

Employees need help with their direction of financial travel

Olly Walker of Aon explains how companies can help staff with financial wellbeing

THERE WILL BE A TIME – soon, I hope – when we will be able to fly away on holiday. Savour the image of arriving at the airport, bags packed, passports at the ready, and online check-in completed. Now imagine that all of the departure boards have been removed in the airport entrance hall. Your airline app is not much better, and there is no-one to ask directly for help. You cannot find out which gate you need to leave from, whether there are any delays, what time you need to be ready to board, or any luggage limitations.

But, there is a wide array of cafes, duty-free stores and high street shops to choose from while you try to guess the details of your flight.

Aon's 2021 defined contribution (DC) pension and financial wellbeing employee research, *Keeping on Track in Challenging Times*, found that UK employees are in the financial wellbeing equivalent of that nightmarish departure lounge. They are surrounded by add-ons and products, but the core guidance they need to get to their financial destination is missing.

Covid-19 has deepened employees' need for financial wellbeing support. Nearly 40% of respondents in our survey said that they have been affected financially by the crisis, and to the extent where one in four believes that they will never be able to retire. In comparison, that figure was one in seven when we asked employees the same question in 2019.

But companies are still struggling with how best to help. When we asked employees if they have financial wellbeing support at work, the answer was a resounding 'no'. Only 15% of respondents said that their employer offers a good level of financial wellbeing, and around one in three said they have no support at all.

In contrast, our 2020 DC pension survey, *How do you Measure Up?*, found that over 80% of businesses said they provide employees with at least some support.

One reason for that disparity might be that the benefits on offer are not relevant to employees – or employees do not know they are available. For example, we found that around a third of respondents could not find £1,000 in an emergency and many would be able to find far less than that. But how many employers help employees to build a financial safety net?

Employees cannot always find the answers they need to their financial problems. They often do not know where to start and will not or cannot search out solutions for themselves. Simply providing more products and add-ons does not solve that problem – employees need help with getting to the right place at the right time.

Start with simple signposting: something as straightforward as an interactive PDF can help employees to a better understanding of their key challenges, to understand what is on offer to them, and then

to act by clicking on links to relevant tools or products.

Use nudges: App technology is another powerful way to help employees. Apps, such as Well One Money, allow employees to see all of their financial products and overall wealth in one place and to respond to personalised nudges that can further enhance their wellbeing.

For example, if someone shops at a particular supermarket, but is not taking advantage of the employer's discount voucher scheme, it can highlight in pounds how much they could be saving and provide a link to act immediately on the nudge to sign up.

That approach can be extended beyond financial wellbeing, to link health and wealth more closely, using apps such as Well One, and to provide real-time data for companies on the resilience of their employees. For example, helping individuals with their finances can help their mental wellbeing as well.

Meet different employees' needs: Some employers may appreciate 'off the shelf' solutions that bring all aspects of financial wellbeing together in a single product to simplify financial wellbeing for employees and to address a wider range of needs. For example, a pension solution such as Aon's DC Master Trust also has access to an ISA for day-to-day saving, financial education and the tools to bring an employee's finances together through our Well One Money app.

By offering financial

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wellbeing products that deliver what employees need, using effective signposting techniques and making the most of nudge technologies, employees can really start to get to grips with their financial direction of travel and understand where they are heading for the long term.

Download Aon's DC pension and financial wellbeing employee research 2021 at <https://aon.io/3anHSve>

Download Aon's defined contribution pension survey 2020 at <https://aon.io/3b6AaVI>



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