reba insights

Financial Wellbeing Research 2025

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Contents

Effective, equitable initiatives to support financial wellbeing are imperative to address rising people risks

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It is still rare for employers to consider the interplay of ill-health and retirement savings

Reward & Employee Benefits Association
PURSUING BEST PRACTICE

Employers have a vital role to play in creating a resilient workforce that is prepared for both retirement and rainy days

In the vast majority of organisations, financial wellbeing strategies have been a nice-to-have (or even a poor cousin) alongside a wider wellbeing or pensions strategy. However, that is shifting, driven by government actions, rising awareness of people risks within workforces, and the development of digital and artificial intelligence (AI) solutions.

At both the wider UK societal level and within workforces, the risks of not adequately addressing long-term personal savings levels, the ageing of the population and physical and mental health are becoming increasingly evident. Hence the government's Pension Schemes Bill, Pensions Commission and the Advice Guidance Boundary Review, as well as the Taylor Review in the form of the Keep Britain Working initiative.

REBA's *Financial Wellbeing Research 2025*, conducted in association with WEALTH at work, therefore dug deeper into the people risks employers are forecasting. The aim was to weigh up whether wider future workforce planning would shift the use of financial wellbeing strategies, as well as whether employers were generally heading in the same direction as government.

In sickness and in health

While it is widely acknowledged that ill-health and keeping people in work needs to be addressed by all parties, it is still rare for employers to consider, much less act upon, the interplay of ill-health (both physical and mental) on the ability to retire with adequate savings. The need to rethink work for employees with conditions ranging from cancer or disabilities through to those with musculo-skeletal or mental health challenges is becoming an imperative to retain talent and experience. But as this research shows, financial wellbeing also needs to play a vital part within these HR strategies.

This applies just as much to other previously forgotten groups, such as working carers and parents. We need to actively acknowledge that historical biases or actions have often negatively affected women more than men, opening gender gaps in pay and savings, including pensions. While the EU Pay Transparency Directive does not cover UK employers, its influence is being felt here, especially within sectors where the war for talent rages. Which means that benefits (these are included in the directive) will be increasingly examined for gender gaps.

Digital solutions

Fortunately, it appears that digital and AI solutions are arriving in the nick of time. Already, REBA's year-on-year research shows a dramatic doubling in the use of digital solutions by employers – from 16% in 2024 to nearly a third (30%) having these in place already. And more are in the pipeline, ready to be launched within the next two years. These will both enable and enhance data needed to support investment in the most effective, equitable financial wellbeing initiatives for different workforces and cohorts, and to spur on actions by employers and government.

Good data should also allow employers to forecast effective outcomes of benefits initiatives, join the dots between ill-health and retirement adequacy risks, and model return-on-spend on mitigating risks to increase future healthy financial resilience across workforces.

Robust methodology uncovers future trends

REBA's robust, evidence-based methodology is strategically aimed at uncovering clear, actionable future trends and decision-making patterns among employers. The research aims to deliver reliable, data-driven insights that employers can leverage to help them make informed decisions about their own financial wellbeing strategies.

This research was conducted as an online quantitative survey between April and May 2025 among REBA's membership community and wider database of HR professionals. It achieved participation from 223 predominately medium to large organisations, representing an estimated 1.3 million employees.

This approach ensured a broad and diverse set of data, reflecting a cross-section of employer sizes and industry sectors in the UK.

223 Employer respondents

1.3m Employees represented

129 Respondents have more than 1,000 employees

Company size

More than 10,000	12%
5,001 - 10,000 employees	9%
2,501 - 5,000 employees	15%
1,001 - 2,500 employees	21%
501 - 1,000 employees	17%
251 - 500 employees	11%
Fewer than 250 employees	14%

Largest industry sectors (full list on page 35)

Financial services	20%
IT, technology and telecoms	13%
Professional services	12%
Manufacturing and production	10%
Retail	6%
Utilities and energy	6%

Responding companies

View full list on page 35

- adidas
- Aster Group
- Balfour Beatty Group Employment
- Bidfood
- Burberry
- Clarksons
- Danone
- David Austin Roses
- Fisher Investments Europe
- Hastings Direct
- JCDecaux UK
- Jet2.com
- Kainos Software
- Lockheed Martin UK
- London Stock Exchange Group
- Lotus Cars
- Molson Coors Beverage Company
- Moody's
- National Highways
- New Look
- Raytheon UK
- Rio Tinto
- ROCKWOOL
- Santander
- Silver Cross
- Skyscanner
- Thales
- The Royal Mint
- Travis Perkins
- Trustpilot
- Whitbread
- Wincanton
- Yorkshire Water

The key issues driving future financial wellbeing

Jonathan Watts-Lay

Director
WEALTH at work

Jonathan Watts-Lay

It's important that employees are aware of all the support available... and how to access [it]

Mental wellbeing linked to financial stress is the top people risk, alongside cost pressures, gender gaps and redundancy

This year's research has provided some key insights into financial wellbeing issues affecting employees that all employers should be aware of.

The main financial resilience risk factors that are driving financial wellbeing policy either now or in the future include the cost of living, gender gaps, cost pressures on working parents, redundancy of employees and the cost of housing.

The majority of employers also identified improving mental wellbeing linked to financial stress as the top people risk. Additionally, increasing financial resilience and managing the impact of an ageing workforce are set to be areas of focus.

Retirement adequacy

In fact, the survey delved into the anticipated challenges that employers thought could impede employees in reaching retirement adequacy. The top three include personal financial pressures, low financial literacy around pensions, and pension contributions being too low.

Joining pension schemes early and being in the right investment for the long haul significantly boosts retirement adequacy. Financial education can switch employees on to better understand and engage with their pensions, as well as helping them to improve money management so that saving for the future becomes more affordable. Employees approaching retirement require financial guidance and access to regulated advice to help them make the most of their lifetime savings and avoid costly missteps.

Breaking down barriers

The research identified some of the key barriers to improving financial wellbeing. This includes employees not knowing where to start when asking for help, as well as underused benefits. To overcome this, it's important to ensure that employees are aware of all the support available, how benefits can work together, and how to access them and use them to their advantage. This is why financial education in the workplace is so important, as it can not only help develop understanding and encourage engagement but is also a catalyst for behavioural change and action.

Another barrier identified is concern over liability when providing financial support to employees. Many employers now turn to financial wellbeing specialists to provide support. However, implementing robust processes – including carrying out due diligence on providers before proceeding – is crucial and can help alleviate any concerns over liability.

The future of financial wellbeing provision

It's positive to see that many employers are focused on putting support in place to improve financial wellbeing. Popular services include financial education, one-to-one guidance and advice. There is also growing interest in savings products that help build financial resilience such as Workplace ISAs.

Providing a range of financial wellbeing benefits that are aligned in strategy should help employees feel financially secure, no matter their circumstances or the challenges they are facing. Ultimately, this has to be a win for employers and employees alike.

Contributors

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Pensions UK

Zoe joined Pensions UK as policy director in November 2024. Prior to joining the association, Zoe was director of strategy and corporate affairs at Nest. Earlier in her career, she worked in policy, strategy and operational roles at the Department for Work & Pensions and HM Treasury, with a focus on pensions.

See expert insight, page 20

Donna Christie

Head of HR and Reward
Dana Petroleum

Donna has been at Dana Petroleum for 13 years, working her way up from UK HR adviser to head of HR and reward. Donna's responsibilities include oversight of all people-related matters within the business, giving counsel and advice to staff and managers, and the development of fit-for-purpose HR processes to ensure compliance with current legislation and best practice.

See case study, page 30

Michelle Elsworth

General Manager
Reward and Benefits
Jet2

Michelle joined Jet2 as its general manager, reward and benefits, in December 2024. Her responsibilities cover the full reward remit, including pay, bonus, share plans, benefits management and colleague recognition. Michelle has worked in several reward positions at organisations including Yorkshire Building Society and, most recently, at building material supplier SIG.

See case study, page 12

Muntazir Hadadi

Head of Pensions
First Bus

Muntazir has been head of pensions at First Bus since April 2023. His responsibilities include overseeing retirement savings strategy, governance, compliance, stakeholder engagement, and ensuring pensions support workforce planning, risk management and reporting. He also serves as a DC scheme trustee. Muntazir started out as an auditor, then at FirstGroup moved to pensions.

See case study, page 27

Oliver Porter

Pensions and Benefits Manager
Clarksons

Oliver has been pensions and benefits manager for maritime services organisation Clarksons since January 2023, managing global pensions and benefits strategy with a focus on improving employee experience and engagement. Prior to this, he held several pensions manager roles in organisations including UBS and Tesco.

See case study, page 18

Jo Phillips

Director of Research and Innovation
Nest Insight

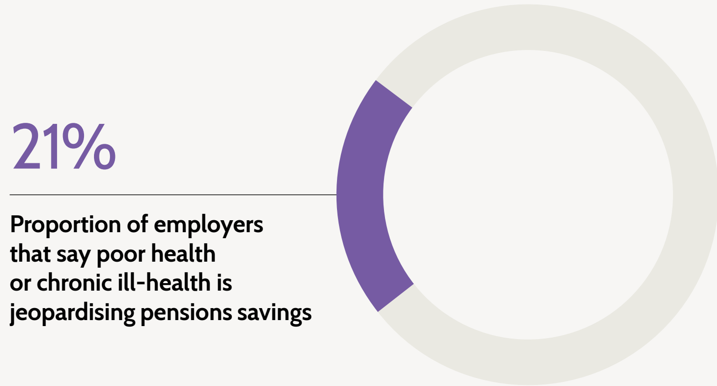
Jo leads research and innovation at Nest Insight – the public-benefit research and innovation centre for financial security. Her research with industry and academic partners focuses on better understanding the challenges people face and finding real-world solutions to support low- and moderate-income households to be financially secure, today and into retirement.

See expert insight, page 24

Emerging trends in supporting employees' financial wellbeing

Few employers consider the impact of employee health on pensions savings

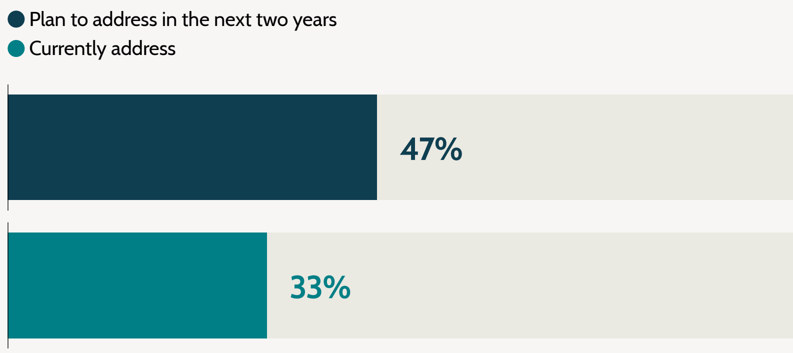
Rising poor health or chronic illness is driving workers into extended sick leave, early retirement or reduced performance. These factors all undermine an employee's ability to build adequate pensions savings. Two-thirds (67%) of employers view improving workforce health as a strategic financial wellbeing objective for mitigating people risk. However, just a fifth (21%) currently see the negative impact of health on pensions savings. See page 25.



Surge in employers viewing lack of retirement adequacy as a people risk

Employees unable to retire with adequate savings is the top financial resilience risk employers plan to address in the next two years. With an ageing population, increases in ill-health and large-scale under-saving for retirement, the government, pensions and financial wellbeing providers and employers are beginning to take action to ensure that employees get better value from pensions, save sufficiently and plan ahead. See page 14.

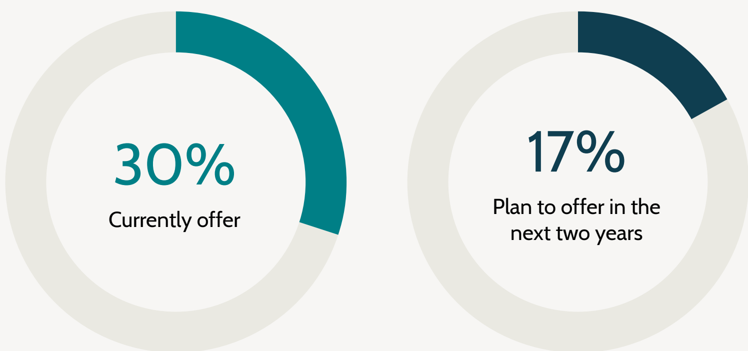
Retirement adequacy is the top financial resilience risk factor addressed in financial wellbeing strategies



Use of digital support sees rapid increase to improve decision-making

In REBA's 2024 research, just one in six (16%) offered digital tools to support financial decision-making, while a further sixth (16%) planned to introduce these. A year on, nearly a third (30%) are now offering this. This unusually rapid move from intention to action has been accelerated by new developments and launches from financial providers, as well as adoption of artificial intelligence to deliver bespoke, personalised support. See page 33.

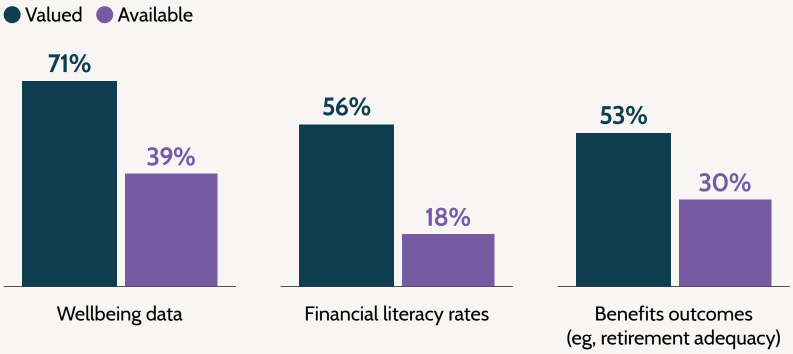
Employers offering digital tools to aid financial decision-making



Data gaps hold back employers' understanding of financial resilience

A significant discrepancy exists between the data employers value and what is available. Most respondents (88%) aim to increase financial resilience to mitigate future people risks (see page 9), yet data gaps threaten this. Employers would highly value data on wellbeing, financial literacy rates and benefits outcomes. Without it, organisations struggle to make informed decisions about financial wellbeing initiatives and proactive risk management. See page 11.

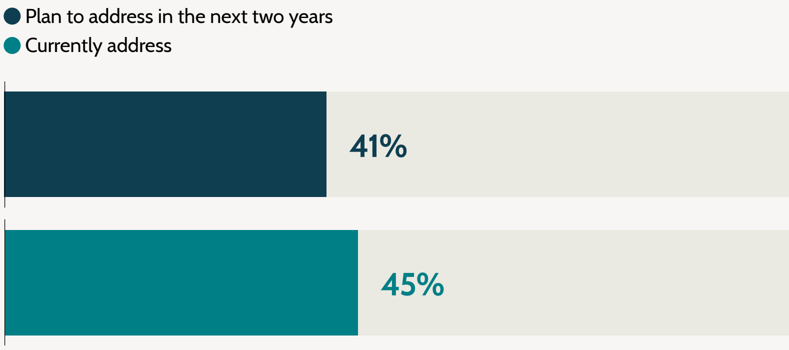
Three largest gaps between the financial wellbeing data employers value and its availability



Proportion of employers addressing gender gaps set to double

The impact of gender gaps on financial wellbeing, such as pay and pensions, is being increasingly recognised. Within two years, the vast majority (86%) will be taking action on financial wellbeing based on gender. However, just over half (52%) currently use data to identify DEI gaps (see page 13), indicating that there is significant work to be done. Employers affected by the incoming EU Pay Transparency Directive will be spurred to act fastest. See page 22.

Proportion of employers addressing gender gaps as part of their financial wellbeing support



Two-thirds of employers take action on financial strain on parents and carers

Financial pressures on working parents and carers, from inadequate statutory benefits to high care costs, have become a critical people risk. Nearly two-thirds (62%) of employers that acknowledge this challenge are taking action by enhancing support beyond minimum requirements, either now or in the future. This investment in financial assistance can help retain talent, reduce gender disparities and boost productivity. See page 23.

62%

Of employers acknowledging that cost pressures on working carers are a financial resilience risk factor are taking action to address this

Helping others to help themselves

Employers move to give employees the tools and knowledge they need to improve their own financial resilience

Financial resilience – the ability to withstand unexpected financial setbacks – will be core to employers' financial wellbeing strategies over the next two years.

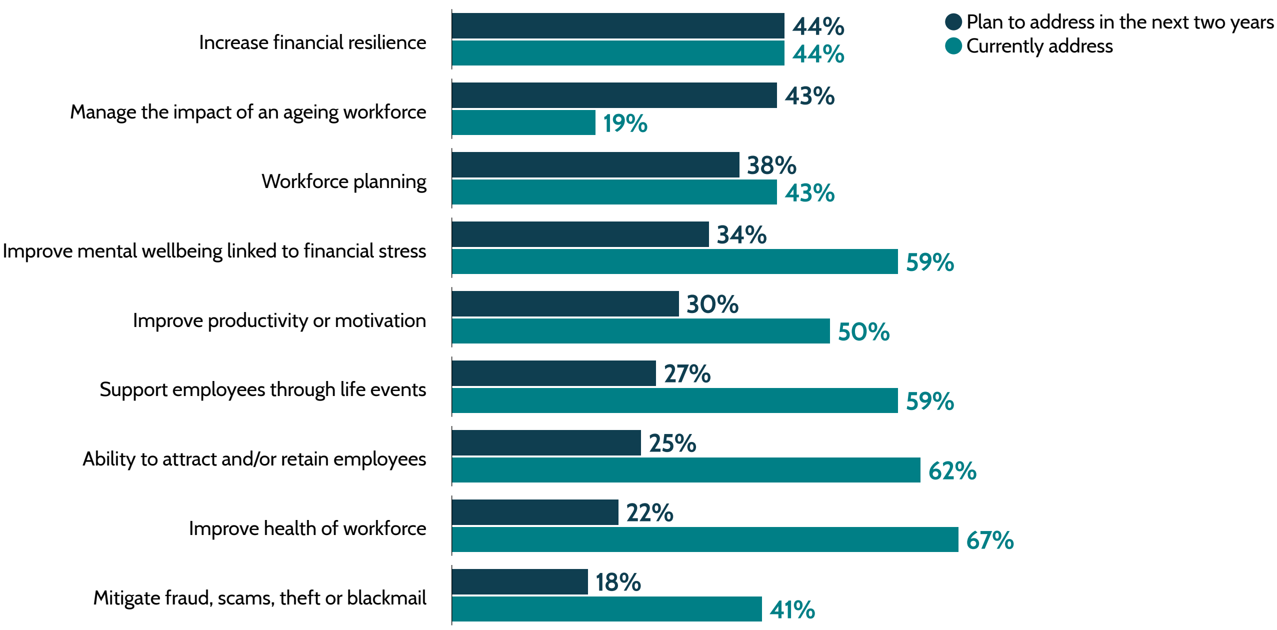
As we see throughout REBA's *Financial Wellbeing Research 2025*, employers want to equip employees with the tools and knowledge they need to support and improve their own financial resilience. This encompasses everything from the actions employers are taking within their financial wellbeing strategies through to the types of benefits they plan to offer (see page 31).

Employers are rightly recognising the people risk that comes from low financial resilience. The Financial Conduct Authority's (FCA's) *Financial Lives 2024* research found that 13.1 million UK adults – or just under one-quarter (24%) of the UK's adult population – had low financial resilience in May 2024.

With issues ranging from poor performance and productivity, through to wider mental and physical health consequences, the need to address employee financial resilience is increasing.

Figure 1

The strategic objectives employers plan to address within their financial wellbeing strategies to mitigate future people risks



BIG SHIFT

+100%

Increase in the number of employers planning to address financial resilience in the next two years

Nearly half (44%) of respondents currently address financial resilience within their financial wellbeing strategy. This figure will double in the next two years, when a further 44% plan to do this.

Supporting an ageing population must feature highly in organisational strategy

Addressing the impact of an ageing workforce is continuing to gather momentum. Just over one in 10 (11%) respondents to the *Financial Wellbeing Research 2023* said that the ageing workforce had been a driver of change in the past two years, while a further 29% said it would be a driver of change in the next two years.

In this year's research, a little under one-fifth (19%) of respondents currently address this issue within their financial wellbeing strategy. However, a further two-fifths (43%) plan to address this issue in the next two years – a 226% increase.

The ageing population is a global issue affecting most countries. The OECD population and labour force projections dataset (2024) reveals that for every 100 workers there are 44 people aged 50 and over who are not in the labour force – either because they are inactive or in retirement. This number is expected to rise to 56 by 2050.

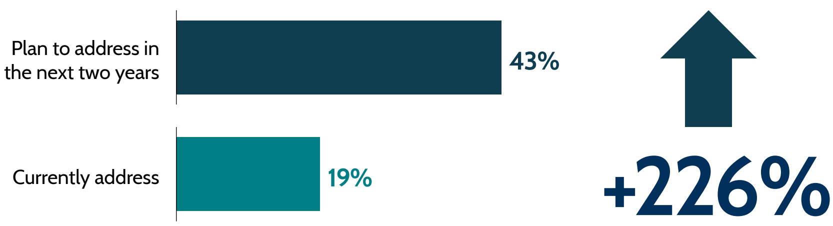
For society to support this ageing population, employers must recognise the value of older workers and consider the impact the ageing workforce will have on workforce demographics, retirement decision-making and succession planning. They will need to understand how to adjust work to make it more accessible to older employees, how to ensure that benefits are inclusive and how to ensure that these workers are retained so that employers can benefit from their skills and experience.

Supporting financial wellbeing throughout an employee's career is critical to ensure that employees can exit an organisation with dignity, at a time that is right for them.

Source: Financial Wellbeing Research 2023

Figure 2

Managing the impact of an ageing workforce as a strategic financial wellbeing objective

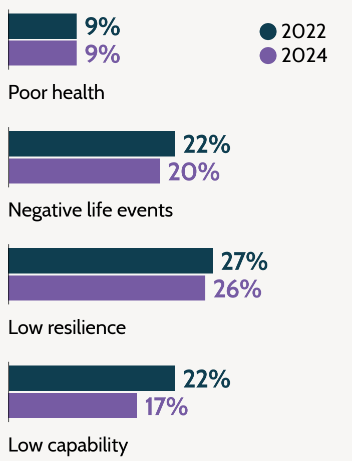


What low resilience means

The FCA *Financial Lives 2024* research defines low financial resilience as those who have low savings, are heavily burdened by their existing bills and/or credit commitments, or are in financial difficulty, having missed paying bills in three or more of the past six months. More than 13 million UK adults fall under this definition.

The FCA also found that, in May 2024, nearly half (49%) of all UK adults showed characteristics of vulnerability – poor health, negative life events, low resilience, low capability. This equates to 26.4 million people. The good news is that these figures have fallen by 0.9 million since May 2022.

Proportion of UK adults showing characteristics of vulnerability



Source: Financial Conduct Authority's Financial Lives 2024 research.

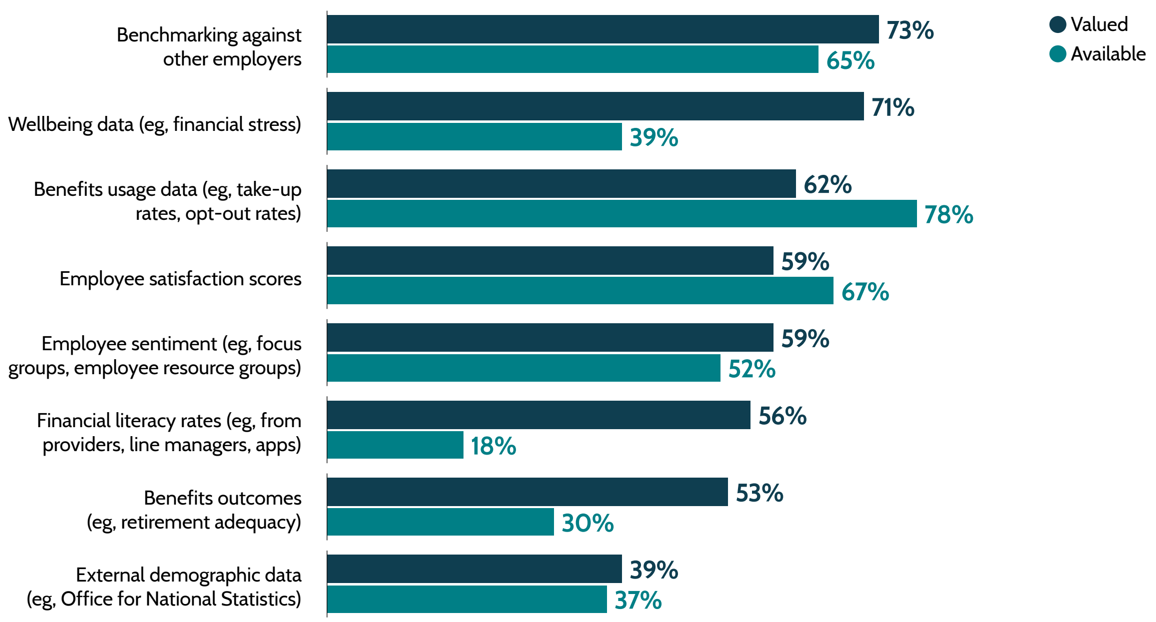
Data is key to achieving financial wellbeing objectives

To support the strategic objectives of financial wellbeing strategies, employers need data to understand where people risk linked to financial wellbeing may be present within their organisation.

Employers are leveraging an array of data points, with benefits usage data, employee satisfaction scores and benchmarking being most readily available.

Figure 3

The value employers place on financial wellbeing data and its availability



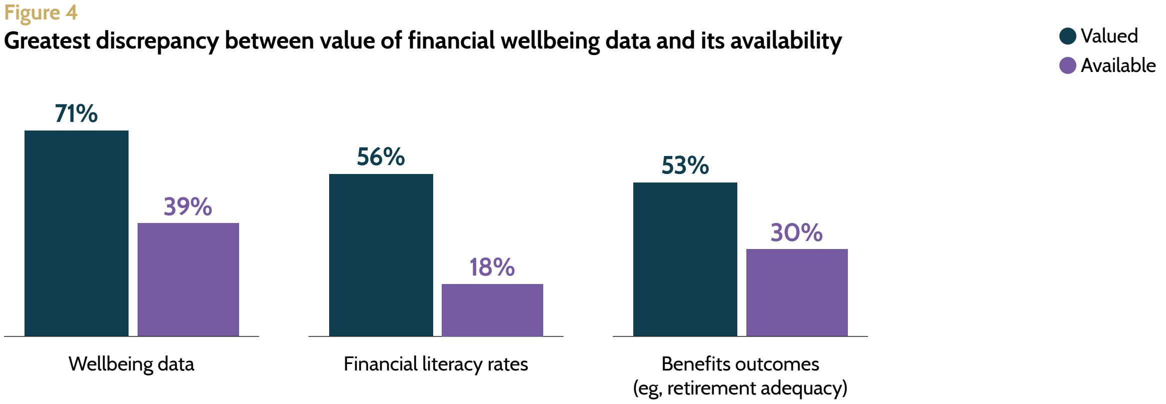
Areas where employers struggle most to find valuable information

There are three key areas where there is a significant discrepancy between what data employers value and what is available. Wellbeing data, benefits outcomes information and financial literacy rates are valued data sources that are not always available. This can be for reasons relating to some employers not measuring the financial stress or financial literacy of the workforce, to concerns around the taboo of discussing finances, through to broader barriers that are inhibiting financial wellbeing support (see page 21).

Better access to valuable financial wellbeing data could help to better influence and inform the direction of financial wellbeing programmes to ensure they are mitigating future people risks and meeting the strategic objectives of financial wellbeing strategies.

Figure 4

Greatest discrepancy between value of financial wellbeing data and its availability



CASE STUDY

How simple actions are helping Jet2's financial wellbeing ambitions take off

Michelle Elsworth

General Manager
Reward and Benefits
Jet2

It's about bringing benefits together for people to understand the whole picture

Taking a strategic approach to financial wellbeing benefits doesn't have to be complicated

As our greatest asset, we want our colleagues to bring the absolute best version of themselves to Jet2.com and Jet2holidays, which is why we are committed to supporting their wellbeing.

We have a fantastic array of benefits, but ensuring that all our colleagues understand these and how they support their personal wellbeing has been a challenge. With more than 18,000 colleagues working in our offices, airport bases, aircraft and resorts, getting benefit information to them is no easy task.

That's why we've created a two-year roadmap to help bring our benefits offering together in a more strategic way, tapping into technology and enhancing our communication approach to ensure that our colleagues understand their total benefits package and how to make the most of it. The first stage has been to identify and implement quick wins, and in quite a short time we've been able to do some simple things to bring our financial wellbeing benefits together.

Shifting the pensions dial

We've been working more closely with our pensions provider and have created a bespoke annual calendar of events, such as webinars and face-to-face events. This has created a regular drumbeat about our pensions provision, which has really ramped up this year. As a result, we've seen a big increase in engagement around pensions, with more than a third of our people downloading the app, logging on and actively taking an interest. We're committed to building on this, so we can continue to make it easier for our colleagues to make informed decisions and play their part in their own future retirement.

Looking beyond pensions, we've really tried to enhance our communications around existing financial wellbeing benefits, many of which were underused. For example, we have a brilliant, free will-writing service, but very few people knew about it. To get the word out there, we've followed our pensions approach, inviting the provider to showcase their offer in our offices, and hosting webinars for our harder-to-reach colleagues. It's having a big impact, and we have seen the number of colleagues booking will-writing appointments increase over the past few months.

Creating a drumbeat

But we know we can't just take this one action: it's about creating that drumbeat and bringing the different benefits together for people to see and understand the whole picture.

We're starting to do that by communicating with our colleagues in different ways, from refocusing the messaging around benefits to directly link into colleague wellbeing to improving accessibility to benefits information by tapping into our HR app. We also made benefits a central theme of our people update at our recent face-to-face Director Roadshow events, which were attended by more than 4,000 colleagues.

Another simple thing that we've done is to launch a special 'Benefits Corner' section to our regular colleague newsletters, giving dedicated airtime to a specific benefit each fortnight and linking the theme to our wellbeing calendar.

By showcasing our benefits package through a wellbeing lens, we're really helping it to make sense to our colleagues, ensuring that they understand and can access the support they need, whatever their personal circumstances.

Restricted insights hindering approvals for benefits design changes

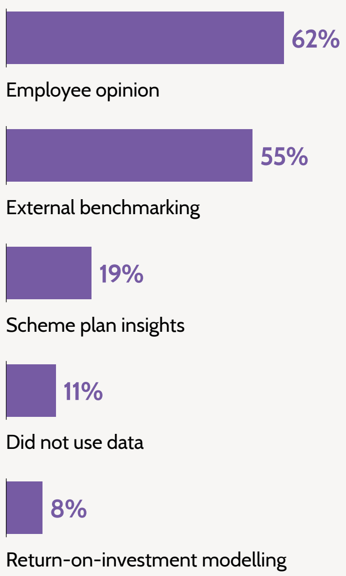
REBA's *Benefits Design Research 2025* revealed the importance of quality benefits data.

More than one-third (34%) of respondents had a benefits proposal fully or partially declined owing to lack of data. When looking specifically at financial wellbeing initiatives, 4% had had their proposed changes declined because of lack of data, while 13% had experienced a partial rejection.

When seeking approval, the mostly commonly used metrics were external benchmarking and employee opinion. This reflects the findings from this research (see chart below), which also shows the extensive use of this data type.

As reward and benefits continues to become more strategic within businesses however, so, too, must the insights that are provided. This is especially the case when seeking approval for financial wellbeing benefits changes.

The data most used as part of the approval process



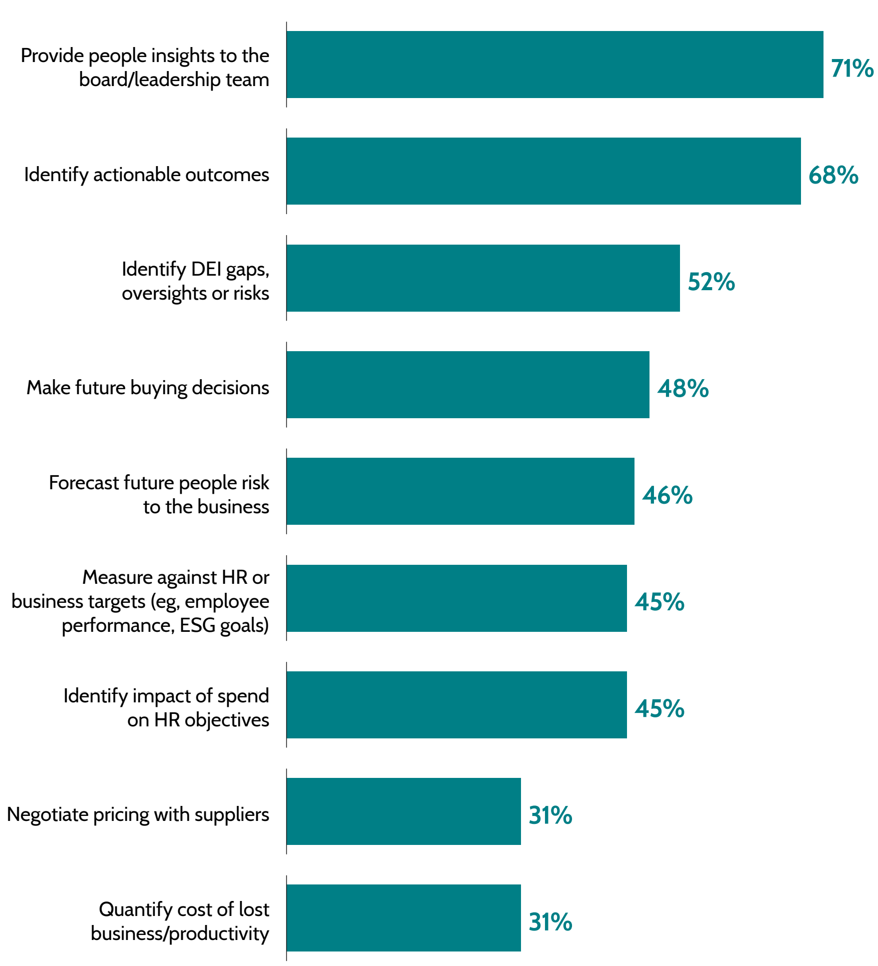
Source: Benefits Design Research 2025

Workforce analytics increasingly shape strategy, but gaps in data currently pose a limitation

Reward teams are using data in a variety of ways, but most are focusing on translating it into meaningful people insights for the board. It's a clear sign that workforce analytics are playing a bigger role in shaping strategic discussions, but the figures being reported suggest that reward teams are relying on available information rather than the data most useful to them, such as financial literacy and retirement adequacy (see page 11).

Fewer than one-third of respondents (31%) are using data to negotiate supplier pricing or to quantify the cost of lost business or productivity. This highlights limitations in the benefits outcomes data available to employers, which may hinder their ability to assess spending impact against HR objectives.

Figure 5
How employers are leveraging financial wellbeing data



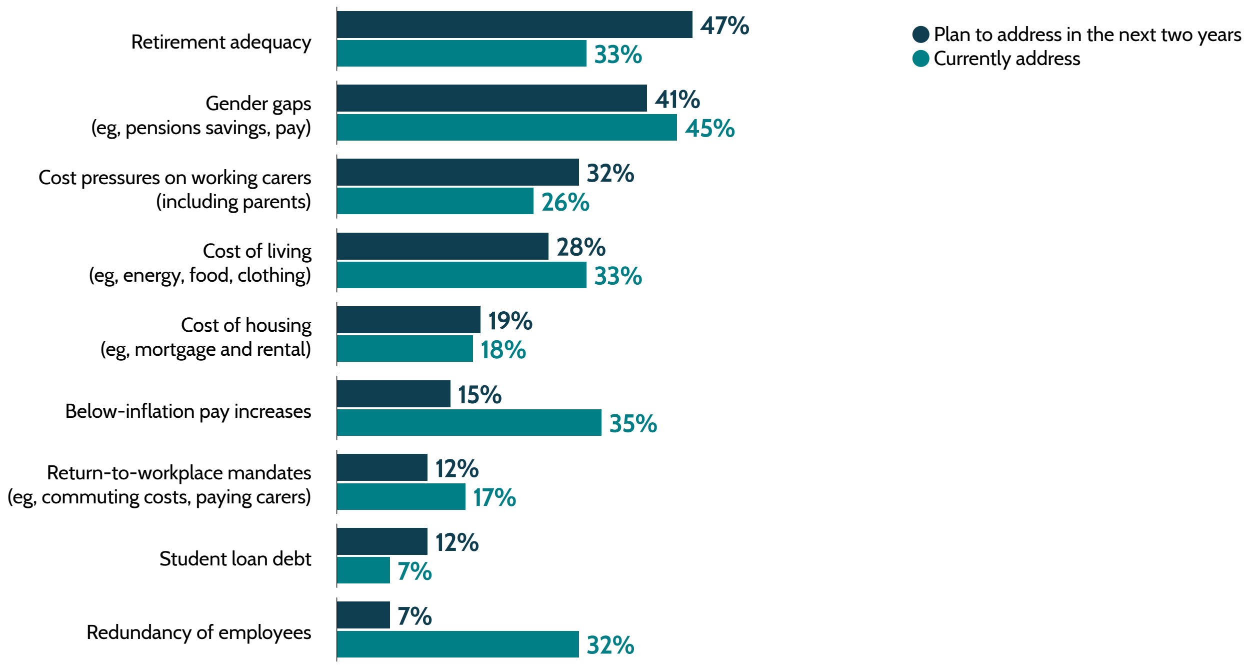
Strengthening employee financial resilience is a priority

Financial wellbeing data is helping employers to understand the financial resilience risk factors being faced by employees, enabling them to identify actionable outcomes, identify diversity, equity and inclusion (DEI) gaps and actively forecast future people risk.

There are numerous factors influencing employees' financial resilience and these are having an impact on the direction of financial wellbeing strategies. Retirement adequacy is a key focus for employers, as we see in chapter 2. Supporting those in more vulnerable groups, such as carers, part-time workers and lower-paid employees, is also a risk factor that employers are keen to address.

Figure 6

Financial resilience risk factors being addressed by employers' financial wellbeing strategies



High cost of living remains a concern, despite fall in inflation

Issues relating to the cost of living are still prevalent. Even though inflation – 3.6% as of June 2025, according to the Office for National Statistics – has fallen from its peak of 11.1% in October 2022, the cumulative effect of rising prices means households face a much higher cost of living than in 2021.

Research by the House of Commons Library, *High Cost of Living: Impact on Households* (2025), highlights the consequences of the high cost of living, from an increase in material deprivation and food poverty to interest rates affecting mortgage holders and a disproportionate impact on low-income households.

Employers are recognising the effects that the high cost of living is having on employees and are taking steps to address these issues (see page 26), as well as considering how to better support employees who have received below-inflation pay increases.

Tackling gender gaps, such as removing biases from recruitment processes and making roles more flexible, is another way employers are supporting vulnerable groups, with a further two-fifths (41%) looking to make changes to support these in the next two years (see page 22).

Insufficient savings pose top financial resilience risk

Despite more employees saving towards their retirement, employers are recognising that a significant proportion are not saving enough

Retirement adequacy is the top financial resilience risk factor being addressed by employers, with one-third (33%) currently addressing this and a further 47% planning to in the next two years.

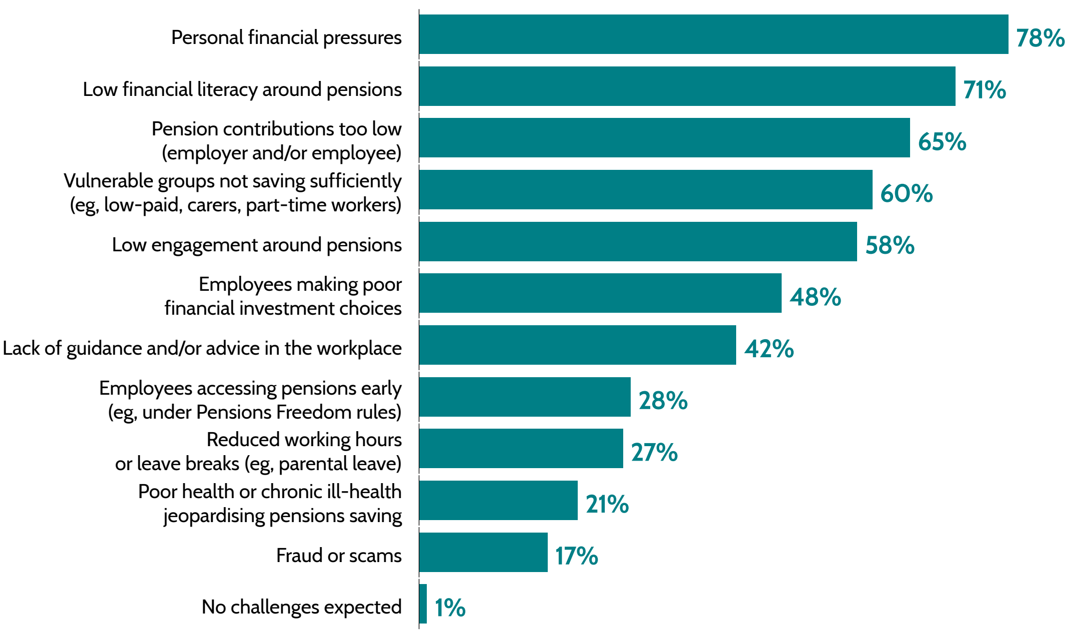
The issue around having enough savings for a dignified retirement is growing. This is despite auto-enrolment increasing the number of employees saving into a pension. More than 22 million people are now saving into a workplace pension in the UK as of 2023 – over 10 million more than in 2012, according to the Department for Work & Pensions' Analysis of Automatic Enrolment Saving Levels (2025).

Research from the Institute for Fiscal Studies, *Adequacy of Future Retirement Incomes: New Evidence for Private Sector Employees* (2024), finds that 32% of private sector employees are on course to have individual incomes that fall short of the 'minimum' Retirement Living Standards, as calculated by Pensions UK (formerly the PLSA).

The Retirement Living Standards, based on independent research by Loughborough University, help individuals picture what kind of lifestyle they could have in retirement and the costs involved. Based on its 2025 analysis, an individual wanting a 'moderate' lifestyle in retirement would need an annual income of £31,700.

Figure 7

The biggest challenges that could impede retirement adequacy over the next five years



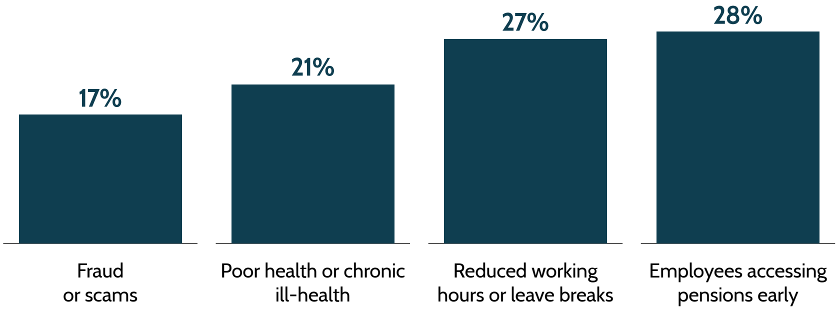
Financial pressures and financial literacy key challenges to retirement adequacy

The people risks related to financial resilience (see page 9) are playing through into concerns around retirement adequacy. Economic pressures continue to lead challenges around pensions saving, with personal financial pressures, low pension contributions and a lack of adequate retirement saving for vulnerable groups all ranking highly.

However, there are wider issues around retirement adequacy that could be quietly affecting the workforce, with many employers yet to fully realise their impact.

Figure 8

Personal factors that could deplete retirement savings



Employees accessing pensions early or falling prey to fraud or scams may be considered as 'personal' finance issues for which the employer has no responsibility. However, both actions can have a dramatic effect on employees' retirement savings and therefore the age they leave the workforce. In 2023, Action Fraud, the UK's national reporting centre for fraud and cyber crime, reported that £17.7 million was lost to pensions fraud in 2023 alone.

If employers do not support employees around the potential risks related to scams and accessing pensions early, it can lead to an inability to retire, as well as putting wider emotional strain on the employee.

Poor health and reduced hours, which may relate to caring responsibilities, can also have a significant detrimental impact on retirement adequacy.

On page 25, the research found that more than two-thirds (67%) of respondents are addressing improving the health of the workforce with their financial wellbeing strategy, while more than half (59%) are supporting life events. However, there is little evidence that this is currently playing through to employers' retirement strategies.

UK faces persistently low financial literacy and inequality of knowledge

Nearly three-quarters (71%) of respondents said that low financial literacy around pensions was a challenge to employees reaching retirement adequacy.

Financial literacy provides employees with the tools and knowledge they need to manage their finances to achieve financial stability and security. This can include the skills to budget, save, manage debt and invest.

Research from the London Foundation for Banking & Finance (2025) found that:

- UK financial literacy remains persistently low. Nearly two in five (39%) UK adults (20.3 million people) do not feel confident managing money.
- The UK has significant gender, education, income and ethnic gaps in financial literacy – of up to 45% when demographic factors intersect.
- Millennials have lower than expected financial literacy, and the young and the elderly are particularly vulnerable to financial illiteracy risks.

It recommended workplace interventions relevant to circumstances and life stages; use of technology; and providing the ability (education) and opportunity to act (inclusion) – see chapter 4.

BIG SHIFT

+142%

Increase in the proportion of employers planning to address retirement adequacy

A third (33%) of employers currently address retirement adequacy as part of their financial wellbeing strategy. A further half (47%) also plan to address this in the next two years.

Employers move towards support triggered by life events

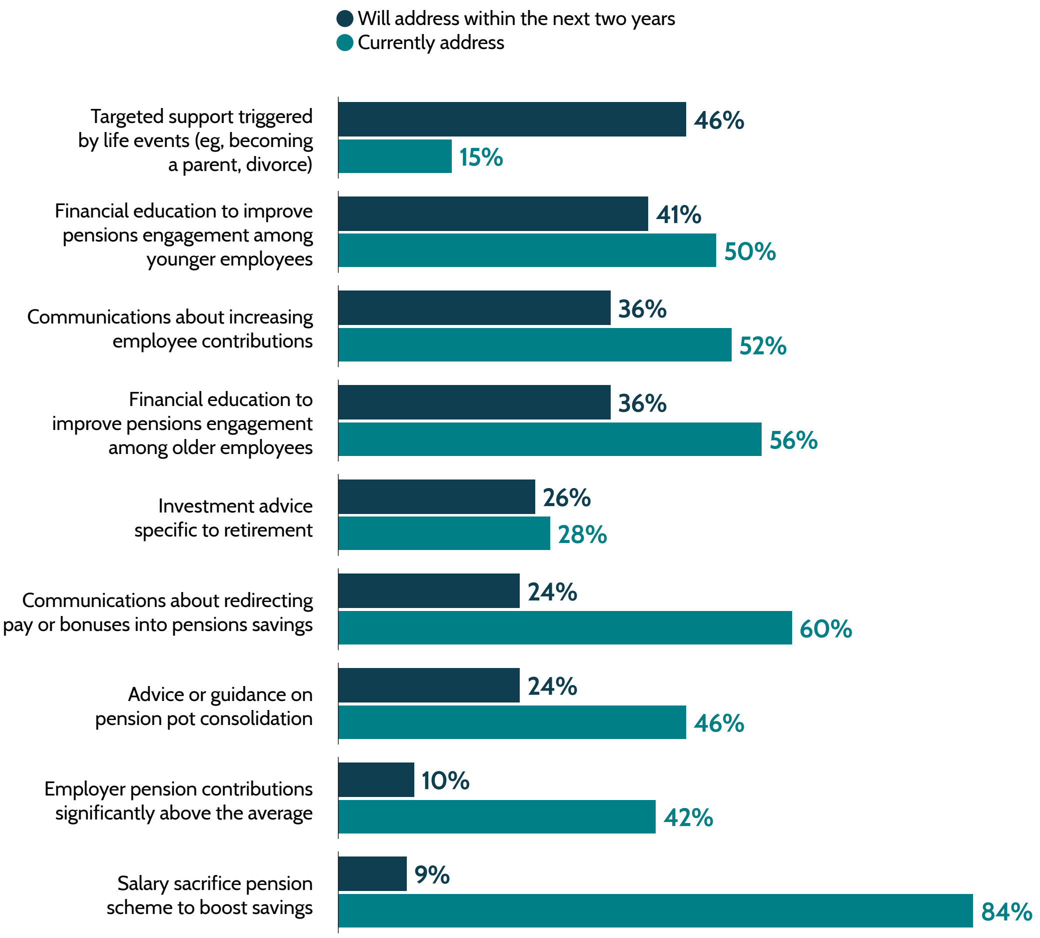
The good news is that employers are taking several actions to tackle issues relating to retirement adequacy. Targeted support triggered by life events is seeing extensive growth, as employers evolve their financial wellbeing offerings away from more traditional age-related triggers.

The idea of targeted support is being seen more widely within the pensions industry. The Financial Conduct Authority (FCA) has consulted on draft proposals to allow firms to offer targeted support and make suggestions to groups of consumers with common characteristics. This is specifically aimed at pensions, rather than wider financial wellbeing.

Other common employer actions found in the *Financial Wellbeing Research 2025* include financial education to improve pensions and increased communications about redirecting pay or bonuses into pensions savings, which predominately relates to improving education and financial resilience. This, along with more targeted support, links with employers' financial wellbeing objectives (see page 9) and the desire to support employees to help themselves.

Figure 9

Actions employers are taking to improve retirement adequacy



CASE STUDY

Understanding retirement needs will help Clarksons' employees to save earlier

Oliver Porter

Pensions and Benefits Manager
Clarksons

We don't want people to sleepwalk into retirement. We're keen to help them understand what they need

With a generous pensions contribution structure in place, employee engagement is the next challenge

Maritime services organisation Clarksons is a paternalistic organisation that wants to do the best it can for its employees. We don't want people to sleepwalk into retirement. We're keen to help them understand what they need in retirement, so that they can save earlier.

To help with that, at the beginning of 2024 we introduced a retirement modelling tool, which enables you to play around with different outcomes. It takes into account the impact of part-time work, defined benefit (DB) savings, defined contribution (DC) savings, the state pension and savings from elsewhere, and then maps what your retirement is going to look like. However, it wasn't getting great engagement and it wasn't easy to understand where to go and what to do.

Keeping it relevant

During the past couple of years, we've worked to get our pension schemes into a great position, consolidating schemes and ensuring a generous contributions structure. The task now is to get people engaged with them. So we've started to break up the population in order to invite people along to something relevant to them.

For example, we recently ran an in-person session focused on preparing for retirement, targeted at employees over a certain age (not that they were aware of that). We asked a couple of experts to join the sessions to speak on that topic, and the event was a big success, with 40-50 people joining.

Wider financial wellbeing

Our benefits providers have also helped to support these sessions – not just with retirement savings but also wider financial wellbeing issues that will help some of our younger employees. We've had sessions on the basics of investment, how to read a payslip and how to make a budget.

We wanted to make sure we had every avenue covered, so people couldn't say that they didn't understand how to do X, Y or Z. We've also recorded the sessions and made them available on our benefits platform, so that they can be watched time and again.

Strong foundations

One of the outcomes of these sessions is that we've seen more people using the retirement modelling tool and saving the results to use in the future, which is promising. By building up their foundational financial knowledge, they've been better able to use and interact with the modelling tool.

We already have a panel of three financial advisers that have been vetted, who employees can consult if they wish. We're now working with one of them to launch a trial of paid-for financial advice, which we believe will be particularly useful for our high-earners.

BIG SHIFT

+307%

Increase in the proportion of employers planning to address retirement adequacy through targeted support

Under one-fifth (15%) of employers currently use targeted support to enhance retirement adequacy. A further half (46%) also plan to use this in the next two years.

Pension Schemes Bill

In June 2025, the UK government announced its Pension Schemes Bill, which aims to make it easier for savers to access and manage their pensions and be better prepared for retirement.

Key changes include:

- Bringing together small pension pots worth £1,000 or less into one pension scheme certified as delivering good value to savers.
- Pension providers will need to prove that their schemes offer value for money by helping savers understand whether their scheme is giving the individual good returns and protecting them from underperforming schemes.
- Multi-employer defined contribution (DC) scheme 'megafunds' of at least £25 billion will be created so that pension schemes can drive down costs and invest in a wider range of assets.
- Simplifying retirement choices, with all pension schemes offering default routes to an income in retirement.
- Increased flexibility for well funded defined benefit (DB) pension schemes to safely release surplus funds, collectively worth £160 billion, to be reinvested across the economy.

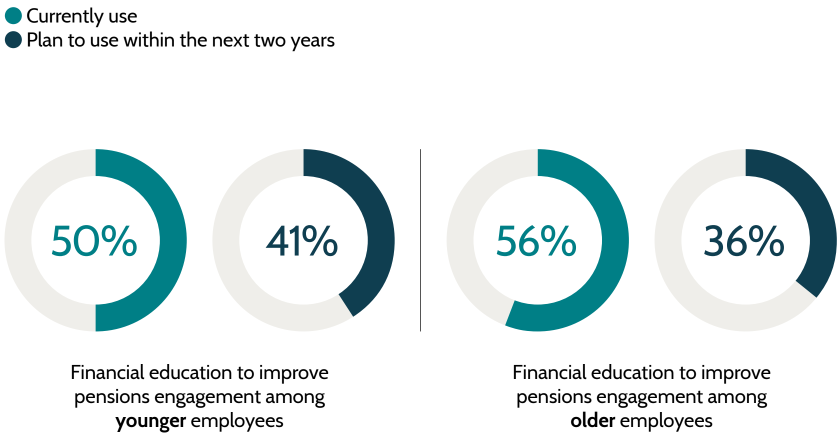
The government has also revived the Pensions Commission to examine why tomorrow's pensioners are on track to be poorer than today's and make recommendations for change.

Employers must be prepared to support multiple generations with varying pensions challenges

The biggest challenges facing retirement adequacy in the next five years centre around low financial literacy, low pension contributions and low engagement (see page 15). As a result, employers are focused on targeting financial education for both younger and older employees.

Figure 10

Actions for improving retirement adequacy among different generations



Although financial education is important at any age, it is particularly pertinent with pensions, as the younger people are when they start to save into their pension, the longer their invested contributions will have to grow.

Research from the Institute and Faculty of Actuaries, *How Much Could You Lose? Opening the Conversation on Closing the Pensions Gap* (2024), finds that starting a pension at age 35 instead of age 25 could mean a pension pot of only £500,000 at retirement instead of £800,000.

Ensuring that younger employees understand and contribute to a pension will be key to ensuring retirement adequacy in the future. Yet engagement continues to be a challenge. Research undertaken by the Money & Pensions Service (MaPS) in September 2024 revealed that one in three (29%) 18- to 25-year-olds who are currently working have never contributed to a pension.

Older employees also have a different set of pensions-related challenges, including understanding the risks of accessing a pension early, choosing the right investment product at retirement and the risk of fraud and scams as they reach retirement age.

What more can be done to deliver better pensions?

Zoe Alexander

Director of Policy & Advocacy
Pensions UK

Legislation alone won't prepare employees. Clear communication and ongoing support are vital

Employers have an important role to play in educating savers and helping them to prepare for their future after work

Everyone deserves to enjoy a good life in retirement. But many employees don't know how much money they'll need or how to plan for it – and it could be hurting their retirements. Pensions UK research shows that one in five working households are on course to fall short of the income needed to meet the 'minimum' Retirement Living Standard, equivalent to £21,600 annually for a two-person household.

Helping savers prepare for their future after work is something we all need to do – government, pension providers, policymakers and employers.

Landmark review and policy interventions
The government has launched the second stage of the landmark Pensions Commission, 20 years after the review that introduced the highly successful auto-enrolment system, with a clear ambition to finish the job. Higher pension contributions must become the norm, more people must be brought into saving, and a state pension must always protect against poverty.

The Pension Schemes Bill currently going through parliament offers further opportunities. It includes measures to improve value for money and encourage scheme consolidation to improve returns over the long term.

Importance of communications
But legislation alone won't prepare employees. REBA's finding in this report that 71% of employers view low financial literacy around pensions as a challenge in the next five years (see page 15) shows that clear communication and ongoing support are vital.

That's where employers can help to give their staff confidence. By sharing tools like the *Retirement Living Standards*, you can help employees see what different retirement lifestyles might cost.

Based on independent research by Loughborough University, the standards show how much people spend at three different levels to cover essentials like food, travel, heating, and even holidays – helping savers compare how their savings match up to their retirement goals.

For example, at the 'minimum' level of £21,600 per year for a two-person household, retirees can expect a self-catering or half-board holiday in the UK, eating out once a month and some affordable leisure activities with family and friends once or twice a week.

At the 'comfortable' level of £60,600, retirees can enjoy more spontaneity, including a two-week holiday overseas, a seven-year-old car replaced every five years and money to treat family members to a meal out from time to time.

The standards are a guide to the costs of living in retirement, not a target. And savers are encouraged to tailor them to their lifestyle, combining aspects from different levels. Helping employees think about the retirement they want, where they are now, and the steps to get there can make a real difference. There's no one-size-fits-all, but everyone has a path.

By promoting awareness of savings and the value of employer contributions, employers can support staff in building the freedom, comfort, and security they've worked hard for.

Putting inclusion at the heart of organisational strategy

Despite growing employer recognition that certain employee populations would benefit from stronger financial support programmes, implementation barriers persist in achieving greater financial inclusion

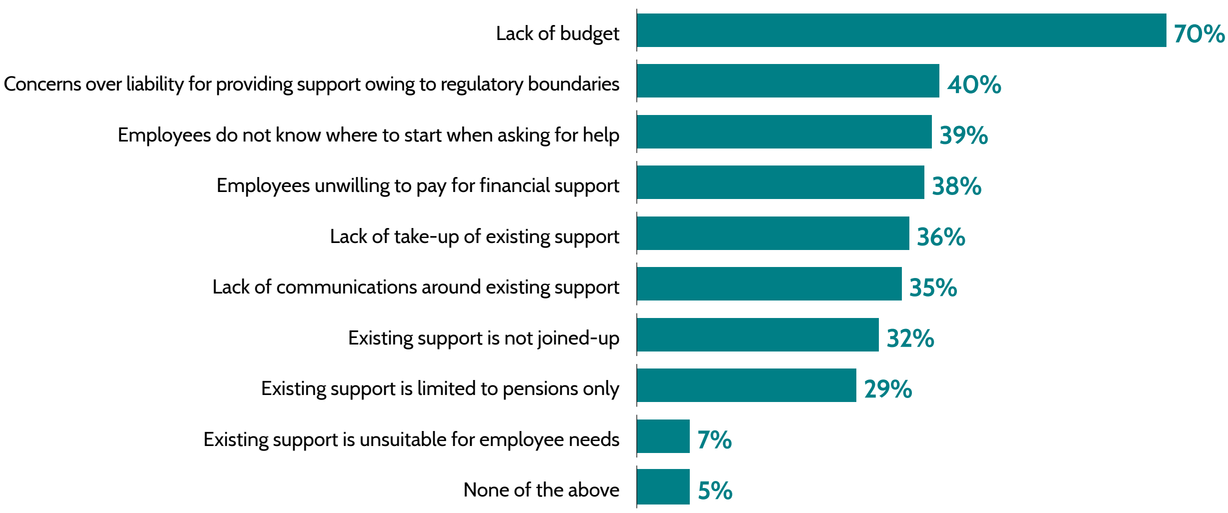
The need for greater engagement and communications around financial wellbeing support is paramount. As we see later in this research, employers are taking positive action to address this by focusing spend on implementing financial wellbeing champions and training line managers to signpost to financial wellbeing support.

Concerns over liability for providing support owing to regulatory boundaries, however, remain an issue for some employers, although this is falling. In REBA's *Financial Wellbeing Research 2024*, just over half (57%) indicated that this was a major or moderate barrier.

The Financial Conduct Authority and HM Treasury are carrying out an Advice Guidance Boundary Review to examine the regulatory boundary between financial advice and other forms of support. Its intention is to bring greater clarity on what financial wellbeing support employers can offer, as often employers opt for a low-risk approach to avoid liability. As part of the review, a consultation into proposals for targeted support in pensions and retail investments was undertaken over the summer.

Budget restrictions for improving financial wellbeing support are to be expected. However, as seen on page 28, just over one-third (37%) of respondents said they plan to increase spend in this area, highlighting that budget barriers may not always be insurmountable.

Figure 11
Barriers to improving financial wellbeing support



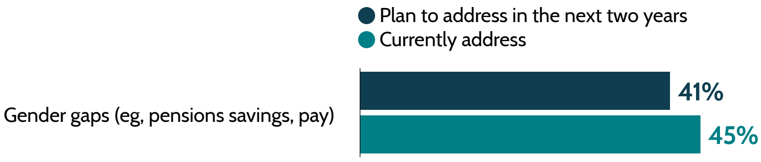
Employers must act on gender pay gaps

Addressing the gender pay gap is crucial for financially inclusive workplaces. The gap stems from multiple factors, including part-time employment patterns, career decisions influenced by external obligations, and the under-representation of women in higher-paying management roles. Evidence from the European Parliament (2020) finds that reducing the gender pay gap by one percentage point would increase GDP by 0.1% while boosting employer brand, attraction, retention, engagement and productivity.

Legally, closing the gender pay gap is under the spotlight. Under the UK Employment Rights Bill, large employers must create a gender pay-gap action plan from 2027, while the EU Pay Transparency Directive will compel greater transparency from June 2026.

Figure 12

Proportion of employers addressing gender gaps as part of their financial wellbeing support

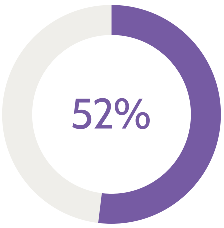


Using data to identify DEI gaps, oversights and risks

Despite most employers acting to close gender gaps, only a little over half (52%) are using data to identify diversity, equity and inclusion (DEI) gaps to help shape their financial wellbeing offerings. The difference in pensions savings between men and women particularly needs to be addressed. Research from the Pension Policy Institute, *The Underpensioned: Defining the Gender Pension Gap* (2024), found that by their late 50s, women's pension wealth reaches only 62% of men's. It identifies two key reasons. First, different working patterns reduce women's pension wealth by a third (33%) relative to men's. Second, the gender pay gap reduces both contribution amounts and pension accruals, resulting in a reduction of pension wealth by approximately 16%.

Figure 13

The proportion of organisations using data to identify DEI gaps, oversights or risks to enhance financial wellbeing offerings



Ethnicity and disability pay-gap reporting is on the horizon

In March 2025, the UK government launched a consultation to seek views on the measures it proposes to include in the upcoming Equality (Race and Disability) Bill. This included introducing mandatory ethnicity and disability pay-gap reporting for large employers with 250 or more employees.

Gender pay-gap reporting by large employers has been mandated since 2017 and has encouraged greater transparency. In the past decade, figures from the Office for National Statistics (ONS) reveal that the gender pay gap (2024) has fallen by approximately a quarter among full-time employees. In April 2024, it stood at 7%, down from 7.5% in 2023. Reporting also equips employers with key insights to drive their improvement efforts.

By expanding mandatory reporting for large employers to include ethnicity and disability pay gaps, the government seeks to create a more equal society and support a growing economy. It intends to use a similar reporting framework to that already in place for gender pay-gap reporting for ethnicity and disability. However, there are distinct considerations for ethnicity and disability, particularly in data collection and analysis, which the consultation sought to address. There is no set date for when these provisions may come into force.

BIG SHIFT

+91%

Increase in the number of employers planning to address gender gaps in the next two years

Nearly half (45%) currently address gender gaps as part of their financial wellbeing support. This figure will nearly double in the next two years, when a further 41% plan to do this.

Political intentions to strengthen parental leave and pay frameworks

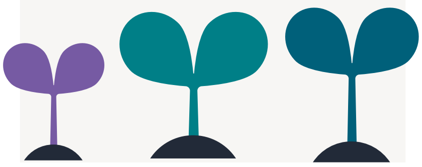
In June 2025, the Women and Equalities Committee released findings from its *Equality at Work: Paternity and Shared Parental Leave* inquiry. It called on the government to introduce long-term reform of the parental leave and pay system, which it found did not support working families effectively.

The inquiry argued: "Low rates of statutory [parental] pay are perhaps the most damaging problem across the board. At considerably less than half of the National Living Wage, rates are completely out of kilter with the cost of living, causing financial hardship in many households."

The inquiry is particularly scathing about paternity pay, which, it argues, inhibits the take-up of statutory leave.

Low levels of statutory maternity pay are also blamed for mothers returning to work sooner than they would like. Maternity Action's *The Cost of Living on Maternity Leave* 2023 survey found that nearly three in five (58%) respondents returned early from maternity leave, or were planning to do so, for financial reasons. Nearly three-quarters (71%) were also worried about money when pregnant or on maternity leave.

The government has since launched a call for evidence into parental leave and pay as part of its review. The parental leave and pay review is a much-needed opportunity to explore and consider how the parental leave and pay system could better support working families, reflect the modern economy, and deliver on the government's Plan for Change and missions.



Employers want to help working carers and parents

Supporting cost pressures on working carers (including parents) was the third highest financial resilience risk factor that employers plan to address in the next two years (see page 14).

Just over half (54%) of all respondents either currently offer or plan to enhance financial support for parents and carers above statutory minimums (see page 31). The findings below demonstrate an encouraging trend of employers who understand the financial difficulties facing working carers and parents and are responding with concrete, supportive actions.

Figure 14
Supporting working carers: cost pressures

62%

Of those who said cost pressures on working carers (including parents) posed a financial resilience risk factor, either already offer or plan to provide enhanced financial support for parents and carers above statutory minimums.

Figure 15
Supporting working carers: reduced hours

67%

Of those who said that reduced working hours or leave breaks could impede employees reaching retirement adequacy, either already offer or plan to provide enhanced financial support for parents and carers above statutory minimums.

The financial wellbeing of carers and parents may be particularly volatile as a result of their personal circumstances. Carers often face higher costs – from transport to specialist food and higher utility bills – and may also have to reduce their working hours to facilitate caring.

Research by Carers UK, *State of Caring 2024*, found that more than half (55%) of carers who had reduced their working hours to care said they hadn't been able to save as much for their retirement.

For working parents, childcare costs often mean they are put under additional financial strain. Even with the UK government's 30 hours of free childcare per week for children who are more than nine months old, there are still significant costs facing this group.

Research undertaken in November 2024 by charity Pregnant then Screwed found that a quarter (24%) of parents would have to leave the workforce if childcare costs increase by 10%. Additionally, nearly two-thirds (59%) said that a rise in nursery fees would lead to at least one parent in their household reducing the number of hours they work or leaving work altogether.

Boosting financial resilience through opt-out workplace savings

Jo Phillips

Director of Research
and Innovation
Nest Insight

When payroll savings are offered in this way, we see up to seven in 10 employees start saving

Behavioural support can be a more effective route to boosting employee financial security

Many UK households lack any kind of savings buffer to cope with an unexpected expense or other financial shock. This lack of financial resilience can have harmful consequences if people must turn to high-cost debt, get into bill arrears or cut back on essentials to cope, and it can take its toll on people's mental health.

In this context, REBA's finding that the majority (88%) of employers plan to address financial resilience as part of their financial wellbeing objectives in the next two years is encouraging.

Many employers offer support like financial information, education or coaching to their employees. These tools are useful but often struggle to reach those who most need support, for whom there may be barriers to engaging with these benefits. Research increasingly shows that behavioural support can be a more effective route to boosting employee financial security.

The power of payroll savings

We've seen at Nest Insight that workplace payroll savings schemes, for example, can meaningfully boost the numbers of employees who are saving persistently. For this to work, the schemes must be offered on an opt-out basis, where employees are automatically set up with an accessible savings account, unless they say they don't want it.

An emergency savings buffer can be a real unlock, both for individuals and their employers. Even a buffer of a few hundred pounds gives a person greater control, security and peace of mind. It also gives a foundation from which to progress to further saving and to engaging with other benefits that employers might offer. For example, there's good evidence that having emergency savings is associated with being more likely to save more into a pension.

Payroll is a powerful mechanism for saving. In trials with Bupa, Co-op and SUEZ, we designed an approach where employees started saving a default £40 per month, if they didn't opt out or change the settings. This made it easy for those who wanted to start saving to do so, while preserving the choice not to save for those who didn't want to or couldn't afford to.

Supporting those who lack financial confidence

When payroll savings are offered in this way, we see up to seven in 10 eligible employees start saving. Opt-out approaches more effectively support those who lack financial confidence – and those who aren't already savers – to get started with saving than workplace schemes where employees have to actively sign up.

There's a significant opportunity now for more employers to offer this kind of support – and a compelling business case for doing so. This is increasingly recognised as a national opportunity at central government and regulatory levels, too. The Financial Conduct Authority and the economic secretary to the Treasury have recently clarified the main rules relating to workplace savings schemes, while the recently announced new Pensions Commission also cites workplace savings models as having the potential to improve household financial resilience.

Employers are increasingly considering the impact of poor health on financial wellbeing

Workforce health improvement is a central component of financial wellbeing strategies, with the majority (89%) of employers either currently implementing or planning initiatives in this area to reduce future people-related risks. However, just over one-fifth (21%) recognise that poor health or chronic ill-health can jeopardise retirement saving, suggesting that employers are yet to fully understand and mitigate the impact that poor health can have on long-term financial resilience.

Figure 16

Proportion of employers aiming to improve workforce health as a strategic financial wellbeing objective for mitigating future people risk

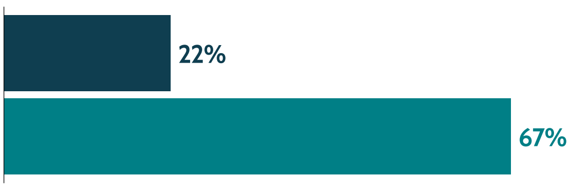
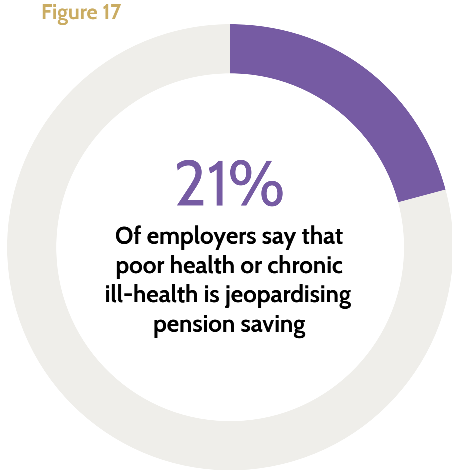


Figure 17



As we have seen throughout the research, employers are focused on improving financial resilience and introducing targeted support for life events. It will be important for employers to ensure that the impact of ill-health is considered within these measures.

This ties in with the government's Keep Britain Working agenda, which is considering how to reduce the number of people falling out of work as a result of long-term illness or disability. Broader benefits, such as group income protection, can help to support an employee's rehabilitation as well as providing financial support during periods of ill-health, helping them to return to work.

The health of the UK workforce

The Health Foundation's *Action for Healthier Working Lives* (2025) research highlights the state of the UK workforce's health. It finds that:

- More than a quarter of a million (300,000) workers leave the workforce each year owing to ill-health
- Currently, 4 million working-age individuals are out of work for health-related reasons
- A further 3.9 million employed people have work-limiting conditions – an increase of 1.5 million since 2013.

As a result, there are a significant number of employees who are at higher risk of becoming ill and being unable to work. This puts their financial wellbeing in jeopardy, particularly when considering retirement savings.

The *Beyond the Great Retirement* (2023) report from longevity think-tank Phoenix Insights shows that the average wealth for 50- to 64-year-olds who are economically inactive as a result of ill-health is just £57,000 – less than 5% of the average wealth of those who chose to retire early (£1.25 million).

The report underlines the need for older workers to have greater flexibility to remain in good work, with better access to financial and career advice, or they will be at risk of becoming more financially vulnerable.

The cost of living remains a dominant force affecting financial wellbeing

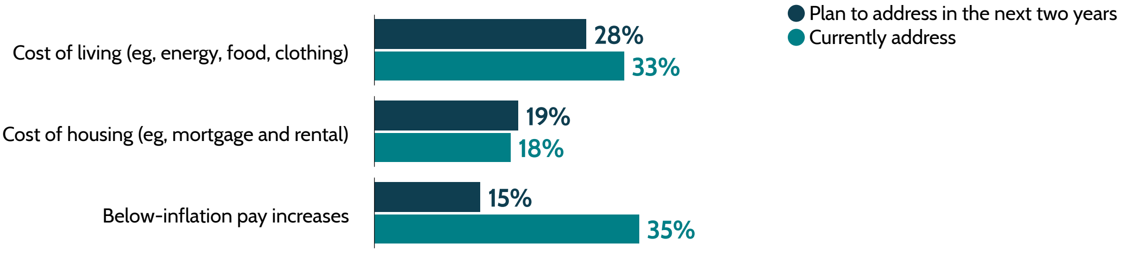
The cost of living increased sharply in the UK during 2021 and 2022, with the annual rate of inflation peaking at 11.1% in October 2022. Although the rate has subsequently eased to 3.6%, as of June 2025, the cumulative effect of rising prices means that households face a much higher cost of living than in 2021.

Employers are aware of the financial resilience risks that the cost of living is still placing on employees' daily lives. Although the issue is not as acute as seen in the *Financial Wellbeing Research 2022*, where four in five employers (81%) said that rising consumer inflation was a risk to the financial wellbeing of most of the workforce, it is still a factor being addressed by employers today.

The government's research briefing, *High Cost of Living: Impact on Households* (2025), further demonstrates why the cost of living is continuing to affect workers, particularly households with low financial resilience. In April 2025, 22% of adults in Great Britain said they'd had to borrow more money or use more credit than usual in the previous month, compared with a year earlier.

Figure 18

Financial resilience risk factors being addressed within financial wellbeing strategies



Employers are responding to housing cost pressures

The cost of housing, for both renters and those with a mortgage, is a risk factor that nearly two-fifths (37%) of employers said they address or plan to address within their financial wellbeing strategy. Rising housing costs are affecting employees across all income levels, not just those on low wages. Higher earners with substantial mortgages secured at low interest rates may also face financial strain when these rates expire. Consequently, employers which recognise housing costs as a risk are increasingly likely to provide savings products, mortgage brokerage services or rental assistance.

Figure 19

Savings benefits provided by employers viewing housing costs as a risk factor, compared with overall responses

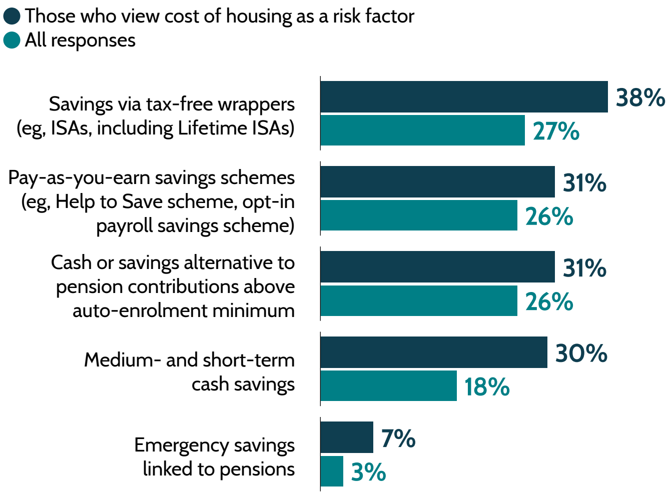
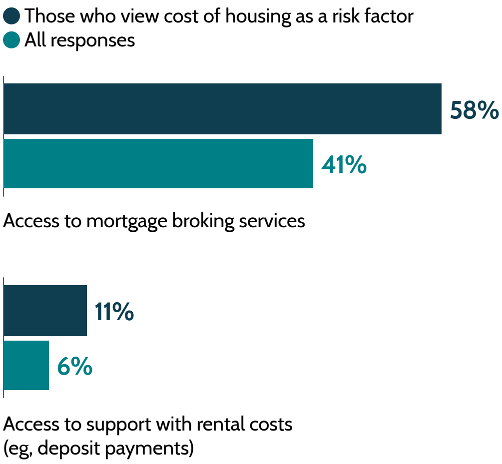


Figure 20

Borrowing benefits provided by employers viewing housing costs as a risk factor, compared with overall responses



CASE STUDY

Money First Aiders® will help our colleagues and help us become an employer of choice

Muntazir Hadadi

Head of Pensions
First Bus

We want to show people that we care about them outside of the day-to-day coming to work

With a large and dispersed workforce, supporting people with their financial wellbeing was a priority for First Bus

As a pensions specialist, I'm always keen to ensure that people are saving for their retirement. Yet, despite being a Living Wage employer, First Bus, like many other UK organisations, has an above-average level of pension opt-outs. The reasons are varied: lack of knowledge about pensions; employees believing that they don't need to think about saving for retirement right now; or the continuing cost-of-living crisis.

First Bus has around 18,000 employees across 60 depots, and last year we visited nearly 40 sites to talk to people about their pensions. It was clear that people didn't know where their pension was or how much was in it. As a result, we wanted to increase awareness, but we also realised that pensions saving was a financial issue as well.

Creative communications

We use a number of channels to communicate with colleagues at First Bus, and although our staff app is among the most popular, the nature of our roles – especially drivers – makes getting comms in front of people tricky, so we have to come up with more creative ideas to cut through. The key for getting information out there is to have people on the ground who have the right skills and awareness to be able to help and guide people with their pensions and financial wellbeing. This is why we decided to introduce Money First Aiders® – a certified online training course designed to empower employees to provide initial support to colleagues experiencing financial challenges.

Similar to how our mental-health first aiders address emotional wellbeing, Money First Aiders® can hold effective, confidential and compassionate conversations about money, and signpost colleagues towards appropriate resources and professional help. Training focuses on financial challenges that are particularly difficult to talk about, creating an environment where difficulties can be openly discussed without stigma. Our plan is to roll out the online training to 300 members of staff, including line managers.

Giving our mental-health first aiders this training was particularly important in light of research from the Money and Mental Health Policy Institute, which shows that 86% of the public said their financial situation had made their mental health problems worse.

For me, the best part of the training is the section on active listening and empathy, which helps us talk to colleagues about money worries. Talking about money worries has traditionally been a taboo for many people, so it's important that we actively show our colleagues that we have experts who are trained to help and that it's not something to be ashamed of.

Sometimes people just need to have a confidential chat about things and get it off their chest. But Money First Aiders® are also able to signpost to resources. They are taught how to listen and what sort of things to say, and are clear not to give financial advice.

There to help

We put our colleagues first, which is why we wanted to introduce Money First Aiders®. In the past five years, there has been a real concerted effort to show our colleagues that we are there to help and support them, and it does make a difference. It helps with retention and recruitment.

We want to be seen as an employer of choice, and this is one of the things that we've put into place to show people that we care about them outside of the day-to-day coming to work.

Support services will shape a better future

Employers continue to work on their financial wellbeing offerings, and are particularly keen to improve the support they offer employees

More than half of employers (51%) are planning to make changes to their financial wellbeing offering in the next two years. This continues the trend seen in the *Financial Wellbeing Research 2024*, where just under half (49%) of respondents said they planned to make changes in the next two years. In the same vein, nearly two-fifths (37%) of employers plan to increase their spend on financial wellbeing, with no respondents planning to decrease their spend. There is a slight mismatch between those who plan to make changes and those who plan to increase spend. Some employers may focus on lower-cost initiatives, such as training line managers and introducing financial wellbeing champions, rather than benefits such as will-writing and personal insurances.

Figure 21

The proportion of organisations planning to make changes to their financial wellbeing offering

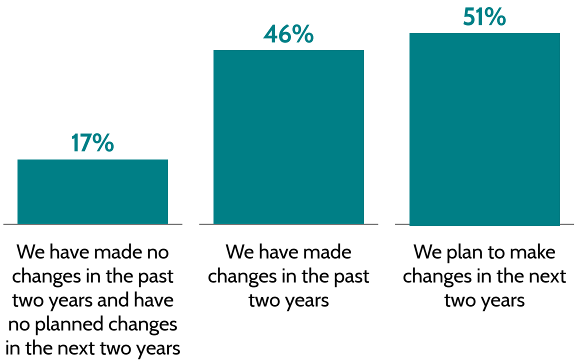
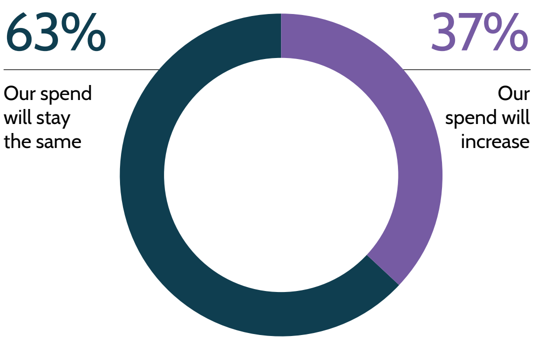


Figure 22

How respondents plan to change their spend on financial wellbeing offerings in the next two years



BIG SHIFT

+257%

Increase in the number of employers planning to offer training in initiating financial wellbeing conversations

Fewer than one in 10 (7%) currently offer line management training in initiating conversations about financial wellbeing. This figure will significantly increase in the next two years, when a further 18% plan to introduce this.

Workplace savings schemes are growing in popularity

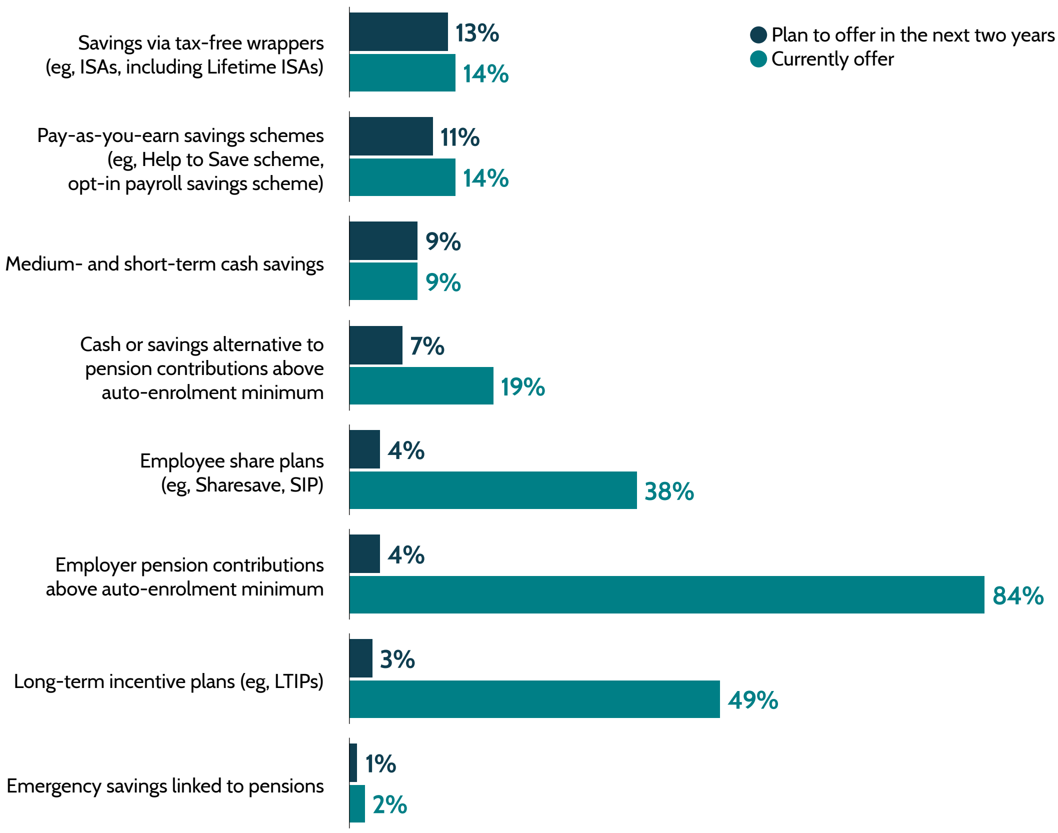
Workplace savings can be a useful tool to help strengthen employees' financial resilience. Yet, a significant proportion of UK workers have little or no money set aside for emergencies. Figures from the MaPS research in 2022 revealed that one in six UK adults have no savings.

Building savings is fundamental to good financial resilience and can help to protect employees from financial shocks. It also has wider recruitment and retention benefits. The CIPD's *Employee Financial Wellbeing: A Practical Guide* (2023) revealed that more than three in four employees would be attracted to move to another employer if they perceived that employer to care more about their financial wellbeing.

Employers are increasingly recognising that there is a place for workplace savings beyond pensions within employee benefits packages, as can be seen in the findings from this research.

Figure 23

The savings benefits that employers offer or plan to offer



BIG SHIFT

+93%

Increase in the number of employers planning to offer savings via tax-free wrappers

A little over one in 10 (14%) currently offer savings via tax-free wrappers, such as ISAs, as a financial wellbeing benefit. This figure will nearly double in the next two years, with a further 13% planning to offer this.

CASE STUDY

A personalised, whole-career approach will allow Dana Petroleum to build a strong EVP

Donna Christie

Head of HR and Reward
Dana Petroleum

We look at the different generations working with us, and what life is throwing at them

Inclusivity and clear communication of existing benefits underpin this year's work

Despite Dana Petroleum being an operator in the oil and gas industry, we are quite small in terms of employee numbers. In August 2025, our staff headcount is 226, with employees spread across the UK, Netherlands and Egypt. Our approach when it comes to the benefits on offer to our staff is to look at the different generations of people working with us, and what life is throwing at them. The aim is to create a whole-career approach that offers elements of personalisation for everyone.

Making the most of what we have

By highlighting the total benefit package, we try to promote the benefits in terms of 'what it can do for you'. For financial wellbeing, we do in-person pop ups throughout the course of the year, as well as a range of webinars on different topics. In September, we're focusing on how to retire well and at the end of the year we tend to do one about managing debt and how to use the savings available as part of the package.

Our current approach to financial wellbeing is piecemeal and differs across locations. We are working hard to bring everything together for our people in a way that is useful to them. With this in mind, we look across the board in terms of what education people need at various stages of their career as well as really pushing the benefits that we have so people are making the most out of them from a money saving point of view.

An example of this is our health cash plan. This was introduced with the key objective of allowing employees the ability to reduce the excess paid on private medical insurance - £200 can be offset. However, it comes with a wide range of other benefits. These benefits aren't as well understood but could save employees money, so our challenge is to educate them around that.

Ages and stages

For our younger cohorts, we set up events for them to attend on topics such as getting on the property ladder, managing debt, etc. While for our older population nearing retirement, we're considering how we help them with their next steps.

It's our older population that we're particularly focused on now. We're keen to make the retirement journey better for people. We're looking at what retirement means, because it now means very different things to people. We have a lot of senior technical staff who have spent most of their career with us and are retiring from full time work, but who may want to set themselves up as independent consultants.

As a result, we're exploring what else we can do to support them in terms of helping them set up a consultancy or moving to another form of work. We're keen to move beyond signposting to pension websites and give them more practical support as they go into the next chapter of their lives.

Thanks to our size, much of what we do is on a case-by-case basis with good intention. Our focus is shifting towards strategic intention with a drive on EVP. Salary is only one element, but it's all the other things that make a difference. Our efforts are focused on making sure that people are aware of what they've already got, and that's where we're doing more work this year.

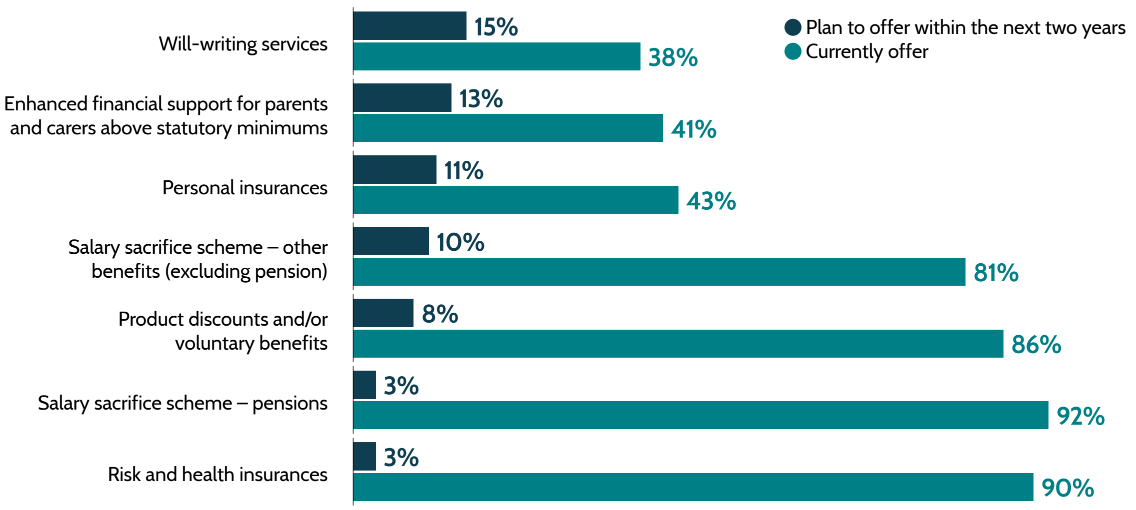
Will-writing and financial assistance for parents and carers show continued growth

While most financial wellbeing employee benefits are well established, will-writing and enhanced financial support for parents and carers are emerging as increasingly important offerings.

In the *Financial Wellbeing Research 2024*, 29% of respondents planned to offer this benefit in the next two years. This year, the figure has now risen to 38%. Given the increased interest in supporting life events (see page 9) and a great focus on life events relating to retirement adequacy (see page 17), this may be another tool in employers' armoury to better support the financial wellbeing of employees and their families if the worst should happen.

Parental leave and pay also relates to broader objectives of supporting life events and family. Even though parental leave and pay levels are currently under government review (see page 23), more employers are taking action to offer financial support that goes beyond statutory minimums. This could be for several reasons, ranging from pre-empting legislation changes through to wanting to be an employer of choice and boosting the retention of working parents.

Figure 24
The employee benefits that employers offer or plan to offer



Employers take advantage of digital tools to boost financial wellbeing

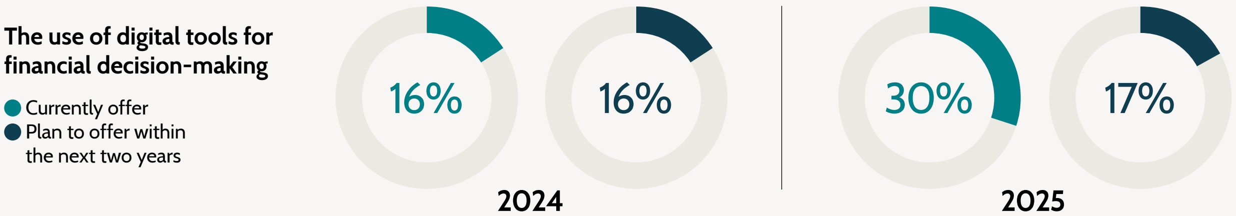
The use of digital tools to support financial decision-making, such as budgeting apps, has seen a rapid rise year-on-year.

In the *Financial Wellbeing Research 2024*, fewer than one-fifth (16%) of employers offered digital tools, while 16% intended to offer these. This year, nearly one-third (30%) of respondents said they offered access to digital tools to support financial wellbeing decision-making, with a further 17% planning to implement this benefit.

This growing trend highlights how financial wellbeing support services are evolving. Digital tools are accessible and provide privacy for users, who may not wish to share their financial concerns in the workplace.

And, as seen elsewhere in this research, employers want to build financial resilience by supporting employees to build their knowledge and increase their financial literacy. Digital tools offer an effective way to do this.

The use of digital tools for financial decision-making



Alleviating debt drives employers to provide benefits relating to financial borrowing

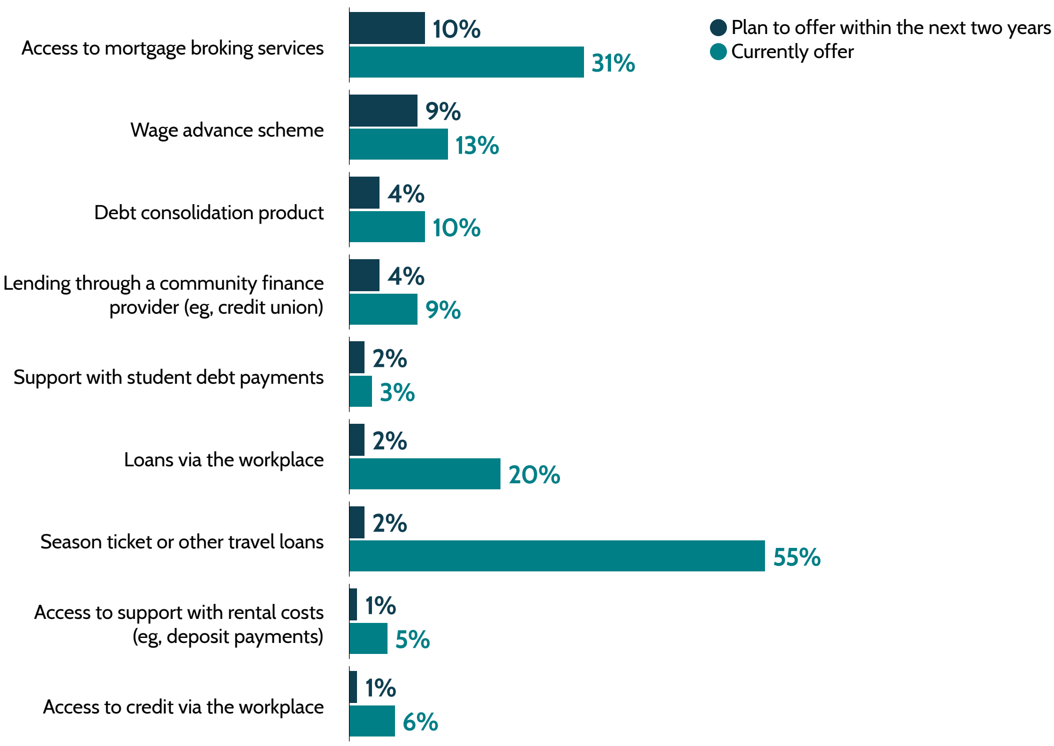
Workplace financial borrowing benefits, although less common than financial support services such as financial education, are a staple within many organisations.

The biggest interest is in benefits that support employees to make the most cost-effective decisions around debt – ie, with mortgage broking services and debt consolidation. Wage advance schemes, which give employees access to earned wages before their usual payday, also help employees to avoid problem debt, such as payday loans. However, these schemes should be carefully implemented with financial education to ensure employees understand any related charges and do not become reliant on early wage access.

The big growth in wage advance schemes – of more than two-thirds (69%) in the next two years – is in line with the findings from last year's *Financial Wellbeing Research 2024*. This showed similar results, with 13% offering a wage advance scheme at that point and 9% planning to introduce one in the following two years.

Figure 25

The financial borrowing benefits employers offer, or plan to offer, in the next two years



BIG SHIFT

+186%

Increase in the number of employers planning to introduce mid-life financial MOTs

Fewer than one in 10 (7%) currently offer a mid-life financial MOT within their financial wellbeing support services. This figure will more than double in the next two years, when a further 13% plan to offer this.

One-to-one support and individual champions growing in importance

Financial wellbeing support services are the main way in which employers are choosing to support employees' financial wellbeing.

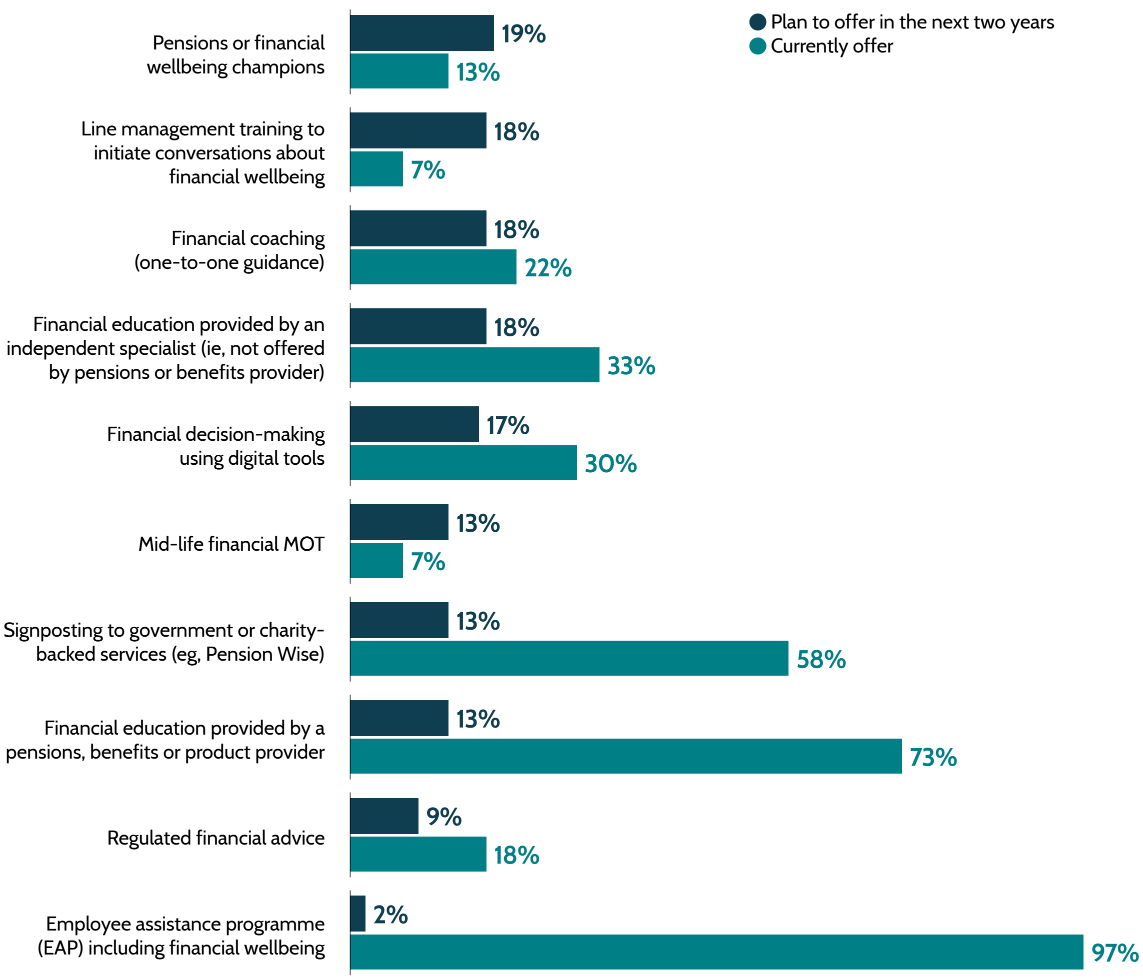
The use of pensions and financial wellbeing champions and training line managers to initiate conversations about financial wellbeing will see significant growth in the next two years. Employers are seeking to give employees the tools and resources they need to improve their own financial resilience, while reducing the taboo of talking openly about finances and seeking help when needed.

Financial decision-making using digital tools is a further area set for large growth – a 57% increase. Budget planners, pension apps and digital payslips are all contributing to making financial wellbeing more accessible to employees. The integration of these tools with existing HR systems also provides employers with valuable anonymised data on financial wellbeing trends, enabling more targeted and effective support strategies.

The emphasis on education and self-service tools also represents a cost-effective approach for employers, as these solutions can be scaled across large workforces without the ongoing expense of individual financial counselling sessions.

Figure 26

The financial wellbeing support services employers offer or plan to offer



Recommended actions

From WEALTH at work

1 Help employees make smart money moves

Financial literacy entails having the skills and knowledge required to make important financial decisions. This includes being able to manage a budget, and understanding how to manage debt, save effectively and plan for retirement. Supporting employees to improve financial literacy through financial education can help them make well informed decisions throughout their careers, reduce financial stress, and lead to improvements in financial wellbeing.

2 Make it meaningful for all

Ensure that financial wellbeing support is suitable for all your workforce. Different groups within the workforce, such as parents and carers and those approaching retirement, will have varying financial wellbeing needs. Providing employees with a range of benefit options allows them to choose what best suits their circumstances. But don't forget that employees will need support to understand the financial benefits on offer and how to access them to optimise their use.

3 Maximise reach with a range of support

A number of methods are available to support employees, depending on their preferred learning style and work environment. This includes financial education sessions (face-to-face or online), one-to-one financial guidance through coaches (via telephone, online or face-to-face sessions), webcasts, videos and animations, or even interactive financial wellbeing platforms with gamified learning.

4 Tackle retirement adequacy

Our research has found that the number of employees who believe they will never be able to afford to retire is on the rise. It's vital for people to engage with their pensions as soon as possible. Joining pension schemes early and being in the right investment for the long haul significantly boosts retirement adequacy. Helping employees understand the impact of small changes can also make a huge difference. Employees approaching retirement require support to make the most of their lifetime savings and avoid costly missteps, so financial guidance and regulated advice could be particularly beneficial.

5 Measure, monitor and evolve

As employees' personal circumstances shift, so do their financial wellbeing needs. An effective financial wellbeing strategy must be dynamic, evolving with changing needs to remain relevant and impactful. It's essential to measure outcomes of interventions and track engagement. This not only validates the effectiveness of current support but also informs future offerings. This could include tracking attendance rates and feedback from financial education sessions, or reviewing use of webcasts or intranet pages. Behavioural changes such as increasing pension contributions could also provide valuable insights.

About WEALTH at work

WEALTH at work is a leading financial wellbeing, retirement and workplace savings specialist – helping employees to improve their financial future. This is achieved by providing support in the workplace on a range of financial matters, from financial wellbeing issues such as debt and money management through to pensions and preparing for retirement. We also specialise in delivering projects to support employees through pension changes, as well as redundancy, share scheme launch and maturity, and so much more.

Established in 2005, we provide financial education and one-to-one guidance on a bespoke basis, which can be delivered globally. As part of the Wealth at Work group, we deliver these services for hundreds of organisations, reaching millions of the workforce. Following this, for those wishing to understand their personal financial situation, support is provided through our helpline. At this point, we can offer access to investment advice that provides specific recommendations on, for example, retirement planning and can adapt in line with changing needs. We also offer other investment options for those with simpler investment requirements. These can be initiated at an individual level or arranged at employer level by setting up and offering a Workplace ISA.

For more information, contact:
info@wealthatwork.co.uk
Telephone: 0800 234 6880
Website: wealthatwork.co.uk

WEALTH at work

part of the Wealth at Work group

Employers completing REBA's survey

By organisation size, plus sector breakdown

Respondents by organisation size

10,000+ employees

- Accenture
- Balfour Beatty Group Employment
- BT Group
- Cabinet Office
- Centrica
- Cognita Schools
- Connells Group
- Culina Group
- DHL Supply Chain
- Dunelm
- Entain
- First Bus
- Greencore
- GSK
- Halfords Group
- Hampshire and Isle of Wight Healthcare NHS Foundation Trust
- Jet2.com
- Kier Group
- Lloyds Banking Group
- Next
- Ocado Group
- Santander
- Swiss Re
- TELUS Health
- Tesco
- The Adecco Group
- TJX Europe
- Travis Perkins
- Whitbread
- Wincanton

5,001 - 10,000

- Aristocrat
- Bidfood
- Cadent Gas
- Cisco
- Diageo
- E.ON
- Grant Thornton
- GSK
- Imperial College London
- mydentist
- National Highways
- New Look
- Nottingham City Council
- RELX
- Shell
- Siemens
- Sopra Steria
- Thales
- University of Bristol
- Wickes
- Wise
- Wolseley UK

2,501 - 5,000

- Aegon
- AkzoNobel UK
- Alstom
- Arcadis
- Aspris Children's Services
- Belron UK
- British Heart Foundation
- Brunning and Price
- Burberry
- Cognita Schools
- DMGT
- Equiniti
- G's Fresh
- Harbour Energy
- Hargreaves Lansdown
- Hastings Direct
- Hays
- House of Commons
- Islington Council
- JLL
- London Stock Exchange Group
- Molson Coors Beverage Company
- NATS
- Northumbrian Water
- Orders of St John Care Trust
- Peabody
- Rathbones
- Reconomy
- Renishaw
- Royal London
- Ryanair UK
- Salesforce
- SLB
- Yorkshire Water

1,001 – 2,500

- 3M
- adidas
- Airwair International
- Amplius
- AmTrust
- Arch Capital
- Ashurst
- Aster Group
- BAT
- Beazley Management
- Carnival UK
- Chanel UK
- CMS Cameron McKenna Nabarro Olswang

Industry

Financial services	20%
IT, technology and telecoms	13%
Professional services	12%
Manufacturing and production	10%
Retail	6%
Utilities and energy	6%
Engineering and construction	4%
Transport and logistics	4%
Media and entertainment	4%
Healthcare	3%
Leisure, travel and hospitality	3%
Pharmaceuticals and biotech	3%
Education	2%

Employers completing REBA's survey

By workforce size

- Cubic Transportation Systems
- Danone
- Dogs Trust
- Environmental Resources Management (ERM)
- Fater Group
- First Central Insurance
- Gartner UK
- Gilead Sciences
- Gowling WLG
- Hymans Robertson
- JTC
- Kainos Software
- Keepmoat
- Keywords Studios
- Kroll
- Latham & Watkins
- Leeds Building Society
- Live Nation Entertainment
- Lockheed Martin UK
- Lotus Cars
- LSL Property Services
- Lumanity
- Marex Group
- Moody's
- Northern Ireland Water
- Northern Trust Management Services
- Ofcom
- Paragon Banking Group
- Raytheon UK
- Seagate
- Signature Senior Lifestyle
- Smith & Nephew
- St James's Place
- Torus
- TP ICAP
- Trustpilot
- Worley

500 – 1,000

- ASCO UK
- Astellas Pharma
- Augean
- Baker McKenzie
- Bibby Line Group
- British Business Bank
- Bryan Cave Leighton Paisner
- Clarksons
- Haskoning
- IDEX Corporation
- JCDecaux UK
- Kao
- Lewis Silkin
- Lockton
- Macfarlanes
- Marshall
- MS Amlin
- OneFamily
- Ontic
- OXB
- PAM Wellness
- Philip Morris International
- Plymouth Community Homes
- Progress Housing Group
- Qualcomm
- ROCKWOOL
- Rolls-Royce SMR

Fewer than 500

- Athora UK Services
- AVC Wise
- Backbase UK
- Belmond UK
- Biomodal
- BIW
- Camellia/Linton Park
- Coalition for Epidemic Preparedness Innovations
- CF Fertilisers
- Chris Law Mortgages
- CloudPay
- Commonwealth Secretariat
- CSG
- Dana Petroleum
- David Austin Roses
- Davidson Asset Management
- Daymer Consulting
- Digi Outsource
- EDME
- Essentra
- Evergreen Garden Care UK
- Eversholt Rail
- Fisher Investments Europe
- Flora Food Group
- FNST
- Greenwoods Legal
- Harness
- Heart of Worcestershire College
- Heeton UK
- IFCO
- Improbable
- Intermediate Capital Group
- Intuit
- JTC Group
- Juice Plus
- Made Tech
- Morgan Financial Solutions
- Motor Insurers' Bureau
- NetApp
- ofi
- Omega Diagnostics
- Parts Town UK
- Publicis Resources
- Rio Tinto
- Ropes & Gray
- Silver Cross
- Suffolk Family Carers
- TelXL
- The National College
- TomTom
- TRL
- US Embassy
- Virgin Management
- West Central London Mind
- ZB People & Culture Consulting
- Zscaler

About REBA

The Reward & Employee Benefits Association (REBA) is a thriving community of HR professionals dedicated to pursuing best practice in reward and benefits. Synonymous with excellence, REBA informs and empowers its members to grow their networks, advance their knowledge, source and connect with market-leading vendors, and be prepared for what's coming over the horizon.

REBA's research taps into its diverse network of 4,800+ members and 21,500+ HR contacts to provide objective insights into the reward, benefits and people risk strategies that a broad range of organisations are implementing throughout the UK and internationally. As a result, REBA produces independent reports featuring data-led benchmarking, fresh insights, emerging trends and case studies to identify change and inform better decisions in reward and benefits strategies.

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Benefits Design Research 2025
HOWDEN
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217
1.2 million
142
The new era of workplace pensions
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