

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.



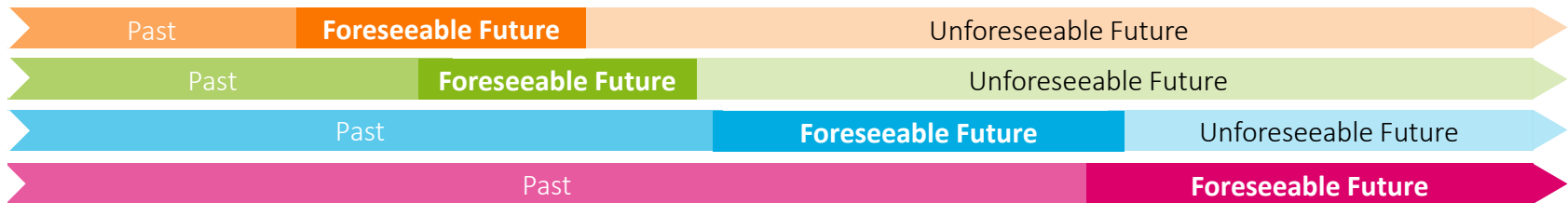
Family & home

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.





“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”

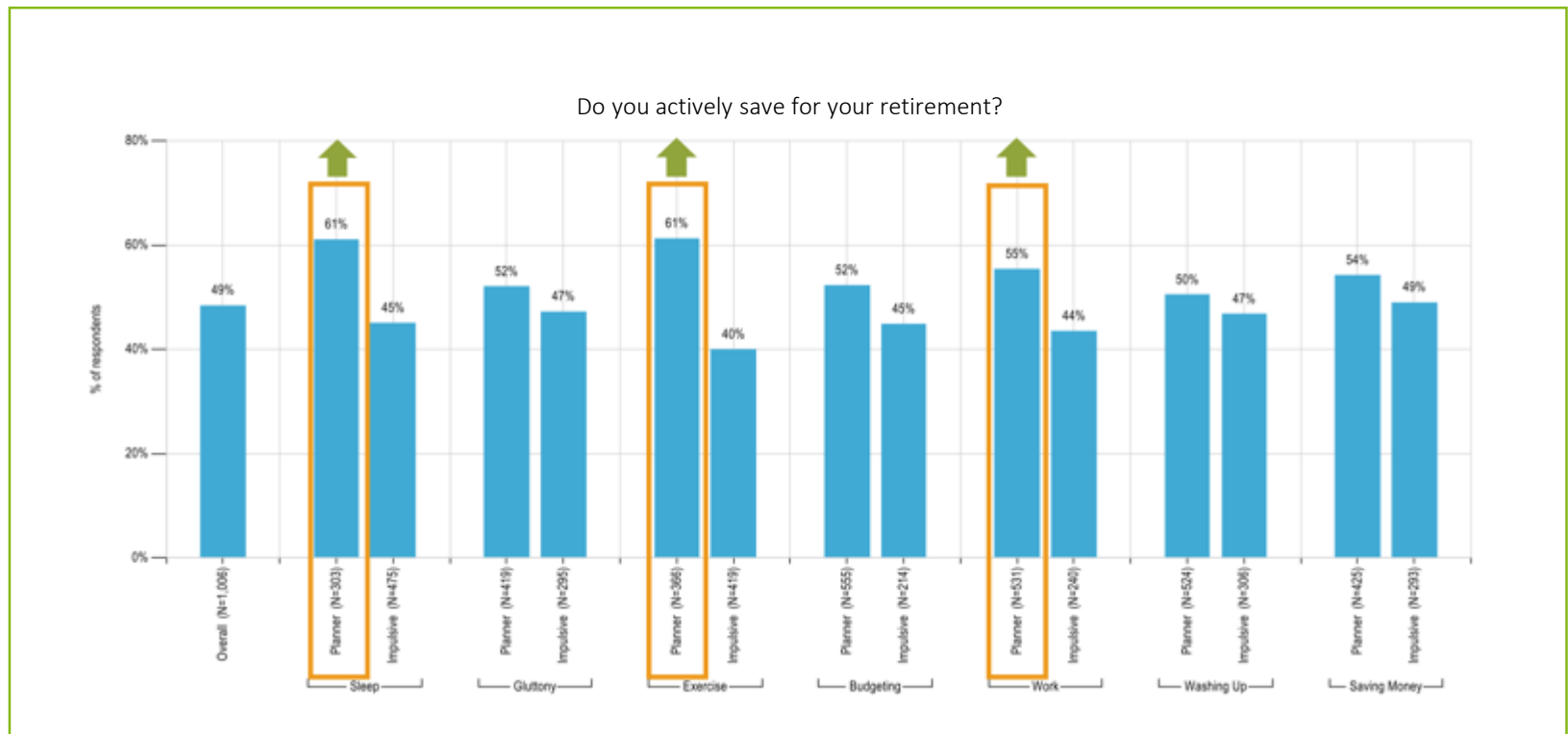
Robert Rowland Smith
The School of Life



We're creatures of **habit**

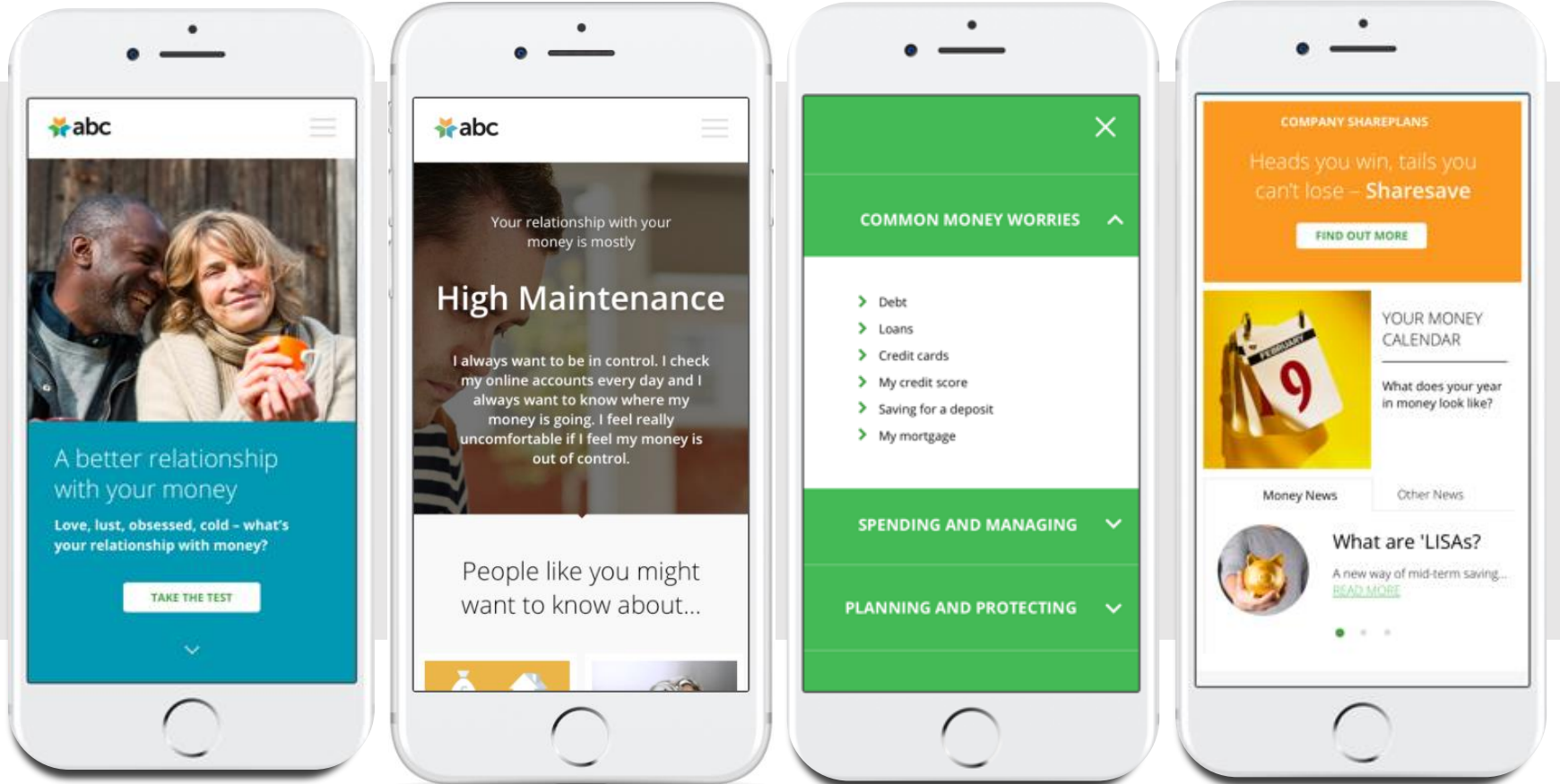
Do people actively save for their retirement? - By behaviour

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**

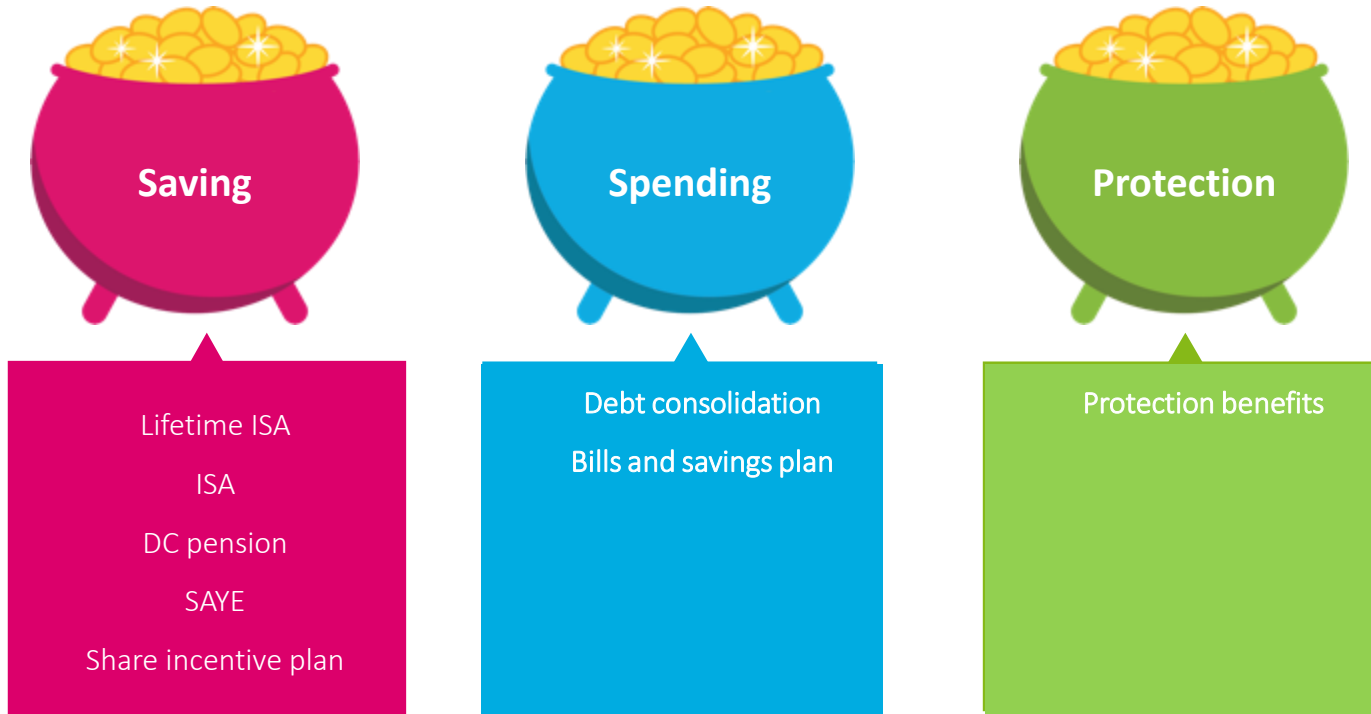


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2 **Adapt** Workplace Savings benefits design

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) | £395.00 | £241.36 |
| Company contribution | n/a | £58.64 |
| Government subsidy | n/a | £23.00 |
| | | |

Approach – **Bringing Financial Wellbeing to life**

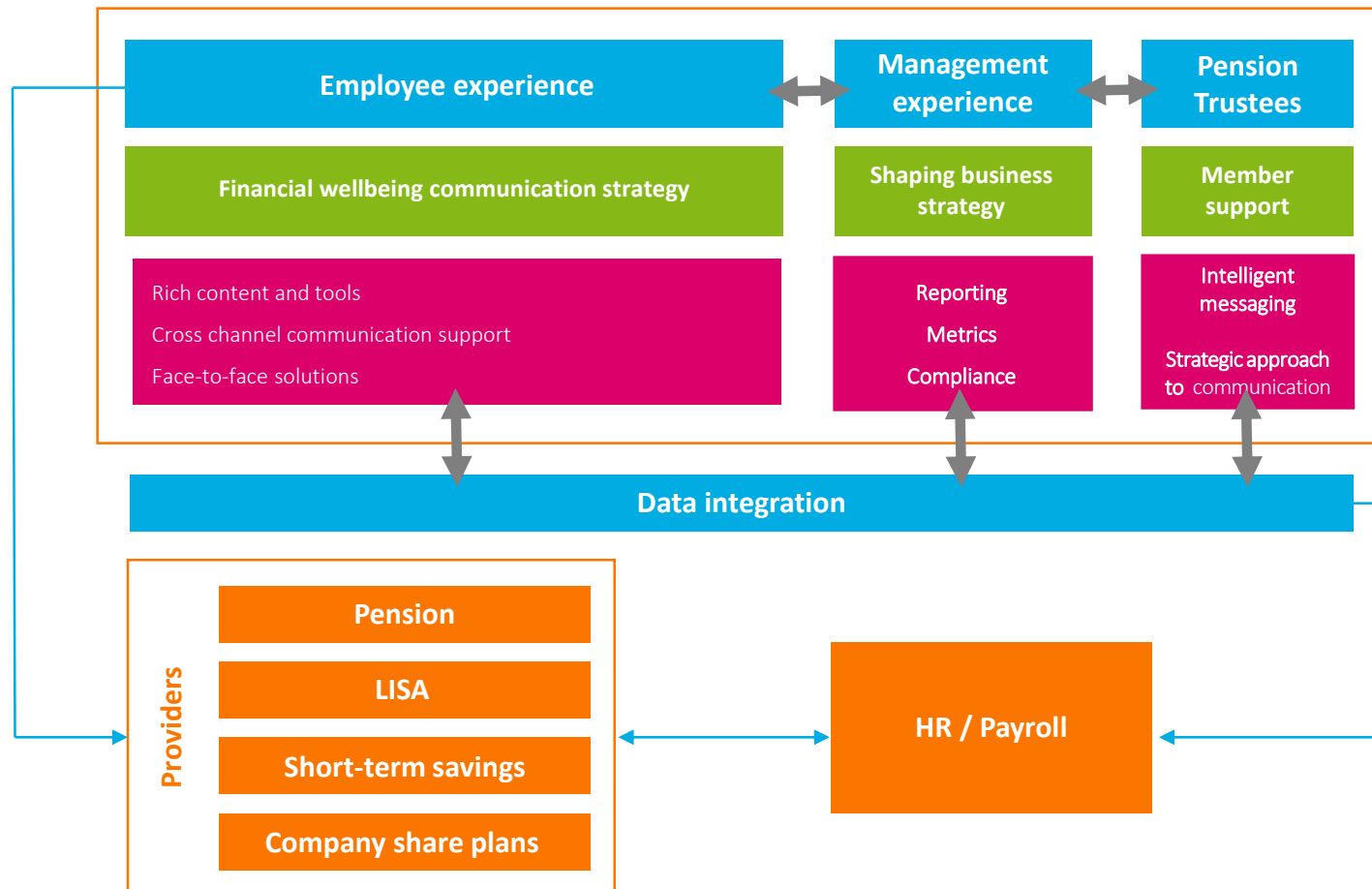


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Develop delivery **framework**



Inspire **people**



Thank you

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