



THE EMPLOYER'S GUIDE TO FINANCIAL WELLBEING

EVERYTHING YOU NEED TO KNOW TO SUPPORT YOUR
WORKFORCE'S FINANCIAL HEALTH





Foreword

Let's be frank – talking about money is difficult.

With many of us still avoiding conversations about salaries, mortgages, budgets and other day-to-day financial concerns, broaching the topic of financial wellbeing in work can feel anywhere from uncomfortable to outright intrusive. However, with the cost of living crisis continuing to put pressure on employee stress and emotional wellbeing, increasing awareness of financial wellbeing has never been more important.

This guide has been put together to help you embed financial wellbeing within your employee wellbeing strategy. With useful tips on opening the conversation and ensuring safe spaces to talk, to practical advice for wellbeing offerings, this book is designed to guide you on your first steps toward supporting better financial health.

Thank you for helping us support employees across the UK to live happier, healthier lives.

Marj Murphy
Director of Operations
Health @Work



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MONEY MATTERS: FINANCIAL WELLBEING AND YOUR WORKPLACE



Finances, bills, salaries, budgets – despite rising awareness, money is still too often considered a taboo subject in the UK. In fact, it's been found that British people find discussing mental health and infertility more approachable than money¹, with 81% of us avoiding discussing our personal finances².

Nowhere is this more apparent than in the workplace, where conversations around money – particularly income and benefits – are widely accepted as no-go topics for around the water cooler. Yet, as the cost of living crisis continues to pressure both our everyday budgets and savings accounts, there has never been a greater need to open the floor to talk about money.

Over half of employees who experience financial stress and worry report a negative impact on their work⁸

Why talk money at work?

Building the business case

Financial stress is one of the biggest causes of mental ill-health in the UK, with around half of us feeling that financial worries impact our overall mental health³. More worryingly, it's been found that people with problem debt are as much as three times more likely to have thoughts of suicide than those with financial stability⁴.

What's more, financial concerns have been found to have a huge impact on the way we work. An estimated 1 in 5 employees have considered taking time off work due to financial stress³ and around 8 million employees nationwide have reported reduced productivity due to the cost of living crisis⁵.

Supporting your employees' financial wellbeing isn't just about salary and benefits – it's an integral part of a modern approach to workforce wellbeing.





FINANCIAL WELLBEING: THE LEAST YOU NEED TO KNOW

What exactly do we mean by ‘financial wellbeing’?

Financial wellbeing is one of the core pillars of everyday wellbeing, and refers to our overall awareness, confidence, and resilience when it comes to all things money-related.

Having ‘good’ or ‘positive’ financial wellbeing doesn’t necessarily mean having a high income or never having any financial concerns – instead, it means feeling empowered and in control of both your current and future financial situation.

Someone with good financial wellbeing may feel able to:

- Confidently manage everyday budgets
- Define their short- and long-term financial goals
- Cope with unexpected financial shocks

‘Financial stability’ or ‘financial wellbeing’?

When many people consider financial wellbeing, they may instead be thinking about financial stability – but there are a few key differences. **Financial stability** refers to our ability to meet our current and future financial obligations without undue stress, such as by maintaining a steady income, managing everyday expenses, and protecting ourselves against financial risks. This means that financial stability is a not only a key component of good financial wellbeing, but the ultimate goal of financial wellbeing practices.

Financial wellbeing, on the other hand, is a broader concept that encompasses not just our approach to managing money, but the wider impact this can have on our social, mental, and emotional health. This means taking a more holistic view of personal finance, including how in control we feel of our finances, progressing toward our personal financial goals, and feeling empowered to understand and make financial decisions.

A glossary of key concepts

- **Financial Literacy** – the knowledge and skills we have to manage personal finances effectively, like understanding concepts such as interest rates, inflation, and risk management.
- **Financial Resilience** – our capacity to withstand and recover from financial shocks, such as unexpected expenses or sudden loss of income, through having an emergency fund, good credit, and effective risk management.
- **Retirement Planning** – determining and preparing for our post-retirement income goals, for example by saving and investing pre-retirement.
- **Financial Independence** – having sufficient personal wealth to live without having to actively work, typically achieved via saving, investing, and financial planning.
- **Debt Management** – how well we're able to handle debt responsibly, including making timely payments and restructuring existing debt to make it more manageable.
- **Debt Counselling** – professional advice services that can help individuals to manage their debt and improve their financial situations via budgeting assistance or debt repayment plans.
- **Financial Goals** – the specific short- and long-term objectives or milestones that we aim to achieve to improve our financial health, such as saving for a holiday or house deposit, or planning for retirement.

FINANCE FACTFILE

THE CURRENT PICTURE

The average total debt of a typical UK household in February 2024 was

£64,926⁵



The average UK household spends almost **4% of their income** on **interest payments⁶**



38% of households rely on credit cards to alleviate financial situations⁷

48% of UK households have no savings⁷



Only **4 in 10** adults say they have a financial plan³

FINANCIAL WELLBEING IN THE WORKPLACE

45% of employees report lost sleep due to stress as a major factor in their workplace productivity⁸

1 in 5 employees

aren't confident they could spot a mistake with their payslips⁸

Financial stress is estimated to cost the UK economy **£10.3 billion** each year⁹

UNDERSTANDING OUR FINANCES

Almost three-quarters of UK people fall below the international benchmark for financial literacy, falling well below other nations such as France and Canada¹⁰

Between 2023-2024, Citizens Advice in England and Wales advised on **1,192 debt issues** every day⁶





Breaking down debt with StepChange

We caught up with Tom, Partnerships Co-ordinator at StepChange about defining problem debt and how to seek help with our finances when it's most needed.

StepChange are a registered charity, authorised by the Financial Conduct Authority and overseen by the Charity Commission, offering free, confidential and impartial debt advice and solutions to those most in need.

Is debt always something to worry about?

Debt is a normal part of life – loans, cards and mortgages – with most borrowing used to spread the cost of larger purchases. Problem debt, however, is debt that you're struggling to deal with, usually because of a life shock or change in circumstance.

How can we tell the difference between debt and problem debt?

Payments should be manageable, up to date, and able to be paid off within a reasonable period of time. When payments fall behind due to something like income reduction and you can't afford to make the agreed payment, this debt can become problem debt – this is usually when people need help.

What steps can be taken to reduce and manage debt?

Make a budget. This can help to understand income, outgoings, and where savings can be made; highlights what you can afford toward those debts; and provides evidence to creditors for temporary repayment holidays and interest breaks. It's also important to reach out for support, to know that you aren't alone in dealing with debt.

What's the key to healthy budgeting?

Be conscious about your spending decisions – rather than cutting out everything that brings you joy, try to regulate that spend. Understanding what you can sustainably afford includes knowing that it's okay to

allocate money towards things that make us happy! If the gym helps with your physical and mental health, that's an important part of your budget. It's all about the big picture.

“Understanding what you can sustainably afford includes knowing that it's ok to allocate money towards things that make us happy!”

How does financial wellbeing impact debt?

Debt can be extremely stressful, and financial wellbeing means being in a place where your finances are not having a huge negative impact on your life. It's not about having perfect finances or the best credit score, but being in a place where you can deal with life's challenges without unnecessary distress.

Do you have any advice for employers looking to offer support?

Money still often feels like a taboo topic, with a lot of stigma around debt. When people know they're not alone and aren't being judged, we know that they're more likely to reach out for help, so make sure that your employees are aware of the free and confidential help that is available to them.

MONEY TALKS: HOW TO OPEN THE CONVERSATION

So, we know that many studies have found, that money can feel like an overwhelming topic. In fact, most employees still report feeling uncomfortable or impolite discussing financial issues such as salaries, purchases, or mortgages in front of their peers – with many feeling shame or embarrassment when discussing their debt or financial stress concerns.

Psychological safety

Providing a safe, welcoming space to have difficult discussions is known as psychological safety, and is central to developing a wellbeing culture in your workplace. This means that employees feel safe and supported to raise concerns, ask questions, and make mistakes without fear of reprisal or punishment. When it comes to financial wellbeing, this might look like: encouraging a safe atmosphere to discuss financial-related stress; transparency regarding salary, benefit, and wage queries; and providing cost of living support.



Opening conversations

Other ways you could create a financially aware workplace include:

- **Appointing a cost of living champion** – Give your employees a dedicated point of contact to raise concerns around their financial concerns and gain practical advice.
- **Make financial resources available** – Provide easy, free access to financial wellbeing advice and resources, allowing your employees to find help confidentially.
- **Improve transparency** – Ensure that your employees feel supported in their financial decisions, such as with second jobs or job changes, with transparent policies and approaches.

Our course **Psychological Safety for Driving Team Performance** is designed to teach your leaders how to assess psychological safety within the workplace, as well as create and implement action plans to improve awareness and understanding.

Find out more by heading to healthatworkcentre.org.uk/wellbeing-courses-for-managers



BUILDING A WORKPLACE FINANCIAL WELLBEING PLAN

While it's not necessary to have standalone strategies or action plans for each aspect of wellbeing, it's important to integrate the many facets of day-to-day wellbeing into your existing strategy. This can be on mental health, physical wellbeing, flexibility and family responsibilities, and financial wellbeing. In this section, we'll take a look at the many ways you can incorporate the different areas of financial wellbeing into your workplace's approach.



Assessing employee needs

With any employee wellbeing action plan, it's important to first assess the level and type of need within your organisation. The best way to do this is by asking your employees for feedback or input directly, through methods such as:

- Anonymous surveys
- Employee Resource Groups
- Wellbeing Champion feedback

Asking your employees for their input not only allows your wellbeing strategies to be tailor-made to their unique needs, directly improving usability and ROI, but also increases employee engagement and satisfaction. It's generally agreed that employees who feel they actively contribute toward their workplace, and see evidence of their input in their surroundings, are more likely to feel a sense of belonging and boosted morale within their organisation.

Key areas of financial wellbeing

While improving financial wellbeing is ultimately the responsibility of the individual or household, there are a few ways that you as an employer can support your employees – without stretching your own budget too far!

Detailed below are a few ideas on how you can integrate the most prominent elements of financial wellbeing into your existing strategy or benefits.



Budgeting & Saving

- Consider implementing a **workplace savings programme** that allows employees to divert a portion of their pay into a savings pot or emergency fund.
- As part of your employee benefits, provide access to online budgeting tools and apps that can help employees track their spending and create budgets.
- Invest in financial literacy training such as workshops, seminars, and materials to improve awareness of budgeting and saving – find out more on page 20.

Managing Debt

- Offer access to debt management and credit counselling services through your workplace, as well as making literature and resources freely available for how and when to access these services.
- Ensure that your workplace has a good mental health support system such as Mental Health First Aiders – debt can be a huge cause of stress and anxiety!

Retirement Planning



- Consider offering enhanced contribution-matching schemes for pensions, as well as flexible pension schemes that allow your employees to pay more or less into their pension fund as they see fit.
- Offer 'retirement readiness assessments' to help your employees evaluate their situation and identify areas for improvement.
- Raise awareness of the importance of retirement planning with in-house campaigns, such as during Pension Awareness Week.

Investing

- If relevant to your business, consider offering Employee Stock Purchase Plans to encourage employees to invest in company stock at a discounted rate.
- Help your employees diversify and meet their personal financial goals by offering access to free or low-cost tools, resources, and materials that can support their investing interests.



People with higher levels of financial literacy display better financial wellbeing behaviours overall¹⁰



Measuring success

When establishing KPIs for your financial wellbeing approach, it's important to go back to the first step of your original process – assessing employee needs. As with all aspects of your employee wellbeing strategy, the way that you evaluate your action plan should reflect the needs expressed in your original employee feedback. For example, if your employees indicated an interest in better support for debt management, run a survey to see how your new debt support offerings have impacted them.

When putting together your KPIs or other measurements of success, you may wish to consider:

- How often your employees access resources
- How useful your employees find the resources in answering their queries
- How your employees feel about their wellbeing now versus before you implemented your strategy



Q&A With Emma Waller

Financial Wellbeing Consultant at MoneyMind

Founder of MoneyMinded and published author, our financial wellbeing affiliate Emma Waller is an expert at all things financial education and delivers our Money Matters – Financial Wellbeing Training courses to organisations just like yours around the country.

We caught up with Emma to get her top tips to optimise your employees' financial support.

What are the key components of an effective workplace financial wellbeing strategy?

Start by creating a survey to know how people are coping, their struggles, and what they want to learn. Then, open the conversation around money with peer support networks and workplace financial champions to offer guidance and support. You also want to offer regular training, online resources, and workplace benefits programmes – as well as work-life balance initiatives such as flexible working

arrangements to reduce commuting costs and other expenses.

What are some innovative or successful financial wellbeing initiatives you've seen implemented?

Check out national campaigns like Talk Money Week and Pensions Awareness Week for free webinars and online resources to share with colleagues. These help to increase awareness, and both provide key information and demystify tricky financial jargon. Many organisations now train in-house Financial

Wellbeing Champions, letting employees receive guidance from trained and trusted colleagues to create a supportive and understanding work environment.

How can financial wellbeing programmes be made accessible and inclusive for all employees, including those from diverse backgrounds and income levels?

Adopt a multifaceted approach with relevant materials that reflect your workplace's demographics and income levels and use examples that showcase this diversity. Consider your teams' early, mid and late career life events – buying a house, retirement, family planning, etc. – and what guidance you can provide. Resources should be available in different formats to cater to different needs, and events should accommodate various schedules. It's important to use clear, jargon-free language – jargon can really switch people off if they don't understand!

What considerations should be made for employees who are part-time or contract workers?

Again, it's about ensuring inclusivity across the workplace. Make financial resources available online so that they can be accessed anytime and anywhere. Often part-time and contract workers have less income stability, so provide tools and support to help them manage fluctuating incomes, focusing on things like building emergency savings pots and how to create a

solid financial plan with a variable income.

How do you see the landscape of financial wellbeing in the workplace evolving over the next five to ten years?

With changes in workplace structures, organisations will have to ensure they provide financial wellbeing for more remote workers and freelancers. I think we'll also see more emphasis on financial sustainability, helping employees align their financial decisions with their values such as sustainable investing. Finally, we're now recognising the strong link between financial stress and mental health, so I think employers will integrate financial wellbeing initiatives with mental health programmes.

What are some simple, low-cost initiatives that smaller employers can implement to support financial wellbeing?

I'd say it's all about internal comms. Money is often taboo, so encourage your employees to become comfortable talking about money via polls, surveys and discussion groups, and tapping into awareness days and celebrations. Finally, get an Employee Assistance Programme and make sure people know how to access it – they're often one of the most underutilised staff benefits.

KNOWING THE NUMBERS: THE IMPORTANCE OF FINANCIAL EDUCATION

Financial literacy: the understanding and awareness of financial concepts and processes that enables us to make good financial decisions.

Unfortunately here in the UK, our financial literacy ranks below average when compared to that of other nations. Sitting at 15th among 29 OECD countries, just 67% of our population are considered financially literate¹¹. Further studies have found that the British population are least confident in planning their financial futures, and most confident at managing day to day budgets¹² as the cost of living crisis has reduced people's ability to save and invest.

Research by the CIPD¹⁴ has identified financial wellbeing as one of the least recognised but most needed areas of workplace wellbeing offered by UK employers. Offering educational opportunities, such as workshops, keynote speeches, or training courses can be a great way to help your employees learn more about improving their financial wellbeing. Ensure that your organisation is offering practical, meaningful support to all employees, no matter their status or level.

Money Matters - Financial wellbeing training from Health@Work

In this course led by our financial wellbeing expert Emma Waller, we take your employees on a deep dive into financial wellbeing. Learn why financial wellbeing is so important, what healthy financial wellbeing looks like, and gain a number of practical tips to help your employees look after their money better and be more confident.

Find out more about this course at www.healthatworkcentre.org.uk/financial-wellbeing-training

FINANCIAL WELLBEING – A HOLISTIC MEASURE

With more and more people feeling the pressure of the cost of living crisis and economic uncertainty, financial wellbeing support through the workplace is becoming a lifeline for many of the UK's workers.

While we can't always make problems go away for our employees, we can look for new ways to support their financial awareness and provide the building blocks for better wellbeing. Whether that's through signposting resources, training, or simply opening up the conversation – workplaces like yours have an opportunity to make a real difference in how employers can make a positive difference in today's world.

So where to start with financial wellbeing support for employees?

Head to our website at www.healthatworkcentre.org.uk to find out how our extensive range of resources and training opportunities can help your company make a real difference. From comprehensive training programmes to wellbeing consultancy services, our team is dedicated to supporting organisations like yours in creating thriving, resilient workplaces through a holistic understanding of wellbeing. Together, we can build a workplace culture where every employee feels valued, supported, and empowered to thrive.



Useful resources

Money Advice Service

Free, impartial financial wellbeing advice & tools led by the Money & Pensions Service

www.moneyhelper.org.uk

StepChange Debt Charity

Not-for-profit debt support offering free, confidential advice

Tel: 0800 138 1111

www.stepchange.org

National Debtline

Independent debt advice charity offering online chat and telephone support

Tel: 0808 171 3043

www.nationaldebtline.org

Citizens Advice

Regional service offering free, practical advice on financial, legal, housing, and other concerns

www.citizensadvice.org.uk

Turn2us

National financial wellbeing charity offering free resources for benefits, grants, and more

www.turn2us.org.uk

The Debt Advice Foundation

Specialist debt advice charity supporting full range of debt solutions.

Tel: 0800 043 4050

www.debtadvicefoundation.org

MoneySavingExpert

Online forum and advice hub for financial wellbeing and everyday financial support

www.moneysavingexpert.com

The Money Charity

Financial wellbeing education charity publishing information, advice, and research

themoneycharity.org.uk

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