



FACTSHEET: SPOTLIGHT ON FINANCIAL STIGMA

WHAT IS FINANCIAL STIGMA?

Financial stigma is shame, a sense of failure and reluctance to speak or seek help about financial challenges due to concerns about what other people might think.

WHY IS IT RELEVANT AND WHAT IS ITS IMPACT?

Beyond Blue and Australian Securities and Investments Commission (ASIC) research reveals that stigmatising beliefs associated with financial and mental health challenges are present in the Australian community.

Evidence indicates that financial wellbeing and mental health are often intricately linked. Financial challenges can cause a decline in mental health, and mental health challenges can cause a decline in financial wellbeing. Over time the negative impacts of financial and mental health challenges can accumulate, leading to downward spirals and entrenched issues such as debt, material and economic disadvantage and financial hardship.

Unfortunately, research shows many people are not comfortable sharing the true nature of their financial challenges with even their closest loved ones. Financial wellbeing can be perceived as being indicative of one's success. In contrast, debts and seeming poor handling of finances can be perceived as personal failings.

These stigmatising beliefs, and the resulting shame individuals feel, can undermine support efforts, as individuals, anticipating negative responses particularly by service providers, are disinclined to seek help.

Sadly, shame and anticipation of stigmatised responses can lead to fear, denial and behaviours that make financial and mental health challenges worse for the individual, including:

- withholding information about their financial wellbeing and mental health, including from their closest loved ones
- avoiding or delaying help-seeking
- avoiding communicating with creditors and other services
- self-medicating, impulsive behaviours and self-sabotage
- withdrawing from socialising with friends and family
- over-work or withdrawing at work.

"I'm ashamed – I was a grown woman, and I was not in control of my life. It got to the point, where finances were like this cloud over the top of everything"

— Female Participant, Money and Mental Health Social Research Report, 2022

Financial stigma may weigh particularly heavily on sole or main income earners and small business owners. For these groups, financial worries and the prospect of failure or bankruptcy are often shouldered privately by individuals, taking a toll on their mental health.

It is not all bad news however as a positive relationship also exists, whereby improvements to financial wellbeing can improve mental health and vice versa, supporting both mental and financial recovery and resilience. For more information about how you can support your financial wellbeing see our factsheet on [Financial Wellbeing](#).

“In this country we still have very much a taboo about money and so people don’t want to share. It’s very shameful to have debts that you can’t pay”

— Participant, Service Provider, Money and Mental Health Social Research Report, 2022

WHAT CAN BUSINESSES DO TO REDUCE FINANCIAL STIGMA TO IMPROVE FINANCIAL WELLBEING?

As a key place where people gather, **the research highlights the significance of the workplace in an individual’s financial wellbeing and mental health.**

Stigma-free workplaces have the potential to be a source of support for financial wellbeing and mental health. Participating in a workplace can enhance a sense of contribution, meaning and self-worth, provide income stability, and support the recovery journey.

Educate employees on the link between money and mental health — There is an opportunity to promote awareness of the close relationship between financial wellbeing and mental health, and the importance of these elements for overall health and wellbeing. There is opportunity to communicate the message that all Australians (not just those at risk of chronic adversity) can be affected by financial and mental health challenges over the course of their lives.

Challenge stigma — There is an opportunity to further challenge stigmatising beliefs associated with financial and mental health challenges and what it means to be ‘successful’. This includes ensuring that initiatives encourage open communication about financial and mental health challenges. Also, reframing language away from vulnerability, towards resilience and support.

Build workforce capacity — Promote training which builds capacity of staff to recognise the early signs of concern for financial or mental distress (e.g. social withdrawal), demonstrate empathy, and direct to available support services. This training has benefits for supporting both customers/clients and colleagues.

Promote financial services — Provide and promote access to a range of proactive and reactive financial wellbeing supports. This may range from financial literacy and planning advice, through to support services such as the National Debt Helpline. Emphasise confidentiality and make the pathway to accessing support clear.

Prioritise wellbeing and provide flexibility — Prioritise an individual’s wellbeing and be flexible, where possible, regarding work demands, tasks and hours, and planning for staying at or returning to work.



ADDITIONAL RESOURCES

- [Beyond Blue Financial Wellbeing webpage](#)
- [Beyond Blue Services Guide for Financial and Mental Wellbeing](#)
- [Financial Counselling Australia](#)
- [Moneysmart](#)
- [National Debt Helpline](#)

We would like to thank Beyond Blue for assisting in the compilation of this factsheet.

Source material from: Heartward Strategic (2022) The Money and Mental Health Social Research Report. Beyond Blue and ASIC.



Corporate Mental Health Alliance
AUSTRALIA

The Corporate Mental Health Alliance (CMHAA) is a group of Australian businesses dedicated to providing mentally healthy workplaces for their people.

CONTACT

For more information, please email: info@cmhaa.org.au

Website: cmhaa.org.au

LinkedIn: [Corporate Mental Health Alliance Australia](#)

This document is not and should not be considered as advice or support. Anyone who may have a need for such support should seek professional advice. This information is provided for CMHAA and is provided for general information purposes only. Links or references to material on external sites are provided for your convenience only and inclusion does not represent endorsement of the external providers. This information is not financial advice nor is it a recommendation or statement of opinion intended to influence you making a decision in respect of your financial circumstances. You should consider seeking independent financial, taxation or legal advice specific to your circumstances.