

5 ways to offer financial support for employees navigating the cost of living crisis

The stress of making ends meet is understandably distracting and can negatively affect an employee's productivity, engagement, and motivation at work.

The cost of living in the UK is hitting many employees hard as inflation continues to grow. While there is no end in sight, employers and employees are required to make tough decisions.

In September 2023, 95% of British households that experienced an increased cost of living in the previous month reported that their food bills had also increased, with 60% reporting that they saw a hike in their electricity bills as well. This is why financial support for employees can not just help employees find better financial strategies to navigate the rise in the cost of living, but also help organisations become employers of choice.

However, this isn't a simple task as many employers may assume that offering a pay rise could be the solution to everyone's problems. Unfortunately, the solution isn't as simple and requires a lot of planning. A pay hike isn't practical when the organisation is also going through a tough time running its day-to-day operations with inflation.

Here are 5 ways organisations can offer financial support to employees:

1. financial coaching as part of the benefits package

Your employees may understand that being financially healthy is important,



but when it comes to actually knowing what to do, not having the knowledge could be a barrier to how successful they are.

Financial health and financial wellbeing are connected. If someone has made some unwise investments and cannot recover their money or had to take on debt to cover their everyday expenses, it can be difficult if they don't know what to do and their worries may persist.

Offering access to a financial coach or advisor can help them create a strong plan for the future. It helps them feel more confident about their financial situation and helps them avoid self-destructive behaviour to reach their financial goals and wellbeing.

2. flexible hours and remote working options

Even though remote working and flexibility are options that are offered in many organisations, there are those that don't offer the same benefits that

can help significantly reduce the costs of childcare and even the cost of commuting to and from work.

Some employees may prefer working at the office to avoid higher utility bills. By giving your employees the option of selecting where they work and the hours they work, you can offer them the support they need since there's no one-size-fits-all approach.

3. re-evaluation of benefits and rewards

Rewards and benefits are a great way to offer financial wellbeing during a time when the cost of living is high. Think about the benefits and rewards that your employees would appreciate the most and would give them the most financial value.

If you're unsure about what those benefits and rewards would look like, here are a few to inspire you:

- Generous annual leave policies
- Assistance to help pay off debt
- Physical and mental healthcare benefits

- Special discounts for childcare, transport, retail items, gymnasiums, and more

4. real-time pay information

Introduce a real-time payroll engine that gives employees immediate visibility into any changes to their payroll without having to wait until the pay period comes to an end. This means that their employee payslips are updated more frequently, giving them a better understanding of how much they're earning.

This lets them improve and navigate the cost of living with better budgeting and higher savings.

It can even help your payroll team to free up time that they spend answering payroll queries and focus on more strategic areas of their work.

5. access to payslips in advance

Often described as 'on-demand pay' or 'instant pay', flexible payrolls give employees access to their wages as soon as they have received them. If you're wondering how this can help you improve financial support for employees, here's how.

Employees may have unexpected bills and changes in their financial standing every day that may lead them to take out loans or opt for more credit cards to cover these expenses.

All these options can have an impact on their financial wellbeing as stress builds up, affecting their work quality. A flexible payroll can be an interest-free option which means that financial anxiety can be reduced and give more control to your employees.