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Making Work Pay: UK Workplace Financial Wellbeing Services

Edward Brunsdon and Margaret May, CHASM Associates,

University of Birmingham

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In the last decade, increasing numbers of working-age people have suffered financial hardship. In the words of the Financial Advice Working Group: 'many employees are struggling with their finances: they face increasing personal debt, demanding financial commitments, and a limited ability to save for the future'.[1] Unsecured household debt rose to £198 billion in the year to April 2017;[2] over 20 per cent of people either 'revolve their credit card/s or use high-cost, short-term, borrowing';[3] 24 per cent do not save for emergencies,[4] and more than 40 per cent feel that they are not managing their money well.[5] While the focus has been on the vulnerable low-paid, it is important to recognise that working people at all earning levels have been beset by such issues.

Among many proposals suggested for addressing these have been calls for an expansion of workplace financial wellbeing services (WFWS). This paper provides a detailed overview of the main benefits featured in such arrangements before looking at their key drivers, the case for expansion and considering some of the concerns emerging in their wake.[6]

[1] Financial Advice Working Group (FAWC) (2017) *Financial Well-being in the Workplace*, London: HMT/FCA p.ii
[2] This figure includes credit cards, personal loans and car finance but excludes student loans. www.bankofengland.co.uk/statistics/Pages/bankstats/2017/apr.aspx
[3] Money Advice Service (MAS) (2016) *Barriers and Building Blocks: An overview of the 2015 Adult Financial Capability Survey*
[4] Neyber (2016) *The DNA of Financial Wellbeing 2016* London: Neyber
[5] MAS (2016) op. cit. See also Rowlingson, K. & McKay, S. (2017) *Financial Inclusion: Annual Monitoring Report 2017*, Birmingham: Friends Provident/University of Birmingham
[6] We've excluded occupational pensions from this paper in order to focus on these under-researched benefits.

What are Workplace Financial Wellbeing Services?

WFWS are benefits offered as part of organisational welfare that are designed to help employees enhance their financial security and improve their money management. They include schemes to foster the ability to save, enhance income protection, assist the control of daily finances, avoid or reduce problem debt, make better-informed financial choices and withstand unexpected expenses. They are supplied or facilitated by employers as non-mandatory welfare either as contractual entitlements (sometimes within flexible benefit systems) or as discretionary benefits.

At present, there are major differences in the schemes on offer in different organisations. At one extreme there are those delivering comprehensive packages of financial benefits, at the other are those supplying nothing at all. Within these parameters are gradations of provision which can vary between the commercial- public- and third- sectors, in occupations within each sector, by geographical region, between entities of different size and even amongst employee groups in the same establishment. As a general tendency, a wider range of benefits are accessible in large organisations (with over 250 employees) than in SMEs; some are bought-in and managed by third-party suppliers while others are provided in-house.

The total array of WFWS currently offered in the UK can be divided into seven main clusters of benefits (Table 1). The most widespread is ***debt counselling***. This can involve organisations in one of three alternatives: sign-posting to external welfare providers, offering it as a free-standing service or, more commonly, as part of an Employee Assistance Programme (EAP). The latter options comprise buying-in from specialist agencies who offer free confidential telephone/intranet help-lines or apps, supported by referrals and, in the most complete packages, face-to-face sessions. Initially imported from the USA in the 1980s, provision has been boosted by the recognition of welfare counselling as a business expense (in 2000) and has grown significantly over the last decade. Benefits surveys suggest that it is now available to around half the workforce but predominantly to those working in large organisations.[7]

[7] UK Employee Assistance Professionals Association (2013) *Employee Assistance Programmes 2013 Market Watch*, Derby: EAPA, www.eapa.org.uk

Table 1: Main types of financial well-being services

Type	Forms
Debt Counselling	Information/Referral Services Employee Assistance Programmes (EAPs)
Low-Cost Credit Facilities	Low/Interest-Free Loans Credit Unions/Employer-Credit Union Partnerships Fin Tech Schemes
Non-Pension Savings Schemes	Seasonal/Holiday Savings Clubs Credit Unions/Employer-Credit Union Partnerships Workplace Savings Schemes Share Schemes (SAYE; SIPS; CSOPs; EMIs) Workplace ISAs (and potentially LISAs) Fin Tech Schemes
Group Risk Insurance Schemes	Group Life Insurance Group Income Protection Insurance Group Critical Illness
Financial Education Schemes	
Personal Financial Management Schemes	Access to Financial Adviser Budgeting Tools Total Reward/Benefit Statements
Discount Schemes	

The second cluster consists of various ***low-cost credit facilities*** enabling employees to bypass high-street, payday loan and other lenders and avoid/minimise problem debt. An important element of this grouping has been the provision of low or interest-free beneficial loans. Repayable from net salary through payroll deductions, these are tax-exempt for employees.[8] Traditionally associated with loans for travel season tickets, they are now also used for a multitude of other purposes including share, car and other purchases, mortgage, rental and nursery school scheme deposits and to assist employees facing financial difficulties or unexpected costs. Some organisations also operate specific hardship or welfare loan schemes. The 2013 CIPD reward survey suggests that 31.8% of organisations offered ticket schemes to all employees and 13% hardship loans.[9]

An alternative form of financial support within this grouping lies in enabling workforce access to external sources of credit. The traditional gateway has been through the creation of organisation- or industry- specific credit unions (CUs), with these financial co-operatives offering low-cost loans and a range of savings products. A more recent variant of this has developed with the formation of broader partnership schemes in which CUs have linked up

[8] For twenty years from 1994 the tax-free maxima stood at £5,000, in 2014 it was doubled to £10,000.
[9] CIPD (2013) *Reward Management Survey 2013*, London: CIPD.

with employers in different industries. A statutory order in 2011 helped the adoption of these new arrangements which were further enhanced with the 2014 agreement of leading payroll suppliers to waive processing charges for CU payments and the Chartered Institute of Payroll Professionals' (CIPP) launch in 2015 of a new data transfer standard for payroll deduction.

A second source of external low-cost credit has also recently emerged in the form of FinTech suppliers.[10] These are internet companies that refine the use of digital technology to streamline financial systems. They operate like brokers, using their relations with a network of banks and financial institutions to allow them to obtain the best funding rates for competitively-priced loans to employees (with appropriate credit histories) and at no risk and only marginal cost to their employers. This mode of provision has attracted substantial interest from large organisations and the demand for their services has also encouraged FinTech suppliers to expand into the third type of WFWS, **non-pension savings schemes**.

Short- and long- term non-pension savings schemes are a good illustration of the diffusion of WFWS provision. Although there are no available figures on employer/employee participation levels in short-term schemes, case studies indicate that initiatives such as savings clubs (e.g. for Christmas and/or holidays) and instant access accounts are spreading. The former are supplied by both SMEs and large organisations and are typically run in-house while the latter are offered in organisations with CUs, in CU partnerships and, as suggested, via FinTech accounts.[11] The CU option has been championed both by recent UK and national governments (particularly in Northern Ireland and Scotland with employers in the latter being urged to offer payroll deduction as a standard benefit). As yet, the number of organisations taking up these schemes is still limited. CIPP (2016) found, for instance, that 15 per cent of organisations offered access to a CU, most of whom were in the public sector, while a CIPD survey (2013) suggested a lower estimate of just 7.5 per cent.[12]

Long-term savings options include tax-advantaged share schemes, workplace ISAs and tailored savings products supplied by individual organisations for their employees. The four types of government-approved share schemes - Save As You Earn (SAYE), Share Incentive Plans (SIPS), Company Share Option Plans (CSOPs) and Enterprise Management Incentives (EMIs) - are forms of saving offered by 10,720 listed and private UK companies in 2015-

[10] e.g. Neyber, FairQuid, Salary Finance.
[11] e.g. Sedexo's Money Boost Scheme.
[12] CIPP (2016) *CIPP Payslip Statistics Comparison 2008-2016,* London: CIPP; CIPD (2013) op. cit.

2016.[13] Frequently offered in combinations, these schemes nonetheless possess different eligibilities, rules and tax treatments.

Table 2: Characteristics of HMRC-approved employee share schemes*

Scheme Name	When launched	Description	Availability	Employee Tax Relief Given
SAYE	1980	Savings with option to buy company shares	All employees	Income Tax/National Insurance
SIPS	2000	Direct purchase of company shares	All employees	Income Tax/National Insurance/Capital Gains Tax
CSOPs	1998	Options awarded	Company selected employees	Income Tax/National Insurance
EMIs	2000	Options awarded	Company selected employees	Income Tax/ National Insurance

*Amended version of a table in HMRC (2017) *Employee Share Scheme Statistics for 2015-2016*, London: HMRC p.15

As Table 2 indicates, SAYE and SIPS must be offered to all employees in a providing company, whereas CSOP and EMI are selective (with businesses choosing who benefits and to what degree). Each scheme can offer employees tax and national insurance advantages (as well as corporation tax relief for employers) but they must meet various compliance obligations. In SAYE schemes, money is deducted from net earnings and transferred to an approved savings provider. At the end of the savings contract (between 3 and 5 years), participants can choose to get their money back as cash plus interest and any bonus (tax free) or take up the grant option to buy their company's shares at the price fixed at the start of the saving's period. No income tax or national insurance is due on the difference between what employees pay for shares and their worth at the end of the contract. If they buy and immediately sell the shares, capital gains tax applies only if they exceed the annual gains exemption (currently £11,300). The latest Government statistics indicate that the number of companies operating SAYE schemes has risen to 520 in 2015-2016[14] with an estimated 1.5 million employee participants.[15] Whilst especially tax-efficient for high earners, recent

[13] HMRC (2017) *Employee Share Scheme Statistics for 2015-2016*, London: HMRC
[14] HMRC (2017) op. cit.
[15] *Ifs (2016) Proshare's Sip and SAYE Annual Survey,* London: *If*

research suggests they also attract those on lower incomes, for many of whom it provides a ‘savings lifeline’.[16]

SIPS, although declining in popularity, are currently more prevalent being offered by 800 businesses[17] with approximately a million participants.[18] Here employees buy shares (rather than acquiring grant options) from their employing organisations. These can be free shares (up to a value of £3,600), partnership shares (bought out of employees’ pre-tax income),[19] matching shares (where companies offer additional shares for each one purchased) or dividend shares (purchased from the returns on previous SIPs investments). They are held in trust funds and provided they are held within the SIP for five years, no income tax or national insurance is paid on the growth in share value. They are also free from capital gains tax when they are sold within plan; this privilege is lost however if participants decide to take shares out of the SIP to sell.

Usually restricted to executives and senior staff, CSOPs are grant option schemes in which participants buy shares at a specified time in the future (at least three years after grant) at a price set at the outset. No initial financial commitment or obligation to exercise the option is required, but those that do so pay no income tax or national insurance on the difference in value between the outset price and subsequent share value. They may however be subject to capital gains tax. Currently run by 1,156 companies, these plans offer a maxima of £30,000 of shares at the outset price and are particularly attractive to 40 and 45 per cent taxpayers.

The other approved selective share scheme, EMIs, is limited to listed companies with less than 250 (full-time equivalent) staff and under £30 million in assets. Nominated employees can be offered up to £250,000 worth of shares, with a maximum £3 million of shares under EMI at any one time. No income tax or national insurance is chargeable on either the grant or exercise of options provided the grant price is not discounted and the exercise price occurs within ten years. The most recent HMRC returns data suggests that 8,610 companies operate these schemes.[20]

There is less information on other forms of non-pension savings, notably Workplace ISAs (first offered in 2010) and company-specific savings accounts. Access to the former are

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[16] www.ybsshareplans.co.uk/company/news-16-07-14-3.html, 14th July
[17] HMRC (2017) op. cit.
[18] *Ifs (2016)* op. cit.
[19] Up to a maximum value of £1,800 p.a. or 10 per cent of salary whichever is lower
[20] HMRC (2017) op. cit

predominantly managed through providers of online platforms who, to gain a competitive edge over high-street suppliers, generally offer discounts e.g. on management fees and fund-switching costs. Participating employees (typically high earners) make monthly payments directly from net pay into what is usually a stocks and shares ISA. Market reports suggest however that employer offerings and take up may change with the emergence of new providers particularly FINTechs using mixed-benefit platforms.[21] This is also the case for tailored savings schemes for individual companies which look to offer interest-bearing accounts supplemented by loyalty/performance bonuses.[22]

Group-risk insurance products constitute the fourth cluster of WFWS benefits. They are offered by third-sector and commercial employers and in 2016 covered over 12 million employees.[23] The most common is group life insurance (GLI) which secures a 'death-in-service benefit' in the form of a lump sum or taxable pension, with some schemes including bereavement counselling, will-writing, assistance with probate or cover for partners. It can be provided as a contractual benefit on a stand-alone basis or linked to a workplace pension. For employers, GLI is relatively cheap to provide. The premiums can be offset against corporation tax and are not regarded as a taxable benefit in kind. Recent research suggests there are 43,471 registered and 6,239 excepted schemes in operation.[24]

The other insurances offered as benefits are Group Income Protection *(*GIP) and Group Critical Illness (GCI). Originally designed to provide a replacement income for employees unable to work through injury or prolonged ill-health, GIP has recently been extended to include rehabilitation and return-to-work programmes. GCI provides a tax-free lump sum for employees diagnosed with listed serious illnesses (e.g. cancer, heart attacks or strokes) that need one or more of a specified list of medical/surgical procedures and, in some instances, also for add-on support services. The payments for both insurances can also be offset against corporation tax but GCI, unlike GIP, is treated as a benefit-in-kind and thus subject to income tax and national insurance on the premiums. Some 17,000 employers operate GIP schemes covering 2.1 million employees (in 2015),[25] while approximately 2,600 GCI plans[26] cover an estimated 300,000.

The fifth area of WFWS comprises ***financial education schemes.*** Given intermittent encouragement by governments since the late 1990s, these have gained increasing

[21] e.g. Unum and Neyber
[22] Anglia Water is a case in point, see Barclays (2014), 'Financial Well-being: The last taboo of the workplace?', https://wealth.barclays.com/global-stock-and-rewards/engb/home/research
[23] Swiss Re (2017) *Group Watch Report,* London: Swiss Re.
[24] Ibid
[25] R. Wheatcroft (2017) *Income Protection…and Beyond* London: Swiss Re
[26] Swiss Re (2017) op. cit.

importance since the implementation of austerity measures and pensions liberalisation under the UK Coalition government. Mainly provided by large organisations across all three sectors, they are designed to help employees become better-informed and make more effective financial decisions. They cover state and occupational benefits as well as domestic money matters and can be supplied both in-house or bought-in from established and new consultancies.[27] A range of surveys estimate that about one-third of employers offer these schemes.

Often combined with financial education schemes are another set of services - ***personal financial management support***. These range from total reward and benefits statements to access to public and commercial on-line budgeting tools and regulated financial advisors. The second grouping is linked with the management of personal cash flow, spending trends, net worth, retirement pensions advice and debt management. There are no available figures on the coverage of budgeting software but the latest Treasury/FCA figures suggest that some 17 per cent of SMEs and 26 per cent of large organisations buy-in financial advice for their employees.[28]

The final cluster encompasses a variety of ***discount schemes***.[29] These can involve both affinity benefits in which employees access discounts on their employers' products (e.g. airline staff buying reduced cost travel tickets) and markdowns on retail prices that employers negotiate with third-party providers. The latter has escalated across all three sectors over the last decade and can include vouchers for lifestyle, health and wellbeing products; cashback and shopping cards at a range of supermarkets and retailers and reductions in the costs of entertainment, restaurant meals, holidays and insurances (including life insurances). Particularly important in the public sector, has been the growth based on the use of single-supplier agreements.

Key Drivers of WFWS

Given what is provided is largely non-mandatory, it is employers that decide whether and which WFWS initiatives to adopt. But what drives their decisions? There would seem to be a broad mix of intra- and inter- organisational factors among which are a group of prevailing determinants. Most notable are organisations' human resource management (HRM) strategies, government mediations, the promotions of the employee benefits industry and the campaigning of pressure groups and think tanks.

[27] The latter include Nudge Global, Wealth at Work and Lemonade
[28] FAWC (2017) op. cit.
[29] Up until the April Budget 2017, many of the benefits offered under these schemes could be purchased through salary sacrifice arrangements, this is no longer the case. (See E. Brunsdon & M. May 2016 *W(h)ither salary sacrifice?* Briefing Paper BP7, University of Birmingham: CHASM

The HRM drivers centre on two issues: (i) the omnipresent task of ensuring effective recruitment and retention, and (ii) meeting the challenges posed by the 'new' financial risks facing contemporary workforces. In terms of the first, the concern has been maintaining a rewards strategy that attracts, retains and engages staff in what, since 2008, has been a prolonged period of economic uncertainty that has included stagnant wage growth and rising living costs. In this context, deploying low-cost financial benefits that help employees stretch their incomes and/or enhance their financial security is both a means of mitigating the effects of income restraint and a key recruitment and engagement mechanism. As the DWP emphasised in re-tendering its discount scheme, with a 2% pay cap in place and half of its employees earning less than £21,000 a year, providing 'the opportunity to save money on everyday items such as food and petrol' was a vital HRM tool with a 'positive impact' on employee engagement and morale.[30]

The key challenges of the new financial risks concern their impact on performance. With an increasing amount of literature, and organisations' own surveys linking issues of hardship to stress, sickness absence and falling productivity,[31] HR teams in many large organisations have responded by introducing counselling, financial education and, in some cases, personal financial management. In contrast, most SMEs have kept these matters at arms-length. If they have offered support at all, it has involved directing employees to web portals (with debt and budgeting advice, savings and credit card calculators) or giving them time off work to sort out money problems.[32]

Recent UK Government mediation has followed several paths. It has had a direct impact on the provision of WFWS via tax inducements, the dissemination of advisory group reports and guidance as well as the implementation of initiatives (e.g. forming new CUs) in its role as an employer.[33] It has also had an indirect and more mixed impact with several broader policies such as the reductions in working-age benefits and tax credits, the roll-out of pension auto-enrolment and the introduction of 'pension freedoms'. With their cuts and reforms to cash transfers, it is fair to say that the Coalition and subsequent Conservative administrations have contributed to the financial difficulties of lower-income workers. And whilst the spread of auto-enrolment has generally been seen in a positive light, its investment and drawdown decisions have 'stretch[ed] people's financial competence to the

[30] DWP (2012) *Employee Discount Scheme Equality Impact Assessment December 2011,* www.gov.uk/government/uploads/system/uploads/attachment_data/file/220313/eia-staff-discount-scheme.pdf
[31] See, for instance, CIPD/Close Brothers (2017a) *Employee Financial Well-being: Why It's Important,* London: CIPD, FAWG (2017) op. cit.
[32] FAWG (2017) op. cit.
[33] e.g. the MPs London Mutual Scheme, the Armed Forces CU and the DWP CU.

limit'[34] and strengthened many employers resolve to add financial guidance and education schemes to their range of benefits not only for pending retirees but across the age range.

It is through such initiatives that larger organisations have drawn on the expertise of the employee benefits industry. Consultancies and suppliers in this industry both create new markets and work with their clients on matters of strategy, planning and problem-solving. It is in terms of the latter and particularly the tailoring of financial services across an organisation's employee profile that currently makes them so influential. Their activities have also been enhanced in recent years by the digitisation of provision opening the market up to new purveyors, sharpening competition and extending the appeal, reach and accessibility of the services. Nudge, for example, offers a payroll-linked financial wellbeing programme which allows it to deliver continuously relevant financial information that adjusts with changes in employees' circumstances.

The final set of drivers, pressure groups and thinktanks,[35] have also benefited from digitisation both in the detection of financial issues and the dissemination of their policy responses via blogs, podcasts and online research reports. The ease with which they can now communicate their concerns over problems such as debt, loans, savings and general financial wellbeing has meant they can target employers' groups, link with the HRM business press, gain widespread coverage through the national media and push for government action. Their impact has been heightened by the marketing and research of professional bodies, benefits suppliers and consultants seeking to provide an evidence base for their recommended products.[36]

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[34] Bank Workers Charity (2017) *Employee Financial Wellbeing: Time to do more,* p.7 www.bwcharity.org.uk/

[35] See, for example, Cadywould, C. (2016) *Banking For All,* London: Demos; Centre for Social Justice (2016) *Help To Save,* London: CSJ; Surtees, J. (2015) *Becoming a Nation of Savers: Keeping Families Out of Debt By Helping Them prepare for a Rainy Day,* London: StepChange; Surtees, J. (2016) *Boosting Lower Income Savings,* London: StepChange; Wind-Cowie, M. (2012) *Duty of Care: Can Employers Help Improve Financial Wellbeing?*, London: Demos; Wind-Cowie, M. (2013) *Squaring the Circle*, London: Demos; Wind-Cowie, M (2015) *Opting Out: How to Increase Financial Resilience,* London: Demos; Wind-Cowie, M. & Wood, C. (2016) *Next Steps to Financial Resilience,* London: Demos; Evans, K. (2016) *Working well: How employers can improve the wellbeing and productivity of their workforce*, London: Social Market Foundation/Neyber; Rodrigues, L. (2017) *The high cost of credit: A discussion paper on affordable credit alternatives*, London: StepChange; Packman, C. (2017) *Savings for the Future: Solving the Savings Puzzle for Low Income Households,* London: Toynbee Hall/J.P. Morgan www.toynbeehall.org

[36] See, for instance, Association of British Insurers (2014) *Welfare Reform for the 21st Century The Role of Income Protection Insurance,* London: ABI; Walsh, R. & Woods, A. (2016) *Building Resilient Households*, London: Chartered Institute of Insurance/SAMI; Chartered Institute of Personnel Development/Close Brothers (2017a) *Employee Financial Well-being: Why It's Important,* London: CIPD; CIPD/Close Brothers (2017b) *Employee Financial Wellbeing: Practical Guidance,* London: CIPD/Close Brothers*;* Neyber (2017) *The DNA of Financial Wellbeing,* www.neyber.co.uk; Nudge Global (2016) *Workplace Financial Education: The Definitive Guide 2016,* www.nudge-global.com; Nudge Global (2017) *The Financial Education Yearbook 2016/17,* www.nudge-global.com*;* Sodexo (2014) *Financial Stress is Impacting Productivity for Nearly a Quarter of UK Employees,* www.sodexo.com; Unum (2017) *What Next for Health at Work* www.unum.co.uk.

The business case for future expansion

The business case for extending WFWS rests on three key arguments: need, employee demand and affordability. In terms of how issues are currently construed, there seems little doubt that widening access to provision would be a positive move. The collective case made by research reports for government agencies, pressure groups and benefits suppliers invokes a simple interactive chain: the financial hardship and vulnerabilities currently faced by millions of families are causing considerable stress which, when carried into the workplace, can lead to impaired concentration, flawed decision-making, sickness absence, higher turnover and lower performance.[37] Impact assessments suggest this is having a major bearing on organisations. Barclays report suggests that for every £1 million of payroll cost, £40,000 or 4 per cent is lost in productivity due to poor employee financial wellbeing while Neyber (2016) maintains that financial stress among employees costs the economy £120 billion in lost productivity and sickness absence.[38] To avoid such outcomes or repair the damage when it occurs, it is maintained, requires much greater investment in programmes across increasing numbers of organisations and different levels of employee.

In many instances, needs arguments are reinforced by surveys asking employees what they would value as financial assistance. Whilst a recurrent response is increased salaries, they would also welcome WFWS. Perhaps not unexpectedly, preferences tend to vary by age, gender, income group and industry. For example, financial education, access to cheap loans and discount schemes are preferred by young low-income workers, group risk insurances and retirement savings by middle-aged, middle income employees. Conscious of this variation in demand, more large organisations are looking to increase the range of benefits offered and merge them with other wellbeing services in 'holistic' programmes. In addition, drawing on a general finding that employees are reluctant to talk about their personal finances to HR and line managers, especially when they are experiencing difficulties, employers are moving away from in-house to provision offered by third-party suppliers.

The bottom line of course for any expansion is the matter of cost. Along with the contention that employee financial wellbeing is not the responsibility of employers, the claim that it is unaffordable has been the main argument as to why most SMEs (and some large organisations) have not invested in provision. For competitive reasons, neither suppliers or clients disclose per capita/take-up costs, but the former certainly argue in their literature that employers of all sizes can put packages of financial benefits together for their workforce for very little outlay (compared with other types of benefit) and, further, that

[37] See, for instance, CIPD/Close Brothers (2017c) *Financial wellbeing: The employee view* www.cipd.co.uk/Images/financial-well-being-employee-view-report_tcm18-17439.pdf and Neyber (2017) op. cit.
[38] Barclays Bank (2014) *Financial Wellbeing: The Last Taboo of the Workplace?* https://wealth.barclays.com/global-stock-and-rewards/en_gb/home/research-centre/financial-wellbeing.html; Neyber (2016) op. cit.

there can be high returns both for individual and organisational performance whether measured in terms of productivity in the commercial sector or efficiency in the public service and third sectors.

This contention is often intertwined with a moral stance invoking corporate social responsibility as grounds for WFWS growth. Built on employers' statutory health and safety obligations and the common-law 'duty of care', it argues that employers should accept some of the burden for dealing with the financial hardship and vulnerabilities experienced by their workforce. This, it is maintained, would not only help safeguard the future wellbeing of their employees, enhance morale and trust in workplaces but perform a major public service by reducing the health and social costs of dealing with financial stress.

Emerging Concerns

Shadowing the pressure to expand have been analyses expressing unease if not outright criticism of existing and proposed developments. They emanate from two distinct evaluative positions. The first accepts the general case for WFWS and its underlying assumptions but raises concerns pertaining to the interests of different stakeholders. For employers, they centre on whether investment in such benefits is, or has been, value for money and if they are the most effective way of achieving reduced absenteeism and/or increased productivity for their organisations. The disquiet expressed by government agencies, think-tanks and the benefits industry is about the sizeable numbers of organisations not offering these services and, of those that are, the disparities with regard to what is actually supplied. For very different reasons, their focus is on how recalcitrant organisations can be encouraged to invest in this provision (and in comprehensive programmes). Many think-tanks and indeed some benefits suppliers argue that without government support, the major inequities that exist will remain.

The second position is derived from a broader perspective that would question the role and promotion of WFWS. It would consider them part of a process of 'financialisation' within what it deems the 'neo-liberal project' of successive recent governments. The project has involved the development of market solutions at the expense of collectivist (state) interventions. This has meant as far as possible: '[leaving] people's lifelong financial welfare up to them and the markets, taking it out of state control and away from…state provision'.[39] In turn, it has led to the increasing use of different financial markets in everyday life. Households and individuals have been encouraged, sometimes forced, into greater participation through products such as mortgages, savings schemes, occupational pensions,

[39] Price, D. (2015) 'Financing later life: why financial capability agendas may be problematic', *Working with Older People*, vol. 19(1) pp41-48

insurances and loans. They are having to take greater responsibility for their wellbeing as borrowers, investors and insurers, making and managing an increasing variety of financial decisions on a greater number of welfare goods and services.[40]

To date, commentators operating from this viewpoint have made no more than a passing reference to employers' contributing role[41] or considered their mitigating impact. Inferentially, however, they can be seen to raise some relevant issues for WFWS. Not least of these is the rift between the current portrayal of working people's financial skills and the acumen and self-reliance that is expected of all citizens in the financialised world. Government agencies, benefits consultants and think-tanks are looking to overcome this gap through processes of enculturation - financial advice, information, education and support. Analysts from this perspective have questioned whether these programmes are having or can ever have the desired long-term effect.[42]

They also raise concerns about the way in which the narratives employed in financial information and education largely exclude state solutions from discussion. This, it is maintained, is not just an educational matter of improving individual and household financial wellbeing but an ideological shift cultivating 'self-reliance and individual responsibility at the expense of collective forms of provision'.[43] But perhaps their most salient argument concerns a retort to the literature that suggests increased information, knowledge and skills is a major form of empowerment, giving people much greater control over their day-to-day finances. They argue that this is far from the truth. In Price's terms, macro-economic factors (e.g. interest rates, stock market valuations and gilt prices) that have: 'nothing to do with financial decisions made by ordinary people and over which they have no power or control are most important in determining their financial welfare'.[44]

Both evaluative positions raise important concerns within different agendas. In the case of the first, if WFWS are to be pursued and as non-mandatory benefits, then further means need to be found to overcome the uneven nature of current provision. The second questions how much can be achieved through workplace financial education in the long term and whether it can/should be perceived as a form of empowerment. This perspective is not however without its own difficulties. Whilst much of what constitutes workplace

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[40] Santos, A. (2017) 'Cultivating the self-reliant and responsible individual: the material culture of financial literacy', *New Political Economy* vol. 22(4) pp410-422.

[41] And then specifically to occupational pensions.

[42] O'Connell, A. (2008) 'Evaluating the effectiveness of financial education programmes', *OECD Journal: General Papers* no3 (Paris: OECD). Willis, L.E. (2011) 'The financial education fallacy', *American Economic Review*, 101(3) pp429-34; Bay, C. et al (2014) 'Situating financial literacy,' *Critical Perspectives on Accounting'*, vol25(1) pp36-45

[43] Santos op cit p410

[44] Price op. cit. p44

financial support might fit its conceptions of a neo-liberal project and financialisation, there are employer-provided benefits that could also act as forms of social protection countering the transition to extreme welfare individualism it depicts.

The views expressed in this briefing are the views of the author(s) and do not necessarily represent the views of CHASM as an organisation or other CHASM members.