

**Work-based financial wellbeing:
The spectrum of employer initiatives**

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Aims

- Outline why the workplace is regarded as an important site for addressing low levels of financial resilience amongst working-age people
- Provide an overview of the spectrum of financial benefits that employers have (or might) include in their remuneration packages to alleviate debt and encourage saving; and,
- Give some indication of the challenges that lay ahead.

Some basic statistics

- 16% of the UK adult population (8.3 million people) were in financial difficulty either finding it a burden to keep up with bills and credit commitments or missing payments (*House of Commons Briefing Paper 2018 no.7584*);
- 46% of UK adults reported low knowledge of financial matters and 24% had little or no confidence in managing their money (FCA 2017 *Understanding the Financial Lives of UK Adults*)

Basic statistics (continued)

- The debt-to-disposable income ratio rose from 127% in early 2016 to 133% in Q4 of 2017 and, more recently, unsecured debt had grown by an equivalent annual rate of 8.6% in March 2018 (Bank of England, 2018, *Money and Credit statistical release May 1 2018*)
- FAWG: ‘many employees [are] struggling with their finances: [facing].. Increasing personal debt, demanding financial commitments and a limited liability to save for the future (*Financial Wellbeing in the Workplace 2017*)

So, how can organisations help in confronting these issues?

The workplace can provide a springboard for:

- Assisting employees with supportive financial benefits and services;
- Facilitating access to bought-in support; and/or
- Informing employees of external sources of assistance.

Why should employers get involved?

Beyond a 'duty of care,' a number of studies point to a strong business case for employer involvement.

What are the services that employers currently offer or could offer?

There are currently eight clusters of provision that are or could be supplied (see Tables 1-4) but we do need to bear in mind two cautionary points:

- With the exception of occupational pensions, these are non-mandatory benefits that can be offered as contractual entitlements (including flexible schemes) or as elective benefits; and,
- At present, there are major inequities in provision.

The Challenges Ahead

- How can employers in the commercial and civil society sectors who are currently not making provision – notably SMEs – be persuaded to do so?
- How can employers in all three sectors already supplying benefits be pushed to extend the range of what they provide?
- How can employees be encouraged to take up what is on offer?

