

Workplace financial wellbeing interventions and the mental health of young workers

FINANCIAL WELLBEING & MENTAL HEALTH



Poor financial wellbeing is associated with anxiety and depression



These are substantial issues for young people globally, worsened by Covid-19

OUR STUDY

To explore the likely and proven impact of workplace financial wellbeing interventions (WFWI) on the mental health of young workers, researchers at RAND Europe conducted a literature review and analysis of Britain's Healthiest Workplace (BHW) and Asia's Healthiest Workplace (AHW) surveys.

Through our literature searches we identified no studies investigating the impact of WFWI on the mental health of young workers; only two considering workers of all ages; and one of a financial wellbeing intervention specifically with young people, but not in the workplace. The total sample for our analysis of survey data to explore the effectiveness of WFWI was:



51,384 employees from **242** companies in BHW



35,589 employees from **444** companies in AHW

To explore which groups benefit most, we analysed data from:



2,259 participating employees, **168** of whom were aged **18-24**

LIMITATIONS OF THE LITERATURE



In terms of direct evidence of the effectiveness of WFWI on the mental health of young workers, literature in this area is limited. We only included three studies; two of which were not with young workers specifically (and had a risk of bias), and one that was in a non-employment setting. These studies suggest that WFWI are a potentially promising approach, but there is a need for more direct evidence of these interventions in employment settings with young people.

WORKPLACE FINANCIAL WELLBEING INTERVENTIONS

These include:



financial education
(e.g. courses and workshops, financial coaching, online tools, or gaming apps)



financial benefits such as reduced prices on goods and services (e.g. gym membership, bicycle schemes)



advances on pay
(e.g. access to low-interest borrowing or advances on pay)



automated **saving schemes**

THE EFFECTIVENESS OF WFWI ON MENTAL HEALTH

Based on our analyses of BHW and AHW data



Participation in WFWI is associated with **better mental health**



This association strengthens amongst: **18-24-year olds; low-income groups; men**



In the UK sample, this also extends to respondents **without a degree**, as well as those from an **ethnic minority** background and who **believe there is discrimination** in the workplace

RECOMMENDATIONS FOR EMPLOYERS



WFWI are a promising approach for preventing or addressing mental health problems in young workers



Interventions should be personalised and culturally appropriate

Groups of workers at a higher risk of poor financial wellbeing should be encouraged to participate (e.g. women, low income workers, and renters or those with mortgages - in comparison to out-right home owners).



Offer a range of WFWI to increase engagement of young workers



Make the content of interventions appropriate for young workers

For example, assist young people to develop good money habits, gain a deeper understanding of financial concepts and attitudes, and support money skills for independent living.



Increase employee awareness of WFWI on offer

Only a small proportion of young workers who have access to WFWI are actually aware of them (19 % in BHW and 16 % in AHW).

This could be improved by better (and targeted) advertising and awareness raising among employees of the meaning of WFWI.



Develop a strategy for encouraging participation

In the UK, only 10 % of those who know they have access to WFWI participate. In the Asian sample, however, almost half (45 %) of young workers take-up the service offering, representing a distinct difference in behaviour between those in the UK and Asian samples.

This could be improved by better education of what financial wellbeing programmes actually offer, as well as making them easier to access.

REFERENCES

¹ Nuffield Foundation. 2020. 'Covid-19 Pandemic Could Increase Youth Unemployment by 600,000 this Year.' Nuffieldfoundation.org, 6 May 2020. As of 9 November 2020: <https://www.nuffieldfoundation.org/news/covid-19-pandemic-could-increase-youth-unemployment-by-600000-this-year>

² OECD. 2018. OECD Labour Force Statistics 2018. Paris: OECD Publishing. As of 9 November: Paris, https://doi.org/10.1787/oecd_lfs-2018-en

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