



Wellness Warehouse

Case Study

Exploring the impact
of flexible pay



Foreword

At Wellness Warehouse our purpose is to empower holistic personal journeys to natural wellbeing, and this is as true for our customers as it is for our team members. We believe passionately that living life well requires an holistic approach to wellbeing, which means finding balance across all aspects of our lives. The difficult reality for many of our team members is that they are in a continuous struggle to achieve financial wellness. They do not have access to the information or tools that will help them to break a cycle typically characterised by stress and dependency on expensive debt, let alone how to save any money for the future.

Much as we educate all our team members on the benefits of healthy eating and exercise, we wanted to help them improve this aspect of their lives. Not only is this good for them and their families, but it is also good for us as a business through happier and more engaged people.

We partnered with Floatpays because they share our philosophy of holistic health. They understand the financial challenges that many of our team members face, and they have a cost effective, convenient solution that empowers our team members financially. What really resonated for us is that they teach financial responsibility and are on a mission to change habits. This is therefore a sustainable solution with lasting benefits, and not surprisingly, the response from our team members has been overwhelmingly positive.



Wellness Warehouse
CEO - Simon Alston

Contents

- Key research findings
- Why did we do this case study
- What is Floatpays
- Why did Wellness Warehouse approach Floatpays
- Evaluating Floatpays impact
- Conclusion

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Key research findings

These are the highlights from our survey of Wellness Warehouse employees after using the Floatpays platform.

Top Uses

91%

Use Floatpays for **transportation**

55%

Use Floatpays for **food**

36%

Use Floatpays for **electricity**

Emotional Impact

Stress

Before Floatpays:

84% 

Felt moderate to **very high stress**

77% 

Feel little to **no stress**

After Floatpays:

Confidence

96%

Feel more in control of their finances

Quality of Life

96%

Report an improvement in quality of life

Financial Impact

Planning

84%

Find financial planning easier

Saving

77%

Find saving easier

Loans

36%

Less loan applications

Credit

23%

Less credit use

Overdraft

32%

Less overdraft use

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“ It’s a blessing in disguise, it’s something you can access without having your work colleagues or friends know that you need some financial assistance. It’s totally anonymous.



“ Floatpays has really been a lifesaver for me, because now I can provide for my babies throughout the month.

“ It has been like a back-up plan for me every month and has reduced my financial stress because I know I have a certain amount aside to cover the rest of my needs.



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Why did we do this case study?

Debt is a scary reality for many in South Africa. South Africans often face financial exclusion and inaccessibility, finding themselves at the mercy of payday lenders and loan sharks. This often puts people in unsafe or undignified positions.

“ Debt consciousness has cast a cloud over South African culture. Debt is disempowering people, and communities are inheriting that same behavioural pattern generation after generation.

- Olivia Badach
Organisational Development Manager, Wellness Warehouse



At Floatpays, we believe that this cycle of debt can be curbed. Our aim is not only to create awareness around the barriers and pitfalls that lock people into debt and high fees, but to help eliminate them altogether.

In order to address the debt issues with regards to employees, we need to start with their employers.

Employers are in a unique position to influence the financial behaviours of their employees. There however lies a dissonance between the debt reality of everyday South Africans, and what most in management positions can understand. Through this case study we aim to bridge this divide between employer and employee, by telling the story of our successful partnership with Wellness Warehouse.

The intention of this case study is to:

- 1 Highlight the impact and value of Earned Wage Access (EWA) on both employees and employers.
- 2 To understand how employees feel about their finances & how having instant access to their own money affects their decision-making behaviour.
- 3 Outline the real stories of employees who are using our product: how they experienced the platform, what they have used it for and how it has benefited them.
- 4 Showcase the safety, dignity and autonomy that Floatpays and EWA provide employees.
- 5 Ultimately heightening the understanding of financial wellness for both employer and employee.

At Floatpays, we set out to build a product with integrity that adds value to and creates a positive impact for our users. This case study gives us a look at the efficacy of our platform within the real South African context.

What is Floatpays?



Unplanned financial expenses can cause anxiety, stress and decreased productivity within any workforce. The ability to get paid when you need help makes a significant difference to any employee going through a financial difficulty. **After all, life doesn't wait for payday, why should they?**

Floatpays is a financial wellness platform that gives employees instant access to their earned, but unpaid income at any point in their payroll cycle – to cover unplanned expenses and to provide them with access to financial education and the tools to plan and manage their own budget.

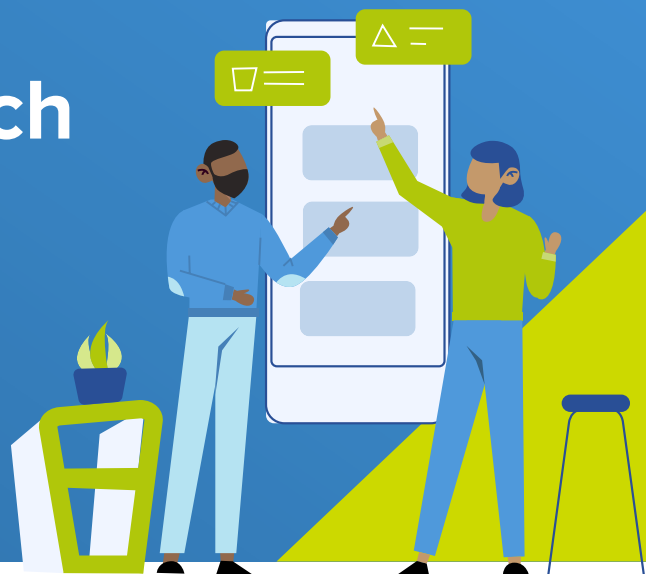
Through these tools, employees have the opportunity to improve their financial fitness, to prevent cyclical debt, and to promote good financial behaviour. The Floatpays' Earned Wage Access (EWA) platform is designed with guardrails in place, to ensure that people can engage with their money in a responsible way. Floatpays' EWA is not an advance or a loan, but rather a mechanism that provides employees with interest-free access to their own money for a small once-off fee. Employees can access their income via cash, EFT or zero-fee vouchers for medical and prepaid utilities.

By empowering employees to access their own money via a transparent, trustworthy and easy-to-use platform, we reduce an employee's reliance on higher-cost, higher-risk alternatives (such as credit cards, overdrafts, payday loans and informal lending). By partnering with like-minded businesses, our platform seamlessly integrates with your existing company payroll software, with zero cost to the business itself and no change to cash-flow.

Floatpays brings inclusive, accessible tools to your employees to help them engage with their money and to improve their financial fitness, moving them from debt to savings.

Why did Wellness Warehouse approach Floatpays?

They were looking for new ways to enrich their already existing employee empowerment programme: how could they support their employees not only mentally, spiritually and emotionally, but financially too?



Wellness Warehouse is a brand known for their approach to holistic health, an ethos that stretches from their product offering to their employees. In 2020, they were looking for new ways to enrich their already existing employee empowerment programme; how could they support their employees not only mentally, spiritually and emotionally, but financially too? When COVID-19 hit, this became an especially important mission in an effort to retain and support their teams through a globally tumultuous time.

Due to the pandemic, management noticed that certain gaps started forming with regards to the needs of their workforce. There was a lot of change happening and various immediate needs popping up. Suddenly employees were working from home and they needed more mobile data and electricity and didn't have funds or they had to readjust their schedules in terms of public transport, but they purchased a monthly ticket. Since these changes came quite suddenly, most employees did not have immediate access to the necessary funds. Wellness Warehouse Payroll Administrator, Pamela Daniels, would regularly receive loan or advance requests starting from mid-month to payday. As the festive season approached, the requests would increase.

Organisational Development Manager at Wellness Warehouse, Olivia Badach, wanted to provide their employees with an alternative – “a mechanism where they could manage their cash flow a little better and have emergency or end-of-the-month funds available should they need it.” It was essential for management that this method should free their employees from the discomfort of asking the business for a loan or advance, while also minimising the paperwork that goes along with internal loan applications.

It was at this time that Wellness Warehouse looked at incorporating the Floatpays platform into their business, to both ease the administration of loan applications, and to provide their employees with more control over their own finances.

This is where our partnership with Wellness Warehouse started.

Evaluating Floatpays Impact

In order to better understand the effect of flexible EWA on Wellness Warehouse employees, we need to look at how and why people use the Floatpays platform. By understanding the context of the real people who are using Floatpays, we can start bridging the divide between employee and employer understanding of debt and financial wellness.



1 Why did employees sign up to Floatpays?

Firstly we wanted to know why employees signed up to use Floatpays. This is an important datapoint, as understanding someone’s intention for using our product links to the broader ways in which they manage their income and think about their finances. As Floatpays is a voluntary employee benefit, when Wellness Warehouse introduced Floatpays to its staff, employees were given the option to sign up. Everyone had a different reason for joining, whether it was to help support them from mid-month to payday, or to have a rainy day back-up plan for any surprise expenses.

“I wanted to stop being in debt”

“In case of an emergency”

“To help me get through the month”

“So support myself and my family”

“For peace of mind”

testimonials

“To help with transport”

“It’s safe and confidential”

“For the last two weeks of the month”

“The sheer convenience”

“Because it’s a life saver”

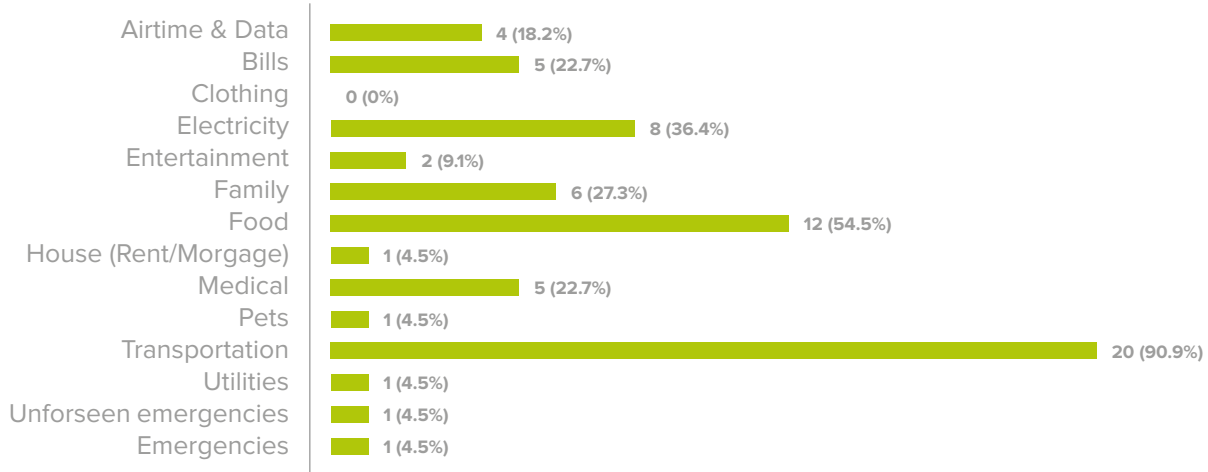
From family expenses, to mid-month money stress, or just to escape debt, it was evident that Floatpays filled an immediate need that provided employees with a safe, secure, private and autonomous tool. Getting people to engage with their money and kick starting their journey from being financially stressed to becoming financially independent.

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2 What are people using their EWA for?

Wellness Warehouse employees have access to 25% of their earned, but unpaid income. In order to gain insight into their needs, it's useful to understand what employees are spending their EWA money on.

When using Floatpays, what do you usually spend the money on? * select all that apply to you



According to the data above, Transportation is the top spend, with 90.9% of participants marking that as a key expense. In addition to that, Food (54.5%) and Electricity (36.4%) complete the top three uses for Floatpays. Family (27.3%), Bills (22.7%), Medical (22.7%) and Airtime & Data (18.2%) are among the second highest group of use, while categories like Pets (4.5%) and Emergencies (4.5%) are among the lowest use for Floatpays users.

What is most striking about the above data, is that employees are using EWA on daily essentials – Transportation, Food and Electricity – things that employees should not have to create debt for. Without a product like Floatpays’ EWA, many employees would have faced the risk of getting into cyclical debt, just to survive the month.

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③ How does Floatpays impact credit use?

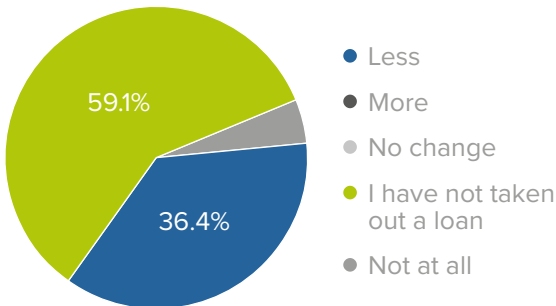
As a comprehensive EWA platform, one of Floatpays’ main objectives is to aid in the curbing of debt culture within the workforce. We will now delve more meaningfully into how personal financial behaviours and perceptions change once someone has access to EWA.

Below we look at how giving employees a flexible financial solution to unforeseen expenses, impacts their use of loans, credit facilities and overdrafts.

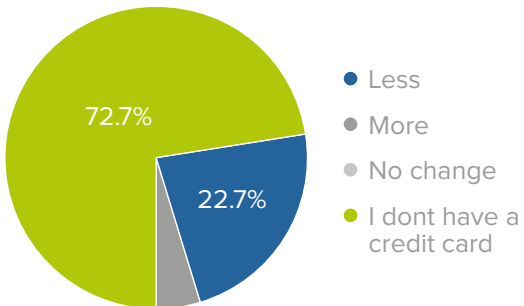
From the employees who participated in this survey, 36.4% stated that they have applied for less loans since using Floatpays, while a staggering 59.1% have not had to take out a loan at all.

When asked about credit facilities, 22.7% of employees said that they have in fact used credit cards less. Highlighting the clear and positive impact that EWA has on credit use.

Have you used loans more or less since having Floatpays?

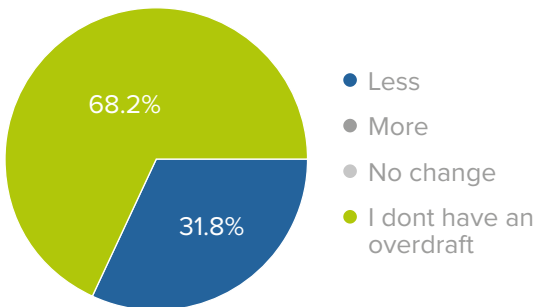


Have you used credit cards more or less?



The data below also shows that EWA has the power to reduce employees’ reliance on overdrafts – with 31.8% making less use of it.

Have you used overdrafts more or less?



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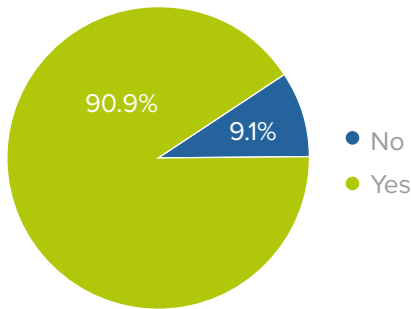
4 How does EWA impact the ability to plan finances?

There is a perception that saving is a luxury that not everyone can afford. But with a little planning and the correct tools, we believe that saving is possible for people of all backgrounds and income brackets. As the data below shows, EWA has not only given employees the ability to plan their monthly expenses better, but to put some money aside for the future.

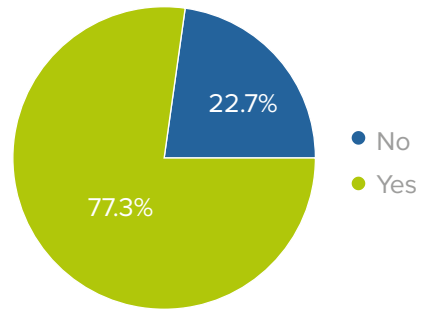
Once we can plan better, we can dream bigger. As pictured below, an incredible 90.9% of participants have been able to plan their finances better since using Floatpays.

We asked employees whether Floatpays has had an impact on their ability to put money away after each month. We received a remarkably positive response, with 77.3% of employees being able to save due to EWA.

Has your ability to plan your finances changed since having access to Floatpays?



Has your ability to save changed since having access to Floatpays?



Instead of just living paycheck-to-paycheck, people now have the opportunity to worry less about money, and to focus more on the



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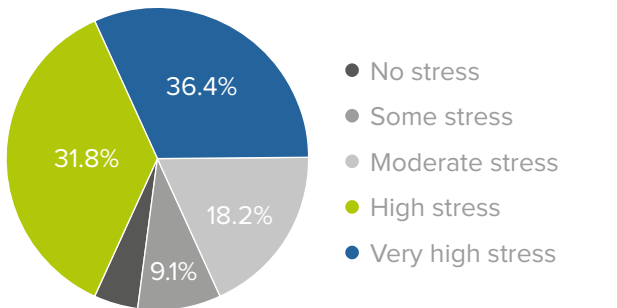
5 How does Floatpays impact emotional wellbeing?

Finance-related stress has a mental impact on employees; reducing confidence and productivity as anxiety rises. As a holistic platform, it is important for both employers and Floatpays, that the impact of EWA stretches further than finance.

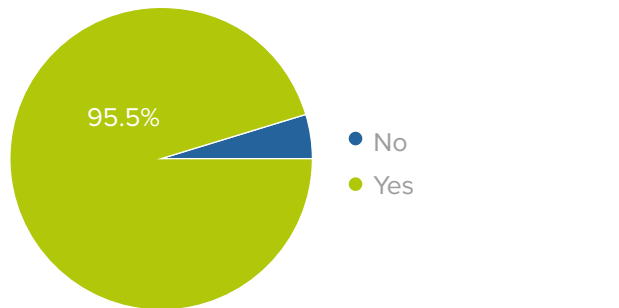
Before Wellness Warehouse Employees had access to Floatpays, 36.4% recorded having Very High Stress levels. A further 31.8% were experiencing high Stress, while smaller groups were experiencing Moderate Stress (18.2%).

Due to the simplicity, privacy, dignity and safety of the Floatpays platform, Wellness Warehouse employees felt less stressed and 95.5% of employees felt more in control of their finances.

What was your financial stress level like before Floatpays?



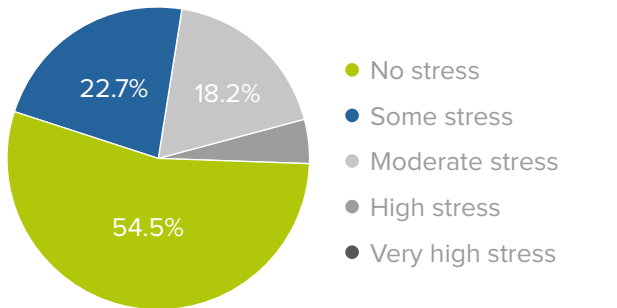
Overall do you feel more in control of your finances since having access to Floatpays?



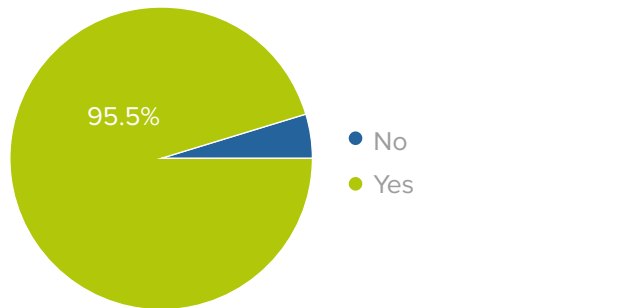
After employees have been using Floatpays for a few months, we asked them to rate their stress levels again, and the results were astonishing. Our data below shows that 54.4% of employees have documented that their financial stress has completely disappeared since having access to Floatpays. Zero participants recorded High Stress, which is a 36.4% improvement from before having access to Floatpays.

When we received the below data, the answer was resoundingly clear – 95% of participants agreed that Floatpays has changed their quality of life. What this also clarified for us, is that employers are in the very unique position to impact the lives of their employees in a more meaningful way; here they have the opportunity and the platform to change the narrative of debt and financial stress within their workforce.

What is your financial stress level after Floatpays?



Has your quality of life changed since having access to Floatpays?



⑥ How would Wellness Warehouse employees describe the impact of Floatpays on their life?

The Wellness Warehouse employees that took part in our survey are not just statistical data to us. They are parents, aunts, uncles, sole breadwinners, graduates, or those at the very start of their careers. Each person has a different background and circumstances that make their story of financial wellness so important and so unique. It is with thanks to these people and this case study that we will have the ability to reach more employers and to make a bigger impact in the lives of many more employees. This is what they had to say about their experience with Floatpays:



"It has made things easy for me, especially in times of need."



"Floatpays has been a huge help in my mid-month transport to work."



"It is a really good service which is friendly and very helpful. It has helped me out a few times when I have run a bit short on cash before payday."



"If I need to put food on the table or run short with my taxi fare, I know I can depend on Floatpays to help me out."



"It has helped me a lot when no one else could help. If I could rate it I would give it a million stars."



"It has reduced my financial stress because I know I have a certain amount set aside for me to cover up for the rest of my needs."



"The convenience of instant access to cash, data or electricity is the best thing ever."



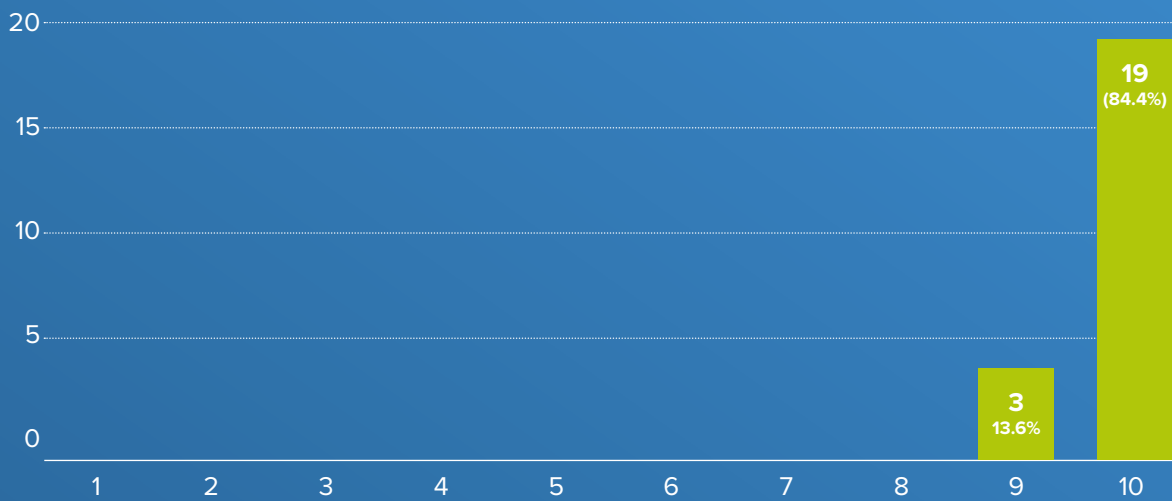
"Floatpays has decreased my debt I don't take loans anymore"



"Major impact, for example if I have my son gets sick or my mom, or if I need to put food on the table or run short with my taxi fare I know I can depend on floatpays to help me out draw the necessary amount I need to help my family and myself. It helps me in more ways than I can imagine."

7 How would Wellness Warehouse employees describe the impact of Floatpays on their life?

On a scale of 1-10 (10 being the most likely), how likely is it that you would recommend Floatpays to a friend or colleague?



This data shows that Floatpays has made a big enough impact on our participants, that they would all recommend this platform to others.



⑧ How have Wellness Warehouse managers experienced Floatpays?

The Wellness Warehouse managers were the catalysts for our incredible partnership. By quickly identifying what their employees needed during COVID-19, they could get in touch with us to sign their employees up to our EWA platform – giving their workforce access to their own money in order to pay for transport, electricity, food and data without creating debt during a globally uncertain time. To Olivia Badach and Pamela Daniels, it was important to find a platform that was simple, private and impactful.

The fact that employees have autonomy of their own finances and can access the money themselves, means it is private and protects their dignity and anonymity throughout the process – Olivia Badach.

Although the simplicity and privacy of Floatpays was apparent, not everyone signed up to Floatpays immediately. Olivia noted that there tends to be a culture of mistrust when it comes to introducing new benefits to a company. She experienced however, that word-of-mouth was an essential part in getting employees on board. Once people realised that it is not a scary process and that they are not signing their lives away, they adapted to it right away.



Conclusion

Since the inception of Floatpays, it has always been our mission to empower the workforce with simple, inclusive, employee-centric technology. By uplifting individuals from their current debt spirals with easy financial solutions and education, our hope is to build a wealthier, healthier future for people of all backgrounds.



This case study has been instrumental in helping us to answer some of our most important questions:

- When offered as part of an employee benefits package, how do employees use Floatpays and EWA?
- How does this usage impact their financial wellbeing?

We now know that:

1. Employees use most of their EWA on essential goods – transportation, food and electricity.
2. EWA can change people's relationship with money.
3. EWA uplifts employees from crippling debt cycles and gives them a backup plan for emergencies.
4. EWA decreases the use of loans, credit cards and overdrafts.
5. Employees have the ability to plan and save for the future thanks to EWA.
6. EWA significantly reduces financial stress and increases quality of life.
7. EWA provides employees and managers with anonymity and dignity.

When provided as part of a holistic financial wellbeing program, Floatpays has the power to change lives by offering employees a financially inclusive platform that prevents the reliance on high-risk, high-interest short-term credit. This is especially important, as our research has shown that EWA is predominantly used by employees for life essentials, something that no one should have to create debt for.

By continually assessing the impact and needs of employees and employers, we have the ability to build a better platform that can ultimately improve the financial wellness of employees as we harness the power of Earned Wage Access to build a fairer financial playing field for all.