Championing better work and working lives

REWARD MANAGEMENT SURVEY

Focus on employee benefits

Survey report

April 2022

The CIPD is the professional body for HR and people development. The registered charity champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 160,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Survey report

Reward management survey: focus on employee benefits

Contents

Acknowledgements

This report was researched and written by Charles Cotton, Senior Policy Adviser for Reward, CIPD; Liz Marriott, Data Analysis Consultant; and Stephen J. Perkins, Global Policy Institute, London and Professor Emeritus at London Metropolitan University.

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1 Introduction

This report draws together findings from our annual survey of UK employer reward policy – the CIPD *Reward Management* survey – as well as a new survey on employee financial wellbeing.

The *Reward Management* survey examines the benefits employers provide their employees in the UK. The survey took place in October 2021, with 280 reward professionals completing the questionnaire from the private (70%), public (15%) and voluntary (15%) sectors. This employer perspective captures:

- the types of benefits employers provide, and who's receiving them
- any changes being planned for 2022
- how the benefits landscape has evolved since we last explored this topic in 2018
- the impact of the pandemic – and skills and labour shortages – on the benefits package
- employer attitudes and responses to financial wellbeing and in-work poverty.

To find out about what employees thought about their financial wellbeing, pay and benefits, we commissioned YouGov to carry out an online survey on our behalf. The survey took place between 22 December 2021 and 15 January 2022, with 2,557 adults responding. This employee perspective captures:

- the state of their financial wellbeing
- the support they're receiving from their organisations
- their thoughts on their benefits package.

By consolidating these findings, we can assess what impact the pandemic (and cost increases associated with the UK economy reopening from April 2021) has had on employee financial wellbeing and in-work poverty – from the perspective of both employers and employees.

Financial wellbeing – the sense of feeling secure and in control – is central to the focus of this report. It's knowing that you can pay the bills today, deal with the unexpected, and possess the financial freedom to make the type of choices that enable you to enjoy life both now and in the future. By contrast, poor financial wellbeing can mean facing insecurity, uncertainty, and impossible decisions about money. In the worst cases, this can result in poverty – not being able to heat your home, pay rent or buy essentials.

Our research took place against a backdrop of financial hardship for many: an increase in the cost of living from 3.8% in October 2021 to 5.5% in January 2022 (as measured by the Consumer Prices Index (CPIH)). At the start of 2022, inflation was forecast to rise even further until peaking in the spring and then falling away. However, since the Russian invasion of Ukraine in February, CPIH is now predicted to remain high for the rest of the year, though it's worth remembering that employees were already affected by money worries in January 2022, with many already suffering from in-work poverty.

This report shows that, although employers are already doing many things to help the financial wellbeing of their employees, there are opportunities for improvement. Yet it would be wrong to believe that employers, on their own, can prevent more people from falling into poverty. To address this issue, government action is urgently needed to reduce the impact of the rising cost of essential goods and services on employees.

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2 Career and wellbeing benefits

Overview

Since early 2020, how employers treat their workforce, especially those in key and essential jobs, is subject to extensive scrutiny by the media, investors, customers, politicians, and staff themselves. This has been driven by such factors as the personal and business restrictions linked to the pandemic, Black Lives Matter, and the jump in the cost of living.

This scrutiny is across the whole of reward and makes little distinction of what might be considered as pay or as a benefit. It also includes non-financial elements, such as the availability of flexible working, training and development opportunities, a safe and warm working environment, and being managed fairly.

Comparing benefit provision *now* with what we found when we last looked at benefits in 2018, we find there have been increases in areas like employee health and wellbeing, financial benefits, and social benefits. We explore some of these benefits for the first time, such as employer salary advance schemes or setting your own pay.

The way in which we view – and value – benefits has evolved over the past few years due to changing employee perceptions. This presents opportunities and challenges for employers when communicating with – and educating people on – the package on offer.

While defining what a benefit is can be complex, so too can be explaining why and how it is provided. To get across the value of the benefits package, it's important that employers explain *why* and *how* benefits are being offered, and what people need to do to access them. We will explore this in more depth at the end of this section.

Key findings and implications

Training and career development opportunities for all or some staff are offered by 92% of employers. Other common benefits include paying towards conference attendance (75%); professional subscriptions and fees (75%); and study leave (70%). However, these are often more focused on certain employees rather than provided to all. Training and career development opportunities focused on helping low-earners increase their pay potential are now offered by 47% of employers surveyed, with a further 3% planning to do this by October 2022. However, these benefits vary by employer size, sector, and financial situation. For example, those that report their financial situation has worsened are less likely to offer training and career development opportunities focused on helping the low paid. More positively, 44% are planning to spend more on training and career development benefits in 2022.

When it comes to financial wellbeing benefits, most now provide a wage the same or higher than the voluntary Living Wage (as at October 2021). Other common benefits provided to some or all include: a workplace pension scheme with a 6% minimum employer contribution (62%), debt counselling (57%), and alerting staff to financial scams (47%). Certain benefits that have attracted recent media attention are less widely adopted, such as earned pay access (14%), set your own pay date (5%), or set your own pay (4%). While SMEs are just as likely as large employers to match the real Living Wage, large employers are more likely to offer many of the other financial wellbeing benefits identified by our research. Financial benefits will see extra investment, with 30% planning to spend more this year.

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The pandemic has focused attention on workplace health and wellbeing, and our survey finds a wide range of such benefits on offer to some or all staff. The most common being: employee assistance programme (78%), free drinks (79%) and occupational sick pay (73%). While private medical insurance is offered by 50% of employers, it's usually restricted to some workers. Benefits that grew over the pandemic include: financial support for having to self-isolate (49%), programmes to encourage physical fitness (36%) and virtual GP services (29%). Again, there are more benefits on offer in larger employers and fewer in those that are a lot worse off financially since 2020. More (27%) plan to spend extra, while just 3% plan to invest less in these benefits.

The research reveals a wide range of paid leave benefits, the most common being paid leave for bereavement (86%), 25+ days' paid leave excluding public holidays (82%), and paid leave for jury service (64%). There are variations by size and sector too; for example, public sector employers are more likely than private sector firms to offer most of these types of benefit. More employers (16%) forecast spending extra in this area than anticipate cutting it (4%).

Career and professional development benefits

92% offer training and career development opportunities

Figure 1 shows the most common career and professional development benefits provided by the employers that responded to our survey. The most frequent benefit offered is training and career development opportunities, with 78% of organisations offering this to all their employees and a further 14% to some of them (dependent on such factors as seniority, grade, location, role, and so on). As our section on social, family and technology benefits shows, the proportion of employers offering training and career development opportunities to all staff has increased from 67% in 2018 to 78%.

Other common benefits on offer are the payment of conference attendance fees by the employer, study leave, and professional subscriptions and fees. However, as Figure 1 shows, these are more likely to be focused on some employees rather than all employees. For example, while 75% of employers pay all or some of the expenses associated with attending a conference, 44% do this for some employees, while 31% do this for all staff.

Benefits that are more likely to be provided to all staff are peer learning groups (such as networks promoting workplace inclusion and diversity), coaching/mentoring programmes, shadowing and work experience, and technical, professional or business apprenticeships.

More information can be found in Table 1 in the Appendix.

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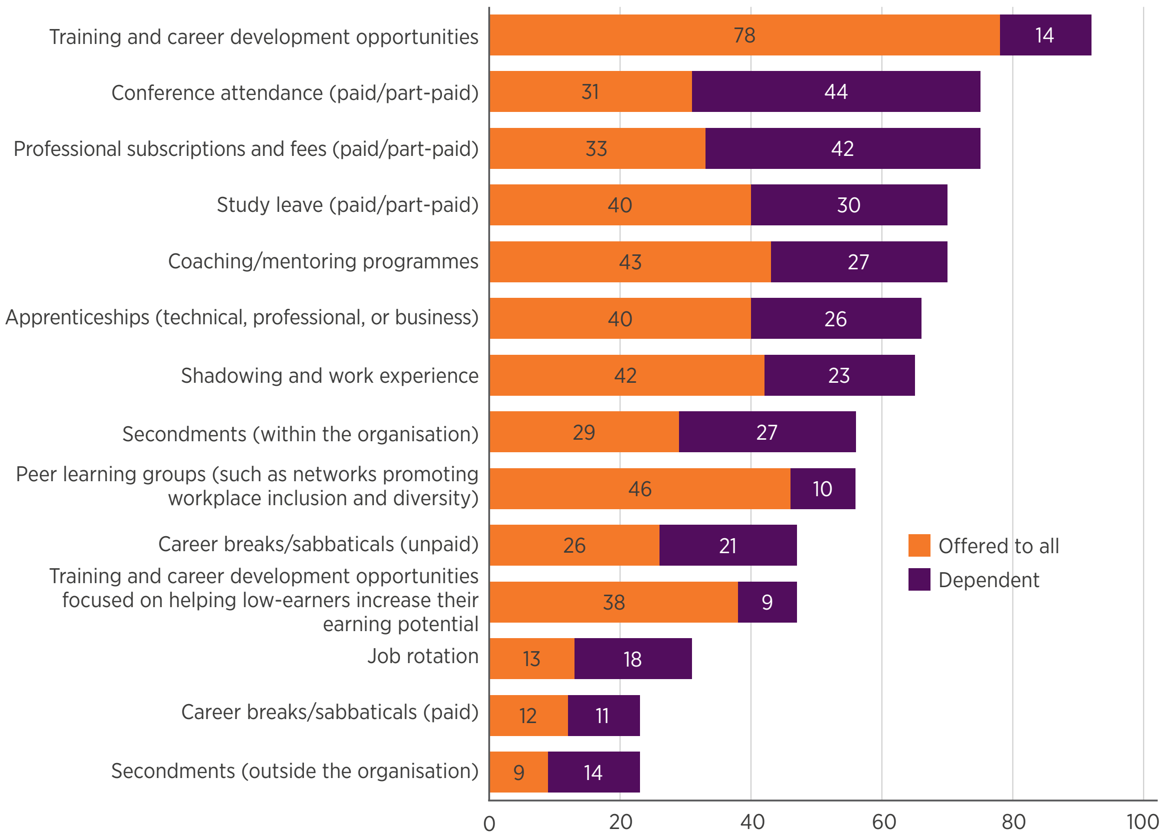
Figure 1: Career and professional development benefits on offer (%)



Base: n=253. 'Dependent' indicates a benefit offered to some staff dependent on grade, seniority, location, job, role, and so on.

Size, sector and financial position matter

When comparing the benefits offered in small and medium-sized employers (SMEs) with large employers, Figure 2 shows that larger organisations are more likely to offer most of the listed benefits to all staff. For example, larger organisations are far more likely to offer secondments within the organisation, paid and unpaid sabbaticals/career breaks, apprenticeships, and paid or part-paid study leave. Such employers are likely to have more people to train, more resources at their disposal, a learning strategy in place, and learning and development professionals in their employ. An example of an employer introducing paid sabbaticals is Monzo Bank, which will offer three-month paid career breaks to employees for every four years of service.

That said, SMEs are a bit more likely than large organisations to offer training and career opportunities to all, and they are also more likely than large employers to offer paid or part-paid conference attendance to all staff.

More information can be found in Table 2 in the Appendix.

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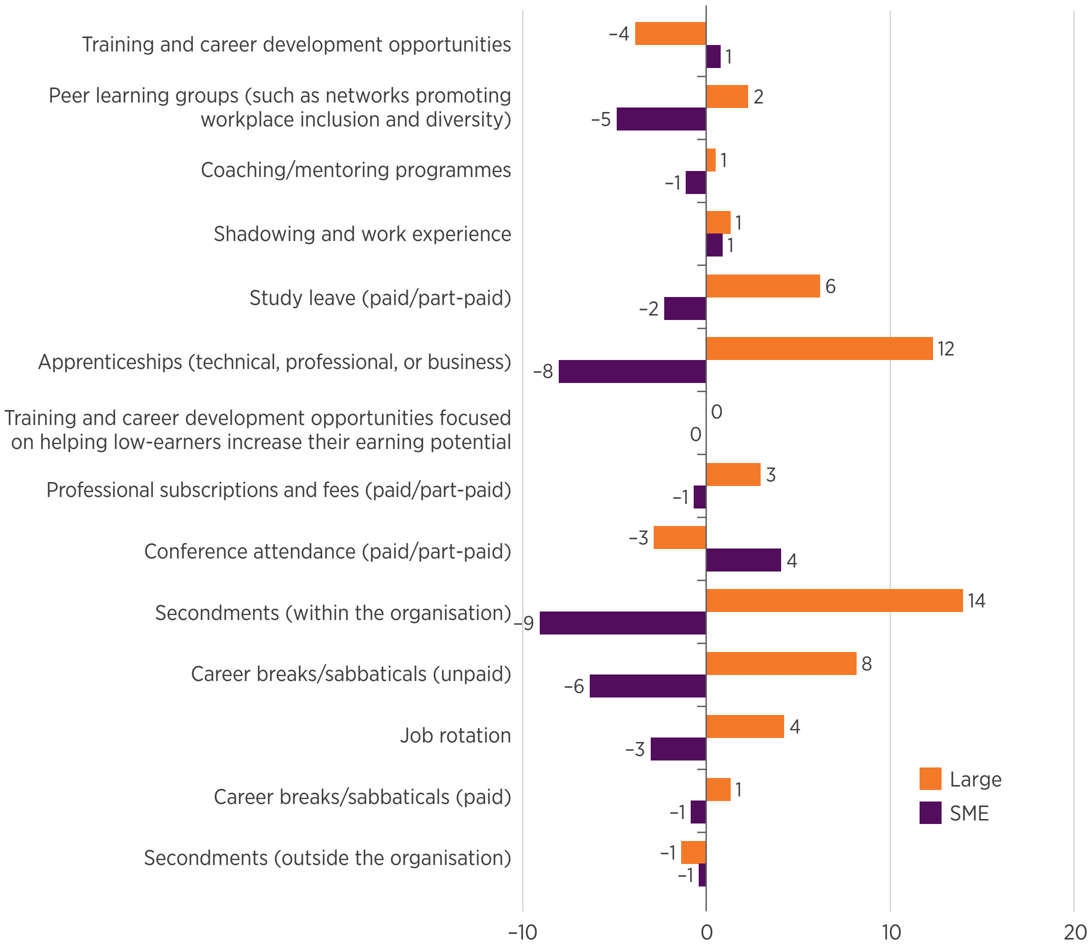
Figure 2: Provision of benefits to all employees relative to the average, according to organisation size (%)



Base: n=253. The zero line represents the overall average response. Very large organisations are omitted for the sake of clarity.

By broad economic sector, public sector service employers and voluntary sector employers are more likely to offer these benefits to all their staff than those in the private sectors. For example, while private sector service firms are more likely to offer training and career development opportunities (74%), paid study leave (39%) and paid professional subscriptions and fees (36%), public sector service employers are more likely to provide coaching/mentoring programmes (44%), technical, professional or business apprenticeships (51%), secondments within the organisation (37%), unpaid career breaks/sabbaticals (32%), and paid career breaks/sabbaticals (20%).

More information can be found in Table 3 in the Appendix.

Figure 3 gives an indication of the possible effects of a worsening financial situation on career progression benefits. While those organisations reporting they are financially worse off since 2020 are more likely than average to provide the most popular benefits (such as training and career development opportunities, peer learning groups, coaching, mentoring and, in particular, shadowing), they are less likely than the average to provide other benefits (such as secondments, sabbaticals, conference attendance, and professional fees and subscriptions). In particular, they are less likely to provide training and career development opportunities focused on helping low-earners to increase their earning potential. However, this might change as the economy recovers from the impact of the pandemic.

More information can be found in Tables 4 and 5 in the Appendix.

Figure 3: Provision of benefits relative to the average, according to organisation financial situation since 2020 (%)

Base: n=253. The zero line represents the overall average response.
Organisations which are financially 'about the same' omitted for the sake of clarity.

Training and development to see more investment

The benefits that are most likely to be introduced in 2022 are mentoring programmes (7%) and technical, professional, or business apprenticeships (7%), closely followed by the provision of peer learning groups (such as networks promoting workplace inclusion and diversity) (6%).

Compared with the other categories of benefits reviewed in this and the next section, respondents are more likely to be planning to spend more on career and professional development benefits. In the year to October 2022, 44% plan to invest more on career and professional development benefits, while 50% intend to spend the same. Just 8% are planning to reduce spending on these benefits.

Over half (51%) of manufacturing organisations intend to spend more on these benefits, but the standout figure is the retail, hospitality, catering, leisure, and cleaning subsector, where 60% are hoping to improve spending in this area.

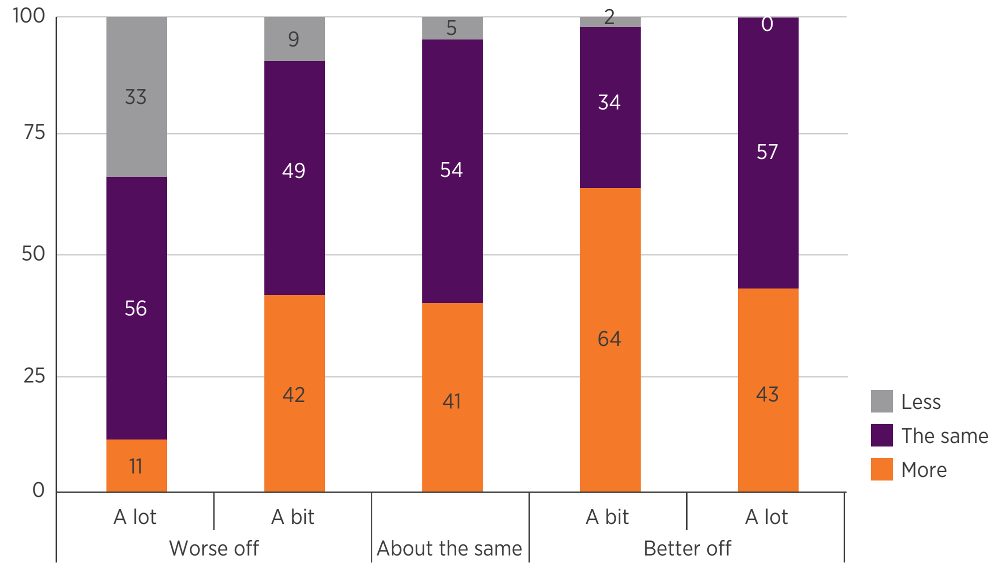
One possible explanation is that this sector was particularly hit hard by the pandemic, and so spending on training and development is now rebounding to where it once was. Another is that this response might be due to increased challenges in recruitment and retention. Rather than having to buy in talent, employers are investing to grow their own.

The public sector is the exception to the general trend, as 16% plan to spend less (possibly reflecting budget constraints). Organisations that feel 'a lot worse off' intend to increase spending on these benefits (21%), while more of them intend to decrease spending (24%) in the year to October 2022.

Figure 4 shows a similar pattern emerges when respondents report on their employees' financial situations. Those who estimate that their employees are 'a lot worse off' since the start of 2020 are unlikely to intend to spend more on these benefits (11%) and quite likely to intend a decrease (33%). Potentially, this could exacerbate the financial wellbeing of staff if it reduces the opportunities to acquire skills and experiences they need to get higher-paid jobs. We explore financial wellbeing next.

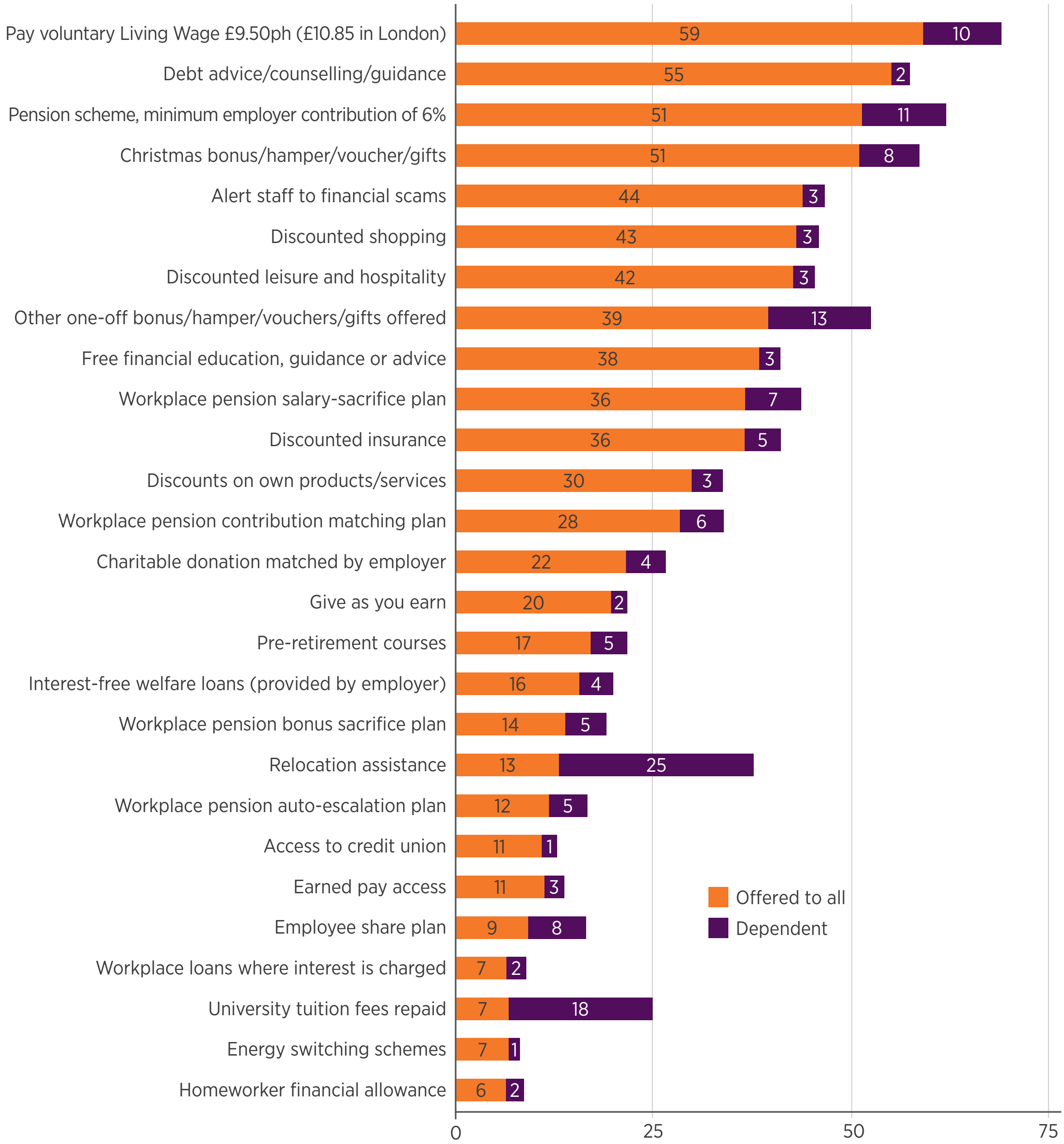
More information can be found in Table 6 in the Appendix.

Figure 4: Spending intentions according to employee financial situation (%)



Financial benefits

Figure 5: Financial benefits on offer (%)



Base: n=236. Benefits offered to all by more than 5% of organisations.
'Dependent' indicates a benefit offered to some staff dependent on grade, seniority, location, job, role, and so on.

69% of employers pay a minimum wage worth at least £9.50 an hour

Figure 5 shows that most employers paid all, or some, of their employees an hourly rate of £9.50 (or £10.85 in London), with another 3% planning to do the same by October 2022. Either they had signed up to pay the voluntary Living Wage (which at the time of our survey was £9.50 an hour, or £10.85 in London) or pay a minimum hourly rate that either matches or exceeds it.

Employers that have recently signed up to pay this real Living Wage include Capita and Persimmon Homes, while employers that now pay more than this rate include Sainsbury's.

The objectives for paying this rate (or more) include wanting to do the right thing, improve employee financial wellbeing, increase employee engagement, and reduce in-work poverty. More about the advantages of paying a liveable wage can be found at: Paying the real Living Wage is the right thing to do, but the business benefits are clear too.

Debt advice is the next most common financial benefit paid to all staff (55%). Debt counseling for those who need it, in conjunction with other support, came out as a useful way of helping reduce financial stress in a recent CIPD report on financial wellbeing.

Over half of respondents (51%) provide a workplace pension where the employer contributes at least 6% of pay. To meet the Pensions and Lifetime Savings Association (PLSA) quality mark, an employer must commit to offer all employees a minimum contribution of 12% (with at least 6% from the employer).

Given the increase in financial fraud in the past few years, it's not surprising that 44% of organisations now alert staff to financial scams. To help stretch pay packets further, 43% offer discounted shopping and 42% discounted leisure and hospitality vouchers.

The most common benefits dependent on employee job role, location, grade, and so on, are relocation assistance (25%) and repayment of university fees (18%). Very few employers have plans to introduce any new financial benefits by October 2022.

More information can be found in Table 7 in the Appendix.

Larger organisations provide more financial benefits

Although SMEs are as likely as larger organisations to pay the voluntary Living Wage or equivalent to all employees, there is a clear tendency for larger organisations to offer more financial benefits to all their staff. For example, 69% of large organisations offer debt advice, while only 47% of SMEs do so. Fifty-four per cent of very large and 21% of large organisations offer pre-retirement courses, while only 11% of SMEs do so.

A workplace pension scheme with a 6% minimum employer contribution is offered by 77% of very large and 61% of large organisations, but only 44% of SMEs. This may reflect the fact that public sector organisations tend to come within the 'large' or 'very large' categories and they provide defined benefit pension plans that typically have a high employer contribution. Similarly, large employers are more likely to offer workplace salary or bonus sacrifice plans and pension contribution matching schemes.

Larger employers are more likely to offer discounts, such as through vouchers or discount cards: 68% provide discounted shopping; 64% discounted leisure and hospitality; 44% discounted insurance; and 31% discounts on their own products or services. Larger employers often find it easier to get such deals for their staff through bulk buying. Very large organisations tend to offer even more discount benefits – for example, 85% offer discounted shopping. These and other kinds of discount can help employees stretch the purchasing power of their pay, especially low-earners, who often face a 'poverty premium' when buying goods and services.

SMEs are only more likely to offer a financial benefit than their larger counterparts in three areas, namely: Christmas bonuses, hampers, vouchers or gifts (58%) as well as non-Christmas-related bonuses, hampers, vouchers or gifts (42%). As we will see in our section on social, family and technology benefits, SMEs are also more likely to offer staff a party, either at Christmas or at other times of the year. SMEs are also more likely to provide interest-free welfare loans for employees facing financial emergencies (17%), something that can help staff avoid financial distress.

More information can be found in Table 8 in the Appendix.

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Retail, hospitality, catering, leisure, and cleaning firms least likely to pay a Living Wage

Only 45% of employers in the retail, hospitality, catering, leisure, and cleaning subsector offer at least £9.50 an hour (or £10.85 in London) to all their employees, while only 49% of manufacturing sector firms do likewise. By contrast, 65% of employers in the public sector services and 65% of those in the legal, financial, and other professional services pay this or more to all their workforce.

At 73%, the voluntary sector is the most likely to offer debt advice, followed by the retail, hospitality, catering, leisure, and cleaning subsector (65%) and public sector (61%).

Nearly all (90%) public sector employers offer a workplace pension with an employer contribution of at least 6%, probably reflecting the widespread use of defined benefit pension plans, with the voluntary sector the only other group recording more than half (61%).

The public sector is more likely than any other to offer discounts, on shopping (71%), leisure (71%) or insurance (45%). This possibly reflects their limited pay budget and public sector spending limits. It also scores highly on pre-retirement courses (45%), relocation assistance (23%) and access to a credit union (32%).

Private sector firms are more likely to give all their staff Christmas bonuses and hampers, possibly because budget limitations make it hard for public or voluntary sector employers to offer these kinds of perks. At 64%, the retail, hospitality, catering, leisure, and cleaning subsector stands out in offering discounts on their own products and services; this is considerably higher than any other sector.

More information can be found in Table 9 in the Appendix.

Benefits do not depend on an organisation's financial position

Exceptions to this include workplace pension contribution matching plans, which are only offered by 17% of those who are 'a lot worse off'. Interest-free loans, relocation assistance and charitable donations are also less likely to be provided by such organisations.

More information can be found in Tables 10 and 11 in the Appendix.

Five times more employers plan to spend more on financial perks

Just 6% of our respondents intend to spend less on these benefits by October 2022; by contrast, 30% plan to spend more and 64% anticipate spending the same.

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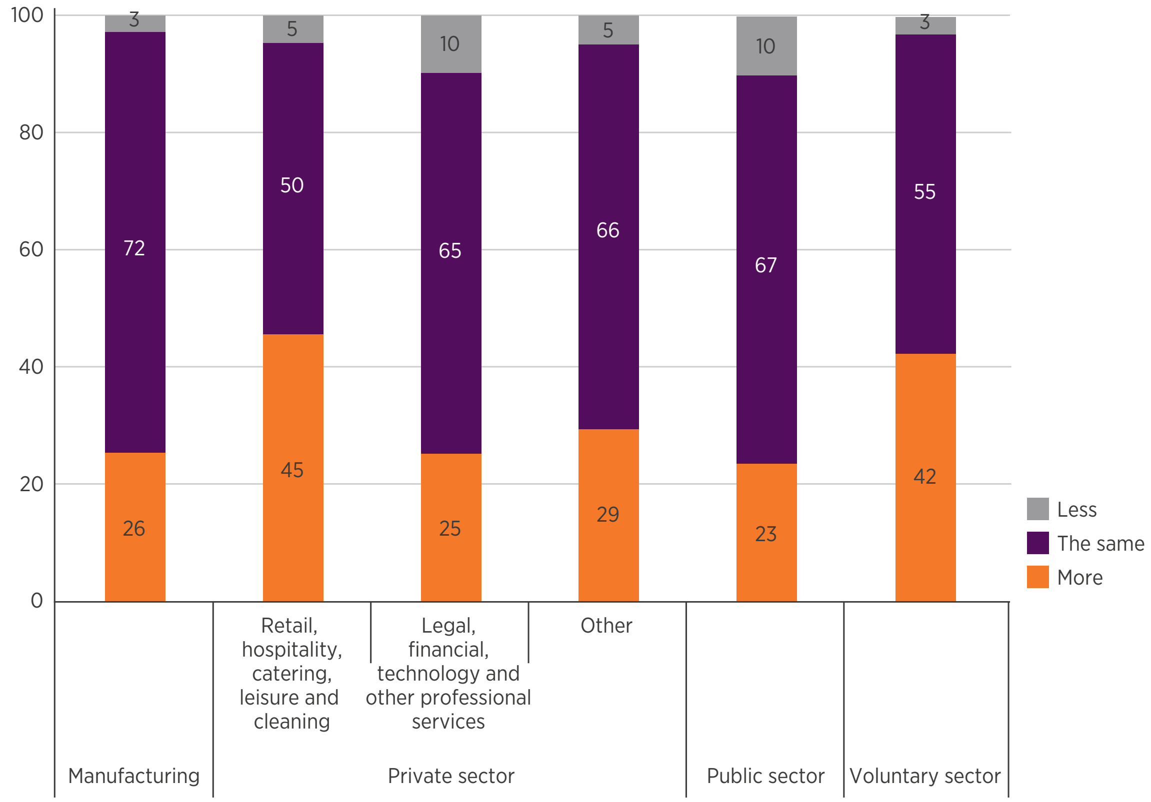
Figure 6: Spending intentions according to organisation sector (%)



Base: n=234.

Figure 6 indicates that the voluntary sector (42%) and the retail, hospitality, catering, leisure, and cleaning subsector (45%) are the most likely to plan more spending on financial benefits – possibly a reflection that they need to spend more to attract and retain staff (see our section on benefits, homeworking, and recruitment).

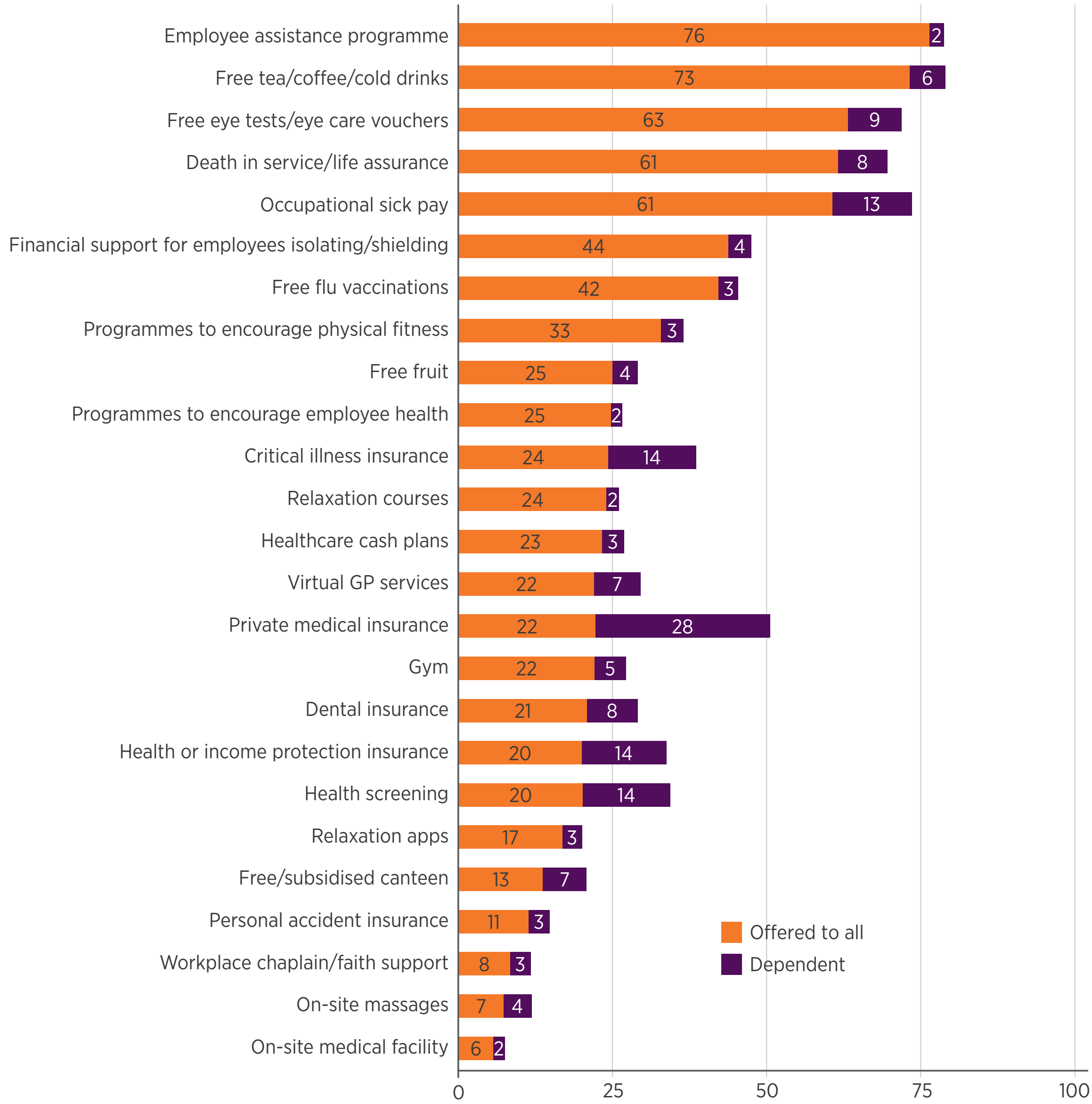
Those in both the manufacturing and production sector and the public sector are the least likely to increase spending (26% and 23% respectively). Public sector organisations and those in the legal, financial, technology and other professional services are the only ones to have much intention of spending less (both 10%).

An organisation's financial situation has a moderate impact on intended spending, with 26% of those seeing themselves as 'a lot worse off' still intending to spend more in the year to October 2022. This may suggest that while many of these face financial pressures, skills and labour shortages mean they cannot afford to appear less competitive in the jobs market.

More information can be found in Table 12 in the Appendix.

Health and wellbeing benefits

Figure 7: Health and wellbeing benefits on offer (%)



Base: n=231. Benefits offered to all by more than 5% of organisations.

Most organisations offer an employee assistance programme

An employee assistance programme (EAP), such as support, counselling, or helpline, is the most common type of heath or wellbeing benefit, with 78% of organisations now offering it, 76% to all staff and 2% to just some. Our section on social, family and technology benefits shows that back in 2018, 59% of our sample offered this to all their staff.

Figure 7 shows that other common benefits provided to all include free drinks (73%), free eye tests or vouchers (63%), death in service or life assurance (61%), and occupational sick pay (61%).

Looking at provision to all employees, all these benefits have seen increases. Back in 2018, 58% of employers offered to all their employees free drinks (now 73%), 51% offered eye care vouchers (now 63%), 54% death in service or life assurance (now 61%), and 59% occupational sick pay (now 61%). The increase in these types of wellbeing benefits might be linked to the pandemic.

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Despite the COVID-19 emergency, only 48% give financial support to those staff who must self-isolate or shield (44% offer it to all and 4% focus it on just some employees). This could put at risk the financial wellbeing of those who must shield.

The most common benefit linked to grade, seniority, location, job, role, and so on, is private medical insurance (28%), followed by critical illness insurance (14%), health screening (14%), and health or income protection insurance (14%).

Few respondents plan any change to these benefits in the year to October 2022; the most popular benefit to introduce is a programme to encourage employee health, such as quit-smoking or weight-loss courses (5%).

> *'During the pandemic we added a wellbeing section to our benefits hosting platform. Sub-sections include financial wellbeing calculators, mental health factors, nutrition guidance…'* (Senior Practitioner Panel comment)

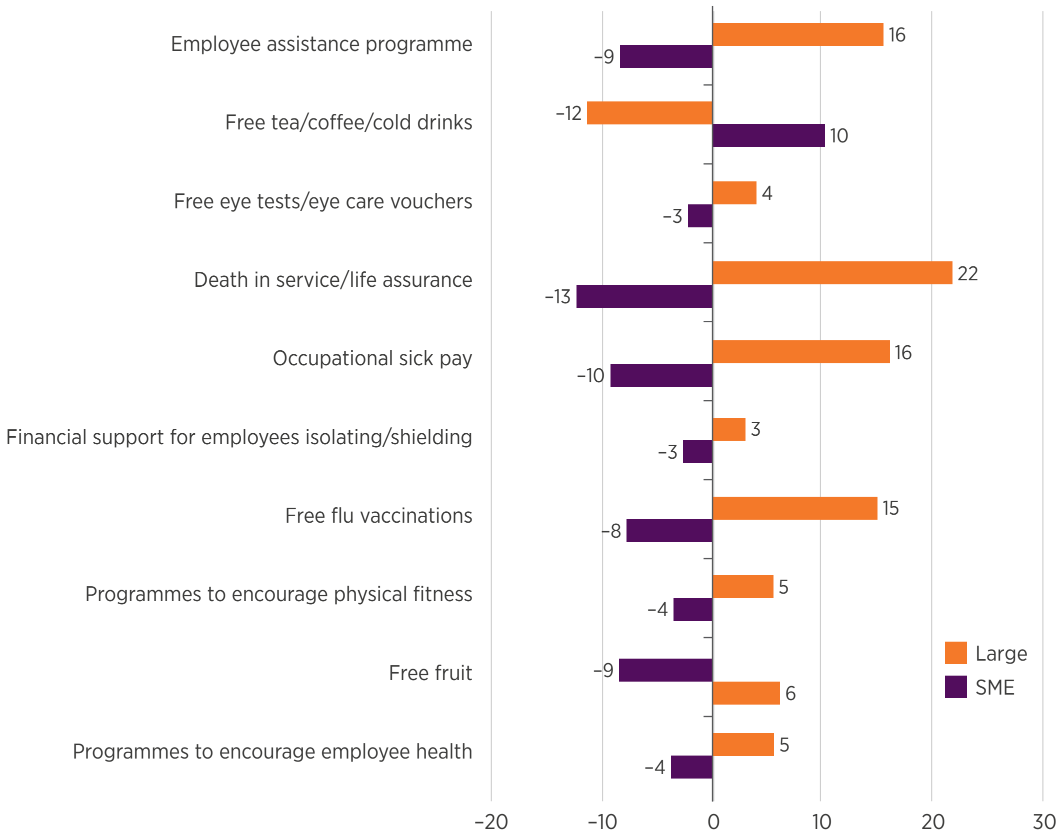
More information can be found in Table 13 in the Appendix.

Large organisations are more likely to offer more

Figure 8 shows the variations by employer size and shows that large employers are more likely than SMEs to offer all staff health and wellbeing benefits like EAPs, death in service or life assurance, occupational sick pay, and free flu vaccinations.

SMEs are only more likely to offer free drinks and free fruit.

Figure 8: Provision of benefits relative to the average, according to organisation size (%)



Base: n=231. The zero line represents the overall average response. Benefits offered to all by more than 20% of organisations. Very large organisations omitted for the sake of clarity

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More information can be found in Table 14 in the Appendix.

Public sector organisations most likely to provide traditional wellbeing benefits

Not only is the public sector most likely to offer all staff access to an EAP (93%); it is also most likely to offer access to occupational sick pay (90%), death in service/life assurance (77%), free flu vaccinations (57%), as well as financial support for employees who must self-isolate/shield (53%). It's also more likely to offer staff relaxation courses (37%).

However, when it comes to offering staff relaxation apps (such as Daylight, Buddhify, Headspace, Mindfulness, and so on), the voluntary sector (29%) is most likely to do this. It also provides programmes to encourage physical fitness (45%) and health screening (29%) more often than the other sectors.

Private sector service firms are most likely (25%) to offer virtual GP services (for example Babylon) than other sectors. Private sector services, especially those in the legal and other professional services, are most likely to provide free beverages (90%). In contrast to popular opinion, public servants only receive free drinks in 20% of employers. Private sector service firms are also most likely to offer their workers free fruit (especially in the legal, financial, and other professional services subsector, 37%) and a free or subsidised canteen (especially in the retail, hospitality, catering, leisure, and cleaning subsector, 24%).

More information can be found in Table 15 in the Appendix.

Organisations that are 'a lot worse off' are less likely to offer health benefits to all

Figure 9 shows how wellbeing benefit provision differs between those employers reporting being a 'lot worse off' since the start of 2020 and the rest of our sample. For example, those claiming to be 'a lot worse off' are less likely to offer programmes to improve wellbeing and only slightly less likely to offer occupational sick pay. The benefits of those who see themselves as 'a bit worse off' are much more in line with those of other organisations; it is the line between 'a little' and 'a lot' that is so pronounced.

More information can be found in Tables 16 and 17 in the Appendix.

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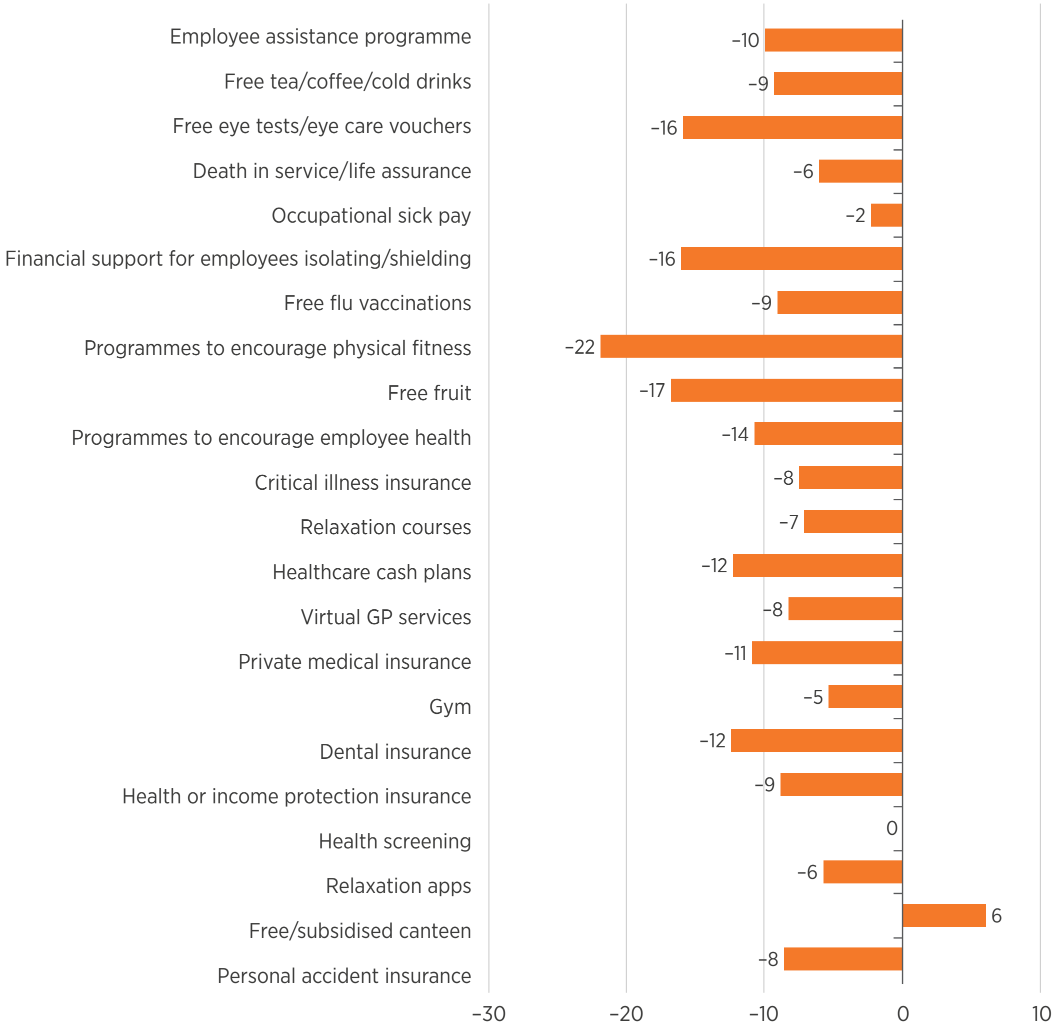
Figure 9: Provision of benefits by organisations who report being 'a lot worse off' compared with all others (%)



Base: n=231. Benefits provided by more than 10% of organisations. The zero line represents the level of provision by all other organisations.

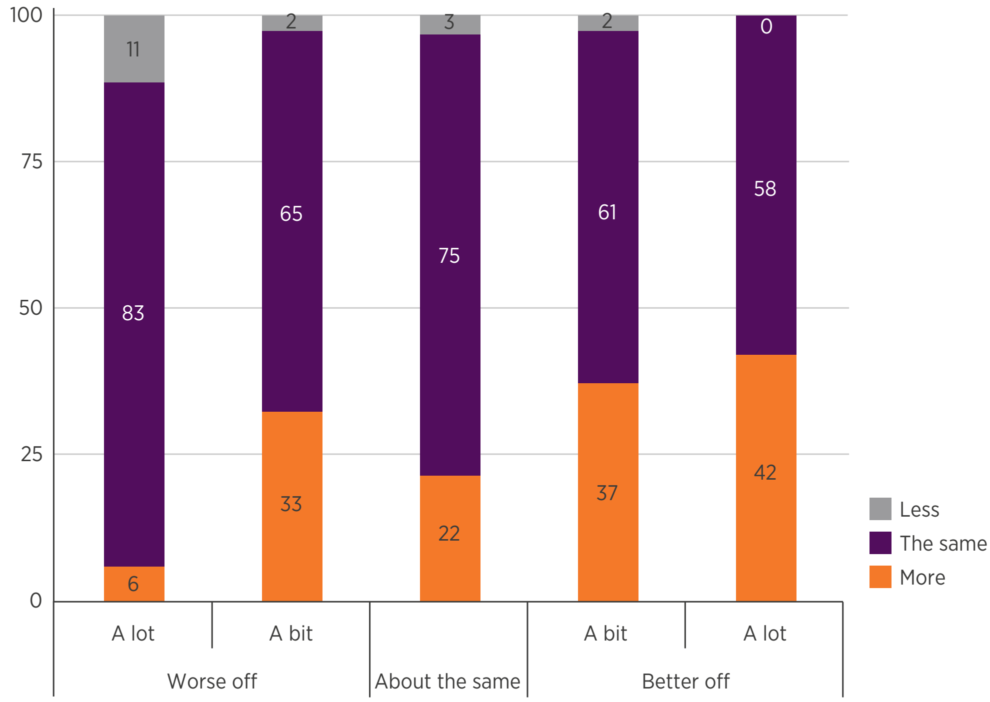
More employers plan to boost spending on health and wellbeing

While 27% of organisations plan to spend more on health and wellbeing benefits in the year to October 2022, only 3% plan to cut it. The majority intend to maintain current spending. It will be interesting to see as we come out of the pandemic whether employers rein back their spending in this area or believe that protecting and improving the physical and mental health of their employees is still a worthwhile investment.

More spending is linked to increasing size, with 31% of large and 38% of very large organisations doing so compared with 25% of SMEs.

Figure 10 shows that, again, the line between those who are 'a lot worse off' and others is plain. Only 6% of those 'a lot worse off' plan any increase in spending in 2022, while 33% of those 'a bit worse off' have such plans. Eleven per cent of the hardest-hit organisations are planning a decrease in spending, as compared with only 2% of those 'a bit worse off'.

Figure 10: Spending intentions according to organisations' financial situation (%)



Base: n=229.

A similar picture emerges when respondents report their employees' financial position. Only 12% of those whose employees are deemed 'a lot worse off' intend an increase in spending as compared with 20% of those 'a bit worse off' and 49% where employees are seen as 'a bit better off'. Eighteen per cent of those whose employees have been hardest hit are planning to decrease spending in this area compared with none who deem their employees to be better off. This suggests that those who are financially worse off could also suffer when it comes to the provision of health and wellbeing benefits.

More information can be found in Table 18 in the Appendix.

For an in-depth analysis of health and wellbeing, the CIPD's *Health and Wellbeing at Work* report provides a valuable resource.

Paid leave benefits

Nearly all employers provide paid bereavement leave

Figure 11 lists the most common paid leave benefits on offer and shows that 82% of respondents provide this for all employees, while another 4% link it to factors such as employee grade, seniority, location, job, role, and so on.

While there is no legal right to paid time off for bereavement, the law recently changed so that employees now have a right to two weeks off if their child dies under the age of 18 or is stillborn after 24 weeks of pregnancy. For more detail on this topic, please see the CIPD report *Compassionate Bereavement Support*.

Since we looked at benefits in 2018, the proportion of employers offering paid bereavement leave for all staff has increased from 71% to 82%, which might reflect the legal change as well as the increase in death caused by the pandemic.

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The winter 2021/22 CIPD *Labour Market Outlook* finds that 63% of organisations report they provide at least seven days' paid leave, while a further 8% answer that they give more than two weeks. Those in the private sector are more likely than any other to state they offer between one and two days (15%) compared with the public sector (9%) and voluntary sector (7%).

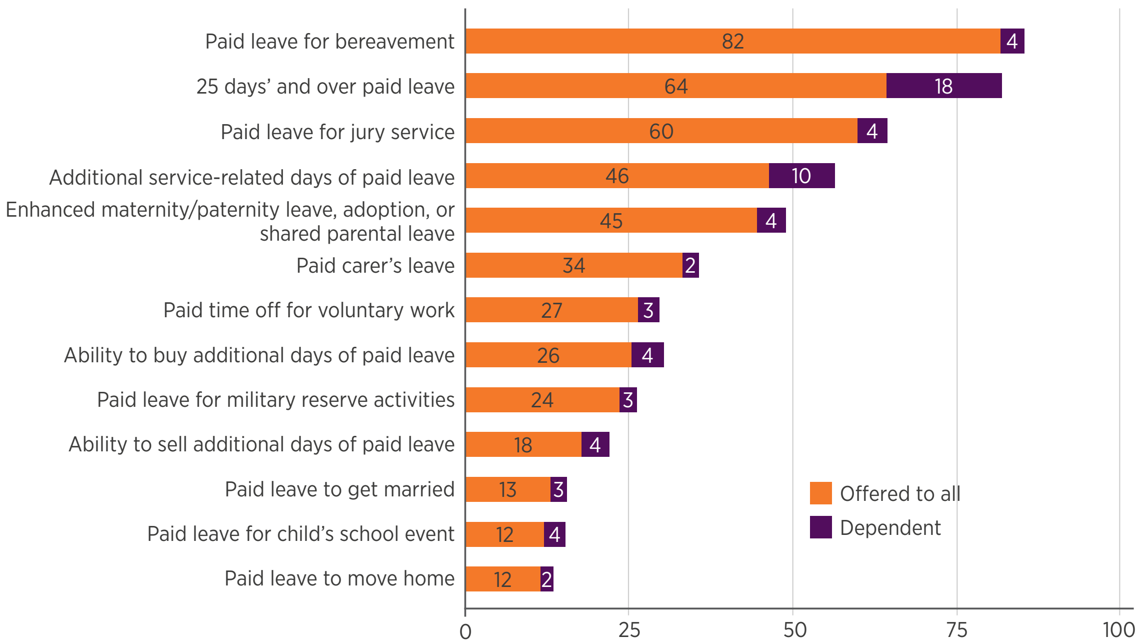
Other common leave benefits offered to all or some staff include: 25 days' leave (excluding public holidays) per year (82%), paid leave for jury service (64%) and additional service-related days of paid leave (58%). Regarding paid leave, the statutory leave entitlement means that most workers who work a five-day week must receive at least 28 days paid annual leave a year. However, these 28 days include public holidays. So, most of the employers in our survey go beyond the legal requirement. Back in 2018, 58% of employers offered this benefit to all of their staff; by 2022 this had grown to 64%.

More than a third of organisations do not offer other kinds of paid leave to all or some staff. For example, only 36% offer paid carer's leave, 30% paid time off for voluntary work and 27% paid leave for military reserve activities. Workplaces that offer paid leave to get married or for children's and pets' events are very much in the minority.

The benefits in Figure 11 are overwhelmingly offered to all staff. However, when it comes to 25+ days' paid leave and additional service-related days of paid leave, we find that more employers only provide this to some of their staff. However, overall, paid leave benefits are more likely to cover the whole workforce than the other perks reviewed in this section.

More information can be found in Table 19 in the Appendix.

Figure 11: Paid leave benefits on offer (%)



Base: n=228. Benefits offered to all by more than 5% of organisations. 'Dependent' indicates a benefit offered to some staff dependent on grade, seniority, location, job, role, and so on.

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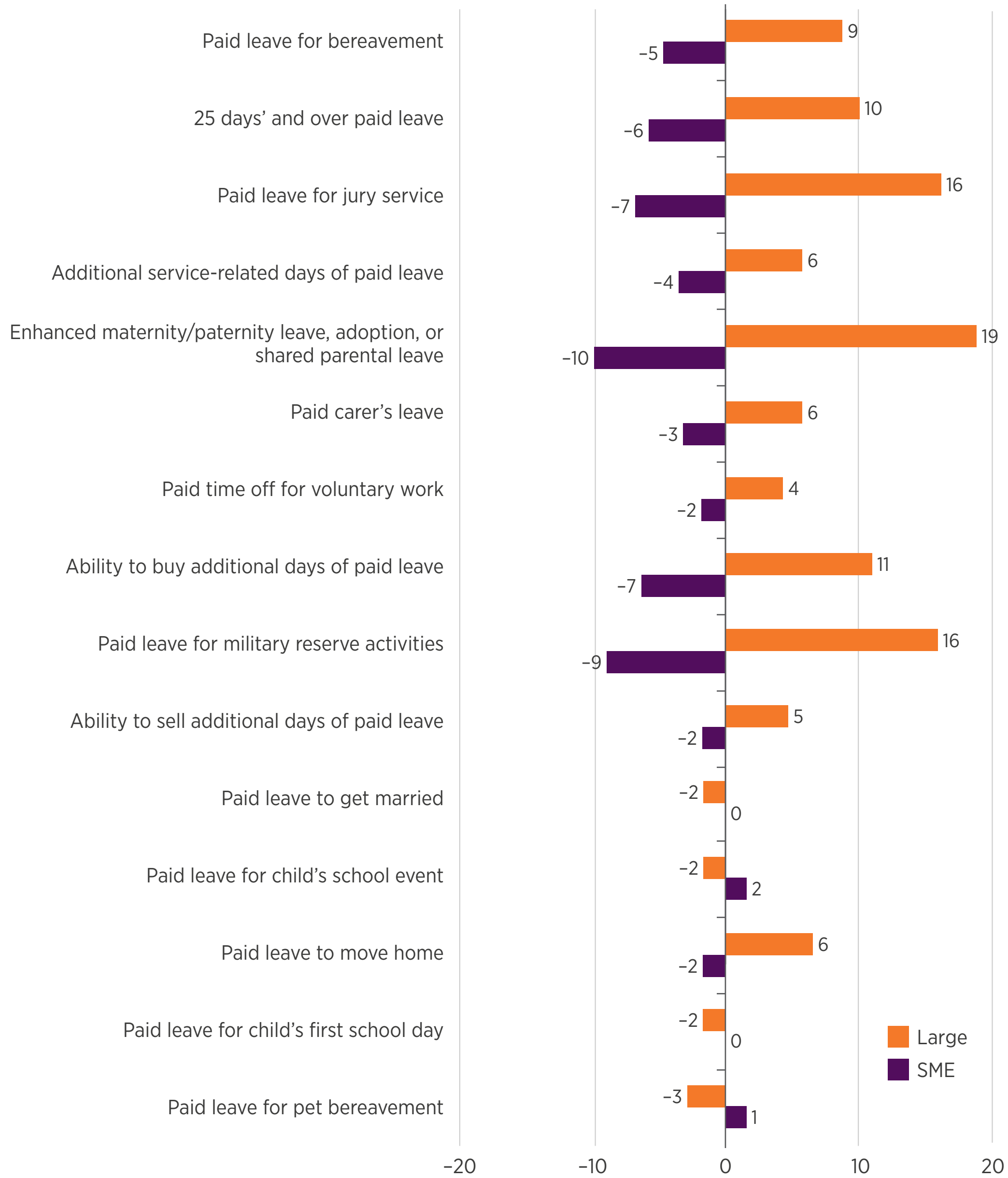
Large and very large organisations consistently offer more

Figure 12 illustrates that larger organisations offer more of these kinds of benefits to all employees compared with SMEs.

SMEs are more likely than large employers to offer paid leave for a child's special events and pet bereavement.

More information can be found in Table 20 in the Appendix.

Figure 12: Provision of benefits relative to the average, according to organisation size (%)



Base: n=228. The zero line represents the overall average response. Benefits offered to all by more than 5% of organisations. Very large organisations omitted for the sake of clarity.

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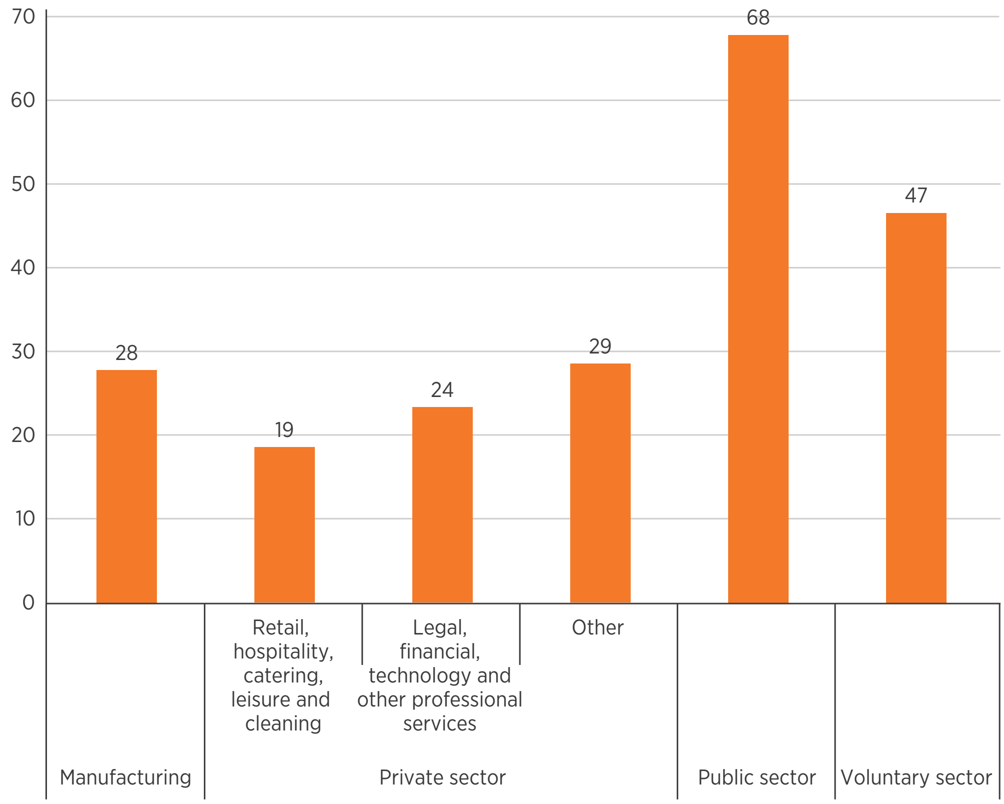
Private sector firms less likely to offer paid leave benefits

There is a consistent trend for those in the manufacturing and production, and private services sectors to be less likely to offer paid leave benefits, while the public sector and, to a lesser extent, the voluntary sector are more likely to do so; the retail, hospitality, catering, leisure, and cleaning subsector is consistently less likely still to offer such benefits. As an example, while 56% of both the manufacturing and production sector and the private services sector offer time off to all staff for jury service, the figure for the retail, hospitality, catering, leisure, and cleaning subsector drops to 48%. By contrast, 75% of public sector employers offer this benefit to all staff, while 70% do so in the voluntary sector.

Figure 13 illustrates a further typical example, where 68% of public sector organisations offer carer's leave compared with only 28% of manufacturing and production companies and 24% of private sector service organisations. Only 19% of the retail, hospitality, catering, leisure, and cleaning subsector do so.

Figure 13: Organisations offering paid carer's leave according to sector (%)



Base: n=228.

More information can be found in Table 21 in the Appendix.

Information on paid leave benefits in relation to organisations' and employees' financial situation can be found in Tables 22 and 23 in the Appendix.

Employers will spend more on paid leave benefits

In the year to October 2022, 16% of those surveyed intend spending more on paid leave benefits, while just 4% intend to spend less.

Voluntary sector organisations are most likely to plan an increase (24%) followed by the retail, hospitality, catering, leisure, and cleaning subsector at 19%.

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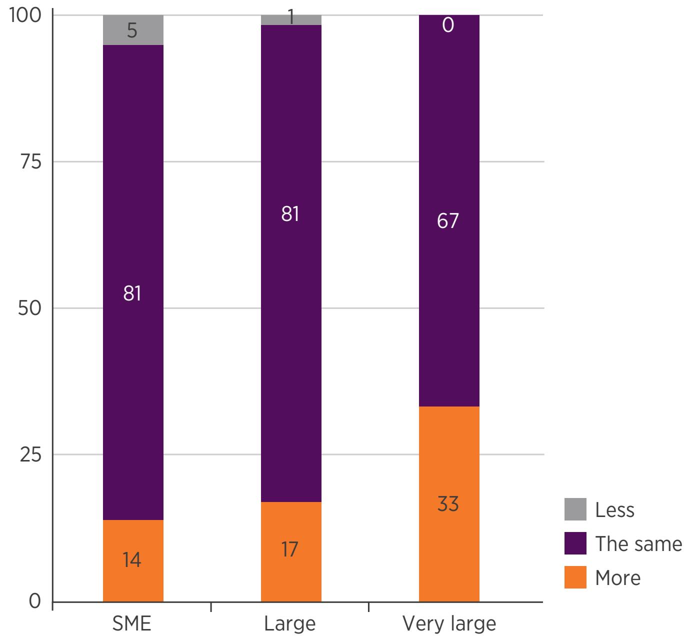
The larger the organisation, the more likely an increase becomes, with the very largest organisations being most likely to intend to spend more (33%).

One explanation for this rise in spending in this area might reflect the current labour market and these employers investing in this benefit to attract and retain staff. Another might be due to organisations responding to investor and customer concerns about how employers are treating their workers, though these benefits might only deal with the symptoms of overwork, rather than the cause. The survey doesn't reveal many new benefits being introduced, so the expenditure might be linked to expanding coverage or enhancing the value of the benefits already offered or inflation.

Figure 14: Spending intentions according to organisation size (%)



Base: n=223.

Those organisations who are 'a lot worse off' are most likely to intend a decrease in spending (9%) and least likely to intend an increase (6%). At the other end of the scale, 42% of those organisations who see themselves as 'a lot better off' intend a spending increase.

More information can be found in Table 24 in the Appendix.

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Conclusion and recommendations

This and the following section indicate that many employers are spending a lot of time and money on their benefits package now and will do so in the future. For this reason, it's important that organisations communicate and educate staff about the perks on offer so that they value and appreciate them.

However, a YouGov survey of 2,557 employees commissioned by the CIPD in January 2022 found that just 57% said that their employer had told them about the benefits on offer. Furthermore:

- 53% said that they had been informed how to access those perks
- 43% why those benefits were being offered
- 50% how these benefits could help them
- 24% how the benefits compared with what other employers offered.

While those employees earning more than £60,000 a year were more likely to say that their employer had communicated, the survey still found opportunities for improvement. For example, only 74% of those earning this amount said that their employer had told them about the range of benefits, while 72% had told them how to access them and 68% how these benefits could be useful. Just 31% said that their employer had told them how its benefits compared with what other employers provided.

If employees don't know what's being provided and why, or how to access those benefits and which ones could be of use to them, they won't fully appreciate the benefits on offer and how they meet their needs. This could have an impact on their decisions to stay and perform.

We would recommend that employers invest more in reward education and communication by taking the following steps:

- Check whether the existing benefits meet the needs of the organisation – before talking to staff about the package, make sure that the benefits meet the various needs of the organisation. For example, how does it align with its purpose, culture, and business strategy? The HR team should take a lead in this discussion with senior and line managers as well as getting input from key external stakeholders. For example, what do investors think about the benefits on offer to staff in terms of what should be provided and how much differentiation there should be by grade?
- Check whether the existing benefits meet the needs of the employees – people professionals should explore through surveys, workshops, forums, and so on, to gauge what staff think of the existing package and what changes they would like. For instance, could those benefits that are undervalued be replaced by ones that employees value more?
- Check how existing benefits are being communicated – it might be that employees aren't fully aware of the value of the existing benefits because of how the organisation talks about them. It might be that you don't need to change what's on offer to staff but instead how you educate staff and communicate with them about the benefits provided. The HR team might need to bring in communication expertise, either from within the organisation, such as marketing or press colleagues, or from a consultancy.

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If the package needs to change, perhaps because the organisation wants to focus on improving employee financial wellbeing, people professionals need to consider the cost, administration, and communication implications. For example, will line managers be given a larger role, and if so, what support will they need? If technology is going to be used to educate and communicate with staff, what support might staff need to be able to fully access the technology?

Another issue to consider is what the organisation and employees see as a benefit, otherwise misunderstandings could arise. The HR function should start a dialogue so that there is a shared understanding of what is seen as a benefit.

For example, in addition to pay and financial benefits, total reward theory would suggest such aspects as development opportunities, flexible working, and being treated with respect are all benefits. However, some employees and other stakeholders might see some of these not so much as perquisites (or perks) of the job, but prerequisites for work. For example, it's difficult to perform if you don't have the required training or a supportive line manager.

How employees value their benefits are also influenced by external events. For example, during the pandemic, employees will have been more aware of health and wellbeing benefits on offer, such as occupational sick pay, while some of those facing rising energy bills might regard working in a warm office as a benefit. Similarly, how employees value their benefits may be influenced by such personal events as a promotion or a divorce.

Even though the benefits package itself might have remained the same, the value given to these benefits might change due to external and internal events. So, people professionals need to ensure that how it communicates the benefit package to employees reflects these changes, possibly making communication more personal by aligning it to the various stages of life that employees go through.

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Appendix

Table 1: Career and professional development benefits (%)

	Offered to all	Dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
Training and career development opportunities	78	14	1	92
Peer learning groups (such as networks promoting workplace inclusion and diversity)	46	10	6	56
Coaching/mentoring programmes	43	27	7	70
Shadowing and work experience	42	23	4	64
Apprenticeships (technical, professional or business)	40	26	7	66
Study leave (paid/part-paid)	40	30	1	70
Training and career development opportunities focused on helping low-earners increase their earning potential	38	9	3	47
Professional subscriptions and fees (paid/part-paid)	33	42	2	74
Conference attendance (paid/part-paid)	31	44	1	75
Secondments (within the organisation)	29	27	1	56
Career breaks/sabbaticals (unpaid)	26	21	3	47
Job rotation	13	13	13	13
Career breaks/sabbaticals (paid)	12	11	3	23
Secondments (outside the organisation)	9	14	2	23

Base: n=253. Percentage of those who provide at least one career and professional development benefit.

Table 2: Career and professional development benefits according to organisation size (%)

	SME	Large	Very large
Training and career development opportunities	79	74	92
Peer learning groups (such as networks promoting workplace inclusion and diversity)	41	48	92
Coaching/mentoring programmes	42	43	54
Shadowing and work experience	43	43	23
Apprenticeships (technical, professional or business)	31	52	62
Study leave (paid/part-paid)	37	46	31
Training and career development opportunities focused on helping low-earners increase their earning potential	38	38	38
Professional subscriptions and fees (paid/part-paid)	32	36	23
Conference attendance (paid/part-paid)	35	28	0
Secondments (within the organisation)	20	43	54
Career breaks/sabbaticals (unpaid)	20	35	54
Job rotation	10	17	23
Career breaks/sabbaticals (paid)	11	14	15
Secondments (outside the organisation)	8	7	23

Base: n=253. Those who provide the benefit to all employees, as a percentage of those who provide at least one career and professional development benefit.

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Table 3: Career and professional development benefits according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which…	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Training and career development opportunities	68	74	68	69	80	63	67
Peer learning groups (such as networks promoting workplace inclusion and diversity)	34	40	39	45	36	46	48
Coaching/mentoring programmes	34	42	25	45	47	44	24
Shadowing and work experience	41	38	43	37	38	37	33
Apprenticeships (technical, professional or business)	34	35	32	19	50	51	26
Study leave (paid/part-paid)	22	39	11	39	52	37	36
Training and career development opportunities focused on helping low-earners increase their earning potential	41	33	32	26	41	34	31
Professional subscriptions and fees (paid/part-paid)	24	36	21	37	41	24	17
Conference attendance (paid/part-paid)	27	28	14	29	32	24	36
Secondments (within the organisation)	27	24	25	21	27	37	24
Career breaks/sabbaticals (unpaid)	12	23	25	19	26	32	31
Job rotation	15	13	25	10	12	7	7
Career breaks/sabbaticals (paid)	2	12	11	13	11	20	10
Secondments (outside the organisation)	5	6	4	11	2	12	14

Base: n=253. Those who provide the benefit to all employees, as a percentage of those who provide at least one career and professional development benefit.

Table 4: Career and professional development benefits according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Training and career development opportunities	77	62	71	75	64
Peer learning groups (such as networks promoting workplace inclusion and diversity)	38	42	38	51	28
Coaching/mentoring programmes	41	32	37	45	40
Shadowing and work experience	41	42	37	37	32
Apprenticeships (technical, professional or business)	36	28	40	37	36
Study leave (paid/part-paid)	23	36	40	41	24
Training and career development opportunities focused on helping low-earners increase their earning potential	33	26	37	41	24
Professional subscriptions and fees (paid/part-paid)	18	22	34	37	28
Conference attendance (paid/part-paid)	21	28	29	33	24
Secondments (within the organisation)	23	30	29	28	12
Career breaks/sabbaticals (unpaid)	23	38	26	18	8
Job rotation	13	16	8	12	12
Career breaks/sabbaticals (paid)	15	10	11	7	16
Secondments (outside the organisation)	8	12	7	7	4

Base: n=253. Those who provide the benefit to all employees, as a percentage of those who provide at least one career and professional development benefit.

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Table 5: Career and professional development benefits according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Training and career development opportunities	61	77	77	80	84
Peer learning groups (such as networks promoting workplace inclusion and diversity)	33	44	44	43	59
Coaching/mentoring programmes	50	37	37	44	47
Shadowing and work experience	39	37	37	41	57
Apprenticeships (technical, professional or business)	22	40	40	39	51
Study leave (paid/part-paid)	28	31	31	43	51
Training and career development opportunities focused on helping low-earners increase their earning potential	22	36	36	38	49
Professional subscriptions and fees (paid/part-paid)	33	26	26	34	43
Conference attendance (paid/part-paid)	22	32	32	29	39
Secondments (within the organisation)	33	31	31	21	45
Career breaks/sabbaticals (unpaid)	28	33	33	23	25
Job rotation	17	14	14	7	24
Career breaks/sabbaticals (paid)	22	12	12	10	16
Secondments (outside the organisation)	17	10	10	5	10

Base: n=253. Those who provide the benefit to all employees, as a percentage of those who provide at least one career and professional development benefit.

Table 6: Spending intentions on career and professional development benefits in the year to October 2022 (%)

	More	The same	Less
All	44	49	8
Sector			
Manufacturing and production	51	44	5
Private sector services, of which:	42	50	8
Retail, hospitality, catering, leisure and cleaning	60	36	4
Legal, financial, technology and other professional services	38	55	8
Other private sector	38	52	10
Public sector	44	41	16
Voluntary, community and not-for-profit	42	56	3
Size			
SME (<250)	41	53	6
Large (250–9,999)	50	41	9
Very large (10,000+)	38	46	15
Organisation's financial situation compared with start of 2020			
A lot worse off	21	55	24
A bit worse off	39	52	9
About the same	43	52	5
A bit better off	57	40	3
A lot better off	50	50	0
Employees' financial situation compared with start of 2020			
A lot worse off	11	56	33
A bit worse off	42	49	9
About the same	41	54	5
A bit better off	64	34	2
A lot better off	43	57	0

Base: n=250.

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Table 7: Financial benefits (%)

	Offered to all	Dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
Pay the voluntary Living Wage or a liveable wage at or above £9.50 an hour (or £10.85 in London)	59	10	3	69
Debt advice/counselling/guidance	55	2	3	57
Workplace pension scheme that has a minimum employer contribution of 6% of pay	51	11	2	62
Christmas bonus/hamper/vouchers/gifts	51	8	2	58
Alert staff to financial scams	44	3	3	47
Discounted shopping (eg discount cards or vouchers)	43	3	5	46
Discounted leisure and hospitality (eg discount cards for restaurants, cinemas, etc)	42	3	4	45
Other one-off bonus/hamper/vouchers/gifts offered at other times of the year	39	13	1	52
Free financial education, guidance or advice	38	3	4	41
Discounted insurance (eg holiday, dental, pet, etc)	36	5	3	41
Workplace pension salary-sacrifice plan (a worker agrees to exchange part of their salary in return for an employer pension contribution)	36	7	4	44
Discounts on own products/services for staff	30	3	1	33
Workplace pension contribution matching plan (if an employee contributes more to their pension pot, the employer will also increase its contribution for that employee)	28	6	1	34
Charitable donation made by employee matched by employer	22	4	3	26
Give as you earn	20	2	3	22
Pre-retirement courses	17	5	3	22
Interest-free welfare loans (provided by the employer) for financial hardship	16	4	1	20
Workplace pension bonus sacrifice plan (a worker agrees to exchange all or part of their bonus in return for an employer pension contribution)	14	5	0	19
Relocation assistance	13	25	1	38
Workplace pension auto-escalation plan (where the level of an employee's pension contribution rises at regular intervals on a set date until an agreed rate is reached, the increase often linked to a pay rise)	12	5	1	17
Access to a credit union	11	1	1	13
Earned pay access (employees can access their earned wage before their regular pay day)	11	3	3	14
Employee share plan	9	8	3	17
Energy switching schemes, which provide advice on the best household energy deals	7	1	3	8
University tuition fees repaid by employer	7	18	0	25
Workplace loans (provided by a third party selected by the employer) where interest is charged	7	2	3	9
Homeworker financial allowance	6	2	3	8
Home rental deposit assistance	4	3	2	6
Set your own pay date (employees can choose how often they are paid, for instance weekly rather than monthly)	3	2	1	5
Home buyer's deposit assistance for first-time buyers	3	1	2	4
Lifetime ISA	3	2	2	4
Parental loans for new parents	2	2	3	4
Set your own pay (employees choose their own pay based on what they think they deserve/are worth)	2	2	0	4

Base: n=236. Percentage of those who provide at least one financial benefit.

Table 8: Financial benefits according to organisation size (%)

	SME	Large	Very large
Pay the voluntary Living Wage or a liveable wage at or above £9.50 an hour (or £10.85 in London)	58	61	54
Debt advice/counselling/guidance	47	69	69
Workplace pension scheme that has a minimum employer contribution of 6% of pay	44	61	77
Christmas bonus/hamper/vouchers/gifts	58	39	31
Alert staff to financial scams	43	46	38
Discounted shopping (eg discount cards or vouchers)	27	68	85
Discounted leisure and hospitality (eg discount cards for restaurants, cinemas, etc)	29	64	69
Other one-off bonus/hamper/vouchers/gifts offered at other times of the year	42	32	38
Free financial education, guidance or advice	33	43	69
Discounted insurance (eg holiday, dental, pet, etc)	31	44	54
Workplace pension salary-sacrifice plan (a worker agrees to exchange part of their salary in return for an employer pension contribution)	29	47	62
Discounts on own products/services for staff	27	31	54
Workplace pension contribution matching plan (if an employee contributes more to their pension pot, the employer will also increase its contribution for that employee)	22	35	62
Charitable donation made by employee matched by employer	20	24	31
Give as you earn	9	38	38
Pre-retirement courses	11	21	54
Interest-free welfare loans (provided by the employer) for financial hardship	17	13	15
Workplace pension bonus sacrifice plan (a worker agrees to exchange all or part of their bonus in return for an employer pension contribution)	11	15	31
Relocation assistance	10	19	8
Workplace pension auto-escalation plan (where the level of an employee's pension contribution rises at regular intervals on a set date until an agreed rate is reached, the increase often linked to a pay rise)	11	8	31
Access to a credit union	5	21	31
Earned pay access (employees can access their earned wage before their regular pay day)	11	8	23
Employee share plan	9	7	8
Energy switching schemes, which provide advice on the best household energy deals	6	7	8
University tuition fees repaid by employer	7	3	15
Workplace loans (provided by a third party selected by the employer) where interest is charged	4	8	23
Homeworker financial allowance	7	4	0
Home rental deposit assistance	3	4	0
Set your own pay date (employees can choose how often they are paid, for instance weekly rather than monthly)	3	1	0
Home buyer's deposit assistance for first-time buyers	3	0	8
Lifetime ISA	3	1	0
Parental loans for new parents	2	1	0
Set your own pay (employees choose their own pay based on what they think they deserve/are worth)	3	0	0

Base: n=235. Those who provide the benefit to all employees, as a percentage of those who provide at least one financial benefit.

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Table 9: Financial benefits according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which…	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Pay the voluntary Living Wage or a liveable wage at or above £9.50 an hour (or £10.85 in London)	49	62	45	65	64	65	55
Debt advice/counselling/guidance	56	49	64	42	49	61	73
Workplace pension scheme that has a minimum employer contribution of 6% of pay	44	42	41	40	44	90	61
Christmas bonus/hamper/vouchers/gifts	59	60	50	67	58	19	33
Alert staff to financial scams	44	39	36	38	41	55	52
Discounted shopping (eg discount cards or vouchers)	38	37	50	33	36	71	45
Discounted leisure and hospitality (eg discount cards for restaurants, cinemas, etc)	38	37	55	37	31	71	42
Other one-off bonus/hamper/vouchers/gifts offered at other times of the year	36	47	36	46	51	32	18
Free financial education, guidance or advice	38	37	45	33	37	35	45
Discounted insurance (eg holiday, dental, pet, etc)	33	37	41	40	32	45	30
Workplace pension salary-sacrifice plan (a worker agrees to exchange part of their salary in return for an employer pension contribution)	28	39	41	40	37	35	36
Discounts on own products/services for staff	38	31	64	27	22	19	27
Workplace pension contribution matching plan (if an employee contributes more to their pension pot, the employer will also increase its contribution for that employee)	33	25	23	25	25	39	27
Charitable donation made by employee matched by employer	10	29	27	33	25	10	21
Give as you earn	15	21	32	19	19	26	15
Pre-retirement courses	18	11	0	17	8	45	15
Interest-free welfare loans (provided by the employer) for financial hardship	23	17	5	19	19	3	15
Workplace pension bonus sacrifice plan (a worker agrees to exchange all or part of their bonus in return for an employer pension contribution)	13	18	14	23	15	6	6
Relocation assistance	5	14	5	12	19	23	12
Workplace pension auto-escalation plan (where the level of an employee's pension contribution rises at regular intervals on a set date until an agreed rate is reached, the increase often linked to a pay rise)	15	10	5	19	3	19	9
Access to a credit union	8	8	14	8	5	32	12
Earned pay access (employees can access their earned wage before their regular pay day)	8	12	9	17	8	10	12
Employee share plan	10	12	0	17	12	0	3
Energy switching schemes, which provide advice on the best household energy deals	8	6	9	8	3	6	9
University tuition fees repaid by employer	8	8	0	8	12	3	3
Workplace loans (provided by a third party selected by the employer) where interest is charged	8	8	5	8	8	6	3
Homeworker financial allowance	5	6	5	8	5	3	12
Home rental deposit assistance	3	4	0	8	2	0	9
Set your own pay date (employees can choose how often they are paid, for instance weekly rather than monthly)	5	3	0	2	5	0	3
Home buyer's deposit assistance for first-time buyers	5	2	0	6	0	0	3
Lifetime ISA	5	2	5	4	0	0	3
Parental loans for new parents	0	3	0	6	2	0	3
Set your own pay (employees choose their own pay based on what they think they deserve/are worth)	0	3	0	6	2	0	3

Base: n=236. Those who provide the benefit to all employees, as a percentage of those who provide at least one financial benefit.

Table 10: Financial benefits according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Pay the voluntary Living Wage or a liveable wage at or above £9.50 an hour (or £10.85 in London)	58	65	62	55	53
Debt advice/counselling/guidance	50	63	52	58	47
Workplace pension scheme that has a minimum employer contribution of 6% of pay	58	49	49	52	47
Christmas bonus/hamper/vouchers/gifts	44	35	49	68	47
Alert staff to financial scams	44	40	51	42	26
Discounted shopping (eg discount cards or vouchers)	47	47	41	39	42
Discounted leisure and hospitality (eg discount cards for restaurants, cinemas, etc)	42	53	42	38	32
Other one-off bonus/hamper/vouchers/gifts offered at other times of the year	22	33	35	53	53
Free financial education, guidance or advice	31	42	44	39	16
Discounted insurance (eg holiday, dental, pet, etc)	17	37	45	39	26
Workplace pension salary-sacrifice plan (a worker agrees to exchange part of their salary in return for an employer pension contribution)	31	33	37	36	53
Discounts on own products/services for staff	36	23	18	42	32
Workplace pension contribution matching plan (if an employee contributes more to their pension pot, the employer will also increase its contribution for that employee)	17	26	25	38	32
Charitable donation made by employee matched by employer	14	23	24	21	32
Give as you earn	19	21	23	15	21
Pre-retirement courses	22	16	15	14	21
Interest-free welfare loans (provided by the employer) for financial hardship	6	16	14	17	32
Workplace pension bonus sacrifice plan (a worker agrees to exchange all or part of their bonus in return for an employer pension contribution)	8	9	15	17	16
Relocation assistance	8	14	18	6	21
Workplace pension auto-escalation plan (where the level of an employee's pension contribution rises at regular intervals on a set date until an agreed rate is reached, the increase often linked to a pay rise)	6	12	13	14	11
Access to a credit union	19	12	11	9	5
Earned pay access (employees can access their earned wage before their regular pay day)	6	16	7	11	21
Employee share plan	6	9	4	11	21
Energy switching schemes, which provide advice on the best household energy deals	8	9	6	6	0
University tuition fees repaid by employer	6	5	11	3	5
Workplace loans (provided by a third party selected by the employer) where interest is charged	8	2	10	6	5
Homeworker financial allowance	3	7	8	5	5
Home rental deposit assistance	3	7	3	5	0
Set your own pay date (employees can choose how often they are paid, for instance weekly rather than monthly)	6	2	1	2	5
Home buyer's deposit assistance for first-time buyers	3	5	1	2	0
Lifetime ISA	3	5	1	2	0
Parental loans for new parents	3	2	1	3	0
Set your own pay (employees choose their own pay based on what they think they deserve/are worth)	6	2	3	0	0

Base: n=236. Those who provide the benefit to all employees, as a percentage of those who provide at least one financial benefit.

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Table 11: Financial benefits according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Pay the voluntary Living Wage or a liveable wage at or above £9.50 an hour (or £10.85 in London)	59	58	56	67	43
Debt advice/counselling/guidance	41	49	59	63	57
Workplace pension scheme that has a minimum employer contribution of 6% of pay	53	61	47	46	43
Christmas bonus/hamper/vouchers/gifts	41	40	52	67	57
Alert staff to financial scams	47	38	49	46	14
Discounted shopping (eg discount cards or vouchers)	59	44	34	59	0
Discounted leisure and hospitality (eg discount cards for restaurants, cinemas, etc)	47	43	38	52	14
Other one-off bonus/hamper/vouchers/gifts offered at other times of the year	12	35	37	59	43
Free financial education, guidance or advice	41	36	38	41	29
Discounted insurance (eg holiday, dental, pet, etc)	24	35	35	48	29
Workplace pension salary-sacrifice plan (a worker agrees to exchange part of their salary in return for an employer pension contribution)	18	38	35	43	43
Discounts on own products/services for staff	24	35	31	26	14
Workplace pension contribution matching plan (if an employee contributes more to their pension pot, the employer will also increase its contribution for that employee)	35	28	22	41	14
Charitable donation made by employee matched by employer	6	18	24	30	14
Give as you earn	18	26	12	28	14
Pre-retirement courses	41	17	11	24	0
Interest-free welfare loans (provided by the employer) for financial hardship	6	13	15	28	0
Workplace pension bonus sacrifice plan (a worker agrees to exchange all or part of their bonus in return for an employer pension contribution)	12	10	13	24	14
Relocation assistance	12	17	11	15	0
Workplace pension auto-escalation plan (where the level of an employee's pension contribution rises at regular intervals on a set date until an agreed rate is reached, the increase often linked to a pay rise)	24	10	7	20	14
Access to a credit union	12	15	10	11	0
Earned pay access (employees can access their earned wage before their regular pay day)	12	13	5	22	0
Employee share plan	18	8	6	13	0
Energy switching schemes, which provide advice on the best household energy deals	6	7	6	9	0
University tuition fees repaid by employer	6	6	9	7	0
Workplace loans (provided by a third party selected by the employer) where interest is charged	6	6	7	9	0
Homeworker financial allowance	6	6	7	7	0
Home rental deposit assistance	6	6	3	2	0
Set your own pay date (employees can choose how often they are paid, for instance weekly rather than monthly)	6	3	3	2	0
Home buyer's deposit assistance for first-time buyers	6	4	1	2	0
Lifetime ISA	6	3	2	2	0
Parental loans for new parents	6	1	2	2	0
Set your own pay (employees choose their own pay based on what they think they deserve/are worth)	6	3	2	0	0

Base: n=236. Those who provide the benefit to all employees, as a percentage of those who provide at least one financial benefit.

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Table 12: Spending intentions on financial benefits in the year to October 2022 (%)

	More	The same	Less
All	30	64	6
Sector			
Manufacturing and production	26	72	3
Private sector services, of which:	30	63	7
Retail, hospitality, catering, leisure and cleaning	45	50	5
Legal, financial, technology and other professional services	25	65	10
Other private sector	29	66	5
Public sector	23	67	10
Voluntary, community and not-for-profit	42	55	3
Size			
SME (<250)	30	65	5
Large (250–9,999)	33	60	7
Very large (10,000+)	23	69	8
Organisation's financial situation compared with start of 2020			
A lot worse off	26	68	6
A bit worse off	28	68	5
About the same	31	62	6
A bit better off	33	60	7
A lot better off	27	68	5
Employees' financial situation compared with start of 2020			
A lot worse off	24	65	12
A bit worse off	35	59	6
About the same	28	66	6
A bit better off	34	60	6
A lot better off	0	100	0

Base: n=234.

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Table 13: Health and wellbeing benefits on offer (%)

	Offered to all	Dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
Employee assistance programme, such as support, counselling or helpline	76	2	3	78
Free tea/coffee/cold drinks	73	6	1	79
Free eye tests/eye care vouchers	63	9	1	72
Death in service/life assurance	61	8	3	69
Occupational sick pay	61	13	1	73
Financial support for employees who must self-isolate/shield	44	4	1	48
Free flu vaccinations	42	3	3	45
Programmes to encourage physical fitness (eg on-site fitness classes or steps/walking initiatives)	33	3	4	36
Free fruit	25	4	2	29
Programmes to encourage employee health (eg quit smoking or weight loss course)	25	2	5	26
Critical illness insurance	24	14	3	39
Relaxation courses (eg mindfulness or meditation)	24	2	3	26
Healthcare cash plans	23	3	5	27
Gym (on-site and/or subsidised membership)	22	5	3	27
Private medical insurance	22	28	2	50
Virtual GP services (eg Babylon)	22	7	2	29
Dental insurance	21	8	3	29
Health screening	20	14	3	34
Permanent health insurance/income protection insurance	20	14	2	34
Relaxation apps (eg Daylight, Buddhify, Headspace, Mindfulness, etc)	17	3	3	20
Free/subsidised canteen (breakfast, lunch or dinner)	13	7	1	21
Personal accident insurance	11	3	0	15
Workplace chaplain/faith support	8	3	1	12
On-site massages	7	4	1	12
On-site medical facility	6	2	1	7
Luncheon vouchers	3	2	1	5
Fertility treatment (IVF), including egg or sperm freezing	3	2	3	4
Personal fitness trainer	3	2	1	4
On-site nap room	2	3	1	5
Pet insurance	1	1	2	3

Base: n=231. Percentage of those who provide at least one health and wellbeing benefit.

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Table 14: Health and wellbeing benefits according to organisation size (%)

	SME	Large	Very large
Employee assistance programme, such as support, counselling or helpline	68	92	85
Free tea/coffee/cold drinks	83	62	23
Free eye tests/eye care vouchers	61	67	69
Death in service/life assurance	49	84	77
Occupational sick pay	51	77	77
Financial support for employees who must self-isolate/shield	41	47	62
Free flu vaccinations	34	58	46
Programmes to encourage physical fitness (eg on-site fitness classes or steps/walking initiatives)	29	38	46
Free fruit	31	16	8
Programmes to encourage employee health (eg quit smoking or weight loss course)	21	30	38
Critical illness insurance	23	23	38
Relaxation courses (eg mindfulness or meditation)	22	26	31
Healthcare cash plans	21	26	31
Gym (on-site and/or subsidised membership)	21	22	31
Private medical insurance	23	21	15
Virtual GP services (eg Babylon)	21	27	8
Dental insurance	23	18	8
Health screening	19	22	15
Permanent health insurance/income protection insurance	19	23	15
Relaxation apps (eg Daylight, Buddhify, Headspace, Mindfulness, etc)	17	18	15
Free/subsidised canteen (breakfast, lunch or dinner)	13	15	8
Personal accident insurance	10	15	8
Workplace chaplain/faith support	5	12	23
On-site massages	6	11	8
On-site medical facility	4	10	0
Luncheon vouchers	3	4	0
Fertility treatment (IVF), including egg or sperm freezing	2	3	8
Personal fitness trainer	2	4	0
On-site nap room	1	3	8
Pet insurance	1	1	8

Base: n=231. Those who provide the benefit to all employees, as a percentage of those who provide at least one health and wellbeing benefit.

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Table 15: Health and wellbeing benefits according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which...	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Employee assistance programme, such as support, counselling or helpline	79	72	76	65	76	93	74
Free tea/coffee/cold drinks	72	85	62	90	90	20	74
Free eye tests/eye care vouchers	67	64	57	65	66	53	65
Death in service/life assurance	69	56	52	53	61	77	58
Occupational sick pay	56	50	57	51	47	90	81
Financial support for employees who must self-isolate/shield	44	44	43	43	44	53	35
Free flu vaccinations	31	40	43	41	39	57	52
Programmes to encourage physical fitness (eg on-site fitness classes or steps/walking initiatives)	31	31	29	27	34	33	45
Free fruit	26	30	19	37	27	7	23
Programmes to encourage employee health (eg quit smoking or weight loss course)	31	21	33	14	24	27	29
Critical illness insurance	26	26	24	18	34	23	16
Relaxation courses (eg mindfulness or meditation)	21	20	10	20	24	37	32
Healthcare cash plans	23	24	24	24	25	17	26
Gym (on-site and/or subsidised membership)	13	24	10	20	32	30	19
Private medical insurance	26	26	10	29	29	7	16
Virtual GP services (eg Babylon)	21	25	19	25	27	10	23
Dental insurance	21	24	10	25	27	13	16
Health screening	26	15	14	12	19	23	29
Permanent health insurance/income protection insurance	23	24	19	29	22	7	10
Relaxation apps (eg Daylight, Buddhify, Headspace, Mindfulness, etc)	8	17	19	14	19	17	29
Free/subsidised canteen (breakfast, lunch or dinner)	10	15	24	16	12	10	13
Personal accident insurance	10	12	10	14	12	7	13
Workplace chaplain/faith support	5	5	5	6	3	17	19
On-site massages	8	7	5	10	5	10	6
On-site medical facility	8	5	10	2	5	3	10
Luncheon vouchers	3	4	5	6	2	0	3
Fertility treatment (IVF), including egg or sperm freezing	3	3	10	2	2	0	3
Personal fitness trainer	3	2	0	6	0	0	6
On-site nap room	0	2	5	4	0	0	6
Pet insurance	0	2	0	4	0	3	0

Base: n=231. Those who provide the benefit to all employees, as a percentage of those who provide at least one health and wellbeing benefit.

Table 16: Health and wellbeing benefits according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Employee assistance programme, such as support, counselling or helpline	67	74	78	81	74
Free tea/coffee/cold drinks	64	74	70	78	84
Free eye tests/eye care vouchers	47	63	67	68	63
Death in service/life assurance	56	63	64	62	58
Occupational sick pay	58	65	62	60	47
Financial support for employees who must self-isolate/shield	28	53	39	49	47
Free flu vaccinations	33	51	45	43	26
Programmes to encourage physical fitness (eg on-site fitness classes or steps/walking initiatives)	11	58	26	35	32
Free fruit	8	28	20	35	32
Programmes to encourage employee health (eg quit smoking or weight loss course)	14	37	28	22	11
Critical illness insurance	17	23	30	27	5
Relaxation courses (eg mindfulness or meditation)	17	35	23	22	16
Healthcare cash plans	11	23	29	24	21
Gym (on-site and/or subsidised membership)	17	26	28	16	21
Private medical insurance	11	16	22	29	32
Virtual GP services (eg Babylon)	14	23	23	24	21
Dental insurance	8	26	25	22	11
Health screening	19	14	29	17	5
Permanent health insurance/income protection insurance	11	14	20	25	26
Relaxation apps (eg Daylight, Buddhify, Headspace, Mindfulness, etc)	11	23	13	21	11
Free/subsidised canteen (breakfast, lunch or dinner)	19	12	10	13	16
Personal accident insurance	3	23	13	8	0
Workplace chaplain/faith support	8	9	9	6	5
On-site massages	8	5	9	6	5
On-site medical facility	8	5	4	6	0
Luncheon vouchers	0	5	4	2	0
Fertility treatment (IVF), including egg or sperm freezing	0	0	3	5	0
Personal fitness trainer	0	2	1	3	5
On-site nap room	0	5	3	2	0
Pet insurance	0	2	0	3	0

Base: n=231. Those who provide the benefit to all employees, as a percentage of those who provide at least one health and wellbeing benefit.

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Table 17: Health and wellbeing benefits according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Employee assistance programme, such as support, counselling or helpline	65	70	80	80	86
Free tea/coffee/cold drinks	53	66	77	82	86
Free eye tests/eye care vouchers	47	58	66	71	71
Death in service/life assurance	35	62	63	69	57
Occupational sick pay	59	59	60	67	43
Financial support for employees who must self-isolate/shield	41	38	41	62	29
Free flu vaccinations	41	35	44	53	29
Programmes to encourage physical fitness (eg on-site fitness classes or steps/walking initiatives)	12	34	31	44	29
Free fruit	6	25	22	36	43
Programmes to encourage employee health (eg quit smoking or weight loss course)	12	32	21	24	29
Critical illness insurance	0	21	27	27	57
Relaxation courses (eg mindfulness or meditation)	6	24	22	33	29
Healthcare cash plans	18	25	20	33	0
Gym (on-site and/or subsidised membership)	6	23	20	31	29
Private medical insurance	18	18	23	27	29
Virtual GP services (eg Babylon)	6	24	18	31	43
Dental insurance	12	18	21	24	43
Health screening	12	27	14	22	29
Permanent health insurance/income protection insurance	12	14	19	29	57
Relaxation apps (eg Daylight, Buddhify, Headspace, Mindfulness, etc)	12	13	15	29	14
Free/subsidised canteen (breakfast, lunch or dinner)	35	8	12	13	29
Personal accident insurance	6	13	9	16	14
Workplace chaplain/faith support	18	11	4	9	0
On-site massages	0	7	8	11	0
On-site medical facility	0	4	5	11	0
Luncheon vouchers	0	6	1	4	0
Fertility treatment (IVF), including egg or sperm freezing	0	3	0	9	0
Personal fitness trainer	0	4	0	7	0
On-site nap room	0	6	0	0	14
Pet insurance	0	3	1	0	0

Base: n=231. Those who provide the benefit to all employees, as a percentage of those who provide at least one health and wellbeing benefit.

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Table 18: Spending intentions on health and wellbeing benefits in the year to October 2022 (%)

	More	The same	Less
All	27	69	3
Sector			
Manufacturing and production	28	72	0
Private sector services, of which:	28	67	5
Retail, hospitality, catering, leisure and cleaning	33	67	0
Legal, financial, technology and other professional services	30	62	8
Other private sector	24	71	5
Public sector	23	73	3
Voluntary, community and not-for-profit	29	71	0
Size			
SME (<250)	25	71	4
Large (250–9,999)	31	67	3
Very large (10,000+)	38	62	0
Organisation's financial situation compared with start of 2020			
A lot worse off	6	83	11
A bit worse off	33	65	2
About the same	22	75	3
A bit better off	37	61	2
A lot better off	42	58	0
Employees' financial situation compared with start of 2020			
A lot worse off	12	71	18
A bit worse off	20	77	3
About the same	25	71	3
A bit better off	49	51	0
A lot better off	29	71	0

Base: n=230.

Table 19: Paid leave benefits (%)

	Offered to all	Dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
Paid leave for bereavement	82	4	1	86
25 days' and over paid leave (excluding bank/public holidays) for full-time employees	64	18	1	82
Paid leave for jury service	60	4	1	64
Additional service-related days of paid leave	46	10	1	57
Enhanced maternity/paternity leave, adoption or shared parental leave	45	4	5	49
Paid carer's leave	34	2	2	36
Paid time off for voluntary work	27	3	5	30
Ability to buy additional days of paid leave	26	4	6	30
Paid leave for military reserve activities	24	3	1	26
Ability to sell additional days of paid leave	18	4	4	22
Paid leave to get married	13	3	1	16
Paid leave for child's school events (eg sports day, school play, nativity play, etc)	12	4	1	16
Paid leave to move home	12	2	1	14
Paid leave for child's first school day	9	3	2	12
Paid leave for pet bereavement	6	1	1	7
Paid leave to train and compete in sports events	4	3	2	7
Paid leave to adopt a pet	3	1	1	4
Unlimited leave (you can take as many paid days off as you want, so long as you get the job done)	3	2	2	4

Base: n=228. Percentage of those who provide at least one paid leave benefit.

Table 20: Paid leave benefits according to organisation size (%)

	SME	Large	Very large
Paid leave for bereavement	77	90	92
25 days' and over paid leave (excluding bank/public holidays) for full-time employees	59	75	75
Paid leave for jury service	53	76	50
Additional service-related days of paid leave	43	52	58
Enhanced maternity/paternity leave, adoption or shared parental leave	33	63	75
Paid carer's leave	30	39	42
Paid time off for voluntary work	25	31	25
Ability to buy additional days of paid leave	19	37	42
Paid leave for military reserve activities	14	39	42
Ability to sell additional days of paid leave	16	23	17
Paid leave to get married	13	11	25
Paid leave for child's school events (eg sports day, school play, nativity play, etc)	14	10	0
Paid leave to move home	10	18	0
Paid leave for child's first school day	9	7	17
Paid leave for pet bereavement	7	3	8
Paid leave to train and compete in sports events	3	6	0
Paid leave to adopt a pet	3	3	0
Unlimited leave (you can take as many paid days off as you want, so long as you get the job done)	3	1	0

Base: n=228. Those who provide the benefit to all employees, as a percentage of those who provide at least one paid leave benefit.

Table 21: Paid leave benefits according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which…	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Paid leave for bereavement	90	76	71	71	83	96	80
25 days' and over paid leave (excluding bank/public holidays) for full-time employees	59	60	52	51	69	79	80
Paid leave for jury service	56	56	48	55	59	75	70
Additional service-related days of paid leave	44	39	38	31	46	75	57
Enhanced maternity/paternity leave, adoption or shared parental leave	38	40	43	33	44	68	53
Paid carer's leave	28	25	19	24	29	68	47
Paid time off for voluntary work	15	31	14	27	41	21	27
Ability to buy additional days of paid leave	18	24	14	24	29	39	30
Paid leave for military reserve activities	21	21	24	16	24	46	20
Ability to sell additional days of paid leave	18	17	5	12	25	25	17
Paid leave to get married	10	12	10	16	10	14	20
Paid leave for child's school events (eg sports day, school play, nativity play, etc)	10	13	14	18	8	18	7
Paid leave to move home	8	12	14	12	12	21	7
Paid leave for child's first school day	10	9	5	12	8	11	3
Paid leave for pet bereavement	0	5	10	4	3	7	17
Paid leave to train and compete in sports events	3	3	5	2	3	11	3
Paid leave to adopt a pet	0	4	5	4	3	0	3
Unlimited leave (you can take as many paid days off as you want, so long as you get the job done)	0	4	0	6	3	0	3

Base: n=228. Those who provide the benefit to all employees, as a percentage of those who provide at least one paid leave benefit.

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Table 22: Paid leave benefits according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Paid leave for bereavement	74	88	77	86	84
25 days' and over paid leave (excluding bank/ public holidays) for full-time employees	69	78	59	59	63
Paid leave for jury service	54	63	59	63	53
Additional service-related days of paid leave	40	49	43	57	26
Enhanced maternity/paternity leave, adoption or shared parental leave	34	56	46	41	42
Paid carer's leave	40	46	20	38	26
Paid time off for voluntary work	20	29	32	24	26
Ability to buy additional days of paid leave	14	34	30	27	11
Paid leave for military reserve activities	17	27	25	27	16
Ability to sell additional days of paid leave	9	12	17	27	16
Paid leave to get married	14	17	10	16	0
Paid leave for child's school events (eg sports day, school play, nativity play, etc)	9	20	7	17	5
Paid leave to move home	11	20	10	10	5
Paid leave for child's first school day	6	10	7	13	0
Paid leave for pet bereavement	3	15	1	8	0
Paid leave to train and compete in sports events	3	10	3	3	0
Paid leave to adopt a pet	0	7	0	5	0
Unlimited leave (you can take as many paid days off as you want, so long as you get the job done)	3	2	3	3	0

Base: n=228. Those who provide the benefit to all employees, as a percentage of those who provide at least one paid leave benefit.

Table 23: Paid leave benefits according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Paid leave for bereavement	56	79	78	93	86
25 days' and over paid leave (excluding bank/ public holidays) for full-time employees	56	63	66	64	29
Paid leave for jury service	44	56	62	67	29
Additional service-related days of paid leave	28	45	51	47	14
Enhanced maternity/paternity leave, adoption or shared parental leave	33	44	45	49	29
Paid carer's leave	28	32	34	38	14
Paid time off for voluntary work	17	27	26	31	14
Ability to buy additional days of paid leave	17	31	23	24	29
Paid leave for military reserve activities	17	23	18	40	0
Ability to sell additional days of paid leave	22	15	15	24	14
Paid leave to get married	0	14	17	7	14
Paid leave for child's school events (eg sports day, school play, nativity play, etc)	6	14	15	7	0
Paid leave to move home	0	17	12	9	0
Paid leave for child's first school day	0	8	11	9	0
Paid leave for pet bereavement	11	4	8	2	0
Paid leave to train and compete in sports events	0	4	5	2	0
Paid leave to adopt a pet	0	3	4	0	0
Unlimited leave (you can take as many paid days off as you want, so long as you get the job done)	0	1	5	0	0

Base: n=228. Those who provide the benefit to all employees, as a percentage of those who provide at least one paid leave benefit.

Table 24: Spending intentions on paid leave benefits in the year to October 2022 (%)

	More	The same	Less
All	16	80	4
Sector			
Manufacturing and production	11	89	0
Private sector services, of which:	16	79	5
Retail, hospitality, catering, leisure and cleaning	19	81	0
Legal, financial, technology and other professional services	18	76	6
Other private sector	14	81	5
Public sector	15	81	4
Voluntary, community and not-for-profit	24	72	3
Size			
SME (<250)	14	81	5
Large (250–9,999)	17	81	1
Very large (10,000+)	33	67	0
Organisation's financial situation compared with start of 2020			
A lot worse off	6	85	9
A bit worse off	21	77	3
About the same	9	88	3
A bit better off	18	79	3
A lot better off	42	58	0
Employees' financial situation compared with start of 2020			
A lot worse off	12	71	18
A bit worse off	11	85	5
About the same	14	84	2
A bit better off	29	71	0
A lot better off	29	71	0

Base: n=223.

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3 Social, family and technology benefits

Overview

This section reveals a growth in the proportion of employers offering benefits that might have once been regarded as being perks of the job, such as flexible working or an office computer that can be taken home, but are now seen by many as being part of the job.

While the pandemic and growth in remote working has had an impact on the benefits associated with where, when, and how we work, it has also had an impact on other benefits, like how and where we socialise with colleagues. For example, while more employers now offer Christmas parties and other workplace get-togethers since 2018, many of these will have been online events or scaled-back COVID-compliant gatherings. By contrast, there has been a fall in the proportion of employers supporting sports teams and sporting events or providing a staff canteen.

COVID-19 has had an impact on how we travel to our place of work, with more employers now offering loans to buy a bicycle, while environmental concerns might be a reason why there hasn't been a similar jump in employers offering loans for staff to buy cars. Our survey also finds that the popularity of the company car remains undiminished, despite COVID-19.

During the pandemic there was a growth in pet ownership. While there had been no increase in the proportion of employers offering pet insurance between 2018 and 2021, paid leave to adopt a pet has increased from less than 1% to 4%, 'bring your dog to work day' has risen from 8% to 15%, and 7% of employers now offer paid pet bereavement leave.

In a period when health has been uppermost in everybody's minds, there has been an increase in the proportion of employers offering health and wellbeing benefits to all staff. For example, programmes to encourage physical fitness have seen the greatest increase, up 22 percentage points from 2018. The provision of an employee assistance programme has risen by 19 percentage points, free flu vaccinations by 18 percentage points and free eye tests by 17 percentage points.

As this report comes out, attention is switching from a health crisis caused by COVID-19 to a financial crisis caused by a rapid increase in the cost of living. It will be interesting to see how the benefit landscape evolves in response. As our sections on financial wellbeing and organisational support and in-work poverty and financial support will show, many employers already have a foundation on which to build their response.

Key findings

The most common type of personal and family benefit is flexible working, offered by 85% of employers to all or some of their employees, up from 69% in 2018. This rise is probably linked to the shift towards homeworking during the pandemic, though CIPD analysis finds other types of flexible working have fallen during the pandemic. Another form of flexible working that's received recent media attention is the 'four-day working week' – 14% of our sample already have this in place for some or all employees.

Christmas meals, parties and related events are the most common form of social benefit, offered by 81% of organisations, while 67% also offer non-Christmas-related workplace events. However, as our 2021 *Reward Management* survey found, the pandemic forced many of these workplace get-togethers online. In future, there could be a switch back to physical events. Despite the increase in informal work attire over this period, 59% still have dress-down days.

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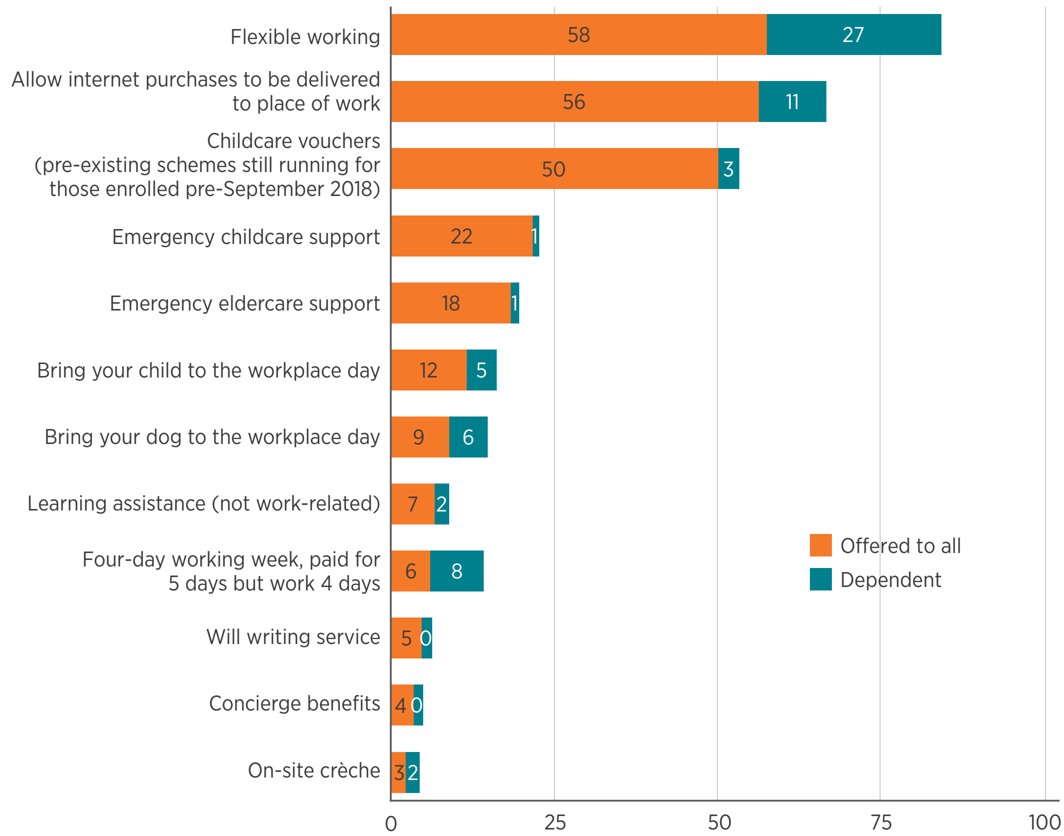
The percentage of employers providing all (33%) or some (24%) of their workers with a computer that they can also use for personal use has jumped from 43% in 2018 to 57% in 2021. Similarly, the percentage offering a mobile phone that can also be for personal use has grown from 45% in 2018 to 57% in 2021, though mobile phones are more likely to be offered to some staff rather than all.

When it comes to transport and travel benefits, on-site car parking (75%) and cycle-to-work loans (51%) are the most common benefits on offer. There has been a rise in employers offering cycle-to-work loans from 45% in 2018. Our 2021 *Reward Management* survey found that some employers had introduced the cycle-to-work perk, or planned to do so, in response to staff concerns regarding the use of public transport during the pandemic.

Since 2018, the provision of the most common benefits offered to all staff (like paid leave for bereavement) has increased, as has the provision of benefits focused on some staff (like a car allowance). One exception is the provision of flexible working for some workers, which has fallen. This is likely because employers that once limited flexible working to some of their people have now extended it to all, possibly due to the shift to homeworking caused by the pandemic. However, some might have kept this working arrangement to better attract and retain staff. The pandemic might also be the reason for the increase in the proportion of respondents now offering health and wellbeing benefits to all staff, such as programmes to encourage physical fitness. Positively, more employers plan to increase their benefit budgets in 2022 than cut them.

Personal and family benefits

Figure 1: Personal and family benefits on offer (%)



Base: n=222. 'Dependent' indicates a benefit offered to some staff dependent on grade, seniority, location, job, role, and so on.

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Most now offer flexible working

Figure 1 shows which personal or family benefits are most likely to be offered by employers. The most common benefit on offer is flexible working (such as a compressed working week, job-sharing, part-time working, term-time working, homeworking, flexitime, and so on), with 58% of organisations providing this to all their workers and 27% to some employees, dependent on such factors as grade, job, location, and so on.

While 85% of employers now provide flexible working to some or all employees, in 2018 69% offered flexible or homeworking – 35% for all employees and 34% for some.

One explanation for why so many employers now offer this perk might be linked to the shift to homeworking during the pandemic. However, CIPD research on flexible working arrangements and the impact of the pandemic indicates that, while homeworking has increased, other forms of flexible working (such as flexitime or job-shares) have fallen over this period.

There is also a debate about whether flexible working is actually a perk. This will depend on whether the flexibility is mutually beneficial for both the employer and the employee. If flexible working is a requirement of the job, employees might not view it as being particularly beneficial. If it is one-sided, they might seek higher pay by way of compensation, or perhaps quit.

Looking ahead to October 2022, a further 1% of our sample plan to offer flexible working to some or all of their people.

Allowing internet purchases to be delivered to the workplace (67%) is the second most common benefit provided, with 56% offering it to all and 11% to some. Sixty-one per cent offered this perk back in 2018. Some employers might have stopped providing this benefit because their workers were now based for some of the week from home. Some employers might have retained or introduced this perk for the convenience of key or essential workers still coming to work during the various lockdowns.

Another common benefit is childcare vouchers, offered by 53% of employers. These vouchers are for the pre-existing schemes that are still running for those enrolled pre-September 2018. However, over time, the numbers of employees receiving these vouchers will fall as they stop being eligible.

Emergency support for those with child (23%) or eldercare (19%) responsibilities is much less commonly offered, while children (17%) and dogs (15%) are not commonly welcomed into the workplace.

Six per cent of employers offer a 'four-day working week' to all staff, and 8% to some, with a further 2% planning to introduce it in 2022. Since our survey, this idea will be trialled in the UK by 30 organisations (including firms like Atom bank, Reward Agency and Canon) to assess what impact this has on employee output. There are consequences for employers in terms of how they manage this, such as the pay implications for part-time staff. For example, someone who was considered part-time because they were working four out of five working days would now be working full-time.

Very few organisations are planning to introduce new personal or family benefits by October 2022.

More information can be found in Table 1 in the Appendix.

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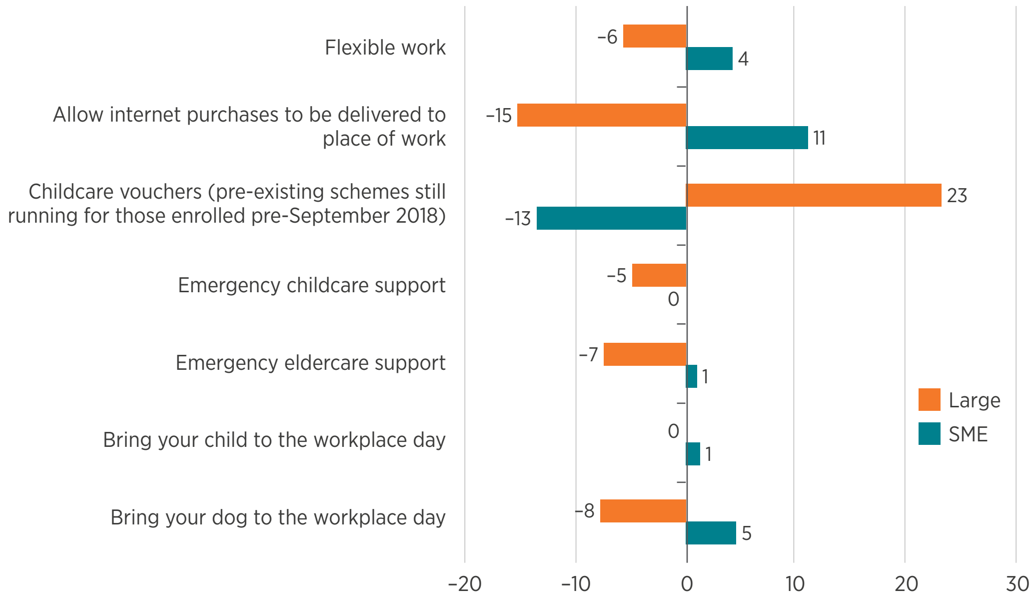
SMEs most likely to offer flexible working to all

Figure 2 shows that flexible working for all employees is more likely to be offered by SMEs than large employers, and a similar picture emerges when it comes to the delivery of internet purchases. This is possibly because flexible working is simpler to organise in SMEs because there are fewer people, or because offering this helps them now stand out in the labour market.

Variations are a little less pronounced among the less common benefits, although 50% of very large organisations provide both emergency childcare support and eldercare support. Such organisations are also much more likely than others to offer an on-site crèche (17%) to all.

More information can be found in Table 2 in the Appendix.

Figure 2: Provision of personal and family benefits relative to the average, according to organisation size (%)



Base: n=222. Benefits offered to all by more than 7% of organisations. The zero line represents the overall average response. Very large organisations are omitted for the sake of clarity.

Voluntary sector most likely to offer flexible working

While 70% of voluntary sector organisations provide flexible working opportunities to all, only 43% of those in the manufacturing and production sector do likewise. Also, while 58% of private sector services offer this opportunity, in the private sector and retail, hospitality, catering, leisure and cleaning subsector, just 38% do so.

Legal, financial, and other professional services are most likely to allow all staff to bring their children (22%) and dogs (20%) to the workplace on one day (one of the less popular benefits). Not a single dog crosses the threshold of organisations in the public sector, but it is almost exclusively this sector that provides an on-site crèche (11%).

More information can be found in Table 3 in the Appendix.

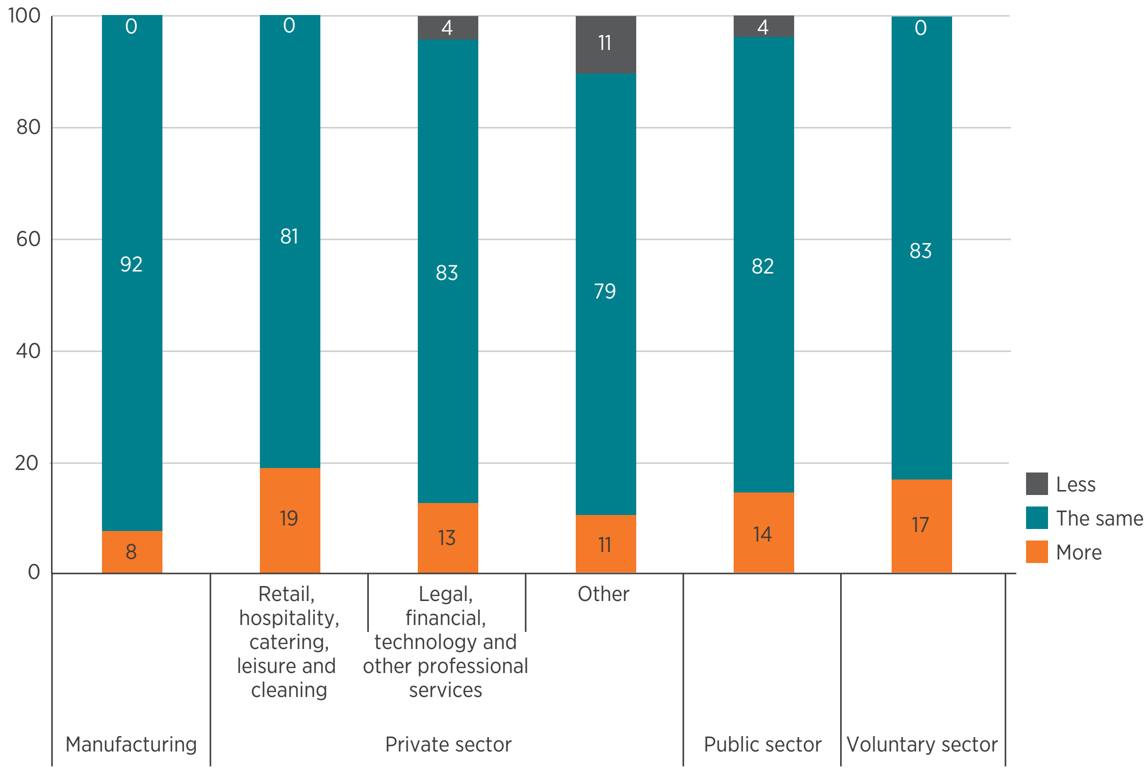
Information on spending according to organisation and employees' financial situation can be found in Tables 4 and 5 in the Appendix.

Most plan to spend the same or more

In the year to October 2022, 13% of employers plan an increase in expenditure on personal and family benefits while only 4% intend to cut spending.

Figure 3 illustrates that the voluntary sector is most likely to plan an increase in spending in this area (17%), although 19% of the retail, hospitality, catering, leisure and cleaning subsector also plan an increase.

Figure 3: Spending intentions according to organisation sector (%)



Base: n=220.

By size, there is little difference in intentions to spend more between SMEs (11%) and large organisations (13%), but very large employers are most likely to intend increasing expenditure in this area (33%).

More information can be found in Table 6 in the Appendix.

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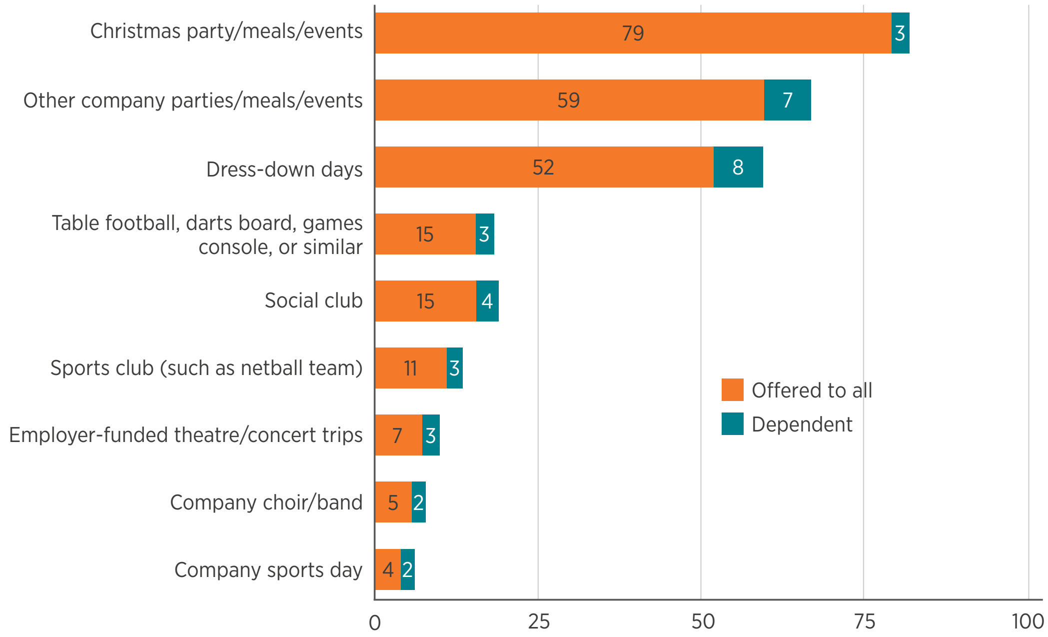
Social benefits

Figure 4: Social benefits offered by employers (%)



Base: n=221. 'Dependent' indicates a benefit offered to some staff dependent on grade, seniority, location, job, role, and so on.

Christmas still being celebrated

Despite the pandemic, Christmas meals, parties or other related events are offered by 82% of organisations. This is the most common social benefit provided, although other non-Christmas-related meals, parties or events come second at 66%.

However, as our 2021 *Reward Management* survey found, many of these workplace get-togethers had moved online due to rules regarding social distancing and mixing during the pandemic. Online celebrations are also relatively low cost, which could explain why there has been an increase in the prevalence of such events since 2018, when 64% offered such gatherings to all or some workers.

Figure 4 shows that dress-down days are offered by 60% of employers, up from 52% that offered such days in 2018. This might reflect a more relaxed approach to work attire, accelerated by the pandemic and the shift to homeworking. Similarly, some organisations may have been prepared to relax the dress code for those people who were unable to do their job from home.

We asked respondents whether they were offering such benefits as table football, darts boards, games consoles, and so on, to gauge whether employers were using these either to try and tempt their people back to the office, or to reward those people who had to work on-site. We found that only 18% of organisations offered these perks, with the retail, hospitality, catering, leisure, and cleaning subsector most likely to offer them (33%), suggesting that they're more likely to be offered in front-line settings where staff can't work from home.

Other benefits – sporting, musical or cultural – are not common. Almost no organisations are planning to introduce social benefits in the year to October 2022.

More information can be found in Table 7 in the Appendix.

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Smaller organisations more likely to offer social benefits

SMEs are much more likely than larger employers to offer Christmas events (88%), non-Christmas events (68%) and dress-down days (56%) to all staff, though the picture is more even among the less common benefits. This might be because smaller employers find it easier to plan and run Christmas or non-Christmas events, either as physical or non-physical occasions

More information can be found in Table 8 in the Appendix.

The public sector is less likely to offer social benefits

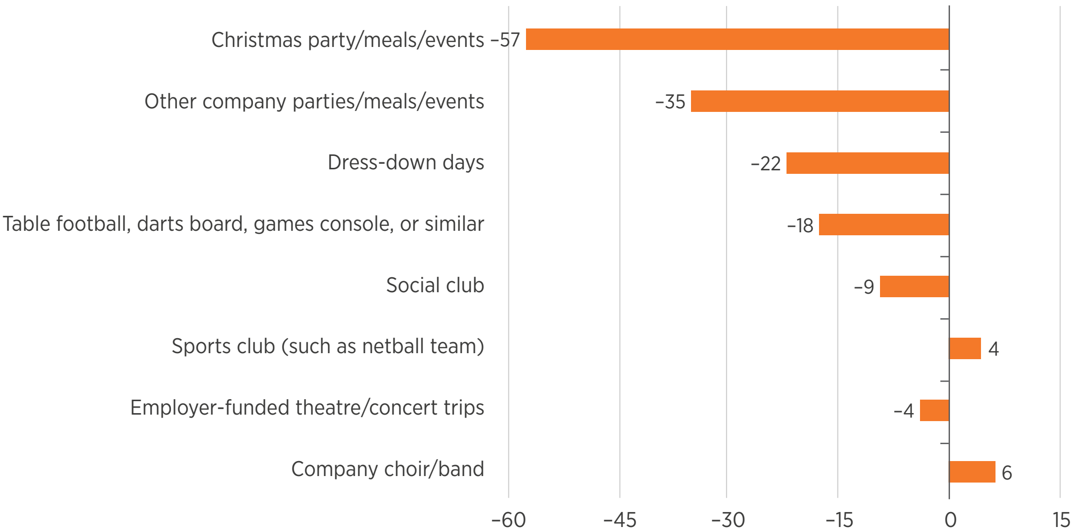
Despite recent interest in the prevalence of workplace parties in parts of government, just 29% of public sector organisations offer Christmas or non-Christmas events to all. This contrasts strongly with those who do: 86% of manufacturing and production firms, 87% of private services, and 83% of voluntary sector organisations.

Similarly, only 32% of the public sector have dress-down days. Within the private services sector, just 37% of firms in the retail, hospitality, catering, leisure, and cleaning subsector offer this perk, compared with 63% of those in legal, financial, and other professional services.

However, Figure 5 shows that the public sector is more likely to have a works choir or band than other sectors.

More information can be found in Table 9 in the Appendix.

Figure 5: Provision of social benefits by public sector organisations compared with all others (%)



Base: n=221. The zero line represents the level of provision by all other organisations. Company sports day omitted as public sector identical to other sectors' provision (4%).

Financial situation impacts offering

Employers that judge their financial situation to be 'a lot worse off' since 2020 are less likely to offer social benefits to their people compared with other organisations (even those that report being 'a bit worse off'). Figure 6 compares the social benefits on offer in employers that are 'a lot worse off' with those on offer in employers that are only 'a little worse' off.

For example, 31% of those 'a lot worse off' provide non-Christmas social events as opposed to 62% of those that are 'a bit worse off'.

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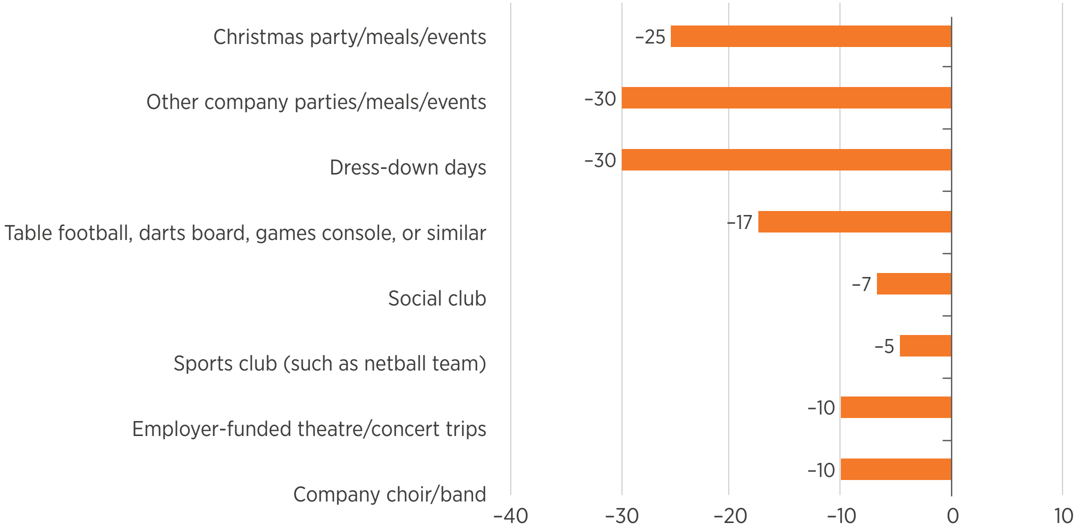
More information can be found in Table 10 in the Appendix.

Information on spending according to employees' financial situation can be found in Table 11 in the Appendix.

Figure 6: Provision of social benefits by organisations that are 'a lot worse off' compared with those that are 'a bit worse off' (%)



Base: n=221. The zero line represents the level of provision by those only 'a bit worse off'. Company sports day omitted as the two groups offer identical provision (3%).

Social benefits spending set to grow

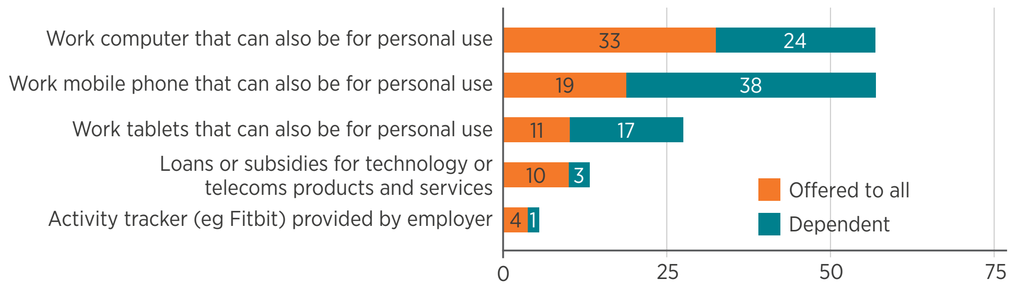
In the year to October 2022, 14% of employers intend to spend more on social benefits while only 5% mean to cut them. Most (81%) intend to keep spending at the same level. These proportions do not vary significantly by organisation size or sector.

Perhaps surprisingly, an organisation's financial situation does not seem to influence future spending plans: 82% of those who are 'a lot worse off' intend to spend the same amount and 15% plan to increase spending. This may suggest that any cuts have already been made.

More information can be found in Table 12 in the Appendix.

Technology benefits

Figure 7: Technology benefits on offer (%)



Base: n=218. 'Dependent' indicates a benefit offered to some staff dependent on grade, seniority, location, job, role, and so on.

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Most provide a computer that can be used for personal use

Almost six in ten employers (57%) now offer their employees a computer that they can also use for personal use; 33% of employers provide them to everyone, while 24% offer them to some, dependent on such factors as their job, location, grade, and so on. It is probable that the increase in people working from home may be an explanation for the percentage of employers now offering this – in 2018 the proportion was 43%. With the growth in homeworking, there is a debate as to whether this should be regarded as a 'benefit' of the job, or a 'tool' needed to do the job. There are also cyber-security implications with staff working on their computers from home.

The same percentage offer a mobile phone that can also be for personal use, but this is much more likely (38%) to be dependent on such factors as grade, job, location, and so on. Only 19% offer this to all staff. By contrast, in 2018 32% of employers offered this benefit to certain groups of employees, while 13% offered them to all staff. Again, the growth in mobile phones could be linked to the growth in homeworking in certain sectors.

Computers are more common than work tablets, with 28% of employers offering a tablet – 11% to all and 17% just to some staff. Loans for technology or telecoms products are low down the list at 13% and only 6% offer an activity tracker, either to all or some staff. Loans for tech were identified by the Joseph Rowntree Trust as a way of helping make these products more affordable for low-waged workers. Due to the current cost-of-living crisis, we might see more employers explore this type of benefit.

More information can be found in Table 13 in the Appendix.

SMEs are more likely to offer computers, mobiles, and tablets

While 39% of SMEs offer all staff a work computer that can also be for personal use, only 24% of large organisations do the same. Similarly, 25% of SMEs offer a mobile phone but only 9% of large employers do so.

The picture is reversed when it comes to loans or subsidies for technology or telecoms items: 15% of large organisations offer these compared with only 8% of SMEs.

More information can be found in Table 14 in the Appendix.

The public sector is less likely to offer technology benefits

Only 7% of those in the public sector provide all staff with a work computer that may also be for personal use. By contrast, 40% of employers in both the voluntary and private sector services do the same. However, within private sector services, just 28% of the retail, hospitality, catering, leisure, and cleaning subsector provide this, while 49% of legal, financial and other professional services do. This might reflect the fact that front-line and key workers, in public services and the retail, hospitality, catering, leisure and cleaning subsector, have less opportunity to work from home.

More information can be found in Table 15 in the Appendix.

In terms of financial situation, those organisations reporting that they are 'a lot worse off' provide slightly fewer technology benefits; this difference isn't large or entirely consistent, unlike the other benefit types we have reviewed so far.

More information can be found in Table 16 in the Appendix.

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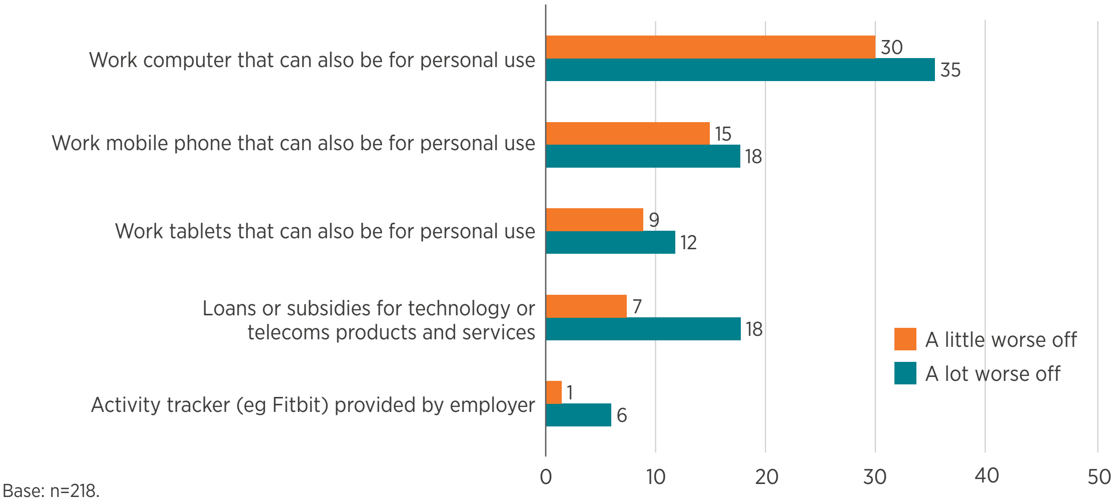
Those who see their staff as 'a lot worse off' more likely to offer tech

Figure 8 illustrates this trend. For example, while 35% of employers that think their staff are 'a lot worse off' provide a work computer also for personal use, 30% of those that think their workers are 'a bit worse off' do likewise.

More information can be found in Table 17 in the Appendix.

Figure 8: Provision of technology benefits by those whose staff are 'a lot' or 'a little worse off' (%)



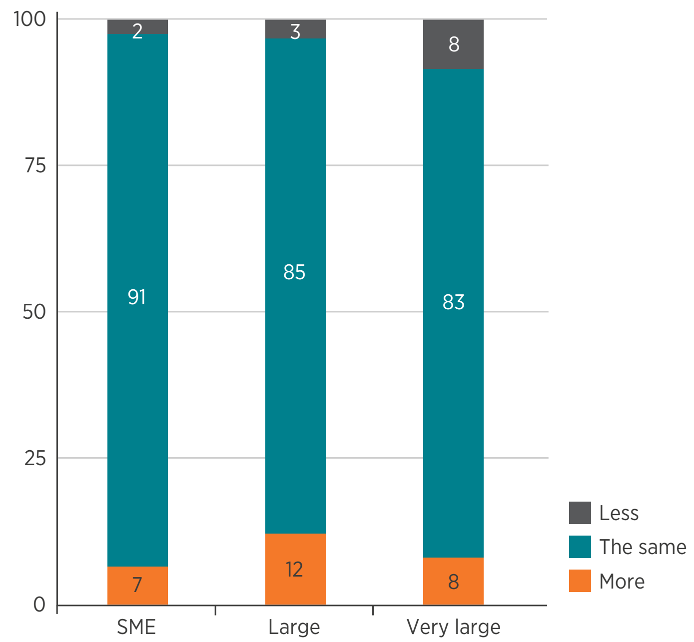
Base: n=218.

8% plan to spend more

In the year to October 2022, 8% will spend more on technology benefits, 3% mean to spend less, and 89% intend no change. The private services sector is much less likely than others to spend more compared with other sectors (5%).

Figure 9 shows that large organisations are most likely to plan to increase spending (12%), while the figure for SMEs is only 7%.

Figure 9: Spending intentions according to organisation size (%)



Base: n=212.

More information can be found in Table 18 in the Appendix.

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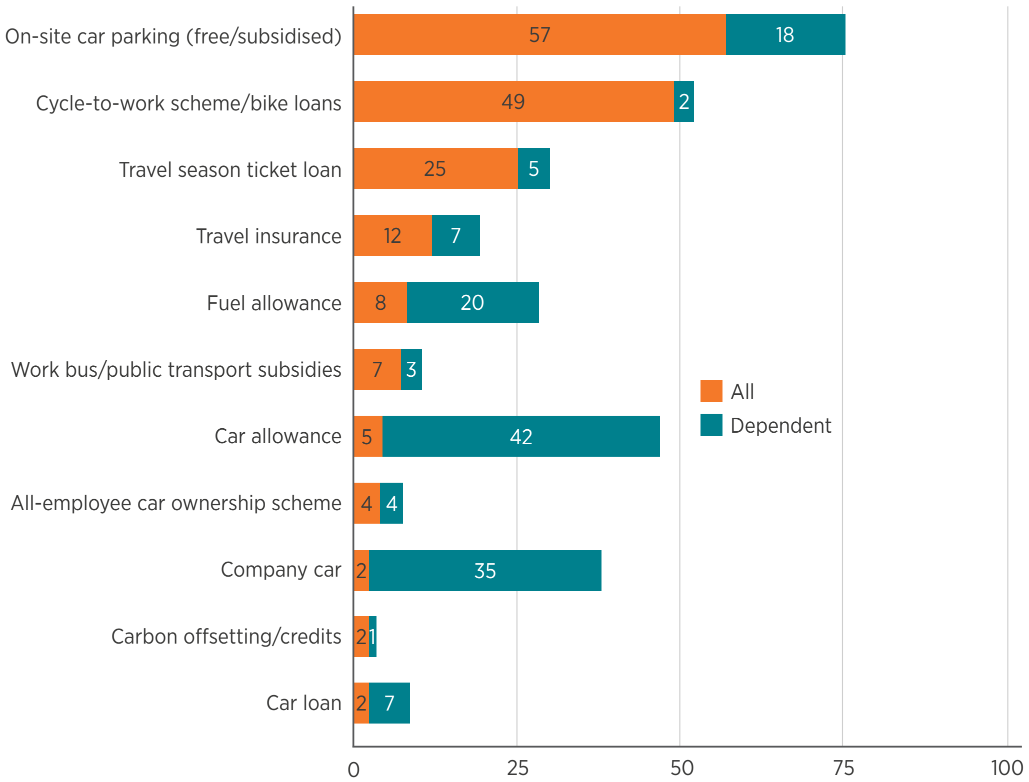
Transport and travel benefits

On-site car parking the most common benefit

When it comes to transport and travel benefits, Figure 10 shows that 75% of respondents offer on-site car parking, 57% to all staff and 18% to some. Another common benefit is a cycle-to-work scheme, offered by 51% of organisations, mostly to all staff. This is up on the 45% that offered this benefit in 2018 and might be linked to the pandemic. Our 2021 *Reward Management* survey found some employers had introduced this perk, or planned to do so, in response to employee concerns regarding using public transport during the pandemic. A minority provide a season ticket loan to all (25%) and a further 5% to some staff.

Figure 10: Transport and travel benefits on offer (%)



Base: n=217. 'Dependent' indicates a benefit offered to some staff dependent on grade, seniority, location, job, role, and so on.

Travel benefits most likely to be dependent

Figure 10 also shows that among all the benefits, travel and transport benefits are more likely to be focused on some employees, according to such factors as their job, location, grade, seniority, and so on. For example, only 8% of employers offer fuel allowance to all staff, but a further 20% offer it to some of them. Similarly, only 5% of organisations offer a car allowance to all employees, but 42% offer it to some.

More information can be found in Table 19 in the Appendix.

SMEs offer fewer transport and travel benefits to all

Although on-site car parking is evenly spread among different-sized organisations, fewer SMEs offer all staff a transport and travel benefit. For example, while 39% of SMEs operate the cycle-to-work scheme, 67% of large employers do likewise.

More information can be found in Tables 20 and 21 in the Appendix.

Manufacturing and production most likely to provide parking

Almost all firms in the manufacturing and production sector offer all their staff on-site parking. This might be because such operations are out of town, with employees needing to use a car to travel to the workplace (while having space for parking). Employers in the voluntary sector are the least likely to do this (43%). However, this picture is reversed in the case of a cycle-to-work scheme, with organisations in the voluntary (60%) and public sectors (70%) more likely than firms in the manufacturing and production (42%) and private services sectors (44%) to provide this to all staff.

More information can be found in Tables 22 and 23 in the Appendix.

The financial situation of an organisation or its employees has a limited impact on the travel benefits provided

More information can be found in Tables 24 and 25 in the Appendix.

More plan to increase spending than cut it

While 9% plan to spend more on travel benefits, only 4% plan to cut them. However, 87% intend to maintain spending at the current level. These proportions are broadly consistent among different groups, although large organisations (12%) and the very large (17%) are more likely than SMEs (7%) to plan an increase. Those organisations who are ‘a lot’ (6%) or ‘a bit’ (3%) financially worse off are slightly less likely to plan any increase in spending.

More information can be found in Table 26 in the Appendix.

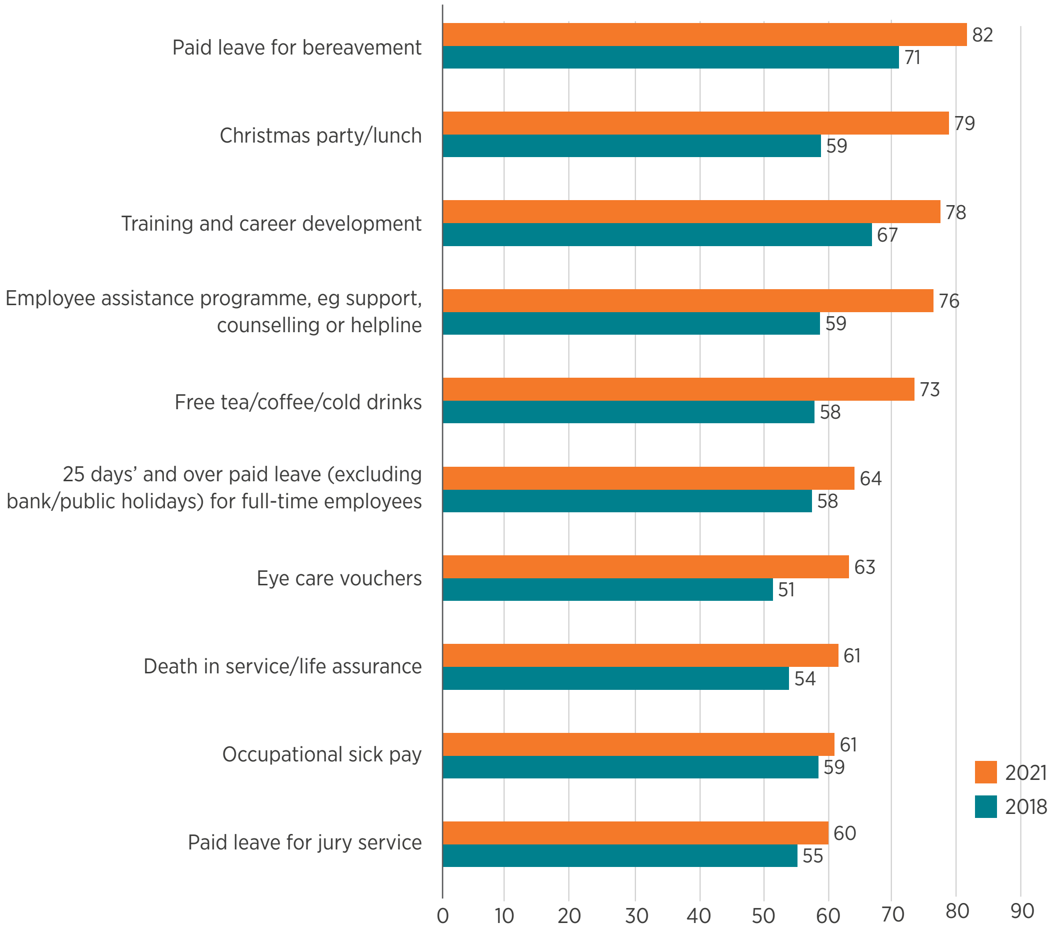
Summary

Benefits for all on the increase…

The final part of this section reviews the benefit provision covered both here and in our section on career and wellbeing benefits. Bringing all the data together, Figure 11 shows that the most common benefit offered to all employees is paid leave for bereavement.

It also shows that, compared with 2018, more employers are offering these common benefits. For example, the provision of paid leave for bereavement has increased from 71% of organisations in 2018 to 82% in 2021. And offering a Christmas party or lunch has jumped from 59% in 2018 to 79%.

Figure 11: Ten most common benefits provided to all staff (%)



More information can be found in Table 27 in the Appendix.

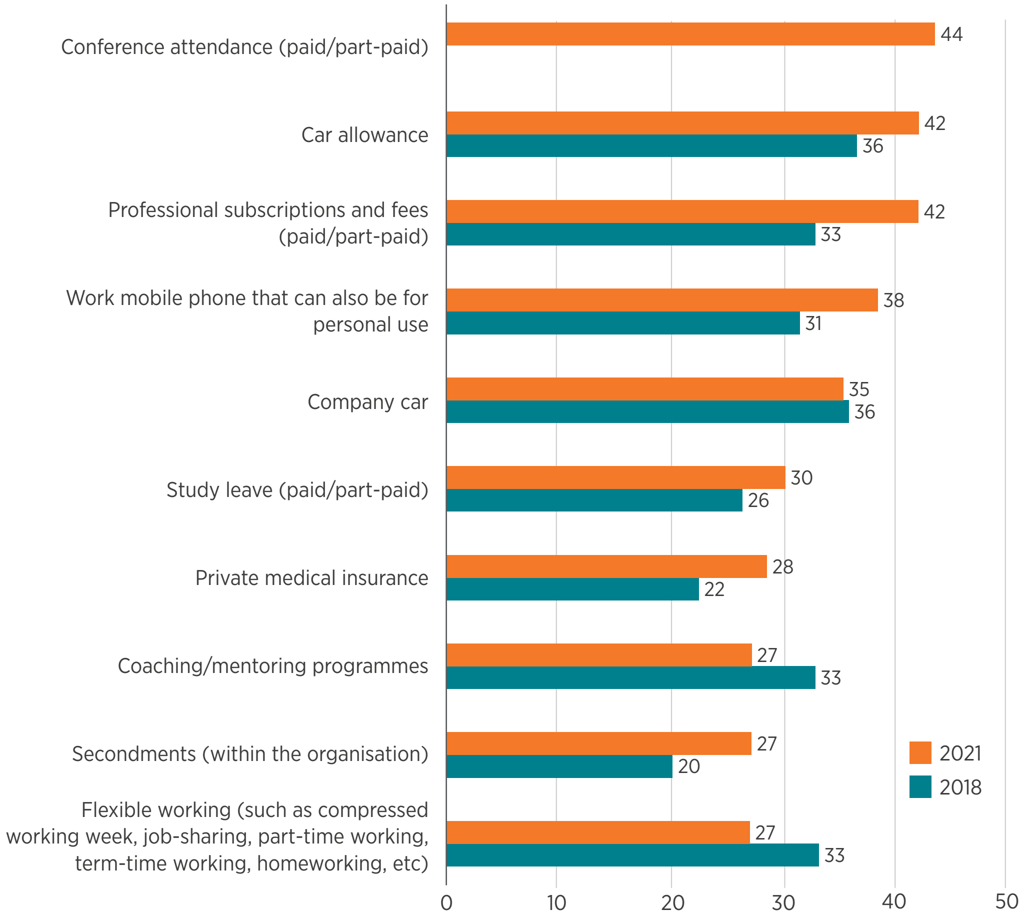
...as are benefits offered to some

When it comes to benefits that are linked to an employee's grade, seniority, or other similar factors, Figure 12 illustrates that conference attendance, whether paid or part-paid, is the most common benefit (44%). Transport provision includes a car allowance (42%) or a company car (35%). Developmental benefits are also well represented, including professional subscriptions (42%), study leave (30%) and a coaching or mentoring programme (27%).

Compared with 2018, more employers have increased provision. However, two stand out from this trend: coaching and mentoring programmes, where the proportion of employers offering this to some workers has fallen from 33% to 27%; and flexible working, where the percentage of employers providing this has also fallen from 33% to 27%. Some of this might be that employers are more egalitarian in their offering, and some employers that previously reserved flexible working for some staff have now extended it to all, possibly in response to the pandemic and a shift to homeworking.

By contrast, the proportion of employers providing a company car has hardly changed since 2018, even though many company car drivers will not have been able to enjoy them during the various lockdowns.

Figure 12: Top ten benefits provided to some staff, dependent on grade, seniority, location, job, role, etc (%)



More information can be found in Table 28 in the Appendix.

More employers set to offer coaching or mentoring programmes

Figure 13 shows that the benefits most likely to be planned for 2022 are the introduction of a coaching or mentoring programme and the provision of apprenticeships (both 7%). The introduction of cycle-to-work schemes, buying additional days of paid leave and peer learning groups are all envisaged by 6% of respondents. Only one in twenty organisations plan other benefits such as healthcare cash plans, programmes to encourage employee health or discounted shopping.

Figure 13 also shows that more employers are planning to provide these benefits than they did in 2018. For example, in 2018 3% of our sample had plans to introduce coaching in the next 12 months or mentoring for some or all employees; by 2021 the proportion planning to introduce this benefit in the next 12 months had jumped to 7%.

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Figure 13: Top ten benefits planned (%)

More information can be found in Table 29 in the Appendix.

There's been an increase in health and wellbeing benefits

In a period when health has been uppermost in everybody's minds, there has been an increase in the proportion of employers offering health and wellbeing benefits to all staff. For example, programmes to encourage physical fitness have seen the greatest increase, up 22 percentage points from 2018. The provision of an employee assistance programme has risen by 19 percentage points, free flu vaccinations by 18 percentage points and free eye tests by 17 percentage points.

Flexible working (up 17 percentage points) and the provision of a home computer (up 15 percentage points) may well reflect the changing world of work due to COVID-19.

Figure 14: Benefits whose provision has most increased (%)

Increase in percentage providing each benefit compared with 2018.

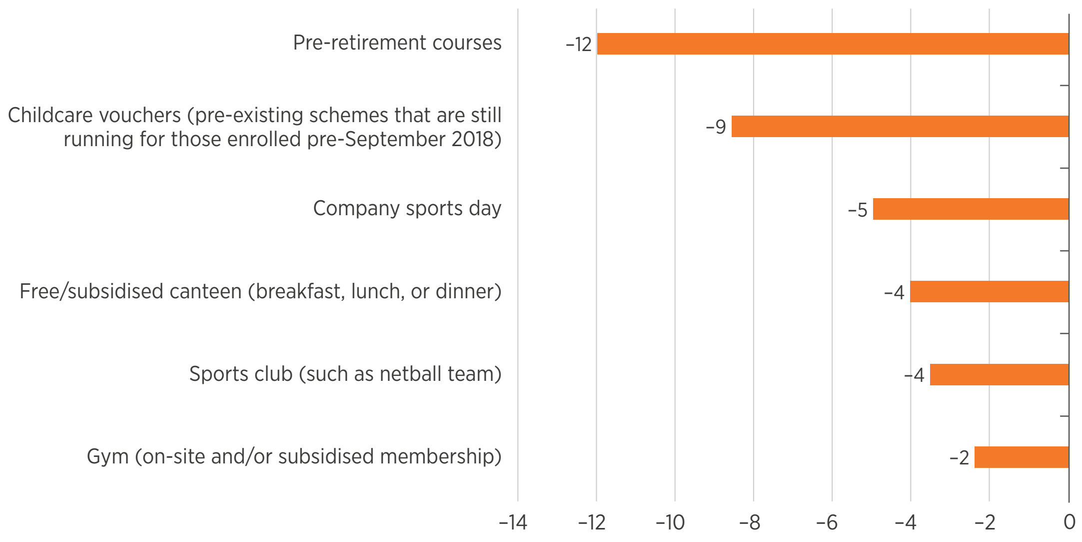
More information can be found in Table 30 in the Appendix.

Remote working has reduced some benefits

Figure 15 indicates that there are a few benefits whose provision has dropped substantially. Perhaps surprisingly, provision of pre-retirement courses to all staff has decreased the most, by 12 percentage points. This might be because it was hard to run such courses in person during the pandemic and employees were directed instead to other sources of free impartial help, such as the Money and Pensions Service.

Most of the decreases in the provision of the other benefits shown in Figure 15 may be explained by the fact that a lot of people have been working remotely or cannot gather in person for activities. For example, company sports days (down 5 percentage points), provision of a canteen (4 percentage points), sports clubs (4 percentage points) and gyms (2 percentage points) have all seen decreases. While none of the decreases are large, few employers offered these perks in the first place – for example, in 2018 only 12% held a company sports day while 25% provided a canteen.

Figure 15: Benefits whose provision has most decreased (%)



Decrease in percentage providing each benefit compared with 2018.

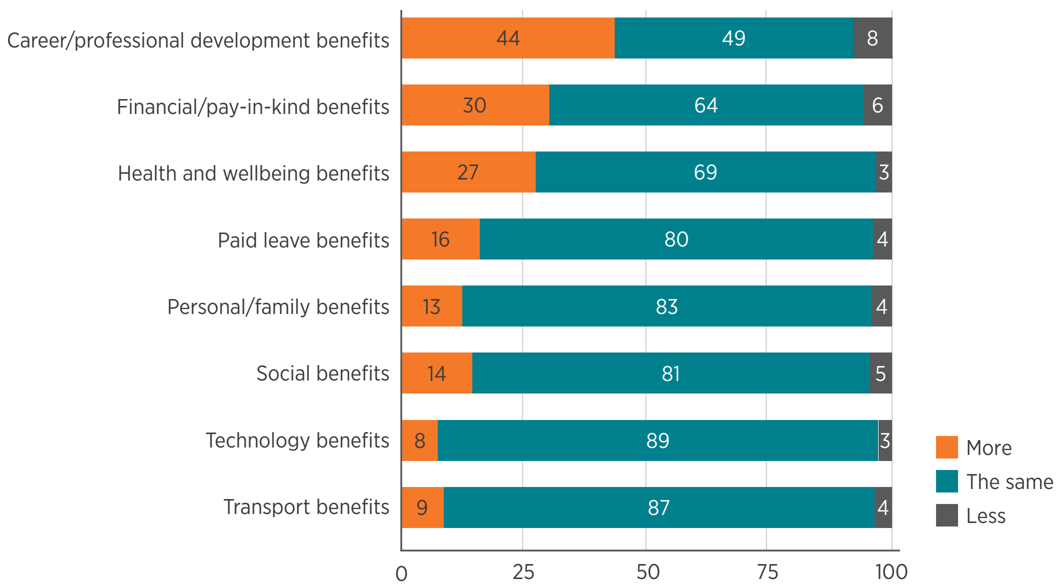
More information can be found in Table 31 in the Appendix.

Benefits spending set to rise

Figure 16 shows that more employers plan to spend more on their benefits than cut them in 2022. The area most likely to see a jump in spending is career and professional development benefits, with 44% forecasting an increase by October 2022. In addition, 30% plan an increase in spending on financial benefits and 27% on health and wellbeing benefits.

This increased investment suggests that employers are now starting to turn their attention from the ravages of the pandemic towards attracting and retaining talent, something we explore in more depth in our section on benefits, homeworking, and recruitment.

Figure 16: Planned spending in the year to October 2022 (%)



More information can be found in Table 32 in the Appendix.

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Conclusion and recommendations

Our survey finds that there has been some change in the most common benefits on offer to all or some staff. Some of this can be attributable to the impact of the pandemic and the subsequent restrictions on business and personal activities.

However, there might be other drivers contributing to this change, such as the UK withdrawal from the EU, disruptions in the supply chain, a greater awareness of environmental, social and governance issues, a recognition of the disparities in workplace outcomes for ethnic minority staff, skills and labour shortages, the impact of the rise in the cost of living, and so on.

Another issue is whether this change is temporary or long-lasting. For example, some employers introduced or enhanced their occupational sick pay in response to the pandemic. Once the pandemic is over, will occupational sick pay provision start to fall back?

Employers will have several cost pressures to deal with: such as the rise in the rate of employer National Insurance contributions and the increase to the National Minimum Wage and Living Wage in April 2022, as well as next year's climb in the rate of corporation tax, on top of increases to their own energy bills.

Despite these pressures, employers in this survey are more likely to say that they will either maintain or increase the amount of money they spend on their staff benefits; by contrast, very few anticipate a fall. While some new benefits are being introduced by employers, we are not seeing large numbers, so much of the rise is due to organisations spending more on their existing benefits. That so few forecast spending less indicates that the majority are confident that their organisations will benefit from economic bounce-back in 2022.

For those facing a limited or shrinking benefits budget in 2022, we would recommend that they look at other aspects of the benefit package. For example, while there are costs associated with designing and managing flexible working, these can be attractive to some employees. While homeworking has attracted much of the attention recently, there are other options as well, such as flexitime, job-sharing, and compressed working hours, which might meet the needs of both the business and employees.

More can be found at information on flexible working.

Other low-cost perks include discounted shopping or hospitality, improved paid leave, health and wellbeing programmes, and social events. A recent CIPD report highlights the positive impact that employee recognition can make, so we recommend that HR teams should help their employers explore this option if it hasn't already been done.

More can be found at *Incentives and Recognition: An evidence review*.

A recent CIPD poll of over 2,500 workers asked them what they would value if their employer couldn't increase their pay. As well as mentioning flexible working opportunities and improved annual leave, the most common call was for their employer to ensure that reward decisions are fair. Ensuring fairness from an employer perspective makes sense. It can help the employer avoid the danger of legal challenge from unfair decisions. It can also help reduce the risk of its reward decisions demotivating staff.

Ensuring fairness involves having the systems in place that allow employers to capture, analyse, and report the data in the right way at the right time. So, we recommend that HR departments should make the case for investment in the appropriate technology that allows them to do this. Also, the results and an explanation need to be shared with

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employees so that they are aware that their employer is trying to ensure that reward decisions are fair. When planning the fairness communications strategy, we recommend that people professionals consider who shares what with whom, why and when, and what support they may need.

More can be found in our pay fairness and pay reporting factsheet.

Employee training and development can also be an attractive tool to retain or engage groups of workers. This can be doubly beneficial if spending in this area also results in an increase in staff performance. We recommend that the HR team explores what training and development would support both the current and future needs of the business and staff, as well as reviewing how jobs and work tasks have been designed and whether there is room for improvement.

Appendix

Table 1: Personal and family benefits on offer (%)

	Offered to all	Provision is dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
Flexible working (such as compressed working week, job-sharing, part-time working, term-time working, homeworking, etc)	58	27	1	84
Allow internet purchases to be delivered to your place of work	56	11	1	67
Childcare vouchers (pre-existing schemes that are still running for those enrolled pre-September 2018)	50	3	1	53
Emergency childcare support	22	1	2	23
Emergency eldercare support	18	1	1	19
Bring your child to the workplace day	12	5	1	16
Bring your dog to the workplace day	9	6	2	15
Learning assistance (not work-related)	7	2	2	9
Four-day working week: you're paid for five days but work only four days	6	8	2	14
Will writing service	5	0	2	6
Concierge benefits	4	0	2	5
On-site crèche	3	2	1	5

Base: n=222. Percentage of those who provide at least one personal and family benefit.

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Table 2: Personal and family benefits offered to all staff, according to organisation size (%)

	SME	Large	Very large
Flexible working (such as compressed working week, job-sharing, part-time working, term-time working, homeworking, etc)	62	52	42
Allow internet purchases to be delivered to your place of work	67	41	17
Childcare vouchers (pre-existing schemes that are still running for those enrolled pre-September 2018)	37	73	67
Emergency childcare support	22	17	50
Emergency eldercare support	19	11	50
Bring your child to the workplace day	13	11	0
Bring your dog to the workplace day	14	1	0
Learning assistance (not work-related)	6	6	17
Four-day working week: you're paid for five days but work only four days	6	6	8
Will writing service	4	8	8
Concierge benefits	3	6	8
On-site crèche	1	4	17

Base: n=222. Percentage of those who provide at least one personal and family benefit.

Table 3: Personal and family benefits offered to all staff, according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which…	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Flexible working (such as compressed working week, job-sharing, part-time working, term-time working, homeworking, etc)	43	58	38	61	63	61	70
Allow internet purchases to be delivered to your place of work	49	61	48	67	60	43	57
Childcare vouchers (pre-existing schemes that are still running for those enrolled pre-September 2018)	41	44	33	43	49	71	67
Emergency childcare support	24	20	10	20	23	21	27
Emergency eldercare support	24	17	10	16	19	18	20
Bring your child to the workplace day	8	14	10	22	9	7	10
Bring your dog to the workplace day	8	10	5	20	4	0	13
Learning assistance (not work-related)	14	4	5	4	4	7	10
Four-day working week: you're paid for five days but work only four days	5	6	0	6	7	4	10
Will writing service	3	6	0	10	5	0	10
Concierge benefits	5	2	0	2	4	4	10
On-site crèche	0	2	0	2	4	11	0

Base: n=222. Percentage of those who provide at least one personal and family benefit.

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Table 4: Personal and family benefits offered to all staff, according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Flexible working (such as compressed working week, job-sharing, part-time working, term-time working, homeworking, etc)	53	63	62	55	47
Allow internet purchases to be delivered to your place of work	56	55	52	61	53
Childcare vouchers (pre-existing schemes that are still running for those enrolled pre-September 2018)	53	55	48	48	47
Emergency childcare support	18	15	32	18	16
Emergency eldercare support	18	10	26	16	16
Bring your child to the workplace day	9	10	17	10	11
Bring your dog to the workplace day	3	15	9	11	0
Learning assistance (not work-related)	0	13	6	6	5
Four-day working week: you're paid for five days but work only four days	6	8	5	5	5
Will writing service	0	5	5	11	0
Concierge benefits	0	5	5	5	0
On-site crèche	6	3	3	2	0

Base: n=222. Percentage of those who provide at least one personal and family benefit.

Table 5: Personal and family benefits offered to all staff, according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Flexible working (such as compressed working week, job-sharing, part-time working, term-time working, homeworking, etc)	53	54	61	61	43
Allow internet purchases to be delivered to your place of work	29	60	57	59	43
Childcare vouchers (pre-existing schemes that are still running for those enrolled pre-September 2018)	47	52	44	64	29
Emergency childcare support	18	24	21	25	0
Emergency eldercare support	18	21	16	23	0
Bring your child to the workplace day	6	13	13	11	0
Bring your dog to the workplace day	6	9	13	5	0
Learning assistance (not work-related)	0	6	8	9	0
Four-day working week: you're paid for five days but work only four days	6	6	5	9	0
Will writing service	6	3	2	14	14
Concierge benefits	0	4	3	7	0
On-site crèche	0	4	2	2	0

Base: n=222. Percentage of those who provide at least one personal and family benefit.

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Table 6: Spending intentions on personal and family development benefits in the year to October 2022 (%)

	More	The same	Less
All	13	83	4
Sector			
Manufacturing and production	8	92	0
Private sector services, of which:	13	81	6
Retail, hospitality, catering, leisure and cleaning	19	81	0
Legal, financial, technology and other professional services	13	83	4
Other private sector	11	79	11
Public sector	14	82	4
Voluntary, community and not-for-profit	17	83	0
Size			
SME (<250)	11	83	6
Large (250–9,999)	13	86	1
Very large (10,000+)	33	67	0
Organisation's financial situation compared with start of 2020			
A lot worse off	12	79	9
A bit worse off	13	85	3
About the same	11	86	3
A bit better off	15	82	3
A lot better off	11	84	5
Employees' financial situation compared with start of 2020			
A lot worse off	6	76	18
A bit worse off	14	85	2
About the same	12	84	5
A bit better off	16	82	2
A lot better off	14	86	0

Base: n=220.

Table 7: Social benefits on offer (%)

	Offered to all	Provision is dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
Christmas party/meals/events	79	3	0	81
Other company parties/meals/events	59	7	0	67
Dress-down days	52	8	0	59
Social club	15	4	0	19
Table football, darts board, games console or similar	15	3	1	18
Sports club (such as netball team)	11	3	0	14
Employer-funded theatre/concert trips	7	3	1	10
Company choir/band	5	2	0	7
Company sports day	4	2	1	6

Base: n=221. Percentage of those who provide at least one social benefit.

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Table 8: Social benefits offered to all staff, according to organisation size (%)

	SME	Large	Very large
Christmas party/meals/events	88	65	50
Other company parties/meals/events	68	43	50
Dress-down days	56	46	33
Social club	15	14	25
Table football, darts board, games console or similar	15	14	25
Sports club (such as netball team)	9	14	8
Employer-funded theatre/concert trips	10	1	8
Company choir/band	1	13	8
Company sports day	3	7	0

Base: n=221. Percentage of those who provide at least one social benefit.

Table 9: Social benefits offered to all staff, according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which...	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Christmas party/meals/events	86	87	79	90	86	29	83
Other company parties/meals/events	54	68	58	73	67	29	57
Dress-down days	51	55	37	63	53	32	57
Social club	14	17	16	18	16	7	20
Table football, darts board, games console or similar	11	22	32	22	19	0	7
Sports club (such as netball team)	16	8	0	6	12	14	13
Employer-funded theatre/concert trips	11	8	5	6	10	4	3
Company choir/band	0	5	5	6	3	11	10
Company sports day	5	4	5	8	0	4	3

Base: n=221. Percentage of those who provide at least one social benefit.

Table 10: Financial benefits offered to all staff, according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Christmas party/meals/events	54	79	76	92	89
Other company parties/meals/events	31	62	56	72	74
Dress-down days	34	64	55	49	58
Social club	9	15	15	23	5
Table football, darts board, games console or similar	6	23	15	18	11
Sports club (such as netball team)	3	8	17	11	11
Employer-funded theatre/concert trips	0	10	11	8	0
Company choir/band	3	13	6	3	0
Company sports day	3	3	3	8	0

Base: n=221. Percentage of those who provide at least one social benefit.

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Table 11: Social benefits offered to all staff, according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Christmas party/meals/events	59	73	78	93	100
Other company parties/meals/events	24	55	62	73	71
Dress-down days	24	54	53	50	86
Social club	12	16	13	18	29
Table football, darts board, games console or similar	6	15	17	14	29
Sports club (such as netball team)	6	7	13	14	14
Employer-funded theatre/concert trips	0	10	2	11	29
Company choir/band	6	7	3	7	0
Company sports day	6	6	0	9	0

Base: n=221. Percentage of those who provide at least one social benefit.

Table 12: Spending intentions on social benefits in the year to October 2022 (%)

	More	The same	Less
All	14	81	5
Sector			
Manufacturing and production	14	83	3
Private sector services, of which:	15	80	5
Retail, hospitality, catering, leisure and cleaning	16	84	0
Legal, financial, technology and other professional services	19	79	2
Other private sector	12	79	9
Public sector	11	82	7
Voluntary, community and not-for-profit	13	83	3
Size			
SME (<250)	14	80	6
Large (250–9,999)	16	84	0
Very large (10,000+)	8	75	17
Organisation's financial situation compared with start of 2020			
A lot worse off	15	82	3
A bit worse off	13	79	8
About the same	12	88	0
A bit better off	17	75	8
A lot better off	17	83	0
Employees' financial situation compared with start of 2020			
A lot worse off	12	82	6
A bit worse off	9	86	5
About the same	14	82	4
A bit better off	21	74	5
A lot better off	29	57	14

Base: n=216.

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Table 13: Technology benefits on offer (%)

	Offered to all	Provision is dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
Work computer that can also be for personal use	33	24	0	57
Work mobile phone that can also be for personal use	19	38	0	57
Work tablets that can also be for personal use	11	17	0	28
Loans or subsidies for technology or telecoms products and services	10	3	3	13
Activity tracker (eg Fitbit) provided by employer	4	1	0	6

Base: n=218. Percentage of those who provide at least one technology benefit.

Table 14: Technology benefits offered to all staff, according to organisation size (%)

	SME	Large	Very large
Work computer that can also be for personal use	39	24	8
Work mobile phone that can also be for personal use	25	9	8
Work tablets that can also be for personal use	14	6	0
Loans or subsidies for technology or telecoms products and services	8	15	8
Activity tracker (eg Fitbit) provided by employer	4	4	0

Base: n=218. Percentage of those who provide at least one technology benefit.

Table 15: Technology benefits offered to all staff, according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which…	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Work computer that can also be for personal use	22	40	28	49	35	7	40
Work mobile phone that can also be for personal use	8	27	11	39	21	4	13
Work tablets that can also be for personal use	3	16	22	16	14	0	7
Loans or subsidies for technology or telecoms products and services	0	15	11	12	19	4	7
Activity tracker (eg Fitbit) provided by employer	8	5	0	8	4	0	0

Base: n=218. Percentage of those who provide at least one technology benefit.

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Table 16: Technology benefits offered to all staff, according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Work computer that can also be for personal use	26	31	35	33	32
Work mobile phone that can also be for personal use	18	23	12	18	32
Work tablets that can also be for personal use	12	8	9	13	5
Loans or subsidies for technology or telecoms products and services	6	13	11	12	5
Activity tracker (eg Fitbit) provided by employer	0	8	3	5	0

Base: n=218. Percentage of those who provide at least one technology benefit.

Table 17: Technology benefits offered to all staff, according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
Work computer that can also be for personal use	35	30	32	40	14
Work mobile phone that can also be for personal use	18	15	21	24	0
Work tablets that can also be for personal use	12	9	12	12	0
Loans or subsidies for technology or telecoms products and services	18	7	12	10	0
Activity tracker (eg Fitbit) provided by employer	6	1	5	7	0

Base: n=218. Percentage of those who provide at least one technology benefit.

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Table 18: Spending intentions on technology benefits in the year to October 2022 (%)

	More	The same	Less
All	8	89	3
Sector			
Manufacturing and production	14	83	3
Private sector services, of which:	5	92	3
Retail, hospitality, catering, leisure and cleaning	6	89	6
Legal, financial, technology and other professional services	4	94	2
Other private sector	6	91	4
Public sector	14	82	4
Voluntary, community and not-for-profit	10	90	0
Size			
SME (<250)	7	91	2
Large (250–9,999)	12	85	3
Very large (10,000+)	8	83	8
Organisation's financial situation compared with start of 2020			
A lot worse off	15	82	3
A bit worse off	3	92	5
About the same	10	89	2
A bit better off	7	89	4
A lot better off	5	95	0
Employees' financial situation compared with start of 2020			
A lot worse off	12	82	6
A bit worse off	9	84	6
About the same	7	91	1
A bit better off	7	93	0
A lot better off	14	86	0

Base: n=212.

Table 19: Transport and travel benefits on offer (%)

	Offered to all	Provision is dependent on employee grade, seniority, location, job, role, etc	Planned	Offered to all or some staff
On-site car parking (free/subsidised)	57	18	0	75
Cycle-to-work scheme/bike loans	49	2	6	52
Travel season ticket loan	25	5	2	30
Travel insurance	12	7	0	19
Fuel allowance	8	20	0	28
Work bus/public transport subsidies	7	3	0	10
Car allowance	5	42	0	47
All-employee car ownership schemes	4	4	3	8
Company car	2	35	0	38
Car loan	2	7	1	9
Carbon offsetting/credits	2	1	3	3

Base: n=217. Percentage of those who provide at least one transport and travel benefit.

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Table 20: Transport and travel benefits offered to all staff, according to organisation size (%)

	SME	Large	Very large
On-site car parking (free/subsidised)	60	57	17
Cycle-to-work scheme/bike loans	39	67	67
Travel season ticket loan	20	33	42
Travel insurance	13	9	17
Fuel allowance	12	1	0
Work bus/public transport subsidies	7	6	25
Car allowance	4	7	0
All-employee car ownership schemes	1	9	8
Company car	1	4	0
Car loan	1	4	0
Carbon offsetting/credits	2	1	0

Base: n=217. Percentage of those who provide at least one transport and travel benefit.

Table 21: Transport and travel benefits offered according to grade or seniority, by organisation size (%)

	SME	Large	Very large
Car allowance	36	54	42
Company car	33	40	42
Fuel allowance	18	21	33
On-site car parking (free/subsidised)	12	28	42

Base: n=217. Percentage of those who provide at least one transport and travel benefit.
Four most common benefits offered according to grade.

Table 22: Transport and travel benefits offered to all staff, according to organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which...	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
On-site car parking (free/subsidised)	92	51	44	39	63	52	43
Cycle-to-work scheme/bike loans	42	44	44	45	44	70	60
Travel season ticket loan	14	24	22	31	19	26	40
Travel insurance	3	17	11	18	18	0	13
Fuel allowance	6	7	6	4	11	4	20
Work bus/public transport subsidies	8	8	0	10	9	4	7
Car allowance	0	5	6	4	5	4	10
All-employee car ownership schemes	3	6	17	2	5	4	0
Company car	0	1	0	2	0	7	7
Car loan	0	2	0	4	0	7	0
Carbon offsetting/credits	3	2	0	4	2	0	0

Base: n=217. Percentage of those who provide at least one transport and travel benefit.

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Table 23: Transport and travel benefits offered according to grade or seniority, by organisation sector (%)

		Private sector services					
	Manufacturing and production	All private sector services, of which…	Retail, hospitality, catering, leisure and cleaning	Legal, financial and other professional services	All other private sector services	Public sector	Voluntary sector
Car allowance	78	41	50	22	54	30	13
Company car	72	33	50	18	40	22	13
Fuel allowance	50	18	50	4	19	4	7
On-site car parking (free/subsidised)	3	22	39	22	16	30	13
Travel insurance	17	6	11	12	0	0	7
Car loan	19	4	11	2	4	0	10

Base: n=217. Percentage of those who provide at least one transport and travel benefit.
Six most common benefits offered according to grade.

Table 24: Transport and travel benefits offered to all staff, according to organisation financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
On-site car parking (free/subsidised)	47	51	57	64	58
Cycle-to-work scheme/bike loans	44	51	48	58	37
Travel season ticket loan	18	33	22	27	26
Travel insurance	3	13	15	15	5
Fuel allowance	9	8	9	8	5
Work bus/public transport subsidies	6	3	5	15	5
Car allowance	6	5	6	3	0
All-employee car ownership schemes	0	8	5	5	0
Company car	3	3	2	3	0
Car loan	3	0	2	3	0
Carbon offsetting/credits	0	3	3	2	0

Base: n=217. Percentage of those who provide at least one transport and travel benefit.

Table 25: Transport and travel benefits offered to all staff, according to employees' financial situation compared with the beginning of 2020 (%)

	Much worse off	A bit worse off	About the same	A bit better off	A lot better off
On-site car parking (free/subsidised)	35	52	61	67	43
Cycle-to-work scheme/bike loans	41	55	45	57	14
Travel season ticket loan	12	25	23	36	14
Travel insurance	6	6	12	21	29
Fuel allowance	0	9	8	12	0
Work bus/public transport subsidies	6	3	12	7	0
Car allowance	12	9	1	2	0
All-employee car ownership schemes	0	7	2	5	0
Company car	6	3	2	0	0
Car loan	0	3	1	2	0
Carbon offsetting/credits	0	1	4	0	0

Base: n=217. Percentage of those who provide at least one transport and travel benefit.

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Table 26: Spending intentions on transport and travel benefits in the year to October 2022 (%)

	More	The same	Less
All	9	87	4
Sector			
Manufacturing and production	8	83	8
Private sector services, of which:	9	88	3
Retail, hospitality, catering, leisure and cleaning	6	94	0
Legal, financial, technology and other professional services	10	88	2
Other private sector	9	85	5
Public sector	7	93	0
Voluntary, community and not-for-profit	10	86	3
Size			
SME (<250)	7	88	5
Large (250–9,999)	12	86	2
Very large (10,000+)	17	83	0
Organisation's financial situation compared with start of 2020			
A lot worse off	6	91	3
A bit worse off	3	90	8
About the same	11	87	2
A bit better off	12	86	2
A lot better off	11	84	5
Employees' financial situation compared with start of 2020			
A lot worse off	6	88	6
A bit worse off	11	86	3
About the same	7	88	5
A bit better off	7	90	2
A lot better off	29	71	0

Base: n=213.

Table 27: Top ten benefits provided to all staff (%)

	2021	2018
Paid leave for bereavement	82	71
Christmas party/lunch	79	59
Training and career development	78	67
Employee assistance programme, eg support, counselling or helpline	76	59
Free tea/coffee/cold drinks	73	58
25 days' and over paid leave (excluding bank/public holidays) for full-time employees	64	58
Eye care vouchers	63	51
Death in service/life assurance	61	54
Occupational sick pay	61	59
Paid leave for jury service	60	55

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Table 28: Top ten benefits provided to some staff, dependent on grade, seniority, location, job, role, etc (%)

	2021	2018
Conference attendance (paid/part-paid)	44	–
Car allowance	42	36
Professional subscriptions and fees (paid/part-paid)	42	33
Work mobile phone that can also be for personal use	38	31
Company car	35	36
Study leave (paid/part-paid)	30	26
Private medical insurance	28	22
Coaching/mentoring programmes	27	33
Secondments (within the organisation)	27	20
Flexible working (such as compressed working week, job-sharing, part-time working, term-time working, homeworking, etc)	27	33

Table 29: Top ten benefits planned within the year to October 2022 (%)

	2021	2018
Coaching/mentoring programmes	7	3
Apprenticeships (technical, professional, or business)	7	5
Cycle-to-work scheme/bike loans	6	3
Ability to buy additional days of paid leave	6	5
Peer learning groups (such as networks promoting workplace inclusion and diversity)	6	7
Healthcare cash plans	5	2
Programmes to encourage employee health (eg quit smoking or weight loss course)	5	–
Enhanced maternity/paternity leave, adoption, or shared parental leave	5	1
Paid time off for voluntary work	5	2
Discounted shopping (eg discount cards or vouchers)	5	2

Table 30: Benefits offered to all whose provision has most increased (%)

Programmes to encourage physical fitness (eg on-site fitness classes or steps/walking initiatives)	22
Discounted insurance (eg holiday, dental, pet, etc)	20
Other company parties/meals/events	19
Employee assistance programme, such as support, counselling, or helpline	19
Christmas party/meals/events	19
Free flu vaccinations	18
Discounted shopping (eg discount cards or vouchers)	17
Free eye tests/eye care vouchers	17
Flexible working (such as compressed working week, job-sharing, part-time working, term-time working, homeworking, etc)	17
Free tea/coffee/cold drinks	17
Free financial education, guidance, or advice	17
Apprenticeships (technical, professional, or business)	16
Work computer that can also be for personal use	15
Training and career development opportunities	15

Increase in percentage providing each benefit compared with 2018.

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Table 31: Benefits offered to all whose provision has most decreased (%)

Pre-retirement courses	–12
Childcare vouchers (pre-existing schemes that are still running for those enrolled pre-September 2018)	–9
Company sports day	–5
Free/subsidised canteen (breakfast, lunch, or dinner)	–4
Sports club (such as netball team)	–4
Gym (on-site and/or subsidised membership)	–2

Decrease in percentage providing each benefit compared with 2018.

Table 32: Planned spending in the year to October 2022 (%)

	More	The same	Less
Career/professional development benefits	44	49	8
Financial/pay-in-kind benefits	30	64	6
Health and wellbeing benefits	27	69	3
Paid leave benefits	16	80	4
Personal/family benefits	13	83	4
Social benefits	14	81	5
Technology benefits	8	89	3
Transport benefits	9	87	4

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4 Benefits, homeworking, and recruitment

Overview

This section explores the impact of the pandemic and recent recruitment crisis on employee benefits.

Just 8% of employers report that the pandemic has 'significantly' affected the type of benefits given to employees, while another 35% say it has had 'somewhat' of an effect. Almost half say COVID-19 has 'hardly' changed what's on offer or has had 'no' impact.

When it comes to the reopening of the economy since April 2021, most organisations report significant problems filling vacancies, especially in the manufacturing and production, retail, hospitality, catering, leisure and cleaning sectors. Just over half have responded to skills shortages by improving rewards, with nearly all increasing basic pay and over half enhancing existing benefits or introducing new ones.

Overall, this suggests that labour shortages may have had a slightly greater effect on the provision of benefits than the pandemic.

During the pandemic, the media showed an interest in employers introducing new benefits – either for staff now working from home or those who were unable to. This led to a concern that resentment could be felt by those missing out on these new perks. Our survey finds that most employers have avoided this danger by simply not offering new perks to those working from home, and by not introducing new ones to tempt them back to the office.

One way of potentially increasing the perceived value of the benefits package is to give employees more flexibility over the benefits they select, such as through a voluntary or flexible benefits package. However, while most employers offer flexible working to all or some of their staff, most employers do not offer their staff any kind of flexibility when it comes to benefit choice, a situation largely unchanged since 2018.

Key findings

A quarter (25%) of our respondents report that their organisation offers employees either total choice or limited choice of the benefits they receive, while a further 16% plan to introduce some type of choice by October 2022. However, 59% of respondents offer no flexibility, a proportion almost unchanged from the 57% that did so in 2018.

Among those offering choice, 73% provide discount benefits, 61% voluntary benefits and 45% flexible benefits, defined as follows:

- Both discount benefits and voluntary benefits allow employees to buy discounted products or services through their employer out of their own taxable pay or via a salary-sacrifice arrangement. Voluntary benefits are more formal. They are often arranged by a benefits provider, and purchases are made via the payroll. Discount benefits are less formal, with employees making purchases from their bank account.
- Flexible benefits allow staff to vary their package to meet their own needs. In most schemes, staff can either retain their existing salary while changing the mix of various benefits they receive, or move their salary up or down by taking fewer or more benefits.

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While the proportion of employers offering discount benefits has remained broadly the same since 2018, the share of those providing voluntary benefits has fallen, while those offering flexible benefits has risen.

The pandemic has not had any impact on the types of benefits on offer, according to 29% of employers. By contrast, just 8% report that it has had a 'significant' effect. The rest say that COVID-19 has either 'somewhat' (35%) or 'hardly' (29%) changed the benefits on offer. Those employers that are 'a lot worse off' financially since 2020 are more likely to report the pandemic had a significant effect (15%) on the type of benefits they provide.

While government guidance has encouraged people to work from home at various times during the pandemic, only 15% of organisations offer benefits to employees who work from home for some or all of the week. Seventy-five per cent of office-based employers were actively encouraging people back to the physical workplace. However, just 11% offered benefits, such as meals, subsidised travel or improved office facilities, to tempt staff to return to the workplace.

Fifty-six per cent of respondents report facing significant problems filling vacancies, especially in the retail, hospitality, catering, leisure, and cleaning sectors (89%) and in manufacturing and production (72%) since the economy started to reopen in April 2021. In response, 63% of retail, hospitality, catering, leisure, and cleaning firms and 58% of manufacturing and production companies have improved reward to better recruit and retain staff. By far the most common reward response overall has been to improve wages.

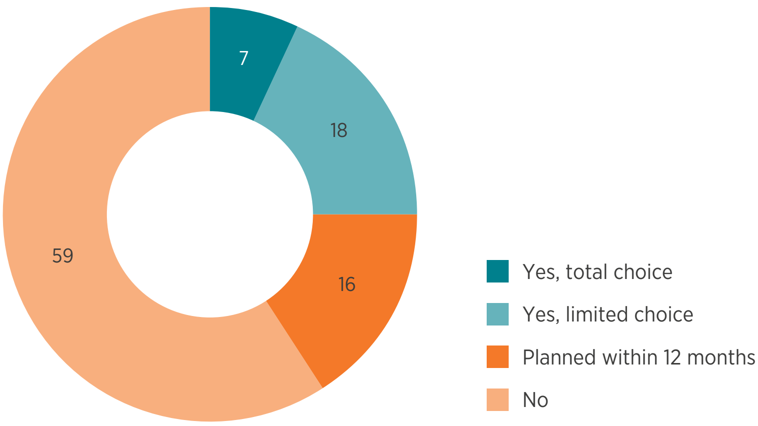
Overall, our survey shows that labour shortages have had a slightly greater effect on the provision of benefits than the pandemic: 43% of respondents reported that COVID-19 had changed the benefits they offered either 'significantly' or 'somewhat', while 55% felt that pay and benefits had been changed to better attract and retain staff.

Benefit choice

Just a quarter offer choice to employees

A quarter (25%) of our respondents report that their organisation offers employees either total choice (7%) or limited choice (18%) of the benefits they receive. Figure 1 shows that a further 16% plan to introduce some type of choice within the year to October 2022. However, most of our respondents (59%) do not offer any choice and have no plans to do so. This paints a similar picture to 2018, when 57% offered no choice.

Figure 1: Organisations offering benefit choice (%)



Base: n=219.

No respondents from the retail, hospitality, catering, leisure, and cleaning subsector report giving total choice, though 28% do offer some choice. They are also least likely to plan to offer choice within the year to October 2022 (6%).

Though public services are as likely as other sectors to offer some flexibility (22%), they are much less likely to intend to improve choice in 2022 (7%). Those in the manufacturing and production sector (30%) and the voluntary sector (20%) are the most likely to introduce choice this year.

Large organisations (35%) are more likely to offer choice than SMEs (18%), possibly because they have the systems that allow employees to make benefits decisions.

When we look at organisations' financial situations since 2020, we find broadly similar numbers of employers providing limited choice. However, among those which consider themselves 'a lot worse off', only 18% offer total or partial choice. This contrasts with those who see themselves as 'a little worse off', where the corresponding figure is 29%.

More information on this issue can be found in Table 1 in the Appendix.

Discount benefit is most common type of choice

When we asked those whose employers offered choice in benefits what form this took, most (73%) said it involved discount benefits followed by voluntary benefits (61%) and a flexible benefits scheme (45%). Compared with 2018, the proportion offering discount benefits has remained similar, the proportion of employers offering voluntary benefits has fallen from 72%, while those offering flexible benefits has increased from 37%.

Among those offering choice, the voluntary sector (80%) is most likely to offer discount benefits but least likely to offer voluntary benefits (40%) and flexible benefits (20%). The public services sector is most likely to give employees discount benefits (86%), while the private services sector is most likely to offer flexible benefits (44%).

Figure 2 reveals that large organisations are much more likely to offer choice through either discount (88%) or voluntary (71%) benefits than SMEs, while SMEs are more likely to operate a flexible benefits scheme (48%).

More information on this issue can be found in Table 2 in the Appendix.

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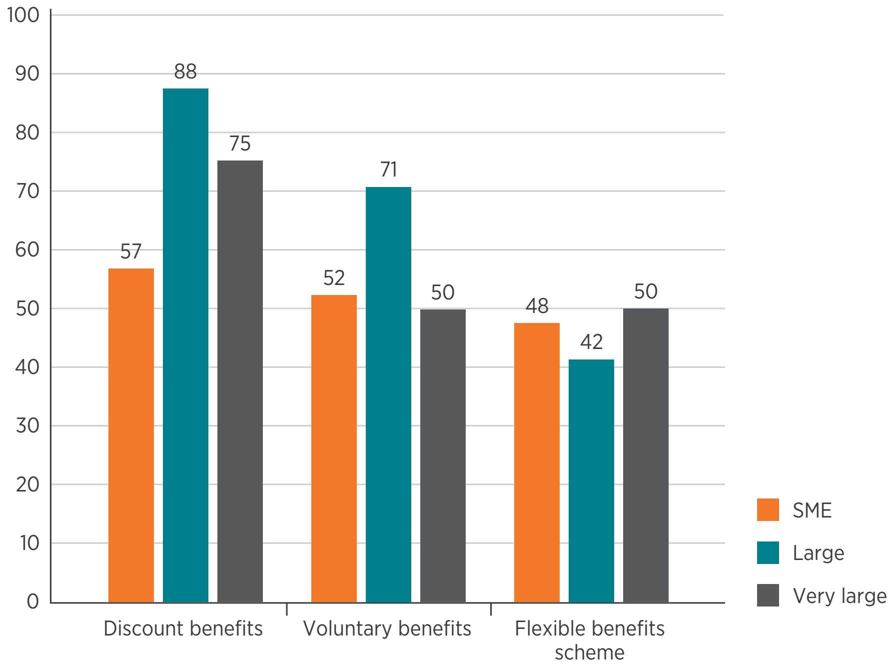
Figure 2: Benefit choice by organisation size (%)



Base: n=49. Percentage of those offering choice.

COVID-19 pandemic and homeworking

The pandemic has had a limited impact on employee benefits

Just under a third (29%) of employers say the pandemic did not have an impact on the types of benefits they offer, although 8% report that change has been 'significant'. The rest report that COVID-19 has either 'somewhat' (35%) or 'hardly' (29%) changed the types of benefit on offer.

The manufacturing and production sector is most likely to report 'significant' change (14%), while the public services sector is the least likely (4%) to report this. However, public service employers are most likely to say that benefits have changed somewhat (41%), followed closely by voluntary organisations (40%).

While organisation size does not seem to have a bearing on benefit change, an organisation's perceived financial situation – and that of its employees – does. Fifteen per cent of employers that are 'a lot worse off' financially say the pandemic has significantly changed the types of benefit they provide; 18% of those whose employees are 'much worse off' report a similar change.

Our section on social, family and technology benefits shows that employers are in fact offering further benefits, such as paid bereavement leave, Christmas parties, and training and development to all staff. It also shows that programmes to encourage physical fitness or discounted insurance have increased the most. However, some employers may not see some of the increases in these benefits as being significant or necessarily driven solely by the pandemic.

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Other factors have had an impact since 2018, such as Brexit, climate change, the 2019 general election, and the Black Lives Matter protests. Also, some changes may have taken place (or been planned) before the pandemic. It also mirrors the findings from our previous *Reward Management* survey, which found that COVID-19 had a limited impact on benefits, as well as pay. Overall, it seems that COVID-19 has added to the evolution of the benefits package, rather than caused a revolution.

More information can be found in Table 3 in the Appendix.

A minority of organisations offer benefits for homeworkers

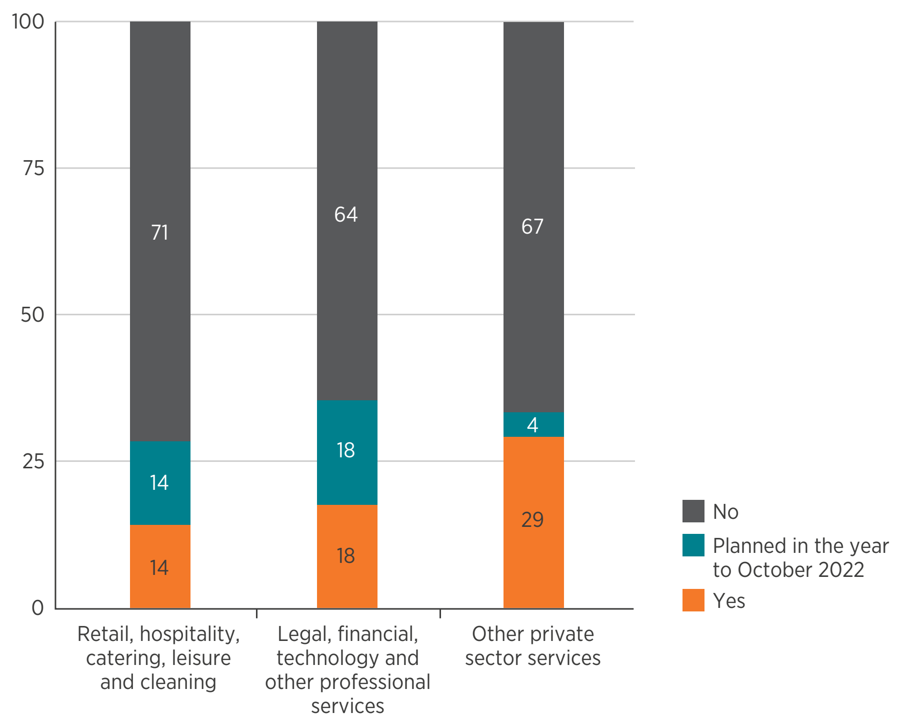
While government guidance encouraged employees to work from home (where they could), only 15% of organisations now offer benefits to employees working from home for part or all of the week. A further 10% plan to do so by October 2022.

However, 61% neither offer such benefits nor have plans to do so. Fourteen per cent of respondents (largely in manufacturing and production) report that homeworking is not an option. If these respondents are removed, the percentage of employers which offer no benefits for homeworking – and have no plans to do so – rises to 71%.

There is variation between different sectors when it comes to offering benefits to those working from home. Private services are most likely to offer this (19%), while the public service (8%) and manufacturing and production sectors (9%) are least likely.

Within private sector services, Figure 3 shows that 11% of firms in the retail, hospitality, catering, leisure, and cleaning subsector offer such benefits, followed by 16% of companies in the legal, financial and technology services and 25% of those in other private sector organisations. The low figure for the retail, hospitality, catering, leisure, and cleaning subsector is balanced by the higher proportion of such organisations reporting that homeworking is not possible (22%).

Figure 3: Homeworking benefits within private sector services (%)



Base: n=124.

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One explanation for why so few employers provide benefits to those working from home is that many consider homeworking to be a benefit. For example, lots of people are saving time and money from not having to commute every day. Also, organisations might have been reluctant to introduce new benefits in case the Government's advice to work from home subsequently changed. That said, there has been an increase in computers and mobile phones provided to staff, which does indicate an element of support for those working at home.

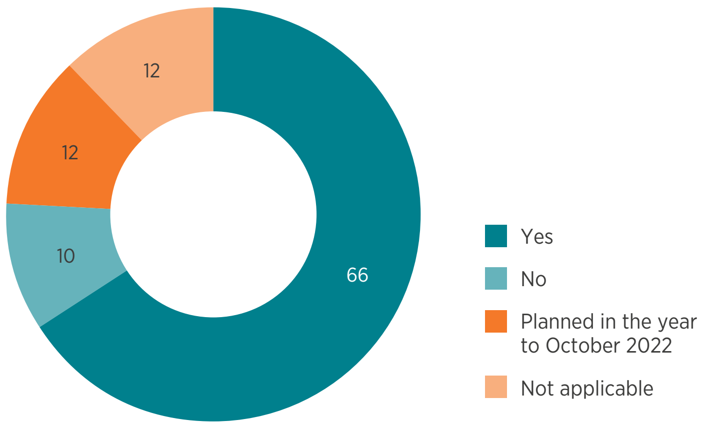
More information can be found in Table 4 in the Appendix.

Encouraging a return to the workplace

Another explanation for why employers have not introduced new benefits for those working from home is because some of these employers might want to encourage their staff to come back to the office.

We asked those employers that are office-based whether they were actively encouraging people back to the office for part or all of the week. Figure 4 shows that 75% of organisations (if we remove those who said the question was not applicable) were doing so. A further 13% had plans to do so in the next 12 months; only 12% had no such plans.

Figure 4: Organisations encouraging staff to return to the workplace (%)



Base: n=219.

The manufacturing and production sector is most likely to be currently encouraging people back to the workplace (81%) and the public sector the least likely (72%). Those in the voluntary sector are least likely to say 'no'; 96% are either encouraging staff back (75%) or planning to do so (21%); only 4% report that they are doing neither.

While 85% in the private services sector are encouraging people back (or intend to do so), this figure masks variation within the sector. Every single respondent from the retail, hospitality, catering, leisure, and cleaning subsector is actively encouraging staff back (or plans to do so); among the legal, technology and financial services, 17% are neither encouraging employees back to the office nor have plans to do so.

More information can be found in Table 5 in the Appendix.

Benefits are not being used as an incentive to return to the office

While most employers are encouraging a return to the office, only 11% of them are offering benefits to encourage staff back, such as meals, drinks, subsidised travel, allowing staff to bring their pet to work, improved office facilities, or an on-site crèche. While a further 7% have plans to offer such benefits, the vast majority (82%) have no plans to do so.

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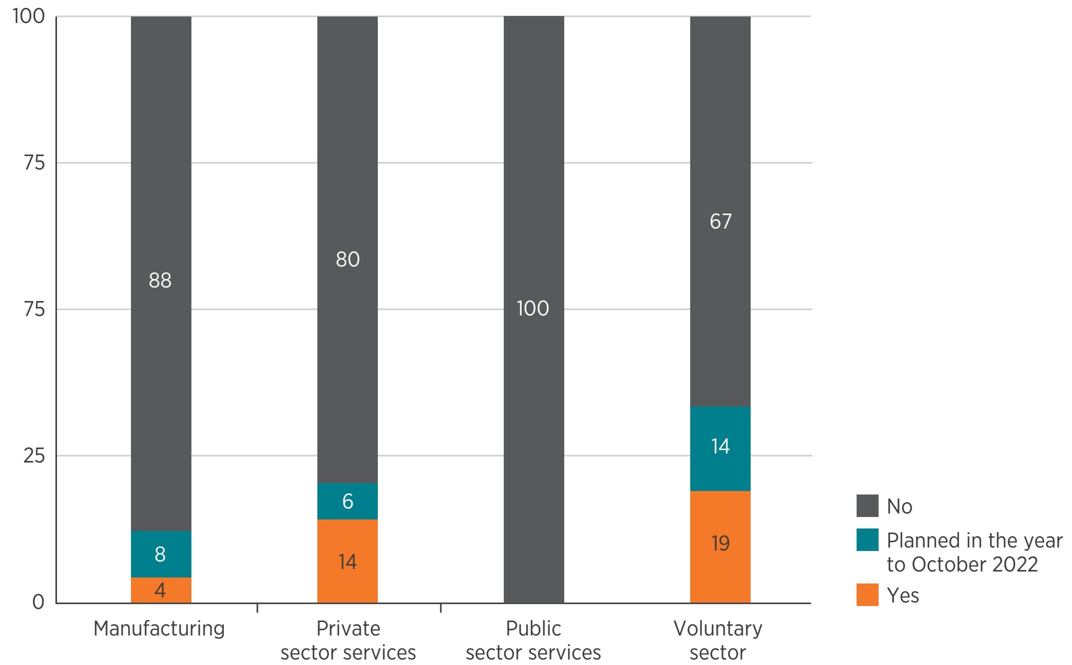
Figure 5 shows that not a single respondent from the public sector reported offering benefits to encourage employees back to the workplace or had plans to do so. In contrast, 19% of voluntary sector organisations that want staff to return replied that they were offering such benefits, while a further 14% reported that they had plans to introduce them in the 12 months to October 2022.

Figure 5: Use of benefits to encourage staff back to the workplace, by sector (%)



Base: n=143. Percentage of those encouraging a return to the workplace.

More information can be found in Table 6 in the Appendix.

Recruitment and retention since April 2021

Most employers have problems filling vacancies

While 56% of respondents report facing significant problems filling vacancies since the UK economy started to reopen in April 2021, this proportion is far higher in the manufacturing and production sector (72%). Figure 6 shows that while 50% of the private services sector report such problems, this figure varies between industries. For example, 41% of the legal, financial and technology subsector have experienced difficulties, while 89% of those in the retail, hospitality, catering, leisure, and cleaning subsector report challenges.

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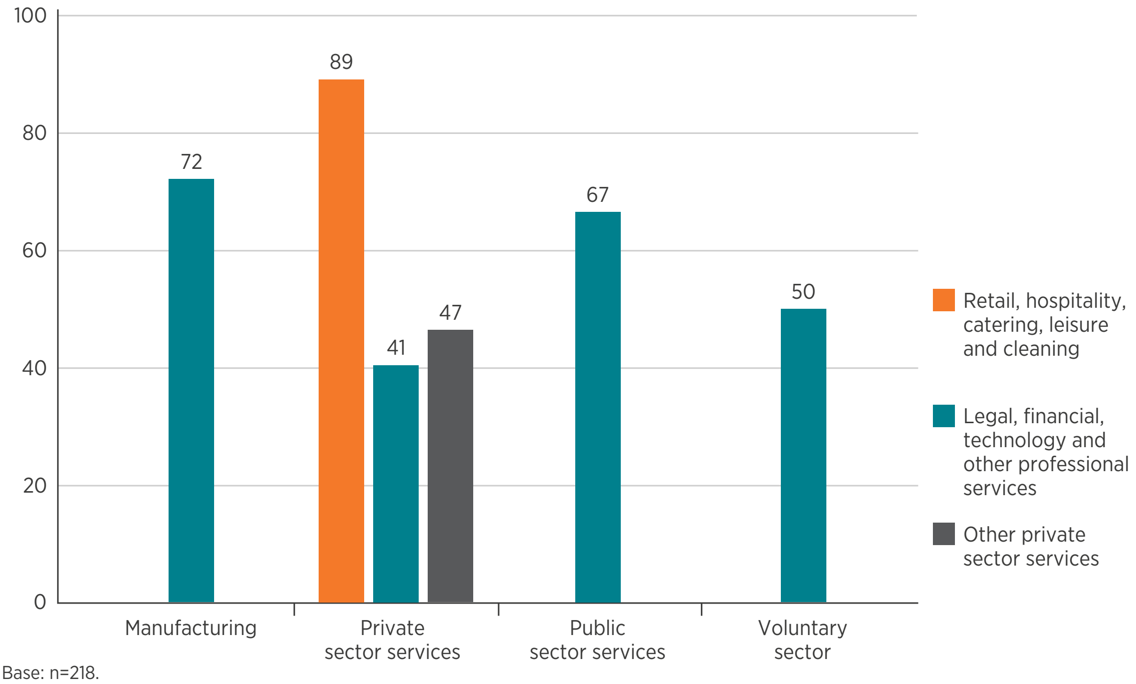
Figure 6: Problems filling vacancies, by sector (%)



Base: n=218.

Organisations that see themselves as being 'a lot better off' financially than they were at the start of 2020 report they are much less likely (37%) than others to encounter difficulties filling vacancies, possibly because applicants are more likely to apply for jobs with employers that have been successful over this period.

More information can be found in Table 7 in the Appendix.

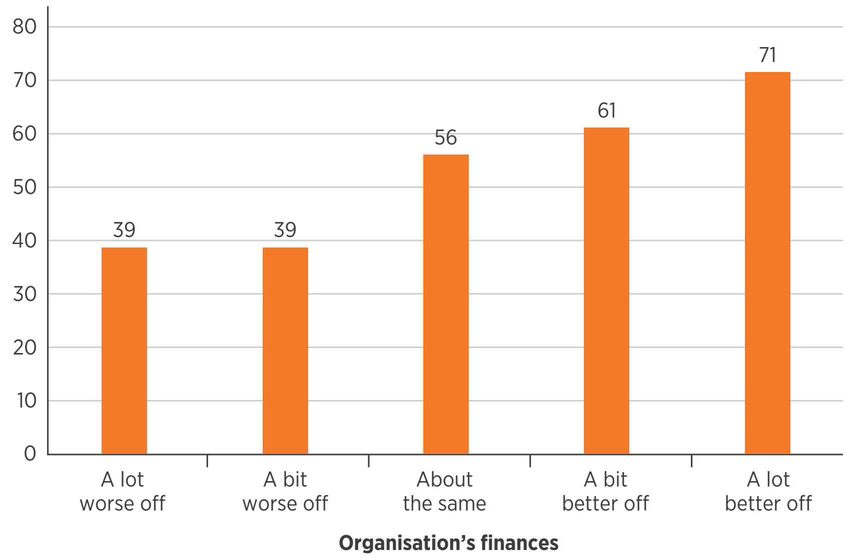
Half of those facing recruitment difficulties have improved reward

Of those organisations that have encountered problems filling vacancies, 52% have changed their pay and benefits to better recruit and retain staff. Retail, hospitality, catering, leisure, and cleaning firms (63%) and manufacturing and production companies (58%) are most likely to have done this.

Despite facing recruitment challenges, just 40% of voluntary sector organisations and 28% of public sector organisations have improved their pay and benefits. This might reflect that both these sectors face budget restraints; this is backed up by the finding that an organisation's financial situation has a pronounced effect on their likelihood of changing reward to aid recruitment and retention.

Only 39% of those employers that report being 'worse off' financially have made changes. By contrast, Figure 7 shows that 56% of those whose financial situation is 'about the same' have made changes, as have 61% of those that are 'a little better off' and 71% of those that are 'a lot better off'.

Figure 7: Use of pay and benefits to recruit and retain, by organisation's financial situation (%)



Base: n=122. Percentage of those encountering recruitment problems.

More information can be found in Table 8 in the Appendix.

Increasing pay is the most common way to improve recruitment and retention

Figure 8 shows that by far the most common change made to better recruit and retain staff is to increase basic pay and salary rates (90% of respondents were doing so). When it comes to employee benefits, 35% have improved the staff benefit package, 32% have either introduced new benefits or enhanced existing ones to improve work–life balance, while 29% have either introduced new benefits or improved existing ones to boost employee wellbeing. Overall, of those organisations making changes to their reward package to respond to recruitment challenges, 55% of them have revamped their benefits package.

A signing-on bonus (a sum of money paid to a new employee as an incentive to join an organisation) has been introduced by 19% of those making a change, while 8% have increased the size of an existing one.

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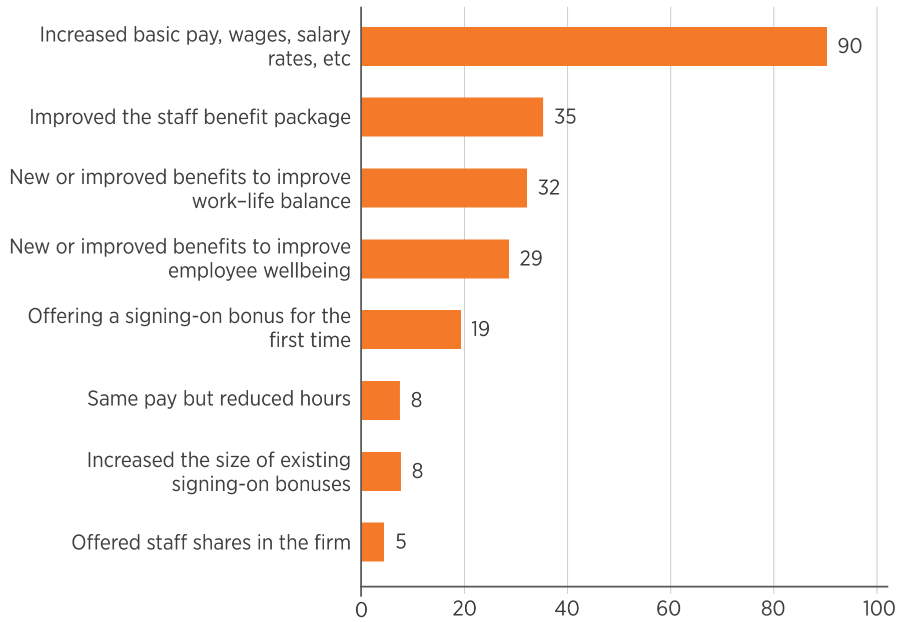
Figure 8: Changes to recruit and retain staff (%)



Base: n=62. Percentage of those making pay or benefit changes to aid recruitment or retention.

By sector, 93% of manufacturing and production firms have increased basic pay, while 92% of private services sector businesses have done the same. This proportion jumps to 100% in the retail, hospitality, catering, leisure, and cleaning subsector. This picture is like the growth in advertised pay rates over the past year, with such sectors as food preparation and service, construction, and manufacturing leading the charge.

According to Figure 9, introducing new benefits or improving existing ones to improve work–life balance is only used by a fifth of organisations – except in the private services sector (39%). Improving benefits to boost employee wellbeing is more likely to be cited by the manufacturing and production (36%) and voluntary sector organisations (40%).

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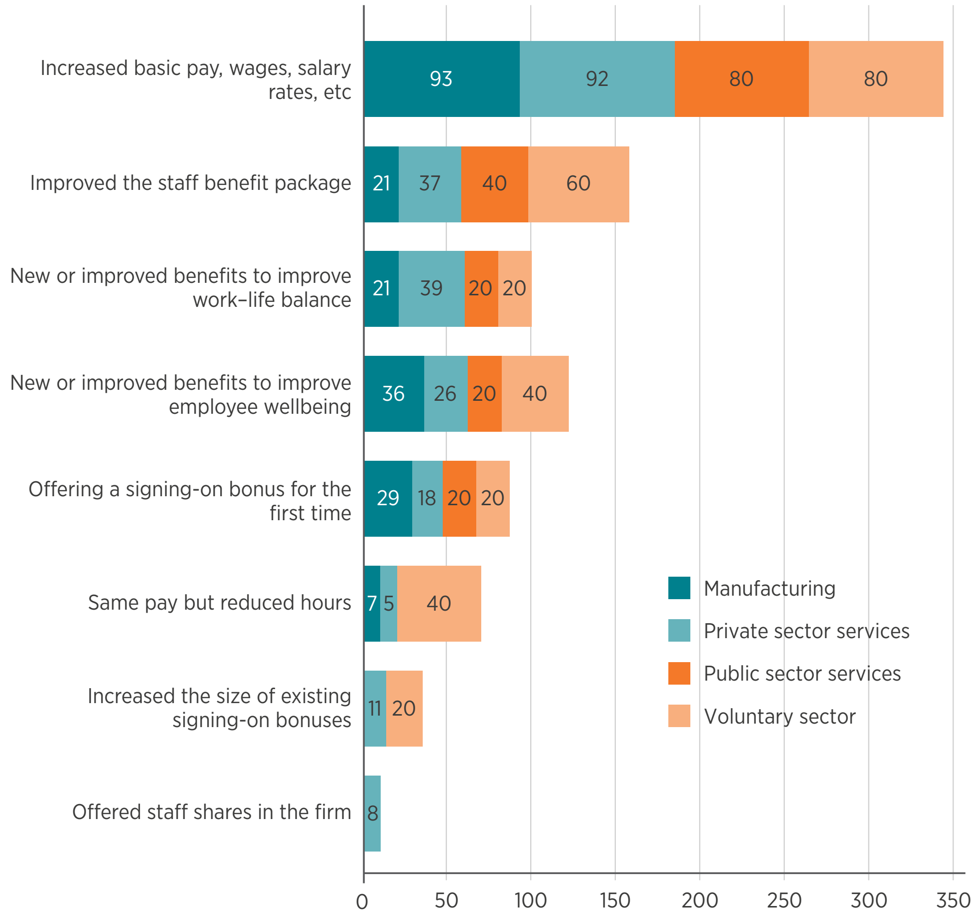
Figure 9: Changes to recruit and retain staff, by sector (%)



Base: n=62. Percentage of those making pay or benefit changes to aid recruitment or retention.

More information can be found in Table 9 in the Appendix.

Conclusion and recommendations

When organisations offer a choice of benefits, employees are more likely to get the perks they want and value their overall package. Employers would not have to spend more on the benefits they provide to get this boost in appreciation, though they might be spending a little more by providing this flexibility.

There are many reasons why employers don't offer choice; they might, for example, be trying to find a flexible solution, get senior management buy-in, or explain what's changing (and why) to employees and line managers.

One approach that employers can adopt, whether they offer choice or not, is to communicate exactly what's available so that their benefits package is more widely appreciated.

Yet a CIPD poll of over 2,500 employees finds many saying that their employer has not communicated:

- what benefits are on offer (27%)
- how to get these benefits (30%)

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- why it offers those benefits (38%)
- how the benefits could be useful (32%)
- how these benefits compare with what others offer (52%).

These findings suggest that there is a huge opportunity for improvement. We recommend that the HR team talks to staff, such as through a forum, poll, focus group or survey, to find out what benefits they think the organisation offers, what they think about them and how the organisation communicates about these perks.

We also recommend that people professionals explore the financial understanding of their staff to identify if there are any gaps in knowledge about what's being offered and why. The results can be used to inform the employer's benefits communication strategy in the future and to establish a baseline against which the HR team can assess how understanding among employees is improving over time.

Behavioural science indicates that too much choice may overload employee decision-making and could result in them not making benefit decisions or making inappropriate ones. Instead, we recommend that HR professionals review the existing benefits to see if the range on offer can be reduced to those that are the most important and whether the process of selecting the benefits can be made easier.

The organisation should also think how it can best communicate the value of the benefits package to those it seeks to recruit, especially in the current tight labour market. While much focus has been on improving pay, we recommend that the HR team also reviews its non-financial benefits. For example, flexible working could be just as important as pay to those with child or eldercare commitments, or benefits that help with housing and travel costs would be of interest to those just embarking on their work careers.

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Appendix

Table 1: Does your organisation give its employees an element of choice in their benefits package? (%)

	Yes, total choice	Yes, limited choice	Planned within 12 months	No
All	7	18	16	59
By sector				
Manufacturing and production	8	19	30	43
Private sector services, of which:	7	18	14	61
Retail, hospitality, catering, leisure and cleaning	0	28	6	67
Legal, financial, technology and other professional services	8	18	16	57
Other private sector	9	16	14	62
Public sector	4	22	7	67
Voluntary, community and not-for-profit	7	10	20	63
By size				
SME (<250)	6	12	17	64
Large (250–9,999)	7	28	16	48
Very large (10,000+)	8	25	8	58
Organisation's financial situation compared with start of 2020				
A lot worse off	3	15	6	76
A bit worse off	3	26	18	54
About the same	10	21	18	51
A bit better off	8	14	24	54
A lot better off	0	11	5	84
Employees' financial situation compared with start of 2020				
A lot worse off	6	18	12	65
A bit worse off	7	19	16	57
About the same	7	12	14	67
A bit better off	7	28	23	42
A lot better off	0	14	14	71

Base: n=219.

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Table 2: Which choice in benefits does your organisation offer? (%)

	Discount benefits	Voluntary benefits	Flexible benefits
All	73	61	45
By sector			
Manufacturing and production	50	50	50
Private sector services, of which:	79	62	55
Retail, hospitality, catering, leisure and cleaning	60	60	60
Legal, financial, technology and other professional services	85	62	46
Other private sector	82	64	64
Public sector	71	86	14
Voluntary, community and not-for-profit	80	40	20
By size			
SME (<250)	57	52	48
Large (250–9,999)	88	71	42
Very large (10,000+)	75	50	50
Organisation's financial situation compared with start of 2020			
A lot worse off	80	80	40
A bit worse off	67	78	33
About the same	74	53	47
A bit better off	77	62	54
A lot better off	100	50	0
Employees' financial situation compared with start of 2020			
A lot worse off	75	75	50
A bit worse off	71	65	24
About the same	83	58	50
A bit better off	73	53	67
A lot better off	0	100	0

Base: n=49.

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Table 3: To what extent has the pandemic made your organisation change the types of benefits it offers? (%)

	Significantly	Somewhat	Hardly	Not at all
All	8	35	29	29
By sector				
Manufacturing and production	14	36	22	28
Private sector services, of which:	8	31	31	29
Retail, hospitality, catering, leisure and cleaning	6	33	39	22
Legal, financial, technology and other professional services	8	29	33	31
Other private sector	9	33	28	30
Public sector	4	41	33	22
Voluntary, community and not-for-profit	7	40	20	33
By size				
SME (<250)	9	32	30	28
Large (250–9,999)	6	36	27	31
Very large (10,000+)	8	58	17	17
Organisation's financial situation compared with start of 2020				
A lot worse off	15	21	38	26
A bit worse off	5	46	28	21
About the same	11	32	26	31
A bit better off	7	39	25	29
A lot better off	0	32	32	37
Employees' financial situation compared with start of 2020				
A lot worse off	18	24	29	29
A bit worse off	13	31	28	27
About the same	2	37	31	30
A bit better off	10	38	24	29
A lot better off	0	43	29	29

Base: n=217.

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Table 4: Is your organisation offering benefits to employees who are now working from home for part or all of the week? (%)

	Yes	Planned within 12 months	No	Not applicable
All	15	10	61	14
By sector				
Manufacturing and production	9	3	57	31
Private sector services, of which:	19	10	57	14
Retail, hospitality, catering, leisure and cleaning	11	11	56	22
Legal, financial, technology and other professional services	16	16	59	8
Other private sector	25	4	56	16
Public sector	8	8	81	4
Voluntary, community and not-for-profit	10	20	63	7
By size				
SME (<250)	17	9	54	20
Large (250–9,999)	9	9	76	6
Very large (10,000+)	18	18	64	0
Organisation's financial situation compared with start of 2020				
A lot worse off	18	6	59	18
A bit worse off	16	16	62	5
About the same	14	9	60	17
A bit better off	15	12	61	12
A lot better off	11	0	63	26
Employees' financial situation compared with start of 2020				
A lot worse off	6	19	63	13
A bit worse off	12	13	61	13
About the same	18	7	60	14
A bit better off	19	7	62	12
A lot better off	0	0	57	43

Base: n=215.

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Table 5: If your organisation is office based, is it actively encouraging people back to the office for part or all of the week? (%)

	Yes	Planned within 12 months	No	Not applicable
All	66	12	11	12
By sector				
Manufacturing and production	70	8	8	14
Private sector services, of which:	63	10	13	14
Retail, hospitality, catering, leisure and cleaning	50	17	0	33
Legal, financial, technology and other professional services	67	6	14	12
Other private sector	64	12	16	9
Public sector	67	15	11	7
Voluntary, community and not-for-profit	70	20	3	7
By size				
SME (<250)	64	7	13	16
Large (250–9,999)	69	19	7	4
Very large (10,000+)	67	25	0	8
Organisation's financial situation compared with start of 2020				
A lot worse off	50	12	21	18
A bit worse off	56	18	8	18
About the same	76	7	7	9
A bit better off	69	12	10	8
A lot better off	63	16	11	11
Employees' financial situation compared with start of 2020				
A lot worse off	53	6	18	24
A bit worse off	64	13	9	13
About the same	64	12	13	12
A bit better off	72	14	7	7
A lot better off	100	0	0	0

Base: n=219.

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Table 6: Is your organisation offering benefits to employees specifically to encourage people back to the office for part or all of the week? (%)

	Yes	Planned within 12 months	No
All	11	7	82
By sector			
Manufacturing and production	4	8	88
Private sector services, of which:	14	6	80
Retail, hospitality, catering, leisure and cleaning	11	0	89
Legal, financial, technology and other professional services	9	12	79
Other private sector	19	3	78
Public sector	0	0	100
Voluntary, community and not-for-profit	19	14	67
By size			
SME (<250)	11	7	82
Large (250–9,999)	13	9	78
Very large (10,000+)	0	0	100
Organisation's financial situation compared with start of 2020			
A lot worse off	12	6	82
A bit worse off	9	9	82
About the same	12	6	82
A bit better off	12	10	78
A lot better off	8	0	92
Employees' financial situation compared with start of 2020			
A lot worse off	0	11	89
A bit worse off	7	9	84
About the same	15	8	77
A bit better off	16	3	81
A lot better off	0	0	100

Base: n=143.

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Table 7: Has your organisation faced significant problems filling vacancies since the economy started to reopen from April 2021? (%)

	Yes	No
All	56	44
By sector		
Manufacturing and production	72	28
Private sector services, of which:	50	50
Retail, hospitality, catering, leisure and cleaning	89	11
Legal, financial, technology and other professional services	41	59
Other private sector	47	53
Public sector	67	33
Voluntary, community and not-for-profit	50	50
By size		
SME (<250)	50	50
Large (250–9,999)	70	30
Very large (10,000+)	50	50
Organisation's financial situation compared with start of 2020		
A lot worse off	53	47
A bit worse off	59	41
About the same	62	38
A bit better off	56	44
A lot better off	37	63
Employees' financial situation compared with start of 2020		
A lot worse off	76	24
A bit worse off	52	48
About the same	51	49
A bit better off	63	37
A lot better off	57	43

Base: n=218.

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Table 8: Has your organisation changed its pay and benefits to better recruit and retain staff to these roles? (%)

	Yes	No
All	52	48
By sector		
Manufacturing and production	58	42
Private sector services, of which:	60	40
Retail, hospitality, catering, leisure and cleaning	63	38
Legal, financial, technology and other professional services	55	45
Other private sector	63	37
Public sector	28	72
Voluntary, community and not-for-profit	40	60
By size		
SME (<250)	51	49
Large (250–9,999)	57	43
Very large (10,000+)	33	67
Organisation's financial situation compared with start of 2020		
A lot worse off	39	61
A bit worse off	39	61
About the same	56	44
A bit better off	61	39
A lot better off	71	29
Employees' financial situation compared with start of 2020		
A lot worse off	38	62
A bit worse off	40	60
About the same	51	49
A bit better off	70	30
A lot better off	100	0

Base: n=122. Percentage of those who have experienced recruitment problems.

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Table 9: What changes has your organisation made to its pay and benefits to better recruit and retain staff to these roles? Please tick all that apply (%)

	Increased basic pay, wages, salary rates, etc	Improved the staff benefit package	Introduced new benefits, or improved existing ones… ... to improve work–life balance	... to improve employee wellbeing
All	90	35	32	29
By sector				
Manufacturing and production	93	21	21	36
Private sector services, of which:	92	37	39	26
Retail, hospitality, catering, leisure and cleaning	100	50	50	30
Legal, financial, technology and other professional services	82	45	36	36
Other private sector	94	24	35	18
Public sector	80	40	20	20
Voluntary, community and not-for-profit	80	60	20	40
By size				
SME (<250)	88	39	39	33
Large (250–9,999)	93	30	22	22
Very large (10,000+)	100	50	50	50
Organisation's financial situation compared with start of 2020				
A lot worse off	88	25	38	25
A bit worse off	75	50	38	63
About the same	95	33	29	33
A bit better off	90	40	25	10
A lot better off	100	20	60	40
Employees' financial situation compared with start of 2020				
A lot worse off	80	20	40	20
A bit worse off	100	50	42	50
About the same	86	23	23	23
A bit better off	89	53	32	32
A lot better off	100	0	50	0

Table continues on next page.

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Table 9 (continued)

	Offered signing-on bonuses for the first time	Increased the size of existing signing-on bonuses	Same pay but reduced hours	Offered staff shares in the firm
All	19	8	8	5
By sector				
Manufacturing and production	29	0	7	0
Private sector services, of which:	18	11	5	8
Retail, hospitality, catering, leisure and cleaning	20	10	0	0
Legal, financial, technology and other professional services	9	9	9	9
Other private sector	24	12	6	12
Public sector	20	0	0	0
Voluntary, community and not-for-profit	0	20	40	0
By size				
SME (<250)	12	9	9	6
Large (250–9,999)	26	7	7	4
Very large (10,000+)	50	0	0	0
Organisation's financial situation compared with start of 2020				
A lot worse off	25	25	13	13
A bit worse off	13	0	25	0
About the same	29	14	10	5
A bit better off	15	0	0	5
A lot better off	0	0	0	0
Employees' financial situation compared with start of 2020				
A lot worse off	20	20	20	20
A bit worse off	17	17	8	0
About the same	18	5	5	0
A bit better off	26	5	5	11
A lot better off	0	0	25	0

Base: n=62. Percentage of those changing pay and benefits

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5 Financial wellbeing and organisational support

Overview

The CIPD report, *Financial Wellbeing: An evidence review*, shows that when employees suffer from financial distress, both their wellbeing and job performance are likely to suffer, with implications for the workplace. So, this should not only be an internal concern for organisations, HR professionals and employees, but also externally for investors and customers.

While low-paid workers are more at risk of suffering from poor financial wellbeing, higher-paid workers are not exempt. The CIPD roundtables that were held to inform the *Reward Management* survey cited examples of senior employees getting into financial difficulties due to illness, bereavement, or divorce. The roundtables emphasised the importance of encouraging employees to be open about their money worries, because the sooner employees revealed their difficulties, the quicker the employer could respond.

The following section looks at what employers are doing to support the financial wellbeing of their employees in terms of whether there is a financial wellbeing policy, what it contains and whether it's backed by a budget. Our survey of employees finds that while the *amount* of reward is important, so too is being rewarded *fairly*. This section also explores what employers are doing to assess and communicate the fairness of pay and benefits, as well as how they talk to employees about what is on offer and why.

Financial wellbeing has received even more attention recently due to the increase in the cost of living and the impact this could have on the number of people suffering from in-work poverty. We will look at how employers are dealing with in-work poverty in the final section of this report.

Key findings

Our survey of over 2,500 workers finds that 80% feel that being fairly rewarded for their efforts through pay rises, bonuses, promotions, and so on, is an important aspect of their financial wellbeing. Furthermore, when we ask employees what other steps, apart from increasing their pay, their employer could take to improve their financial wellbeing, 35% said making sure that pay decisions are fair and consistent.

When it comes to ensuring pay and benefits are fair, 81% of employers regularly review pay structures and levels to ensure fairness, while 59% similarly review benefits. However, just 31% of employers then go on to let their employees see the findings of their reviews into pay and benefit fairness. This is borne out in our survey of employees, which found that only a third of employees know why they get paid what they do and only one in five know what they need to do to secure a pay rise.

Just 18% of organisations have a financial wellbeing policy, either as part of a wider employee health and wellbeing policy (14%) or as a standalone financial wellbeing policy (4%). However, a further 20% plan to implement a financial wellbeing policy in 2022. The CIPD's winter 2021–22 *Labour Market Outlook* finds that 13% of organisations are looking to introduce new benefits, or improve existing ones, to boost employee financial wellbeing in 2022, so the direction of travel is upwards.

The most common reasons employers give for having a financial wellbeing policy is to improve the overall mental and physical wellbeing of employees (77%), closely followed by improving employee financial wellbeing (73%) and to reduce employee stress levels (72%).

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Employers wishing to stand out in the labour market should invest in creating a financial wellbeing policy and then communicating it. The CIPD employee survey finds that 59% of staff believe that it is important that their current employer has a policy in place to support and improve their financial wellbeing. When it comes to looking for their next job, 65% of employees think it's important that their future employer has such a policy.

Evidence shows that having such an arrangement is beneficial for workers. For example, the CIPD employee survey finds that in organisations where there is a financial wellbeing policy in place, 76% report feeling in control of their finances while 61% say their pay is enough to help them save for retirement. In contrast, this proportion falls to 64% and 41% (respectively) in organisations where employees say there is no such policy. It is perhaps not surprising to find that those individuals employed by organisations with a wellbeing policy are more likely to say it's important that both their current (81%) and future (81%) employer has such an arrangement.

However, just 26% of employers that have a workplace financial wellbeing policy back it with a budget, although a further 42% plan to do so by October 2022. Given the positive feedback from employees who are covered by a financial wellbeing policy, it makes sense for HR teams to make the business case for not only creating a policy but also then backing it with money.

Elements of financial wellbeing

The majority of employers review their pay structures

Figure 1 shows that while 81% of employers in our sample regularly review their pay structures, levels, and increases to ensure fairness, just 59% do likewise when it comes to the benefits package. It would make sense to review both pay and benefit practices at a similar time, given the role played by both in supporting employee wellbeing. However, given the difference, it might be that employers don't see the need, or perhaps do not know how to review the benefits package.

Checking that pay decisions are fair makes sense. The survey of over 2,500 workers commissioned by the CIPD finds that 80% feel that being fairly rewarded for their efforts through pay rises, bonuses and promotions, and so on, is an important aspect of their financial wellbeing. Furthermore, when we asked employees, apart from increasing their pay, what other steps could their employer take to improve their financial wellbeing, 35% said making sure that pay decisions are fair and consistent. This response was one of the top two, the other being more annual leave (35%).

However, Figure 1 shows that just 31% of employers then go on to communicate to employees the findings of these reviews into pay and benefit fairness. Either many reviews are finding that reward decisions are unfair (and possibly illegal), so that employers are reluctant to say what's been found, or the reviews are finding that these decisions are fair, but organisations are missing out on an opportunity to show this to their staff.

Other elements of financial wellbeing that organisations said were a priority include:

- being open with their employees about the pay and benefits provided, why they are being provided, and what people need to do to receive them (58%)
- regular reviews of bonus and incentive decisions to ensure fairness (52%).

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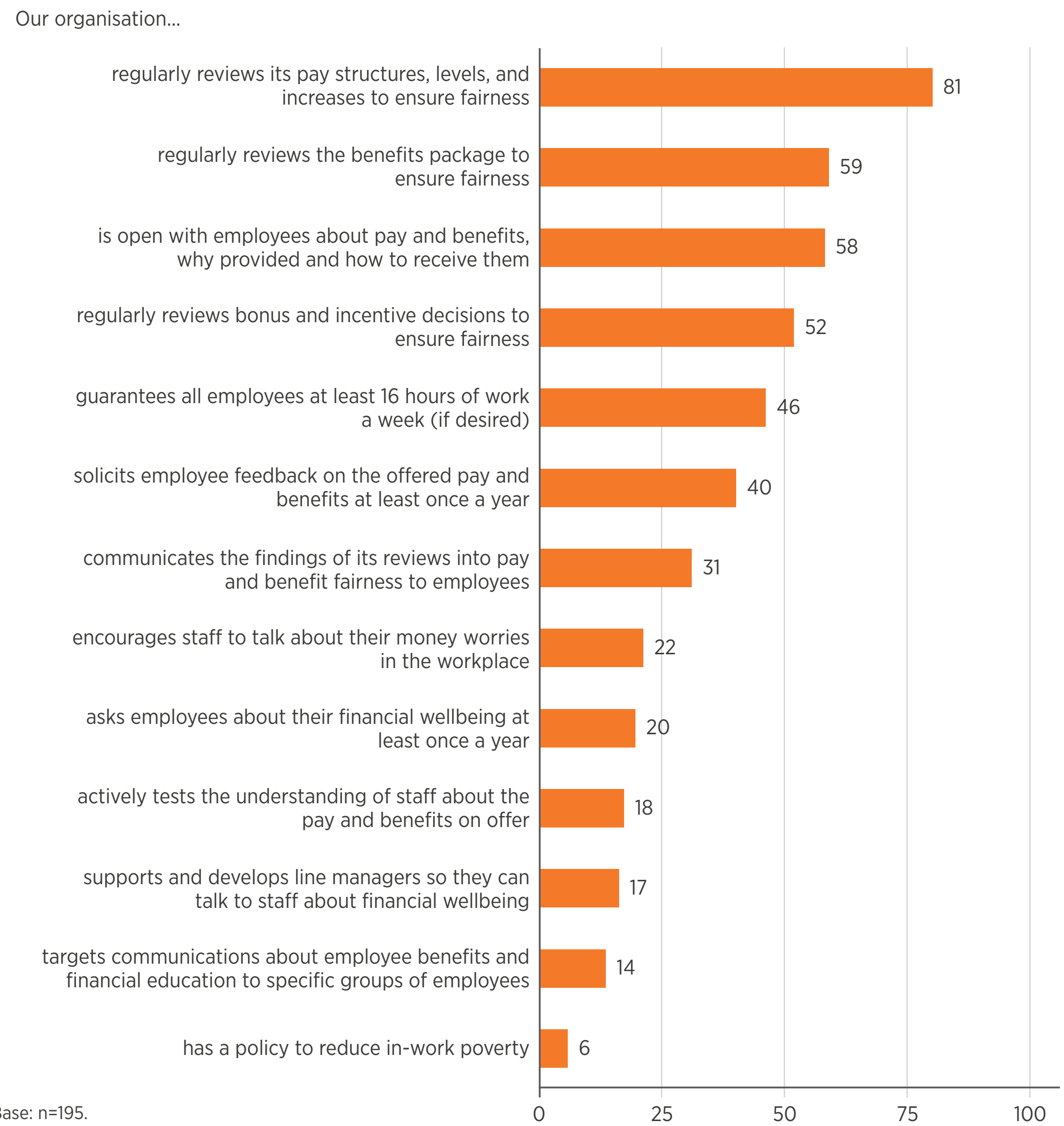
Again, it's good practice for employers to let people know what to expect in terms of pay and benefits, so they are better able to value them and are in a better position to decide whether they are being rewarded fairly. However, the CIPD survey of employees finds that just 38% say their employer explains to them why they get paid the amount they do and just 20% say their organisation communicates what they need to do to be able to earn more money.

When it comes to benefits, the survey finds just:

- 57% of employees say their employer has told them what benefits are on offer to them
- 53% say their employer has told them how to get those benefits
- 50% report that their organisation has explained how the benefits could be useful to them
- 43% had communicated why it offers those benefits to their workers.

So, employers are missing an opportunity to show the fairness of their benefits package.

Figure 1: Elements of financial wellbeing offered by employers (%)



Base: n=195.

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Few organisations encourage staff to talk about their money worries

Figure 1 also shows that just 40% ask employees for feedback about pay and benefits at least once a year. We would encourage HR teams to do more to get such feedback. They should use various ways to talk with colleagues, such as webchats, surveys, or forums. The answers can then help employers design and refine their financial wellbeing policies, as well as assess their effectiveness.

Few encourage staff to talk about their money worries (22%), ask about their financial wellbeing at least once a year (20%), or actively test their employees' understanding about the pay and benefits on offer (18%). Our survey of employees finds a similar picture, with only 18% of staff saying they would feel comfortable asking for help from their main employer if they were to face financial problems, and just 10% saying their employer has asked them if they would like support with their financial wellbeing.

Line managers also play an important role in spotting financial distress and signposting support, yet our survey finds that only 17% of respondents support and develop line managers so they can talk to staff about financial wellbeing. It makes sense for HR teams to support line managers through training, toolkits, and so on, to chat with colleagues regularly and sensitively about their money issues. However, every employee's financial circumstances are personal, and many staff will be initially reluctant to talk. Staff will only confide in their managers about their financial worries if they can trust them to be non-judgemental and helpful.

Public sector employers most likely to review pay fairness

Public sector organisations are most likely to regularly review their pay structures, levels and increases to ensure fairness (91%), while the voluntary sector is least likely to do so (69%). Conversely, these two sectors are less likely than others to regularly review bonus and incentive decisions to ensure fairness or to guarantee 16 hours' work for those who want it. In part, this might reflect that bonus payments are less common in these sectors and are typically only given to certain groups of employees, such as senior staff or fundraisers.

Although 85% of manufacturing organisations review the fairness of their pay structures and 59% review benefits, only 15% go on to communicate the findings of such reviews to employees.

It's notable that only 7% of the retail, hospitality, catering, leisure, and cleaning firms ask employees about their financial wellbeing at least once a year – compared with 20% overall – and not one of them supports and develops their line managers so they can talk to staff about financial wellness.

The public sector is most likely to have a policy to reduce in-work poverty (18%).

> *'In an organisation where most people are well paid, there are people facing dire financial straits. It's like a zombie movie and it's awful. But they walk among us, and they work among us. People who are dealing with real demons and for whom some of these things would be vital to help them stay afloat.'* (Senior Practitioner Panel comment)

Larger organisations are doing more

As a rule, larger employers are more likely than smaller organisations to offer the elements of financial wellbeing that we explore in our survey. For example, 77% of SMEs regularly review their pay structures to ensure fairness, while 90% of very large organisations do so.

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One exception is in guaranteeing their employees 16 hours of work a week if desired. While 52% of SMEs do this, only 38% of large and 20% of very large organisations offer such a guarantee.

Generally, there is not a large difference in approaches according to the organisation's financial situation – even among those who are a little worse off. The stark exception is among those who report being 'a lot worse off', who are less likely to offer the elements of financial wellbeing we look at.

More information can be found in Table 1 in the Appendix.

Financial wellbeing policies

Few have a financial wellbeing policy

Just 18% of organisations have a financial wellbeing policy, either as part of a wider employee health and wellbeing policy (14%) or as a standalone financial wellbeing policy (4%). A further 20% plan to implement one in 2022. The CIPD's winter 2021–22 *Labour Market Outlook* finds that 13% are looking to introduce new benefits, or improve existing ones, to boost employee financial wellbeing in 2022, so the direction of travel is upwards.

On the one hand, this contrasts with our previous survey, when 31% reported that they already had a policy. On the other hand, our latest findings are similar to the CIPD *Health and Wellbeing at Work* survey 2021, which reports that 19% of respondents agreed that their employer had a financial wellbeing strategy that considers the needs of different employee groups.

The private services sector is less likely than others to have such a policy; not a single respondent from the retail, hospitality, catering, leisure, and cleaning subsector reports having a standalone policy, while only 6% have one as part of a wider wellbeing policy. However, this sector is among the most likely to plan such a policy, with 28% intending to develop a policy by October 2022. Many voluntary sector organisations (30%) also have plans for developing a policy. Most public sector organisations (79%) neither have, nor plan to have, a financial wellbeing policy.

Organisations that report being 'a lot worse off' financially are least likely (24%) to report they have a policy or have no plans to introduce one.

More information can be found in Table 2 in the Appendix.

What's in a financial wellbeing policy?

Among those organisations that have or plan a policy, the most common element is information on how the organisation supports financial wellbeing (85%). A smaller number detail the organisation's commitment to paying a fair and liveable wage (69%). A minority (42%) emphasise the employer's commitment to helping its employees to maximise their earnings.

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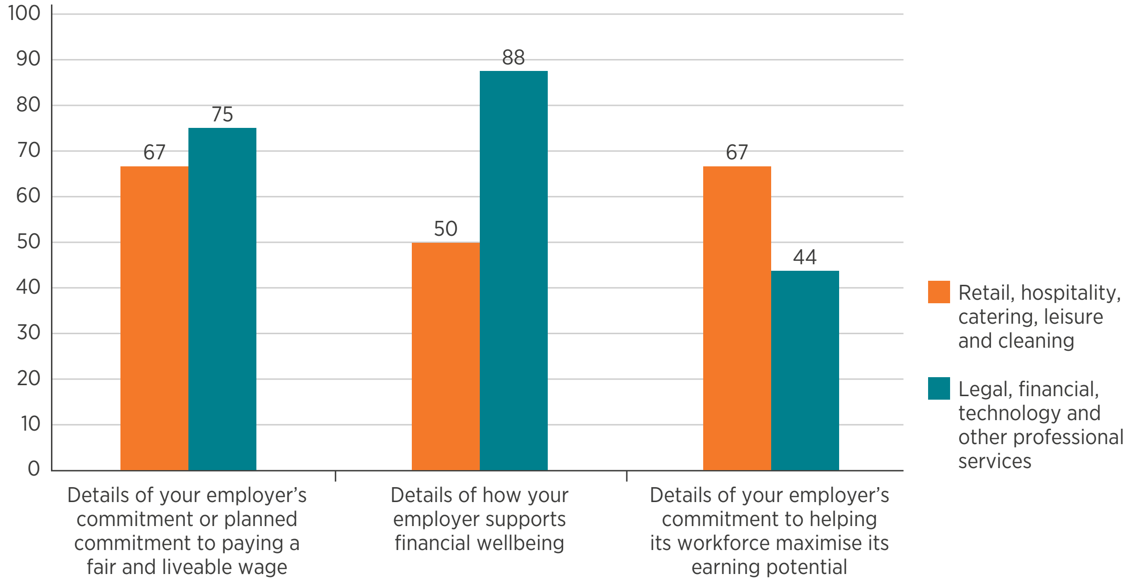
Figure 2: Elements of financial wellbeing policy, within private services sector (%)



Base: n=44. Percentage of those who have or plan a policy.

These proportions stay much the same between the different sectors, but within the private services sector, Figure 2 shows that there is considerable variation between retail, hospitality, catering, leisure, and cleaning companies, and legal, financial, technology and other professional services firms.

The retail, hospitality, catering, leisure, and cleaning subsector is very much less likely to include details of how the employer supports financial wellbeing, but much more likely to include the employer's commitment to helping the workforce maximise its earnings.

We would have thought that legal, financial, technology, and other professional services firms might have been just as likely to include a commitment to helping staff to increase their earnings. Similarly, retail, hospitality, catering, leisure, and cleaning businesses might be losing out on an opportunity to communicate to staff the various ways they are supporting their employees' financial wellbeing.

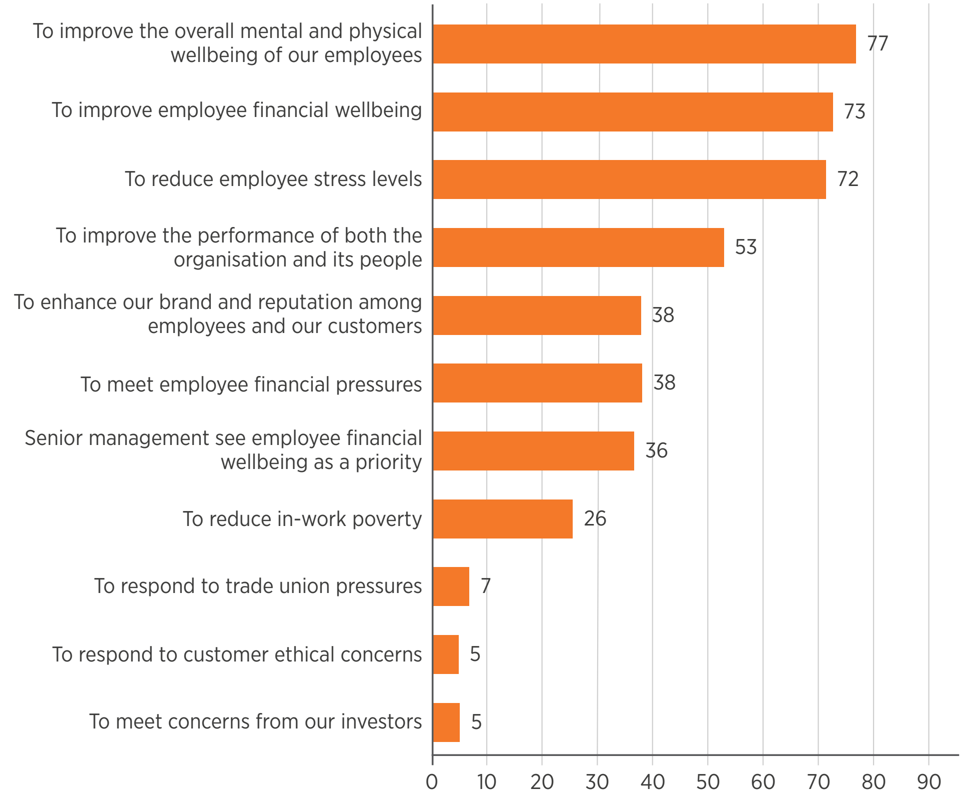
More information can be found in Table 3 in the Appendix.

Why have a formal financial wellbeing policy?

Among those employers that have – or plan to have – a financial wellbeing policy, Figure 3 shows that the most common reason for a policy is to improve the overall mental and physical wellbeing of employees (77%), closely followed by improving employee financial wellbeing (73%) and reducing employee stress levels (72%).

Only half have a financial wellbeing policy in order to improve the performance of the organisation and its people, while only a third have it to meet employee financial pressures, enhance their brand among employees and customers, or because senior management see it as a priority.

Figure 3: Reasons for a financial wellbeing policy (%)



Base: n=74. Percentage of those who have or plan a policy.

The desire to improve employees' overall mental and physical wellbeing is highest in the manufacturing and production (87%), and voluntary (80%) sectors. This is mentioned less by the public sector (67%) and the retail, hospitality, catering, leisure, and cleaning subsector (67%).

The most common reason for a policy given by voluntary sector respondents is the desire to reduce employee stress levels (80%). Public sector respondents are much more likely than any others to mention reducing in-work poverty (50%) and responding to trade union pressures (50%).

Smaller organisations are more likely to cite improving employees' mental and physical wellbeing and reducing employee stress levels than larger ones, but less likely to be concerned by enhancing their brand and meeting employee financial pressures.

Although reducing in-work poverty is only mentioned by 25% of those with a policy, that figure rises to 43% among organisations who feel they are 'a lot worse off' since the beginning of 2020, and 33% among those who feel their staff are similarly worse off.

More information can be found in Table 4 in the Appendix.

While improving mental, physical, and financial wellbeing are the most common explanations for having a policy, whether the policy actually achieves this is another matter. HR teams need to help employers assess whether these objectives are being met, such as by checking with employees and line managers for their perspectives, as well as collecting and evaluating employee wellbeing data. It also makes sense to communicate to people why the policy exists and how it is being implemented, so they are better informed to comment on whether it's working or not.

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Employees value a financial wellbeing policy

Employers wishing to stand out in the labour market should invest in creating and communicating a financial wellbeing policy. The CIPD's survey of over 2,500 workers finds that 59% believe it is important that their current employer has a policy in place to support and improve their financial wellbeing. When it comes to the next employer, 65% think that having such a policy would be an important factor in their move.

Having a policy can also be beneficial to people, our employee survey finds. For example, in organisations where those questioned say there is a financial wellbeing policy, 76% report that they feel in control of their finances. In employers where employees say there is no policy in place, this proportion falls to 64%.

Overall, 63% of those whose main employer doesn't have a policy would not be comfortable asking for help if they were to face financial problems, in contrast to those whose employers do have a policy at 41%. While 47% of those working for an employer without a policy agree that there is a stigma attached to talking about money worries at their workplaces, this proportion falls to 36% among those working for a firm with a policy.

Other benefits for employees include:

- Improvements in financial wellbeing – 31% of employees who work for an employer with a wellbeing policy report that their financial wellbeing has improved since January 2020; by contrast, just 21% of those working for an employer without a policy can claim the same.
- Positive impact – 71% of those working for an employer with a wellbeing policy say that their main employer has a positive effect on their financial wellbeing; just 45% of those working for an organisation without a policy say the same.
- Doing enough – 60% of those employed by an organisation with a wellbeing policy say their employer is doing enough to support their financial wellbeing, while just 28% of those working for an employer without a policy say the same thing.
- Better sick pay – 71% of employees who work for an organisation with a wellbeing policy say that if they had to take ten days off ill, their employer would still pay them their full wage for this period; by contrast, just 50% of those working for an employer without a policy said the same.
- Better pensions – 64% of those working for an employer with a wellbeing policy say that their main employer has a generous pension scheme; just 26% of those who work for an organisation that doesn't have a policy say the same.

Those who work for an employer with a financial wellbeing policy are much more likely to:

- agree that their job protects them from poverty (82% vs 66% of those not covered by a policy)
- know what they need to do in order to get a pay rise (36% vs 16%)
- be satisfied with their employee benefits package (70% vs 28%), find them quick and easy to access (67% vs 30%), and agree that the package supports them at different stages of their life (60% vs 19%)
- feel in control of their finances (76% vs 64%)
- say that their pay is enough to help them save for retirement (61% vs 41%)
- feel comfortable asking for help from their main employer if they were to face financial problems (32% vs 17%).

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Employers with a financial wellbeing policy are also more likely to try to communicate about the benefit package. Among workers employed by an employer with a financial wellbeing policy:

- 8% say that their main employer has never told them what benefits are on offer (compared with 42% of those without a policy).
- 6% say that their main employer has never communicated how to get these benefits (compared with 45%).
- 9% report that their main employer has never explained how these benefits could be useful (compared with 49%).
- 16% claim that it has never been communicated why these benefits are offered (compared with 52%).

Employees who say that their main employer has a policy are also more likely to say that it has asked them if they would like support with their financial wellbeing (31%), compared with those working for an employer without a policy (5%). Similarly, people working for an employer with a policy are more likely to say their employer followed up on this and provided financial wellbeing support (68%) than those working for an employer without a policy (35%). Among those who said their employers did follow up with support, 71% of those employed by an employer with a policy said this support was useful.

However, even though employees in organisations with a financial wellbeing policy tend to be more relaxed about talking about their financial worries, there are still opportunities for improvement. HR professionals should use the techniques that have helped reduce the stigma that workers have felt when talking about their mental health, their sexuality, or the impact of the menopause.

It is perhaps not surprising to find that those individuals employed by organisations that already have a wellbeing policy are more likely to say it's important that both their current (81%) and their future (81%) employers have such a policy. For employers wishing to attract or retain talent, having a financial wellbeing policy that they can advertise to potential talent will be an advantage.

Our research also reveals that when it comes to employee benefits, the lowest paid who are covered by a financial wellbeing policy are around as positive in their responses as the highest paid workers not covered by a policy. For example, 48% of those receiving less than £20,000 covered by such a policy agree that 'My employer offers a generous pension scheme'. By contrast, 46% of the highest paid earning £70,000 or more not covered by a policy agree with that statement. In other words, if you do not have a policy, then you must effectively pay people £70K or more to get a similar result as those earning less than £20k covered by a policy.

Who are those covered by a financial wellbeing policy? In total, 20% of our total sample report being covered by such a policy, but there is a link to income here. While 14% of all those employees earning less than £20,000 work for an organisation with a policy, this portion increases to 16% for those earning between £20,000 and £39,999, to 24% for those being paid between £40,000 and £59,999, and to 28% for those earning over £60,000.

Among those in our sample that are covered by such a policy, around half of them (48%) earn less than £40,000.

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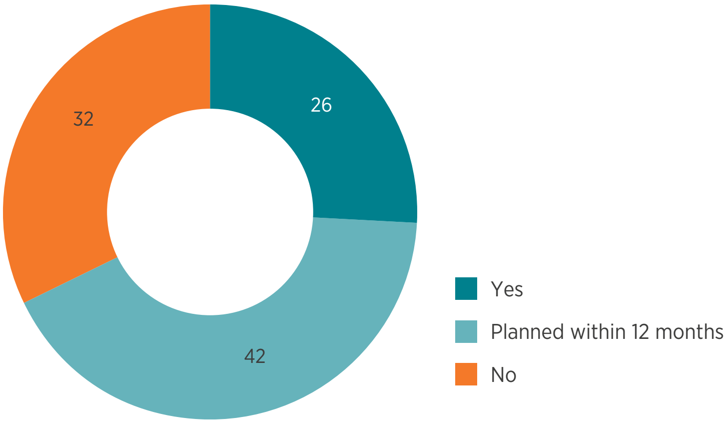
Few policies have financial backing

Figure 4: Proportions of policies backed by a budget (%)



Base: n=74. Percentage of those who have or plan a policy.

Figure 4 shows that just 26% of those who have such a policy back it with a budget, although a further 42% plan to do so by October 2022. While 50% of public sector organisations have a budget, only 20% of the voluntary sector does so. The retail, hospitality, catering, leisure, and cleaning subsector (17%) is least likely to back their policy with a budget. However, those who are currently least likely to fund their policy are among those *most* likely to plan to do so within a year; 50% of the retail, hospitality, catering, leisure, and cleaning subsector, and 60% of the voluntary sector have such plans.

SMEs (25%) are much more likely to back their policy with a budget than large organisations (15%) and are also more likely to introduce a budget by October 2022.

Surprisingly, it is those organisations who report being 'much worse off' than at the start of 2020 that are more likely than others to back their policy with a budget. Perhaps less surprising is the trend for those who consider their employees to have been hardest hit in recent months to support their policy with a budget.

Given the positive impact that employees covered by a financial wellbeing policy report, it makes sense for HR teams to make the business case for not only creating a policy but backing it with money as well. The fact that many employers are planning to back their words with money this year indicates a recognition that a policy that is not resourced will be less effective than a policy that has financial backing.

More information can be found in Table 5 in the Appendix.

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Conclusion and recommendations

Having a financial wellbeing policy, which can cover such issues as commitment to paying a fair and liveable wage or helping its workforce to maximise their earnings, is something that employees welcome.

First, we would recommend that HR teams help their employers create a definition of financial wellbeing. A detailed definition could help management to assess what the organisation is already doing, identify where improvements can be made and set the direction of travel. A simpler definition could be used when the organisation talks to employees, line managers, investors, the media, and so on.

One simple definition that HR teams could use as a starting point is the one used by Muir et al in *Exploring Financial Wellbeing in the Australian Context*. They say financial wellbeing exists when a person can meet their expenses and has some money left over, is in control of their finances, and feels financially secure, currently and in the future. An example of a more complex definition is the one used by Rutherford and Fox, which is highlighted in our practice guidance and summary report accompanying our evidence review on financial wellbeing. This definition covers both subjective and objective financial status, as well as financial attitudes, behaviours, and knowledge.

Once agreement has been reached about what the organisation means by employee financial wellbeing, we recommend that HR teams help implement this definition, preferably supported by a budget. We recommend that HR teams tailor the financial wellbeing strategy so that it reflects the diversity of the workforce and design it flexibly so that it continues to meet people's changing needs.

Because financial wellbeing is closely linked to people's income, we recommend that the financial wellbeing approach should be linked to pay policies that are fair and pay a liveable wage. The policy could also include supporting in-work progression, providing financial education, and offering benefits that reduce living costs or give financial protection.

Certain groups and people at particular life stages may benefit both from more financial guidance or support and different types of guidance or support; those going through life changes or traumas – such as separation, illness, or bereavement – may require additional support when, for example, being asked to make benefit decisions.

Our survey of employees finds that 61% say that being able to understand money better, so they know how best to borrow, spend, save, and invest it, is an important aspect of their financial wellbeing. However, while financial education can be a useful element of financial wellbeing, research shows that it's not a silver bullet.

To make financial education more effective, we recommend that HR teams ensure that it is topically relevant to the various needs of employees or the financial decisions that they need to make. Learning content should also be based on insights from behavioural science, accurate and up to date, and presented by knowledge experts. The format of programmes should include experiential learning through classroom activities and give relevant examples to accompany assignments. HR teams should consider how the employer can deliver on-demand, just-in-time learning, so that it is more likely to be used when people make financial decisions.

Debt counselling can be very effective in helping those struggling with finances, so it should be included in financial wellbeing strategies. However, its effectiveness depends on getting it to those who really need it and persuading them that it is worth their while engaging with it. It's also important that the employer recognises the limitations of debt counselling on its own, especially for those who are on a low income. In such instances, paying a fair and liveable wage and providing secure working hours should also be seen as important priorities.

Organisations are increasingly offering employee financial wellness programmes, which can include such support as financial coaching, online financial management tools, hardship loans, earned salary access, occupational sick pay, and so on. While there is clear potential for various services to help employees who fall into financial distress, evidence is lacking on how effective employee financial wellbeing benefit programmes are in fostering financial wellness, and what the success factors are. So, we recommend that HR teams trial these interventions first.

As was raised by our practitioner workshops, managing workforce financial wellbeing is a sensitive matter. For example, some organisations have received attention for the missteps they made when advising customers on how to reduce their energy consumption. However, we recognise that avoiding stigma and overcoming a natural reluctance to declare money worries is not easy to do. We recommend that HR teams explore ways in which conversations about financial wellbeing can be normalised and to signpost individuals to relevant sources of help. This might also involve supporting line managers to encourage their team to open up if they have money issues, so that they can be directed to appropriate sources of help.

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Appendix

Table 1: Which of the following elements of financial wellbeing does your organisation offer? (%)

Our organisation…	regularly reviews its pay structures, levels, and increases to ensure fairness	regularly reviews the benefits package to ensure fairness	is open with employees about pay/benefits on offer, why provided, and what people need to do to receive them	regularly reviews bonus and incentive decisions to ensure fairness	guarantees all employees at least 16 hours of work a week (if desired)	asks employees for feedback about what they think of pay and benefits on offer at least once a year	communicates the findings of its reviews into pay and benefit fairness to employees
All	81	59	58	52	46	40	31
By sector							
Manufacturing and production	85	59	53	65	47	29	15
Private services sector, of which:	80	62	57	61	54	40	31
Retail, hospitality, catering, leisure and cleaning	79	50	64	64	29	29	36
Legal, financial, technology and other professional services	74	67	58	63	60	44	33
Other private sector	85	60	55	58	55	40	28
Public sector	91	59	64	27	27	45	36
Voluntary, community and not-for-profit	69	52	62	21	31	48	48
By size							
SME (<250)	77	58	56	52	52	40	33
Large (250–9,999)	86	64	60	52	38	36	21
Very large (10,000+)	90	50	70	50	20	60	70
Organisation's financial situation compared with start of 2020							
A lot worse off	69	45	59	45	45	34	21
A bit worse off	88	62	65	47	44	38	41
About the same	83	68	58	49	47	46	34
A bit better off	82	62	60	62	38	42	33
A lot better off	76	47	41	47	71	29	18
Employees' financial situation compared with start of 2020							
A lot worse off	73	36	91	55	64	36	18
A bit worse off	77	55	52	43	42	37	28
About the same	83	56	57	49	44	37	33
A bit better off	88	77	65	70	51	49	40
A lot better off	50	67	17	33	50	50	0

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Table 1 (continued)

Our organisation...	encourages staff to talk about their money worries in the workplace	asks employees about their financial wellbeing at least once a year	actively tests the understanding of staff about the pay and benefits on offer	supports and develops line managers so they can talk to staff about financial wellbeing	targets communications about employee benefits and financial education to specific groups of employees	has a policy to reduce in-work poverty
All	22	20	18	17	14	6
By sector						
Manufacturing and production	21	12	24	24	12	9
Private services sector, of which:	22	21	18	15	15	4
Retail, hospitality, catering, leisure and cleaning	14	7	21	0	14	0
Legal, financial, technology and other professional services	16	21	19	14	16	7
Other private sector	28	25	17	19	13	2
Public sector	14	32	5	14	18	18
Voluntary, community and not-for-profit	28	17	21	21	10	3
By size						
SME (<250)	24	17	17	17	13	4
Large (250–9,999)	17	24	17	19	17	9
Very large (10,000+)	20	30	30	0	10	20
Organisation's financial situation compared with start of 2020						
A lot worse off	24	24	7	14	14	10
A bit worse off	18	24	26	18	15	6
About the same	24	19	22	22	20	7
A bit better off	25	24	18	15	11	5
A lot better off	6	0	6	6	0	0
Employees' financial situation compared with start of 2020						
A lot worse off	18	27	9	18	9	9
A bit worse off	28	22	18	15	17	5
About the same	20	20	19	16	12	5
A bit better off	19	14	21	21	16	9
A lot better off	0	33	0	17	0	0

Base: n=195.

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Table 2: Does your organisation have an employee financial wellbeing policy? (%)

	Yes, a standalone policy	Yes, part of a wider employee health and wellbeing strategy	Planned within 12 months	No
All	4	14	20	62
By sector				
Manufacturing and production	6	17	28	50
Private services sector, of which:	4	11	18	67
Retail, hospitality, catering, leisure and cleaning	0	6	28	67
Legal, financial, technology and other professional services	4	13	19	65
Other private sector	5	12	14	68
Public sector	4	19	7	70
Voluntary, community and not-for-profit	3	17	30	50
By size				
SME (<250)	3	13	24	60
Large (250–9,999)	6	12	14	68
Very large (10,000+)	8	33	8	50
Organisation's financial situation compared with start of 2020				
A lot worse off	0	15	9	76
A bit worse off	5	13	21	62
About the same	3	13	22	63
A bit better off	7	15	25	53
A lot better off	5	11	16	68
Employees' financial situation compared with start of 2020				
A lot worse off	0	6	12	82
A bit worse off	6	20	18	55
About the same	4	10	20	67
A bit better off	5	16	28	51
A lot better off	0	14	0	86

Base: n=216.

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Table 3: Which of the following does (or will) your financial wellbeing policy include? (%)

Details of...	your employer's commitment or planned commitment to paying a fair and liveable wage	how your employer supports financial wellbeing	your employer's commitment to helping its workforce maximise its earnings
All	69	85	42
By sector			
Manufacturing and production	73	93	40
Private services sector, of which:	69	80	49
Retail, hospitality, catering, leisure and cleaning	67	50	67
Legal, financial, technology and other professional services	75	88	44
Other private sector	62	85	46
Public sector	67	100	33
Voluntary, community and not-for-profit	67	80	33
By size			
SME (<250)	73	87	47
Large (250–9,999)	65	80	35
Very large (10,000+)	50	83	33
Organisation's financial situation compared with start of 2020			
A lot worse off	71	86	71
A bit worse off	54	92	46
About the same	85	75	45
A bit better off	62	88	35
A lot better off	80	80	20
Employees' financial situation compared with start of 2020			
A lot worse off	67	67	100
A bit worse off	58	81	35
About the same	73	91	45
A bit better off	79	84	42
A lot better off	100	100	0

Base: n=71.

Table 4: What are the main reasons your organisation has a formal financial wellbeing policy, or has plans to introduce one, for employees? (%)

	To improve the overall mental and physical wellbeing of our employees	To improve employee financial wellbeing	To reduce employee stress levels	To improve the performance of both the organisation and its people	To meet employee financial pressures	To enhance our brand and reputation among employees and our customers
All	77	73	72	53	38	38
By sector						
Manufacturing and production	87	87	67	47	53	27
Private services sector, of which:	74	76	71	50	39	45
Retail, hospitality, catering, leisure and cleaning	67	83	67	50	33	67
Legal, financial, technology and other professional services	76	88	71	41	47	53
Other private sector	73	60	73	60	33	27
Public sector	67	50	67	50	33	33
Voluntary, community and not-for-profit	80	60	80	67	20	33
By size						
SME (<250)	80	73	80	55	33	31
Large (250–9,999)	68	74	63	47	47	58
Very large (10,000+)	83	67	33	50	50	33
Organisation's financial situation compared with start of 2020						
A lot worse off	86	57	86	43	43	43
A bit worse off	69	92	85	54	54	69
About the same	81	62	62	57	43	19
A bit better off	73	73	73	65	31	46
A lot better off	83	83	50	0	17	0
Employees' financial situation compared with start of 2020						
A lot worse off	100	33	100	33	33	33
A bit worse off	75	75	64	54	54	46
About the same	74	83	78	52	30	35
A bit better off	79	68	68	53	26	32
A lot better off	100	0	100	100	0	0

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Table 4 (continued)

	Senior management see employee financial wellbeing as a priority	To reduce in-work poverty	To respond to trade union pressures	To meet concerns from our investors	To respond to customer ethical concerns
All	36	26	7	5	5
By sector					
Manufacturing and production	33	27	0	0	0
Private services sector, of which:	42	24	5	5	3
Retail, hospitality, catering, leisure and cleaning	33	17	0	0	0
Legal, financial, technology and other professional services	53	35	6	6	6
Other private sector	33	13	7	7	0
Public sector	17	50	50	0	17
Voluntary, community and not-for-profit	33	20	0	13	13
By size					
SME (<250)	35	24	4	8	4
Large (250–9,999)	47	26	5	0	11
Very large (10,000+)	17	33	33	0	0
Organisation's financial situation compared with start of 2020					
A lot worse off	43	43	43	14	29
A bit worse off	38	31	0	0	0
About the same	29	29	5	10	5
A bit better off	42	19	4	4	4
A lot better off	33	0	0	0	0
Employees' financial situation compared with start of 2020					
A lot worse off	33	33	33	33	33
A bit worse off	36	29	11	0	7
About the same	35	30	0	13	4
A bit better off	42	16	5	0	0
A lot better off	0	0	0	0	0

Base: n=74.

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Table 5: Is your policy backed up by a budget? (%)

	Yes	Planned within 12 months	No
All	26	42	32
By sector			
Manufacturing and production	27	33	40
Private services sector, of which:	24	45	32
Retail, hospitality, catering, leisure and cleaning	17	50	33
Legal, financial, technology and other professional services	29	41	29
Other private sector	20	47	33
Public sector	50	0	50
Voluntary, community and not-for-profit	20	60	20
By size			
SME (<250)	25	48	27
Large (250–9,999)	15	35	50
Very large (10,000+)	67	17	17
Organisation's financial situation compared with start of 2020			
A lot worse off	43	29	29
A bit worse off	23	38	38
About the same	27	55	18
A bit better off	24	36	40
A lot better off	17	50	33
Employees' financial situation compared with start of 2020			
A lot worse off	33	67	0
A bit worse off	25	36	39
About the same	26	43	30
A bit better off	21	47	32
A lot better off	100	0	0

Base: n=74.

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6 In-work poverty and financial support

Overview

On behalf of the CIPD, YouGov surveyed 2,557 employees regarding their financial wellbeing between 22 December 2021 and 15 January 2022. The research finds that 28% of people said money worries had impacted their work performance. The most common mental and physical symptoms caused by money worries were lost sleep, health problems, and finding it hard to concentrate or make decisions at work. Those earning less than £20,000 a year were most likely (34%) to say that money worries had affected their work. This group was also less likely to report that their pay would be sufficient to cope with a sudden financial emergency costing £300 or would be enough to help them save for their retirement.

Since the start of 2020, 24% of employees said their financial wellbeing had improved, while 29% said it worsened. However, among those earning less than £20,000, 36% say that their financial wellbeing had worsened. Even among those earning more than £60,000, 20% said that their financial wellbeing is now worse. The main reasons for why people feel worse off are: an increase in cost of living (74%); becoming more anxious about their financial situation (29%); and earning less at work (22%).

Over this period, 26% of employees have cut back on the amount they spend on non-essentials, 14% have reduced the amount of money spent on essentials, while 12% have lost sleep due to worrying about money. Again, lower-paid workers are more likely to have done these. For example, among those earning less than £20,000, 36% have cut back on non-essentials, while 18% have cut back on essentials.

While 61% of employees say that they are keeping up with all bills and credit commitments without any difficulties, just 44% of those earning less than £20,000 and 59% of those earning between £20,000 and £39,999 claim the same.

Overall, our survey finds many workers are currently struggling with money and there is a concern that continued rising inflation could tip more people into in-work poverty. But how prepared are employers to deal with a possible increase in financial distress among their employees?

Key findings

Most respondents to the CIPD *Reward Management* survey believe employers do have a role in promoting employee financial wellbeing and reducing the risk of in-work poverty. Nearly all (96%) agree that organisations have a responsibility to provide a fair and liveable income to their workers. Supporting in-work progression to help people increase their earning potential is also endorsed by a high proportion (87%). Most (70%) also agree that employers have a responsibility to support financial wellbeing by offering and signposting benefits and financial education.

However, just because a respondent thinks that an employer has a role to play, it doesn't necessarily mean that their organisation carries it out. For example, while 96% believe employers have a responsibility to provide a fair and liveable income, our section on financial wellbeing and organisational support highlights that fewer employers regularly review their pay decisions to ensure fairness (81%), while our section on career and wellbeing benefits shows that even fewer (69%) offer a minimum wage equivalent to, or higher than, the real Living Wage.

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Most (60%) agree their organisation offers a good level of benefits and a generous pension scheme, with public sector respondents most likely to agree (73%). In terms of employer action, when it comes to workplace pensions, our section on career and wellbeing benefits shows 62% contribute at least 6% of pay to a workplace pension; 34% offer a contribution-matching plan, and 17% have an auto-escalation plan.

However, 32% believe that some of their employees face in-work poverty. While only 26% of respondents from the private services sector believe that this is an issue for their organisation, this percentage rises to 39% in the retail, hospitality, catering, leisure, and cleaning subsector, many of whom 'strongly agree' that this is an issue.

A minority (28%) of respondents 'agree' that their senior management is aware of the issue of in-work poverty, though just 7% 'strongly agree'. By contrast, 36% of respondents believe that senior management is unaware of it, a percentage that jumps to 61% for retail, hospitality, catering, leisure, and cleaning firms.

Few either 'strongly agree' (6%) or simply 'agree' (28%) that external stakeholders, such as customers or investors, care about in-work poverty. Across the board, the most common response is to 'neither agree nor disagree' (43%), suggesting that either external stakeholders are not concerned about this issue, or if they are, they are not doing a good job of expressing it to businesses.

Despite the wide range of financial wellbeing benefits on offer, just 3% believe their organisation's support is excellent, while a further 26% rate it as 'good'. Instead, most rate their offering as simply 'average' (39%) or 'poor' (10%). One in five (21%) admit their employer does not offer any such support. These results are troubling given that 33% of employers report that there has been a rise in demand from employees for financial wellbeing support and 49% believe their workers' financial wellbeing has fallen since the start of 2020.

The state of employee financial wellbeing – is pay enough?

The CIPD/YouGov financial wellbeing survey found that:

- 76% of employees said that their pay was enough to support an acceptable standard of living, without having to go into debt to pay for food and bills
- 63% said their pay was enough to cope with a sudden financial emergency costing £300 (that is, without having to use any savings)
- 47% said that their pay was enough to help them save for their retirement.

However, there are variations.

For example, among those earning less than £20,000 a year, the survey found:

- 56% said that their pay was enough to support an acceptable standard of living
- 34% said their pay was enough to cope with a sudden financial emergency costing £300
- 21% said that their pay was enough to help them save for their retirement.

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While 72% of employees agree with the statement that their job protects them from falling into poverty, 10% disagree (the rest neither agreeing nor disagreeing). By earnings, the proportion disagreeing increases to 18% among those earning less than £20,000 a year; even among those earning between £20,000 and £39,999 per year, 11% disagree with the statement. Of those reporting a constant struggle to keep up to date with their bills, the proportion disagreeing jumps to 30%; the percentage is 19% among those reporting money worries to have affected how they do their job.

Money concerns affect performance

Overall, 28% of employees surveyed said that financial worries had affected their ability to do their job. The most common symptoms of these concerns were lost sleep; health problems (such as stress or anxiety); finding it hard to concentrate/make decisions at work; and spending time during the working day dealing with money problems.

Those earning less than £20,000 (34%) and those earning between £20,000 and £39,999 (31%) are more likely to say that money worries had affected their work. By employee demographics, other groups that are more likely to report financial concerns having had an impact include: those with a disability (43%), 25–34-year-old workers (41%), LGB employees (37%), those with more than one job (35%), public sector workers (32%), and women (30%).

At the time of our survey, 36% of those reporting money troubles had affected their work performance said this happened as recently as the past month.

Financial wellbeing has worsened for many employees

Since the start of 2020, 24% of employees said their financial wellbeing had improved while 29% said it has worsened; the rest said there had been no change. However, 36% of those earning less than £20,000 and 34% of those earning between £20,000 and £39,999 said that their financial wellbeing had deteriorated over this period. Even 20% of employees earning more than £60,000 a year say that their financial wellbeing has worsened.

By employee demographics, groups more likely to report their financial wellbeing has worsened include those with a disability (40%), those with more than one job (39%), LGB employees (36%), public sector workers (35%), women (32%), and 35–44-year-old workers (31%).

When asked what the main reasons were for this drop in financial wellbeing, 74% say it's due to an increase in their cost of living; 29% say it's because they are now more anxious about their current and/or future financial situation; and 22% say it is because they are earning less money from their main employer/other employers. By pay, the percentages of employees mentioning the cost of living is similar across the pay bands. However, higher earners are more likely to say that they are now more anxious about their financial situation, while lower-paid workers are more likely to say that they are earning less.

Since January 2020:

- 26% of employees have cut back on the amount of money spent on non-essentials
- 14% of respondents have reduced the amount of money spent on essentials (such as food, energy, and so on)
- 12% of workers have lost sleep due to worrying about money
- 9% have used a ‘buy now, pay later’ scheme to make an online purchase
- 7% had to borrow money from family and friends.

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Again, lower-paid workers are more likely to have taken these actions. For example, 36% of those earning less than £20,000 and 28% of those earning between £20,000 and £39,999 have cut back on non-essentials, while 18% of those earning less than £20,000 have cut back on essentials.

While 61% of employees say that they are keeping up with all bills and credit commitments without any difficulties, just 44% of those earning less than £20,000 and 59% of those earning between £20,000 and £39,999 claim the same.

Employer responsibilities

Most employers see a role in providing a fair and liveable income
Figure 1 shows that nearly all our respondents (96%) agree that organisations have a responsibility to provide a fair and liveable income to their workers; most respondents 'strongly agree' with this suggestion (65%), with the remaining simply agreeing (31%). There is not much variation in these figures by sector or organisation size.

However, just because a respondent thinks an employer has a role doesn't necessarily mean their organisation carries it out. While 96% of employers believe employers have a responsibility in providing a fair and liveable income, our section on financial wellbeing and organisational support highlights that when it comes to 'fair pay', only 81% of employers regularly review their pay structures, levels, and increases to ensure fairness. We would encourage HR teams to explore regularly how pay is managed in their organisation, otherwise they cannot be confident that their pay decisions are fair and delivering value for money.

This 'say–do' gap is even higher when it comes to paying a 'liveable income'. Our section on career and wellbeing benefits highlights that just 69% of employers currently offer a minimum wage that is equivalent to, or higher than, the real Living Wage.

However, the good news is that it is not philosophical objections holding progress back. Just 1% of our respondents believe employers do not have a responsibility to provide a wage that is both fair and liveable. If practical challenges can be overcome, we could see more offering a liveable income in the future.

Our survey of employees finds that they value being paid a fair and liveable wage. Ninety per cent of workers said that earning enough to allow them and their family/loved ones to enjoy a reasonable and dignified lifestyle was important to their financial wellbeing. Similarly, 80% said feeling fairly rewarded for their efforts through pay rises, bonuses, promotions, and so on, was also important. Also, when we asked respondents what their employer could do to improve their financial wellbeing apart from increasing pay, 35% said they would like it to ensure its pay decisions were fair and consistent.

More information can be found in Table 1 in the Appendix.

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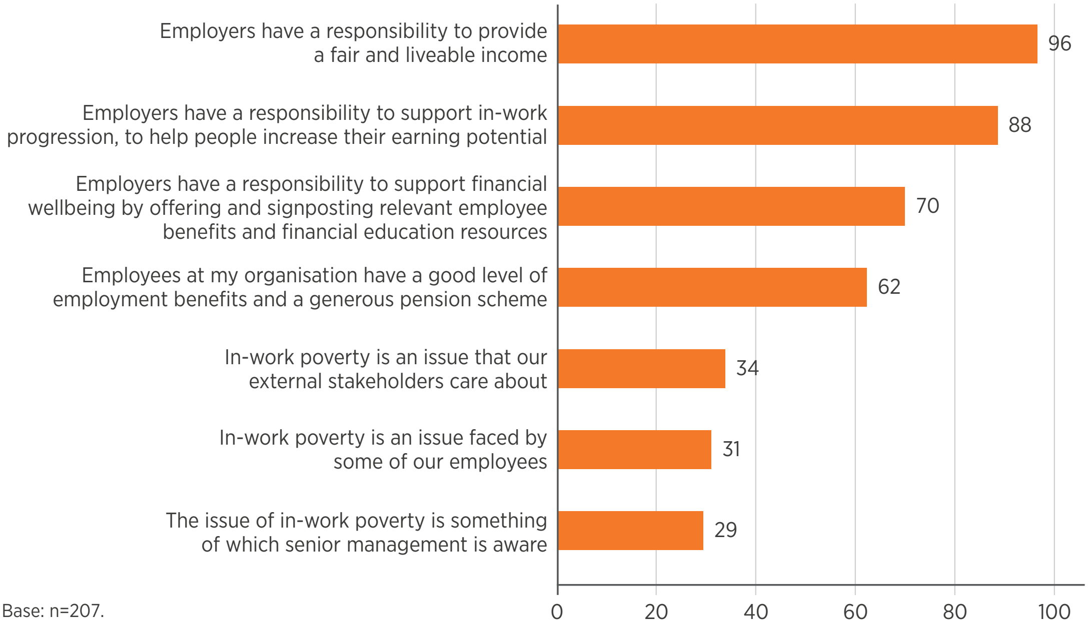
Figure 1: How far employers agree with the following financial wellbeing statements (%)



Base: n=207.

A high proportion of respondents (87%) believe employers should support in-work progression to help people increase their earning potential, again with very little disagreement and little variation among different sectors, though smaller and medium-sized employers (SMEs) are less likely to agree with the suggestion (84%) than large ones (94%). Also, organisations that either see themselves or their staff as ‘a lot worse off’ financially since the start of 2020 are a lot less likely to ‘strongly agree’ with this idea. Those who are ‘a little worse off’ give similar responses to all the other organisations.

One way of supporting in-work progression is to provide training and career development opportunities focused on helping low earners increase their earning potential. As reported in our section on career and wellbeing benefits, 47% of employers surveyed already offer this to some or all of their employees, with a further 3% planning to offer this by October 2022.

Most employees would welcome the opportunity to develop their career – 57% of CIPD survey respondents said being able to develop and progress their career and increase their future pay is an important aspect of their financial wellbeing. However, just 42% of those earning less than £20,000 think the same, compared with 69% of those earning £60,000 and over.

One reason why low-wage workers might be less interested in career development is that they might be more preoccupied with how much they earn now compared with their future pay prospects. Or it could be that they are more likely to have had a negative educational experience while at school and so aren’t interested in further study. Or it might be because they are more likely to work part-time, and so find it is difficult to find the hours to study. That said, those with more than one job are more likely to rate this as important (64%), possibly because they see the need.

More information can be found in Table 2 in the Appendix.

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There is a little less agreement about employers' responsibility to support financial wellbeing by offering and signposting benefits and financial education. While 71% 'agree' or 'strongly agree', 22% 'neither agree nor disagree'. There is little variation among different organisation types, although it is notable that, overall, while 6% of respondents do not support the proposition, this figure jumps to 15% in the legal, financial, technology and other professional services sector.

More information can be found in Table 3 in the Appendix.

Most senior managers are unaware of in-work poverty

Overall, just 7% 'strongly agree' that their senior management is aware of the issue of in-work poverty, while a further 21% simply 'agree'. By contrast, 36% of respondents believe that senior management is unaware of this problem.

Not a single respondent from the retail, hospitality, catering, leisure and cleaning subsector 'strongly agrees' and only 11% 'agree' that senior management is conscious of this challenge, while 61% believe that senior management is unaware.

It appears that management in smaller organisations may be more aware of the problem, since 31% of SMEs agree with the statement – contrasted with only 26% in large organisations. The other side of that coin is that 31% of SMEs believe that management is unaware of this problem, but 47% of large organisations share that opinion.

More information can be found in Table 4 in the Appendix.

Almost a third (32%) of our survey respondents believe that some of their employees face in-work poverty, but as might be expected, there is considerable variation between different sectors. Although only 26% of respondents from the private services sector believe that this is an issue for their organisation, Figure 2 indicates that among the retail, hospitality, catering, leisure, and cleaning subsector, that figure rises to 39% – many of whom 'strongly agree' that this is an issue. By contrast, the equivalent figure among the legal, financial and technology and other professional services subsector is 19%.

The CIPD survey of employees finds that while 68% of them feel in control of their finances, this percentage is lower for those employed in the wholesale and retail (63%) and hotels and restaurant (60%) sectors. Similarly, when asked if their pay was enough to support an acceptable standard of living, without having to go into debt to pay for food and bills, 76% said it was; this percentage was lower for those working in the wholesale and retail (68%) and hotels and restaurant (71%) sectors.

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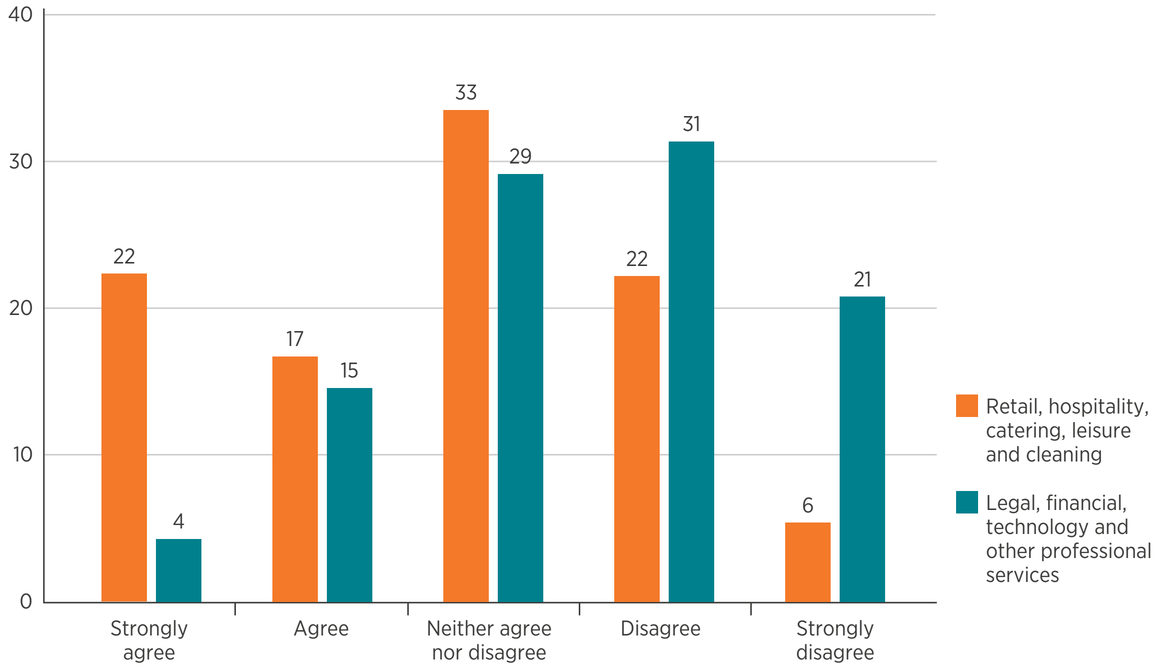
Figure 2: Do private services sector firms agree that their employees face in-work poverty? (%)



Base: n=66.

It seems that there is a greater problem among large organisations, where 43% believe that their employees may be facing poverty, as opposed to 23% of SMEs. This might be because many firms in the retail, hospitality, catering, leisure, and cleaning subsector are large.

Those organisations that report being ‘a lot worse off’ financially since the beginning of 2020 are more likely to agree that in-work poverty is a problem (44%). However, this is not universal, and 27% of organisations that report being ‘a lot better off’ financially also say that in-work poverty is an issue for some employees. As these employers have weathered the economic crisis, hopefully they will at some point be able to share this financial success with their employees.

Our survey indicates that senior managers are more likely to be conscious of in-work poverty (49%) if respondents believe that it is something faced by some employees in their organisation. However, even in these workplaces, a large minority of respondents (37%) disagree that their senior managers are aware of this challenge.

While respondents from the retail, hospitality, catering, leisure, and cleaning subsector were most likely to say (39%) that they thought in-work poverty was an issue faced by some of their employees, they were also the least likely to say (11%) that they thought that this was an issue of which senior management was aware.

More information can be found in Table 5 in the Appendix.

External stakeholders’ role very limited

Very few respondents (6%) ‘strongly agree’ that external stakeholders, such as customers or investors, care about in-work poverty. This figure drops to zero among manufacturing and production organisations. Across the board, the most common response is to ‘neither agree nor disagree’ (43%), suggesting that either stakeholders are not concerned about this issue, or if they are, they are not doing a particularly good job of making employers aware of their concerns. By contrast, just 34% either ‘agree’ or ‘strongly agree’, while only 23% either ‘disagree’ or ‘strongly disagree’.

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It is only within the retail, hospitality, catering, leisure, and cleaning subsector where respondents are more likely to 'agree' or 'strongly agree' that their external stakeholders care about this issue (45%) than to 'neither agree nor disagree' (28%).

This finding might reflect the increased awareness of the crucial role played by front-line and key workers during the pandemic in that industry. However, a further 28% of employers in this sector also think that their external stakeholders don't care.

Overall, these findings seem stark when set against work from the Joseph Rowntree Foundation, which makes plain:

> *'Everyone has a role to play in solving UK poverty. Investors have the power to drive change in business practices to move away from poor quality and precarious jobs to progressive workforce practices. This would form the basis of a more productive UK plc, and stop the rising tide of in-work poverty.'*

So far, our findings suggest that this message from late 2018 has yet to get across either to most firms or to their investors.

More information can be found in Table 6 in the Appendix.

Just under half of respondents can spot the signs of in-work poverty
The subtle signs of in-work poverty can be identified by 48% of our respondents. Although those from the manufacturing and production sector are a bit more likely than others to respond positively (53%), the figure remains broadly similar across the board.

There is a consistent trend for respondents from larger organisations to recognise such signs, ranging from 46% among SMEs up to 58% among the very large. Those organisations that have suffered most financially since the start of 2020 are slightly more aware of the signs (53%), as are those employers that report their staff have suffered financially over this period (59%), but this tendency is not pronounced. Image 1 shows that the indicators most mentioned are performance and lateness.

More information can be found in Table 7 in the Appendix.

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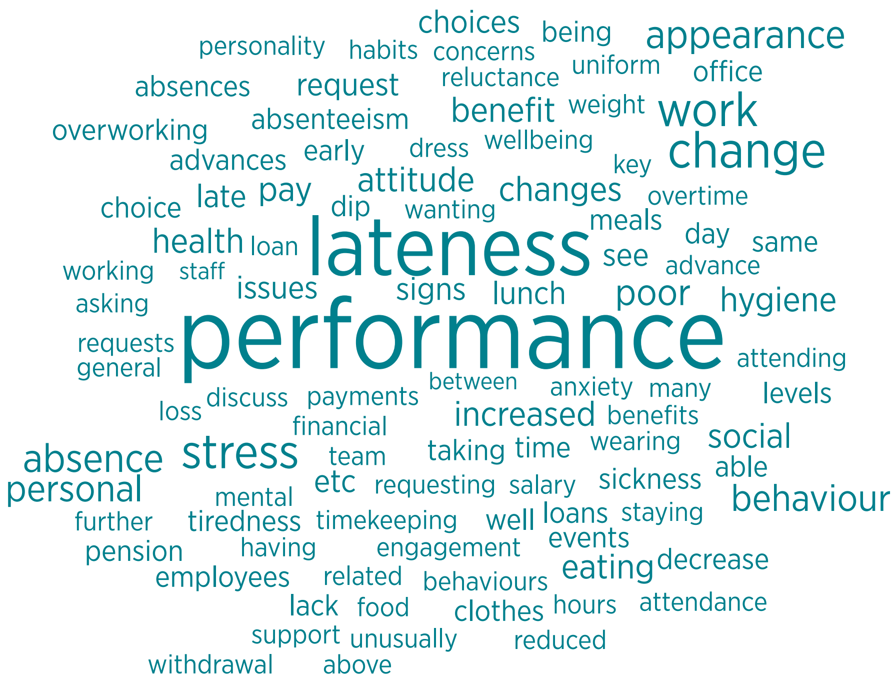
Image 1: Respondents' opinions on the signs of in-work poverty



Good level of benefits and generous pension scheme

Figure 1 (on page 7) shows that over 60% of respondents agree their organisation offers a good level of benefits and a generous pension scheme, with 17% disagreeing. Those in the public sector are most likely to agree (73%), closely followed by the manufacturing and production sector at 70%. A lower figure of 57% in the private services sector masks an even lower figure in the retail, hospitality, catering, leisure, and cleaning subsector (44%). In addition, this sector is most likely to disagree that the employer offers a good level of benefits and a generous pension scheme (22%) compared with the overall figure (of 17%).

When it comes to workplace pensions, our section on career and wellbeing benefits finds 62% of employers contribute at least 6% of employee pay to a workplace pension scheme; 34% have a contribution-matching plan, whereby if an employee contributes more to their pension pot the organisation will also increase its contribution for that employee; and 17% have an auto-escalation plan, where the level of an employee's pension contribution rises at regular intervals on a set date until an agreed rate is reached, the increase often being linked to a pay rise. These tend to be provided to all staff rather than being dependent on such factors as location, grade, job, and so on.

More information can be found in Table 8 in the Appendix.

For 83% of respondents in our survey of employees, being able to save for the future was an important aspect of financial wellbeing. However, only 47% agreed that their pay is enough to help them save for retirement. Similarly, while only 40% think that their employer offers a generous pension scheme, this proportion falls to 22% for those employed in hotels and restaurants, and 34% for those working in wholesale and retail.

Patchy financial wellbeing support – 29% rate it as good or excellent

In terms of financial wellbeing benefits, our section on career and wellbeing benefits shows:

- 57% now provide debt advice/counselling
- 47% alert staff to financial scams

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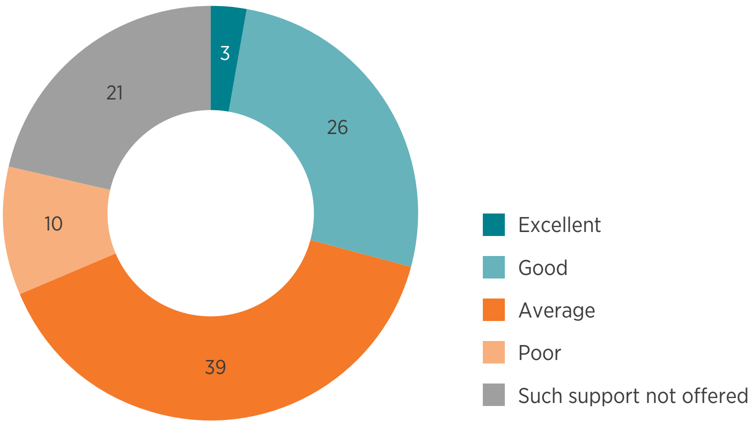
- 41% offer staff access to free financial education, guidance, or advice
- 46% offer discounted shopping
- 45% offer discounted leisure and hospitality
- 41% offer discounted insurance
- 20% offer interest-free welfare loans for financial hardship
- 14% provide earned pay access.

These perks are more likely to be offered to all staff, instead of some.

However, despite the wide range of financial wellbeing benefits being provided by employers, and that most in our sample offer a minimum wage that matches or exceeds the real Living Wage, Figure 3 indicates that just 3% of respondents to the *Reward Management* survey believe their organisation's support is 'excellent', while a further 26% rate it as 'good'.

Figure 3: How would you rate the financial wellbeing support offered by your organisation? (%)



Base: n=207.

Instead, most (39%) rate their offering as simply 'average' while 10% rate it as 'poor'. One in five (21%) said that their employer does not offer any support.

Our survey of employees finds that most said their employer had either a positive impact (33%) or very positive impact (20%) on their financial wellbeing, though the low paid are less likely to say this. For example, just 33% of those earning between £10,000 and £14,999 think their employer had a positive or very positive impact on their financial wellbeing, while only 36% of those earning between £15,000 and £19,999 said the same. By contrast, 71% of those earning more than £150,000 think their employer is having a positive (31%) or very positive (40%) impact.

Those covered by a financial wellbeing policy were seven times more likely to report a positive impact compared with those who were not covered by such a policy. Of those employees who reported that their main employer had a financial wellbeing policy, just 2% went on to say that their employer had a negative impact on their financial wellbeing. By contrast, among those workers who said that their main employer did not have such a policy, 14% said it had a negative impact on their financial wellbeing.

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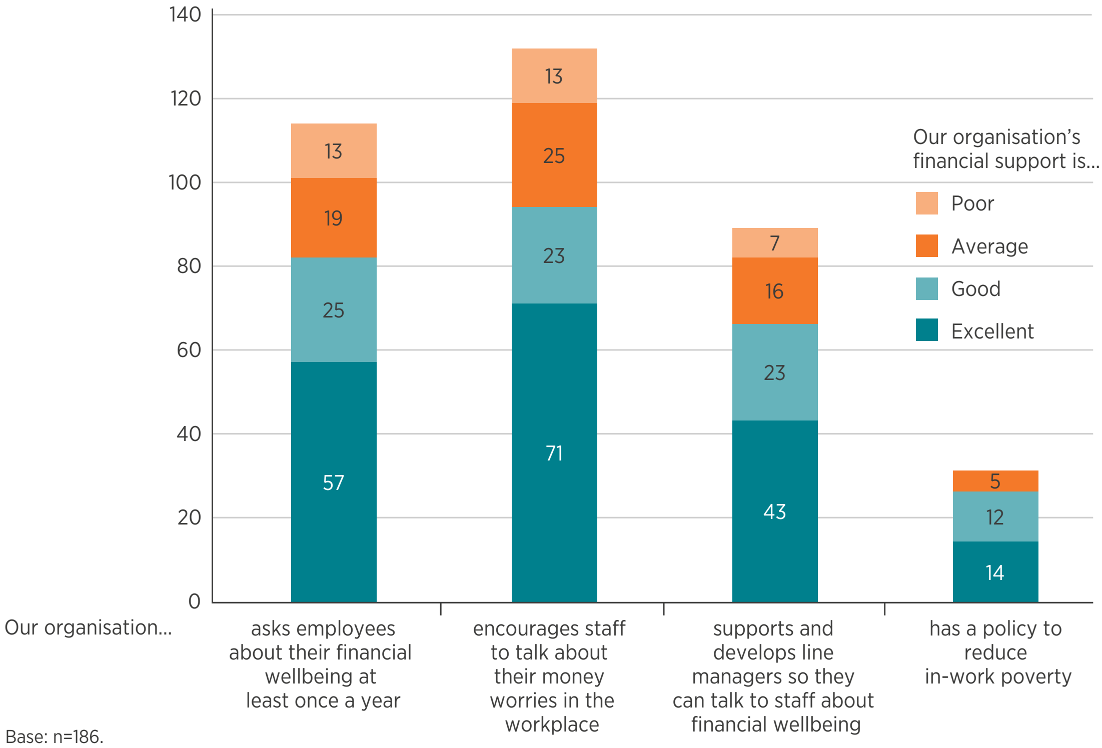
Figure 4 indicates that respondents who assess their financial wellbeing support as either 'excellent' or 'good' are overall more likely to ask employees about their financial wellbeing at least once a year; encourage staff to talk about their money worries in the workplace; support and develop line managers so that they can talk to staff about financial wellbeing; and have a policy to reduce in-work poverty. For example, 57% of organisations seen as offering 'excellent' support ask staff about their financial wellbeing at least once a year, compared with only 13% of those seen as 'poor'. Similarly, while 71% of 'excellent' organisations encourage staff to talk about money worries, just 13% of those assessed as 'poor' do the same.

Figure 4: Organisations' assessment of financial support compared with specific actions (%)



Base: n=186.

Although the responses across the different sectors are broadly similar, it is notable that not one respondent from the voluntary sector or the retail, hospitality, catering, leisure, and cleaning subsector has rated their support as 'excellent'.

While public sector organisations are most likely to report that they offer such support (88%), they are also more likely to rate the support as 'poor' (15%). Respondents from the manufacturing sector (15%) and the retail, hospitality, catering, leisure, and cleaning subsector (18%) are also likely to rate the service as 'poor'.

Firms in the legal, financial, technology and other professional services are currently most likely to admit that they don't provide any financial wellbeing support (27%) to their staff. However, it is unlikely that no financial wellbeing support is being given by any employer. For example, they must pay their employees, or enrol them in a pension scheme if they earn enough. As such, it's more likely that these employers consider that they offer passive support rather than active support, such as encouraging staff to be open about their money worries or testing their understanding of the pay and benefits on offer. As such, this overall level of support is probably 'poor' rather than non-existent.

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Among SMEs, 26% say they do not offer this support, compared with 14% of large organisations. Of those who do provide financial wellbeing support, rating levels are broadly similar in different-sized organisations.

More information can be found in Table 9 in the Appendix.

Demand for financial wellbeing support on the rise

Given the financial impact of the pandemic and the increase in the cost of living, 33% of respondents report that demand from their employees for financial wellbeing support has risen, though in most cases this increase is judged 'moderate' (29%) rather than 'significant' (4%). By contrast, 66% report 'no change'. Only one respondent felt that employee demand for support had fallen 'significantly', and only one thought it had fallen 'moderately'.

This 'moderate' rise in demand is most likely to be seen among manufacturing and production organisations (39%). Smaller organisations are less likely to see such a rise, with 29% of SMEs reporting some increase, and 37% of large organisations doing so.

It is perhaps inevitable that the greatest increase in 'significant' demand is seen by organisations which see themselves (13%) and their staff (19%) as 'a lot worse off'. It is possible that if we were to ask the same question again in March 2022, more employers would report an increase in demand for financial wellbeing support.

More information can be found in Table 10 in the Appendix.

Half think employees are now worse off

Almost half of respondents (49%) think their employees' financial wellbeing has worsened since the start of 2020, with 6% of respondents believing their staff are 'a lot worse off' and a further 43% considering them to be a 'little worse off'. This is backed up by our survey of employees, which finds that 29% report they are worse off, especially those that earn less than £20,000 a year (36%), are on in-work benefits (37%), have a disability (40%) or are divorced (40%); this is driven mostly by an increase in living costs.

Employers in the public sector or retail, hospitality, catering, leisure, and cleaning subsector are twice as likely as average to report staff being 'a lot worse off' (12%). They are also much more likely than others to report people being 'a little worse off' (56% and 53% respectively). Our employee survey finds that 35% of those working in the public sector are now worse off in terms of their financial wellbeing, while 32% of those in wholesale and retail and 35% in hotels and restaurants report the same.

A sizeable minority of those in the private services sector are deemed to be better off (23%), a considerably higher figure than any other sector. Figure 5 shows how this differs between the retail, hospitality, catering, leisure, and cleaning subsector and the legal, financial, technology and other professional services subsector. Our survey of employees also shows that 25% of private sector workers claim that their financial wellbeing has improved since January 2020, though it also finds 28% of them reporting that it is now worse.

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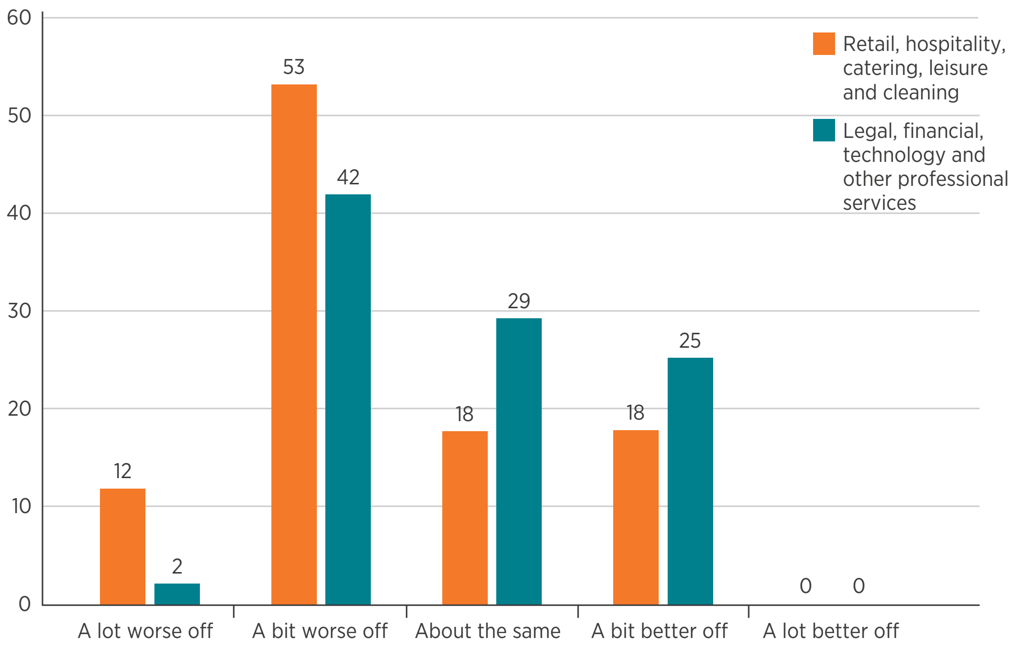
Figure 5: How employees' financial wellbeing changed in private services sector (%)



Base: n=119.

An organisation's own financial situation has a strong bearing on that of its staff. Among organisations that report being 'a lot worse off', 74% of their staff are also seen as worse off to a greater or lesser extent. The figure is 57% among organisations 'a little worse off'.

More information can be found in Table 11 in the Appendix.

Conclusion and recommendations

Our research shows that, for a significant proportion of the workforce, work isn't living up to its promise of protecting people from in-work poverty and supporting good financial wellbeing. While it's unfair to blame employers for this entirely, it's clear that there's more they could do to support their workforces. That's why in February 2022 the CIPD launched its in-work poverty hub, with the support of the Joseph Rowntree Foundation. Our hub focuses on three areas where people professionals can help make a difference. We recommend that organisations:

- **Pay a fair and living wage.** By this we mean a wage that gives employees a chance to lead a dignified life, with access to the opportunities and choices needed to participate fully in society. Processes and outcomes connected to pay decisions should also be regularly assessed and reviewed by reward and people professionals to ensure these pay decisions are fair and don't disadvantage or discriminate against a particular group.
- **Provide financial wellbeing benefits,** which can include employee benefits that help incomes go further, signposting relevant financial advice and guidance, and creating a safe place to talk about money worries. Employers who can dedicate more resources could consider a financial education programme that targets interventions at key moments in working lives – for example, ahead of maternity leave, the purchase of a new home, or preparing for retirement.

- **Take steps to improve in-work progression.** This doesn't just happen naturally – people need a clear path to follow, access to the right training and a supportive line manager. Employers therefore need to promote a culture of lifelong learning and show people of all ages and stages of their careers a clear path to progression if they want it. They also need to invest in targeted training and development to help people fulfil their potential. They should put in place a clear pay structure and ensure everyone in your organisation (particularly those in the lowest-paid roles) knows what they need to do if they want to take on higher-paid roles.

The good news is that many organisations already see the need to do something, and most are already doing lots of things to support financial wellbeing. We recommend HR teams help their employers assess what is already being done to promote workplace financial wellbeing and bring this together so that it supports the organisation's business and wellbeing strategies. The assessment can also be used to show where the gaps in support exist, how they can be filled, and by when.

During the pandemic, many employers intervened to protect the physical and mental wellbeing of their employees. Considering the current cost-of-living crisis, employers need to demonstrate as much energy and creativity in helping to protect the financial wellbeing of their people.

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Appendix

Table 1: Employers have a responsibility to provide a fair and liveable income (%)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
All	65	31	3	1	0
By sector					
Manufacturing and production	81	9	6	3	0
Private services sector, of which:	63	34	3	0	0
Retail, hospitality, catering, leisure and cleaning	50	44	6	0	0
Legal, financial, technology and other professional services	60	35	4	0	0
Other private sector	69	30	2	0	0
Public sector	62	35	0	4	0
Voluntary, community and not-for-profit	59	38	0	0	3
By size					
SME (<250)	68	27	4	1	1
Large (250–9,999)	56	41	2	2	0
Very large (10,000+)	73	27	0	0	0
Organisation's financial situation compared with start of 2020					
A lot worse off	59	29	6	3	3
A bit worse off	62	38	0	0	0
About the same	76	22	2	0	0
A bit better off	54	39	5	2	0
A lot better off	74	26	0	0	0
Employees' financial situation compared with start of 2020					
A lot worse off	35	47	6	6	6
A bit worse off	65	34	2	0	0
About the same	69	27	3	1	0
A bit better off	67	28	5	0	0
A lot better off	71	29	0	0	0

Base: n=207.

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Table 2: Employers have a responsibility to support in-work progression, to help people increase their earning potential (%)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
All	44	43	11	1	0
By sector					
Manufacturing and production	48	36	15	0	0
Private services sector, of which:	45	43	9	3	0
Retail, hospitality, catering, leisure and cleaning	33	56	6	6	0
Legal, financial, technology and other professional services	44	50	6	0	0
Other private sector	50	33	13	4	0
Public sector	38	54	8	0	0
Voluntary, community and not-for-profit	41	41	17	0	0
By size					
SME (<250)	45	39	14	2	0
Large (250–9,999)	38	56	6	0	0
Very large (10,000+)	67	25	0	8	0
Organisation's financial situation compared with start of 2020					
A lot worse off	29	59	12	0	0
A bit worse off	51	41	5	3	0
About the same	52	32	13	3	0
A bit better off	46	44	11	0	0
A lot better off	32	53	16	0	0
Employees' financial situation compared with start of 2020					
A lot worse off	18	71	12	0	0
A bit worse off	44	48	8	0	0
About the same	46	38	13	4	0
A bit better off	52	36	12	0	0
A lot better off	43	43	14	0	0

Base: n=208.

Table 3: Employers have a responsibility to support financial wellbeing by offering and signposting relevant employee benefits and financial education resources (%)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
All	28	43	22	6	2
By sector					
Manufacturing and production	30	45	18	3	3
Private services sector, of which:	27	36	27	8	2
Retail, hospitality, catering, leisure and cleaning	22	33	39	6	0
Legal, financial, technology and other professional services	23	38	25	15	0
Other private sector	33	35	25	4	4
Public sector	23	58	12	4	4
Voluntary, community and not-for-profit	31	55	14	0	0
By size					
SME (<250)	28	41	23	5	2
Large (250–9,999)	23	47	22	6	2
Very large (10,000+)	50	33	8	8	0
Organisation's financial situation compared with start of 2020					
A lot worse off	24	41	26	6	3
A bit worse off	27	46	22	5	0
About the same	34	44	18	3	0
A bit better off	28	39	26	5	2
A lot better off	16	42	16	16	11
Employees' financial situation compared with start of 2020					
A lot worse off	12	47	29	12	0
A bit worse off	29	50	19	2	0
About the same	28	39	23	9	3
A bit better off	33	37	21	5	5
A lot better off	29	43	29	0	0

Base: n=209.

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Table 4: The issue of in-work poverty is something of which senior management is aware (%)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
All	7	21	35	27	9
By sector					
Manufacturing and production	9	18	33	33	6
Private services sector, of which:	8	21	38	24	9
Retail, hospitality, catering, leisure and cleaning	0	11	28	50	11
Legal, financial, technology and other professional services	4	31	44	13	8
Other private sector	13	15	36	26	9
Public sector	4	12	42	35	8
Voluntary, community and not-for-profit	7	34	21	24	14
By size					
SME (<250)	8	23	37	19	12
Large (250–9,999)	6	20	27	44	3
Very large (10,000+)	0	8	58	25	8
Organisation's financial situation compared with start of 2020					
A lot worse off	0	35	32	29	3
A bit worse off	3	24	35	30	8
About the same	10	19	32	29	10
A bit better off	12	12	35	26	14
A lot better off	5	21	53	16	5
Employees' financial situation compared with start of 2020					
A lot worse off	6	29	24	35	6
A bit worse off	3	25	33	31	8
About the same	10	20	33	25	13
A bit better off	10	19	43	24	5
A lot better off	0	0	71	14	14

Base: n=207.

Table 5: In-work poverty is an issue faced by some of our employees (%)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
All	8	24	32	24	13
By sector					
Manufacturing and production	6	33	30	18	12
Private services sector, of which:	8	18	29	29	16
Retail, hospitality, catering, leisure and cleaning	22	17	33	22	6
Legal, financial, technology and other professional services	4	15	29	31	21
Other private sector	8	23	26	28	15
Public sector	12	23	50	12	4
Voluntary, community and not-for-profit	3	34	31	24	7
By size					
SME (<250)	2	21	34	27	16
Large (250–9,999)	14	29	29	21	8
Very large (10,000+)	33	25	25	17	0
Organisation's financial situation compared with start of 2020					
A lot worse off	6	38	26	18	12
A bit worse off	6	17	33	31	14
About the same	10	18	33	27	12
A bit better off	7	26	37	23	7
A lot better off	11	16	21	21	32
Employees' financial situation compared with start of 2020					
A lot worse off	6	29	47	18	0
A bit worse off	13	25	30	18	15
About the same	6	23	34	26	11
A bit better off	5	21	19	36	19
A lot better off	0	29	71	0	0

Base: n=207.

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Table 6: In-work poverty is an issue that our external stakeholders care about (%)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
All	6	28	43	15	8
By sector					
Manufacturing and production	0	21	52	18	9
Private services sector, of which:	8	28	41	14	10
Retail, hospitality, catering, leisure and cleaning	6	39	28	22	6
Legal, financial, technology and other professional services	4	33	46	10	6
Other private sector	11	19	41	15	15
Public sector	4	31	46	15	4
Voluntary, community and not-for-profit	7	34	41	14	3
By size					
SME (<250)	6	24	46	14	9
Large (250–9,999)	6	33	38	16	8
Very large (10,000+)	0	42	42	17	0
Organisation's financial situation compared with start of 2020					
A lot worse off	9	35	29	24	3
A bit worse off	0	27	51	19	3
About the same	12	23	40	13	12
A bit better off	2	25	49	14	11
A lot better off	5	37	47	0	11
Employees' financial situation compared with start of 2020					
A lot worse off	6	24	41	29	0
A bit worse off	6	34	37	16	6
About the same	9	21	48	15	8
A bit better off	0	38	36	10	17
A lot better off	0	0	100	0	0

Base: n=208.

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Table 7: Do you know how to spot the subtle signs that an employee might be living in poverty? (%)

	Yes	No
All	48	52
By sector		
Manufacturing and production	53	47
Private services sector, of which:	47	53
Retail, hospitality, catering, leisure and cleaning	44	56
Legal, financial, technology and other professional services	46	54
Other private sector	49	51
Public sector	46	54
Voluntary, community and not-for-profit	48	52
By size		
SME (<250)	46	54
Large (250–9,999)	50	50
Very large (10,000+)	58	42
Organisation's financial situation compared with start of 2020		
A lot worse off	53	47
A bit worse off	49	51
About the same	47	53
A bit better off	46	54
A lot better off	47	53
Employees' financial situation compared with start of 2020		
A lot worse off	59	41
A bit worse off	46	54
About the same	43	58
A bit better off	63	37
A lot better off	14	86

Base: n=210.

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Table 8: Employees at my organisation have a good level of employment benefits and a generous pension scheme (%)

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
All	21	41	22	9	8
By sector					
Manufacturing and production	27	42	9	12	9
Private services sector, of which:	19	38	27	8	8
Retail, hospitality, catering, leisure and cleaning	6	39	33	17	6
Legal, financial, technology and other professional services	19	42	23	6	10
Other private sector	24	33	28	7	7
Public sector	23	50	12	12	4
Voluntary, community and not-for-profit	17	45	24	7	7
By size					
SME (<250)	20	39	22	8	10
Large (250–9,999)	16	50	22	9	3
Very large (10,000+)	50	8	17	17	8
Organisation's financial situation compared with start of 2020					
A lot worse off	15	32	32	9	12
A bit worse off	16	51	11	16	5
About the same	22	40	22	10	7
A bit better off	25	44	19	5	7
A lot better off	26	26	32	5	11
Employees' financial situation compared with start of 2020					
A lot worse off	6	35	29	12	18
A bit worse off	16	53	15	8	8
About the same	21	34	24	13	9
A bit better off	33	43	24	0	0
A lot better off	14	14	29	29	14

Base: n=208.

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Table 9: How would you rate the financial wellbeing support offered by your organisation? (%)

	Excellent	Good	Average	Poor	Such support not offered
All	3	26	39	10	21
By sector					
Manufacturing and production	6	21	39	15	18
Private services sector, of which:	3	29	35	8	24
Retail, hospitality, catering, leisure and cleaning	0	24	35	18	24
Legal, financial, technology and other professional services	4	33	29	6	27
Other private sector	4	26	41	7	22
Public sector	4	23	46	15	12
Voluntary, community and not-for-profit	0	24	48	7	21
By size					
SME (<250)	3	24	41	6	26
Large (250–9,999)	3	31	34	17	14
Very large (10,000+)	8	25	42	17	8
Organisation's financial situation compared with start of 2020					
A lot worse off	0	24	26	18	32
A bit worse off	5	32	35	16	11
About the same	5	20	47	5	23
A bit better off	4	36	30	7	23
A lot better off	0	5	74	11	11
Employees' financial situation compared with start of 2020					
A lot worse off	0	29	6	12	53
A bit worse off	2	27	48	10	13
About the same	5	19	39	13	25
A bit better off	5	39	39	7	10
A lot better off	0	14	43	0	43

Base: n=207.

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Table 10: Compared with the start of 2020, how has demand for financial wellbeing support from your organisation's employees changed? (%)

	Increased significantly	Increased moderately	No change	Fallen moderately	Fallen significantly
All	4	29	66	0	0
By sector					
Manufacturing and production	3	39	55	3	0
Private services sector, of which:	4	24	72	0	0
Retail, hospitality, catering, leisure and cleaning	6	29	65	0	0
Legal, financial, technology and other professional services	2	23	75	0	0
Other private sector	6	24	71	0	0
Public sector	4	35	58	0	4
Voluntary, community and not-for-profit	3	31	66	0	0
By size					
SME (<250)	3	26	71	0	0
Large (250–9,999)	5	32	63	0	0
Very large (10,000+)	8	42	33	8	8
Organisation's financial situation compared with start of 2020					
A lot worse off	13	16	72	0	0
A bit worse off	5	22	70	3	0
About the same	3	31	64	0	2
A bit better off	0	41	59	0	0
A lot better off	0	21	79	0	0
Employees' financial situation compared with start of 2020					
A lot worse off	19	13	69	0	0
A bit worse off	8	33	56	2	2
About the same	0	24	76	0	0
A bit better off	0	36	64	0	0
A lot better off	0	43	57	0	0

Base: n=204.

Table 11: Compared with the start of 2020, how do you think your employees' financial wellbeing may have changed? (%)

	A lot worse off	A bit worse off	About the same	A bit better off	A lot better off	Don't know
All	6	43	30	16	2	3
By sector						
Manufacturing and production	6	41	32	9	6	6
Private services sector, of which:	5	40	29	21	2	3
Retail, hospitality, catering, leisure and cleaning	12	53	18	18	0	0
Legal, financial, technology and other professional services	2	42	29	25	0	2
Other private sector	6	35	33	19	4	4
Public sector	12	56	28	4	0	0
Voluntary, community and not-for-profit	3	45	31	14	0	7
By size						
SME (<250)	2	41	33	18	2	5
Large (250–9,999)	13	44	28	13	3	0
Very large (10,000+)	8	58	8	17	0	8
Organisation's financial situation compared with start of 2020						
A lot worse off	18	56	18	6	0	3
A bit worse off	3	54	35	8	0	0
About the same	7	34	33	16	3	7
A bit better off	2	42	31	20	2	4
A lot better off	0	32	32	37	0	0

Base: n=207.

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7 Background to the research

The CIPD *Reward Management* survey took place in October 2021, with 280 reward professionals responding from across the private (70%), public (15%) and voluntary (15%) sectors.

Within the private sector, 15% of respondents were manufacturing and production firms, and 55% were private services sector employers. Within the private services sector, 10% were retail, hospitality, catering, leisure, cleaning firms; 22% were legal, financial, technology and other professional services companies; and 23% were 'other' private sector service businesses.

By employer size, 60% were small and medium-sized organisations (employing fewer than 250 people); 35% were large employers (250 to 9,999); and 5% were very large employers (with 10,000 or more workers).

By pay, 45% of employers reported that none of their workers were on the National Living Wage, while 22% reported that most or all of them were. A further 28% said that a minority of workers were on this rate, and 5% said that around half were.

Since the start of 2020, 14% of respondents say their *employer* is a lot worse off financially, while 18% say they're a bit worse off. By contrast, 9% say their employer is a lot better off, with 27% saying they're a bit better off. The rest (31%) say it's about the same.

As for their *employees*, 7% of employers think their employees have become a lot worse off over this period, while 31% think they're a bit worse off. By contrast, 3% of employers think their employees are now a lot better off, while 21% think their staff are a bit better off. The rest (38%) think their employees are no worse off or better off financially.

In addition, the CIPD commissioned YouGov to survey UK employees about what they thought about their financial wellbeing, pay, and the employee benefits provided by their organisation. The survey was carried out between 22 December 2021 and 15 January 2022, with 2,557 people responding. A boost of low-income workers was included to achieve 609 employees with an annual gross personal income of up to £20,000. Some respondents (9%) had more than one employer, in which case they were asked to think about the organisation where they spent most of their time working when answering the survey questions. To ensure a representative sample, fieldwork quotas were set on gender, sector, work status, age, and region. The results have been weighted and are representative of UK employees.

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