

The Future of Financial Wellbeing Survey 2021

Building financial resilience in a post pandemic world

Gulf Cooperation Council (GCC)

December 2021

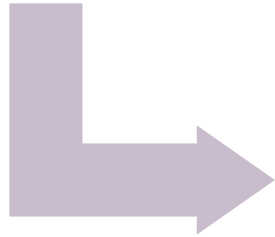


Financial Wellbeing

Why are we interested?

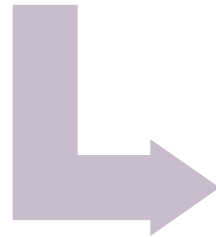
Employee situation

According to our Global Benefits Attitudes Survey in 2019, over 2 in 5 employees in the UAE were living pay cheque to pay cheque; employees with financial issues were more likely to live unhealthy lifestyles, report greater stress and absence and have lower work engagement.*



Employer action

In 2019, 7 in 10 employers were prioritizing the integration of wellbeing into overall benefits strategy, with 6 in 10 indicating that financial wellbeing was a focus for the next 3 years.**:



Financial Wellbeing initiatives

The pandemic has brought employee financial issues into sharp relief. Our survey aims to capture actual trends in the space of financial wellbeing.

Source:*2019 Global Benefits Attitudes Survey, United Arab Emirates. ** 2019 Benefits Trends Survey, United Arab Emirates

Summary of results

Organisations believe employees would value greater support and employees are supportive of an employer role. How can organisations best address employee needs?

1

Strategy

Organisations plan to enhance their financial wellbeing strategy as they believe that will enhance it's value proposition to employees.

2

Design and delivery

Organisations are expected to move quickly to develop their financial wellbeing strategy over the next two years, specially to address the challenge of retirement savings.

3

Decision support

In future, support for employees will be a broad mix of technology solutions via apps and human interaction via seminars, access to financial advisor. At-retirement support an emerging priority.

4

Funding

Organisations are willing to increase funding for financial wellbeing programmes. Also, allowing employees voluntary and flexible benefits is of interest. Reallocation from core benefits to other programmes also pertinent.

5

Measurement

Gaining employee insights and measuring the success of programmes is a focus for employers. Direct feedback, data analytics are emerging methods.

Source: The Future of Financial Wellbeing Survey 2021, GCC

Organisation's role in financial wellbeing

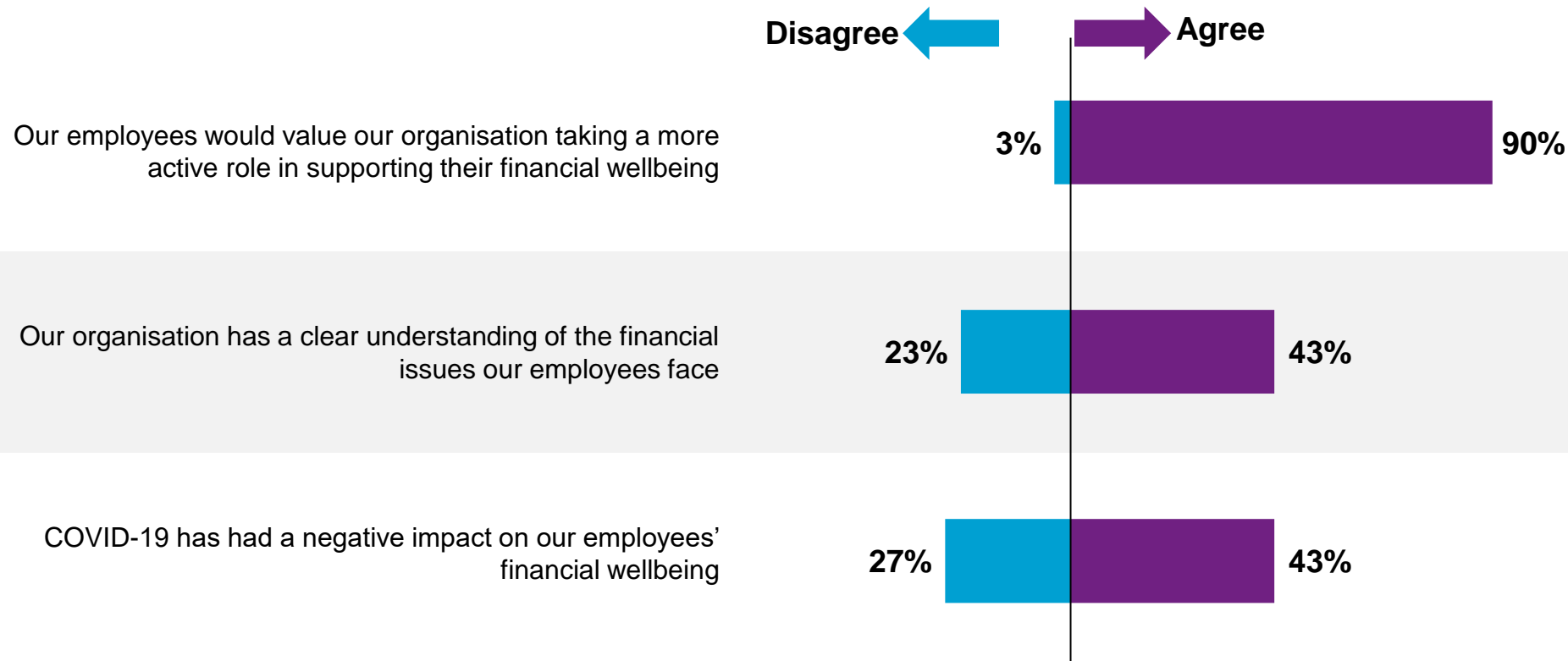


Organisations believe that employees would value active support

Employee finances have been negatively impacted by the pandemic

Employer view

To what extent do you disagree or agree with the following statements on financial wellbeing at your organisation?



Source: The Future of Financial Wellbeing Survey 2021, GCC

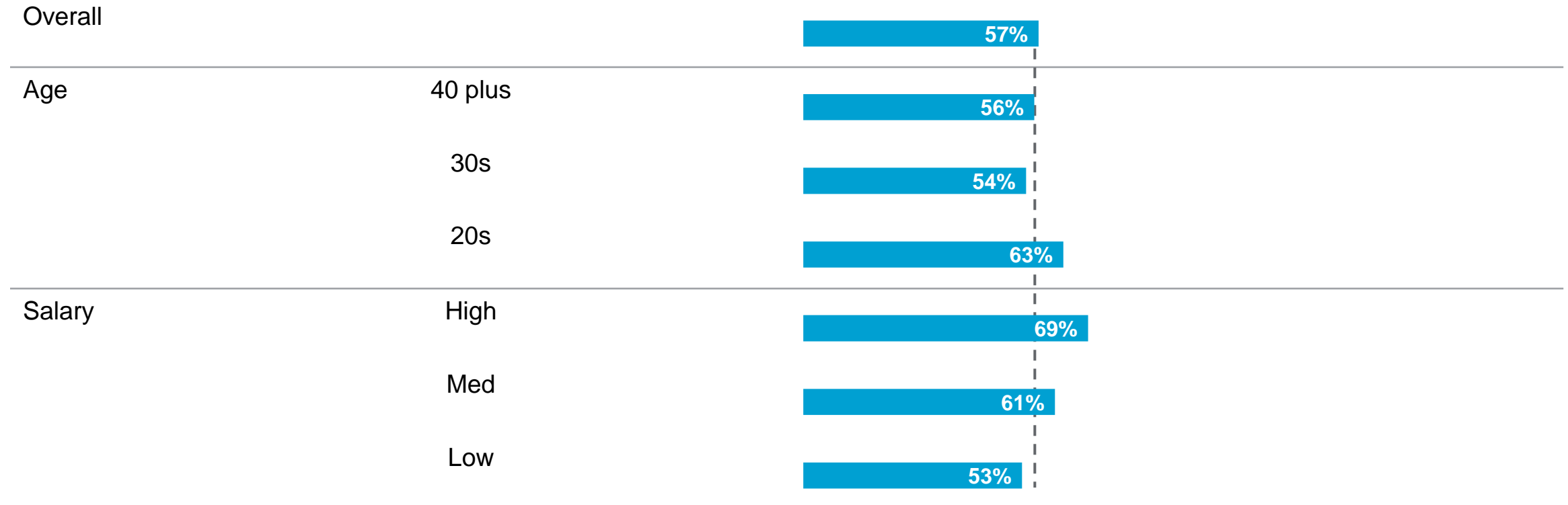
Financial wellbeing tools must nurture employee trust

Employees in their 20s would trust tools provided by employer; Low income group tend to trust less

Employee view

Trust

I would trust tools provided by my employer more than tools I can find online



Note: Percentages indicate 'Strongly Agree/Agree'.

Source: 2019 Global Benefits Attitudes Survey, United Arab Emirates

Financial Wellbeing – the organisation’s role

Key takeaways



Organisations believe employees value involvement in their financial wellbeing



Employees are willing to trust the employer in this area



The organisation’s reward and benefits package can play an important role

Why do organisations promote their involvement in Financial Wellbeing?



How can organisations improve the trust of employees?

What features does a successful programme include?

Source: The Future of Financial Wellbeing Survey 2021, GCC

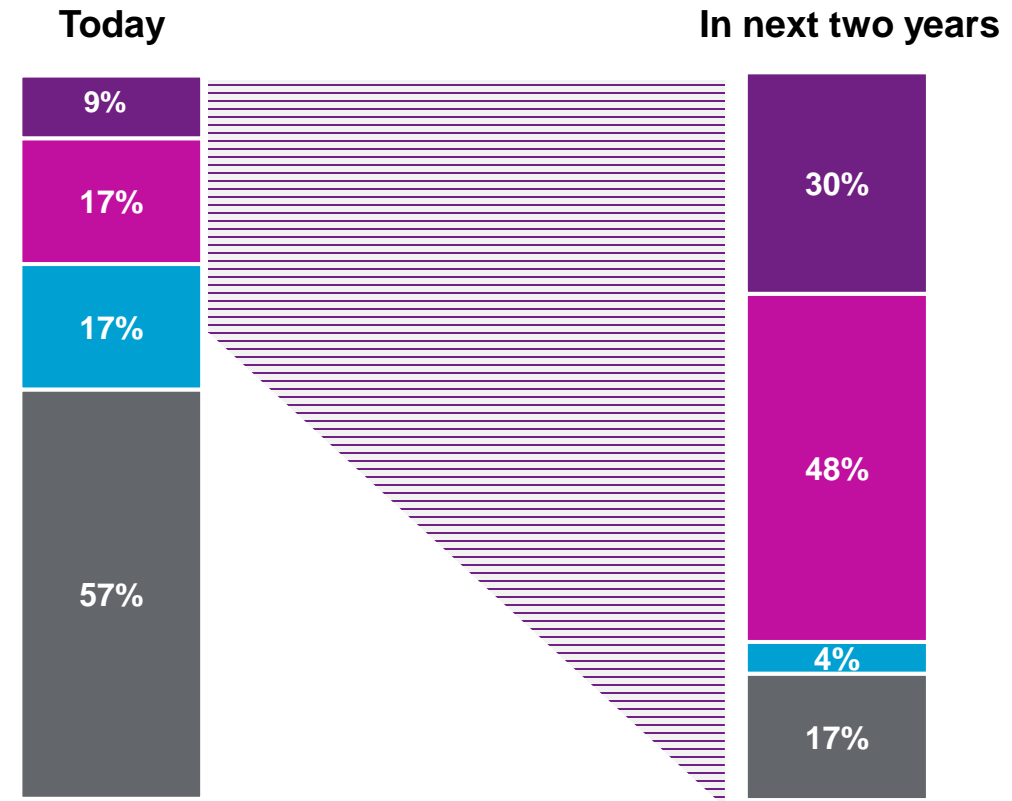
Strategy



Organisations plan to enhance their financial wellbeing strategy

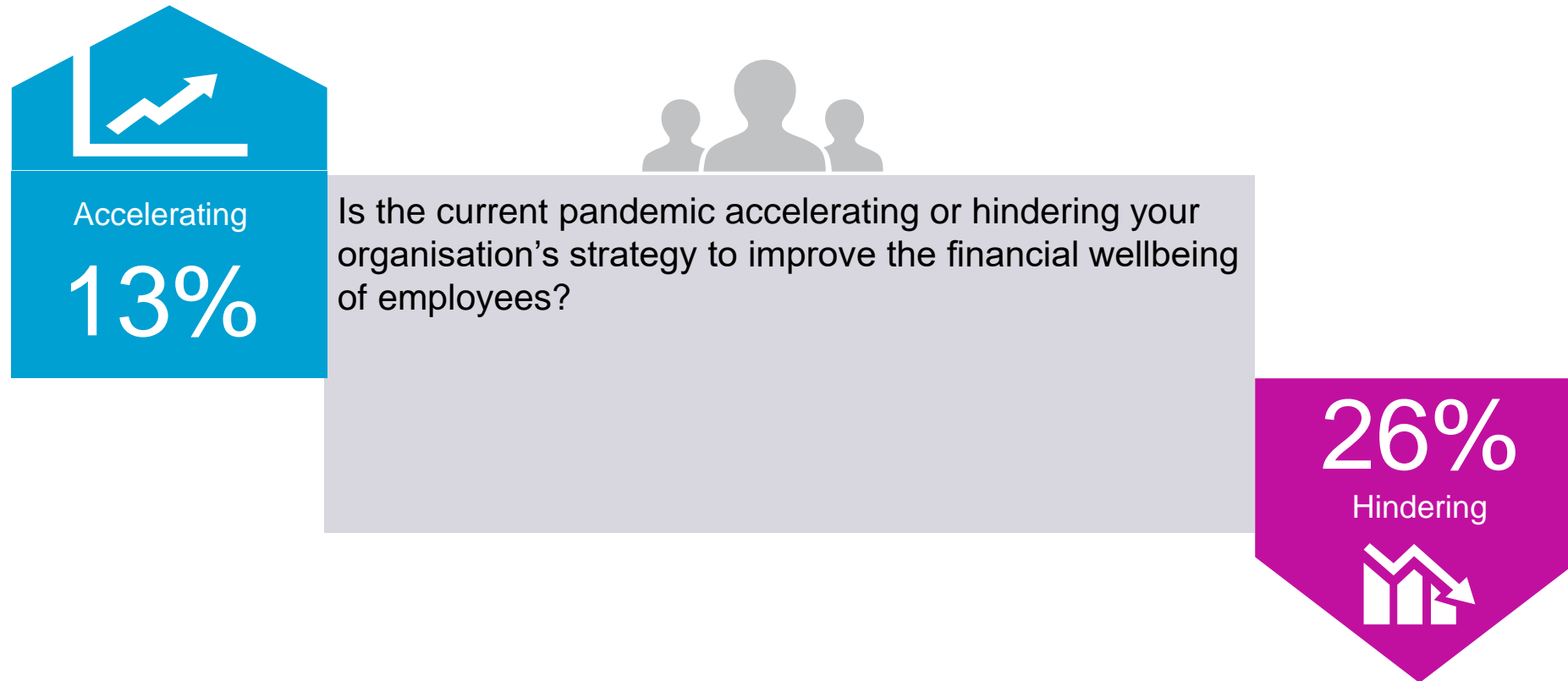
4 in 5 plan to adopt a strategy, communicate, deliver, and personalise

Which of the following are the biggest barriers to your organisation adopting broader financial wellbeing solutions in the future?



Note: Percentages may not add up 100% due to rounding
Source: The Future of Financial Wellbeing Survey 2021, GCC

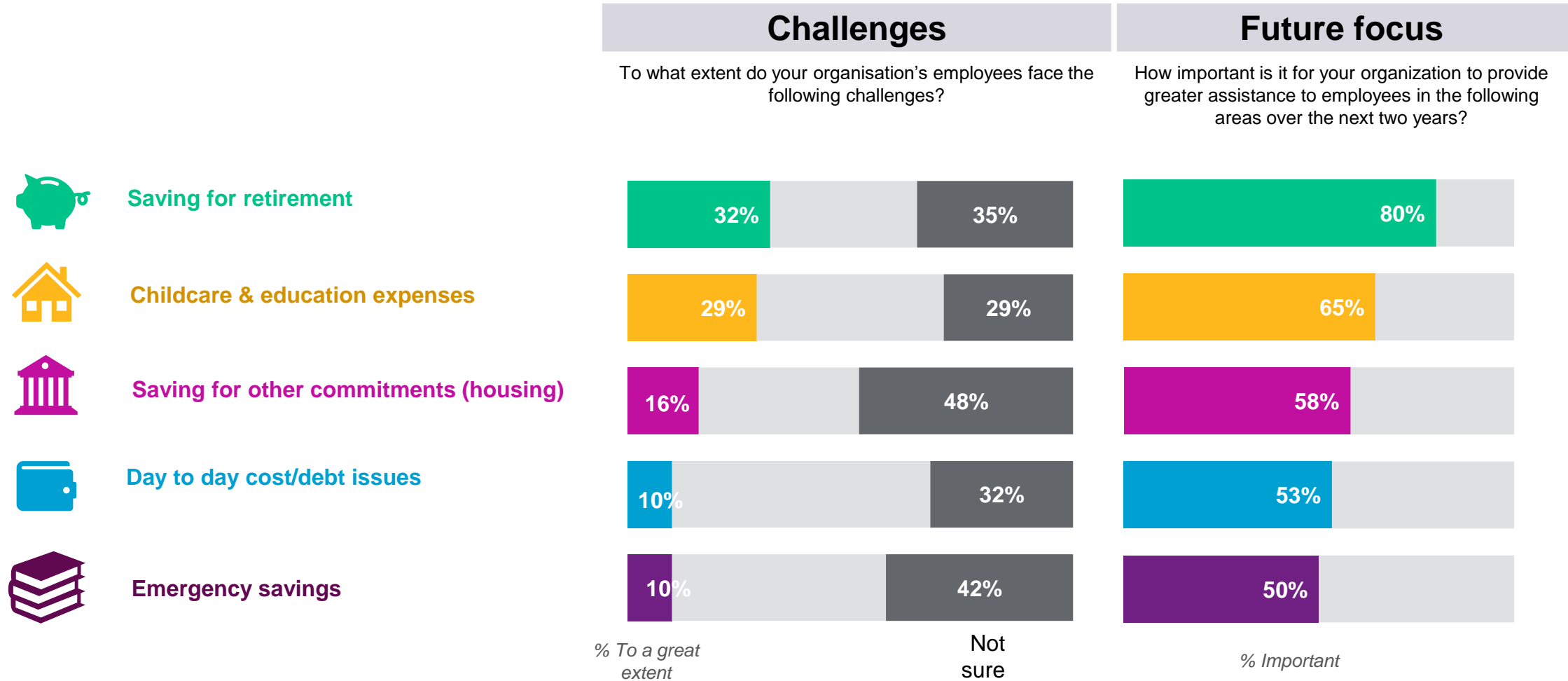
COVID-19 has hindered moves to tackle financial wellbeing



Source: The Future of Financial Wellbeing Survey 2021, GCC

Employers are not in tune with the issues employees face

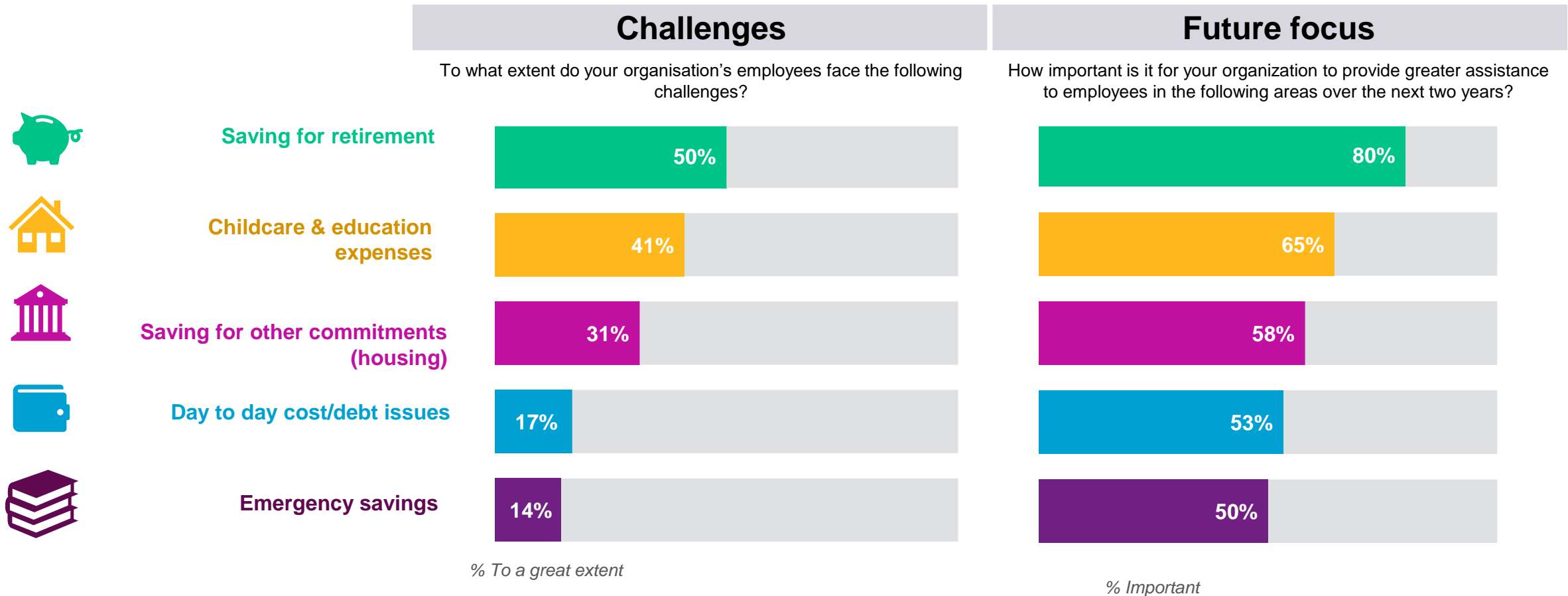
Retirement remains a priority; childcare and education also a top focus



Source: The Future of Financial Wellbeing Survey 2021, GCC

Employers looking to address issues employees face

Retirement remains a priority; childcare and education also a top focus

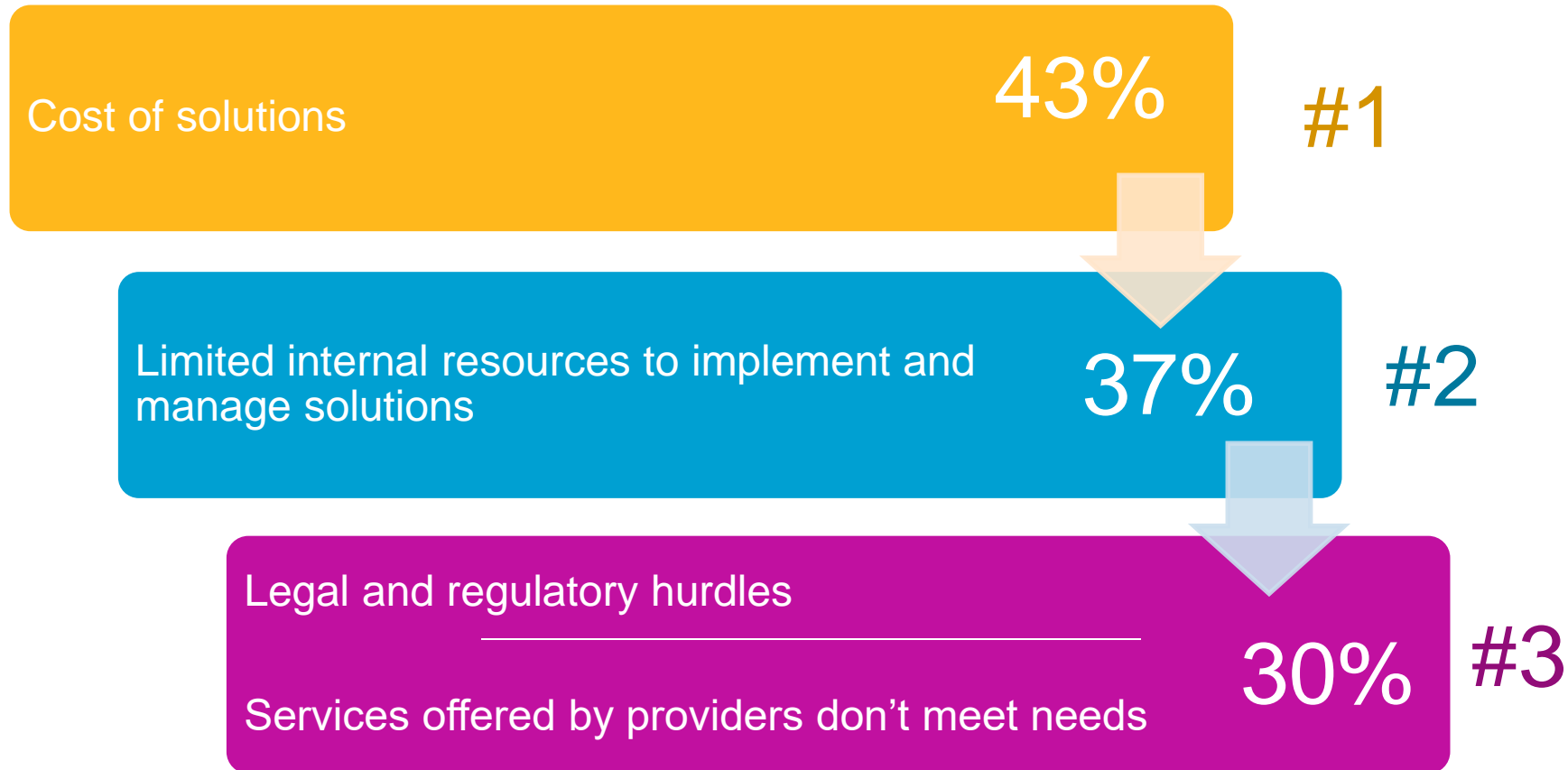


Note: "Not sure" was excluded

Source: The Future of Financial Wellbeing Survey 2021, GCC

Cost emerges as the top barrier to addressing financial wellbeing

Which of the following are the biggest barriers to your organisation adopting broader financial wellbeing solutions in the future? Please select up to three barriers.



Note: "Not sure" was excluded

Source: The Future of Financial Wellbeing Survey 2021, GCC

Cost emerges as the top barrier to addressing financial wellbeing

Which of the following are the biggest barriers to your organisation adopting broader financial wellbeing solutions in the future? Please select up to three barriers.

#1	Cost of solutions	43%
#2	Limited internal resources to implement and manage solutions	37%
#3	Legal and regulatory hurdles	30%
#4	Services offered by providers don't meet needs	30%
#5	Adds too much complexity to benefits choices	27%
#6	Unproven results or uncertain return on investments	23%
#7	Concerns and reputational risk of inappropriate advice or guidance being given	23%
#8	Fragmented delivery of programmes	20%
#9	Lack of leadership support	17%
#10	Others	10%
#11	Lack of interest among employees	7%
#12	Lack of shariah compliant products/ options	0%

Note: "Not sure" was excluded

Source: The Future of Financial Wellbeing Survey 2021, GCC

Financial Wellbeing – strategy

Key takeaways

01

Strategy

02

Design and delivery

03

Decision support

04

Funding

05

Measurement

1. Organisations are expected to move quickly to develop their financial wellbeing strategy over the next two years
2. Addressing employees financial needs are a top priority
3. Limited resources (financial and internal) is a key obstacles to organisations financial wellbeing journey

Where is the organisation on its Financial Wellbeing journey and how quickly does it wish to move forward?

Has the organisation got a clear view of which areas it would like to address? And what programmes it wants to introduce?

What are the main barriers to introducing a programme?



Source: The Future of Financial Wellbeing Survey 2021, GCC

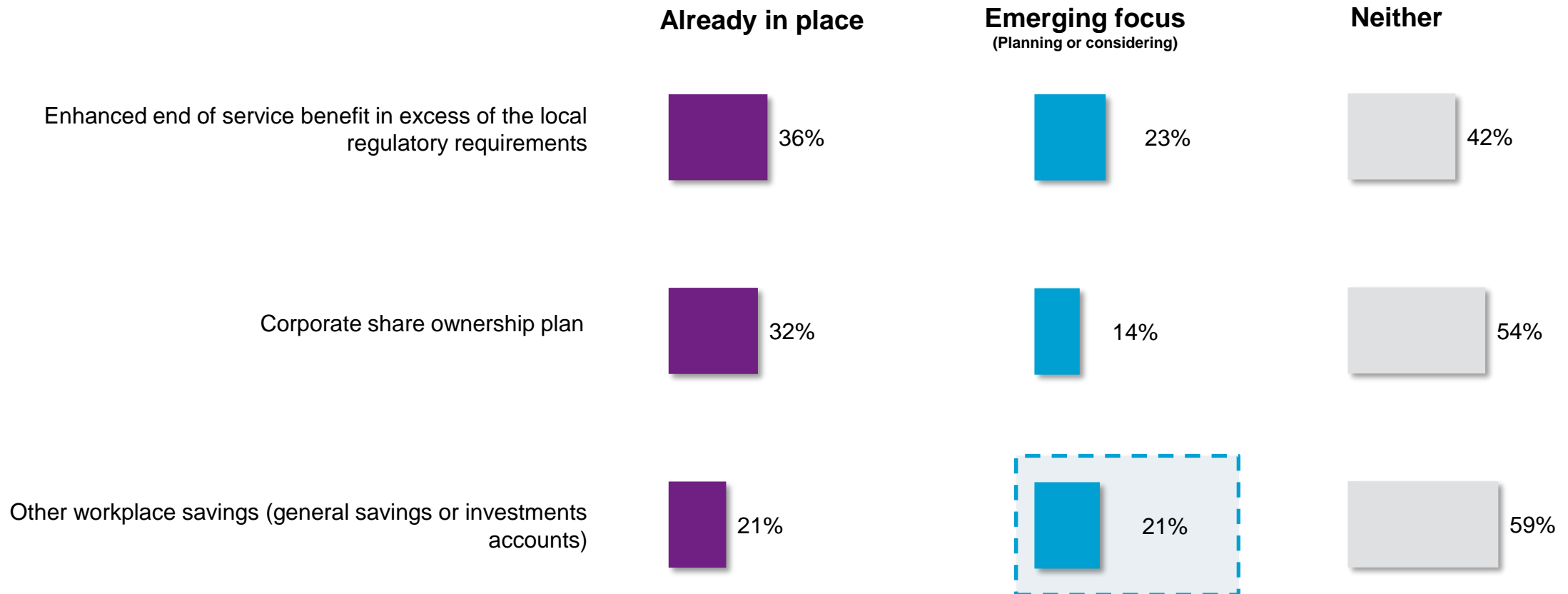
Design and delivery



Organisations looking to help employees with savings

1 in 4 are looking at enhancing their end-of-service benefits, and 1 in 5 are looking at workplace savings

Does your organisation have any of the following savings vehicles in place, or does it have plans to offer them in the next two years?

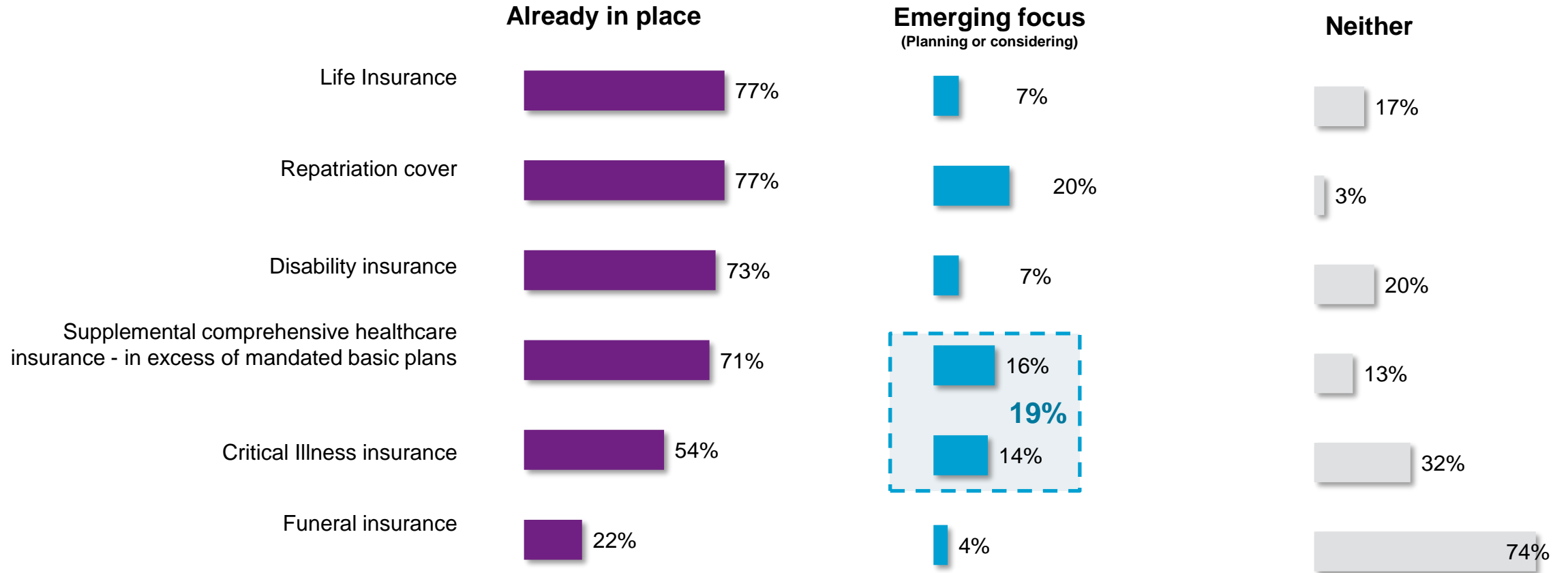


Note: Percentages may not sum to 100% due to rounding
 Source: The Future of Financial Wellbeing Survey 2021, GCC

Life insurance and repatriation cover as preferred risk benefits offered to employees

1 in 5 are considering supplemental or critical insurance

Does your organisation have any of the following risk benefits in place, or does it have plans to offer them in the next two years?

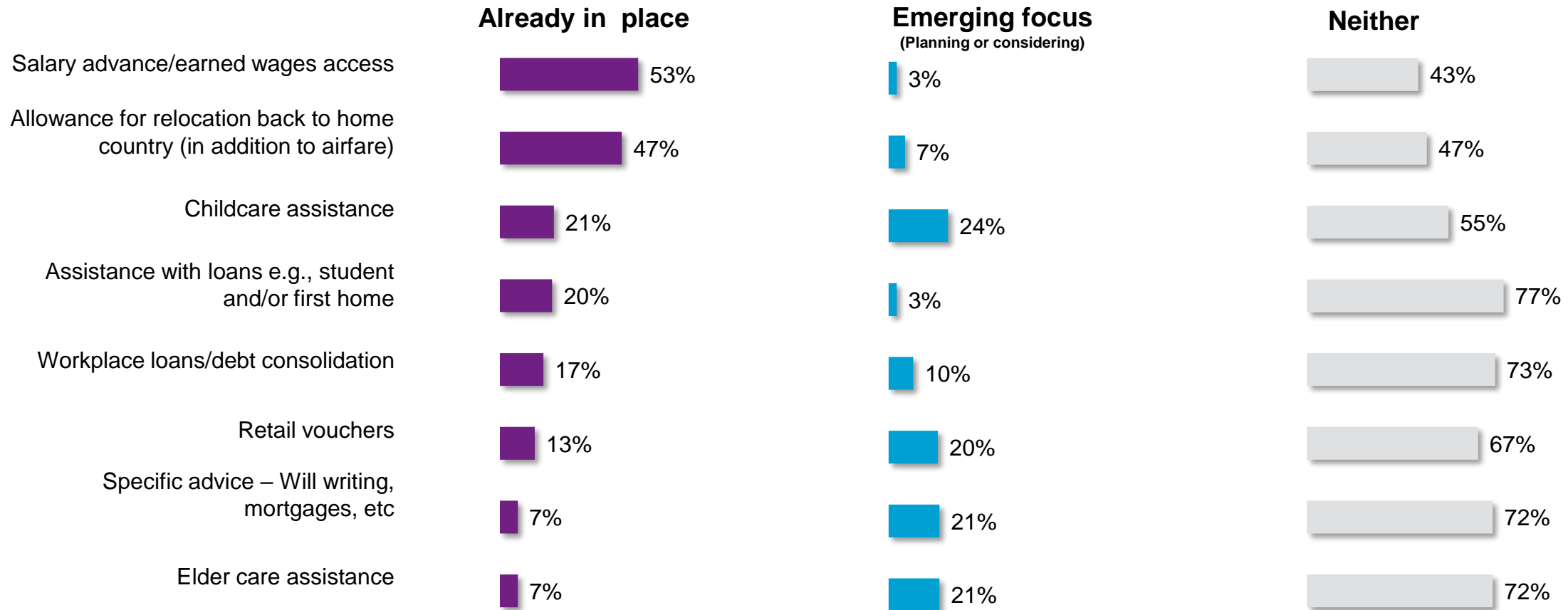


Note: Percentages may not sum to 100% due to rounding
 Source: The Future of Financial Wellbeing Survey 2021, GCC

Organisations are planning to support short-term financial issues

Care assistance, advisory services and retail vouchers are emerging areas

Does your organisation have any of the following in place, or does it have plans to offer them in the next two years?



Note: Percentages may not sum to 100% due to rounding
 Source: The Future of Financial Wellbeing Survey 2021, GCC

Integration is the primary concern when designing a programme

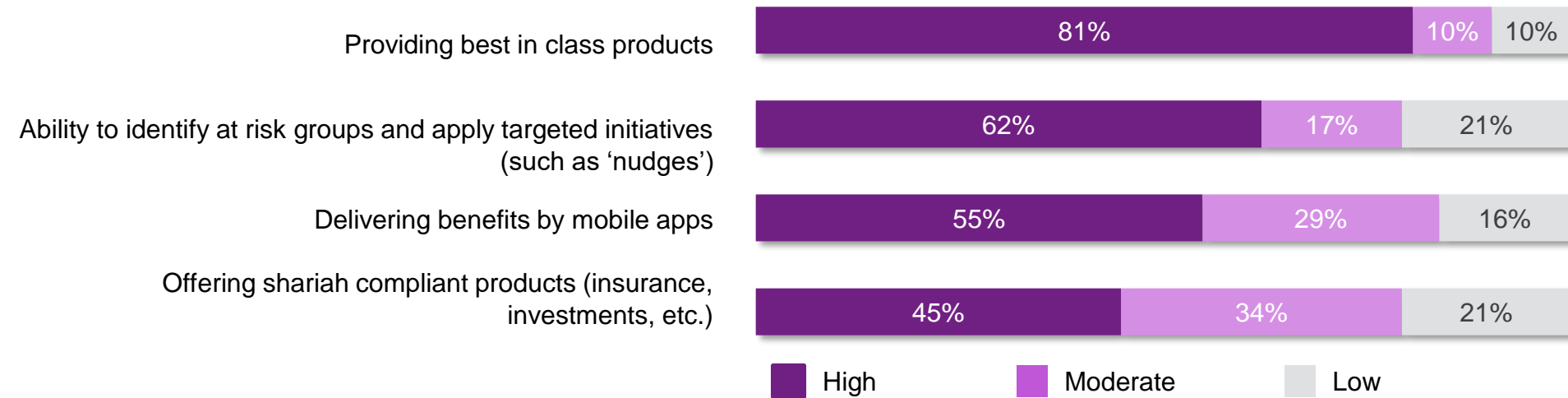
Appointing best in class providers outweighs having a single bundled provider

How important are the following for your organisation in delivering a financial wellbeing programme?

Design



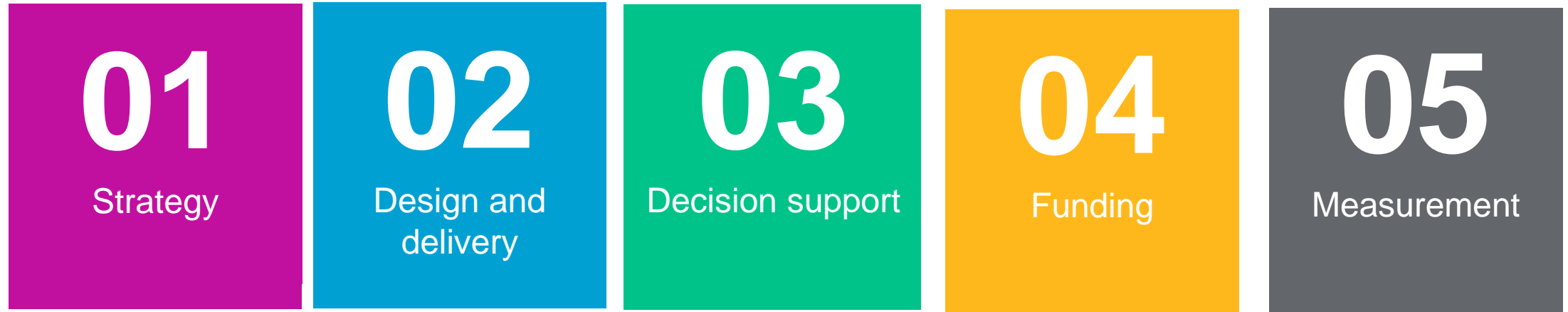
Delivery



Source: The Future of Financial Wellbeing Survey 2021, GCC

Financial Wellbeing – design and delivery

Key takeaways



1. Organisations are looking to enhance or expand the savings options and protection benefits they offer employees
2. Help employees with financial issues via care assistance, advisory services and/or retail vouchers is the future focus
3. Top priorities are to integrate with other wellbeing initiatives and online benefits platforms, but having a bundled provider less important

Are there gaps in the organisation's programme that can be filled by tactical interventions?

How well integrated is the benefits package?

How can existing traditional benefits be aligned with Wellbeing needs?

How recently were providers assessed and measured against updated requirements?

Source: The Future of Financial Wellbeing Survey 2021, GCC

Decision support



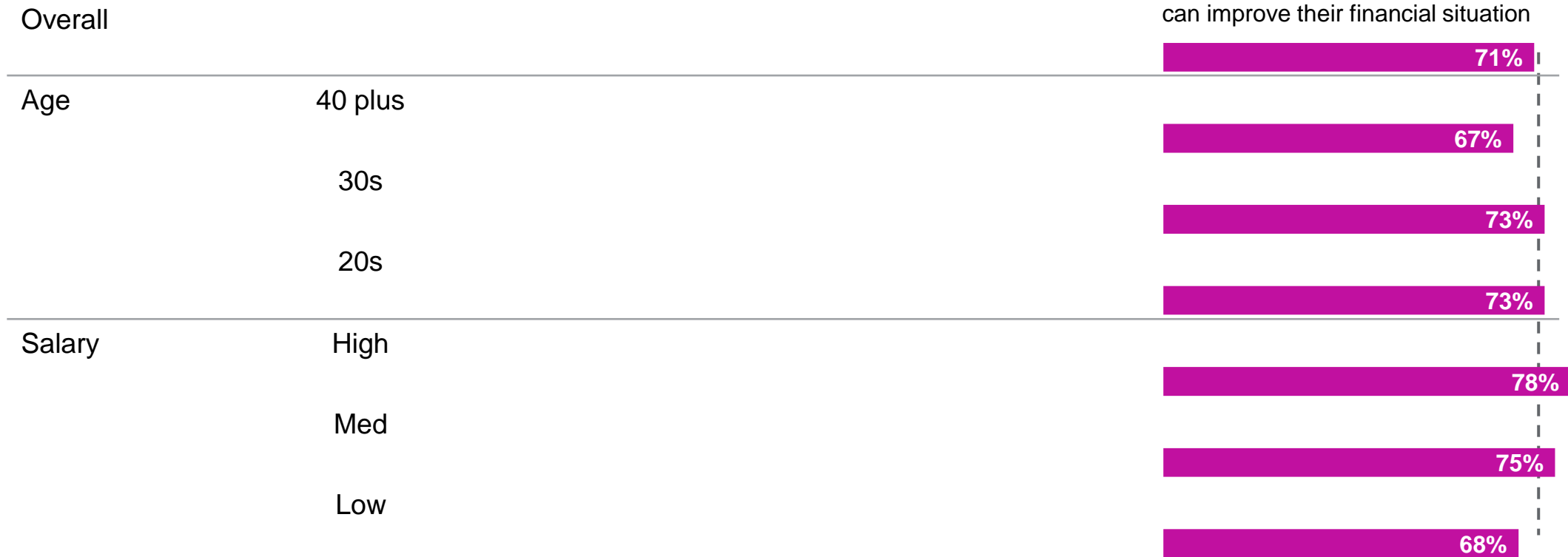
Employees are open to their employers providing guidance

Over 2 in 3 employees across ages and income groups would like access to tools

Employee view

Tools

Employers should offer tools that provide guidance on how employees can improve their financial situation



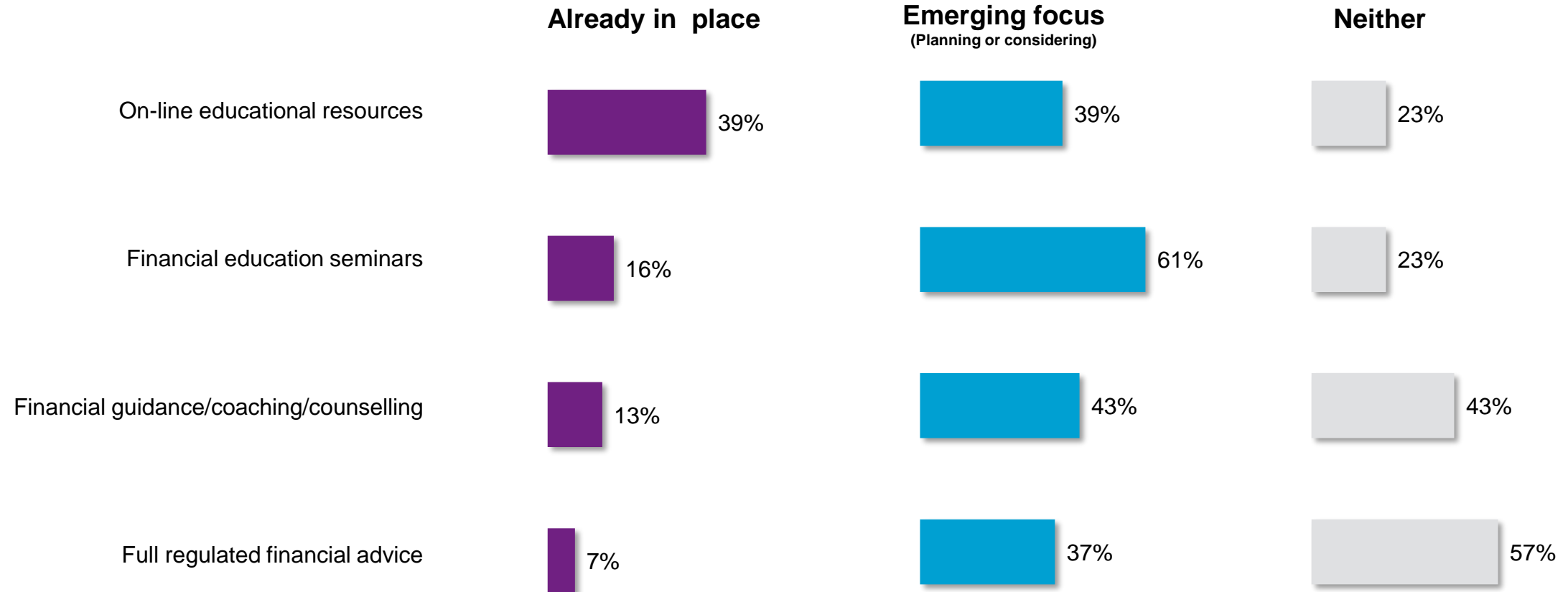
Note: Percentages indicate 'Strongly Agree/Agree'.

Source: 2019 Global Benefits Attitudes Survey, United Arab Emirates

A move from providing information, to more human interaction

Personal support set to increase – seminars, guidance, coaching

Does your organisation currently offer employees any of the following, or do you plan to do so in the next two years?

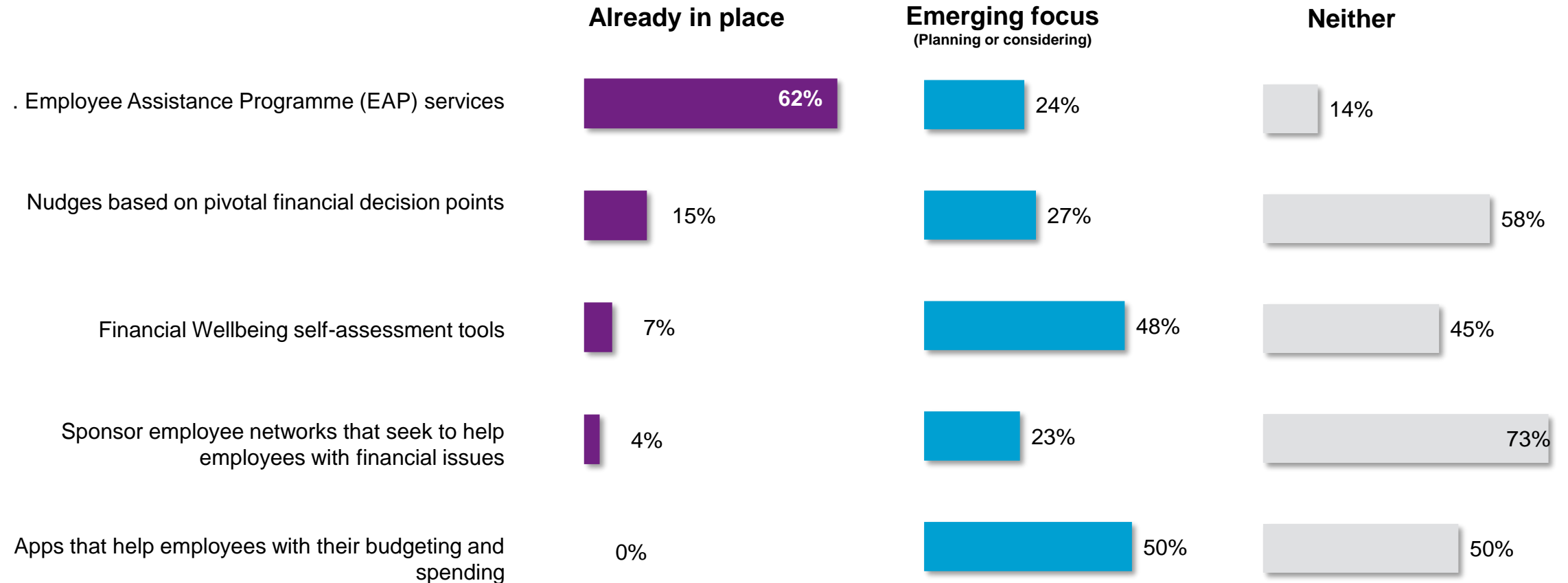


Note: Percentages may not sum to 100% due to rounding
Source: The Future of Financial Wellbeing Survey 2021, GCC

Technology will have a key role in financial wellbeing

Self-Assessment tools and budgeting and spending apps to gain focus

Does your organisation currently provide employees with any of the following to support their financial wellbeing, or do you plan to do so in the next two years?

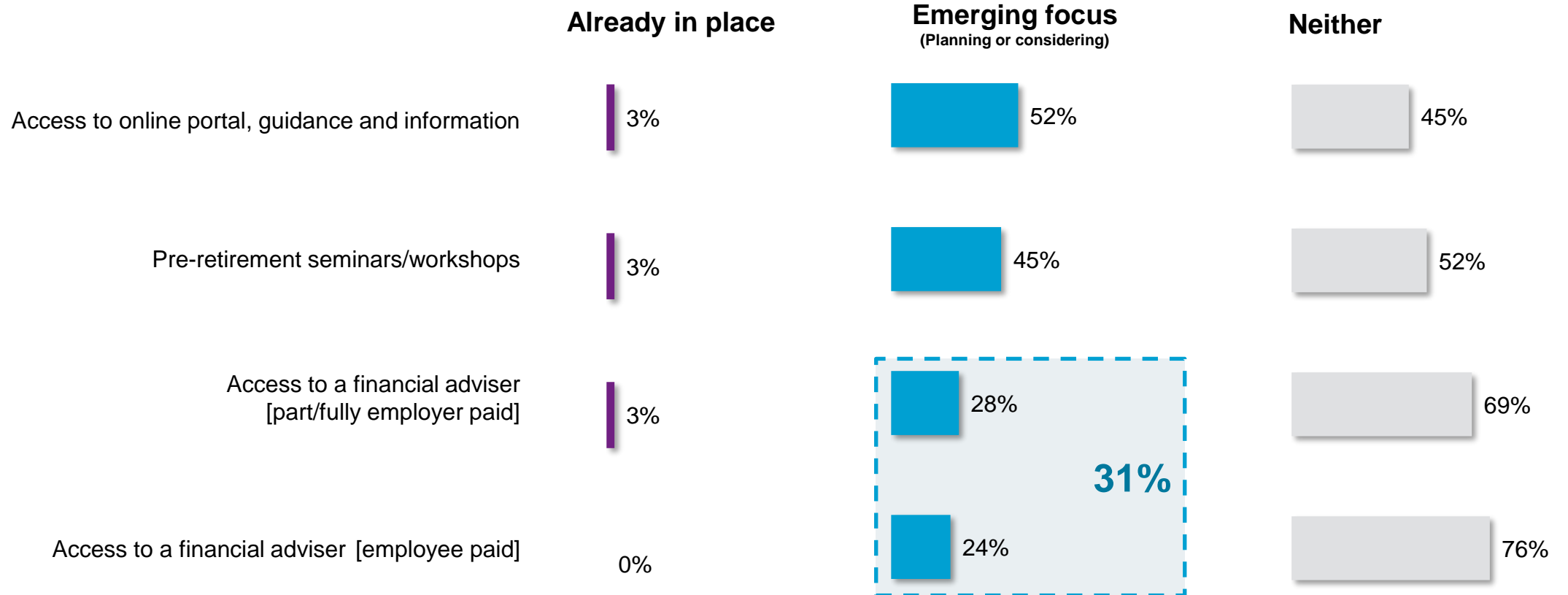


Note: Percentages may not sum to 100% due to rounding
Source: The Future of Financial Wellbeing Survey 2021, GCC

At-retirement support an emerging focus for employers

1 in 2 considering online portals, and/or pre-retirement seminars

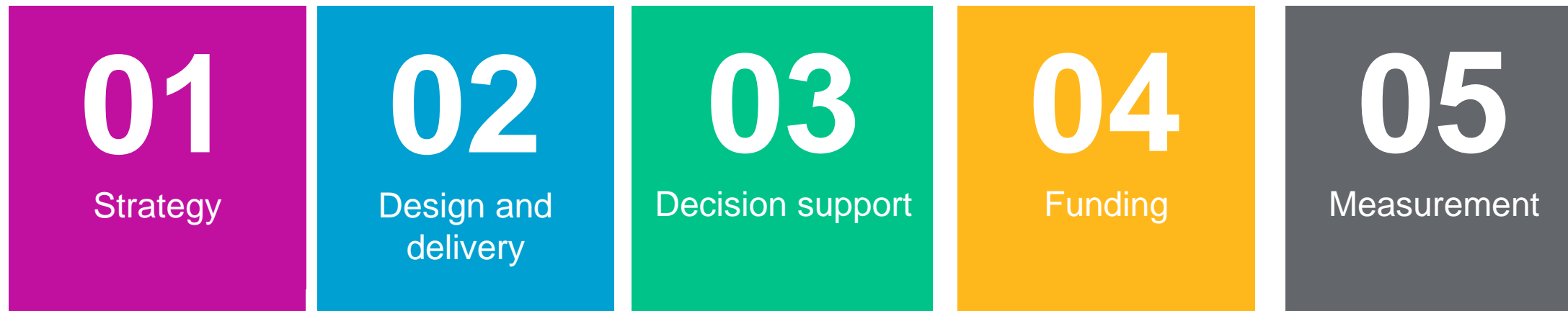
Does your organisation support employees as they approach retirement through any of the following, or do you plan to do so in the next two years?



Note: Percentages may not sum to 100% due to rounding
 Source: The Future of Financial Wellbeing Survey 2021, GCC

Financial Wellbeing – decision support

Key takeaways



1. Organisations continue to look to provide technology solutions: apps and self-assessment tools
2. Growing realisation that human interaction is also important: financial education seminars, guidance and coaching
3. At-retirement support still emerging

Could existing human interventions be supplemented by technology (and vice-versa)?
Do existing communication channels need to be reviewed in light of the ability to 'go virtual'?
Given the complexity of options, is retirement support fit for purpose?



Source: The Future of Financial Wellbeing Survey 2021, GCC

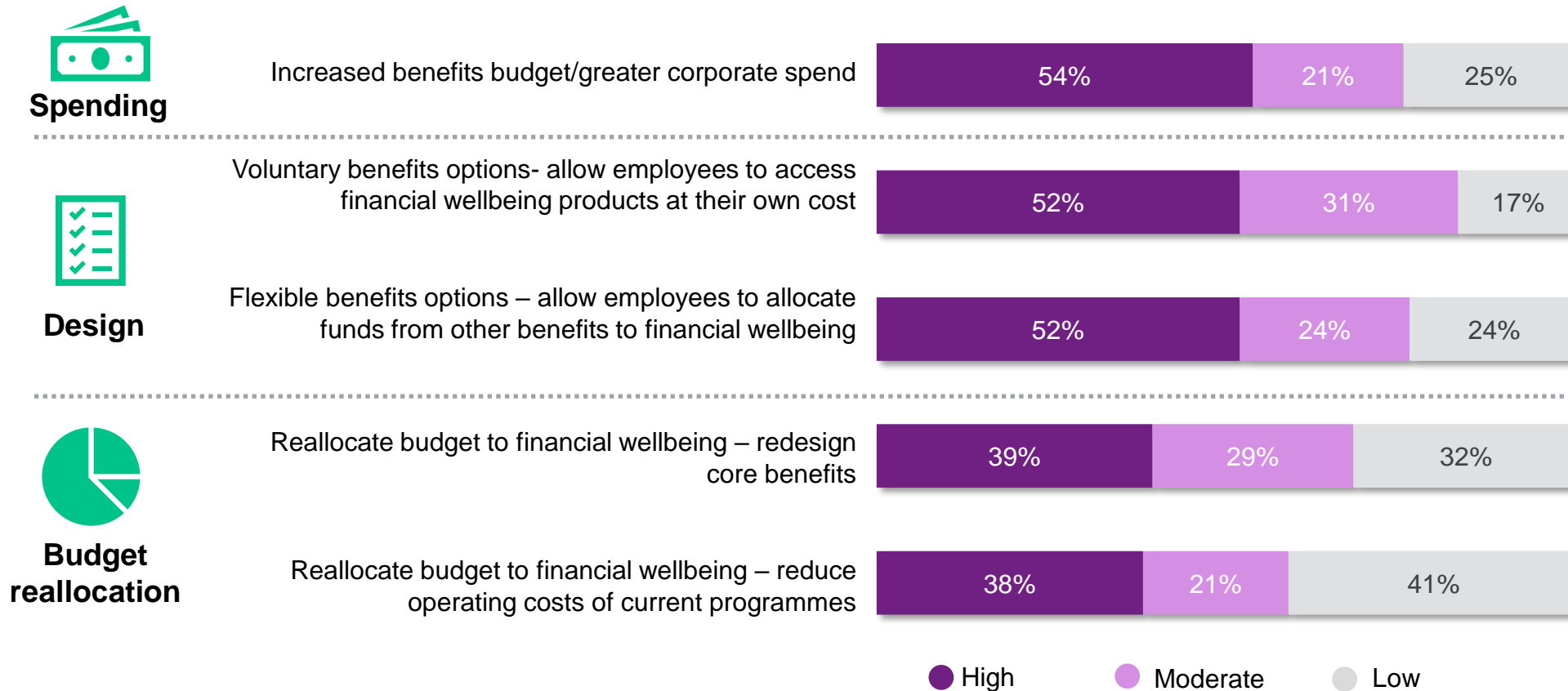
Funding



A high importance is given for high benefits budget and corporate spend

Re-design also seen as an important way to increase affordability

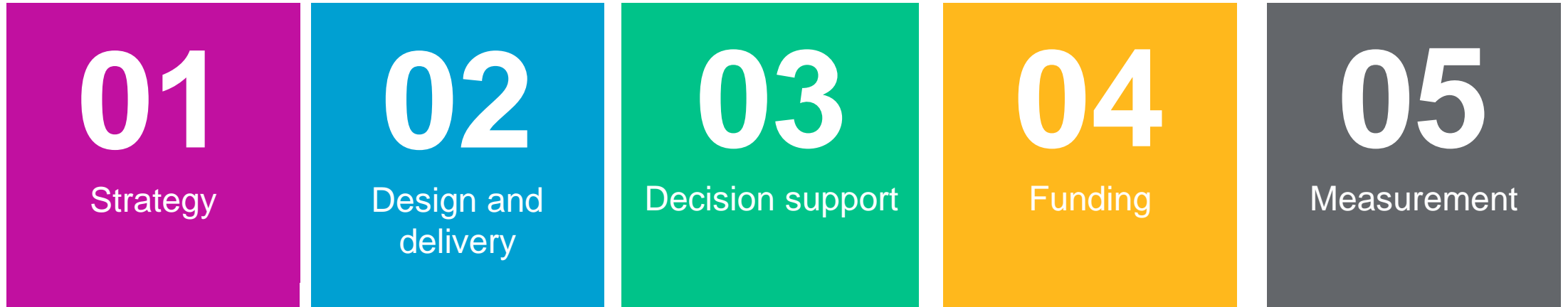
How important do you expect the following to be in how your organisation will fund its financial wellbeing programmes?



Source: The Future of Financial Wellbeing Survey 2021, GCC

Financial Wellbeing – funding

Key takeaways



1. Increase in employer spending is not ruled-out
2. Allowing employees flexibility and voluntary benefits are important mechanism to delivering financial wellbeing programmes
3. A notable number of employers are considering the option of diverting funding from core benefits or other programmes

Is short-term additional expenditure sustainable?
How can organisations decide between benefits and optimise its spend?
Should additional flexibility be allowed for employees to choose between benefits?



Source: The Future of Financial Wellbeing Survey 2021, GCC

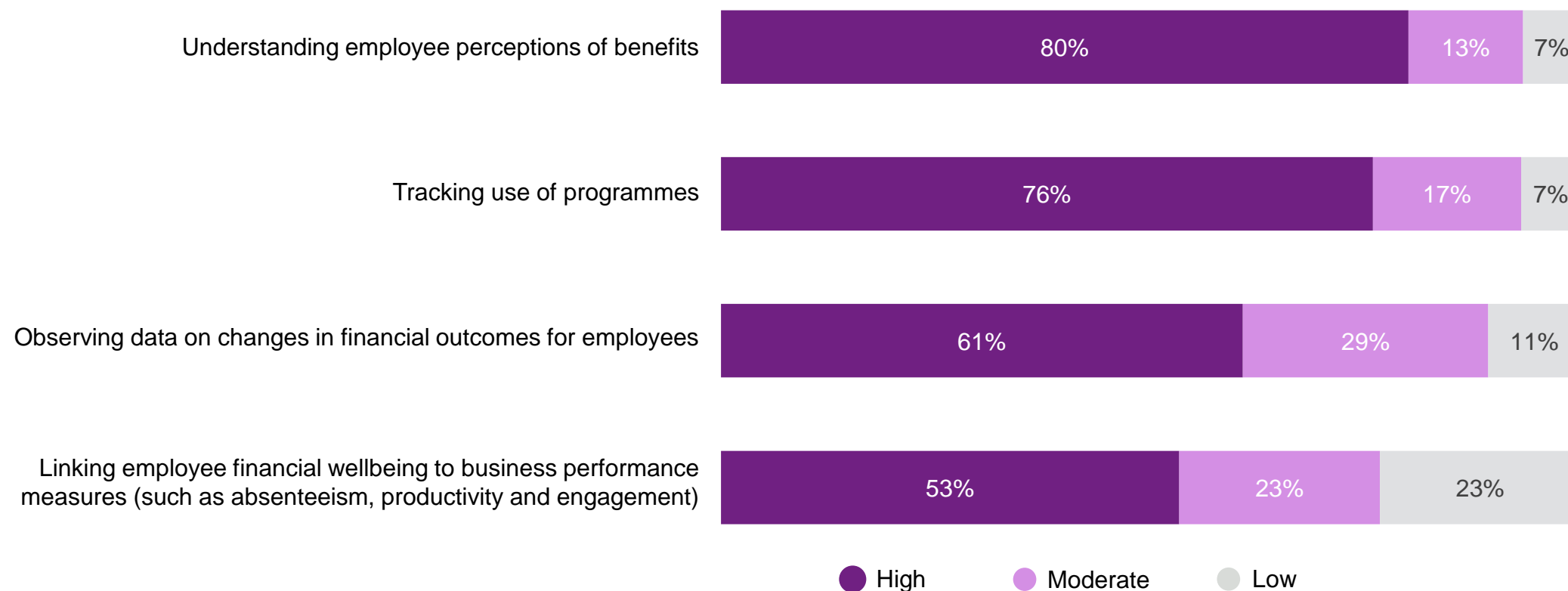
Measurement



A high priority on understanding perceptions of employees for benefits

1 in 2 thinks that linking employee financial wellbeing to business performance is important

How important are the following likely to be in how your organisation will measure success of financial wellbeing programmes?



Source: The Future of Financial Wellbeing Survey 2021, GCC

Future focus on assessing employees' financial situation

Data analytics increasingly important for measurement strategy

Has your organisation recently done any of the following? Does it plan to do any in the next two years?

Action taken last year

Emerging focus

(Planning 2021 and/or considering 2022)

8%

Retirement adequacy

Use data to measure adequacy of retirement benefits or retirement readiness of workforce

27%

7%

Employee sensing

Survey employees
Conduct focus groups
Assessment of financial state via a 'know your score' type app or quiz

48%

7%

Financial analytics

Use HR and provider data to measure signs of financial stress of employees,

39%

4%

Analyse take up

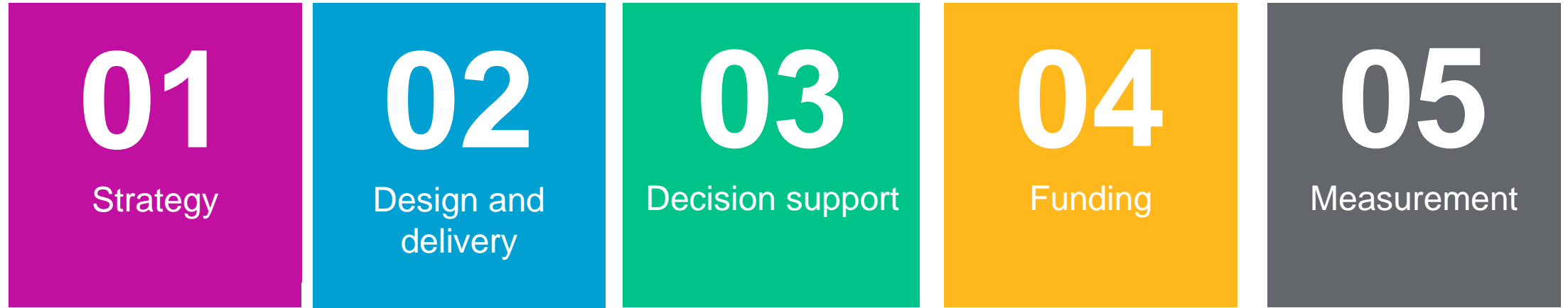
Use data to analyse which benefits are preferred by different groups of employees

48%

Source: The Future of Financial Wellbeing Survey 2021, GCC

Financial Wellbeing – measurement

Key takeaways



1. Nearly all organisations are interested in measuring the impact of their financial wellbeing programmes
2. A primary focus is on measuring employee experience
3. There will be a mix of looking at data analytics and direct employee insights

What should be the balance between direct employee insights and data analytics?

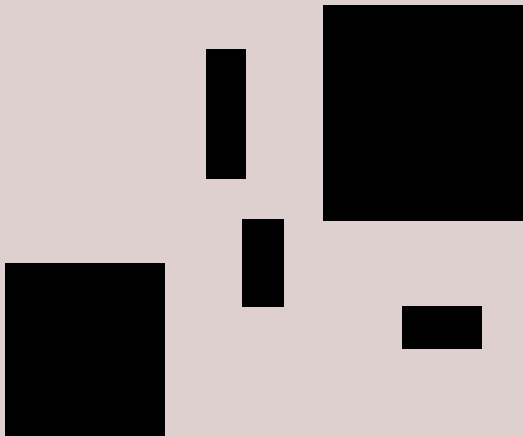
How can measures be aligned with strategy – is the focus on employee experience or commercial outcomes?

Is the data required readily available, or do new systems need to be implemented?



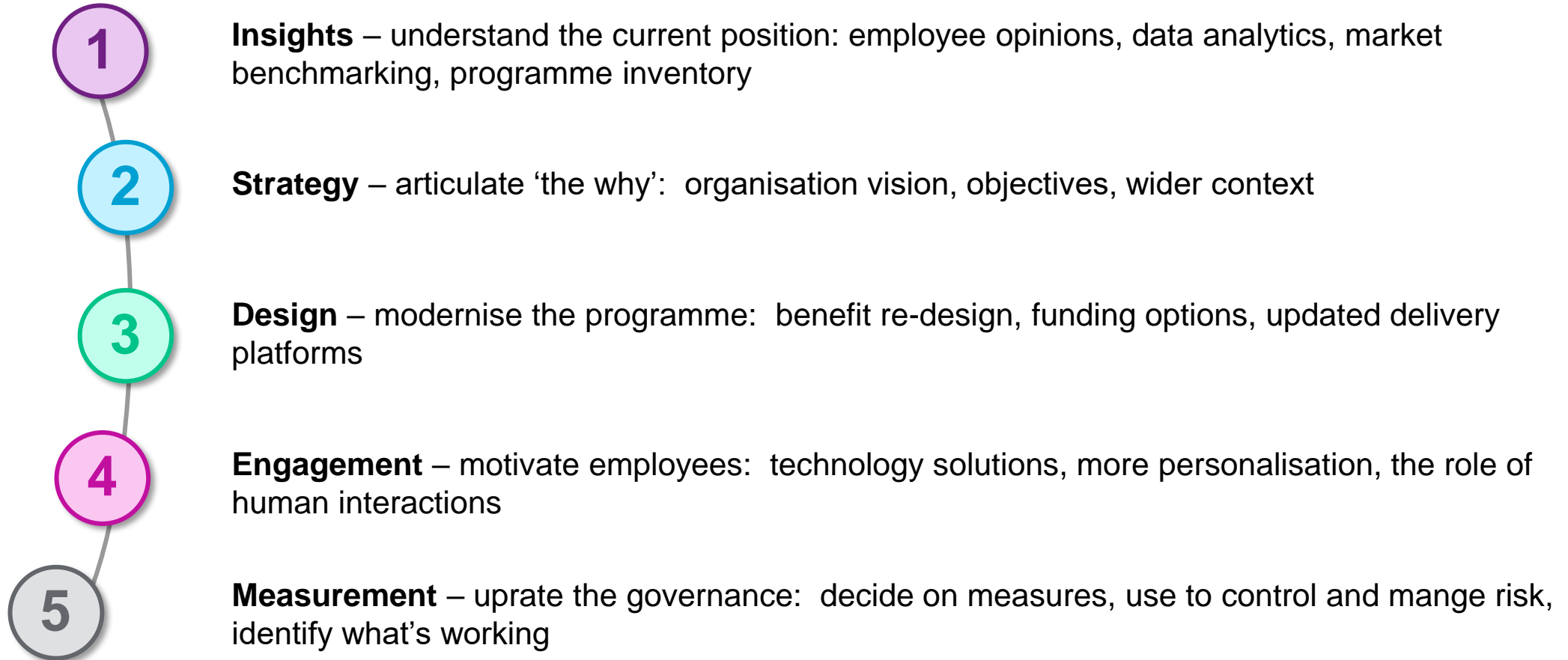
Source: The Future of Financial Wellbeing Survey 2021, GCC

Next steps

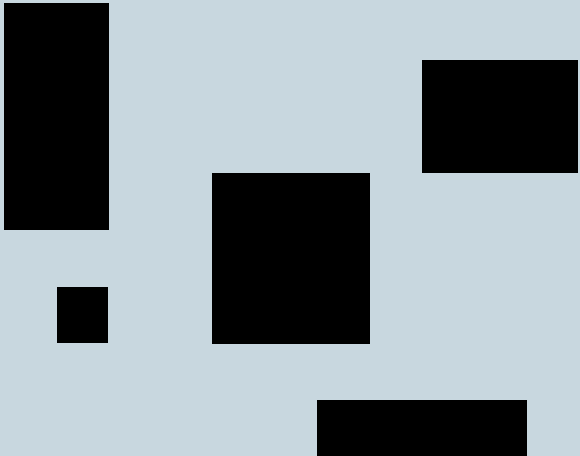


Next steps

How to build a programme – seizing the opportunities



About the survey

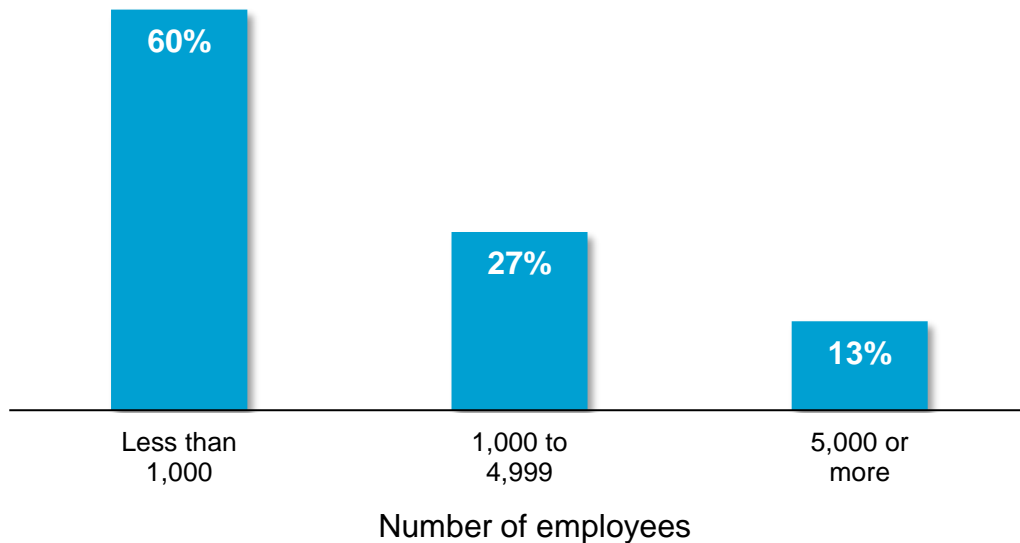


About the survey

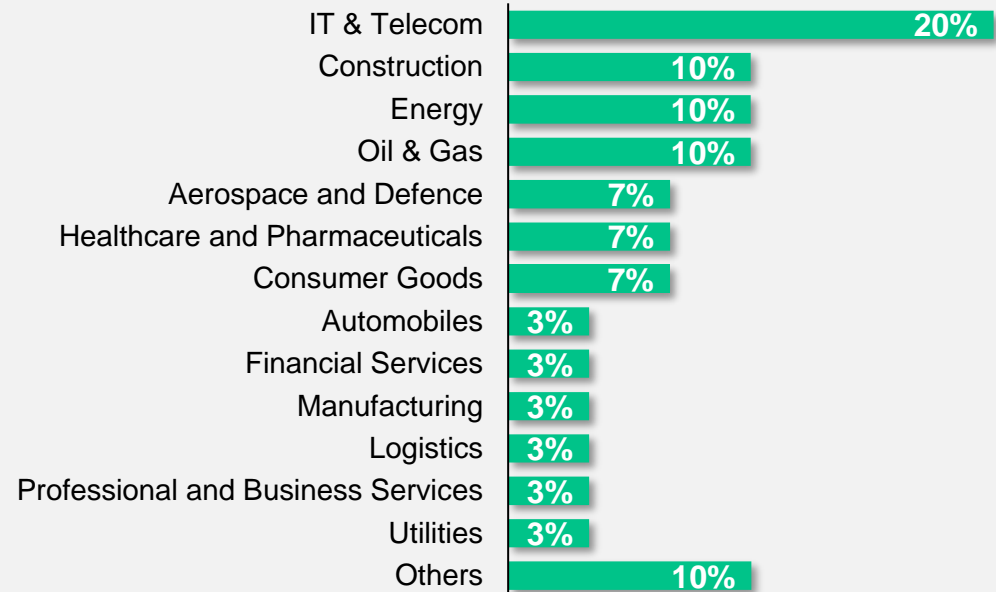
31
responses

With the growing realisation that an employee's financial position can have a great impact on their wider situation, employers and service providers had turned their attention towards programmes and employee experience that support financial wellbeing. In order to analyse actual trends, we conducted the Future of Financial Wellbeing Survey in November 2021.

Size of organisation



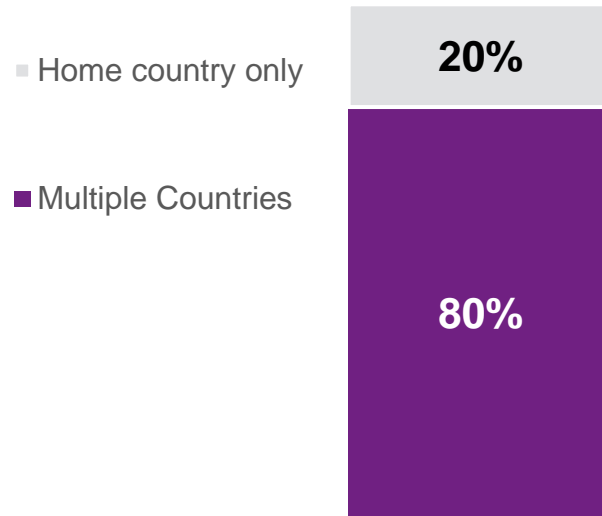
Industry



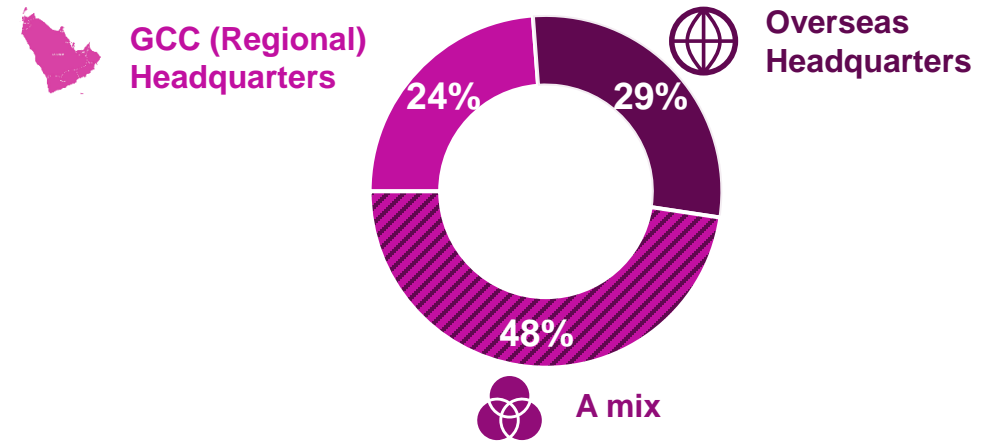
Source: The Future of Financial Wellbeing Survey 2021, GCC

About the survey

Office locations



Responsibility for financial wellbeing



Which country does your response predominantly represent ?



Source: The Future of Financial Wellbeing Survey 2021, GCC