

## ***Debt aid helps ease workers' stress***

Millions of Americans get their health insurance and retirement accounts through their employers. Now some are getting help with debt.

Companies including insurer Aetna and accounting firm PwC help employees pay down student loans. Others partner with startups to offer debt solutions as an employee benefit. Among the approaches:

- MedPut negotiates discounts on medical debt and offers interest-free loans that are repaid through pay-LIZ roll d e d u c - WESTON tions.

### *NerdWallet*

- Brightside connects workers to debt consolidation loans and student loan refinancing.
- HoneyBee, PayActiv and True-Connect, among others, provide payday advances or emergency loans so struggling workers can avoid the payday loan trap.

### Debt takes a toll

Employers increasingly are aware that money worries can reduce productivity and increase absenteeism. More than half of the 1,600 full-time employees polled by PwC in 2017 reported feeling stressed about their finances, and human resources company Mercer has estimated financial stress costs U.S. businesses up to \$250 billion a year.

Programs to help workers pay student loans were among the first debt-focused employee benefits companies offered, but they're still not common. More companies offer pet insurance (11 percent) than student loan assistance (4 percent), according to a 2018 survey for the Society for Human Resource Management. Employers that offer the benefit typically provide about \$100 a month for a set number of years or with a lifetime maximum, often around \$10,000.

Insurance company Unum allows employees to transfer up to 40 hours of paid time off to student loan repayment.

Employers know many of their workers are burdened by education debt, which has reached record levels. But employers may not know how many of their workers need emergency loans to make ends meet, says **Ennie Lim**, HoneyBee president.

It's not just the lowest paid who have trouble. The 35-day government shutdown that ended Jan. 25 highlighted the financial fragility of even betterpaid workers, Lim notes.

"Federal workers were lining up at food banks because they were unable to cover their basic needs," she says.

Twenty-two percent of Honey-Bee's borrowers last year earned less than \$30,000, while 52 percent made between \$30,000 and \$50,000 and 26 percent were paid more than \$50,000, Lim says. HoneyBee, like competitors TrueConnect and Salary Finance, offers small loans that can be repaid over time. PayActiv allows employees to tap into wages they've already earned through payday advances.

Brightside does not lend money directly. Instead, it trains financial assistants to work with employees who have money issues, says Sophie Raseman, Brightside's head of financial solutions.

MedPut audits medical bills for errors, negotiates discounts in return for prompt payment, then lends workers the money to pay the debt. The startup focused on medical bills since those can be a huge stressor for employees, says Harsha Puvvada, MedPut co-founder.

MedPut, Brightside and HoneyBee were among the winners of this year's Financial Solutions Lab, an initiative sponsored by JP Morgan Chase & Co. and the Center for Financial Services Innovation, a nonprofit focused on the financial health of struggling workers.

Many employers are focused on improving their workers' physical health to reduce insurance costs but often ignore the financial stress that's undermining physical wellness, CFSI president and CEO Jennifer Tescher says.

That approach is "like bailing a leaky boat," she says.



