



Mintago

7 Steps to Employee Financial Wellbeing

Support your employees on the journey towards
financial freedom

Who is this guide for?

A helpful guide for business leaders and HR professionals, to support their employees through the seven key steps towards achieving financial freedom.

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Introduction

Employee Financial Wellbeing

Employee financial wellbeing is imperative for a productive and healthy workplace. This guide will help you as an employer to support your employees through the seven key steps towards achieving financial freedom.

When it comes to employee wellbeing, many employers may choose to focus on mental and physical factors. However, financial wellbeing can have a huge impact on employees' mental health, causing stress and anxiety if neglected.

As well as providing staff benefits such as discounted gym memberships and workplace counselling support, you should consider providing employees with financial education and the tools to become more financially secure.

Providing and encouraging financial education amongst your employees will ensure that they feel more in control of any unexpected situation.

Research shows that before the pandemic, over 1.5 million people were experiencing both financial and mental health problems. This highlights how important it is to support employees on their path to financial wellbeing.



**of UK employees
worry about
their money**

Read on to discover the 7 key steps to employee financial wellbeing and some handy tips on how to support their journey.

Step 1

Help your employees budget, reduce expenses and set realistic goals

Encouraging employees to budget effectively is a great way to get them to take stock of their finances and move forward with everything in order. You can direct employees to online financial advice platforms and provide them with the contact information of organisations that may be able to provide guidance in times of uncertainty.

Budgeting apps can be recommended to employees to provide them with an easier way to manage and organise their budgeting. They will be asked to input data that is then shown in an appealing, simple and approachable way.

Employees should be encouraged to make use of comparison sites to see whether they can save on bills such as their phone tariff or car insurance. Even a small saving will make a difference over time.

As an employer, providing information to employees about debt management services will urge them to take control of debts instead of ignoring them.

Top tips

- Use SMART to help employees set goals successfully
- Encourage employees to make a list of expenses to see where they may be overspending
- Offer staff benefits that can financially benefit employees
- Suggest that employees review their subscriptions and unsubscribe from any that are no longer needed



of employees are living paycheck to paycheck

Many employees are barely able to make ends meet and struggle to make their finances stretch to the end of the month. 78% of employees are having to rely on payday loans, advances and credit cards to see them through.

If your employees start to repay their debts and work towards a more financially stable future they are likely to focus when in the workplace, maintaining productivity levels.

Within Mintago, employees will be able to save money in several ways. Mintago can connect employees with a free financial adviser partner that suits their needs and much more.



of UK adults have no savings at all

This is a staggering statistic. It shows how many people have nothing to fall back on in an emergency and can only afford the bare essentials from their salary. They are not able to save any money each month because they do not earn enough to do so.

Step 2

Help your employees maximise their free money at work

One way to minimise employee financial stress is to encourage them to apply for any state benefits that they are entitled to. Directing your employees to organisations that can assist them in finding out what they can claim is a helpful way of improving their overall financial wellbeing and addressing some money worries.

For example, some employees may be unaware that they are eligible to receive child tax credits. This regular payment could relieve some of the stress of providing for their young children, enabling them to invest more in other areas of their lives.

All employees must be enrolled in a workplace pension scheme. This can be financially beneficial to employees due to employers having to contribute as well.

The minimum contribution for employees is 5% of their annual gross salary, and employers must contribute 3% of this figure.

As an employer, you could consider whether you can afford to match employee pension contributions. This provides employees with an incentive to increase their pension contributions, therefore vastly increasing their overall pension pot and ultimately, their pension wellbeing.

Top tips

- Encourage employees to investigate whether they can claim any state benefits
- Educate employees on their workplace pension scheme and see whether they can afford to increase their contributions
- See whether you can match employee pension contributions to maximise employees' pension savings

Step 3

Help your employees pay off short term debt

When it comes to discussing debts and financial problems, your employees should be made to feel comfortable approaching you or your business's HR department.

Carrying the burden of debts alone may cause employees to become withdrawn and anxious at work, therefore decreasing workplace satisfaction and productivity.

Working with employees who struggle with debt to formulate a strategic plan to move forward will show them that they have your support. One option is to help employees to focus on large debts that have a high-interest rate. If the individual can stick to a payment plan for the foreseeable future, they may find that this is the best way to chip away at large debts.

Top tips

- Encourage employees to talk to you and HR about any debt concerns. The Mintago app allows users access to free financial advice from qualified advisers
- Evaluate whether employees should concentrate on larger or smaller debts
- Encourage employees to repay at least the minimum repayment on all debts

However, this may not be sustainable for some employees who may be overwhelmed by making large payments for a considerable period of time. In this case, encourage them to make smaller, more manageable payments towards debts that will make a difference over time, but will not leave them short of essential living funds.

Whatever route your employees choose to take, inspire them to make at least the minimum payment each month. Paying off even a small amount of the debt that they have is better than doing nothing.

Step 4

Help your employees build an emergency fund

A good rule of thumb would be to have 3-12 months of necessary living expenses saved in an emergency fund. The money saved can then be used if an unexpected expense occurs.

However, this can sound daunting to some employees who may not have the funds to achieve this. These employees should be told to save whatever they can comfortably.

Research from the London University UCL found that having £1,000 in the bank can make individuals financially happier. Employees who save towards an emergency fund are likely to feel more secure than those who are completely unprepared for the unexpected.

Encourage your employees to research apps that use AI to round up any money spent to the nearest pound.

Although this does not result in large amounts of money being saved, people rarely notice the small change leaving their bank account as it does not make a noticeable difference to their everyday wealth.

If possible, consider asking everybody within your organisation to contribute a small amount each month to a collective emergency fund. Those who need the help can then apply anonymously to use some of the money saved.

This could be a good way for everybody in the workplace to support each other in a manageable way.

Top tips

- Encourage employees to use apps that round up spending to the nearest pound and save the change

Step 5

Help your employees save for short term goals

Many of your employees may choose goals such as purchasing a home to pursue in the short term (5 years or less).

These employees could be encouraged to open a Lifetime ISA (LISA), a government product aimed at those aged between 18 and 39. £4,000 can be deposited into the account per tax year and the government will provide a 25% bonus on any contributions made. This is a great way for employees working towards this goal to make the most of their money.



Employees are 3.7x more likely to suffer from anxiety if they are financially unhealthy

This shows that poor financial wellbeing can have a real and serious effect on employees, leading to mental health difficulties. This can decrease their workplace productivity.

Another way to help employees to save for short term goals is to suggest that they prioritise them in order of importance.

Employees can then focus on working towards the goals that they most want to achieve in the short term.

Top tips

- Suggest opening a Lifetime ISA to employees between the ages of 18 and 39 who are hoping to buy their first home
- Urge employees to prioritise goals according to importance
- Encourage employees to automate payments towards small goals to save regular amounts of money



Step 6

Help your employees save for long term goals

When helping employees save towards long term goals such as their retirement fund, investing options such as Stocks and Shares ISAs may be considered. Those wishing to purchase a home in more than 5 years can apply for an S&S LISA account. Although investing their money is a good way for employees to maximise their savings, you should make it clear that the value of their investments could fluctuate.

Encouraging them to sacrifice some spending on things that are not essential may be a safer way to help them to save long term.

To save for their retirement, employees could be advised to make larger contributions to their workplace pension if they can. Some employees may not realise that they can financially afford to make them.

Top tips

- Suggest an S&S LISA account to employees who want to purchase a home in more than five years
- Encourage employees to contribute as much as possible to their pension fund



50%

of employees want their employer to provide financial guidance tools

Employees do not want their employers to stay silent when it comes to personal finance. This research shows that half of employees would value and appreciate more help and guidance.

Step 7

See your employees succeed on their path to financial wellbeing

After considering these 7 steps, you should have the tools to successfully help your employees to improve their overall financial wellbeing!

- Consistently support employees on their road to financial wellbeing
- Refer back to the information in this guide for advice on how to support employees on their journey



How Mintago can help

Navigating the financial wellbeing technology landscape may seem a little challenging, but Mintago offers a straightforward, user-friendly solution that makes it easy for you to provide high-quality guidance and assistance to your employees.



Mintago Tools

Our platform provides all the tools and resources your employees need to take control of their finances and cope more easily with the cost-of-living crisis, including access to:



Expert financial advisers



Online masterclasses and over 1,000 pieces of educational material



A Money Helper AI tool, to help them control their finances



A pension dashboard, that allows full pension management



A Pension Hunter tool, to locate lost pension pots



The Mintago Score tool, that provides a full financial health check

With Mintago, you can empower your employees to get to grips with their finances and gain greater financial security, giving you a happier, more productive workforce, ready to contribute to your business's success.



Next Steps...

If you would like to learn more about how Mintago can help you support your employees' financial wellbeing and combat the cost-of-living crisis, get in touch today.



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7 Steps to Employee Financial Wellbeing

Mintago helps employers support their employees on their journey towards better financial wellbeing.

Start supporting your employees' financial wellbeing with Mintago today.

www.mintago.com

