



instant

Wages and Wellbeing

Analyzing The Impact

of Same-day Pay

A NATIONAL RESEARCH STUDY CONDUCTED IN PARTNERSHIP
WITH THE CENTER FOR GENERATIONAL KINETICS

Introduction

In 2018, Instant Financial conducted a survey - the first of its kind - of the American workforce to understand the effects and perceptions of wage frequency on job consideration, application and job offer acceptance. The results highlighted the impact of pay frequency across generations, and provided insight to how frequency of pay can influence factors beyond just financial health, including workforce engagement, loyalty and more.

As we fast forward to 2022, and exit a period of financial turbulence brought on primarily from the uncertainty of the COVID 19 pandemic, we wanted to understand how perceptions have changed around wage frequency and what impact frequency of pay can have not only on financial health but other organizational factors.

How we pay employees has not changed in over 100 years. The progress made over this time has mainly been for the financial benefit of the employer, while employees continue to struggle with meeting basic financial needs.

Yet in 2022, Americans are now significantly more likely to be short on money, worry about money and experience difficult financial situations, compared to 2018.

We live in a real time world, with on-demand everything becoming the norm - yet most employees continue to be paid every two weeks. **Why?**

With workers increasingly favoring on-demand pay, the responses uncovered in this survey make it clear that implementing an earned wage access (EWA) program can minimize the adverse effects of the challenging labor market, improving both recruitment and retention, while also helping to improve the financial health of the typical working American.

We hope you enjoy these findings and see the value that an on-demand pay solution can add to both employers and employees alike.

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Report Highlights

This study brings to light some of the financial hardships facing Americans, examines some of the present-day labor and talent challenges facing organizations, and explores some recommended strategies that businesses can implement to address these challenges.

Overall, the main takeaways from this study are as follows:

★ **Americans are worried about money:**

In 2022, 54% of working Americans worry several times a week or more about making their money last until their next payday, significantly higher than in 2018 (29%).

★ **More Americans are short on money:**

More than twice as many working Americans are short on money before they get to payday in 2022 (51%) compared to 2018 (24%).

★ **More Americans want to be paid the same day they work:**

In 2022, 79% of Americans would be more interested in applying for a job that pays them the same day they work - 30% higher than in 2018.

★ **Americans are leaving jobs that don't pay them often enough:**

40% of working Americans said they left a job in the last two years that they would have stayed at longer if they were offered immediate access to a portion of their pay after every day's work at no cost.

★ **Americans would stay longer at their jobs if they were paid daily:**

More than half (56%) of working Americans would stay a month to over a year longer at a job if they could get immediate access to their earned pay after each day's work at no cost.

★ **Financial challenges could be solved with same-day pay:**

More than half of all American workers would be likely to avoid every financial pitfall tested in the study if they were able to instantly access their earned pay after every day's work.

As you can clearly see, there has been a significant shift in employee sentiment over the past 4 years, and a shifting economic and labor landscape has impacted organizations and employees alike.

Part I:

Current Wage Landscape

2018 - 2022 Comparison

More than twice as many working Americans are short on money before they get to payday in 2022 (51%) compared to 2018 (24%).

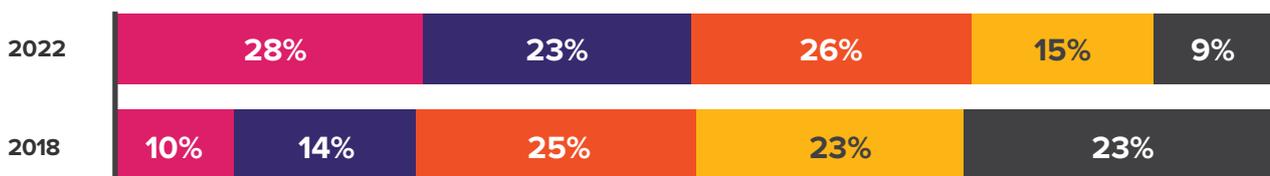
Before we examine some of the nuances and insights related to the state of financial security of working Americans, it's important we look at what the current wage landscape looks like, and the role that pay frequency is having on the financial situation of everyday working Americans.

More than twice as many working Americans are short on money before they get to payday in 2022 vs 2018, the last time this survey was conducted. Further, a majority of American workers worry about making money last until payday several times a week, which is significantly higher than in 2018.



HOW OFTEN ARE YOU SHORT ON MONEY BEFORE YOU GET TO PAYDAY?

By Total



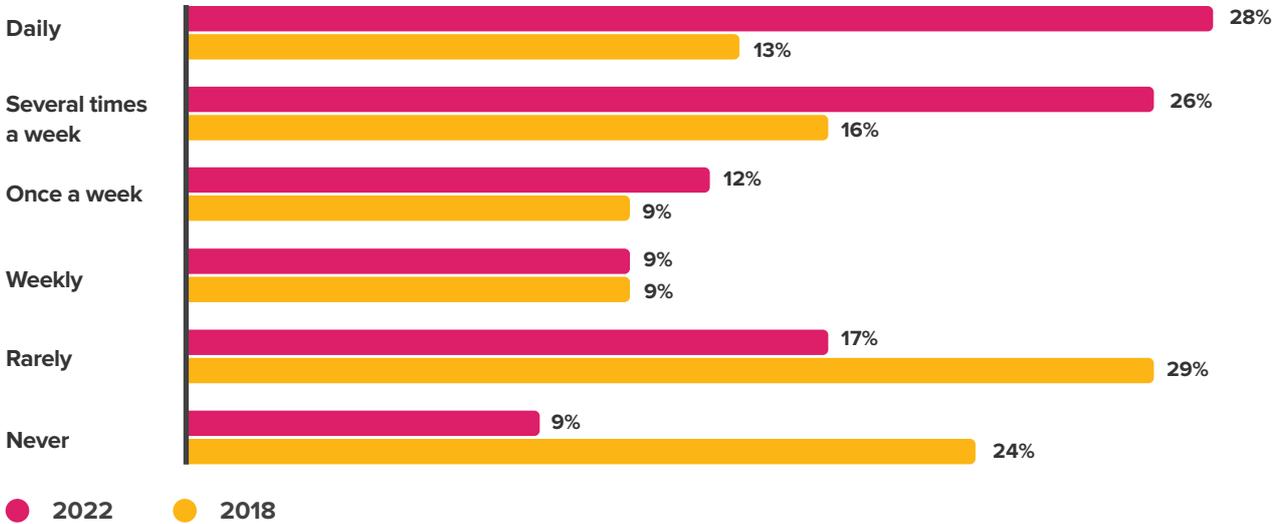
● Always ● Often ● Sometimes ● Rarely ● Never

The study also revealed that In 2022, 54% of working Americans worry several times a week or more about making their money last until their next payday, which is significantly higher than in 2018 (29%). This sentiment is exacerbated even further among the Millennial cohort. More than 64% of respondents in this generation indicate that they worry several times per week or more about making their money last until payday - this is the highest of all generations surveyed.

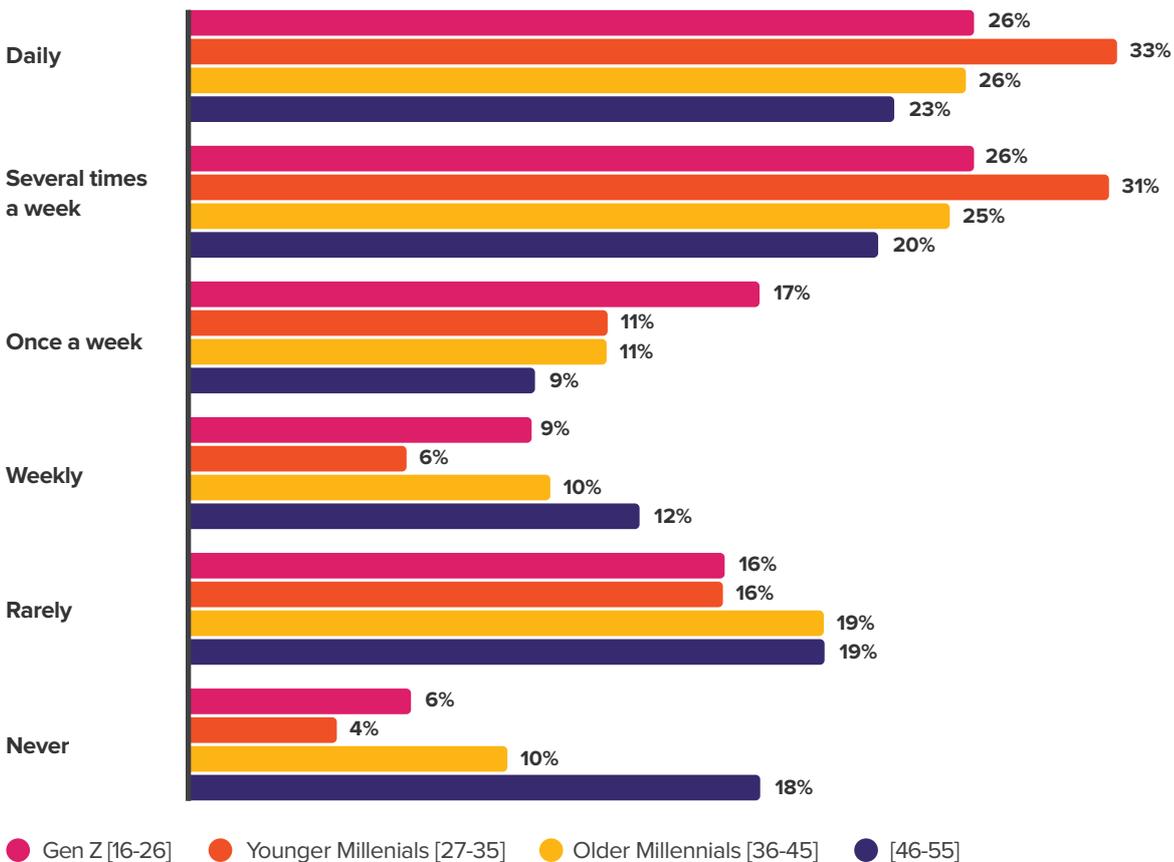


HOW OFTEN DO YOU WORRY ABOUT MAKING YOUR MONEY LAST UNTIL YOUR NEXT PAYDAY?

By Total



By Generation



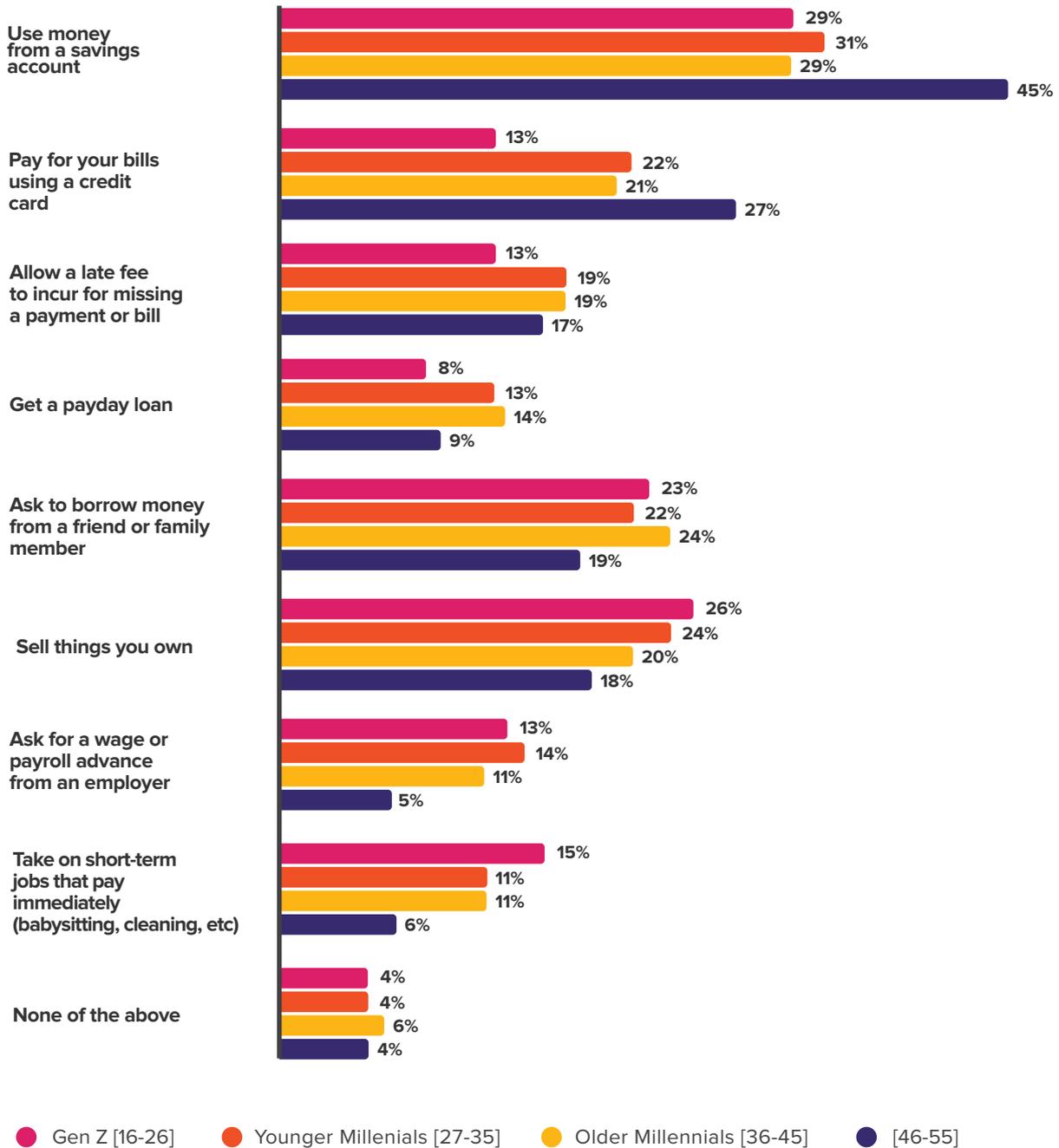
58%

of working Americans say immediate access to their earned wages after every day's work is more important to them now than before the pandemic.

For those impacted by financial hardships, the approach for dealing with any pay shortfalls differs greatly between generations. Workers in older generations are significantly more likely to use money from savings accounts and pay bills using a credit card. Conversely, workers from younger generations are more likely to ask to borrow money from friends, or sell things they own in order to make ends meet.



WHAT ARE YOU MOST LIKELY TO DO IF YOU NEED MONEY BEFORE PAYDAY?



Employees have been impacted because they're worried about making money last until payday.

35%

Went to work when they were sick

32%

Skipped a meal to save money

25%

Borrowed money at a high interest rate to pay bills

When asked what American workers are most likely to do if they need money before payday, the biggest increase from 2018 to 2022 was asking an employer for a wage or payroll advance, further underscoring the need for a solution like earned wage access to alleviate the financial burden that many are clearly facing.

3%

2018

11%

2022

In 2022, over 3 times as many Americans would ask for a wage or payroll advance from an employer, compared to 2018.

To set the stage for the next section of this study as we explore the impact of pay frequency on employee recruiting, engagement and performance, a final data point to consider. The number of American workers that would prefer to get paid every day has doubled in 2022, compared to 2018.



IDEALLY, HOW OFTEN WOULD YOU LIKE TO RECEIVE YOUR PAY AT WORK:



● 2022 ● 2018

Part II:

Impact on Employee Recruiting, Engagement and Performance

2018 - 2022 Comparison

In 2022, 79% of working Americans would be more interested in applying for a job that pays them the same day they work

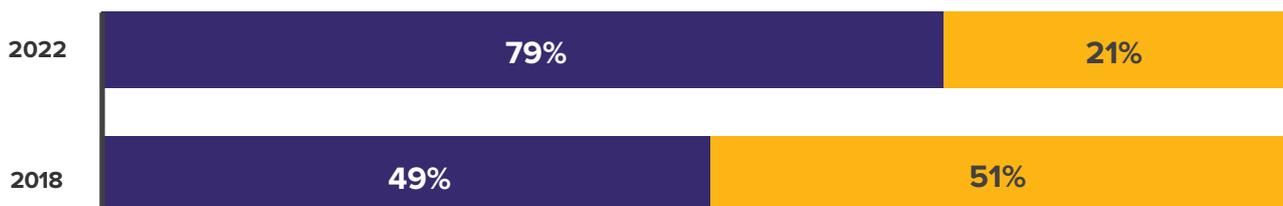
A deep dive into the impact on employee recruiting, engagement and performance tells us a compelling story, especially among the Millennial and Gen Z cohorts.

The vast majority of Millennial (84%) and Gen Z (87%) workers surveyed would be more interested in applying for a job that pays them the same day that they work.

And staggeringly, **79% of all working Americans** would be more interested in applying for a job that pays them the same day they work, which is **30 percentage points greater than in 2018**.



WOULD LEARNING THAT A POTENTIAL EMPLOYER PAYS YOU ON THE SAME DAY THAT YOU WORK INCREASE YOUR INTEREST IN APPLYING?



● Yes ● No

58%

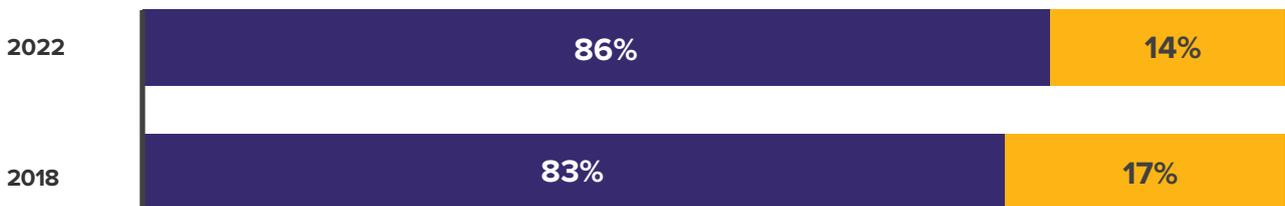
of working Americans believe companies should be **required to offer “responsible”** (no-fee access to a portion of an employee’s earned pay) earned wage access to its employees.

Consistent with survey data in 2018, in 2022 an overwhelming percentage of American workers think it's unfair to be charged a fee to access their earned pay. This is particularly apparent among the Gen Z cohort, who express this sentiment more than any other generation.



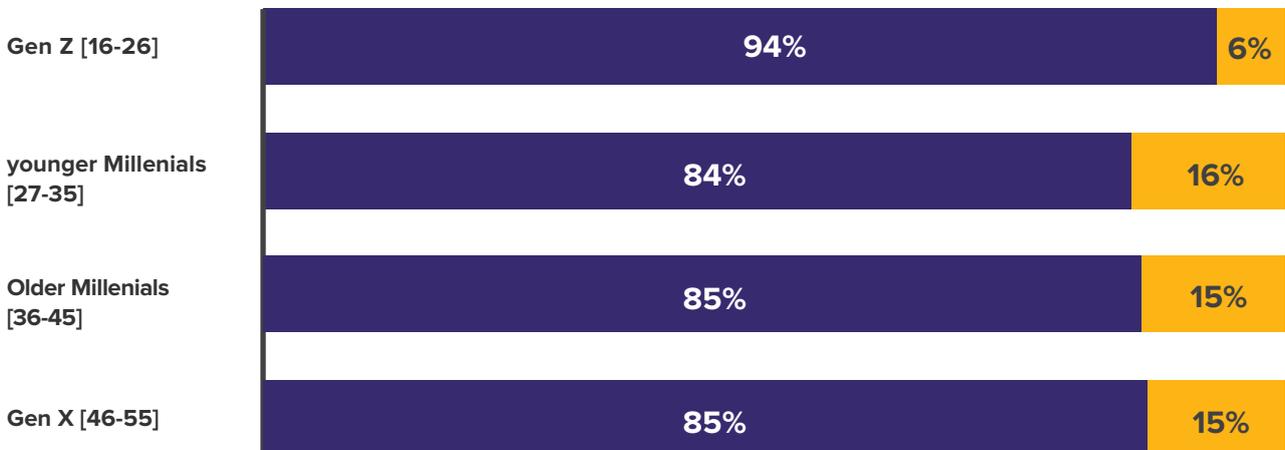
DO YOU THINK IT IS UNFAIR TO BE CHARGED A FEE TO ACCESS YOUR EARNED PAY AFTER A DAY OF WORK?

By Total



● Yes ● No

By Generation



● Yes ● No

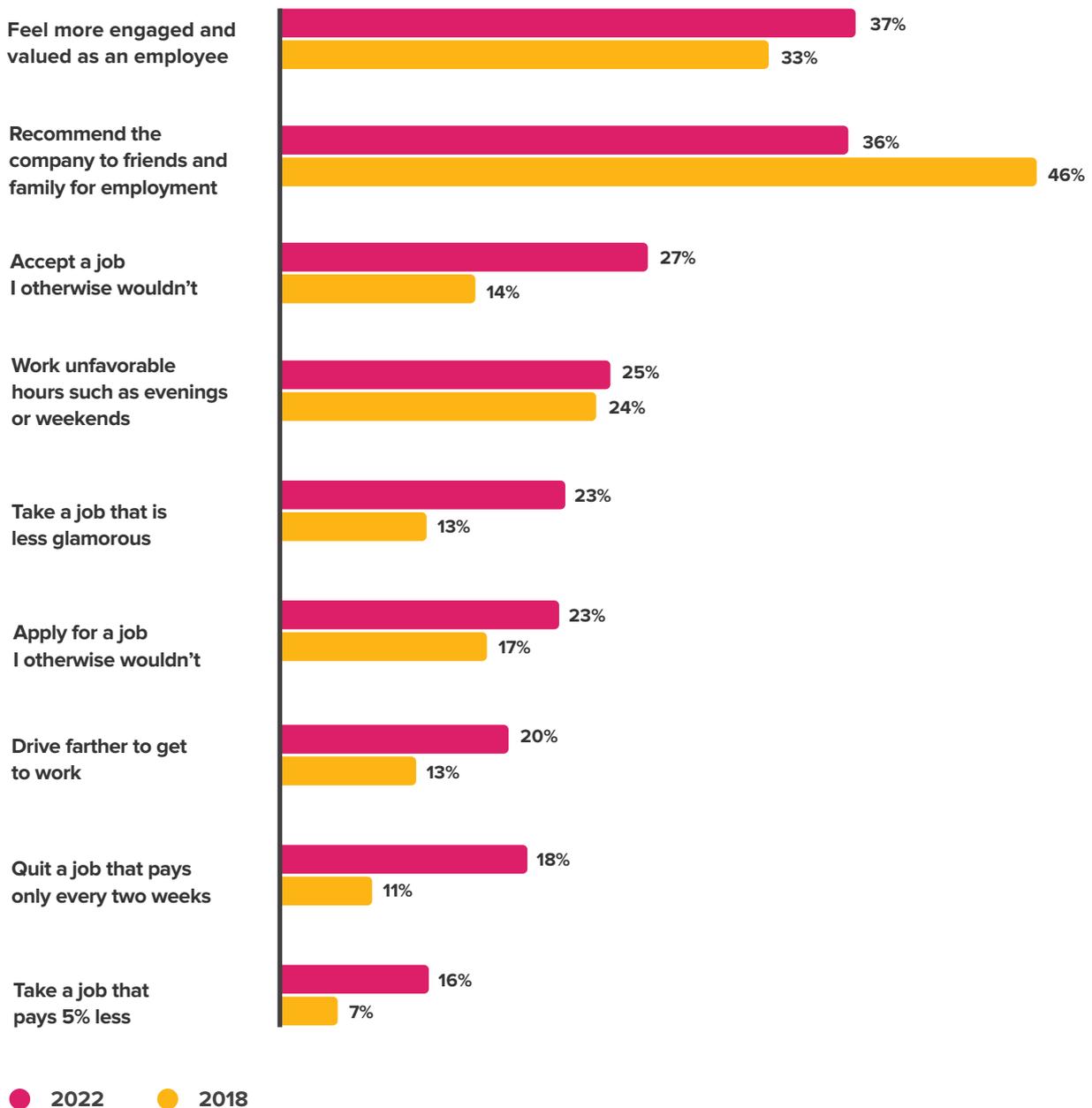
62%

of working Americans would feel **more valued as an employee** if their employer provided immediate access to their earned pay after every day's work.

American workers that could instantly access their earned pay after each day of work at no cost are significantly more likely in 2022 compared to 2018 to feel more engaged and valued as an employee, accept a job they otherwise wouldn't, take a job that is less glamorous, and apply for a job they otherwise wouldn't.



WHICH WOULD YOU DO IF YOU COULD GET INSTANT ACCESS TO YOUR EARNED PAY AFTER EACH DAY OF WORK AT NO COST?



Part III:

Impact on Employee Retention, Loyalty and Recommendations

2018 - 2022 Comparison

Over half (56%) of working Americans would stay a month to over a year longer at a job if they could get immediate access to their earned pay after each day's work at no cost

The challenges facing employers currently is no secret - employees are staying at jobs for shorter periods of time, and are holding the cards as it relates to hiring. But there are strategies employers can implement to both attract and retain talent, across all generations of the workforce.

More than half (56%) of working Americans would stay **a month to a year longer** at a job if they could get immediate access to their earned wages after each day's work at no cost - an obvious and easy-to-implement solution to retention and turnover challenges currently facing countless businesses across the country.



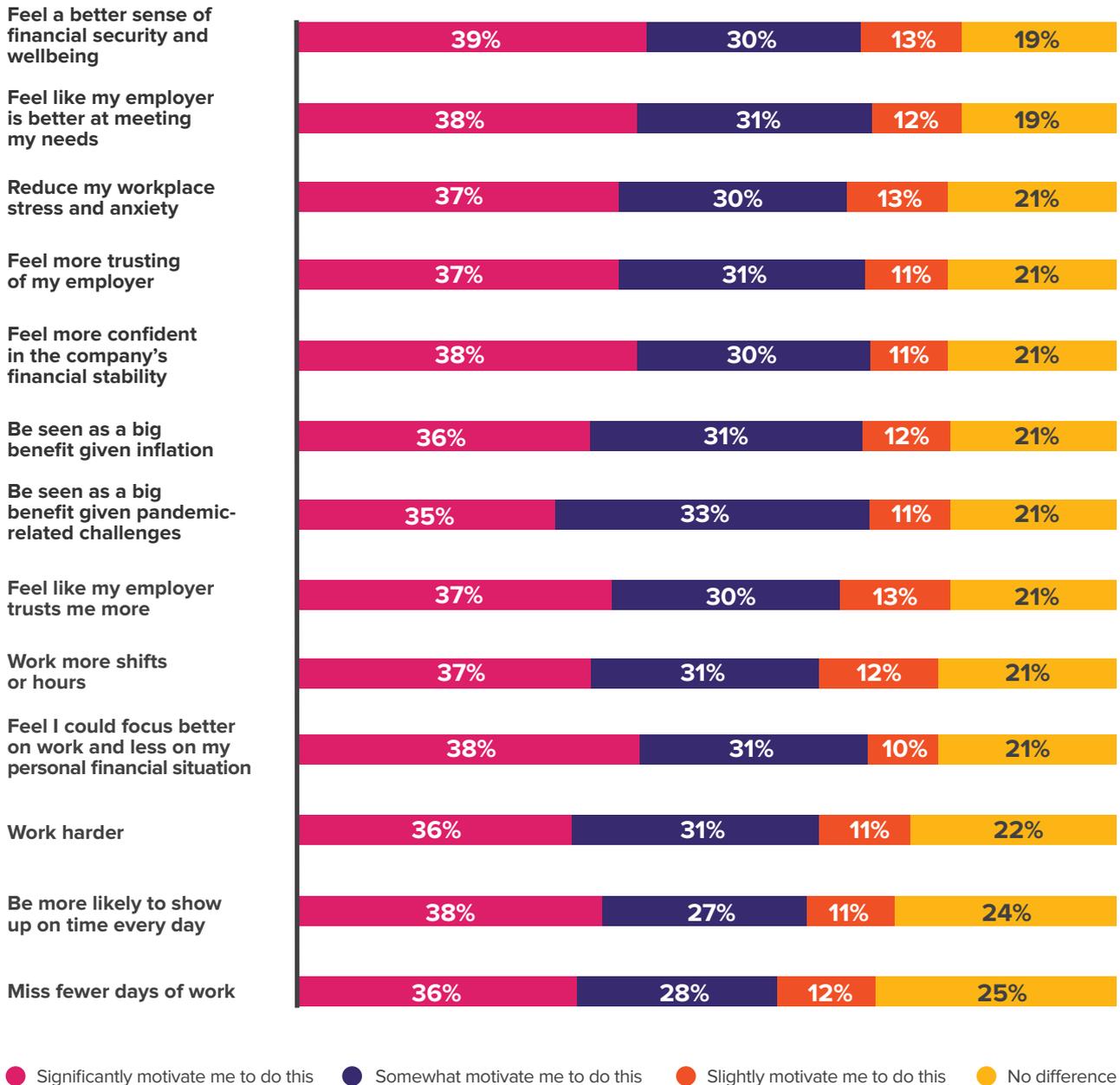
62%

of American workers are **more likely to stay longer at a job** that offers immediate access to their earned pay after every day's work.

Having access to a portion of earned pay after every day's work at no cost would also significantly impact all areas of employee work experience favorably.



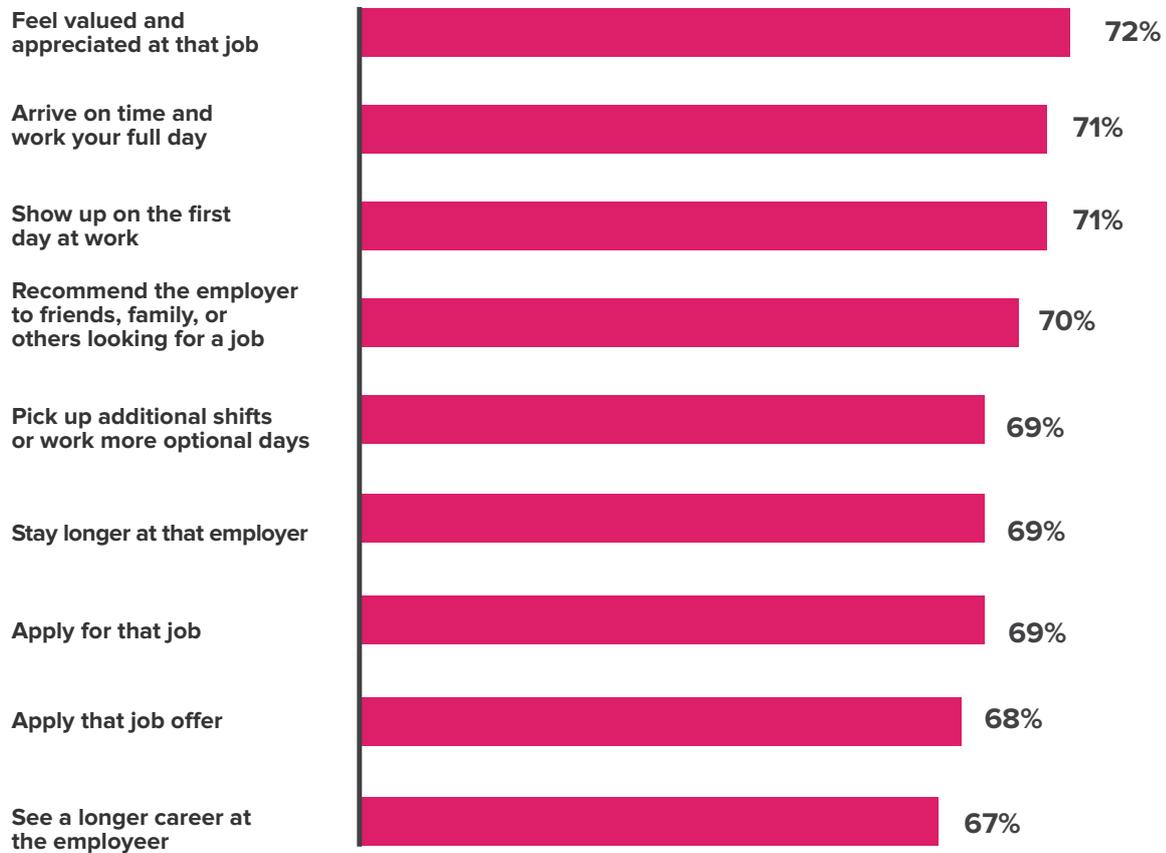
HOW WOULD HAVING THE OPTION TO IMMEDIATELY ACCESS A PORTION OF YOUR EARNED PAY AFTER EVERY DAY'S WORK AT NO COST IMPACT EACH AREA OF YOUR WORK EXPERIENCE?



More than 2/3 of working Americans are likely to have every positive work experience the study tested if they are offered immediate access to a portion of their earned pay after every day's work at no cost.



LIKELY TO DO EACH IF AN EMPLOYER OFFERED IMMEDIATE ACCESS TO A PORTION OF YOUR EARNED PAY AFTER EVERY DAY'S WORK AT NO COST



Employers should be conscious of ensuring the benefits they offer are aligned with employee needs, as this can have a direct impact on perception of the organization, employee morale, and - ultimately - where they choose to work.

Of the individuals surveyed, nearly half of workers said that they would consider working at a company that offered no-fee access to earned wages, further underscoring the critical nature of programs that are employee-centric and address financial wellness needs.

60%

of working Americans think **all employers** should offer their employees immediate access to their earned wages every day.

58%

of working Americans said they left a job in the last two years that they would have **stayed at longer** if they were offered immediate access to a portion of their pay after every day's work at no cost.

Part IV:

Promoting Financial Wellness and Responsibility

A snapshot of 2022

Over 50% of all American workers would be likely to avoid major financial pitfalls if they were able to instantly access their earned pay after every day's work.

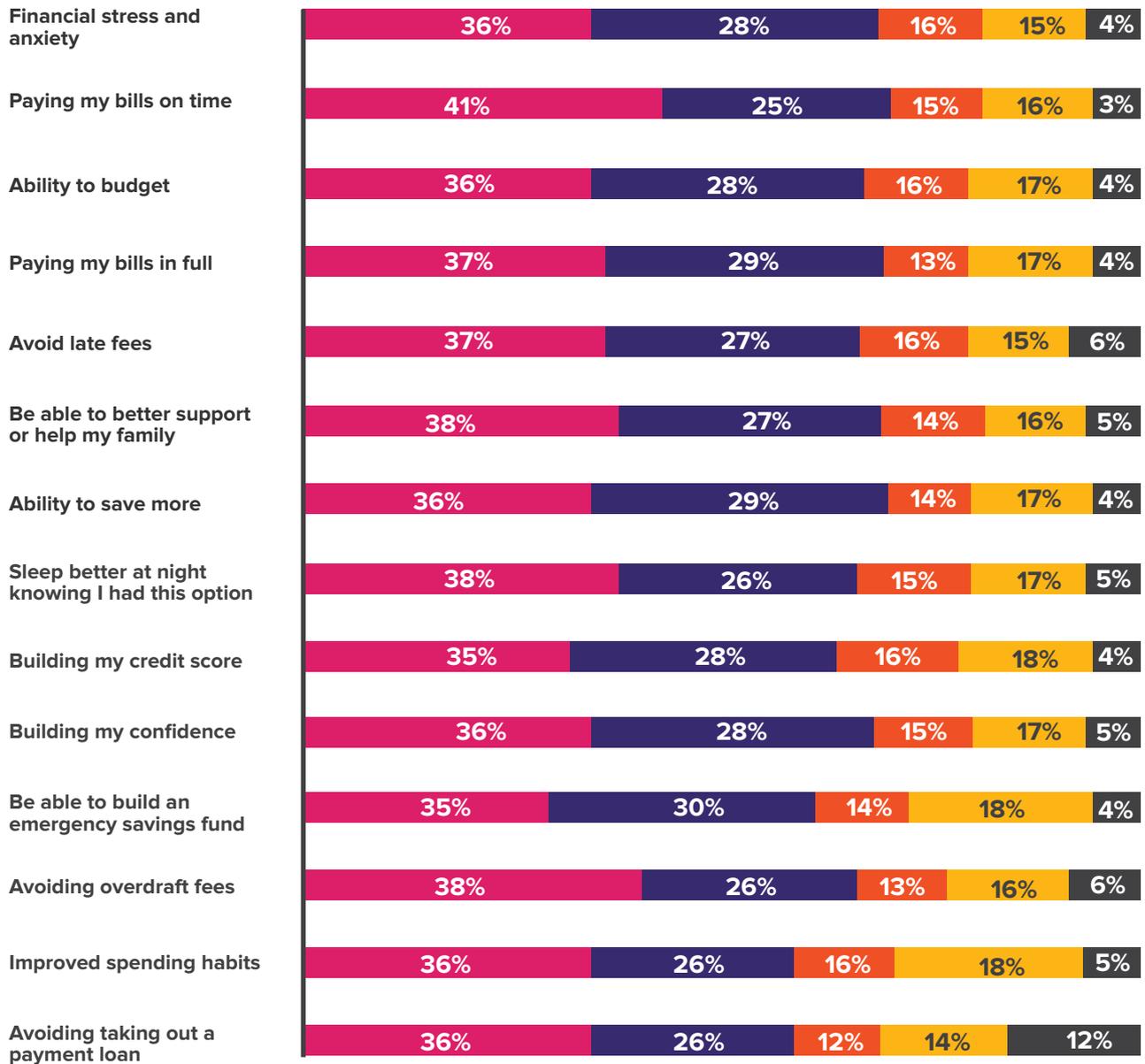
How do we get American workers back on to a path of financial wellness and coping with their existing financial stress? It starts with easy and fee-free access to their hard-earned pay, when they need it.

Across all generations surveyed, having immediate access to a portion of earned pay after each day, for no cost, would significantly improve their financial life, across all categories. Important everyday tasks like paying bills, avoiding predatory overdraft fees and being able to better support their family are the three areas that would be most positively impacted by daily access to wages.





HOW WOULD IMMEDIATELY ACCESSING A PORTION OF YOUR EARNED PAY AFTER EVERY DAY'S WORK AT NO COST IMPACT EACH AREA OF YOUR PERSONAL FINANCIAL LIFE?

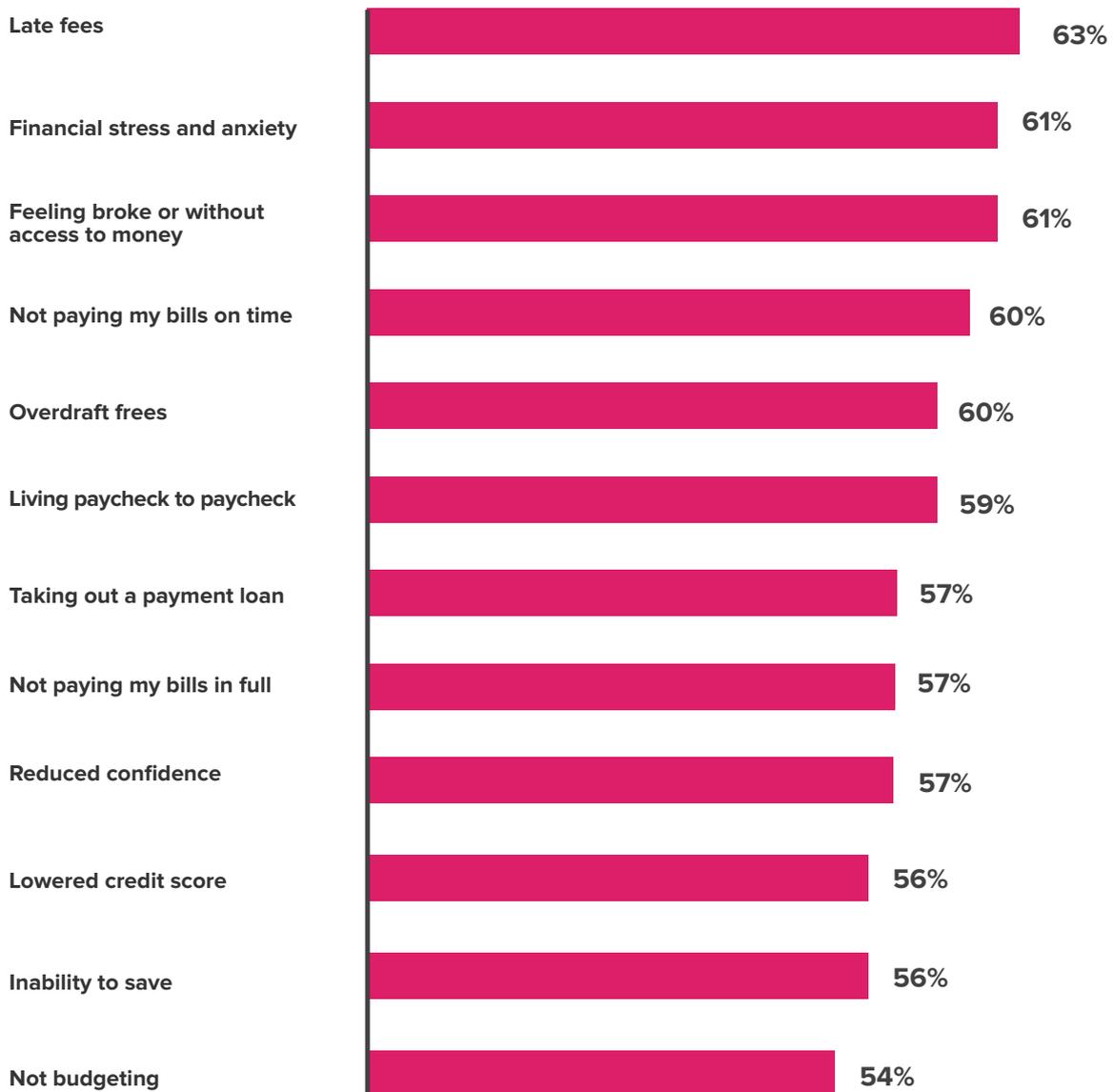


● Significantly improve this situation for me ● Somewhat improve this situation for me ● Slightly improve this situation for me
● No difference ● NA – I've never done this

More than half of all American workers would also be likely to avoid major financial pitfalls if they were able to instantly access a portion of their wages after a day's work. Late fees, financial stress and feeling broke were the top three areas that workers would be able to avoid.



LIKELY TO AVOID EACH FINANCIAL PITFALL IF YOU WERE ABLE TO INSTANTLY ACCESS YOUR EARNED PAY AFTER EVERY DAY'S WORK



Conclusion

In 2022, it's evident that American workers of all generations are currently facing financial hardships, and this has been exacerbated in the four years since this study was last carried out. A much larger share of Americans are living paycheck to paycheck and an increasing number of workers are worried about their financial situation.

These circumstances create a clear domino effect on employers as well, as employee performance is linked tightly to their financial situation. A financially secure employee is a more productive and engaged one. The shared benefit is evident.

As part of a larger effort to foster an environment of employee well-being, engagement and productivity, there is an important role for organizations of all sizes to play in helping employees get back on a path to financial wellness.

Fee-free, responsible on-demand pay, like the model pioneered by Instant Financial, is a low-impact, high-value solution that organizations can implement today to help address the challenges outlined above. Customers of Instant have realized a 27% reduction in employee turnover, a 19% increase in employee retention, and \$2 million reduction in hiring costs.

Get in touch with Instant today to help do the same for your business. Visit us at instant.co or contact us at sales@instant.co.

Methodology

● Survey of 1,000 employed full-time or part-time US labor force participants, ages 16-55

● Demographic breakdown:

- 14% Gen Z (ages 16-26)
- 33% Younger Millennials (ages 27-35)
- 33% Older Millennials (ages 36-45)
- 20% Gen X (ages 46-55)

● Geographic breakdown:

- 25% West
- 21% Midwest
- 38% South
- 17% Northeast

● Gender Split

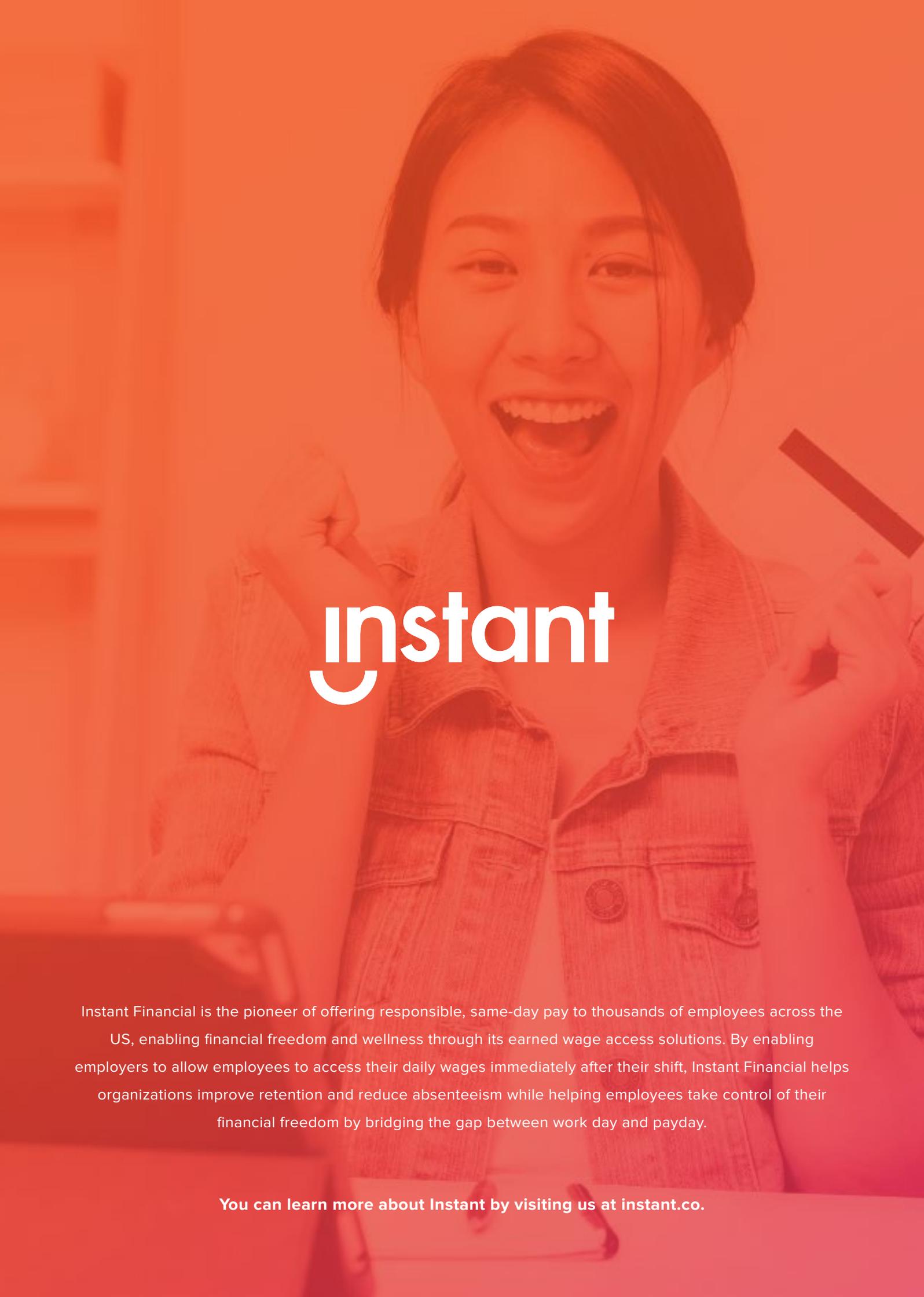
- 47% Male
- 52% Female
- 1% non-binary/prefer not to answer

*Figures are statistically significant at the 95% confidence level. Margin of error is +/-3.1 percentage points.

*In an instance that a chart total for a single select question does not add to 100%, please note that this is due to the minimal effect of rounding.

*Weighted to the 2020 U.S. Census for age, region, gender, and ethnicity.

*Survey was conducted online from April 9, 2022, to April 20, 2022.

A young woman with dark hair, wearing a denim jacket, is smiling broadly and holding a smartphone. The image has a warm, orange-red tint. The Instant logo is centered over the image.

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Instant Financial is the pioneer of offering responsible, same-day pay to thousands of employees across the US, enabling financial freedom and wellness through its earned wage access solutions. By enabling employers to allow employees to access their daily wages immediately after their shift, Instant Financial helps organizations improve retention and reduce absenteeism while helping employees take control of their financial freedom by bridging the gap between work day and payday.

You can learn more about Instant by visiting us at instant.co.