



October 2017

Dear B Corp Friends & Colleagues,

Thank you for your interest in the HEAL program, Helping Employees Access Loans. HEAL is designed as a B Corp employee benefit to help our employees in case of a financial emergency outside of work. The main objectives of HEAL are to help our employees avoid predatory lending, build credit and savings, and increase financial literacy over time.

HEAL was created based on the model by fellow B Corp Rhino Foods; their overwhelmingly positive experience has changed the lives of many employees and has led to a significant decrease in employee turnover.

I began the HEAL program in partnership with the Savings Bank of Mendocino County, an independent community bank deeply rooted in Mendocino County, California. Upon its rollout in June 2017, HEAL became available to all nine Certified B Corps in the county, covering over 600 employees. All newly certifying B Corps in our region will automatically gain access to this new employee benefit.

It is my hope that you will be able to replicate the HEAL program in your region and that all Certified B Corps will have access to this awesome employee benefit.

How HEAL Works

HEAL is built on a partnership between Certified B Corps and a local financial institution, such as a community bank or credit union. Because B Corps go through a rigorous third-party certification, a level of trust and credibility already exists that makes B Corps excellent partners for a financial institution to start this program.

HEAL recognizes that an employee's work attendance and performance are affected by stresses outside the workplace, and a financial emergency can be a huge stressor with an employee having to choose between addressing the emergency and covering basic needs. More than half of all Americans lack sufficient savings to cover a \$500 emergency. With the HEAL program, employers can help employees not only avoid predatory lending to take care of the emergency, but also build credit and savings, financial literacy and financial stability.

The HEAL program allows employees in good standing who have worked for a participating B Corp for at least one year to access up to \$750 for emergency expenditures—and the employer has broad discretion regarding the definition of what

qualifies as an emergency, as an emergency for one employee may not be an emergency for another. The loan is approved by the bank upon referral from the B Corp employer. The loan is not dependent upon an employee's credit score, but employees will learn what their credit score is and how to improve it as part of the bank's goal to improve its clients' financial education.

HEAL program loans are repaid to the bank via automatic payroll deductions set up by the B Corp employer, thus building the borrower's credit score. When the loan is paid off, the payroll deduction is continued and rolled into a savings account, unless the employee asks to stop. Through the HEAL program, employees can access a competitive loan, build a credit score, start saving money, receive financial education and create a more economically stable life.

The B Corp employer takes on no financial risk for HEAL program loans, aside from the time required to set up payroll deduction. The financial institution absorbs the risk in part because the HEAL program helps them to meet some regulatory and mission-related goals.

Supporting Documentation

If you are interested in starting the HEAL program for your company or region, several supporting documents are available to help you implement HEAL (please contact me to receive them):

1. Overview of HEAL Program details (from the financial institution's perspective)
2. Sample HEAL MOU Agreement between the participating B Corp and partner financial institution
3. Sample HEAL Employee Certification form
4. The Rhino Foods white paper describing their original model

I am very interested in broad expansion of HEAL not only because it's the right thing to do for our existing B Corps and their employees, but also because it will help us to grow the B Corp movement. For those values-aligned businesses that are on the fence about B Corp certification, automatic access to this new employee benefit may be just the thing to motivate them to join us!

This can be, I believe, a powerful tool to help us build a more inclusive economy that works better for everyone.

Please let me know how it goes! I am attempting to track the expansion of HEAL, and would love your story to be included. Feel free to contact me with any questions as well.

B the Change!

Heather



Heather@hpaulsenconsulting.com
www.hpaulsenconsulting.com
Tel. (707) 397-0567

