

# Paving the Way to Financial Empowerment



## Emerging Financial Challenges



Millions of workers are financially stretched – with **limited cash on hand** and few affordable credit alternatives to handle unexpected, essential purchases.

### Financial Pressure Is Growing

- Inflation and interest rates have made **essential purchases harder than ever**.<sup>1</sup>
- Millions of Americans are non-cash buyers with **limited access to affordable credit**.<sup>2</sup>

### Employees Expect Support

- **4 in 5 employees** want help with short-term expenses.<sup>3</sup>
- Employers are stepping up with financial wellness programs.

### Essentials and Emergencies

- **80 percent of people** who used their emergency savings in the past year used the money for essentials.<sup>4</sup>
- **51% of people** who did so used their savings for an unplanned emergency expense.<sup>4</sup>

## Purchasing Power: A Proven Solution for Financially Constrained Employees



Financially constrained consumers are non-cash buyers, who need **pay-over-time solutions** that deliver peace of mind. Purchasing Power addresses this need by providing a disciplined, responsible, and transparent solution to make purchases with the following benefits:

**Disciplined:** We enable time-bound payments to ensure proper budgeting and payment of obligations.

- Fixed payroll-deducted payments (6 or 12 months).
- Employees receive the item immediately; fixed payments help employees budget more predictably.

**Responsible:** We provide a responsible alternative to solutions that may cause employees to pay as much as 175+% over retail for essential purchases.

- Employees avoid high-interest credit or other less desirable and more predatory options.
- While our prices may be higher when compared to other retailers, we assume the financing liabilities and risk while the employee has full product ownership and use upfront.

**Transparent:** The price an employee sees at checkout is the final price with no hidden fees and no credit check.

- No cost to the employee when not being used.
- No impact on the employee's credit score.

### Our Pay-Over-Time Solution

Payment Option	Total Cost of Ownership	# Months to Pay off	Interest, Fees, etc.	Price Over Retail
Retailers	\$1,000	Immediate	-	0%
Purchasing Power	\$1,250	12	-	25%
Credit Card with 29.99% APR paying in 12 months <sup>3,4</sup>	\$1,170	12	\$170	17%
Credit Card with 29.99% APR paying minimum monthly payment <sup>1,2</sup> <small>Minimum payment is equivalent to 1% + interest.</small>	\$2,761	136	\$1,761	176%
Lease to Own <sup>4</sup>	\$2,151	12	\$1,151	115%

**"The first purchase was a home appliance that we unexpectedly had to replace. Although the price through Purchasing Power was higher than the appliance at local retailers, we did not have money put aside for the unplanned purchase. Purchasing Power was a lifesaver! The amount out of my paycheck was barely missed; the payment plan was very reasonable!"**

- Employee Respondent, Value as a Benefit Survey

1. Amortized using a Capital One Platinum Secured: <https://www.capitalone.com/credit-cards/fair-and-building/>. Minimum payment is equivalent to 1% + interest.
2. Calculated using <https://www.bankrate.com/credit-cards/tools/minimum-payment-calculator/>
3. Assumes monthly payment of \$97.49 to pay off within 12 months
4. Based on based on the output from Progressive Leasing Cost Estimator: <https://www.progressiveelp.com/myaccount/onboarding/estimator>

## Purchasing Power Impact, Value & Experience

### For Employees

- 96% say Purchasing Power is more valuable than other options.
- 84% say Purchasing Power reduces financial stress.
- 78% are less likely to borrow from their retirement savings.
- 71% are more likely to stay with their employer.

### For Employers

- No cost or risk to the employer
- Bolsters total rewards strategy.
- Ease of implementation
- Complements other financial wellness benefits.



### Proven Expertise & Trusted Partner

- 24 years of experience working directly with employers as a trusted voluntary benefit
- Successfully serviced mid-size and large organizations, including numerous public sector organizations
- Average client tenure: 9 years

1. Investopedia; March 2025; What is the Relationship Between Inflation and Interest Rates; 2. The Pew Charitable Trusts; April 2022; Millions of Americans Have used Risky Financing Arrangements to Buy Homes; 3. PWC; 2023; Employee Financial Wellness Survey; 4. Bankrate; February 2025; Emergency Savings Survey