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WHITE PAPER

Financial Education at Work

A Policy Blueprint for a More Resilient UK

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Executive Summary

12.5m undersaving for retirement

£10.3bn productivity lost to financial stress

48% gender pension gap

Despite reforms in pensions and education, financial knowledge remains unevenly distributed across the UK workforce. Millions of employees experience financial stress, feel unprepared for retirement, and lack the confidence to manage savings, debt, and long-term planning, contributing to reduced productivity and widening inequality.

Workplace pensions show us the power of employer responsibility. Yet financial education remains optional, inconsistent, and inaccessible to those who need it most. The workplace offers a trusted and scalable channel to reach adults at the point they make financial decisions about income, pensions, and benefits.

Proposal: Require employers with 250 or more employees to provide financial education as a standard workplace provision.

1. Introduction

Financial literacy is no longer a personal "nice to have"; it is a prerequisite for economic stability, individual wellbeing, and effective participation in the modern workforce. Yet millions of UK adults struggle to manage debt, savings, pensions, and long-term planning, with tangible consequences for household security, workplace performance, and public finances.

The workplace offers a practical and scalable solution. Payroll systems, pensions, and employee benefits already create natural touchpoints for financial engagement, making employers a trusted channel for delivering timely, relevant education to adults making real financial decisions.

Evidence shows strong employee demand for such support, alongside measurable benefits for employers in productivity, retention, and engagement.

Financial education in schools has expanded since 2014, but many adults still report feeling unprepared for real-world financial choices. Workplace provision complements school-based learning by offering applied, practical support across working life.

This paper sets out the case for embedding financial education as a standard workplace provision. It examines the scale of financial fragility in the UK, explains why employers are uniquely positioned to help, draws lessons from international approaches, and proposes a clear, phased policy framework for implementation.

This paper is informed by MicroFact's work developing accessible, jargon-free financial education tools for workplace use.

2. The Problem

2.1 Financial fragility is widespread

Financial insecurity affects a significant proportion of working-age adults in the UK, including many in stable employment. Limited savings, reliance on borrowing, and low financial resilience leave millions exposed to financial shocks and ongoing stress.

National data illustrates the scale of this fragility. Around 11.5 million people have less than £100 in savings, while 9 million regularly borrow to cover essentials like food and household bills (Money & Pensions Service, 2025), and 11 million UK adults are assessed as having low financial resilience (Financial Inclusion Report, 2025). Financial stress is increasingly common among people in regular work, with consequences for wellbeing, confidence, and financial decision-making.

2.2 The gender pension gap persists

Financial insecurity and long-term preparedness do not affect everyone equally. Structural factors such as pay disparities, career breaks, part-time work, and unequal access to financial information shape outcomes over time.

Women retire with private pension wealth around 48% lower than men's (DWP, 2025), reflecting cumulative differences in earnings, working patterns, and engagement with long-term planning. Differences in confidence and access further compound these gaps.

> The gender pension gap is not inevitable. It's a symptom of unequal access to information and opportunity. By democratising financial education in the workplace, we can close that gap and empower women to take control of their long-term financial futures.

Mary Agbesanwa, Founder, Now You're Talking Network

2.3 The UK's investment culture needs attention

Many adults lack confidence engaging with investing and long-term wealth-building, even where pensions and savings products are available. Only 20% of employees are currently on track for a comfortable retirement (Scottish Widows, 2025), highlighting the cumulative impact of delayed engagement and cautious decision-making. Hesitation is not limited to those on the lowest incomes: among households in a position to invest (3.2 million), 31% do not currently invest (Hargreaves Lansdown, 2025).

> People don't feel they know enough about investment, they overestimate the risks, and they underestimate the potential gains.

Sarah Coles, Head of Personal Finance, Hargreaves Lansdown

2.4 Schools alone cannot solve the problem

Financial education in schools is important, and the 2025 curriculum review presents an opportunity to strengthen provision. However, school-based education cannot address the financial decisions adults face across working life.

Adult financial capability is shaped by lived experience: earning an income, managing debt, contributing to pensions, navigating workplace benefits, and responding to major life events. These challenges evolve long after formal education has ended.

> We live in a society which educates our society into debt (through the student loans system) yet fails to educate them about debt. The failure to provide effective financial education not only perpetuates the stigma around talking about money, it extends the problems associated with a lack of financial knowledge, and accepts inequality as policy.

Gabriella Bedford, Financial Education Campaigner

3. Why Employers?

3.1 Employers as a trusted channel

- 86% of employees with financial concerns say they would take up financial support from their employer (NatWest, 2020).

- Employers can leverage existing payroll and pension systems to bring financial education to employees in a familiar and accessible environment.

This trusted status makes employers an ideal conduit for credible, bias-free financial guidance.

New evidence from the University of Bristol's Personal Finance Research Centre shows even modest savings buffers reduce financial hardship (BSA & University of Bristol, 2025). Employer-led financial education can help employees build these habits, turning small, regular savings into lasting resilience.

> Most people begin their working life as an employee, so where better to receive financial education and wellbeing support than the workplace?
>
> For those who didn't benefit from financial education in school or at home, and the over 90% who don't have a financial adviser, workplaces can play a vital role in closing the gaps in knowledge, awareness, and confidence.
>
> Your workplace payslip is the starting point for understanding your income, taxes, pensions, and student loans, while understanding workplace benefits helps you make informed choices and better prepare for life events like moving home or starting a family.
>
> Employers who recognise the benefits of this and act on it will be the ones attracting and retaining the best talent. Financially well employees make business sense.
>
> *Funmi Olufunwa, Hoops Finance*

3.2 Business benefits

Investing in employee financial wellbeing is not just socially responsible; it has measurable business value:

- **Enhanced productivity:** Companies offering financial wellbeing programmes experience a 44% boost in productivity (PwC, 2023).

- **Attraction of talent:** 48% of workers say they'd move employers for better financial wellbeing support (Stream, 2025).

- **Improved employee retention:** 60% of employees more likely to stick with an employer that offers a financial wellness programme (Morgan Stanley, 2019).

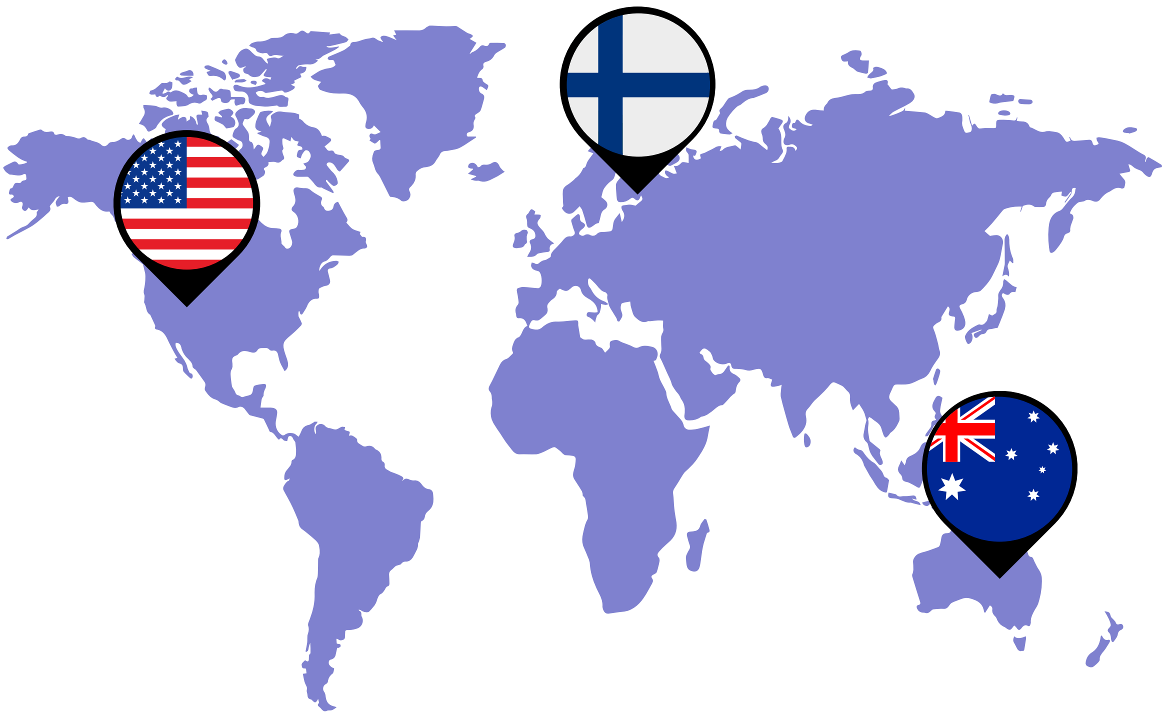
- **Business performance:** Active promotion of pension engagement and recognising pensions as important for retention and performance are linked to strong business performance (Scottish Widows, 2025).

- **Tackling disengagement:** Only 10% of UK workers report being engaged (Gallup, 2025). Financial education is a tangible way to increase engagement and morale.

> Financial wellbeing is no longer a luxury; it's a foundation for a resilient workforce. When financial knowledge becomes a workplace right, businesses thrive and employees gain confidence to plan for their futures.
>
> *Will Spencer, Founder & CEO, Rest Easier*

4. International Comparisons

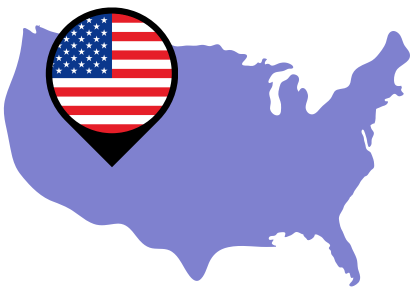
Several countries provide examples of how financial education can be delivered effectively, offering lessons that the UK can adapt.



Australia:

Employers must contribute to superannuation, and many also provide workplace education to help employees understand their retirement savings (QSuper). Australia's superannuation assets have jumped 500% over the last 20 years and are on track to become the second-largest pension market globally by 2030 (Financial Standard, 2025).

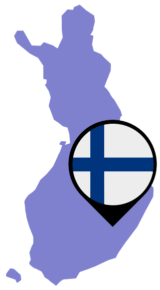
Lesson for the UK: Normalising employer involvement in long-term financial outcomes increases engagement in retirement saving and planning when education is delivered alongside mandatory savings mechanisms.



United States:

The U.S. Financial Wellness Benefits Market was valued at $587m in 2023, and is projected to reach $1.21bn by 2029 (BusinessWire, 2025).

Lesson for the UK: Employer demand for financial wellbeing provision emerges organically once employers recognise its impact on retention and productivity. Regulation can accelerate adoption and consistency, rather than create demand from scratch.



Finland:

Finland aims to achieve the best financial literacy in the world by 2030 (Financial Times, 2025).

Lesson for the UK: National coordination and clear standards for content and quality matter more than delivery channel alone.

Summary:

International evidence shows there is no single model for delivering financial education, but successful systems share three features: employer involvement, clear standards, and sustained engagement over time. The UK is well positioned to adopt these principles through the workplace, building on existing pensions and payroll infrastructure.

5. Policy Proposal

A clear, proportionate policy framework can make workplace financial education universal, effective, and low burden.

5.1 Scope

Target: Employers with 250+ staff (the same threshold currently used for mandatory gender pay gap reporting).

Rationale: Maximises workforce reach while focusing initial implementation on employers with the infrastructure to deliver at scale, adopting a 'large-first, learn-fast' approach to inform any wider application.

5.2 Curriculum

Workplace financial education should reflect the real financial decisions employees face throughout working life.

Core financial skills

- Budgeting, debt management, and building emergency savings
- Understanding workplace pay, pensions, salary sacrifice, and benefits
- Fraud awareness and consumer protection

Wealth-building skills

- Pensions and retirement planning
- Investing fundamentals, including risk, diversification, and compounding
- Property and homeownership decisions

Continuous learning:
Provision should be updated as rules, benefits, and regulations change, reinforcing learning over time rather than relying on one-off interventions.

5.3 Delivery

Flexible delivery:
Education may be delivered through digital tools, workshops, or third-party providers, allowing employers to choose formats suited to their workforce.

Inclusive access:
Blended delivery models should be available to support employees who may face digital exclusion.

Integration:
Where digital platforms are used, systems should integrate with payroll, pension, and benefits infrastructure to

minimise HR burden and improve employee experience.

Standards-based delivery:
Content and delivery should align with nationally agreed standards, developed and overseen by the Money and Pensions Service (MaPS), informed by independent research and industry expertise. These standards should focus on content quality, independence, accessibility, and clarity, rather than prescribing delivery models or technologies.

Education should be delivered either by providers operating in line with these standards or through frameworks recognised or endorsed by existing public bodies such as MaPS. This approach ensures consistency and impartiality without creating a new licensing or regulatory regime.

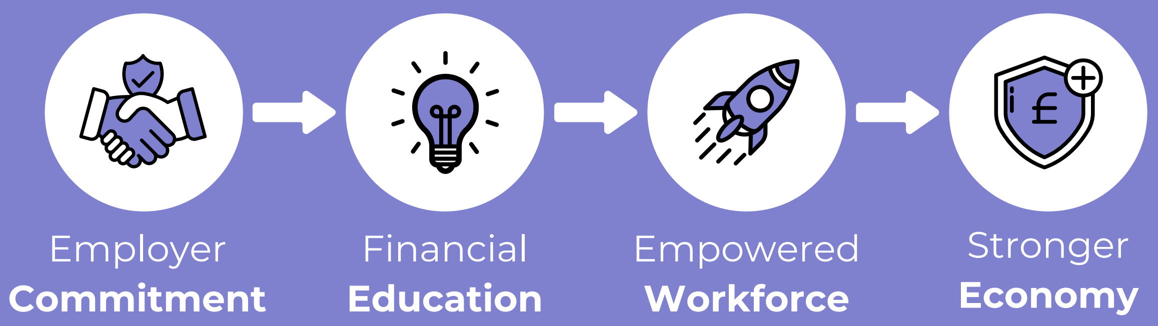
Minimum provision:
Employers must offer access to workplace financial education at least annually, covering the core financial skills. Participation should be encouraged but not mandatory.

Education, not advice:
Provision must focus on financial education and guidance only, with clear boundaries and disclosures to avoid regulated financial advice.

Reporting:
Employers should report annually, alongside existing disclosures, on:

- whether compliant provision has been offered
- participation levels
- high-level engagement or feedback measures

Alignment with national strategy:
This proposal directly supports the MaPS Financial Wellbeing Strategy's aim of enabling 5 million more people to plan for later life, and aligns with the government's Financial Inclusion Strategy by improving financial capability and tackling digital exclusion. Delivering financial education through the workplace provides a practical mechanism to translate these national objectives into measurable outcomes.



5.6 Roadmap for implementation

Year 1: Pilot programmes with a diverse range of employers and co-develop national standards and accreditation frameworks.

Year 2: Publish guidance and toolkits, support large and mid-sized employers with implementation, and establish reporting processes.

Year 3: Implement mandatory provision for all qualifying employers and monitor impact on employee financial wellbeing and organisational outcomes, with a view to publishing an evidence-based assessment on the feasibility of voluntary or supported SME adoption.

6. Delivery framework

This delivery framework is designed to ensure consistent implementation while minimising cost, complexity, and risk.

Safeguard	Why it matters	Design response
Employer adoption and burden	Risk of perceived cost or compliance burden.	Phased rollout, 250+ employee threshold, flexible delivery, and alignment with existing systems.
Quality and consistency	Variable quality or product bias.	National content and quality standards developed with MaPS, PPI, and industry experts.
Accessibility	Risk of digital exclusion.	Blended digital and non-digital delivery options.
Data protection	Handling of sensitive information.	GDPR-compliant providers, opt-in participation, clear privacy notices.
Meaningful engagement	Risk of box-ticking.	Clear guidance, transparency, and evidence of employer and employee benefits.

7. Anticipated Outcomes

A successful workplace financial education programme delivers measurable benefits across employees, employers, and society:

For Employees:

- Increased confidence in managing pensions, savings, and investments.
- Reduced financial stress and anxiety.
- Improved retirement readiness and financial independence.
- Employees gain confidence and up-to-date knowledge, reducing mistakes and improving long-term financial decisions.

For Employers:

- Higher productivity and engagement.
- Lower turnover and absenteeism.
- Enhanced employer brand and recruitment appeal.

For Society:

- Narrowed gender pension gap and reduced intergenerational inequality.
- Lower long-term welfare dependency.
- Stronger, more resilient economy.

Example of digital micro-learning delivery

MicroFact has developed a micro-learning app called *2mins,* delivering jargon-free, bite-sized financial education to employees. It transforms complex financial topics (e.g. pensions, share schemes, benefits) into engaging games, leaderboards, and rewards, reinforcing learning through fun and memorable experiences.

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Evidence shows that financial education is most effective when it is engaging, accessible, and reinforced over time. Digital micro-learning tools, such as *2mins*, can play a critical role by complementing existing workplace initiatives and sustaining learning beyond one-off sessions.

Independent feedback from industry practitioners highlights the value of combining digital tools with traditional education formats:

“

Financial Education is, should, and hopefully will always be a pivotal part of any wellbeing strategy for your people.

However, a blended approach to this education is vital in order to ensure that it is engaging, and brings everyone on that journey to find financial freedom.

2mins is a great step in the right direction to making money fun, interactive and informative. In an ever-evolving digital world, the gamification of seemingly mundane topics makes finance accessible to all.

I would love to see the likes of 2mins being used by expert financial education consultants in workplaces to complement the traditional means of delivery such as workshops, webinars, and one-to-one meetings.

Connor Jones, Senior Financial Education Consultant, Mercer

8. Call to Action

Embedding financial education as a standard workplace provision requires coordinated, practical action across government, employers, and industry.

Government

- Launch a consultation on workplace financial education for employers with 250+ staff.
- Pilot delivery models with large employers to test standards, reporting, and implementation ahead of any mandate.
- Issue guidance, in partnership with MaPS on content standards and the boundary between education and regulated advice.

Employers

- Pilot workplace financial education, using existing payroll, pensions, and wellbeing infrastructure.

- Integrate provision with current benefits and wellbeing initiatives to maximise engagement.
- Track participation and feedback to build evidence of impact.

Industry Bodies and Providers

- Collaborate on shared standards to ensure quality, independence, and accessibility.
- Support employers with toolkits, shared resources, and examples of effective practice.
- Contribute evidence from pilots to inform consultation and refinement.

Together, these steps provide a low-risk, evidence-led pathway from policy proposal to practical implementation.

9. Closing Statement

Workplace financial education is a practical, scalable, and high-impact intervention. The evidence is clear: when employees understand their money, they make better decisions, experience less financial stress, and contribute more fully at work.

The UK has already recognised the importance of financial education in schools. The next step is to meet adults where financial decisions are made every day: in the workplace. By acting now, policymakers and employers can strengthen financial resilience, improve productivity, and reduce long-term inequality.

> Building financial confidence is the key to building wealth over the long term. People won't act on what they don't understand, so investing in measures that improve confidence, including leveraging workplace financial education, is essential.
>
> By seizing every opportunity to empower the nation financially, and by complementing positive steps like the Government's Advice Guidance Boundary Review, we can close the confidence gap, incentivise positive behaviour, and ensure people have the knowledge to make smarter financial decisions throughout life.

Brian Byrnes, Director of Personal Finance, MoneyBox

Financial literacy should no longer be a privilege, but a workplace right.

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CONTACT US

www.microfact.co.uk

contact@microfact.co.uk

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