ies Report

Institute for Employment Studies

Money Advice Service What Works Fund Final Evaluation Report

Institute for Employment Studies

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1 Executive summary

1.1 Contextual summary

In January 2017, the Institute for Employment Studies (IES) and Chartered Institute of Personnel and Development (CIPD) launched the IES/CIPD financial wellbeing practical guide for employers[1]. The guide is designed to help promote and guide effective employer actions in supporting their employees' financial wellbeing and is aimed primarily at the HR community.

The IES What Works Fund (WWF) project worked with two large public sector organisations[2], based in England and Wales to test the key stages of the guidance, with financial wellbeing support being delivered to employees [working age life stage] and capturing the struggling, squeezed, and cushioned segments found within large diverse employers.

The project aimed to build a business case within each organisation for supporting employee financial wellbeing; assess the level of support needed by employees through the launch of a baseline employee survey; and assess the effectiveness of actions taken by looking at before and after observations through a follow-up employee survey and interviews conducted in early 2018.

1.2 Summary of evaluation approach

The key research questions for the evaluation were to measure whether the stages of the IES/CIPD practical tool were effective in helping to promote and guide effective employer actions in supporting their employees' financial wellbeing – in terms of:

- Helping organisations to build the business case for supporting their employees' financial well-being;.
- Helping employers to assess their employees' needs for support and key variations in those needs across their employee population; and
- Taking the most appropriate and effective action to improve their employees' financial well-being.

The evaluation included:

- Quantitative baseline surveys with employees (333 and 748 online responses achieved across the two organisations respectively) conducted in Summer 2017;

[1] Employee financial well-being: practical guidance
[2] A third organisation from the private sector withdrew from the project in Q2.

- In-depth interviews (during September 2017 and April 2018) with five senior stakeholders from across the two organisations;
- A quantitative follow-up survey with employees from one organisation (200 online responses achieved) conducted in January 2018; and
- Follow-up in-depth interviews conducted by telephone with eight employees participating in actions across both organisations.

Organisation 1 ran a series of employee roadshows in September 2017 to improve awareness of existing employee benefits which support financial wellbeing. Organisation 2 ran pensions sessions between March and April 2018 aimed at employees thinking about retirement.

1.2.1 Summary of key findings

- Building a business case has to be the very first stage in the journey for organisations to help their employees make better financial decisions. Even in working with large reputable employers where HR staff are supportive of wellbeing initiatives, the research highlights the difficulties in 'selling' the business case at senior levels and the need to have to regularly reassert it.
- Making the well-evidenced links between improved financial wellbeing and improvements in productivity, employee engagement and improved corporate social responsibility reputation can help to capture senior interest and buy-in.
- The employee surveys were an effective tool to assess employee needs for support. The results highlighted needs within both organisations for support of their employees' financial wellbeing by identifying areas where employees may benefit from support, information and guidance. The results were also useful in helping them to get initiatives off the ground initially, and subsequently to build a more strategic and impactful approach.
- Over half of the employees at both organisations agreed that there was a role for their employer to provide financial support and guidance in the workplace. One quarter of employees in the baseline surveys felt that employers did not have a role in this area, however, this had reduced to one-fifth in the follow-up survey at organisation 2.
- At organisation 1, there was a significant increase in employees' awareness of three particular employee benefits (cycle to work scheme; voluntary employee benefits discount scheme; and interest free loan to purchase a season ticket) showcased at the roadshows, suggesting that the roadshows had a positive impact of increasing awareness.
- At organisation 2, qualitative interviews with employees concluded that the pension sessions were useful for confirming understanding of pensions in general and helped those employees considering early retirement 'weigh up' their options. However, scope to build on these sessions through the facilitation of more personalised and tailored information sessions on a one-to-one basis was identified, which highlighted a need for better reconciliation between meeting the needs of employees and the delivery or nature of the support. While HR departments saw the value of a more comprehensive and strategic approach to employee

wellbeing in which the financial aspects were incorporated, the research highlighted that specific and focused initiatives seemed to better supported and valued.

1.3 Methodological limitations

1.3.1 Methodological limitations

- Low response rate to follow-up survey at organisation 1 attributed to short time frame between surveys and low level of engagement of the roadshow delegates in the follow-up survey at organisation 1.
- Lack of follow-up survey in organisation 2 as there had been insufficient time to implement changes which would have made a measurable difference to the financial wellbeing of employees.
- Challenges experienced with the project timetable and, in particular, the lack of sufficient time to roll-out actions prevented the study from collecting any data about the longer-term outcomes of the actions implemented.
- Risk that those employees who participated in the survey are more engaged in their financial wellbeing than those who do not participate and therefore do not represent the majority of the workforce.

1.3.2 Transferability

The employee survey design can be replicated and used by other organisations as the project concluded that the survey approach was effective in assessing employee need for support. The challenges caused by the project timetable provides useful learning to other organisations wanting to implement actions in support of employees' financial wellbeing, with the project highlighting the extensive lead time sometimes necessary to action change in the area of employee financial wellbeing.

Organisation 2 intends to introduce additional actions in support of their employees' financial wellbeing over the coming months and has expressed interest in conducting a second employee survey once employees have had the time to take up these opportunities.

1.4 Sharing and learning activity

As the IES/CIPD practical guidance is aimed at the HR community, IES will disseminate the report findings with assistance from the CIPD using the following key methods:

- Sharing with the Institute's corporate membership programme for HR professionals in the public, private, and third sectors.
- Blog hosted on the IES website and shared via IES social media accounts (Twitter and LinkedIn) and via email.

- An IES News article[3] and IES Perspectives essay [4].
- The CIPD has also offered to utilise its extensive network of dissemination channels to share the learning from this evaluation. The CIPD has a network of approximately 145,000 members globally. For example, CIPD may host a blog[5] on the CIPD website, written by the report authors and tweet a link via their main Twitter account, which has over 100,000 followers.

[3] https://www.employment-studies.co.uk/news-press?category=9

[4] https://www.employment-studies.co.uk/research-collections/ies-perspectives-hr-series

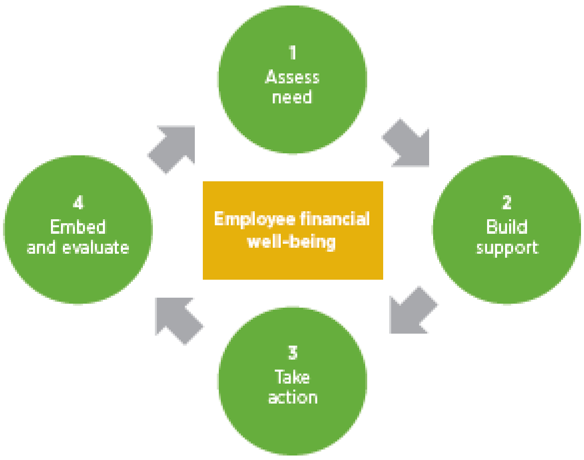
[5] http://www2.cipd.co.uk/community/blogs

2 Overview of project

In January 2017, the Institute for Employment Studies (IES) and Chartered Institute for Personnel and Development (CIPD) launched the IES/CIPD financial wellbeing practical guide for employers (Rickard et al, 2017). The guide is designed to help promote and guide effective employer actions in supporting employee financial wellbeing and is aimed at HR/wellbeing professionals. It contains guidance on:

- how to find out the type and scale of financial wellbeing problems in an organisation;
- building the business case to gain support from managers and colleagues to take action;
- possible action areas, tailored by common organisational contexts, needs, and priorities;
- how to measure and evaluate whether actions are making a difference (see Figure 1).

Figure 1: Supporting employee financial wellbeing



Source: CIPD, 2017, with the permission of the publisher, the Chartered Institute of Personnel and Development, London (www.cipd.co.uk).

Many employers are not taking action in this area and many of those that are, may not be taking the most effective action, and are not evaluating effectiveness. Some employers are wary of offering financial advice to their employees due to liability concerns and lack of understanding about when general forms of support become regulated advice; others fear it is expensive; others feel it is just not their responsibility and cannot see the business case for action.

There is a breadth of academic evidence and policy research about the state of financial wellbeing in the UK, which has developed a persuasive case for action in this area. For example, evidence collated in the 2017 CIPD research report "Employee financial wellbeing: why it's important"[6], highlighted research evidence that shows poor financial wellbeing impacts on health in terms of poor psychological wellbeing, higher stress and anxiety levels, and lower levels of good health. In turn, this affects productivity in terms of poorer job performance, short-term decision-making, reduced ability to concentrate, lower productivity, and absenteeism. Studies show that:

- One in four workers report that money worries have affected their ability to do their job (CIPD, 2017).
- 19% of employees have lost sleep worrying about their finances (CIPD, 2017).
- One in three workers aged between 25 and 34 report money worries have affected their work (CIPD, 2017).
- 55% of UK employees report that facing financial pressures affects their behaviour at work and ability to perform in their job (Neyber, 2016; cited in CIPD, 2017).

As part of this project, three reputable organisations, based in England and Wales, were originally targeted to pilot the IES/CIPD financial wellbeing practical guidance, with financial wellbeing support being delivered to employees [working age life stage] and capturing the spectrum of struggling, squeezed, and cushioned segments[7] found within large diverse employers.

The project aimed to build a business case within each organisation for supporting employee financial wellbeing; assess the level of support needed by employees through the launch of a baseline employee survey; and support the implementation of action to address any identified needs. The project also intended to assess the impact of any action on employee financial wellbeing by analysing before and after observations through follow-up employee surveys conducted approximately six months after the actions had been implemented.

Two large public sector organisations participated for the duration of the study, following a lengthy process of securing participation and some false starts with a number of large private sector organisations interested in taking part in the evaluation. Of the participant organisations, one employs 3,300 staff nationally and another employs approximately 2,000 staff across England and Wales. Unfortunately, during the second quarter of the project, a third pilot organisation (from the private sector) withdrew from the study. The key reasons for this withdrawal were linked to failure to get adequate buy-in from the senior team following the business case proposal:

- The concept of financial wellbeing was something that, as leaders, they did not perceive to be their role to have a stake in.

[6] https://www.cipd.co.uk/knowledge/culture/well-being/employee-financial-well-being

[7] MAS research has grouped people in the UK into "segments", based on differences in financial resilience. This is in order to understand how consumer needs differ and identify the areas of greatest need. More information is available in "Market Segmentation: An Overview", available at: https://www.moneyadviceservice.org.uk/en/corporate/research

- The leader's view was that financial wellbeing was very personal and whilst they could see some value in providing tools to provide assistance, they were not supportive of finding out about their employees' financial capability, which was viewed as 'too intrusive' a move.

In order to mitigate the impact of the loss of this private sector organisation, IES identified a financial services sector organisation that had used the IES/CIPD financial wellbeing practical guidance to conduct a survey of its employee financial capability in June 2017. Learning from this organisation was captured for this report to add the experience and perspective of a private sector employer and is included as a case study in the report Appendix.

Within both of the participating public sector organisations, significant project delays were also experienced which impacted the project's ability to achieve its original outcomes.

Organisation 1: The baseline employee survey was delayed due to purdah caused by the snap general election in June 2017 which meant that the follow-up survey was only conducted three months after action had taken place, rather than the intended six months. This impacted on the project ability to measure change over time.

Organisation 2: Slower than expected action implementation meant a follow-up employee survey was not deemed possible by the project stakeholders. It was felt that there had been insufficient time to implement changes which would have made a measurable difference to the financial wellbeing of employees. In order to mitigate the loss of survey data from this project change, a sample of employees who had participated in the financial wellbeing action (pension information sessions) were interviewed to qualitatively capture their views and experiences.

Figure 2 below shows the project's Theory of Change. The impact of the above project delays had implications for our Theory of Change and meant changes were made to the achieved outcomes and impact of the project.

Figure 2: Theory of Change

Problem → **Inputs** → **Outputs** → **Outcomes** → **Impact**

Problem

- Poor financial capability/ financial wellbeing in working population as evidenced by academic and policy research
- Lack of effective employer action on supporting employee financial wellbeing.

Inputs

- Selected employer support
- Organisational time input for project participation and cost to organisation of implementing actions (eg hosting roadshows and pension sessions)
- MAS funding and contribution to roadshow
- Research expertise and project management from IES and IFF Research

Outputs

- Business cases developed for supporting employee financial wellbeing.
- Staff participated in financial wellbeing activities:(roadshows and pension sessions)
- Organisations have evidence of financial wellbeing/capability needs among employees from surveys
- Participating organisations have tested research tools that can be utilised again in future to track and measure change.

Outcomes

- Participating employees report increased understanding and awareness of financial issues relevant to them (eg. pensions and benefits offering)
- Participants accessed financial IAG
- Participants take suitable actions to improve their personal financial situation
- Organisations embark on further financial wellbeing activities and embed it into wider wellbeing strategies.
- Organisations have improved understanding of employees' current state of financial wellbeing
- Documented transferable learning for other organisations

Impact

- Employees are more engaged with current employer offer
- Employees make better informed financial decisions

3 Overview of the evaluation approach

The key research questions for this evaluation were:

Overall, are the stages of the IES/CIPD practical tool effective in helping to promote and guide effective employer actions in supporting their employees' financial wellbeing? In terms of:

- helping organisations to build the business case for supporting their employees' financial wellbeing;
- helping employers to assess their employees' needs for support and key variations in those needs across their employee population;
- taking the most appropriate and effective action to improve their employees' financial wellbeing.

The evaluation was intended to complement existing research that suggests there is poor financial wellbeing in the working population and financial worries are a key source of stress in the workplace. A third of employees state that financial worries are currently their biggest concern (Neyber, 2017) and higher levels of financial stress can result in higher absenteeism which damages productivity (WTW, 2016), with 8 per cent of the UK workforce admitting to taking time off work due to financial stress (Neyber, 2016). Moreover, 6 per cent of employees report having had health issues due to money problems (CIPD, 2016). Poor employee financial wellbeing also adversely affects employee stress levels, with estimates of the cost of financial stress on the UK economy being around £120.7bn (Neyber, 2016). At the same time, it is estimated that 17.5 million working hours are lost due to absence from financial stress (Neyber, 2016).

Significantly, poor employee financial wellbeing also negatively affects employee productivity levels: for every £1m an organisation spends on payroll, there is an estimated four per cent loss in productivity due to poor employee financial wellbeing (Barclays, 2014). In a similar vein, surveys at four US organisations estimated that fatigue related productivity losses cost $1,967 annually per employee (Rosekind et al., 2010). Crucially, according to the latest CIPD employee survey, 25 per cent of employees state that money problems have affected their ability to do their job, while eight per cent have spent time during the working day dealing with money problems and 10 per cent have found it hard to concentrate/make decisions at work due to money worries (CIPD, 2016).

The employee surveys conducted in our two participating organisations highlighted similar experiences and need for support. For example broadly between a quarter and third of employees reported that financial worries had impacted their job performance; and their health; between 15 and 20 per cent had lost sleep due to financial worries; and around 10 to 15 per cent had found it hard to concentrate at work as a result of financial worries.

It is clear from the evidence that the need for employer action to improve employee financial wellbeing is both proven and urgent, given the adverse effects that poor employee financial wellbeing has on both the individuals and their employing organisations (eg through higher absenteeism and lower productivity levels). At the same time, there is also a strong ethical argument that supporting employee financial wellbeing is 'the right thing to do' (CIPD, 2017).

3.1 Methodology

The project used the following research methods:

3.1.1 Baseline employee surveys

A baseline employee survey in each participating organisation, hosted and analysed by IES, to assess employee need for support and their current level of financial wellbeing. The baseline survey explored:

- Financial wellbeing measures – comprising dimensions such as being able to cope with household bills, not being anxious, or having savings for the future;
- Financially capable behaviours – the behaviours that employees exhibit or the actions they take, for example, saving regularly, keeping track of finances, or working towards longer-term goals;
- Financial enablers and inhibitors –the things that make behaviours or financial wellbeing either easier or more difficult for employees to achieve. They encompass attitudes and motivations and skills and knowledge such as confidence in talking to those who could give advice.

The survey design reflected the MAS Financial Capability Outcomes Framework for Adults[8], which describes the key elements of financial capability for adults and is part of the UK Financial Capability Strategy[9]. The core elements are: managing money well day-to-day; planning for life events; use of credit/debt; and advice/guidance. Within the latter theme, the survey also explored the role of the employer in supporting employees' financial wellbeing. The baseline surveys were similar in both participating organisations, with variations in questions only linked to differences in existing employer financial wellbeing provisions and organisation specific variables. The surveys were live for three weeks and the response rates were 15 per cent in organisation 1 and 17 per cent in organisation 2.

Demographic variables were collected in the survey responses including gender, age group, location of work, and job grade. Analysis of the survey results were conducted on each of these variables for the baseline survey, however, it was only age group which showed any particular and consistent differences in responses.

3.1.2 Interim evaluation stage

An interim evaluation stage, conducted in September 2017, involved face-to-face interviews (conducted by IFF Research[10]) with senior managers with responsibility for the organisations' pay strategy and employee rewards. These managers also had the project responsibility for building the business case for

[8] See https://www.fincap.org.uk/outcomes_adults
[9] https://www.fincap.org.uk/uk_strategy
[10] https://www.iffresearch.com/

supporting their employees' financial wellbeing and for guiding decision-making about what actions to implement in relation to supporting employee financial wellbeing.

The managers were invited to participate in paired or group interviews about their views on the effectiveness of the baseline survey for assessing employees' support needs and any challenges they had faced in implementing the survey and any actions. In total, five senior stakeholders participated in this stage of the evaluation and an interim report was produced for MAS.

3.1.3 Actions implemented by participating organisations

The IES/CIPD practical guidance suggests a range of different actions that organisations can take to improve employees' financial wellbeing. For organisations starting out in supporting employees financial wellbeing, these include reviewing pay and benefits policies and communications, as well as providing, or signposting to, financial information and guidance. For organisations more advanced in their wellbeing provisions, possible actions include running financial education days; partnering with an external provider to deliver a holistic financial education programme to staff; or linking financial wellbeing messages to HR systems in order to harness significant employee life events such as promotions, taking of maternity/paternity leave etc.

Following the baseline employee survey, organisation 1 ran a series of employee roadshows to improve awareness of existing employee benefits which support financial wellbeing. The roadshows were held in September 2017 over six locations and featured the Money Advice Service Edenred (employee benefits provider), the Cycle to Work Scheme and the Civil Service Charity. The roadshows were widely promoted across the organisation via the intranet, posters and all staff email invitations.

> *'It was really about what's going to save people money, going and getting advice, and we also had someone talking about pensions at each of the roadshows.'*- Employee Benefits Lead

Organisation 2 was keen to move the organisation on from its current role of signposting, to one of facilitating access to advice. The organisation was already signposting to financial information via its intranet, but was particularly concerned with the needs of their ageing workforce and the spike in retirements they tended to experience at the end of each financial year. Therefore, organisation 2 ran pensions sessions between March and April 2018 aimed at employees thinking about retirement. The sessions were run by a representative from the Department of Work and Pensions and MyCSP, who administer the Civil Service Pensions arrangements. During each session, between 15 and 30 employees were guided through the different civil service pensions schemes; the benefits employees were entitled to; and given guidance on pension calculations. A session activity also encouraged employees to work out whether their incomings in retirement would cover their expected costs. Attendees were also offered an opportunity to have a one-to-one discussion about their pension following the session. About 80 employees participated in the sessions overall.

3.1.4 Follow-up employee survey and interviews

A follow-up survey was completed at organisation 1; hosted and analysed by IFF Research in January 2018; some four months after the organisation had rolled out its roadshows showcasing the employee benefits on offer to all employees. This follow-up survey repeated a selection of questions from the baseline survey to measure change over the period and also included a new selection of questions focused on the roadshows. The survey also asked whether respondents had attended a roadshow in an attempt to establish a control group of employees that had participated in the financial wellbeing action (eg attended a roadshow) and those that had not. Only 7 per cent of respondents to the follow-up survey had attended a roadshow. In order to supplement the data obtained about the effectiveness of the roadshows, telephone interviews were conducted with employees who had attended the roadshows.

As organisation 2 decided not to conduct a follow-up survey due to delays in the action implementation stage, telephone interviews were conducted with four employees who had attended a pension session; about one month previously.

3.2 Research method summary

The table below illustrates the research methods we used to capture our project outcomes:

Table 1: Research methods used to capture project outcomes

MAS WWF Outcome	Research method
Change in mindset/attitudes	Pre and post intervention survey
Increased awareness/understanding of financial issues/support relevant to them	Pre and post-intervention survey and employee interviews
Increased access to financial IAG	Post-intervention employee interviews
FinCap Behaviours: Managing money well day-to-day Preparing for and managing life events Use of credit/debt	Pre and post-intervention survey

4 Key findings

This section focuses on answering the main research questions by bringing together data from the baseline surveys, interim evaluation phase and follow-up survey data. Where possible, any significant changes in employees' attitudes and behaviour between the baseline and second survey are discussed for organisation 1. However, it is worth noting that the surveys were completed within four months of each other, which is a relatively short timeframe for measuring any change. It was not possible to conduct subgroup analysis of the follow-up survey data due to small base sizes; however notable differences by age group are recorded where relevant in relation to the baseline survey data.

We first examine how the organisations built the business case for supporting their employees' financial wellbeing before examining the effectiveness of the surveys for assessing employees' needs. The final section seeks to evaluate the success of the actions taken by both organisations to improve their employees' financial wellbeing.

4.1 Building the business case

A key stage of the IES/CIPD practical guidance in supporting employee financial wellbeing is building a business case to gain support from managers and colleagues to take action. This evaluation has highlighted the need for this to be the very first stage in the journey for organisations to help their employees make better financial decisions. It is required earlier than the tool anticipates; with senior leaders needing to be reminded of the importance of employee financial wellbeing (EFW) to approve any engagement in this area.

For key stakeholders to understand and value the need to support employee financial wellbeing, it is important to create a business case which is specific to the organisational context. Business case presentations were developed in collaboration with the project stakeholders, including the third private sector participant in the early stage of the evaluation. These presentations were delivered to the senior management teams of each organisation and used material and evidence included in the IES/CIPD practical guidance. Key sections of the business cases included:

- What is employee financial wellbeing and how does it fit within our organisation?
- Why attention needs to be paid to employee financial wellbeing (the scope of the issue; benefits for business and employees);
- Expected stages of the intervention including example employee survey questions;
- The associated costs and risks of engagement.

Both organisations in this evaluation reported that it was relatively straightforward to make a business case because the concept of financial wellbeing fits well into other organisational work streams. For example, stakeholders at organisation 1 highlighted that general wellbeing was considered a core organisational value and the organisation had an ethos of caring, linked to the nature of their work.

In the public sector, the 1% pay cap, which has been a key part of the Government's austerity programme since 2010, has been a major challenge to employee financial wellbeing. Stakeholders were aware there were some employees who not had a pay increase in real terms for many years and felt the organisation's role should be about supporting employees to help their money go further. Their aim was to demonstrate that, whilst this activity could not directly affect pay levels, they could improve financial wellbeing by getting employees to maximise their earnings through fully accessing the benefits offering available to them.

> *'Obviously, the whole point of employee financial wellbeing is not about telling people what they need to have, it's not about whether you've got a high salary or a low salary, it's about knowing the best way to get the best out of what you do have.'* – Employee Benefits Lead, Organisation 1

> *'This is a way to engage people better, motivate and talk to people about why, although their pay isn't going up, you're still supporting them.'* – Rewards Lead, Organisation 2

Among the organisations which participated, and also within those organisations that expressed interest in the evaluation at the time of securing participants, the desire of organisations to be seen as 'leading edge' on this and to strengthen their employment brand was seen as a key element of the business case. The evaluation also found that there was a lack of understanding of the current state of employees' financial wellbeing; with engagement or reward surveys currently not covering this area and any existing actions had tended to be seen as financial education and 'add-ons' to total rewards.

Fortunately, both participating organisations found senior directors were immediately on board with this intervention and willing to engage; seeing financial wellbeing as part of their existing broader wellbeing strategy:

> *'We didn't have to really build a case for change because this plugged into an already existing strategy, so it was a great opportunity… We're almost pushing an open door on it… rather than generating something from scratch.'* – Project Lead, Organisation 1

From the project outset, both organisations were aiming to utilise and increase awareness of the existing benefits package and improve how it was perceived by employees. This had been highlighted as an issue at organisation 1 following results from the Civil Service People Survey; an annual survey conducted among 400,000 civil service employees. Only 26 per cent of employees reported that they were satisfied with the overall package. This organisation also saw themselves as a test case to roll out similar initiatives on financial wellbeing across the wider public sector.

The timing of the project was also an advantage for one organisation. They were expecting a significant increase in workforce size over the next few years and so the project acted as an opportunity to implement new processes that it could then roll out across an expanded workforce.

The experience of the private sector organisation case study (included in the Appendix) also provided some insight into what works in building an effective business case to gain support for providing financial wellbeing support to employees. The lessons from this case study concerning building a business case were essentially:

-Making the well-evidenced links between improved financial wellbeing and improvements in productivity, employee engagement and improved corporate social responsibility reputation can help capture senior interest and buy-in. Interest in "being ahead of the curve on supporting and improving employee financial capabilities" can help secure senior support.

-A champion is pivotal at the senior level and in HR/Reward to secure buy-in and support for actions on improving financial wellbeing.

- Providing a definition of financial capability/wellbeing to senior level (and to employees) is an important stage to ensure engagement.

4.2 Assessing need for support

A further key stage of the IES/CIPD practical guidance is finding out the type and scale of financial wellbeing problems in the organisation. The guidance suggests conducting an employee survey to understand what issues employees face. The guide also recommends thinking about employees in terms of different characteristic groups, such as age, gender, grade or earnings bracket in order to target efforts, time, and resources in ways that will maximise the benefit to employees.

The evaluation explored views on these employee baseline surveys to assess the need for employee financial wellbeing support, as well as how useful the approach was for identifying potential areas for support.

4.2.1 Design of the employee surveys

Feedback from stakeholders was that the baseline employee surveys had worked well as a tool to assess employee need for support. One organisation particularly stated that the survey was a unique opportunity to understand what were employees' concerns related to financial wellbeing and what they could do as an employer to help.

Each organisation, however, held differing views on how receptive their employees would be to participating in a survey on financial wellbeing. One organisation felt that there was a culture of trust in the public sector that meant employees would recognise the survey was being conducted in their best interests and would therefore be willing to participate. Employees were also familiar with workplace provision of information and guidance concerning their wellbeing, which would have warmed them up to such an exercise. Stakeholders anticipated that there would be more suspicion in the private sector. For example, employees might question whether it was a move linked to curbing pay rises or embarking on redundancies.

> *'There's less of that feeling [in the public sector] of "Why are they asking me to do this?" and "Why do they want me to fill that in?"... They trust it because it comes from us.'* – Project Lead, Organisation 2

However, the other organisation felt that there was potential for some level of reluctance to share personal details about financial wellbeing.

'For me it's about those sensitivities. That this isn't about digging into people's private lives. This is about best signposting individuals, to start off with, to sources of advice and guidance to enable them to make the best decisions for them personally.' – Project Lead, Organisation 1

There was also some concern among senior management that employees might think survey responses would be used to feed into pay negotiations. Both employers wished to exclude direct references to employee reward in the baseline survey to avoid employee expectations that this examination and support of their financial wellbeing would lead to pay increases. The private sector case study also highlighted a similar concern and stated that conducting an employee survey on financial wellbeing raised concerns amongst management that the survey may imply that the organisation is promising action. However, the use of the IES/CIPD practical guidance was said to have "helped to legitimise and build the business case for conducting the employee survey".

Despite some initial concerns that employees might be suspicious about why the survey was being conducted, none of the stakeholders reported receiving negative feedback from employees about the survey. Both participating organisations had also expected to receive comments on their intranet pages where the survey was hosted, but this did not occur. Furthermore, whilst some stakeholders were unsure about how willing employees would be to talk about their financial situation, both organisations were satisfied with the baseline survey response rates (15 per cent and 17 per cent respectively). For one stakeholder, this response rate added real 'weight' to their data. Notably, the private sector case study achieved an even higher response rate[11] (31 per cent).

The employee qualitative interviews also concluded that employees felt the topics were straightforward to answer and employees were generally comfortable about providing this information to their employer. A few employees stated that they initially had concerns about the level of personal detail about their finances that they would need to share but these fears subsided after they had read through the first few questions. Some employees also mentioned that they were compelled to take part because they felt financial wellbeing was an important issue in the workplace.

"It was upfront, it said we are going to be asking some personal questions . . . I felt quite comfortable, I trusted that my personal information would be kept in strict confidence so I had no problem [participating in the survey]." – Employee, Organisation 1

[11] Participation was encouraged through the offer of a charity donation for every completed response.

4.3 Key findings based on MAS Financial Capability Outcomes

4.3.1 Managing money well day-to-day

The baseline and follow-up survey results highlighted needs within both organisations for support of their employees' financial wellbeing by identifying areas where employees may benefit from more support, or areas where they would like more information, advice, and guidance.

In the baseline survey, over a quarter of employees (30 per cent and 27 per cent at each organisation respectively) reported that they were only 'just about getting by' financially and though most employees agreed that they felt in control of their finances, around a fifth of employees disagreed, highlighting a need amongst some employees for financial wellbeing support.

Similarly, whilst about half of employees felt that they could do things to make a difference to their financial situation, (consistent with the findings of the 2015 UK Adult Financial Capability Survey), sizeable proportions (about a third of employees), thought nothing they did would make much difference to their financial wellbeing, with the largest groups in both organisations holding this attitude being within the youngest cohorts (see Table 2), which highlighted the need for education and support.

Table 2: Agreement with statement 'Nothing I do will make much difference to my financial situation', shown broken down by age (%)

	Organisation 1 Baseline				Organisation 2 Baseline				
	Age group				Age group				
	25-34	35-44	45-54	55+	16-24	25-34	35-44	45-54	55+
Agree	57.1	33.3	36.9	17.7	33.3	28.2	32.7	30.9	22.6
Neither	14.3	7.7	10.7	14.5	16.7	14.1	10.0	16.3	19.4
Disagree	28.6	59.0	52.4	67.7	50.0	57.7	57.3	52.8	58.1

Source: IES

The two core areas which all employees, across both organisations, felt would most improve their financial wellbeing were:

- being able to save for the future – this was especially important to the youngest cohorts; and
- being able to comfortably pay off existing debts – across all age groups but this was of the least concern to those aged 55+.

Among the next most commonly reported areas were: a benefits package that helps employees to save money; staff benefits that protect respondents and their families should they fall ill; and access to flexible working.

4.3.2 Planning for life events

Almost three-quarters of employees at both organisations said that they worry to some extent about their current household's financial situation (72 per cent and 74 per cent). Furthermore, this financial worry was reportedly impacting the health of around three in ten employees a little or a lot (29 per cent and 32 per cent) with variation shown by age, although in one organisation the youngest cohort reported the greatest health impact of financial worry (see Table 3).

Table : My health is suffering as a result of financial worries (%)

	Organisation 1				Organisation 2				
	Age group				Age group				
	25-34	35-44	45-54	55+	16-24	25-34	35-44	45-54	55+
No, not at all	57.1	59.0	48.1	58.7	77.8	56.4	55.0	52.2	64.5
Yes, a little bit	-	28.2	31.7	28.6	5.6	26.9	24.3	33.7	19.9
Yes, a lot	14.3	5.1	7.7	1.6	5.6	2.6	6.3	5.6	3.8

Source: IES

Around three-fifths of employees (63 per cent and 62 per cent at both surveys at organisation 1, and 57 per cent at organisation 2) reported they were able to save money every or most months, which was broadly consistent with the 2015 UK Adult Financial Capability Survey at 56 per cent; with the majority paying into a savings account or ISA (55 per cent and 64 per cent). The proportion of all employees that rarely or never saved money ranged from 18 per cent to 24 per cent.

Although most employees were saving on a regular basis, there was a clear need for more information and guidance at both organisations around pensions saving. Over half of employees did not know if their retirement income would meet their needs (51 per cent at both organisations) and over half agreed that pensions seemed so complicated that they could not really understand the best thing to do (53 per cent and 56 per cent). Around a third agreed that dealing with pensions scared them (31 per cent and 35 per cent).

Only small proportions of employees (5 per cent at organisation 1 and 6 per cent at organisation 2) had increased how much they were paying towards their retirement income in the last six months.

In the follow-up survey at organisation 1, where employees reported either checking whether their income would be enough to meet their needs in retirement or had increased the amount they had paid into their pension, this was most commonly because they were thinking about retirement or nearing retirement age (26 per cent), or had reviewed their annual pension statement (19 per cent). The next most common reasons were that they were worried that their pension may not be enough (14 per cent) or because they wanted a degree of financial security (14 per cent).

4.3.3 Use of credit/debt

At both organisations, the proportion of employees reporting that they were keeping up with their financial commitments without any difficulties (43 per cent and 45 per cent) was lower than the UK average shown in the 2015 UK Adult Financial Capability Survey (59 per cent). However, there was some variation in the proportion of all employees that reported experiencing some degree of struggle (22 per cent and 39 per cent respectively). Analysis by age group showed that in one organisation, it was the youngest cohort who were most commonly falling behind (14 per cent of 25-34 year olds); whereas in the other organisation, responses were more varied across the age ranges (see Table 4).

Table 4: Ability to keep up with financial commitments shown by age (%)

	Organisation 1 Age group				Organisation 2 Age group				
	25-34	35-44	45-54	55+	16-24	25-34	35-44	45-54	55+
Falling behind	14.3	5.1	3.8	1.6	-	1.3	4.5	1.7	1.6
It is a constant struggle	-	10.3	16.3	14.3	5.6	10.3	13.5	18.5	8.1
It is a struggle from time to time	42.9	23.1	24.0	22.2	50.0	35.9	30.6	26.4	23.1
Keeping up without any difficulties	14.3	56.4	51.0	58.7	22.2	51.3	46.8	49.4	61.3
Don't have any bills or credit commitments	28.6	5.1	1.9	3.2	22.2	1.3	3.6	2.8	5.9

Source: IES

4.3.4 Advice/guidance and the role of the employer

Across both organisations, the most common sources of money advice used by employees in the last six months were:

- the internet (47 per cent and 39 per cent);
- friends or relatives (27 per cent and 24 per cent);
- accountants, bank managers or other financial advisors (18 per cent at both organisations).

There were no statistically significant differences in the use of different sources of money advice between the baseline and the second survey at organisation 1.

Around two-fifths of employees (37 per cent and 41 per cent) had not sought any money advice in the last six months, though over half agreed that they would make better financial decisions with the help of advice (51 per cent and 53 per cent). About a third of employees thought that seeking financial advice seemed too daunting (38 per cent at the baseline survey; 33 per cent at the follow-up at organisation 1, and 34 per cent at organisation 2).

The largest proportions of employees stating that seeking financial advice seemed too daunting in both organisations were among the youngest cohorts (86 per cent of 25-34 year olds in one organisation; 61 per cent of 16-24 year olds and 43 per cent of 25-34 year olds in the other organisation), with the oldest cohorts (55 years +) being the least daunted by seeking financial advice (around 30 per cent in both organisations) (see Table 5).

The follow-up survey in organisation 1 asked employees why seeking financial advice seemed daunting (asked of those who held this view). Most reported they do not know whom to trust (79 per cent) and at least half were worried they would be mis-sold something, or they thought advice would be expensive (56 per cent and 50 per cent respectively). The next most common responses were that it was perceived to be hard to find the right advisor (42 per cent); and that financial advice is only for people with complex financial affairs (21 per cent).

Table 5: Seeking financial advice seems too daunting, by age (%)

	Organisation 1 Age group				Organisation 2 Age group				
	25-34	35-44	45-54	55+	16-24	25-34	35-44	45-54	55+
Agree	85.7	46.2	35.9	30.6	61.1	43.4	30.0	31.8	29.5
Neither	14.3	10.3	21.4	22.6	16.7	14.5	20.9	23.3	15.3
Disagree	-	43.6	42.7	46.8	22.2	42.1	49.1	44.9	55.2

Source: IES

A key finding from the surveys was the degree of employee appetite for employer support with financial wellbeing. Over half of employees at both organisations agreed (56 per cent at the baseline survey and 61 per cent at the second survey at organisation 1, and 56 per cent at organisation 2) there was a role for their employer to provide financial support and guidance in the workplace. One quarter of employees in the baseline surveys felt that employers did not have a role in this area, however, this had reduced to one-fifth in the follow-up survey at organisation 2. There was very little variation in responses to this question by age.

Employees taking part in the qualitative research commented that they felt financial wellbeing was a key element of wider employee wellbeing, and most therefore felt that their employer had a role in delivering this to ensure the workplace is happy, to try and prevent stress, and to reduce sickness days:

> *"My employer has a responsibility to look after staff welfare. Not just the physical health, but financial health, mental health."* – Employee, Organisation 1

> *"Having workplace support from your employer … is a great benefit and is a perk which will attract people into the civil service."* – Employee, Organisation 2

The surveys were also useful for giving both organisations an indication of particular areas where employees were keen to receive support. At both organisations, employees were 'most interested' in receiving financial education on the topic of retirement and pensions (76 per cent at the baseline and 79 per cent at the second survey at organisation 1, and 66 per cent at organisation 2). The next most commonly selected topics were savings and investments and wills and estate planning.

Table 6 shows the top three topics of interest for each age group. In organisation 1, savings and investments appeal most to the youngest cohorts; with pension and retirement guidance most popular among the older age groups. At organisation 2, pensions and retirement was of most interest to all age groups.

Table 6: Top three topics most interested in receiving advice/guidance from employer shown by age group

	Age group				
	16-24	25-34	35-44	45-54	55+
Organisation 1	1. Savings & Investments	1. Savings & Investments	1. Pensions & Retirement	1. Pensions & Retirement	1. Pensions & Retirement
	2. Tax	2. Tax	2. Mortgages	2. Tax	2. Savings & Investments
	3. Employee Benefits such as salary sacrifice/ childcare vouchers	3. Mortgages; Financial planning; Budgeting; Employee benefits such as salary sacrifice/ childcare vouchers	3. Employee Benefits such as salary sacrifice/ childcare vouchers	3. Wills & Estates Planning	3. Wills & Estates Planning
Organisation 2	1. Pensions & Retirement	1. Pensions & Retirement	1. Pensions & Retirement	1. Pensions & Retirement	1. Pensions & Retirement
	2. Mortgages	2. Savings & Investments	2. Tax	2. Tax	2. Savings & Investments
	3. Employee Benefits such as salary sacrifice/ childcare vouchers	3. Employee Benefits such as salary sacrifice/ childcare vouchers	3. Employee Benefits such as salary sacrifice/ childcare vouchers	3. Wills & Estates Planning	3. Wills & Estates Planning

Source: IES

4.4 Taking the most appropriate and effective action

This section discusses the different actions taken by both organisations and the perceived effectiveness by employees, drawing on survey data[12] and feedback from qualitative interviews with employees.

4.4.1 Organisation 1: Benefits roadshows

The benefits roadshows were considered a success by stakeholders because they were felt to have raised employees' awareness of the benefits offering within the organisation. The follow-up survey also showed a small (six per cent) increase in employee interest in receiving more information on employee benefits.

Stakeholders reported that feedback from employees about the roadshows was positive and they seemed particularly engaged with the Money Advice Service information stand. In the qualitative interviews, some employees commented that before attending the roadshows they were not previously aware of the Money Advice Service resources available within the benefits portal, but have since found them to be useful; whilst others did not fully understand some of the financial benefits on offer (see Case study 1 below).

This feedback was also reflected in the follow-up survey data which suggested that the roadshows were effective in raising awareness of the employee benefits on offer. For example, half of employees (50 per cent) who had attended a roadshow reported that they had learned something about the benefits they have access to as an employee, with two in five reporting they learned a lot of new information.

Furthermore, at both the baseline and the second survey, all employees were asked about their awareness and usage of financial wellbeing support. In the second survey, there was a significant increase in all employees' awareness of three employee benefits suggesting that the roadshows and associated communications have had a positive impact here:

- There was a 31 percentage point increase in the proportion of employees who were aware the organisation offered a salary sacrifice scheme for 'Cycle to Work' (from 51 per cent to 82 per cent);
- There was a 16 percentage point increase in the proportion of employees who were aware the organisation offered a voluntary employee benefits discount scheme (via Edenred) (from 60 per cent to 76 per cent);
- There was a 9 percentage point increase in the proportion of employees that were aware the organisation offered an interest free loan to purchase a season ticket (from 64 per cent to 73 per cent).

[12] In the second survey conducted among employees at Organisation 1, seven per cent of the 200 participating employees reported that they had attended an employee roadshow. It is therefore worth noting that the analysis of related questions has been conducted on a very small base size (14 employees)

Whilst awareness of the employee benefits on offer had increased among all employees, there had not been any change in the level of usage of these benefits reported three months after the roadshows took place.[13]

Case study 1: Employee roadshow attendee

BACKGROUND

Robert has worked in the civil service for over 30 years and now is in middle management, approaching retirement. In the past he has personally done some financial planning. He wants to feel in control of his finances so he can understand the implications of decisions such as retiring early but has struggled to find advice. Several times employees have been asked to decide whether to join new pension schemes and he feels little guidance has been provided.

INTERACTION

Robert welcomes his employer's commitment to financial well-being. He attended the roadshow and recalled the Money Advice Service (MAS) stand. He found it a useful reminder that he could get advice, but was disappointed it was not possible to speak privately.

"For too long people have had to make decisions without the full knowledge of the implications of what they are doing, unless they go to a financial advisor. Having workplace support from your employer … is a great benefit and is a perk which will attract people into the civil service."

IMPACT

After the roadshow Robert visited the MAS website, and following the survey he arranged to see an IFA. He hopes this will provide more clarity around his retirement and pension options. He has reviewed his packages and knows exactly when they will mature. He is also making better use of other benefits e.g. shopping discounts.

ADDITIONAL NEEDS

He thinks it would be useful if his employer provided more straightforward pensions guidance. He also emphasised the importance of ensuring inductions explain the full range of benefits available. He suggested regular financial wellbeing reviews at least every five years.

"[The roadshow, survey and seeing employer commitment] jolted me into action."

Employees in the qualitative interviews also frequently suggested that they would like to receive more information, advice and guidance about their pension (which was also reflected in the survey data) and had some concerns that they did not know enough about their current pension. This is a topic that the organisation has identified as an area to develop in the future, and there was particular appetite to have lunchtime talks or an opportunity to meet with an adviser on a one-to-one basis:

> *"What I want is proper pension counselling, I think it should be available to everyone and we've never been offered that before . . . We need that. . . If you're not a pension's expert, not many people understand pensions . . . I really think we need some help with this."* – Employee, Organisation 1

[13] The employee roadshows took place in September 2017 and the second survey was conducted in January 2018.

4.4.2 Organisation 2: Pension sessions

The qualitative interviews with employees highlighted that the pension sessions were useful for those who wanted a reminder about how pensions work and in confirming their understanding of their pension. One employee recommended the session to her colleagues who said:

"It was quite useful. It was good to confirm my understanding [of my pension]" - Pension session attendee, Organisation 2

However, other employees felt that the forum in which the sessions were delivered was not suitable for the discussions they wanted to have, for example, how they would be taxed, and whether it would be beneficial to buy extra years to boost the value of their pension. One employee commented:

"No-one wanted to talk about it . . . they [the facilitator] said each pension is different for each person there. And it's not the type of thing you want to talk about in a public forum." - Pension session attendee, Organisation 2

Employees understood that the DWP representative would not be able to give advice, and employees commented that they would like the opportunity to talk to an independent financial advisor on a one-to-one basis.

This highlighted an opportunity to build on these sessions through the facilitation of more personalised and tailored information sessions, on a one-to-one basis.

Case study 2: Impact of attending a pension session

BACKGROUND

Laura is a middle manager in her early 50s starting to think about her retirement plans. In early 2018, just after returning from long term sick leave, she was offered early severance. This prompted her to reflect on her financial situation and undertake some '*number-crunching*'.

INTERACTION

Whilst considering her options she attended the session run by the DWP which she found informative. She wanted more specific advice about how taking early severance might affect her pension, and her employer advised she speak to an IFA.

"[The early severance offer and seeing the IFA] made us look at our finances in depth . . . we kept hoping to do it but we never had, it really prompted us."

IMPACT

Laura found speaking to the IFA very useful. A combination of considering severance, attending the session and speaking to an IFA prompted her to take stock, and she has decided to stay and go for a promotion.

ADDITIONAL NEEDS

Laura thinks it would be very valuable if her employer offered access to an external advisor who employees could talk to about financial planning; she is still unclear whether she will be able to retire at the same time as her husband. She thinks money management training would be useful, especially for younger colleagues. She has also heard of other employers offering in-house saving schemes.

"I know every penny I've got, and what's coming in, and going out, but that doesn't mean to say I think I'm doing the best with it."

5 Limitations of the evaluation and future evaluation

5.1 Limitations of the evaluation

This section highlights some of the methodological limitations of the evaluation approach used.

5.1.1 Research tools

Some stakeholders commented that the baseline employee survey length was too long, taking 15-20 minutes to complete, which may have lowered the response rates. Stakeholders, however, recognised that the length was necessary to explore all the different topics and outcomes desired. One organisation also noted that it was unfortunate the survey needed to be delayed due to purdah caused by the snap general election and felt it could have achieved a higher response rate if the survey had not been conducted during peak holiday season. It should also be noted that the scheduling of the survey had to fit within existing employee surveys/communication schedules which were centrally controlled.

Within organisation 1 the response rate was lower than that achieved during the first survey (9 per cent cf. 15 per cent at the baseline survey) despite the same methodology being adopted. This was possibly because employees are generally busier in the last financial quarter of the year or maybe because employees were less inclined to take part in a repeat survey only four months after participating in the first. Despite the lower response rate, there were few signs of response bias. When the achieved profile of the two surveys was compared, the only difference was that significantly more male employees took part in the second survey, and correspondingly fewer female employees (at the baseline survey 38 per cent of respondents were male; compared to 47 per cent in the follow-up survey).

There is also a risk in running an employee survey on financial wellbeing that those employees who participate in the survey are more engaged in their financial wellbeing than those who do not participate. Therefore, the views of a majority of the workforce population are not known and assumptions have to be made on support needs based on the observed views of those already engaged (eg. non-response bias).

Some caution may also be needed in the interpretation of the employee survey responses, particularly to the more sensitive questions eg. concerning financial worries and the impact on job performance; concentration; time off work etc, due to employees' potential unwillingness to honestly disclose such information to their employer.

In organisation 1, the low level of engagement of the roadshow delegates in the follow-up survey (7 per cent) also impacted the reliability of the findings for the third part of the research question, due to conclusions being drawn based upon a small sample. It also meant the difference needed to see a statistically significant change between surveys was relatively high (with differences +/-5% and +/-9% required to see a statistically significant difference).

In addition, answering the third research question was also impacted by the lack of a follow-up survey in organisation 2. We were only able to assess the effectiveness of the pension sessions through gathering the views of a limited number of employees who participated in the sessions. Therefore caution is required in the interpretation of the usefulness of these sessions.

5.1.2 Project timetable

Stakeholders in both organisations mentioned that they would benefit from having more time to implement actions linked to improving employee financial wellbeing than the timescales of the project allowed; ideally having at least a whole financial year to determine what action to take and implement it. They felt this was largely because of the complexities of making changes within public sector organisations.

Stakeholders in both organisations also highlighted that trying to implement changes within the public sector can be difficult and subject to delays. Organisation 2 commented that any additional funding needed for financial wellbeing actions would need to be secured six months before a new financial year.

The challenges with the project timetable and, in particular, the lack of sufficient time to roll-out actions, also prevented the study from collecting any data about the longer-term outcomes of the actions implemented.

5.2 Transferability of research design

The employee survey design can be replicated and used by other organisations as the project concluded that the survey approach was effective in assessing employee need for support and provides a unique opportunity to understand employees' concerns related to financial wellbeing and what employers can do to help; with no negative feedback received from employees about the survey approach. This suggests that this approach could be transferrable to other parts of the public sector and beyond.

The senior stakeholders from both organisations were also positive towards the two-stage evaluation approach (ie. a baseline survey with a follow-up survey to measure the impact of any workplace interventions to improve financial wellbeing), with the caveat that a sufficient period of time is allowed between surveys in order for employees to take up support opportunities.

The challenges to the evaluation caused by the project timetable provides useful learning to other organisations wanting to implement actions in support of employees' financial wellbeing, with the project highlighting the extensive lead time sometimes necessary to implement actions. These delays were also reflected in the private sector organisation case study, which advised that organisations need to be mindful of the time needed to action change in the area of employee financial wellbeing:

"Even in organisations with strong support and commitment to implementing financial wellbeing benefits; getting IAG in place and then getting employees engaged in it can be a long process" – Case study organisation

5.3 Future evaluation

Organisation 1 is in discussions with an external portal provider to provide employees access to a suite of simple-to-use calculators; financial modelling tools and links to sources of advice and guidance. The portal also provides usage data which is considered valuable in order to understand employees' needs. Linking with such a partner is seen to have cost benefits as well as bringing new expertise to the provision of employee financial wellbeing support. The organisation would also like to continue the roadshows on a regular basis. The organisation would also like to run annual financial welllbeing surveys to enable the employer to track the use of the new portal and the impact of additional roadshows. Any favourable results could then be used to justify the spend to the Executive Committee.

Organisation 2 intends to introduce additional actions in support of their employees' financial wellbeing over the coming months and has expressed interest in conducting a second employee survey once employees have had the time to take up these opportunities. Launching a second survey in, for example, 2019, would allow data to be collected about the longer term outcome of the actions and impact on employees' FinCap behaviours and attitudes/mindsets.

6 Implications and Recommendations for Policy and Practice

There are a number of key learnings from this evaluation, of particular relevance to the HR community, in terms of delivery of employee financial wellbeing support:

- The importance of support from the senior team within the organisations for assessing the employee need for financial wellbeing support and for taking action was an ongoing message throughout the project, particularly in the early stages, with senior stakeholders ultimately acting as the gatekeepers for engagement. Without their endorsement for activity in this area, it is clear that any financial wellbeing strategy HR may wish to implement will not be realised.
- There is an appetite among employees for financial wellbeing support from the employer and organisations perceive financial wellbeing to be 'more than just about salary'. However, evidence shows that the majority of organisations are still not providing financial support to staff.
- There will inevitably be sensitivities around assessing employee need for financial wellbeing support by asking about employees' attitudes and behaviours towards personal finances. Both the public sector organisations participating in this evaluation and the private sector case study encountered delays in their employee survey design and launch due to stakeholder concerns about employee perception and potential suspicion of the survey and its intention eg. whether employees might question whether it was a move linked to informing pay negotiations or curbing pay rises etc. These senior management concerns, it is worth stating however, were not realised.
- In larger organisations, conducting a survey to assess employee need for support and to take any targeted actions often requires collaboration and the support of the internal communications team. The communications team can also help to simplify the messaging for employees around financial wellbeing to ensure good levels of engagement.
- An audit of all relevant activity, across different parts of a business, could highlight various strands of existing financial wellbeing support within the organisation (eg. various financial or wellbeing benefits; an Employee Assistance Programme that offers debt counselling etc) and require repackaging and communication under an "employee financial wellbeing" umbrella.
- In addition, organisations may identify opportunities to work with external providers to deliver financial education programmes to employees, especially those that can tailor their provision to match the needs of employees and the organisational context.
- Whilst the IES/CIPD practical guide recommends segmenting employees by various factors in order to target interventions appropriately, age was the only factor which highlighted particular

differences in survey responses across the respondents. This is likely broadly linked to the particular financial challenges experienced at different life stages and is therefore a useful demographic to initially use to target interventions.

- Whilst the employee survey is an effective tool to highlight the areas or topics which employees are interested in receiving support with, the evaluation highlighted a need for better reconciliation between meeting the needs of employees and the delivery or nature of the support. For example, a need for pension support was identified by the baseline survey within organisation 2. This support was offered and targeted to those in most immediate need (eg. those close to retirement). However, participants felt there would have been more value in offering one-to-one opportunities rather than information in an open employee forum. This perhaps suggests that once an area of support has been selected, more employee engagement is required to ensure appropriate delivery.
- The employee surveys highlighted that there is most demand among employees for support with traditional benefits eg. pensions. Therefore, for organisations starting out in supporting employees financial wellbeing, 'easy wins' may be found in initially focusing efforts and resources on traditional initiatives which build awareness, such as pension roadshows, rather than attempting to get senior support for more innovative solutions such as employee loan providers.
- There is currently a real lack of evaluation in this area but a strong interest in 'getting strategic' on this to better understand needs and integrate initiatives to deliver best impact and cost effectiveness.

For MAS and the wider financial capability community, a key observation is that there is interest in implementing financial wellbeing strategies within organisations in both the public and private sectors. We engaged with a number of organisations from different industries and sectors in the early stages of the project in an attempt to secure evaluation participants and they each had particular interests in supporting employee financial wellbeing. In turn, there is a good degree of employee demand for employer support and involvement in individuals' financial wellbeing, as highlighted by the evaluation's employee surveys.

Whilst there is strong evidence for the business case for support, there is less evidence around the actions that organisations are currently taking in this area and in particular, whether these actions are effective in improving employee financial wellbeing. This evaluation contributes some evidence to this area, yet a broader audit of effective practice in organisations and available external support would highlight opportunities for employers and provide more guidance to those employers wanting to make investments or change in their employees' financial wellbeing. It could also prevent employers reinventing the wheel by creating their own employee financial education programmes rather than accessing existing resources.

The evaluation also highlighted that getting actions going on financial wellbeing and sustaining them within organisations is challenging. More progress may be made by supporting HR with further tools to help them build and regularly reinforce the business case for providing this type of support. Further evidence of other employers acting on employee financial wellbeing; evidence of employee demand

and need for the support; related organisational success stories; and addressing the 'myths' and misplaced concerns associated with implementing financial wellbeing strategies could help progress the concept within the workplace.

Activity between IES and the participant organisations is not planned to continue beyond the conclusion of the WWF programme. Both organisations, however, intend to continue to develop their financial wellbeing strategies and support internally and IES would be happy to offer further support and guidance.

The IES/CIPD guidance is publically available and therefore any organisation could conduct a similar project using the four stages of the guidance (building a business case; assessing employee need; taking action; evaluating and embedding action). IES and IFF Research offered independence to the employee surveys in the participating organisations which some employees may value particularly considering the potentially sensitive nature of the questioning. However, our private sector case study conducted the survey internally, without external support, and achieved an excellent response rate; which supports the wider application of the guidance.

The development of the IES/CIPD guidance in 2017 was supported by an additional output, also authored by IES, which collated the academic and policy work in the area of financial wellbeing and aimed to encourage stakeholders such as employers, government, and reward, benefits, and financial education providers, to consider what they can do to help improve financial wellbeing. This report was referenced in the CIPD's submission to the Department for Work and Pensions and HM Treasury on the creation of a single financial guidance body[14] and was also referenced in the CIPD response to the Financial Reporting Council proposed revisions to the UK Corporate Governance Code.

The report highlighted that a "tripartite approach is required in tackling the risks of financial wellbeing and filling the financial education gap. – employers cannot just leave it to government to solve or assume it is a personal responsibility of employees to address on their own" (CIPD, 2017: 24). This evaluation also supported the notion of a tripartite approach to improving the financial wellbeing of the working age population. It highlighted the appetites of employees for intervention and support; and of employers to deliver this support to employees. There is, however, also a role for government– firstly, in supporting employers to deliver effective financial wellbeing interventions. For example, by signposting employers to the different advice sources available; or raising awareness of the kinds of support that are regulated and unregulated; and by providing greater guidance in this area, especially for small and medium-sized organisations in which there may be even more concern about raising employee suspicions through employer interventions linked to financial wellbeing. Secondly, there is potentially a government role in encouraging individuals to take greater personal responsibility for their financial wellbeing. The CIPD report, for example, explores whether government could promote national financial wellbeing within broader public health strategies to promote a cultural shift towards improved financial wellbeing. This would certainly help to create a more positive context for general financial wellbeing support of the UK working population

[14] https://www.cipd.co.uk/Images/cipd-submission-on-a-single-financial-advice-body_tcm18-18487.pdf

7 Sharing and Learning Activity

As the IES/CIPD practical guidance is aimed at the HR community, IES will disseminate the report findings with assistance from the Chartered Institute of Personnel and Development (CIPD).

7.1 Dissemination by IES

IES has an HR Network which is the Institute's corporate membership programme for HR professionals in the public, private and third sectors. The network currently has in excess of 30 members[15]; the majority of whom are public sector organisations which we expect will be interested to read about the relevant experiences of the two public sector organisations that participated in this study. The aim of disseminating to this target group is to increase awareness of the guidance and this evaluation and increase the number of employers taking action in the area of financial wellbeing. We will also share the summary report with the Civil Service Employee Policy part of the Cabinet Office, to whom IES has links. This body has close links to all civil service departments and may be able to disseminate the report further to other potentially interested parties.

At least one blog, written by this report's authors, will also be hosted on the IES website and shared via IES social media accounts (Twitter and LinkedIn) and via email.. An IES News article[16] will also be written by this report's authors and the IES communications team, and will be hosted on the IES website. This news article will summarise the main findings of the report on the day of publication and will include a link to the full summary report and IES/CIPD guidance.

Each year, IES also publishes a series of essays offering its experts' perspectives on the challenges facing HR in the given year[17]. These articles cover a wide range of important HR and employer topics and are informed by IES research and employer consultancy work. As part of this series, IES will write an essay based on the learning from this evaluation, for dissemination in July 2018. This will include a press release sent to relevant HR and national press; social media posts from IES and associated accounts; emails sent to the IES mailing list and key partners/sector contacts; and inclusion in the final collection of essays published in late 2018/19.

IES will also share a summary of this evaluation report with the HR practitioners, policymakers and behavioural science experts who participated in workshops during the development of the guidance[18].

[15] https://www.employment-studies.co.uk/hr-network-membership/member-list
[16] https://www.employment-studies.co.uk/news-press?category=9
[17] https://www.employment-studies.co.uk/research-collections/ies-perspectives-hr-series

[18] Participants included: Bank Workers Charity, Barclays, Behavioural Insights Team, British Heart Foundation, Citizens Advice Bureau, Close Brothers, Coral, Diabetes UK, Home Office, KPMG, GSK, Guys and St Thomas Hospital NHS Foundation Trust,

These individuals belong to key interest groups and they will be encouraged to disseminate the tool and the evaluation report further within their own organisations to extend the reach of the guidance, alongside the report evidence that the guidance model is effective.

7.2 Dissemination by CIPD

The CIPD has offered to utilise its extensive network of dissemination channels to share the learning from this evaluation. The CIPD has a network of approximately 145,000 members globally.

CIPD may host a blog[19] on the CIPD website, written by the report authors and tweet a link via their main Twitter account, which has over 100,000 followers. The involvement of CIPD, as the professional body for HR and people development, is likely to promote the report to a wider audience, from whom we can expect engagement and further social media shares. There may also be a potential for conducting a podcast on the topic of financial wellbeing and sharing the findings from this evaluation within the podcast.

Maitland Consulting, Metropolitan group, Money Advice Service, McDonalds, Nudge Global, Pensions Policy Institute, Squirrel Financial Wellbeing, Toynbee Hall, Quiet Room, Warwick Business School, Wealth at Work

[19] http://www2.cipd.co.uk/community/blogs

8 Appendix for Evidence Summaries

8.1 Private sector case study

In order to mitigate the impact of the loss of the private sector organisation early in the evaluation, IES identified a financial services sector organisation that had used the IES/CIPD financial wellbeing practical guidance to conduct a survey of its own employee financial capability in June 2017, independent of the WWF project. A representative of the organisation was interviewed by IES in February 2018 and learning from this organisation has been captured for this report to add the experience and perspective of a private sector employer.

8.2 Introduction

The multi-site organisation which has around 3,000 staff used the IES/CIPD employee survey template to design a survey of financial capability amongst its employees. The organisation has always placed an emphasis on financial education for its customers and perceived there to be an overlap between the delivery of customer and employee education.

The employee survey received a response rate of 31 per cent after leaving the survey open for seven weeks during summer 2017. An offer of a £1 donation to charity for every employee that completed the survey was also made to encourage participation.

The respondent profile reflected well the gender, location and age profile of the whole organisation, however, analysis of responses by different demographics showed that age was the only relevant factor in identifying real differences in responses.

The experience of this private sector organisation in using the IES/CIPD practical guidance and engaging in supporting employee financial wellbeing has provided some insight on the main themes below:

8.3 Assessing employee need for support

Overall, the survey measured:

Employees' attitudes towards financial wellbeing; employees' knowledge and skills related to financial wellbeing; and their willingness to access information and guidance to help manage their money.

In summary, the survey found that:

- Some 28 per cent of employees said that money worries had affected their ability to do their job in some way. Broken down by age group, the largest proportions stating money worries had affected their ability to do their job were within the youngest cohorts; 32 per cent of those aged 30-39 years and 28 per cent of those aged 20-29 years.

- Some 72 per cent of respondents agreed that they were very organised when it comes to managing money day to day, but some 21 per cent said they were not very organised (however, this figure is much lower than comparable statistics in the MAS 2015 Financial Capability survey – 42 per cent) . Those aged 50 years and over agreed most that they are very organised managing money day to day.

- Some 77 per cent of respondents agreed that they felt in control of their finances, but 15 per cent did not feel in control. Broken down by age group, the lowest proportion feeling in control of their finances were aged 20-29 years (70 per cent).

- Some 82 per cent of respondents felt confident about making decisions about financial products and services, but 16 per cent did not. Of those least confident, the highest proportion were aged between 20 and 29 years. Overall, comparable figures from the MAS 2015 financial capability survey were much higher which can perhaps be attributed to the sector knowledge held by individuals within this financial services organisation; although the workforce profile is diverse.

- Respondents were asked what the main barriers were to them managing their money as well as they would like:

o 41 per cent stated the hassle involved such as in switching energy supplier or changing bank account was the main barrier. This was more of a barrier for those aged between 30 and 49 years than for other age groups;

o 31 per cent stated finding the time to manage their money was the main barrier;

o 26 per cent said they only earn enough money to get by each month; expressed most commonly by those aged 20-29;

o 23 per cent said they prefer to spend rather than save; again expressed most commonly by those aged 20-29.

-Respondents were also asked if they would like their organisation to provide access to financial information/guidance in the workplace and if so, what topics would be of most interest. The majority (66%) of respondents stated they would like their employer to provide this information (these were mostly aged 30-59 years) and the most popular topics were:

o Savings and investments (63 per cent)

o Pensions (48 per cent)

o Financial planning (40 per cent).

Other topics respondents said they would like to know more about included power of attorney, stocks and shares ISAs, student loans, inheritance tax planning, and the finances they should have in place for their children.

The majority of respondents stated they would like to receive this information/guidance through online tools and guides (73 per cent).

Overall, the employee survey highlighted the following key points for each age profile:

Table 1: Key findings by age profile

20-29 year olds	30-39 year olds	40-49 year olds	50-59 year olds
Most confident about their financial security over the coming year	Most likely to say money worries have affected their ability to do their jobs	Most likely to feel in control of their money;	Least likely to feel financially insecure;
Least confident about making financial decisions	Least likely to feel very organised when it comes to managing their money	Most likely to think their involvement in financial services provides an advantage when it comes to managing their own finances	Least likely to say money worries have affected their ability to do their jobs
Regard only earning enough money to get by each month as the main barrier to managing their money well	Least likely to save every month	Regard the main barrier to managing their money as well as they would like as the amount of hassle involved in changing providers/suppliers	Topics of most interest for more information/guidance were retirement, savings & investments and pensions.
Twice as likely as any other age group to want to know more about managing credit and debt.	Regard the main barrier to managing their money as well as they'd like as the amount of hassle involved in switching accounts/providers.		

8.4 Building the business case

The experience of this private sector organisation also provided some insight into what works in building an effective business case to gain support for providing financial wellbeing support to employees:

-Making the well- evidenced links between improved financial wellbeing and improvements in productivity, employee engagement, and improved corporate social responsibility reputation can help capture senior interest and buy-in. Interest in "being ahead of the curve on supporting and improving employee financial capabilities" can also help secure senior support.

-A champion is pivotal at the senior level and in HR/Reward to secure buy-in and support for actions on improving financial wellbeing.

- Providing a definition of financial capability/wellbeing to senior level and to employees is an important stage to ensure engagement.

-Similar to the experience of our public sector participants, conducting an employee survey on financial wellbeing raised concerns that the survey may imply that the organisation is promising action. However, the use of the IES/CIPD practical guidance was said to have "helped to legitimise and build the business case for conducting the employee survey".

8.5 Taking actions

This case study also provided some learning into 'what works' around taking actions on supporting employee financial wellbeing:

-In larger organisations, conducting an employee survey to assess employee need for support and to take any targeted actions often will require collaboration and the support of the internal communications team. The communications team can also help to simplify the messaging for employees around financial wellbeing eg. simply using the word "money" may be more effective and engaging for employees than discussing personal "finance".

-At the case study organisation, employee benefit entitlement changes with a promotion to another grade or upon reaching certain length of service milestones. Targeted messaging to these individuals to remind them of their changing entitlement is a useful tool to ensure employees make the most of what is offered to them.

-A measure of the most effective actions to support employee financial wellbeing should be how successful efforts are in involving employees who were not previously engaged in aspects of their financial wellbeing; for example, advancing understanding of pensions among those whom consider their knowledge to be lacking etc.

-This organisation's employee survey was conducted to measure employees' current level of financial capability rather than as a tool for tracking change by conducting the survey again at a later time. However, the organisation does maintain regular dialogue with employees by:

-signposting employees to relevant existing in-house and customer focused financial materials. For example, it encourages employees to access information produced for customers eg. personal finance guides; newsletters; and online information hubs;

-posting articles on the intranet on financial education themes (highlighted by the employee survey as of most interest) and using analytics packages to measure content engagement such as time spent reading the content; numbers finishing reading the article; etc, to gauge the level of employee interest in the topic;

-inviting employees to email questions related to personal financial themes that are then answered by in-house experts.

However, this organisation does note that the more information/education you host for employees in a central hub, the more has to be maintained and updated to reflect external change eg. in policy etc.

-The overlap between the delivery of customer and employee education achieved by this organisation highlights a core action for similar organisations. An audit of relevant activity across different parts of a business could highlight some easy wins for supporting employee financial wellbeing as support may already exist but needs to be repackaged and communicated under an “employee financial wellbeing” umbrella. In a nutshell, it could be argued, if an organisation is providing this support for its customers; why can this not be done for its staff?

9 References

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