REVOLUTIONISE PAY.
CHANGE LIVES.
How on-demand pay gives NHS staff financial flexibility
The healthcare landscape has shifted significantly due to the global COVID-19 pandemic, and employee wellbeing has never been more important, as emphasised in the new NHS People Plan.

Employers want to do what they can to alleviate stress and improve the wellbeing of their staff and recognise that financial stress can be a significant factor in a person’s overall wellbeing. Linked to this, many employees now want greater flexibility in how they are paid to enable them to manage their earnings smartly, meet unexpected expenses and avoid the need for interest-bearing loans.

In strengthening staff wellbeing arrangements and developing their people plans, NHS trust leaders are open to considering a range of initiatives that could benefit the wellbeing of their staff. While these regularly include things like counselling services, travel loans, creche facilities, free parking and discounted gym memberships, there are a growing number of employers considering access to earned wages as an employee benefit.

Earned’s on-demand pay system, which is free for life to NHS trusts and their employees, is one such system. Integrating with time management and payroll systems, Earned provides employees with information on how much they have earned or accrued daily, and enables them to draw down, save and manage their earnings more flexibly.

Through our NHS Providers Connect programme, we work with commercial suppliers who can provide our members with ready-made solutions to address key challenges. We only work with a small number of chosen suppliers whose solutions are proven to work and we are therefore pleased to be working with Earned and their free for life offer to NHS staff and employers.

I hope this publication gives you a good idea of how your organisation could use Earned’s service to enhance the wellbeing of your workforce.
The coronavirus pandemic has brought the NHS to what is probably its toughest battle in its 70-year history. The health and care sector has had to stretch already tight staff and financial resources to near breaking point. Stress, anxiety and depression are at record levels for staff across our trusts.

In the NHS, money remains one of the top concerns for staff. It has been estimated that money worries cost between 9 - 15% of total payroll costs or three hours per week in sick leave, low productivity and employee turnover – a potential £8.98bn per year for the NHS.

When absenteeism is high, productivity is low and staff are disengaged – and the NHS’ ability to provide high quality care is diminished. This takes a toll on the bottom line and on people.

Financial stress is costing the NHS
Cutting the cost of financial stress is crucial to sustain high-quality patient care. It is also key to enabling NHS staff to feel in control of their finances and improving their financial wellbeing, so they can be happier, more engaged and more productive at work.

In order to make the NHS the best place to work, we know the focus must be on the physical and mental wellbeing of staff and reducing sickness. The 7 steps to ensure employees’ financial resilience seeks to help people have better control and improve their financial wellbeing.

Money worries could be costing the NHS up to £8.98bn a year

On-demand pay gives NHS staff greater control over their finances, enabling them to better align pay with expenses. This reduces stress, making it easier for people to focus at work. Happier and more engaged staff equals better patient care.”
Josh Vernon – CEO, Earnd
Earnd lets NHS workers access up to 30% of their base pay, as well as bank shift pay, as they earn it at no cost to staff or NHS employers. Providing staff with on-demand access to their pay will help them realise the value of their earnings, reduce money worries and help them to avoid high-cost credit.

Reducing employee financial stress can have knock-on effects for a financially stretched NHS. Many trusts have seen that it can reduce the cost of agency fees, as well as employee turnover and sick leave. This is an employee benefit that can work as a win-win for individual employees and the organisation as a whole.

"As part of our refreshed health and wellbeing strategy, Provide CIC wanted to offer a range of financial benefits to staff, as we recognise the impact that worrying about money can have on overall wellbeing and work performance.

We chose to partner with Earnd to implement a salary drawdown benefit for our staff, as the ethos of the company fits with our own values and the product has no cost for the company or our staff. The implementation team at Earnd were very knowledgeable - supporting and guiding us through the process to achieve a successful launch. They joined a number of meetings to explain the product to stakeholders, including our staff partnership forum and supported managers. They provided a communications pack, as well as supplying us with a range of posters and electronic communication materials that could be flexed to maximise the impact for our staff who work across a number of different sites.

Staff have received the new product positively and in one case it enabled a community nurse to have an essential car repair undertaken immediately - which benefited the individual, the organisation and the people using our services, as they were able to continue working and travel to patients’ homes. We would have no hesitation in recommending Earnd to other organisations."

Philip Richards, Executive Finance Director and Company Secretary, Provide CIC

On-demand pay: A tool for financial freedom

Earnd allows staff to close the gap between their income and expenses, so they can live free of financial stress. This is one of the reasons why five NHS trusts have partnered with Earnd, allowing their staff to access their pay as they earn it and cover costs whenever they need to. When staff have the option to rely on the money they have already earned, they can smooth their income and budget more effectively. This resolves the timing mismatch between income and expenses.

"Earnd] allows me to bring forward key financial decisions and make more of my salary each month."

Tim, Junior Doctor and Earnd user
Solving the timing mismatch of bills and pay

Bills don’t align with pay cycles, which can make stretching a pay cheque over a full month difficult. In the UK, 8.3 million adults find meeting monthly bills a heavy burden. A further three million have paid more in interest than they have repaid in terms of borrowing⁷.

A 2020 EY report found three in four people say financial shortfalls have a major impact on their life and wellbeing. That’s not just for low-income earners – 29% of people who earn more than £100,000 also experience difficulty meeting payments.

The report pointed to three main causes of financial shortfalls: limited savings, financial emergencies and the timing mismatch between income and expenses.

With wage growth being low, savings rates stagnant and financial emergencies being by their very nature unexpected, providing a tool that solves the timing mismatch between income and expenses becomes crucial to helping staff regain financial control.

Earnd offers users the option to rely on money they have already earned to pay their bills on time, avoid late fees or interest charges and smooth their income to budget effectively.

“[Earnd] makes me feel more in control of my finances, and able to budget better without feeling anxious and having to tell people you’ll get the money tomorrow, and then I only get paid the day after. I just don’t have to worry about it.”

Nurse, NHS staff member and Earnd user

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6. 7 steps to ensure employees’ financial resilience, NHS People, https://people.nhs.uk/guides/financial-wellbeing/steps/7-steps-to-ensure-employees-financial-resilience/
7. On-demand pay: Payroll that works for all, Releasing liquidity through on-demand pay: the $1t opportunity, EY, 2020
Connecting staff with the value of their work

The unnecessary gap between working and getting paid can mean that staff are detached from their work. This disconnect can lead employees to overlook the value of their earnings.

When staff have to wait a full month to receive payment for money they have earned, unexpected expenses can quickly tip them over into financial difficulty. This can force them to draw down on savings, cut down on an already tight budget or force them to rely on high-cost credit.

Industry data finds that NHS workers are among the most regular applicants for payday loans, which charge up to 1,325% per year. The most common reason given for requesting the loans is to pay bills. Pay day loans can be avoided with free on-demand access to pay.

Creating incentive for shift take-up

Earnd research has found that staff use overtime, bank and locum shifts to pay down debt, save for a significant goal, invest or even treat themselves. Many then have to wait up to 60 days to get paid, causing unnecessary financial strain.

In a time when resources are stretched and budgets are tight, the need to secure staff for overtime or bank shifts is crucial. The NHS relies on expensive agencies to fill bank and locum shifts, costing the NHS an estimated £2.4bn per year.

We know one reason staff take up agency work is because they receive payment for each shift quickly, instead of having to wait up to 60 days for payment for a locum or bank shift.

Getting paid for work completed allows people to connect with the full value of their earnings, which can also provide the incentive to take up extra shifts or work overtime.

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Pay frequency:
A closer look at Milton Keynes

Late last year, in an article in the Health Service Journal⁹, Milton Keynes University Hospital NHS Foundation Trust reported that in four years it had reduced its spending on agency staff by £11m. This spending used to account for almost 15% of its total workforce costs, now it is less than 6% after ramping up its efforts to recruit and retain staff.

Milton Keynes University Hospital NHS Foundation Trust chief executive, Joe Harrison, said that one of the key factors was introducing weekly pay for bank staff:

“Some of the feedback we got from people when we asked what would entice you to do an extra shift or two. People would say ‘I don’t want to get paid in six weeks’ time if I do a shift tomorrow. I want to get paid at the end of the week’. Things like that made a really big difference.”

It is therefore logical to assume that trusts could expect the same level of impact on agency costs and bank shift take-up when staff are incentivised with on-demand pay.
Benefits of using Earnd

19% decrease in employee turnover

£3m+ company savings per 10,000 staff

£11m reduction in agency staff spending at hospital group

Tackling staff retention

Harvard research revealed an average 19% reduction in staff turnover when companies implemented flexible pay. The average turnover rate in the NHS is 30%, with 1 in 11 roles sitting vacant – reducing turnover by almost fifth can have a significant impact on a trust’s bottom-line in terms of recruitment, training and agency fees.

I’m doing a worldwide recruitment drive at the moment, and I’ve put it [Earnd] in there as one of the main benefits of working for the Royal Free.”

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A quick win for trusts

Implementing new initiatives within the NHS can often be a lengthy process involving multiple departments. Taking this into account Earnd have undergone technical integrations with multiple time management and payroll systems to create a very light-touch and seamless implementation process and ongoing delivery. Integrations provide the data required to understand how much employees have earned or accrue each day, so they can draw down in the app.

Secretary of State for Health and Social Care, Rt Hon Matt Hancock MP says that a greater interoperability of systems and processes is now essential due to the strain Covid-19 has placed on NHS resources. Digital partnerships between apps like Earnd, Locum's Nest and MySBSPay mean NHS systems and processes can be used more effectively and increase the scope of benefits available to staff.

**Locums Nest**

Saving the NHS a potential £1.7bn a year in agency costs by filling bank shifts and incentivising healthcare professionals using an app.

**MySBSPay**

Saving the NHS hundreds of hours a month in pay queries by giving employees instant access to their payslips and 24/7 support from their helpbot.

Earnd and MySBSPay are like-minded digital disrupters with a common goal. The seamless integration means staff can take control of their finances while the NHS can cut costs and easily embrace digital transformation.

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Working together to engage staff

Due to Earnd’s multi-channel communications strategy, trusts can choose how they launch Earnd based on how they know their staff receive information. Trusts work with Earnd to develop a communications timeline and launch plan that helps drive awareness around what Earnd is and how it can support staff in their various situations.

Five ways on-demand pay helps build financial resilience

1. **On-demand pay means people can cover unexpected costs on time**

   Life can be a lot easier when money coming in can align with money going out. We know that a bill landing just before pay day, having to wait on commission or overtime pay and unforeseen expenses are some of the top reasons why people fall short on their expenses.

   “I could afford an emergency plumber, which meant I could have a hot shower this morning.”

   Many of the reasons why people use Earnd is because their rent is due every month just before pay day, or they forgot their MOT was up, or their timesheets weren’t signed in time for payroll. These types of events happen to people, every day. When staff have to wait for pay day to cover them, they may resort to high-interest credit.

2. **On-demand pay enables people to reduce interest on debt and earn it on savings**

   When staff can access their pay as they earn it, they can pay off their credit cards quicker or book a family holiday when a sale is on. There’s more opportunity to earn interest on savings or reduce interest on debt. This simply provides staff with more options.

3. **On-demand pay gives people a clear picture of what they’re earning**

   Many shift workers don’t know how much they will get paid until they are paid, which makes forecasting expenses and budgeting a challenge. The Earnd app allows staff to track how much they earn so they can budget more accurately and spend within their means.

   “I worked an extra shift so I could take out my son to celebrate his 18th birthday.”

   With a closer picture of how much they earn, staff can also be more motivated to take up extra shift work as we’ve seen through the Earnd and Locum’s Nest partnership. We know that many shift workers book extra shifts so they can spend that income on extras like birthday presents, new school shoes or holidays.
On-demand pay lets people match up their budget with their life

Everyone budgets differently, but Earn lets staff the freedom to choose how and when they get paid, so they can set up a budget that works for them.

Research has shown that those on a monthly budget tend to feel rich when they are paid then cut back on spending as pay day draws near, spending less on coffee, eating out and even delaying household bills. They also spend more on discretionary items on pay day.

“I draw my salary weekly because it’s easier to keep my budget.”

When people receive smaller, more frequent pay cheques, they tend to pay closer attention to their spending. Earn lets staff have a clear picture of their daily income which can act as a sobering figure for spending decisions. It also allows them to budget weekly or fortnightly, if they choose to they can set up their budget on the frequency that suits them.

On-demand pay gives people room to breathe without getting into debt

Research shows that when we’re financially stressed, we feel less in control, tend to be worse at saving and budgeting and become more impulsive with how we spend it.

“I’ve fallen short again this month but at least I’m not adding to my credit card and overdraft debt.”

On-demand pay can reduce the stress associated with having to rely on friends or credit to get to the end of the month or the embarrassment of asking family and friends. In other words, it can provide people with breathing space to think clearly about money decisions.

A final word from Earnd

It is clear the current way of paying staff does not work for many. As we begin to live through the economic impact of COVID-19, it is more important than ever to help our frontline workers build their financial resilience.

On-demand pay plays an important role in helping NHS staff take control of their finances, giving them the tools to build a budget around their life and their financial needs which we know will improve their financial position and their financial wellbeing.

The Earn team would love to speak to you about how we can help boost the financial resilience of your staff, while helping you cut costs.

Visit https://nhs.earn.com/employer for more information or contact us directly:

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**NHS Providers** is the membership organisation and trade association for the NHS hospital, mental health, community and ambulance services that treat patients and service users in the NHS. We help those NHS foundation trusts and trusts to deliver high-quality, patient-focused care by enabling them to learn from each other, acting as their public voice and helping shape the system in which they operate.

NHS Providers has of all trusts in voluntary membership membership, collectively accounting for £84bn of annual expenditure and employing more than one million staff.

**NHS Providers Connect**

A commercial programme which matches NHS member trusts with selected suppliers with proven value to our members. We support a collaborative approach between members and partners, generating partnerships to help deliver new models of care and save trusts money.

To find out more NHS Providers Connect or other opportunities please contact:

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