



CRF DIGITAL COMMUNITY

DIVERSITY, INCLUSIVITY AND WELLBEING

At a Zoom Interactive Event on 6th July, CRF's Diversity, Inclusivity, and Wellbeing Community came together to discuss financial wellbeing. With a cost-of-living crisis, a war in Ukraine, ongoing pandemic effects, and a potential recession on the horizon, financial challenges are further squeezing many in an already exhausted workforce. What sort of financial shape are people in, and how are businesses supporting their people's financial wellbeing? This summary shares some of the key insights from the discussion.



ARE PEOPLE, IN GENERAL, IN GOOD FINANCIAL SHAPE?

Emily Trant of Wagestream kicked off the discussion by sharing an overview of that state of financial wellbeing among the United Kingdom's population.

- 11.5 million have £100 or less in savings, meaning that they are not financially resilient. This is about 20% of the population, living largely paycheck-to-paycheck. This group of people is very hard-pressed to deal with the current cost-of-living crisis because they have no financial buffer.
- 26% of non-white men are in insecure work (low paid, contractually insecure, not entitled to benefits, etc.), and 25% of all women are in the same situation. Only 13% of white men are in insecure work. For employers, this means financial wellbeing is likely to be more challenging for particular segments of the workforce, and this may intersect with the company's diversity, inclusion, and/or equity goals.
- Individuals are 56% more likely to save if a financial product is offered through their employer (rather than having to open an account on their own), and this is true for low-wage workers too.
- Men have £15 billion more wealth than women do. There are many reasons for this, including the wage gap, women leaving the workforce or working part-time (often to provide caregiving to children or parents), and attitudes toward money and financial education (women are less likely to seek financial advice or to invest, and when they do, they tend to do it later in life). There is a great need to equalise access to financial education and services across the sexes.

- 1 in 7 people are financially excluded, meaning they don't have access to fairly priced or useful financial products (such as a bank account, overdraft protection, credit cards, and so on). This is because they have a thin or no credit file. Immigrants, those who have recently left the foster care system, prison leavers, ex-service personnel, and in some cases, women, are more likely to have a thin or no credit file. The cost-of-living crisis is exacerbating the financial challenges faced by these groups.
- Approximately £15 billion in state benefits go unclaimed each year. In over 80% of cases, this is because people don't know or aren't aware that they are entitled to benefits. Checking benefits eligibility is an important first step for people seeking to improve their financial wellbeing; benefits can be very helpful for working people on a low wage.
- Wagestream's data shows a 50% increase, compared to last year, in the number of people in work who worry about money every day.

These challenges are being exacerbated by the current cost-of-living crisis, but they are not new challenges, nor are they unique to the UK. Financial wellbeing is a global issue.

Emily, who as part of her role speaks regularly with employers, employees, social impact investors, charities, academics, and think tanks, argues that it is within employers' gift to move the needle on financial wellbeing. Getting involved in financial wellbeing begins by understanding the financial shape that your organisation's workforce is in.

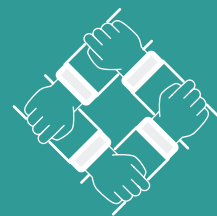


ARE ORGANISATIONS GETTING INVOLVED IN FINANCIAL WELLBEING? IF SO, WHAT ARE THEY DOING? IF NOT, WHY NOT?

Following Emily's introduction, attendees engaged in a roundtable discussion of the issues.

Getting started

- Many businesses are at the very start of their financial wellbeing journey. The emphasis is on trying to understand the landscape and how to support people, acknowledging that there are cultural nuances and differences in terms of how people approach finances, savings, wellbeing, and the quality of support networks.



CRF DIGITAL COMMUNITY EVENT

DIVERSITY, INCLUSIVITY AND WELLBEING

What's suitable, interesting, and relevant for different segments of the workforce? Is it a global initiative or does it need to be regional in order to tailor it appropriately?

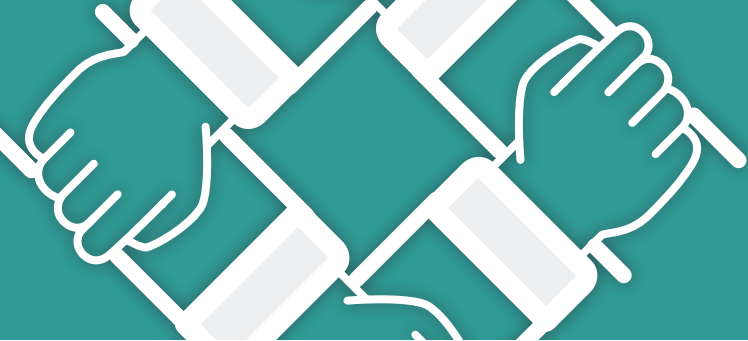
- Often, organisations begin by focusing on education, such as helping people understand how to build better money habits, how to financially plan for the future, and how to borrow responsibly.
 - » This immediately raises questions about self-management. "Business can do the education piece, but it requires self-management as well," as one attendee said.
 - » Employers have to make a decision early on about how involved they want to get in employees' financial lives. This decision is coloured by organisation culture. Some organisations are very paternalistic, want to be 'hands on', and are willing to get quite involved; others are more 'hands off' - content to provide a toolkit and leave people to it. Many organisations land somewhere in the middle.
 - » One attendee described their organisation's level of involvement: "We offer our people early access to wages. If they access their wages early three times in a six-month period, we conduct an 'intervention' for want of a better word - but a soft one. We let them know we've noticed, but ask if we can also help in another way, such as by offering coaching or education. This has gone down fairly well - people seem to appreciate that the problem was spotted."
- Even though the cost-of-living crisis in the UK is getting significantly worse, some attendees pointed out that, society-wide, appreciation of the challenges people are facing seems to be growing. The media and government are talking more about the issues, including the nuances.
 - » For example, there are limitations to using pay to solve the problem - simply paying people more can jeopardise a business's ability to function and perpetuate the challenge of inflation. The media is helping the conversation around sustainable business practices and the principles of where pay sits in a business model.
- Consequently, the stigma around talking about financial wellbeing may be decreasing. One attendee reported that his organisation is seeing more people ask for salary increases and other financial support (including education). Both employees and unions are increasingly active.

At the same time, some people believe they can't find a way out of debt, and are becoming complacent with the position they are in.

Communication

- Some attendees pointed out that it can be difficult to reach those people that really need help; though stigma may be decreasing, financial wellbeing is still often a taboo subject. It's critical to craft the right message and land it in the right way for the right audience. It is also especially difficult to communicate with a large distributed workforce.
- It's valuable to find a 'hook' that will engage people. A wellbeing proposition centred on pay is one mechanism that resonates with people and helps engage them. For example, Wagestream's app is centred on allowing people to check their pay on a regular basis. Engagement is very high - people check the app 21 times per month, on average. Wagestream leverages this engagement, using the app as a portal through which employers can feed messaging to employees, and giving them access to other tools such as benefits calculators, coaching, and financial education.
- Organisations have to be smart about communications around apps, website portals, and EAP provision. They need constant promotion to remind people to use them, and they need to be easy to access. It is also important to articulate clearly how a benefit actually impacts people's bottom line.
 - » Attendees shared some practical ways they have communicated financial support offerings to employees.
 - "We did monthly benefit spotlight emails and the last couple of months have been on financial benefits - this month our share schemes, next month pensions, last month things like our Reward Gateway discounts."





CRF DIGITAL COMMUNITY EVENT

DIVERSITY, INCLUSIVITY AND WELLBEING

- “To promote EAPs, we have held fortnightly town halls, have put it on our intranet page, and have upskilled managers on what EAP services are available and how to talk to their people about it. We also have a wellbeing page on our intranet. It’s a bit of a road show, but a subtle one.”
- Some organisations report that they are upskilling and redeploying existing mental health first aiders or wellbeing champions to help direct people to EAP services and other support.

Quick wins

Attendees discussed practical ‘quick win’ actions that they are taking at their organisations. Quick wins may be especially valuable for low-margin companies that need to support employees, but have limited budgets for action.

- Partnering with financial charities or benefits partners to offer webinars on financial wellbeing (including information on where and how to reach out, how to check eligibility for unclaimed benefits, and so on).
- Promoting already-existing EAP benefits, such as financial education, coaching, counselling, or advice. Reviewing and if necessary, upgrading EAP provision is another quick win.
- Using apps, such as Wagestream’s financial wellbeing app or the SmartSpending app which can give discounts off weekly shopping, appliances, clothes, holidays, and so on. Apps have the added benefit of privacy – people can interact with financial support on their phone rather than through a work website displayed on their computer screen.
- Providing breakfast to employees.
- For remote workers, one organisation sent fruit boxes to employees’ homes, offered lunch vouchers, and gave employees a £25 one-off payment for a family breakfast.
- Sharing and promoting the use of benefits calculators and other financial wellbeing tools.

Not-for-profit tools such as Inbest and IncomeMax can help people see what they are entitled to; some tools will even help people to apply for benefits they are entitled to receive, which is useful as these systems are complex and difficult to navigate. See the Further Reading list on p. 4 for links to calculators and other tools.

- Some organisations are offering people early access to wages in an effort to help them avoid payday loans (which come with exorbitant interest rates).
- Offering one-off cost-of-living assistance payments.
- Offering food shopping gift cards.

Medium-term gains

- An important medium-term tool is policies – thinking about how they intersect with wellbeing, why they are as they are and who they serve. Can they be tweaked to better support employees’ financial wellbeing? For example, consider the speed with which expenses are reimbursed. Is the policy what’s best for employees’ financial wellbeing, or what’s best for the Finance function? Can it be changed? Can eligibility for certain benefits be shortened? Can employee benefits that have a disproportionate impact be leveraged? Can organisations be creative about the benefits they offer?
- One attendee reported that her organisation is using its existing benefits platform to maximise financial support. “It’s not just what you do, but also how you link with existing platforms and infrastructure to help people get more for their money.”
- Some organisations are thinking about offering financial coaching. “It’s a real potential opportunity for support as it’s such a personal topic – but how do we make that accessible to as many as possible?”



CRF DIGITAL COMMUNITY EVENT DIVERSITY, INCLUSIVITY AND WELLBEING

Long-term journey

- Employers need to be thinking about how to create a holistic financial wellbeing strategy over the long term. But that journey starts with thinking about who you are building for – what are their characteristics and needs; who will be prioritised and what problems are we solving for? The strategy cannot be all things to all people.
- A critical first step is gathering the necessary data to understand where your workforce is at. One tool that can help with this is.

FURTHER READING

CRF. 2022. **Let's Get (Beyond) Physical – Creating a Multidimensional Approach to Employee Wellbeing.** Speed Read. <https://www.crforum.co.uk/research-and-resources/speed-read-lets-get-beyond-physical-creating-a-multidimensional-approach-to-employee-wellbeing>

Florisson, Rebecca. 2022. **The UK Insecure Work Index: Two Decades of Insecurity.** Work Foundation. <https://www.lancaster.ac.uk/media/lancaster-university/content-assets/documents/lums/work-foundation/UKInsecureWorkIndex.pdf>

HM Treasury. 2021. **Financial Inclusion Report: 2020-2021.** Department for Work & Pensions. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1038537/Financial_Inclusion_Report_2020-21.pdf

Jack, Simon. 2022. **Most Only Have £500 of Savings Says Lloyds Boss.** BBC News. <https://www.bbc.co.uk/news/business-62057301>

Inbest Benefits Calculator. 2022. <https://inbest.ai>

Inbest 2022. **Unclaimed Benefits Breakdown.** <https://inbest.ai/unclaimed-benefits-breakdown>

IncomeMax. 2022. <https://incomemax.org.uk>

LexisNexis. 2022. **Financial Inclusion in the UK – up to date analysis of access to financial services.** <https://risk.lexisnexis.co.uk/insights-resources/article/financial-exclusion-in-the-uk?>

Mercer. 2022. **Financial Wellbeing Index.** <https://www.uk.mercer.com/our-thinking/mercerc-financial-wellbeing-index.html>

Money & Pensions Service. 2020. **FThe UK Strategy for Financial Wellbeing: 2020-2030.** <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/01/UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf>

Moore, Dan. 2018. **Gender Investment Gap Estimated at £15bn.** FTAdviser. <https://www.ftadviser.com/investments/2018/12/07/gender-investment-gap-estimated-at-15bn>

Nest. 2021. **Workplace Emergency Saving: A Landscape Review of Existing Evidence.** <https://www.nestinsight.org.uk/themencode-pdf-viewer/?file=https://www.nestinsight.org.uk/wp-content/uploads/2021/07/Workplace-emergency-saving-a-landscape-review-of-existing-evidence.pdf#zoom=page-fit>

Prospect. 2020. **Gender Pension Gap increases to 40.3% new Prospect research shows.** <https://prospect.org.uk/news/gender-pension-gap-increases-to-40-3-new-prospect-research-shows>

UK Data Service. 2022. **Financial Capability Survey, 2018.** <https://beta.ukdataservice.ac.uk/datacatalogue/studies/study?id=8454>

UK Government. 2022. **Benefits Calculators.** <https://www.gov.uk/benefits-calculators>

UK Government. 2022. **Money & Pensions Service.** <https://moneyandpensionsservice.org.uk>

Wagestream. 2022. **The State of Financial Wellbeing: The UK Workplace Report 2022.** <https://wagestream.com/en/state-of-financial-wellbeing-2022>

crf SAVE THE DATE



The next session of the Diversity, Inclusivity and Wellbeing Community:

25th October at 12.00 BST

Register your attendance [here](#). Also please get in **touch** with any topics that you would like to discuss and feature at the next session.