The Missing Metric

Hospitality Edition

Unlocking happier, more productive teams through financial resilience

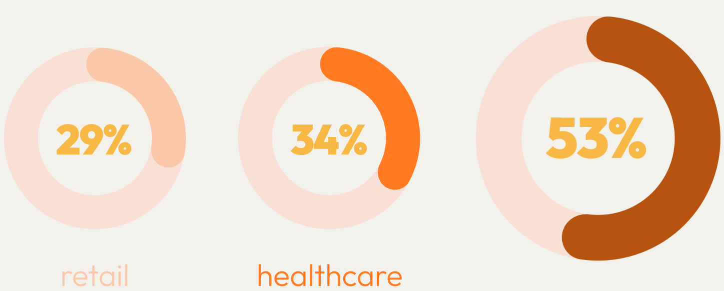
The State of Financial Wellbeing in 2025: Hospitality Outlook

New data reveals that financial wellbeing remains a critical national issue, with financial stress significantly impacting UK workers. This is true across the board, but particularly pertinent in hospitality. In 2025, 45% of hospitality employees report overwhelming concern about their finances.[1] Money concerns are three times greater than any other factor, including work life balance (12%), mental health (14%) and physical health (8%). 52% worry about money at least once a week - an 8% increase on the UK average and the retail and healthcare sectors.[2]

This anxiety is underpinned by precarious financial positions. One quarter of hospitality workers (24%) possess no savings, while nearly half (49%) have just £500 or less - a 48% increase on the UK average. For 45% of hospitality employees, setting aside any savings at all is perceived as unrealistic this year.[3]

While flexible work offers benefits, persistently low and/or volatile income is one of the greatest drivers of financial exclusion. Compared to 34% of healthcare workers and 29% of retail workers, a notable 53% of those in hospitality experience fluctuating income levels.

These statistics paint a clear picture of widespread financial vulnerability for the hospitality sector.



hospitality workers experience fluctuating income levels

The Case for Financial Resilience

In light of these persistent economic pressures, forward-thinking employers are realising the opportunity which exists to foster resilience and mitigate financial exclusion. Notably, 45% of hospitality employees believe their employer cares about their financial health, ranking higher than banks (28%) and the government (17%). Supporting employee financial resilience transcends corporate social responsibility; it is a strategic investment yielding tangible business returns. Financially resilient teams are demonstrably more engaged, productive, and loyal.[4]

The data is compelling:

- **Retention:** If offered workplace savings support, 30% of hospitality employees state they would stay with their employer longer.[5] Conversely, 52% would move employers for better financial support - an 8% increase on the UK average.

- **Turnover:** With over 20% of employee turnover potentially attributable to financial stress,[6] investing in resilience presents a major opportunity to reduce the costs associated with churn.

- **Engagement & productivity:** Organisations investing in savings support see significant uplifts, including a 43% increase in employee engagement and a 40% rise in productivity.[7] Hospitality employees who are able to save money feel proud (33%) and optimistic (23%). 29% state doubling savings would feel even better than having a paid week of holiday.[8] Flexible access to pay is associated with reduced stress and stronger money management.[9]

To reap the rewards of financially resilient teams, a holistic approach is essential, one which offers long-term solutions that address the "cost of life," not just the "cost of living". This requires moving beyond one-size-fits-all benefits to a suite of flexible tools that build genuine, lasting financial resilience for all employees.

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of hospitality workers would move employers for better financial support

Barriers to Financial Resilience

Significant progress has been made in recent years, with 57% of UK hospitality employers now having some form of financial wellbeing support in place.[10] Despite this, a critical disconnect persists regarding employee financial wellbeing. Just one in five employees believe their employer's strategy addresses the diverse needs of the organisation.[11] This reveals two fundamental gaps hindering progress:

The empathy gap: Leaders, often shielded from the financial challenges faced by many of their employees, may misinterpret the root causes of financial stress. This stress is frequently perceived as a lack of knowledge solvable by education, rather than a consequence of factors like low and/or volatile income, insufficient savings, or limited access to mainstream financial products. Consequently, support efforts tend to be inconsistent and isolated, failing to integrate resilience-building across the organisation.

The action gap: While employees generally possess knowledge of beneficial financial behaviours (e.g., saving, budgeting), this awareness doesn't automatically translate into action. Barriers such as inaccessible tools, income limitations, debt burdens, or inertia prevent implementation. Education alone is insufficient to bridge this gap.

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To overcome these gaps, employers must move beyond assumptions and adopt actionable solutions that build financial resilience. Focusing on resilience provides clearer insights into employee vulnerabilities, enabling targeted support and measurable progress towards greater financial wellbeing.

Framework: Building and Measuring Financial Resilience

The strategic solution lies in building and measuring employee financial resilience - a tangible state influenced by interconnected factors. By focusing on a set of key indicators, organisations can move beyond anecdotal observations to data-driven strategies with lasting, positive impact.

Why measuring matters:

Understanding the drivers of resilience is crucial, but measuring these components provides the critical insights needed to:

- Diagnose specific employee challenges.
- Target interventions for maximum impact.
- Demonstrate the ROI of financial wellbeing on key business metrics.
- Track progress and continuously refine strategies for long-term success.

By actively building resilience across these key pillars and committing to measuring progress, employers can create a positive cycle of increased financial security, reduced stress, and a more engaged and productive team.

Financial resilience is understood through the interplay of these critical components:

Savings buffer: The cornerstone of financial security against unexpected expenses or income disruptions. Employers can directly influence this by removing friction through accessible, ideally opt-out, workplace savings programmes.

Debt position & management: High-cost debt hinders saving and increases stress. Offering fair, affordable loans and debt management tools provides essential support and prevents financial exclusion.

Income stability: Predictable earnings are foundational to financial wellbeing, particularly for those in roles with low pay and/or variable hours. 53% of hospitality workers experience fluctuating income levels, a 47% increase on the UK average. Employers can foster better income stability through fair scheduling ('Living Hours') and tools like workplace savings and flexible pay as a bridge to financial control.

Credit status: A healthy credit score enables access to affordable financial products. Inclusive alternatives like flexible pay and fair workplace loans can offer lifelines and potentially help build positive credit history, especially for those with limited savings or volatile income. Just 36% of hospitality employees report they have a good credit score, lower than any other sector, including healthcare (62%) and retail (47%).

Social capital: While informal support networks exist, they are not a sustainable or equitable solution, particularly for lower-income groups. Understanding where this informal support is weak helps target formal wellbeing initiatives.

Financial stress: A top employee concern, with direct impact on productivity. 31% of employees say money worries have negatively impacted their work performance.[12] Reducing this stress through tangible support across the other resilience pillars frees cognitive bandwidth.

Employer Action Plan

To effectively build employee financial resilience, employers must adopt a strategy focused on action and inclusion, directly addressing the identified gaps.

Challenge

Current financial wellbeing support is often inconsistent, perceived as ineffective by employees, and overly reliant on education, failing to address the 'action gap'.

Opportunity

Develop and provide a comprehensive financial wellbeing toolkit addressing employees' short, medium, and long-term needs to enhance inclusion and resilience. This requires a cross-functional approach involving HR, finance, and line managers. Be aware that the financial circumstances and needs of this group can be very different from those of the employees who use them. Prioritise practical tools which build financial security that are useful and accessible for every employee.

Challenge

The increased cost of living and interest rates exacerbate financial strain. Employees are running out of options, with only 4% having credit scores suitable for traditional lending, pushing many towards high-cost debt or further exclusion.

Opportunity

Offer tools that directly reduce financial stress and improve inclusion. Nest Insight published a report on the potential of two financial wellbeing tools - earned wage access (flexible pay) and workplace loans - to improve the financial footings of low and middle-income workers.

Earned wage access is an inclusive financial tool that enables workers to proactively manage their cashflow. Its usage is associated with improved self-control, reduced spending, and better outcomes at home and in the workplace.

Workplace loan providers can offer affordable, inclusive loans and credit building products designed to safely help individuals access credit where they need it, and build their credit profile to open up lower cost mainstream options in the future. These products tend to come with APRs that are better than open-market options.

Challenge

A regular savings habit is strongly correlated with better financial satisfaction. Lower earners are disproportionately likely to have £0 in savings[13], and cost-of-living pressures force increased borrowing. Many employees lack visibility of savings interest rates[14], hindering progress towards goals.

Opportunity

Recognise that a savings buffer is fundamental to resilience. Offer workplace savings schemes that provide an easy, rewarding way to build up savings. These schemes can unlock competitive interest rates and improve money management. Structure these ideally on an opt-out basis to maximise participation and overcome inertia, reflecting employee preference for automatic saving (66%).[15]

Challenge

Flexible work offers benefits, but volatile working hours create shaky financial foundations. Poor scheduling practices and income volatility disrupt household budgets, increase food insecurity, and risk housing instability.[16]

Opportunity

Aim to meet the standard for living hours, as provided by the Living Wage Foundation. The Living Wage Foundation has created a standard for employers called Living Hours. In it they outline three commitments employers should make to provide financial stability for employees. The Living Hours standard calls on employers to provide the right to:

1. Decent notice period for shifts: of at least 4 weeks' notice, with guaranteed payment if shifts are cancelled within this notice period
2. The right to a contract that reflects accurate hours worked
3. A guaranteed minimum of 16 hours a week (unless the worker requests otherwise)

Appendix

About this report

The Missing Metric, Hospitality Edition, produced by leading financial benefits platform Wagestream in partnership with Censuswide, draws on a survey of 2,000 employees, exploring experiences of work, pay, financial resilience, wellbeing, and inclusion.

This report incorporates data from additional sources to provide a comprehensive analysis:

- Bridging the Gaps, Nest Insight
- State of Financial Wellbeing, 2024 (Wagestream/CogCo)
- State of Financial Wellbeing: Retail Outlook 2025 (Wagestream/Retail Trust)
- Unlocking The Pay Cycle (Wagestream)
- CIPD Reward management survey: Financial wellbeing and organisational support (April 2022)
- Inclusion at the Crossroads, 2023 (Wagestream)
- World Economic Forum data

About Wagestream

Globally, three million people now have access to the Wagestream platform through 2,000 brands - across the U.K., Europe and U.S. - making it the world's most widely-used financial wellbeing provider. Offered through employers, the platform helps members to earn, learn, save, spend and borrow on their own terms, all in one smartphone app.

Wagestream is a B corporation, built with a social charter to provide fair financial services.

(Footnotes)

[1] Censuswide data, Wagestream, 2025
[2] Censuswide data, Wagestream, 2025
[3] Censuswide data, Wagestream, 2025
[4] Censuswide data, Wagestream, 2025
[5] Censuswide data, Wagestream, 2025
[6] On-Demand Pay: Payroll that Works for All, EY, 2020
[7] The Importance of Financial Wellness to Workers and Employers, National Fund for Workforce Solutions, 2018
[8] Censuswide data, Wagestream, 2025
[9] Bridging Financial Gaps for Workers, Nest Insight, 2023
[10] The State of Financial Wellbeing: Hospitality Outlook 2023
[11] Bridging Financial Gaps for Workers, Nest Insight, 2023
[12] Good Work Index, CIPD, 2025
[13] The State of Financial Wellbeing 2024, Wagestream, 2024
[14] Censuswide data, Wagestream, 2025
[15] Censuswide data, Wagestream, 2025
[16] Income Volatility: Why It Destabilizes Families and How Philanthropy Can Make a Difference, Aspen Institute, 2017