

# The personal financial wellbeing assessment

Identifying financial stress within your business



In your business, do you know where the highest level of financial stress lies? The financial wellbeing assessment can help you strategically pinpoint exactly that.

## Financial wellbeing

#### Your employees

It has been well documented that more people than ever are struggling with their finances and suffering with some form of financial worry or stress. Our research showed that 43% of participating employees, said they had nothing to fall back on at the end of the month, should a financial emergency occur.

#### We also uncovered:

49% of employers said they currently offer their employees financial health support however, only 15% of employees said the same.

40% of participants felt their employer should be offering them more financial health support.

26% of respondents aged 45-54 said they were in a financially stable situation and could afford a small unexpected cost.

2100 of employees admitted that personal income or financial worries caused them the most stress whilst at work.

Financially stressed employees are likely to have an impact on your business, through a reduction in productivity and increased employee absenteeism. Our research also showed that 63% of employers said they think their employees would like more financial health support. But, as an employer, how do you know what financial support your employees need and want.

Don't leave the financial wellbeing of your employees to guesswork. The personal financial wellbeing assessment can help you strategically pinpoint the areas with the highest levels of financial stress in your workplace?



#### About the assessment

The financial wellbeing assessment measures an individuals current perceived financial state by asking them to assess their feelings from negative to positive about their reactions to financial situations including their:

- control over daily and monthly finances;
- capacity to absorb a financial shock;
- · ability to meet financial goals; and
- financial freedom to make choices to enjoy life.

Employees are invited to complete an online assessment, with a set of 8 questions.

Questions include finding out about their current financial situation:

How frequently do you find yourself just getting by financially and living from payday to payday?										
	1 All the time	2	3	4 Sometimes	5	6	7 Rarely	8	9	10 Never
How stressed do you feel about your personal finances in general?										
	1 Overwhelming	2	3	4 High Stress	5	6	7 Low Stress	8	9	10 No Stress
They also include questions relating to their current financial wellbeing:										
How satisfied are you with your present financial situation?										
	1 Dissatified	2	3 Sor	4 newhat Dissatisfie	5 d	6 Sc	7 omewhat Satisfied	8	9	10 Satisfied

#### History of the assessment

The Personal Financial Wellbeing Assessment has been developed for over 20 years globally, with ovwer 1 million people having taken the test in 80 countries. The formula has been developed with non-profit organisation The Personal Finance Employee Education Foundation www.pfeef.com. It is widely known in industry as the gold standard of financial wellbeing measurement.

The assessment takes less than one minute.

## The reports

#### **Employee report**

Your employees will immediately receive an individual financial wellbeing report detailing their financial stress, between 1 and 10.

Following receipt of their score, your employees will receive the suggested steps they can take to make improvements to their financial wellbeing, such as how to get out of debt, improving their credit score and guidance where

applicable linking to your organisations financial wellbeing offering.

Your financial situation might mean that you are tempted to borrow in the event

This must be an absolute last resort as it can be the start of a downward spiral in to high interest debt. If you need money urgently it might be wise to talk to your employer about a loan or salary advance, high pright rather you did that than you get into priorial a loan of salary advance, but fook to reputable lenders such as high street banks, and make sure that you set up a repayment schedule to get back to where you started as soon as possible.

Over half of UK employees would not be able to access £1000 in the case of an Over half of UK employees would not be able to access £1000 in the case of an emergency, this means that they are one emergency way from a potential financial catastrophe. Even if it is difficult, it is a very good idea to build up an ential financial unexpected emergency court. Try to have at least 3 months basic expenses saved, an instantly accessible, months would be able to better. This will give you more financial rating on a possible downward spiral of debt.

The Money Advice Service offer support <u>fiere</u> if you need ideas on budgeting.

If you have multiple credit cards and loans and are only making minimum paymer are likely to find yourself with this debt for many years. This will have the effect of stalling wealth creation and it's not good for your overall wellbeing. ments, you

Consolidation of several loans into one payment per month with a planned final payment date can be an option for some people

It still may take a few years, but the sense of achievement is a great way to instil a new positive habit, and once the debt is cleared, the monthly payment could convert to savings into a bank account or ISA. You can access some useful information <u>here</u> if you are worried about debt:

It is important to reduce and eliminate high interest debt you may have. If this, a problem, it may be useful to speak to someone. By tackling the issue her may be able to get the help you need to put a plan in place to get out or You can obtain free debt advice and information here.

vour employer provides an Employee Assistance

#### **Employer report**

As an employer, you will receive a corporate score and report highlighting data from different demographic perspectives, enabling you to take a strategic approach and tackle the highest areas of financial stress in your workplace. Unlike other financial wellbeing initiatives, you will be able to make

a quick start as you'll know exactly where the stress lies.

Measurability is key part to the success of the Financial Wellbeing Assessment. You will be able to re-do the assessment after 6 months and measure the success of the assessment using your previous score against the new one.



## Getting set up

We want to make it as easy and possible for you. That's why, as well as the assessment, we will send you a full communications pack containing the following pre-written emails:

- an email to line managers from HR to equip them with the knowledge they need to support their employees;
- an email from HR to all employees to inform them about the assessment;
- an email from line managers to highlight the benefits of the assessment and encourage employees to take part; and
- a reminder email to gain maximum internal coverage.

To ensure you get the best possible completion rate, we'll guide you through each step and will be on hand support you, should you need it.







## INVESTORS IN PEOPLE® We invest in people Gold







### About us

Secondsight is the dedicated employee benefits division of Foster Denovo Limited.

We are a multi-award winning benefits, wellness and financial education specialist. We specifically work within the corporate and charity sectors.

#### You can feel confident working with us as:

- we've been formally recognised for our employee benefits and pension work, including; Most Outstanding Workplace Pension Adviser, Money Marketing's Best Corporate Adviser for two years running in 2018 and 2017, and Workplace Financial Education Firm of the Year;
- you can trust us for innovative solutions; and
- our Net Promoter Score (NPS) revealed that our clients rate us as +68 and 85% and say we are, 'easy to do business with'.

If you are considering setting up an online financial wellbeing assessment or want to learn more about any other Secondsight services, please contact us:

visit www.second-sight.com; email info@second-sight.com; or call 0330 332 7143\*.

All statistics were taken from research conducted by Secondsight. Download the whitepaper here.

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<sup>\*</sup> Calls are charged at your standard landline rate.