

⁺Employee wellbeing: Uncovering financial resilience

Supporting today.
Preparing for tomorrow.

October 2026



Executive summary



Financial confidence is rising. So why is financial security falling?

Confidence in managing everyday money has risen 12% since 2024, yet nearly four in ten employees still lack confidence and the proportion who feel financially secure has fallen from 28% in 2020 to 19%. The biggest shift is the growth of the ‘coping’ workforce: 35% are meeting commitments, but often with little capacity to absorb the next shock.

The hidden cost of coping

Financial pressure doesn’t stay at home. 57% of employees say financial concerns affect their work, while 41% feel less engaged or motivated. Stress, lost sleep and time spent managing money can influence performance, career choices and retention. For younger employees, taking a second job or considering a move can become responses to financial pressure. Financial wellbeing is therefore a workforce resilience issue, not simply a benefits issue.

One workforce. Very different needs

The data shows why a one-size-fits-all approach won’t work. Homeowners are considerably

more confident than renters (72% versus 50%), savings resilience varies by region and later-life confidence shows a clear gender gap. Behind these demographics are very different needs from building an emergency buffer or managing debt to understanding protection or turning pension savings into a credible retirement plan.

So where should employers focus?

Employees increasingly turn to trusted people or low-friction digital tools rather than formal workplace channels. Fewer than one in ten turn to a manager, HR or an EAP for financial support. The opportunity is to make the workplace a trusted gateway with private first steps, reliable guidance, timely prompts and clear routes to independent or regulated support. The strategic question is no longer ‘Do we offer enough?’, it is ‘Does our support help the right employee take the right action at the right moment?’ Connecting insight, benefits, education and communication around real-life needs can help employers build financial resilience while protecting engagement, performance and retention.

If you would like to explore more what this means for your workforce, please get in touch via this [form](#).

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LCP's Financial health index



Financial health is a system, not a single measure

Confidence is only one part of financial health.

Stronger financial health tends to come from a combination of confidence in managing money, housing security, savings headroom and lower levels of manageable borrowing and that combination looks different across the UK.

The LCP index combines four signals to test whether people feel in control and whether they have the capacity to absorb a financial shock.

- 1 Financial confidence** How people feel about managing their everyday money.
- 2 Housing security** Home ownership and the stability of housing costs.
- 3 Savings resilience** How long savings could sustain someone if income changed or stopped.
- 4 Borrowing position** The balance between manageable borrowing and higher debt pressure.

What the index is designed to show

Where is confidence underpinned by resilience and where could it be masking fragility?



Multiple routes to strength

Different combinations of confidence, housing, savings and borrowing can produce a strong overall rating.



Confidence ≠ security

A positive outlook can coexist with limited savings headroom or greater exposure to debt.



Differences that guide action

The useful question is not which region 'wins' but which pressure employees are most likely to feel.



Employee quote: *Due to having additional needs and impulsive behaviors, I struggle to manage my finances. I wish I'd have had more support when I was younger to manage money and my issues with impulsive spending when things get tough.*

Regional resilience is uneven and savings is the clearest divider



What stands out in the regional ratings

- 1 Different routes lead to stronger ratings**
London is helped by stronger savings resilience, while the Northwest and Yorkshire and Humber look more rounded across confidence and borrowing.
- 2 Confidence can run ahead of resilience**
The Northeast scores well on confidence, but weaker savings headroom suggests less capacity to absorb an unexpected cost or income shock.
- 3 Savings resilience separates the middle**
Regions that look close overall diverge most on how long people could manage if income stopped - making savings is one of the index's clearest early-warning signals.
- 4 Wales is most constrained by limited buffers**
The pattern points towards practical priorities: helping employees build an emergency buffer, manage debt pressure and navigate housing costs.

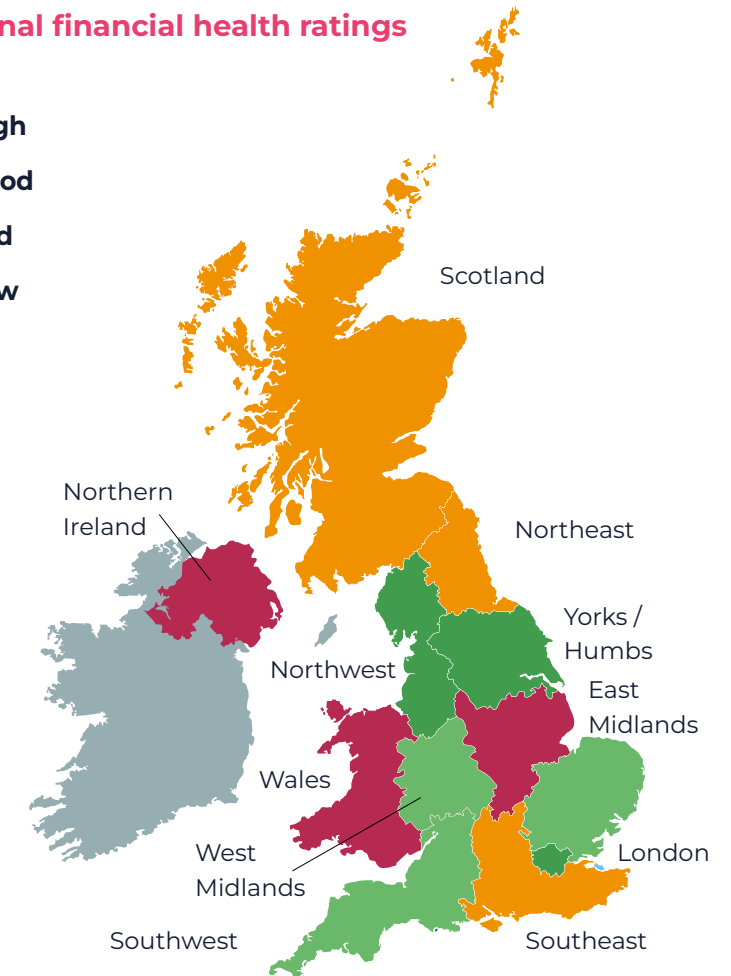
What does this mean for your workforce?

Regional variation is a signal to investigate, not a blueprint for action. The gaps may reflect housing costs, income, age, household circumstances and access to savings and can be just as marked within a location as between regions. Practical things you can do include:

- Combine the index with workforce demographics and employee listening to understand whether the real pressure is building a buffer, managing debt, housing costs or confidence.
- Consider savings resilience - this is a practical lens because it can shape how quickly a personal finance issue becomes a workplace issue but it should sit alongside other evidence, not set the strategy alone.
- If useful, we can help you look beneath the regional view and shape insight around your workforce.
- If you would like to receive more information, please complete this [form](#).

Regional financial health ratings

- High
- Good
- Mid
- Low



Growing confidence masks a widening divide



Confidence is recovering, but unevenly

Overall confidence has increased by 12% since 2024, suggesting employees are adapting to sustained financial pressure. However, almost four in ten still lack confidence in their financial situation.

A widening generational gap

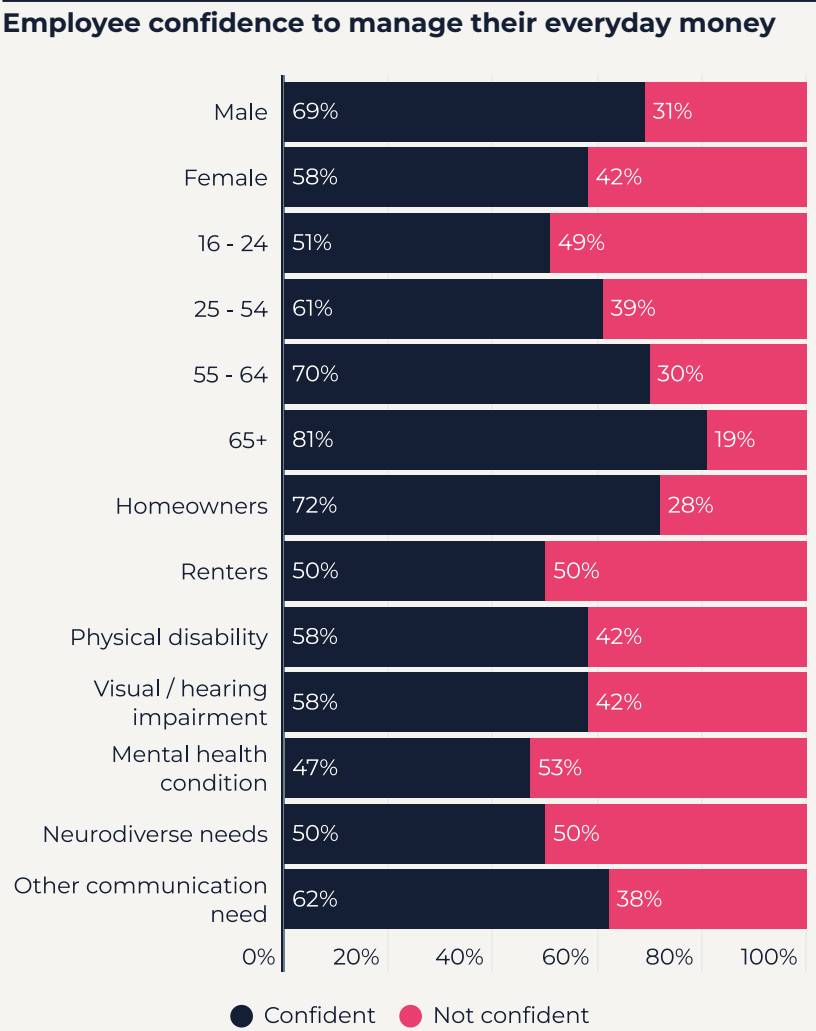
Confidence among employees under 34 has risen by just over 20%, compared with 10% among those aged 35 to 44 and only 4% among employees aged 45 and over.

Security shapes confidence

Nearly three quarters of homeowners feel financially confident, compared with only half of renters (72% versus 50%). Rising living costs, limited savings and uncertainty about the future continue to shape how secure employees feel.

What rising confidence may be hiding

Rising confidence does not necessarily mean stronger financial resilience. Employers should look beneath the headline and target support towards the groups whose confidence and financial security remain furthest apart.



When financial stress starts costing employers



The hidden impact on performance, retention and talent

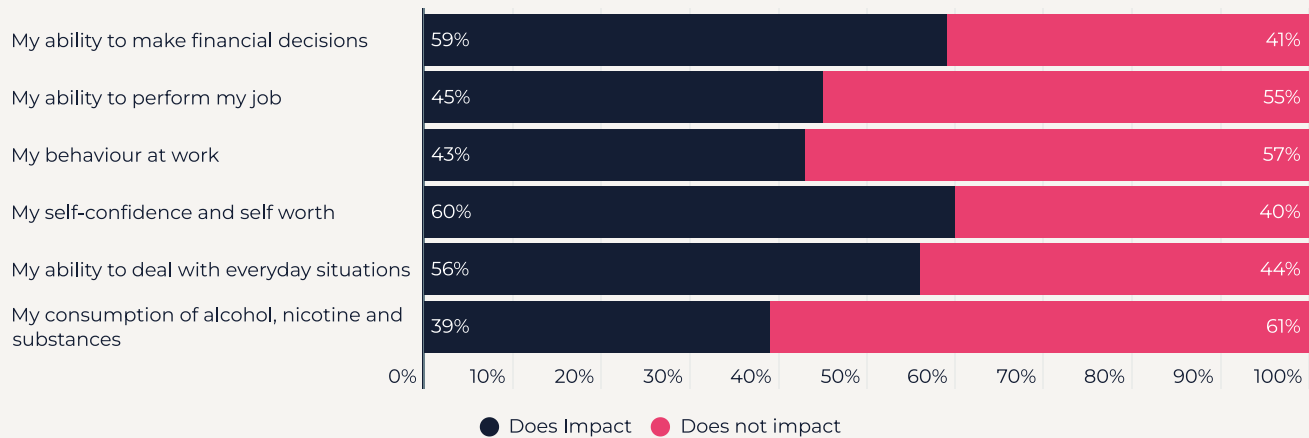
More than one in three employees (36%) say they feel stressed or anxious about money, which has risen by 12% since 2024. Additionally, one in five are losing sleep because of financial worries, a figure that has also increased over the last two years.

That strain changes how people function, with three in five saying it affects self-confidence (60%) and financial decision-making (59%), and more than two in five (45%) saying it affects their job performance.

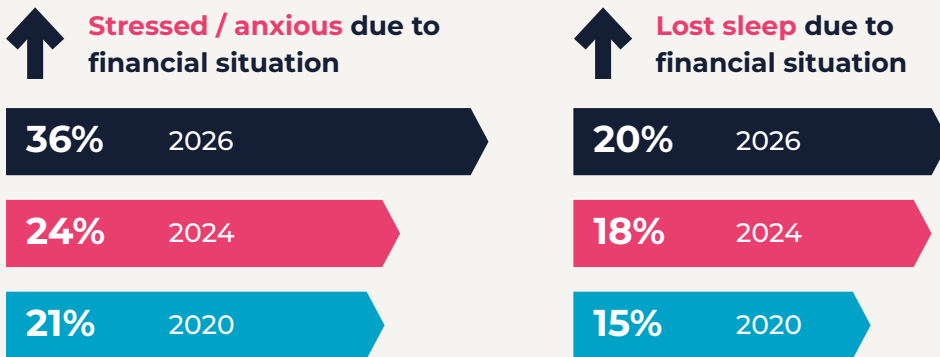
For younger workers, the response is increasingly practical: nearly half of 25 to 34s are considering a second job (46%), and more than two in five under-35s are considering changing employer.

If financial pressure is prompting employees to look elsewhere or take a second job, what could that mean for the employers' ability to retain, engage and develop talent? What is the hidden cost when stress doesn't just affect performance, but influences employees' decisions to stay or leave?

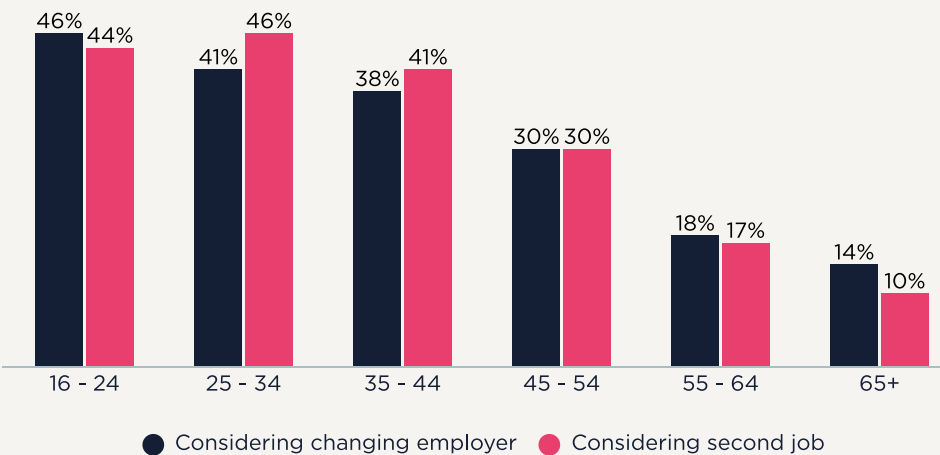
Financial pressure impacts everyday behaviour at home and at work



Increasing impacts of financial worries on wellbeing



Employees considering changing employer, or taking a second job to support financial needs



When managing money leaves no margin for error



Progress on savings and borrowing masks limited resilience across the workforce.

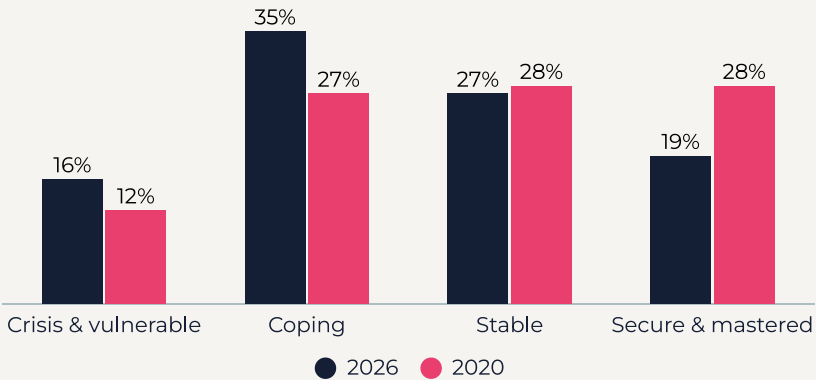
Financial resilience is improving but remains fragile

Levels of borrowing have eased slightly, although borrowing is still used regularly by half of employees. Savings have improved slightly, with three in ten now reporting having less than one month's money put aside (including those with none), which impacts their ability to cope with financial shocks.

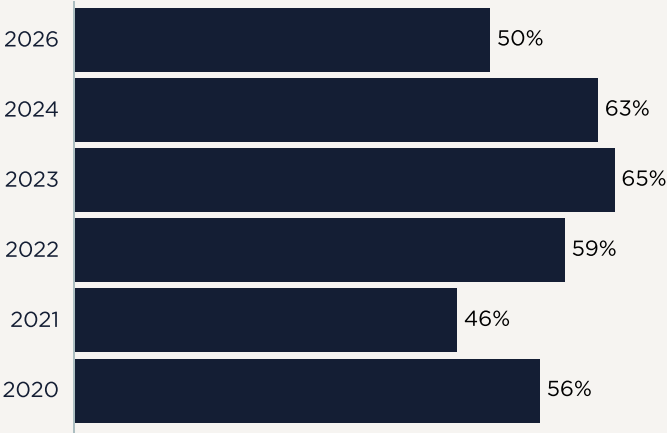
This is echoed by the increase in those who are 'coping' and those who are in 'crisis' or 'vulnerable'.

For employers, there is an opportunity to support financial health by creating ways to build savings and financial resilience for the unexpected.

Everyday money management



Have borrowed in the last 12 months



Most common forms of borrowing



Formal credit – 1 in 4 (27%)

Overdraft, credit card or bank loan



Short-term credit – 1 in 6 (17%)

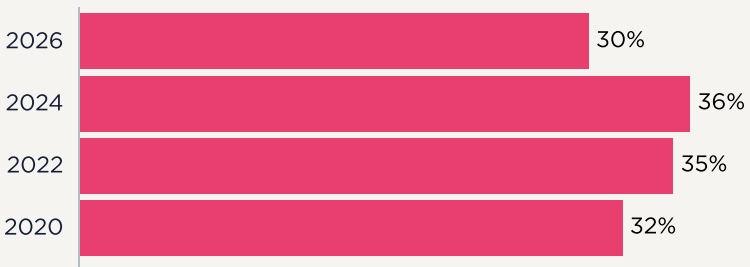
Buy now pay later (e.g. Klarna) or payday loan



Personal network – 1 in 7 (14%)

Family or close friends

Employees with less than one month's savings (including those with none)



Where are those savings kept?



Instant access Savings account
46%



Everyday current Account
40%



Cash ISA
40%



Stocks & shares ISA
28%



Fixed terms Savings / bond
22%



National savings / premium bond
20%



General investment account
15%

The hidden risk of a ‘coping’ workforce

Employees may appear stable while limited financial headroom leaves them increasingly exposed to stress and disruption by financial shocks.

The shift is from security to coping

The defining change since 2020 is not a rise in financial crisis, but an erosion of financial security. The proportion of employees who are in crisis or vulnerable has remained broadly stable at one in six (16%), while those who feel financially secure have fallen from 28% to 19%.

A growing workforce with little room for error

Employees have not moved into crisis. Instead, the coping population has grown from 27% to 35%, meaning one in three employees can meet their commitments today but may struggle with an unexpected expense.

This creates a hidden vulnerability. People can appear financially stable and continue performing at work while

having very little capacity to absorb higher household costs, a family emergency or a loss of income.

Financial pressure is already showing up at work

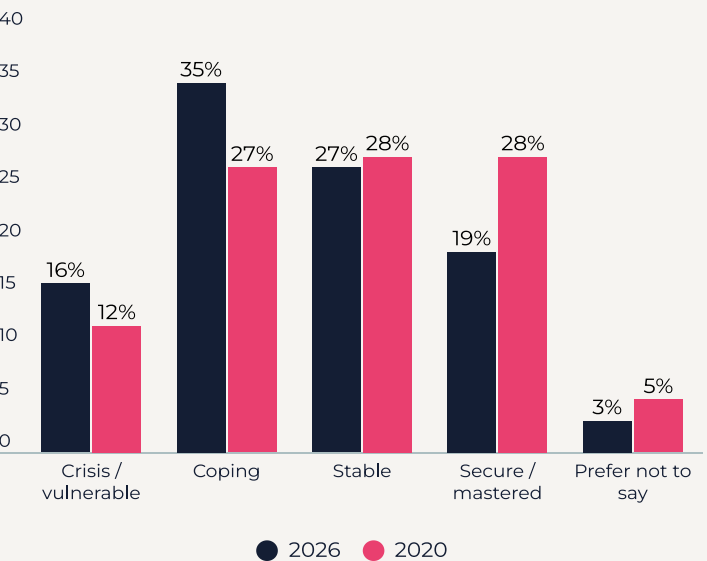
The workplace impact extends well beyond employees in visible difficulty. The highlights below are not simply indicators of personal hardship; they point to growing risks for performance, engagement and retention.

The strategic implication for employers

The challenge is not only identifying employees in crisis. It is recognising the much larger group who appear to be managing but have limited financial headroom. When a third of the workforce may be one financial shock away from greater pressure, financial wellbeing becomes a resilience priority. Building employees’ capacity to absorb the unexpected can help protect workforce performance, engagement and retention.

Please complete this [form](#) to request insights that can shape your wellbeing strategy.

How are employees managing everyday finances?



57%

Over half say their work has been impacted by financial concerns

34%

One in three are considering taking a second job to support their finances

60%

Three in five say financial concerns affect their self-confidence and self worth

41%

Two in five agree that financial stress makes them less engaged or motivated at work

27%

One in four have spent time during the working day dealing with personal financial matters

24%

The average percentage impact on productivity where employees are distracted

Employees don't see wellbeing in silos. Why do employers?



The case for a more joined-up approach to financial, physical and mental wellbeing

The benefits that have seen the greatest growth since 2020 are not concentrated in one area. Financial education and advice continue to expand, alongside health, protection and support benefits such as dental cover, private medical cover, critical illness insurance and wellbeing support.

This suggests employees may be looking at financial wellbeing through a wider lens than simply budgeting or saving money. The ability to cope financially is increasingly linked to broader concerns around health, family responsibilities, protection against unexpected events and access to practical support when life becomes more complicated. The data around unmet demand (where employees do not have access to benefits but would value it) points in a similar direction. While education and guidance remain important, employees appear to place greatest value on benefits that provide tangible support, improve day-to-day affordability or help reduce financial uncertainty.

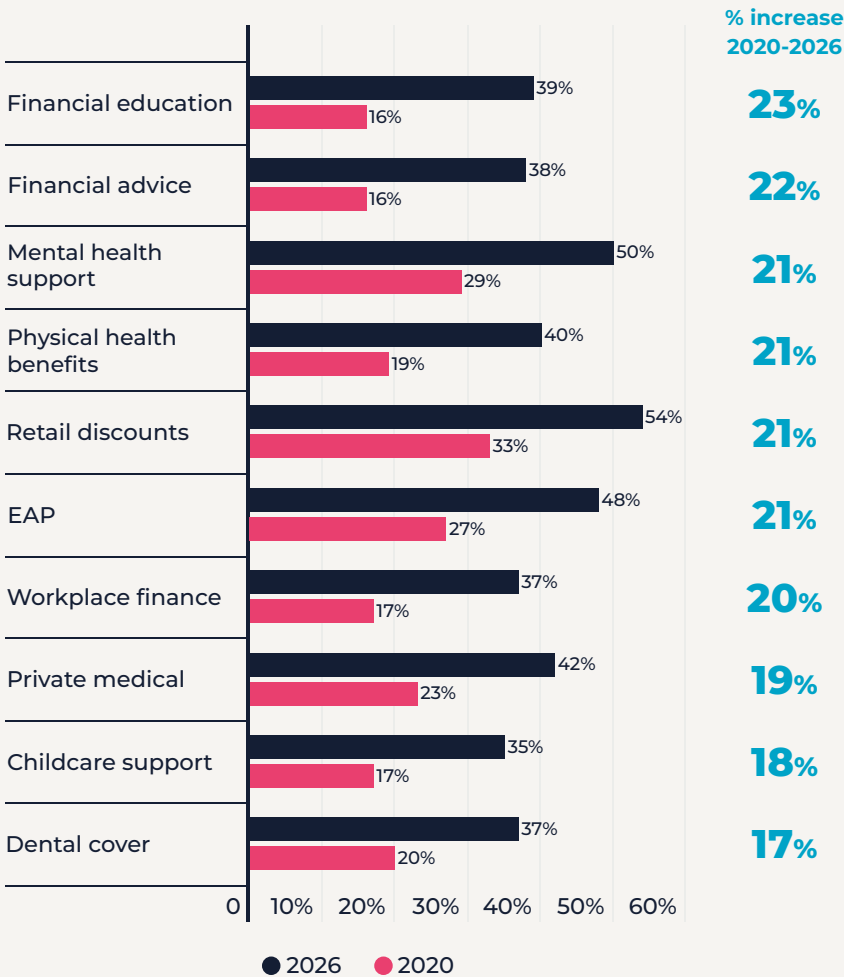
For employers, the opportunity may be less about introducing more benefits and more about creating a joined-up experience. Employees do not tend to separate financial, physical and mental wellbeing in the same way organisations often do. Programmes that recognise the connection between all areas of wellbeing may be better positioned to improve resilience, engagement and overall wellbeing outcomes.

Top 10 benefits ranked by unmet demand:

Unmet demand shows where employees would value a benefit but do not currently have access to it, revealing gaps between workforce needs and existing provision.

1. Dental cover	40%	6. Critical illness cover	27%
2. Financial education	31%	7. Income protection	26%
3. Financial advice	29%	8. Mental health / wellbeing support	23%
4. Private medical	28%	9. Childcare support	23%
5. Physical health support	28%	10. EV scheme	21%

Top 10 benefits that have increased in access / availability



Turning pension saving into future confidence



Employees are saving, but confidence is lagging

Many still cannot answer three practical questions: who holds my pension, am I on track and what should I do next?

1 in 4
Don't know who their pension provider is

Less than 1 in 4
Feel on track for retirement

2 in 5
Worry about running out of money in retirement

3 in 10
Worry about making the wrong financial decisions

The issue is clarity, not disengagement. One in four do not know their provider, fewer than one in four feel on track, two in five worry about running out of money and three in ten worry about making the wrong decisions.

Confidence falls further when choices become more immediate. Uncertainty peaks in mid career and women are ten percentage points less likely than men to feel on track.

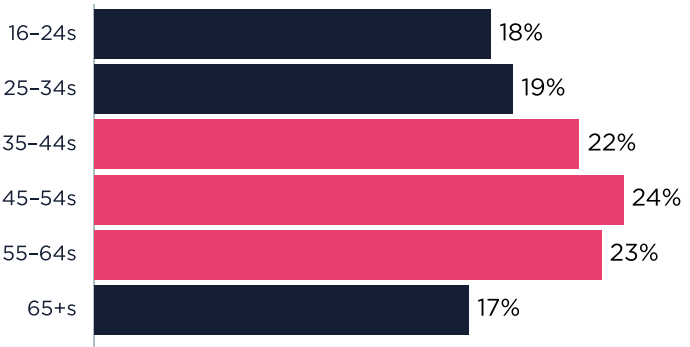
How employers can build confidence

- **Make the basics visible:** provider, contributions, beneficiaries and routes to guidance.
- **Use timely prompts:** around joining, mid career, life events and retirement planning.
- **Connect:** pension choices to wider financial needs and access to advice.
- **Create a joined-up approach:** work closely with the pension provider to use tools that can bring retirement income options into one simple view which supports later life decisions.

+ Employee quote: *If only someone had told me anything about investing, pensions, compound interest etc before my 30's. Even about the employer pension, which slipped through the cracks having had multiple part time jobs when I was younger, with no single job reaching the threshold for it.*

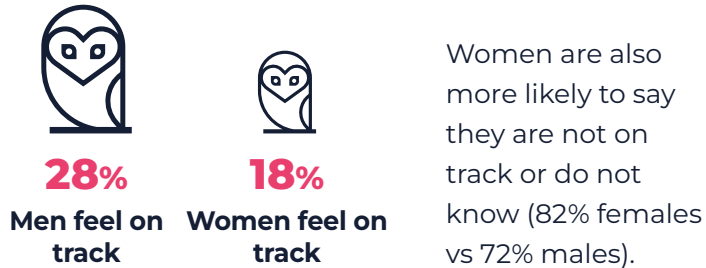
Where confidence thins out

Employees saving for their financial future, but who are unsure whether they are on track.



Uncertainty peaks at mid career when retirement decisions are becoming more immediate.

Gender confidence gap



Pensions are only part of the picture



From pension saving to a later life strategy

Pensions remain central, but later life income increasingly combines savings, investments, property and work.

Top 5 components expected to make up retirement income



More income sources can strengthen resilience. They can also make retirement planning harder because employees must understand how separate assets work together to provide a sustainable income.

Retirement is also becoming a transition. Around one in six expect part time income, bringing flexible work and phased retirement into the later life conversation.

How employers can support a joined-up plan

Show the whole picture: bring pensions, savings, investments, property and earnings into one view.

Translate assets into outcomes: frame choices around future income, spending power and trade offs.

Start earlier: connect current saving, debt and investment habits to future options.



Employee quote: *I wish someone had explained earlier how vital it is to start saving into a pension as soon as you begin working, how even small regular amounts grow over time, and how to budget properly to set aside money for emergencies.*

The retirement strategy gap

Employees may have more sources of retirement income, but confidence remains low. Three in four do not feel, or do not know if, they are on track.



More options do not automatically create a plan.

Employees need help turning a mix of assets into a credible income strategy.

Trust does not create engagement

75% trust in workplace pension providers; and **24%** still do not know who their provider is

The opportunity is not more information.

It is practical modelling and guidance that turn passive trust into informed action.

Turning pension uncertainty into confident action

Employees need a clear route from information to action. As future pensions dashboards bring more information together, employers can help people understand the whole picture, judge whether they are on track and make confident decisions.

Make the next step clear

Support should help employees locate their pensions, assess their position, connect retirement planning to wider finances and know where to turn next.

Make the whole picture visible

Help employees use pensions dashboards and other tools to locate savings, identify gaps and understand how different assets work together.

Support the moments that matter

Use mid career reviews, life events and retirement planning to provide timely prompts and routes to guidance or regulated advice.

Translate savings into outcomes

Frame choices around future income, spending power and trade offs rather than fund values alone.

Recognise that retirement is changing

Include flexible work and phased retirement alongside pensions and other assets.



Find it

Make it easy to locate pensions, check contributions and review beneficiaries.



Check it

Use prompts at key life stages so employees can assess whether they are on track.



Connect it

Link pensions to debt, savings, budgeting, protection and advice.



Act on it

Give employees a clear next step from insight to guidance and action.



Where workplace protection ends, personal protection begins



Helping employees understand and close the gaps

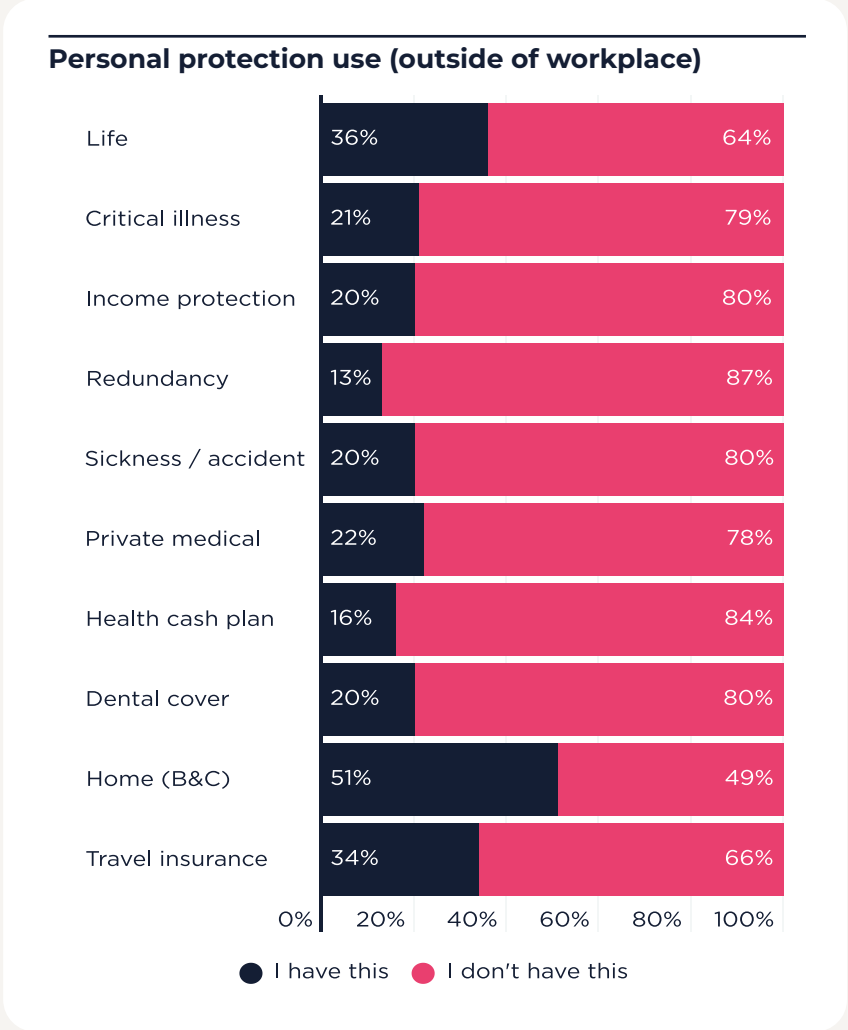
Workplace benefits and personal protection solve different parts of the same problem. Work can provide a valuable foundation, but employees still need to understand what is covered, what is not and which risks remain their personal responsibility during employment and after they leave.

Why people remain unprotected (personal protection products)



The protection gap is not one problem; it is a series of different frictions. Cost weighs more heavily on women (32% versus 21% of men), while 8% of 25–34 year olds do not know what life insurance is or how to access it. A single awareness campaign will not close both gaps: employers need to identify whether the barrier is affordability, understanding or access, then tailor awareness and support provided by employee benefits accordingly.

+ Employee quote: *It would have helped to know earlier that financial planning isn't about predicting the future or having a perfect budget, it's about building a buffer between you and life's unpredictability.*



Where workplace protection ends, personal protection begins

How employers can connect workplace support with personal protection

1

Define the two layers – personal and workplace

Workplace cover provides the foundation: explain what is included, who is eligible and when it ends. Then outline any personal cover employees may consider.

Employer action: map “provided by work / consider personally / changes when you leave”.

Strategic question: do employees understand where workplace cover ends and personal responsibility begins?

2

Turn awareness into decisions

Information alone does not create protection. Use life events such as joining, home purchase, family change, caring or a new role to help employees test whether workplace provision matches personal need.

Employer action: add needs-based prompts, plain-language examples and impartial or regulated guidance.

Strategic question: are we enabling decisions or only announcing benefits?

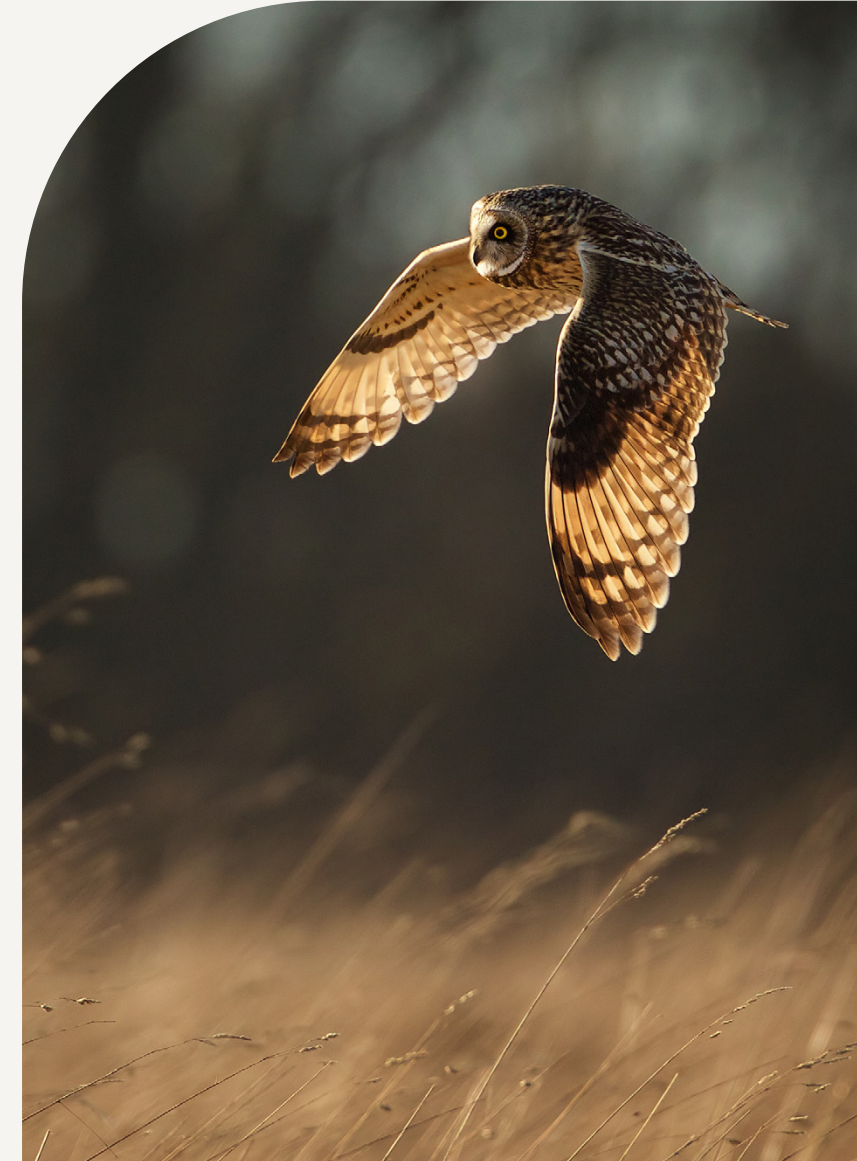
3

Create a route when personal cover fails

A decline, exclusion or high premium can leave the most vulnerable least protected. Workplace cover may offer broader access, but eligibility, limits and exclusions must be clear.

Employer action: review guaranteed-acceptance options, specialist referrals and guidance for declined employees.

Strategic question: what routes exist when personal cover is declined or excluded?



Financial support starts with trust



How employers can make it easier to get help without having to ask

When financial concerns arise, employees are more likely to turn to trusted people or low-barrier digital tools than to formal workplace routes. This points less to rejection of workplace support than to a preference for privacy, control and immediate access.

1 in 4
would manage alone or stay silent if they had a financial concern or issue.

2 in 5
would use AI tools, social media or YouTube for personal finance information.

2 in 5
cite discomfort, embarrassment or shame as barriers to asking for help.

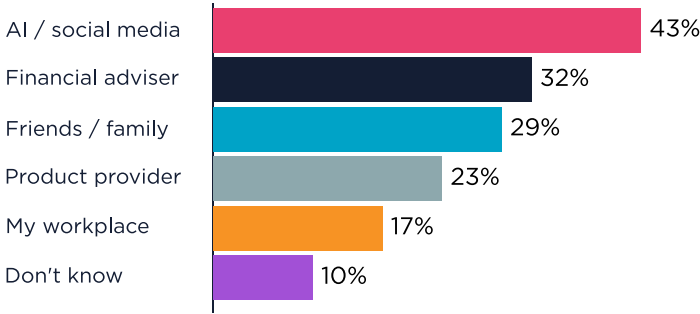
1 in 7
have used ChatGPT to help with financial issues or concerns.

Taken together, the findings suggest an important distinction between seeking information and disclosing difficulty. Employees are open to workplace content yet fewer than one in ten speak to a manager (9%), HR (8%) or an EAP (7%). This suggests the workplace can be a trusted first step, not somewhere employees must explain the full problem. Private guidance and support can then connect people to independent expertise when needed.

+ Employee quote: *I would feel more confident if I had someone to explain/tell me what options I have available to me and how to best put them into action when I need them.*

Where employees turn for support

If you were looking for information about personal finance, where would you go?



What this changes for employers

AI and social media are now the most-used source of information for financial matters, almost double use of product providers. This points to demand for fast, familiar and low-friction answers, not a replacement for professional help.

The workplace is chosen by around one in six; not the first port of call, but it still has meaningful reach. Employers can make reliable information easy to find and provide a clear route to independent advice and support when decisions carry risk.

Financial support starts with trust



How employers can reduce friction without forcing disclosure

1

Make the first step private

Offer anonymous self-serve guides, calculators and signposting without requiring a referral or personal disclosure. Put them where employees already look.

Employer action: can support be accessed in under two minutes, anonymously?

Strategic question: would an employee use this before they felt ready to talk?

2

Join digital and human support

AI is already part of the support journey. Set clear boundaries and signpost independent guidance or regulated advice where needed.

Employer action: define which topics suit self-service and which signals should trigger an escalation.

Strategic question: where could confident-sounding information create risk?

3

Design for trust, not visibility

Awareness alone will not overcome discomfort or shame. Explain confidentiality, use neutral language and avoid involving managers unless requested.

Employer action: review privacy wording, supplier independence and access patterns by age and gender.

Strategic question: what evidence tells us the channel feels not only safe, but also available?



Financial wellbeing - From good intentions to measurable impact



You can use this checklist to identify where you're strong today and where better insight or action could unlock more impact.

The strongest financial wellbeing strategies start with a clear understanding of employees' needs, then connect insight, education, benefits and communication to those needs. Use the questions below to identify where your strategy could go further. The goal is not 'more financial wellbeing', it's 'more impact'.

1. Understanding your workforce

Insight and employee voice

- ☐ Do we know where financial pressure is most acute and how this differs by age, location, pay level, life stage and working pattern?
- ☐ Are we combining workforce data with the employee voice to understand both the scale of issues and the lived experience behind them?
- ☐ Have we asked employees directly what support they need, through surveys, focus groups or targeted conversations rather than assuming? If not, consider targeted surveys and focus groups to build a clearer picture.

2. Build the confidence and capability of your workforce

Build confidence not just knowledge

- ☐ Is our financial education relevant, inclusive and easy to act on, not simply more information for employees to absorb?
- ☐ Are you reaching people at the moments that matter? From joining, promotion, parenthood, caring, debt concerns and retirement, all of these are significant life events that require support.
- ☐ Do managers and HR teams know how to signpost support appropriately, without needing to become financial advisers? If not, review your education and guidance around key employee moments to make next steps clear.

3. Focus benefits, support and communication where they matter

Benefits and communications

- ☐ Do your benefits address the financial needs you have identified and are there gaps, overlaps or benefits that aren't delivering enough value?
- ☐ Is our communication strategy clear, timely and segmented, so that employees receive relevant messages through channels they will use?
- ☐ Are we measuring engagement, understanding and outcomes, then using the findings to refine our approach? If not, use your data to prioritise investment, refine communication and demonstrate where your strategy is making a difference.



Whether you're reviewing your approach or looking to get more value from existing benefits, Heidi Allan, LCP's Head of Financial Wellbeing, can help you explore the insights most relevant to your organisation. If you would like to receive more information, please complete this [form](#).

Please get in touch to find out more



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