

How ADP's Solution Facilitated \$1.5 Billion in Emergency Savings³

DECEMBER 2022

As part of BlackRock's Emergency Savings Initiative, ADP in collaboration with Commonwealth, offered a high-quality emergency savings³ option for all employers and their employees who use the Wisely® paycard,¹ which resulted in increased savings to over \$1.5 billion.

Executive Summary

Payroll service providers are well-positioned to help companies of all sizes provide quality emergency savings products to their employees. Providing an emergency savings³ option through the workplace is key to improving financial security and building wealth for workers living on low and moderate incomes (LMI). Emergency savings reduces the financial impact of unexpected expenses and helps mitigate the financial insecurity that fosters chronic stress among workers, which [costs employers \\$250 billion a year in reduced productivity](#). A payroll process that employees can use to put money aside makes savings immediately accessible to the entire workforce.

ADP—the nation's largest provider of payroll services, reaching one in six workers in the U.S.—exemplifies this in offering a high-quality emergency savings option through its Wisely® card and myWisely® mobile app.² Through BlackRock's Emergency Savings Initiative, Commonwealth and ADP collaborated to learn more about the emergency savings³ needs of both employees and employers, translating the learnings into enhanced high-quality savings features available to all Wisely cardholders, offered through the myWisely mobile app.

Incorporating features improvements to the app resulted in an increase in total savings from \$199 million to \$1.55 billion, a 3.5x increase in monthly average new users of the savings envelopes³, and 2.7x growth in net savings inflows (savings less withdrawals). Moreover, the pattern of savings and withdrawals showed effective utilization of ADP's product as a high-quality "build, use, rebuild" emergency savings³ tool, even before any proactive messaging to users. To build on that utilization, the collaboration also included pilot testing of messaging strategies at a few large employers, which resulted in even greater savings activity, demonstrating the potential gains from targeted marketing.



EMERGENCY
SAVINGS



CHALLENGE

Increase participation in and use of a high-quality, cost-effective emergency savings³ feature provided to employees through ADP payroll products

APPROACH

As part of BlackRock's Emergency Savings Initiative, Commonwealth and ADP collaborated to conduct responsive research and implement proven savings strategies in the myWisely® mobile app² available to Wisely® paycard account holders

SOLUTION

Evidence-based product enhancements including customization, automation, gamification, and targeted messaging strategies

RESULTS

Greater product take-up (3.5x monthly average new users), increased utilization (2.7x net inflows), and dramatic emergency savings growth (\$1.35 billion)

Our research identified four ways ADP's myWisely app² could meet the emergency savings needs of their consumers:

- Multiple, customizable savings envelopes³;
- Automated payday transfers to savings;
- Customized scheduling of savings transfers; and
- Gamification to turn cash rewards⁴ from card use into savings.

Commonwealth's partnership with ADP revealed significant demand for high-quality workplace emergency savings options. The combined features and capabilities of the Wisely card plus the myWisely mobile app provides companies a cost-efficient approach to support employee financial wellness, build a stronger workforce, and enhance productivity and competitiveness.

Partnering to Drive Employee Emergency Savings

Commonwealth and ADP are partners in BlackRock's Emergency Savings Initiative to make enhancing access to high-quality emergency savings solutions for people living on LMI a priority of both the private and public sectors.

[ADP](#) is a comprehensive global provider of cloud-based human capital management, which includes payroll and tax and benefits administration. ADP brings its product mix and its customer base of small, medium, and large employers that together use ADP payroll products to pay one in six workers in the U.S.

Commonwealth is a national nonprofit committed to building financial security and opportunity for financially vulnerable people through innovation and partnerships. We bring our proven approach of consumer research to gain new insights, prototype testing of new tools, and scaled adoption of proven strategies.

Building on a Strong Foundation at ADP

ADP customers have the option of paying their employees through the Wisely card. Wisely cardholders can have part or all of their pay directly deposited to the Wisely card with the full utility of a standard prepaid card. Cardholders also have free access to the myWisely mobile app² to view their card balances and transaction activity, and access financial wellness support, including emergency savings features.

[Commonwealth's research](#) has identified features that are key to meeting the emergency savings needs of households living on LMI:



No fees⁵ for account opening



Immediate access to savings when needed



No minimum balance



Savings automation

myWisely's emergency savings³ option already included most of these features, providing a solid foundation for making it a stronger workplace tool.

Powering the Existing Tools

Commonwealth conducted a survey and in-depth interviews with Wisely cardholders (including those who actively used the app, those who were inactive users, and those who had not used the app), and non-cardholders earning LMI. This research gauged consumer interest, behaviors, and preferences with respect to emergency savings. Additional interviews with large employer partners explored interest in emergency savings as a workplace financial wellness benefit and familiarity with Wisely's capabilities.

Commonwealth used the findings to recommend four product enhancements for the myWisely app², which ADP incorporated:



Multiple, customizable savings envelopes³



Customized scheduling of savings transfers



Gamification—turning cash rewards from card use into savings



Automated payday transfers into savings

In addition to identifying product features, a key learning from both the consumer and employer research was a lack of awareness of Wisely as an emergency savings solution. While much of the increased savings activity occurred despite this lack of awareness, targeted marketing was utilized to drive greater usage. To drive this further engagement, Commonwealth developed a set of Wisely marketing materials that focused for the first time on emergency savings. These included a new landing page, marketing emails, intranet banner, flyers, new hire onboarding materials, and paystub inserts. Some of these materials are now uploaded on the [ADP Wisely marketing toolkit](#), and are ready for deployment by employers.

Commonwealth and ADP also used small pilot tests with three large employers to assess methods of increasing awareness and uptake of both the card and the app. This included two rounds of Wisely emails to cardholders at all three firms, plus one-time messaging by two of the firms to all of their employees.

Succeeding in Increasing Employee Emergency Savings

The myWisely product enhancements yielded convincing results, demonstrating the power of payroll-based emergency savings interventions. Since the advent of the new product features:



Additional \$1.35 billion
into savings envelopes³ (a 7.8x increase)



3.5x increase
in monthly average number of new users of savings envelopes³

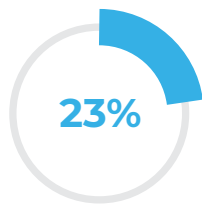


2.7x increase
in net savings inflows (savings less withdrawals)

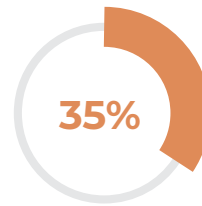


Robust withdrawal activity
reflecting utilization as emergency savings (over twice as frequent as the savings, but smaller-sized)

The surges in uptake and utilization shows the [power of product design that is responsive to consumer needs and aspirations](#). The messaging pilot tests show further growth potential from targeted product marketing:



Email communication (two rounds by ADP, supplemented by some employers) to encourage savings led to **23% increase in total savings**



Additional company-wide messaging further boosted total savings, **as high as 35% at one employer**

Overcoming Barriers

While this research did reveal significant demand for high-quality workplace emergency savings options, there were barriers to address for successful implementation. For instance, consideration of workplace financial benefits options often does not extend to payroll tools. The partnership with ADP shows the potential for this channel, which is available to all employers (small, medium, and large). Payroll infrastructure can enable employees to use the recurrent liquidity infusion of paydays to build savings habits. A reliable and responsive emergency savings vehicle helps financially vulnerable households be resilient in the face of uncertainty.

Additionally, ADP's Wisely paycard and myWisely mobile app²—and their emergency savings³ features—have traditionally been underutilized by both employers and employees. However, improvements in product features are already driving uptake and use, and the marketing experiments show the potential for even greater growth through sustained building of employee awareness. An enhanced payroll infrastructure offers great potential.

Driving Solutions Forward

Our partnership with ADP demonstrates that payroll infrastructure can be an effective channel for widespread access to emergency savings solutions. The combined features and capabilities of the Wisely paycard plus the myWisely mobile app provides companies a cost-efficient approach to enhance employee financial wellness.

Commonwealth is also providing thought leadership to human resources and benefits professionals. An [article authored jointly with ADP on the BenefitsPRO industry website](#) highlights the role of payroll in building emergency savings and workforce financial wellness.

Traditional employee benefit packages tend to help the more financially capable. Workers living on LMI may not be eligible for or be able to afford the customary offerings; moreover, these benefits rarely address these workers' most pressing needs. The companies that will be most successful in the future will be those that cultivate a new generation of widely accessible and useful financial security benefits—such as payroll-based emergency savings—to support a secure and productive workforce.

To improve the financial security of your employees through an emergency savings program, reach out to Charvi Gandotra at info@buildcommonwealth.org to learn more about how we can help.



Commonwealth is a national nonprofit building financial security and opportunity for financially vulnerable people through innovation and partnerships. Black, Latinx, and women-led households disproportionately experience financial insecurity due in large part to longstanding, systemic racism and gender discrimination. Addressing these issues is critical to Commonwealth's work of making wealth possible for all. For nearly two decades, Commonwealth has designed effective innovations, products, and policies enabling over 1.5 million people to accumulate more than \$6 billion in savings. Commonwealth understands that broad changes require market players to act. That's why we collaborate with consumers, the financial services industry, employers, policymakers, and mission-driven organizations. The solutions we build are grounded in real life, based on our deep understanding of people who are financially vulnerable and how businesses can best serve them. To learn more, visit us at www.buildcommonwealth.org.



ADP is a comprehensive global provider of cloud-based human capital management (HCM) solutions that unite HR, payroll, talent, time, tax and benefits administration, and a leader in business outsourcing services, analytics and compliance expertise. Our unmatched experience, deep insights and cutting-edge technology have transformed human resources from a back-office administrative function to a strategic business advantage.

BlackRock's Emergency Savings Initiative

BlackRock announced a \$50 million philanthropic commitment to help millions of people living on low to moderate incomes gain access to and increase usage of proven savings strategies and tools — ultimately helping them establish an important safety net. The size and scale of the savings problem requires the knowledge and expertise of established industry experts that are recognized leaders in savings research and interventions on an individual and corporate level. Led by its Social Impact team, BlackRock is partnering with innovative industry experts Common Cents Lab, Commonwealth, and the Financial Health Network to give the initiative a comprehensive and multilayered approach to address the savings crisis. Learn more at www.savingsproject.org.

Disclaimers:

- ¹ The Wisely card is a prepaid card, references to digital account are referring to the management and servicing of your prepaid card online digitally or through a mobile app. The Wisely card is not a credit card and does not build credit.
- ² Standard text message fees and data rates may apply.
- ³ Amounts transferred to your savings envelope will no longer appear in your available balance. You can transfer money from your savings envelope back to your available balance at any time using the myWisely app mobile app.
- ⁴ Cash Back Rewards on purchases at participating merchants are powered by Dosh Rewards. Opt-In is required for Dosh Rewards only. Most Cash Back Rewards will appear in your savings envelope within 4 weeks after the transaction has completed. Only Cash Back Rewards for the purchase of eGift cards will appear instantly. eGift Card Cash Back offers range from 2% – 12%, depending on the gift card that is purchased. Cash Back amounts will be disclosed before you select a gift card. Please review the Terms and Conditions of each eGift card product before purchase. Funds from all Rewards can be moved from the savings envelope into the available balance on your card. You must login to myWisely to access the Rewards feature for purchases and e-gift cards. These optional offers are not a Fifth Third Bank, Pathward, Mastercard or Visa product or service, nor does Fifth Third Bank, Pathward, Mastercard or Visa endorse this offer.
- ⁵ While this specific feature is available for free, certain other transaction fees and costs, terms, and conditions are associated with the use of this Card. See the Cardholder Agreement for more details.

The Wisely Pay Visa® is issued by Fifth Third Bank, N.A., Member FDIC or Pathward, N.A., Member FDIC, pursuant to a license from Visa U.S.A. Inc. The Wisely Pay Mastercard® is issued by Fifth Third Bank, N.A., Member FDIC or Pathward, N.A., Member FDIC, pursuant to license by Mastercard International Incorporated. The Wisely Direct Mastercard is issued by Fifth Third Bank, N.A., Member FDIC. ADP is a registered ISO of Fifth Third Bank, N.A., or Pathward, N.A. The Wisely Pay Visa card can be used everywhere Visa debit cards are accepted. Visa and the Visa logo are registered trademarks of Visa International Service Association. The Wisely Pay Mastercard and Wisely Direct Mastercard can be used where debit Mastercard is accepted. Mastercard and the circles design are registered trademarks of Mastercard International Incorporated.

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