



Worker Financial Wellness: How Corporations Can Build Quality Jobs – Transcript

Hosted by the Aspen Institute Economic Opportunities Program

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Description

One year past the start of the COVID-19 pandemic, [about half of non-retired adults say](#) the lingering consequences will make it harder for them to meet their financial needs and goals. Unfortunately, this situation is not new. For years prior to last year's recession, too many American families – particularly Black, Hispanic, and other nonwhite families – constantly struggled to stretch paychecks to cover life's essentials. But these struggles were too often overlooked.

Now, however, as the US economy emerges from COVID-19, business leaders are considering an array of solutions to shape an equitable and inclusive recovery and take action for racial equity. One path: making worker financial wellness a corporate priority. [Research shows](#) that improving workers' financial wellness benefits not only workers themselves, but also business outcomes such as productivity, innovation, customer satisfaction, and employee turnover and engagement.

This event focuses on what companies can accomplish when they pursue improving the financial health and resilience of workers. Senior executives from companies who have tackled a range of issues as they work to build employee financial wellness discuss how they came to prioritize the issue, some of the surprises and challenges encountered, and lessons that others can build on. Tune in to this engaging, timely, and important discussion on how we can work together to build worker financial health and resilience.

The companies on the panel are part of the [Worker Financial Wellness Initiative](#) launched in October 2020 by [PayPal](#) and [JUST Capital](#) in collaboration with the [Financial Health Network](#) and [Good Jobs Institute](#). WFWI's goal is to raise workers' financial security to be a C-suite and investor priority. Companies commit to conducting assessments to gauge the financial vulnerability of their workforce, and they join a community of practice to identify opportunities to improve their long-term resilience. The first cohort reaches over 260,000 American workers and includes Chobani, Chipotle, Prudential, Verizon, and Even.

Learn more about this event: <https://www.aspeninstitute.org/events/worker-financial-wellness-how-corporations-can-build-quality-jobs/>

Speakers

Marissa Andrada

Chief Diversity, Inclusion and People Officer, Chipotle

Marissa Andrada joined Chipotle Mexican Grill in April 2018 as the brand's first Chief People Officer. The role has since been formalized and evolved into the Chief Diversity, Inclusion and People Officer for Chipotle, bringing the brand's purpose, To Cultivate a Better World, to life through its people. Ms. Andrada's initiatives and passion points include driving a diversity strategy across all levels of the company and fostering a culture of well-being to inspire mutual learning, development, personal, and career growth. Ms. Andrada has been instrumental in redefining Chipotle's benefits, launching a new tuition assistance program including the option to earn a debt free college degree, access to mental healthcare, and a quarterly bonus option open to all Chipotle employees. Prior to joining Chipotle, she was the senior vice president of human resources and chief resources officer at Kate Spade & Company and senior vice president of partner resources for Starbucks Coffee Company. Prior to Starbucks, she served as senior vice president of human resources at GameStop Corporation and head of human resources at Red Bull North America. Ms. Andrada has an MBA from Pepperdine University and completed her undergraduate education at California State Polytechnic University at Pomona. Ms. Andrada is a founding member of the CNBC Workforce Executive Council and a 2020 American Business Award Gold Stevie® winner in the HR Executive of the Year category. Ms. Andrada has been named to the HRD Global 100 list (2021), Business Insider's HR Innovators list (2021) and Nation's Restaurant News' The Power List, Women of Influence (2021).

Sarah Keh

Vice President, Inclusive Solutions, Prudential Financial

Sarah S. Keh is a vice president of Inclusive Solutions at Prudential Financial. In her current role, she leads strategic philanthropy and partnerships to help advance the company's commitment to inclusive economic growth. She oversees strategies to expand work and wealth opportunities, strengthen communities, improve services for veterans and military families, and support disaster response and recovery efforts through philanthropic grants, shared value partnerships, and skills-based volunteering programs.

Sarah currently serves on the board of JerseyCAN and the Asset Funders Network and chairs the Council for Innovative Funding for Career Outcomes for Social Finance. She holds a bachelor's degree in psychology from Wellesley College and a master's degree in education from the Harvard Graduate School of Education.

Franz Paasche

SVP, Chief Corporate Affairs Officer, PayPal

Franz Paasche serves as PayPal's Senior Vice President, Chief Corporate Affairs Officer. In this role, Franz is responsible for leading PayPal's global communications, employee engagement, reputation management, government relations and public policy functions. He also oversees PayPal's social innovation efforts, working to leverage the company's core capabilities to deliver meaningful impact at scale for global employees, customers and communities.

Franz brings more than 30 years of cross-sector expertise in corporate, government, legal and public affairs domains to his role at PayPal leading stakeholder engagement and building the company's reputation globally. Before joining PayPal, Franz served as Head of External Relations for North America for McKinsey & Company providing strategic counsel to the firm's senior leadership and practice leaders. Prior to this, he was a Senior Partner managing the leadership communications practice at Communications Consulting Worldwide, Fleishman Hillard's multi-disciplinary strategic communications firm. Earlier in his career, Franz held the roles of Managing Director for strategic communications firm Clark & Weinstock; General Counsel and Executive Vice President at the real-time financial information and technology company, Market Data Corporation; and served as a litigator with the international law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP.

He has served on the board of the Brennan Center for Justice at New York University Law School since 2018.

Franz earned his JD from the Columbia University School of Law, where he was a Harlan Fiske Stone Scholar and an editor of the Columbia Journal of Transnational Law. He graduated from Swarthmore College with High Honors in Political Science, English Literature and American Economic History. Franz is a member of the New York State and New York City Bars.

Moderator

Lauren Weber

Reporter, The Wall Street Journal

Lauren Weber writes about management and workplace issues for The Wall Street Journal, with a special interest in stories relating to workforce development and skills, compensation, contingent work, the relationships between employers and workers, and the intersection between economic trends and the on-the-ground practices of employers. She arrived at The Wall Street Journal in 2011 after a stint as a private investigator and has also been a staff reporter at Reuters and Newsday. Her freelance work has appeared in The New York Times, Los Angeles Times, Chicago Tribune, and other newspapers. She is the author of *In Cheap We Trust: The Story of a Misunderstood American Virtue* (2009), a cultural history of frugality and cheapness in the United States. Lauren holds a bachelor's degree from Wesleyan University and a master's degree in business journalism from Baruch College/City University of New York.

About

The Economic Opportunities Program's [Opportunity in America](#) discussion series has moved to an all-virtual format as we all do what we can to slow the spread of COVID-19. But the conversations about the changing landscape of economic opportunity in the US and implications for individuals, families, and communities across the country remain vitally important. We hope you will participate as we bring our discussions to you in virtual formats, and we look forward to your feedback. We are grateful to Prudential Financial, Walmart.org, the Surdna Foundation, the W. K. Kellogg Foundation, and the Mastercard Center for Inclusive Growth for their support of this series. Learn more: as.pn/opportunityinamerica.

The Economic Opportunities Program (EOP) advances strategies, policies, and ideas to help low- and moderate-income people thrive in a changing economy. We recognize that race, gender, and place intersect with and intensify the challenge of economic inequality and we address these dynamics by advancing an inclusive vision of economic justice. For over 25 years, EOP has focused on expanding

individuals' opportunities to connect to quality work, start businesses, and build economic stability that provides the freedom to pursue opportunity. Learn more: as.pn/eop.

Transcript

Maureen Conway (00:00)

Good afternoon, and welcome. I'm Maureen Conway, vice president at the Aspen Institute and executive director of the Institute's Economic Opportunities Program. And I am thrilled to welcome you to today's conversation, Worker Financial Wellness: How Corporations Can Build Quality Jobs. This conversation is part of the Economic Opportunities Program's ongoing Opportunity in America discussion series, in which we explore the changing landscape of economic opportunity in the United States, implications for individuals, families, and communities across the country, and ideas for change. I want to thank Prudential Financial, the Walmart Foundation, the Surdna Foundation, and the Mastercard Center for Inclusive Growth for their support of our Opportunity in America discussion series.

I'm excited for today's discussion because of really the incredible importance of this topic. For decades, we've seen rising inequality of earnings and wealth, dividing our country by race, by class, by ethnicity, geography, and gender. And those divisions undermine the narrative about equality of opportunity in our country. Even before the pandemic, and even for individuals with long-term quote-unquote steady jobs, financial stability has been out of reach for far too many working people. Because stagnant earning did not keep pace with a rising cost of living, irregular and unpredictable earnings would fail to cover regular and very predictable monthly bills.

And insufficient earnings lead to low household wealth and little ability to build the financial foundation that provides the foundation and the necessary means to pursue economic mobility. These conditions worsened for many during the COVID-19 recession and related crises, but it's important to remember that these systemic problems and inequities in our labor market predate the pandemic. And we need to learn from this past as we find our way forward. So today we are discussing how companies can do more to improve the financial health of their workers. And hopefully we'll move toward a world where work provides what many people expected to provide, a living.

We are pleased to join the Worker Financial Wellness Initiative to bring you today's conversation. The initiative was launched in October 2020 by Just Capital and PayPal in collaboration with the Financial Health Network and the Good Jobs Institute. The goal of the initiative is to raise workers financial security, so that it's a corporate and investor priority. Companies in the initiative commit to assessing the financial vulnerability of their workforce, and they join a community of practice to identify opportunities to improve their long-term resilience. The companies on the panel today are drawn from the Worker Financial Wellness Initiative, and we're really excited to have them here to hear more about what they've been learning and what they're doing and how they're really making a difference in the lives of workers in their companies.

But just very quickly before we begin, review of this technology. All attendees are muted, but we very much welcome your questions. Please use the Slido box on the bottom of your screen for questions or comments. Questions can be submitted, and you can also up upload questions on the Q&A tab. We also really like you to share your perspectives, experience if you're working on these issues, if you have resources to share. Please do share those in the Ideas tab that you can also find in the Slido box. And again, in the Slido box, we always really value everybody's feed. So please, before you leave today, we do have a poll there so that you can give us a little bit feedback about today's event. Please, don't forget to do that before you go.

We are really thrilled with participation in today's event. Thank you to the many of you who submitted questions in advance. We will have a Q&A period, and we will try to get to as many questions, both submitted in advance and submitted now, as possible. So please keep them coming during the conversation. We also encourage you to tweet about this conversation. Our hashtag is talk opportunity, and if you have any technical issues during the webinar and you can't chat them in, you can also email us at eop.program@aspeninstitute.org. This webinar is being recorded and will be shared via email and posted on our website, following today's event. Also, closed captions are available for this discussion. So you can just click the CC button at the bottom of your video screen to activate them if you want to use that option.

And now I will briefly introduce our panelists. There's bio information on the website. So I'll just quickly give you names and faces, but they're very impressive. So please do take a look at their bios. We're delighted to welcome today, Marissa Andrada, chief diversity, inclusion, and people officer for Chipotle. Welcome, Marissa. Sarah Keh, vice president of inclusive solutions at Prudential Financial. Thank you for joining us Sarah. And Franz Paasche, PayPal senior vice president and chief corporate affairs officer. Thank you for joining us Franz. And I'm really thrilled that we have Lauren Weber with us today as our moderator. Lauren is a Wall Street Journal reporter. She writes about management, workplace issues. She has a special interest in workforce development and skills, compensation, and the intersection between economic trends and on the ground practices of employers. So Lauren's really the perfect moderator for today's conversation, and I will turn it over to you. Thank you, Lauren.

Lauren Weber (05:45)

Thanks, Maureen. And thank you everyone for being here and especially to our panelists. Like Maureen said, there will be time for some Q&A after the conversation. So please make sure to put in your questions, we'll try to get to as many as we can. So we're talking about financial wellness, and when I was thinking about that topic, I was thinking about what a strange time we're at right now in our economy and our labor market. There are so many contradictions and it's very, very hard to see what direction things are going in. If we're going in a positive direction, whether it's about financial security, wages, employment numbers or whether or not some of the positive things are transitory and we're going to possibly go backward on some of them.

Some of the things we see is yesterday, the Census Department put out some numbers showing that poverty in the United States went down in 2020, which was great news, but a lot of the reason behind that is because we had so much government spending on safety net programs, stimulus checks and others. And so there's a very open question right now on how much of that will continue and obvious say that's being battled out in Congress, probably as we speak.

Also, we see record job openings. There are almost 11 million job openings in the United States right now, and about 8.4 million unemployed people. You'd think it would be really easy for people to find jobs, find better jobs, jobs that pay well, but what I find in my conversations with workers is it's really not that easy in many cases, either because of geography or skills or people are simply not as mobile as the numbers suggest that they should be. We also see wages rising after a long stretch where they weren't going up appreciably, but again, that's not redounding to every person.

So there are all these different contradictions and I'm hoping that the topic of our conversation today will help put some of those into context and help our audience members think about where they and their employers fit into trying to find solutions to some of these issues. I just want to give one example from my recent reporting. I'm working on a story about overtime, I know it's a topic many employers are thinking about. Lots of people are being asked to work extra hours to make up for the fact that employers can't hire enough people. I was interviewing a young forklift operator who's 24, has a young daughter. He's working so 72 hours a week. Overtime adds a lot of money to his paycheck. He makes about \$18 an hour regular time. So about \$27 for the OT.

But he said, "I don't get to see my daughter very much." And I said, "Well, what would be the ideal situation here?" Thinking he would say, 50 or 60 hours a week. Instead he immediately said, "A raise." And I heard that from a few other people I talked to where even working a lot of extra hours and getting that bump in their pay from time and a half, they're still feeling like it's hard to keep up. The cost of living is going up. They have rising expenses. So even when you're working hard and you've got a full-time job and you have a chance to make some extra money, it's still not enough for a lot of people.

So with that as a little bit of framing and backdrop for our conversation, let's turn to the Worker Financial Wellness Initiative. And Franz, PayPal was the original corporate partner in this. I'd love to hear from you, why did PayPal get involved in this? How did it get on the company's radar and why did you see this as the way to move forward on the issue?

Franz Paasche (09:31)

Yeah. Well, thanks so much and I really appreciate having this opportunity to participate in this panel. So really for PayPal, this is an outgrowth of how we understood we needed to live our mission. And if you go back to PayPal's mission as to how we think about the purpose of our company, we say in our mission that we are going to democratize financial services and e-commerce. That we're going to serve those who've been underserved by the financial system and make it affordable and safe for everyone to be able to move and manage their money. And we speak about improving the financial health of our customers and our communities.

As we live this mission, we realized we had to also focus on our employees, and to be sure that we were living this mission of focusing on financial health and financial wellness with our employees. We came to it in a rather dramatic way for us as a company in the period of 2018 to 2019. So even before the pandemic. We of course, were looking at the trends that our customers are facing and seeing some of the statistics about the financial health of our customers across the economic spectrum. We started to trends in the way our employees were drawing on our emergency employee relief funds.

Like many companies, we have an employee relief fund and it's for when there are extreme circumstances and we want to be able to be sure we can help our employees. But we started to see requests for emergency relief for things might in some eras be seen as day-to-day expenses. It might be a car repair. It might be that one thing that tips the equilibrium. And so we started to survey our employees because we understood that there was more work we needed to do internally. And when we surveyed our employees, we found that for close to a third of employees, and particularly those who are hourly workers, or who are entry level workers, that many, many, many were living paycheck to paycheck.

It shouldn't have been a surprise, but we pay market wages and we are competitive in what we offer in our pay packages across and around the world. So the market wasn't working and we understood we had dig in. So we developed a measurement that we call net disposable income. And it was a measurement that enabled us to see what do our employees have to invest in their financial health to support their financial health after they've paid all the basic expenses. So after you pay for taxes and you pay for your housing and you pay for food and the things that are the necessities, what's left to build resilience and to build financial health?

And we discover that for this portion of our employee base that I'll call about a third, that their net disposable income was around 4% to 6%. So we aimed at that and we said, "Okay, we need to move this to 20%." So that everyone has a chance to have financial security and financial wellness inside the company. And we put together a four part program after doing a lot of work with partners and looking at how we felt we could raise employee financial wellness so that everyone would have a sense of

financial security, which we thought would also enhance their sense of belonging and the PayPal community and what we could do.

And the way we aimed at this was through first, stock ownership. Making every single employee at every level of the company an owner, so that they could benefit in the growth of the company and the success of the company, and also begin to own stock which we looked at as an essential part of trying to build financial resilience and financial health. We changed and lowered the cost of healthcare particularly in the United States where healthcare is a regressive tax in a sense that people pay the same for their healthcare at all parts of the economic spectrum. And that places the burden on those who are earning less, who are paying too much for their healthcare to enable them to either have healthcare in the first place or to sustain financial wellness.

We changed the cost of healthcare by as much as 60% for many of our employees. And that proved to be one of the greatest contributions towards financial health that we could put in place. We also adjusted wages where we felt that wages were out sync and where we needed to make increases. And we built a financial planning and financial education policy around us. We came into the pandemic with these programs in place, and I think it provided a lot of a greater sense of financial security for our employees. But we also added to this during the pandemic. We did another charge of stock to increase financial wellness. And we also provided different stipends for people who were working at home and had changes in their expenses.

And by the end of 2020 and into 2021, we had achieved up to 16% net disposable income with this population. And we are headed towards 18% and 20% soon. That led us to really think we've got to be open and share this work and this measurement. This is something, especially in an era of stakeholder capitalism, where people are saying, you've got to serve all of your stakeholders that putting employees first and focusing on their financial wellness, it benefits everyone in your group of stakeholders. And we started to part with Just Capital. We've been thinking about this work and have been converging on where we were as well as the Financial Health Network and MIT as well and their Institute.

We thought this could be incredibly powerful if more companies would join. And if you imagine all the great companies of the world really focusing on their employees' financial wellness. That's a massive impact on communities and economies. And it's great to be on this panel with Chipotle and Prudential who were early partners. And I think as you'll see, we're coming to this organically. So it's really, I think a movement, and I think it's a very powerful one.

Lauren Weber (16:12)

All right. I just because the term financial wellness is I think relatively recent and not everybody may know exactly what that means, can you just very briefly describe what that term means to you and to the initiative?

Franz Paasche (16:23)

Yeah. For us, it really means having sufficient financial security that you are in a position to start saving and planning for your future and planning in a way that you are able to have resilience when you have a problem, when you face that first crisis. And everybody will, and there's famous data out there that most Americans in particular don't have more than \$400 to face a crisis. We wanted to be sure that for our employees, they had financial security and that financial wellness, which is, I think is an encapsulating principle that includes the ability to plan, the ability to save, the ability to pay your expenses and have something left, over month over month that you can put towards the resilience of your family or your own budget.

Lauren Weber (17:23)

Great. Marissa, I want to turn to you. You have talked some about how your experience growing up in a family of immigrants has informed your life and your path. You've also done a lot of listening tours and engagement work with Chipotle employees. And I'm curious to hear maybe you can share how the stories that you heard from your employees informed some of the changes Chipotle made to its human resources policies.

Marissa Andrada (17:53)

Great. Yeah. Excited to be here with all of you. And thanks for the question. And yeah, I'm always proud to say that I'm first generation American. My parents both met here and immigrated and we had no family. And I think part of growing up was watching my mom's sisters come one-by-one to the land of opportunity America, and with education and having other jobs, the only people that would hire them would be retail and restaurants. So fast food minimum wage jobs is where they started. And it was great watching them make their way and move out of our house and create their own life and create their own opportunity in America. I fast forward to Chipotle, and I guess I'm not surprised that I am part of an organization where I have the privilege to support over 100,000 hourly team members.

So we've got almost 3000 restaurants. They're all company operated. And really the core of what we do is while it is food with integrity and it's cultivating a better world, is our purpose really at this center of all of that is people with integrity. This is fresh prepared, safely prepared food every day made by people. And if I think about our employees, I joined the company back at the beginning of 2018 after our new CEO and chairman joined. And it was during a turnaround when the company came out of a food safety crisis. And the question was, was this a viable business? And we had to make our employees believe that part of our turnaround was really investing in them. And so if I fast forward to the listening sessions, the engagement tours, everything that we do.

So our entire executive team has these monthly meetings, no matter where we are in the country, starting in 2018, we would sit and listen to employees. And I think the most important thing that we heard from them was for those who have been highly tenured and have worked their way in the company, that Chipotle has changed their life. And if I think about the word opportunity, it really is a place where you can have a minimum wage hourly worker join the company with no real skills and have the chance to upskill. And there's a transparent path to really have opportunity. Within three years, you could be a top level general manager and be earning \$100,000.

But I think what we heard was while that's great, I think all of the other things, what was important to them was we have many... English is a second language workers who join us. And I think we're one of the few employers that will hire because English is not really necessary to come and work in the restaurants. But I think what we did is we leaned into helping them have a menu of opportunity. So what was important to them was not only just a fair wage, that it was a competitive wage. But that we also made sure that we took care of them in terms of other benefits.

So access to healthcare like everybody else, but also more specifically access to education and really creating a level playing field. And so one thing we did at the beginning of 2019 was introduce and well relaxed our tuition assistance program, where you don't have to be here a year. You can be here for four months and then access our tuition assistance program. And then when our employees also told us, "Hey, our biggest stress in life is actually finances, not only finances to fund education, but just finances in general." We then introduced a debt free degree, which has grown from five universities to 10 to over 100,000 programs, focusing on business, technology, culinary, hospitality, and agriculture. Those are all the areas in which we know we're going to need skills for the future.

And I think in listening to our employees, that was one thing that they said, one big thing that stresses them out on their way into the restaurant and on their way out is really making a living and not only for themselves, but for their families at home. And so I think that's really informed us, what else can we do besides access to medical, access to equity and education. And then what we introduced as well was through a partnership with Ayco Financial, just online financial on demand counseling so that they can plan for their lives in the next 30 days, the next six months, give them a little longer runway kind of what Franz is saying, not quite for the future yet, but give them some good coaching on how they can do that.

And so I think going back to everything that we do, it's really based similar to what Franz is sharing in the purpose of the company and for us, it's cultivating a better world. And I think with the people at the center of everything that we do, I think about our values and we have a statement around our values, which is all around fostering a culture that values and champions our diversity while leveraging the individual talents of everybody in the company, so that we can grow the business and cultivate a better world. And that's really important.

Lauren Weber (22:54)

So, I'm really curious about the education benefits because I think I see that becoming more and more common in companies. I'm very curious about what the take up rates are. So hopefully we'll have time to get to that down the road.

Marissa Andrada (23:04)

Yeah, absolutely.

Lauren Weber (23:05)

And Sarah, for Prudential, you are a financial services company. So maybe not surprising that this is a topic that is of interest. But I would also think a lot of your employees are in the higher paid, higher skilled categories, maybe I'm wrong. So please let us know a little bit about that, but why did Prudential decide to get involved in this initiative and what are the specific areas that you're concerned with?

Sarah Keh (23:32)

Yeah. Thank you for the question, and it's great to be on this panel with everyone. I think it all starts as you heard from Marissa and Franz as well, too on our founding story, which is our founder, John Dryden over 145 years ago started the company because he saw a financial need in society, which is that people from low income communities couldn't afford the cost to bury their loved ones. They couldn't afford funeral expenses. And so our first product was burial insurance at the time, which cost as little as five to 10 cents a week. And so it's been in the ethos in the very founding of our company that we're looking at, how do you create pathways to financial security and ultimately prosperity?

And so for us, this was, as you said, as a financial service company, a no brainer for us in terms of thinking about whether or not to support and engage in this initiative and join other companies in championing this issue. Because as all the stats that we've mentioned before, we know from our financial wellness senses, 48% of Americans are stressed about their finances, 40% of Americans don't have \$400 in their savings. 60% don't have \$500 in their savings. So everybody is one accident, one crisis away from finding themselves in the financial vulnerable category.

And so as a financial services company, we have a large employee base. We have close to 50,000 employees, but we're also a benefits provider. So we provide group life insurance plans, retirement plans, short-term disabilities. And so what we are looking to do with this initiative is not only advocate for the things that we're doing with our own employees. And I could go through the laundry list of benefits that we're providing, but also think about how do we encourage our employer clients to think of about what's the type of financial wellness offerings and services that they could be providing.

And so we've been working not only internally about thinking about our own products and services, but then also bringing in external partners, whether they be from more innovative fintechs or nonprofit organizations to think about debt management. To help people think about if you're going to default on your rental payment, mortgages, how can housing counseling be a beneficial service to you all. So really thinking of the spectrum of needs. And we do a quite a frequent pulse of the American worker survey. And in our last survey, we found that eight out of 10 workers are really looking to their employers to provide benefits around increasing financial wellbeing. And so we know that workers are looking to their employers for that. We've talked about this, that the public social safety nets have really gone away over the last several years.

And so employers are seen as a resource and not only as a resource, but really thinking about how can I increase my own productivity, how can I decrease my financial stress to add to whether it be product development or thinking about customer satisfaction, because they're all tied in. When you're stressed about your personal finances, there's a lot that clouds your mind in terms of what you are able to do on a day-to-day basis. And so thinking about each point of view, and then for us, it's really thinking about how do we also look at what different employee segments are looking for. And so disaggregating that data to understand what employees are most interested in, depending on whether it's their cultural or socioeconomic stance.

And I will say the question that you did address, we do have a spectrum of skillsets and salary ranges as well too, because obviously we are a financial services company, so we don't have frontline jobs, but we do have call center roles across the country as well too. And so really making sure that everybody feels like they're receiving the same type of services and I will say, and I'm sure other companies as well too do this is that we have a sliding scale for our benefits. So the more higher your is, the more the less the company contributes to your benefits and to your health insurance plan and things like that. And that's really to try to give that parity to ensure that everybody has the type of similar supports.

Lauren Weber (27:15)

You mentioned that Prudential also wants to help your employer clients. And I think that's a good segue back to Marissa because one of the questions that came up in the pre-submitted questions, and I think it's probably on the minds of a lot of people here is how do you get your own employers buy-in? So how do you get your CEO, your CFO, the rest of your leadership team if they're not already on board to agree to some of these changes, because obviously there is a financial and impact. I'd love to hear whether some of you are seeing positive financial impact or if it's cutting into the bottom line, but Marissa you obviously went through this with Chipotle. So tell us how you [inaudible 00:27:57] about the process.

Marissa Andrada (27:59)

That's a great question. I think part of getting the buy-in from the CEO and the CEO and from the executive team really starts with, is it aligned to who we are and what we stand for? So a lot of what we did back in 2018, when we came together was codify our values around co-defending a better world. Now that's not an easy feat because then we said, "All right, based on that, what is the vision that we have for people?" And I think the backdrop for everything you, the foundation of our guest experience is based on our employee experience. And so everything that we have done to invest in our people has been all around cultivating an environment where all employees can thrive, pursue their passion, and become lifelong leaders.

And that has been the north star. As we began looking at our right, how do we invest in our people? Because again, our growth translates to having fully staffed restaurants. I mean, it's a pretty basic business, right? So all company operated, we're able to have this amazing sustainably raised food that is brought to the restaurants that is safely prepared and, and deliciously cooked every day, and that requires human beings. And so I think when you have that at the center of your decision making, and if you don't have fully staffed restaurants where I think the audience here knows that retention is good, because then that drives consistency of the experience and the product that we deliver. I think if you make it that remain and then take them back up and say, "All right, for 100,000 part-time hourly team members, how do we ensure that we drive that consistency for them?"

And we talked a lot about overall wellness. One of the stressors we learned was financial, so that when we came forward, my team came forward and said, "All right, how do we create equity to education benefits?" English is a second language for example, or GED. The fact that we pay for that for our employees and our families, why is that important? That just improves their overall experience as well as for the guests, right? Access to two or four year degrees or debt free certifications and debt free degrees. Why is that important? Because we see that the labor pool and who knew this would happen even after the pandemic? We see that there's a finite group of workers out in the world. And so how can we go from always churning people to actually be in the business of creating talent for the future and that helps others.

And so when we had big things like debt free degrees, as well as access to mental health benefits, when we wanted to introduce that, of course I would tell every buddy, make sure you have the business case, but at the end of the day, if it's aligned to the strategy of the company, the purpose of the company and for us, that was a key pillar to our transformation. It made easy buy-in. Now, I'd say the results speak for themselves. Again, if you don't have a fully staffed restaurant where everyone knows what they're doing, then we're not going to be able to deliver the great food and service to our guests. And then our employees, aren't going to be happy. And so between 2018 and 2019, we've seen the average unit volume grow from two to two and a half million. A lot of that was our digital business as well.

And then if you look at our market cap, it's gone from just over, I want to say we were just at six billion when we came together at the beginning of 2018, and now we're just over 50 billion. And so I believe that there's a direct correlation to all of the key measures around retention, around engagement, especially with this kind of workforce that does directly translate to business results and that's why you do it. And because we're about cultivating a better world. It is about creating an environment where employees can thrive and people always question, "Well, what about education? And if you give them that six month requirement and they're going to leave, what if they leave?" And we say, "Great, then you created leaders for the world." And so you have to believe that wholeheartedly for a company to really invest in that way.

Lauren Weber (32:12)

Sorry, I'm just going to stop you there so we make sure we get to everybody, but I want to just comment on the retention point, which I think is on the minds of every CEO right now. And not just CEO, everybody in any of the positions that you all are in, every company and manager. It's just we can't write enough stories about retention, turnover, people quitting their jobs and how companies are approaching that. Sarah, Prudential has also been addressing a lot of issues around diversity, equity, inclusion. And there's obviously an intersection here with the financial wellness piece.

We've referenced already that financial wellness might mean something different depending on someone's racial background, cultural gender, geography. So tell us a little bit more about how you merge those two lenses and what that means in terms of how you actually deliver benefits for what you offer and who takes up what.

Sarah Keh (33:12)

Yeah, if we talk about our purpose about closing the financial divide, you can't disassociate that with the racial wealth gap, right? Because there's so much synergies in there and we know that white households have 10 times the wealth of black households and other households of color. And so even within the way that we look at our benefits and how we are addressing them for our employee base, we actually do a survey looking at what do certain segments around racial, ethnic, and gender lines about you more in terms of their benefits. So we know for example, that our Asian employees value compensation, PTO higher than our black employees who value financial services and coaching and counseling. And then we know for our female employees that they value more having healthcare deductibles being manageable, providing mental health support.

And so it's really better understanding what are the segments of our employees and what are they interested in and customizing those benefits to those populations, because not everybody's going to want the same thing. You want to make sure as a company you're providing a suite of services because people have different needs, but then you have to take a look at what are the different interest and values from a cultural background. And then we try to parlay that into our employer clients as well too, to say that you should think about disaggregating your data, better understanding, and then looking at the access and the usage of the benefits as well too.

Because a large part of what we heard is that people know that Prudential provides a whole suite benefits, but they don't know how to access it. Or they're worried that if they provide financial information to a coach or to a counselor, that that information is going to get to the employer. So much about this is making sure that we have equitable access, but that also people know how to leverage them as well too, because there's such an intersection of how do we make sure that this financial divide does not keep perpetuating racial wealth gap, but that is something that we are looking to help close with the benefits that we do provide, and that we champion with our employer clients as well.

Lauren Weber (35:09)

And that also gets to the question of tracking and monitoring how benefits are being used and who uses what. And so, Franz, I'm curious. You already shared some really interesting statistics with us earlier. You're clearly tracking this very closely. Do you have any tips on how to... How do you monitor this? Is it all self-reported from your employees? What kinds of surveys do you do?

Franz Paasche (35:34)

Yeah, we've approaches in three ways. One, there are things you can just see and relate to the program, like how many people are taking your healthcare programs and how many are enhancing and growing their healthcare or within what I'll call the financial wellness community. So we can see that more people are taking more healthcare. We can see more people really taking advantage of the 401(k) program. We can see retention rates. We can see surveys about job satisfaction, about levels of inspiration.

We can see productivity levels. And then there are the intangibles that the parts of people's lives that it's their own choice, whether they want to discuss them. So we've also undertaken a technique we learned from the Financial Health Network which is to have volunteers who do financial diaries and share with us their experience. So we have the anecdotal part of the quantitative side.

Lauren Weber (36:36)

How many people do you have doing the diaries?

Franz Paasche (36:40)

I don't know the exact number, but we've created a representative sample and it's a healthy part of how we are trying to understand and grow the program. But let me just maybe add, because I think it's important to your question on how should those on the phone get involved. Those on the call think about getting their companies involved. One of the great things about this initiative about the Worker Financial Wellness Initiatives is we've all agreed to share what we're learning and be open about how we're measuring and what we're learning and that kind of learning and counseling is available through the Worker Financial Health Initiative.

And we've put out a practitioner's guide to Worker Financial Wellness that provides some of the lessons learned today and a discussion about financial wellness overall, that's available to anyone who wants to access it. And I think going to the site and reaching out to our partners at Just Capital, at the Financial Health Network, at the Good Jobs Institute to help get started and to start with that practitioners, guys think about what makes sense for your company. We also have members who join us in different stages of engagement so that they can, in a sense, learn as they grow into the program.

So this initiative was intended to open the aperture so that many, many, many companies can get involved and step into this because every company's going to have a different ability to rise into this work. And sometimes, it will be from the mission as we've discussed. Sometimes it's the way you're thinking about stakeholder capitalism. Sometimes, I think it's a retention necessity. You certainly can see retention rates affected by this. I just recommend that those on the phone really explore the resources so we can bring you into the coalition.

Lauren Weber (38:39)

Thank you. And there is a lot on that website. I was taking a look at it earlier. I want to turn to just a lightning round. Those were very practical tips, but maybe we'll do a little bit more just quickly. If you had to give one piece of advice to the people on this call, Franz, I feel like you already did that. So in the interest of time, I'm just going to ask Sarah and Marissa.

Sarah Keh (39:03)

I'll combine two quickly. One is to do a financial health assessment of your employees just to get a baseline understanding of where your employees are. And two, make sure that just because you provide a certain number of benefits doesn't mean that your employees are actually utilizing them. So how do you marry sometimes that gap that exists between access and utilization?

Lauren Weber (39:22)

Thank you.

Marissa Andrada (39:22)

Yeah. Mine's similar to Sarah. Absolutely, measure what it is that your employees want. Don't just throw it out there. So while we have that vision, we got really clear in asking our employees through survey work, through the listening doors and then measure the utilization of it. Because that's how you create that ROI and tie it to the business.

Lauren Weber (39:43)

Great. And then I think it was Sarah who brought up earlier or maybe it was Maureen, the role of the employer in these questions has really expanded. People expect a lot more from their employer in terms of financial and other forms of wellness. But yet the government still obviously plays a big role and the census numbers from yesterday make that clear. If there were two policy priorities or changes you think would make a big difference in this and that you think legislators should pursue possibly to take some of the pressure off of employers or to compliment what employers are doing, what might those be? And Franz, I'll start with you.

Franz Paasche (40:26)

Well, I'll confess. I took Cass Sunstein's course in law school, so I'm a big believer in incentives and nudges. And I think that from a policy perspective, it could be very helpful to create incentives for companies to do this work. Because I think it has to be a partnership with the public sector. These are enormous issues and companies are stepping into many voids and taking responsibility for their communities and their workforces, but it's got to be a partnership with the public sector. And frankly, as we've learned, a partnership with nonprofits and think tanks and academic institutions. So I think taking that partnership approach, and I hope that we will see more incentives for introducing these kinds of programs because they do benefit communities and the economy.

Lauren Weber (41:20)

Thanks, Marissa.

Marissa Andrada (41:22)

I would say one, which is access to affordable housing. I think that's really important. Again, I'm thinking about the workforce that we support. One of my dear friends who actually works at the Aspen Institute talks about where you live, defines how you live. And I think that is such a basic that more communities

need to think about access to affordable housing in nicer communities for our workers and for the citizens. So that's one thing I point out.

Lauren Weber (41:52)

Okay, Sarah.

Sarah Keh (41:54)

Two quick ones. Universal family and paid medical leave, I should say. So I would say obviously everything that's happened in the pandemic. People have quite seen the detriments of not having that and the inability to take that. And then I would say on the flip side of all of that is we're seeing much more transparency around wages where companies now have to disclose that. It would be great to see that for benefits too and those benefits being provided, particularly for part-time workers who are hourly wages.

Lauren Weber (42:24)

That's a great point. You often don't know what you're going to be paying for your health insurance until day one. Sometimes day two. Thank you. And I want to turn now to some of the audience questions. One is, how does your company measure ROI? Is that important or is that necessary? Do you note increases in worker retention? What should a company do about pay when for some workers, the market rate in their area isn't enough to live on? I'll just throw that open.

Marissa Andrada (42:55)

Yeah, I'll jump in. I think I've already mentioned it. Measuring ROI is really some of the people measures in our company. We look at retention or turnover. We also look at engagement. And if you can correlate that to both top and bottom lines. So for us it's sales comp and our restaurant cash, our profitability. I think that's a great way to measure ROI. I think Sarah also said this too, make sure you're also measuring utilization. So if you have a suite of offerings, I think it's really important that you're seeing an uptake on that and seeing that correlation is to the business.

And then lastly, I think about just what can come do? And I know that we just went through a process of increasing the average wages for all of our employees in the restaurants hourly and our managers. And one thing that I hear more often as well is it's great to have all of these. I think it has to also be authentically provided by the company. And I mean that through Franz and Sarah have talked about these purpose driven companies that they are a part of. And I think when a company really lives, that employees will believe that and more then pay and more then benefits. It is that purpose driven and alignment to that and belief in that will attract and retain them.

Lauren Weber (44:16)

Thanks. Anybody else want to jump in on that one?

Franz Paasche (44:18)

I think I covered it from our perspective. But it's the right question and that's why I think all of us front loaded the answer.

Sarah Keh (44:32)

I'll just say that we do an annual assessment of how employees feel. If they're feeling slightly financially stressed and so that's a high measure for us to see what the satisfaction of our employees are of the type of benefits that they're receiving. We think it translates to productivity and actually product development. I think the more employees are feeling more at peace at work with their own financial stressors that they're going to produce more outcomes and that our products are going to be better developed because we are a financial services company. And so we look at it across the whole spectrum of not only people and their level of stress and satisfaction, but then also what does that translate to, and actually sales and meeting customer needs in the terms of their finance health.

Franz Paasche (45:15)

I guess I just add that this is becoming a key part of how companies think about wellness. There's been a lot of conversation and programs around wellness for decades. Financial wellness is starting to become a central part of that because it connects to that sense of security, sense of belonging to how you feel about the world and the community you live in and the company. And I think that's really important. And you can see that in employees surveys and levels of inspiration and how people feel connected to the mission of the company and to the company's values. So I think this is increasingly becoming part of how we live.

Lauren Weber (46:00)

Right. I think what I hear, all of you saying is that this is a holistic issue. It's not just about how much money is in someone's bank account at the end of the month, but it's also about mental health as Sarah said earlier, and retention and productivity, and all these other measures that matter to companies. It's not just about a dollar figure. Education has been, like I said before, I see more and more companies offering education benefits and saying, they'll pay for bachelor's degrees. Marissa, that's been a big focus for Chipotle, but not every employee wants that, has the time for it or the capacity.

I'm really curious and we've gotten a question too. Education can only do so much in terms of achieving economic security and doesn't guarantee a level playing field when low wage is a structural issue. So I'm going to combine my question with the audience members. What do the panelists see as the role of their companies or the government in addressing the structural issues and then also related to education as a force for mobility for people, how do you either encourage or incentivize people to take that and for the many people who will not take that up make sure that they have access to the other benefits that are most important to them?

Sarah Keh (47:26)

I can start. I think there are a few ways what companies' role in all of this is, right? Obviously, we are all large employers. So what we can do for our employees and set standards for our industry or peer companies to follow suit. And that's the whole point of this Worker Financial Wellness Initiative, right? To encourage and incentivize other employees to do more. But I also think about how, from our

perspective, we're trying to drive business value by solving societal challenges, and that's closing the financial divide.

It's taking a look at all the resources that we have, whether it's around our actual products and services and what we're developing for people to build their wealth, but then also thinking about it from our philanthropic side as well too. That's where we are supporting a lot of nonprofit organizations, whether it's in innovative new services or products in their advocacy efforts to really think about how do you make sure that people do have more access to resources. And so paid family leave is something that our nonprofit partners are advocating for. Making the Child Tax Credit be more permanent.

These are the ways that we are marrying not only just... Philanthropy is not just on the side of the things, but it's right in line with how we do our business, because it's trying to change some of the structural issues around dismantling some of the policy barriers or improving policies to get to the point where it's not just about our own employees or customers, but it's looking at the macro economy.

Franz Paasche (48:47)

Yeah. I mean, I would just add, I think it's clear in the era we're in and it became even more clear during the pandemic that global companies and every company has a role to play in addressing the structural issues that are creating an economy that's not inclusive and an economy that has wide disparities. In our case, we've really focused on doing our part to close the racial wealth gap. And we've put over half of billion dollars in investments into our programs and involved our employees and a whole host of activities to really try to do our part. No company can do it alone, but we all have a distinctive part to play. And I think each company needs to look at what are the core capabilities or the distinctive talents and resources that you can bring to bear to focus on those structural issues.

For PayPal, it's about economic empowerment. It's about making sure that people have access to capital. It's about making sure that small businesses can connect to the global economy. That minority owned small businesses have a fair shot at capital at engagement in the economy and trying to close the gaps so that everyone can participate and have access. Other companies have other core capabilities they can bring to bear. And each of my fellow panelists, their companies are doing similarly. So profound things that come from who they are. I think it part of how we live right now as companies in the current state of capitalism.

Marissa Andrada (50:23)

Yeah. When I think of structural issues, I just straight up think about diversity and inclusion and what that looks like, and do we have diversity and inclusion at every level that reflects not only our workforce, but the communities that we serve. I think education, yes, that's a way and a pathway to opportunity. But I think companies also need to think differently about what opportunities look like and how you tap into the workforce, whether or not they have the traditional education that's required and create those opportunities for them to explore. Explore meaning there's education and then we also have different ways that you can gain skills through training, not formal education. That so as long as companies provide access to that, upskilling is a big deal especially during the pandemic, when many people lost their jobs and now they're trying to start over again.

I think the role that companies can play in providing a chance for people to reskill or upskill, I think is really important to help feed them into not only our restaurant jobs, but that you're looking at every level in the organization, and that you're reflecting the communities that you serve. And so it is making diverse hiring decisions and thinking differently about... I think, you said this Lauren, it's the overall wellness of a human being and unlocking the ability for people to just authentically show up the way to they are and feel confident in that.

Franz Paasche (51:57)

This is a great question from the audience. You're all huge businesses and employing many thousands of people and with a lot of resources at your disposal, what kinds of actions could be adapted to smaller and medium-sized businesses?

Sarah Keh (52:17)

I'll say sometimes it's a lot easier actually to be more nimble and to be more responsive if you are a small to medium-sized business, because you have that agility that sometimes I think we'll all admit there's a lot of bureaucratic lines that we have to go through to make wholesale changes. But I do think particularly around the retirement side, I think more small businesses need to participate in the legislators to pass the SECURE Act. So that's the multiple employer plans that small businesses can contribute to retirement.

So thinking about innovative ways like that, where small businesses can come together when they don't have a large HR department, but to think about what are some of the benefit providers that may not have to live within your HR department, but there are platforms or nonprofits or associations that are providing that and employers can contribute to that so that the employee is not on their own to join on that platform or that association. And then I think it's having your employees voice in all of this. Sometimes it's harder when there's 50,000 employees versus 10 to 100 employees to really understand how they would like to see the benefits package look at their small business or medium-sized, but then also be able to collaborate across.

Franz Paasche (53:28)

I guess I'd just add that there's also a mindset question, which is no matter what sizes of your company, your highest competitive in advantage is in your talent and in your employees. And if you take the mindset that that's your highest priority, and that employees have to be your first concern, if you are going to succeed and win, then to this point of really having your employees voice in the equation and understanding what are the things you can do, even if it's just step by step, as you grow your business to do what's needed to give your employees that sense that you're investing in them and that you are focused on the wellbeing that comes from financial security. It's going to help you win that war for talent, and that's going to be your competitive advantage at any size.

Marissa Andrada (54:15)

Yeah, I would add in. I agree to all of that and what a competitive advantage to actually have access to the voices of all the employees. You'll be able to attract people if you're clear on again, who you are and what you stand for the purpose of your small companies if you also lean into finding people who are passionate about what it is that you're doing. I think it'll make it even that easier, just engaging them on where is the state of the business today and how you're making investments in them and how that fits within the P&L of the company. When you have a smaller business, it's a great way to keep them engaged.

Lauren Weber (54:53)

Financial literacy is a big part of this, and somebody asked about that as well. Explaining to people the difference between owning a home and renting or compound interest, or why to be part of the company's 401(k) plan and contribute their own money. How do you go about providing the kinds of financial literacy that your employees need to make the right kinds of decisions?

Marissa Andrada (55:17)

Well, I think for us just well, two things for hourly workforce and all of our office team members. We do have what we call a what's in your burrito in that it's a way you look at all things pay and benefits rolled up on an annualized basis so they can see what the total value of it is that they've earned in the last year, so to speak. So it's kind of a review of their earnings. The other one, again, is this access to financial counseling. It's on demand for our employees and the way they want it, which is online and via mobile. And it's like, how do they take that, what's in their burrito and use that as starting point to plan their lives.

Sarah Keh (55:57)

We have an in-house financial education curriculum that we provide, not only our customers, but also our employees. And we have a Prudential financial advisor business. And so the great thing is our financial advisors are providing that. We offer that on a regular basis annually, and we go through as deep topic. This is everything from budgeting to saving, but also it's state tax planning. What do you need to prepare for in your retirement, and so all of our employees have access to that.

Franz Paasche (56:23)

Yeah, we've seen a big uptake over the last several years as we've offered more financial education programs, especially for those who for the first time are thinking about savings and investments and owning stock. It's been a really important part of the program. We've seen a lot of participation and we also have a on demand personal counseling too that people can take advantage of and an endless amount of materials as well. We probably aren't as deep as Prudential in this business but we're doing the best we can.

Lauren Weber (56:57)

Do you advise people to buy GameStop or not?

Franz Paasche (57:01)

Not commenting.

Lauren Weber (57:03)

Okay. We are at time. So I'm going to turn this over to Maureen, but first thank you everyone for being part of the panel.

Maureen Conway (57:13)

Thank you. Thank you, Lauren, and thank you to Marissa, Franz and Sarah. This was a really rich and very interesting conversation. I think you've given us all a lot to think about as we try to figure out how do we build a more financially resilient workforce and improve workers financial wellness. So thank you so much for joining us today. I also want to thank the team, my colleagues at the Aspen Institute Mark Popovich, Tony Mastria, Yoorie Chang, Adrienne Lee. These events are always a huge team efforts and really appreciate all the support in pulling this together.

Thanks to the audience for joining us today and sharing your questions and comments. Again, please take a moment to respond to our quick feedback survey if you haven't already done so. It's in the polls tab in the Slido box at the bottom of your screen. So please do send us some feedback. You can also email us. Again, it's eop.program@aspeninstitute.org. We'd love to hear from you, please let us know what you think, and please do come back. Our next session, How Digital Transformation is Impacting Work and Skill Needs, will be on Wednesday, September 22nd, from 2:00 to 3:00 PM Eastern. So please join us for that if your schedule allows. Hope to see you then. Thank you.