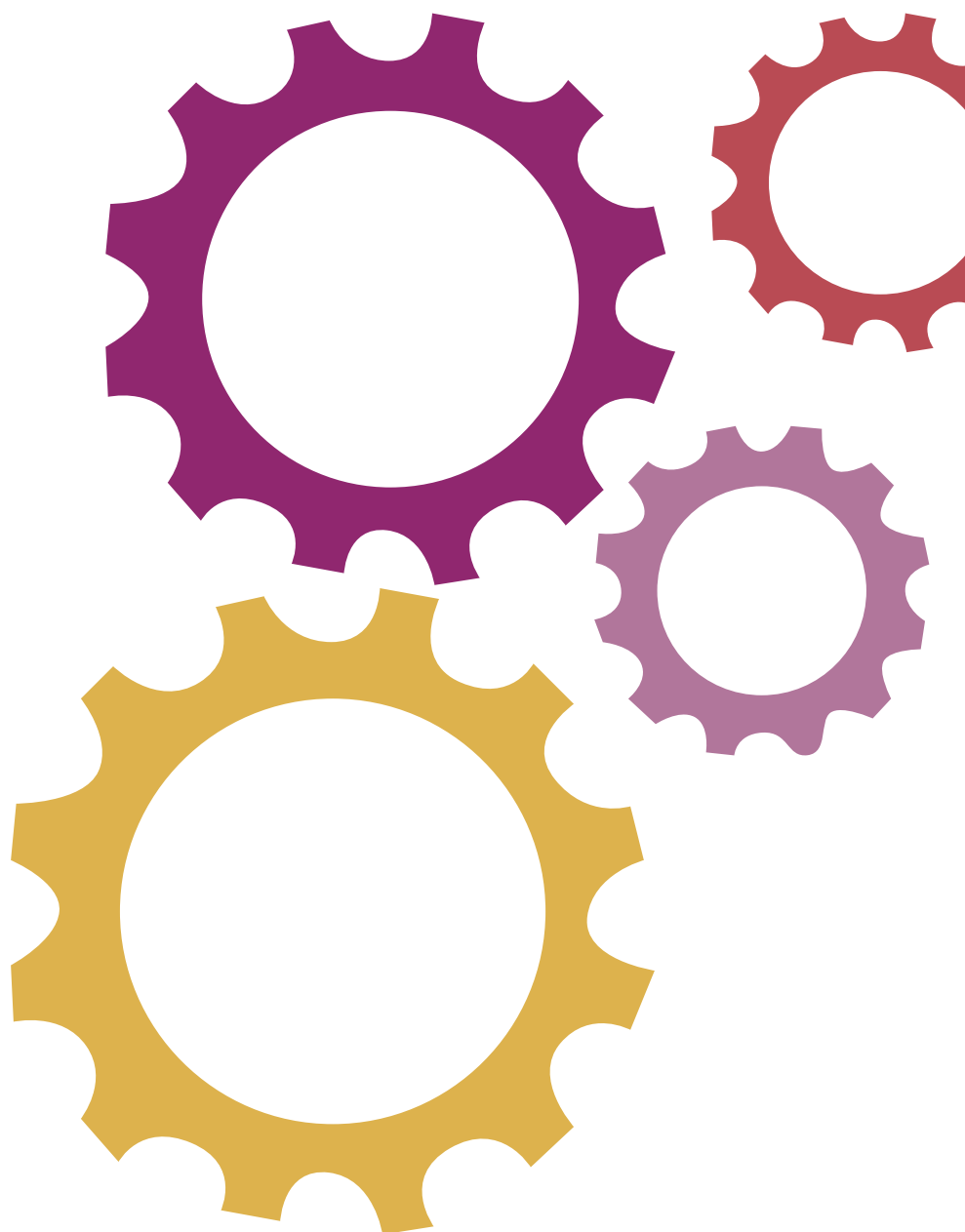


# People and Culture Group: meeting output

Summer 2022



# People and Culture Group

## Meeting output – Summer 2022

The session focussed on the issue of **financial wellbeing** and what employers can do to support their employees in this space.

This note captures:

- Financial Wellbeing for staff – The current context and considerations for employers
- Discussion points



# Financial Wellbeing for staff

## The current context and considerations for employers

The session started with a presentation from Victoria East from Wealth at Work (a financial wellbeing and retirement specialist), who outlined the current context as well as some considerations for employers around providing support to their employees to help them improve and manage their financial wellbeing. Victoria outlined that:

- **A significant number of people in the UK face financial difficulties:**
  - Nearly 9 million people are in serious debt, but only a third are receiving help to manage this.
  - 11.5 million people have less than £500 in savings.
  - 39% of adults don't feel confident managing money.
  - Though there has been a growing awareness of the importance of financial wellbeing in the past 15 years or so, there still remains some unease and/or stigma around talking about it.
- **The pandemic changed the picture significantly and put the issue of financial wellbeing at the forefront for many.** Following on from this, the rising cost of food and energy, high inflation and rising interest rates have led to an emerging cost of living crisis, which has brought the issue of financial wellbeing into even sharper focus. Increasing numbers of people are needing support and organisations, particularly at senior management / budget holder level, have become increasingly aware of the issues faced by their staff.
- **There has been a shift in respect of who individuals are likely to turn to for support with financial wellbeing.** More are looking to their employers, and there is a greater expectation that employers will support their staff in some way if needed. For example, through salary increases in line with inflation, benefits schemes with financial wellness resources and tools, and sometimes salary advances or loans.
- **There has also been a shift in respect of the demographic of individuals who are likely to want support with financial wellbeing.** Whilst, historically, this has tended to be more common amongst staff who are nearing retirement; recently there has also been an increase in the numbers of those who are earlier in their careers seeking support.
- While it is not always possible to support staff through salary increases or loans, growing numbers of employers are taking steps to signpost staff to, and/or provide benefit schemes which include access to, resources and tools which enable them to improve and manage their financial wellbeing.

Though there has been a growing awareness of the importance of financial wellbeing in the past 15 years or so, there still remains some unease and/or stigma around talking about it.

## Financial Wellbeing for staff

- When considering how best to support staff in improving and managing their financial wellbeing, organisations should think about:
  - What financial wellbeing means to the organisation.
  - What the most pressing financial wellbeing issue for employees is.
  - What the organisation's objectives in providing support for financial wellbeing are.
  - What support is currently being provided and how can this be improved.
  - What form additional or new support will take; how it will be implemented and delivered.
  - How success will be measured.

Though breaking the taboo associated with talking about financial wellness is difficult – lots of people don't like talking about money in general and debt in particular – it can be easier where there are clear support structures in place and in circumstances where individuals feel part of a group experiencing similar issues.

Key here is that staff know where and how they can get help and that they feel supported in doing so.



## Discussion points

The subjects for subsequent discussion were:

### 1. What are organisations already doing to support the Financial Wellbeing of their staff?

The level of existing support in place varied significantly between organisations, and included:

- offering pay rises in line with inflation;
- providing staff with traditional benefits packages including, for example, medical insurance, reduced rate gym passes and cycle to work schemes;
- offering free staff lunches;
- providing staff with access to financial planning resources;
- offering financial awareness coaching and/or training;
- having regular pension reviews;
- creating a “colleague trust” whereby a pool of money is gathered together on a monthly basis, and is then given via application to colleagues in particular need;
- having a loan scheme in place, for loans of up to £10,000 interest free; and
- offering staff 4 days of paid volunteering time per year, if helping those in greater need.



### 2. Where would be a good place for organisations to start with Financial Wellbeing support?

**Understand the needs of your workforce and what support would benefit them**

It was agreed that an important starting point is to talk to staff (using staff surveys or similar), to understand the particular difficulties they face and what kind of support might benefit them, and to ensure that the organisation’s offering is tailored accordingly.

**Look at current benefits packages and how these can be improved, expanded or streamlined**

A key consideration for most organisations was the monetary cost of providing financial wellbeing support to staff, and many were keen to explore ways of providing support through existing benefits schemes and through sign-posting staff to existing external tools and resources.

## Discussion points

Many were also keen to provide support which could address not only financial wellbeing, but also have a positive impact mental and physical wellbeing too.

There was a general consensus that an important step was therefore for organisations to look at their current benefits packages and explore whether these could easily be expanded, or whether there are existing associated benefits which staff are simply not using because they are not aware of them.

*For example:*

- Pension contributions and contributions for cycle to work schemes can be paid via salary sacrifice rather than from wages, which usually results in a more tax efficient arrangement.
- Some benefits schemes include a level of contribution towards the cost of routine medical and dental appointments.
- Many benefits schemes include access to discounts across a broad range of day-to-day goods and services.
- Most organisations have access to an Employee Assistance Programme, and this can sometimes include access to financial support.
- Most organisations offer staff a cycle to work scheme, which not only helps employees save money on their daily commute, but also provides broader health and wellness benefits.

**Are staff aware of and utilising these benefits?**

### 3. How can organisations implement Financial Wellness support for their employees, taking into consideration the opportunities and challenges they face?

**Overcome the taboo around talking about financial matters**

Many organisations felt that a key challenge to implementing support was the ongoing taboo around talking about financial matters, which often leads to staff being reluctant to engage with and discuss financial wellness.

Key to overcoming this is to build trust with staff, create a supportive environment, understand what format of dialogue people would feel most comfortable with (for example, face to face or online, one-to-one or in a group, or via anonymous feedback), and take discussions forward in an engaging way.

*Some suggestions for facilitating this included:*

- **Having a financial health first aider**, who could signpost people to available tools and resources.
- **Asking staff to share tips on money-saving practices** that have worked for them, on an anonymous basis.
- **Having team challenges to encourage saving** – for example, bringing in a homemade lunch rather than buying lunch from a nearby café.

- Emphasising the fact that, often, saving money has a positive health and wellbeing and/or environmental impact (for example, cycling or walking to work rather than driving or taking public transport). Weaving these benefits together can encourage people to think about the issue in a broader way and can lessen the taboo associated with discussing financial wellness.

**Maximise existing benefit schemes and see this as an opportunity to invest in the business and its staff**

As noted above, a challenge was the perceived cost of providing support, particularly in circumstances where most businesses are also feeling the consequences of the cost of living crisis.

However, there was a general consensus that many benefits can be relatively cheap and easy to implement as part of a broader benefits package.

There was also some discussion around the fact that investing in employees in this way benefits the business overall; for example, by increasing employee satisfaction (and therefore retention) and productivity.

**Emphasise the positive impact that financial wellness can have on mental and physical wellbeing to encourage engagement and uptake**

A recurring theme was the interaction and overlap between financial wellness and mental and physical wellbeing.

Some of the benefits which can be offered to staff to support their financial wellness, will also support their physical and mental wellbeing and/or have a positive environmental impact. For example, using a cycle to work scheme.

Emphasising these ancillary impacts can help to encourage engagement with, and uptake of, benefits and support. It can also improve employee satisfaction and retention.

**But respect the boundary between professional and personal**

Some voiced concerns about whether offering staff support with financial wellness may inadvertently blur the line between professional and personal. However, it was felt that this could be avoided if organisations ensured that they limited their role to encouraging dialogue, providing appropriate employee benefits, and signposting staff to relevant external tools and resources.



## Discussion points

### And don't give financial advice or inadvertently assume liability for bad financial choices

There was a general consensus that it was crucial that organisations are clear with staff that the support they provide is not intended to constitute financial advice or endorsement; that their role is to signpost and provide appropriate support within the confines of their employee benefits programme, rather than advise on or endorse a specific approach.

For example, if you give staff access to or use of a pensions adviser, make it clear that that adviser is an independent third party who is not part of the organisation, that they are not advising on behalf of the organisation and that they are not endorsed by the organisation.

### 4. How will organisations know if and when they have succeeded with the support provided?

#### Healthy staff retention and positive work culture

Most agreed that a key indicator of success would be whether or not the support provided had a discernible and positive impact on an organisation's ability to retain staff

Another key indicator would be the extent to which the support provided had a positive impact on workplace culture and the day-to-day wellbeing of staff.





## Key contacts



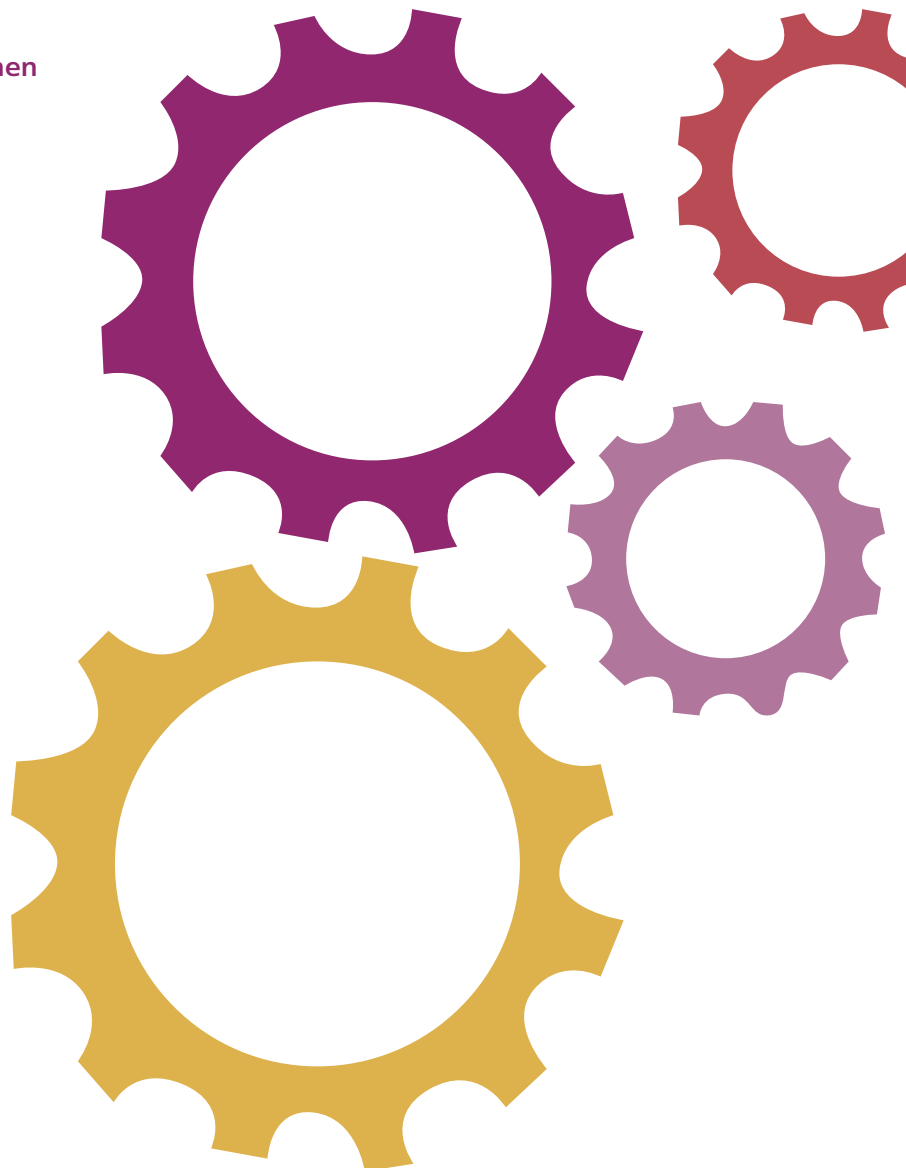
**Paul Seath**  
Partner, Bates Wells  
020 7551 7703 | [p.seath@bateswells.co.uk](mailto:p.seath@bateswells.co.uk)



**Thérèse Rankin**  
Associate, Bates Wells  
Employment Department  
020 7551 7891 | [t.rankin@bateswells.co.uk](mailto:t.rankin@bateswells.co.uk)

**Millie Glennon**  
Head of Human Capital, Bridges Fund Management

**Catharine Allen**  
Head of Keeping People Happy, Ella's Kitchen



**Certified**



This company meets the  
highest standards of social  
and environmental impact

Corporation

Making a profit is core to all businesses but our goal is to combine this with a real social purpose. Our values are pivotal to us, they shape our decisions and the way we live and work.

We focus on positive social impact as much as we focus on being a successful law firm. Our top tier legal advice is coupled with a real desire to drive change and we were the first UK law firm to achieve B Corp certification, awarded to businesses that balance purpose and profit.

Today, our clients are diverse – from corporate household names, to public bodies, to start-ups. We're also the firm of choice for thousands of charities and social enterprises. We continue to lead the market we helped to shape.

Bates Wells challenges what is possible in legal expertise delivery.