

A resolution by Supervisor Alexander, requesting and authorizing the Department of Human Resources to create a workgroup to explore options for the development of a no-cost-to-the-employer loan program for Milwaukee County employees, by recommending adoption of the following:

## **A RESOLUTION**

WHEREAS, 76 million, or 31 percent of American adults, are struggling to get by financially, according to the Federal Reserve Bank's latest survey in 2015 on Americans' economic well-being; and

WHEREAS, per the Federal Reserve Bank's survey, 46 percent of adults said they cannot cover an unexpected \$400 expense, or would have to borrow or sell something to cover such an expense; and

WHEREAS, 38 percent of middle class Americans, and 19 percent of those making over a \$100,000 a year said they could not pay an unexpected \$400 expense promptly; and

WHEREAS, in 2013, more than 40 million Americans who worked full-time were considered financially insecure, and in 2016, The Atlantic reported that half of all American households were unable to cover an unexpected \$2,000 expense within one month, including nearly 25 percent of households earning between \$100,000-150,000 a year; and

WHEREAS, according to a 2017 survey by the Employee Financial Education and Wellness Practice, 45 percent of employees say that personal financial matters cause the most stress in their lives; and

WHEREAS, Fair Issac and Company estimates over 20 percent of working Americans have credit scores categorized as sub-prime, which can make them ineligible for traditional credit products from banks and credit unions, leaving many vulnerable to triple-digit interest rates for payday and car title loans; and

WHEREAS, financial insecurity is a concern across earning groups, and low financial well-being can lead to an array of mental and physical health problems, including stress, anxiety, insomnia, headaches, and depression; and

WHEREAS, the health problems caused by low financial well-being can pose problems in the workplace, including a loss of productivity, greater sick days, more turnover, and low morale, which is costly to employers; and

WHEREAS, some employers have sought to help their employees through the development of employee loan programs; and

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48 WHEREAS, an employee loan program entails an employer partnership with a  
49 third-party provider, where this provider assumes the risk of the loan, and works with  
50 the employer to debit monthly amounts from the employee's paycheck to pay back the  
51 loan; and

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53 WHEREAS, TrueConnect is an example of a third-party provider of safe and  
54 regulated loans from an Federal Deposit Insurance Corporation insured federal bank, in  
55 the form of a voluntary benefit to help employees with personal finances at no cost or  
56 financial risk to the employer; and

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58 WHEREAS, Doña Ana County government started an employee loan program  
59 through TrueConnect in 2017, with the goal of providing employees an affordable  
60 option for financial assistance during difficult times, and to protect employees against  
61 predatory lending; and

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63 WHEREAS, Santa Fe Public Schools also started an employee loan program  
64 through TrueConnect in 2017, to help employees cover unexpected expenses, without  
65 tapping into retirement savings; and

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67 WHEREAS, the New Mexico Fair Lending Coalition estimated that public  
68 employees have saved over \$600,000 in payday loan fees in the first six months after  
69 TrueConnect was introduced as a benefit in their employee benefit plans; and

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71 WHEREAS, an employee loan program for Milwaukee County (the County) may  
72 foster loyalty among employees, which in turn may help retention and job satisfaction;  
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75 WHEREAS, the financial assistance may also enable employees to focus more  
76 attentively on work, and subsequently increase productivity; and

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78 WHEREAS, financial wellbeing should be a goal of the County, as it not only  
79 improves the livelihoods of individual employees, but is also beneficial for an efficient  
80 and effective workplace; and

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82 WHEREAS, the Committee on Personnel, at its meeting of September 15, 2017,  
83 recommended adoption of File No. 17-600 (vote 3-1); now, therefore,

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85 BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board)  
86 authorizes and requests the Department of Human Resources (DHR) to create a  
87 workgroup, comprised of the DHR, the Office of the Comptroller (Comptroller), and  
88 Corporation Counsel, to explore options for the development of an employee loan  
89 program for Milwaukee County (the County), including whether such a program could  
90 also be offered to County retirees; and

92           BE IT FURTHER RESOLVED, DHR shall report back to the County Board in the  
93   December 2017 cycle with a written report, including vendor options, and details as to  
94   how such a vendor would operate and interface with the DHR and the Comptroller's  
95   Payroll Division.  
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