

Isio insights

# Back to school

## Maximising value from employee benefits

Isio surveyed<sup>1</sup> over 7,500 private sector employees and this series of papers puts the spotlight on our key insights.

<sup>1</sup> Isio's June 2023 survey in conjunction with YouGov of 7,674 UK private sector employees. Responses for don't know or prefer not to say answers have been removed, unless explicitly shown.

In the fifth of our papers on employee benefits we look at how financial confidence and understanding can be improved. **Do you know how your employees currently make financial decisions? Where would they appreciate additional support and what would that look like?**

**isio.**  
born to be better.

## Learning styles.

Cast your mind back to your favourite lessons at school. Why did you enjoy them? Put aside causing mischief with your classmates, for many of you, we suspect that it was down to the subject and the teacher – essentially the content and the method of delivery. You needed to have an interest in what you were learning about and then it needed to be delivered in a way that connected with you.

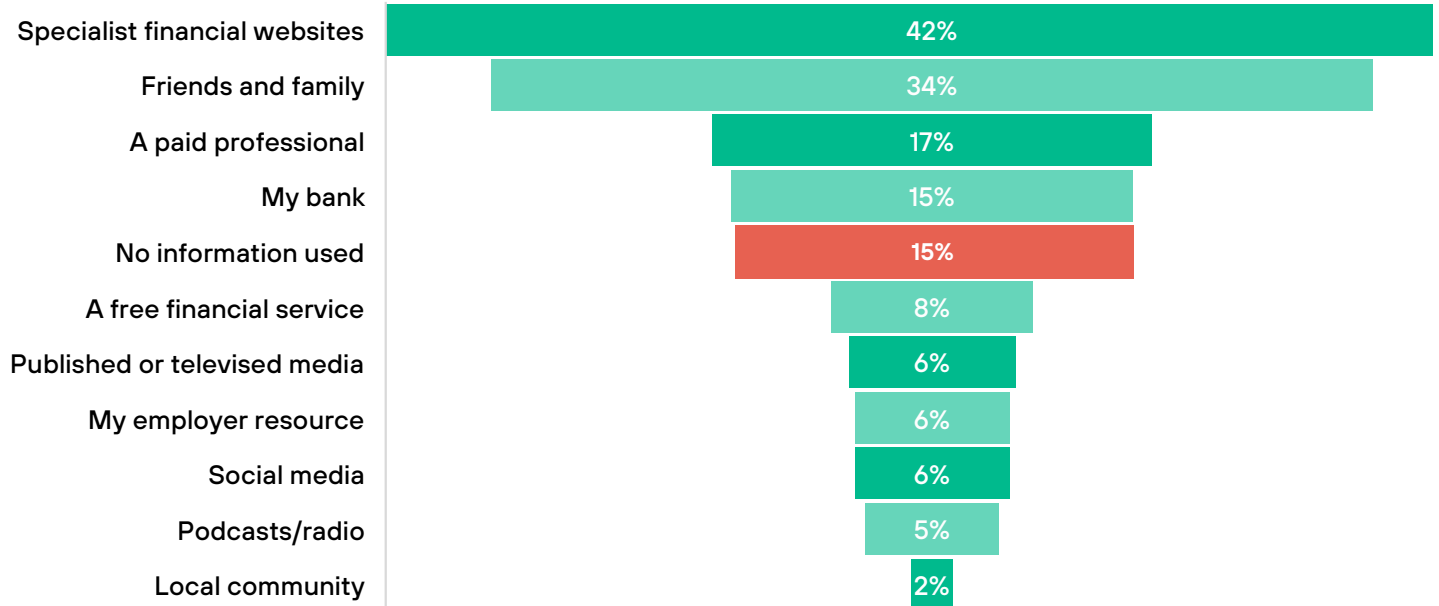
When you think about delivering effective information and education to your employees, the same principles hold. Are you providing information that is relevant and at the point of need for your employees, and is it delivered in an accessible, engaging way?

In this paper we are going to look at what information employees are currently using to make their financial decisions, and what additional employer support would be valued, with the ultimate aim of improving confidence and understanding. Why? Because our [previous papers](#) established a link between increasing financial confidence and understanding and decreasing employee turnover.

## Off to the library.

Our fourth paper, “the power of knowledge”, suggested that 73% of those surveyed lacked some confidence when making their last major financial decision. This implies that this 73% were not sufficiently informed. We asked survey respondents<sup>1</sup>, **where did you get information from for your last big financial decision?**

The graph below shows the responses to this question from those who have recently made a financial decision where they needed to think about the options (c. 6,000 respondents who gave an answer, more than one answer could be given).



Employers can play a bigger role in providing professional guidance to employees.

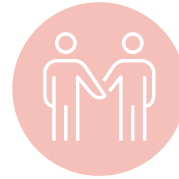
For those who made a major financial decision, 1 in 2 had used some form of non-professional guidance (social media, family and friends, the community) or had not sought any guidance to make their decision. If we dig into this, there is a mixed picture:



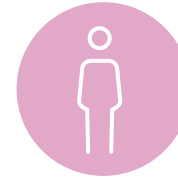
**Social media was unsurprisingly used more by the younger generations**, but males were also more likely to use it than females.



**Higher earners were more likely to rely on written information.** This suggests that static information, such as brochures or websites, may only reach a subset of the population.



**Friends and family were used more by the younger generations** – perhaps hoping to benefit from the wisdom of their older relatives. Females and people of Asian, Black and Mixed ethnicities were also more likely to seek out friends and relations.

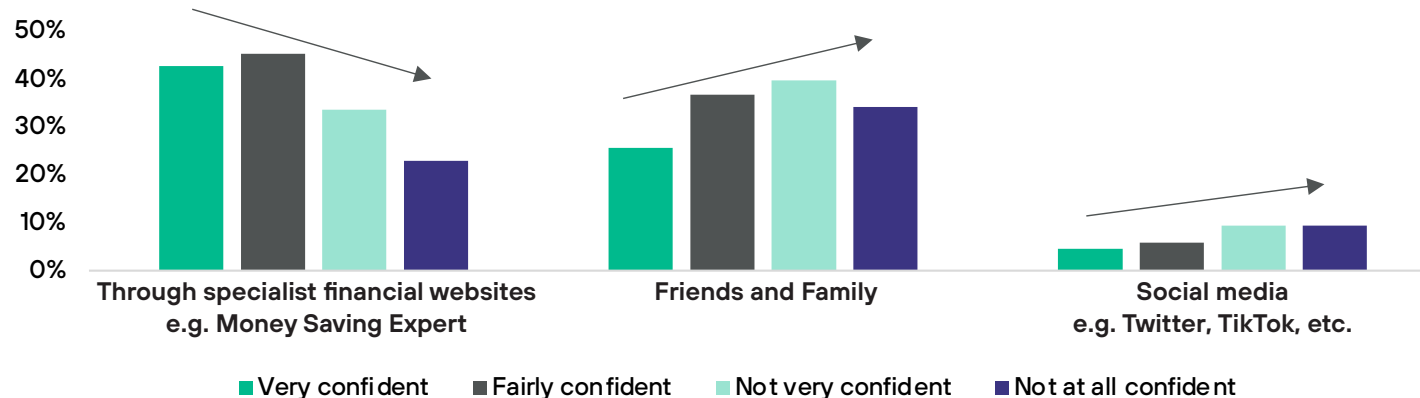


**Individuals who chose not to use information** were more likely to be male, older, White, lower paid and from a lower social background. The latter two groups are notable as they also showed lower levels of financial confidence. This implies that although they might benefit from support, they do not seek it.

## Exam results.

Let's focus on how this translates to financial confidence. The graph below looks at three sources of financial information and how financially confident those who used the sources were. We have only shown these three as they have a notable impact on confidence, not all of which seems to have been positive. Other potential sources of information, such as paid professionals, banks and published media, seem to have a more muted effect, which we attribute to a large variation in quality.

The key point to draw out here is that generally, as financial confidence decreases, so does the use of specialist financial websites. Those who placed more reliance on non-professional information, such as via friends and family and social media, show much less confidence in their last financial decision. **The lesson here? If left to their own devices, some employees are going to get their information from potentially unreliable sources that may do more harm than good.**



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## School report.

What does this analysis mean for the workplace? Our research across this paper and our [fourth paper](#) suggests that the majority of employees could benefit from some form of additional support, to empower them to engage with and make well-informed financial decisions. We believe that the employer is well placed to help employees achieve top marks in this subject.

Specifically, an employer can provide specialist support to help employees manage their finances and improve their financial understanding – thereby improving their broader financial confidence. If this support is joined up with the employee benefits offering, employees can not only take advantage of the employee benefits to support their particular needs, but they will also engage with, and place more value on the benefits offering.

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## Lesson planning.

So how should you deliver this support? The first action is to consider your audience.

While some people are self-starters and will easily navigate written materials and modellers, others will prefer group settings or absorbing various media channels. And for anyone who received 'extra' tuition or music lessons at school, you will acknowledge the benefits to be had from one-to-one support, where a listening ear and a helping hand can be provided.

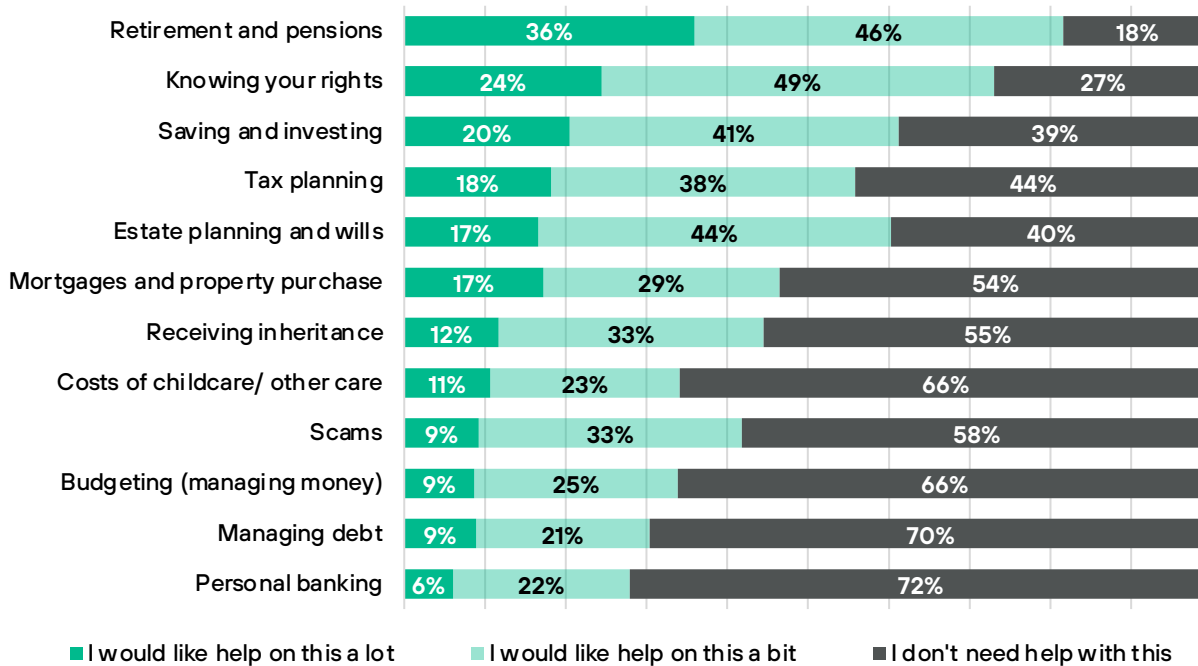
One-to-one financial coaching is one of the 'gold standard' approaches to employer supported financial education and engagement. It allows employees to ask questions, check their understanding and can signpost them to existing employee benefits. In our survey, 65% of respondents were fairly or very likely to use such a financial coaching service. **It was those who were likely to use coaching who also reported poorer financial confidence in their own decision making compared to the whole population.**



**50%**  
of people welcome  
help on personal  
finances.

## Setting the curriculum.

Where do you start with lesson content? To prioritise, we asked **If your employer provided a financial education service, which topics would you like help on?**



Overall, there was a strong interest for help across most areas, and it's no surprise that complex subjects such as pensions and tax were ranked highly. However more straightforward subjects with mass appeal were also favoured, such as knowing your rights and will writing. And although budgeting was one of the least popular options, in our experience of financial coaching, we have found that budgeting, framed in the right way, can deliver benefits to most people.



## Extra homework.



### Clearer content

Do your communications describe complex benefits in a form that is understood by all of your employees, or could they do with a re-design?



### Meet employees at the point of need

What is important to the individual now, and how do you use that to make content and actions relevant?



### Accessibility

Are you engaging employees in an accessible way? Consider disabilities, but also the distractions of everyday life that affect us all. Are your communications as inclusive as they could be?

## It's time for revision.



- Half of people rely on non-professional routes of information when making major financial decisions.
- Using more relatable and well-informed routes of support, rather than being guided by opinions, increases self-confidence in major financial decisions.
- Our [previous papers](#) showed that increased financial confidence and understanding was linked to improved engagement and lower employee turnover.
- Employers have an opportunity to provide this missing support and to help employees engage with their finances.
- There is appetite for educational help on all topics, but especially pensions.
- Care must be taken with employees' sensitive information. Financial coaching could help with this, and this was welcomed by those who most need it.



## Next steps.

Our next paper will stretch outside benefits and look at what is – and is not – valued in the wider employment package. In the meantime, here's your test:



Assess your current financial education and engagement in terms of both its content and delivery. If you had received information in this way at school, would finance have been your favourite lesson?



Ask this question again from the perspective of your most financially vulnerable groups or those who are disengaged? Does the answer change?

For further insights on how to make the most of your reward and benefits, read the rest of the series [here](#).



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