In addition to those individuals who agreed to be interviewed as case studies, we would also like to thank the following individuals for their support in this project: Stuart Bailey (Money Advice Service); John Collinson (ifs ProShare); Martin Osborne-Shaw (Money in Mind); Maureen Travers (Scottish Police Credit Union); and Jonathan Watts-Lay (WEALTH at work).
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Since the CIPD explored this topic back in 2006, the contexts have changed significantly. First, the economic outlook is no longer as benign as it was back then. Now employees are under financial stress as they struggle with rising costs and, at best, subdued wage growth.

Second, concerns about increasing longevity coupled with insufficient saving for retirement have resulted in employers being required to automatically enrol workers into a pension scheme to which the employer must contribute.

To help employees deal with these straitened times and with the novelty of joining for the first time a workplace pension scheme that requires decisions regarding investment choices, employers are examining the business case for financial education.

No longer are such schemes seen as something that is ‘nice to do’ to set an organisation apart in the labour marketplace, but something, if properly aligned to the needs of both the employer and its workers, that can help create and sustain organisational resilience and agility.

The other difference since 2006 is the shift from financial education to coaching. Rather than simply ensuring that employees understand what is being communicated to them, employers are starting to help them establish and clarify financial goals and objectives and then assist their employees to achieve them through a variety of workplace benefits.

While this guide reflects these contextual changes, its purpose and structure remains the same as it was in 2006 – namely to help employers build a business case for introducing a workplace financial education programme. It examines the existing research on this topic as well as a number of case studies as to why and how such schemes were introduced in the first place. The guide highlights the various drivers for the introduction of such a programme and the possible benefits. It also gives practical assistance to employers wanting to design and deliver a programme.

As ever, we would like to thank all those individuals and organisations who were kind enough to support the CIPD in the creation of this guide. We would also welcome comment and feedback from HR and reward professionals.

Charles Cotton
Adviser, Performance and Reward

Janice McNair
Researcher
In its 2005 guidance on principles and good practices for financial education, the Organisation for Economic Co-operation and Development (OECD) defines financial education as ‘the process by which financial consumers/investors improve their understanding of financial products, concepts and risks and, through information, instruction and/or objective advice, develop the skills and confidence to become more aware of financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being’.

This guide is intended to assist employers in establishing whether there is a business case for introducing financial education in their workplace and to provide them with ideas on developing a programme. It is aimed at HR and reward practitioners who are examining the case for financial education in the organisation. It may also be of interest to public policy-makers who wish to understand employer initiatives to raise financial awareness and even incorporate some of the ideas into public programmes. The guide offers guidance on the design and delivery of workplace financial education programmes and on the evaluation of their impact.

Since the CIPD produced its first guide to financial education in the workplace in December 2006 there has been a dramatic turnaround in the economic fortunes of the country, businesses and individuals. The ONS manufacturing index fell from 100 in 2006 (the baseline for the index) to 95.8 by the end of 2011. The interbank borrowing rate (LIBOR) dropped from 5.26% in 2006 to 1.10% by the end of March 2012. Individuals have seen a fall in their real incomes as increases in national average earnings have consistently failed to maintain pace with increases in retail prices. In the 12 months to January 2012 national average earnings rose by only 1.5% compared with an increase of 3.1% in the Retail Prices Index over the same period. The CIPD’s summer 2012 Employee Outlook survey, which questioned more than 2,000 people, found that 54% admitted that while they are keeping up with financial commitments, they find it a struggle some or all of the time. The same survey found that 42% of respondents reported that if they lose their jobs, they would only manage to get by without borrowing or releasing capital for less than three months.

A key challenge for financial awareness programmes is how to encourage people to manage their money better and save more to protect themselves against such an uncertain economic background. As a result employers are finding that the business case for raising financial awareness is stronger than ever before. There are a number of key drivers for workplace programmes.

**EMPLOYEE PERCEPTIONS**

Many employers report that although they offer a full range of benefits, the value of those benefits is not fully understood. In addition, benefit surveys provide evidence that employees are not using benefit schemes to their maximum advantage. Improving financial awareness empowers employees, enabling them to make more informed choices and to engage with their benefits, which in turn can lead to improved motivation and retention.

Employees are being offered more options under employers’ reward packages than ever before. These require sophisticated financial decisions to be made. If individuals do not understand the basics of financial management, it is difficult to see how they will cope, unless given the tools to help with the decision-making process.

**EMPLOYEE VALUE**

A growing body of research reveals that employees who understand their benefit packages are more likely to value them. This in turn can lead to improved employee engagement, not just with the reward...
package but with the employer for showing concern about their well-being.

In addition, if employees are engaged with their benefit programmes they are more likely to appreciate their true worth and, hence, understand why in the current economic climate they may have to pay more towards them.

RETIREMENT AND PENSION CHANGES
Since 2006, there have been significant changes in retirement policy and in the pension landscape. The NAPF's 2011 Annual Survey of Pension Schemes reported that only 19% of respondents still offer a defined benefit (DB) scheme to new entrants, a fall of 23 percentage points from the 2006 figure, and a massive 69 percentage point fall from the number of open DB schemes in 2001.

At the same time, the default retirement age of 65 has been removed. It will no longer be possible to use the normal pension age under a DB scheme as a trigger to encourage older workers to leave. Defined contribution (DC) schemes do not generally operate normal pension ages, so in theory employees choose their own retirement age. Increased choice around retirement dates coupled with doubts about the adequacy of retirement income may lead to staff trying to defer retirement. This may have a significant impact on organisations and their workforce, including productivity, appreciation of benefit packages and succession planning.

In addition, from 2012 all employers will have to start automatically enrolling eligible workers into workplace pension schemes, which could lead to a significant increase in membership. There is a general consensus among the organisations we interviewed for our case studies that automatic enrolment will greatly increase the need for financial education, particularly as there is a danger that employees will only pay the minimum level of contribution, which it is generally agreed will not provide an adequate retirement income for many individuals. With the provision of care for older people currently being examined by the Government, there is also concern that individuals are encouraged to build up sufficient funds to help meet care costs.

At the opposite end of the pension spectrum, new tax restrictions introduced by HM Revenue and Customs in 2011 may result in middle-income employees with long service under DB schemes breaching the revised allowances. The rules are complex and employers may have to find ways of assisting this group to manage the change.

MANAGING RISK
In the past, employers have put benefit programmes in place but have not usually been accountable for the outcomes of those programmes. While DB pension plans have been regulated for many years, DC schemes have been allowed to operate with little intervention. Since 2006 the Pensions Regulator has turned its focus to DC plans. It now expects employers to take more responsibility for their DC plans; in particular, it expects employers to offer education and assistance to employees in respect of contribution levels, fund choice and decumulation.

Employers are finding that financial education programmes around these topics are now essential rather than just ‘nice to have’, particularly in managing the risks that can arise under DC schemes. Many employers are also turning to financial education to ensure that staff are not being exposed to excess risk by ‘putting their eggs all into one basket’.

EMPLOYEE UNDERSTANDING
In the 2006 guide, the CIPD made out a strong business case for offering financial education to employees. With the economic downturn, the case for offering financial education at some level has strengthened rather than weakened. The CIPD’s fourth Employee Attitudes to Pay survey found that many
people are unhappy about pay and bonus decisions taken by their employers because the business reasons behind them have not been explained. The survey reveals that this leads to reduced engagement and with potential consequences for levels of employee motivation and retention.

**EMPLOYEE WELL-BEING**

The Sainsbury Centre for Mental Health estimated in 2008 that 40% of sickness absences arise from mental health problems, costing £8.4 billion a year. It also calculated that ‘presenteeism’, where employees turn up but are unable to function at full capacity because of ill health, cost businesses £15.1 billion in 2008.

If employees feel under stress because of their financial situation, they are not going to be as productive as they would be if they could get to grips with their finances. Research has found that improving financial awareness leads to greatly improved well-being. In addition, if employees’ financial capabilities are improved, they are generally better able to cope with downturns. Giving staff the tools to manage their finances may lead both to reduced absenteeism and greater productivity.

**WIDER SOCIAL BENEFITS**

The OECD, in introducing its financial education initiative in 2005, warned that low levels of financial literacy can result in the following problems:

- a massive rise in indebtedness
- low levels of saving for retirement
- mis-selling of complex products
- undercoverage of risks
- higher costs for disadvantaged groups
- a lack of trust in financial institutions.

These problems can have a major impact on society as a whole. For example, by the end of February 2012, the outstanding personal debt in the UK stood at £1.457 billion. In its annual review for 2011, CCCS, a large debt counselling charity, notes that debt is not just an issue for unemployed individuals, as only 30% of its clients were not in work. Financial literacy helps individuals manage their incomes, at whatever level, save more towards retirement and avoid fraudulent practices. All of these have a wider social impact.

The CIPD’s summer 2012 Employee Outlook survey found that only 23% of respondents agreed that they would have sufficient income in retirement to live comfortably. A further 28% thought that they would have enough money to get by but not to live comfortably. This mirrors the results of many other surveys. Problems are being stored up for the future because if individuals have insufficient income they are going to fall back on welfare benefits, eventually leading to increased taxation. At a time when the population is ageing, this places a heavy burden on younger generations.

**EXISTING INITIATIVES**

There are a number of existing initiatives that assist employers with workplace education. Unfortunately since 2006 several have been affected by government cutbacks and some are currently in the process of review to try to make them more cost-effective while maintaining a presence.

**Money Advice Service**

The Money Advice Service evolved from the Consumer Financial Education Body in April 2011, which in turn evolved from the Financial Service Authority’s (FSA) Make the Most of Your Money Campaign. Its mission is to offer free, unbiased money advice across the UK. Part of its role is to provide free resources on a wide range of financial topics. It is undergoing a review but remains committed to developing an online relationship with individuals in order to provide tailored financial information. Employers may also make use of its online resources.
**National Association of Pensions Funds**
The National Association of Pension Funds (NAPF) established PENSIONSFORCE, a service that sends volunteers into organisations to raise awareness among employees of the importance of planning and saving for retirement. It also offers resources such as pension videos that employers may use. With the introduction of automatic enrolment into pension schemes, the NAPF is reviewing its educational offerings.

**Government-sponsored initiatives**
The Department for Work and Pensions (DWP) and the Pensions Regulator have developed a suite of materials for employers so that they can help their employees understand pensions and the implications of automatic enrolment. The National Employment Savings Trust (NEST), which is the investment vehicle developed by the Government to support automatic enrolment, also offers guidance to employers to help them communicate the value of saving for retirement more effectively.

**Learn about money**
Learn about money was developed by the Life Academy with the assistance of a number of other companies and organisations. It was featured in some detail in the Barnado's case study in the CIPD's 2006 guide. It is an online financial learning tool supported by a workbook that individuals can go through at their own pace. There are 11 modules, starting at a basic level with understanding money and budgeting, then moving through to more complex modules covering investment, pension and taxation.

**ifs Proshare**
ifs Proshare is a not-for-profit organisation that acts as a liaison between employee share ownership professionals, service providers and companies involved in employee share plans and other share ownership schemes. It supports and promotes workplace share ownership by providing information on share plans, and by encouraging members to share best practice, including initiatives to improve the financial acumen of share scheme participants.

**Association of British Credit Unions Ltd (ABCUL)**
ABCUL supports credit unions, which are organisations run by members initially established to provide an easy and convenient way to save and borrow, particularly for individuals who had difficulty accessing mainstream banking. Members save money through payroll deduction to enable individuals to develop the saving habit. They also give access to affordable loans, other financial products and services, and sources of information about money matters. Following changes in the law effective in 2012, employers may now become members of existing credit unions.

In addition to these initiatives, a number of commercial organisations, including several leading insurers and benefit scheme administrators, have started low-cost financial education programmes that employers may utilise, particularly in the lead up to the introduction of automatic enrolment. Several of our case studies use a mixture of generic and bespoke programmes.

The next part of the guide contains extracts from recent research around the extent, need for and impact of financial education. In the third section, our case studies examine the financial awareness programmes offered by a number of employers of differing sizes and in various sectors covering a wide range of topics from pensions to general financial matters. The guide concludes with information to help organisations build the business case for introducing a financial education programme together with recommendations and ideas for developing initiatives. There is also a checklist of actions, a reading list and details of helpful organisations and websites.
EXTENT OF FINANCIAL EDUCATION

In research undertaken for its 2006 financial education guide, the CIPD found that out of a sample of 466 employers, just over one-fifth (23%) offered financial education and/or advice to their employees. In its 2012 annual Reward Management survey, the CIPD included questions about the extent of financial education now being provided by employers. In spite of the increasing complexity of benefit packages and the wholesale switch to defined contribution pension arrangements, the number of employers offering financial education has fallen in the intervening years. Out of its 455 respondents, only 16.9% offer financial education to their employees, although a further 3.8% say they intend to introduce a course in 2012. However, more than half (53.4%) offer access to debt advice, counselling or guidance. A survey of financial education initiatives undertaken in the US by the Society for Human Resource Management (SHRM) found a similar pattern, with the percentage of organisations in the US offering any kind of financial education falling from 64% in 2009 to 52% in 2011.

Table 1 shows the provision of financial education in 2012 found by the CIPD by sector and size.

A survey of HR Magazine readers undertaken in 2011 by Money in Mind, a company providing an extensive online financial education programme that also enables employees to gain a qualification in finance, found similar results to the CIPD’s survey regarding the extent of the provision of financial education by employers. Its findings are set out in Table 2.

Table 1: Provision of financial education, by sector, organisation size and ownership (% of respondents)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>No, but introducing in 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>16.9</td>
<td>79.4</td>
<td>3.8</td>
</tr>
<tr>
<td><strong>By sector</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing and production</td>
<td>17.0</td>
<td>76.6</td>
<td>6.4</td>
</tr>
<tr>
<td>Private sector services</td>
<td>13.6</td>
<td>83.4</td>
<td>3.0</td>
</tr>
<tr>
<td>Public services</td>
<td>22.2</td>
<td>75.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Voluntary, community and not-for-profit</td>
<td>12.5</td>
<td>82.1</td>
<td>5.4</td>
</tr>
<tr>
<td>Multiple sectors</td>
<td>33.3</td>
<td>66.7</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>By size</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SME (≥249)</td>
<td>12.4</td>
<td>87.1</td>
<td>0.5</td>
</tr>
<tr>
<td>Large (250–9,999)</td>
<td>19.7</td>
<td>73.4</td>
<td>6.9</td>
</tr>
<tr>
<td>Very large (10,000+)</td>
<td>25.0</td>
<td>70.8</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>By ownership</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mainly UK-owned organisation</td>
<td>13.4</td>
<td>83.6</td>
<td>3.0</td>
</tr>
<tr>
<td>Division of mainly UK-owned organisation</td>
<td>14.8</td>
<td>77.8</td>
<td>7.4</td>
</tr>
<tr>
<td>Division of internationally owned organisation</td>
<td>21.1</td>
<td>73.9</td>
<td>4.9</td>
</tr>
</tbody>
</table>

Source: CIPD 2012 Reward Management survey

Table 2: Extent of financial education offered by employers, represented by readers of HR Magazine (%)

<table>
<thead>
<tr>
<th>Programme in place</th>
<th>16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently planning to implement a financial education programme</td>
<td>19</td>
</tr>
<tr>
<td>No plans at present or for the future</td>
<td>57</td>
</tr>
<tr>
<td>Would not consider financial education programme</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Financial Education in the Workplace: Why it matters now and what you need to do as an employer, Money in Mind
The 2012 benefits survey undertaken by Employee Benefits in conjunction with Alexander Forbes found similar levels of provision, with 16% of its 403 respondents providing financial education.

In the USA, MetLife (a global insurance and employee benefits company) conducts an annual employee benefits trend survey. Its tenth annual survey, which was carried out towards the end of 2011, considers the effectiveness of financial education for the first time and also studies generational attitudes towards financial education. Table 3 reveals the extent of financial and pre-retirement education offered by US companies. As can be seen, the larger the employer, the more likely it is to provide courses.

**DELIVERY OF FINANCIAL EDUCATION**

In 2006 the CIPD found that the main method of delivery of financial awareness courses was by one-to-one sessions; by the time of the 2012 survey, respondents said that group seminars have become the most used method. Table 4 compares the main methods of delivery reported in the CIPD’s 2006 and 2012 surveys. Surprisingly, in view of the rapid growth of the Internet and Internet access in recent years, online delivery is still trailing behind more traditional methods of delivery.

Aviva’s *Working Lives* report into employer and employee attitudes to saving in the workplace, which examines the method of delivery of pension information, found that the level of communication and engagement about workplace savings seems low. Table 5 sets out its results on employees’ sources of pension information.

The same survey found that only 7% of 22–24-year-olds value a workplace pension. However, 24% of 18–24-year-olds said they would save more for retirement if shown how to manage their money better; 20% said they would do this if they understood more about the benefits of saving in the long term and a further 20% said they would do this if someone showed them how to save more. In spite of this, 38% of UK employers say they have no plans to adapt their existing retirement communication strategies to suit younger workers.

These findings are supported by Met Life’s results. It notes that even where financial education programmes are available, 68% of older employees and 62% of younger employees do not participate in them, even though 72% of employees expressed an interest in such programmes. MetLife believes that people are not

### Table 3: Extent of financial education programmes in the USA, by organisation size (%)

<table>
<thead>
<tr>
<th></th>
<th>All companies</th>
<th>Fewer than 50 employees</th>
<th>50–499 employees</th>
<th>500–4,999 employees</th>
<th>5,000–9,999 employees</th>
<th>10,000+ employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company offers financial education programmes</td>
<td>40</td>
<td>23</td>
<td>29</td>
<td>57</td>
<td>58</td>
<td>63</td>
</tr>
<tr>
<td>Company offers retirement education programmes</td>
<td>46</td>
<td>29</td>
<td>35</td>
<td>64</td>
<td>68</td>
<td>74</td>
</tr>
</tbody>
</table>

*Source: Tenth annual Employee Benefits Trend, MetLife*

### Table 4: Comparison of delivery of financial education between 2006 and 2012 (% of respondents offering financial education)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group seminars</td>
<td>43.0</td>
<td>64.3</td>
</tr>
<tr>
<td>Individual meetings</td>
<td>62.0</td>
<td>54.3</td>
</tr>
<tr>
<td>Print material</td>
<td>39.0</td>
<td>38.6</td>
</tr>
<tr>
<td>Online training/video</td>
<td>22.0</td>
<td>31.4</td>
</tr>
<tr>
<td>Other</td>
<td>18.0</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Sources: Workplace Financial Education: A win-win proposition (CIPD 2006) and CIPD 2012 Reward Management survey*
participating because of the methods of communication used and the content. It found that there are clear differences in the preferred delivery methods of different generations, which are shown in Table 6.

**THE NEED FOR FINANCIAL EDUCATION**

Money in Mind commissioned research from YouGov among 2,000 people in 2011 which found that 29% of respondents would feel more effective and engaged in their place of work if they received workplace financial education. They were also asked about the areas that they would like financial education to cover and their responses are shown in Table 7.

Standard Life's *Insights into Financial Responsibility* found that 75% of employees say they would value more support from their employer around financial planning. Almost two-thirds (64%) of employers agreed that an ‘employer who offered help with financial planning would be attractive’. Eighty-one per cent of employees believe that providing benefits increases the engagement of employees at work, but 63% of employers do not believe their employees understand the total financial value of their benefits, although 48% of employees claimed to understand their reward package. Only 25% of employees say that they make full use of their benefits.

Interestingly, the *Employee Benefits/Alexander Forbes benefits research 2012* reported that in the next 12 months, 66% of respondents say that they intend to increase staff benefit communication; 65% intend to increase staff appreciation of the benefits package; and 62% want to ‘increase staff perception’ of benefits. The report comments that these results reflect a consistent pattern since 2004. Yet only 6% of respondents introduced financial education in the previous 12 months. This suggests that too many organisations do not yet realise that communication is not the same as education.

There is also evidence that money worries are causing employees to take time off work. Insurers AXA undertook research on the topic. This found that 5% of individuals admit to having taken time off work in

---

**Table 5: How employees gather information about their company pension scheme (% of respondents)**

<table>
<thead>
<tr>
<th>Annual statements</th>
<th>Company intranet</th>
<th>From a financial adviser</th>
<th>Company newsletter</th>
<th>Colleagues</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>22</td>
<td>18</td>
<td>16</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: *Working Lives: A research report into employer and employee attitudes to saving in the workplace, Aviva*

**Table 6: Communication and delivery preferences for financial education by generation (% of respondents in each band)**

<table>
<thead>
<tr>
<th>Employee interest in employer providing</th>
<th>Gen Y (aged 21–30)</th>
<th>Gen X (aged 30–45)</th>
<th>Younger boomers (aged 45–55)</th>
<th>Older boomers (aged 55–65)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online tools</td>
<td>70</td>
<td>69</td>
<td>58</td>
<td>53</td>
</tr>
<tr>
<td>A financial adviser sponsored by my employer</td>
<td>65</td>
<td>62</td>
<td>48</td>
<td>47</td>
</tr>
<tr>
<td>Financial planning/retirement webinars via the Internet</td>
<td>59</td>
<td>55</td>
<td>47</td>
<td>42</td>
</tr>
<tr>
<td>Advice and guidance from an expert via telephone</td>
<td>52</td>
<td>41</td>
<td>28</td>
<td>38</td>
</tr>
</tbody>
</table>

Source: *Tenth annual Employee Benefits Trend, MetLife*

**Table 7: The topics on which employees would like to receive financial education**

<table>
<thead>
<tr>
<th>Pensions</th>
<th>ISAs</th>
<th>Share options</th>
<th>Mortgages</th>
<th>Debt management</th>
<th>Not sure</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>26</td>
<td>23</td>
<td>22</td>
<td>18</td>
<td>24</td>
</tr>
</tbody>
</table>

Source: *Financial Education in the Workplace: Why it matters now and what you need to do as an employer, Money in Mind*
the past 12 months as a result of money worries, and 70% say that they have spent time at work worrying about their finances. Overall, 35% of respondents believe that financial concerns are preventing them from performing their best at work.

The AXA findings are mirrored by MetLife’s results from the US, which are shown in Table 8.

The SHRM survey of financial education initiatives in the workplace found that 22% of respondents said that employees’ personal financial challenges have a large impact on their employees’ work performance and a further 61% thought that financial problems have some impact on performance.

**THE IMPACT OF FINANCIAL EDUCATION**

MetLife reports that there is a correlation between those employees who have attended financial education programmes and those who are confident about financial decision-making (see Table 9).

MetLife comments that ‘while employers may not be in a position to make greater monetary contributions to employee savings … there is an open opportunity to help build these savings by helping employees of all ages to become more knowledgeable and confident about managing and planning their finances’ (p56).

The Institute for Social and Economic Research at the University of Essex has published extensive research into the impact of financial capability on psychological well-being based on data taken from the British Household Panel Survey. This found that improving financial capability increases general health questionnaire (GHQ) scores for both men and women by a far higher percentage, regardless of income level, than giving them an extra £1,000 a month income. The improvement is particularly marked for low-income individuals; hence at the lowest income level (£500 a month), moving a man from low to average financial capability results in a 14.5% improvement in his GHQ score, whereas extra income only results in a 1.3% improvement in the GHQ score. For a woman at the lowest income level, the equivalent results are an 11% and a 1.5% improvement in her GHQ score. The researchers comment that if financial capability is improved in the UK it will have ‘beneficial spillovers on psychological health in addition to the expected benefits associated with reducing problem debt and welfare dependency and increasing savings and general skill’ (p24).

**Table 8: Effect of money concerns on productivity (% of respondents)**

<table>
<thead>
<tr>
<th>Employee report that they...</th>
<th>Gen Y (aged 21–30)</th>
<th>Gen X (aged 30–45)</th>
<th>Younger boomers (aged 45–55)</th>
<th>Older boomers (aged 55–65)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have taken unexpected time off in the past 12 months to deal with a financial issue</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Spend more time than they think they should at work on personal financial issues</td>
<td>27</td>
<td>17</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>Either of the above</td>
<td>36</td>
<td>25</td>
<td>17</td>
<td>8</td>
</tr>
</tbody>
</table>

Source: Tenth annual Employee Benefits Trend, MetLife

**Table 9: Correlation between employees who attend financial education programmes and those who are confident about finances. Employees who have financial education programme available in the workplace (% of respondents)**

<table>
<thead>
<tr>
<th>And who say they feel...</th>
<th>Attended</th>
<th>Did not attend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very in control of finances</td>
<td>58</td>
<td>33</td>
</tr>
<tr>
<td>Very confident about financial decision-making</td>
<td>58</td>
<td>43</td>
</tr>
</tbody>
</table>

Source: Tenth annual Employee Benefits Trend, MetLife
STRENGTHENING PENSIONS

Severn Trent Water was founded in 1974 as a regional, state-owned water authority. It was one of ten water (and sewage) authorities nationalised in 1989 and has since grown to be a FTSE 100 organisation with an annual turnover of around £1.7 billion. At the time of privatisation it operated a final salary pension scheme. Over time the company has acquired other companies, each operating their own pension arrangements, all with different conditions, contribution rates and benefit structures.

The DB scheme was closed to new entrants in 2006 and a trust-based DC scheme established. Like many companies, Severn Trent was seeking to manage and reduce the deficit under the DB scheme. It also wanted to streamline its pension arrangements by moving all employees into one scheme with common contribution rates and investment choices. At the beginning of 2011 it announced its intention to close the DB scheme to future accrual and to introduce a group personal pension (GPP) arrangement to which all existing pension plan members would be offered membership. BlackRock Pensions was chosen to provide the GPP.

Severn Trent will match members’ contributions to the GPP on a 2 to 1 basis. Maximum employer contributions will be 15% (that is, employees will pay up to 7.5%). During the consultation process trade unions and employee representatives said that although they accepted the necessity for the change, they felt that employees would need help with understanding their new choices. While BlackRock could do the pension induction presentations, Severn Trent wished to put pensions into the context of wider money management and financial planning. It also wanted employees to understand how pensions fitted in with other company benefits such as the share save scheme, share incentive plan and lifestyle plan, a flexible benefits arrangement that allows members to choose from a wide range of benefits such as childcare vouchers, dental insurance and gym membership.

3 CASE STUDIES

SEVERN TRENT: Pensions and life stage financial planning

- Severn Trent Water was established in 1989 following the privatisation of the water industry. Its main office is in Coventry but it has sites spread across the Midlands.
- The company employs about 6,500 people in a wide range of occupations, including manual workers, call centre staff and support functions.
- During consultation regarding the future of its DB scheme, which Severn Trent is closing to future accrual, the trade unions and employee representatives requested help in understanding the choices that they would need to make under the new group personal pension scheme. It was recognised that individuals would need greater financial literacy when planning for their future retirement.
- Life Academy was contracted to provide Managing Your Money seminars raising financial awareness and placing pensions in the context of money management and financial literacy, targeted at staff in three different stages of their working lives: early, mid- and late career.
- At the time of the interview the initial seminars were still ongoing and the company has already seen an increase in interest in its pension arrangements. The company also aims to include the seminars as a business-as-usual activity and will be looking to develop the courses further for inclusion within its learning and development options.
- John Crosse, Head of Investor Relations, was interviewed for this case study.
DEVELOPING THE PROGRAMME
The task of developing a suitable programme was given to the investor relations group headed by John Crosse. The HR and reward team were also heavily involved. Having looked at the financial education programmes on offer, John Crosse's team eventually chose Life Academy to deliver the programme. Life Academy is an educational charity, previously known as the Pre-retirement Association, that specialises in holistic pre-retirement and life course planning.

Severn Trent particularly liked the ideas that the educational charity brought to the table regarding targeting the presentations towards different age groups, recognising that individuals have different financial needs at different stages of their lives.

The other aspect of the Life Academy’s approach that appealed to Severn Trent was that its seminars are interactive. Originally the company had envisaged working with groups of around 30–50. The educational charity suggested that groups of 15–20 would be better as people are more comfortable asking questions in smaller groups and the seminar leaders would be able to give more time to individuals’ concerns.

GETTING THE LOGISTICS RIGHT
Although Severn Trent has a number of key centres of operation, many of its 6,500 members of staff are based in smaller locations with a wide geographical spread from Gloucestershire up to mid-Wales and across to South Yorkshire. Life Academy piloted the three-pronged approach with small groups in November. The content of the final programme was adjusted as a result of the feedback from these sessions and delivered to staff between January and May under the branding Managing Your Money. The programme was rolled out at key sites across the business to maximise its accessibility and to shorten the timescale across which it could be delivered so that the majority of seminars could be completed before the GPP information sessions, giving employees the opportunity to digest what they had learned and then apply this knowledge during the pension talks and when considering their options. The company took on board feedback given throughout the rollout and added extra dates at some sites in response to high demand.

A variety of media was used to advertise the courses, including the intranet and posters on noticeboards. Company-run pension clinics were also used to alert staff to the seminars. Individuals were invited to choose which of the three courses they wished to attend: early, mid- or late career. They could then book via a dedicated telephone line or email. Managers were encouraged to engage with staff to support their attendance and ensure they had time to attend the courses.

TARGETING THE MESSAGE
Each course delivered a slightly different message depending on the life stage of the participants. The early career seminar, which was mainly for those in the first 10–15 years of their working lives, focused on managing money, debt and illustrating the effect of compound interest. The key message was that the earlier people start saving, the less money they have to put away over time. The mid-career course focused on investing to meet changing financial needs, such as life-changing events – for example bringing up a family, moving house or even divorce – and the late career seminars, for those within ten years of retirement, concentrated more on pre-retirement planning.

All of the seminars explained different types of investment and considered the pension plan within the context of those investments and the other benefits offered by the company. Emphasis was placed on the tax efficiency of pensions and the benefits of employer matching contributions. All seminar attendees were given a copy of Life Academy’s Learn about Money guide, which covers all aspects of finance and which we highlighted in the Barnado’s case study in our 2006 guide.
EARLY RESULTS POSITIVE
As the GPP has only been running for a short period, it is too early to fully evaluate whether employees have acted upon the messages contained in the seminars. Early indications have been positive. There has been an increase in the number of employees joining the scheme who have never belonged to one of the company’s plans before. It also appears that members of the existing DC arrangements are moving across to the GPP in order to take advantage of its favourable terms.

Severn Trent asked a sample of attendees to complete an online evaluation of the seminars. Nearly 70% found the courses good or excellent and 80% said that their financial awareness had improved as a result of the course. The company is intending to conduct a more detailed evaluation later in 2012 but is satisfied with the initial results.

John Crosse says that the courses offer a cost-effective method of raising financial awareness, taking into account the benefits that employees say they have received from attending. He believes that linking the courses to the pension changes ensures a high level of interest. There may also be some potential for change once the courses have been fully evaluated. Going forward, Severn Trent is hoping to make financial education part of business as usual and will look to possibly use the induction process for new employees, particularly encouraging them to see how the pension scheme and other benefits are relevant to them, regardless of age.

KEY LEARNING POINTS
• If the financial education programme is linked to a specific event, people are more likely to attend.
• Targeting specific messages towards different groups makes the programme more relevant to a wider range of employees. However, the programme found those employees in the ‘early career’ stage were the most difficult to engage.
• The Life Academy’s method of working with small groups enabled staff to debate and explore issues in more depth than would have been possible in large presentations.
• It is important to consider the logistics of the programme; allow plenty of time for planning; develop the booking process carefully; and try to ensure fair access for all staff, including those in outlying locations.
Mark’s & Spencer: a collaborative approach to financial education

- Marks & Spencer is one of the UK’s leading retailers, with around 81,000 employees worldwide, 71,000 of whom are based across 730 stores and several head office locations in the UK.
- The company decided to introduce financial education after finding evidence that neither it nor its employees were obtaining best value from the company-provided programmes.
- Since 2008, working in partnership with its professional financial education advisers, Marks & Spencer has delivered a wide range of financial awareness seminars covering both general and specific issues, and has offered one-to-one sessions to all employees.
- More recently, the company has worked in collaboration with its Business Involvement Groups, an employee-elected body, to develop and promote its financial education programmes, which has led to a significant increase in employee engagement.
- Ann Govier, Head of Senior Remuneration and Employee Share Schemes, and Alan Daniels, Manager of Employee Share Schemes, were interviewed for this case study.

Reflecting Core Values

Established in 1885, Marks & Spencer has grown to be one of the UK’s leading retailers. It now employs around 71,000 people in this country, around 62,000 of whom are customer assistants spread across more than 730 stores throughout the UK. Around three-quarters of employees are female and 55% work part-time.

The company prides itself on its values of quality, value, service, innovation and trust. It recognises that its employees are key to delivering these core values to its customers so it applies them to its approach to recruiting, retaining and motivating its employees. To this end it offers a wide range of benefits, including a generous pension scheme, life assurance, save as you earn, M&S employee discount and a discount programme known as Xtras, which offers employees discounts on goods and services from other organisations.

In the past Marks & Spencer did not have a formal programme of financial education, although it did run ad hoc seminars on such matters as pre-retirement planning. About six years ago it became concerned that employees did not appear to be fully aware of the value of their benefit package. In addition, employees at all levels did not seem to be making informed decisions about their pension and share schemes. Having put in place such a broad reward programme, neither the company nor the employees were enjoying the full benefits.

Building the Programme Gradually

Marks & Spencer had several other strong business reasons for introducing financial education for its employees. It has a strong corporate social responsibility ethos and viewed improving the financial well-being of employees as integral to that. In addition, with the benefits that require employees to make very important and complex decisions, such as the defined contribution pension arrangement, financial education can be used to manage risk from the employees’ point of view. The company also thought that a more comprehensive financial education programme could be used to inform employees about specific legal changes, such as the pension tax changes introduced in 2011 and the introduction of pension automatic enrolment.
The financial education programme was introduced gradually in order to check suitability and measure employee response. In 2008, WEALTH at Work, a specialist financial education and employee wealth management provider, was commissioned to provide a programme for head office employees around the vesting of the share schemes. This was so well received that Marks & Spencer decided to offer financial education to all employees. The Money Advice Service (MAS) was engaged to work with the retail employees, originally offering seminars under the banner ‘Making the most of your money’. From those two starting points, the current financial awareness programme was developed.

The programme now consists of both general and targeted education. General seminars cover broad areas such as early and mid-career financial awareness, planning for retirement and the general financial management. Targeted education has covered issues such as tax and pension changes and save as you earn. Although the bespoke sessions are used to cover one particular aspect of the benefit package, they are also seen as an opportunity to improve financial knowledge generally. Thus the save as you earn launch was used to also flag up the impending introduction of pension automatic enrolment towards the end of 2012.

**IMPROVING EMPLOYEE ENGAGEMENT**

Having worked very closely with its expert advisers to develop a wide-ranging, rolling financial education programme, Marks & Spencer took the step of involving its Business Involvement Groups (known as BIG) in the process. The members of BIG are elected by their colleagues so it operates as an employee representative body. Because it is an elected body, employees have a lot of trust in BIG.

Ann Govier and Alan Daniels believe that the involvement of BIG in the programme has lifted it to a new level. BIG is involved in every stage of financial education, from providing input about employees’ current needs, the production of all material, and in promoting the seminars and one-to-one sessions. BIG representatives are asked to check the language and method of delivery of all financial awareness information to ensure that it is pitched at the right level. As a result of feedback from BIG that people were reluctant to read things that seem to contain too much jargon, all material is written in language that is familiar to employees. Hence in save as you earn, the share option price is described as the ‘discounted share price’. The use of branding is also key to encouraging participation in programmes, and so Percy Pig, a popular and well-known M&S sweet, will be used for the new ‘Your M&S Pension Savings Plan’.

BIG is also involved in encouraging customer assistants to attend one-to-one sessions with MAS advisers. These advisers will visit any of the company’s stores provided there are enough people requesting advice to fill the day’s appointments. The service is advertised regularly in the employee magazine and the BIG representatives are responsible for organising the meetings. The advice sessions are held in store and partners are encouraged to attend. The feedback for the service has been extremely positive, with the result that there is usually a waiting list for one-to-one sessions.

**FITTING THE MEDIUM TO MEET EMPLOYEE NEEDS**

Marks & Spencer believes that it is best to use a wide range of media to deliver financial education to meet the diverse needs of its employees. Only 5% of employees have access to a computer during working hours, so web-based material has to be accessible from home. It also has to be backed up by other types of material to ensure that the programme reaches as many individuals as possible.

In addition to seminars, there are several different web-based approaches. These include the M&S
Wellbeing website, a targeted television broadcast, called FinanceExplained.tv, and web productions covering specific topics such as changes to the company’s share plans. Although it will continue to provide one-to-one advice, MAS is pulling out of seminars, so employees will have direct access to its online financial healthcheck instead. The company also uses a variety of different written materials, including booklets, factsheets, emails, posters, newsletters and articles in the employee magazine.

In a relatively short period of time, Ann Govier and her small team have used a collaborative approach, working with advisers, internal communication, employees and BIG, to put together a wide-ranging financial education programme that seems to be meeting the needs of Marks & Spencer employees. It has achieved two main aims. It enables employees to make informed decisions about their finances and plan for their future, and it encourages them to make the most of the company benefits.

The programme was well received from its inception but since BIG became involved, the company has seen a visible improvement in employee engagement. In particular, participation in the Sharesave, the company’s save as you earn scheme, increased by 35% in two years. However, Ann and Alan recognise the importance of continuing to review and refresh the programme to meet employees’ changing needs.

**KEY LEARNING POINTS**

- Start the programme gradually with one aspect of the reward package to gauge response and inform the next stages, rather than trying to cover everything at once and becoming overwhelmed by the enormity of the task.
- Adapt and build up the financial programme, based on employees’ needs. If possible, develop the programme in collaboration with employees to ensure it is appropriately targeted.
- Keep the language straightforward and relevant to the audience and use a variety of mediums; ‘one size does not fit all’.
- Make good use of expert providers’ knowledge and capabilities.
- Keep the programme under review to ensure that it continues to meet the needs of employees, in respect of both the information provided and the methods of delivery.
SPECIALISED WORKFORCE

Bioquell plc has a workforce of around 425 employees worldwide, 350 of whom are based in the UK. It has two distinct operating divisions. The main activities of the Bioquell operating company are the design, manufacture and supply of bio-decontamination and containment equipment, together with related products and services to the healthcare, life science and defence industries. The TRaC division offers testing, regulatory and compliance services to a broad range of companies.

The majority of Bioquell’s operational employees are based in Andover and range from manufacturing apprentices up to senior executives. TRaC’s employees are mainly graduate engineers and are based in six centres throughout England. The company also employs service engineers who are out on the road most of the time. The company’s engineering staff are highly specialised and it has to recruit in a very competitive market.

HARMONISING PENSION ARRANGEMENTS

The company was operating three different GPPs as a result of acquiring different parts of the business over a period of time. In 2011 it decided to harmonise the pension arrangements by closing the existing schemes and introducing a new GPP that would cover both operating divisions. The main triggers for this decision were:

- a concern that staff were not joining the schemes
- a desire to improve the well-being of employees by improving the service offered by the pension arrangement
- a wish to use the pension arrangement to enhance recruitment and encourage retention
- the introduction of automatic enrolment.

Bioquell looked at a number of pension advisers that could assist it in its mission and selected benefit...
advisers Secondsight. It chose this firm because, in addition to being able to assist Bioquell with choosing a new pension provider, it provides financial education to all members of its clients’ schemes.

HARNESSING BEHAVIOURAL SCIENCE
Secondsight was an early exponent in the UK of using behavioural science to encourage employees to save more towards their retirement. The Government has subsequently taken on board these concepts in developing the new legal duty for employers to automatically enrol employees into a workplace pension arrangement. However, research into auto-enrolment regimes in other countries, particularly New Zealand, has found that the same inertia that prevents people opting out if they are auto-enrolled, also tends to lead to them continuing paying the minimum level of contribution even when they can afford more.

Hence Secondsight has taken the idea of automatic enrolment a step further. Its Secondchance® product enables employees, who do not feel able to pay the rate of contribution they need to attain their desired level of pension (assuming other assumptions are met) at present to commit to increasing them out of future pay rises. It uses a number of different strategies to encourage employees to maximise the value they draw from their employer’s pension arrangements.

The first stage of the process involves giving group presentations to employees, which are followed by individual meetings at which employees are encouraged to discuss their retirement goals. At these sessions they can also discuss pensions in the context of their other investments. The consultancy uses computer modelling products to help employees develop realistic saving strategies. If employees feel they cannot afford the required level of contribution immediately, they are asked if they wish to sign up to Secondchance® and commit to saving an agreed percentage of their future salary increases towards their pension.

INCREASING ENGAGEMENT WITH PENSIONS
Bioquell decided to offer employees a GPP with AEGON from April 2012. The scheme was designed to meet and exceed the requirements for automatic enrolment in order to make it attractive to employees. Once the introduction of the plan had been announced, employees were invited to pension presentations given by their consultants. Existing scheme members were also invited to make an appointment for an individual consultation. Up to three consultants were on site each day who could see six members each. All employees with appointments for that day, together with interested non-members, attended a seminar about pensions at the start of the day. The non-members were offered the opportunity at the end of the presentation to make an appointment with an adviser.

In the one-to-one meetings, members were asked where they would like to be financially in the future and how much income they think they will need for the kind of retirement they envisaged. A computer model was used to illustrate how retirement income goals might be achieved and, if appropriate, the concept of Secondchance® explained to them.

The presentations and consultations were spread over a six-week period to fit in with work schedules and also to provide as many people as possible with the opportunity to attend a meeting. The entire exercise ran very smoothly. Those employees who were off-site, such as service engineers, were able to watch the presentation online. If they wished to talk to an adviser, they were able to have a telephone consultation.

POSITIVE BEGINNINGS
Although the new pension arrangement has only been in operation for a short period of time, Georgina Pope believes that the early indications are that the intensive communication effort has been successful.
Pension scheme membership has increased from 49% to 71% of employees. In addition, 67% of members increased their contribution level after receiving advice, and the average employee contribution under the scheme rose from 3.9% to 5.3% of pensionable earnings. The majority of attendees found that the presentations were extremely useful and gave them a strong message about the importance of saving sufficient money if they wish to plan for a comfortable retirement. Younger employees in particular took on board the message that the earlier they start saving, the easier it is to build up a reasonable pension.

Going forward, every new employee at Bioquell is contacted by Secondsight and offered a meeting. They are not asked to make a decision about the pension scheme until that meeting has taken place. Since the new system started, only one new joiner has declined pension scheme membership.

It is intended that scheme members will be offered a chance to review their pension position annually. Those who sign up to Secondchance® will receive a reminder letter every time their contribution rate is due to increase, again giving them the chance to review their position.

Georgina Pope believes that time and effort spent explaining the scheme and talking to employees individually has had a positive outcome. Employees seem to have a much greater understanding and appreciation of their pension plan. Employees who have been through the process are asked to provide feedback. Of those replying (73% of attendees), 98% agreed that their pensions knowledge had increased as a result and 81% said that they placed greater value on their pension. In addition, the company is completely ready to fulfil its auto-enrolment duties well in advance of its January 2014 staging date.

KEY LEARNING POINTS
• Communicating with employees is key to the success of any benefit arrangement.
• Group pension presentations can be used to give a powerful message to staff.
• It is important that communications are pitched at the right level for different types of employee.
• Using professional presenters and advisers to discuss pensions increases employees’ confidence in the message.
FirstGroup plc was formed in the UK through consolidation of a number of small bus companies that had emerged from the deregulation of the bus industry in the 1980s. It now owns a substantial rail division and is the country's largest transportation operator. It also has extensive interests in North America.

Although the company's global corporate head office is based in Aberdeen, its operations are spread throughout the UK. It has around 38,000 UK employees, around two-thirds of whom are in its bus division. Around 90% of employees are involved in delivering front-line services.

The company has a long-standing commitment to promoting and improving financial awareness among its employees. Following a successful financial education exercise in 2006 that involved face-to-face seminars with all of the bus division staff, the reward and pensions team recognised that there was a need for a sustainable cost-effective financial education vehicle that could be tailored to meet the needs of employees throughout the organisation.

After the introduction of FirstGroup's My Rewards programme, which aims to be the most wide-ranging benefits package in the transportation sector, an online reward and benefits portal was developed that provides employees with personalised details of all aspects of their reward package, uses modelling to allow staff to investigate different scenarios and, through the use of links to the Money Advice Service, provides access to wide-ranging financial education tools.

The site has proved to be very popular with employees, with almost 60% of staff registering and logging on regularly. Early indications are that employees are taking on board the messages seen online and making more informed decisions.

Lisa Proctor, Group Reward Manager, was interviewed for this study, which focuses on the capabilities of the online portal.

A WIDE-RANGING REWARDS PROGRAMME

FirstGroup plc is the largest bus and train operator in the UK, with bus operations in most of the country's main urban areas, the Greyhound UK intercity coach service and a number of rail franchises. It also has substantial operations throughout North America which employ around 90,000 people.

In the UK the group employs about 25,000 in its bus division and 13,000 in the rail division. It aims to be the employer of choice in the transportation sector and through its My Rewards programme it provides the UK transport industry's most competitive and wide-ranging reward package. In addition to share schemes, the company has a career average revalued earnings scheme for longer-serving employees and a defined-contribution plan which will eventually be used as a vehicle for auto-enrolment. It also has affiliations with two successful credit unions that encourage employees to save and enables them to borrow at reasonable rates. Its newest benefit programme is First Xclusives, a discount and cashback programme that offers employees discount vouchers and reloadable cards that save them money on everyday purchases at a wide range of major UK companies. On top of this, FirstGroup offers heavily discounted rail and bus travel to all colleagues through its Colleagues, Family & Friends Travel Offers benefits. The aim of these programmes is to help employees make the most of their money every day, but even more so in the economic downturn.
BUILDING ON EXPERIENCE

The CIPD’s 2006 case study of FirstGroup focused on a comprehensive face-to-face education exercise that involved giving financial presentations at all the company’s bus garages throughout the country. While that was very successful, the resources involved were considerable and it was not sustainable in the long term. However, it provided the reward and pensions team with some important insights into how employees prefer to receive information. It found that employees particularly appreciated having access to modellers which allowed them to see what the benefits package meant for them, and to try different scenarios.

FirstGroup’s My Rewards portal was launched in 2010. The company had a number of objectives for the online communication of the programme, namely:

- individuals had to be able to access the system from their homes because of the nature of their work
- it had to provide employees with regular and timely information about their benefits that would aid their understanding of and engagement with the reward package
- it should enable people to seek further financial information and allow them to apply for benefits online or by telephone.

The My Rewards site is an extranet portal that meets these aims. It was introduced in stages to test usability. The first benefits to be placed online were the share schemes, where paper applications were replaced with online or IVR lines. This was quickly followed by the First Colleague, Family & Friends Travel Offers, where employees could order tickets online and print at home. These drove a lot of traffic to the site. Employee feedback was positive despite the low-key introduction, and analysis of actions taken by staff showed that they were engaging with the benefit messages. Therefore, the site was gradually expanded to encompass the entire pay and reward package.

USING THE SITE

The site can only be accessed through a secure log-in process. Once employees have signed on they can browse the system to explore all aspects of their pay and benefits. The system recognises the user and their profile, including the age range into which employees fall, and ensures that they receive tailored messages about their benefits that are appropriate to their age group. This has been particularly successful in improving the engagement of younger employees and increasing their take-up of benefits.

Employees can not only ascertain at a glance which benefit schemes they belong to; they will also receive reminders about benefits for which they are eligible but have not taken up. The system provides employees with full details of their benefits, including the amounts they have saved and their options in respect of that benefit. Decision-making is aided by the availability of modellers and, if appropriate, financial alerts.

All the benefit programmes are supported by helplines. If the reward team become aware from the helpline queries that there is a trend for certain issues to arise, the online system can be tailored to deal with these issues.

FirstGroup has a continuing commitment to raising financial awareness among employees and providing financial education. Therefore it partnered with the Money Advice Service (MAS) to widen this aspect of the input. Using the online system, employees can link in with MAS. They can watch a MAS video and undertake the MAS money health check. So far more than 1,000 employees have completed the health check.

POSITIVE FEEDBACK

FirstGroup is extremely pleased with the impact of the My Rewards portal. More than half of its workforce uses it regularly. The system tracks usage and decisions being made by employees and it is clear from those
decisions that individuals are taking on board the messages they are receiving. In particular there has been increased take-up of the share incentive plan, with more than 20% of eligible staff participating, which is high for the transportation sector.

The company found that around half of those logging on were doing so via smartphones and tablets, so now all hard-copy reward literature carries a quick response code so that employees can access the site directly from their portable devices. To keep pace with technology, the reward team is also considering developing an app.

When the system was first introduced there were concerns that needs of staff members without online access would not be met, but in practice this has not proved to be a problem. The company provides learning centres for its UK-based bus staff which offer IT training and computers for employees’ use. Although the company still has to use paper communication, the website presence has enabled FirstGroup to reduce the size of its communications by directing individuals to the website or helplines for more information.

Overall, Lisa Proctor believes that the usage of the site, positive employee feedback and the improved take-up of benefits illustrate the success of the My Rewards portal. It has also had a positive effect on employee engagement. However, the company is constantly looking for ways to improve the system and is very keen to widen the financial education content, particularly by using targeted messages to raise financial awareness.

**KEY LEARNING POINTS**

- Personalising and targeting the messages on the website towards different age groups has improved employee engagement and increased take-up of benefits, particularly by younger employees.
- An interactive system allows individuals to try different scenarios and give them greater control over the decision-making process.
- Inclusivity is important, so the needs of employees who are unwilling or unable to use online services still need to be met.
The higher education sector has been through a number of substantial reforms in recent years. UCEA was created in 1994 following the unification of the funding regime for pre- and post-92 universities. Today UCEA has 163 members.

In 2001, new negotiating arrangements were introduced – the Joint Negotiating Committee for Higher Education Staff (JNCHES) – with the aim of simplifying the bargaining machinery and harmonising terms and conditions for the various bargaining groups. In 2004, a new pay framework was agreed by JNCHES which merged the ten previous pay scales onto a single pay spine, paving the way for institutions to introduce new job-evaluated grading structures at local level and allowing them much more local flexibility in determining terms and conditions. In 2008, following a review of the negotiating machinery, the New Joint Negotiating Committee for Higher Education (New JNCHES) was established, which brings together at one table UCEA representing the employers’ side and the five higher education trade unions.

New JNCHES produced its guide to finance and accounting in higher education with support from the British Universities Finance Directors Group (BUFDG). Both UCEA and the trade unions had agreed that there was a real need for staff and trade union officers to have a greater comprehension of the financing of higher education institutions so that they were better able to understand and engage with the issues in their institutions.

The guide was made available on open access websites to unions, staff and employers. UCEA and BUFDG believe that it has raised awareness of sustainability issues in the sector and also improved the transparency of financial reporting, although as yet there has been no formal evaluation of its impact.

Professor Geoff White, Senior Research Adviser at UCEA, was interviewed for this case study.
The organisation representing university finance directors, the British University Finance Directors Group (BUFDG), agreed that there was a need for trade union representatives and staff to better understand financial strategy and how universities are funded to help employee relations and pay negotiations to be conducted in a more informed context. It considered that, based on the questions that bursars and finance officers were constantly being asked, there were a lot of misconceptions concerning the issues of university funding and budgeting.

The New JNCHES Sustainability Issues Working Group therefore decided to commission a joint guide to understanding finance and accounting in the higher education sector. Having ensured that all of the parties involved – that is, UCEA, the unions and BUFDG – were on board with the project, Michael Pearson, a former bursar and finance officer at Loughborough University, was asked to write the guide. A small group of representatives from the working group read and commented on drafts of the guide as it was being produced.

Once the guide was completed, it was disseminated through the New JNCHES, BUFDG and union websites. An event was also organised for union officers.

IMPROVING STAFF ENGAGEMENT WITH FINANCE

The guide was designed as a tool for educating trade union representatives and staff in higher education in general terms about how the sector receives and spends its money (around 58% goes on staff costs). It was also viewed as an encouragement for the trade unions in particular to engage in meaningful discussions on the financial management of educational institutions and understand the issues that arise.

Written in very clear, simple terms, the guide describes the technical accounts of institutions and the techniques that institutions use to manage their finances. It explains the main concepts and jargon that people are likely to come across in accounts and financial statements. It suggests key points to look out for and ways to judge the ‘financial health’ of the institution. In particular it aims to help unions and other staff representatives understand if there is a problem brewing on the horizon and engage in discussion about what can be done about it. This is done by highlighting clues to potential problems, for example if the institution has a growing short-term overdraft.

The guide also explains the need for effective governance and good consultation. Sample accounts and other financial statements are included to illustrate the points made in the text. Finally, the guide lists the pertinent questions that could be key to staff obtaining useful information about the financial state and sustainability of their institutions.

IMPROVING TRANSPARENCY

The guide was published at the beginning of 2011. As yet neither BUFDG nor New JNCHES have undertaken a formal evaluation of its effects, although they may do so in the future. However, the guide was well received by all parties involved in New JNCHES. Anecdotal evidence from finance officers in higher education concerning the questions that they are now being asked suggests that the guide has already started having an impact on the understanding of staff and unions of the economic and business contexts faced by institutions.

Professor White comments that in particular there is a perception that although university financial statements have always been public documents, the guide may have contributed to an improved transparency for ordinary staff on how their institutions are funded and what their costs are.

In 2012, the latest reforms in the English university sector take effect, whereby over a three-year period
the majority of government direct funding for undergraduate tuition will be withdrawn from HE institutions (funding arrangements are different in the devolved administrations), apart from strategically important or vulnerable subjects. The gap in funding will be filled by institutions being allowed to increase their tuition fees from the current £3,000 to a maximum of £9,000. Students will be able to take loans from the Student Finance Company to cover these fees, but these loans will not have to be paid back until they are earning at least £21,000 after graduation. There are also new controls on student numbers with a new system of core and margin, whereby a proportion of student places are opened up to competition. The guide may become even more useful as the income streams of HE institutions become more variable and divergent and staff communications on funding issues become paramount for institutions in managing change.

**KEY LEARNING POINTS**

- Ensure that all stakeholders are supporting the project in advance and understand its value.
- Use clear jargon-free language that can be understood by the non-expert.
- Test users’ understanding before going live with any financial education project.
- Where the intention is to raise financial awareness of the business side of organisations, it is important to harness financial directors’ expertise.

1 *An insiders’ guide to finance and accounting in higher education*, available to download free of charge from [www.uea.ac.uk/en/New_JNCHES](http://www.uea.ac.uk/en/New_JNCHES) via the Sustainability Working Group link.
A COMPREHENSIVE PACKAGE OF BENEFITS

GSK was formed in December 2000 following a series of mergers and takeovers of a number of long-established pharmaceutical companies. It is now one of the world’s leading pharmaceutical and healthcare companies, with 97,000 employees worldwide. It has offices in 100 companies and research centres in the UK, USA, Belgium, Spain and China. In the UK, the company employs 13,000 people, of whom 3,000 are based at its Brentford headquarters on the outskirts of London. The remainder are employed at 13 further sites throughout the UK. GSK employees work in a wide range of occupations, including research and development, manufacturing and sales.

The company provides an extensive package of benefits to its employees, including defined benefit and defined contribution pension plans, a self-invested pension plan and a variety of share option, share incentive and sharesave schemes. It also has a healthcare plan, insured benefits, salary sacrifice, total reward discounts and flexible retirement. All of the legacy companies prior to GSK had offered some form of financial education and GSK has built on this foundation and improved the programme further.

REINVIGORATING THE PROGRAMME

Although GSK had been running financial education programmes for many years, by 2010 Harsha Modha and Tony Ark felt that the courses needed refreshing. In particular there was concern that people were reluctant to attend some of the courses, such as that offered to pre-retirees, because they were too long and the take-up rate needed to be improved. GSK also wanted the whole financial education initiative to be more cost-effective, focused and at the same time reaching out to more employees. There was also a high take-up rate of company benefits and they wanted to strive to improve that rate, by ensuring that employees understood and valued their benefits. The final objective was to provide employees with a basic level of financial knowledge, both within and outside of GSK, to enable them to make informed decisions.
Working closely with financial education specialist WEALTH at work, Harsha and Tony developed a series of comprehensive seminars covering three different stages of working life that they started rolling out in January 2011. The seminar for the early-career employees is intended to ensure that younger workers/new joiners fully understand the total reward package as soon as possible after joining to enable them to obtain full value from it and to make informed decisions when selecting their benefit options. The seminar for mid-career employees reminds them of the value of their total reward package and helps them understand how company benefits should be considered in the context of their personal finances. The pre-retirement course highlights the main issues to consider in retirement planning, including flexible retirement. In addition, the company offers individuals facing redundancy an extensive package of assistance, including free financial advice.

The early and mid-career seminars were originally two hours long, but were subsequently extended to two and a half hours in response to employee feedback. Pre-retirement issues are currently covered in a three-hour seminar.

REACHING OUT TO INDIVIDUALS

GSK’s current financial education programme consists of a rolling series of seminars held on all sites several times a year. In 2011, 65 seminars were delivered which were attended by more than 1,000 employees. The seminars are delivered by consultants from WEALTH at work and cover a wide range of topics depending on the life stage. These include mortgages, money management, basic investment principles, tax matters and savings. The company’s total reward package is explained within the context of personal finance.

All employees are also offered a free 30-minute one-to-one consultation with an IFA. GSK uses three firms whose advisers have extensive knowledge of its benefit programmes so, again, are able to discuss them within the context of the individual’s personal financial situation. If employees wish for more detailed advice they are then able to engage the adviser on a fee-paying basis. All employees also have the option to consider wealth management advice on request through a personal consultation with a WEALTH at work adviser.

The face-to-face programme is supported by an extensive intranet site which contains details of all of the company’s benefit plans. Employees receive an annual total reward statement as well as a more updated summary statement displayed monthly online. The majority of benefit communications within GSK are online and paper communication is limited, as all GSK employees have an email account set up for them.

CONSTANT IMPROVEMENTS

The financial education seminars are open to all employees; the only restriction is employees cannot attend a seminar more than once every two years to ensure that the programme reaches as many people as possible. The programme has been extremely successful and seminars are always oversubscribed in the key sites. Employee feedback scores taken at the end of each session consistently average more than four points out of five, where five points is the maximum score.

The feedback from each seminar is also analysed by Tony Ark to ensure that it met employee needs and the company’s objectives. Comments are acted upon where appropriate and GSK looks for trends in comments so that adjustments can be made to the content if necessary. GSK has also recently introduced its own feedback form (in addition to the WEALTH at work feedback form) within the programme – to ascertain what actions the employees will take as a result of attending the seminar and to check their understanding of the benefit and reward package that is being offered to them by GSK.
As well as ensuring that the content remains relevant and up to date, GSK has worked on improvements to the booking system for seminar registrations by allowing for as many people to attend as possible through an online registration system that offers spare places that crop up at short notice to employees on the waiting list. GSK is also considering looking at ways to reach out to individuals who have not yet shown any interest in attending, or who have not taken up available benefits. Different channels of communication are being explored to focus on specific employees who are unable to attend seminars, such as sales staff, because they are constantly on the road.

The result of such an extensive financial education programme is that GSK has a very high take-up of its benefits, with 99.9% of eligible employees joining its pension schemes, 67% participating in the SAYE share plan and 82% in the share reward plan (SIP). There is also a high percentage of employees contributing the maximum amounts towards their benefits. However, Tony Ark believes that there is always room for improvement so remains dedicated to evaluating, reviewing and developing the programme further.

**KEY LEARNING POINTS**

- If time allows, use focus groups to determine employee needs and run pilot tests of the financial education programme at key sites to check its suitability and to get the content right for the target audience.
- Benchmark your programme by investigating what other companies are doing and seek out examples of best practice.
- If the budget permits, face-to-face communication is the most effective method of delivering a programme as employees appreciate the opportunity to ask questions; and at the same time their understanding can be gauged.
- Keep exploring different ways of delivering financial education and take advantage of advancing technology to ensure all employees have equal access to the programme.
COMPULSORY BENEFITS

Carrefour is the world’s second largest retailing organisation with around 10,000 stores worldwide. The company’s head office is located in the outskirts of Paris.

About half of its stores are based in France, employing approximately 130,000 staff. Of these, about 90% are employed in the stores. More than 50% of staff are female but also work full-time.

In response to requests from its French staff in an employee attitude survey, the company decided to raise awareness of its statutory medical, disability and life insurance programmes, together with its profit-sharing and savings plans in that country.

Leaflets and in-store presentations setting out the basic elements of each plan were used to raise awareness of these benefits.

As a result of the success of this programme, Carrefour is intending to increase its commitment to financial education and broaden out the programme to cover the entire reward package and eventually roll out the programme worldwide.

Bertrand Leroux, Executive Director, Benefits and International Mobility, was interviewed for this case study.

MEETING EMPLOYEES’ NEEDS

The compulsory nature of employee benefits in France may mean that there is less pressure on employers to communicate and educate staff about them. However, when Carrefour undertook its most recent employee attitude survey (which it does every two years using a representative sample of staff), employees reported that they did not feel that they knew very much about their medical, death benefits and profit-sharing plans. Staff consider that these benefits are important to them and that they would like to learn and understand more about them.
As a result, the company decided to undertake a programme raising awareness of the medical, death and profit-sharing plans throughout all of its stores in France. External advisers were used to design the brochures and leaflets given to staff about the benefits. Great care was taken to use clear, basic language. Detail was also kept to a minimum. Store managers and local HR managers were used to deliver the benefit awareness programmes.

Presentations were set up in a large number of Carrefour stores throughout France, chosen to obtain the best geographical spread. Employees were informed about the talks through the company’s internal communication system. Reminders were sent out through the same system and posters were placed on company noticeboards. A significant number of employees showed interest and attended the seminars and reacted positively to the initiative.

**AN ENCOURAGING START**

The purpose of the leaflets and presentations was to ensure that employees had the basic information needed to understand their statutory benefits. During the presentations employees were given sufficient time to raise any questions and concerns that they had about their benefit programmes. The level of interest reported by local HR showed that staff appreciated this opportunity to find out more about their benefits and asked a great number of questions.

Bertrand Leroux believes, on the basis of informal feedback from the stores, that this initial foray into raising awareness of benefit programmes has been very successful. In particular, employees welcomed the chance to ask detailed questions about their benefits and seem as a result to have gained a greater appreciation of their statutory benefits.

Having experienced such a positive start, Carrefour would now like to gradually roll out a programme worldwide that will assist employees to understand and obtain greater value from their reward package.

**KEY LEARNING POINTS**

- Start with simple points to ensure that employees know the basics of their benefit programmes.
- Use everyday language that people can understand, ensuring that technical terms are avoided.
- Give staff plenty of opportunities to ask questions.
Intel Ireland is the US Intel Corporation’s European centre for researching, developing and manufacturing semi-conductors.

The company employs around 3,000 people in Ireland, of whom around 90% are based at Lexlip, 25 kilometres outside of Dublin, and the remainder are in Shannon. The majority of staff are professional and full-time.

It decided to increase and develop its reward communication programme after discovering that employees were not viewing their pay and benefits as a complete package, and hence were not appreciating the true value of their package.

Using an annual ‘personal portrait’ as its foundation, Intel has developed a financial awareness programme to help employees appreciate the full worth of their total reward package and also to improve their understanding of their benefits and the choices open to them.

A factor in the success of the programme is that line managers have been trained to provide employees with information about their benefits and compensation so that employees can discuss their reward packages with their managers rather than having to approach HR.

Gary Boyle, Intel’s European Compensation and Benefits Director, was interviewed for this case study.

A TRANSPARENT REWARD POLICY

Since 1989, Intel Ireland has been the US Intel Corporation’s main centre of manufacturing in Europe. The company employs more than 3,000 people in Ireland. Of these, around 90% are based at Lexlip, 25 kilometres from Dublin. In addition to manufacturing semi-conductors, the Lexlip campus is a key centre for innovation, research and development of a wide variety of technological projects. The company also employs more than 200 people at Intel Communications Europe, located in Shannon, which is the Irish product development arm of its communication project group. The majority of its staff are professional, about 70% are male, and 90% work full-time.

The company provides employees with a wide range of benefits, including a DB pension plan, a DC plan for additional voluntary contributions and transferred-in benefits, share purchase plans and approved profit-sharing plans, medical and ill-health plans.

There is a very clear philosophy behind Intel’s remuneration and benefit package, particularly regarding its positioning in the market. It has a firm belief that it is important to be completely transparent about its reward policies so that employees fully understand and appreciate the benefits being provided and the full worth of their total package. However, the HR department discovered, when undertaking exit interviews, that staff were not viewing their pay and benefits as a whole. They understood that they were paid at the market median level but did not appreciate that once the value of their benefits was taken into account, the value of their total package took their reward from Intel above median level in the market. The company’s ongoing financial awareness programme seeks to rectify that situation.

PERSONAL PORTRAITS KEYSSTONE OF PROGRAMME

The key method of communicating the totality of employees’ pay and benefits is by giving each employee once a year a ‘personal portrait’. This is a one-page document setting out the full value of each employee’s total reward package and

Gary Boyle, Intel’s European Compensation and Benefits Director, was interviewed for this case study.
emphasises that it should be viewed as a whole. Intel is very keen for employees to understand, first, that employees receive a significant package of benefits, and second, how those benefits work so that they can understand the philosophy behind the compensation and benefits package.

Intel has found that the personal portraits deliver a powerful message to employees about total compensation and the compensation and benefits group receives a lot of positive feedback after their annual issue. However, Gary Boyle and his team appreciate that people can be given lots of information but cannot be made to read it. Therefore the personal portraits are supported by a number of initiatives, including online videos, newsletters, notices in restrooms (surprisingly effective) and emails.

In addition, a successful initiative has been to set up a pay, stock and benefits roadshow after the issue of the portraits in the staff cafeteria with separate booths for each different benefit. This enables employees to ask any questions in an informal, relaxed atmosphere. There is also a compensation and benefits helpline where employees can submit queries and are guaranteed to receive a response in six business hours in most circumstances.

The compensation and benefits team also organise regular seminars for staff on specific topics, most recently covering significant tax changes that have taken place in Ireland that impact the share plan. These sessions help improve employees’ understanding of specific benefits and also aim to help employees with specific benefit choices. Occasionally, it stages special events or publicity drives to highlight benefits. A successful, and inexpensive, publicity drive was to place a Time-out chocolate biscuit on everyone’s desk to reinforce the department’s ‘Time-out for T-comp’ campaign, an initiative designed to encourage employees to spend a little time regularly considering their total compensation package and reviewing their benefit decisions. Gary Boyle comments that for a relatively small outlay, this campaign had a huge impact.

HARNESSING THE POWER OF MANAGEMENT

Although the total compensation package communication initiatives are organised by the compensation and benefits group, Intel believes that the best source of information for employees is their direct line manager. Therefore a lot of time is spent training managers to be ‘evangelists’ for the total compensation message. Gary Boyle’s team provide all of the necessary infrastructure, training and tools to support managers in this role. They provide managers with the information and ability to discuss reward matters with staff.

The company has found that using line managers to spread the total reward message has had a positive effect as employees prefer to discuss these matters within their teams rather than with HR. The managers can also counteract the effects of misinformation from other sources.

MEASURING EFFECTIVENESS

Intel uses a variety of means to measure the effectiveness of its financial information programme. Employee focus groups are used to check that employees are receiving the message about total compensation and also that the message being received is the same as the one that is being given.

The compensation and benefits department also analyses the queries that it receives. These are measured at three different levels. A level one query is one that can be dealt with within six business hours; a level two query is one that has to be referred to HR; and for more complex questions a face-to-face meeting may be required. The target is to have as many queries dealt with at level one as possible. Over time, the company has found that as awareness of the
total reward package has been raised and managers’ knowledge has been increased, there has been a decrease in the volume of queries that reach level three stage.

In addition, the content of the queries is analysed. If there seems to be a lot of questions on the same issue, the communication of that matter is reviewed as it is deemed not to have been sufficiently clear.

Gary Boyle says the programme is constantly under review to ensure that it continues to meet employees’ needs. He is hoping to expand the programme in the future, for example, by introducing a total reward portal where all information is just ‘one click away’.

**KEY LEARNING POINTS**

- Offer employees a good summary of the matters being addressed so that employees can see it all on one page and support the summary with well-thought-out communications.
- Before making any changes, educate employee ‘champions’ about these changes so that they understand the company’s position, explain the benefits to employees and be a source of information for employees, rather than relying on HR to deliver all reward messages.
- When launching a programme or publicising a benefit, having an unusual event or inexpensive gimmick to grab employees’ attention can greatly increase the impact of the launch or campaign.
HENDERSON GROUP: Using financial education to promote active, informed decision-making

- Henderson Group is the holding company of Henderson Global Investors, which was established in 1934, and is an independent global asset management firm providing investment services to institutional, retail and high-net-worth clients. It employs 1,000 people worldwide of whom 850 are based in its London head office.

- Although many of its employees are investment professionals or financial specialists, the company was aware that they often did not have sufficient time to focus on their own financial affairs. Hence in 2007, it decided to take its general benefits communications programme one step further by introducing regular financial education days, where in addition to being able to attend presentations or workshops on specific financial topics, employees were offered access to independent financial advisers.

- In 2012, nearly every UK employee either attended or viewed online at least one personal financial seminar and more than 200 had a one-to-one consultation with a financial adviser.

- Since the financial education programme has been introduced Henderson has enjoyed high participation rates in its share plans, group self-invested personal pension plan, and two-thirds of its defined-contribution pension plan members have made an active investment choice.

- **Jeremy Mindell**, Senior Reward and Tax Manager, was interviewed for this case study.

ADVISING FINANCIAL PROFESSIONALS

Henderson Group is the holding company of the investment management group, Henderson Global Investors. It was founded in 1934 to administer the estates of Alexander Henderson, the first Lord Farringdon, and has since grown to have a worldwide presence. Based in London, it is listed on both the FTSE 250 and the Australian ASX 200 indices and has offices in Australia, the USA, and throughout Europe and Asia. The company employs 1,000 staff of whom 850 work in its London offices.

The organisation offers investment services to institutional, retail and high-net-worth individuals. Hence most of its staff are involved in some aspect of finance, either as investment managers, researchers or economists. It provides a wide range of benefit programmes, including DB and hybrid pensions, which are closed to new entrants, a DC pension plan, several share plans and a number of voluntary benefits such as a group self-invested pension plan (SIPP), childcare vouchers and even a bicycle scheme. Henderson has always communicated its benefit programmes widely but in 2007 decided that it needed to go further. Employees were being offered an increasing number of choices, especially in respect of pension and share plans, and although many of them have a greater financial knowledge than employees in other business sectors, they did not always have the time or the inclination to focus on their own financial position. Thus it was decided to bring in independent financial advisers (IFAs) to talk to employees. As well as assisting employees, this has also helped the company avoid breaching the thin line between offering general information and financial advice.

A ROLLING PROGRAMME

The programme was developed by Jeremy Mindell, with a small team of four people, together with a number of IFAs, including AAG Wealth Managers and pension consultants Hargreaves Lansdowne. The first topics to be covered were the maturing of the share plans and the introduction of the group SIPP.
Staff were offered complex options in respect of their maturing share options, including transferring them into the SIPP, and Henderson wanted them to have sufficient understanding to be able to make informed decisions.

Since 2007, Henderson has developed a rolling annual programme of seminars and financial education days. Some of the presentations are giving by Jeremy Mindell or a member of his team, others are provided by external advisers and others are done as joint seminars by internal and external speakers. On financial education days, staff are invited to presentations which cover the theme of the day in general terms. They are then invited to take up the option of a free half-hour one-to-one consultation with an adviser. If the employee so wishes, they may then enter into a separate relationship with the adviser outside of the office.

The topics covered vary depending on events connected with benefit programmes and the time of year. However, over a 12-month period the range of subjects covered can be grouped under four main headings, namely:

- **tax efficiency** – presentations are often timed to coincide with the latter part of the tax year to encourage employees to take full advantage of tax-efficient savings, and also around the time that tax returns need to be completed
- **investment and planning of retirement income** – these focus on diversification, risk profile, achievable financial plans and the choices surrounding DC pensions
- **financial protection** – here employees are invited to consider insurance and contingent benefits, making wills and similar issues
- **employee share plans and benefits** – these seminars describe the different plans offered by Henderson Global, and tax-efficient ways of taking the benefits.

**INFORMED DECISION-MAKING**

Henderson believes that it is important to offer employees the opportunities to sort out their financial affairs during their working day. The nature of their work is such that they are able to manage their work time around any financial education initiatives. The company offers employees very sophisticated choices around pension and share plans and considers it to be part of its responsibility as an employer to ensure that individuals understand those choices. However, it also believes that there are limits to what it can do as a company and hence the use of external IFAs.

Another advantage of using external providers is that they offer employees the opportunity to discuss any financial problems they may have with someone independent from the employer. The company is aware that financial problems can affect performance and external advisers’ fees can be justified in terms of productivity.

Although Henderson does not usually receive formal feedback about the financial education days, it has undertaken some surveys to gauge understanding. Employees have responded positively to the initiatives, reporting that they feel that they are given sufficient information to help them make informed choices. This has been reflected by the decisions that employees are making. There is a very high participation rate in share plans; there is also a significant proportion of employees using the group SIPP for their shares, which is highly tax-efficient. Two-thirds of employees make active investment choices under the DC scheme (compared with the national average of about 20% of DC plan members) and employees have taken on board the protection message so that most have completed their benefit nomination forms.

**IMPORTANCE OF KEEPING THE PROGRAMME FRESH**

Jeremy Mindell believes that it is very important to ensure that both the message of and the medium used to deliver financial education continue to meet employee
needs. Advisers and presentations are reviewed to ensure that the content and advice are pitched at the right level for the majority of staff. Seminars are filmed so that employees who are unable to attend are able to view them online. Presentations are backed up by annual statements, leaflets and direct mailings.

For the future, Jeremy Mindell is hoping to widen the range of topics in response to employee requests, for example looking at estate planning. He is also reviewing the current desktop financial awareness offering following ownership changes at their current provider and is looking to expand and improve that area of provision. He stresses the need to keep financial education fresh and relevant to employees’ needs.

**KEY LEARNING POINTS**

- Choose an IFA that can communicate in a manner appropriate to your workforce and build up a good working relationship with it.
- A lot of organisations focus on the launch of plans, rather than their maturity, but the latter is the time when there is the greatest need for financial education.
- Once financial education has been introduced, it is important to continue it on a consistent basis rather than treating it as a one-off event. Having a regular programme tends to build up momentum as employees who have attended spread the word to others.
When the CIPD produced its original guide to financial education in 2006, financial education was perceived by many as an additional ‘nice-to-provide’ benefit. Since then the world economic situation has transformed, resulting in increased financial insecurity. At the same time there has been acceleration in the transference of risk, particularly pension risk, from employers to employees. The introduction of automatic enrolment could result in many people joining pension plans who have never been exposed to pensions before. While this should benefit them in the long term, the challenge to employers is to ensure that employees understand the advantages of long-term saving and appreciate the value of their pension benefits.

In view of the changing economic and pension environment, the provision of financial education is lifted into the category of an essential benefit. Some would go so far as to state that employers have a duty of care to their employees to provide financial education.

In this section of the guide we consider the main themes that emerge from the case studies. We also briefly refer to teaching styles and consider the difference between education and advice.

**Benefits to Employees of Financial Education**

A good financial education programme should do more than inform employees; it should result in them believing that it has had relevance to their personal situation, that their knowledge has increased or their skills improved, and motivate them to take appropriate action in the context of their own circumstances. In some instances financial education can change or develop new employee behaviours.

There are several ways in which financial education can benefit employees.

**Improving Employee Decision-Making**

While offering employees different options in respect of their pensions and other benefits should in theory result in them receiving a reward package that best suits their needs, in practice it can lead to confusion. Poor decision-making may increase the risks to employees that they do not have adequate protection or that they do not diversify sufficiently, so end up with all their ‘eggs in one basket’. The ultimate price for this was seen in the US after the collapse of Enron when employees were left with nothing because they had placed all of their savings into company share and/or pension plans.

If employers are offering choices, they also need to educate staff about the consequences of their decisions. This is particularly important in relation to DC pensions, where people need to understand how much they need to save in order to achieve retirement goals, where to invest their savings and their retirement income options. Poor decisions in any of these areas can have serious consequences for the quality of their retirement. Similarly, certain actions in respect of share schemes are more tax-efficient than others and employees need to understand their options.

**Obtaining Better Value from Benefit Packages**

If employees are better informed they may be able to obtain better value from their employers’ benefit packages. At the time when national average earnings are not keeping up with price increases, maximising use of company benefit programmes can assist employees greatly. In addition, many employees are not always aware that the value of their benefit packages can greatly add to the value of their total reward package.

**Improved Well-Being and Work Performance**

As we saw in section 2, money worries are a major cause of anxiety and stress for working individuals and may have an impact on productivity. There has been a growing body of research, as mentioned in section 2,
which indicates that improving employees’ financial capabilities improves their health and well-being. The research highlights that this also has a positive impact on mental health because of reduced stress levels. This could lead to improved productivity.

**Reducing employee risk**
In addition to enabling employees to make more informed decisions, financial education can decrease the risk of employees making choices that are wrong for their personal circumstances. Raising financial awareness is more likely to prevent employees from being the victims of mis-selling or even fraudulent activity. The continued growth of organisations such as workday loan companies, loan consolidation firms and organisations offering to pursue dubious compensation claims for large fees arises from the low financial awareness of the general public.

**BENEFITS OF FINANCIAL EDUCATION TO EMPLOYERS**
All of our case studies had no doubts about the benefits to their business, regardless of size, of the provision of workplace financial education. Each organisation had different reasons for introducing their programmes: for example, New JNCHES’s objective was to educate people involved in negotiations to understand accounts to enable them to discuss reward in a meaningful way with employers; Severn Trent and Bioquell wished to help staff understand new pension arrangements and particularly the impact on retirement income of saving adequate amounts; and the other organisations were hoping to improve employees’ decision-making and increase employees’ appreciation of the value of their total reward package. However, nearly all of these businesses found that by taking the opportunity to widen their objectives and include more general financial information in addition to the initial topic of the initiative, the business benefits have been increased.

There are many business benefits to introducing financial awareness programmes.

**Improving recruitment, retention and motivation**
Including financial education in induction processes means that employees are aware of the value of their benefit packages from the outset. Intel Ireland have found that explaining the rationale behind its total reward package has acted as a retention tool as employees learn to evaluate their total reward package compared with that offered by other employees rather than view salary in isolation. There is also evidence that informed employees are more motivated and engaged with the business.

**Obtaining value from benefit packages**
Many organisations spend large amounts of money on their benefit packages, which in many ways is wasted because their employees are not aware of the impact of benefits on their total reward or making full use of available benefits. During the current economic downturn, if employees can be made aware of how they can obtain maximum value from their benefits, it can draw attention away from, or compensate for, low pay increases. If these are placed in the context of personal finance as a whole, it can help employees better manage their money, which again may improve motivation and retention.

**Improved rates of absenteeism**
In 2007, the Sainsbury Centre for Mental Health estimated that sickness absence was costing business £8.4 billion. If presenteeism is taken into account, where employees are at work but not able to focus on their job, the estimated cost of reduced productivity increases to £15.1 billion. The research highlighted in section 2 shows that an increasing number of people are either taking time off work because of the stress caused by financial worries or are trying to sort out their problems in work time. The research also shows that a basic understanding of financial matters has a positive impact on the well-being of people at all income levels. Therefore providing financial education can improve absenteeism rates and productivity.

Research undertaken in the USA into a programme...
launched by one employer in 2008, just at the start of the current recession, found that the return on investment of each $1 invested in financial education was $6.60, of which around half resulted from improved performance and absenteeism.

Reducing risk
At a basic level, if employees are educated to manage their personal finances more effectively, they are less likely to commit acts of fraud against their employer.

In addition, while many employers are transferring pension risk to their employees, they cannot absolve themselves from responsibility for pension plans. There is evidence from the US that employees will turn to litigation if they feel that the consequences of their decisions were not properly explained to them. It could be argued that employers are failing their duty of good faith if they do not educate staff about their benefit choices. Increasing regulatory pressures are also being placed on employers, particularly in respect of pensions. Improving employees’ understanding of their pensions and other benefits can reduce the risk of breaching regulatory requirements, for example in relation to pension tax allowances.

Creating a more open business environment
The CIPD’s research referred to in section 2 shows that many people are dissatisfied with pay and bonus decisions taken by employers during the recession because they do not understand the business reasons behind them. As the MetLife research shows, this leads to reduction in motivation and, ultimately, retention. Improved knowledge can reduce suspicion about reward decisions.

Automatic enrolment
Starting from October 2012, employers will have a duty to automatically enrol eligible employees into a workplace pension arrangement. This will place many individuals into contact with private pensions for the first time in their working lives. The Pensions Regulator has responsibility to regulate the system and it has already stated that employers have a duty to communicate the choices available to employees on joining and retiring. The Department for Work and Pensions (DWP) and the Pensions Regulator have produced material for employers to adapt for the purposes of their own schemes, but while it explains the automatic enrolment process, it does not necessarily educate employees about pensions.

If full value is to be obtained from automatic enrolment, it is important to place it in the context of financial planning at different life stages, as in Severn Trent’s programme, and to ensure that employees do not opt out in large numbers. There is considerable evidence of massive undersaving for retirement in the UK, so once employees have been automatically enrolled, employers should be looking for ways to encourage their workforce to save adequate amounts for their retirement.

Removal of the default retirement age
The removal of the default retirement age in 2011, while beneficial in many ways, means that employees now choose their own retirement date. As more individuals become members of defined contribution plans, there are concerns that they will defer retirement because of worries that their retirement income will be inadequate. Financial education can play a key role in encouraging employees to consider their retirement goals and how to achieve them. If employees are worried about their retirement income, they may remain in work longer than necessary, causing succession and performance problems.

EDUCATING ADULTS
For a financial awareness programme to succeed, whether based on seminars, face-to-face talks or Internet modules, it is important that it meets the needs of participants. Employees must believe that they have increased their knowledge and/or their skills by attending the programme. Adults seem to respond
best to interactive methods of learning that allow them to question and share material.

Financial education has moved away from imparting information to encouraging individuals to set goals and giving them guidance on how to achieve them. Participants are asked to consider questions about their financial priorities and goals. Financial education programmes that can incorporate elements of coaching or mentoring in the learning process rather than just training tend to be more successful. The CIPD has produced factsheets on learning methods and coaching and mentoring that may be of assistance (details are set out in the reading list).

Because of the many different learning styles preferred by people, it can be very difficult for financial education programmes to meet all employees’ needs. Several of our case studies found that using a variety of media, such as seminars, webinars, and even paper communication, made their programmes more inclusive.

EDUCATION, INFORMATION AND ADVICE
In the past, employers have shied away from offering financial education programmes because of concerns about breaching FSA rules about providing advice. The basic rule is that as long as employers do not offer advice about specific products to individuals, they do not need to be regulated. The FSA has recently tried to clarify its rules and, while it does not provide specific guidance to employers about what they can and cannot do, its short guide for firms, which we refer to in the reading list, is helpful.

In addition, the FSA’s leaflet, Promoting Pensions to Employees, offers guidance to employers on the kind of promotion of pensions they may undertake, provided they meet certain conditions. This points out that as long as employers do not provide investment advice and do not receive commercial benefit for helping employees with their pension options, they do not have to be authorised. Occupational pensions are outside the regulatory scope of the FSA, but there are no restrictions on employers promoting them to their staff. The Pensions Regulator and DWP also offer a lot of guidance to employers to help them promote their pension arrangements.

Several of our case studies offered employees access to financial advisers on request. Some provide a limited period of time free of charge and then, if employees are interested, they can appoint the adviser on a fee-paying basis. Some offer employees access to an adviser to discuss specific matters such as redundancy or pensions. There are taxation implications because only the first £150 of pension advice is exempt from tax and anything over that amount paid by the employer counts as a benefit in kind.

RETAIL DISTRIBUTION REVIEW
The Retail Distribution Review (RDR) will change the way in which investment advice is provided from the beginning of 2013. Independent advisers will no longer be paid by commission but will have to agree charges with clients up front. This means that the cost of financial education can no longer be met out of management charges. It will impact on employees as advice that they had previously thought was free, particularly on the high street, in fact was being paid for out of their savings. Several banks have already announced that they are pulling out of the provision of advice, which will create a greater need for financial education in the workplace.

While initially the RDR changes may deter people from financial education because of the up-front cost, it should lead to a more open and transparent system. It should also greatly improve the quality of advice being provided, and ultimately lead to a reduction in the cost of advice as providers seek to become more efficient.
The organisations featured in our case studies have all introduced successful workplace financial awareness programmes. Some, such as FirstGroup plc, which we featured in 2006, have developed financial education over a number of years; others have only recently introduced initiatives but most are motivated by their success to continue with their programmes. We draw on the experiences of these organisations and those that participated in the earlier guide to make some general recommendations.

DEFINING THE PROGRAMME’S OBJECTIVES

Before embarking on any financial education programme, organisations need to be clear about what they hope to achieve by the introduction of the initiative. It is essential that they consider whether there is a business case for introducing such a programme (see section 4) and what would be its purpose. They need to ask whether there is a specific issue or issues that needs to be addressed, such as: reducing financial stress-related absenteeism or presenteeism; whether the initiative is intended to improve awareness and appreciation of the reward package and hence improve engagement; or whether the organisation wishes to give employees the tools to help them make informed choices. Alternatively, the company may wish to promote ‘financial well-being’ to help staff to develop the skills to better manage their money or create an environment in which employees are motivated to act. Clear goals not only define the content of the programme but also determine how it is assessed and evaluated.

At this stage, employers also need to consider whether there is an employee need for a financial education programme. Some of the indicators highlighted by our case studies include: low take-up of benefits; poor understanding of reward packages; and evidence that employees are making inappropriate benefit decisions. The smooth introduction of a new benefit is usually easier to achieve if staff are well informed about that benefit. However, many organisations, having launched new benefits, forget that a key communication opportunity to educate employees about those benefits is when decision time looms, such as when a share plan matures or shortly before retirement from a defined contribution scheme, when the options facing members can be bewildering. Some organisations, such as Carrefour, introduced seminars in response to requests from employees.

FACTORS AFFECTING THE PROGRAMME

Once its objectives have been determined, the next stage is to plan the programme. A number of factors need to be taken into account. Clearly at the outset it is important to ascertain the available budget. Good programmes are not necessarily expensive; there are some excellent low-cost options available that may be adapted to suit the organisation’s purpose. Alternatively, it may be possible to reallocate part of, for example, the benefits communication budget to fund financial education. Other factors to consider in the initial stages are whether external suppliers need to be brought in; the availability of internal resources; and the logistics of delivering a programme.

Although the organisations featured in this guide are diverse in terms of size, sector and budgets, there are a number of key points that all flagged up as contributing to the success of their programmes:

- Financial awareness programmes tend to be more successful if they start by focusing on a specific benefit event. This could be a share scheme maturing, the introduction of a new DC scheme or the issue of total reward statements, but it is generally an event that requires employees to take some form of action. This gives the programme increased relevance to employees.
- Consider the audience carefully – several people we interviewed used the phrase ‘one size does not fit all’. Try and adapt the message for different
age groups, for example, younger employees may switch off when they hear pensions mentioned, so the phrase ‘long-term savings’ may be preferable.

- If using an external supplier, the programme will have greater impact if employees, as well as the organisation, develop trust in the supplier; several of the case studies attributed the success of their programmes to the dedication and enthusiasm of their consultants.

PLANNING THE PROGRAMME

Careful planning and testing are key to the success of any programme so, if possible, allow plenty of time for these stages. It is also important that key stakeholders are brought on board at this early stage; this may include senior and local management and employee representatives. If resources permit, key stakeholders may be included in any project team; if not, they should certainly be included at the testing stage.

As part of the planning process the organisation needs to determine how it will measure the programme’s success against its objectives. Measures could include an increase in the take-up of a benefit, a decrease in the number of people adopting default positions or improvements in absentee rates.

There is a lot to be considered at the planning stage, including:

- Who will be responsible for delivering the programme? It may be possible to use internal resources, but this can be very time-consuming. In addition, employees may find messages delivered by external providers more credible because they are perceived to be independent.
- If choosing an external supplier, seek recommendations from other organisations. Set the criteria for choosing a supplier. Ensure that the supplier is aware of your budget, understands and agrees with your objectives and will have credibility with your employees. Work closely with the supplier to develop the programme to ensure that it exactly meets your needs. If consultants are beyond the organisation’s budget, investigate low-cost generic options. Some defined contribution scheme providers and administration services may offer low-cost generic online portals and guides that can be adapted by organisations for their own use.
- Consider the methods that will be used to deliver the programme. Individuals within an organisation will have different learning preferences. All of our featured organisations found that it was better to use a mixture of methods to be as inclusive as possible. Consider in advance how to manage employees’ expectations regarding the level of advice they will receive if not using IFAs.
- Consider how the programme will be tested and evaluated. Test as extensively as possible to ensure that the organisation’s and employees’ needs and expectations are met. Think carefully about who will be involved in the testing; often it is useful to have groups consisting of senior management, employee representatives, HR and potential participants in the programme. You can also use focus groups.
- Start planning how you might take the programme forward – several of our case studies found that by building gradually on their initial programme, the effectiveness of the course greatly increases.

DEVELOPING THE MESSAGE

Once the topic of the programme has been chosen, the starting point for designing the content of any financial awareness programme is the target audience. In recent years it has increasingly been the practice to segment the audience. This is often done by age or life stages. The Life Academy has produced a financial plan template based on research which sets out the financial needs of individuals over the different stages of their lives, the actions they should be considering and their information requirements. This may be a useful tool when deciding the focus of the messages to be given.
The more specific the message is to the individual, the more likely it is that the information given will be understood, acted upon and retained. Although individual messages cannot be given unless one-to-one counselling is to be provided, offering access to online modellers and calculators can be a powerful tool to help employees. In addition, once employees start going online, it is easier to improve engagement with individual employees and more relevant messages can be given based on their online usage.

The method of delivering the financial education programme should be considered carefully. One-to-one counselling is considered by financial education specialists to be the most effective method, but is very expensive in terms of time and cost. Therefore traditionally seminars, videos and paper communications have been used. If the budget and logistics permit, seminars can be a very powerful tool as they offer employees the opportunity to interact with the presenter, who can also check understanding. However, newer forms of communication are also very effective. These include webinars, e-tutorials, pre-recorded webcasts, interactive tools, apps, Quick Response codes and text messages. Webinars in particular can be a cost-effective way of reaching a large audience and they usually provide an opportunity for viewers to post questions and, again, build up an interactive opportunity. They are also a good way of delivering financial education to employees such as field staff or those in more outlying locations, who find it difficult to reach central offices.

However, the programme needs to be as inclusive as possible. Not everyone has access to a computer or is comfortable with using computers. For the former group, if possible, it is a good idea to offer these employees the use of a computer somewhere quiet where they can take the opportunity to look at online material. Paper communication is also still welcomed by people who do not like computers.

Paper communications are also still usually needed to support other forms of delivery. These are most effective if they are well designed, short and jargon-free. Complex ideas should be simplified. Individuals tend to prefer examples to abstract concepts. If staff wish for more detailed information, longer communications can be made available on request.

If offering access to an IFA, a decision has to be made about who is going to pay for the service. Many organisations find that it is effective to offer a limited period of time free of charge or at a reduced rate to enable the employee to decide if they wish to develop a relationship with the IFA. Some firms will offer reduced rates to reflect expected business volumes.

**DELIVERING THE PROGRAMME**

Once the development and testing stages of the financial education programme are complete, delivery can commence. At this point it is very important to communicate the programme effectively. Often initiatives fail at this stage because of inadequate communication. Publicity material should be punchy and catchy, relevant to the audience, and should explain what is being covered, why and who would benefit from participating. However, it is important to manage employees’ expectations regarding the level of advice that will be available. A variety of media can be used to remind employees about events such as text messages, email and mailshots. If some potential participants were part of the testing group, they may be used as champions for the programme.

Our case study participants stressed the importance of allowing employees to attend sessions in work time. Also, the needs of employees who are unable to get into an office or who work outside of the normal working day need to be considered.

Another key factor to the success of any financial education programme is the availability of support systems, both to deal with queries that arise during
the programme and also to provide continuing assistance to employees. These are usually provided via telephone helplines or dedicated Internet or intranet sites. It is important to signpost the availability of further information to staff and to occasionally remind employees of the existence of this support. To ensure that the programme maintains credibility, support material should be kept up to date. In an economic downturn, it is even more important to provide resources to enable employees to make financial decisions relevant to their own personal circumstances, particularly when salary increases cannot keep pace with inflation.

EVALUATING THE PROGRAMME

Monitoring and evaluation is essential to ensure that any financial education programme is effective in order to identify any areas where improvements can be made and to check that the initiative is a good use of available resources. The evaluation should be designed to measure the extent to which the programme has met its objectives and also to identify areas for improvement and expansion. In order to evaluate the initiative properly, the organisation needs to design the evaluation process at the point at which it sets the objectives to ensure that the two things are aligned. Baseline data needs to be established at this stage so that the impact of the initiative can be assessed.

The exact method of evaluating the programme depends on its goals. For example, if the aim is to encourage more people to join the pension plan, membership rates before and after the programme can be compared. If the aim is to help employees with the decision-making process, the actions taken by employees after the initiative is completed can be analysed. If the programme has been effective, improvements should be seen in the relevant data. If this is not the case, the programme has clearly not engaged with employees, either because the content or delivery, or both, were inappropriate.

The testing process should find these problems before the course commences. However, it is useful, particularly in the early stages of any programme if at all possible, to obtain employee feedback, either by asking them to complete a short questionnaire or an online survey. Alternatively, focus groups may be used. This feedback can be analysed to determine if changes need to be made to ensure that the course meets employee needs.

Evaluation and feedback can also be used to assess if the financial education programme is delivering value for money and to determine how it may be developed in the future. All of our case studies were satisfied with the outcome of their events and were encouraged to investigate ways of taking their financial education initiatives further. However, all were aware of the need to continually assess the impact of their programmes and to refresh them at regular intervals to ensure that they continue to meet their objectives and that employees remain engaged.
The following checklist suggests the main steps to follow when introducing a financial education programme.

1 ESTABLISH THE BUSINESS CASE FOR FINANCIAL EDUCATION
Some factors that may indicate there is a business need for financial education within your organisation are set out below:

• You offer a defined-contribution benefit plan with several different contribution and investment options.
• You are automatically enrolling employees into a pension arrangement for the first time.
• You have a flexible and/or voluntary benefits scheme.
• You have a share save or share incentive plan.
• There is low take-up of benefit plans.
• A high proportion of employees adopt default positions.
• Staff tend to focus on pay and ignore the staff benefits.
• Employees do not value or appreciate the value of the reward offering.
• There is low engagement or poor motivation among your staff.
• There is a high rate of absenteeism, particularly stress-related.
• List other possible business reasons.

2 DETERMINE WHETHER THERE IS AN EMPLOYEE NEED
• List particular groups of employees who you believe could benefit from some kind of financial awareness programme, for example employees being auto-enrolled into a pension scheme for the first time, debt-laden graduates, employees within 15 years of retirement.
• Analyse the benefit choices being made by individuals to see if they seem to be inappropriate.

3 START PLANNING THE PROGRAMME
Some of the main steps and factors for consideration at the planning stage are set out below:

• Establish a project team if possible.
• Decide on the topic(s) to be covered by the programme.
• Ascertain the available budget.
• Detail organisational considerations such as size, geographical spread, number of locations and working patterns.
• Check the availability of internal resources to design and run the programme.
• Decide whether an external supplier is to be brought in. If so, consider whether a low-cost generic option is appropriate or can be adapted for your use.
• If using an external supplier, draw up a list of factors that will affect choice, such as cost, experience, understanding of organisation’s culture.
• Decide on the timing of the programme; in particular is there a specific event or life stage that could be considered a catalyst for introducing the programme?

4 OBJECTIVES
• With the project team, determine and write down the objectives of the programme.
• Establish suitable measures for determining whether objectives have been met.

5 DESIGNING THE PROGRAMME
The following matters need to be looked at when designing the programme:

• scope
• content
• possibility of segmenting the message
• method of delivery
• potential audience
• inclusivity of programme
• support material and services
• whether a financial adviser should be made available and, if so, who will meet the cost
• a suitable communications strategy.
6 TESTING THE PROGRAMME
Decide how the programme will be tested, for example using focus groups or senior executives.

7 ROLLING OUT THE PROGRAMME
• Ensure all key stakeholders at the locations where the programme is to be offered have bought into it and, if possible, use them as ‘champions’ for the event.
• Start communicating well in advance to the target audience, explaining why they are being offered the financial education.
• If possible, run during working hours, or offer access to online material in work time.
• If the budget permits, place films of seminars online so that non-attendees may view them.
• Allow plenty of time for questions.
• Ensure participants are offered good support and given sources of further help and information.

8 EVALUATING THE PROGRAMME
• Decide on the method of evaluation by employees, for example focus groups, questionnaires.
• Explain the importance of feedback.
• Measure success of the programme against predetermined factors, for example improved benefit take-up, better employee engagement, longer average length of employee service, or increase in the average contribution rate under a defined contribution scheme.

9 TAKING THE PROGRAMME FORWARD
• Having considered feedback and assessed the success of the programme against objectives and other measures, make necessary changes to content and delivery.
• If using the initial programme as a test to see whether a more extended programme should be offered, develop the extended programme in the same way.
• Review the programme regularly to check that it continues to meet business and employee needs, and to ensure that it keeps up with current developments.
• Ensure that supporting material, such as online content, is kept relevant and up to date.


USEFUL ORGANISATIONS

Association of British Credit Unions Ltd (ABCUl) – the trade association for credit unions in England, Scotland and Wales, ABCUL provides advice, training and development services to its member credit unions to enable them to meet the financial needs and aspirations of their members.

www.abcul.org

Citizens’ Advice Bureau (CAB) – provides free information and advice to individuals experiencing financial problems. In addition, its financial skills for life programme enables local offices to deliver educational initiatives that help people avoid money problems and some areas offer access to generic financial advice.

www.citizensadvice.org.uk

Consumer Credit Counselling Service – charity offering free tailored advice and support for people with debt problems and also more general budgeting advice.

www.cccs.co.uk

Department for Work and Pensions (DWP) – the DWP provides online tools and material to help employers explain workplace pension reform, including automatic enrolment, to others.

www.dwp.gov.uk/workplacepensions

ifs ProShare – a not-for-profit membership organisation that acts as a liaison body between employee share ownership professionals, service providers and companies involved in employee share plans and other share ownership schemes. It provides information on share plans, including sharing examples of best practice and research.

www.ifsproshare.org

48 WORKPLACE FINANCIAL EDUCATION
Learnaboutmoney
– the Learnaboutmoney programme offers free basic Internet training about all aspects of financial training in a modular format. Supporting workbooks and CD-ROMs may be purchased for a small fee.
www.learnaboutmoney.org

Life Academy
– an educational charity that acts as a centre of knowledge on life-planning, the older worker and pre-retirement planning.
www.life-academy.co.uk

Money Advice Service
– the Money Advice Service began life in 2012 as the Consumer Financial Education Body, which undertook the Financial Service Authority’s role in respect of increasing the financial capability and knowledge throughout the country. It was renamed in 2011 and now provides a wide range of online material on all aspects of financial matters for consumers, together with an online health check that uses behavioural insights to encourage individuals to take action to improve their ability to manage their finances.
www.moneyadviceservice.org.uk

National Association of Pension Funds (NAPF)
– in addition to acting as a lobbying body, the NAPF provides a wide range of pension and investment-related information for employees and trustees. Through its Pension Force it offers a free, independent service providing information in the workplace to encourage people to plan for retirement.
www.napf.co.uk

Pensions Regulator
– in addition to exercising its regulatory powers over pension arrangements, the Pensions Regulator provides guidance and codes of practice for employers on a wide range of pension matters. In particular, it provides a wide variety of materials on automatic enrolment to help employers meet their duty.
www.thepensionsregulator.gov.uk

Resolution Foundation
– a research and policy organisation that focuses on how people on low incomes can access and use the financial services system.
www.resolutionfoundation.org