



BLACKHAWK
NETWORK

Stretch salaries further

with employee benefits



Introduction

SMEs, it's time to listen up.

In today's climate, workplace benefits are a necessity, not a perk.

You need to help your employees' money stretch further during the cost-of-living crisis. It's not just to keep your staff happy, it's the right thing to do.

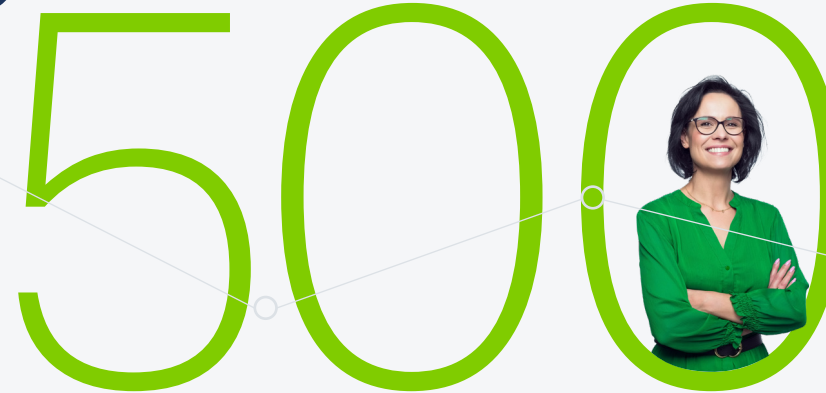


Methodology

We conducted research into the growing demand for discounts and savvy shopping, in light of the current economic climate. Our goal was to showcase to small and medium enterprise (SME) employers how they can support employees, without it being a burden on their finances or being tied to a contract, and uncover other barriers that are holding them back.

To do this, we conducted two UK-wide surveys. The first with 500 HR decision makers (HRDMs) in SMEs, and the second with 2,000 employees across a range of sectors in SMEs, including education, IT, manufacturing and healthcare. All the SMEs had under 500 employees, with those surveyed spread evenly across businesses of varying sizes within this bracket.

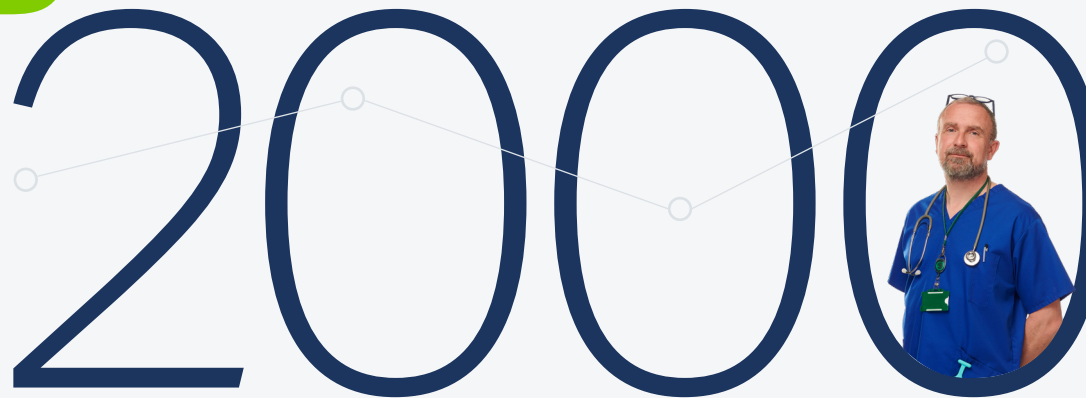
SURVEY 1 SAMPLE:



HR
decision makers
(HRDMs) in SMEs



SURVEY 2 SAMPLE:



SME
Employees
Across a range of sectors in
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The cost-of-living crisis is affecting everyone, what should you do?

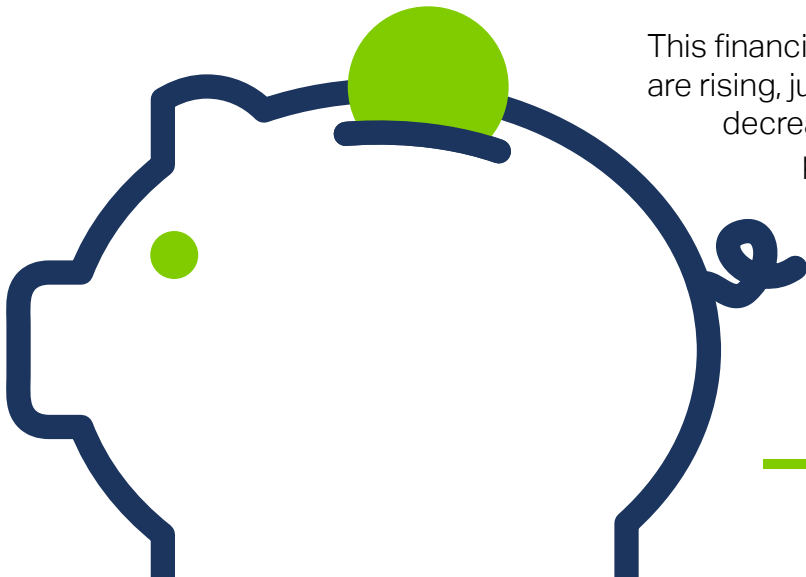
85% of employees have had to reduce their expenses over the last six months



The cost-of-living crisis is hitting everyone hard. Employees are finding their disposable income is shrinking – our research has found that 85% of employees have had to reduce their expenses over the last six months. It doesn't look like positive change is on the horizon either, with 85% also concerned about what their financial situation will be like in 12 months' time.

This financial strain has hit businesses too. Overhead costs are rising, just as customers' dwindling disposable income decreases revenue, and these factors together have placed more pressure on teams to succeed.

Most notably, many in the tech world have been making high-profile redundancies and the talent crisis is putting a strain on those who remain.



More and more, people are turning to their employers for help. HRDMs have reported that within the last three months, over two thirds (68%) had received requests for financial support. This averaged around 9 requests per company, rising to 11 for those with 101-500 employees. This represents a 65% increase in requests to HRDMs since the cost-of-living crisis began.

Helping their employees out is simply the right thing for businesses to do as we all try to navigate this difficult period. But morals aside, there is a strong business case in favour of providing financial assistance.

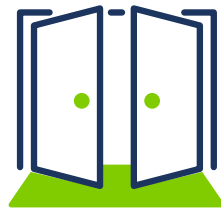
Over 60% of HRDMs are concerned about employees leaving due to the cost-of-living crisis for opportunities that will financially support them better.



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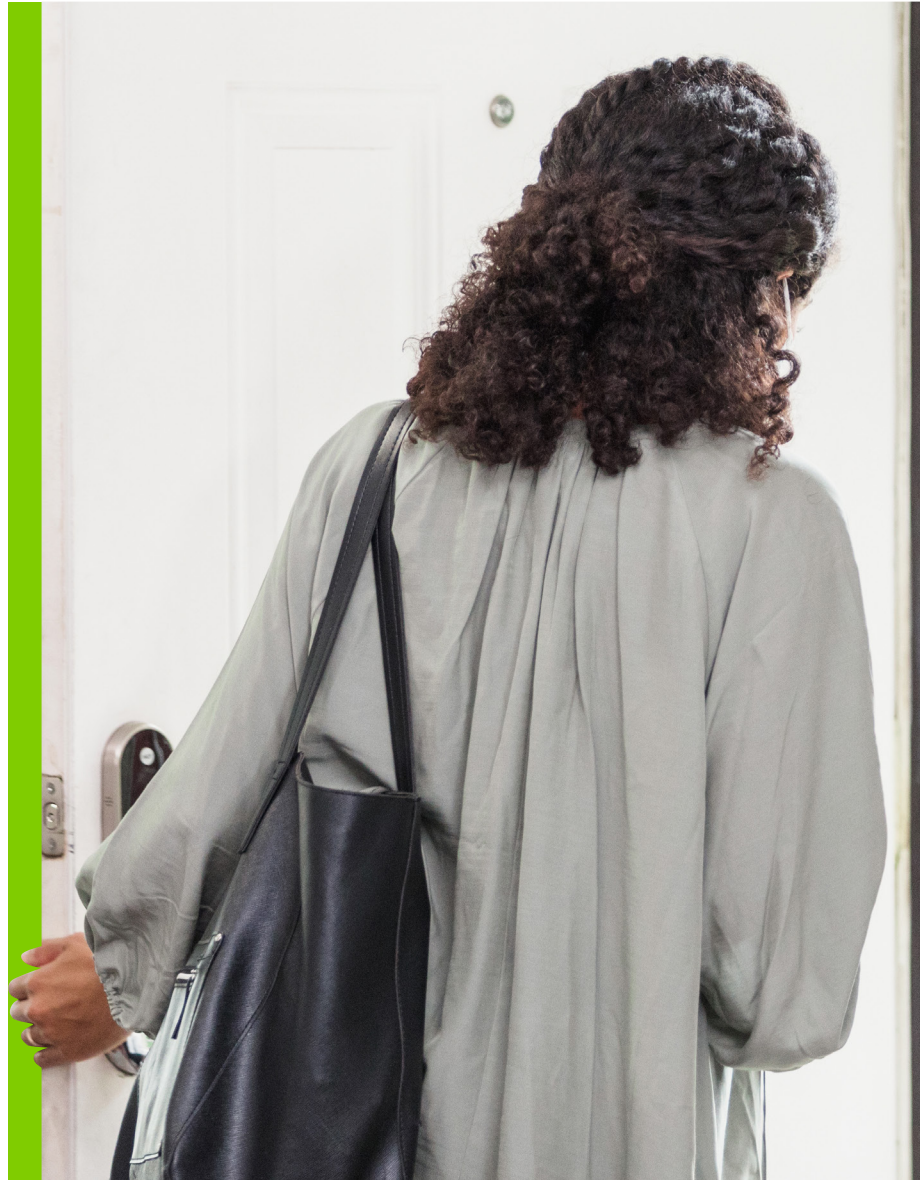


Over 60% of HRDMs are concerned about employees leaving



And they are right to be concerned. Already, a third (33%) say they have already noticed an uptick in the number of resignations they have been receiving.

Of the employees we surveyed, **40%** are actively looking for jobs that pay more, and 76% are looking for ways to save more which is where a great benefits package can help.



**33% say they
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A top-down view of a desk with a silver laptop, an open spiral notebook, a cup of coffee with a spoon, a blue pencil, and a pair of black-rimmed glasses. A large, light grey arrow points downwards from the top left corner.

86%

of HRDMs

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Fortunately, the vast majority (**86%**) of HRDMs recognise the importance workplace benefits have in regard to improving the cost-of-living for employees. And half (50%) have noticed an increase in benefit usage since the cost-of-living has been high on the news agenda.

However, on the employee side, **60%** say they have not begun using their workplace benefits more in the last few months. While that still leaves 40% who have increased their benefit usage, only 22% of all the employees we surveyed believe their benefits will be sufficient to support them in six months' time.

40% have increased
their benefit usage



What's on offer vs. what's needed

While revenue is down, 40% of businesses have already increased salaries more than they would normally have, and 30% have offered additional bonuses. But despite this, staff are still looking to leave – so what more can businesses do?

A great way to start is to listen to their employees more. Employee benefits are going to be lifesavers over the coming months, so it is important that the benefits on offer align with what employees need. And so far, there are some serious discrepancies.

The top money-saving benefits currently on offer, according to HRDMs are:

1. **Gym memberships (49%)**
2. **Cost of a bike (39%)**
3. **Childcare costs (37%)**
4. **Eating out (35%)**
5. **Groceries (32%)**

But comparing these to the top five benefits employees would find most beneficial shows that there are some serious disconnects:

1. **Groceries (51%)**
2. **Travel to work by car (37%)**
3. **Technology (30%)**
4. **Childcare (29%)**
5. **Gym membership (26%)**



“Research shows that the benefits employers are offering are not the ones employees actually want”

First, it is clear that businesses need to be putting more emphasis on finding ways to help their employees with groceries. Rising prices of everyday goods is the second biggest worry employees have surrounding the cost-of-living crisis (24%). Already, more than two in five (43%) respondents have made the change to bulk buying groceries to save money in the long-term.

It is also evident that childcare costs are important, which is why they appear on both lists. But with the switch to remote/hybrid working continuing, there are perhaps more pressing worries for many parents. And finally, eating out is also becoming a non-option for many employees.

Rising prices of everyday goods is the second biggest worry employees have surrounding the cost-of-living crisis



This discrepancy between what HRDMs think their employees want versus what their employees really want is also likely fuelling misalignment between views of whether enough is being done.

More than half (58%) of HRDMs feel they are doing enough to help, but 53% of employees think their employer could do more to support them through the cost-of-living crisis.

HRDMs need to take account of what will actually benefit their employees by listening to them. It's great that HRDMs understand that benefits can help during the cost-of-living crisis, but if people aren't being supplied the benefits that will actually help them, then really they're not much use.






There's much more that can be done over the next year

HRDMs anticipate cost-related benefits are only going to grow in importance over the next 12 months. Chief among the changes employers can make is improving their benefits package review policies.

Just over a third (37%) review their benefits packages at least quarterly. But a quarter have no plans to change or expand their package this year.

Top ways businesses are helping out their employees:

-  Work from home options (40%)
-  Free or subsidised food in the office (36%)
-  Free financial advice (28%)

And that's not all, there are also plans from many employers to up their use of discount schemes, offer free gym memberships, and change to a weekly staff payment structure.



Chris Ronald, VP EMEA at Blackhawk Network says,

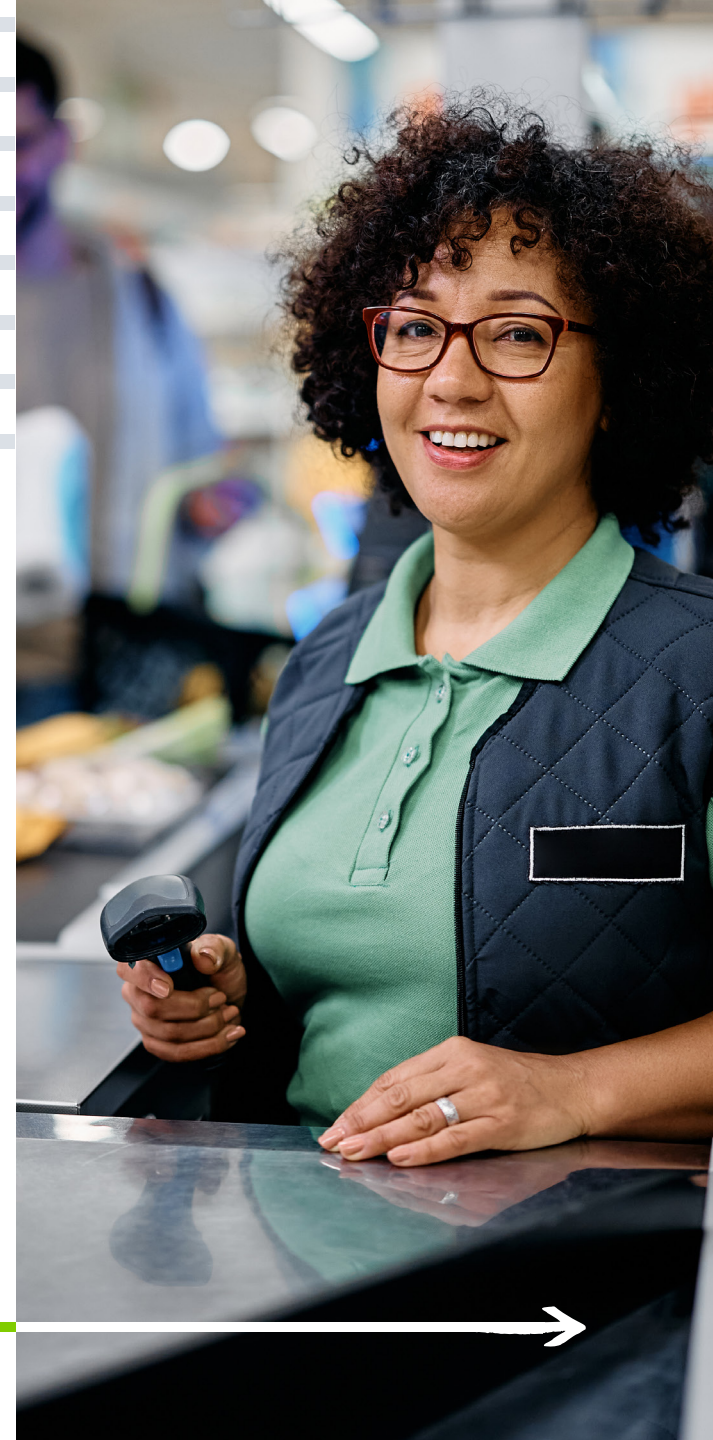
"Many businesses need to re-examine the workplace benefits they offer. They are no longer just fortunate perks; a growing number of employees rely on them simply to help make ends meet. But understanding this is also only the first step. Employers should take this opportunity to listen to their employees and learn how to adjust their workplace benefits to ensure they are making meaningful contributions. Not only will this help see their staff through the next twelve months, but it is also a crucial step towards ensuring they maintain their own business' resilience during the cost-of-living crisis."

BHN Extras Benefits SME Platform

Many businesses want to further support their staff and introduce more cost-saving benefits, but the biggest barrier to them doing so, reported by more than half of respondents (51%), is lack of budget.


BHN Extras is a sign-up-and-go, free benefits platform focused on employee financial wellbeing. There is no sign-up cost – unlike most platforms, which charge a monthly per seat fee – and no fixed contract. This gives businesses the flexibility to provide a host of benefits that help save employees money with no additional financial strain to themselves.

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BHN Extras Benefits SME Platform

BHN Extras offers a wider range of voluntary benefits, including the UK's leading Cycle to Work scheme and discounted technology and white goods. And it can even help with everyday essentials with bYond card, which gives employees up to 15% cashback at over 85 retailers, from groceries and DIY to leisure and eating out.



Employers sign up to Extras and help your employees' salaries go further without extra cost your business.

Then, empower your employees to save with exclusive cashback and discounts. So they never pay full price for day-to-day essentials again.





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