

Mastercard Partners With Levi Strauss & Co., Marks & Spencer and VF Corporation on Programs to Help Garment Factory Workers Build More Secure Financial Futures
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Mastercard today announced a global effort to pay garment factory workers digitally, a pivot the industry is making from traditional cash payroll to ensure workers receive their hard-earned wages securely and consistently. With industry partners including Levi Strauss & Co., Marks & Spencer and VF Corporation, and in conjunction with global nonprofit BSR (Business for Social Responsibility), this program aims to improve the wellbeing of factory workers who currently lack access to the financial tools and services that can help them and their families thrive.

Around the globe, 230 million adults – nearly 85 percent of adults in low-income countries — who work in the private sector receive their wages in cash. But getting paid in cash creates significant challenges for both employees and factory owners. Not only are workers at risk for theft, but they also have limited ability to save and often have to take days off to travel miles to pay household bills.

Mastercard and its partners are coordinating pilots in Egypt and Cambodia with a hybrid digital payment solution. Participating factories will have the opportunity to deposit wages directly into workers' accounts. Workers can then activate debit or prepaid cards – or digital wallets – through which they can pay bills or send money directly to family and friends. Providing hands-on peer training on digital financial services, financial planning and management, and how to discuss finances with family members can help make workers feel comfortable and confident transacting digitally.

By partnering with companies that use labor-intensive supply chains, including garment manufacturing, Mastercard is creating digital solutions and delivering training support to give workers more control and transparency over their earnings and savings. The ability to receive regular wage payments gives factory workers the means to step into the world's formal economy and can lead to a better quality of life for them and their families. The program also has the potential to specifically benefit women, who make up 68% of the garment worker industry, yet are often the most financially vulnerable.

"At Mastercard, our vision is to ultimately build a new ecosystem of partners – garment industry, technology, not-for-profit organizations, factories, banks – that work together to deliver social impact at scale. It's an important step in helping workers feel safer, be more resilient and more financially independent," says Sue Kelsey, Executive Vice President, Prepaid Solutions, Mastercard. "We're committed to help digitize wages throughout supply chains across industries and continents, turning access into usage and in turn, fueling growth of local economies."

In an age where there is increasing importance placed on sustainable practices and worker well-being, digital payroll can also create cost savings, increased efficiency and greater transparency for companies. Garment factories that shift to digital payroll, for instance, experience a 53 percent savings in staff time for the teams that count and disburse wages, according to data collected through BSR's HERfinance programs. And moving to digital payments increases access to savings accounts for factory workers from 28 percent to 43 percent.

"Mastercard is an excellent partner for a pilot program like this, due to the infrastructure they have built around digital payment systems coupled with our longstanding commitment to the well-being of workers," says Michael Kabori, Vice President of Sustainability, Levi Strauss & Co. "We look forward to seeing the outcomes of the pilot and hope this advances efforts to realize the potential of digital payments to benefit workers across apparel supply chains."

"As the UK's biggest clothing retailer, we recognize the importance of collaborating with others in the industry to create momentum and change," says Lydia Hopton, Global Ethical Trade Manager, M&S. "Paying people, particularly women, through a digital solution creates economic opportunities for them and their families, and it's a project we're proud to be working with Mastercard and other global brands on. Together, we can create sustainable change to improve people's lives worldwide."

The first step in maximizing the benefits of digital payroll for women is ensuring the garment workers' needs remain at the forefront of product development. Access to tools is a key component, as is usage, but

research has found [that 75 percent of women garment workers do not have basic financial literacy](#).

A collaboration between The Mastercard Center for Inclusive Growth and BSR, the global nonprofit that works with businesses to integrate sustainability into their strategy and operations, supports the digital payroll initiative through BSR's grassroots HERfinance Digital Wages education program. HERfinance is one pillar of HERproject, the leading workplace-based women's empowerment program in global supply chains, which has empowered more than one million workers with knowledge and skills on health, financial inclusion and gender equality since 2007.

"Digitizing wages is an area where companies can make relatively small investments and have huge positive impacts, especially for low-income women workers," says Christine Svarer, Director, HERproject. "But to realize these positive impacts, it is vital to ensure that workers have the skills and knowledge to benefit from the transition and that factories are supported during the process. We are delighted to be partnering with The Mastercard Center for Inclusive Growth and leveraging our experience in this space to make digital wages a success story."

About Mastercard

[Mastercard](#) (NYSE: MA), www.mastercard.com, is a technology company in the global payments industry. Our global payments processing network connects consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone. Follow us on Twitter [@MastercardNews](#), join the discussion on the [Beyond the Transaction Blog](#) and [subscribe](#) for the latest news on the [Engagement Bureau](#).

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