

“WELLNESS ALABAMA”

HOW HOLIDAY FINANCIAL STRESS AFFECTS EMPLOYEE WELLBEING

By Elisabeth Doehring and Kimberly Ryder

At holiday season, seemingly dedicated Alabama employees have an additional weight bearing down on their Monday through Friday workweek. Alabamians are worried about paying bills and making rent or that next mortgage.

A newly-released report from the National Consumer Law Center (NCLC) <http://www.nclc.org> entitled “No Fresh Start: How States Let Debt Collectors Push Families Into Poverty” shows that four states get poor marks. Residents of Alabama, Delaware, Kentucky, and Michigan scored an ‘F’ grade in an across-the-board consumer protection report. According to NCLC attorney Caroline Carter, “Employers in Alabama beware! You might have a good employee who is producing and contributing to your company’s profitability. Yet this employee is susceptible to having a debt collector go straight into their individual bank account and confiscate funds. This is money that an employee might truly need to pay for that week’s full tank of gas or use as bus fare to work.”

According to Stephen Stetson, policy analyst and attorney for Alabama Arise, a nonpartisan public policy organization, “As a native Alabamian, I was stunned and dismayed to see that instead of Alabama moving forward that the results from the NCLC study showed that we are actually falling behind in time.”

Payday lenders are setting up shop in Alabama. “Even if the average Alabama worker or company owner does not walk through the doors of these private high cost payday lender storefronts, the problem still affects everyone. It decreases overall consumer spending in our state,” says Stetson.

According to The Net Economic Impact of Payday Lending in the U.S. - InsightCenter for Economic Development -March 2013 Study, "Every dollar spent paying back a high-cost lender takes \$1.94 out of the local economy."

Doug Hurst serves as Program Director of Gateway Financial Freedom in Birmingham. A nonprofit United Way Agency that covers Blount, Jefferson, Shelby, St Clair Counties, and Walker, the organization sees a wide demographic of clients. Half of Hurst's clients have college degrees. Gateway counsels the workforce of most major companies in North Alabama. "We are seeing dramatic increases in payday and title loans overextensions within the last 2-3 years," notes Hurst. This is creating distractions at work, and calls from creditors.

What Hurst is seeing is that "Instead of teaching their children how to balance a checkbook, parents in Alabama are focused on giving their children all the best things in life. We also hear from many clients who have applied for general financial jobs such as cashiers that have been refused employment due to poor credit scores. This just perpetuates the cycle of debt."

Human resources and benefits departments have watched employees struggle. Now these same professionals are focused on getting their financially worrisome employees back on track. Financial wellbeing programs dot the world and now extend into the Alabama landscape. Company leaders are taking notice. Financial wellbeing programs are now part of a company's overall employee wellness program.

Education incentives and programs that focus on financial wellness are now wide-reaching in today's competitive workplace culture. Financial wellbeing programs serve as both drivers and enhancers of employee engagement. Stronger profits and a competitive edge are the current trend and the wave of the future globally. Companies and organizations in Alabama are leading the way with employee financial wellbeing

programs.

Organizations are finding that financial wellbeing strategies deliver more employee engagement, higher customer care, and increased revenue. With more and more companies looking to increase employee engagement and profitability the outlook for financial wellbeing programs is a new trend for human resource and benefits departments and forward-thinking companies. Financial wellness is paying dividends for employee loyalty. As more companies look for that competitive edge financial wellbeing will become a key ingredient in employer benefit offerings. The trend is clear. World and company leaders here in Alabama are moving closer and closer to promoting individual and employee financial self-sufficiency.

Make the holidays more about the reason for the season and less about bills in January. Consider using free resources in your community for employee finance coaching classes and some down-to-earth spending habit choices. Enjoy your holidays !