

## PayPal and JUST Capital Launch New Collaborative Initiative Encouraging the Nation's Largest Companies to Prioritize Workers' Financial Security and Health

### Financial Health Network and Good Jobs Institute join the initiative to help equip companies with tools and resources to take action and ensure employees are not struggling financially

SAN JOSE, Calif., Oct. 6, 2020 /PRNewswire/ -- As business leaders continue to identify how to respond to the economic impacts of COVID-19, PayPal and JUST Capital, in collaboration with Financial Health Network and Good Jobs Institute, announce a new initiative to make workers' financial security and health a C-suite priority. The organizations are calling on the CEOs of America's largest companies to conduct a Worker Financial Wellness Assessment as a vital first step toward understanding the financial vulnerability of their workforce and identifying opportunities to improve their resilience over the long-term.

Even before the COVID-19 crisis hit the U.S. far too many working Americans were struggling to pay their bills each month, let alone save for an emergency expense or retirement. JUST Capital's research shows that before the pandemic, 50 percent of workers at Russell 1000 companies weren't making enough to support a family of three, even with a partner working part-time. The pandemic has only exacerbated these systemic economic inequalities.

"Markets can do more to help us build a just and equitable society," said Martin Whittaker, CEO of JUST Capital. "Treating labor as a cost to be managed or fearing Wall Street reprisals has kept wages stagnant for more than 40 years. If we are going to deliver on the promise of stakeholder capitalism, it's time for business leaders and investors to realize that our employees are our most valuable asset, and that investing in their well-being will drive long-term financial success."

The new initiative aims to make workers' financial security and health a C-suite and investor imperative. A decade's worth of research shows that when workers are more financially secure, key business outcomes such as productivity, customer satisfaction, and employee turnover and engagement also improve. Therefore, workers' financial wellness should be a top priority and included in any assessment of a company's operations or planning for the future.

PayPal's catalytic leadership in the Initiative builds upon the innovative work the company has done to improve the financial wellness of their workforce. In 2018, after assessing the financial wellness of its hourly and entry-level employees, PayPal set a goal to increase their Net Disposable Income (or NDI) to 20 percent. By the beginning of 2021 – one full year after instituting a number of substantive changes to improve employees' financial well-being – PayPal estimates that the minimum NDI among hourly and entry-level workers will be approximately 16 percent, up from as low as 4 percent in some regions.

"Capitalism needs an upgrade. Focusing on the financial wellness of our employees is a tangible action all of us can take to build a more inclusive and equitable economy," said Dan Schulman, president and CEO of PayPal. "Imagine the collective impact we can have if we come together as a business community to ensure that all of our employees are not just surviving – but actually thriving. This is not only the right thing to do for our employees and our communities, but it's also a great investment in the future of our companies."

The collaborative, multi-sector initiative is also joined by the Financial Health Network and the Good Jobs Institute. Together, the organizations will help equip companies with the new tools and resources needed to conduct assessments of workers' financial wellness, as well as identify different kinds of investments and policies business leaders can implement to help bolster the financial security of their workforce.

"As we encourage CEOs to commit to building a more resilient workforce, we also must equip them with the tools they need to gain insight into their workers' needs and deploy innovative solutions," said Jennifer Tescher, founder and CEO of Financial Health Network. "What gets measured, gets managed, and we must urge active leadership during a time when far too many working Americans are financially insecure."

To help equip C-suite leaders with taking the first step, the organizations released today: [Where to Start: Assessing Workers' Financial Wellness](#), which defines the state of financial security in America today; identifies key components of performing a Worker Financial Wellness Assessment; and highlights some of the business-

side benefits of improving worker security and health.

Over the next several months, the founding partners in this new collaborative initiative will:

- **Convene CEOs and C-suite leaders** of the largest public companies in the U.S. to discuss how to improve the financial security and health of their workers.
- **Provide tools and software** to help leaders conduct a Worker Financial Wellness Assessment. This will include a **wage** assessment to understand if workers earn enough to cover the local cost of basic necessities, including housing, transportation, and food, and whether employer-provided **benefits** provide meaningful financial support or overburden families with fees. It will also include an employee survey to better understand workers' experiences when it comes to their household planning, spending, savings, and debt.
- **Conduct new research** demonstrating the business case for improving workers' financial health and security, including a detailed case study of the PayPal program.
- **Enlist business and financial media** to shift norms and cultivate new expectations in boardrooms and on Wall Street that a financially healthy and secure workforce is key to delivering on the promise of creating an economy that works for *all* Americans.

"Many companies find themselves in a vicious cycle of high turnover, poor operational performance and lower sales. Frontline workers can help drive sales and lower costs, but without financial stability, they can't truly be present and focus on the job. Knowing how much your frontline workers make is a key first step to building better jobs and stronger performance," said Zeynep Ton, co-founder and president of Good Jobs Institute. "We're excited to partner with JUST Capital, Financial Health Network, and PayPal to provide C-suite leaders with the resources and expertise they need to conduct the Worker Financial Wellness Assessment and then identify and implement solutions that can build long-term resilience benefiting both employees and employers."

The American public shares our belief in the opportunity of this moment. A recent JUST Capital survey fielded with The Harris Poll found that 85 percent of respondents believe the pandemic has exposed structural problems in society and that 89 percent believe that the crisis is providing CEOs a chance to hit "reset" and focus on doing right by workers, customers, and communities. Nearly 80 percent of Americans also agree that large companies should set their lowest wages at least to a level that covers the cost of basic living expenses – food, childcare, health insurance, housing, transportation, and other basic necessities – in a particular geographic area.

As states continue to reopen their economies, and businesses face new economic realities, companies will no doubt take a close look at their operations, finances, and investments to develop plans for how best emerge on the other side of the health, economic, and social crises of 2020. Assessing the financial health and security of their workforce is an important first step.

#### **About JUST Capital**

The mission of JUST Capital, an independent nonprofit, is to build an economy that works for all Americans by helping companies improve how they serve all their stakeholders – workers, customers, communities, the environment, and shareholders. We believe that business and markets can and must be a greater force for good, and by shifting the resources of the \$19 trillion private sector, we can address systemic issues at scale, including income inequality and lack of opportunity. Guided by the priorities of the public, our research, rankings, indexes, and data-driven tools help measure and improve corporate performance in the stakeholder economy. To learn more about how data-driven insights are creating a more just future for capitalism, visit [www.JUSTCapital.com](http://www.JUSTCapital.com).

#### **About PayPal**

PayPal has remained at the forefront of the digital payment revolution for more than 20 years. By leveraging technology to make financial services and commerce more convenient, affordable, and secure, the PayPal platform is empowering more than 300 million consumers and merchants in more than 200 markets to join and thrive in the global economy. For more information, visit [paypal.com](http://paypal.com).

#### **About the Financial Health Network**

The Financial Health Network is the leading authority on financial health. We are a trusted resource for business leaders, policymakers and innovators united in a mission to improve the financial health of their customers, employees and communities. Through research, advisory services, measurement tools, and opportunities for cross-sector collaboration, we advance awareness, understanding and proven best practices in support of

improved financial health for all. For more on the Financial Health Network, go to [www.finhealthnetwork.org](http://www.finhealthnetwork.org).

### **About Good Jobs Institute**

The mission of the nonprofit Good Jobs Institute is to help companies thrive by creating good jobs and to redefine what it means to run a successful business. Millions of Americans are stuck in bad jobs with poverty-level wages, unpredictable schedules, and few opportunities for growth, meaning, or dignity. By making better operational choices and investing in their employees, a system outlined in GJI President Zeynep Ton's book *The Good Jobs Strategy*, companies can create good jobs that can build stronger companies and communities. The Good Jobs Institute builds partnerships with companies looking to implement a Good Jobs system and creates tools and resources to inspire and guide any organization that wants to offer good jobs. To learn more about the Good Jobs Strategy and access free tools and resources, visit [www.goodjobsinstitute.org](http://www.goodjobsinstitute.org).

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<https://newsroom.paypal-corp.com/2020-10-06-PayPal-and-JUST-Capital-Launch-New-Collaborative-Initiative-Encouraging-the-Nations-Largest-Companies-to-Prioritize-Workers-Financial-Security-and-Health>