

# The Missing Metric

Unlocking happier, more productive teams through financial resilience



# Foreword

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Financial stress continues to have a quiet yet significant impact on employee productivity, engagement, and overall wellbeing – a challenge that employers are uniquely positioned to address. For decision-makers across HR, Reward, Benefits, and executive leadership, the imperative is clear: fostering financial resilience is not only a moral responsibility but also a distinct strategic advantage. Financially secure employees demonstrate higher levels of engagement, productivity and overall wellbeing.

However, understanding the pressures employees face requires more than empathy; it demands innovative, evidence-based responses. While financial education has a role, its impact is limited unless integrated with actionable, accessible financial tools. Relying solely on education often fails to address the core barriers employees face to building resilience.

This report brings together robust data and real-world insights to delineate the scale of financial stress impacting UK employees. It positions financial resilience as a critical metric for employers. Crucially, it provides practical, evidence-based solutions that organisations can implement to happier, healthier and more engaged teams.

# Executive Summary

Financial wellbeing remains a primary concern for UK employees in 2025, presenting a challenge, but crucially, a huge opportunity for employers.

A discernible trend is emerging among the UK's most forward-thinking and industry leading organisations. Recognising the limitations of broad, often intangible wellbeing goals, these organisations are strategically shifting their focus towards measuring, understanding, and actively improving the financial resilience of their employees.

This report analyses the current landscape, identifies critical gaps in understanding and action, and provides data-driven recommendations for building financial resilience through the channel of the workplace.

## Key findings:

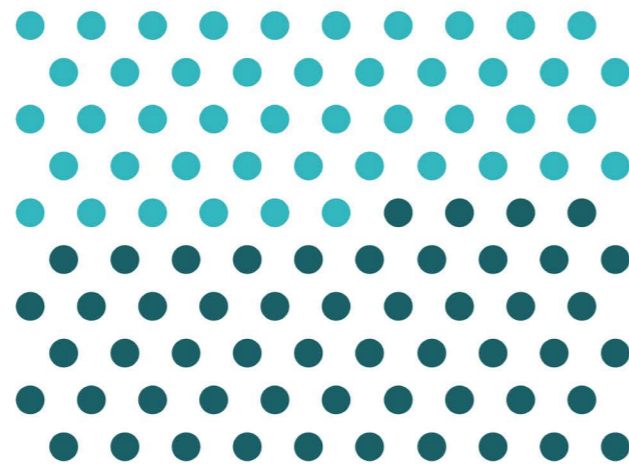


### 1. Financial stress dominates

Financial concerns are the top worry for employees (31%) in 2025 (and up from 19% ahead in 2024) - three times greater than any other concerns, including mental, physical health and work life balance - with 27% worrying about money every single day. Low savings (a third have £500 or less) and increased borrowing (over a fifth are borrowing more) exacerbate the situation<sup>1</sup>.

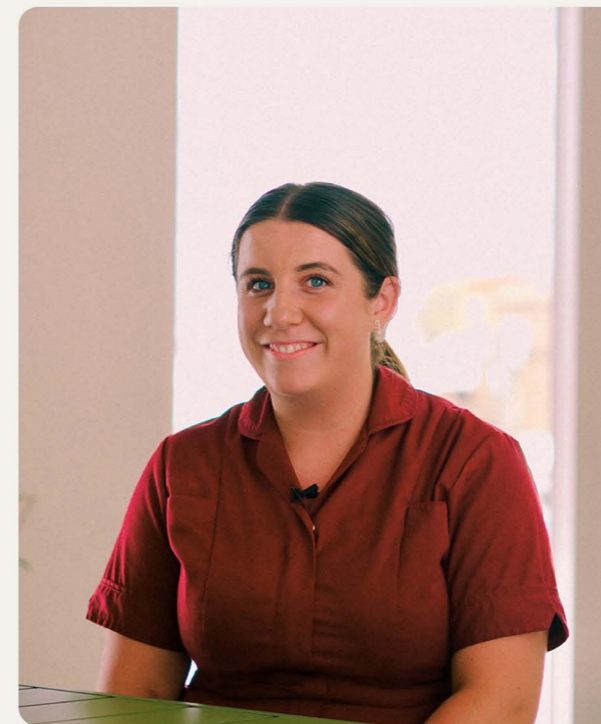
### 2. The empathy gap

While employees increasingly look to employers for support (46% believe their employer cares about their financial health<sup>2</sup>), a disconnect remains. Only one in five employees feel their employer's strategy effectively meets diverse needs<sup>3</sup>, suggesting leaders often misinterpret the root causes of financial stress, attributing it to lack of knowledge rather than lack of means or access.



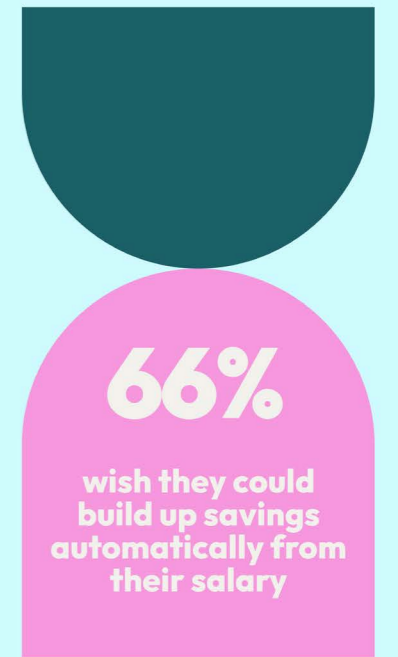
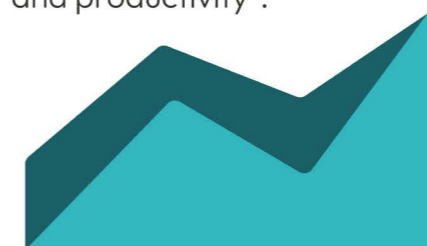
### 3. The action gap

Healthy financial behaviours are generally understood by employees, yet significant barriers prevent them from acting on this knowledge (the 'action gap')<sup>4</sup>. Education alone is insufficient; practical tools and accessible solutions are required to bridge the gap between intention and action.



### 4. Resilience drives business outcomes

Investing in financial resilience is a strategic imperative, with a strong correlation with increased engagement<sup>5</sup>, retention<sup>6</sup> and productivity<sup>7</sup>.



## Key Actions:

**Implement practical toolkits:** Move beyond generic education. Provide practical tools addressing short, medium, and long-term needs, including budgeting support, savings schemes, flexible ways to get paid and money coaching.

**Prioritise financial inclusion:** Recognise that traditional financial products exclude many employees (only 4% have credit scores accepted for traditional lending<sup>8</sup>). Offer inclusive solutions like access to fair, affordable credit.

**Foster savings habits:** Leverage workplace savings programmes, ideally structured on an opt-out basis, to remove friction and automate positive financial behaviours. 66% of employees desire this<sup>9</sup>.

**Address income volatility:** Adopt standards like the Living Wage Foundation's 'Living Hours' to provide predictable hours and pay, mitigating a key driver of financial instability for low-paid and insecure workers.



## The State of Financial Wellbeing

New data reveals that financial wellbeing remains a critical national issue, with financial stress significantly impacting UK workers. In 2025, 42% of employees report overwhelming concern about their finances<sup>10</sup>. Money is the primary concern for employees (31%), a figure up from 19% in 2024 and three times higher than concerns about mental health, physical health, or work-life balance<sup>11</sup>. Furthermore, 27% of employees worry about money every single day<sup>12</sup>.

This anxiety is underpinned by precarious financial positions. National data indicates one in six UK adults possess no savings, while a third hold £500 or less<sup>13</sup>. For 45%, setting aside savings is perceived as unrealistic this year<sup>14</sup>. These statistics paint a clear picture of widespread financial vulnerability.

## The Case for Financial Resilience

In light of these persistent economic pressures, forward-thinking employers are realising the opportunity which exists to foster resilience and mitigate financial exclusion. Notably, 46% of UK employees believe their employer and line manager care about their financial health, ranking them higher than banks (32%) or the government (20%)<sup>15</sup>.

Supporting employee financial resilience transcends corporate social responsibility; it is a strategic investment yielding tangible business returns. Financially resilient teams are demonstrably more engaged, productive, and loyal.

would move to another employer for better financial support

The data is compelling:

- **Retention:** If offered workplace savings support, 28% of employees state they would stay with their employer longer, while 18% report they would work harder<sup>16</sup>. Conversely, 48% would move to another employer for better financial support<sup>17</sup>, and over three-quarters are attracted to employers perceived to care more about financial wellbeing<sup>18</sup>.
- **Turnover costs:** With over 20% of employee turnover potentially attributable to financial stress<sup>19</sup> investing in resilience presents a major opportunity to reduce the costs associated with churn.
- **Engagement & productivity:** Organisations investing in savings support see significant uplifts, including a 43% increase in employee engagement and a 40% rise in productivity<sup>20</sup>. Employees able to build savings feel prouder (33%) and report improved wellbeing (25% stating doubling savings feels better than a holiday)<sup>21</sup>. Flexible access to pay is associated with reduced stress and stronger money management<sup>22</sup>.

To reap the rewards of financially resilient teams, a holistic approach offering long-term solutions that address the "cost of life," not just the "cost of living" is essential. This requires moving beyond one-size-fits-all benefits to offer a suite of objective and subjective support that builds genuine, lasting financial resilience for all employees.

# Barriers to Financial Resilience

Significant progress has been made in recent years, with 93% of UK employers now having some form of financial wellbeing support in place<sup>23</sup>. Despite this, a critical disconnect persists regarding employee financial wellbeing. Just one in five employees believe their employer's strategy addresses the diverse needs of the organisation<sup>24</sup>. This reveals two fundamental gaps hindering progress:

**The empathy gap:** Leaders, often shielded from the financial challenges faced by many of their employees, may misinterpret the root causes of financial stress. This stress is frequently seen as a lack of knowledge solvable by education, rather than a consequence of factors like low/volatile income, insufficient savings, or limited access to mainstream financial products. Consequently, support efforts tend to be inconsistent and isolated, failing to integrate resilience-building across the organisation.

**The action gap:** While employees generally possess knowledge of beneficial financial behaviours (e.g., saving, budgeting), this awareness doesn't automatically translate into action. Barriers such as inaccessible tools, income limitations, debt burdens, or inertia prevent implementation. Education alone is insufficient to bridge this gap.

To overcome these gaps, employers must move beyond assumptions and adopt actionable solutions that build financial resilience. Focusing on resilience provides clearer insights into employee vulnerabilities, enabling targeted support and measurable progress towards greater financial wellbeing.



# Framework: Building and Measuring Financial Resilience

The strategic solution lies in building and measuring employee financial resilience – a tangible state influenced by interconnected factors. By focusing on a set of key indicators, organisations can move beyond anecdotal observations to data-driven strategies with lasting, positive impact.

**Financial resilience is understood through the interplay of these critical components:**

**Savings buffer:** The cornerstone of financial security against unexpected expenses or income disruptions. Employers can directly influence this by removing friction through accessible, ideally opt-out, workplace savings programmes aligned with employee preferences for effortless, automated saving.

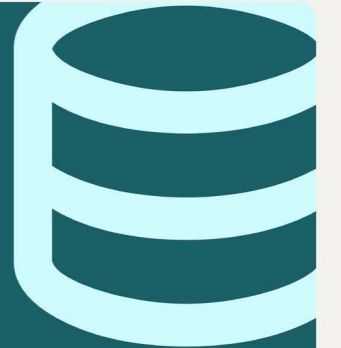
**Debt position & management:** High-cost debt hinders saving and increases stress. Offering fair, affordable loans and debt management tools provides essential support and prevents financial exclusion.

**Income stability:** Predictable earnings are foundational to financial wellbeing, particularly for those in roles with low pay and/or variable hours. Employers can foster this through fair scheduling ('Living Hours') and tools like flexible pay as a bridge to financial control and saving.

**Credit status:** A healthy credit score enables access to affordable financial products. Inclusive alternatives like flexible pay and fair workplace loans can offer lifelines and potentially help build positive credit history, especially for those with limited savings or volatile income.

**Social capital:** While informal support networks exist, they are not a sustainable or equitable solution, particularly for lower-income groups. Understanding where this informal support is weak helps target formal wellbeing initiatives.

**Financial stress:** A top employee concern with direct impact on productivity<sup>25</sup>. Reducing this stress through tangible support across the other resilience pillars frees cognitive bandwidth. Integrating financial wellbeing support with mental health initiatives offers a holistic approach.



## Why measuring matters:

Understanding the drivers of resilience is crucial, but measuring these components provides the critical insights needed to:

- Diagnose specific employee challenges.
- Target interventions for maximum impact.
- Demonstrate the ROI of financial wellbeing on key business metrics.
- Track progress and continuously refine strategies for long-term success.

By actively building resilience across these key pillars and committing to measuring progress, employers can create a positive cycle of increased financial security, reduced stress, and a more engaged and productive team.

# Employer Action Plan

To effectively build employee financial resilience, employers must adopt a strategy focused on action and inclusion, directly addressing the identified gaps.

## Challenge

Current financial wellbeing support is often inconsistent, perceived as ineffective by employees, and overly reliant on education, failing to address the 'action gap'.

## Opportunity

Develop and provide a comprehensive financial wellbeing toolkit addressing employees' short, medium, and long-term needs to enhance inclusion and resilience. This requires a cross-functional approach involving HR, finance, and line managers. Be aware that the financial circumstances and needs of this group can be very different from those of the employees who use them. Prioritise practical tools which build financial security that are useful and accessible for every employee.

## Challenge

The increased cost of living and interest rates exacerbate financial strain. Employees are running out of options, with only 4% having credit scores suitable for traditional lending, pushing many towards high-cost debt or further exclusion.

## Opportunity

Offer tools that directly reduce financial stress and improve inclusion. The research team at Nest Insight wrote a report on the potential of two financial wellbeing tools - earned wage access (flexible pay) and workplace loans - to improve the financial footings of low and middle-income workers.

Earned wage access is an inclusive financial tool that enables workers to proactively manage their cashflow. Its usage is associated with improved self-control, reduced spending, and better outcomes at home and in the workplace.

Workplace loan providers can offer affordable, inclusive loans and credit building products designed to safely help individuals access credit where they need it, and build their credit profile to open up lower cost mainstream options in the future. These products tend to come with APRs that are better than open-market options.

## Challenge

A regular savings habit is strongly correlated with better financial satisfaction. Lower earners are disproportionately likely to have £0 in savings<sup>26</sup>, and cost-of-living pressures force increased borrowing. Many employees lack visibility of savings interest rates<sup>27</sup>, hindering progress towards goals.

## Opportunity

Recognise that a savings buffer is fundamental to resilience. Offer workplace savings schemes that provide an easy, rewarding way to build up savings. These schemes can unlock competitive interest rates and improve money management. Structure these ideally on an opt-out basis to maximise participation and overcome inertia, reflecting employee preference for automatic saving (66%)<sup>28</sup>.

## Challenge

Flexible work offers benefits, but volatile working hours create shaky financial foundations. Poor commissioning practices and income volatility disrupt household budgets, increase food insecurity, and risk housing instability<sup>29</sup>.

## Opportunity

Aim to meet the standard for living hours, as provided by the Living Wage Foundation. The Living Wage Foundation has created a standard for employers called Living Hours. In it they outline three commitments employers should make to provide financial stability for employees. The Living Hours standard calls on employers to provide the right to:

1. Decent notice period for shifts: of at least 4 weeks' notice, with guaranteed payment if shifts are cancelled within this notice period
2. The right to a contract that reflects accurate hours worked
3. A guaranteed minimum of 16 hours a week (unless the worker requests otherwise)

# Appendix

## About this report

The Financial Resilience 2025 report, produced by leading financial benefits platform Wagestream in partnership with Censuswide, draws on a survey of 2,000 employees, exploring experiences of work, pay, financial resilience, wellbeing, and inclusion.

This report incorporates data from additional sources to provide a comprehensive analysis:

- Bridging Financial Gaps for Workers, Nest Insight, 2023
- The State of Financial Wellbeing: Retail Outlook 2025, Wagestream, 2025
- The State of Financial Wellbeing: Retail Outlook 2025, Wagestream/Retail Trust, 2025
- Good Work Index, CIPD, 2025
- The Importance of Financial Wellness to Workers and Employers, National Fund for Workforce Solutions, 2018
- The State of Financial Wellbeing, The UK Workplace Report 2022, Wagestream, 2022
- On-Demand Pay: Payroll that Works for All, EY, 2020
- Income Volatility: Why It Destabilizes Families and How Philanthropy Can Make a Difference, Aspen Institute, 2017

## About Wagestream

Globally, 3 million people now have Wagestream membership through 2,000 brands - across the U.K., Europe and U.S. - making it the world's most widely-used financial wellbeing provider. Offered through employers, the platform attracts more than 12 million monthly visits, helping members to earn, learn, save, spend and borrow on their own terms, all in one smartphone app.

Wagestream is a B corporation, built with a social charter to provide fair financial services.

## (Footnotes)

<sup>1</sup>Censuswide data, Wagestream, 2025

<sup>2</sup>Censuswide data, Wagestream, 2025

<sup>3</sup>Bridging Financial Gaps for Workers, Nest Insight, 2023

<sup>4</sup>The State of Financial Wellbeing: Retail Outlook 2025, Wagestream/Retail Trust, 2025

<sup>5</sup>The Importance of Financial Wellness to Workers and Employers, National Fund for Workforce Solutions, 2018

<sup>6</sup>Censuswide data, Wagestream, 2025

<sup>7</sup>Good Work Index, CIPD, 2025

<sup>8</sup>Bridging Financial Gaps for Workers, Nest Insight, 2023

<sup>9</sup>Censuswide data, Wagestream, 2025

<sup>10</sup>Censuswide data, Wagestream, 2025

<sup>11</sup>Censuswide data, Wagestream, 2024 & 2025

<sup>12</sup>Censuswide data, Wagestream, 2024

<sup>13</sup>Censuswide data, Wagestream, 2025

<sup>14</sup>Censuswide data, Wagestream, 2025

<sup>15</sup>Censuswide data, Wagestream, 2025

<sup>16</sup>Censuswide data, Wagestream, 2025

<sup>17</sup>Censuswide data, Wagestream, 2025

<sup>18</sup>Bridging Financial Gaps for Workers, Nest Insight, 2023

<sup>19</sup>On-Demand Pay: Payroll that Works for All, EY, 2020

<sup>20</sup>The Importance of Financial Wellness to Workers and Employers, National Fund for Workforce Solutions, 2018

<sup>21</sup>Censuswide data, Wagestream, 2025

<sup>22</sup>Bridging Financial Gaps for Workers, Nest Insight, 2023

<sup>23</sup>The State of Financial Wellbeing, The UK Workplace Report 2022, Wagestream, 2022

<sup>24</sup>Bridging Financial Gaps for Workers, Nest Insight, 2023

<sup>25</sup>Good Work Index, CIPD, 2025

<sup>26</sup>The State of Financial Wellbeing 2024, Wagestream, 2024

<sup>27</sup>Censuswide data, Wagestream, 2025

<sup>28</sup>Censuswide data, Wagestream, 2025

<sup>29</sup>Income Volatility: Why It Destabilizes Families and How Philanthropy Can Make a Difference, Aspen Institute, 2017

