usual interests, change in appetite, and – in the extreme – thoughts of self-harm. These symptoms

may not be addressed unless there is somebody in the family or organization who is sensitive to them.

To help identify people who may be at risk for depression, we need to know the risk factors involved. These factors include prior episodes of depression, family history, prior suicide attempts, female gender, negative life events, recent childbirth, alcohol or substance abuse, and recent separation or bereavement.

Researchers have charted the first onset of depression by age and by gender as shown in figure 3-6. The incidence of depression is higher in females, most notably during their working years. Once again, the goal is to identify potential depression early on, to make intervention measures more effective. Fortunately, the stigma against mental illness is slowly changing, allowing mental health professionals to see at risk people earlier in the cycle.

**Figure 3-6:**
**Depression: Age At First Onset**
**United State ECA**



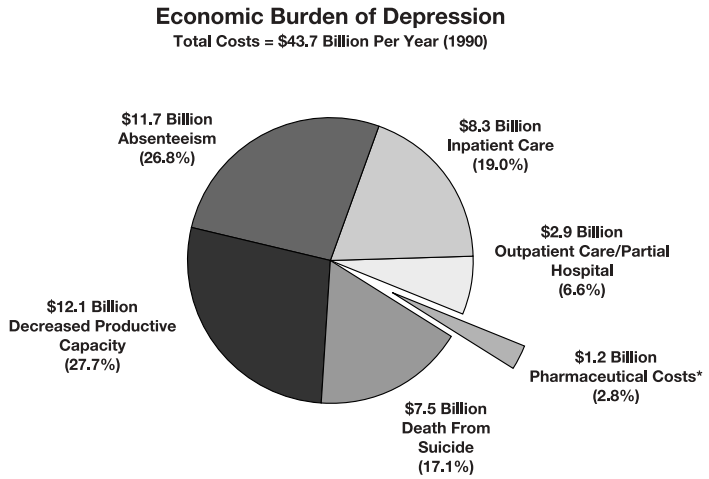

Weissman et al. *JAMA.* 1996;276:293.

When people do seek help for depression, they are most likely to go to their primary care provider first. They are likely to have somatic complaints such as recurring headaches, sleeplessness or other problems. But primary care providers are often unable to devote the time and attention necessary to diagnose depression. Instead, a patient who complains of headaches might be checked for hypertension. Yet the prevalence rate of depression is 6-17%, while the prevalence rate for hypertension is 5.8%. Primary care providers typically have about ten minutes to see each patient. They miss the correct diagnosis in half of all cases.

*"The economic burden of depression is enormous."*

The economic burden of depression is enormous (figure 3-7). The cost of pharmaceuticals each year is over one billion dollars. That's a large number, but not compared to the other costs of treating depression, which add up to a staggering $43.7 billion each year. That includes inpatient psychiatry, outpatient psychiatry, partial hospital treatment, the cost of suicide and morbidity. But more than half the total cost is in absenteeism and decreased productivity. Billions of dollars are being lost to these problems.

**Figure 3-7:**
**Cost of Depression**




*Antidepressant costs of $890 million account for 2% of overall costs.
Greenberg et al. *J Clin Psychiatry.* 1993;45:450.

The same magnitude of cost is being incurred in treatment and lost productivity due to anxiety disorders. And people who are not treated for these disorders tend to develop higher rates of life-threatening diseases such as coronary heart disease.

Wellness is a major part of the picture, and taking care of ourselves is a significant factor in achieving low absenteeism and high productivity rates. Exercise benefits us both physically and mentally. Education is a key component of building a healthy work force. To maintain wellness and energy, we need to:

- Live in the here and now.
- Handle small problems when they are campfires, not forest fires.
- Greet each day as fresh, and live it to the fullest.

- Respect ourselves enough to slow down and look at our lives:
  - Step by step, and aim to change that which is not working.
  - Accept assistance.

In one minute we can change our attitude. In one minute, we can change our entire day.

To combat depression, the individual needs to make an effort to communicate to family, friends and colleagues as well as to health providers. Finding time for oneself each day is part of the prescription, as we avoid trying to keep up with the Joneses. The individual needs to build a network of trusted friends, and at the same time avoid unhealthy relationships. Physical activity every day is a must in the effort to overcome depression.

## THE HIGH COST OF MENTAL DISORDERS

One researcher[21] who looked at productivity and health found that even employers who recognize the importance of health and productivity management on the job are often lost in a corporate maze of programs. They know there's a problem, but they don't know how to sort out the available information in order to address that problem in a rational manner. Even if the primary diagnosis is depression, 70% of expenditures are devoted to treat physical symptoms. The employee may have had somatic symptoms of depression – stomach aches, chest pains, shortness of breath, and other symptoms. When providers treat these physical symptoms, they may be subjecting the patient to further risks.

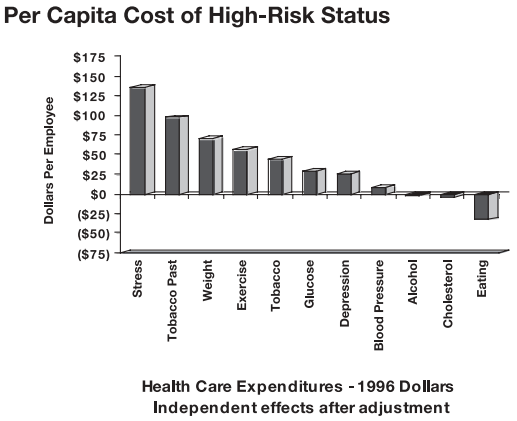
Major workplace productivity losses due to depression include absenteeism and presenteeism – employees who may be at work but mentally distracted. In one study of 1,000 individuals with depression disorders, about two hours of each work day were lost due to the disease. Illnesses such as heart disease incur large front end medical costs, but over the long term they are not as expensive as depression disorders in terms of lost productivity.

Figure 3-8 shows the annual per capita health care cost of employees for disorders ranging from stress illness to eating

[21] R. Z. Goetzel, *Psychiatry and Managed Care,* Sept/Oct 2001. 6-8

disorders. The research studied a total of 46,000 employees at six large corporations. The researchers matched their assessments with company medical claims.

**Figure 3-8:**
**Corporate Cost of Medical Conditions**




Adapted from The Medstat Group: R. Z. Goetzel, Psych. And Managed Care. Sept/Cot 2001, 6-8

This study concluded that high stress generates an annual per employee cost of $136 in health care costs for the disorders studied. Moreover, much of the costs of care are the result of modifiable risk factors. These are things that can be changed through employee assistance programs and referrals, as well as financial support and counseling. The implication is that productivity loss can be managed over time. What's required is a comprehensive, holistic approach that looks at how each employee uses various employer benefits and programs. Figure 3-9 lists recommended steps to maintain mental fitness.

**Figure 3-9:**
**Ten Steps for Maintaining Mental Fitness**

1. Become aware of your needs.
2. Let your needs be known.
3. Demonstrate behavior that reflects high self-esteem.
4. Work to improve learning, challenges, physical health, and spirit.
5. Reduce negative value judgments of yourself.
6. Allow and plan for successes.
7. Think positive – it's contagious.
8. Learn to escape when appropriate.
9. Find ways to help others.
10. Be willing to seek help.

## MONEY PERSONALITY TRAITS

People relate to money in a variety of ways. For some, financial issues can become very stressful, while for others they rank low on the scale of priorities. Some people are eager to become involved in managing their money, while others would rather have others handle that job. Some have had bad experiences with finances and investments in the past, and are reluctant to act in the financial arena again. Those who become emotionally involved in their financial lives approach the subject differently than those who are logical and objective in their approach. Other factors that differentiate people in their money personalities include risk-threshold, spending and saving habits and trust in the honesty of others.

To achieve "mental wealth," the individual must understand his or her money personality. Our relation to money and our attitudes affects our money behavior. The mentally wealthy individual neither exaggerates nor denies the importance of money. For these individuals, money is viewed as a reward for achievement, not as an end in itself. Mentally wealthy individuals control their money instead of the money controlling them. For mentally wealthy

*To achieve "mental wealth," the individual must understand his or her money personality."*

people, financial success provides enjoyment and satisfaction as well as security.

In summary, the stress cycle can be a destructive force in the lives of employees, and a significant cost to their employers. Stress-related depression takes an enormous toll on productivity in the workplace, and can be linked to many other physical, mental and emotional problems, all of which involve additional costs. To recognize and intervene in the illnesses that are typical outcomes of the stress cycle, employers and human service agencies need to work together toward stress management, drug-free workplace compliance, critical incident debriefing, crisis management and dependent care. A holistic approach to intervention in these problems is critical to overall success in identifying and treating them.