

Purchasing Power

Meet Your Goals by Helping Employees Meet Theirs



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THANK YOU

for your interest in Purchasing Power. Since 2001, we have provided consumers with an alternative way to buy the products and services that help them live, work and play.

We created this guide to show you how we accomplish that mission while also helping you meet your HR goals. If you have any questions, please don't hesitate to reach out to us.



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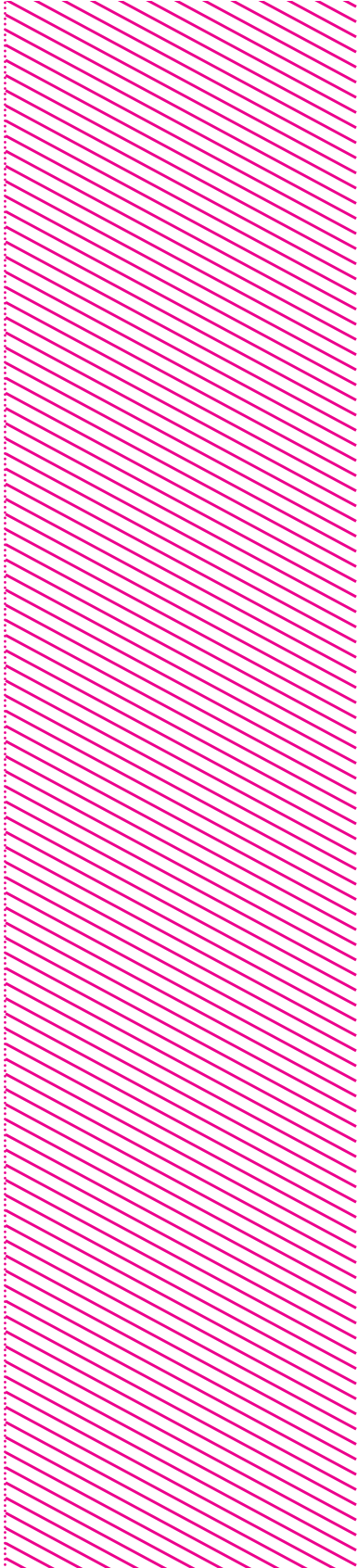
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1

THE IMPACT OF FINANCIAL STRESS

Meet Amber.

38
years old

Married

**Has Some
College
Education**

1 Child

**\$50-75k
Household
Income**

She fits the profile of our typical customer.

Amber needs to buy a refrigerator. She's low on cash, and her credit score is below prime, **like many other Americans.**

What are her **options?**

Subprime Credit Card/ In-Store Financing

- High interest rate – 22.73% / 23.43%¹
- Potential late fees and ballooning interest
- Open-ended payment terms can cause price to spiral

Payday Loan

- Finance charges on a typical payday loan equate to 400% APR²

For a \$375 loan, the borrower usually pays \$520 in financing charges.³

Rent-to-Own

- Annual interest rates equate to 100%⁴

One popular rent-to-own store is opening a new location each week.⁵

Retirement Savings Withdrawal/ Loan

- Jeopardizes long-term savings
- Can incur penalties, taxes and high interest on repayment

25% of 401(k) borrowers end up taking out 3 or more loans.⁶

Amber's not alone.

Many consumers
share her
frustrations:

56% do not qualify for prime credit.⁷

40% do not have at least \$2,000 in emergency savings.⁸

21% of 401(k) savers today have an outstanding loan against their account.⁹

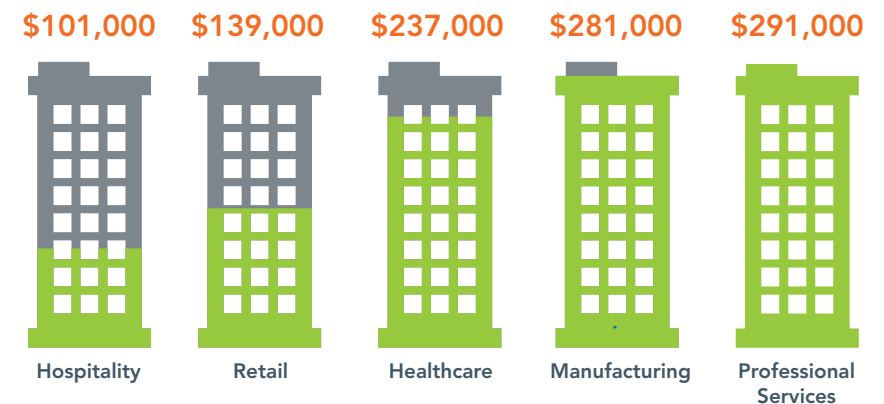
What's the Impact of Financial Stress?

Productivity:

37% of employees actually spend time at work dealing with personal financial problems.¹⁰

When employees spend time at work focusing on financial problems, **your company may experience high costs due to lost productivity.**

For companies with 10,000 employees, the lost productivity costs per week are substantial:¹¹



Americans have cited money as their #1 source of stress since 2007.¹²

That stress causes them to:



Put off
doctor visits.



Delay living a
healthier lifestyle.



Engage in unhealthy
behavior to cope.

To meet the needs of employees like Amber, you need to find **innovative ways to help them reduce their financial stress.**

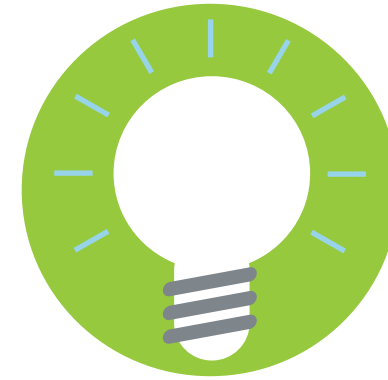
With Purchasing Power,
Amber can buy the
refrigerator her family
needs without **the
stress that comes with
snowballing interest,
late fees and hidden
charges.**

That's why **94%** of our
customers say our program
reduces their financial stress.*





Did you know?



Companies that show that they understand their employees' financial pressures are more likely to have loyal employees.¹³

Support your employees' financial well-being with **a benefit that makes financing hassle-free.**



2

PURCHASING POWER



What We Do

We make it possible for employees to buy the products and services that they need and want through a simple payroll deduction plan.

We help you increase employee satisfaction and retention by making your benefits package more competitive, and we help your employees be more productive by reducing their financial stress.

All at no cost or liability to your company.

How We Do It

Disciplined Purchasing

- Manageable payments
- 6- or 12-month payment terms*
- Pre-set spending limits & controls to prevent overspending

Upfront Pricing

- No additional fees beyond all-inclusive price
- No late fees
- No down payment or ballooning interest

Who We Serve

- Large employers, associations, affinity groups and the federal government
- Employees who deserve better financing options

Why We Do It

- To improve employee financial well-being
- To empower people to take control of their lives

*Subject to change

Who We Are

The employee purchase program of choice for over 260 clients from 16 industries.

- **A+** BBB Rating
- **94%** Client Retention Rate
- **8.6 Million** Consumers Have Access
- **Award-Winning** Customer Service



3



PRODUCTS SERVICES &

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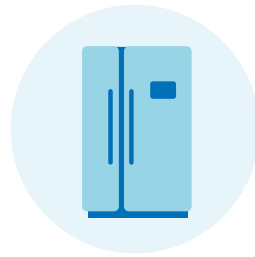
We offer thousands
of products and
services that help
employees **reach
their personal and
professional goals.**



**Computers
& Electronics**



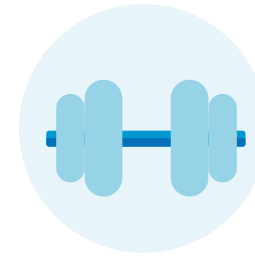
**Home, Furniture
& Patio**



Appliances



TV & Entertainment



**Sports, Fitness
& Recreation**



Travel



Automotive Care



Education



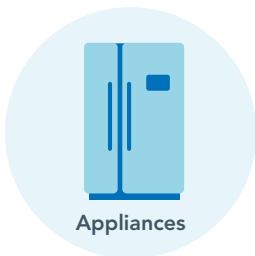
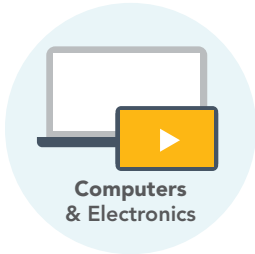
Baby & Kids



Financial Wellness

- ✓ **Always Brand New**
- ✓ **Popular Brand Names**
- ✓ **Latest Models**
- ✓ **Delivered Up Front**

What Purchasing Power Offers

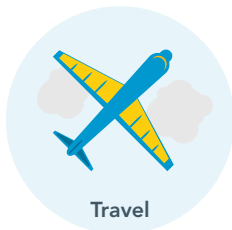




Sports, Fitness & Recreation



Baby & Kids



Travel

Cruises



All-Inclusive Resorts



Hotel Packages



Destination Packages



Education

Test Preparation



Degree Programs



Certifications



Tutoring



Automotive Care

Tires & Installation



Automotive Service Contracts



Financial Wellness

Our purpose is to provide a responsible way for people to access the products they need and want. But we also provide them with tools that educate and empower them to take control of their finances.

4

BENEFIT VALUE

Close the Gaps

The most common voluntary benefits are valuable, but they have limitations. Purchasing Power allows you to overcome those limitations by complementing your existing benefits.

Tuition Assistance:

- Can be used by whoever the employee chooses. Doesn't have to be directly tied to their position.

Discount Programs:

- Available to employees who can't pay up front.

Wellness Programs:

- Offers access to personal equipment and supplies for those who want to get fit outside of the gym.

Retirement Savings:

- Provides a way to buy many items that employees withdraw from 401(k) for.

Financial Wellness

- Makes it easier to access and budget for short-term needs.
- Offers access to financial wellness tools that help support financial well-being.



Proven Results

Wellstar Health Case Study

- Widely recognized for its exceptional workplace culture
- More than 12,000 employees

Challenge

In 2008, WellStar faced two major issues: attracting highly skilled workers as the healthcare industry grew increasingly competitive, and tackling employee financial challenges created by the economic downturn. WellStar's WorkLife Services team sought innovative benefits to help them address those issues and support their culture, which emphasizes success both at work and home. The Director of WorkLife needed solutions with significant impact, without creating additional costs or administrative strain to the HR team, allowing them to focus on strategic issues within the organization.

// Anytime you implement a program like Purchasing Power you always have a fear of how much it's going to require of you to manage on a day-to-day basis... The staff of Purchasing Power has been beyond phenomenal managing any issues that arise in a very quick turnaround time. //

Director of WorkLife Services

Solution

Purchasing Power met its needs and supports its recruitment, continuing education and work-life balance initiatives. Our program allows it to address its employees' financial challenges with no cost and minimal administrative burden on the HR department.

As of: 1/1/2016

Launch Date

10/14/08

Eligible Employees

9,766

Orders Taken

13,446

Annual Penetration

31%



What Our Customers Say



78% say the program makes them **more likely to stay with their employer.**

.....



80% say it **increases satisfaction** with their employer.

.....



85% say it makes them **less likely to withdraw from their retirement savings.**

Employee Value

- **Lower Financial Stress** – 94% of our customers say our program reduces their financial stress.*
- Manageable, convenient payments
- **Upfront price** – no hidden costs
- Products are shipped immediately
- Financial flexibility not offered by traditional financing options

“ It really does help to have the ability to purchase high-cost items and not have to stress or worry about a credit card and interest, or making a lump payment. ”

Satisfied Customer

How does Purchasing Power compare to other financing options?

Pre-set payment terms help lower cost

- ✓ **No Late Fees**
- ✓ **No Hidden Costs**
- ✓ **No Interest**

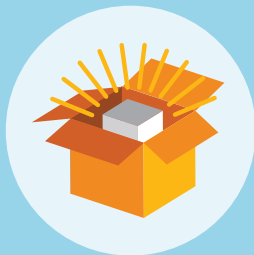
What Our Price Includes



Product



Warranty



Shipping



Taxes



Value-Add
Products & Features

For employees with limited cash and credit options, Purchasing Power is the most affordable financing alternative.

	Cash	Purchasing Power	Credit Card	Payday Loans/ Rent-to-Own
Pay Over Time	✗	✓	✓	✓
No Credit Check	✓	✓	✗	✓
Easy Payroll Deduction	✗	✓	✗	✗
Manageable Payments	✗	✓	✗	✗
No Ballooning Interest	✓	✓	✗	✗
No Late Fees	✓	✓	✗	✗

5

HOW IT WORKS

The Employer Experience

Streamlined Implementation

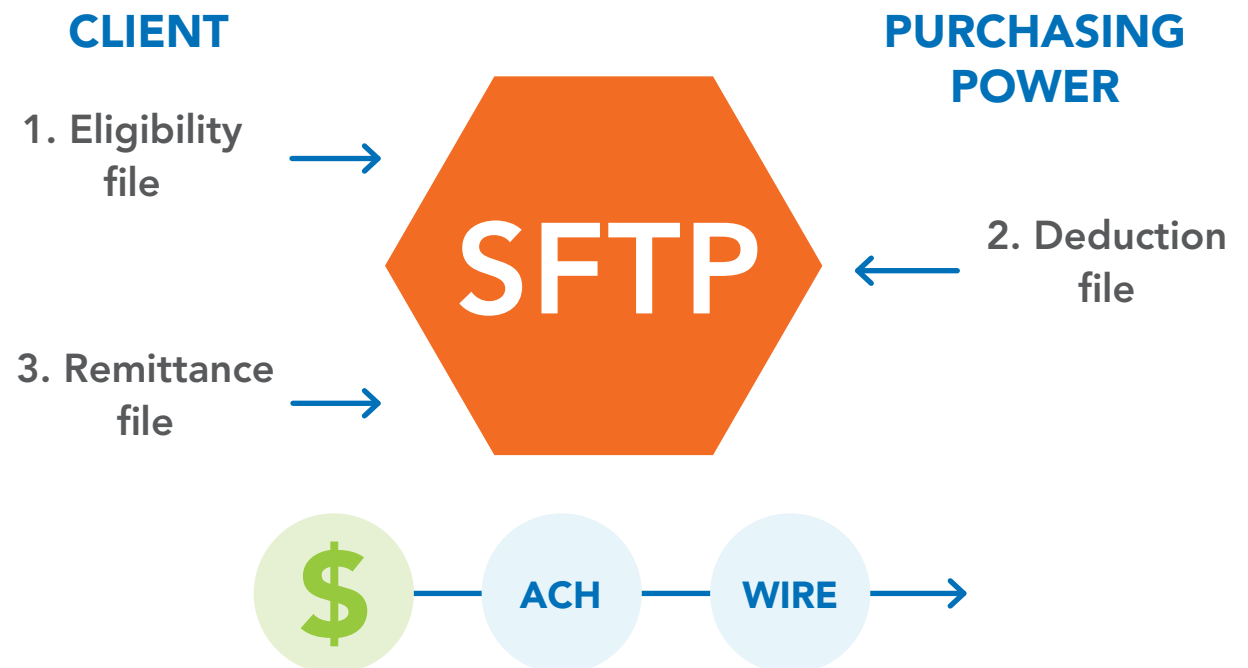
From the moment the contract is signed, we make implementing and administering our program as simple for you as possible.

- 8-10 hours of your time over a 4-6 week period
- Involves your Payroll, HR & IT departments

Ease of Administration

On an ongoing basis, we expect that you'll only have to contribute 2-4 hours a month.

File Transfer Flow



Full Program Support

- Designated support from Client Services, Account Management and Accounting
- Performance reports
- Updates on new products and services
- Minimal administrative burden



Employee Communications

We provide communication materials that promote our program to your employees, increasing awareness and participation.

- **Dedicated Website**
- **Home Mailers**
- **Emails**
- **Intranet**
- **Posters**
- **Newsletters**
- **Flyers**

.....

There is no cost to you for the creation, development, printing or shipping of communication materials.

The Employee Experience

Making informed purchases is easy

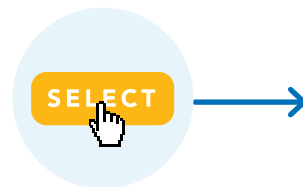
- The price listed at the time of purchase is the only price they'll pay.
- There are no hidden costs or fine print.
- The price is all-inclusive, which includes financing, taxes, warranties and delivery.
- Our easy-to-use website is optimized for any device.



Mobile app makes it easy to check account and order status



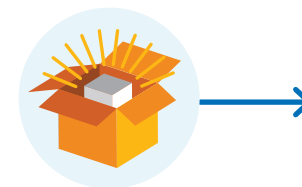
Sign Up &
View Catalog



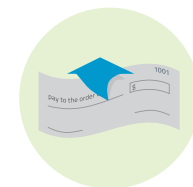
Select Items
to Buy



Finalize Account
& Purchase Items



Items Delivered
to Home



Payments Made
From Paycheck



Making Sure They're The Right Fit

- Tenure and salary requirements, alongside spending limits to make sure employees are spending responsibly and are a good match for our program

Return Policy

- Allows for most products to be returned within 30 days
- Modified return policies on larger items, like furniture and televisions

**LEARN
MORE**

Visit PurchasingPower.com/Employers to:

- ✓ Contact Us
- ✓ Get the Latest Industry Research
- ✓ See Our FAQs

We can't wait
to work with you!



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7. Corporation for Enterprise Development, *Excluded from the Financial Mainstream: How the Economic Recovery is Bypassing Millions of Americans*, January 2015.
8. Harris Poll on behalf of Purchasing Power, Nov. 19-23, 2015, among 741 U.S. adults working full-time.
9. Jack VanDerhei, Sarah Holden, Luis Alonso, Steven Bass, and AnnMarie Pino. "401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2013." EBRI Issue Brief, no. 408, and ICI Research Perspective , Vol. 20, no. 10, December 2014.
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