PARTICIPATE

*During the presentation – Type your question in the QUESTIONS BOX to be addressed during discussion breaks or during Q/A*
WE ARE

Asset Funders Network (AFN) is a membership organization of national, regional, and community-based foundations and grantmakers advancing economic opportunity and prosperity for low and moderate income people through philanthropy.
AFN EMPOWERS

foundations and grantmakers to leverage their resources to make more effective and strategic funding decisions, allowing each dollar invested to have greater impact.
DISCUSSION AGENDA

➢ WELCOME
  ABBY HUGHES HOLSCLAW
  ASSET FUNDERS NETWORK

➢ WEALTH AND WORK: EMPLOYERS AS PLATFORMS FOR PROSPERITY
  MEREDITH COVINGTON
  WASHINGTON UNIVERSITY

➢ WORK AND WEALTH IN ACTION
  JUSTINE ZINKIN
  NEIGHBORHOOD TRUST

➢ PHILANTHROPIC PERSPECTIVES
  COLLEEN BRIGGS
  JPMORGAN CHASE & CO.

➢ MODERATED Q/A
INTRODUCTIONS

ABBY HUGHES HOLSCAW
ASSET FUNDERS NETWORK

MEREDITH COVINGTON
BROWN SCHOOL AT WASHINGTON UNIVERSITY IN ST. LOUIS

JUSTINE ZINKIN
NEIGHBORHOOD TRUST

COLLEEN BRIGGS
JPMORGAN CHASE & CO.
Work and Wealth: The Rise, Interest, and Understanding of Workplace Financial Wellness Programs

Meredith Covington

Project Director
Objectives

I. Analyze existing workplace financial wellness programs
II. Discuss findings from the Employee Financial Wellness Programs (EFWP) Project
III. Introduce new EFWP tools and resources for employers
Employee Financial Wellness Programs (EFWPs)

Many businesses are adopting more comprehensive approaches to promote the “financial wellness” of employees

93% of employers likely to expand efforts beyond retirement plans
(Aon Hewitt, 2015)

93% of employees enrolled in a program plan to continue
(Paycheck Direct, 2014)

97% of employers plan to continue programs
(PayCheck Direct, 2014)
Efforts to positively impact employee financial security above and beyond retirement planning and insurance benefits draws on existing methods traditionally used in both workplace and non-workplace settings to improve the financial capability of workers.

Traditional Approach vs. the Wellness Approach

- Health wellness initiatives
- Financial education
- Traditional interventions (retirement plans, EAPs)
Common Services within EFWPs

- Debt Management Services
- Financial Counseling or Coaching
- Financial Education Classes and Seminars
- Online Financial Management Tools
- Savings Products and Services
- Short-Term Loans and Accrued Wage Advances
### EFWPs: Why the Workplace?

<table>
<thead>
<tr>
<th>Natural Environment to Employ Financial Skills</th>
<th>Opportunity to Scale</th>
<th>Employer Advantages</th>
<th>LMI Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Direct deposit</td>
<td>• Lower costs of financial products for employees</td>
<td>• Recruitment</td>
<td>• Traditional interventions may not address LMI needs</td>
</tr>
<tr>
<td>• Payroll deduction</td>
<td></td>
<td>• Talent management</td>
<td>• Alternative interventions may be more useful</td>
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<td>• Benefits</td>
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<td>• Brand building</td>
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<tr>
<td>• Relationships with banking institutions</td>
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</table>

**LMI Employees**
- Traditional interventions may not address LMI needs
- Alternative interventions may be more useful
EFWPs: What We Know

- Just-in-time interventions
- Needs-driven programs

More Empirical Support

- Print media
- Generalized curriculum
- 1-time interventions

Less Empirical Support
EFWPs: What We DON’T Know

- Lack of clear definition
- Findings are inconsistent
- Limited evaluation capacity:
  - determining efficacy
  - demonstrating Return on Investment
- Difficulty in making recommendations

= Hard Data Blind-Spot
To provide evidence using mixed methods to understand:

**Phase I:** the characteristics, conditions of, and motivations for EFWP participation for both the employer and employee.

**Phase II:** the effects of EFWP implementation and financial security outcomes for participating employees.
Methods

- **Employee Survey**
  - Online survey of national sample of LMI tax filers

- **Employer Survey**
  - Online survey about employer motivations/challenges with EFWPs

- **Employer Interviews**
  - In-depth interview with companies offering EFWPs

- **Employer/ EFWP Provider Case Studies**
  - More intensive – included de-identified administrative data
Key Takeaways of Employee Survey

• Utilization was higher for services requiring less effort of employees and employers

• Utilization varied by employees’ financial needs and circumstances

• Nearly half of those receiving an EFWP reported at least 1 benefit – higher for services other than direct deposit

• Most common reason for not using an EFWP was that they did not need it
Key Takeaways of Employer Survey

• Larger companies more likely to offer online financial tools, counseling, and debt management
• Companies used a variety of methods for offering EFWP services
• Saving and investing was reported as the greatest priority
• Felt that employees were better off or same in job satisfaction, loyalty, and productivity
• Over half said they added EFWP because HR department advocated for it
• Cost was greatest concern in making decision to offer EFWP
Suggestions for *Employers & Practitioners*

- **EFWP Offering**
  - Based on workforce needs
  - Easy for EEs
- **Active promotion of EFWP**
- **Seek feedback frequently**
- **Seek routinization**
Suggestions for **Funders**

**For EFWPs**
*Carefully consider the quality of criteria for the EFWP provider:*
- ✓ Business model
- ✓ Mission of organization
- ✓ Length of serving employers
- ✓ Practices align with CFPB standards
- ✓ Available to employees without another vendor’s involvement
- ✓ Approach to employers
- ✓ Base of evidence for EFWP

**For research**
*What is still needed:*
- ✓ More rigorous, independent evaluations
- ✓ Quantified benefits for employers and employees
- ✓ Set of best practices
- ✓ Comparison of EFWP Return on Investment to other employee benefits (e.g. PTO, fair wages, income/scheduling volatility)
Purpose
Practical guide on how to select an EFWP & important information (e.g. cost, administrative burden, perceived impact)

Features
• Background of EFWPs
• Questions to consider when exploring EFWPs
• Descriptions and examples of most common EFWPs
• Evidence-based tips for employers on each EFWP
Purpose

Comprehensive list of all EFWPs & actionable documents to select an EFWP

Features

- Easily compare programs and features
- Listed by type of service
- Links to resources and supplemental guides with suggestions on what to consider when choosing an EFWP

Available online
September 2017
Want to Learn More?

For more information about the EFWP Project, please contact mcovington@wustl.edu.
WORK AND WEALTH IN ACTION

JUSTINE ZINKIN
NEIGHBORHOOD TRUST
The Employer Solution™

Making Each Paycheck Go Further
Worker Financial Distress

• **Workers are struggling financially**
  - 47% of workers live paycheck to paycheck and 61% lack a savings cushion of at least three month’s expenses.
  - 25% of workers report they are suffering “serious financial stress.”

• **Financial stressed employees cost businesses money**
  - Financially stressed employees will spend 20 hours per month dealing with financial issues at work—costing the company $7,000 annually in lost productivity.

• **Employees are asking for help and getting some (but not enough)**
  - 53% of HR professionals report that employees have asked for a pay advance, and 47% report employees asked for personal financial advice.
  - 19% of companies offer employees loan products from a 3rd party, and 18% offer payroll advances.

• **Change is coming...**
  - 73% of employers said that financial wellness programs will become standard in benefits packages in 10 years.
The Employer Solution Today

**DESIGN PRINCIPLE**
**CHOICE ARCHITECTURE**
The design of different ways in which choices can be presented to consumers, and the impact of that presentation on consumer decision-making.

**Workers**
- **Link to Product**
  - WageGoal
  - Other
- **Link to Employer Benefits**
  - Optimizes worker benefit usage
  - Helps employers make process adjustments to drive optimal engagement

**Trusted Advisor**
- Digitized financial counseling integrated into workplace systems
- Trusted Advisor can make product recommendations
- Product partners can refer clients to counseling

**WORKPLACE SETTING**

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**NEIGHBORHOOD TRUST FINANCIAL PARTNERS**
We build a trusted relationship with clients to manage and improve their financial lives

Tech Enabled Financial Counseling

- **1:1** Financial Snapshot via soft credit pull
- **Establish trust** and identify key financial issues
- Personalized “Take Action Today’s” developed as immediate takeaway
- **Prompts** to take action
- Recommendations to **safe & affordable products**
- **Linkage** to employer benefits
- Access to **fully secure client portal**
- **Ongoing support** via SMS, phone as requested
- Offered in **English and Spanish**
- **Fully remote** onboarding, scheduling and appointment **reminders**
An **innovative and integrated design** makes The Employer Solution stand out from other workplace-based financial programs.

<table>
<thead>
<tr>
<th>The Employer Solution Difference</th>
<th>THE EMPLOYER SOLUTION</th>
<th>EAP PROGRAMS</th>
<th>BANK AT WORK</th>
<th>401(K) ADVISING</th>
<th>FINTECH SELF-SERVE</th>
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<tr>
<td>Mission driven nonprofit</td>
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<td>Personalized, unbiased, client centered counseling</td>
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<td>Integration of advising and diverse product referrals to:</td>
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<td>• Financial Services recommendations</td>
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<td>• Financial Technology</td>
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<td>Accessible to all employees</td>
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<td>Proven improvement to employee financial health</td>
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The Employer Solution has had significant impact on employers and employees—across a variety of industries.

Since meeting with a counselor, our clients report they have:

- 32% opened a bank account
- 46% enrolled in Direct Deposit
- 25% enrolled in / increased 401k contributions
- 54% increased savings contributions
- 36% began using automatic transfers or split DD for savings

Client satisfaction with the following features of the service:

- 80.9% Trusting Relationship
- 86.7% Confidentiality
- 85.5% Convenience
- 89.6% Free Cost
- 75.7% Product Recommendations
HR Toolkit: Statement of Purpose

• Create and use an HR diagnostic and process mapping tool to identify opportunities to encourage financial health outcomes via process improvements, with a focus on (split) direct deposit and EITC eligibility.

• Design tweaks to onboarding, HR and payroll processes so that a package of financial counseling and supports is seamlessly integrated into workplace operations.

• Use behavioral economics to leverage workplace systems and default workers into more productive financial behavior and institutionalize financial empowerment as a core component of Goodwill operations.

DESIRED OUTCOME:

To prove that refinements to HR practices and payroll systems – combined with efficiently-delivered and socially responsible financial counseling and supports – generate operational efficiencies and a more productive workforce.
We can help. For over 20 years, we’ve helped hard-working New Yorkers meet their financial goals by reducing their debt, improving their credit score and increasing their savings. Now, we’re here for you.

I want to get out of debt and start saving for my future.

Where will your tax refund take you?

Explore the possibilities—for free. Whether it’s paying down debt, saving for education, buying new furniture, or something else entirely, your financial counselor can help you make the most of your refund this year.

Register to meet with an expert financial counselor today.

Three ways to schedule an appointment:
- Online: neighborhoodtrust.org/es
- Phone: 929-251-4625
- Email: appointment@neighborhoodtrust.org
PHILANTHROPIC PERSPECTIVE

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JPMORGAN CHASE & CO.
QUESTIONS & DISCUSSION

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