

# Financial wellbeing in the workplace

Forename surname  
24 March 2021



Money &  
Pensions  
Service



# Who is the Money and Pensions Service (MaPS)?

# Who we are

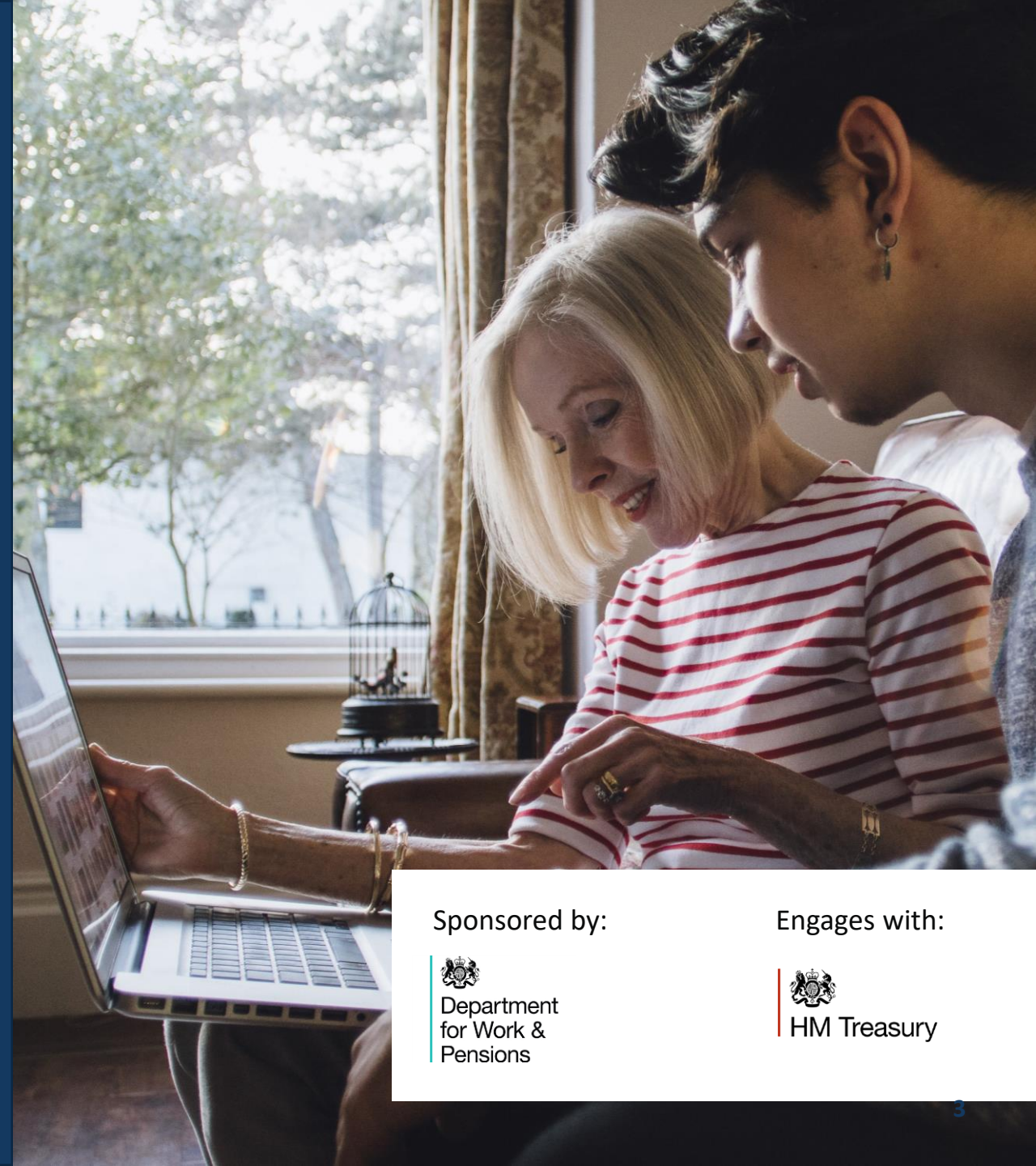


The PENSIONS  
Advisory Service

**We bring together three respected financial guidance brands:**

- The Money Advice Service;
- The Pensions Advisory Service; and
- Pension Wise;

to help people throughout the UK access the guidance and information they need to make effective financial decisions over their lifetime.



Sponsored by:



Department  
for Work &  
Pensions

Engages with:



HM Treasury



# What we do

A photograph of three people (two men and one woman) sitting around a table in a meeting. They are all smiling and engaged in conversation. The man in the center is gesturing with his hands. The background is slightly blurred, showing a wall with many colorful sticky notes.

**We're transforming financial wellbeing in the UK**

# What we do

We deliver financial guidance and support across five core functions:

## Pensions guidance

We provide information to people about **workplace and personal pensions**.

## Debt advice

We provide people in England with **information and advice on debt** and are the largest single funder of free debt advice in England.

## Money guidance

We provide information designed to enhance people's **understanding and knowledge of financial matters** and **day-to-day money management skills**, including work, housing and life events.

## Consumer protection

We work with government and the Financial Conduct Authority (FCA) to **protect consumers against financial scams**, ensuring our customers can identify and protect themselves and their finances.

## Strategy

We will **focus the efforts** of the UK Strategy for Financial Wellbeing through close collaboration with industry and stakeholders to build a financial wellbeing movement in the UK – to collectively improve financial wellbeing in the UK.

Source: Financial Guidance and Claims Act 2018 – 3.1 Functions

# What is financial wellbeing?

# Financial wellbeing

## State of play

**We know that poor financial wellbeing, affecting tens of millions of people, is holding the UK back. There are 52 million adults in this country, of whom:**

- 9m adults are either missing payments or feeling like keeping up with their bills is a heavy burden\*
- 11.5 million have less than £100 in savings;\* and
- 24 million do not feel confident making decisions about financial products and services\*.





***“Knowing you can pay the bills today,  
can deal with the unexpected and are  
on track for a healthy financial future”***

Secure

Confident

Empowered



# Why financial wellbeing is important

Financial wellbeing is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future.

In short, confident and empowered.

Financial stress can have a big impact on people's lives. If employees have poor financial wellbeing, employers suffer too — lost productivity could impact businesses' bottom line by as much as 4%.

**Financial wellbeing matters for all of us.**

A financially healthy nation is good for:



# The case for financial wellbeing in the workplace



94%

of UK employees admit to **worrying about money**, and of these - **77% say that money worries impact them at work** (2019).



69%

of UK employers believe their **employees' job performance is negatively affected** when they are under financial pressure (2018).

Six out of 10 employees consider financial wellbeing to be the responsibility of their employer.

2019

£1.56 billion is the estimated cost of low financial wellbeing each year as a result of absenteeism and presenteeism.



# The money worries facing your employees

- For those who have debt, **the average amount is £7,555**, around a third of their annual salary.
- 36% say they sometimes or often **struggle to pay off credit cards**.
- 45% **run out of money** between pay cheques.
- One in three people have **£1,000 or less in savings**.
- One in four people **don't save regularly** and of those that do, the most common amount saved is **less than £50 each month**.
- One in four people would be able to cover **their regular expenses for less than a month** if they lost their income.



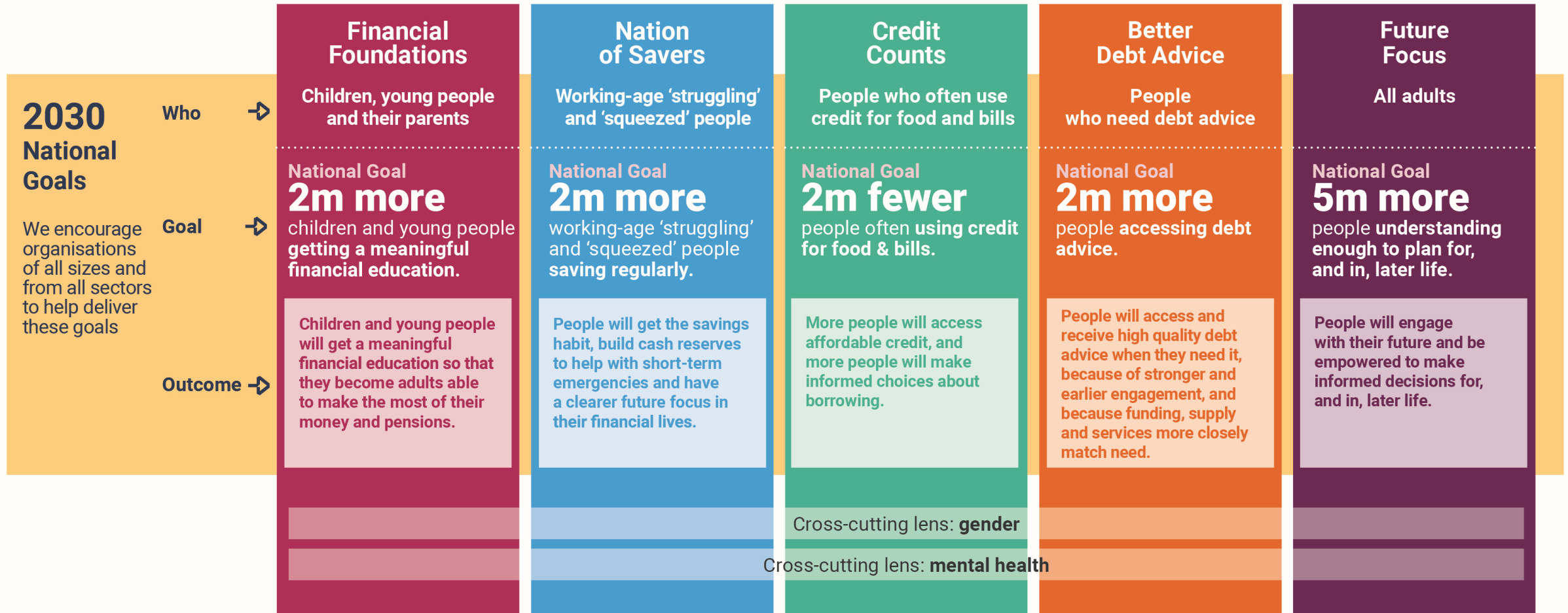


# National Strategy including the Agendas for Change

National level

# UK Strategy for Financial Wellbeing

## 2030 goals





Before



5.3m

children did not get a meaningful financial education



11.5m

people had less than £100 in savings



9m

often borrowed to buy food or pay bills



5.4m

people needed debt advice



22m

did not feel confident to plan for retirement

Now

Schools have had to prioritise core curriculum subjects rather than financial education.  
(Jan 2021)

21% of households have used savings in the last four weeks to make ends meet  
(July 2020)

Over 4 in 10 of those with payment arrangements have also used credit for essentials to make ends meet  
(July 2020)

Debt advice organisations are bracing themselves for a wave of clients  
(January 2021)

There is concern over increasing pensions scams and fraud because of the pandemic  
(Dec 2020)

2021

We know that forbearance will end, leaving millions of people with higher **credit** repayments. We know that unemployment will rise, reducing the incomes of millions of people and forcing people to erode their **savings**; access **pension** assets where they can; and increasingly leading to people needing **debt advice**. Some sectors of the economy are being hit harder than others, and many firms are already going out of business, putting pressure on pension schemes and leaving members wanting **help and guidance**.

But as we emerge from the crisis, there is a new opportunity to build financial wellbeing in five key ways:

2030

*Children learning meaningful money management: a fresh financial foundation*

*A **nation of savers** with greater financial resilience for tens of millions more people*

*Fewer people having to use **credit** for everyday bills and more people able to access affordable credit when they need it*

***Better debt advice** that reaches millions more people and helps people avert a debt crisis at an early stage*

*People throughout their lives having a better **future focus** about lifetime savings and spending*

# Why a UK strategy for financial wellbeing?

According to the OECD, the UK is well down the G20 rankings in terms of financial wellbeing.

MaPS has been given a legal duty to coordinate a national strategy to address this vital issue.

If stakeholders across the UK unite to address financial wellbeing, we can have a significant impact on individuals, communities, business and the wider economy.



**5.3m**

**children do not  
get a meaningful  
financial education**



**9m**

**often borrow  
to buy food or  
pay bills**



**11.5m**

**people have  
less than £100  
in savings**



**22m**

**do not know what  
they need to plan  
for retirement**



# MaPS proposition for employers

# What we offer

We offer a range of **free and impartial products and services** to help you support your employees and customers:



Library of  
online articles  
and videos



Printed guides  
for you to share  
with your staff  
and audiences



A suite of  
guidance,  
tools and  
calculators



Free pensions  
support incl.  
bespoke  
appointments



Join one or  
more of our  
programmes



Customer  
guidance and  
support via  
phone and web



Our content  
syndicated on  
your internal  
& external  
channels



MaPS  
speakers /  
reps at your  
staff events

**Supported by a dedicated local regional/partnerships manager**

# What we offer

## Tailored support and guidance

We can help you champion financial wellbeing in your workplace:

### Use our insights



### Survey your staff



### Establish a strategy



### Run a pilot with us...



**Happy to discuss a bespoke approach with your organisation**

# Our useful resources

For more links on our resources and research:

## Our research reports

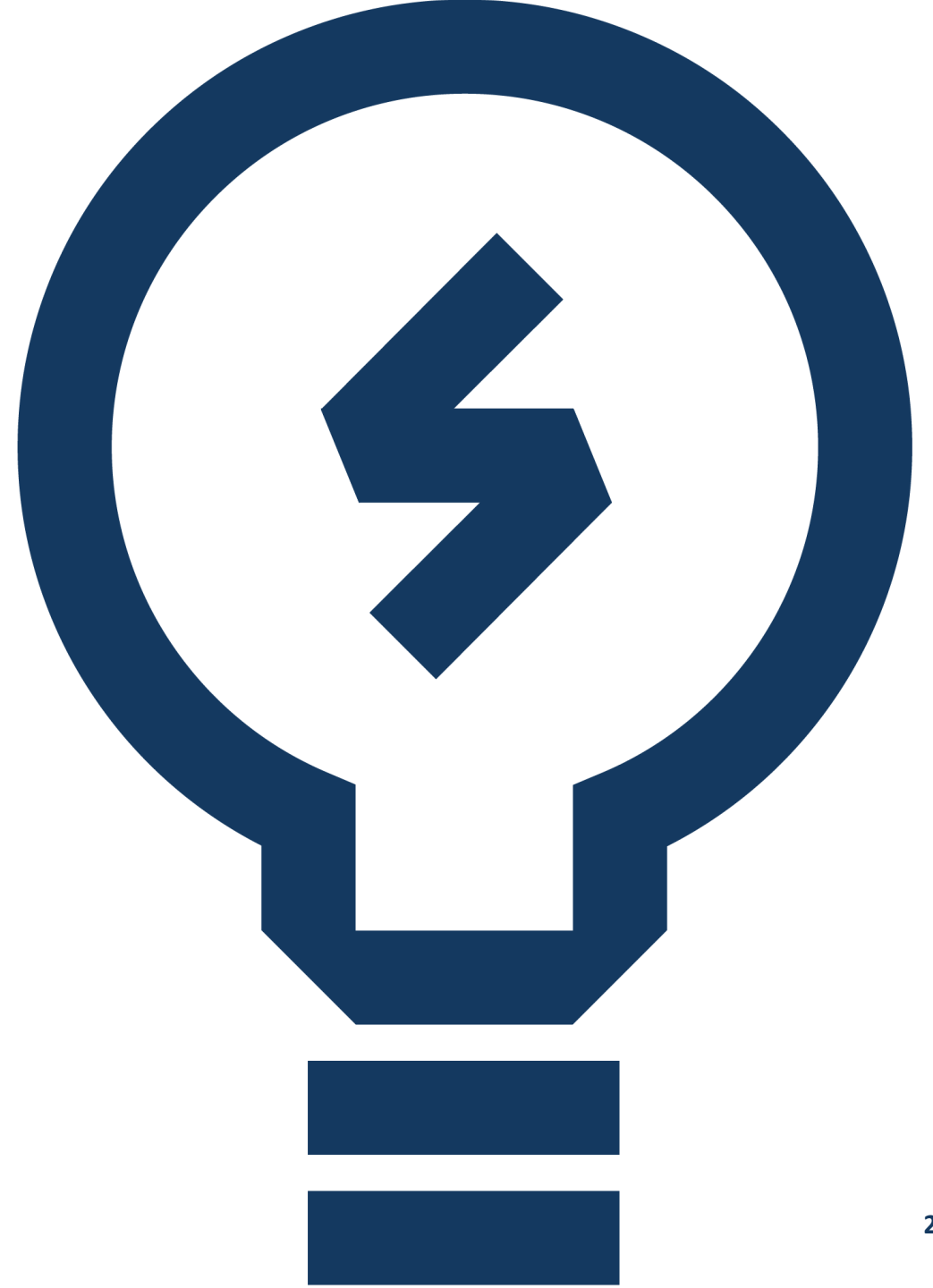
<https://moneyandpensionsservice.org.uk/category/reports/>

## Financial Wellbeing Evidence Hub

<https://www.fincap.org.uk/en/articles/financial-capability-evidence-hub>

## What works fund

<https://www.fincap.org.uk/en/articles/what-works-fund>





# Close and Thank you