



2019/2020 Global Benefits Attitudes Survey

Financial Wellbeing

United Kingdom

Financial wellbeing

Key findings

Financial worries

4 in 10 employees are living paycheck to paycheck. 7 in 10 say they are saving less for retirement than they would like.

Issues cluster

Employees with financial issues are more likely to live unhealthy lifestyles, report greater stress and absence and have lower work engagement.

Impulse control

Financial wellbeing is chiefly about impulse control. Effective tactics need to equip employees to make decisions 'in the moment'.

Education

Many programs focus on budgeting. However, few people follow a strict budget and budgeting is not strongly linked with financial success. A focus on behaviours may be more successful.

Tools

With widespread wariness of the financial industry, tools must nurture employee trust. A broad suite of tools are required to meet the wide range of employee needs.

Social

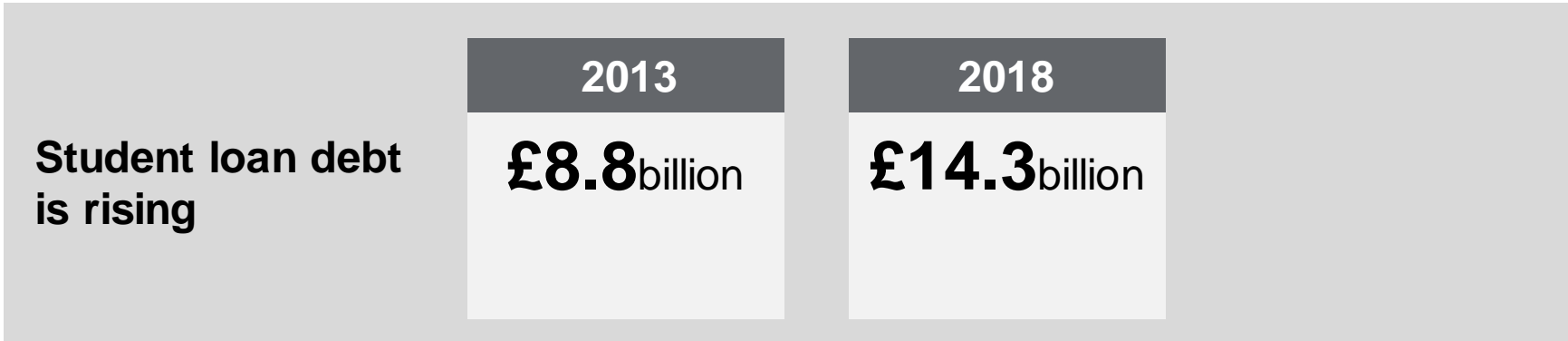
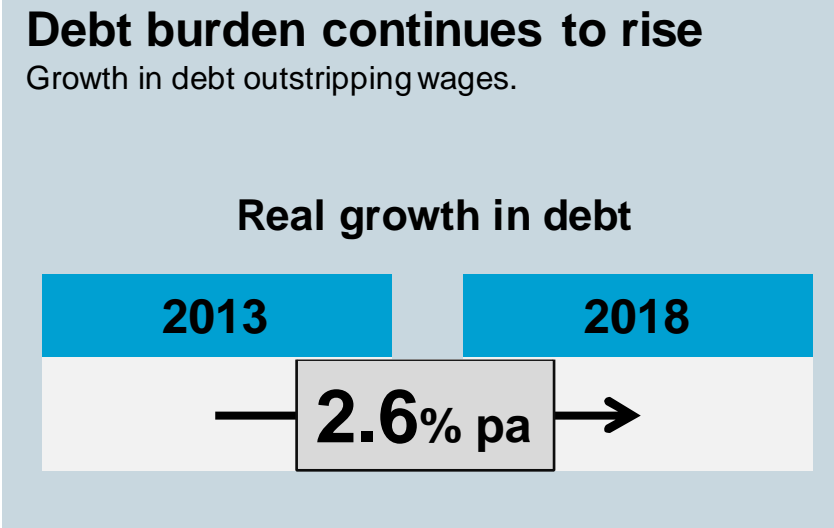
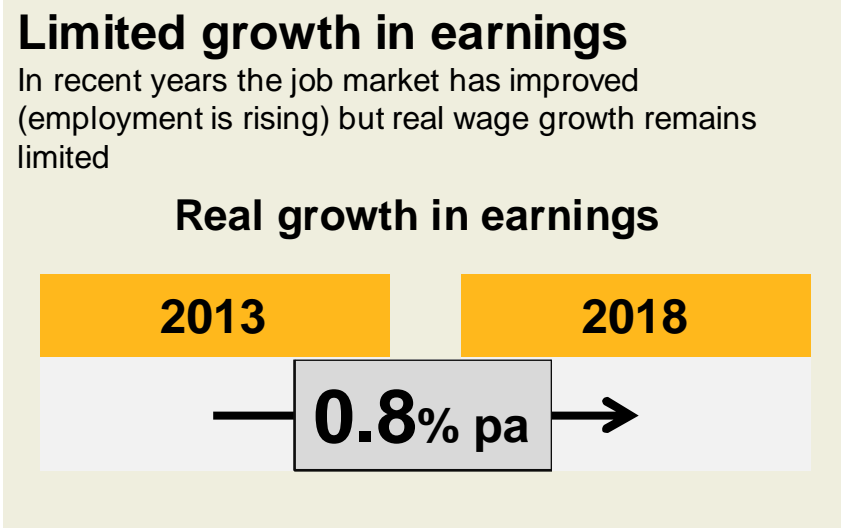
Support from family, friends and coworkers can have a large role in reinforcing good financial behaviours. Good and bad behaviours cluster within peer groups.



Financial wellbeing

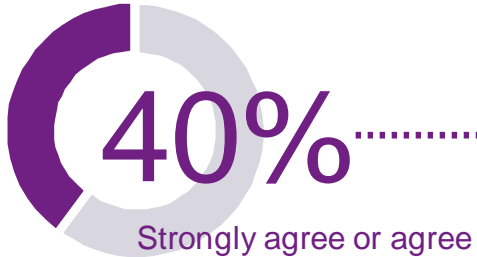
The state of the nation

The economic backdrop

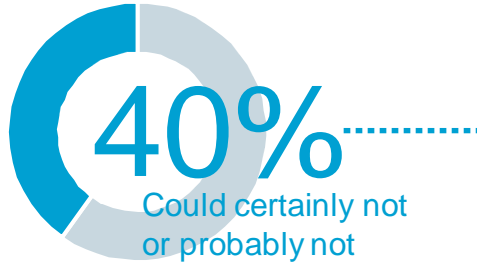


Earnings source: ONS, Real average weekly earnings (seasonally adjusted), EARN01, 21 January 2020
Debt source: Office for National Statistics, Wealth and Assets Survey, Uses July 2012 to June 2014 and April 2016 to March 2018
Student loan source: Bolton, Paul. "Student Loan Statistics." *Briefing Paper Number 1079*. House of Commons, 28 June 2019.

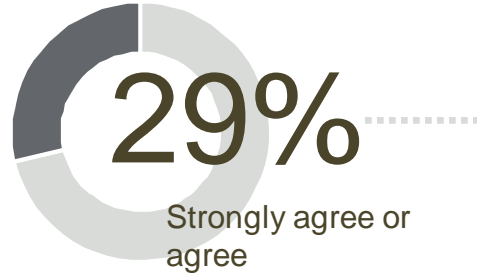
2 in 5 U.K. employees are living paycheck to paycheck



Live paycheck to paycheck
No significant savings



Lack of emergency savings
Could not come up with £2,500 if an unexpected need arose within the next month





Impact on life
I have financial problems that are negatively impacting my life




Note: "Don't know" and "Prefer no to answer"
Sample: All employees.
Source: 2019 Global Benefits Attitudes Survey, United Kingdom


The impact of financial problems

Employees not living paycheck to paycheck ✓
 Employees living paycheck to paycheck 

Anxiety ✓ 
 21% 41%
 Have suffered from severe stress, anxiety or depression in the past 2 years

Life quality ✓ 
 9% 59%
 The amount of debt I have impacts my quality of life

Job performance ✓ 
 8% 36%
 Money concerns keep me from doing my best at my job

Family relations ✓ 
 10% 49%
 Money concerns have strained family relations

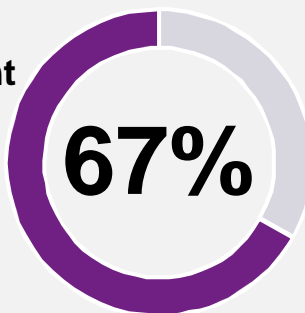


Note: Living paycheck to paycheck is defined as employees that answered "Agree" or "Strongly Agree"
 Sample: All employees.
 Source: 2019 Global Benefits Attitudes Survey, United Kingdom

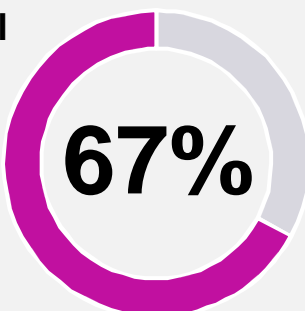
Employees have concerns about their future financial state

Few employees think they are saving enough for retirement

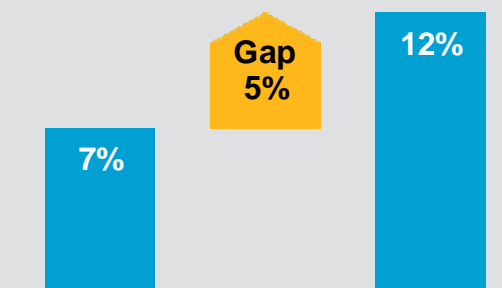
My generation is likely to be much worse off in retirement than my parents' generation are/were



When I come to retire Social Security will be much less generous than it is now



What percentage of your income do you think you saved for retirement last year?



Saved last year

Ideally should save

* including any employer retirement plan you have

7 in 10

report they are saving less for retirement than they ideally should

Note: Percentages indicate "Agree" or "Strongly agree".

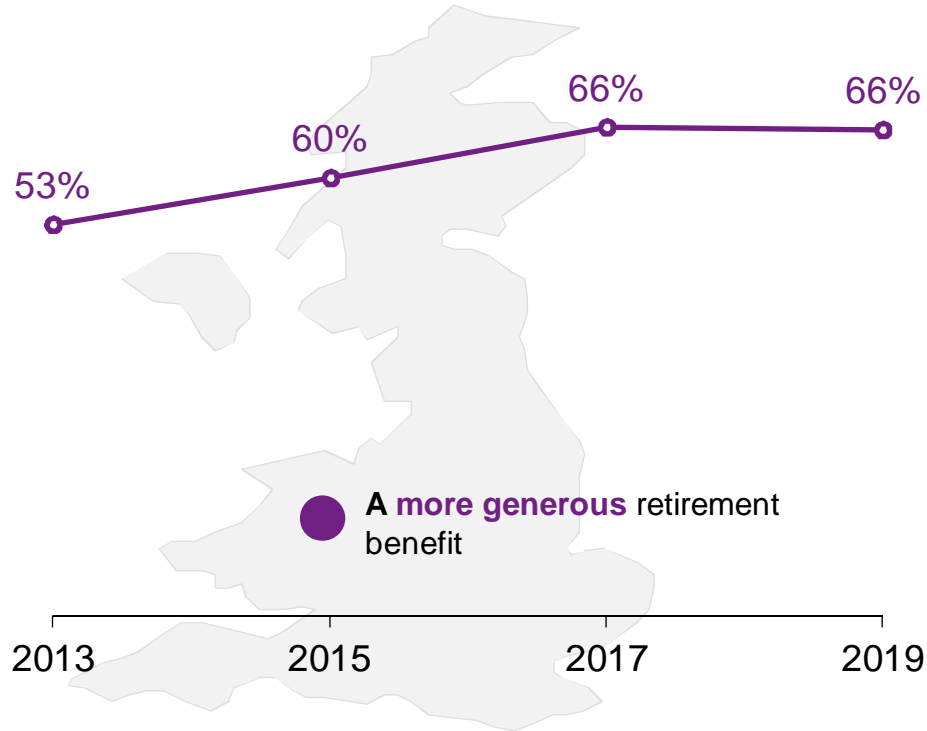
Sample: All employees.

Source: 2019 Global Benefits Attitudes Survey, United Kingdom

The willingness to pay for retirement benefits remains strong

Desire for long term financial security is high across all age groups

I would be willing to pay a higher amount out of my pay each month for a larger, more generous retirement benefit



Age	2019
50+	64%
40s	66%
30s	68%
20s	67%

Note: Percentages indicate "Agree" or "Strongly agree".
 Sample: All employees with an employer retirement plan
 Source: Several years of Global Benefits Attitudes Survey, United Kingdom



The indicators of financial stress

What types of employees exhibit financial stress

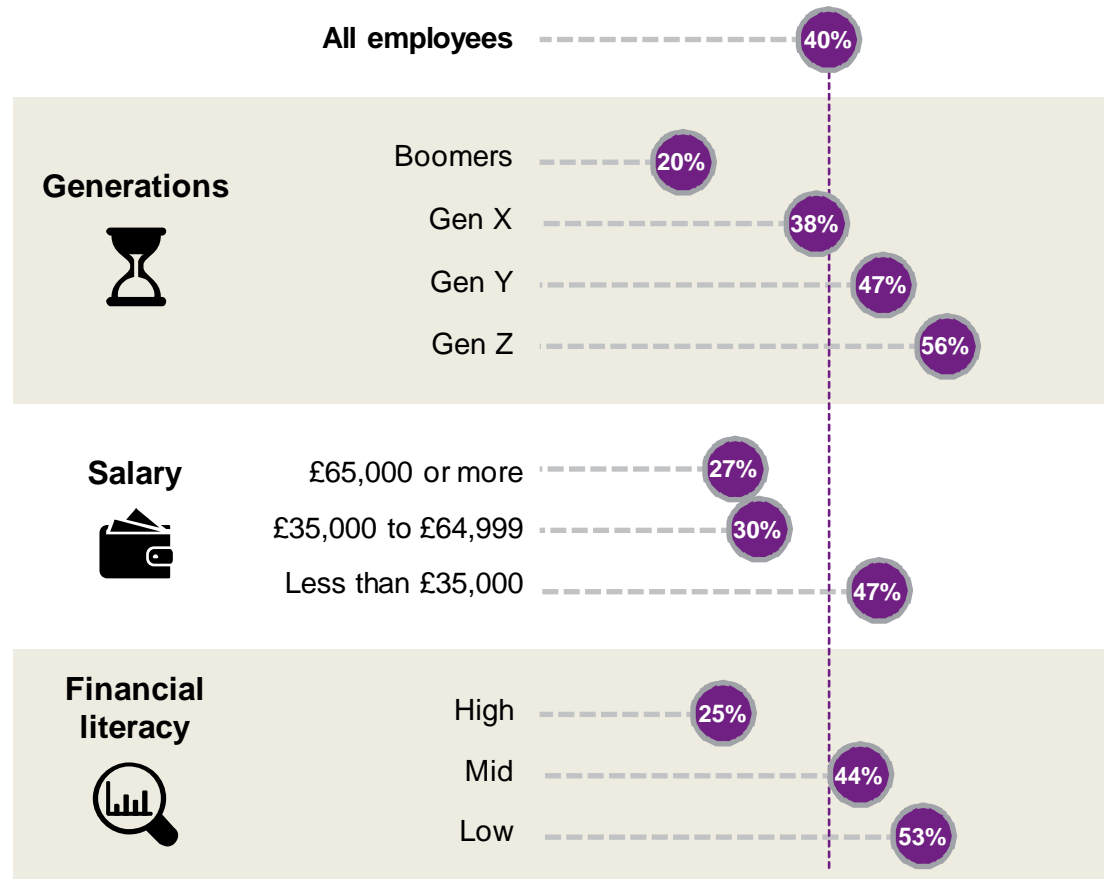


Employees living paycheck to paycheck

What type of employees exhibit financial stress

Understanding the needs of your workforce

Employees living paycheck to paycheck



01

Younger employees are nearly three times as likely as Baby Boomers to live paycheck to paycheck? Does this reflect behaviour or strained economic circumstances?

02

More than a quarter of employees earning more than £65,000 are living paycheck to paycheck. It is not just an income story.

03

Financial literacy plays a key role, but is it possible for employers to improve financial knowledge to the extent required? How else can we help those with low financial IQ?

Sample: All employees.
Source: 2019 Global Benefits Attitudes Survey, United Kingdom

Single parents report the highest financial stress



Employees living paycheck to paycheck

Employees living paycheck to paycheck

Male 34%

Female 48%



Sample: All employees. * at least one child aged 23 or less
 Source: 2019 Global Benefits Attitudes Survey, United Kingdom

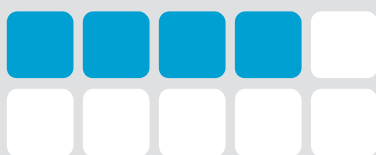
Financial wellbeing programs will need to tackle household decision making

Birds of a feather flock together

2x 'Overspenders' are almost **twice** as likely to be in a relationship with another 'overspender'

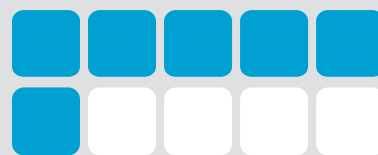
38%

of people in a relationship overspend

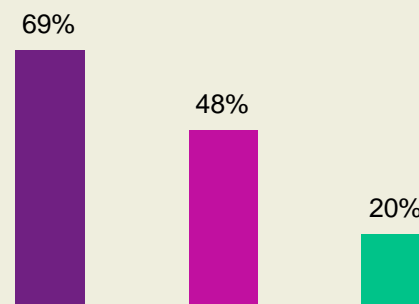


59%

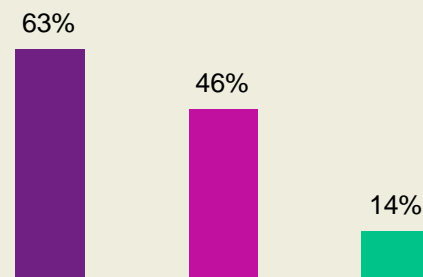
of overspenders are in a relationship with another overspender



Living paycheck to paycheck



Discussing changes to our family spending is very stressful



■ Both overspend
 ■ One overspends
 ■ Neither overspend

Sample: Full-time employees who have been married or living as married.
 Source: 2019 Global Benefits Attitudes Survey, United States



How to build financial resilience?

What actions can employers take to build financial resilience

Connecting with employee priorities

General saving and managing spending are top of mind for employees

From the list below, what have been your key financial priorities in the last year? Top 3

#1	General saving	Save for investments, general saving, emergency funds	52%
#2	Better manage spending	Better manage my spending	42%
#3	Debt repayment	Pay off debts	38%
#4	Housing	Pay for housing (repay mortgage, save for deposit)	37%
#5	Other major expenditure	Pay for other major expenditure (buy car, furniture, home improvement)	34%
#6	Retirement savings	Saving more for retirement	34%
#7	Childcare costs	Day care, after school care	10%
#8	Medical costs	Paying for health insurance or medical expenses	5%
#9	Student loans repayment	Pay off student loan	5%
#10	Care costs	Care for elderly relative or other family member	4%
#11	Other	Other	3%
#12	Child's student loan	Pay off child's student loan	2%

Sample: All employees.

Source: 2019 Global Benefits Attitudes Survey, United Kingdom

Managing spending is a focus for younger employees

Those approaching retirement are more focused on advice and guidance

To what extent do you think the following would be helpful or are helpful to you in managing your finances?

	Generations				Salary		
	Boomers	Gen X	Gen Y	Gen Z	Less than £35,000	£35,000 to £64,999	£65,000 or more
#1	Savings and investments	Savings and investments	Track and manage spending	Track and manage spending	Savings and investments	Savings and investments	Access to advisor
#2	Access to advisor	Access to advisor	Savings and investments	Savings and investments	Track and manage spending	Access to advisor	Savings and investments
#3	Track and manage spending	Track and manage spending	Access to advisor	Access to advisor	Access to advisor	Track and manage spending	Track and manage spending
#4	Debt management	Debt management	Debt management	Debt management	Debt management	Debt management	Seminars
#5	Seminars	Seminars	Seminars	Seminars	Emergency loans	Seminars	Debt management
#6	Emergency loans	Emergency loans	Emergency loans	Emergency loans	Seminars	Emergency loans	Emergency loans

Note: Percentage indicate 'Extremely helpful/Very helpful'

Sample: All employees.

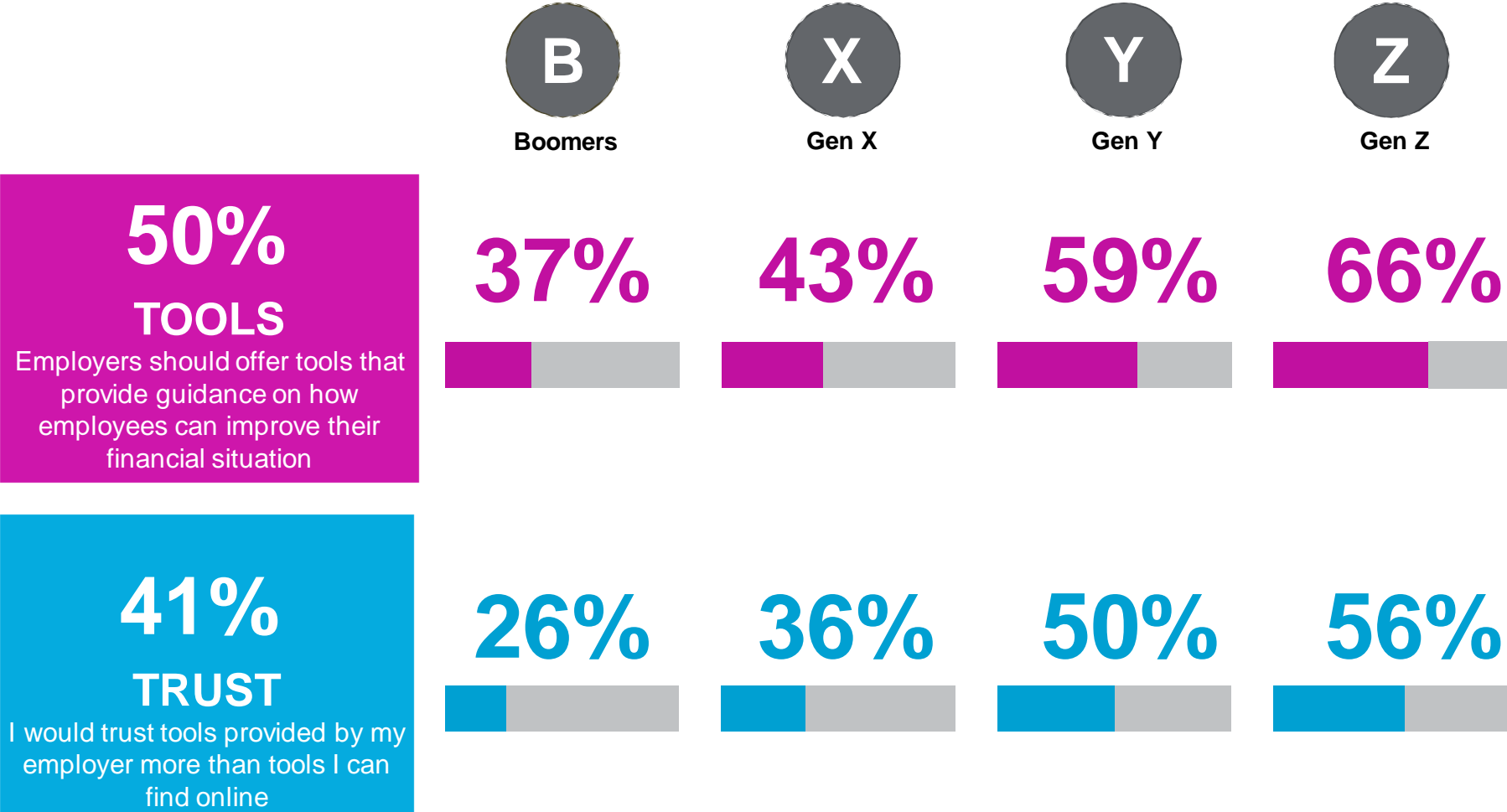
Source: 2019 Global Benefits Attitudes Survey, United Kingdom

What can employers do?

Deliver: Tools and solutions that work

Financial wellbeing tools must nurture employee trust

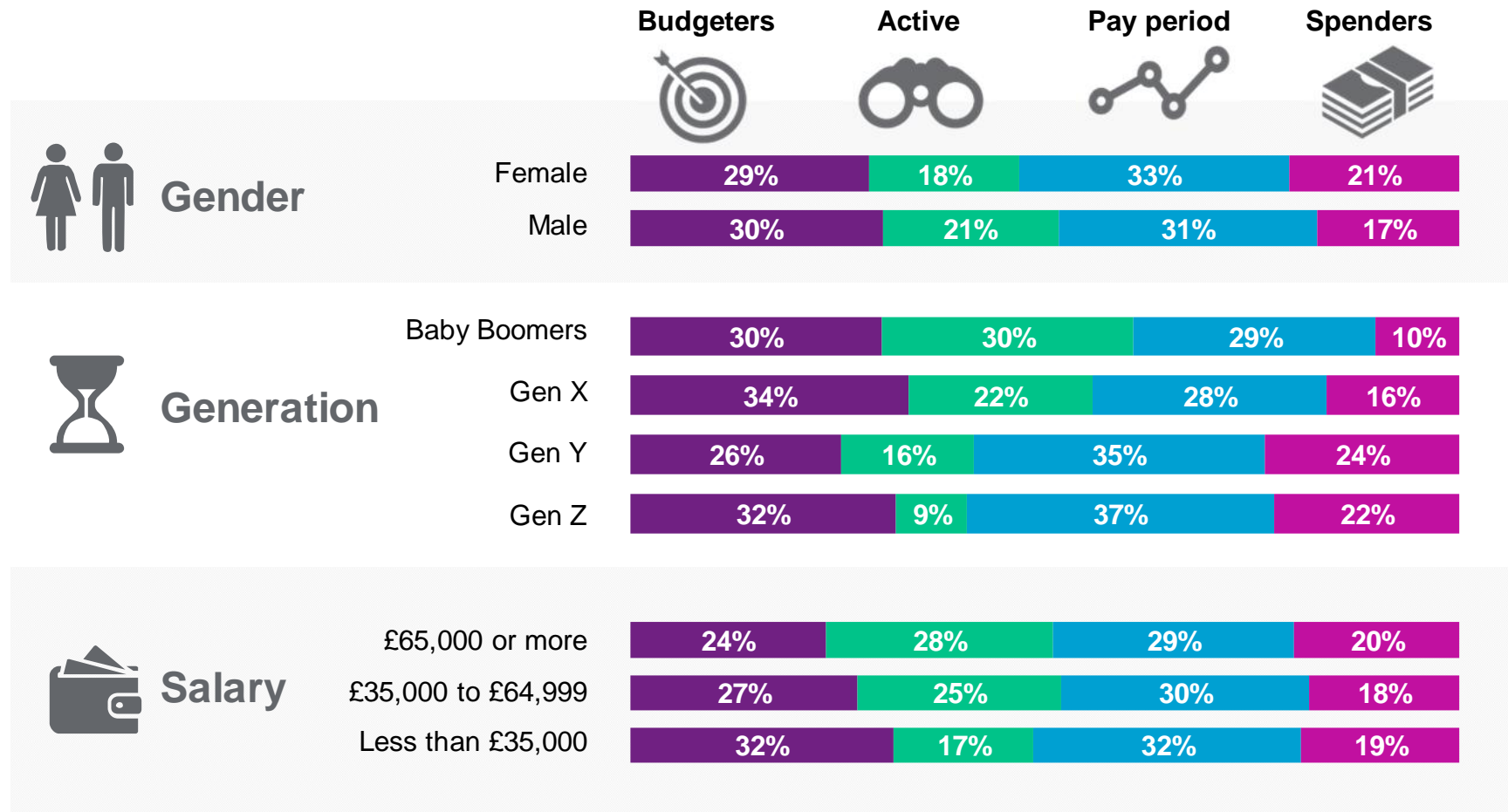
But younger employees are strongly supportive of an employer role



Note: Percentages indicate 'Strongly agree' or 'Agree'.
Sample: All employees.
Source: 2019 Global Benefits Attitudes Survey, United Kingdom

Financial wellbeing programs must meet employees where they are

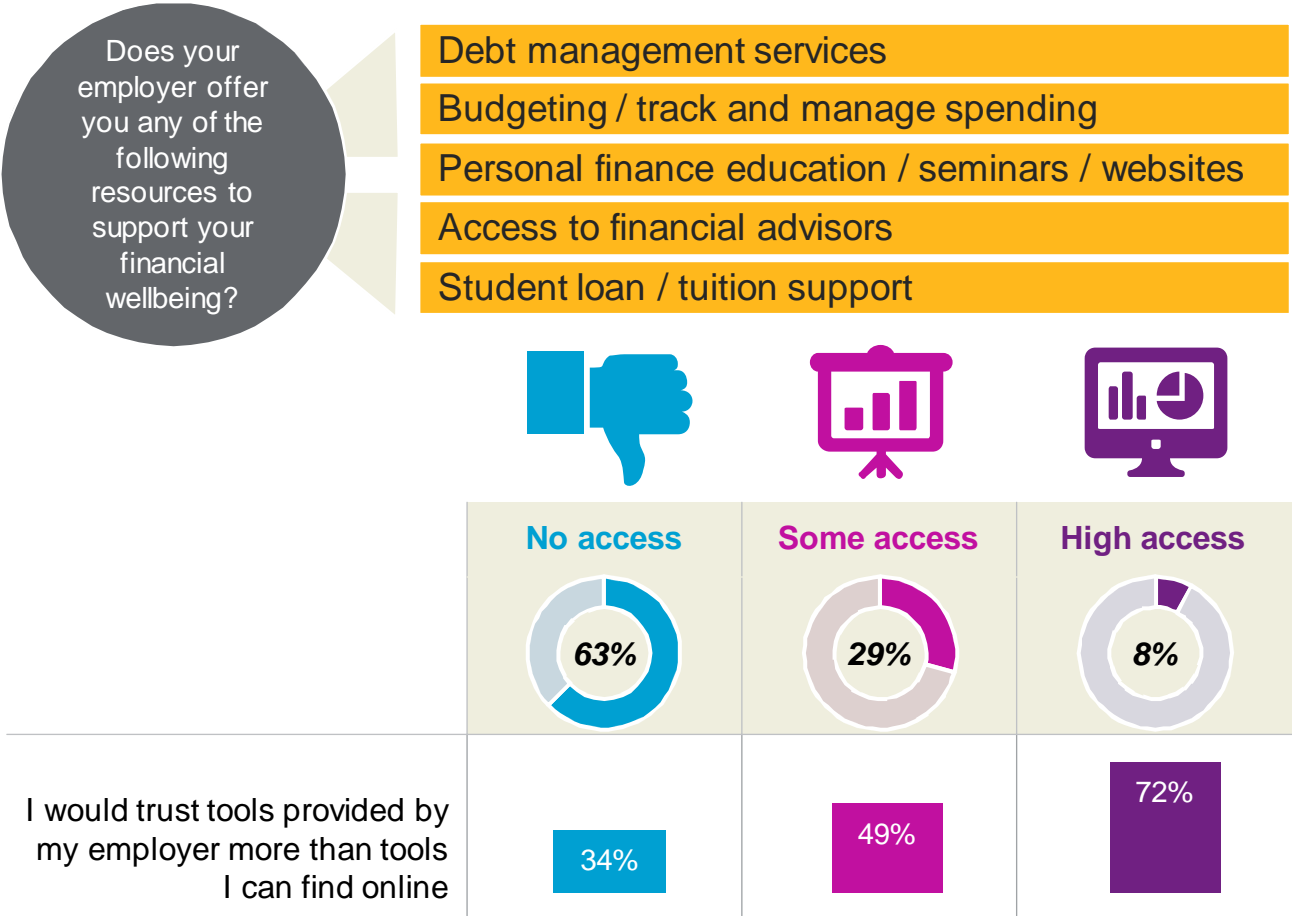
Age is correlated with budgeting, but gender and salary are not



Note: Percentages may not sum to 100% due to rounding
 Sample: All employees.
 Source: 2019 Global Benefits Attitudes Survey, United Kingdom

Employee access to financial wellbeing support in the workplace

Employer programs build trust and support of the employer role

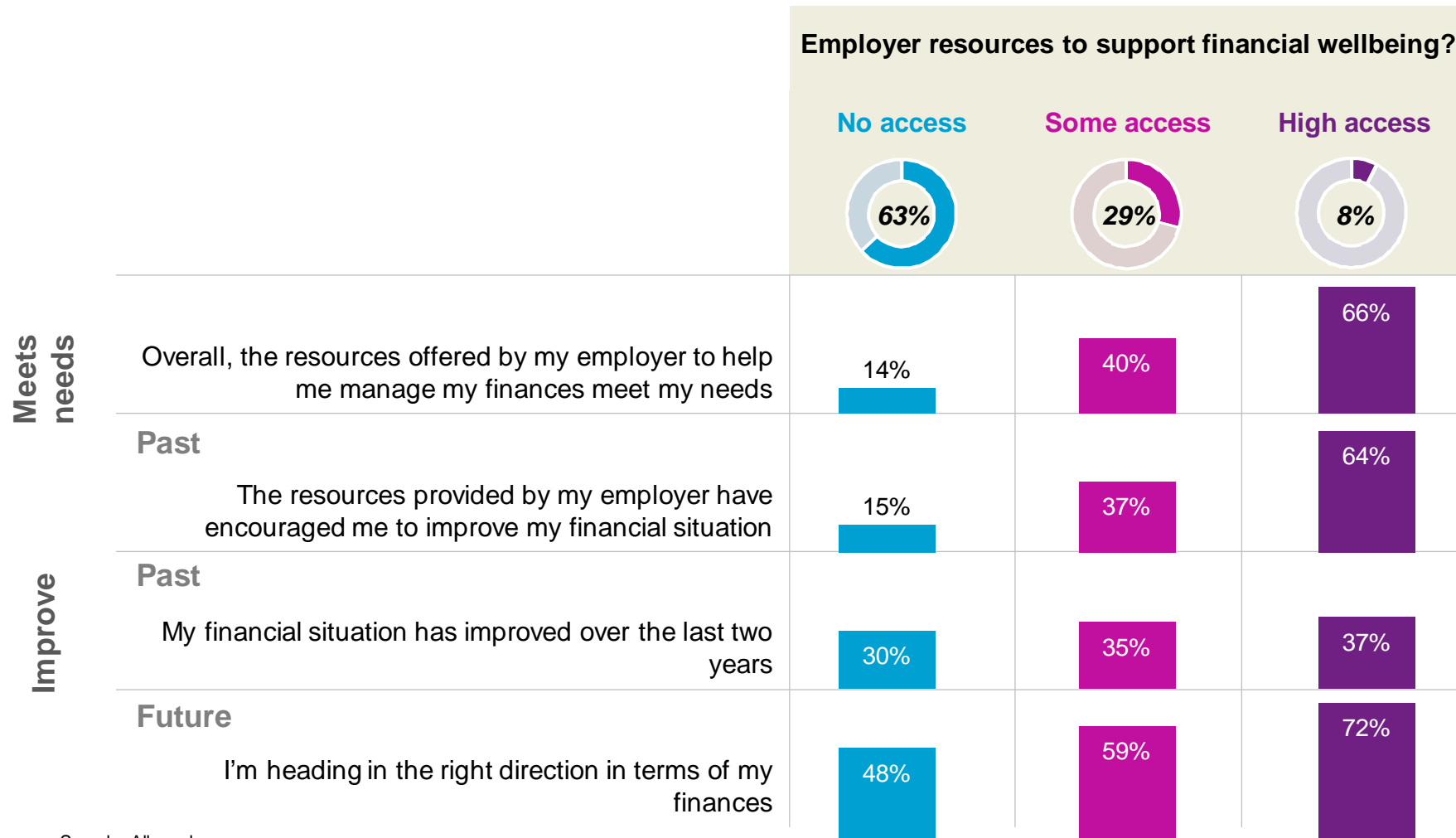


Note: "No access" indicates that the respondent is offered no resource by employer; "Some access" indicates that the respondent is offered at least 1 but less than 4 resources by employer; "High access" indicates that the respondent is offered at least 4 resources by employer.

Sample: All employees.

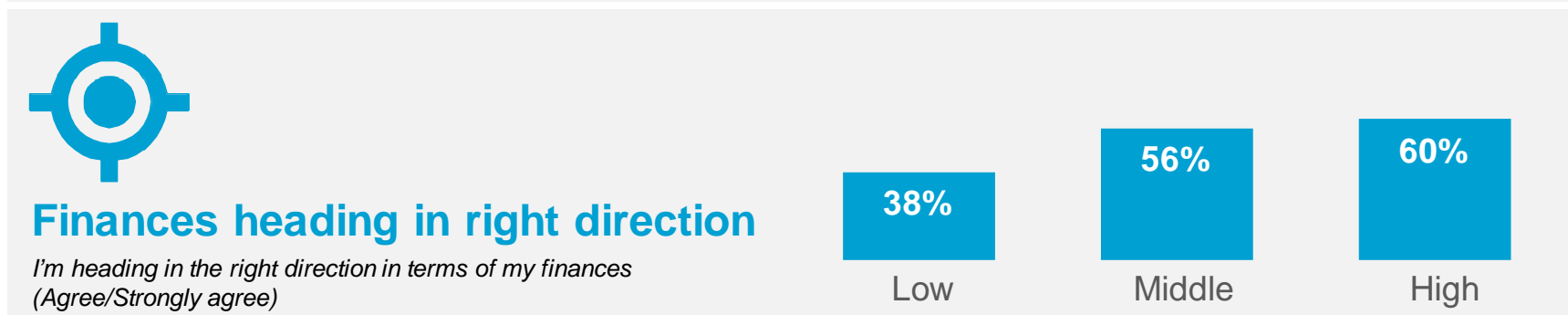
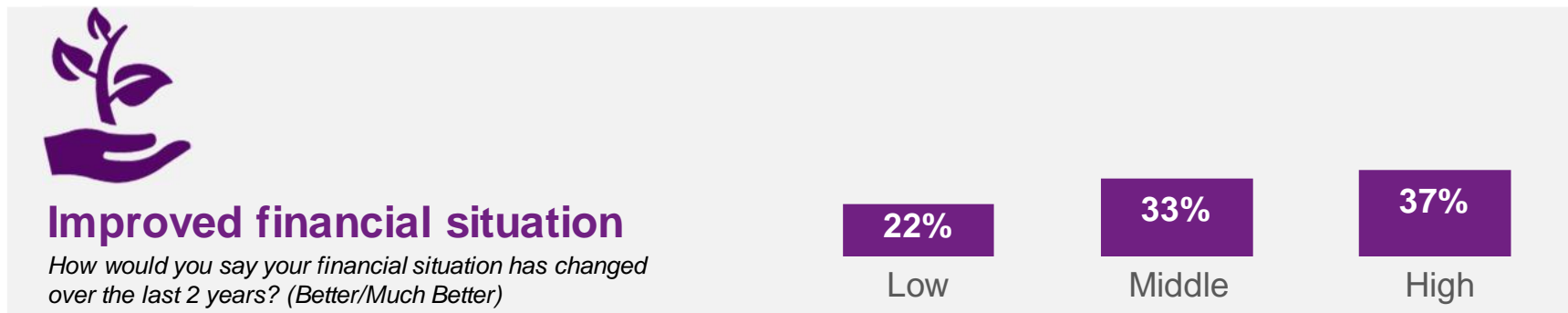
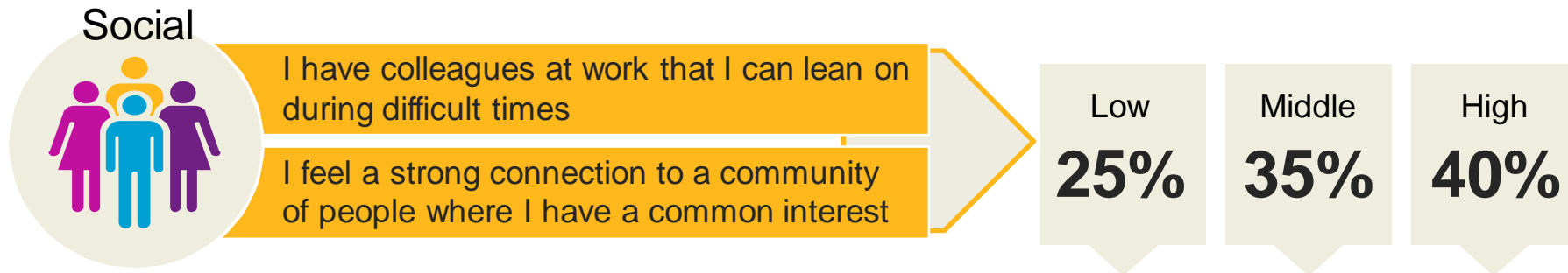
Source: 2019 Global Benefits Attitudes Survey, United Kingdom

Broad based financial wellbeing programs are most successful in meeting needs and lead to improved employee finances



Sample: All employees.
Source: 2019 Global Benefits Attitudes Survey, United Kingdom

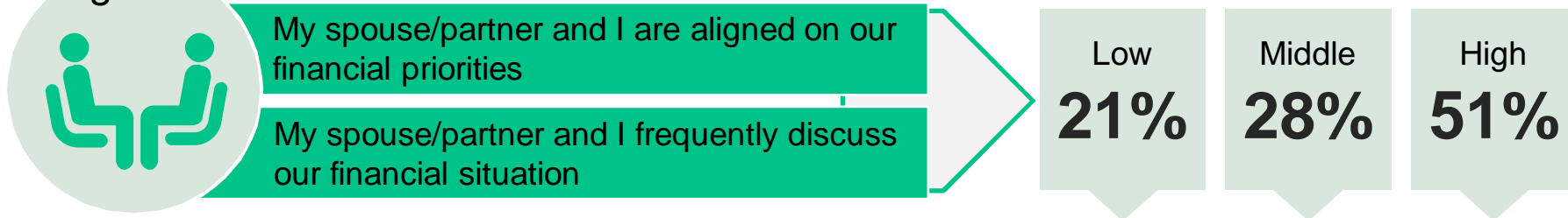
Use social networks and community groups to support employees



Sample: All employees.
 Source: 2019 Global Benefits Attitudes Survey, United Kingdom

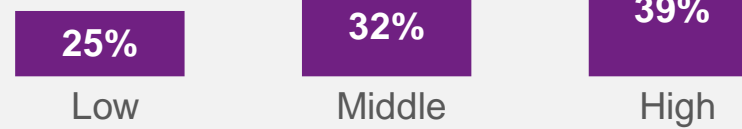
Encourage communication and alignment within the household unit

Alignment



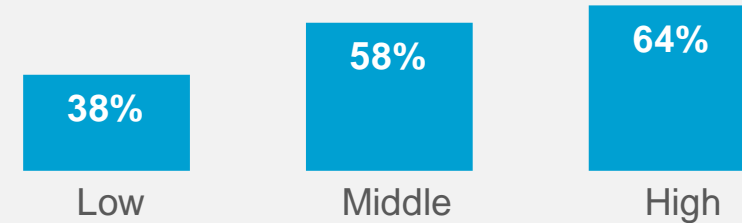
Improved financial situation

How would you say your financial situation has changed over the last 2 years? (Better/Much Better)



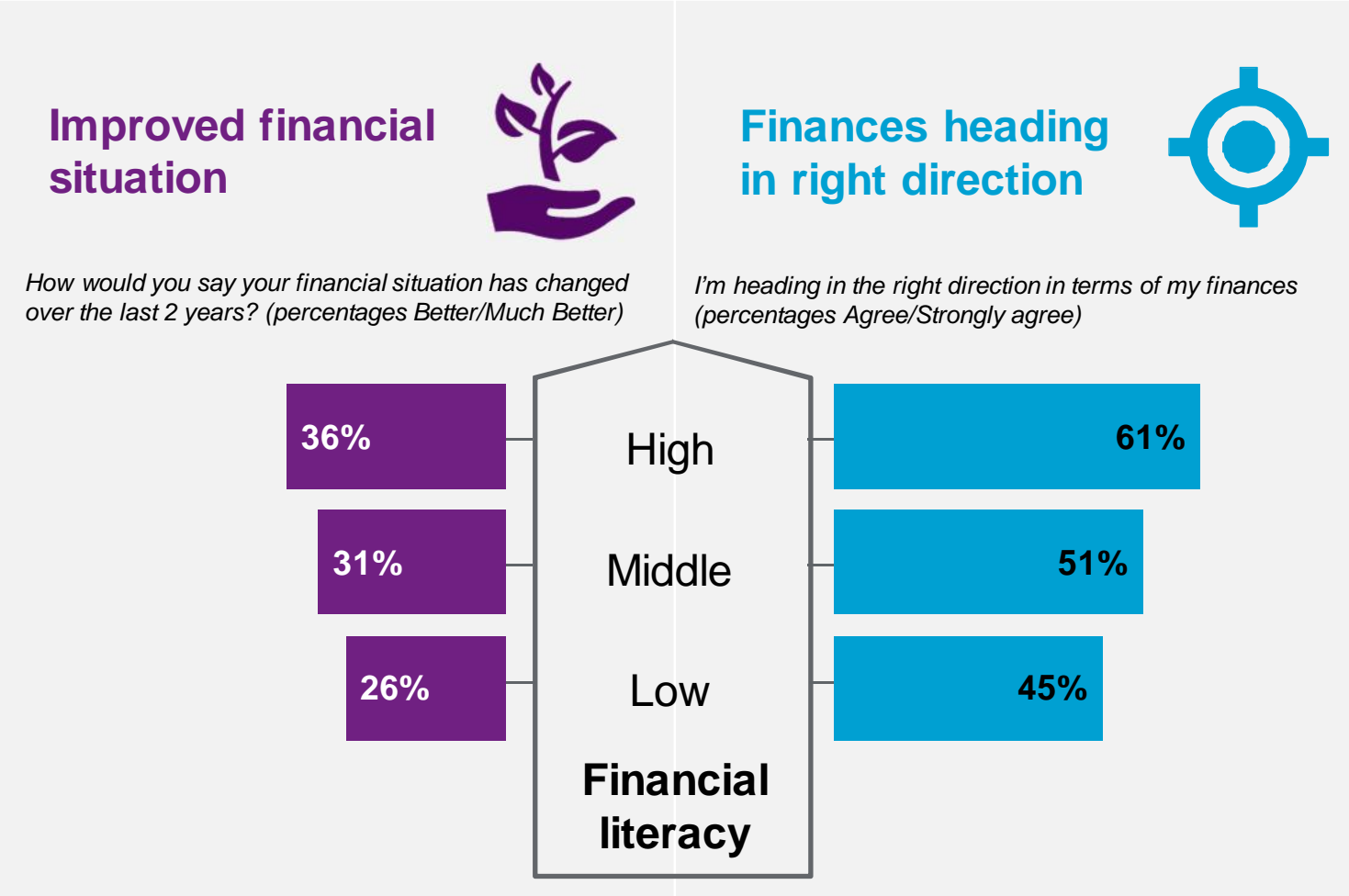
Finances heading in right direction

I'm heading in the right direction in terms of my finances (Agree/Strongly agree)



Sample: All employees. Employee married or living as married
 Source: 2019 Global Benefits Attitudes Survey, United Kingdom

Employees with higher financial literacy are more likely to have improved financial situation and be heading in right direction



Sample: All employees.
Source: 2019 Global Benefits Attitudes Survey, United Kingdom