

# Proponent Testimony on House Bill 2680

## Kansas Employee Emergency Savings Accounts – KEESA

By: Joe E. Poskin  
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Chairman Tarwater and members of the committee, thank you for allowing me to speak in support of the Kansas Emergency Savings Accounts (KEESA), House Bill 2680. My name is Joe Poskin, I am a small Kansas incorporated business owner.

**Background and History of the Need for Emergency Savings:** I believe all Companies and Business Owners want to treat their employees right and do what's best for them. Because there are fewer people in a Small Business, owners tend to know their employees better, more intimately, and the better you know someone the more you hear of their joys and sorrows, their successes and challenges. I have found that on the top of the list of challenges my employees face, is a financial one, not having money, or enough money, when any out of the ordinary need arises, thus the need for Emergency Savings. Every year we used to get requests from employees to borrow money from the company to... pay off a medical bill, hold off a creditor, get a car fixed, buy a new Washer/Dryer, whatever. We tried to help folks with loans. We had financial education sessions on budgeting and reasons to save money. We even had a holiday savings program where the company matched savings. I am sure these steps had some positive effects but they did not resolve the financial issues folks were facing.

**Problem Solved – Emergency Savings Accounts:** Nothing seemed to significantly resolve our folks' financial problems until we initiated Onward, our Emergency Savings Program. Founded by Ronnie Washington upon his MBA graduation with a grant from Stanford University, the nonprofit, Onward, is an automated payroll deduction Emergency Savings and Lending Program. Our company piloted this program and since its inception, we have experienced only positive effects and the financial concerns we used to hear from our employees, stopped completely! On the contrary, we hear wonderful stories of folks paying off credit card debt, utilizing funds to get home for the holidays, buying a car, saving for a house, to name a few.

**Benefits of Emergency Savings Accounts:** Besides the immediate benefit that employees have with an Emergency Savings Account, "cookie jar," that they can tap should the need arise, there are so many additional benefits realized by our employees, our business, and our community.

### **Employees:**

- Gives financial peace of mind, thus less stressful, happier, healthier, more productive
- Teaches good financial management habits
- Promotes discipline and value of delayed gratification
- Provides financial protection when it's needed most

- Eliminates the need for going to a predatory PayDay lender
- Emergency Savings Account fulfills employee needs: a financial cushion; peace of mind; an emergency fund; a low interest rate loan when desperate

**Business:**

- Shows proof of employers' concern and support for their employees
- Increases employee loyalty
- Builds a more positive and gracious company culture
- Reduces employee turnover
- Increases employee productivity
- Offers a recruiting advantage as a benefit others do not have
- Reduces 401(k) "leakage"
- It's the right thing to do

**Community:**

- Builds a more positive and gracious community culture
- Dollars that otherwise disappear are available to spend and support the community
- Helps to eliminate systemic poverty

**Emergency Savings Account for ALL Kansas Employees:** By God's providence, my business was introduced to an Emergency Savings Accounts program that our business worked hard to pilot and get implemented. One tenant in our business Mission Statement is "to help folks become all they are meant to be" and it is this commitment that lead us to take the steps we did with no direct or immediate financial benefit to us, only added costs. ***It is my opinion that in order for Emergency Savings Plans to be widely adapted by other companies and for their employees to participate, there needs to be financial incentives for the business and financial benefits to the employee to get it started - KEESA, HB 2680 accomplishes both.*** Once a business sets up their Emergency Savings Accounts, the additional aforementioned benefits will manifest themselves.

I want a better Kansas. I want better lives for Kansans. I want to financially help my fellow Kansas citizens. I want to stop predatory lenders. Economic growth for Kansans can help in all these areas and, specifically, a Kansas Employee Emergency Savings Account for workers hits directly to the heart of this issue. **I firmly support KEESA HB 2680** and am willing to participate with this Committee to help get this bill passed and implemented to businesses throughout the state of Kansas.

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