

Shifting needs

Enabling good financial health in the new employment environment

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Toynbee Hall

- Anti-poverty charity in London's East End
- Research, policy and practice on financial health
- Three specific areas of financial exclusion
 - Strong frontline services for those in need;
 - Organisational change and improvement;
 - Policy (government, financial services, beyond).

Financial Health

Financial health encompasses all dimensions that play a part in someone reaching an optimum level for which they can manage and control their finances. It is an 'umbrella term' which considers the environment in which people make decisions, the person's capabilities, as well as those things which are **personal** and truly unique to the individual (e.g. mental health, income levels, etc).

Factors that contribute to one's financial health

- Supply side
 - Associated with the levels of **access to products and services** available, policies and regulation, and how information is communicated or provided
 - The **environment** in which people make decisions
 - Often linked with the term **financial exclusion**

Factors that contribute to one's financial health

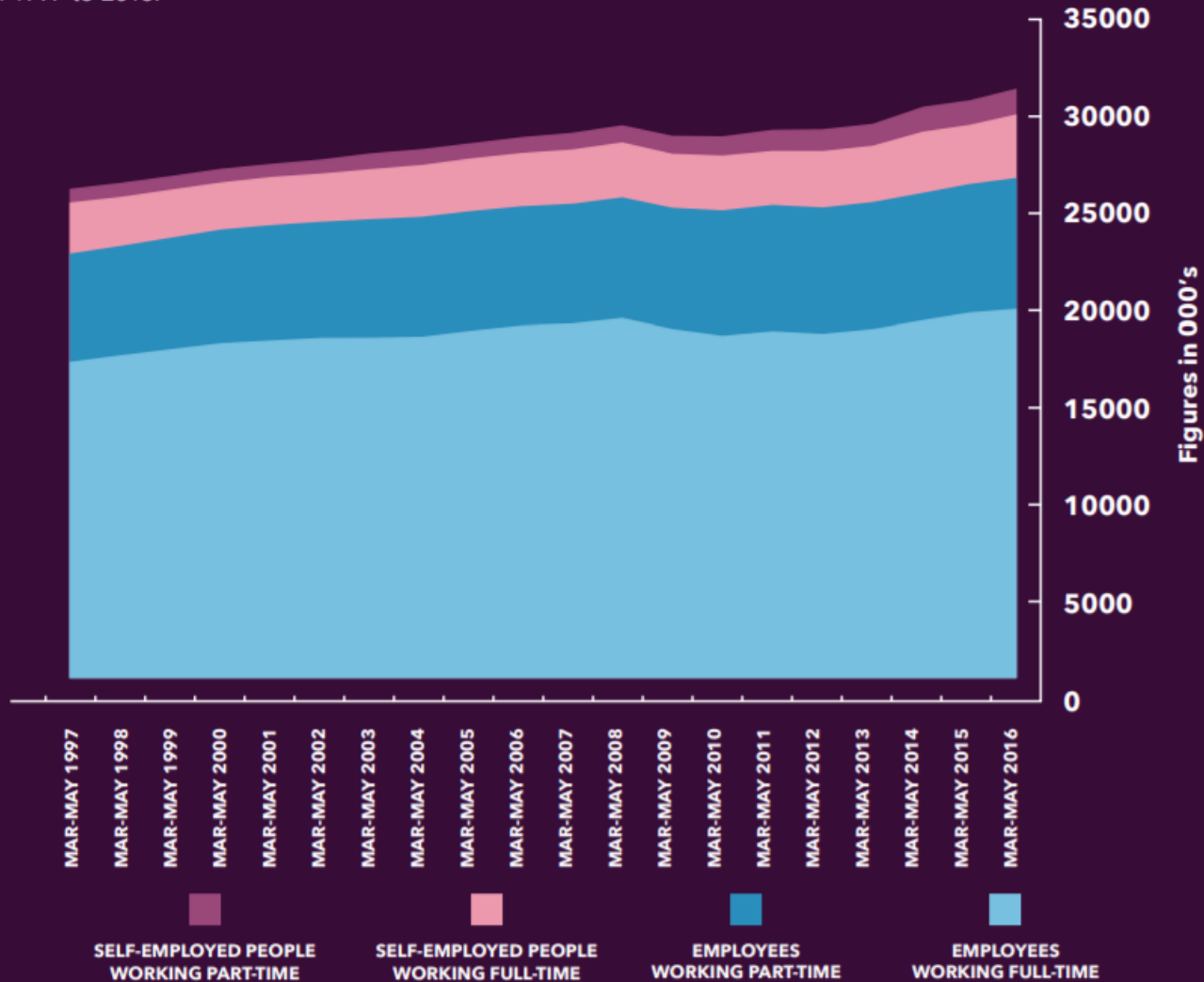
- Demand side
 - **Ability** to make decisions
 - Largely reliant on one's level of **skill, knowledge, understanding, attitudes**, and even motivations
 - One's ability to navigate the **environment**
 - Often referred to as one's **financial capability**

Factors that contribute to one's financial health

- Personal circumstances
 - **Unique** to the individual
 - Often things outside our control
 - They may be **traits** i.e. those things that are a part of you
 - Being a parent
 - Having a disability
 - They may be a **state** i.e. the circumstance in which you find yourself
 - Getting divorced
 - Being unemployed

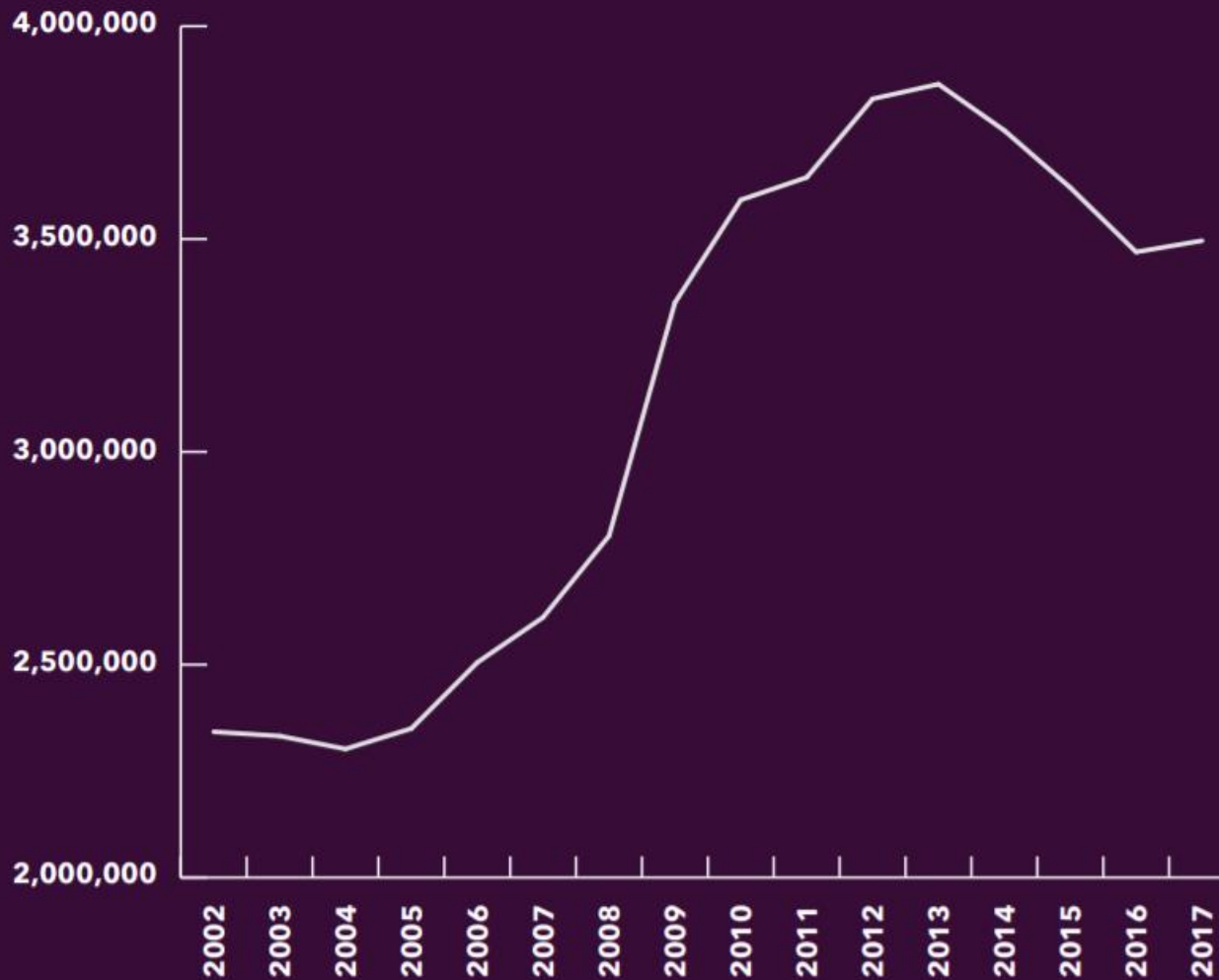
Total employment broken down by employee/self-employment and working pattern

This chart shows the breakdown of total employment by employees/self-employed and their working pattern, from 1997 to 2016.



Total number of workers that want more hours

This chart shows the number of workers that want more hours, from 2002 to 2017. The chart rises from 2004 to a peak at 2013, before falling afterwards. It illustrates that there have been a larger number of workers wanting to work more hours in recent years.



Zero hours contracts

- 905,000 people (2.8% of those in employment) are reported to be on a zero hours contract
- Majority tend to work part-time (65%)
- Younger people, those aged 16-24, are also more likely to work on a zero hours contracts and account for one third of total zero hours contracts.



2.8%, but for how long?

- Automation; hourglass labour markets; few jobs created in low wage sectors



2.8%, for now, but where?

- Most (30%) of zero hours contracts concentrated among elementary occupations

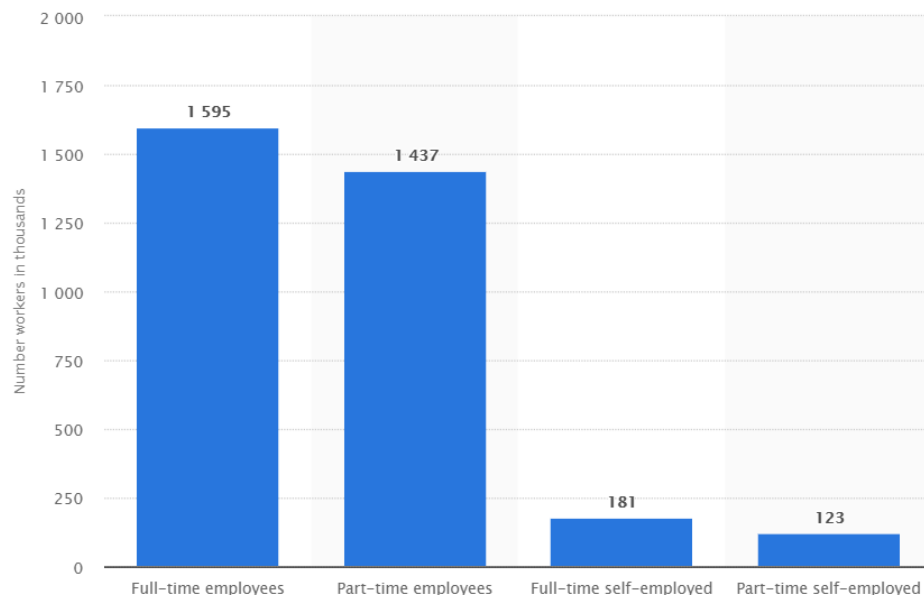
	In employment on a zero-hours contract (thousands)	Percentage of people in employment on a zero-hours contract	Percentage of people on a zero-hours contract
1 'Managers, Directors And Senior Officials'	21	0.6	2.4
2 'Professional Occupations'	87	1.4	9.9
3 'Associate Professional And Technical Occupations'	62	1.3	7.0
4 'Administrative And Secretarial Occupations'	56	1.7	6.3
5 'Skilled Trades Occupations'	41	1.2	4.7
6 'Caring, Leisure And Other Service Occupations'	216	7.3	24.4
7 'Sales And Customer Service Occupations'	61	2.5	6.9
8 'Process, Plant And Machine Operatives'	75	3.7	8.5
9 'Elementary Occupations'	265	7.9	30.0
Total ¹	883	2.8	100.0

Source: ONS Labour Force Survey



2.8%, but for how long?

- Individuals employed in elementary occupations in the UK

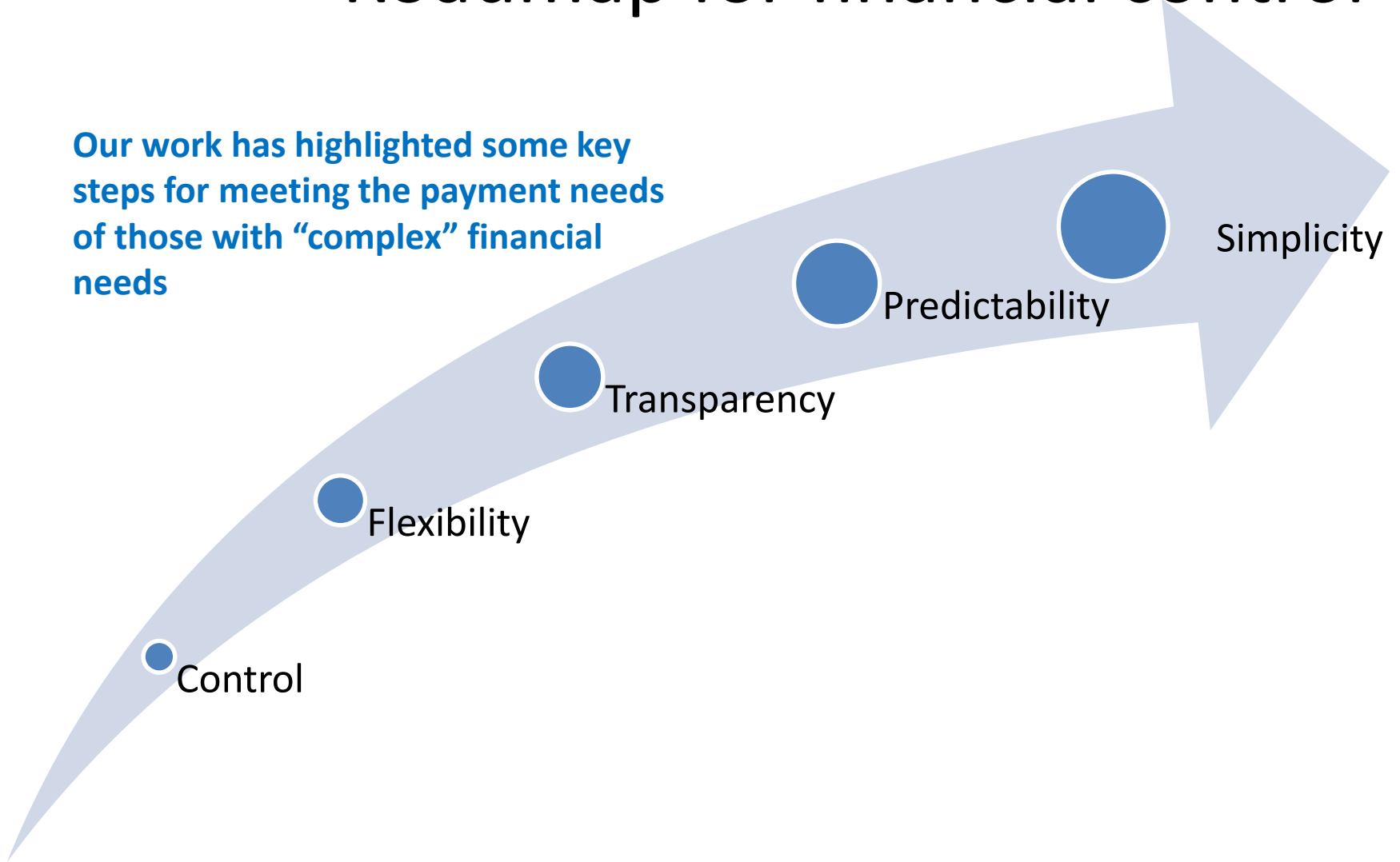


A financial health/exclusion problem?

- Around 1 in 40 people in employment had a zero hours contract as their main job in 2014 and this figure was predicted to rise. It did!
- There were around 4.5 million people registered as self-employed then, higher than at any point over the past 40 years
- The average income from self-employment had fallen by 22% since 2008
- Meaning? Unpredictable, irregular or “unusual” income flows within a payments system primarily designed for the mainstream customer.

Roadmap for financial control

Our work has highlighted some key steps for meeting the payment needs of those with “complex” financial needs



Thank you

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