

The Value of Income

SimplyBiz Roadshow

2025



Learning Objectives

Following this session, you should:

1

Know how to position the importance of your client's income and communicate the benefits of financial resilience

2

Be aware of the increasing risk of long-term sickness in the UK

3

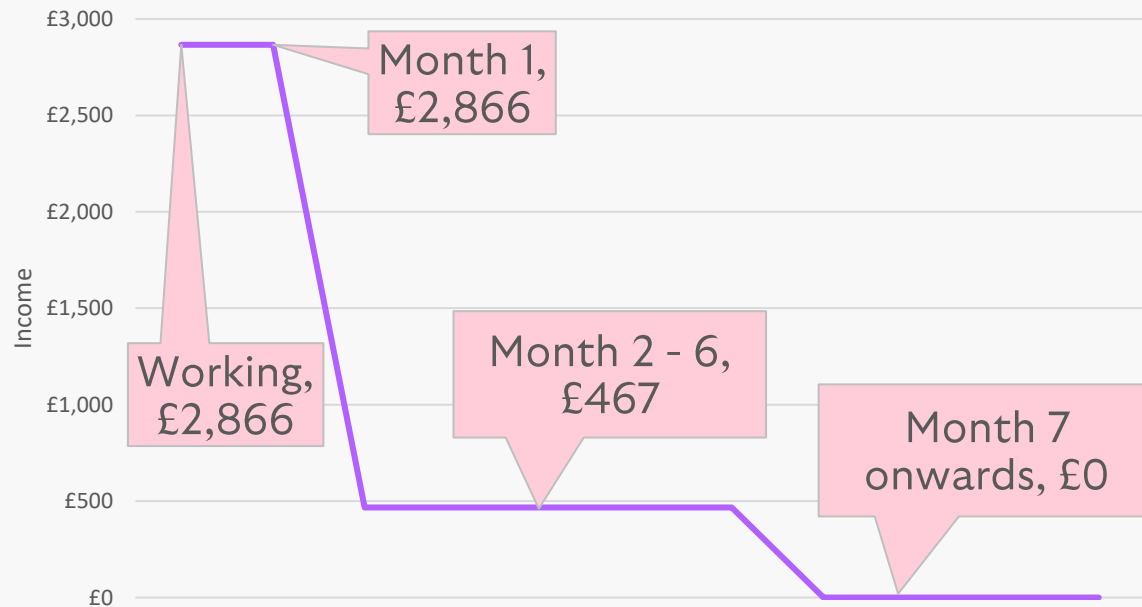
Describe how income protection policies and their additional benefits can drive better client outcomes



Which job offer would you rather accept?

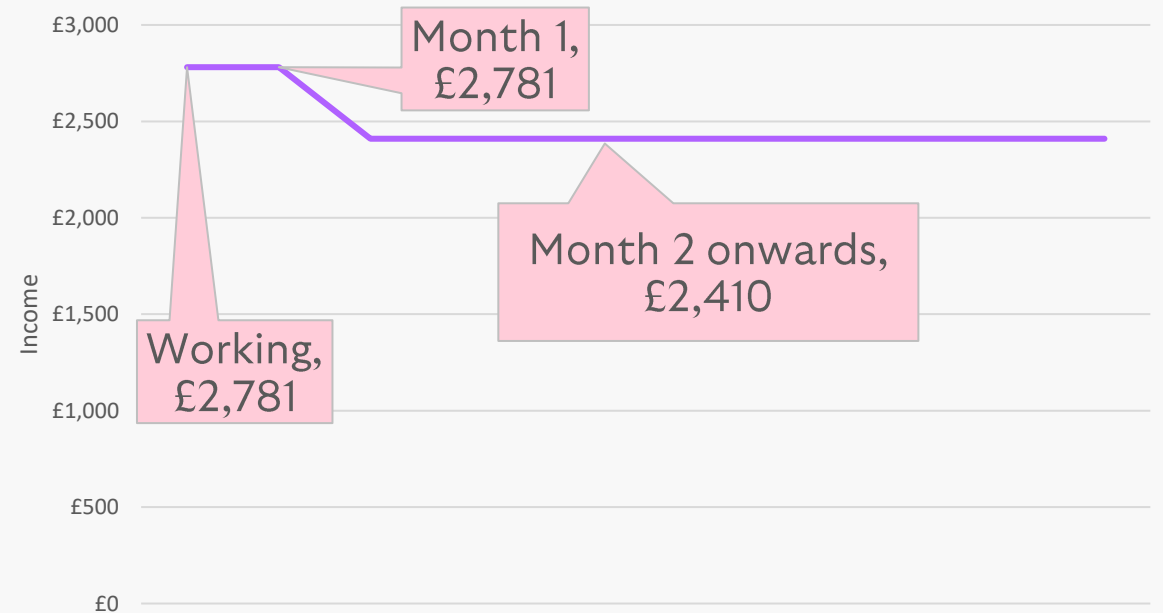
Option A:

- Gross salary £50,000 p/a
- £2,866 take-home monthly
- 4 weeks full sick pay, then SSP



Option B:

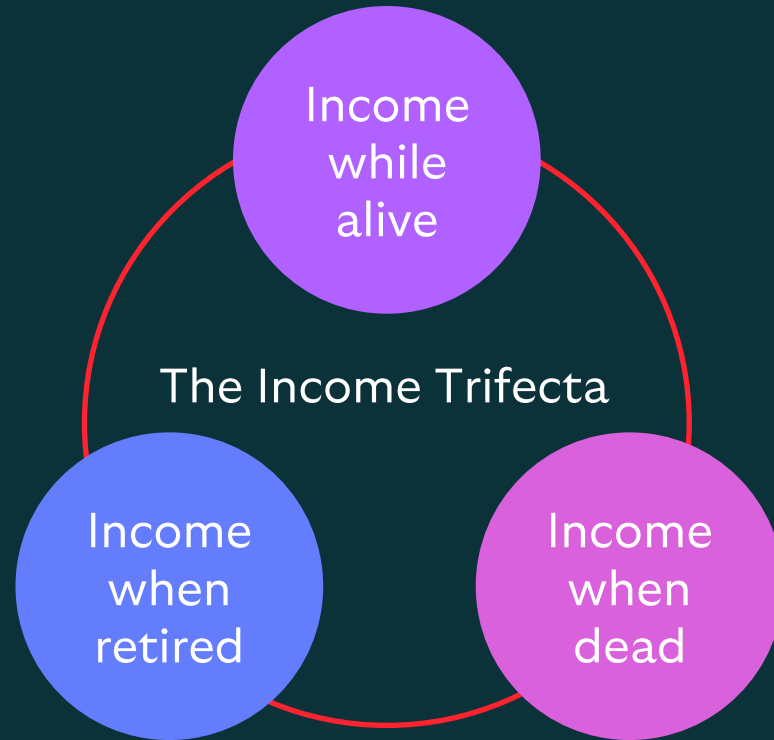
- Gross salary £48,200 p/a
- £2,781 take-home monthly
- 4 weeks full sick pay, then 60% to retirement



Here, a 3% reduction in take home pay is equivalent to a monthly premium of £85

The importance of income

Income provides for our basic survival needs, those of our family and our ‘wants’ that define our lifestyles

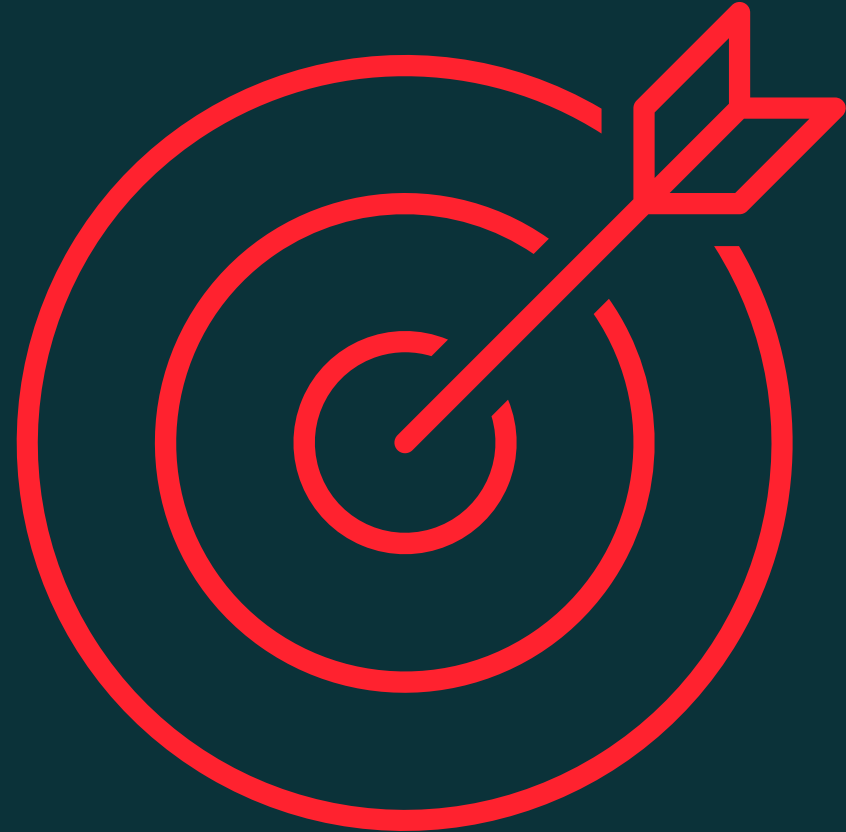


Linking income security to a client's goals, objectives and milestones helps them to realise the value and importance of their income stream.

Client engagement

STEP ONE:

- ▶ Establish customer goals
- ▶ Why are they seeking advice?
- ▶ What is the real goal that sits behind it?
- ▶ Why that goal, that home or that retirement age?



Client engagement

STEP TWO:

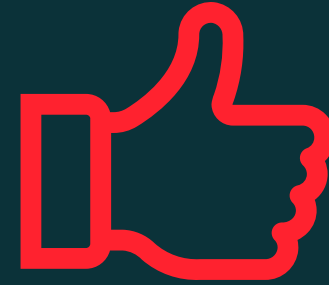
- ▶ Set customer expectations
- ▶ Bring protection up at the first opportunity
- ▶ Bring it front and centre
- ▶ Align it to the customer's goals
- ▶ Explain it WILL form an integral part of your advice process



Client engagement

STEP THREE:

- ▶ Agree the rules of engagement
- ▶ Relative to your customers' goal, protecting their income is essential
- ▶ Demonstrate gaps and vulnerabilities



Embedding IP in the advice process

Threading

Introduce income protection early

Manage your client's expectations

Align income protection with client goals

How realistic is it for them to achieve/maintain them without an income even for a short period of time?

Constantly revisit the need throughout the advice process

Use logical signposts: IDD, Budget planner, Cash flow

Stressing

The income stress test

Is the income guaranteed?

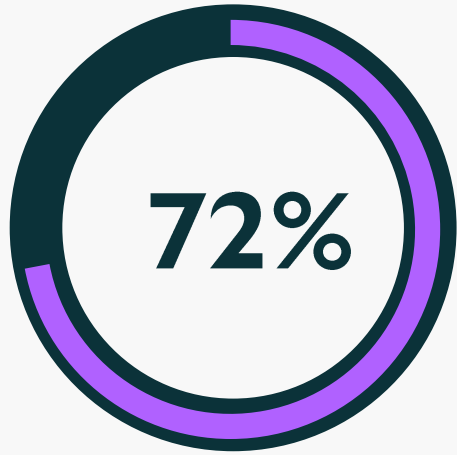
**Creates a
logical,
undeniable
need for IP**

**Demonstrating
gaps and
vulnerabilities**

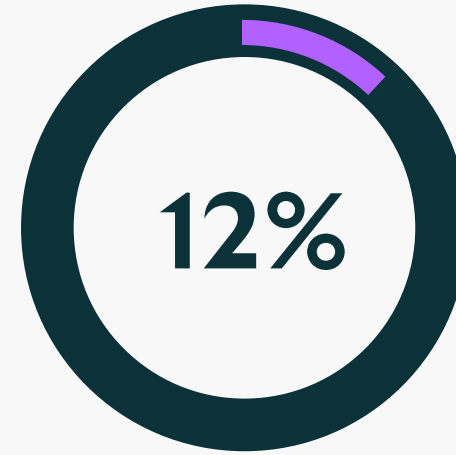
**Relative to
the client's
goal and
the advice
being given**

The income protection gap

What % UK adults in employment have heard of income protection?

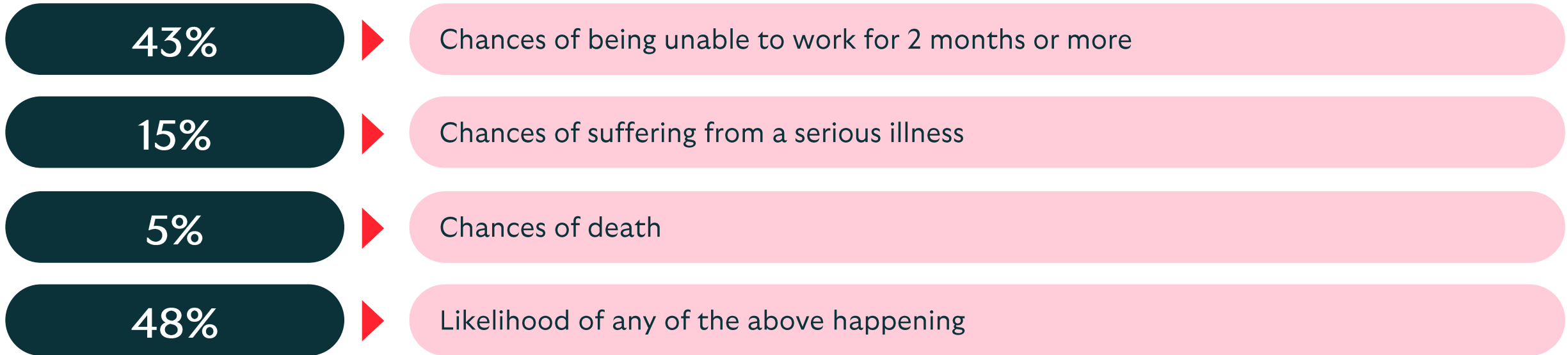


What %UK adults in employment actually have income protection?



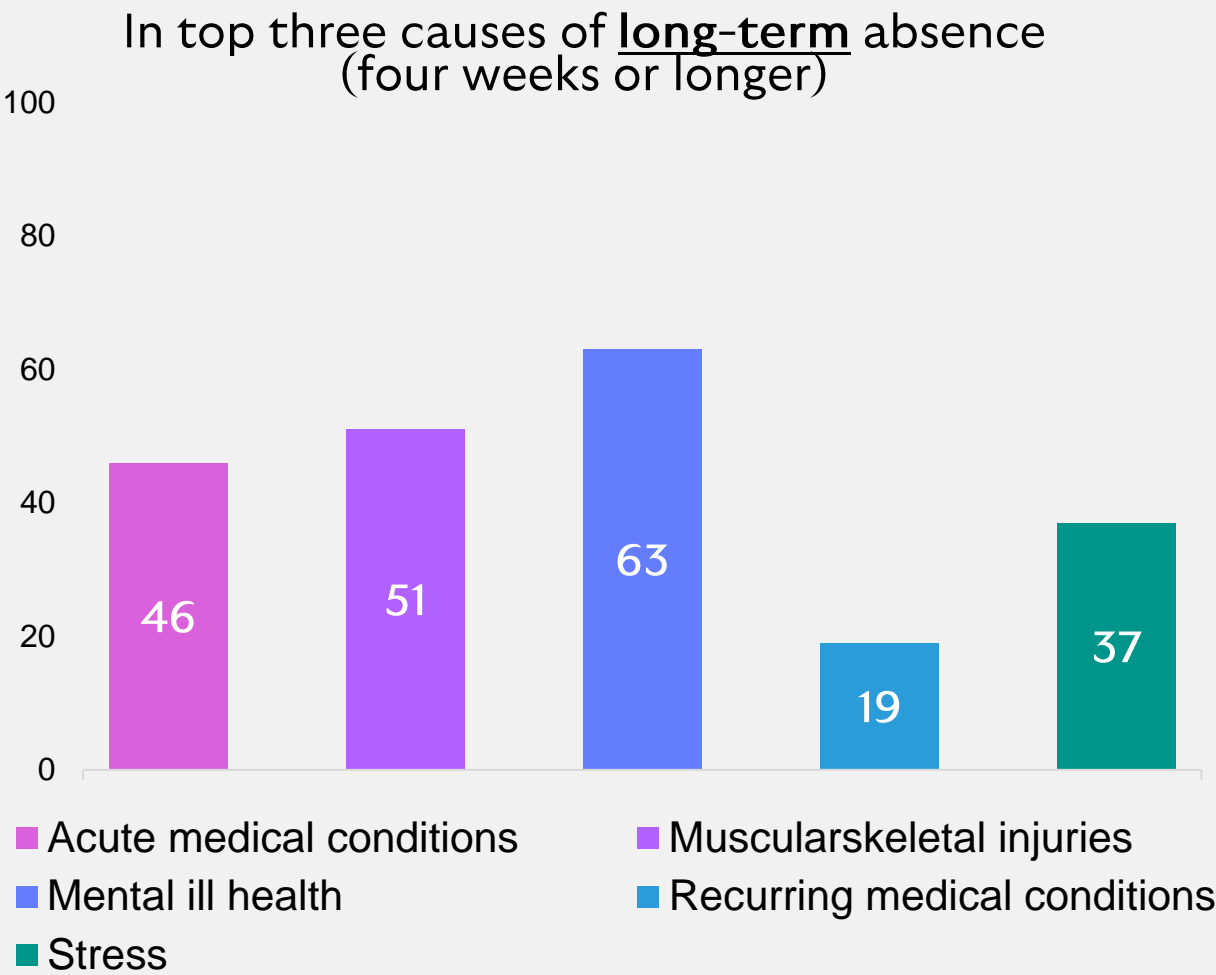
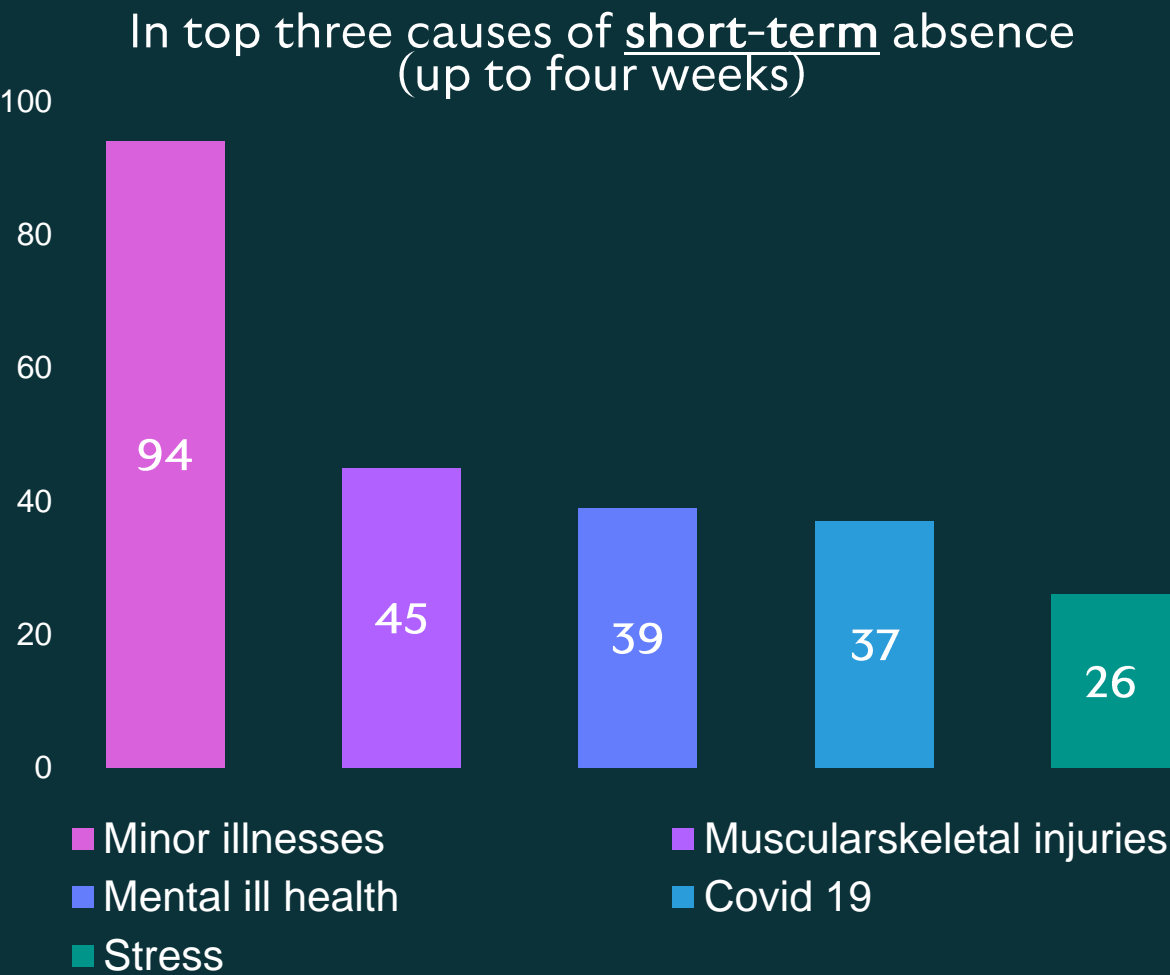
Likelihood of incapacity

What might life have in store before retirement?



Reasons for incapacity

The most common causes of absence
(% of respondents who include in their top three causes)



UK Long-term sickness rates



Self reporting

More working-age people are self-reporting long-term health conditions, with 36% saying that they had at least one long-term health condition in Quarter 1 (Jan to Mar) 2023, up from 31% in the same period in 2019 and 29% in 2016.



Reasons

The most prevalent health condition among those economically inactive because of long-term sickness was depression, bad nerves or anxiety



Sectors

Agriculture, Manufacturing, Charity, Financial and Insurance & Electricity and Gas supply are the top 5 industries with the highest rate of sick leave

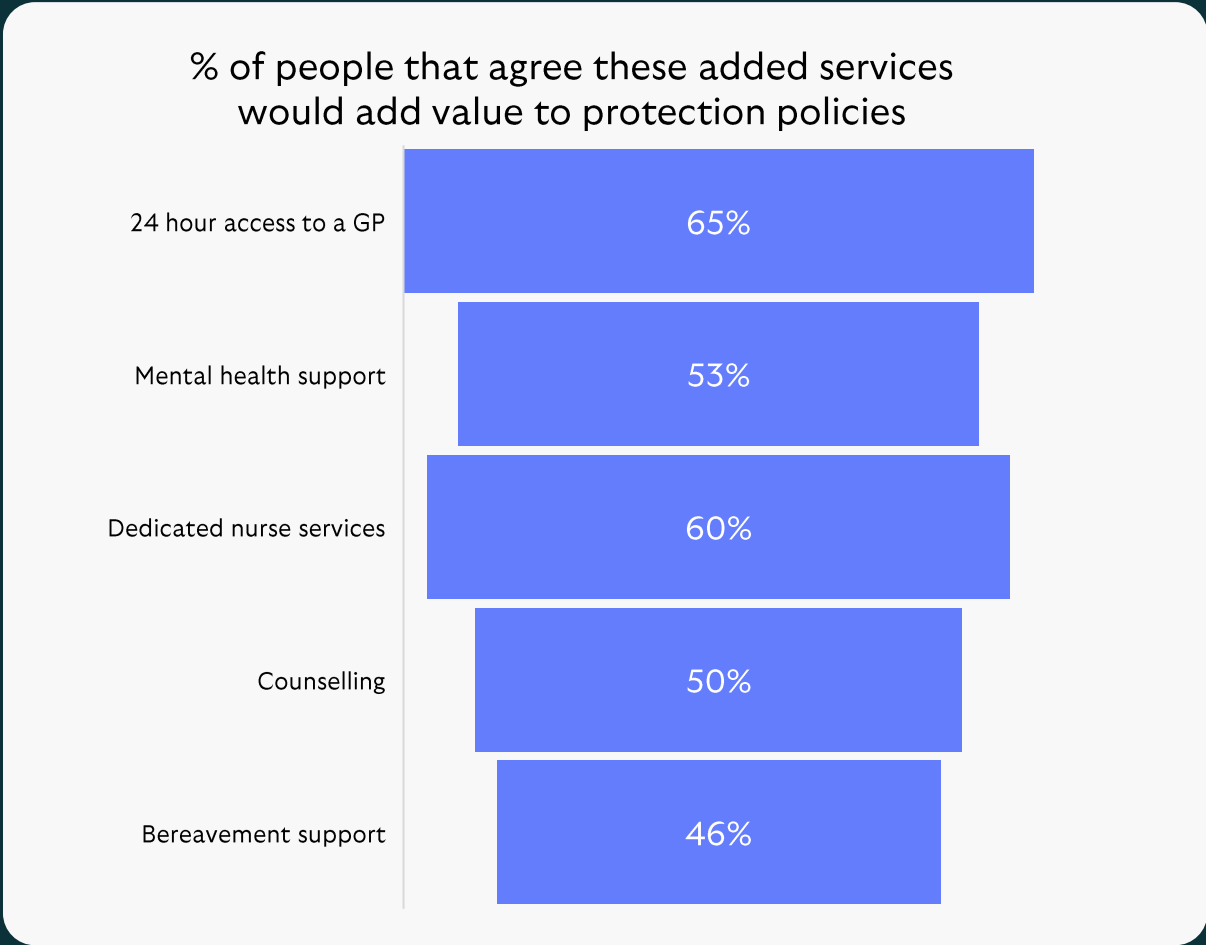
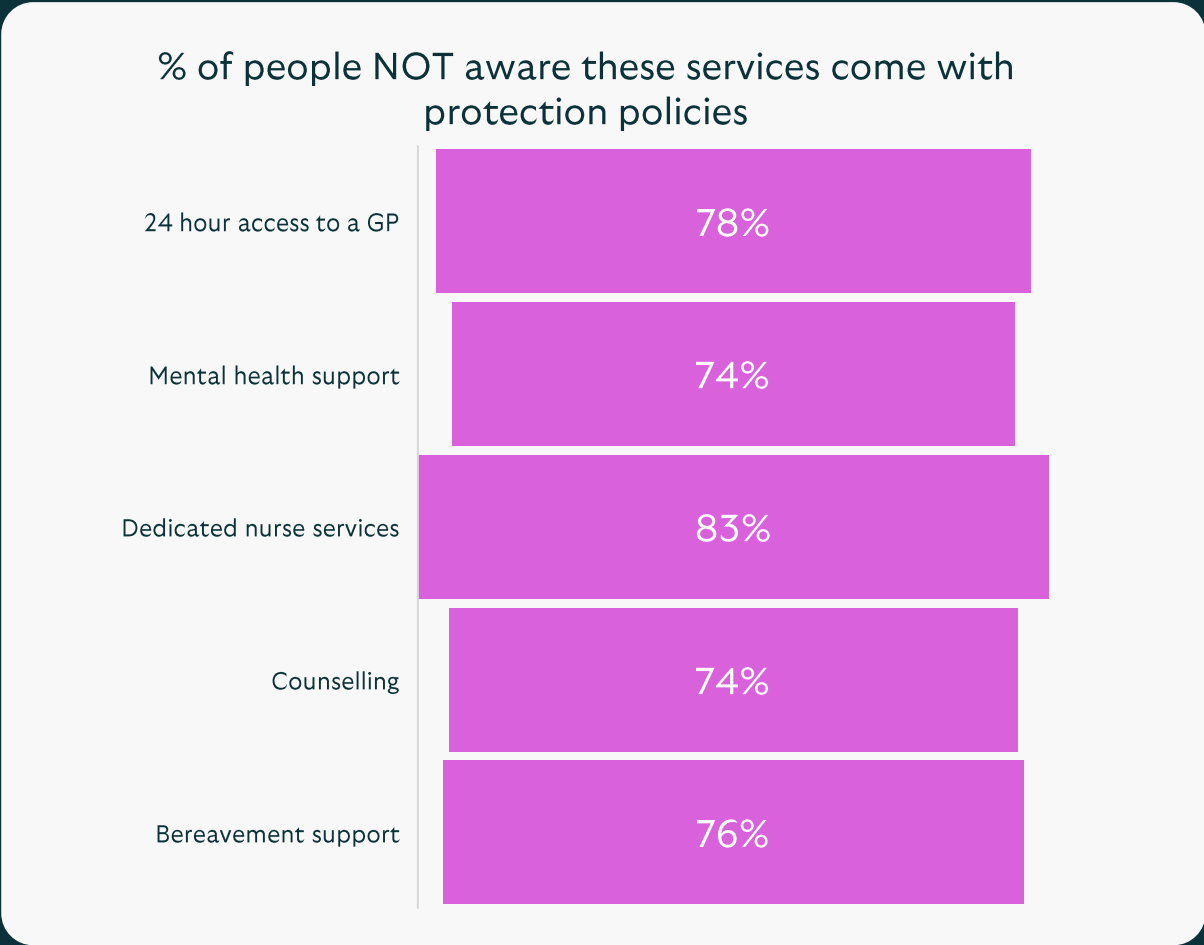


Prevention

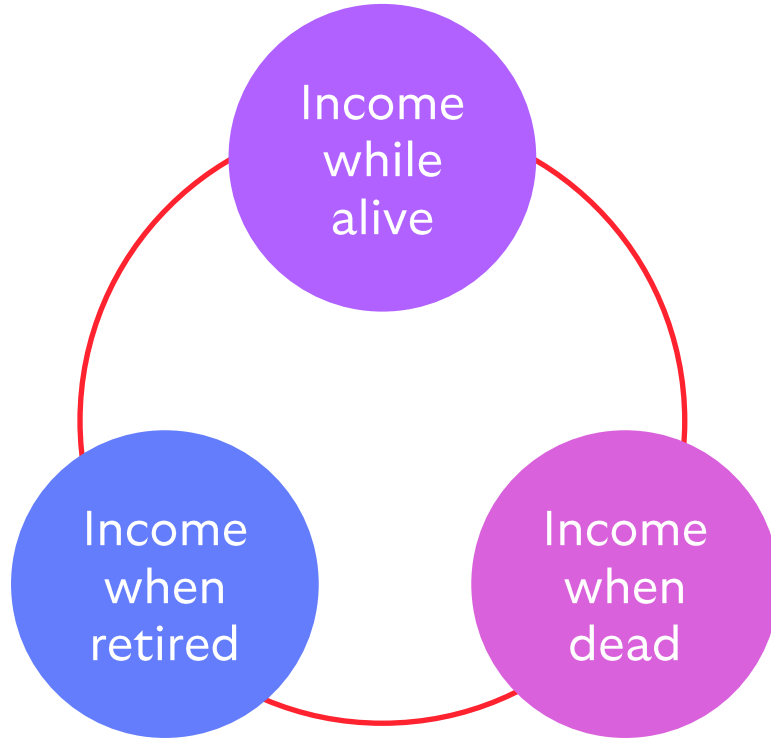
With sickness absence estimated to cost the UK economy over £100bn annually, its more important than ever to take proactive measures to support employees with health & wellbeing benefits

Making health and wellbeing part of your recommendation

Adding everyday value for clients



In Summary



**Income provides for our basic survival needs,
those of our family and our 'wants' that define
our lifestyles**



Learning Outcomes

You should now:

1

Know how to position the importance of your client's income and communicate the benefits of financial resilience

2

Be aware of the increasing risk of long-term sickness in the UK

3

Describe how income protection policies and their additional benefits can drive better client outcomes





Thank you

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