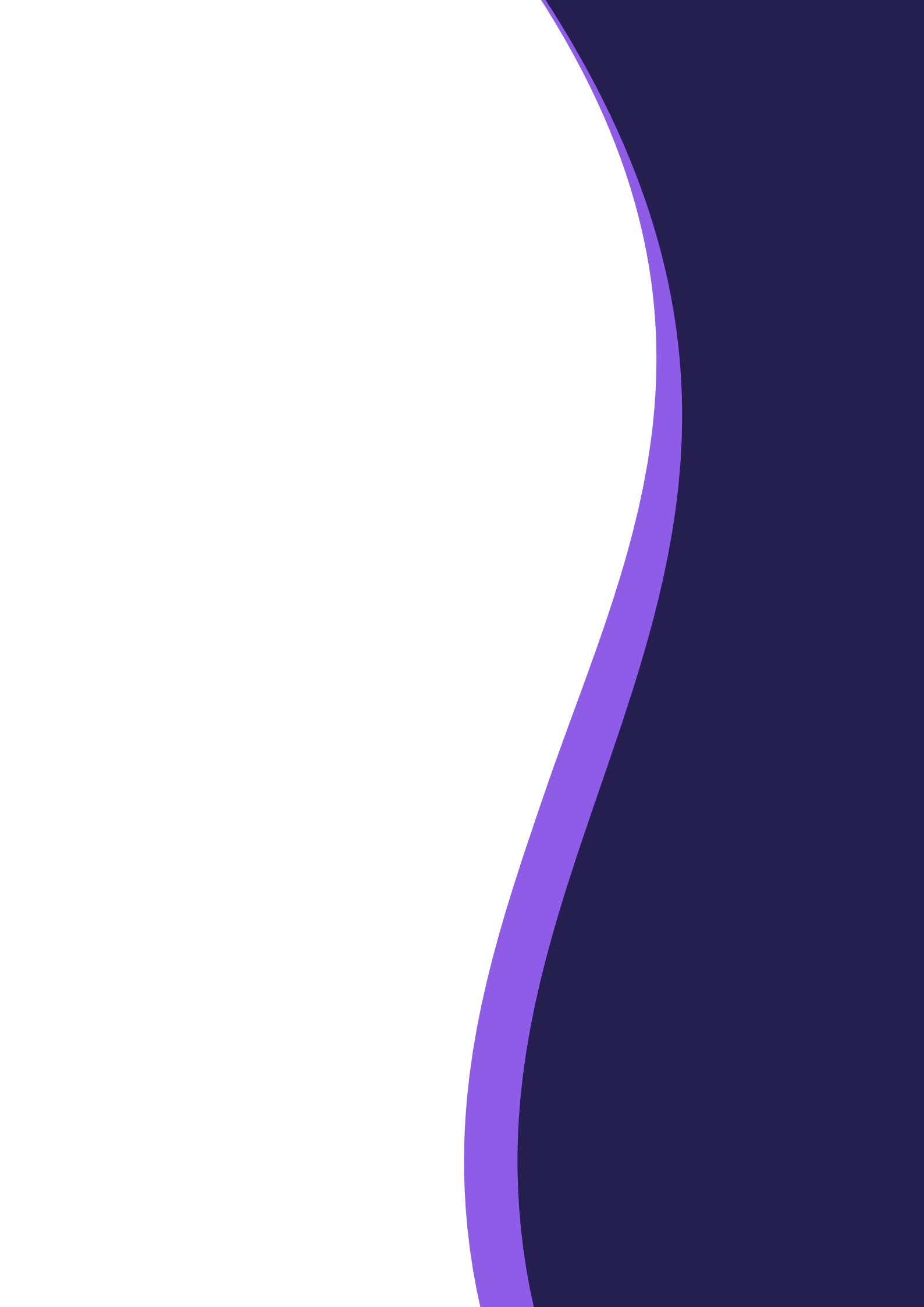


The State of Financial Wellbeing

Hospitality Outlook, 2023





The State of Financial Wellbeing

Hospitality Outlook, 2023

87%

of hospitality workers' mental health is worsening, because of money worries

42%

have missed a bill, because of the rising cost of living—56% more likely than the rest of the workforce

30%

worry every day about money—but just 1% of their employers realise it

57%

of hospitality employers have upped their financial wellbeing efforts - compared with the UK average of 71%

56%

more likely for a hospitality employer to cite 'lack of internal knowledge' as holding back their financial wellbeing efforts

Created by Wagestream

www.wagestream.com

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Welcome

Our State of Financial Wellbeing research programme is designed to help improve the population's financial wellbeing. Blending data and analysis with expert opinion and lived experiences, it aims to paint a clearer picture of what builds financial wellbeing, what blocks it, and how we can work together to make it a reality for everyone.

From our research efforts last year, we feel encouraged that the intersection between employer and employee is a viable, high-impact way of improving the population's financial wellbeing. And as employers begin to build it into their broader value proposition, we can begin to dig deeper into what it means to work in different sectors. How rewarding is it? How does it impact mental health? And how could it be improved, in order to help employers and employees thrive?

In our first industry-focused report, we chose to focus on hospitality—where the employee wellbeing challenge is arguably the greatest.

Social, economic and political shifts have challenged almost every sector, over the past few years. But in hospitality, employees are perhaps most visibly part of the product and experience businesses sell—yet they are suffering the most. Their employers are feeling the effects, too: the 'war for talent' rages on, putting greater strain on the bottom line and the industry's performance as a whole.

A number of research efforts have already unpacked the myriad challenges hospitality faces—and the scale of the challenge is huge. But by building on those with our own, focused findings on the state of financial wellbeing in hospitality, we hope to show that small changes at the employer level will make a big difference. We hope you'll agree the findings in this report show that every hospitality employer has the power to improve financial lives; and together, they can turn hospitality into a booming sector that provides rewarding work for millions of people.



Callum McCaig
Communications and Policy
Wagestream



Emily Trant
Impact and Inclusion
Wagestream

Methodology

This report's analysis is drawn primarily from three datasets:

- A survey of 2,000 consumers [Summer of 2021]
- A survey of 5,000 workers and 600 HR decision-makers [End of 2021]
- A survey of 2,500 workers and 300 HR decision-makers [Summer of 2022]

All three surveys were independently run by market research partners Censuswide and OnePoll, to ensure impartiality, and we use proportionally representative samples to benchmark the state of financial wellbeing among hospitality workers and employers against 35 other professions.



01

**A new outlook
on the talent war**

The price of a smile

'Hire the smile, train the skills.' You wouldn't have to travel far back in time, to find this as a recruitment mantra for leaders and HR teams in the hospitality industry.

The phrase was, of course, said with warmth. It nodded to what made the industry unique: its success rests on experience, and that experience rests on the people who deliver it.

By 2020, the mantra for many sounded different. Conversations and strategies shifted from 'smiles' to 'skills', as irresistible hyperbole around the 'war for talent' became all-consuming. It even became useful: it gave HR and People teams a challenge to focus on; it gave boards a narrative for their annual reports; it gave the industry an enemy to fight.

The definition of skills expanded, too. As employers' societal role subtly evolved, we saw it grow to encompass the teaching of life skills. Employer mindsets, across the economy, shifted from paternalism ("you should do this"), to empowerment ("this will help you make the best decisions for yourself and your family").

The evolving employer role, in action

Since 2013, the IHG Academy has positively impacted over 80,000 people by offering them work experience and life skills through hotel internships and placements. Recently, the scheme was expanded to include the IHG Skills Academy—a marketplace where IHG and selected partners can offer free opportunities for people who want to build confidence and become ready for the world of work.

People who complete modules of the programme, but aren't currently employed by the company, are fast-tracked in their recruitment process. And in terms of retaining employees, offering them 'life skills' support, is proven to keep people engaged—by providing them the ability to learn and move forward in their life, with their employer of choice.

Enter the black swan. Brexit, Covid-19 and the Cost of Living Crisis, within a two year period, was a triple-whammy nobody could have predicted or planned for. Among the many things learned over that period - from the meaning of the word 'furlough', to how to make sourdough bread - there was one lesson which no hospitality CEO could avoid: the health and resilience of their workforce can make or break their business.

“When we asked hospitality firms about their biggest 2022 challenges, recruitment and retention featured in the top three. Across the rest of the UK economy, it didn’t”

Let’s be clear: the talent war is real. UKHospitality’s recent workforce strategy set out the shape and the scale of the challenge: it will take years of cross-industry collaboration, and continued support from policymakers, to bring us back from the brink. And further recent research puts a fine point on how the challenge impacts businesses today. An overwhelming 94% of hospitality firms are worried about hiring.

Last year we asked hospitality firms about their biggest 2022 blockers to success, recruitment and retention featured in the top three. For the rest of the UK economy, it didn’t. Even before the pandemic, the hospitality workforce challenge was acute – with a higher number of vacancies as a proportion of total jobs (6%) than all other UK industries (4% on average).

A holistic talent approach

Of course, the hiring equation is two-sided: retention is a challenge, too. The people behind the ‘smiles’ are feeling more stressed, and they are ready to take action. More than a third of hospitality employees (37%) say they will soon move to another employer if offered better financial wellbeing support. No matter what measures are taken to make the sector more attractive to talent, the gains will be short-lived if we can’t retain that talent too.

No industry can claim more strongly that employees must bring their ‘whole self’ to work than hospitality. The better your employees’ wellbeing is, the better your customers’ experience will be. And progressive hospitality employers know it. For them, the black swan event triggered a re-think. The shift to ‘skills’ was too severe – what about the smiles? The focus on ‘talent war’ too one-dimensional – how do we balance skills with wellbeing? The industry’s response to hiring challenges not working quickly enough – we know this is a problem, so why aren’t we fixing it?

37% of hospitality workers say they'll soon move to another employer if offered better financial wellbeing support

The solution to this crisis doesn't just lie in a linear mindset of 'find talent, hire talent'. A blended, holistic approach is needed – with the most pressing areas of wellbeing, such as financial wellbeing, embedded. Hearts and heads. Smiles and skills. Only then can we solve the recruitment problems of today and the retention problems of tomorrow.

This is urgent. Hospitality firms are lagging behind on financial wellbeing, and their talent crisis could deepen if action isn't taken. But there is hope: in this report, we unpack the reasons financial wellbeing is disproportionately impacting hospitality's workforce crisis, identify areas where they can transition from lagging to leading, and set out a number of achievable steps to kick-start the process.



02

**How are
hospitality
employees
feeling about
money?**

Living costs have taken their toll

The State of Financial Wellbeing benchmark was created two years ago in 2021, and we're now able to begin tracking financial wellbeing blockers, drivers, priorities and strategies as they unfold over time.

It will come as no surprise that workers' financial situations worsened in 2022 – across most measures, and every industry. The employees helping deliver hospitality experiences around the country are no different: financial concerns top the list of things they're most worried about over the next few months (48% ranked it top), followed by mental health and work-life balance.

Across virtually every indicator, they are feeling financial strain and bringing it to work. One in five (20%) say they have lost self-confidence or struggled to focus at work, because of money worries; more than one in three (36%) say they struggled to sleep and turned up to work feeling worn down.

Even still, hospitality stands out: its workforce is feeling the squeeze more than others.

42%

have missed a bill, because of the rising cost of living

27%

is the UK workforce average

21%

are finding it more difficult to focus at work

16%

is the UK workforce average

87%

are suffering worse mental health because of money worries

75%

is the UK workforce average

36%

have asked employers for help with rising living costs

21%

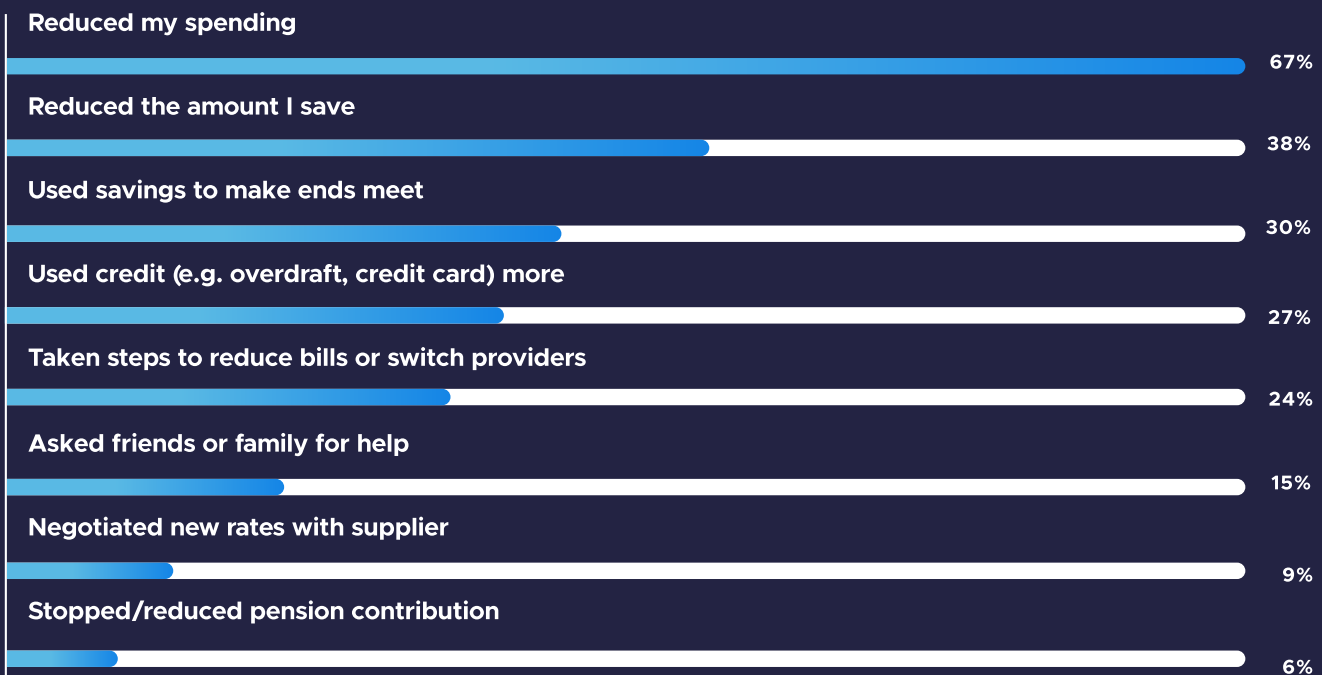
is the UK workforce average

Employees are taking action

Beyond tracking how hospitality employees felt about their finances across the year, we also ran mirror surveys in 2021 and 2022 which dug into their behaviours—which specific actions have they taken, and how might their financial health be impacted over the short and long term?

What we see is a cohort of the workforce taking drastic action in order to make ends meet. This is, again, more pronounced in this industry than across the rest of the UK working population.

What actions have hospitality workers taken to cope with the cost of living crisis?



Within these actions, savings is particularly an area of concern. We found that hospitality workers are 9% more likely to experience difficulties saving, at the moment, due to money worries. As we'll explore later, savings also contributes to a gap between hospitality workers' financial health, and their employers' perception of their financial health.

Savings have suffered

As we drill further down, the true impact of financial strain on employees becomes clearer still. The ripple-effect of the cost of living crisis on their savings behaviours is having a profound impact on their quality of life, day to day.

Change in wellbeing associated with dipping into savings to meet rising costs

10%

increase in anxiety

50%

extra days of worry each year

5%

reduction in how worthwhile they feel the things they do in life are

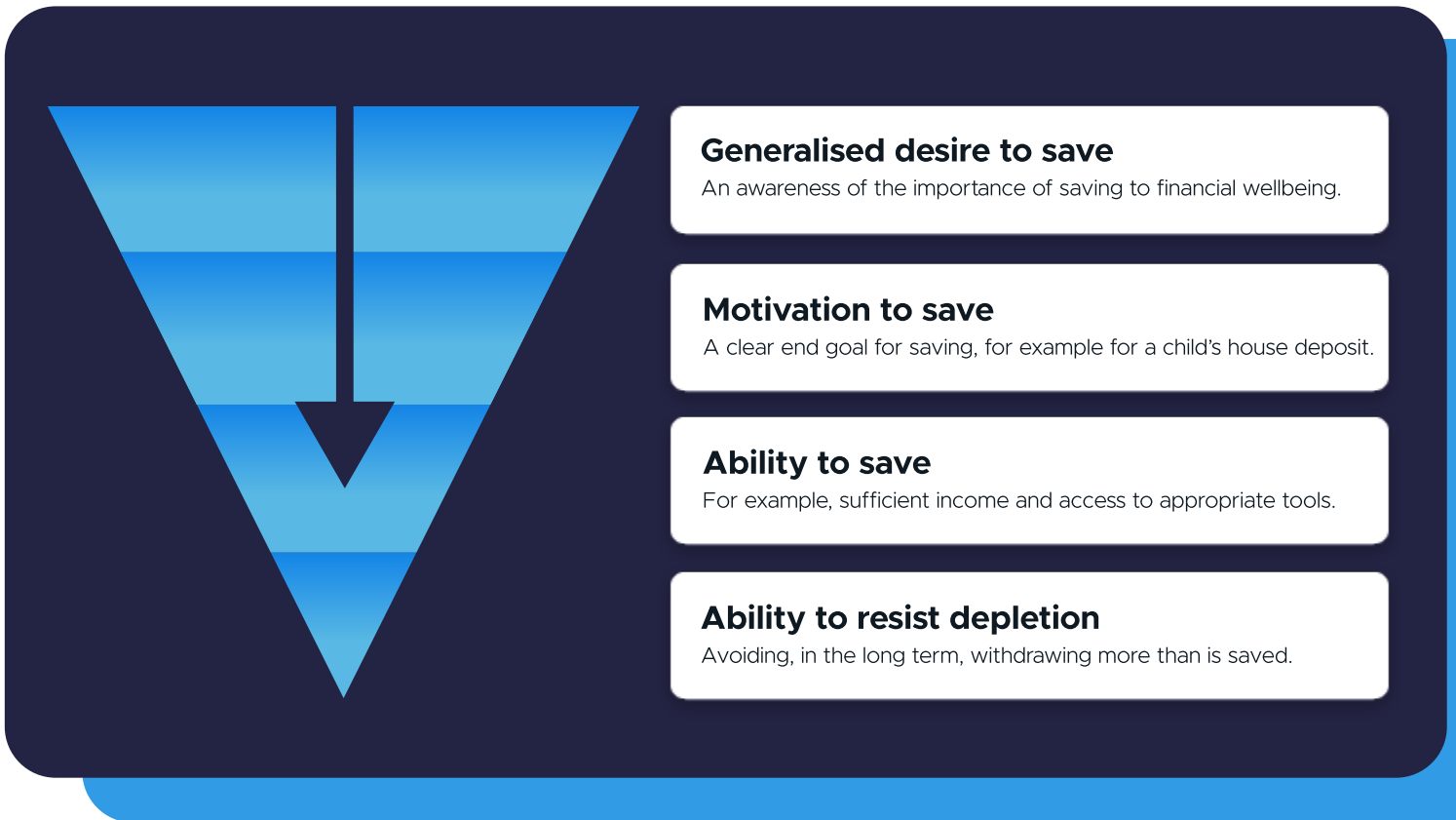
8%

reduction in self-reported life satisfaction

There has been a tendency, in the past, among organisations to overlook their potential influence on savings mindsets and behaviours among their colleagues. This is beginning to change, and for good reason. Not only is it an urgent core aspect of financial wellbeing that workers need and want help with – it's also something that employers can help with.

In the State of Financial Wellbeing: UK Workplace Report, we explored a simple model for how employers can begin to think about saving as part of their financial wellbeing strategy. The framework moves from the general to the specific, and shows a pathway for employees to save successfully.

Here, hospitality employers should be especially optimistic, because there is a high underlying desire to save: saving up for a big purchase was the second-most popular financial goal among hospitality employees, with 28% ranking it in their top three financial priorities – higher than the UK workforce average of 21%.



New strategies for workplace saving are also beginning to show that even improvements in one level of this model – such as access to tools, covered in ‘ability to save’ – can make dramatic improvements to employees’ savings behaviours.

The National Employment Savings Trust (Nest) Insight team has made progress on this, partnering with employers and providers to apply the ‘nudge’ premise of pension auto-enrolment to workplace savings.

Multiple early trials are beginning to show the impact this approach can have. In one opt-in workplace saving scheme, for instance, employee adoption soared from 6% to 40% – by turning the default from ‘opt-in’ to ‘opt-out’.

Wagestream is actively working with Nest Insight to test the impact of an opt-out approach to savings compared to a more subtle nudge intervention. We anticipate having publishable results later in 2023 – but initial indicators have been positive.

Jo Phillips

Director of research and innovation
Nest Insight

“Our research so far suggests that inertia, people’s tendency to keep doing what they’re already doing, is a strong barrier to participation. We hope to see more employers taking this high-impact approach in future. But in the meantime, there is still more they can do. Even where programmes are already in place, awareness around what’s on offer can be low - so making more colleagues aware of their savings tools and support is a good place to start.”



03

**How have
hospitality
operators
responded?**

Financial wellbeing is on the menu

There's a curious detail in the data: a sense of dialogue unfolding, more so than with other industries.

Hospitality operators are, of course, making difficult decisions on a daily basis right now. UKHospitality research found that more than a third (35%) plan to simplify menus this year, a third (32%) have been forced to reduce their opening hours, and more than one in ten (13%) have reduced opening days – all because of staffing shortages.

But even against this backdrop, financial wellbeing rises to the surface as a talking point. Well over a third (40%) of the hospitality workforce are having conversations about their financial wellbeing – a 33% increase on the UK average. In fact, they are 36% more likely to have directly approached their employer for help in response to the cost of living crisis. The most glaring differences here saw them 9% more likely than the rest of the working population to have asked for mental health support, or for a more flexible pay cycle.

Hospitality firms should also be encouraged that just 5% of their workforce said 'not trusting my employer' was a reason they wouldn't ask for help with financial wellbeing – which is not only low, but almost 40% lower than the UK average.

We also see this willingness outside of the employer-employee relationship, too: we found that hospitality workers were almost twice as likely to have sought advice from a debt adviser (32%), than the average across the UK (18%).

There is a foundation of trust to build on, then – and employers have started building. It's clear there has been an effort to listen to the needs of its employees.

Foundations of understanding, in hospitality

26%

of employees have asked for financial wellbeing workshops or content

30%

of employers have introduced this

20%

of employees have asked for flexible pay

31%

of employers have introduced this

26%

of employees say more hours / shifts would help them most

18%

of employers aim to introduce this

Playing catch-up

These foundations of understanding are a much-needed source of hope, because we cannot escape it – hospitality has been lagging behind.

How hospitality performs against UK benchmarks



The gap is clear, but closeable. Even still, employees noticed. In 2021, well above half of hospitality workers (56%) felt their employer cared about their financial health—above the average across all sectors of 52%. Last year, we saw a significant swing in the wrong direction. And as we look across other indicators, this is not an anomaly.

Why wouldn't an employer help with the cost of living crisis?

Compared with other workers, hospitality employees are:



- More likely to say their employer 'doesn't care enough'
- More likely to say it's 'too much trouble' to ask
- More likely to say their employer is 'too busy' with other things
- Less likely to say it's 'not the job of employers to help'

Get ahead of the financial wellbeing curve.

The State of Financial Wellbeing is an ongoing programme of research designed to empower all efforts to improve financial wellbeing, across the workplace and beyond.

There's a lot on the horizon - make sure you don't miss out on the latest insight into financial wellbeing when it lands.



Email sofw@wagestream.com for early access to all our research.

A young man with dark hair and a beard is smiling broadly while looking down at his smartphone. He is wearing a white t-shirt, a black necklace, and a black wristband. The background is a chalkboard with some faint, illegible writing. The entire image has a blue color cast.

04

**Could pay be
more rewarding?**

The pay conundrum

An annual survey, from one of the UK's top five restaurant chains, highlighted that in-work poverty in the hospitality sector has risen – from affecting one in five, to one in three.

Low and variable pay are often linked to this issue, but are not a singular cause of it: there are a number of pre-existing or unforeseen reasons an employee can fall into vulnerable circumstances. Low pay, itself, is also a complex social issue influenced by social, political and economic factors.

In many cases, of course, the right first step has been to raise levels of pay. Some operators have been forced to do that just to keep the staff they already have. In our research, around one in five (18%) offered pay rises last year as a measure to combat the cost of living crisis – roughly in line with the UK average (17%).

69% of hospitality workers say a pay rise would help them 'the most' with the rising cost of living

4% of hospitality employers thought this would be the case

While the cost of living is high, though, competitive pay is seen as disproportionately important across the UK workforce, including in hospitality. It's alarming to see such misalignment on the issue; employers absolutely must have a robust policy on pay, as a foundational part of their broader financial wellbeing strategy. Consistency and predictability are important facets to consider when it comes to a pay strategy, and employers should think about both their hourly wage and also their shift scheduling policies when they consider if they are offering enough pay. They may have compliance considerations around pay levels soon, too, as a new Employment (Allocation of Tips) Bill progresses through government.

A good policy on base pay and bonuses may be the bare minimum – but still comes with caveats and challenges. Raising wages puts greater pressure on the finances of hospitality employers already under strain from higher prices for meat, grains, fuel and commissions for delivery apps. And, even when pay is competitive, there are leaks in the boat: mid-career managers are leaving the sector in droves, suffering burn out and seeking better overall benefits and wellbeing packages elsewhere.

Where does this leave us? With three key truths to build on:

- 1** A robust, competitive pay policy is needed, to avoid falling further behind in the short term.
- 2** Raising wages repeatedly, without a broader plan, is not a sustainable strategy in the medium term.
- 3** Employers who embed a more sophisticated pay policy within a comprehensive financial wellbeing strategy, could win the war for talent in the long term.

The new dynamics of pay

Fortunately, the answers lie in the data: for employers seeking a more effective pay approach, three factors emerge.

The first is 'security' of pay – an issue so fundamental that many employers overlook its importance.

Although hospitality employees follow the UK norm of citing higher pay as the best way to help them deal with the rising cost of living, they were 13% less likely to have asked for a pay rise last year than the rest of the UK workforce.

For a growing cohort, then, security of pay – rather than just higher pay – seems to be the key. In contrast to the below-average appetite for pay rises, hospitality workers were 8% more likely to say increased hours/shifts would help them the most. Some experts refer to this as security of work, and highlight that it becomes an inclusion issue with multiple knock-on effects.

Hospitality stands out when it comes to security of work: nationally, one in five are in severely insecure work, but in hospitality that figure sits at one in three. This is, in part, driven by low and variable pay.

Ben Harrison

Director
The Work
Foundation at
Lancaster
University

“Wages have stagnated in recent years and, while millions more people may be in employment, the quality and security of the jobs they are in often means they are unable to make ends meet.

It will be acutely worse for the six million people in the UK who are in severely insecure work, and already face low pay and uncertain hours.

The Work Foundation's UK Insecure Work Index also makes clear that young workers, women, ethnic minority workers and disabled workers are the groups most likely to be in severely insecure work. While there is a clear role for Government in providing short-term support packages and improving workers' rights in the long term, employers also have a vital role to support their employees' financial wellbeing during the worst cost of living crisis in living memory.”

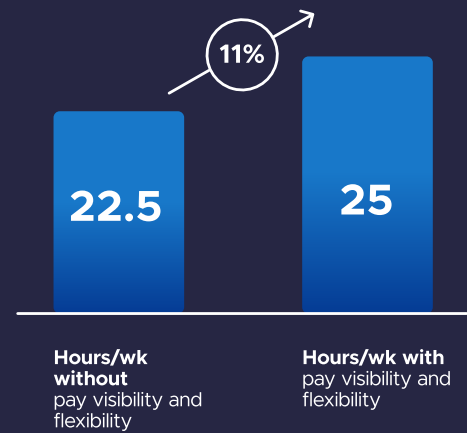
Beyond security of pay, we also see visibility and flexibility of pay emerging as two key areas for improvement. Hospitality workers are 62% more likely to say that 'not knowing how much I am going to be paid at the end of the month' has worried them about money in the last year. And, when asked what forms of financial support they'd most want from an employer, 'a clear view of my expected earnings for the month' ranked in the top two; they were 41% more likely than the rest of the workforce to say it would help them most.

In fact, predictable earnings was second only to the option of having a flexible pay cycle (31% ranked it in their top two). It was encouraging to see some employer-employee alignment here, with hospitality ahead of the UK curve in offering their colleagues this type of flexibility. Hospitality employees were 50% more likely to say they had this option, than the rest of the UK workforce.

**Visibility and flexibility:
a powerful combination**

Analysing the shift patterns of 300,000 hospitality workers across 149 employers, we found that employees who are given a flexible pay cycle and real-time visibility of their shifts work, on average, 11% more hours than those who aren't.

This equates to an increase of 2.5 hours per employee, per week.



While most visible in hospitality, this is a growing trend across shift and frontline work categories. In other words, these are the new dynamics of pay, and they aren't going away. People, pay and reward leaders should be incorporating a policy around these dynamics within their financial wellbeing strategy, if they are serious about attracting and retaining talent.

We see this model as being a virtual 'double click' on the pay aspect of a total rewards strategy, which has become popular among some organisations in recent years.

Pay is seen, particularly in countries such as the UK, as a sensitive subject – and a tough one for the C-Suite. The view from the workforce, represented in this type of model, should give hospitality decision-makers comfort they are not alone, clarity on how to think about it, and confidence they can make it more rewarding as part of a sustainable operating model.

The new dynamics of pay

The new dynamics of pay show how to build a thoughtful and competitive pay policy that attracts and retains talent. Start from Level 1, and build upwards.

Level 1 Pay Security

Will I have enough work next week/month to fulfil my financial obligations?

How soon are my shifts scheduled – and will I be out of pocket if shifts are cancelled on me?

Will I get paid fairly, accurately and on time?

Do I have the information I need about my income, to make short term decisions?

Can I schedule and pay for e.g. travel or childcare with confidence?

Level 2 Pay Autonomy

Do I have control over my own pay cycle?

Do I have choice over my hours so I can work around existing obligations, and live with dignity?

Level 3 Pay Potential

What is the total amount of pay I could achieve – factoring in extra shifts, overtime, tips, bonuses and other financial compensation?

And how do I reach this potential?

Level 4 Pay Growth

What are my opportunities to move up a pay grade?

How do I increase my Pay Potential?

New Dynamics of Pay / Wagestream, 2023

A man with short brown hair and glasses, wearing a dark apron over a light-colored shirt, stands in a kitchen. He has a thoughtful expression, looking slightly to the right. The background shows kitchen equipment like a stove and oven. The entire image has a purple color overlay.

05

**What's holding
hospitality
back?**

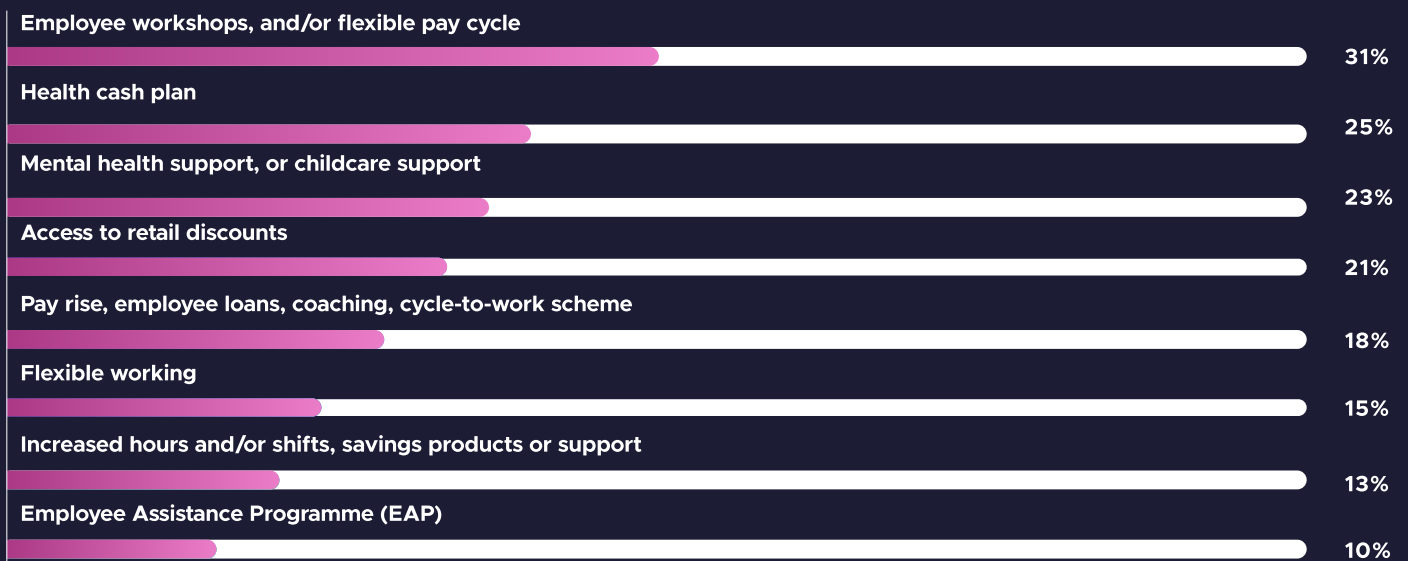
Progress with pace

It's clear that the industry took steps in 2022 to improve its financial wellbeing approach.

Interestingly, the response looks markedly different to the rest of the UK economy. The two cohorts only shared one benefit – mental health support – in their top five most-commonly introduced new forms of support last year.

What new forms of support did hospitality employers introduce in 2022?

Multiple items in one row does not imply employers introduced all of them - each item attracted the same percentage of respondents



This is a good sign – employees’ willingness to engage in dialogue wasn’t misplaced. It is not difficult to imagine why hospitality employers would place a greater importance on letting their colleagues get paid the same day as a shift, for example, or why childcare support could be especially important for a workforce that works variable, often unpredictable hours. This may be why hospitality employers are feeling confident: they were 23% more likely to strongly agree that their financial wellbeing strategy is ‘mature and well developed’.

It’s not all good news, though. While their people are among the most stressed in the UK labour market, hospitality employers lagged behind on prioritising support. Positive steps were taken in 2022 – but it’s time to pick up the pace.

Mental reset

The data shows us a few clear areas where hospitality firms can improve. But firstly, a mental reset is required. Financial wellbeing is an operational business issue and it is not just for HR or 'reward' teams to solve. Our data shows the operational and revenue impact of improving worker financial wellbeing.

Across most indicators there is a significant underappreciation, among HR decision-makers, of the intensity of financial stress their colleagues are feeling. Beyond perceptions around day-to-day worries and savings, one factor driving this is that they are feeling the crisis less than their colleagues – many of whom will be on less predictable, lower levels of pay. They are 30% less likely to have noticed their living costs rising, last year.

It should be a priority to get as close as possible to the mood of the workforce – whether through quantitative means like staff surveys, or qualitative methods like site visits and intra-company training and engagement, or both.

The financial stress gap in UK hospitality

30%

worried about money every day last year

1%

of employers thought this was the case

74%

worried about money at least once a week

57%

of employers thought this was the case

14%

have £0 in savings

1%

of employers thought this was the case

93%

have noticed living costs rising

65%

of HR decision-makers have noticed living costs rising

There seems to be a battle of internal culture taking place, too.

As the hospitality sector tackles rising costs, it may be that people and wellbeing teams are struggling to get financial wellbeing high up on the board agenda. HR decision-makers in hospitality, for example, were 56% more likely to cite 'lack of internal knowledge' as a reason they haven't been able to make progress on financial wellbeing in their organisation.

People teams which can help their leadership understand the workforce crisis in a business context, and therefore get financial wellbeing higher up the board agenda, could carve out significant competitive advantage in the war for hospitality talent. And as Richard Hartley, of S4 Labour, points out, having the right talent in the right place, at the right time, is a bottom-line business issue.

Businesses who take the time to engage their payroll team in their financial wellbeing strategy tell a different story. Payroll professionals are at the front line of their peoples' financial stress and understand the value in solving for this. Alongside payroll, good line managers will also accurately reflect back to an organisation what's happening with their frontline teams.

Richard Hartley

Chief Innovation
Officer,
S4 Labour

“For a hospitality operator, getting staffing levels right is a bottom-line issue. Being left one person short, for one hour, leaves £200 on the table.”

Missed opportunities

While support on savings was among the most-commonly introduced across other sectors last year, it didn't feature among the top ten for hospitality. This is a huge missed opportunity. We noted earlier that hospitality employees are more likely to feel their employer 'doesn't care enough' about financial wellbeing – yet, we also found that those who self-reported having access to 'Help to Save' schemes at work were 8% more likely to say their employer cares about their financial health, and 4% more likely to say they feel in control of their financial future.

We also see hospitality employers putting less emphasis on 'flexible working options' than their peers in other industries. A rising focus on flexible working is not new, but the pandemic seems to have accelerated awareness of it among employees. Recent SD Worx research highlights that across the UK workforce, good working hours and flexibility are the two major reasons they choose their place of work. In our own research, too, flexible working was among the top three things hospitality employees said helps with tackling the cost of living. And, they were 34% more likely to say work-life balance was worrying them, compared with the rest of the workforce.

Perhaps most stark, is providing access to increased hours and/or shifts. It was the second-most common form of support introduced across other industries – but didn't even feature in the top ten for hospitality. As highlighted earlier, shift and income security is an urgent issue that sectors like hospitality can and should address. Employees know it, too.

Among hospitality employees, the option to work more hours/shifts is seen as:

4X

more important than having an Employee Assistance Programme

6X

more important than being able to adjust pension contribution

8X

more important than private healthcare

13X

more important than having a cycle-to-work scheme

This is an especially important finding because, as we discussed in section four, this is no idle talk: when given better information on their income and shifts, and given the option to work more shifts, workers in the UK back that up by working more.

Awareness of support

A mental reset, and a closer alignment of needs and priorities, could help employers catch up or even overtake talent competitors in other industries. But the hard work will be wasted, if improvements in communication aren't also made.

76% of hospitality employers introduced new financial wellbeing benefits last year

33% of employees were aware of new financial wellbeing benefits being introduced

Changes here will make a measurable difference in the talent war. We found that when employees are made aware of new support, they strongly approve of their employer: they were 5.4 times more likely to say their employer cares about their wellbeing, if their employer had brought in new support in the last three months.

The rewards are there, for employers ready to take the right steps.

A photograph of a woman with dark hair pulled back, smiling and looking towards the right. She is wearing a light-colored, vertically striped button-down shirt. In the background, a man is visible in profile, also looking towards the right. The entire image has a teal color overlay.

06

Lagging to leading: An action plan for hospitality employers

Amid many challenges and pressures, there are plenty of missed opportunities for hospitality employers when it comes to financial wellbeing. Those opportunities lead us to four priority actions that hospitality employers should be taking. Three out of the four - catching up, nurturing money and mental health champions, and building around the new dynamics of pay - can also be achieved with minimal additional budget and technology.

Hospitality employers have a unique opportunity to step in front and lead on how financial wellbeing is delivered. If they get it right, they'll reap the rewards - with impact across recruitment, retention, and revenue.

State of play →

Fewer hospitality employers have invested in their financial wellbeing efforts compared to other sectors

Hospitality workers are more likely to find it difficult to save money compared with other industries

Hospitality workers have a higher than normal willingness to talk about money and ask for help

Hospitality workers are more likely to be suffering worse mental health because of money worries

Hospitality workers are more likely to seek external help, such as debt advice, compared to other sectors

Hospitality workers are more likely to be in severely insecure work than other sectors

Hospitality workers are more likely to have missed a bill because of the rising cost of living

Action →

Catch up and speak up

Prioritise financial wellbeing, and ramp up communications so colleagues feel the benefit of work you're already doing

Invest in payroll savings

Investigate options for a workplace savings programme and help employees find simple ways to save and build resilience

Use money and mental health champions

If you already have a framework for mental health champions, use this to spread the word about your EAP and wider support services. You can also foster a network of money champions; their role is not to advise or fix, but to be a confidential listener and signposter

Build around the new dynamics of pay

Revise your pay strategy so that it meets the needs of at least Level 1 (Pay Security) and Level 2 (Pay Autonomy)

Impact

Reduce attrition

Retain the 37% of employees who say they will soon move to a competing employer, if offered better support

Reduce staff shortages

Individuals who have a savings buffer are more financially resilient and less likely to take time off work sick

Improve retention

Employees are 5.4x more likely to be loyal to an employer who they perceive cares for their wellbeing

Improve productivity

Employees who are supported to tackle their financial and mental health difficulties are better able to focus and work productively

Speed up recruitment

A clear pay strategy that includes flexible pay is proven to improve time to hire by as much as 27%

Increase shift-fill

Pay strategies that encompass Level 2 and beyond increase shift uptake by more than 11%

About Wagestream

Wagestream makes work more rewarding for 2 million people, with a complete financial wellbeing platform built around their pay.

Employers like Bupa, Co-op, Pizza Hut, Next, and the NHS offer Wagestream, giving their people access to a set of fair financial services. They can use Wagestream to manage their budgeting, choose their own pay cycle, build up savings, chat to a money coach, save money on their bills, and more - all in one app.

Offering Wagestream means an employer outperforms benchmarks on inclusion, improves quality of life for their colleagues, and solves their people problems – with 27% faster recruitment, 16% lower turnover and 26% better productivity.

Wagestream is a B Corporation, was founded with charities and operates on a social charter: every service it provides must measurably improve financial wellbeing.

Find out more at www.wagestream.com

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