Looking Past the Paycheck
Small Benefits Have a Huge Impact on Employee Financial Health
Today’s Panel

Sandy Fernandez  
Mastercard Center for Inclusive Growth

Kim Ostrowski  
Prudential Foundation

Mathieu Despard  
Social Policy Institute at Wash U St. Louis

Vaughn Klebig  
Tailored Brands

Facilitated by:  
Crystal Sand  
SaverLife
SaverLife Solutions Pilot Funders

Mastercard

Center for Inclusive Growth

THE ANNIE E. CASEY FOUNDATION

Prudential
Importance of Emergency Savings

Mathieu Despard
Social Policy Institute | Washington University in St. Louis

SaverLife Solutions Webinar: Can Employers Solve the Savings Crisis?
December 12, 2019
Background

• Liquid assets lower risk for material hardship (Despard et al., 2018; Gjertson 2016; McKernan et al., 2009)
• Material hardship (e.g., eviction) associated with a host of bad social and health outcomes, especially for families with young children
• Emergency savings can prevent debt spirals
How Much in Emergency Savings?

• **Bad news:** Over three-quarters of low-income individuals lack emergency savings (FINRA, 2019)

• **Good news:** *Actual* amount of short-term savings needed to prevent food insecurity is $792 and $1,527 to prevent missed housing payments (up to 1 month wages, not 3 months) (Sabat & Gallagher, 2019)
Workplace Advantages

- Employers have deep experience promoting savings
- Split direct deposit – employees designate a portion of pay to savings accounts
- Can automatically rollover loan payments to savings deposits
- Employees can designate a portion of future raises to savings (Commonwealth, 2018)
- Employers can offer matches – clear way to help employees avoid highly disruptive and negative events
With **no emergency fund**, a single unexpected expense can lead to a financial crisis.

78% of employees who report high financial stress say that they are **distracted by stress at work.**

Traditional financial wellness benefits, like 401(k) offerings, are out of reach for **hourly wage workers.**
The SaverLife Solutions Pilot

- Offered to **40,000** employees across three employers, with an average sign-up rate of 10%
- SaverLife Solutions provided a **white-label version** of our savings platform, customized for each employer, in addition to marketing and outreach support
- Employers provided a **$1 to $1 match** up to $40 per month for six-months to develop a **$500 emergency fund**

December 12, 2019
The Results

60% of the employee savers increased their savings, saving an average of $653 in the first six months.

63% of savers opened new accounts in order to participate – at one employer, 63% of Savers linked a new savings account when they joined.

Participating employees reported feeling less stress about money, feeling more productive at work, and a lower likelihood of accessing emergency assistance grant programs.
Key Takeaways

1. Understanding workforce financial issues motivates employers to provide proactive assistance.

2. Prioritizing data security and enterprise readiness is critical.

3. Utilizing existing internal communication systems increases employee participation.

4. Anticipating obstacles and providing immediate solutions—like the opportunity to open savings accounts onsite—streamlines enrollment.
Employer Perspective:
Interview with Vaughn Klebig, Tailored Brands

Vaughn Klebig
Willie Lopez Emergency Assistance Fund
Tailored Brands
Prudential Foundation invests $1.5 million in SaverLife Solutions

This investment will launch SaverLife Solutions and bring our platform to working Americans across the country through partnerships with employers, credit unions, and community-based organizations.
Q&A