Holistic Financial Wellness for CAREGIVERS

Case Studies
Visiting Angels, Masonic Homes of Kentucky, Nazareth Home and Sacred Heart Home, Comfort Keepers

www.payactiv.com
Converting Financial Stress into Financial Wellness for Caregivers

The LeadingAge Business Strategy Council (BSC) is a forum where LeadingAge Gold Partners can work with a select group of members to share insights and intelligence on trends and solutions for aging care providers. During the PEAK Summit on March 20-22, 2017, in Washington DC, the BSC made available a study that helps identify and overcome the key challenges to building and growing your workforce in the aging care industry.

According to the study, “With low unemployment and an increasing number of baby boomers needing long-term services and support, there is a greater shortage of competent and compassionate caregivers than ever before. For those of us in long-term or post-acute care, the situation is even more dire,” (BSC Workforce Study, 2017).

The word ‘dire’ is certainly not misplaced. In fact, the LeadingAge BSC study should serve as a very timely rallying cry to implement systems, processes and technologies that improve how aging care providers attract new employees and retain existing ones. This will ultimately engage employees to enjoy the larger purpose, career growth, and self-fulfillment that comes from being a caregiver.

At PayActiv, the aging care industry is of great importance to us because financial stress is at epidemic levels with 6 in 10 Americans not even having $500 in savings, according to the latest Bankrate study. Financial stress like this is one of the key reasons workers ‘drop-out’ of the caregiver population. Our business is laser-focused on employee financial wellness, and one measure of success for us is the degree to which we can improve employers’ ability to recruit, retain and engage their workforce.

The Payactiv approach towards financial wellness is delivered as an employee wellness benefit and therefore all the credit accrues for the employer. The BSC study describes PayActiv as follows, ‘While pay and medical benefits are most frequently presented as a means of attracting and retaining quality staff, another benefit that has shown a positive impact on patient care is financial wellness. Employees who bring their money worries to work tend to be less productive and less engaged’ (PayActiv, 2016).

What is PayActiv?

Awarded “HR Product of the Year” by HR Executive Magazine, PayActiv is a socially responsible, financial services platform that provides financial flexibility and peace of mind to employees by enabling them to get real-time access to their earned but unpaid wages, without borrowing. Using PayActiv’s app, a worker can click a button to see exactly how much they’ve earned.

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1 https://newswire.net/newsroom/news/00094825-6-out-of-10-americans-have-less-than-500-in-savings-according-to-a-new-report.html
but not yet been paid. With another click, they can access a portion of this money immediately, rather than having to wait for their employer’s regularly scheduled payroll processing period. They can have the money transferred directly to their own bank account, load a prepaid or payroll card and avoid overdraft fees or they can use the “bill-pay” function within the PayActiv app to send a payment directly to a vendor and avoid late fees.

PayActiv’s services enable hourly workers to avoid the terribly abusive between-paycheck financing charges imposed by payday lenders, title loan brokers, and the like, without having to incur the bank overdraft fees, late fees, reconnect charges and other costly nuisances of inconvenient financial timing.

Importantly, in addition to instant and timely access to funds, PayActiv offers a suite of services that includes better banking products, savings and budgeting tools, bill payment and financial health measurement. For instance, there is an “automatic savings” option that allows a worker to set aside a certain portion of hourly earnings every day or every week, in order to build up an immediately accessible cash reserve without first having to endure the temptation of spending it.

Aging care providers who partner with PayActiv to offer this service to their workers are announcing that they care for their employees’ welfare, not just for their work. And they will get immediate credit for helping them manage their financial lives better. One result will be a significant increase in employee engagement and retention.

**How Does it Work?**

After an employer has engaged PayActiv, all their employees are eligible to download a mobile app and enroll. There is no cost to enroll, no requirement to change banking relationship and no stipulation to use a specific prepaid or payroll card. The multi-language app flows intuitively, with the employee in control of their financial life. The app has configurable rules acting as guardrails for the employee – members can timely access up to 50% or $500 of their earned funds between paychecks. In the subsequent paycheck the already accessed amount appears as a deduction/adjustment. Since there is no change in the employer payroll process or the employee banking relationship the user experience is most seamless and non-invasive.

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### For Employees

**A financial wellness benefit that matters to employees**

- Instant access to earned wages for a transaction fee of up to $5 (depending on employer program).
- Avoid costly between paycheck penalties like payday loan interest, late fees and overdraft fees.
- Not a loan or credit solution, no hidden costs, no risk of adding debt.
- Build savings or simply have more cash in hand.
- Electronic bill-pay, card load and same-day bank transfers included. Earn rewards and discounts. Get free financial counseling with trained coaches.

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### For Employers

**A new financial wellness benefit at no cost to your business**

- Zero cost or risk to employer. No change to employer cash flow. PayActiv fronts the funds.
- Easy implementation. Works with all payroll systems. No integration required. Meets the highest security standards.
- Complies with regulatory mandates like HIPPA
- Employees love it. 80% adoption rates, and 30% lower turnover among users.
- High morale at workplace because employees are not constantly stressed about money.
Why Should You be Interested?

PayActiv directly addresses some of the key challenges faced by aging care providers highlighted in the LeadingAge white paper:

- Industry Attractiveness and Recruitment
- Retention and Culture
- Competitive Benefits and Compensation
- Understanding the Needs of the Workforce

Unlike traditional benefits, such as 401K plans, PayActiv provides a financial wellness solution to address the immediate needs of your employees.

Employees who bring their money worries to work tend to be less productive and less engaged. Financial stress directly impacts attendance and work performance. PayActiv’s financial wellness app relieves daily financial stresses faced by low to moderate income employees by giving them a low-cost, socially-responsible option to access their own earned money.

Less stress leads quickly to improved performance, greater dependability, and enhanced patient care. Employees who gain access to their own funds without needing to beg or borrow will have a higher sense of security and dignity, and will show an immediate increase in appreciation for their employer. Deeper engagement like this between the employer and employee can be expected to improve employee retention significantly.

Hourly employees are sensitive to the frequency of pay. Our Partners are reporting that candidates are paying attention to PayActiv’s ‘flexible’ pay option, and that they are offering PayActiv to attract candidates. (Partner testimonials provided below).

Furthermore, most hourly workers live paycheck to paycheck; so when financial emergencies hit, they pay exploitative fees on a regular basis to meet payment deadlines. PayActiv eliminates these fees by providing employees with timely access to their earned wages, when they need it, helping them handle unexpected expenses and making their monthly payments on time. The savings that come from avoiding late fees translate directly into money in your employees’ pockets.

The tangible savings experienced by employees leads to wide adoption of the PayActiv service. Word of mouth is strong and PayActiv tends to be front of mind for employees. According to the LeadingAge white paper, employee referrals serve as a successful recruitment tool. High program subscription rates experienced by our existing partners indicate that PayActiv will support employee referral success.

 Ease of Recruitment
When new employees can access their earned-but-unpaid wages without delay, they find the job more attractive.

 Reduced Attrition
PayActiv users tend to have attrition rates that are one-third lower than non-users. Both voluntary and performance based attrition is reduced due to financial wellness.

1 http://leadingage.org/sites/default/files/Workforce%20Addressing%20Today%27s%20Aging%20Services%20Challenges.pdf
Engagement

Employees perform better when they can easily deal with the headaches and distractions of unforeseen small-dollar needs. A happier employee provides a better experience for the customer.

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Knowing Employee Sentiments Can Elevate Work Culture

PayActiv users across all employer partners show an average employee Net Promoter Score (eNPS) of +84. The employee Net Promoter Score is a metric used worldwide to capture the level of enthusiasm and engagement among rank and file workers. However, the average eNPS of PayActiv users in the Aging Care industry is +67, which means that more than 6 out of 10 PayActiv users would strongly recommend their place of work to others. And +67 is an extraordinarily high eNPS, because the average eNPS score is negative or close to 0.

84.7

Employee Net Promoter Score

Most PayActiv users are either likely (11.2%) or very likely (73.4%) to recommend their employer to their friends.

Partnering with a Socially Responsible Business Will Attract Millennials

Millennials were born into the digital era, making them accustomed to mass media. Extensive research shows that more than their parents millennials seek work that promotes a sense of purpose or a worthy cause. Rather than working just for money, these digital natives are more likely to question their employer’s authenticity and true motives. As much as they pay, in other words, Millennials want a connection with their employers. They want to feel that their work and their employer’s business has a purpose beyond profit. As a certified B-Corp (Benefit Corporation), PayActiv’s socially responsible fintech solution is exactly the kind of product that provides Millennials with the inspiration and motivation they are seeking. Not only can a Millennial find fulfillment by working at an aging care provider, but they can take additional comfort in the idea that their employer is “with it” when it comes to using digital technology to benefit its employee in an authentically caring manner.

https://www.hr.com/en/topleaders/all_articles/employee-net-promoter-score—a-secret-weapon-mess_i9b7xed8.html
Holistic Financial Wellness Case Studies

Having access to their own funds, without having to beg or borrow creates a sense of security and dignity that enables employees to de-stress and focus on work. Businesses get instant credit in the mind of their employees and see significant cost reductions through increased engagement and retention.

Besides the businesses listed here, PayActiv partners include over 150 businesses that include Walmart, the world’s largest employer with 1.4M eligible users and dozens like TeleTech, Signature Health, and Great Clips that employ from 5 to 100,000 employees. PayActiv is also the choice for schools, major non-profits, and social purpose and charitable organizations such as Catholic Charities and Goodwill Industries among others.
Case Study

Visiting Angles Home Care

Earned Wage Access & Holistic Financial Wellness Customer
Since May 2016

Challenge

Mike Martin, CEO, Visiting Angels Home Care, Arkansas recognized that when employees fall into payday loan cycles it is not only bad for them but also his business, because employee stress, as well as turnover, goes up. In his words, “Being approached by an employee for a payday advance is always a risky proposition, and can set a problematic precedent. PayActiv eliminates that issue for me entirely and when you are running a business, it is one less thing to deal with.”

I am proud to make PayActiv available to my staff. We receive nothing but positive feedback.

Mike Martin, CEO
Visiting Angles Home Care, AR

Visiting Angles Employees

"I’ve only had to use it once or twice so far and I’m glad to know it is available if I need it again."

"PayActiv has saved me from trouble a couple of times."

"This has been very helpful."

Solution

By offering PayActiv, Visiting Angels has eliminated issues surrounding selective processing of pay advances that can create a sense of disparity amongst employees. PayActiv is available to all employees, fostering a culture of trust.
Challenge

Masonic Homes was aware that their employees needed more flexibility with the timing of pay and was considering a switch from bi-weekly to weekly payroll. While weekly payroll was an improvement but it was cost prohibitive and complex on the business side.

“"It would be a major overhaul to change from biweekly to weekly payroll. PayActiv provides the opportunity for our employees to create their own pay cycle and is even more flexible. And a better work life balance so that our employees can deliver remarkable service knowing that their families’ financial needs have been eased a little.

We added the PayActiv benefit to our job postings and our recruiters report that candidates are paying attention to this benefit. We might be able to attract candidates by offering this flexible pay option.”

Trasee E. Whittaker
Chief Human Resources Office
Masonic Homes of Kentucky

Solution

By offering PayActiv, Masonic Homes of Kentucky has enhanced focus for their employees by allowing them access to funds as needs come up for their families. Recruiters are also reporting the responsiveness of new candidates to the novelty of payroll cycle set to their every day needs.
Mary Haynes, President and CEO, Nazareth Home, Sacred Heart Home, Louisville, Kentucky understands the financial pains of her employees who are living paycheck to paycheck and was looking for a program aimed at financial wellness and empowerment to help employees with their day-to-day struggles.

"Imagine how challenging it is for the mother who needs extra childcare, food or gas before the next paycheck is due. She may be working extra hours to pay for something extra, but traditionally she has to wait until payday to actually receive the money. Also, people get behind and have to try and borrow money until their next paycheck.

I was thrilled to see this program [PayActiv] and delighted to bring it to the staff. Right now about one-third of the staff are using the program”

Mary Haynes
President and CEO
Nazareth Home, Sacred Heart Home
Louisville, KY

By offering PayActiv, Nazareth Home, Sacred Heart Home has empowered their staff to take control of their finances and provide an alternative to borrowing for necessities between paychecks. Bringing a benefit like PayActiv is a clear message to employees that their employer understands and cares about their daily struggles.
Case Study
Comfort Keepers Manassas
Earned Wage Access & Holistic Financial Wellness Customer
Since December 2017

Challenge
Our goal at Comfort Keepers® is to allow families to experience as much special, quality time together as possible. We can only accomplish this goal with exceptional caregivers who bring blended skills, compassion and commitment to each and every client we serve. We also place a premium on hiring members of the Veteran community. With standard two week or longer pay cycles our Veterans can be targets of payday lenders and onerous finance charges.

“Our Caregivers are our #1 resource. With seamless access to their earned wages PayActiv serves as another tool demonstrating our commitment to their well-being. With a clear impact on recruiting and retention PayActiv is a can’t miss solution!

Adopting PayActiv is another tool that assists our Veterans and demonstrates our commitment to those who have answered the call to serve our Nation in time of need.”

Anthony Fiore
Owner & CEO
Comfort Keepers Manassas

Solution
“In today’s hyper active labor market adding the PayActiv well-being solution to our hiring and retention programs has helped us stand out from the crowd. Having access to their hard earned wages make a visible difference to our caregivers. More engagement, higher moral, positive attitudes- all present. The program also demonstrates the firm commitment to our company culture where the caregivers are our most precious resource.”