

# 10 financial wellbeing facts for employers

Become an expert in workplace financial wellbeing



Salary Finance

# How can we measure financial health?

A Financial Fitness Score can be given to any employee to determine how financially healthy they are.

The score is based on responses to a set of questions about behaviours and habits in relation to spending, saving and borrowing.

From these questions, we derive a Financial Fitness Score from 1 to 5 for any individual. The higher someone's Financial Fitness Score, the greater

their financial wellbeing.

We know that the majority of employees fall into either having low levels of financial fitness (Copers) or having a higher level of financial fitness (Planners).

Someone's level of financial wellbeing is highly determined by their attitude, habits and behaviours. The majority of employees either have a spend first or a save first attitude towards money.

## Spend or save first?



### Copers

Copers have a 'spend first, save what's left over' attitude. Usually this isn't very much.



### Planners

Planners are naturally inclined to save first and spend what's left over. They have built up a nest egg.

# The five levels of financial fitness



## Strugglers

Often run out of money before payday.



## Copers

Have virtually no savings and don't have enough to spend on things without feeling guilty.



## Builders

Have some savings but less than three months, so don't have sufficient resilience to deal with life's unexpected expenses (e.g. a new boiler, vet bill, car breakdown).



## Planners

Have more than three months of savings to cope with an unexpected expense and a plan in place to achieve long-term financial goals.



## Prosperers

Finances are not a constraint to living the life they want.

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## 01

### COVID-19: some have benefitted and some are worse off

33% of employees have managed to save more money. On the other hand, 16% of employees have ended up saving less as a result of COVID-19, and the pandemic has had no impact on the savings habits of 51% of employees.

However, once again there are big differences between those with low financial wellbeing (Strugglers and Copers) and those with high financial wellbeing (Planners and Prosperers): the former are 2.6 times more likely to be saving than the latter.

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## 02

### Poor financial wellbeing is significantly costing UK organisations

The cost of poor financial health related to areas such as presenteeism, absenteeism and retention is staggering and equates to between 13-17% of payroll costs. UK organisations continue to suffer the impact of poor financial wellbeing of their employees.





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## 03

### Money worries remain at the top of the list

Money continues to cause the most worries for the majority of people (more than career, health and relationships). For those who have low financial wellbeing, money is also the most important area of life—even more so than their health.

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## 04

**Most demographics don't make a difference to financial wellbeing (but some do..!)**

How much someone earns, where they live and what kind of industry they work in make very little difference to their overall financial wellbeing. However, we're continuing to see that certain groups such as women and employees from black ethnic backgrounds are left more vulnerable to poor financial wellbeing.



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## 05

**Employees in high-level, well-paid positions are susceptible to low financial wellbeing**

33% of C-suite executives and 30% of managers have poor financial wellbeing, and fall into the Struggler and Coper categories. Surprisingly, those that earn between £10–30k per annum have almost the same level of financial worries as those earning over £90k per annum (27% vs 24%). Poor financial wellbeing is not about income or seniority.



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## 06

**Poor mental health & poor financial health continue to go hand-in-hand**

Those that have poor financial health are 3.7x more likely to be suffering from anxiety and 5.3x more likely to be feeling depressed and finding it hard to carry on with daily life.



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## 07

**Providing financial assistance to loved ones  
is putting increasing strain on those with poor  
financial wellbeing**

Strugglers and Copers are 1.7x more likely to provide financial assistance to loved ones than Planners and Prosperers. This is despite 24% of them having to borrow money themselves to help others.

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## 08

What financial help employees want depends on their financial wellbeing

When it comes to paying bills and borrowing money, Strugglers and Copers are 3x more likely to want help from their employer than Planners and Prosperers.



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## 09

**Money is the last great taboo in the workplace.  
The majority of employees don't feel comfortable  
talking or asking for help with their finances**

81% of employees still don't feel comfortable talking about money at work and 71% of employees don't feel comfortable asking for help with financial matters from their employer. Money remains one of the largest taboos in UK workplaces today—greater than the mental health taboo.

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# 10

Some employees are considering reducing the amount they're paying into their pension

COVID-19 has made some employees feel they can't consider long-term financial planning. Strugglers and Copers are 3X more likely to consider reducing the amount they're paying into their pension plan than Planners and Prosperers.





# About Salary Finance

Money is a scary topic for many people. Salary Finance exists to make money simple.

We partner with employers to help their people take control of their money, rather than have it control them.

In doing so we aim to help people across the globe live happier and healthier financial lives.

We provide savings, loans, salary advances, protection insurance and financial education.

Founded in 2015, we combined our passion for social purpose with an incredible knowledge of disruptive fintech. In five years we have grown from three founders with a compelling idea and lots of drive to a team of nearly two hundred, operating in the UK, the US and India.

The problem we're tackling is real. Financial stress has a negative impact on mental health, relationships and performance at work.

For employers, the effects are felt through increased absenteeism and presenteeism, reduced productivity and lower retention.

We feel privileged to have won Business in the Community's 2018 'Responsible Small Business of the Year Award' and will always continue to put social purpose at the heart of our business strategy.



Responsible Small  
Business of the Year  
2018

