SERVE PROTECT

Financial Resilience Report 2020

www.serveandprotectcu.co.uk

PART OF THE SERVE AND PROTECT FAMILY

POLICE//CU MILITARY//CU PRISON//CU

ARMED FORCES COVENANT



At Serve and Protect Credit Union, our mission is to improve the financial resilience of those who serve and protect our nation.

We provide a free employee benefit built to encourage members to save for their financial future, and to be there for them if they should ever need to borrow.

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Our field of membership includes current and former employees of the Police, HM Armed Forces and Prison Service. Our products are designed specifically around the needs and requirements of those who are currently, or have been formerly, employed by any of those sectors.[1]

As a credit union, we place a huge importance on the financial wellbeing of those who serve and protect our nation. We recognize the important role our members play within society and the day-to-day challenges they face. As statistics in this report indicate, money worries can often have a significant impact on the ability of those employed by the Police, Prison and Military services to perform their jobs effectively.

We hope that this report will be useful to employers of the individuals within our field of membership, as well as to current and future members of the Serve and Protect family. It is intended to provide insights into what is meant by financial resilience, and to illuminate the very real and detrimental effects that a lack of financial resilience can have on individuals and workforces alike.

[1]Serve and Protect serves existing and former employees of the Police, HM Armed Forces and Prison Service. Former employees must be in receipt of a pension from the relevant employer. Serve and Protect also offers membership to family who live at the same address as an existing member.

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What does it mean to be Financially Resilient?

Financial resilience is understood as the ability of an individual or household to withstand life events that impact their income and/or assets.

Events such as job loss, unexpected illness, and divorce to name a few all have a significant impact on our finances.

It is important to be aware of what financial resilience is, and how financially resilient we are, in order to endure situations that make demands on our monetary resources.

How was this report produced?

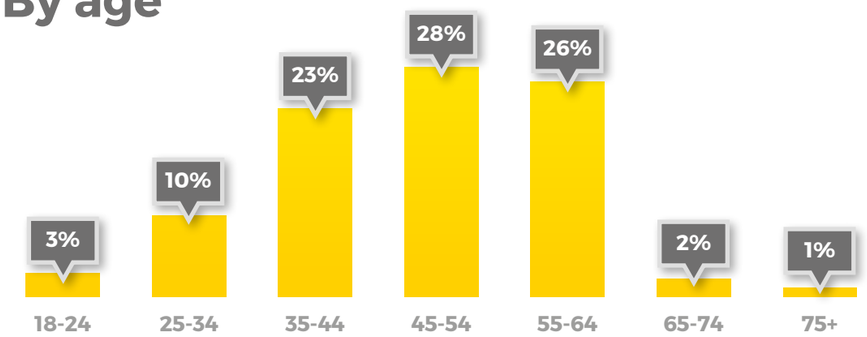
A mailshot survey was sent out to all existing members of Serve and Protect Credit Union.

A total of 4824 responses were gathered from across the UK.

The only demographical data collected was the age of respondents split into bands, and the employer and job role of respondents. Responses were collected between 18th September and 11th October 2019.

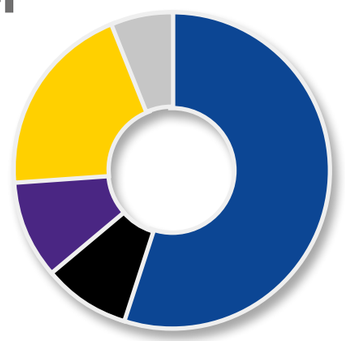
Breakdown of the responses:

By age



By employer

- Police - 55%
- Prison - 9%
- Military - 10%
- Retired - 20%
- Other - 6%



Key Findings

62% of Respondents

Following a change in circumstances such as a relationship breakdown, unemployment, or sickness, 62% of respondents said that they would not be able to cope.[2]

Three Quarters

Of those currently or formerly employed in the Prison Service, three quarters do not think that their employer does enough to prepare them for their financial future.

61% of Respondents

61% of respondents currently or formerly employed by the military feel that the state of their personal finances has an impact on their ability to do their job effectively.

Only 1 in 4

Only 1 in 4 of respondents currently or formerly employed by the police force would turn to their employer if they were facing financial difficulty.

[2]Respondents were asked to answer either 'yes', 'no', or 'not sure' for this question. For reporting purposes, the data from those who answered 'no' and 'not sure' have been collated, as the answer 'not sure' indicates that the respondent would not be able to comfortably withstand the situation.

In a little more detail...

The next section breaks down the answers provided by those who completed the survey question by question.

There is comparison between the answers provided by respondents working across the police, military, and prison services, and where relevant across different age bands.

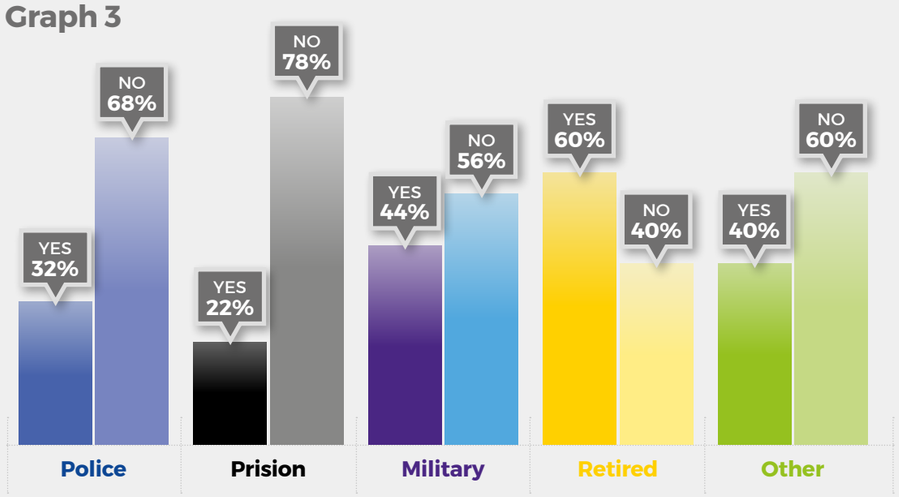


Could you cope financially with a change in circumstances such as relationship breakdown, unemployment or sickness?

62% of all respondents answered that they would not be able to cope, or that they are not sure if they would be able to cope, financially if they faced a change in circumstances. Even more shockingly, in a Pay and Morale survey conducted by the Police Federation, only 36% of respondents said that they had enough money to cover monthly essentials, leaving the vast majority vulnerable to the financial impact of emergency situations.[3]

Of those aged between 25 and 54 years old, 75% answered in the negative to this question. The only age bands with a proportion of more than 50% who answered that they would be sure to cope financially with a change in circumstances were those aged over 55 years old, highlighting the lack of financial resilience in younger recruits across the police, military and prison services.

Graph 3



Graph 3 compares the proportions of respondents who can and cannot cope financially with a change in circumstances by employer. An alarming majority of those currently or formerly employed by the prison service answered that they are not able to comfortably withstand a situation which impacts their finances. 68% of those currently or formerly employed by the police force also answered in the negative, followed closely by 60% those who identified as 'other'. Only for retired respondents is the proportion of those able to cope financially with a change in circumstance greater than those who cannot, with 60% answering yes.

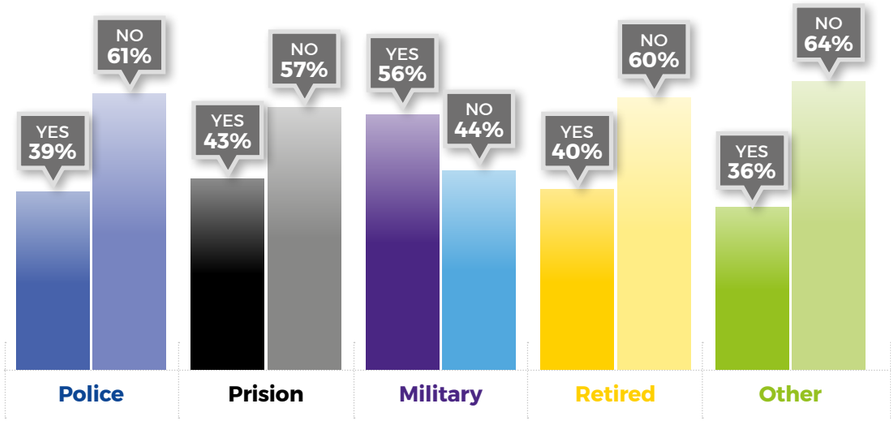
[3]https://www.polfed.org/our-work/pay-and-morale/

Do you feel it is your employer's responsibility to help you prepare for your financial future?

Of all respondents, a total of 37% answered yes to indicate that they feel it is the responsibility of their employer to prepare them for their financial future. Of this total, only 34% believe that their employer is currently doing enough to prepare them for their financial future.

Graph 4 displays the proportion of those who believe it is the responsibility of their employer to prepare them for the financial future by employer. The largest proportion of those who answered yes to this question are currently or have been formerly employed by the military, at 56%. Those employed by the prison service were the second largest group to answer in the positive, at 43%.

Graph 4



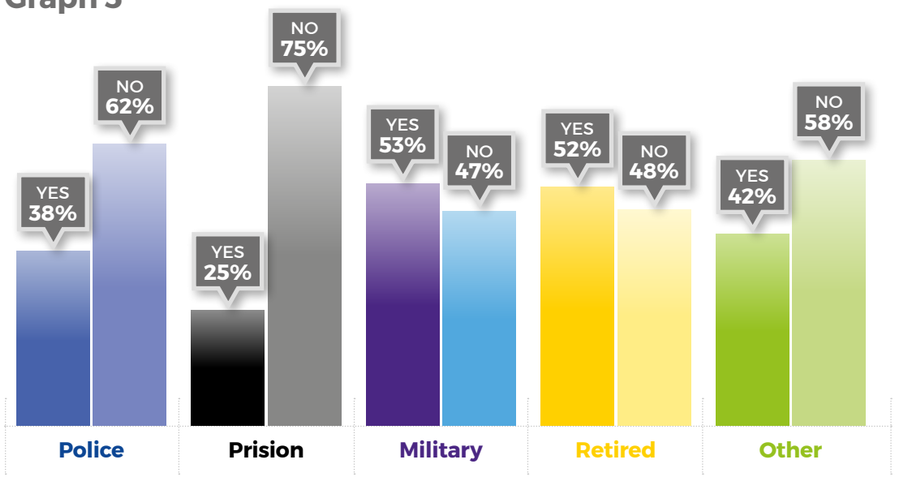
When responses from those aged between 18 and 24 years old were isolated, the proportion of those who answered yes to this question rose to 69%. This indicates that the youngest recruits have higher expectations of their employers when it comes to financial education.

Do you feel your employer does enough to help you prepare for your financial future?

60% of all respondents answered that they do not feel that their employer does enough to help them prepare for their financial future. As shown in Graph 5, this is most notable in the prison service, where 75% of those currently or formerly employed by the prison and probation service answered no to this question. 62% of those employed by the police also answered in the negative, along with 47% from the military.

The fact that the figures are high across all employment bands indicates that employees think more can be done by their employers to educate them how to manage their personal finances. The importance of this issue extends beyond the personal lives of the respondents and directly affects their working lives. As seen in graphs 6 and 6a, concerns about personal finance have a real impact on the ability of respondents to perform their job roles. If employers were to actively respond to the data in graph 6 and provide financial education to their employees, this impact could be significantly lessened.

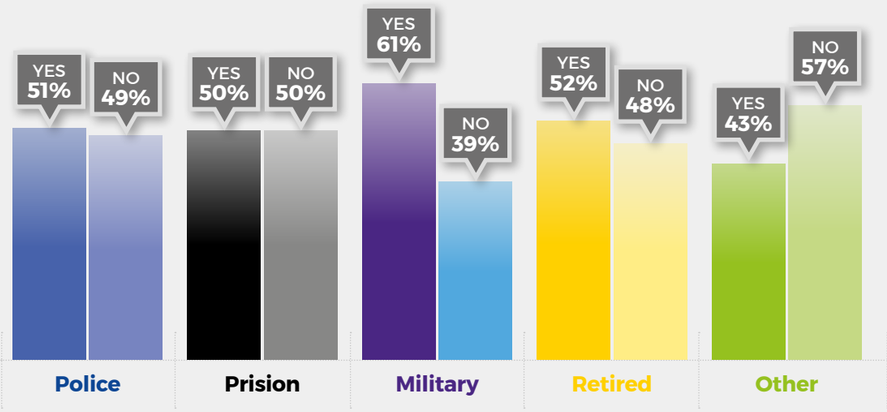
Graph 5



Do you feel your personal finances have an impact on your ability to do your job effectively?

Just over half of all respondents said that their personal finances impacted their ability to carry out their job effectively. When taking into consideration the high-pressure occupations of the respondents, this is a shocking statistic. This was fairly consistent across all age bands, with the largest variations being that 63% of respondents aged between 18 and 24 years old answered that they felt their finances impact their ability to do their job, whereas only 43% of those aged over 65 years old answered in the same way.

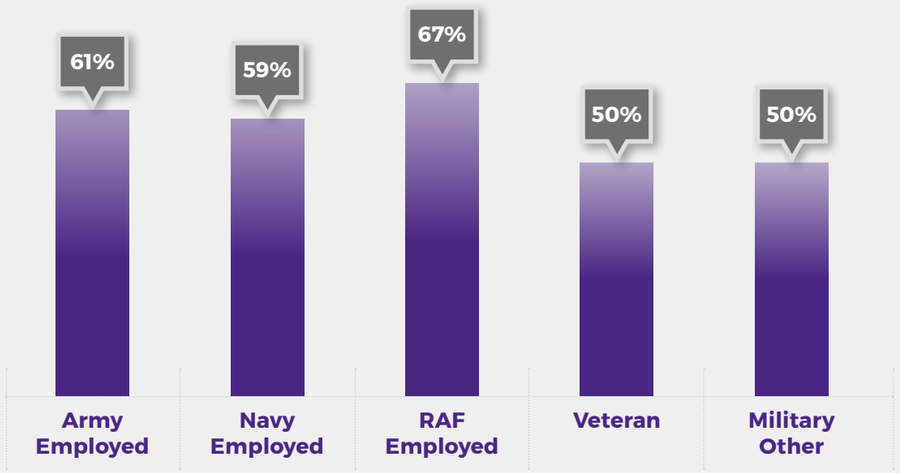
Graph 6



Graph 6 displays how respondents answered based on their employer. Shockingly, 61% of those currently or formerly employed by HM Armed Forces answered that their personal finances impact their ability to do their job. This is of great concern, and there is similar cause for worry across the police and prison services, where 50% of those employed also answered that their finances impact their work. In a Pay and Morale survey conducted by the Police Federation, 45% of respondents said that they worry about the state of their personal finances almost every day.'

In graph 6a, the proportion of those who responded yes to this question in the military is split via their service. The effect is high across the army, navy, and RAF, but the fact that 67% of those respondents in the RAF have had their work impacted by their personal finances indicates that there may be a more serious problem in this force.

Graph 6a



Aegon conducted a similar study across 2,000 non-sector specific employees, and found that just 11% of respondents felt that their personal financial situations impacted their day-to-day work.[4] It is clear that the scale of the problem is unique to those employed by the police, military and prison services, and that something needs to be done to reduce the proportion of those who have their work affected by anxiety about their personal finances.

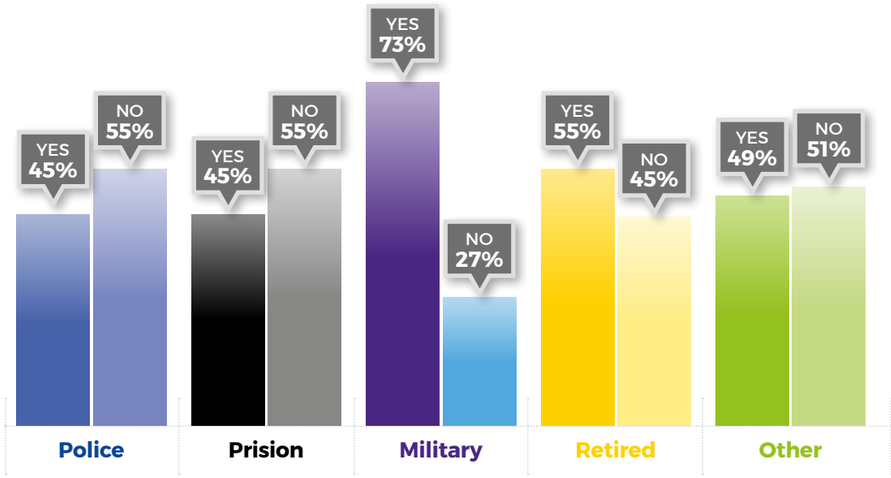
[4]https://www.aegon.co.uk/content/dam/ukpaw/documents/financial-wellbeing-CEBR-condensed.pdf

Do you know who to speak to within your workplace if you were to experience financial difficulty?

Of all respondents, half would not know who to speak to within their organization if they were experiencing financial difficulty. Only 40% of those who do know would seek help from their employer. More needs to be done by employers to educate their employees about what help is available to them, and how they can seek it safely and confidentially.

Graph 7 compares answers to this question by employer.

Graph 7



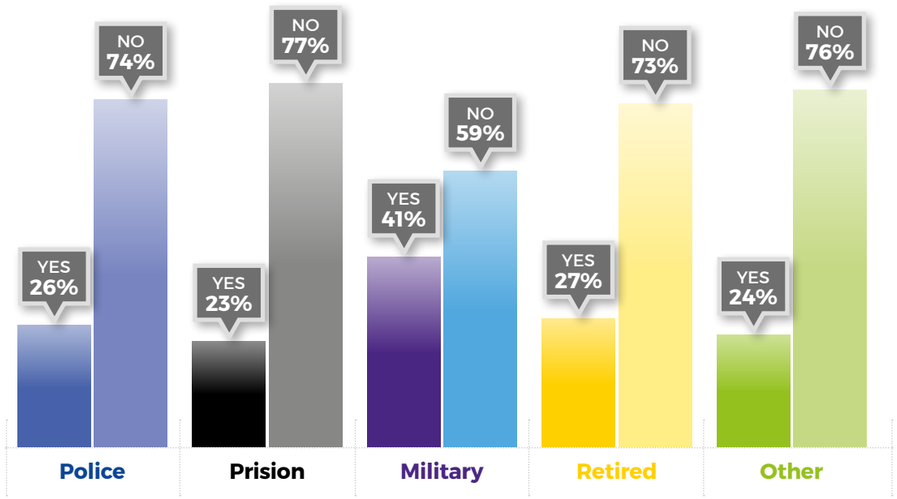
On a positive note, 73% of those currently or formerly employed by the military answered that they do know who to speak to at work if they experience financial difficulty. However, 55% of those employed both in the police and prison services answered no to this question, along with 51% of those who identified as 'other'.

Would you turn to your employer if you were experiencing financial difficulty?

Just over 70% of all respondents said that they would not turn to their employer if they were experiencing financial difficulty. An average of 75% of those aged over 35 years old answered no, while an average of 43% of those aged between 18 and 34 years old said that they would turn to their employer if they were struggling financially. Throughout this survey, young people have indicated a reliance on their employer with regards to managing their finances and financial education. Employers therefore need to be able to respond accordingly.

As shown in Graph 8, only a quarter of those across the police and prison service would seek help from their employer regarding their finances. The figures are similar for those who are retired or who identify as 'other'. By comparison, 41% of those in the military answered yes to the question.

Graph 8



How Serve and Protect Credit Union can help

Serve and Protect Credit Union are proud to offer savings and loans products that meet the needs and requirements of those who qualify for our membership.

83% of respondents are so impressed that they have already recommended us to their friends, family, or colleagues. Individuals currently or formerly employed in the police, military, or prison services benefit from a range of services that include payroll deduction, an annual dividend, life insurance, and so much more.

In addition to our member services, Serve and Protect Credit Union deliver educational financial resilience briefs across the UK to help employees in the Police, HM Armed Forces, and Prison Service understand what it means to be financially resilient.

For more information about Serve and Protect Credit Union, and to find out why our services are beneficial to your employees, colleagues, and family, please visit our website at **www.serveandprotectcu.co.uk**. Alternatively, call us on **0121 700 1239**.

How can you make a difference and improve the financial resilience of your colleagues?

The Serve and Protect team deliver a range of financial resilience briefs across the Police, HM Armed Forces and Prison Service. If you would like our team to visit your workplace please contact: **info@serveandprotectcu.co.uk**

Alternatively if you would like to learn how your organization can become part of the Serve and Protect family, or offer the free employee benefit via payroll deduction, please contact: **info@serveandprotectcu.co.uk**

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