

# Wagestream

Why employers are uniquely positioned to help employees build financial resilience through digital tools

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# Agenda

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1. Background on Wagestream
2. The reality of financial wellbeing
3. The role employers have to play
4. Our experience
  - a. Product in-market
  - b. Impact assessment report
5. Questions

# Our social purpose

We're a charity-backed financial wellbeing platform measured on our social impact.

Our social charter holds us accountable to improving the financial lives of employees.

***“Wagestream’s objective is to advance for the public benefit technology solutions that help workers to escape cycles of debt and build towards financial wellbeing (‘social purpose’) and as a secondary object, secure a reasonable return to its shareholders while having regard for the need to achieve its social purpose”.***

Backed by social impact charities,  
supported by industry bodies



And working with 900,000+ employees  
at the world’s best companies

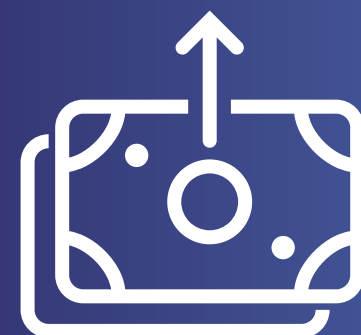


# The reality we know all too well...

Now, more than ever, many Australians are struggling to achieve positive financial wellbeing.



**1 in 3**  
can't access \$500  
in an emergency



**46%**  
live pay cheque to  
pay cheque

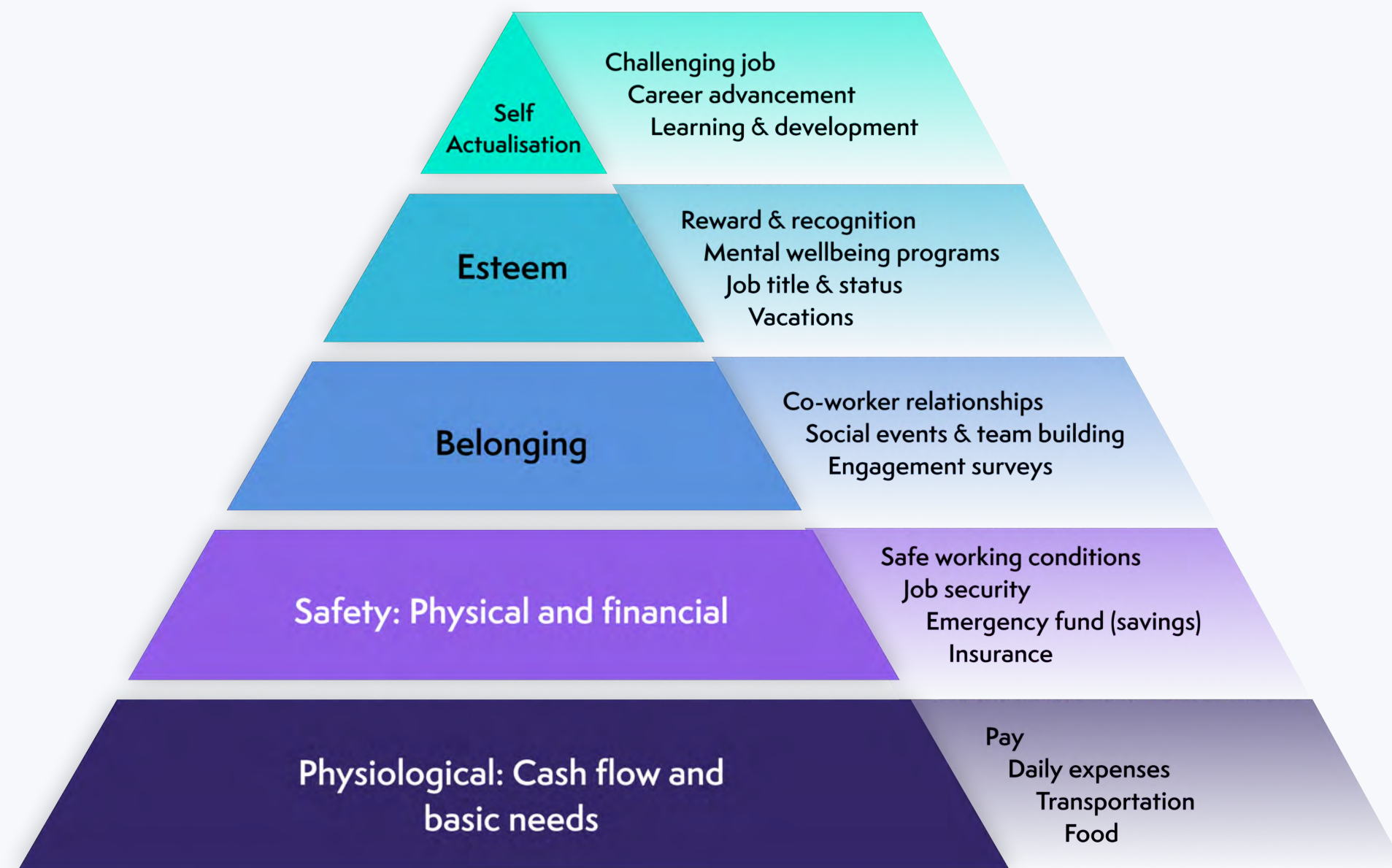


**72%**  
worry about  
everyday expenses



# A reality employers can help to change

Maslow's Hierarchy (of employee wellbeing)



3%

% of employees who are comfortable speaking about their finances with work colleagues<sup>1</sup>

**Money is a taboo** topic in Australia, which entrenches negative behaviours and poor financial wellbeing.

74%

% of employees who want financial support from their employer<sup>2</sup>

**Employees are looking for assistance** to help with their greatest stress and to improve their financial wellbeing.

86%

% of employees who trust their employer<sup>2</sup>

Employers have the capability to create positive behavioural change through a safe and trusting environment.

# Precedent for employer-led FWB support

Employers around the world are finding ways to support their employees' financial wellbeing through digital tools:

- **In the US**, Walmart, Target and a host of others have implemented flexible pay. Harvard produce a study on the efficacy of these programs.
- **In the UK**, the government teamed up with industry providers to explore a Payroll Deducted Savings Scheme, a.k.a 'Sidecar Savings'

**The Power of the Salary Link: Assessing the Benefits of Employer-Sponsored FinTech Liquidity and Credit Solutions for Low-Wage Working Americans and their Employers**

**Todd Baker and Snigdha Kumar**

May 2018

“Based upon our research, we conclude that both employer-sponsored financial products we studied are more efficient than market alternatives and provide clear and compelling benefits to employees:

- **Cost.** The FinTech products provided under the plans were much less expensive than the alternatives available for most low-income employees in the market.
- **Inclusivity.** The FinTech products could be used by a much wider range of employees—many of whom are credit-damaged or credit-invisible—who could not access traditional financial products in the market.

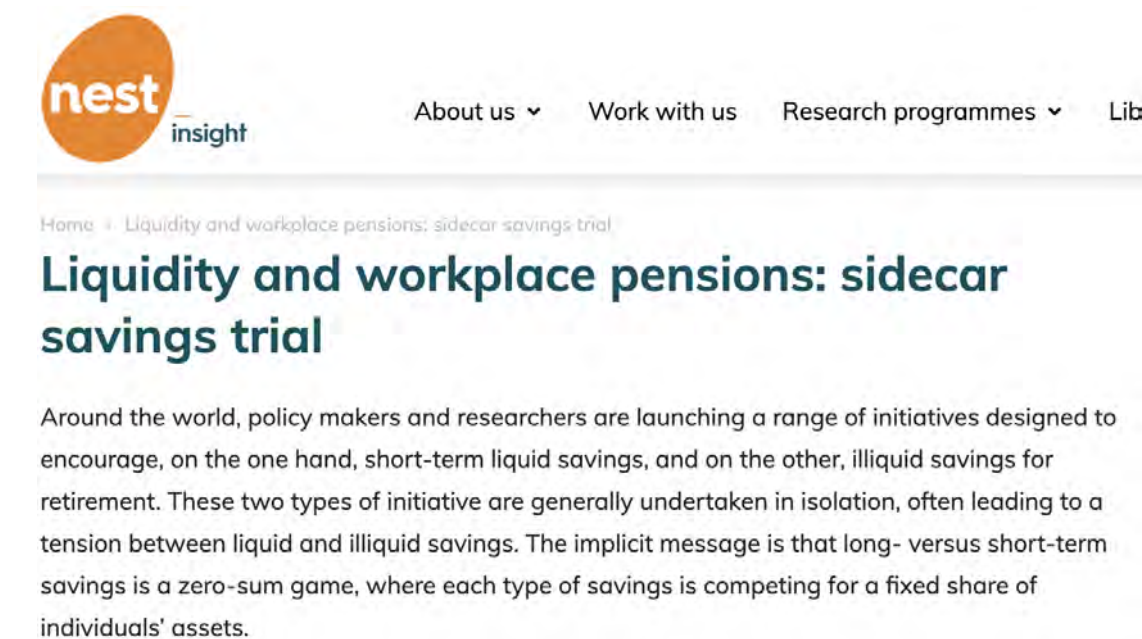
The principal reason we found to explain both the lower cost and the greater inclusiveness of these products is the power of the so-called “salary link”—the ability of the FinTech provider to access an employee’s salary directly to ensure repayment of advances or loans.”



# Precedent for employer-led FWB support

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"Today, Nest Insight has published a third briefing paper sharing early learnings from its sidecar savings research trial:

- 6 in 10 employees think that the savings tool could help them, rising to 8 in 10 of those struggling with bills and other financial commitments
- 85% of employees think emergency saving is important
- Employees value payroll deduction and the ease of getting started with saving
- Savings persistency is high, and over ¼ of savers are making deposits in addition to payroll saving

By saving automatically directly from their salaries, employees explained that they could take their net-pay at face value, avoiding the need to actively account for money they were putting away, or feeling the 'loss' of the money after it has been 'in their pocket'. One Jars user commented: *"You don't have to look at your wages, it's already gone. You do it without even thinking about it. It alleviates the stress and worry about financial situations. You know your net sum is your net sum, you don't have to worry about putting that money aside, it's one bill out the way."*

# A reality employers can help change

Besides being a trusted institution in most employees' lives, working with employers to support employee financial wellbeing has a number of other benefits.

Data

Real-time payment information increases accessibility and reduces defaults to nil.

Fees

Employer support allows financial services to be delivered to employees, in many cases, at no cost.

Win,win

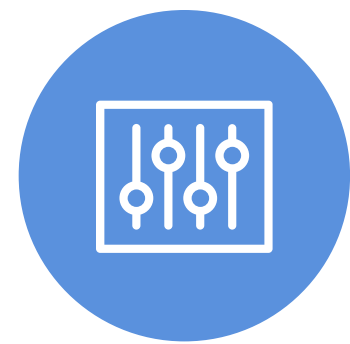
Happier, healthier and better supported employees are more productive in the workplace.



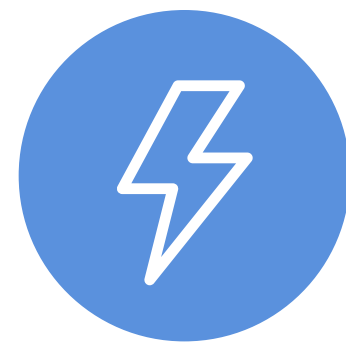
# Product philosophy

Socially designed, inclusive products that positively impact the behaviours that define financial wellbeing

## What is financial wellbeing?



Feeling in control



Capacity to absorb financial shock



Flexibility to make choices



On track to meet goals

## Our product design to support financial wellbeing. We aim to help employees:

1

Understand their financial position

2

Absorb unexpected financial shocks

3

Build a safety net of their own

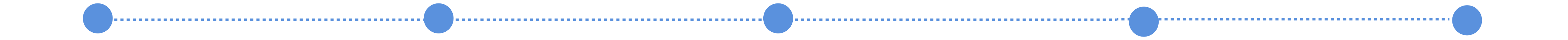
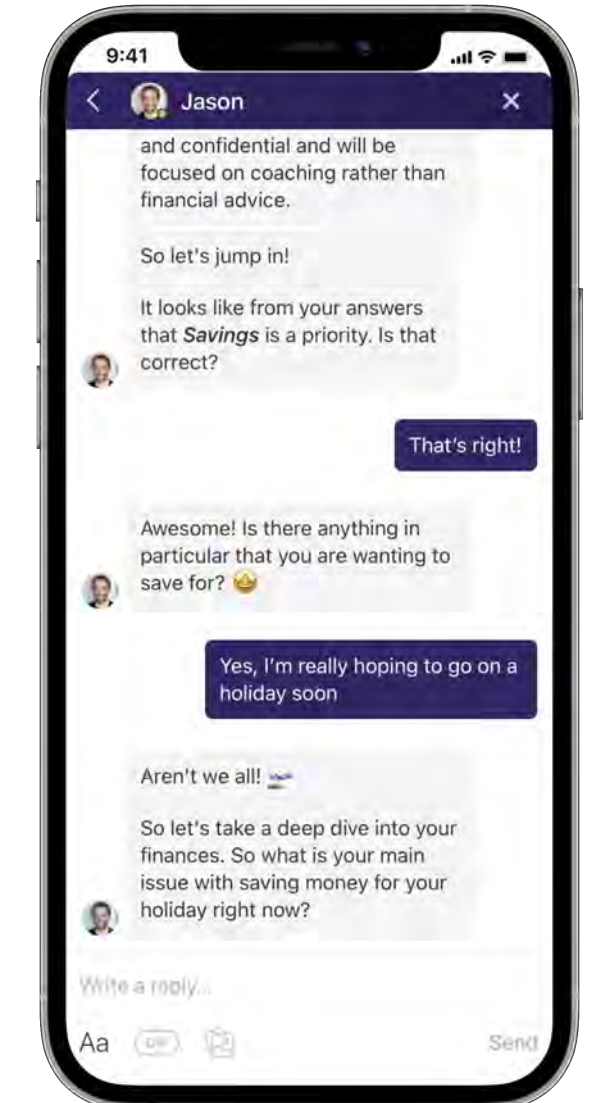
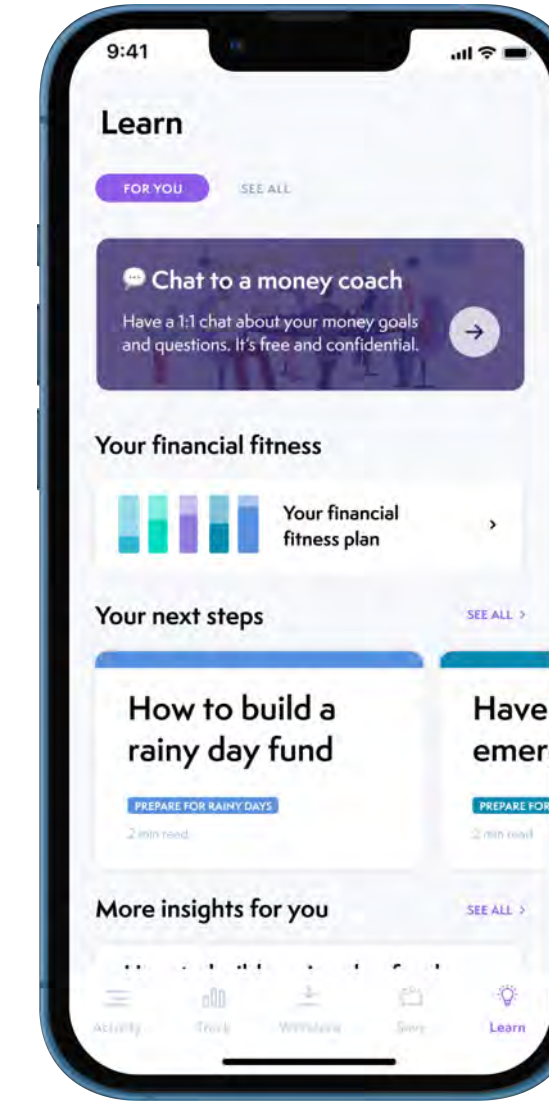
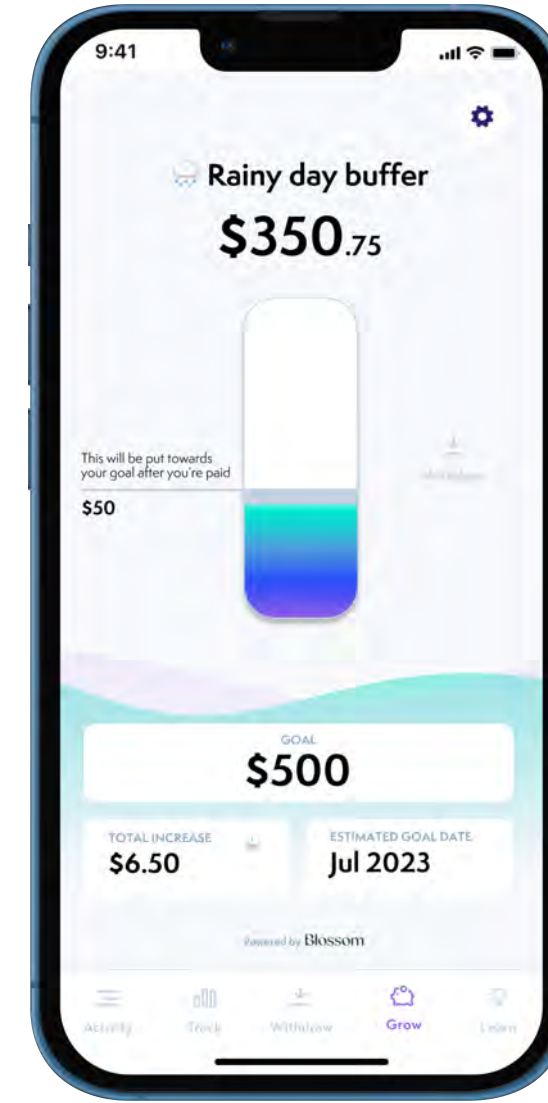
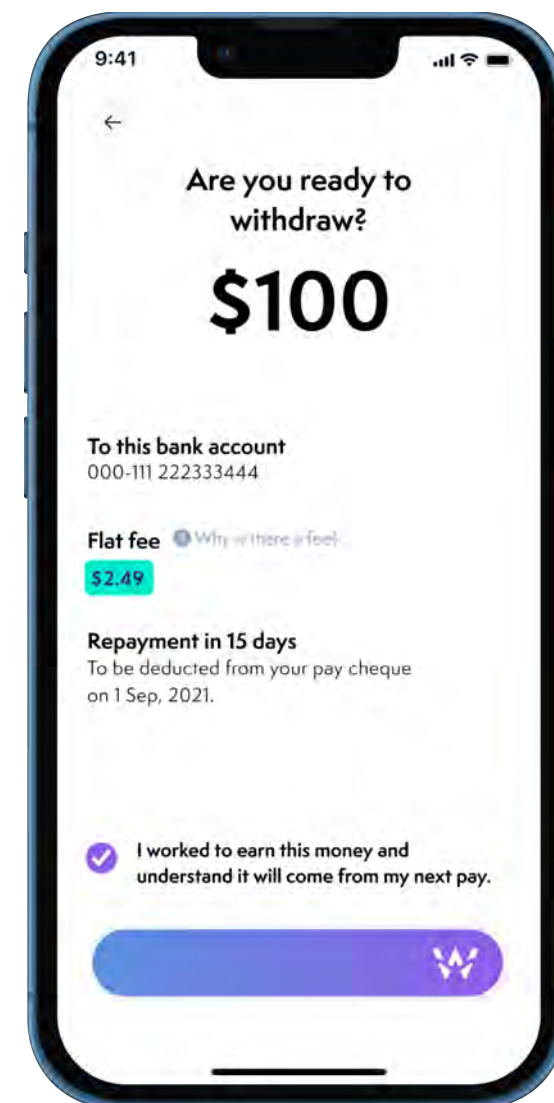
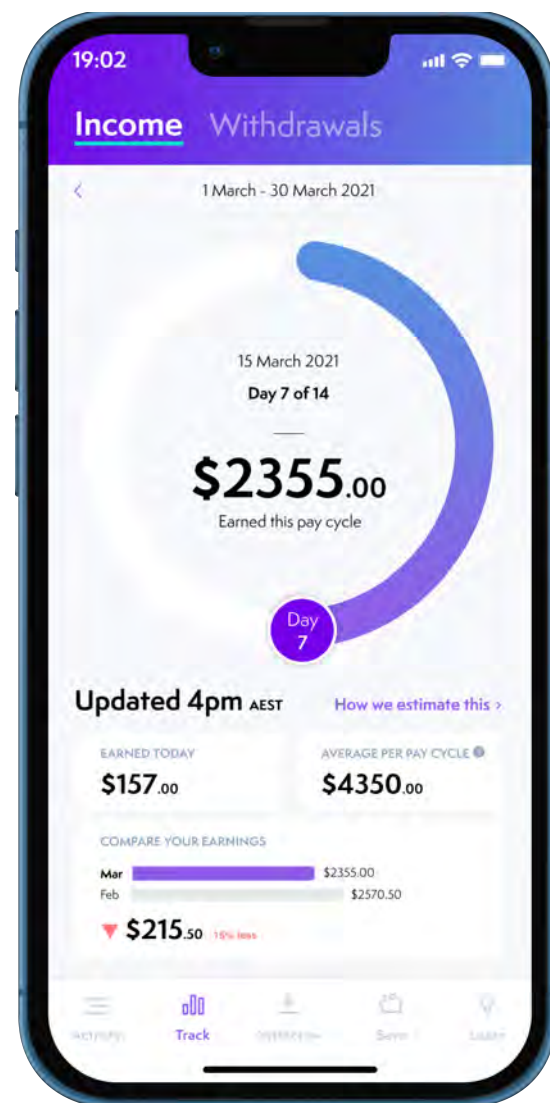
4

Learn positive financial behaviours

5

Set goals and remain accountable to them

# Product overview



**TRACK**  
Understand your financial position

**FLEXIBLE PAY**  
Meet expenses and make payments on time

**SAVE**  
Build a safety net and long-term savings

**LEARN**  
Increase Fin capability and learn positive money habits

**COACH**  
Overcome behavioural barriers and pursue long-term goals

Alleviate immediate financial concerns

Develop longer-term security

# Impact Assessment

A review of 1,000,000 interactions made through Wagestream and 2,200 anonymous user surveys

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# Product Impact

A financial wellbeing tool that has social media-like adoption (with positive impacts) 🥰

## Track

Helping people understand their money

## Access

Income smoothing

## Save

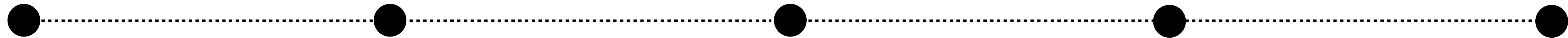
Habitual savings made easy - save before pay day

## Learn

Digestible and actionable financial wellbeing content

## Coach

Confidential and free financial coaching



Some work to do

**62%**

Rely solely on the Track feature to understand their income on a monthly basis.

**78%**

can now pay an unexpected bill and 49% have avoided payday loans.

**\$4.6 m**

total saved by employees using Wagestream - 37% of users.

**67%**

of users engage with the personalised money guidance on a monthly basis.

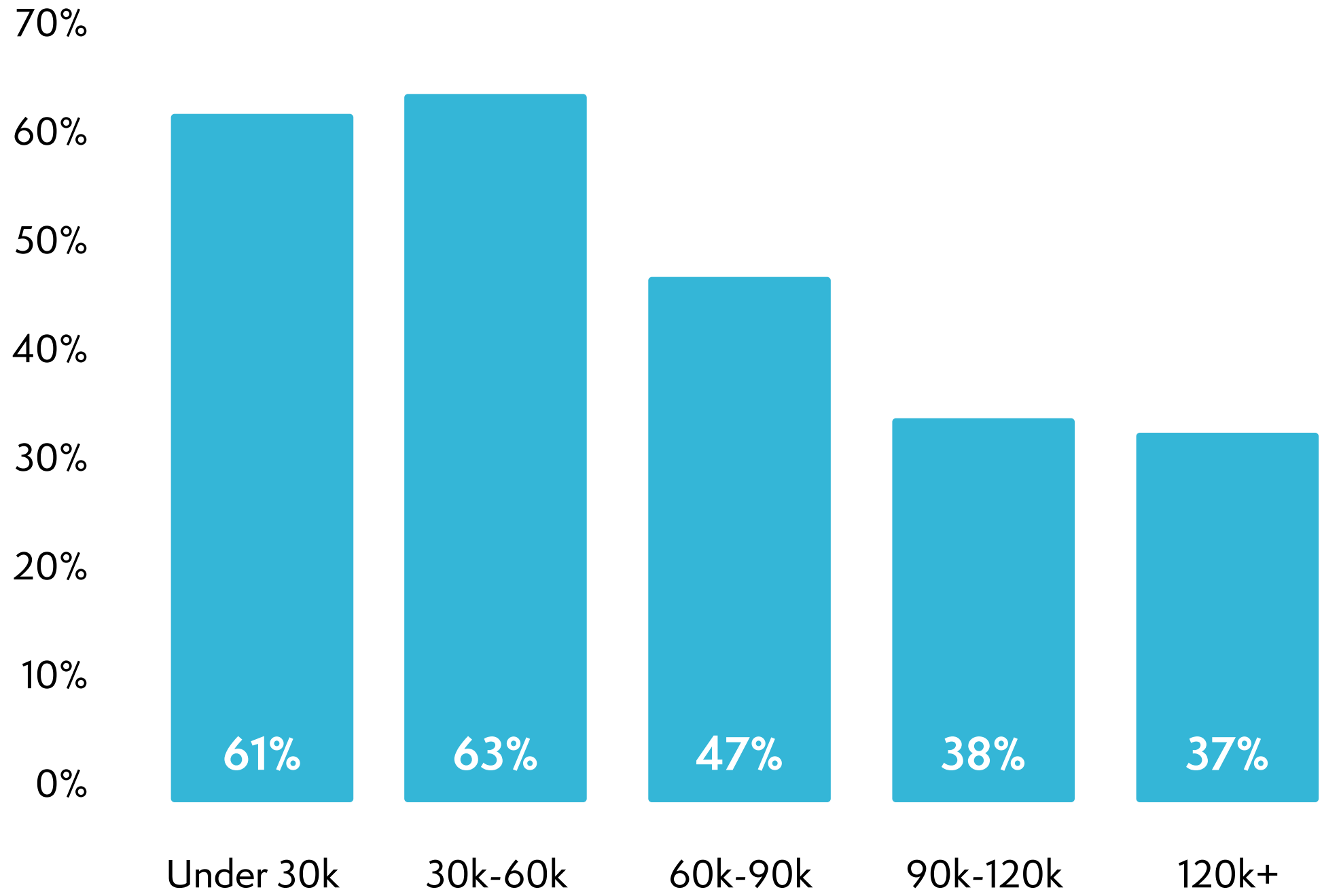
**1.3%**

of users have spoken to a money coach - median length of conversation = 1 hour.

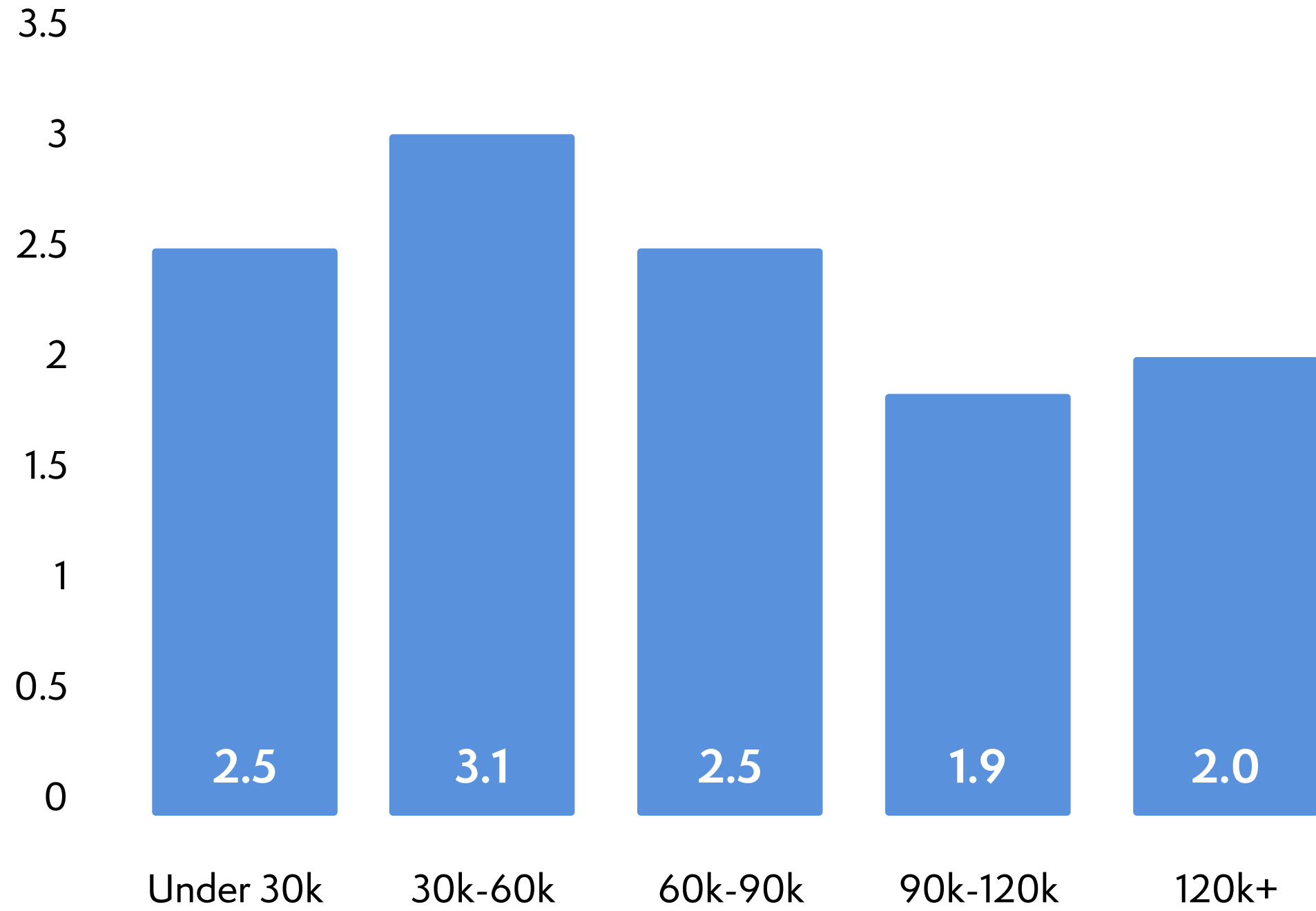


# Wagestream is used across all income brackets

% of users who use Flexible Pay by annual income level



Average number transfers by user per month vs annual income level

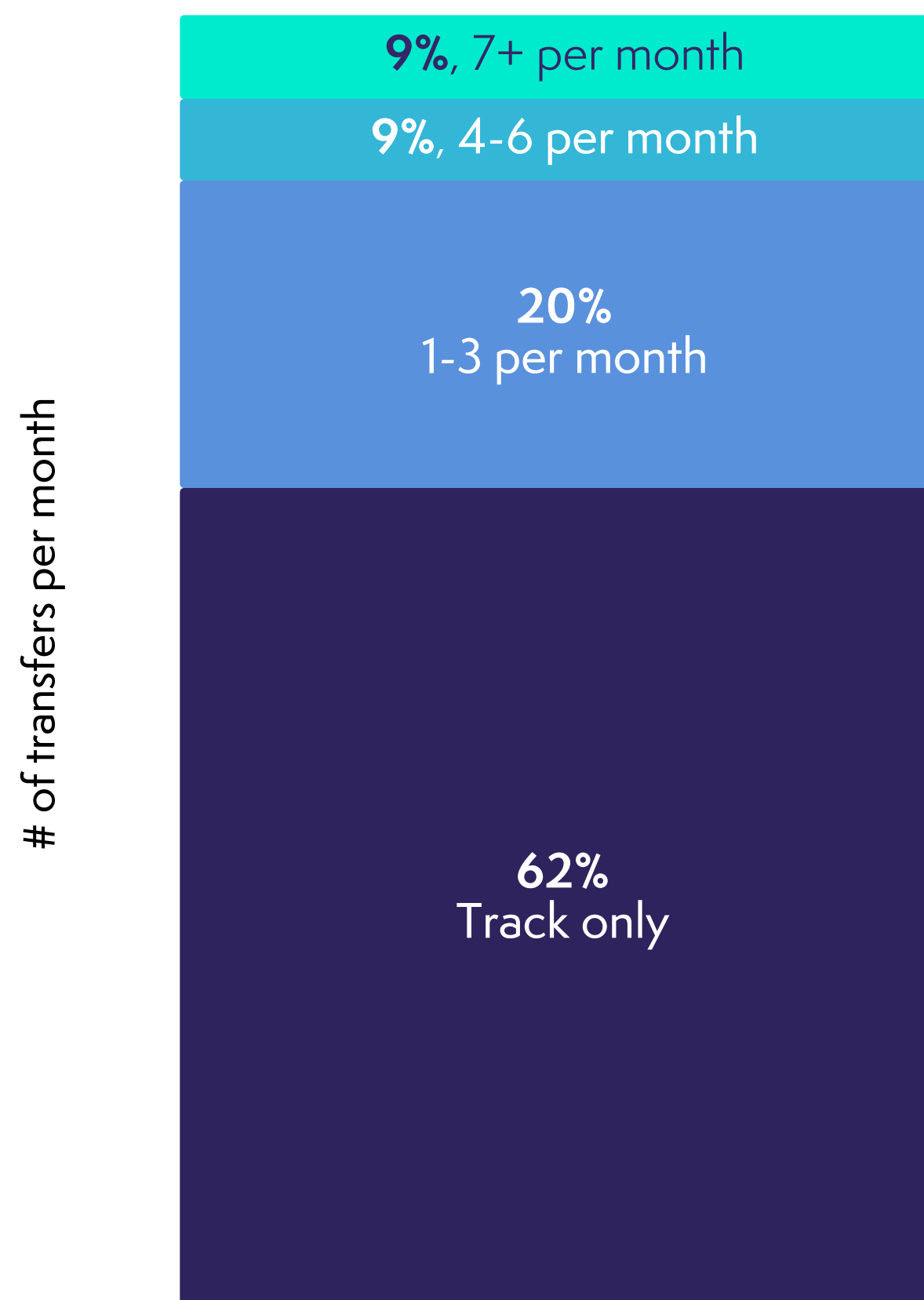


# 94% of employees stream their wages to manage emergencies or to smooth their income until pay day

When provided with Flexible Pay, employees are responsible, with the majority withdrawing less than 30% of their income and 62% relying solely on the Track feature to help with their money management

## Number of transfers per month

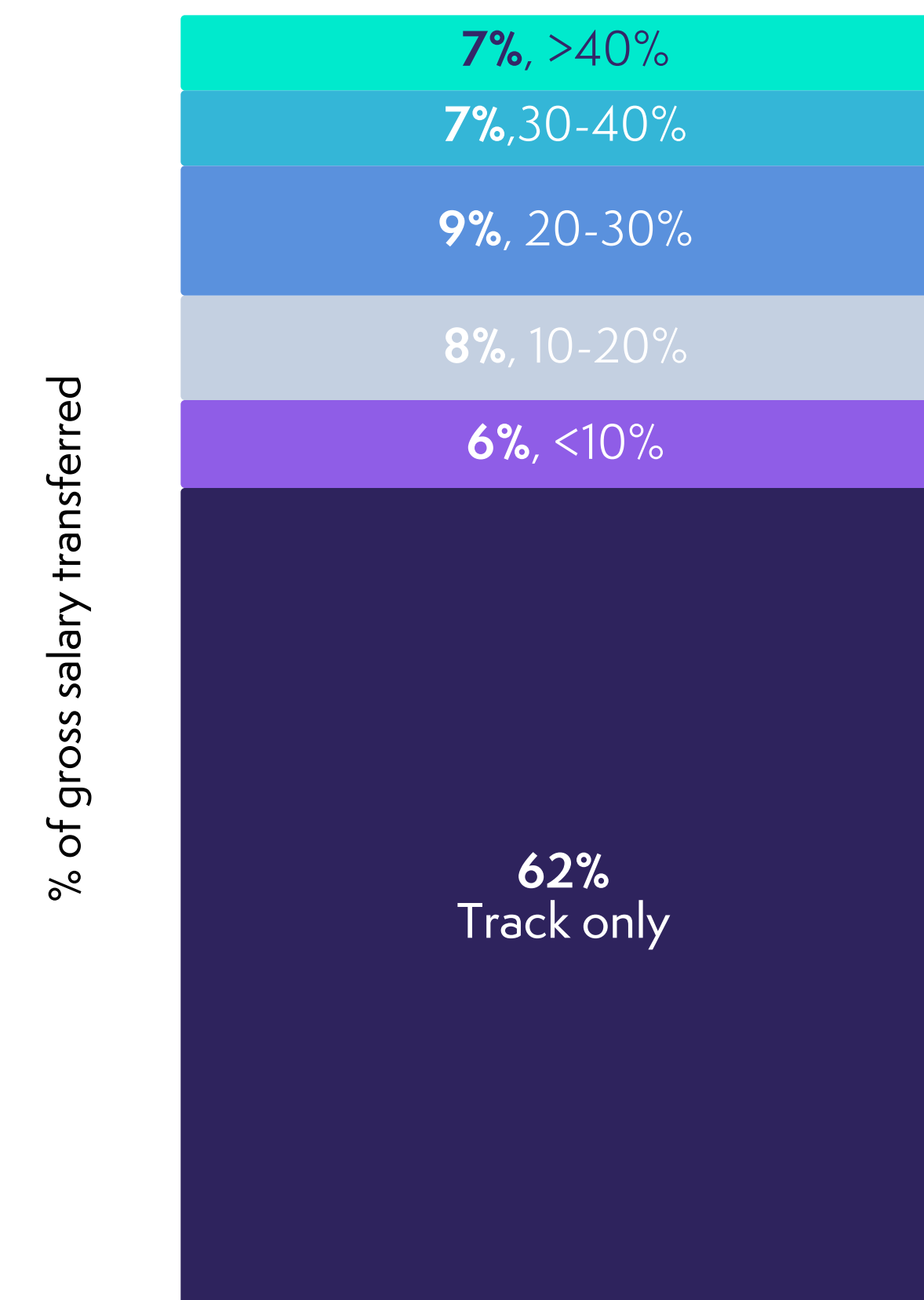
The majority of enrolled users are using the app for tracking purposes only, with 62% making no Flexible Pay requests in a given pay cycle



% total of Wagestream members, Jun 20-Nov 21

## Share of salary transferred

Those who chose to use Flexible Pay, access on average 26% of their after-tax salary; a limited amount of what they could have accessed in that pay period



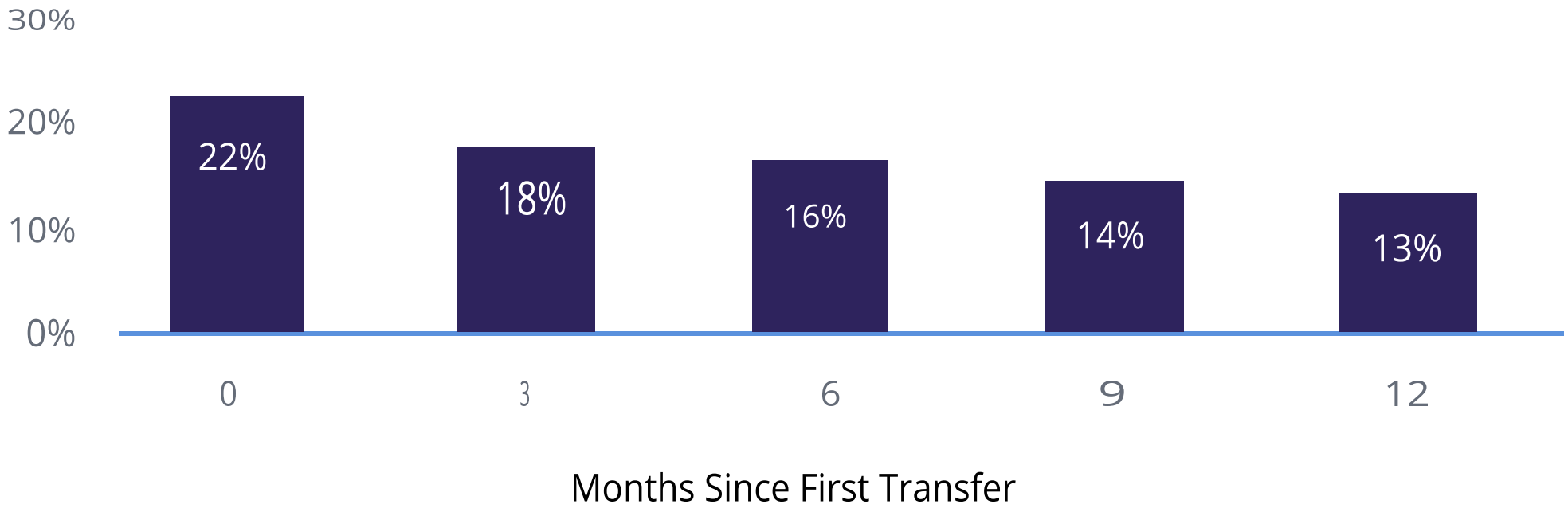
% total of Wagestream members, Jun 20-Nov 21

# Usage trends to smaller amounts taken later in the pay period as users become accustomed to streaming

Encouragingly, the usage data collected shows that within a year of making their first transfer users are, on average, transferring lower amounts, less often, and at later stages in the paycycle than they were originally.

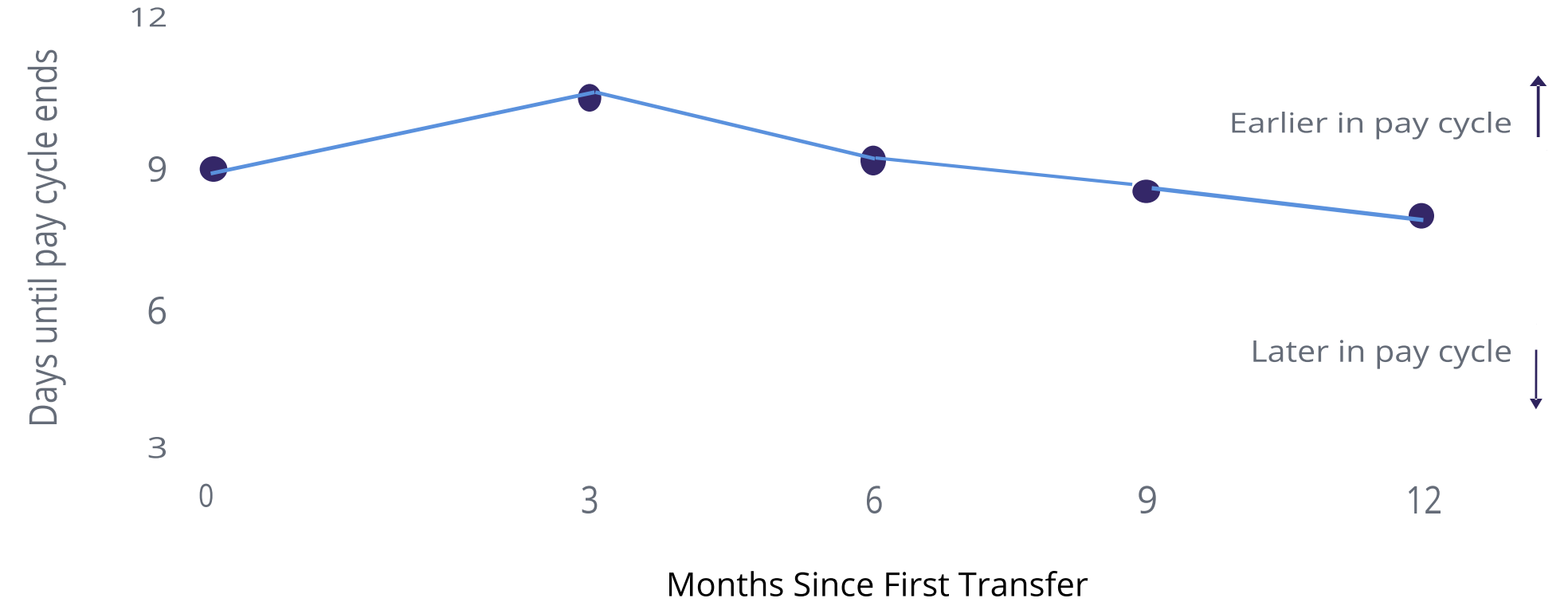
## Share of salary transferred

Average % of gross salary transferred, October 2018 - November 2020



## Timing of first transfer in pay cycle

Days until the end of the pay cycle, October 2018 - November 2020



# Employee impact

When employers step in to support, the outcomes for employees can be very positive and very powerful.

