



PDR PAYDAY RESOURCES

PDR Newsletter

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Learn More
about the
EFB Program
800-794-1349

Emergency Funding Benefits (EFB) Program

Tough Economic Times

Many workers, facing increasingly difficult financial circumstances, are starting to ask their employers directly for financial help, no longer just



relying on friends and family. One survey showed 20% of business owners are reporting increased requests

for employee pay advances — more dollars, more often... a sign of desperate workers struggling in desperate times.

While companies tend to want to do right by their employees, many don't feel comfortable advancing them money ahead of payday — due to past experience (getting burned), general discomfort and / or cash flow concerns of their own. (Many businesses themselves are struggling to survive.) Workers, with nowhere to turn, often are left to borrow money from payday lenders.

An Industry in Transition, Facing Added Regulation

Some facts: Payday loans represent a \$28 billion industry; each year, 10 million households borrow from a payday loan store; the average customer makes \$41,000; typical loan amounts are between

\$300 and \$1500. The meteoric growth of the payday lending industry can be seen on most street corners. A new facility (e.g., Check City, EZ Loan stores) seems to pop up every few weeks — indicative of an important service fulfilling growing consumer demand for short-term loans.

But this growth has not come without criticism and scrutiny, in many ways justifiably so. Accused of engaging in predatory lending practices (misinformation, aggressive tactics, exorbitant rates), many government agencies at all levels (local, state, federal) have begun regulating payday lending companies — instituting interest rate caps, restricting the number of facilities in a given area, etc. Some states (such as New York) have outlawed short-term lending altogether.



Streamlined Pay Advances

Unlike traditional short-term lending, Payday Resources (PDR), in partnership with Revco Funding, has charted an entirely new and innovative way forward — one that we feel is more beneficial to all parties involved.

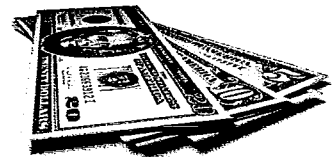
Under the Emergency Funding Benefits (EFB) program, em-

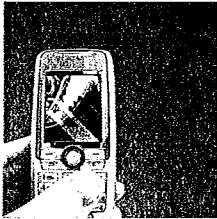
ployees are loaned funds (at a discounted rate) only in the amount that can be paid back via a direct payroll deduction on their next paycheck. As a result, the common downward spiral of mounting debt (fees compounding, continuing to add up over time), is avoided. Moreover, responsible return borrowers can also benefit from reduced fee schedules.



A Win-Win-Win for All Involved

By offering the EFB program to employees, companies generate goodwill among their workforce. Employees experience a hassle-free and private application process; receive preferential pricing (as compared to other payday lender fees, traditional bank overdraft charges); and avoid costly debt cycles. Revco gains access to a large pool of customers and lowers its default rate due to an improved wage verification process. Already underway, PDR is excited to build on the early success of the EFB program.





Product Highlight: Boost Mobile

When it comes to phones, questions abound — How do I know I am on the right rate plan? Am I getting the best return on my investment? What are the advantages of some rate plans over others?

With the Boost Mobile (BM) phone service — unlimited calls, texting, web and walkie-talkie for a flat fee, renewable monthly — such questions are a thing of the past.

PDR switched to BM and realized immediate savings. We can facilitate setting up BM, including automatic payroll deductions to cover fees.

For more information, visit boostmobile.com.

\$50 means \$50 unlimited nationwide talk, text, web & walkie-talkie			
	boost mobile \$50 unlimited talk, text, web & walkie-talkie	cricket \$45 unlimited talk, text & web	metroPCS \$45 unlimited talk, text & web
monthly base advertised price	\$50	\$45	\$45
walkie-talkie	Included	n/a	\$5
roaming charges (assumes 15 min. travel/month)	none	\$5 (\$0.39/min)	\$2 (\$0.19/min)
convenience fees	none	\$3 (over the counter payment)	\$3 (over the counter payment)
telecom taxes	Included	\$2	\$2
total monthly price	\$50	\$55	\$57

boostmobile

Business Insight: Handling Employee Separations

Employers should strive to adopt and adhere to fair and detailed separation procedures. Upfront planning, and subsequent follow-thru, can serve to fend off damaging legal actions down the road.

Discharge Tips

- Build a solid case for termination (review prior interventions)
- Plan the meeting (get to the point: be honest, be brief, be specific, be sensitive)
 - Prepare for employee shock
 - Go over any remaining items (final paycheck, continuation of benefits)
- Ensure proper return of company equipment and materials

Layoff Tips

- Establish and communicate the business reason for the layoff (e.g., downturn in economy, subpar company financial performance)

- Avoid discussing any type of potentially discriminatory issue (age, sex, disability, etc.)
- Don't provide too many details, while remaining honest, consistent and objective in message
- Communicate with remaining staff — that layoffs were necessary, that you can't guarantee anything but that you will be upfront as much as possible going forward
- If no advance notice was given (e.g., no call / no show), keep an eye out for any future unemployment claims being filed — you will want to fight them, as the employee initiated the separation (a job was available) and thus should not qualify for benefits

More detailed information on employee separation issues can be found in PDR Issue Brief #3 Termination Do's and Don'ts (November 2008).

Voluntary Quit Tips

- If employee is leaving on good terms (e.g., two-weeks notice was given, an amicable departure), complete an Exit Interview with employee — an opportunity to receive constructive feedback on company



"The worst part of a manager's job is delivering bad news to employees about layoffs, downsizing... But it's becoming more of a reality in down economy that requires corporate cost cutting."

Brian Staker, *Utah CEO Magazine* (April 2008)

Legal Scoop: Immigration Compliance Update

As was the case a few years ago, the immigration debate — whether or not (and exactly how) to overhaul current regulations — is heating up once again.



Here in Utah, Senate Bill 81 is set to go into effect on July 1, 2009,

amidst much criticism. Law enforcement officials statewide already have expressed concern — that aspects of the bill may lead to racial profiling, not to mention severely restrict the willingness of members of the Latino com-

munity to participate in criminal investigations.

For employers, two areas of the law are of particular note: 1) any company doing work with a state or public agency must ensure worker eligibility via use of the US Department of Homeland Security's E-Verify program (use of an online database); 2) provisions also enable legal remedies to workers in certain situations, e.g., those who have been let go by a company yet similar jobs were kept open and occupied by possibly illegal workers.

At the Federal level, the change in administrations may result in the passing of

legislation that allows for the "normalization" of illegal workers (after back taxes / fines paid; background checks completed; English proficiency ensured, etc.). Added enforcement at the employer level is likely — with the Obama approach favoring enhanced verification procedures of hires rather than pursuing disruptive, politicized worksite raids by ICE officials.



Stay tuned. PDR will continue to keep on top of events as they unfold.

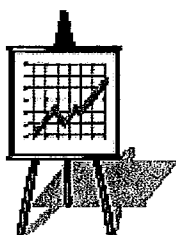
Want to Learn More?

Contact Kyle Weston
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Industry Data and Trends: Economic Outlook

The economy as a whole is still struggling, but the worst may be over.

In Utah, the unemployment rate topped 5% earlier this year (still lower than that national figure of 8.1%) and bankruptcy filings are way



up... a 56.5% increase in Chapter 7 filings comparing January 2008 to January 2009.

While most economists remain cautious in their forecasts (we're not out of the woods yet), there does seem to be some hope on the horizon.

The UCLA Anderson School of Management's quarterly economic forecast calls for real gross domestic product to decline 4.5% in the second quarter of 2009, and another 1.7% in the third quarter. But in 2010, the report predicts an average quarterly growth of 2.7% and an average of 4.1% in 2011.

David Shulman, a senior economist with the project, expects the current recession will span 19 to 24 months, surpassing the 1981-1982 recession, which dragged on for 16 months.

Mark Knold, senior economist at the Utah Department of Workforce Services, is on record as saying there are indications the economy has reached its low point. He cautioned, however, that "it's a deep bottom and it doesn't mean it's a strong turn-around immediately."

"We still forecast a tepid recovery in 2010 as the contractionary forces become spent (i.e. housing can't get much lower) and the near-term positive impacts of monetary and fiscal policy take hold."
David Shulman, UCLA Economist

Tip of the Month: Prompt Reporting of Workplace Injuries

The Need for Speed PDR provides most clients with risk management / safety support. When a worker has an injury on-the-job, it is important to report the incident promptly to us so proper ac-

tions can be taken. By being proactive, many downstream problems (related to mandatory filings, care coordination, payment of bills) can be mitigated if not avoided altogether.



Setting You Free to Run Your Business



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NEWS YOU CAN USE

Little Did You Know - Staff Member Spotlight, Maggie Allen

Maggie Allen joined Payday Resources in 2003, after having spent time at the Utah State Tax Commission. She helps process payrolls as well as handles aspects of AR / AP, working closing with company's controller. In her spare time, Maggie enjoys playing soccer (multiple knee injuries to prove it), attending concerts and listening to music

(Metallica, Pink Floyd, Johnny Cash are a few faves) and cheering for her Utah Jazz (she says this year they need all the help they can get and it's time to get rid of Booze). As well, she stands out for her ardent support of the Running Utes, and takes much heat from an office full of mostly true blue BYU fans. A native of California, Maggie currently

is completing her studies at Utah Valley University. She resides in Cedar Hills and is the proud mother of Hannah, an energetic "all-over-the-place" 2.5 year old who loves nothing more than getting herself into trouble, time after time after time.