

CIPD Coronavirus webinar series

Supporting employees' financial wellbeing

19 November 2020

Welcome

Katie Jacobs, Senior Stakeholder Lead, CIPD

CIPD



Today's speakers

Katie Jacobs

Senior
Stakeholder
Lead,
CIPD

Charles Cotton

Senior Policy
Adviser,
Performance and
Reward,
CIPD

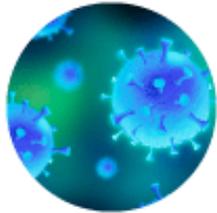
Karleen Dowden

Regional
Partnerships
Manager,
Money &
Pensions Service

Sally Hopper

Assistant
Director of HR,
Hertfordshire
County Council

#StrongerWithCIPD



**Covid-19
resources**



**NEW Well-
being helpline**



**Employment
Law helpline**



**Communities
and branches**



***People
Management***



**Knowledge
and content**



Free learning



**Careers
support**



**Professional
credibility**



**Financial
support**

cipd.co.uk/memberbenefits

Supporting employees' financial wellbeing

Charles Cotton

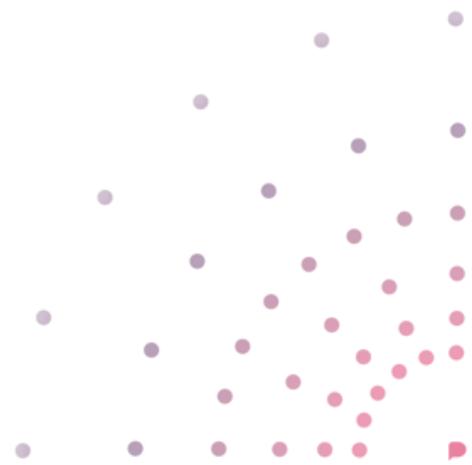
Senior Policy Adviser, Performance and Reward, CIPD



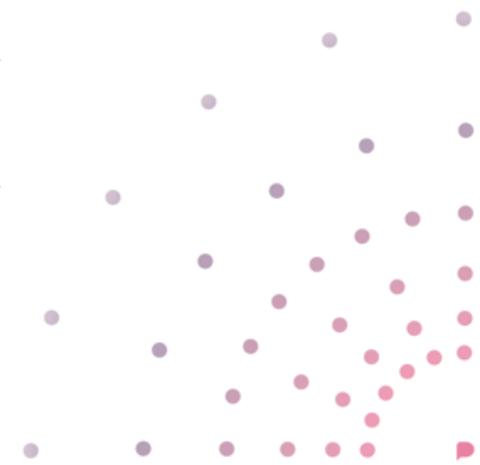
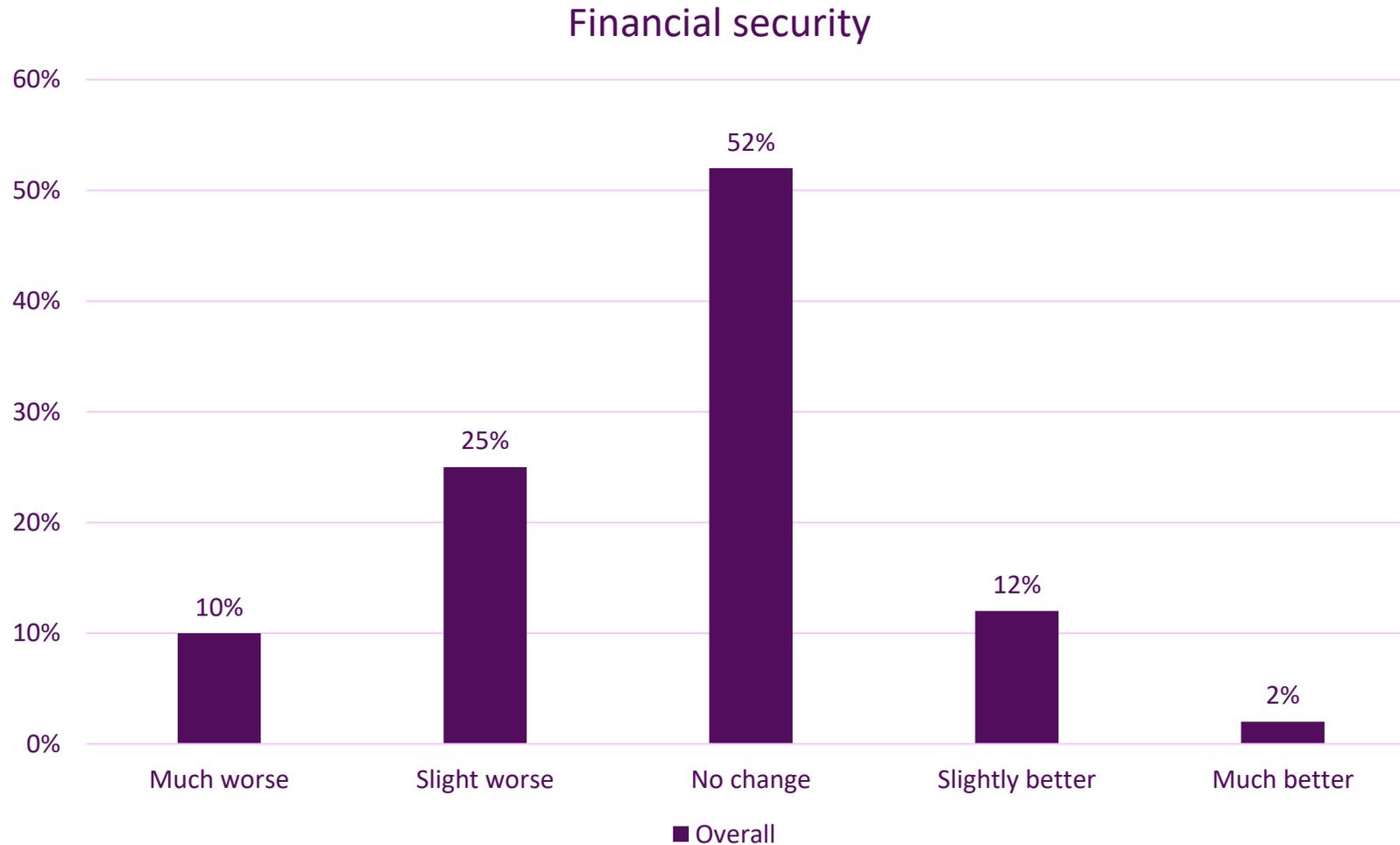
Context

Respondents to the [2020 CIPD Reward Management Survey](#) say COVID-19 and the subsequent economic crisis on:

- organisations - 80% say it's having a very (32%) or a slightly (48%) negative financial effect. Just 9% say it's improved
- employees - 68% believe it's having a very (17%) or a slightly (51%) negative financial effect. Just 13% think it's been beneficial.



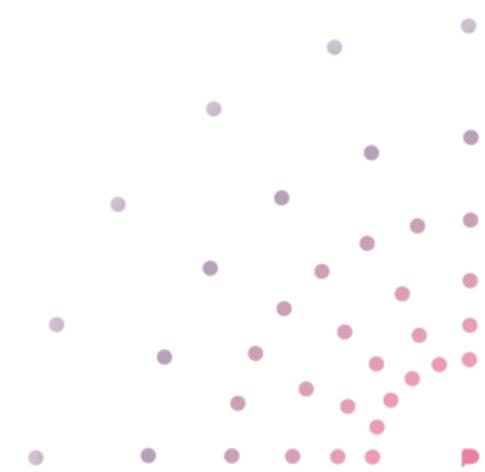
Impact of COVID-19 on working lives (April to August 2020)



Number of respondents: 7,444

Financial security by furlough

Financial security	On furlough	Not on furlough
Much worse	15%	4%
Slightly worse	37%	18%
No change	38%	61%
Slightly better	9%	14%
Much better	2%	3%

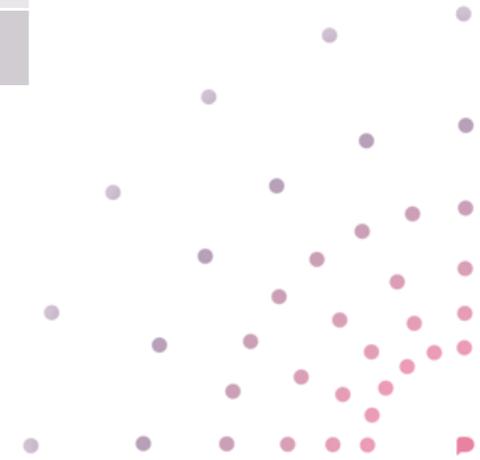


Number of respondents on furlough: 2,665; Number of respondents not on furlough: 4,458

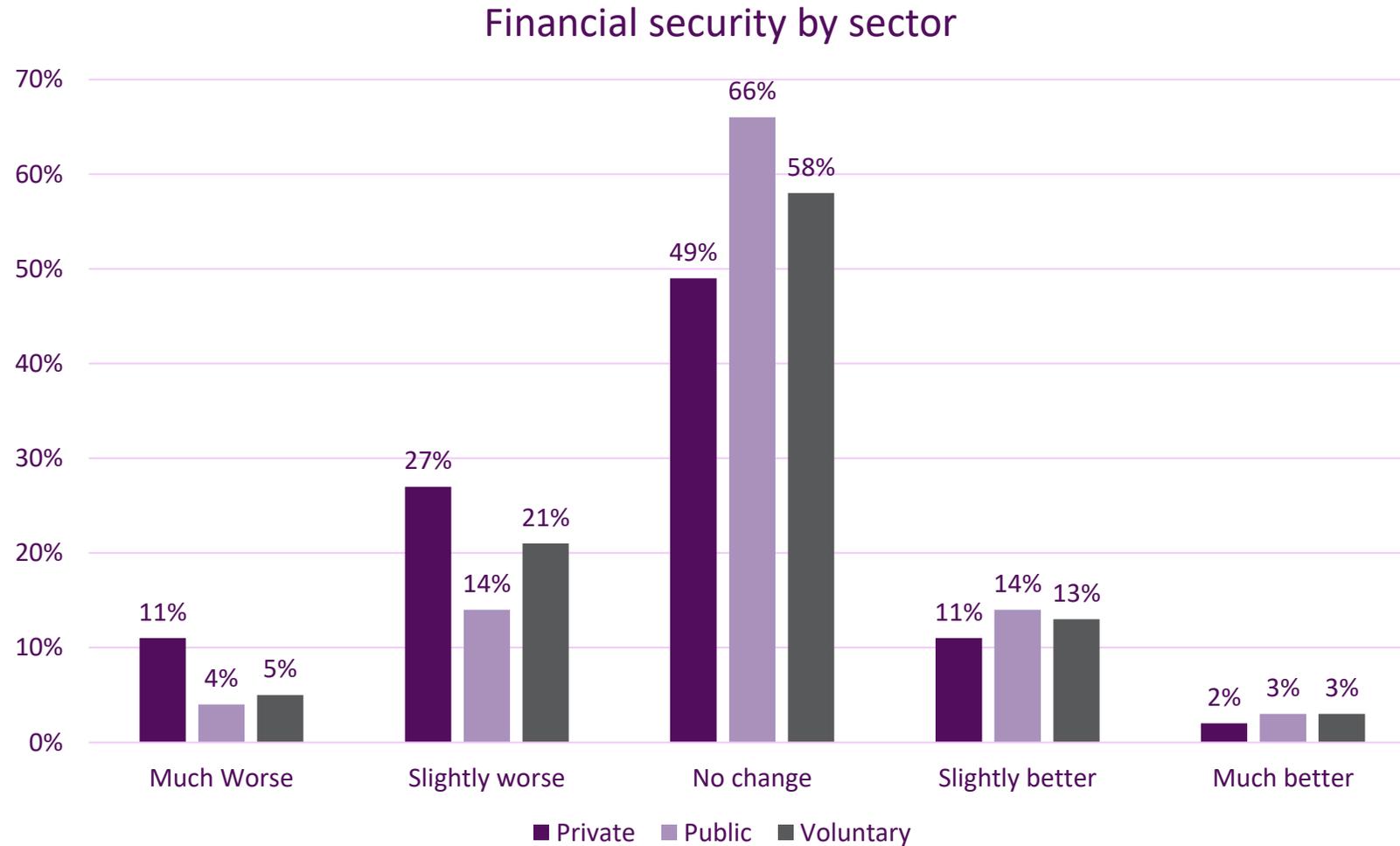
Financial security by change in caring responsibilities

Financial security	Yes	No
Much worse	13%	9%
Slightly worse	31%	23%
No change	44%	54%
Slightly better	11%	12%
Much better	2%	2%

Number of respondents who said Yes: 1,512; Number of respondents who said No: 5,874



Financial security by sector



Number of private sector respondents: 5,973; Number of public sector respondents: 1,215; Number of voluntary sector respondents: 256

Financial security by gender

Financial security	Female	Male
Much worse	11%	8%
Slightly worse	27%	23%
No change	49%	54%
Slightly better	11%	13%
Much better	2%	2%



Number of female respondents: 3,477; Number of male respondents: 3,967

Financial security by disability

Financial security	Yes	No
Much worse	13%	9%
Slightly worse	29%	24%
No change	49%	53%
Slightly better	8%	13%
Much better	2%	2%

Number of respondents who said Yes: 1,150; Number of respondents who said No: 5,970



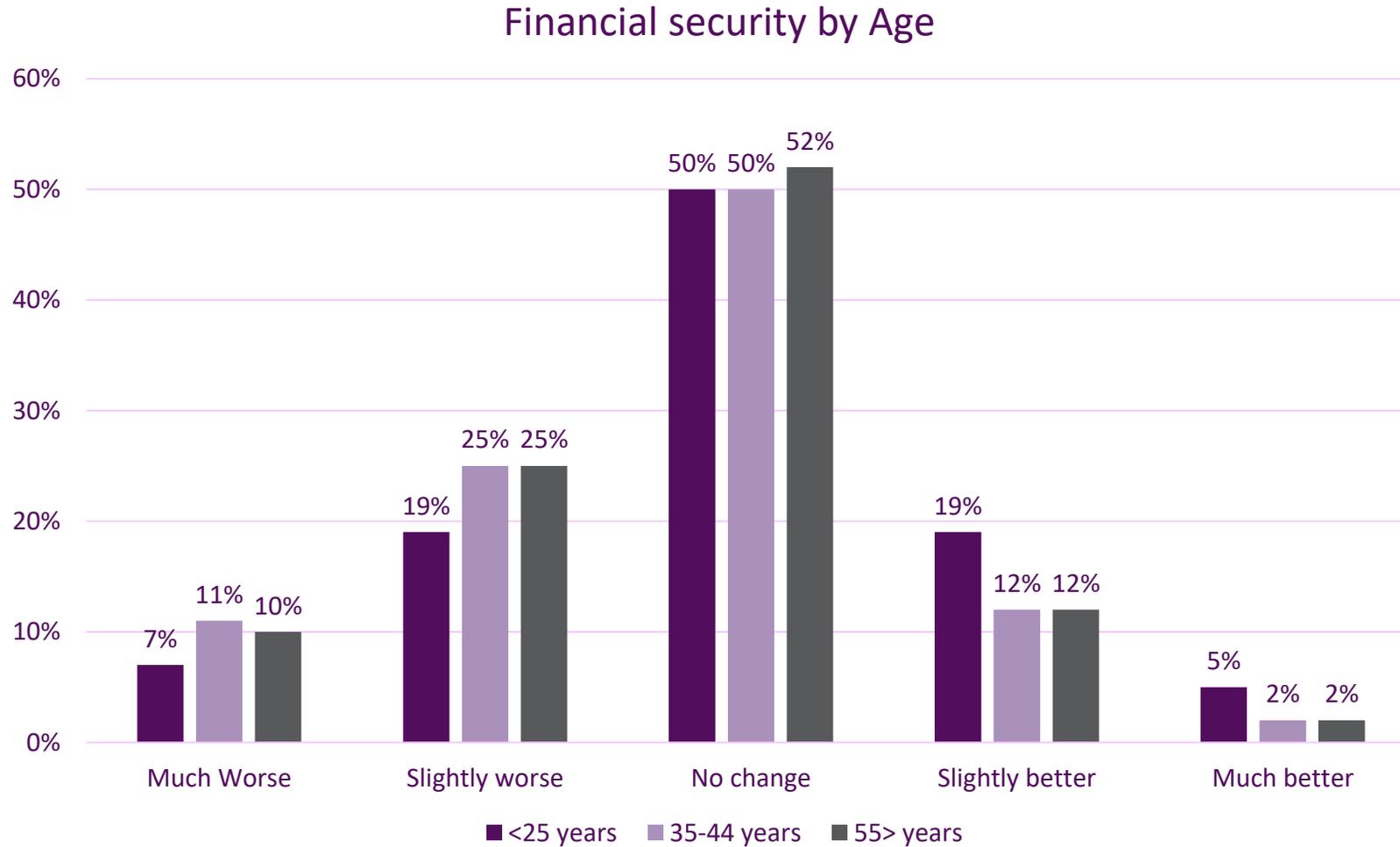
Financial security by ethnicity

Financial security	White	black and minority ethnic
Much worse	10%	10%
Slight worse	25%	24%
No change	52%	50%
Slightly better	12%	11%
Much better	2%	5%

Number of white respondents: 6,980; Number of black and minority ethnic respondents: 464



Financial security by age



Number of respondents <25: 386; Number of respondents aged 35 to 44: 1,664; Number of respondents 54>: 2,341

Financial security by work location

Financial security	Change in work location	No change in work location
Much worse	7%	7%
Slight worse	22%	21%
No change	54%	59%
Slightly better	15%	11%
Much better	3%	2%

Number of respondents who changed work location: 3,056; Number of respondents who didn't: 2,936



The consequences for employees

CIPD research (2017) finds employee money worries can result in:

- fatigue due to lack of sleep
- difficulty in concentrating at work
- time spent dealing with financial problems (both at and away from the workplace) and
- poor physical and mental health.

Overall, 25% of workers said money concerns had affected their ability to do their job.



The consequences for

Society:

- demand for foodbanks
- risk of fraud, especially pension scams and financial deceptions
- domestic abuse and economic abuse
- poor mental health

Employers:

- workplace productivity
- product quality
- customer service
- creativity and innovation
- the bottom line.



Employer responses

The [2020 CIPD Reward Management Survey](#) finds that:

- 24% are exploring how their people have been impacted financially by COVID-19 and the economic crisis (such as through surveys, exit interviews, etc)
- another 18% plan to do this by March 2021
- 12% have either introduced a formal employee financial wellbeing policy, are implementing one, or have made plans to do so by next March
- 31% already had a formal policy in place.



However, 48% don't have a policy

Reasons given, include:

- creating one isn't a priority right now (42%)
- the organisation sees the need but just doesn't have the time, money or expertise to create one (21%)
- not sure if employees want it (20%)
- not convinced that having one will help with employees' wellbeing (16%)



What HR can do

The most important elements of financial wellbeing according to employees:

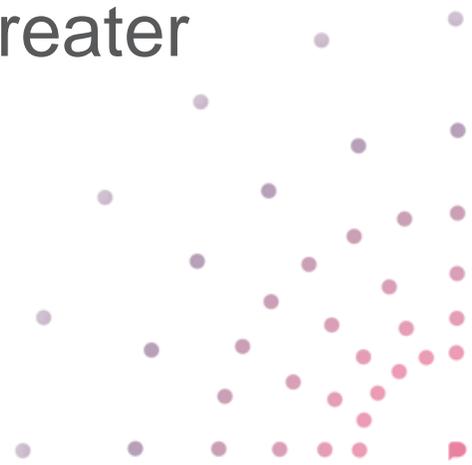
- earning a wage sufficient enough so I and my loved ones enjoy a reasonable lifestyle
- being able to save for the future
- being rewarded for my efforts in a fair and consistent manner
- being able to comfortably pay off existing debts.



What HR can do

How to pay more?

- Paying a liveable wage, especially to key workers, will have cost implications.
- However, if we focus on improving employee productivity through job, work and organisational redesign then greater productivity can help pay for higher wages



What HR can do: Benefits of a living wage

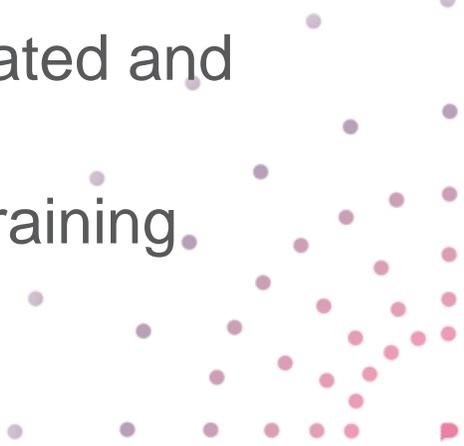
The [2020 CIPD Reward Management Survey](#) finds the most common benefits of being an accredited living wage employer are it:

- supports the employer brand
- improves employee engagement
- supports the customer brand
- reduces employee turnover
- helps when bidding for work



What HR can do: Pay fairness

In theory, paying people fairly shouldn't have cost. However, most aren't starting fresh. People professionals may need to persuade their organisation to:

- audit legacy reward processes and outcomes, to check if there are problems that need fixing before starting to talk about fair pay
 - invest in communication skills, especially if line managers have a role talking about the reward offer and what people need to do to get it
 - create a definition of 'fair' to help make and explain reward management decisions
 - invest in new systems regarding how jobs are valued, grades created and people progressed
 - spend on HR analytics capability by investing in technology and training.
- 

What HR can do: One easy win

Help improve employee financial capability through:

- access to an inhouse financial awareness programme; and/or
- signposting people to sources of information and help (such as the Money & Pensions Service).





Money &
Pensions
Service

Financial wellbeing in the workplace

Karleen Dowden
18 November 2020



Who we are

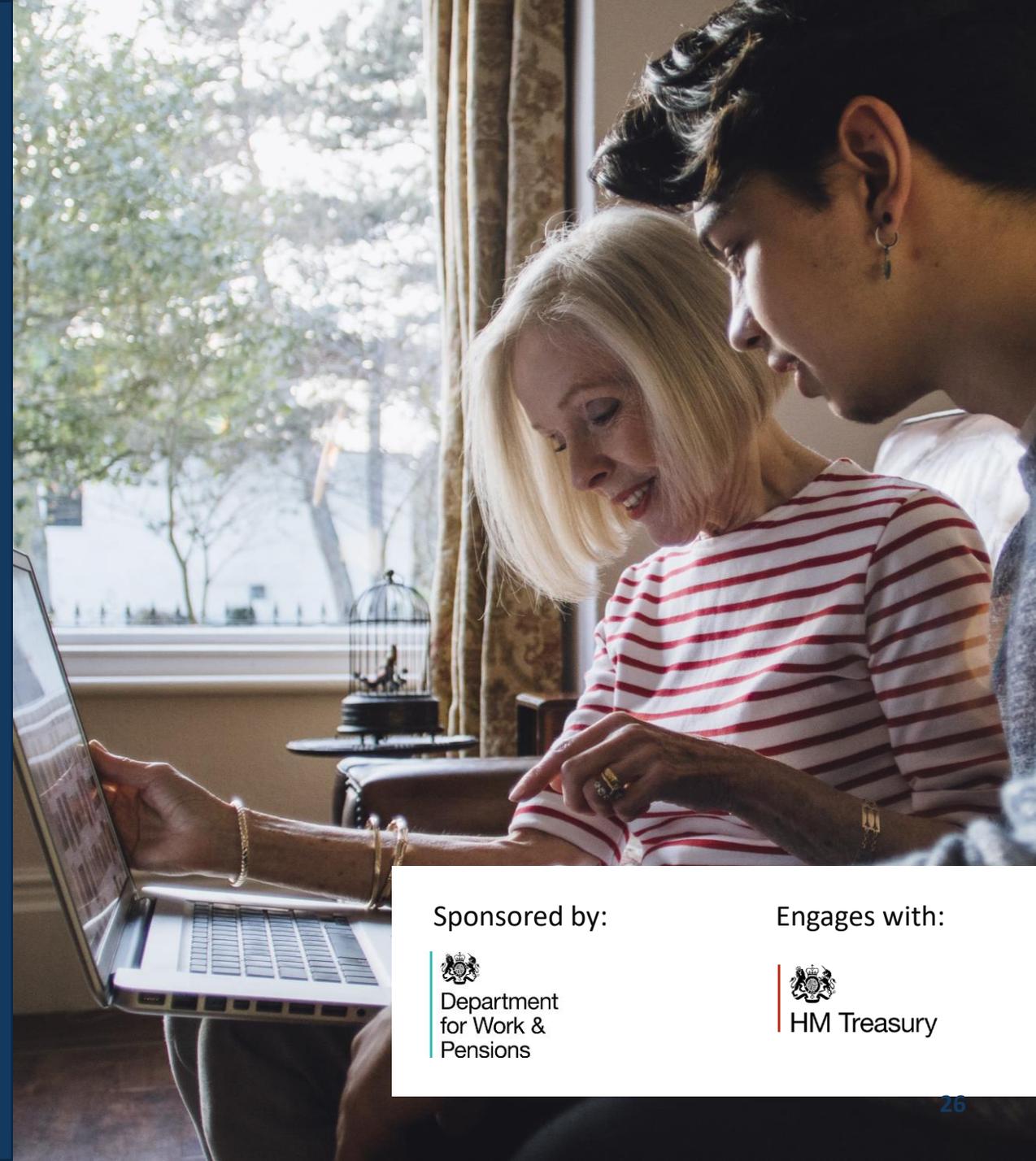


The PENSIONS
Advisory Service

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

We deliver financial guidance and support across five core functions:

Pensions guidance	Debt advice	Money guidance	Consumer protection	Strategy
<p>We provide information to people about workplace and personal pensions.</p>	<p>We provide people in England with information and advice on debt and are the biggest funder of free debt advice.</p>	<p>We provide information designed to enhance people's understanding and knowledge of financial matters and day-to-day money management skills.</p>	<p>We will work with government and the Financial Conduct Authority (FCA) in a new remit to protect consumers against financial scams.</p>	<p>We will focus the efforts of everyone working on financial capability with children and young people and delivering debt advice.</p>

We are the largest single funder of free debt advice in England and we also work alongside partners across the UK to make debt advice easier and quicker to access, and to improve standards and quality across the sector.

What is financial wellbeing?



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

Secure

Confident

Empowered

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*.



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.

Money worries facing 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

2030 National Goals		Financial Foundations	Nation of Savers	Credit Counts	Better Debt Advice	Future Focus
Who →		Children, young people and their parents	Working-age 'struggling' and 'squeezed' people	People who often use credit for food and bills	People who need debt advice	All adults
Goal →	We encourage organisations of all sizes and from all sectors to help deliver these goals	National Goal 2m more children and young people getting a meaningful financial education.	National Goal 2m more working-age 'struggling' and 'squeezed' people saving regularly.	National Goal 2m fewer people often using credit for food & bills.	National Goal 2m more people accessing debt advice.	National Goal 5m more people understanding enough to plan for, and in, later life.
Outcome →		Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.	People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.	More people will access affordable credit, and more people will make informed choices about borrowing.	People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.	People will engage with their future and be empowered to make informed decisions for, and in, later life.
				Cross-cutting lens: gender		
				Cross-cutting lens: mental health		

MaPS employer offer

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

Guidance content

200+ pieces of guidance content have been developed or modified from existing guides. Includes:

- Getting back on track after a payment holiday
- Getting back on track after an income drop
- Managing your money when you're self employed
- Preparing for redundancy
- Keeping on top of mortgage and rent payments
- What to do if you're worried about future bills and payments
- What to do if you've missed bills and payments (priority and non-priority debts)
- If you're thinking about cancelling insurance
- If you're thinking of borrowing money
- If you're thinking about using your pension pot or equity in your home to pay off debts
- If money worries are affecting your mental health.



What we cover

We cover a wide range of money and pension topics:

Debt &
Borrowing

Homes &
Mortgages

Budgeting &
Saving

Work &
Benefits

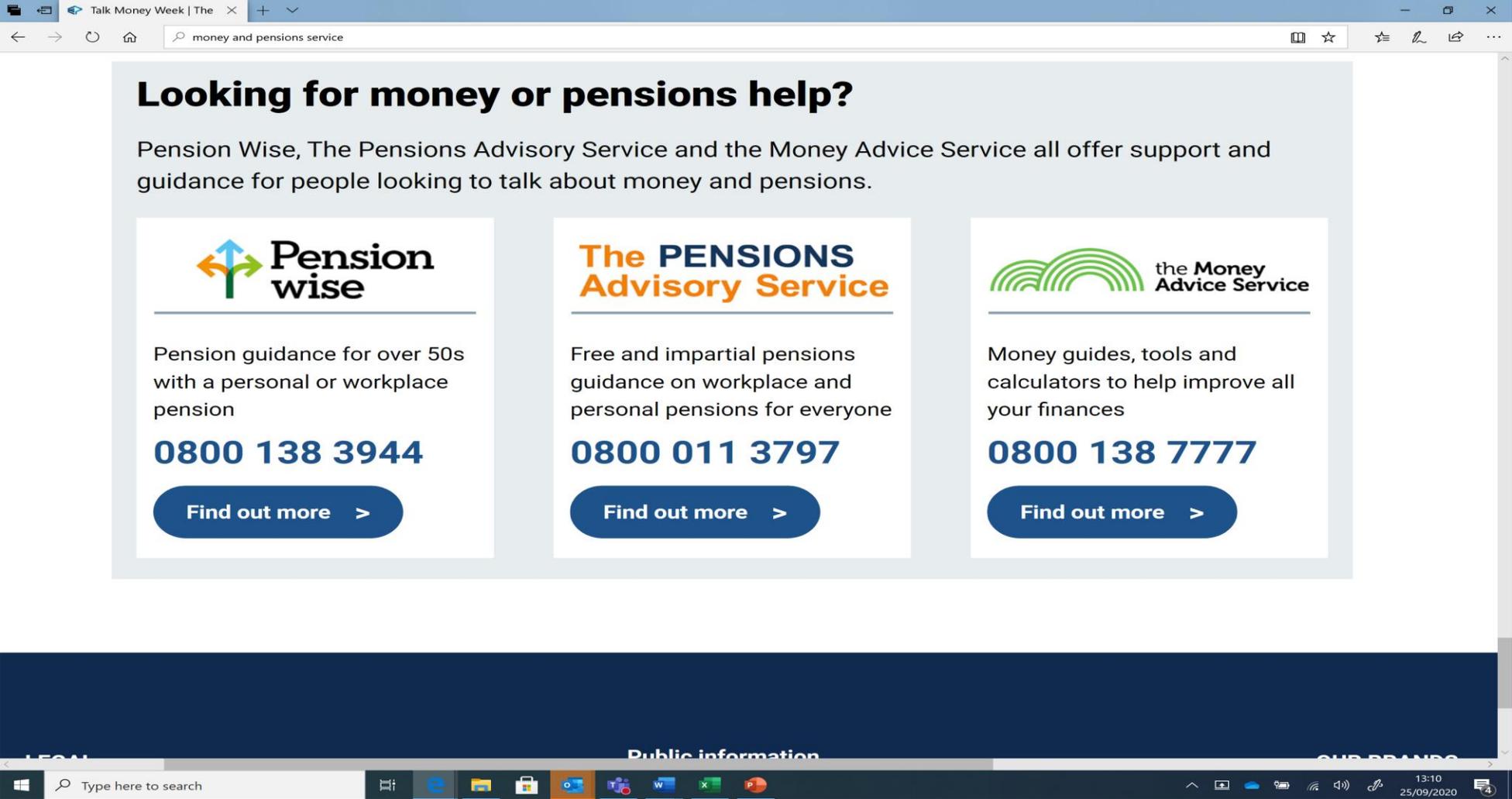
Pensions &
Retirement

Family & Care

Cars & Travel

Insurance

Telephone support

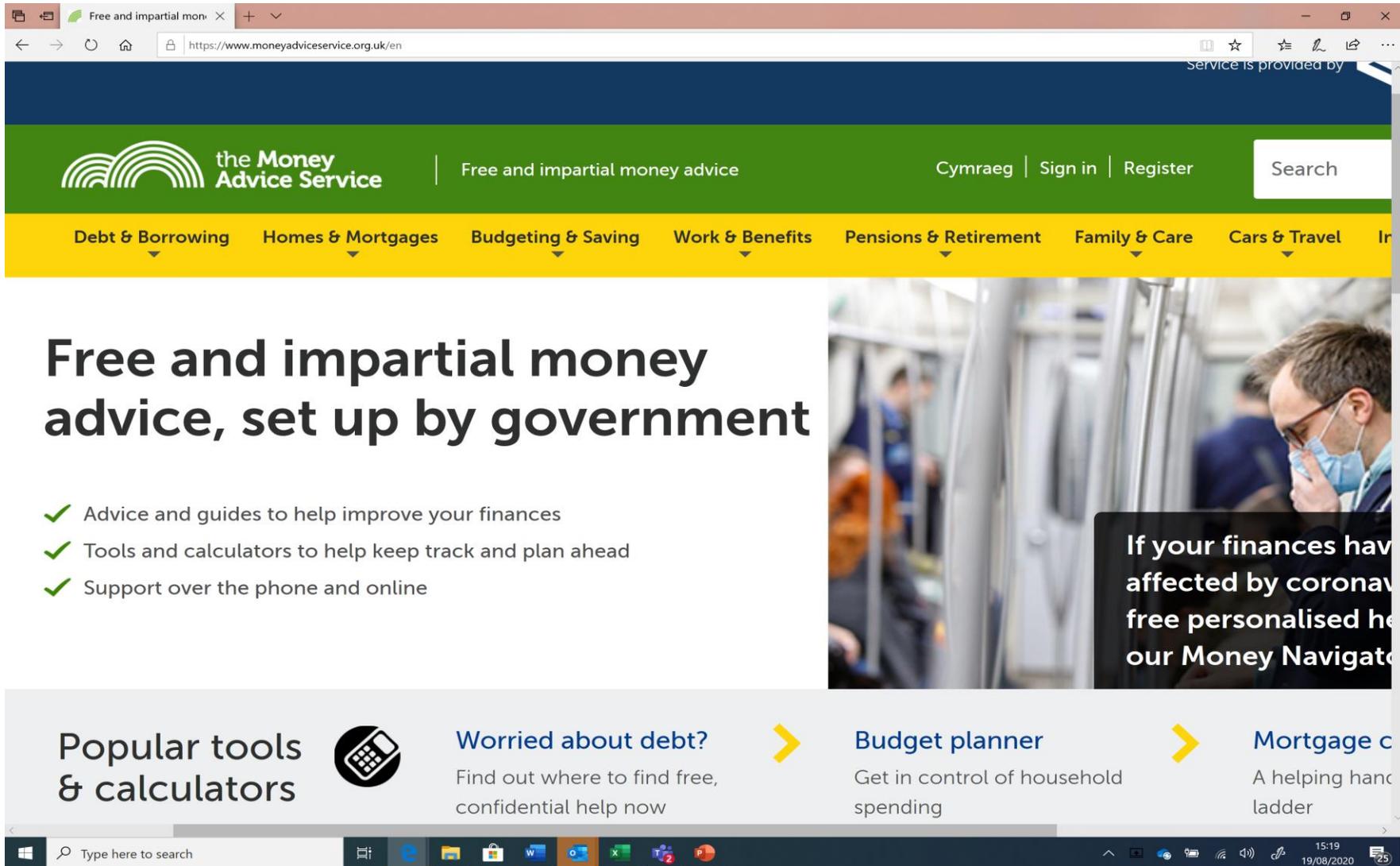


The screenshot shows a web browser window with the URL 'money and pensions service'. The main heading is 'Looking for money or pensions help?'. Below this, a paragraph states: 'Pension Wise, The Pensions Advisory Service and the Money Advice Service all offer support and guidance for people looking to talk about money and pensions.' There are three service cards:

- Pension wise**: Pension guidance for over 50s with a personal or workplace pension. Phone number: 0800 138 3944. Button: Find out more >
- The PENSIONS Advisory Service**: Free and impartial pensions guidance on workplace and personal pensions for everyone. Phone number: 0800 011 3797. Button: Find out more >
- the Money Advice Service**: Money guides, tools and calculators to help improve all your finances. Phone number: 0800 138 7777. Button: Find out more >

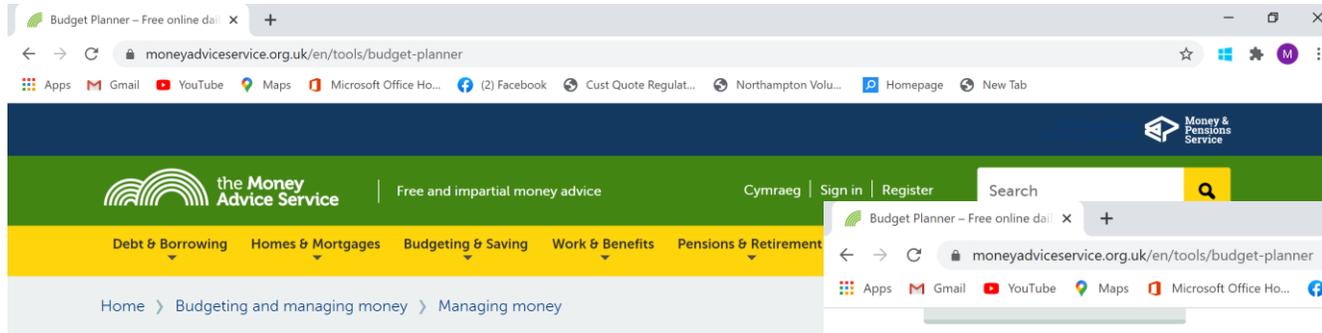
At the bottom of the page, there are links for 'Public information' and 'OUR BRANDS'. The Windows taskbar at the bottom shows the time as 13:10 on 25/09/2020.

Calculators & resources



The screenshot shows the Money Advice Service website. The browser address bar displays 'https://www.moneyadvice.org.uk/en'. The website header includes the logo for 'the Money Advice Service' with the tagline 'Free and impartial money advice'. Navigation links include 'Cymraeg', 'Sign in', and 'Register'. A search bar is present on the right. A yellow navigation bar lists categories: 'Debt & Borrowing', 'Homes & Mortgages', 'Budgeting & Saving', 'Work & Benefits', 'Pensions & Retirement', 'Family & Care', and 'Cars & Travel'. The main content area features the headline 'Free and impartial money advice, set up by government' and a list of benefits: 'Advice and guides to help improve your finances', 'Tools and calculators to help keep track and plan ahead', and 'Support over the phone and online'. A photograph of a man wearing a face mask is shown on the right, with a text overlay: 'If your finances have been affected by coronavirus, you can get free personalised help from our Money Navigator'. At the bottom, there are four featured sections: 'Popular tools & calculators' with a calculator icon, 'Worried about debt?' with the subtext 'Find out where to find free, confidential help now', 'Budget planner' with the subtext 'Get in control of household spending', and 'Mortgage calculator' with the subtext 'A helping hand on your mortgage ladder'. The Windows taskbar at the bottom shows the search bar, task view, and several application icons, with the system tray displaying the time '15:19' and date '19/08/2020'.

Budget Planning



Budget Planner

Your detailed spending breakdown

Our free Budget Planner puts you in control of your household spending and analyses your results to take control of your money. It's already helped hundreds of thousands of people.

Get Started! >

Access your saved Budget Plan

How to use our online Budget Planner

Coronavirus Money Guidance - Get free trusted guidance and links to direct support
[Visit our support hub](#)

How to use our online Budget Planner

Before you get started, grab as much information (bank statements, bills...) as you can. The more up to date your details are, the more accurate your results will be.

- 1 Enter what you spend and how much you earn
- 2 The calculator will give you a breakdown of your finances...
- 3 ...and personalised tips to help you make the most of your money

Pay (after tax) /

0.00 per Month

Income from self-employment /

0.00 per Year

Statutory Sick Pay /

0.00 per Month

- Household bills
- Living costs
- Finance & Insurance
- Family & Friends
- Travel
- Leisure

Save your money

Make sure you're ready for a cash emergency, or start saving for your next holiday, or even a new home. Learn why [getting into the savings habit](#) is so important.

Cut your costs

Learn [how to save money on household bills](#) and become even more of a money master. For example, did you know that a quick energy switch could save you up to £200 per year?

Web chat WhatsApp Contact Us

Coronavirus Money Guidance - Get free trusted guidance and links to direct support
[Visit our support hub](#)

14:55 08/09/2020

Money Navigator Tool

A simple online diagnostic

Together we have developed a tool that helps people find all the guidance they need if their finances have been impacted by the coronavirus pandemic.

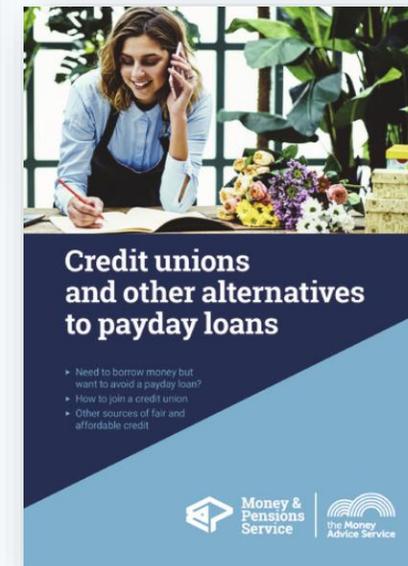
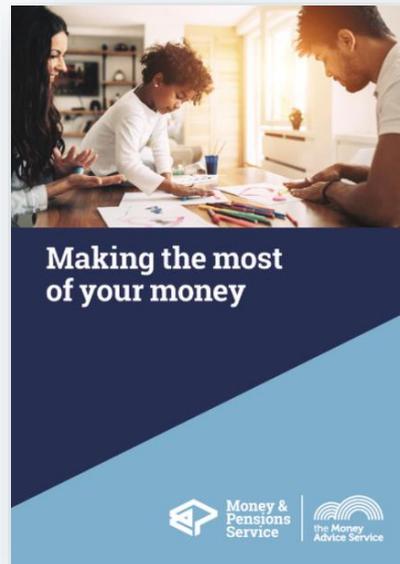
In answering a series of questions the tool will provide a tailored result page that will direct them to partners that can help.

This means consumers will:

- **Recognise the impact on all areas of their finances**
- **Know what they're entitled to, for example benefits, grants and payment holidays**
- **Understand where to go for free support across all financial matters**



Popular printed guides



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

North East
Karleen Dowden

Northern Ireland
Margaret McCloskey

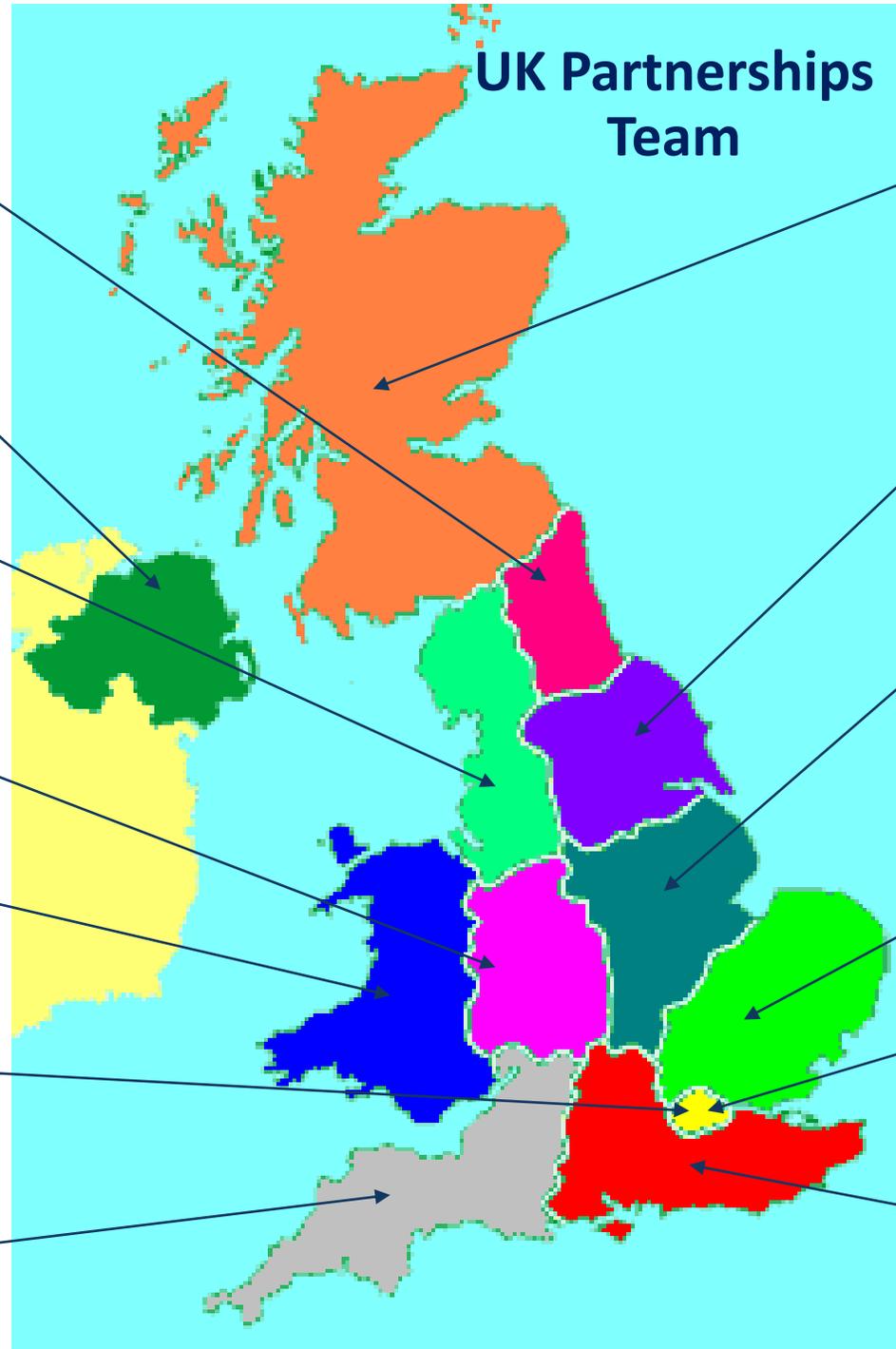
North West
James Kelly

West Midlands
Tiana Pathmanathan
(Lead RM North of England)

Wales
Rhian Hughes

London West
Victoria Copeland

South West
Paul Fox



UK Partnerships Team

Scotland
Kevin Duffy

Yorkshire & The Humber
Jenny Wright

East Midlands
Dawn Cummins

East of England
Alan Nicholls

London East
Monica Kaur

South East
Lee Appleyard
(Lead RM South of England)

For more information please contact;

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or visit

<https://moneyandpensionsservice.org.uk/financial-wellbeing-in-the-workplace/>

Insight

Sally Hopper

Assistant Director of HR, Hertfordshire County Council

CIPD



Questions

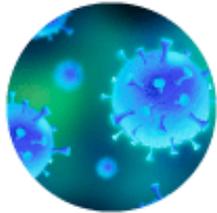
Please submit your questions for:

- Charles Cotton, Senior Policy Advisor - Performance and Reward, CIPD
- Karleen Dowden, Regional Partnerships Manager, Money & Pensions Service
- Sally Hopper, Assistant Director of HR, Hertfordshire County Council

Please use the Q&A function to submit your questions



#StrongerWithCIPD



**Covid-19
resources**



**NEW Well-
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**Employment
Law helpline**



**Communities
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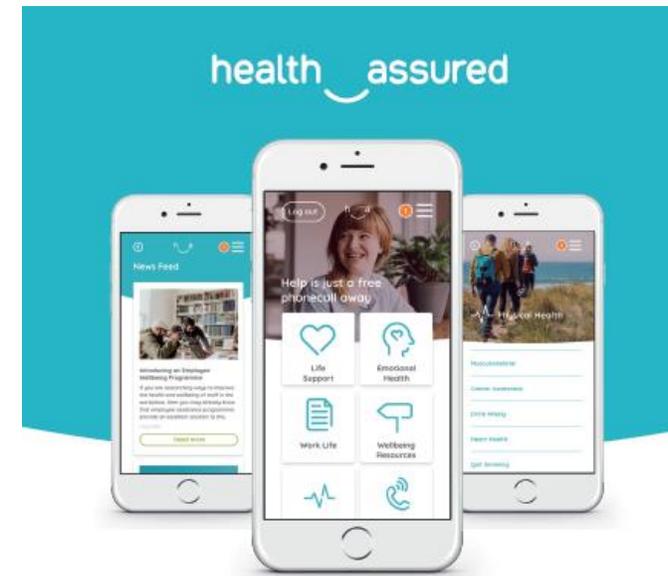
**Financial
support**

cipd.co.uk/memberbenefits



New Wellbeing Resources

- We've partnered with **Health Assured** to support members mental health and wellbeing
- Unlimited free 24/7 confidential telephone helpline, online portal & Health e-Hub app
- The resource provides:
 - Legal information
 - Debt and financial information
 - Manager consultancy and support
 - Information on work and home issues
 - Factsheets, advice, information and self-help tools
 - Links to specialist support organisations
 - A resources area with; programmes, videos, webinars, medical information and mini health checks.



Health e-Hub from Health Assured
Support in the palm of your hand

[Download the Health e-Hub now](#)

Further information

[NEW wellbeing helpline for CIPD members](#)

cipd.co.uk/coronavirus

[CIPD Coronavirus \(COVID-19\): redundancy guide](#)

[CIPD community](#)

[Gov.uk/coronavirus](https://gov.uk/coronavirus)

