

Majority of UK employees worried about meeting basic costs, WTW survey finds

2 years ago



A majority of UK workers are struggling to meet basic living costs, fuelling a sharp decline in retirement confidence. This is according to a new survey by [WTW](#), a leading global advisory, broking and solutions company. The survey of 6,000 UK employees also revealed a sharp disconnect between financial wellbeing support employees want from their employer and what companies are delivering.

The 2024 Global Benefits Attitudes Survey found 89% employees have worries about paying for basic living costs, with four-in-ten extremely worried about the costs they could face. Employees ranked food (77%), housing (71%), transportation (71%) and interest charges (66%) as their main cost concerns. The number of employees who report living payday to payday climbed from 36% in 2022 to 40% this year, while the number of employees who said they were worse off financially compared with a year ago increased from under a quarter (24%) in 2019 to 40% this year.

Nearly half of employees (45%) are not on the right track with respect to their finances and over a quarter (28%) expect their financial situation to worsen over the next year. Moreover, 59% of employees said money concerns are having a negative impact on their overall wellbeing resulting higher levels of stress and anxiety.

Helen Gilchrist, head of defined contribution consulting at WTW, said: "High inflation combined with the aftermath of a once in a generation pandemic is causing many employees to feel overwhelmed and discouraged about their financial situation, which is affecting overall wellbeing. Employers should take action to improve financial wellbeing within their organisation: adequate education for employees to help plan their resources and close financial gaps, as well as connecting employees with relevant elements of their total rewards package."

Growing financial problems and uncertainty with inflation are also affecting employees' retirement confidence and savings. Nearly four-in-ten (39%) older workers (age 50 and higher) expect to work past age 70, a sharp rise from 27% two years ago, and 31% prior to the pandemic. Additionally, eight in ten workers (79%) admit they are not saving as much for retirement as they should be, and less than half (47%) are on the right track to retirement.

Interestingly, the survey revealed a significant gap between the financial wellbeing support employees want from their employer and the priority employers are placing on financial wellbeing initiatives. Six-in-ten (59%) employees ranked financial wellbeing as the area where they want the most support from their employer over the next three years. However, other WTW research found only one in four employers (24%) ranked financial wellbeing as a top priority for their wellbeing programme over the next three years.

Gilchrist said: "Employer retirement programmes, and specifically defined contribution plans, remain the primary path for employees to save for retirement. With challenges meeting their day-to-day expenses while still planning for retirement, employees are looking for help from their employer to build a retirement nest egg, but they also report needing flexibility for emergencies and a desire to maximise their benefits.

"Yet, there is a clear disconnect in priorities between employers and employees. Employers have an opportunity to align their focus with employee value, cost pressures, and talent objectives to address how their benefit programmes align to retirement and financial wellbeing initiatives,"