

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

Limited growth in earnings

In recent years the job market has improved (employment is rising) but real wage growth remains limited

Real growth in earnings

2013

2018

0.8% pa

Debt burden continues to rise

Growth in debt outstripping wages.

Real growth in debt

2013

2018

2.6% pa

Student loan debt is rising

2013

£8.8billion

2018

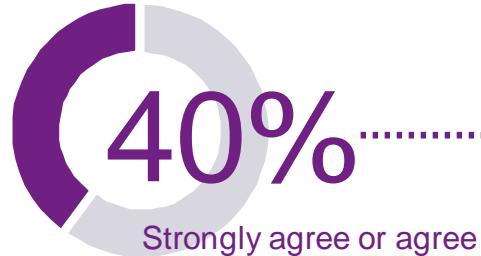
£14.3billion

Earnings source: ONS, Real average weekly earnings (seasonally adjusted), EARN01, 21 January 2020

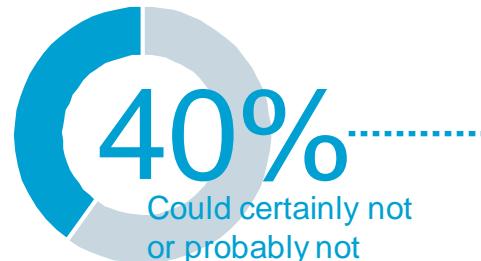
Debt source: Office for National Statistics, Wealth and Assets Survey, Uses July 2012 to June 2014 and April 2016 to March 2018

Student loan source: Bolton, Paul. "Student Loan Statistics." *Briefing Paper Number 1079*. House of Commons, 28 June 2019.

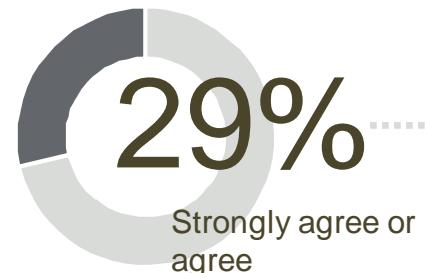
2 in 5 U.K. employees are living paycheck to paycheck



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

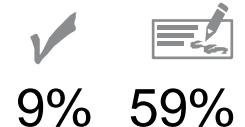
Job performance



8% 36%

Money concerns keep me from doing my best at my job

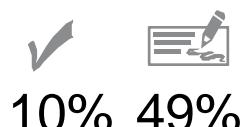
Life quality



9% 59%

The amount of debt I have impacts my quality of life

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

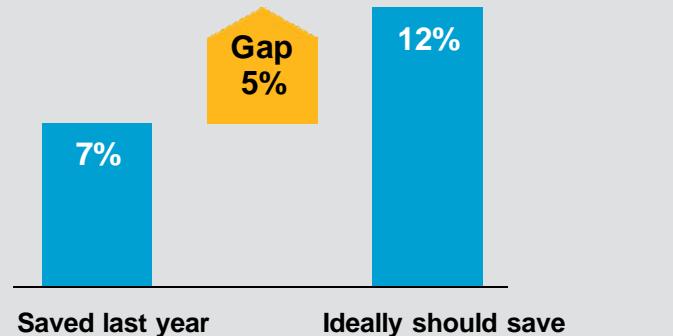


Note: Percentages indicate "Agree" or "Strongly agree".

Sample: All employees.

Source: 2019 Global Benefits Attitudes Survey, United Kingdom

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



* including any employer retirement plan you have

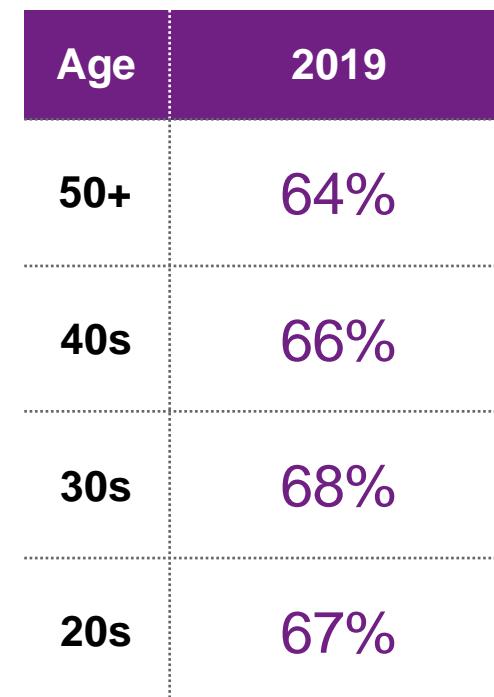
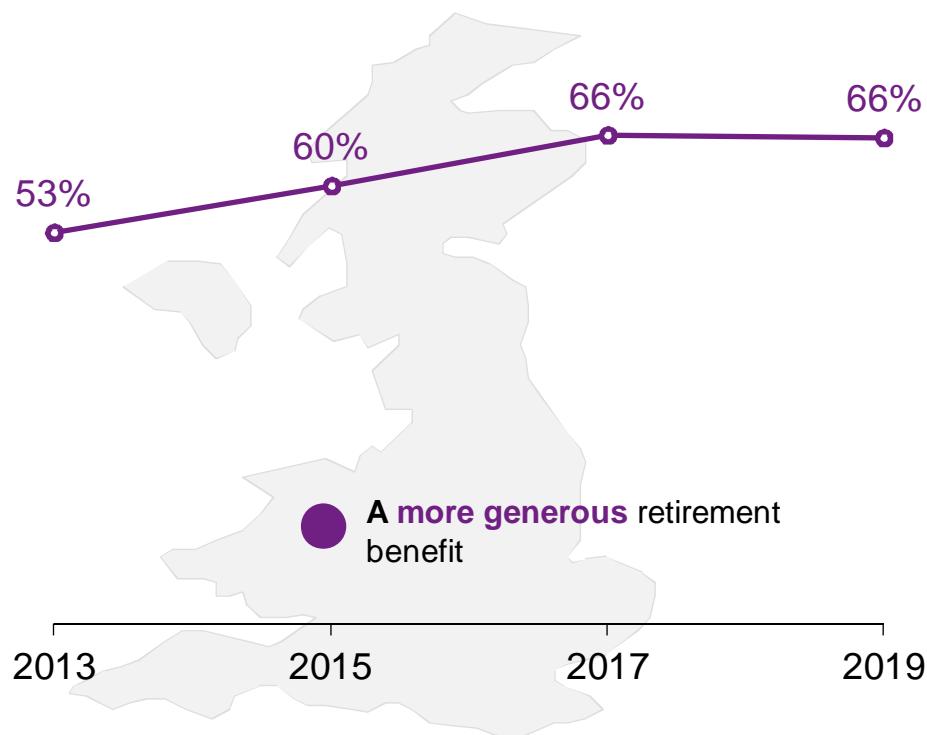
7 in 10 

report they are saving less for retirement than they ideally should

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



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



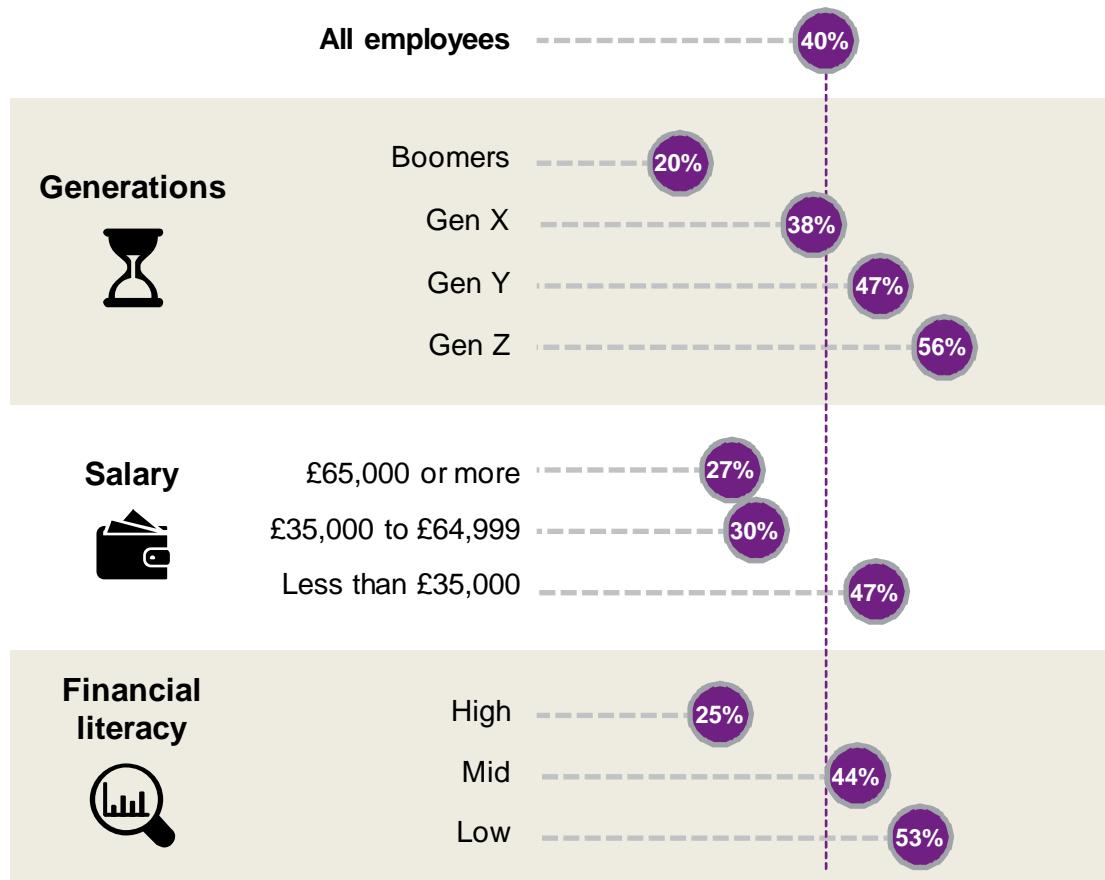
The indicators of financial stress

What types of employees exhibit financial stress

What type of employees exhibit financial stress

Understanding the needs of your workforce

Employees living paycheck to paycheck



Sample: All employees.

Source: 2019 Global Benefits Attitudes Survey, United Kingdom

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

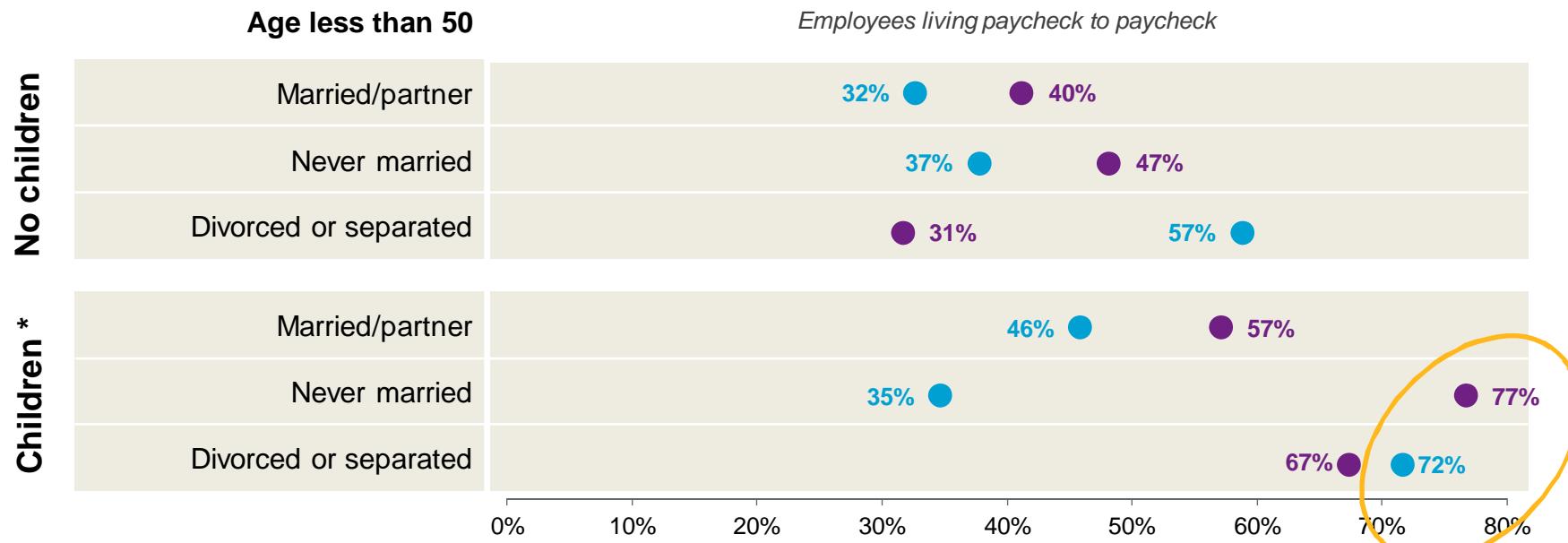
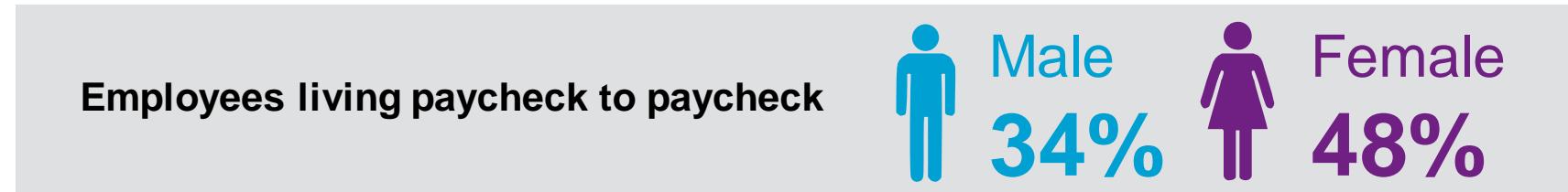
More than a quarter of employees earning more than £65,000 are living paycheck to paycheck. It is not just an income story.

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?



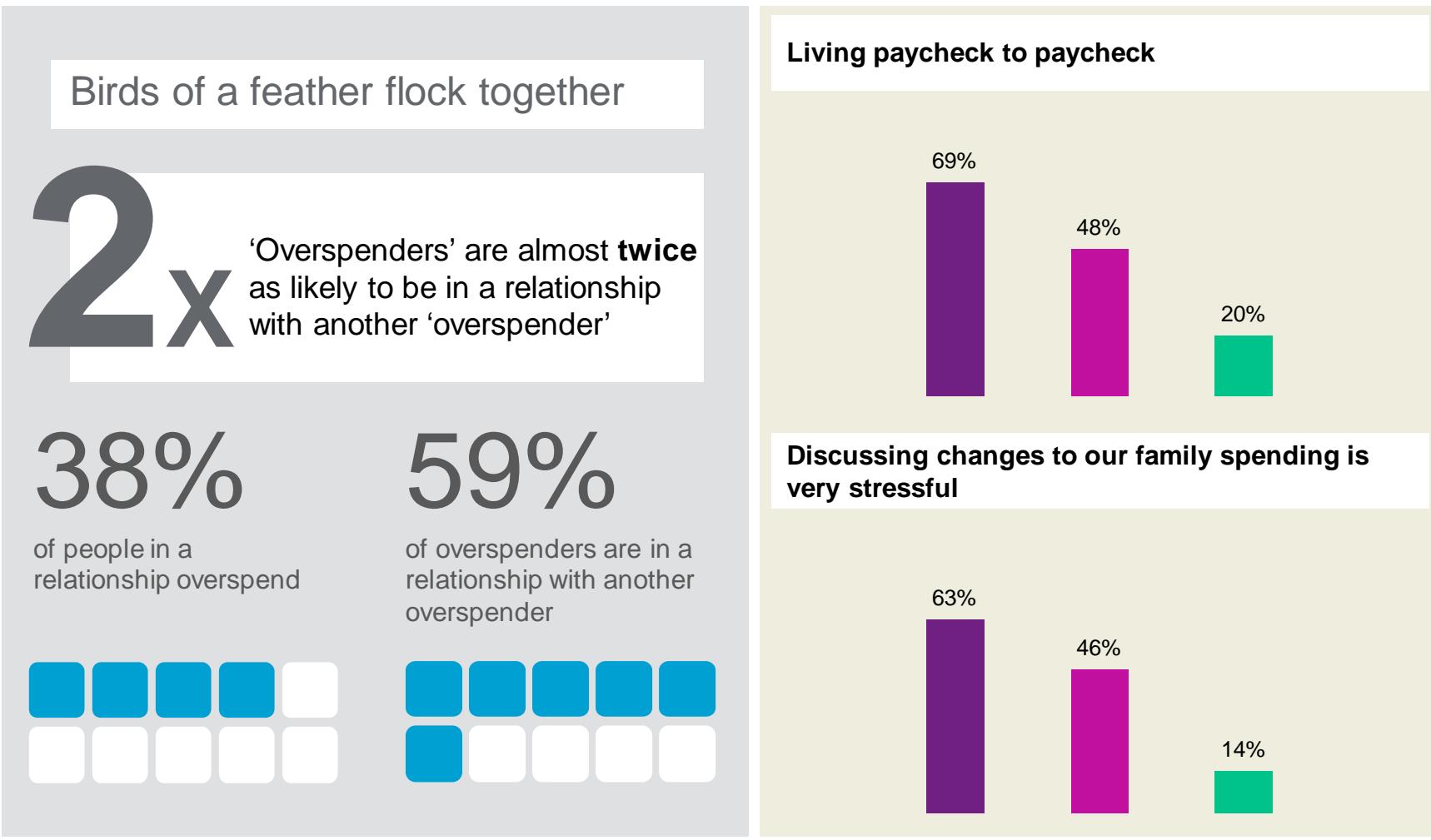
Single parents report the highest financial stress



Sample: All employees. * at least one child aged 23 or less

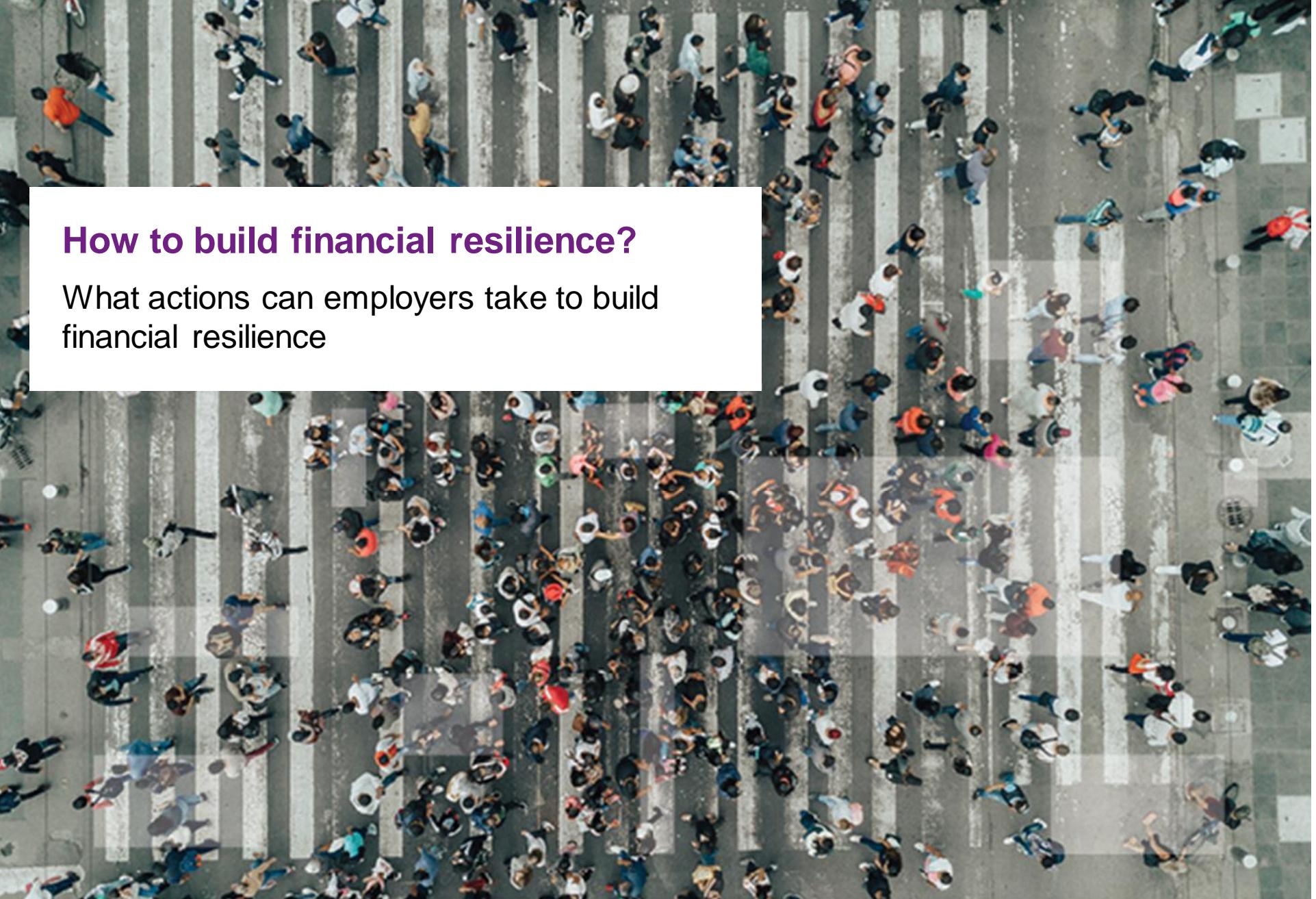
Source: 2019 Global Benefits Attitudes Survey, United Kingdom

Financial wellbeing programs will need to tackle household decision making



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

■ Both overspend ■ One overspends ■ Neither overspend



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	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

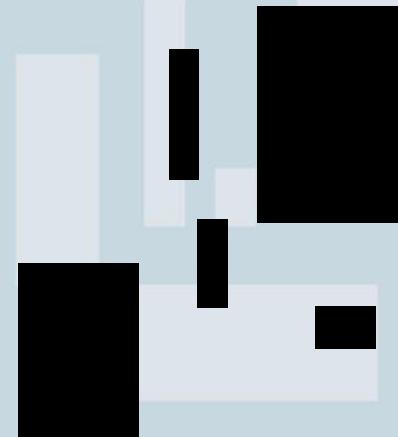
Note: Percentage indicate 'Extremely helpful/Very helpful'

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



Boomers



Gen X



Gen Y



Gen Z

50% TOOLS

Employers should offer tools that provide guidance on how employees can improve their financial situation

37%



43%



59%



66%



41% TRUST

I would trust tools provided by my employer more than tools I can find online

26%



36%



50%



56%



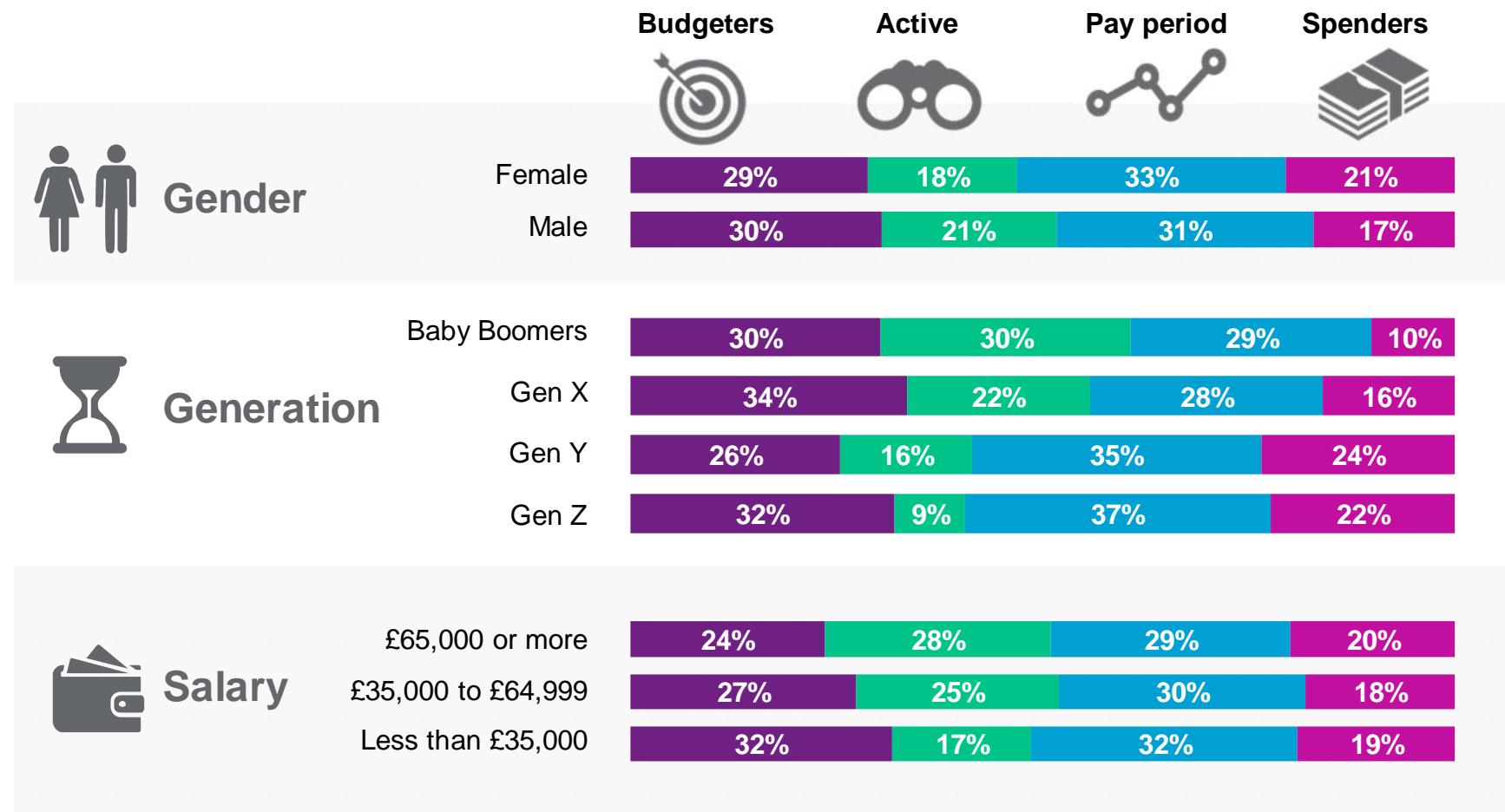
Note: Percentages indicate 'Strongly agree' or 'Agree'.

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



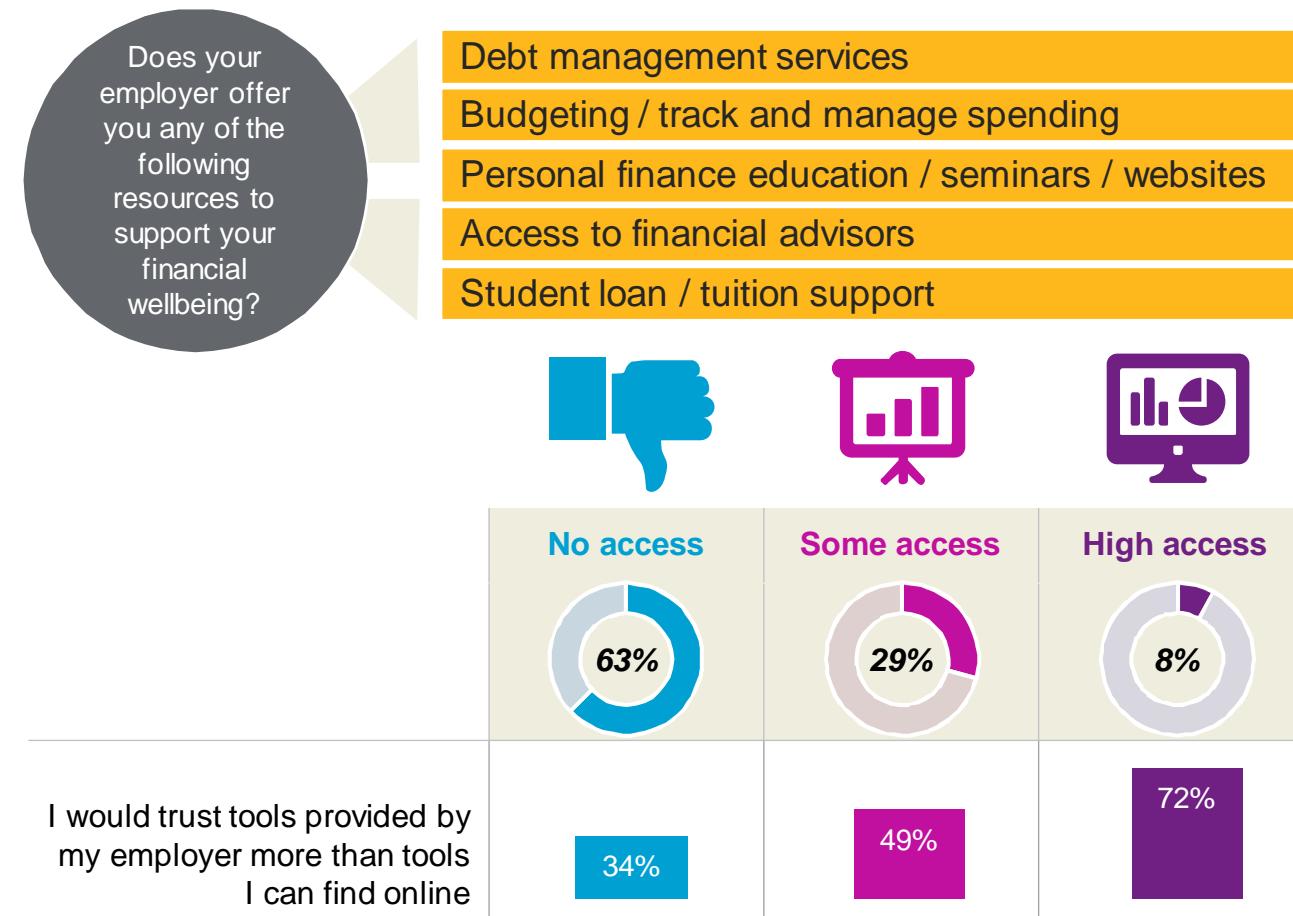
Note: Percentages may not sum to 100% due to rounding

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

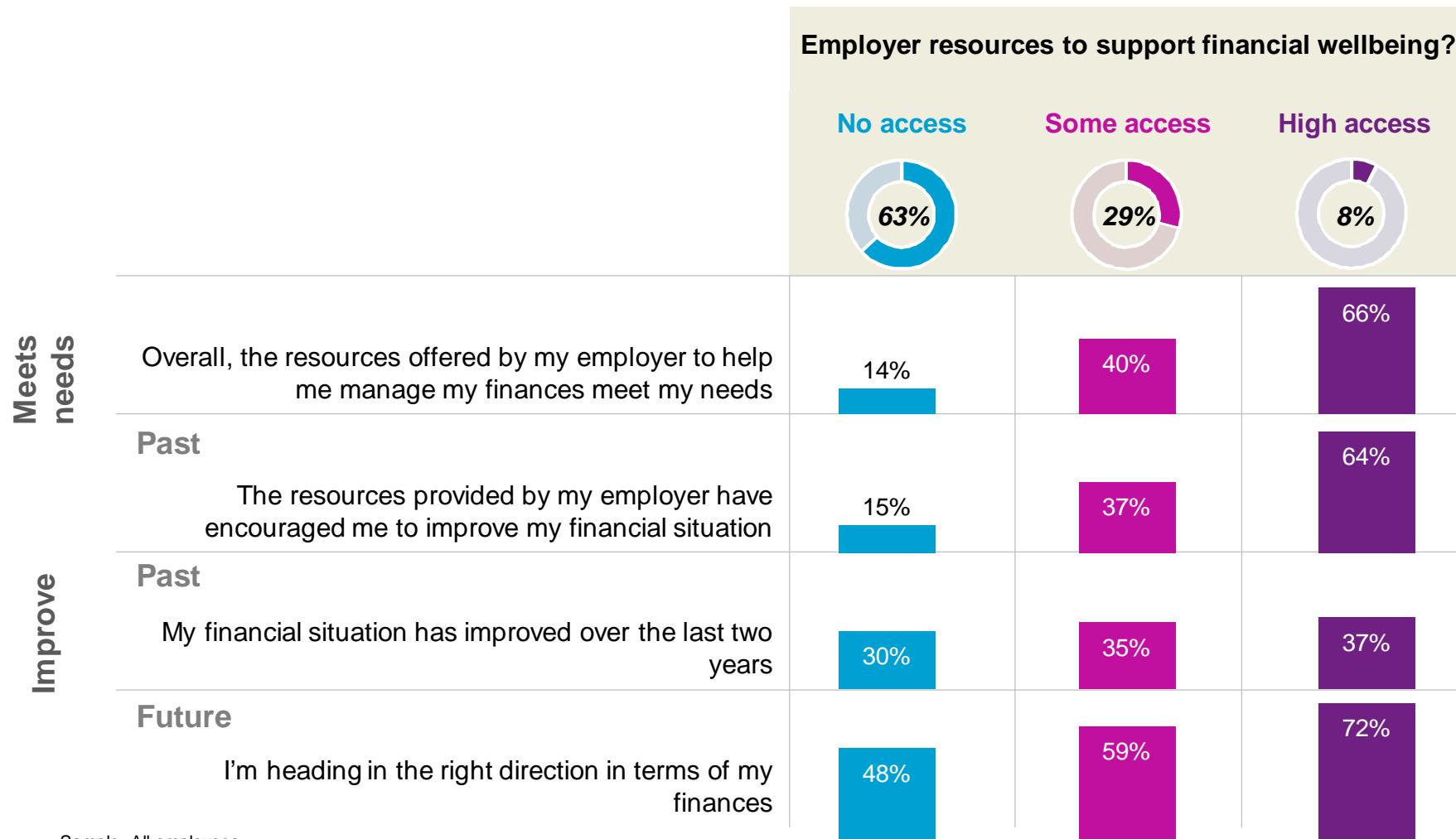


Note: "No access" indicates that the respondent is offered no resource by employer; "Some access" indicates that the respondent is offered at least 1 but less than 4 resources by employer; "High access" indicates that the respondent is offered at least 4 resources by employer.

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

Social



I have colleagues at work that I can lean on during difficult times

I feel a strong connection to a community of people where I have a common interest

Low

25%

Middle

35%

High

40%



Improved financial situation

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

22%

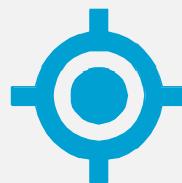
Low

33%

Middle

37%

High



Finances heading in right direction

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

38%

Low

56%

Middle

60%

High

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)

25%

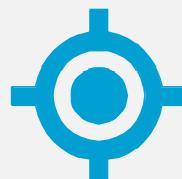
32%

39%

Low

Middle

High



Finances heading in right direction

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

38%

58%

64%

Low

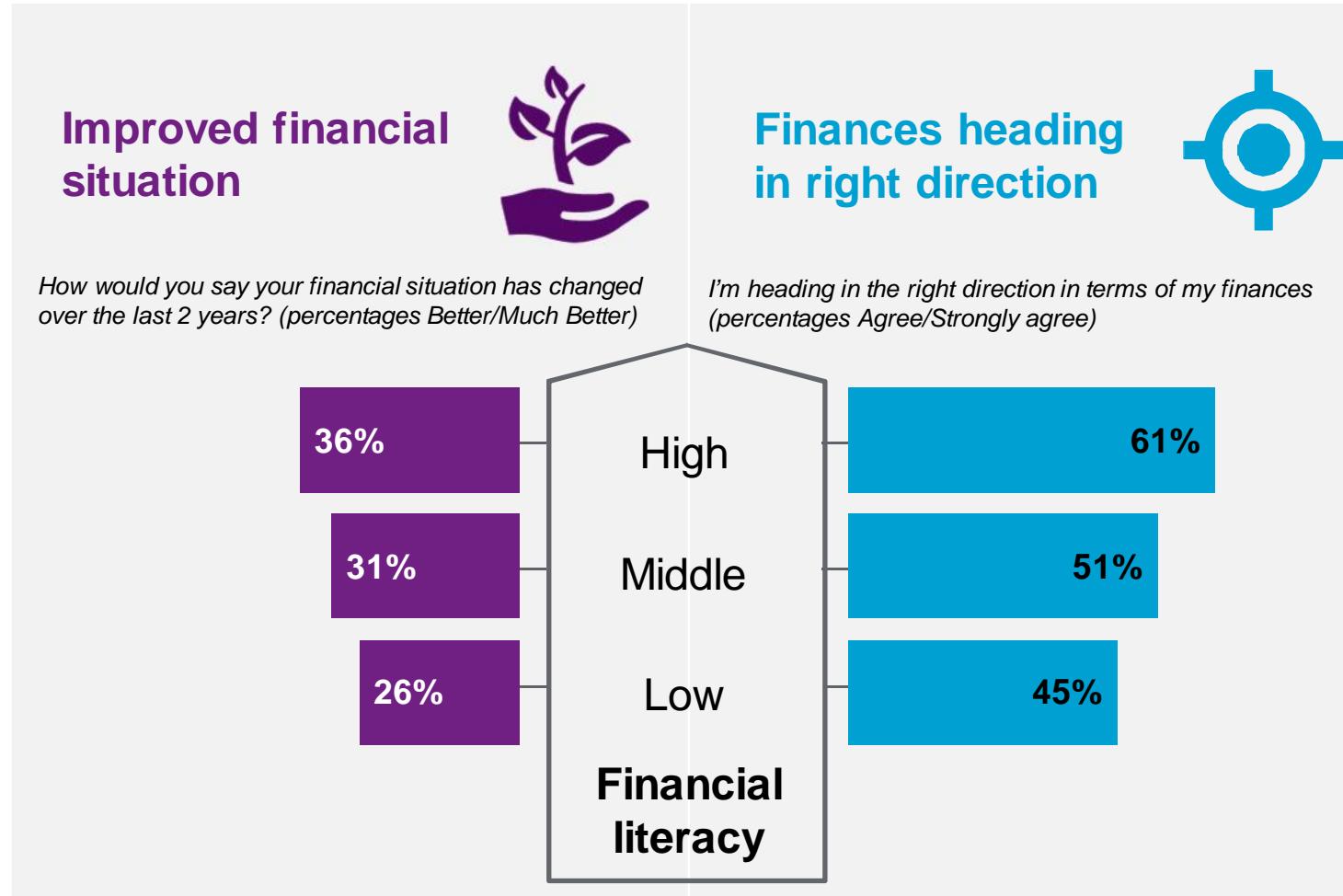
Middle

High

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