



**how to support your
employees' financial
health, now and in
the future**

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The impact of coronavirus (COVID-19) is causing uncertainty for everyone and presenting new challenges on an almost daily basis. For businesses and their employees, financial resilience and staff wellbeing are important considerations but it can be difficult to know where to start with so many pressing issues competing for attention.

Demos, the cross-party think tank, is delivering the Good Credit Project in partnership with stakeholders across South Yorkshire to help people access fair credit, reduce the need for unaffordable borrowing and improve the local credit environment.

Our ground-breaking [Good Credit Index](#), maps access to good credit across the UK. South Yorkshire highlights many of the credit challenges faced by people nationwide. **Barnsley and Doncaster** count as 'credit deserts', two of only 29 areas where it is very difficult to obtain good credit. **Rotherham and Sheffield** perform better, but still face a combination of poverty, thin credit files and high insolvency rates. Sadly, the impact of Covid-19 won't be helping the situation but we know that employers are keen to support their workforce wherever they can while protecting their businesses and staff livelihoods.

As part of the Good Credit Project and in response to the current crisis, we have put together a seven-point plan to help businesses support their employees during and beyond the pandemic.

This guide aims to suggest simple yet practical steps that can be quickly implemented and shared with colleagues to help boost financial resilience in both the short and longer term.



Seven steps to support employees

1. Point your staff to reliable information

Signpost to local debt advice services and credit support networks on your staff intranet or noticeboards. [The Money Advice Service](#) website lists free advice agencies in your area. For the latest guidance about Covid-19, direct employees to the [Government website](#) which includes regularly updated information about work, housing and finances. It explains things like mortgage holidays and protection for renters, the new Job Retention Scheme and benefit entitlements including Statutory Sick Pay and Universal Credit. Staff who would benefit from a mortgage holiday must approach their lender to get agreement and people who are renting have extra protection during the crisis but conditions apply. Full details can be found on the government website.

2. Explore your options for offering 'in-kind' benefits

Supporting your employees in this difficult time isn't just about financial packages. Flexible working arrangements could be an option to give them time out to improve wellbeing, carry out caring duties or deal with financial pressures. Remember too that [tax-free company benefits](#) such as free workplace parking, mobile phones or childcare vouchers might help their income to go further. Cycle to Work and other [salary sacrifice schemes](#) can also be financially beneficial.

3. Link up with a local credit union

Credit unions are community-based organisations which are open to everyone and offer savings, loans and other financial products. They're owned by the people (members) who use them, not by external stakeholders, so their focus is on customer service rather than profits. You don't need to be an expert to help staff to understand the basics. Just find your [local credit union](#) which will be happy to explain its products and services to groups or individuals. Credit unions have alternative methods of contact and support in place where branches are presently closed, ranging from telephone support to online access and mobile apps..

4. Partner with a credit union to make payroll deductions available

A no-cost benefit that employers can offer staff is payroll deduction which is quick and easy to set up. Many credit unions offer the option of letting employees borrow and/or save by having contributions deducted from their salaries and they also take care of the admin. Members of such salary deduction schemes may also be eligible for discounted rates on credit union loans which provide an alternative to higher-cost options.

5. Consider tax-free schemes to reward employees for their money-saving suggestions.

In the current climate, new ideas and approaches are needed more than ever. Did you know you can reward your staff tax-free from the extra profit you make from their suggestions? By ensuring your [Employee Suggestion Schemes](#) meet basic HMRC criteria both the business and the employee benefit without the need for additional admin.

6. Consider giving employees immediate or early payouts for extra hours worked.

Depending on your payroll arrangements, you may be able to provide instant or early payouts for overtime. If additional shifts are readily available, quick payouts can boost employees' finances in between pay days and may stop them turning to high cost lenders if unexpected expenses arise.

7. Allow employees to take part of their salary early via salary advances

Adopt low-cost financial technology-powered tools, such as [Wagestream](#) and [SalaryFinance](#), to help your employees access their salary early. These are more confidential than salary advances upon request and there's no extra admin burden. They allow employees to access money they've already earned when they need it and as an alternative to high-cost credit. Some tools can also calculate micro-savings via a simple to use app to encourage workers to put small amounts of money aside as a cushion against financial shocks.

Would you like to learn more?

Go to our website <https://www.goodcreditindex.co.uk/> or contact Joanne Ainley at joanne.ainley@demos.co.uk.