

# Empowering your staff to take control of their own financial wellbeing

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# Who worries about **money**?

- Making your pay last the month
- Credit card overuse
- Christmas/holidays/birthdays
- Student loans
- Saving for a house
- Paying the mortgage/rent
- Saving for the future (medium and long term)
- Paying tax
- Maintaining a lifestyle
- Supporting your kid's goals

All of us

What is **financial wellbeing**?



Feeling **good** about your money.

# Why does it **matter**?

After work, **money** is the biggest cause of **stress** for people in the UK.

The mental health charity, Mind.  
Research commissioned in March 2013

**11.7 million working days**  
lost to stress in the UK 2015/16\*

If **30%** of these are due to money worries,  
that's **3.5 million** working  
days lost to stress in the UK.

\*UK Health & Safety Executive  
Work related stress, anxiety and depression statistics in Great Britain 2016

# Employees' needs



## Why are employee needs changing?

### Rapidly changing legislative environment

Pension tax-relief, freedom and choice, auto-enrolment, increasing State Pension Age

### Employee expectation and requirements

Millennial generation, higher graduate debt, unaffordability of housing

### The employment lifecycle is shifting

Flexibility, age at entry, reality of retirement

### Complexity of products and rules

Pensions, LISA's, share plans, tax rules, pay day loans etc.

## Typical benefits model not aligned to employees' needs

### Benefit options not always relevant

Lack of value from benefit spend

### Communication of multiple elements of reward not joined up

Barrier to clear understanding of package and decision making

### Benefits design and communication does not lead to optimal outcomes

Risk of substantial loss / missed opportunities for employees



# Approach – **Bringing Financial Wellbeing to life**



**1** Understand and deliver to people's needs

**2** Adapt Workplace Savings benefits design

**3** Develop a delivery framework

# Understanding **people's needs**



# We can't see much into the **future**



## Adulthood

Studying towards first degree and doing 'easy jobs' to make a living. Reliant on parents for financial support, and guided by their financial values.



## Age of hedonism

Full-time professionals enjoying life, making and spending their money. They are likely to be renting, and looking towards saving for a home although saving for fun is just as important.



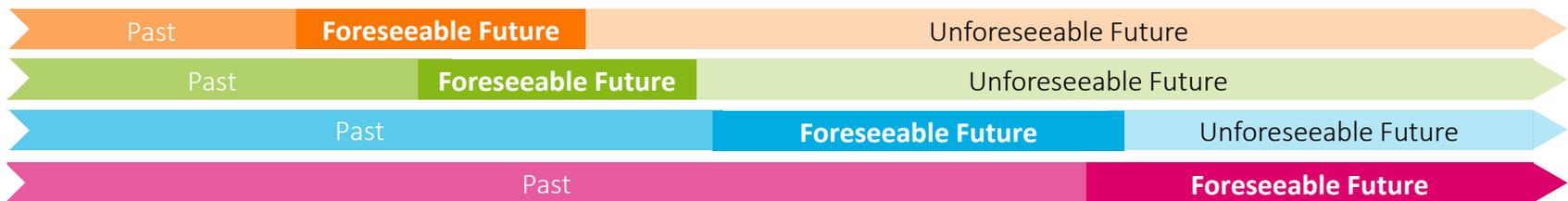
## Family & home

Children are the main focus for the present and future. If they have a house, it was bought around the birth of their first child. Focused on paying off a mortgage, and building savings.



## Baby boomers

Retirement is on the horizon or they are already living the retired life. A pension, if they have it, ensures security. Future is about enjoying this age and relaxing, with holidays.



Inspire **people**



“Where ‘Bed and Breakfast’ used to serve up images of tired homes in sorry towns, AirBnB has turned the concept into one of adventure – we need to do the same for money and pensions”

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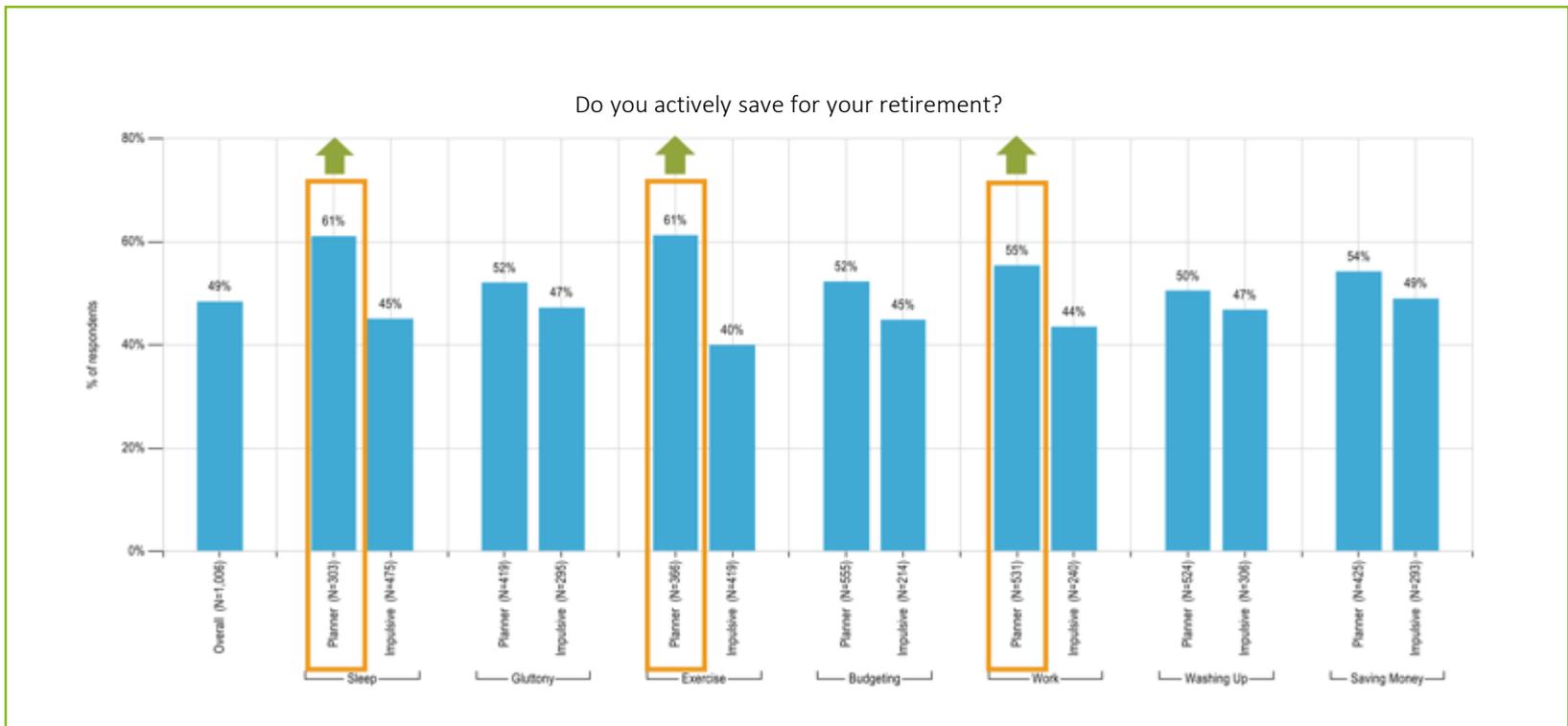
**Robert Rowland Smith**  
The School of Life



# We're creatures of **habit**

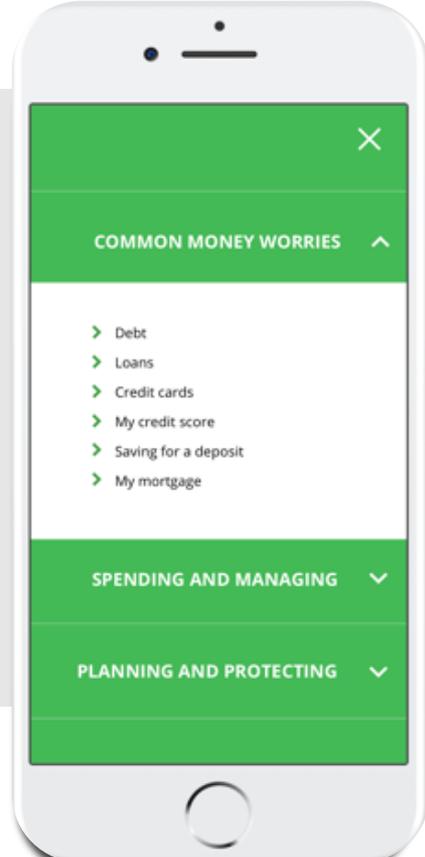
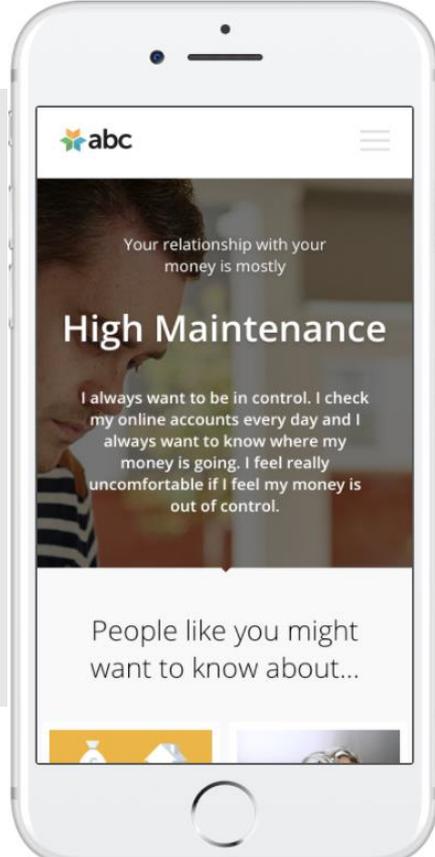
## Do people actively save for their retirement? - By behaviour

Those with planned long-term behaviours towards Sleep, Exercise and Work were more likely to save towards their pensions.



like minds and The School of Life Research December 2016 – Saving For The Future Report

# Inspire **people**



# Approach – **Bringing Financial Wellbeing to life**

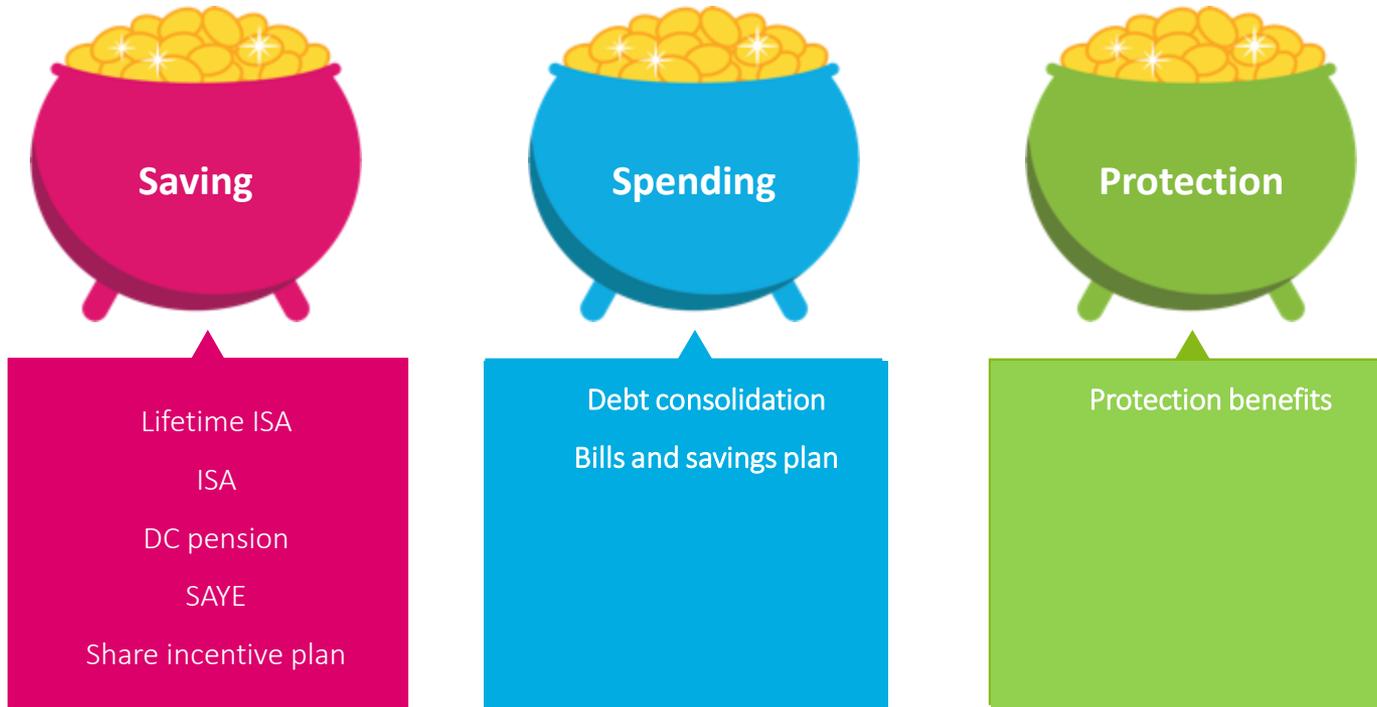


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2 **Adapt** Workplace Savings benefits design

3 Develop a delivery framework

# Workplace based financial **support**



# LISA - Lowering the cost of house purchase

Company offers 2:1 match into LISA or Pension

Value of employer LISA contribution discounted for National Insurance

	Capital Repayment Mortgage	LISA Mortgage (with Company contribution)
Mortgage repayment	£395.00	£208.00
LISA payment	n/a	£33.36
Employee cost (per month)	<b>£395.00</b>	<b>£241.36</b>
Company contribution	n/a	£58.64
Government subsidy	n/a	£23.00

# Approach – **Bringing Financial Wellbeing to life**

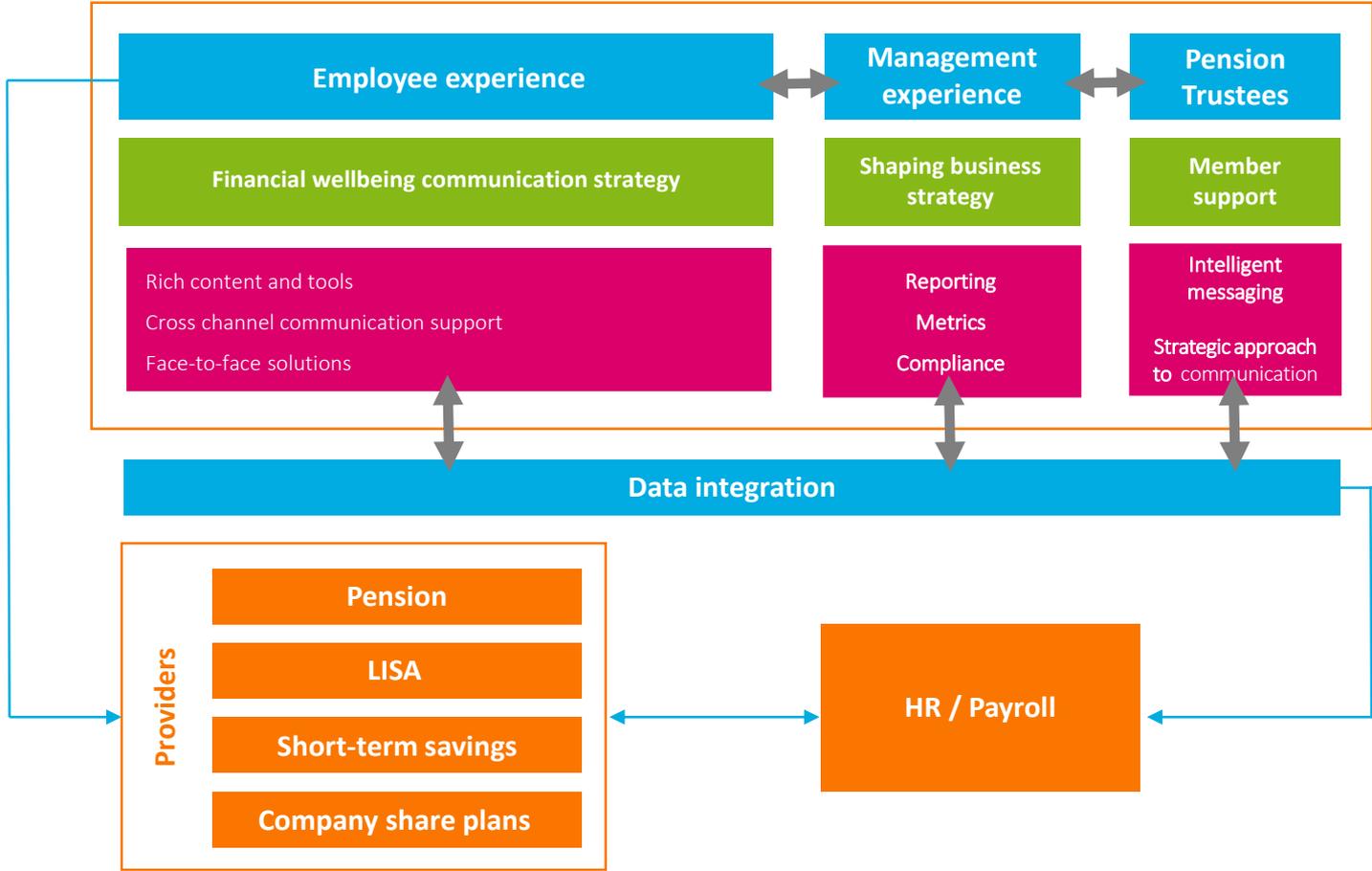


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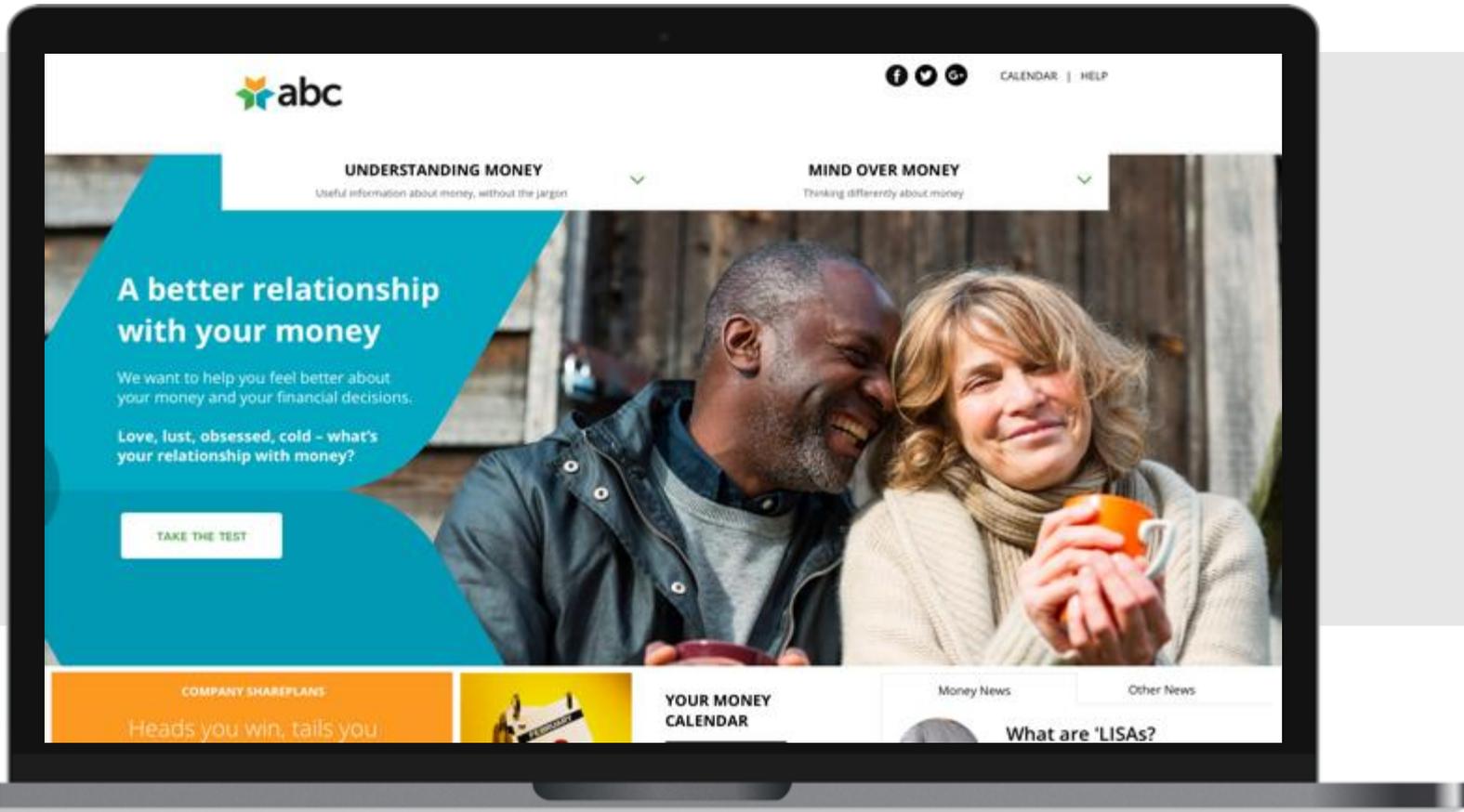
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**3** **Develop** a delivery framework

# Develop delivery framework



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# Thank you

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