

JUST.

NEWS RELEASE

Thursday 16th February 2023



Workers look to employers to “take responsibility” for financial wellness gap

- 7 in 10 workers aged 45-65 say their employer offers no financial wellness initiatives
- But half of these employees (50%) say that businesses have a “responsibility” to help them understand their retirement options
- Just Group highlights the importance of financial wellness in the workplace and its positive impact on mental health

Research¹ carried out by retirement specialist **Just Group** highlights substantial demand from older employees for greater financial wellness support in the workplace.

It revealed a widespread lack of provision with seven in 10 workers (70%) aged 45-65 reporting that they had no access to any sort of employer-based financial wellness solution. Financial wellness support could take the form of workplace webinars, recommendations of a financial advice firm or direction to sources of information and guidance.

However, half (50%) of all employees of this age group believe that their employer has a responsibility to help them understand their options and plan how to use their pension savings ahead of retirement. This rises to 57% among people with a defined contribution pension who face complex decisions over how to use their savings when they reach retirement.

The ‘financial wellness gap’ in the workplace is in contrast to mental wellness initiatives which are far more commonplace. Only half (53%) of 45-65 year olds said they had no access to an employee assistance programme, mental health support or similar wellness initiatives.

This gap persists despite the proportion of those who used their employers’ financial wellness initiatives (59%), and said that they valued the support it offered, as being nearly identical to the number of those who valued the mental wellness support offered (60%).

Stephen Lowe, group communications director at retirement specialist Just Group, said: “There is a clear financial wellness gap opening up in the workplace – with a strong expectation from older employees for their employer to offer more support with their finances.

“More than 10 million employees paid into a workplace pension in 2021, saving well over £100 billion into pensions with employers contributing tens of billions of pounds towards this². Pension ‘freedom and choice’ has presented retirees with additional and complex decisions about how best to make their pension savings support them throughout retirement.

“Despite the substantial contributions businesses have invested in their workers’ later lives, very few employers are providing support to help colleagues make the most of these savings and achieve a secure retirement.”

“Many businesses are rightly keen to invest in the wider wellbeing of their workforce which is important. But they should not neglect to help employees, and older employees in particular, feel more confident and secure about their future finances. Doing so brings the added benefits of reducing stress, improving productivity and boosting happiness levels among colleagues – both in and out of the workplace.”

This positive impact that greater personal financial understanding brings to mental wellness was made evident in the research from Just Group.

Over three-quarters (76%) said that they feel less stressed when they are on top of their finances even when money is tight. A vast majority (84%) also said they would feel less stressed and more able to enjoy their homelife when in control of their financial situation.

On the flip side, more than two-thirds (67%) said that when they aren't on top of their finances, they are less able to make life plans such as when they might retire, moving house or making cash gifts to their family.

Mr Lowe added: “Financial and mental wellness are inextricably linked. When people are stressed about their financial situation, it has a negative effect on both the professional and personal lives of colleagues.

“This is why employers should take responsibility and start providing more financial wellness schemes – it makes sense to support colleagues to make the most of the billions of pounds that employers have invested in their employees' retirement.

“This doesn't mean giving pay-rises or vast bonuses but can be as simple as proactively helping people start to think about their future finances, the decisions and options that lie ahead of them and making plans to secure their future. The development of low-cost, digital advice and guidance solutions offer a convenient and straightforward way to meet colleagues' financial wellness needs.”

Enquiries

Media

Stephen Lowe, Group Communications Director

Lucy Grubb, Head of Media & PR

Telephone: +44 (0) 1737 827 301
press.office@wearejust.co.uk

Temple Bar Advisory

Alex Child-Villiers
William Barker
Sam Livingstone

Telephone: +44 (0) 20 7183 1190

Notes to Editors:

About the research

1 – **Just Group**, research conducted by Opinium on 1-7 September 2022 with 1,000 private sector workers aged 45-65

2 – **DWP**, Ten years of Automatic Enrolment achieves over £114bn pension savings:

<https://www.gov.uk/government/news/ten-years-of-automatic-enrolment-achieves-over-114bn-pension-savings#:~:text=More%20than%2010.7%20million%20employees,by%20about%2050%25%20since%202012.>

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage around £23 billion of customers' retirement savings and has helped customers release more than £6 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

Marketed Products

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.

Just Group plc is registered in England and Wales with company number 08568957. Its registered office is at Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP. Just is a trading name used by Just Group plc and its group companies. For information about Just Group plc and its group companies visit www.justgroupplc.co.uk or www.wearejust.co.uk. Please contact us if you would like this document in an alternative format.



www.justgroupplc.co.uk



@wearejust_pr