



42ND ANNUAL
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Symposium



How Can You Design an Emergency Savings Program to Meet the Needs of Your Diverse Workforce?

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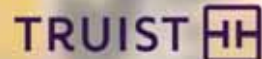
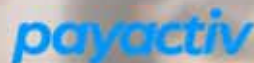
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About The Fresh Market

The Fresh Market aims to **deploy an impactful holistic e-savings benefit** to support Team Members building savings, lower the use of earned wage access, and drive uptake of 401k participation.

- **Specialty grocery retailer** with **159 stores** in **22 states**
- **10k+ Team Members**; mostly living on low to moderate income
- **Wide variety of financial benefits** with low uptake





About Commonwealth

Commonwealth is a national nonprofit building **financial security and opportunity for financially vulnerable people** through innovation and partnerships.

BlackRock.

MetLife
Foundation

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Workplace Emergency Savings is a Growing Need

Considering the \$400 liquid savings need in the US, more and more employers want to deliver financial wellness benefits and employees are looking to employers to help.

65%

of employees agree employers have a critical role to play in solutions to financial insecurity.¹

62%

of employers feel responsible for their employees' financial well-being.¹

71%

of employees said they'd use an emergency savings tool offered by their employer.²

While Secure 2.0 opens up new opportunities for e-savings in the coming years, you can start now! Scan your current benefits vendors for solutions.

“Build-Use-Rebuild”: Expense shocks

Without a Liquid Savings Tool

Long-term investment is unattainable

Consumers often turn to 401k loans, hardship withdrawals or payday loans and the emergency expense balloons due to fees and interest payments.

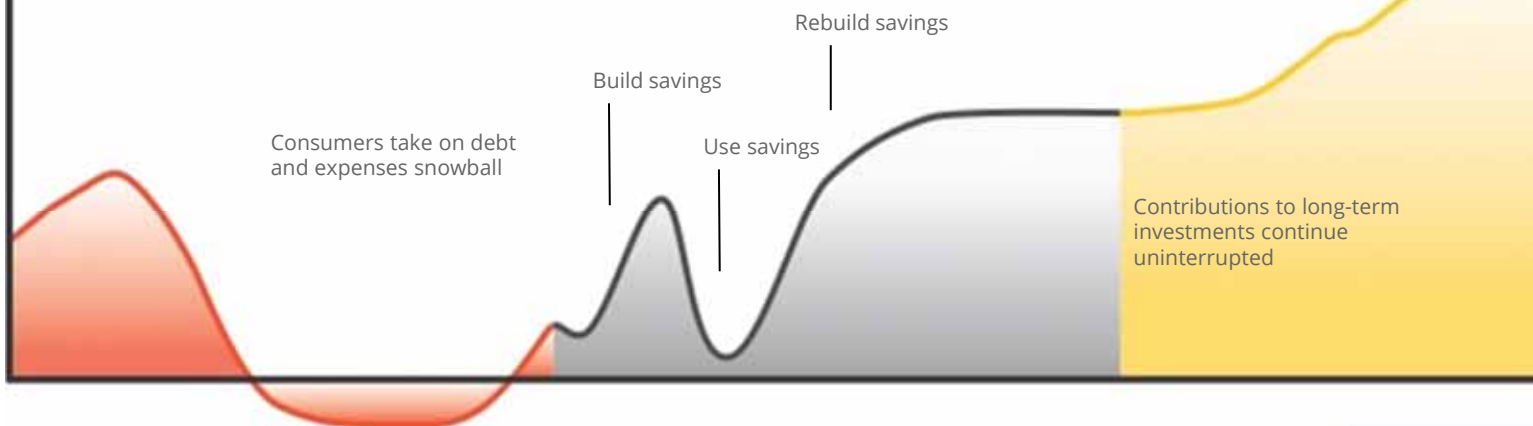
With a Liquid Savings Tool

Cushion is created for short-term emergencies

Consumers can build, use, and rebuild funds preventing hardship withdrawals and other costly options to finance emergency expenses.

Pathway to long-term asset growth is unlocked

With a cushion to address emergencies, consumers are more financially stable. They can contribute to their 401(k) and allow assets to grow over time.





Blackrock's Emergency Savings Initiative

Blackrock's ESI is designed to **enhance access to high quality emergency savings solutions** for people living on low and moderate incomes. **Blackrock partnered with Commonwealth**, foremost unbiased expert in workplace emergency savings solutions.



Partner with Cutting Edge Industry Leaders



Conduct Research through Real World Demonstrations



Thought Leadership



AutoNation



GXO



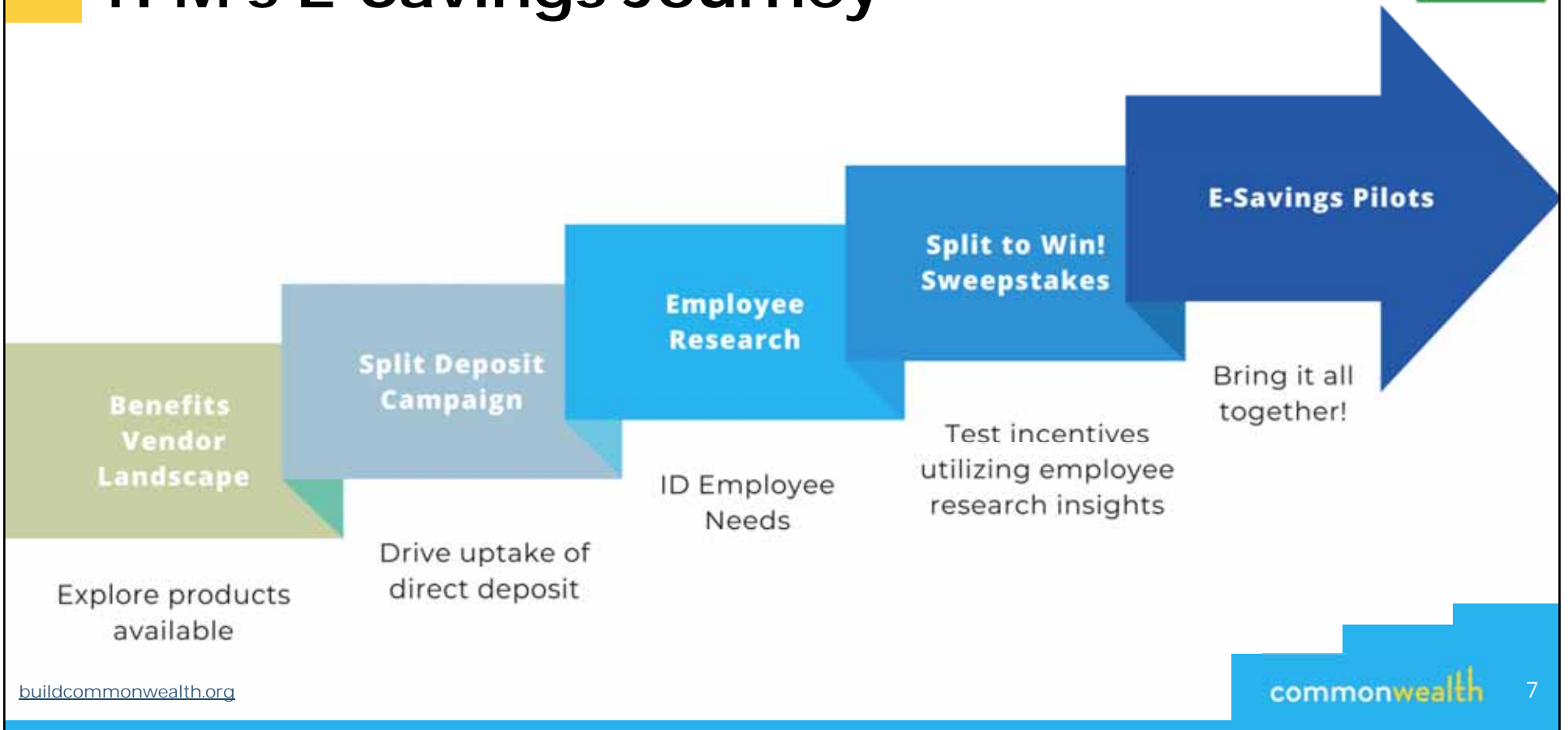
TRUIST



VOYA FINANCIAL



TFM's E-Savings Journey





How to build an e-savings benefit

1. **Conduct consumer research** with Team Members.
2. **Deploy pilot demonstrations** of available vendor options.
3. **Explore using a new vendor** if you have the budget and a new tool can meet specific worker needs.



Consumer Research @ TFM

Commonwealth conducted IDIs, with a diverse set of TFM Team Members, to gather insights on e-savings preferences to support TFM in identifying a high quality e-savings benefit.

Our research core objectives were to:

- Understand savings behaviors and priorities
- Communications preferences
- Understand how EWA relates to savings behaviors

Research Strands:

- 1) **In-depth Interviews** (IDIs) with a representative diversity of 11 Team Members
- 2) **Quantitative data analysis** of split/direct deposit usage and benefits usage such as 401k, EWA, Paycards, etc.



Key Team Member Research Insights

Key Findings

- 1 Positioning:** Team Members associate savings with high savings balance in case of job loss (i.e. 3-6 month job loss) and thus find it unattainable.
- 2 Most desired features:** liquidity (i.e., immediate access), no minimum balance, digital access, and interest-earning accounts.
- 3 Communications:** Email plus in-store posters, flyers, and other printables are key channels.





Benefits Survey

Annual survey asking 10 questions about wellness benefits focused on:

1. What is important to Team Members
2. Input on current and future benefits

Highest response rate from store management and Corporate who have regular access to email..

Implementation

- Added e-savings benefit questions to survey
- 24% overall response rate
- 13% response rate from full time non management team members
- Sent out via app notifications, fliers, email and postcards to reach more frontline team members



Benefits Survey - Key Insights

When asked about what they think they need, Team Members do not know exactly where to start and what to ask about specific benefits.

- Financial wellbeing was the top well-being priority
- Importance of key moments of time
- Savings from paycheck - 23% people prefer to save when they receive the paycheck
- Comp change, bonus, tax time - 22% save when they receive a bonus
- When asked about TFM offered e-savings benefit:
 - 55% shared product feature preferences
 - 38% wanted more info
 - 8% not interested

One Size Won't Fit All

Diverse product preferences among Team Members:

- Bank/Credit Union Account
- 401(k) Account
- Digital Mobile app w/ savings product
- Payroll Cards



Driving Split Deposit Uptake

Goal: Drive split deposit utilization among Team Members by promoting the split deposit sweepstakes.

Promotion Period, 4 pay cycles

Prize Structure One time drawing of \$50 gift cards for 100 Team Members

Multi-channel communications campaign targeting Team Members



The Fresh Market is launching the exciting new *Split to Win! Sweepstakes* to help take the work out of savings!

\$5,000 in prizes to be won
Enter now through June 29
by setting up at least one
Split Deposit account

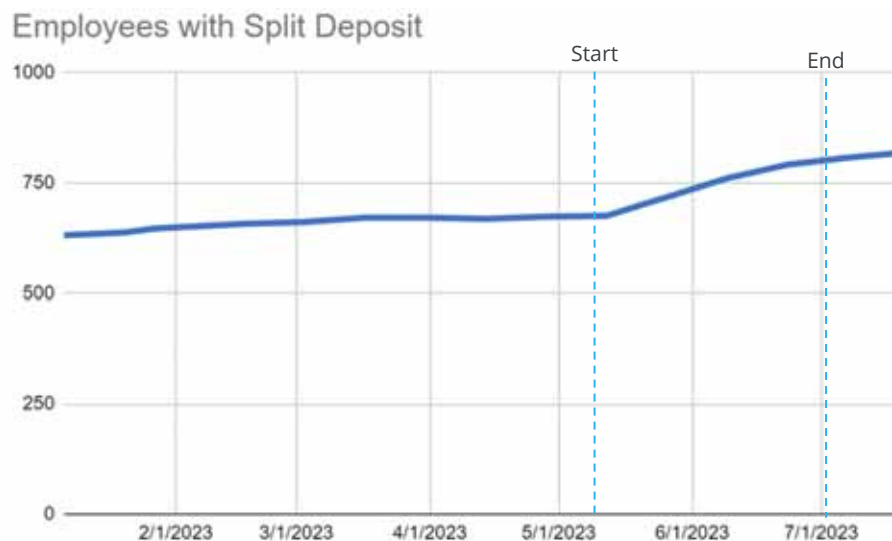
- 100 team members of The Fresh Market will win \$50 gift cards via a drawing in July.
- Already have Split Deposit? Great news! If you have at least one split deposit recorded on a payday between now and June 29, 2023, you are automatically entered.



Split to Win! Sweepstakes

Impact
Split deposit usage **increased** over the course of the promotion period.

An overall increase from 6.28% in January to 8.11% in July.





E-Savings Pilot Demonstration

Goal: Launch and measure the impact of real world solutions through demonstrations

- Testing with **two products** in Q1 2024: (1) Electronic/Virtual; (2) Electronic and In Person
- **Features** differ for each: (1) App provided, low fee, no minimum balance and competitive interest rate. Incentives for deposits; (2) Representatives in store. App provided, low fee, no minimum balance and competitive interest rate. Incentives for deposits
- **Scope for each demonstration:** (1) Three regions with highest EWA usage; (2) Two metros that overlap partner and concentration of stores.



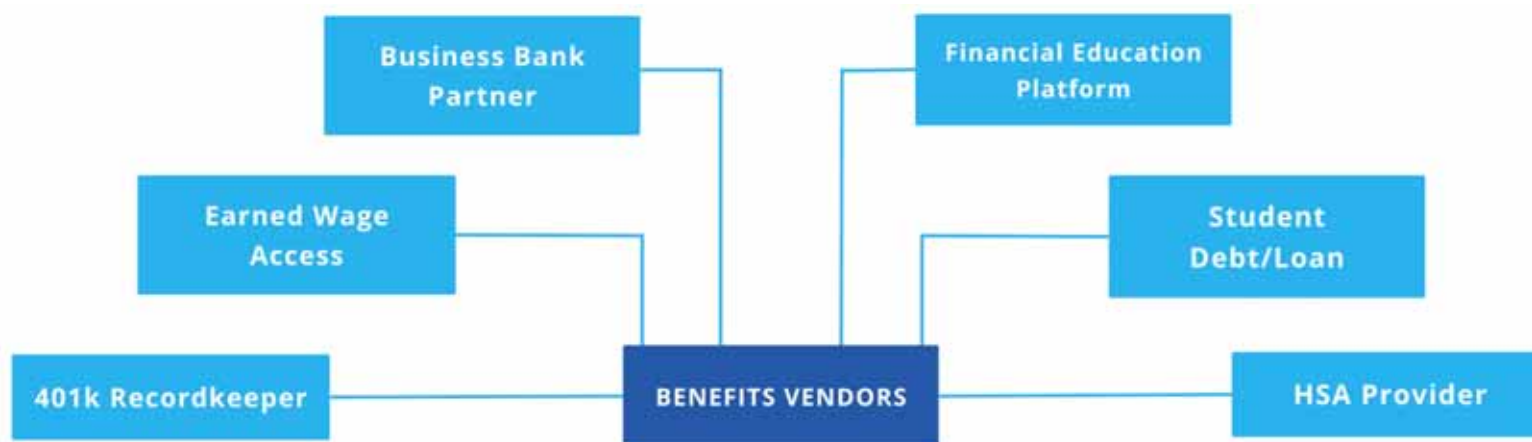
Lessons learned in developing an inclusive e- savings benefit

1. **Vendor Landscape Mapping:**
Assess the assets you have
2. **Engage Internal Stakeholders**
3. **Active Listening** to Employee Voice & Needs
4. **Incentives Matter** in outreach and driving uptake
5. **Dynamic communications** in a multi-channel campaign



Vendor Landscape Mapping

Assess the assets you already have! Work with current vendors to identify high quality solutions you already have available, and then reduce friction to access and take-up.



Ensure e-savings is at the forefront. Vendors have other products they are trying to sell first. Work with them to lead with e-savings as an entry point to their primary products, especially in a low-uptake environment.

Stakeholder Buy-in

Prioritize buy-in from key internal stakeholders and teams:

- Benefits
- Payroll
- Executive Leadership
- Marketing & Communications
- Equity, Diversity & Inclusion Teams
- Site (e.g., Store, Warehouse) Management





Employee Voice & Needs

Gathering data on your employees ensures you are finding the right solution to meet their needs. Do this via:

- Surveys
- In-Depth Interviews
- Focus Groups
- Benefits Usage Analysis

Different employee groups might need different solutions as part of singular emergency savings benefit:

- Split Deposit Campaign
- Banking institution solution
- Retirement Sidecar
- Fintech E-savings Product
- Payroll provider savings tools



Key High Quality Solutions Features

Commonwealth, in partnership with DCIIA/RRC, conducted research in order to understand what emergency savings features consumers look for in an employer e-savings benefit.¹



No Fees



No Minimum Balance



Liquidity



Automatically Save Your Paycheck



Linked to Workplace Retirement Account

Optimized Sign-up Process

In a world without auto enrollment into an emergency savings benefit, reduce friction and steps for employees to get started saving for emergencies via regular paychecks.



Incentives Drive Uptake & Savings

Preferred Incentives:

- Reward to Open an Account
- Matching Contributions
- Reward for Reaching a Target Savings Amount
- Reward for Consistent Savings

Incentives demonstrate employer commitment to employee wellness.¹





Dynamic Communications Campaigns

1 in 3 employees indicated their company should be contacting them more with benefits information.¹ Effective employee outreach includes:



Increase ongoing **communications** and insert e-savings messaging



In-store materials, phone app notifications for Frontline workers



Key moment **interventions** (tax time, open enrollment, etc.)



Exploring the impact of Earned Wage Access

1. EWA is not emergency savings
2. EWA research at The Fresh Market
3. Considerations for HR/Benefits teams around EWA



EWA is not emergency savings



Payday Lending, Credit Cards, or Overdraft



Earned Wage Access



Emergency Savings (Build-Use-Rebuild or 3-6-9 month fund)



Retirement Savings or Health Savings Account

Less financially secure employees

More financially secure employees

- EWA is positioned as a better alternative to payday lending/credit/overdraft for employees to cover expenses between paychecks
- EWA *may* be a way to transition toward building emergency savings on the way to financial security, but it is unknown if EWA helps or blocks this journey: to-date, leading EWA providers are not invested in moving users past EWA
- Guidance/financial education on how best to use EWA and how it should be used to help employees move toward financial security is almost non-existent



New HKS Working Paper on EWA

Key Findings

- 1 Access:** 41% of respondents have access to EWA through an employer
- 2 Frequency:** 40% with access to EWA through an employer use it once a week
- 3 Withdrawal Amounts:** Over half of employer-channel EWA users withdraw 30% or less of their paycheck at a time, 73% of D2C users withdraw \$100 or less
- 4 Alternative Financial Services:** 42% of EWA users indicated no longer using alternative financial services since using EWA, 28% use them less often

*"Many users praised EWA for providing them with money quickly when they needed it most, whether to pay for gas, buy food, or cover an emergency. But many users had complaints about high fees... and **getting caught in a liquidity cycle – always having to take money out.**"*



[Earned Wage Access: An Innovation in Financial Inclusion?](#) Harvard Kennedy School
buildcommonwealth.org



EWA Impact Review @ TFM

CW conducted research on EWA usage at TFM to understand its **impact on Team Member financial security and its interaction with emergency savings.**

Our research objectives were to:

- Understand current Team Member utilization of Earned Wage Access (EWA)
- Understand how EWA usage affects Team Member financial security
- Understand how EWA relates to savings behaviors
- Understand EWA card usage

Sources of Data:

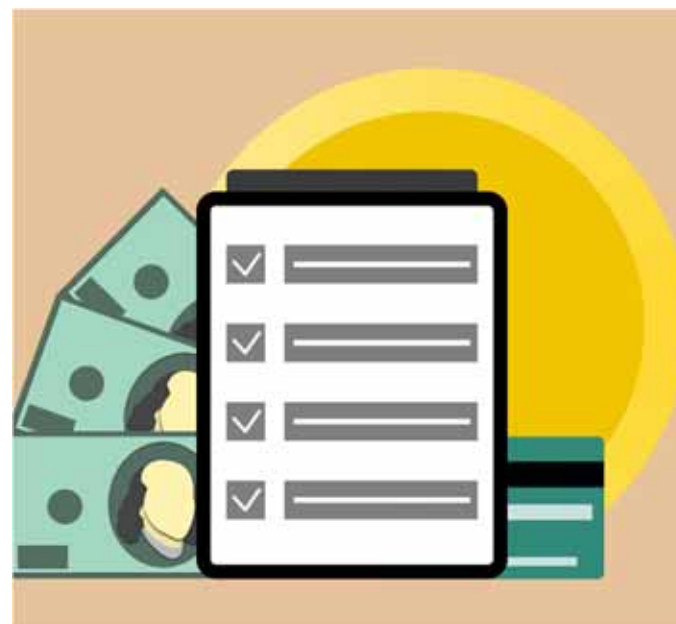
- 1) **In-depth Interviews** (IDIs) with 8 EWA-enrolled Team Members (with diversity across job types, races and genders)
- 2) **Quantitative data** from 1047 EWA users at TFM, from Oct 2019 - Jan 2023¹

¹Data was shared by EWA provider with TFM; includes enrollment dates, total amounts withdrawn, total number of transactions, EWA card usage and more

EWA Research Insights

Key Findings

- 1 Liquidity:** 90% of EWA requests are for instant access. Users are twice as likely to pay for the instant access, than use the no-fee EWA card.
- 2 Frequent Flyers:** Over 33% of TFM users are considered 'Flyers' making above average requests per paycycle, incurring considerable fees.
- 3 Perception:** Team Members consider EWA to be a solution for an immediate need, but are wary of the impacts on their financial security long-term.





Considerations for Employers

Earned wage access is like instant gratification candy, it's addictive!

Education

EWA financial education is needed with product rollout along with ongoing unbiased guidance.

Look "Under the Hood"

Look beyond headline data reporting. Dig into Team Member behavior data.

No Off Ramp

Once EWA is offered as a benefit, Team Member use and reliance grows, making it difficult to discontinue.

Can an emergency savings benefit with incentives help Team Members stuck in an EWA liquidity cycle?



Start your emergency savings journey today!

👉 Check out the 2023 BlackRock ESI Impact Report

👁️ Look to your benefits providers. You probably already have access to an e-savings solution!

✉️ Connect with us!

Final Thought: Secure 2.0



\$1,000 1x Per Year
Additional money
out option



\$2,500 PLESA
Pension linked
emergency savings
Autoenrollment



**Ask your
Recordkeeper**
When will these be
ready for my
workers?

Not mandated; unclear what will be built and ready when.

**Your Feedback Is Important.
Please Scan This QR Code or Use the Below URL.**



Session Evaluation

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■ Thank You!



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