



Down to the Penny: Supporting the Financial Wellness of Your Staff

We have such amazing people that work on our teams, making a difference every day. Despite the hard work and long hours, many live on the edge of a financial cliff. They bring such compassion to their work, when many times their own worries about personal finances cause them great stress. How do we as organizations and leaders respond to this challenge when our very organizations are strapped for funds?

One of the most challenging topics to talk about with staff is their own financial wellness. People at all levels of the organization are reluctant to tell supervisors about challenging times. And usually, when the issue is disclosed, the first response may be, “I wish you would have told me earlier!” – which likely does not help.



Recently, organizations have shared some amazing things they are doing to help staff through difficult times such as short-term financial crises. In each case, CEOs and organizational leadership believed that by providing this assistance, they would keep a good employee and build a lasting relationship.

We know that the cost of turnover averages approximately \$5,000 per employee who leaves, covering the cost to recruit, screen, train and pay overtime for that one position (Calculate the cost of turnover for your organization with [Quillo's Turnover Calculator](#)). With turnover averaging nearly 50% nationwide, that process repeats itself over and over.

As you read through the suggestions below, consider how the cost of these steps compare to the alternative of having to replace a position. Be selective and sensitive about how these initiatives are approached: finances can be a sensitive issue, and the last thing you want to do is come off as demeaning or patronizing to staff. It is recommended to work with your staff to develop the right approach. We hope this list provides ideas you can discuss and consider within your organization.

The Emergency Fund Operated by the Organization

An organization with over 1,200 employees has introduced an emergency financial support fund, which gives each employee up to \$300 per year of support. Trusting that staff are making requests when there is true need, there is no requirement for the staff member to explain its purpose or provide receipts. If the request for funds is submitted by 10AM, the staff member will receive the amount requested in cash by 3PM that day. The funds are treated as income and will be reported on their W2. The immediacy of the response is designed to relieve the stress and pressure for the individual as they work through their financial crisis.

The Emergency Loan by the Organization

An agency with 400 employees provides a no-interest loan fund for employees. It is an actual loan, documented in writing. The funds are a result of a gift to the organization through a bequest. Each of the loans is set up with a specific repayment plan designed to enable the employee to successfully make payments.

The “Staff Support Trust” Operated by Families Served

A group of 20 parents have formed a non-profit organization to provide financial support to the staff who support their sons and daughters. They have a goal of raising \$20,000 to draw from when financial support is needed. Individuals will make a request to the parent group and the board will act on each request. It is designed to be a gift, not a loan.

Pay Advance by the Organization

Several organizations allow staff who have been with the organization for at least six months to request an advance on their pay. There are several variations: (a) It can be getting the next paycheck earlier or (b) getting an advance of one pay period as a loan, deducted over the next 6-12 pay periods. Many have limits on the amount that can be requested; the length of repayment is tied to how long the staff members has been with the organization.

Microloans with a local Credit Union or Bank



An organization went to a local credit union to arrange microloans for any employee who had been with the organization for over six months. Loans up to \$1,000 were offered without a credit check, with a set repayment schedule at a reduced interest rate. The organization assumes no liability for the loan. Rather, their reputation and good standing in the community allowed their employees to access these microloans through the credit union.

Organization Supported Savings Program

One organization offers individuals a payroll deduction where the funds automatically go into a savings account. The amount set aside is dictated by the staff member and can be at any amount. Much like a retirement matching contribution, it is also considering a matching program of up to \$1 per workday - or \$20 per month for staff that have been with the agency for six months or more.

Opportunities in your Employee Assistance Program (EAP)

It may be possible that your EAP partner is a resource for staff members to gain financial assistance. Check your service provider for free programs on dealing with creditors or other financial assistance resources.



Financial Emergency Personal Assistance

Through a grant funded project, a staff person was hired to provide any staff member personal assistance on various situations, whether it was getting utilities turned back on, a car repossession, loss of housing, food, childcare or clothing. This was all done individually through a trained counselor and offered both during work hours, evenings and weekends. This counselor worked closely with various community organizations and existing programs to make sure staff knew what resources were available to them and how to access them. For example, in one emergency, this staff person helped find shelter for an employee who, along with their children, became homeless with children because of a domestic abuse case.

Financial Wellness Workshops

Consider providing specific workshops for staff on issues that may be affecting them financially, such as caring for an aging parent. These types of workshops may lead to relief since people are not always able to access these services themselves. Workshops can also help introduce people to tools and techniques for working their way out of high-risk financial situations. As noted in the introduction, keep tone and approach in mind to sensitively address these issues!

Provide an In-House Health Clinic

Many people find healthcare costs to be a cause of financial stress. One of our subscribers has started an in-house health clinic, staffed by a nurse practitioner, where staff can make an appointment or drop in. Services are provided at no-cost, and the organization receives a major reduction in their health insurance premium because they are offering this service to their employees. It also has greatly helped alleviate call-offs from shifts as staff can get healthcare quickly, efficiently, and cost-effectively. Supporting their overall health and well-being also helps get them back to work.

HoneyBee

Check out [HoneyBee](#), an exciting new venture out of California, that helps working people avoid high interest financial traps. Using the individual's paid time off (PTO) as the only credit check, individuals who are working can receive a no-interest loan for up to \$2,500. The amount allowed to borrow is based on what they can pay off within six pay periods and includes a one-time fee of \$5-\$50, depending on the size of the loan. Their collateral is the PTO earned by the individual but there is no requirement that this be held and not used by the individual. Currently, HoneyBee is only available in California, however, plans are to expand across the country in the coming year(s).

**Have other ideas? Want to try the Quillo app? Contact
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