

Employee Wellbeing

The state of the nation's
financial health

May 2020





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Foreword

It is widely recognised that stress and anxiety have hugely negative impacts on employee wellbeing, which in turn have a detrimental effect on your workforce and their productivity. We also know that financial wellbeing, both for the immediate term and a longer-term outlook, make up a key part of an individual's overall wellbeing. In recent years we have seen many companies implement mental and physical wellbeing strategies but have often been unsure how best to help employees with their financial wellbeing.

To help us all understand what employees are really concerned about, the impact this has on their own lives as well as the effect on their work and wider society, we undertook one of the largest ever surveys of its kind to provide insightful data. This report shows our analysis of this data along with actionable focus areas, a toolkit and checklist for you to help improve your employee's financial wellbeing. We worked with Opinium Research, an external independent specialist research firm, to listen to over 10,000 UK employees - nationally representative from across all regions of the UK, business sectors and ages to give us a real and valuable snapshot.

Whilst this survey was carried out just before the Covid-19 pandemic emerged, it's clear that its findings remain valid - indeed, for example the insight into how little savings many employees have with which to weather a storm, highlights just why the current lockdown situation has caused such financial worry, anxiety and uncertainty for many. In recognition of the severe impact that Covid-19 and the country-wide lockdown has had on people's wellbeing we

have included some extra analysis on this within our report, to supplement the original survey findings. At LCP, our Financial Wellbeing consultants, use data-driven insights to help companies to help their employees improve their overall financial wellbeing - whether this is helping employees have more confidence in using financial products, developing and implementing market-leading financial wellbeing strategies or great communications to aid employee engagement.

The results of this survey and our work with companies, combined with our independent research of almost 100 financial wellbeing product providers in the market, gives us an unrivalled insight into what's driving employee behaviour, and ultimately how employers can best support their employees.

The impact of employees struggling to cope are felt by the individual, their families, as well as by their employer and wider society. If employers work to improve financial wellbeing - as part of their wider wellbeing strategy - it is a true win-win. We are passionate about helping employers choose the right tools from the vast range of providers in this space to really make a difference and see results. We very much hope this report helps you with your employee wellbeing journey.

Laura Myers
Partner, Head of DC Practice

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SETTING THE SCENE

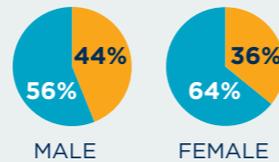
HOW ARE EMPLOYEES FEELING?

Our overall wellbeing is made up of a number of parts - our **physical health**, **mental health** and **financial health** which are naturally all linked.

If something is not going well in one area, it has a knock-on impact to the others and will affect our behaviour and our ability to cope with everyday life. Things that would normally be small can become big issues and we can find ourselves acting out of character - this will affect our relationships, our performance and productivity at work, and our ability to see things clearly.

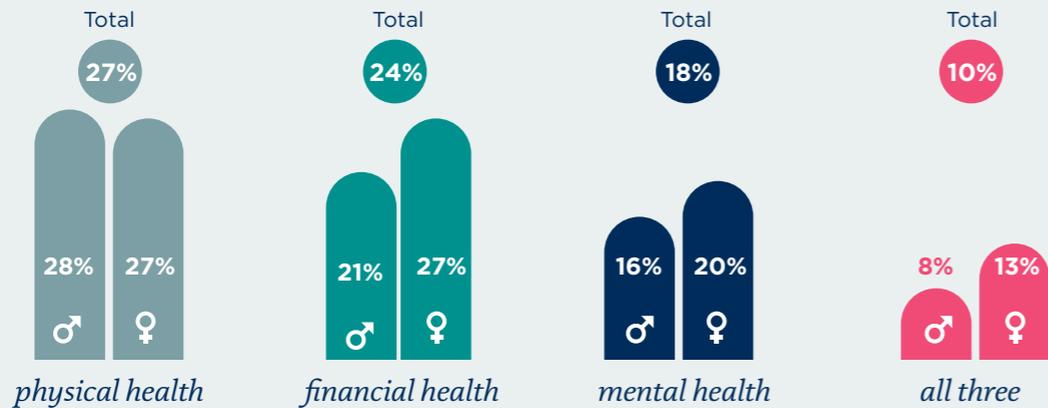


Total
40% I feel completely satisfied with my physical, financial and mental health
60% Overall worried about something



A small proportion identified as non-gender specific. Due to the small sample size, this has not been highlighted in the report.

I feel worried about my...



3 in 5 said they were worried about an aspect of their wellbeing - 1 in 10 said they had significant concerns about their physical, financial and mental wellbeing.



LIFE EVENTS AND THE UNEXPECTED

When we are coping with our day to day money management and everything is going as planned we feel happy and in control.

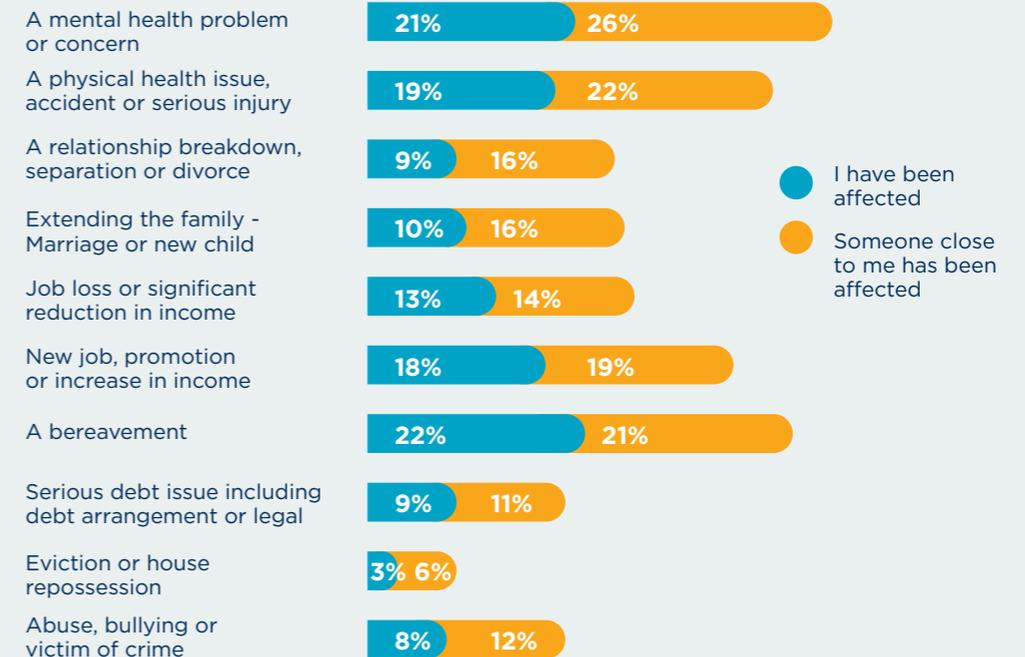
When something happens that changes an element of our life, either expected or unexpected, it can leave us feeling vulnerable and sometimes out of control. Every person we surveyed had been directly affected or knew someone who had experienced an unexpected event in the last 12 months.

Good financial planning includes day-to-day money management and budgeting; short, medium and long-term savings as well as protection for the things we own and those we care about. Many employees are struggling to manage their everyday finances and aren't able to focus on anything past today. Building knowledge and providing tools and support can go a long way in helping these vulnerable employees take control and feel happier and more confident with their financial health and, as a consequence, this has positive impacts on their physical and mental health too. This can reduce stress, increase productivity and reduce time off work.

This survey was carried out before the Covid-19 pandemic. Clearly we have now all experienced a significant unexpected event which will further compound the issues faced here.

The thought that something 'could' happen can often leave us feeling just as worried as the event actually happening.

Have you, or someone close to you been affected by any of the following in the last 12 months?





IMPACTS OF POOR WELLBEING



2 out of 3 experienced stress in the last 12 months - higher in females (74%) than males (60%).



More than 3 in 5 employees said they had lost sleep worrying about things in the last year - higher in females (69%) than males (54%).



Less than 3 in 10 (29%) employees have access to mental health support through their workplace although more than half (56%) said they would value this as a benefit.

EMPLOYEES WHO HAVE BEEN AFFECTED IN LAST 12 MONTHS

67%

61%

61%

49%

38%

33%

37%

Common reasons including: ▾

	Stress	Anxiety	Lost sleep	Depression	Struggled to cope with daily life	Time off work	I have spent time during my working day addressing personal issues
physical health	14%	13%	13%	10%	9%	14%	8%
financial health	21%	19%	15%	14%	10%	4%	9%
mental health	17%	17%	15%	16%	14%	9%	10%

Because stress changes the way the brain's neurons communicate with each other, chronic stress can cause our brains, nervous systems, and our behaviour to adjust to a vigilant and reactive state.

Bruce McEwen, a neuroscientist from Rockefeller University.

From an employer's perspective, productivity is important with more than a third (37%) of employees admitting to spending time during their working day sorting personal issues, there is a direct cost impact. What metrics do you have available to measure this within your business?



COVID
-19

COVID-19 PANDEMIC THE IMPACT ON FINANCIAL WELLBEING



With the ongoing global challenges from the impact of Covid-19 pandemic employers and employees are now dealing with situations that none of us could have predicted. For many, this is a time of worry, anxiety, uncertainty and loss. The impacts of Covid-19 are being felt socially, physically, emotionally and financially.

A key element to maintaining wellbeing is the ability to feel in control and be able to cope should something change. With everyday life being beyond an individual's control, there are still some areas people can focus on.

Employees can plan, prepare and protect themselves from the financial problems that can arise. From a number of issues this pandemic can bring such as income changes, serious illness and

bereavement. The benefits offered by employers are often a significant part of that planning.

A third (32%) of UK employees have less than one month's savings (including none) so it is inevitable that the impacts of employer instability, income changes and job losses will be further adding to employees' anxiety.

For many employers, this is also a huge period of uncertainty, many have been able to adapt to offer products and services to suit the needs of our lockdown nation, but in reality, we know there will be many business casualties and some industries may never be the same again.

This is a time to show compassion, flexibility, high quality communication and support services for business and workers alike.

85% of people said they felt worried about coronavirus

More than half, **54%** think Coronavirus will have a negative impact on their personal finances



31% of workers have had their work effected, either temporarily or permanently

More than **2** in **3**, feel their employer has responded well in terms of dealing with their employees during this outbreak



35% are worried that they could lose their job as a result of the pandemic

17% of people don't know how they would get by financially if they lost their job

30% said they would have to rely on the Government to support them

37% of people feel they will be spending less than usual during the pandemic

22% feel they will be spending more

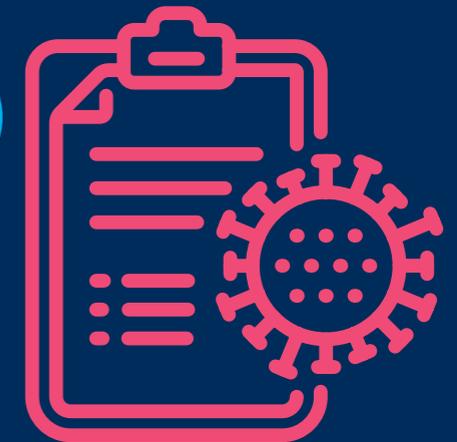
People are expecting to spend more: **35%** of people will spend more on groceries, **22%** on books and **21%** on home activities. **52%** are expecting to spend less on going out and **38%** less on fashion.



People are mostly worried about a loved one becoming ill or needing to be hospitalised, **59%**, themselves becoming ill, **43%** and not being able to buy food, **35%**.



83% of people are concerned that this will cause an economic downturn



A study carried out by Opinium Research (20th-24th March 2020) provides a snapshot of the financial capability and outlook.

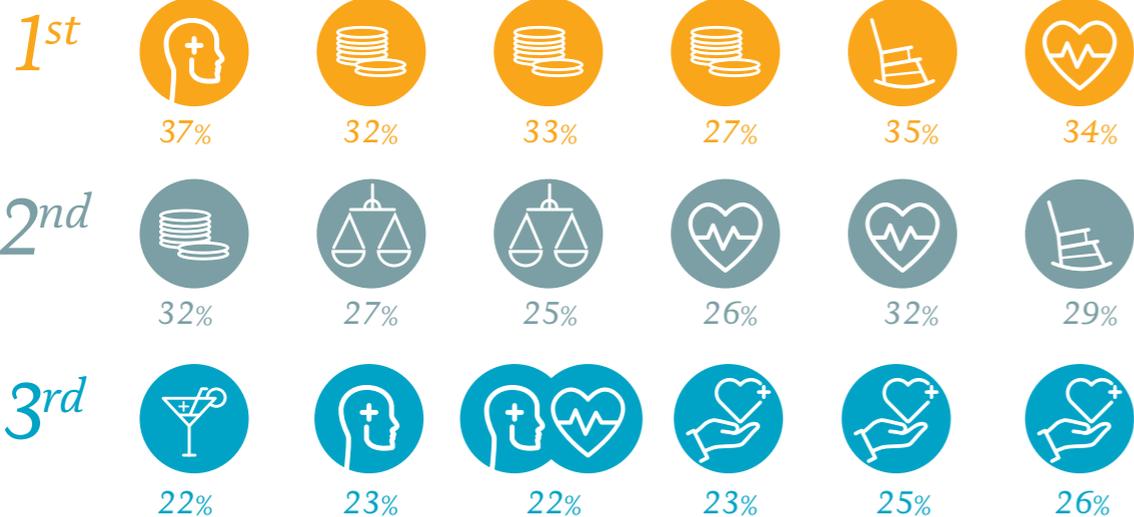


MONEY WORRIES

FINANCIAL WELLBEING: TOP WORRIES

The way in which you can support your employees is dependent upon their needs which will vary from individual to individual. This section takes a deeper dive into different age categories, life and career stages to help you to understand the top worries and concerns that your workforce might be facing, and the degrees in which they are coping.

KEY:



Financial health and later-life savings are consistently worrying for all working age employees

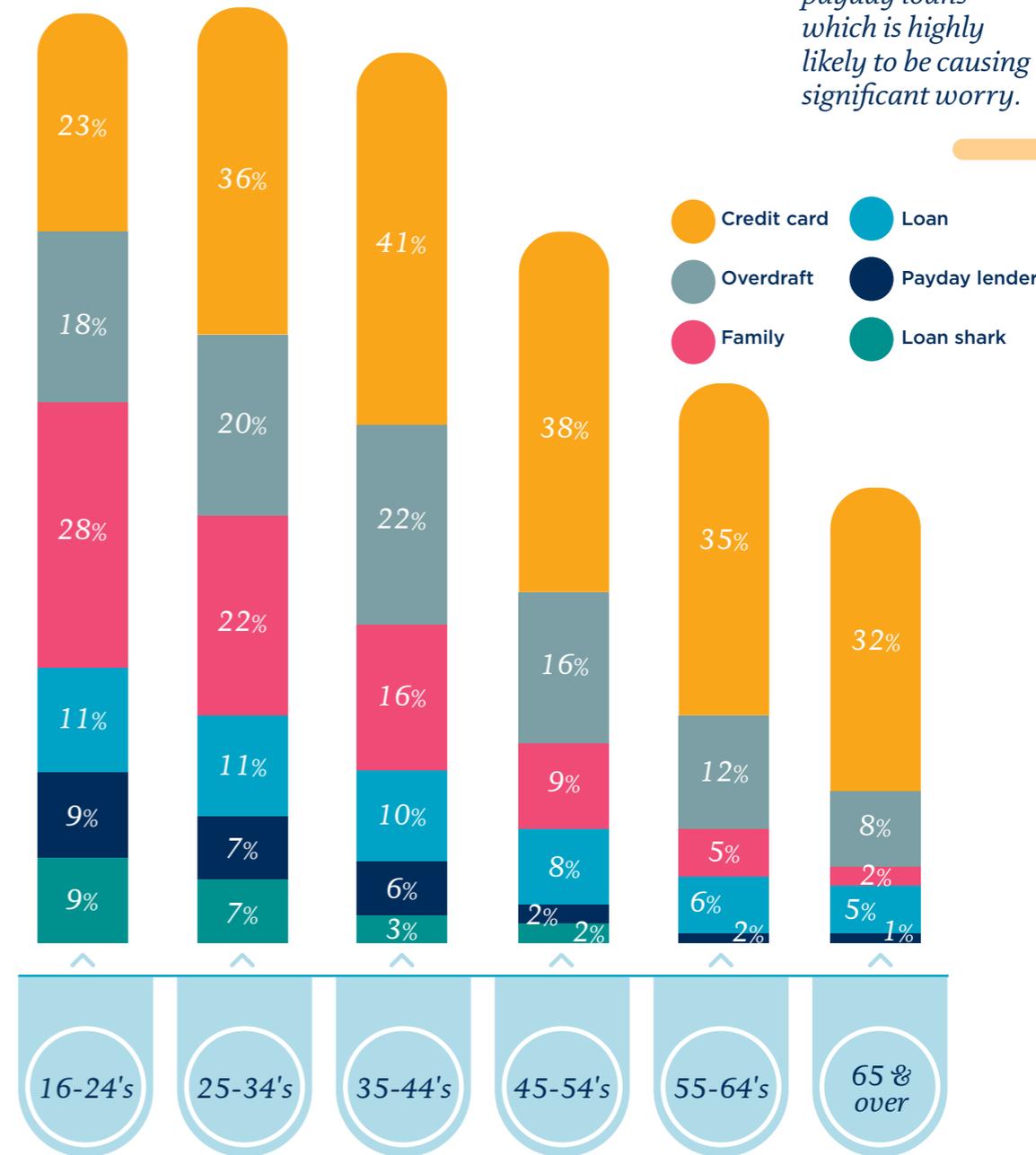


EVERYDAY BORROWING

(EXCLUDES MORTGAGES AND STUDENT LOANS)

67% of 16-34 year olds have attempted to enter into some form of unsecured debt, with 75% using credit cards, overdrafts or loans to borrow when facing financial difficulty, showing more education is needed to help these employees manage their day to day money.

9% of 16-24 year olds are currently using a loan shark and 9% are using payday loans which is highly likely to be causing significant worry.

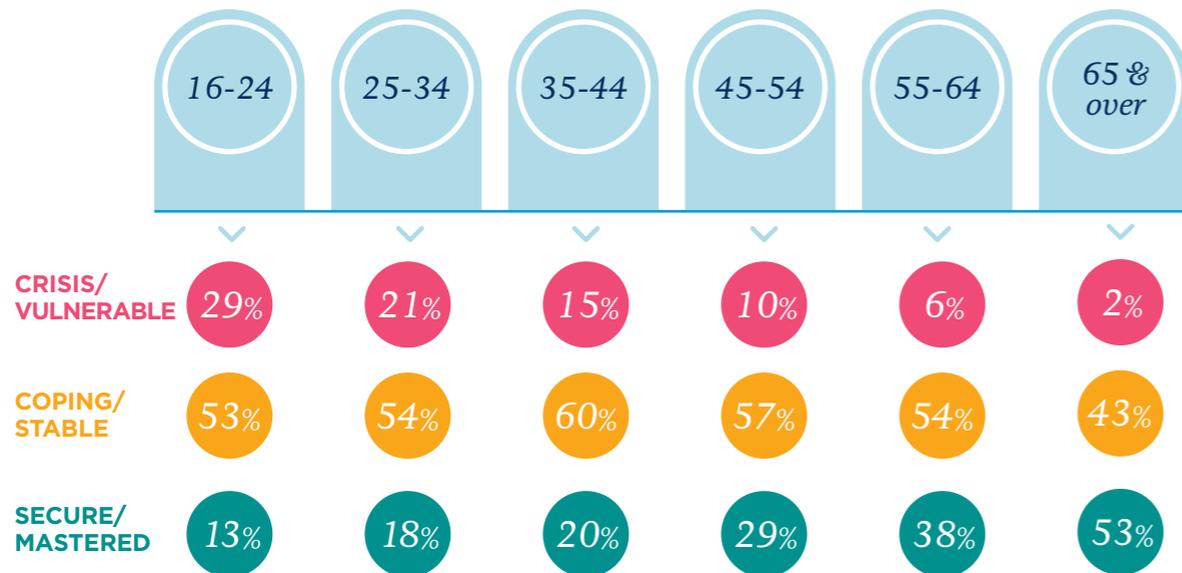




MONEY WORRIES

DAY-TO-DAY MONEY MANAGEMENT

How employees manage their money and their ability to withstand a financial shock has a direct affect on their wellbeing. We can see there are high percentages of those who are just about coping who could be feeling greater levels of anxiety, as one unexpected expense could tip them over into financial crisis. Using data to understand workforce needs can help drive a wellbeing strategy. This can be data within the organisation, external data such as ONS or independent research such as this survey.



CRISIS Serious Worries → Serious concerns about your money, regularly borrowing to make ends meet and debt is spiralling out of control.

VULNERABLE Barely Managing → Barely managing, sometimes need to borrow to make ends meet and starting to mount up debt.

COPING Tipping Point → Managing ok but would struggle to cope if had an unexpected expense.

STABLE In control → Managing ok and feel in control. Have a small amount of money set aside should something happen.

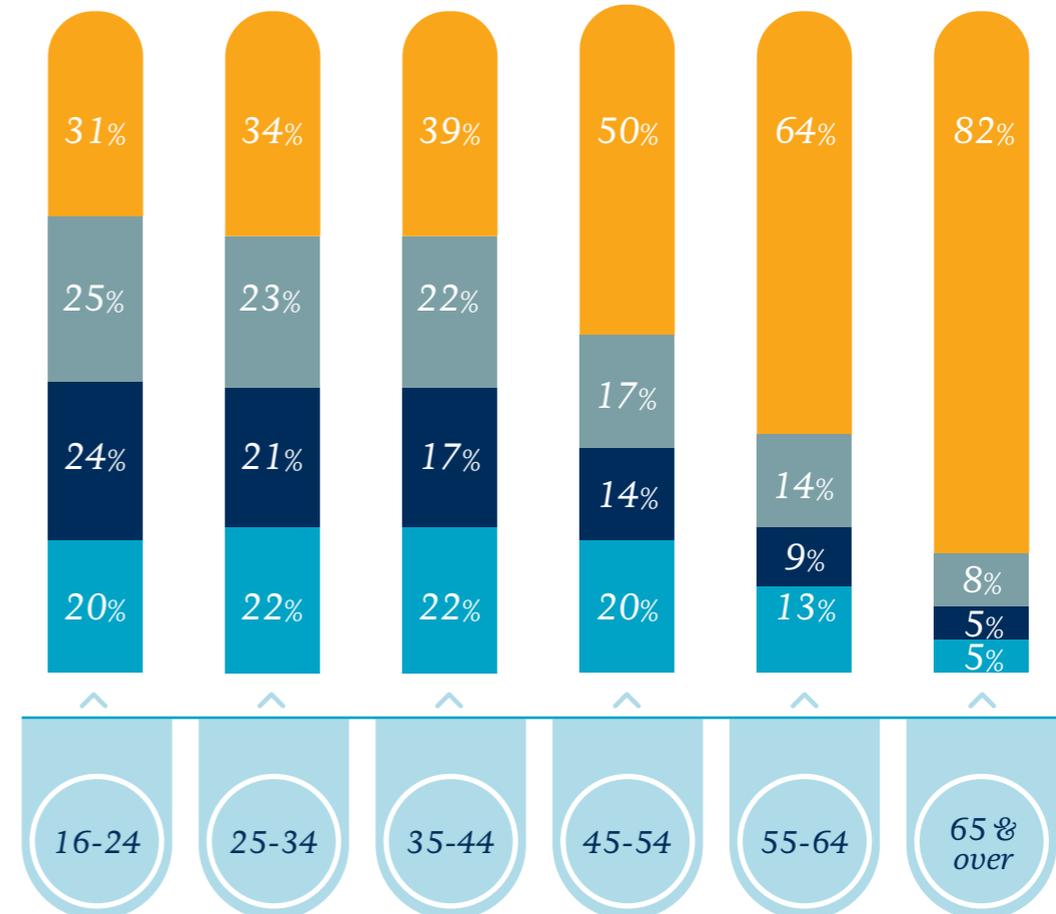
SECURE Prepared → You are in control, you have money set aside and you are prepared and protected should something happen.

MASTERED Long term secure → You are fully in control, you have savings, protection and investments and are financially secure for the long-term.



SHORT-TERM SAVINGS

32% have less than 1 month's saving (including none) and would not cope with a significant financial shock

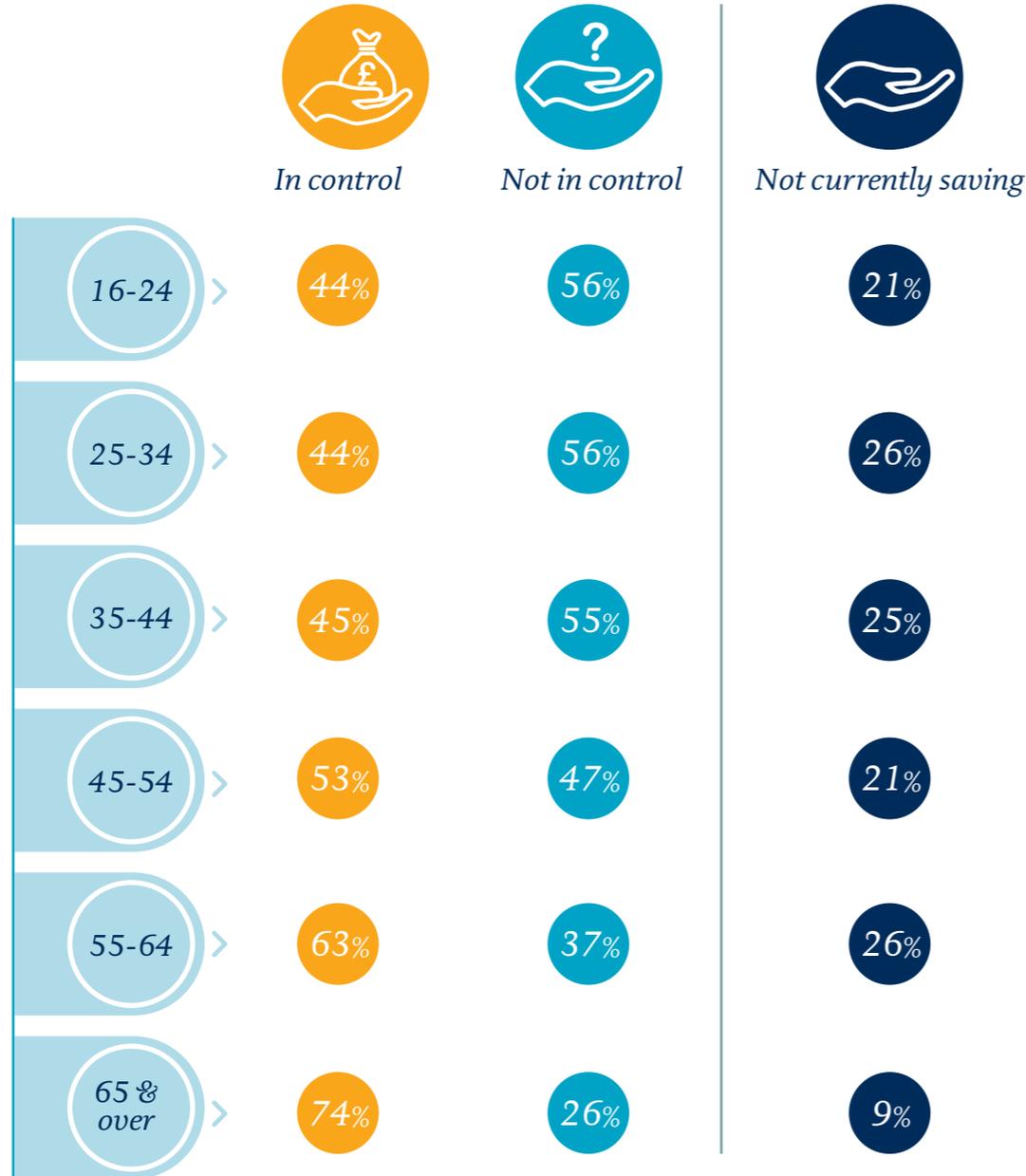


19% of those earning 60k-90k per annum; and 14% of those earning over 90k per annum have less than 1 month's savings (including none) so this is not just an issue for the youngsters or the lower earners.

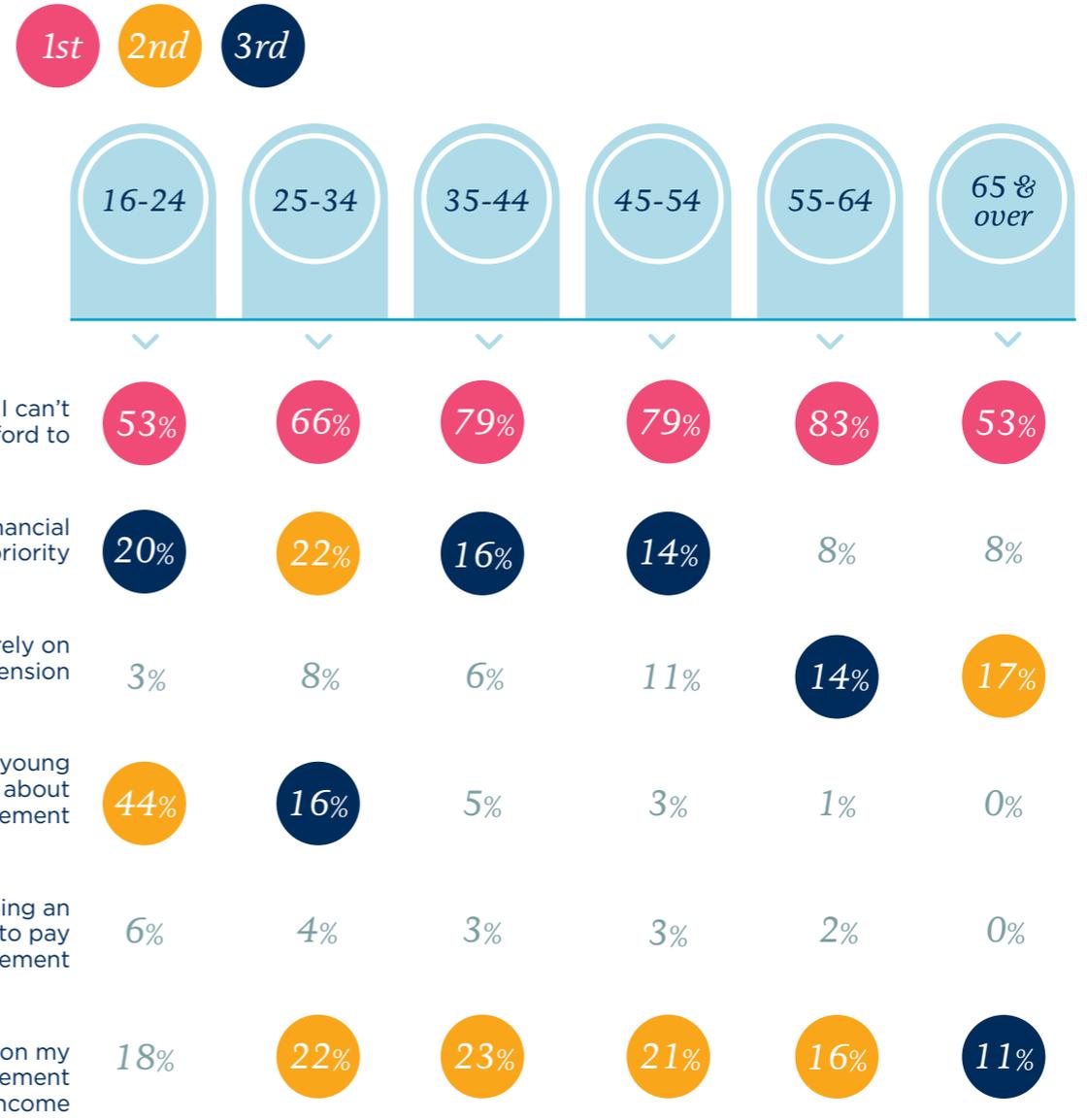


SAVING - FOR TODAY AND TOMORROW

Good financial planning does not focus on a single aspect. Planning for the short, medium and long-term financial capability is necessary to support confidence and resilience. Feeling in control of your financial future is vital to ensure you are able to make smart, well-informed decisions at key life stages such as retirement.



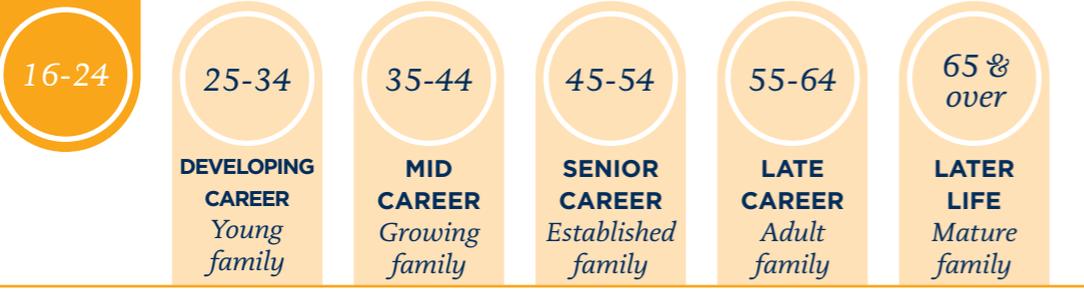
REASONS FOR NOT SAVING FOR RETIREMENT



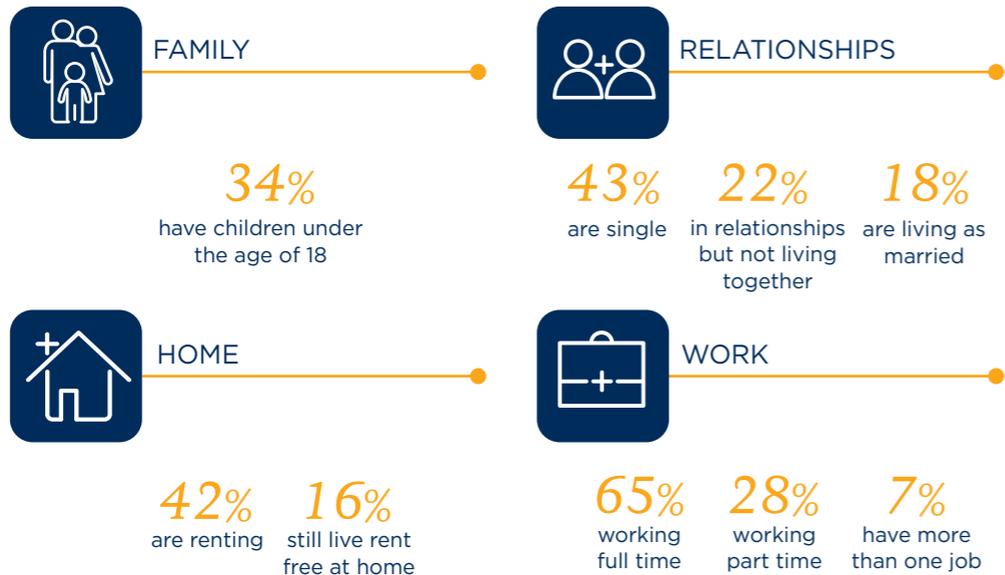
Most people either feel they cannot afford to retire or are planning on relying on the state pension - budgeting tools would be key for these people to ensure they understand the reality of these decisions.



YOUNG CAREER
Starting out



These employees should be enjoying starting their journey into work and financial independence but instead are struggling to manage day-to-day.



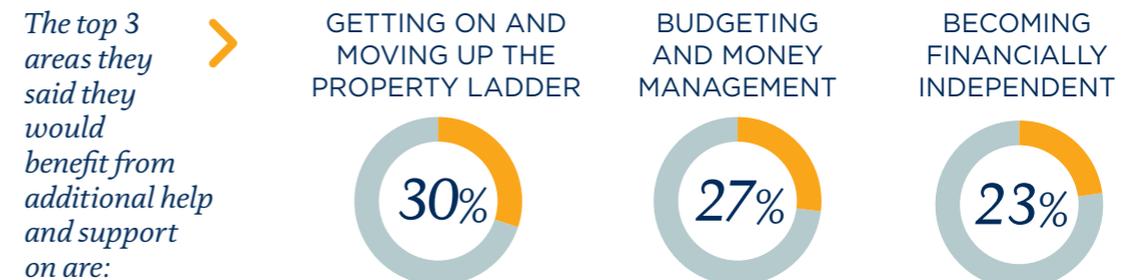
Financial concerns affect:



24% said they felt concerned about their money half way between pay days and this increased to 30% in the few days before pay day with an additional 11% saying they "felt negative and couldn't cope" in those last few days.



Priorities and key focus areas

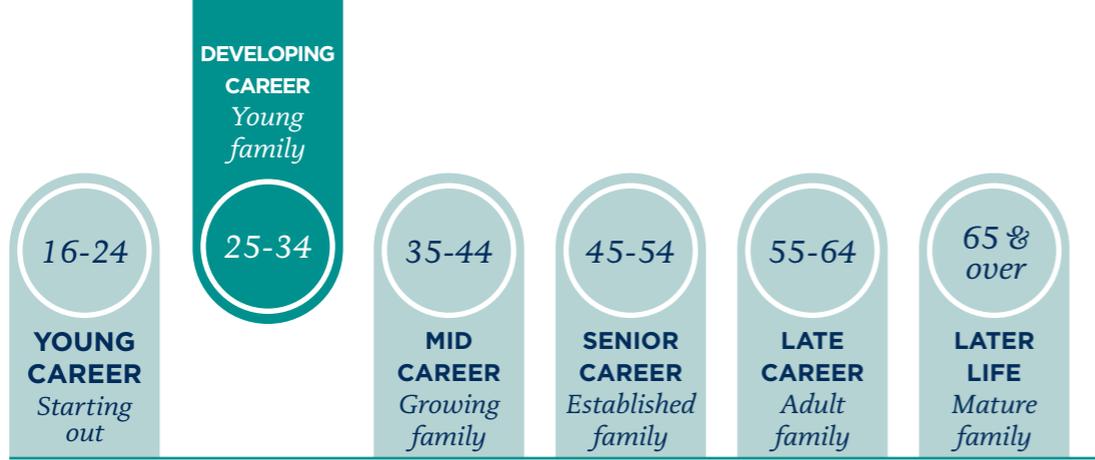


Preference for receiving this advice was by face-to-face 1-2-1 with personal advice, closely followed by small focus groups/workshops.

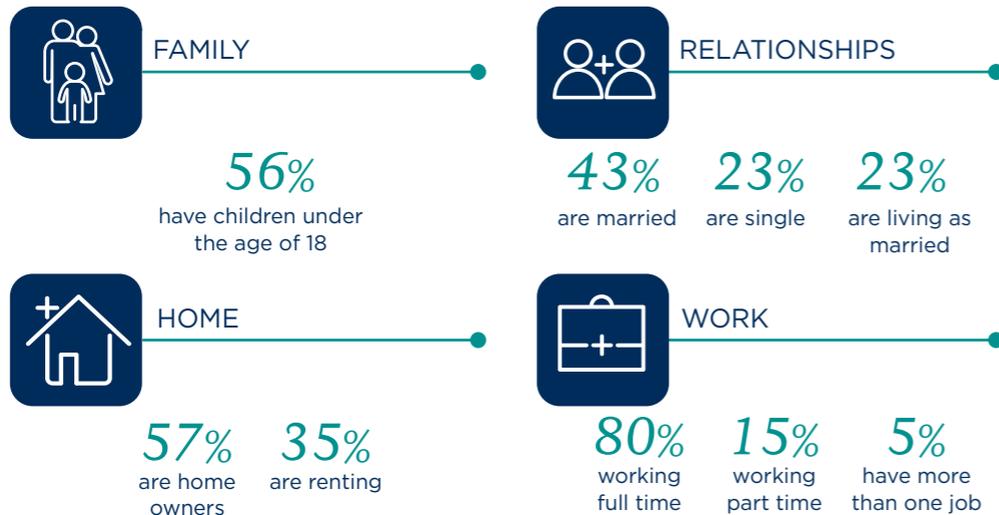


Employer focus areas

- **Targeted education** - help younger workers to understand budgeting / saving / debt etc - improving their confidence to make smart financial decisions and aim towards financial independence
- **Financial and budgeting tools** - provide tools to support positive day to day money management
- **Good value savings options** - help employees start to build up emergency savings



Having control over daily finances, and building a savings buffer to help these employees cope when things happen is key to building their financial capability and resilience.



More than 3 in 5 (64%) are worried about their wellbeing

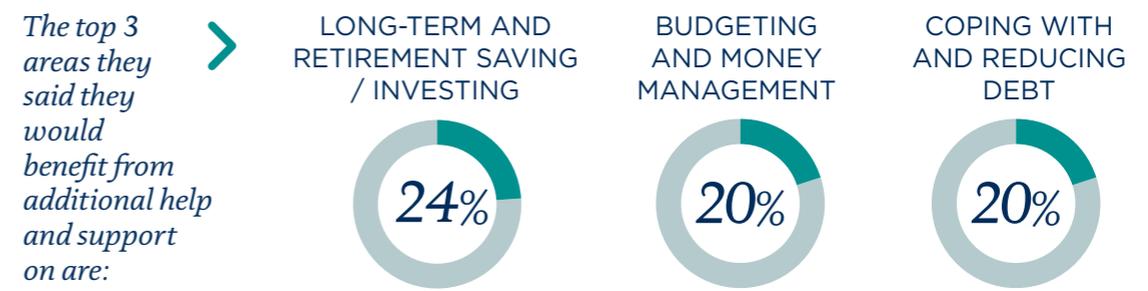
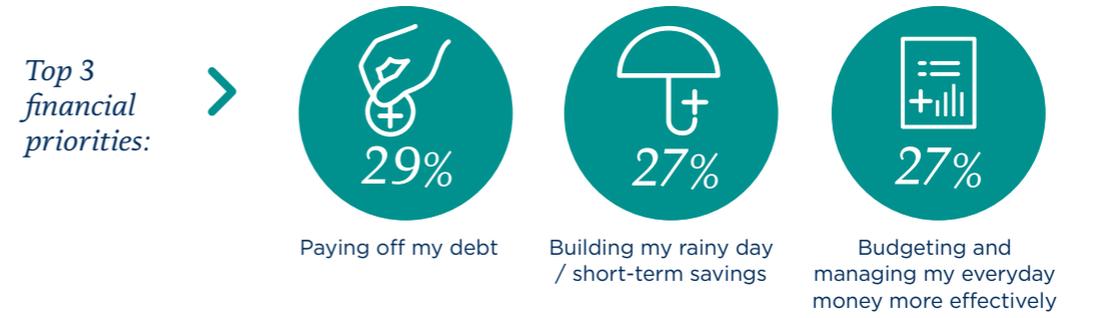
Financial concerns affect:



22% have no savings at all and 21% have less than one month put aside should something happen. Almost 19% said they felt concerned about their finances half way between pay days, and this increased to 28% in the last few days before they get paid and 1 in 10 said they "felt negative and couldn't cope" in those last few days.

The sea of uncertainty is further compounding the stress and worry for this group of employees.

Priorities and key focus areas

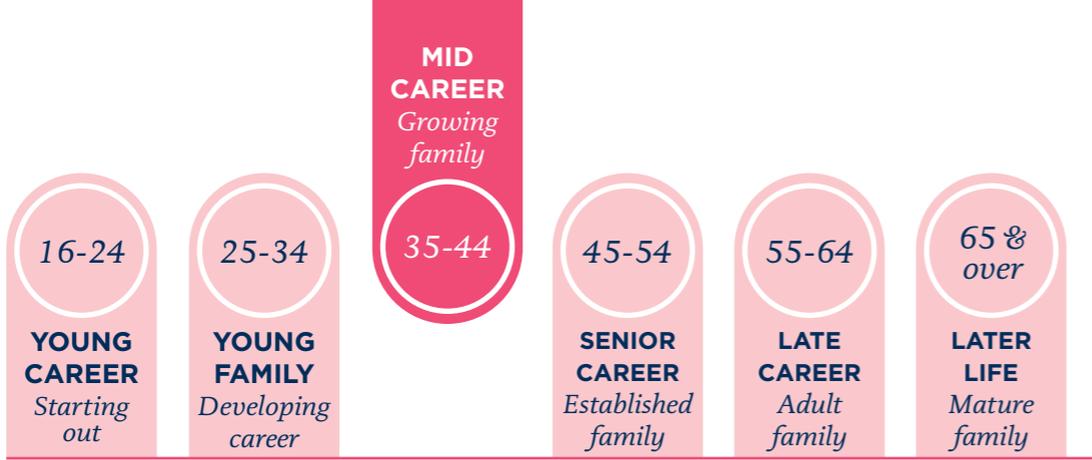


Communication preference for this group is face-to-face 1-2-1 with personal advice, followed by small focus groups/workshops. Interestingly, email communication ranked second when receiving support on coping with and reducing debt.

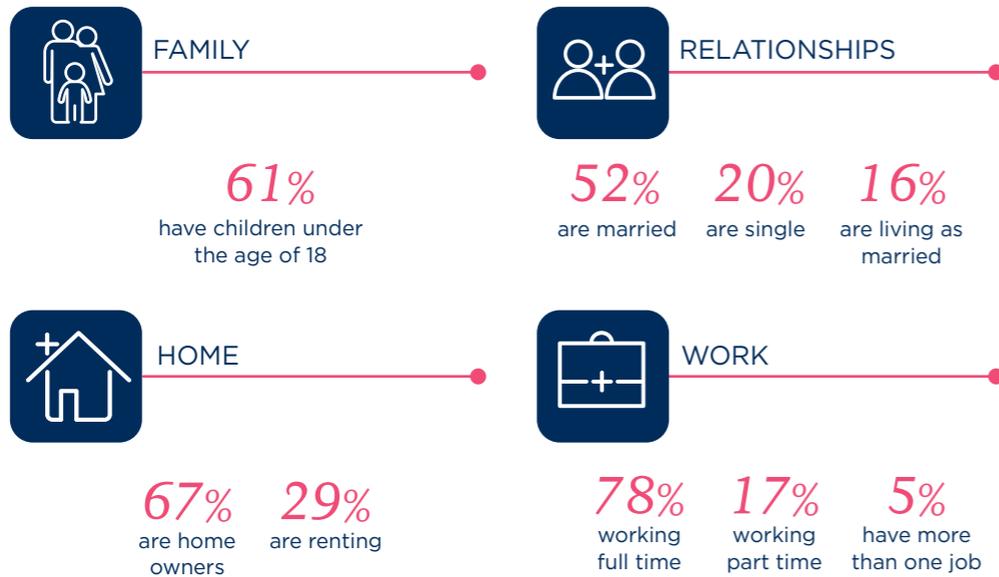


Employer focus areas

- **Targeted education** - help these employees determine their key financial goals (next year's holiday, a deposit for a house, wedding, retire early etc) and how to best save towards them
- **Financial and budgeting tools** - provide tools to support positive day to day money management
- **Range of benefits and saving** - whether it's help saving for a house deposit, or debt management or life cover with family options, these employees will value a wide range of financial support



This group of employees have additional pressures in respect of their families and elderly relatives who become more and more dependent as they grow older. A third are just coping day-to-day - **it's creating a perfect storm of worry and stress for employees.**



Financial concerns affect:



19% feel concerned about their finance's half way between paydays, rising to 30% in the run up to payday. Add in the additional worry of a lack of savings - 22% have no savings at all and 17% have less than one month put aside.

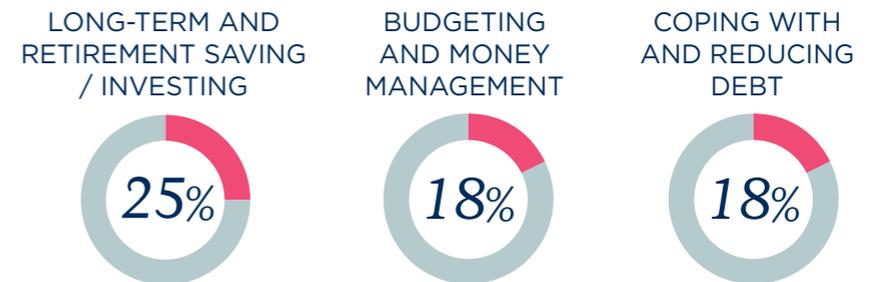


Priorities and key focus areas

Top 3 financial priorities:



The top 3 areas they said they would benefit from additional help and support on are:

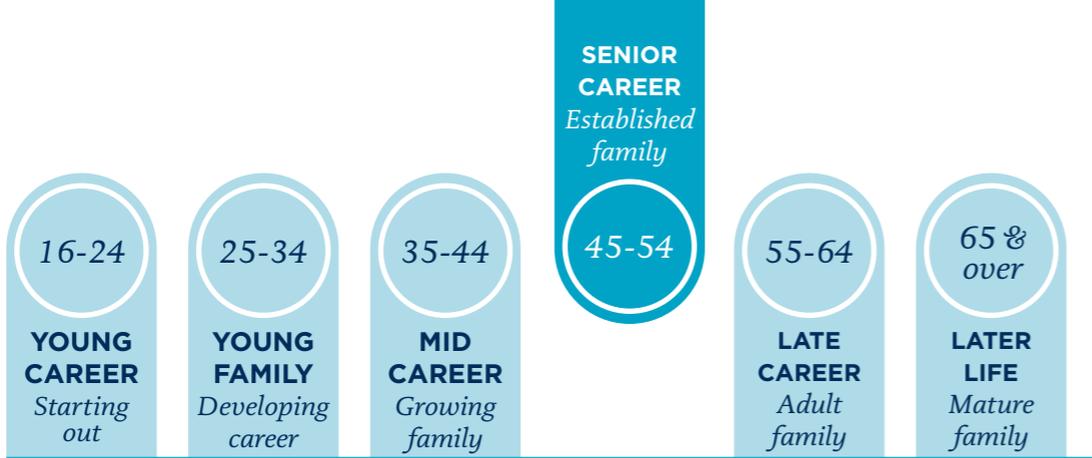


Face-to-face 1-2-1 with personal advice came out as the top communication preference for this age group. This was followed by email and online web-based seminars for receiving help and support.

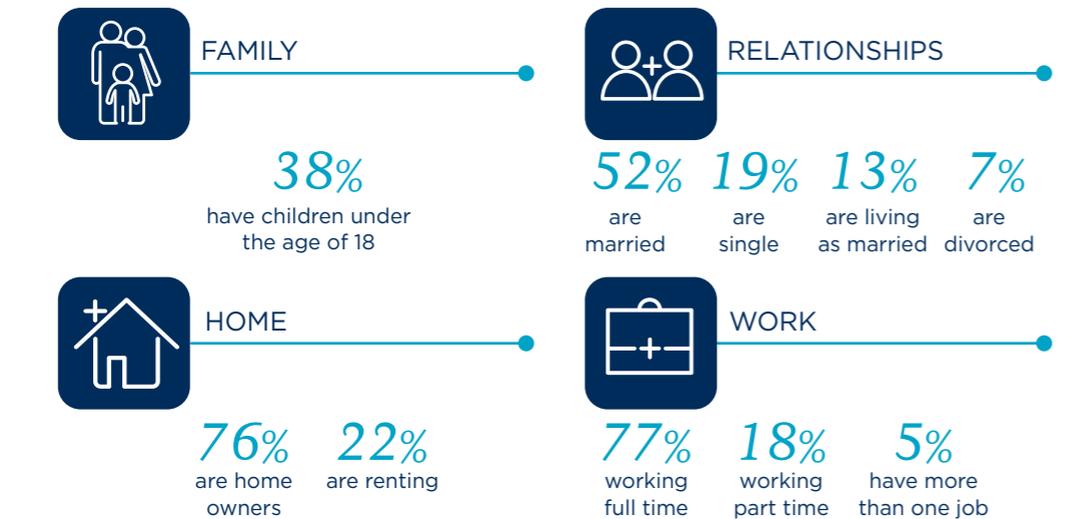


Employer focus areas

- **Flexibility** - as their needs change, employees will value the flexibility in how they work and to choose the benefits they value the most
- **Targeted guidance** - for key financial decision points, such as moving house, moving jobs, marriage or divorce, starting a family etc - the expected as well as the unexpected
- **Support medium and longer term savings** - help employees reach longer term goals including offering a good pension scheme with engagement tools for employees to clearly understand its benefits



Often we find this group of employees have dependent children and older relatives who are also becoming more financially and emotionally dependent. They are often earning higher salaries, but the issues of money management are still present.



More than 3 in 5 (61%) are worried about their wellbeing

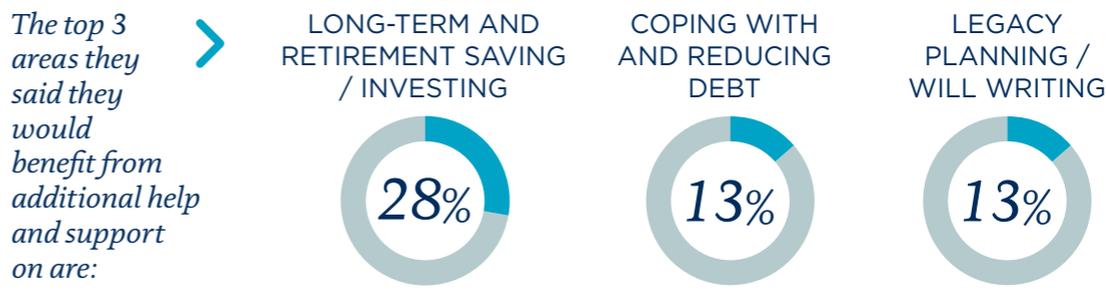
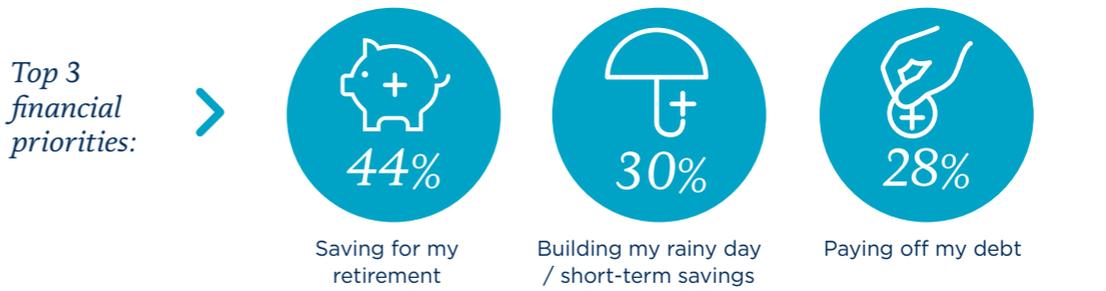
Financial concerns affect:



15% said they feel concerned about their money half way between paydays; and 25% feel concerned with a further 8% saying they feel negative and can't cope in the last few days before pay day. 20% have no savings at all, and 14% have less than 1 month savings.

Seniority is not necessarily a badge that also reads 'financially stable'.

Priorities and key focus areas



Face-to-face 1-2-1 personal advice is by far the communication preference for receiving support for this group followed by email.

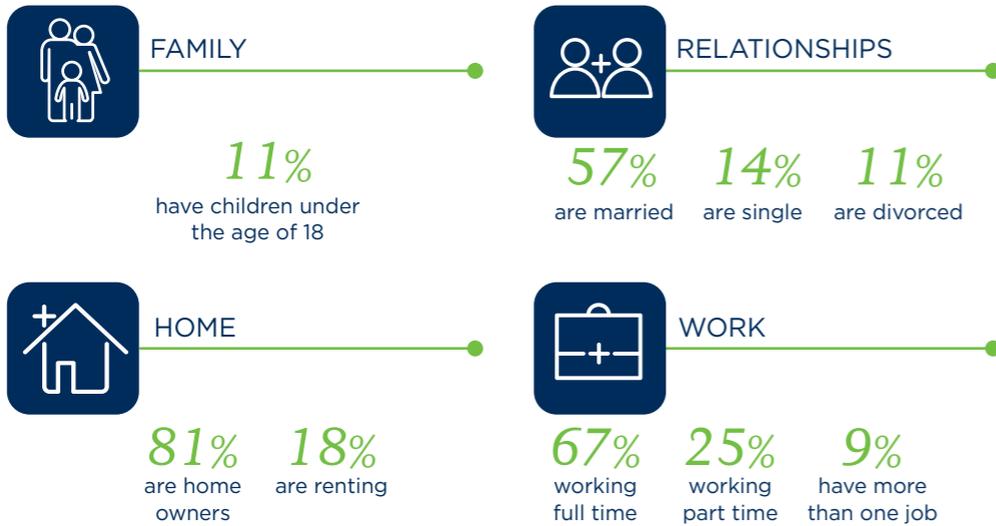


Employer focus areas

- **Targeted guidance** - help employees to build a plan for later life finances, such as when they want to retire and how much income they will need
- **Support medium and longer term savings** - help employees reach longer term goals including offering a good pension scheme with engagement tools for employees to clearly understand its benefits
- **Range of benefits and saving** - help employees to save money and to pay down debts



At this stage in their life / career, these employees should be starting to think about what the next phase of their life looks like (practically and financially). What we are seeing however, is them struggling to cope with their daily finances. Paying off debt and managing their money more effectively are top priorities as they start to think more seriously about what comes next for them.



More than 2 in 5 (45%) are worried about their wellbeing

Financial concerns affect:



20% have low (if any) savings and almost half are regularly borrowing. They should be looking forward to their next life stage, not left worrying about how they will make ends meet.



Priorities and key focus areas

Top 3 financial priorities:



The top 2 areas they said they would benefit from additional help and support on are:



The overwhelming preference to receive support for this group is via face-to-face 1-2-1 personal advice - not surprising given their life stage.

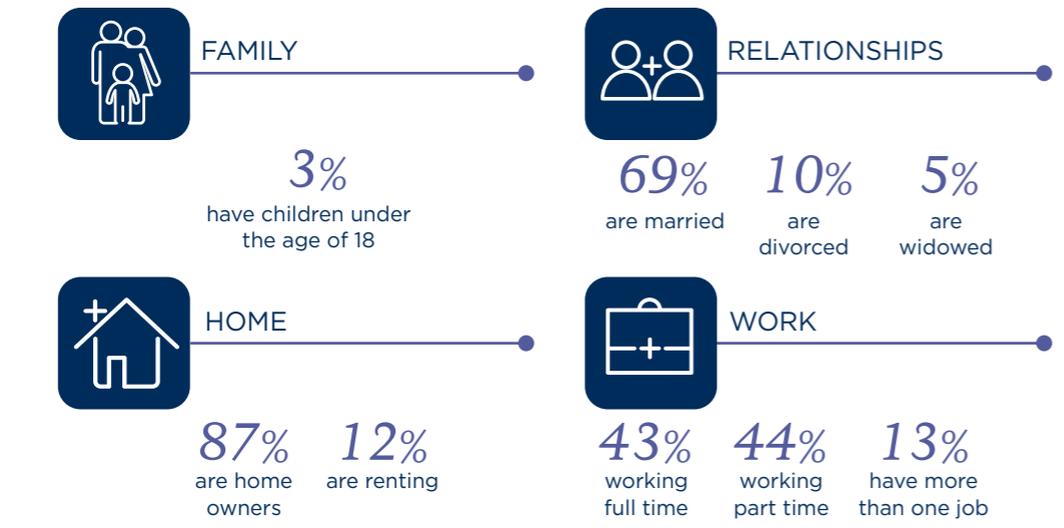


Employer focus areas

- **Targeted guidance** - help employees to build a plan for later life finances, such as when they want to retire and how much income they will need
- **Money management tools** - provide benefits to allow effective money management including paying off debt
- **Flexibility** - as their needs change, employees will value the flexibility in how they work and to choose the benefits they value the most



Historically, age 65 was the cliff edge of retirement that employees worked towards. Times have changed considerably and now we see 2 in 5 employees staying in the workforce past 'normal retirement age' of 65. This is typically for one of two reasons - either the need for social interaction, or financial - they simply cannot afford to retire.



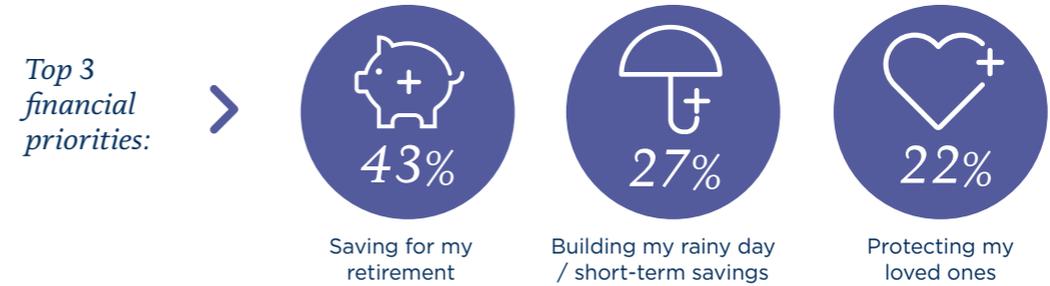
More than (46%) are worried about their wellbeing

Financial concerns affect:



1 in 10 have very low (if any) savings, and almost 4 in 10 are borrowing to make ends meet, it's no wonder we see the growing trend of remaining in the workplace for longer. Without financial stability, how can we realistically expect these employees to make sensible decisions about their working future?

Priorities and key focus areas



This group also prefer to receive support via face-to-face 1-2-1 personal advice, though trusted internet sites ranked second.



Employer focus areas

- Targeted guidance** - help employees consider the transition from working to not working and make the most of the funds they have as well as other older age issues such as legacy planning
- Good retirement plan** - ensure this provides free guidance to members as well as tools and flexible options to enable employees to make the most of their retirement benefits

FOCUS GROUP SPOTLIGHT

We held a roundtable with a number of professionals including clients and industry specialists to discuss the key findings of this report. The depth and breadth of financial worries, and impact across all employee groups came as a surprise. In particular, the level of borrowing and lack of savings even for high earners was eye opening. Thoughts and ideas were discussed on how we can collaborate to support both the needs of the employees and the employer effectively. Below are some of the key themes that emerged.

Challenges

Employee

- Easy to access debt can spiral out of control
- Social pressure to spend and feelings of shame or anxiety about finances
- Rising costs and minimal wage increases
- Financial 'squeezes' are tightening around people
- Employees need to take ownership of their financial journey but the employer can help
- Financial priorities – today versus tomorrow
- Lack of short-term savings means more will turn to quick fixes such as payday loans for unexpected expenses
- Do money management apps actually remove personal responsibility?

People don't feel jealous of the millionaires as that's not achievable for them – they care more about the person down the road earning 10k more and they try and keep up.

George Currie, PLSA

People are more open about health problems but are less keen to talk about finances.

Lauren Haworth, N M Rothschilds & Co

Employer

- Financial wellbeing is more than just ticking boxes
- Benefits need to evolve to the modern workforce
- Line manager training and support is often needed
- Communicating the messages effectively can be difficult
- Business financial constraints and challenges
- Understanding the impact of poor employee financial wellbeing on the business
- Using insights and data is effective to help drive strategy

Financial wellbeing is important otherwise people won't be able to retire – are we going to see an increase in people getting fired as they're not fit enough to work?

Stephen Hall, Direct Line Group

The stats on lack of savings is quite frankly scary. Financial education is key across all ages – employers should try to have something in place. They should reinforce what is affordable.

Andrew Gibson, Clarksons PLC

Understanding today's modern workforce

- Throw-away society and 'live for today' behaviour causes people to spend not save
- Employees have financial pressures and debt but many are still driving round in brand-new cars
- The baby boomer generation is dropping away so people are less able to rely on 'the bank of mum and dad'
- People are settling down much later
- People often assume levels of knowledge as they grow older and this isn't always correct
- Preference for face-to-face support indicates nervousness among employees
- Lack of resilience to cope with unexpected events – people are not saving or taking protection

We are hearing people start to talk about the 'forgotten middle' (35-44's): older workers have DB schemes, younger workers still have time to save, but the forgotten middle are vulnerable.

Charlotte Cartwright, Eversheds Sutherland

Where can employers begin?

- Start small - initiatives don't have to be big and expensive
- Use data to help identify the key areas of concern – have clear objectives
- Ask your employees – use surveys and focus groups to deepen understanding
- Education is key across all age groups – focused topics as well as the basics
- Think about the words and the tone of voice in your communication
- Real life stories – share experiences
- Create an open supportive environment where it's ok to talk
- Use resources from existing providers to help
- Understand new providers and how they can support your benefit objectives
- Provide access to trusted IFAs for advice

We have worked hard on mental health initiatives, we now need to do the same with financial health – let's get out there and start talking about it.

Steve Gaunt, Scottish Widows



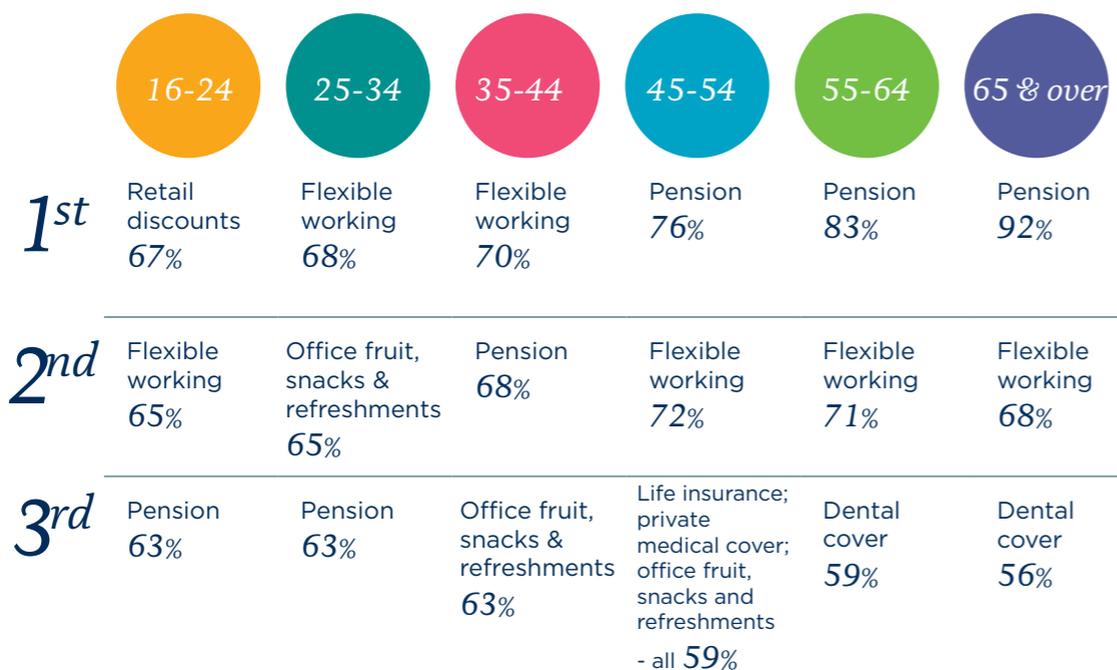
EMPLOYEE BENEFITS



The value which employees place on their benefits tell a logical story. Younger employees who are starting out place greater importance on spending and building day-to-day money management. As employees start to get older and build relationships and family, benefits to support them thinking about the future become more valuable. Moving into the mid and later phases of their working lives, future saving and protection become of greater importance as does the value we place on those benefits.

The one thing that is consistent across all age groups is flexible working - something which many employers have had to be able to offer in recent months. With developments in technology and an increase in importance of work-life balance this is valued by employees like never before. It's interesting when considering how benefits have evolved over recent years, that we see greater value being placed on wellbeing initiatives such as office fruit, snacks and refreshments which ranked third overall in the benefits employees' value.

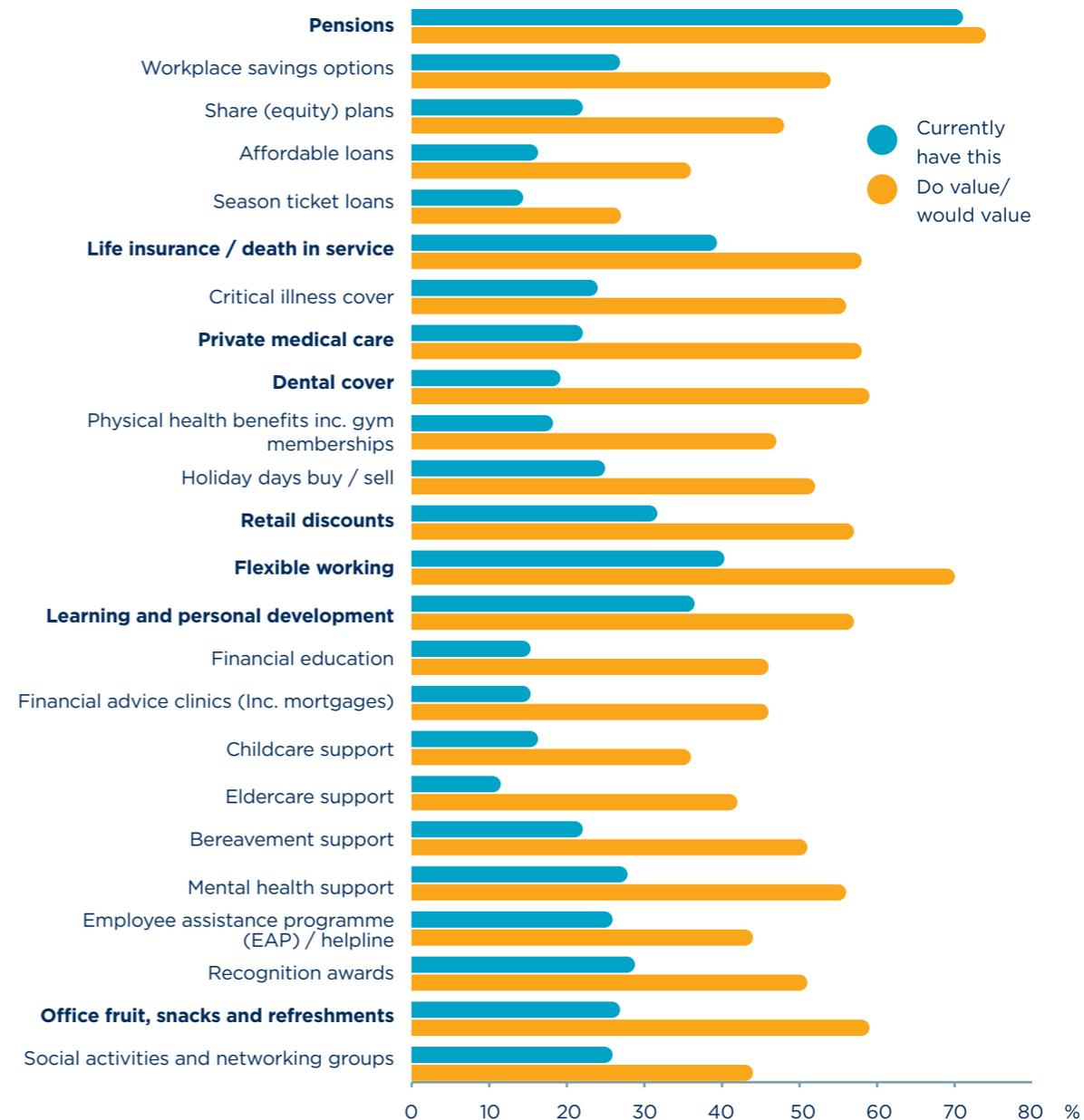
Top 3 most valued benefits



On average, pensions are the most valued benefit accross all ages.

With so many options available, ensuring you choose the right suite of benefits to meet the needs of your employees is vital for return on investment and employee engagement.

Most valued benefits





EMPLOYEE SUPPORT

We asked employees whether they felt their employer cared about the elements of their wellbeing. We see a trend for younger employees who feel their employer does not care and could support them more, compared to older employees who don't feel this to the same extent. This difference could be explained by the changing psychological contracts between the generations and their relationship with the organisation.

Percentage who do not feel their employer cares and could support them more

Financial health



49%

Later life / retirement provision



41%

Physical health



36%

Overall feeling of wellbeing



35%

Mental health



34%

Career & personal development



34%

Can employers afford to ignore this as it's leading to unhappy workers, disengagement, lower productivity, increased turnover and increased sickness?

Understanding the role of the employer in supporting employee wellbeing will allow organisations to add value without stepping 'over the line' into personal space.

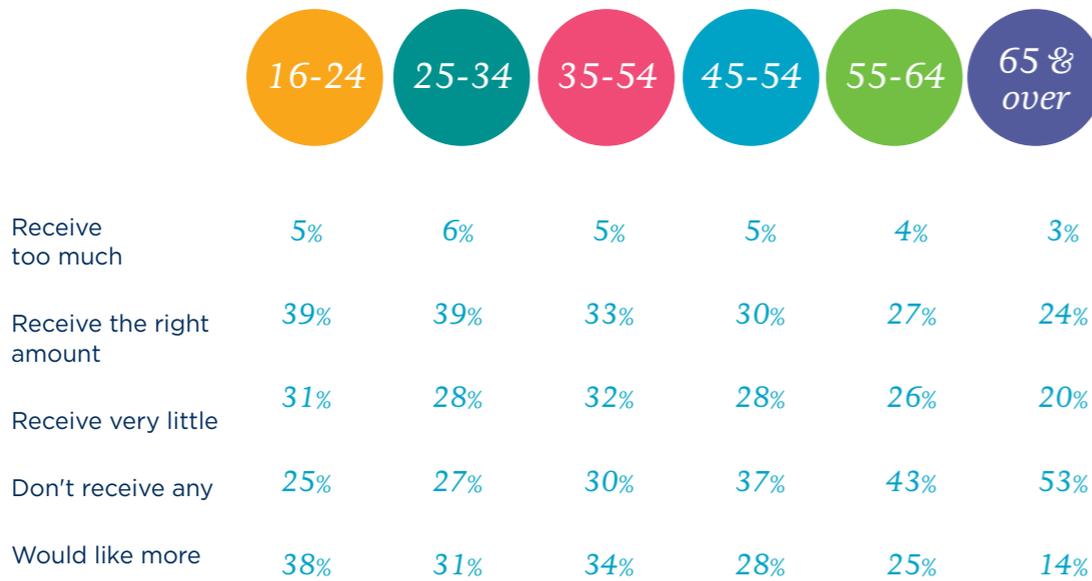


COMMUNICATION LEVELS



Ensuring a good balance of communication is key to engagement. Too much information and you risk your messages being missed or deleted without being read. Not enough information and the workforce will be disengaged. So how you approach communication and the methods you use are key to ensuring your messages get through and the actions you seek are understood.

What do you feel about the communication you currently receive on wellness from your employer?



Almost half of those aged 55 and over say they don't receive any communication on wellbeing - are your messages getting through?

SUPPORTIVE WORKPLACE

How far do you agree with each of the following statements?



Only 1 in 3 employees feel motivated with rewards, recognition and benefits. Is it time for a reward and benefit review?



KEY CONSIDERATIONS



Data – use to gather insights

Employers have a wealth of data to hand already which in isolation, may not prove that valuable. If this information is looked at in conjunction with external sources, by data experts, then this can actually be hugely powerful and provide meaningful insights.

INTERNAL DATA – salary, benefit spend, student loans, other payroll deductions as well as turnover and sickness information.

PROVIDER BENEFITS DATA – take-up rates, benefit levels, click through information split by demographics.

EXTERNAL DATA SOURCES – ONS information, dedicated 3rd party research from trusted organisations.

If there are other elements that aren't covered by existing sources, or you want to capture thoughts and feelings too – the best way is to ask your workforce. You can do this in a number of ways such as surveys, additional questions in existing mechanisms of feedback, or events such as focus groups. It is important to make sure you ask the right things, in the right way so as to not open up unrealistic expectations that cause you more issues than you wish to solve currently.



Building a business case

Some of the most critical challenges for most employers are understanding the business case, clearly defining strategic objectives and obtaining senior buy-in.

It's easy to get carried away with the latest product or service, but actually taking time to think what is right for your business and your workforce will ultimately pay dividends. This will reduce wasted time and effort, and reduce the potential for benefits that don't add value, cause greater issues or not ultimately improve the wellbeing of your employees.

The financial wellbeing market is a young market in the UK, it's also one that has grown considerably over the last few years. There are new entrants offering products and services constantly which is why partner selection is so important. Making sure you have the right benefits that will add value and support your workforce, delivered in the right way from trusted sources is crucial in supporting the wellbeing of your most valuable assets – your employees.



Building knowledge and confidence

Knowledge is key to ensuring we make smart, well-informed decisions. In today's fast-paced, instant society – it's all too easy to access the latest product, jump on the next trend and look for the 'quick fix' to our problems but is that the right thing for the longer term?

Often the answer is no.

Helping employees build their knowledge around their financial choices is a fundamental part of any wellbeing strategy. With knowledge comes the confidence to ask deeper questions to further cement our understanding. With that confidence comes capability – we feel empowered to take ownership and make the right choices for ourselves. With that capability comes resilience – our ability to cope when things happen, be that through our savings, our protection and our flexibility to adapt our spending appropriately.



Providing support

It's important to many organisations to be seen as caring and supportive when it comes to employee wellbeing. We have made fantastic steps forward for mental health support and we now need to think of financial health in much the same way.

Sharing of real life stories to create an open and honest culture where people can speak out if they are worried or concerned and get the help and support they need. Offering options such as helplines, access to advice and access to support information can be life-changing for someone in a vulnerable situation.

Financial wellbeing strategies don't necessarily have to involve multiple products with big budgets – starting small, identifying issues and providing support to help those who need it is a great place to begin and you can build from there.



Communication

Today's modern workforce is diverse, and the range of options we have for communication has also evolved considerably over recent years.

Ensuring your messages are received and understood can be challenging. There isn't a 'one size fits all' approach when it comes to communicating, that's even more so when you have a workforce spread over multiple sites or remote, short-term or seasonal employees.

You may also have vulnerable cohorts within your business, those who need additional support or tailored messaging. These pockets of employees can be identified during the data analysis process and using those insights can help shape the communication strategy to maximise your chances of reaching those who need the most support and information.



YOUR TOOLKIT

– FAQs

Below are some of the common questions employers ask us when we are helping them on their financial wellbeing journey.

I don't know where to start – what should I do?

Start small – even providing access to helplines and basic financial information is going to help. Use the data and feedback from employees to understand the key areas to focus on. Create an environment where its OK to talk and ask for help. Use your existing providers and the wider market to build on those foundations as time goes on.

Is this just an issue for the young and low paid employees?

No. There are financial worries across all ages and across all salaries. A lack of savings buffer and a high level of borrowing for basic financial needs impacts money management across the UK.

The statistics are frightening but we pay our employees well so surely, we don't have the same issues?

Just because someone is paid well does not necessarily mean they are managing their money effectively. We can share statistics to highlight these issues such as 19% of those earning 60k-90k per annum, and 14% of those earning over 90k per annum have less than 1 month's savings (including none) so this is not just an issue for the youngsters or the lower earners. If you would like to look into your own company in more detail, then we can run the same UK survey and benchmark your employees against that metric. This, coupled with analysis of employee data can highlight where the areas of concern are within your workforce.



How can I get senior buy-in?

Utilising the data you have available and identifying the key concerns will help show senior leadership the extent of the issues. Combining this with the wider business objectives and strategy can show how these issues impact productivity, turnover and sickness to name a few.

Surely this is a personal responsibility and not an employer issue?

It is the responsibility of the individual to manage their money but employers can do a great deal to support them in this. The workplace is the main (often only) source of income and access to savings and protection policies that employees have. By providing options to build knowledge and obtain help and support should they need it, can have a significant impact on their behaviour, engagement, productivity and loyalty to the company.



YOUR TOOLKIT

– Checklist



Many employers are just at the start of their journey into employee financial wellbeing and it can be daunting to know where to start. You can use this checklist to help provide some simple steps to get you started.

✓ Topic	Examples of areas of consideration
<input type="radio"/> <i>Understand the workforce</i>	<p>Use internal and external data to understand the issues in the workforce:</p> <ul style="list-style-type: none"> • Payroll data • Provider data • External data sources • Employee feedback – surveys, focus groups etc
<input type="radio"/> <i>Business case</i>	<p>Understand the business objectives:</p> <ul style="list-style-type: none"> • Reduce turnover or sickness • Improve productivity • Improve employee engagement • Business change – merger / acquisition / restructure • Brand – internal and external brand perception • Creating the right culture and environment • Senior buy-in
<input type="radio"/> <i>Strategy review and design</i>	<p>Ensuring the reward and benefits are fit for purpose:</p> <ul style="list-style-type: none"> • Review existing benefits • Identify gaps • New products and services available – market review • Utilisation of existing provider capability and support
<input type="radio"/> <i>Building employee knowledge</i>	<p>Knowledge is the foundation to make smart, well-informed decisions:</p> <ul style="list-style-type: none"> • Budgeting and money management • Understanding credit scores • Savings – short-, medium- and long-term • Protection – care for the people and things we love • Life events – home, family, unexpected events & later life
<input type="radio"/> <i>Communication</i>	<p>Targeted communication:</p> <ul style="list-style-type: none"> • Words and tone of voice • Vulnerable cohorts • Life events • Engage with benefits and business changes • Multi-channel communication • Hot topics / campaigns
<input type="radio"/> <i>Learn and evolve</i>	<p>Not just a one-time tick box exercise:</p> <ul style="list-style-type: none"> • Ongoing management information & employee feedback • Ongoing provider relationships • Ongoing market and business developments



Closing thoughts



The wellbeing arena has evolved considerably over recent years, and we now see many new entrants in the market offering solutions to support employees through the workplace. That brings many challenges for organisations especially when considering what support they should be providing, what role they wish to take, and what will add value to their workforce in a cost-effective manner.

Understanding the challenges employees are facing, and what support they need is critical to ensuring any wellbeing strategy will be engaging and valuable as well as meeting corporate objectives.

Using data insights, both internally and externally, will allow employers to drill down to key elements and highlight critical areas for prioritisation. For organisations who do not have the mechanisms for internal data, using surveys like this one, broken down into demographics such as region, industry, age, and salary can provide a great place to start. It can also provide the opportunity to benchmark against peers with your own data.

From an employee's perspective, building knowledge and understanding is the key foundation. Understanding what is available, how it can benefit them, and where to go for help and support will give employees control over their financial health. Good behaviours in terms of day-to-day money management, building savings and longer-term financial planning will build resilience and capability and improve wellbeing. It will also reduce feelings of stress and anxiety when unexpected events happen like we are witnessed with the Covid-19 pandemic.

So where should employers start? There are a range of products, services and education providers in the market and choosing the right solutions for the workforce can be a challenge. Ensuring that the options available to employees are ethical, trusted and fit for purpose without any hidden elements is a necessity. Building a good knowledge base to facilitate good decision making will support employees for the short- and longer-term needs. Providing a range of solutions employees can utilise as their needs change over their life will also be well received. Creating an environment where the workforce feel supported and cared for will improve engagement, loyalty and productivity as well as reducing stress, anxiety, turnover and sickness for the organisation.

Ultimately, we all need to work together – advisers, providers, employers and employees, to build a financially aware and resilient workforce for today and tomorrow, who can maximise the productivity of our organisations for a thriving sustainable economy.

Heidi Allan
Author



METHODOLOGY

Primary study - Independent survey of over 10,034 UK employees carried out by Opinium Research on behalf of LCP in November 2019

Supplementary study of over 2,005 UK citizens focusing on the impact of Covid-19 by Opinium Research 20th-24th March 2020

Additional sources of information:

<https://www.brainfacts.org/thinking-sensing-and-behaving/emotionsstress-and-anxiety/2018/the-neuroscience-of-stress-061918/>

<https://moneyandpensionservice.org.uk/2020/01/21/uk-strategy-forfinancial-wellbeing-sets-out-ten-year-vision-to-improve-millions-of-lives/>

<https://themoneycharity.org.uk/>

<http://www.mas.org.uk/uploads/artlib/talking-about-my-generation-exploring-the-benefits-engagement-challenge.pdf/>

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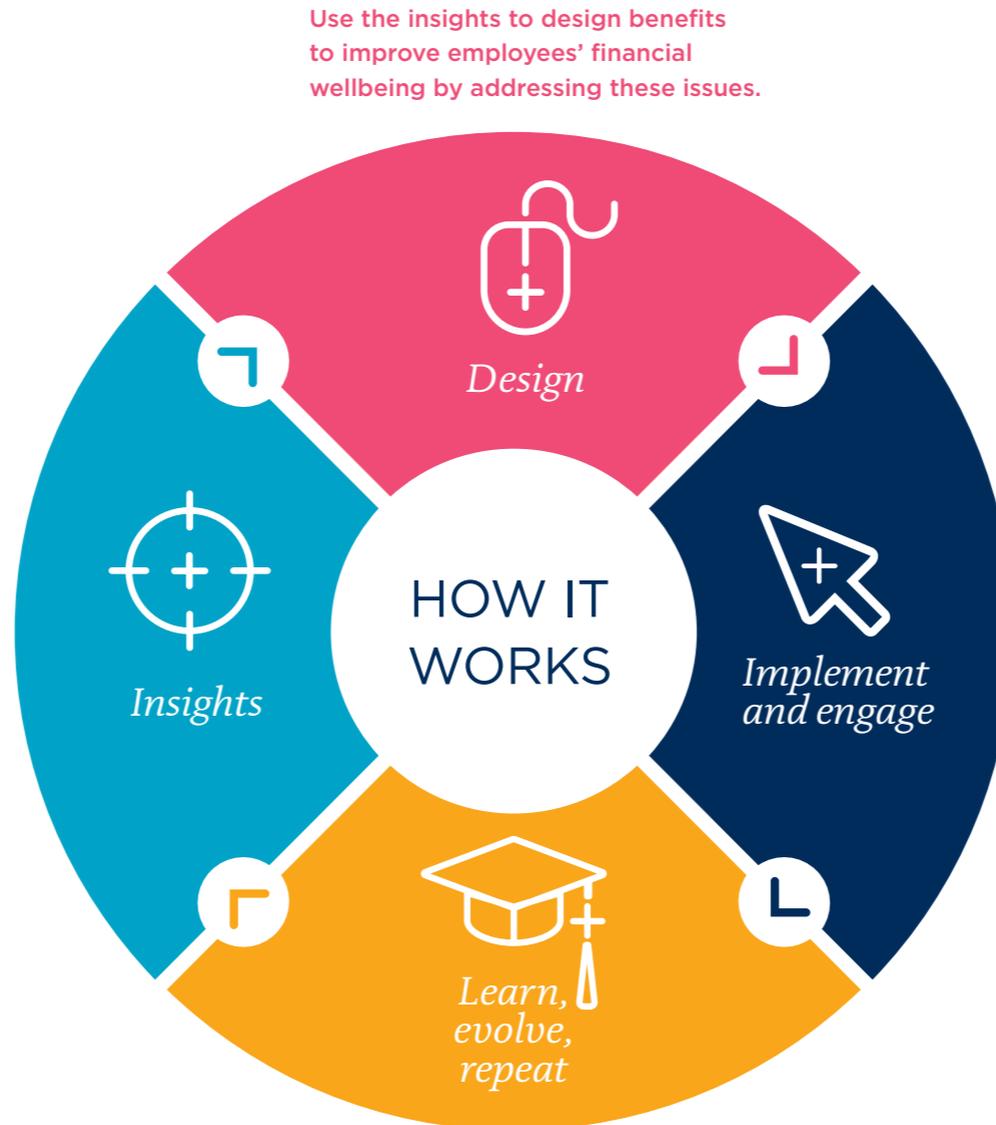


It's increasingly important to consider your employees' financial wellbeing by developing a framework which balances their needs with your internal resources and corporate objectives.

But how do you know what is right? How do you avoid introducing something superficial which may actually alienate those who need it most? How do you get senior-management buy-in?

We have helped many of our corporate clients, from a range of industries to improve the financial wellbeing of even the most diverse employee base. Our insights, tools and experience mean we can work with you to design and implement a framework which supports your employees' financial wellbeing.

Get an insight into the financial issues of your unique employees by analysing employee data and feedback.



Use the insights to design benefits to improve employees' financial wellbeing by addressing these issues.

Implement and engage with employees by successfully launching the new programme with effective engagement campaigns and smooth roll out of new services.

Continue to monitor employee behaviour and seek feedback to understand what can be learned and improved.



We understand people

We believe mathematical modelling and analytics can unlock the unlimited potential of everything. Data-led decision making makes sense and allows organisations to consider all the options and not take a leap of faith. But data alone does not always hold the answers which is why we understand the importance of learning from real people. We're experts in listening to employees and getting unrivaled information.

Financial wellbeing isn't a one-off project but an ongoing shift change in the way companies look after their employees - it must continually evolve to stay relevant.



Get in touch

To find out more about how we can help you to better understand and improve your employees' financial wellbeing, get in touch with one of our experts.



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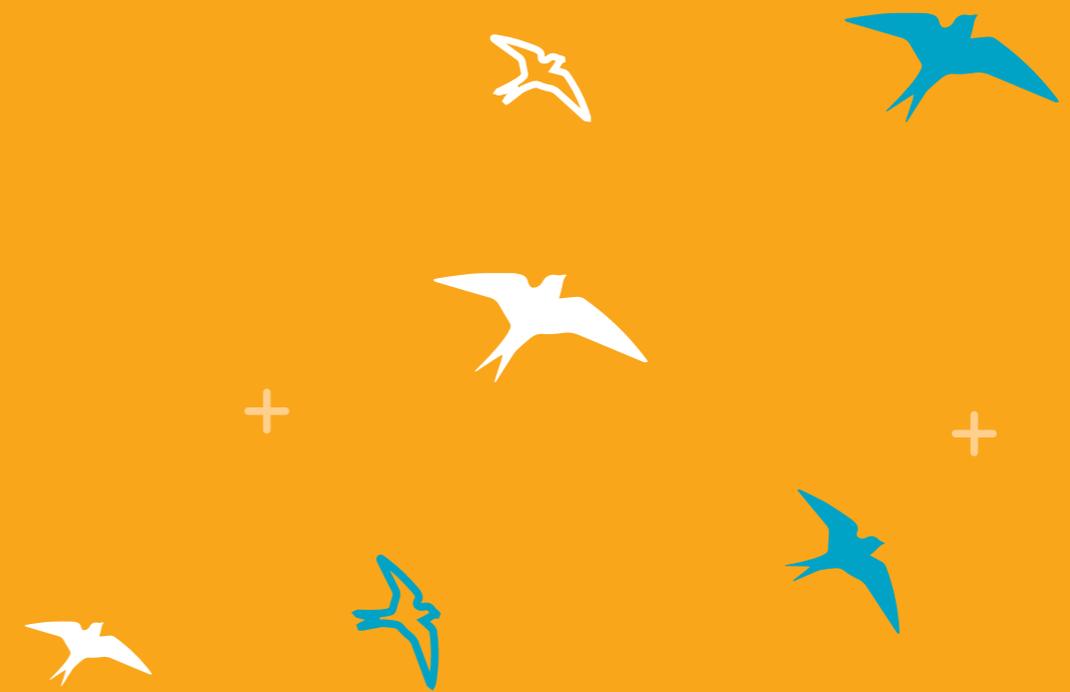
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