



# The Impact of the Traditional Pay Period on Employees & How New Instant Pay Options Can Benefit Employees and Employers

Study & Findings on  
Employees Across the U.S.



# About Instant

- ✔ Instant Financial is the world's only instant pay platform.
- ✔ We empower employers to improve retention and engagement by giving employees instant access to their pay after every shift.
- ✔ Our service has been designed as a vital employee benefit for industries with hourly-wage and shift workers, such as hospitality, retail, manufacturing, construction and healthcare.
- ✔ We help those who lack it most achieve the financial well-being they need to take control of their lives. Our mission to change the way millions of Americans get paid.

# Executive Summary

- ✔ The world of bi-weekly and monthly paydays is difficult on many employees who often experience stress, anxiety, and negative financial consequences as a result of this access to cash shortage.
- ✔ However, offering employees an instant pay option is a powerful way for employers to positively impact their employees and simultaneously drive key workforce behaviors and outcomes.
- ✔ Employees who receive their pay in real-time feel more valued by their employers and respond with increased loyalty and the desire to work harder and tell others about their positive experience.
- ✔ An instant pay option is a win for employers and employees alike.

# What This Study Answers

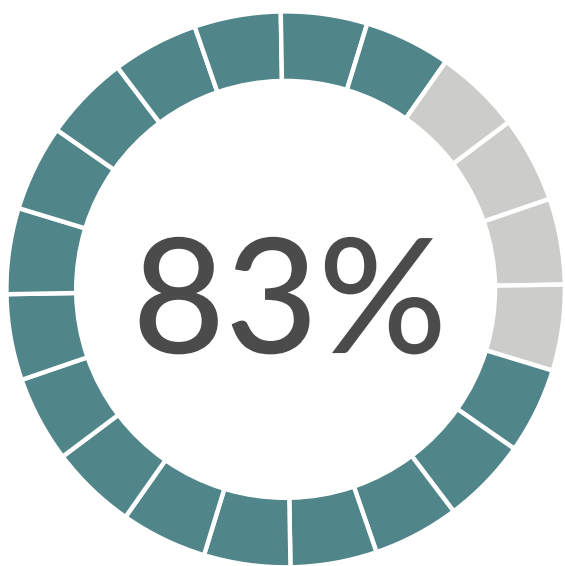
- ✓ The effects of traditional pay cycles for everyday Americans.
- ✓ Employee perception of an instant pay system compared to weekly, bi-weekly and other pay cycle models.
- ✓ The influence of pay frequency on job consideration and employee retention.
- ✓ The effect of fees, charges and other conditions on a newly introduced instant pay system.



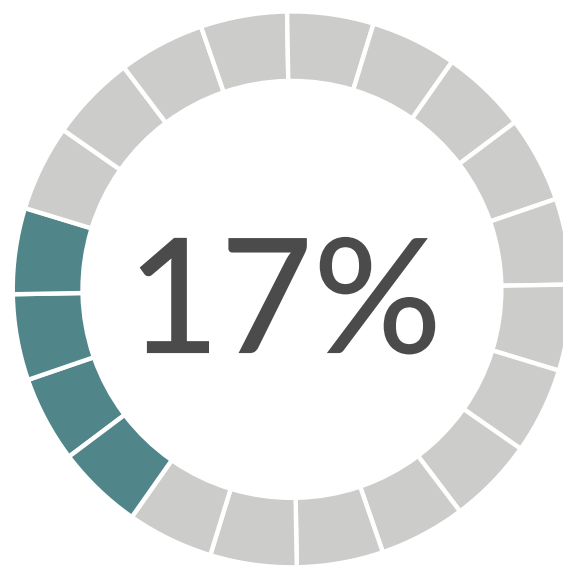
# Study Participants

1,001  
Participants

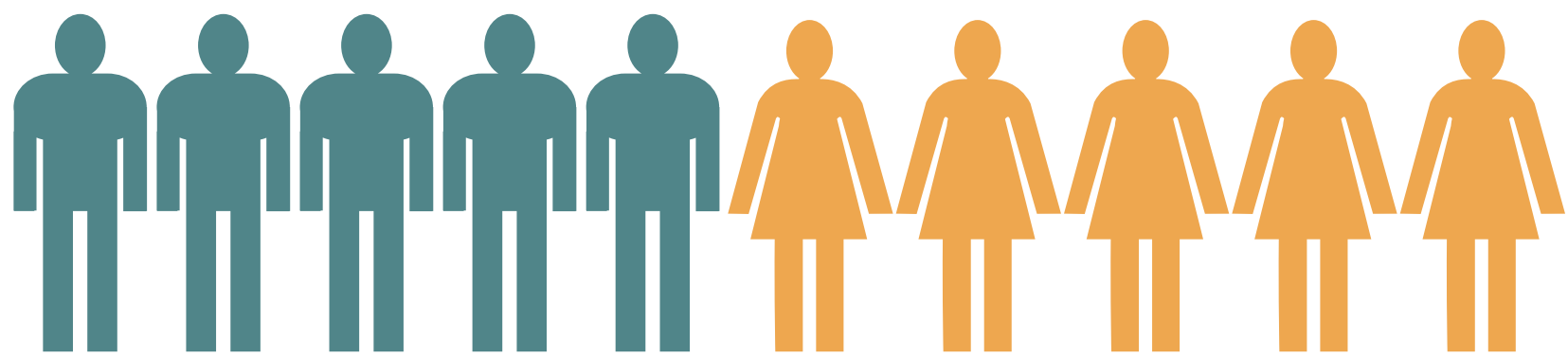
Our study was administered to 1,001 working American men and women, ranging from Gen X to Gen Z. Through a detailed process, a mix of salaried and hourly-waged employees answer both the tangible and intangible concerns with traditional pay cycles in the modern world.



Employed full-time

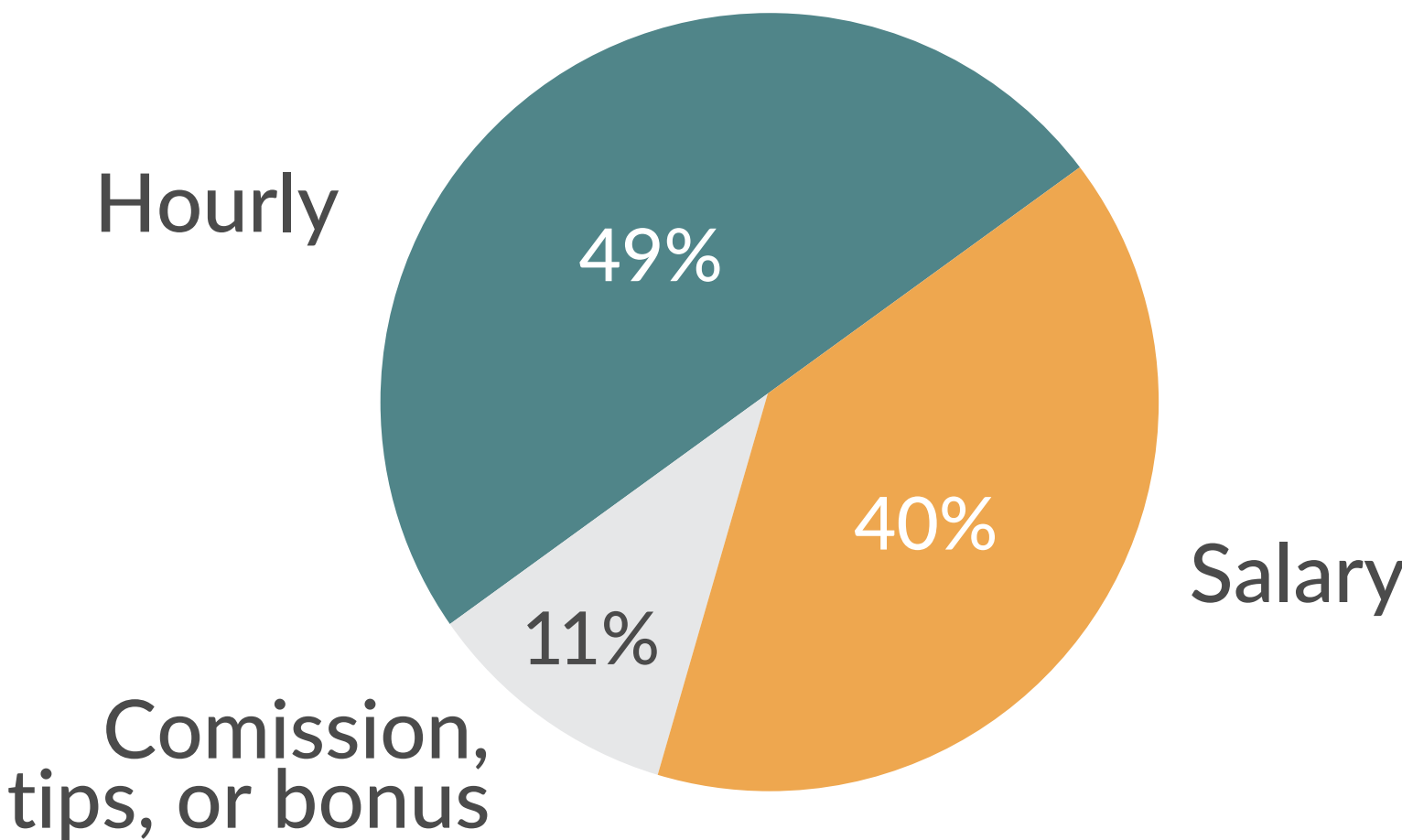


Employed part-time



50% Male

50% Female



Hourly

Salary

Comission,  
tips, or bonus

# Overview

- ✓ The Current Wage Landscape
- ✓ The Impact of an Instant Pay Option
- ✓ An Instant Pay Option: A Big Win for Employers
- ✓ An Instant Pay Option can Drive Results

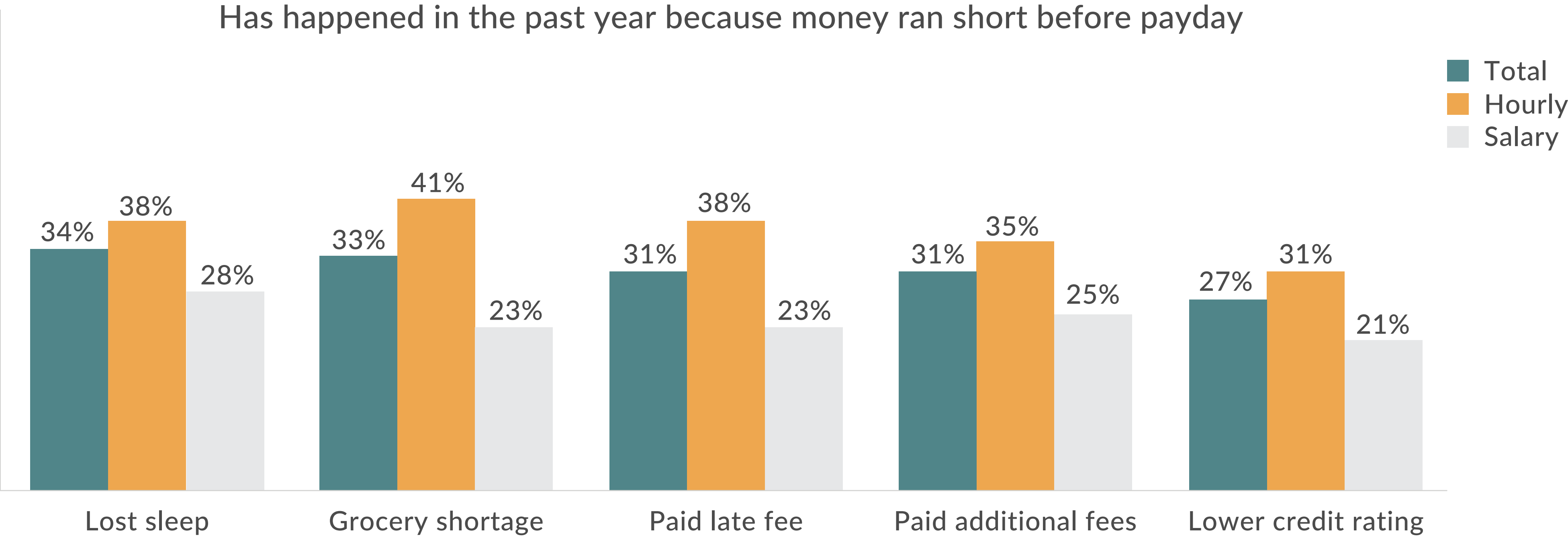
A woman in a light-colored hotel uniform with dark buttons and a dark collar is pulling down a white sheet from the ceiling. She is smiling and looking upwards. The room is bright with large windows in the background. A floor lamp with a white shade is visible on the right, and a bouquet of pink flowers sits on a table in the lower left.

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# The Current Wage Landscape

# The Two Week Payday can be Detrimental to Employees

This is especially the case for hourly workers who have experienced everything from lost sleep and a shortage of groceries to a lower credit rating as a result of money running out before payday.

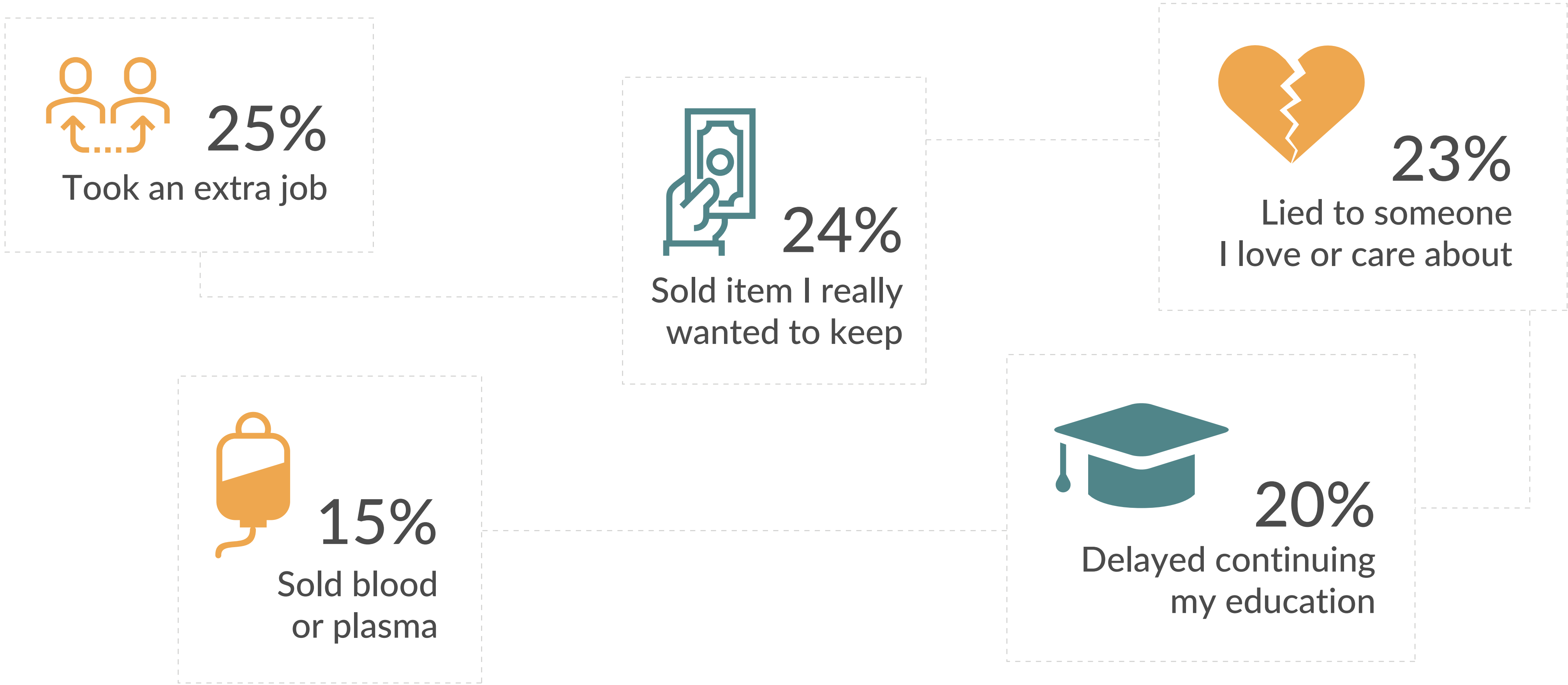


Q28. Please indicate if the following have happened to you in the last year because you were short on money because your wages were paid every two weeks.





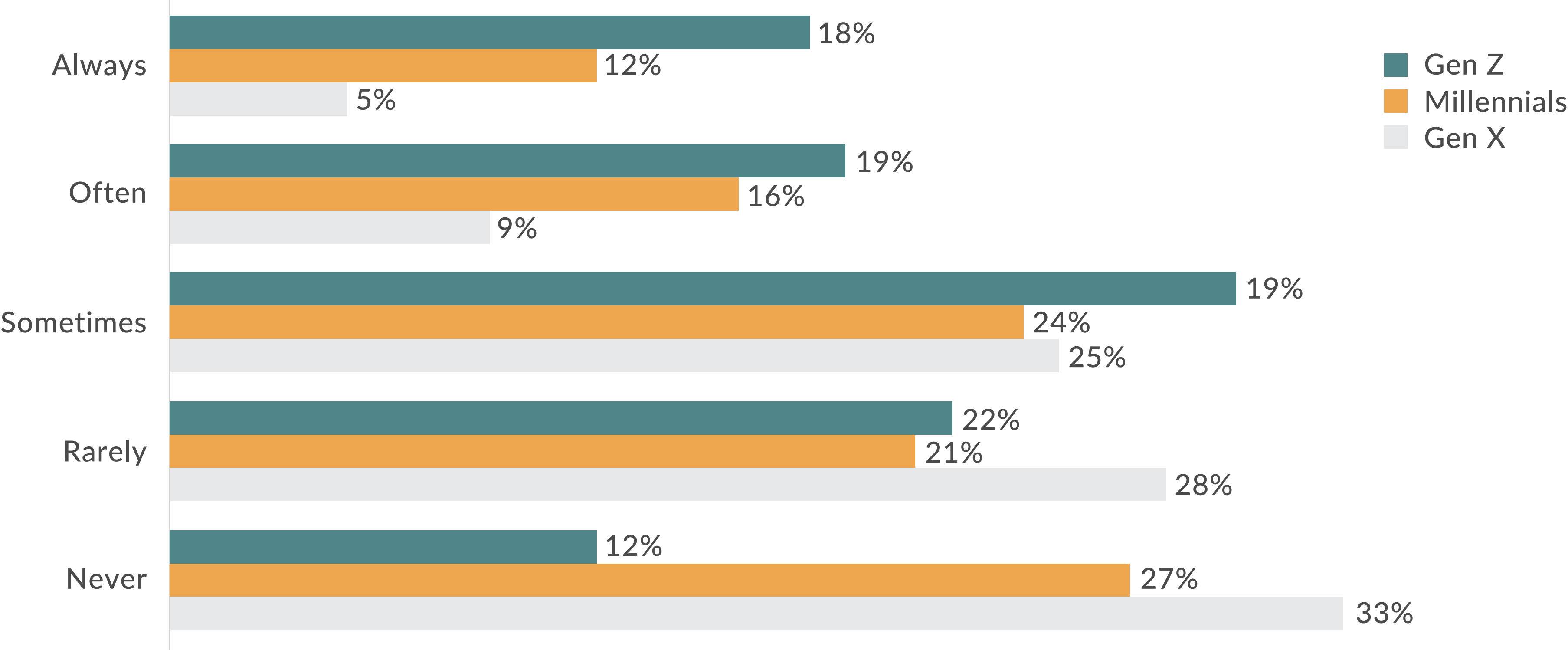
# Two Week Paydays Often Lead to Money Shortages and Varied Ways to Deal with the Shortfall (By Total)



Q29. Please indicate if you have done any of the following because you were short on money because you only got paid every two weeks.

# Being Short on Money Before Payday is a Fairly Common Occurrence for Employees

Coming up short on money is more common for Millennials and Gen Z than for Gen X.

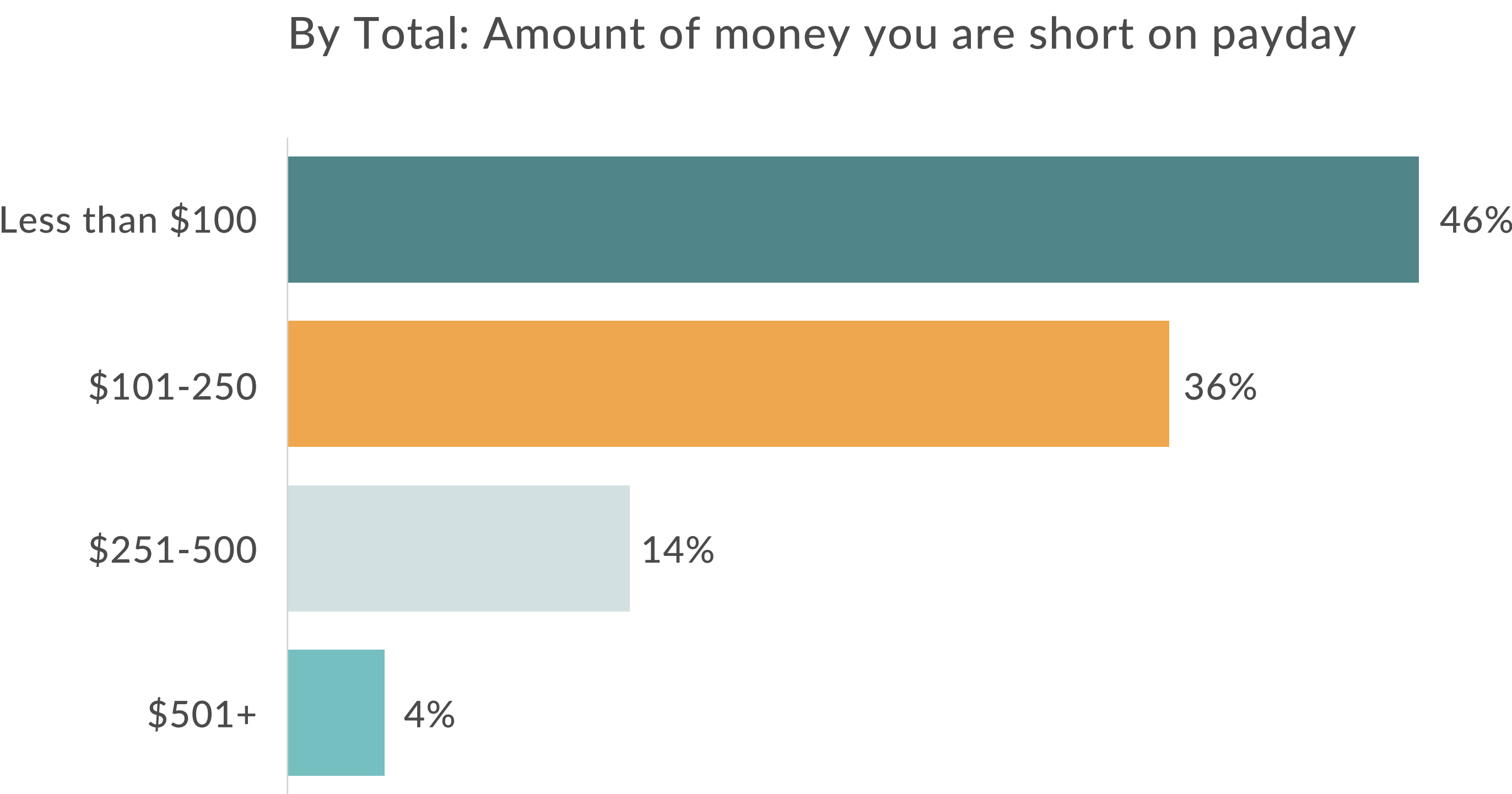


Q1. How often are you short on money before you get to payday? Please select one



# Almost Universally, the Payday Shortfall is Less Than \$250

And often it is less than \$100. Very few people are coming up short by large amounts of money.

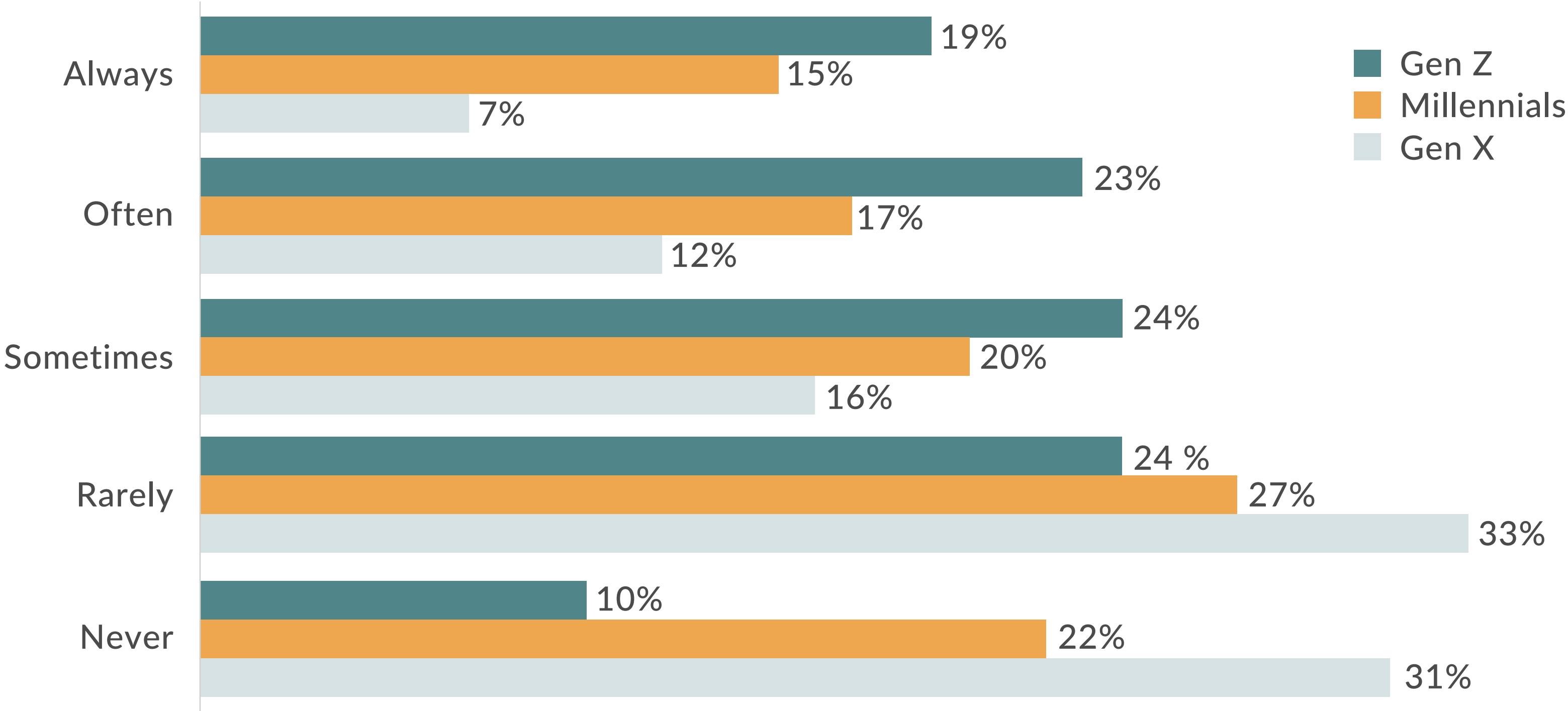


Q2. When you are short on money before you get to payday, how much money are you short? N=489; answered always, often, or sometimes in Q1.



# Nearly Half of Employees Worry Every Single Week About Making Their Money Last Until Payday

Of these weekly worriers, 13% are anxious about it every single day.  
Younger generations are worried more frequently than Gen X.



Q3. How often do you worry about making your money last until your next payday? Please select one.





# In The Last 3 Months, Because of Worrying About Making Money Last Until Payday...

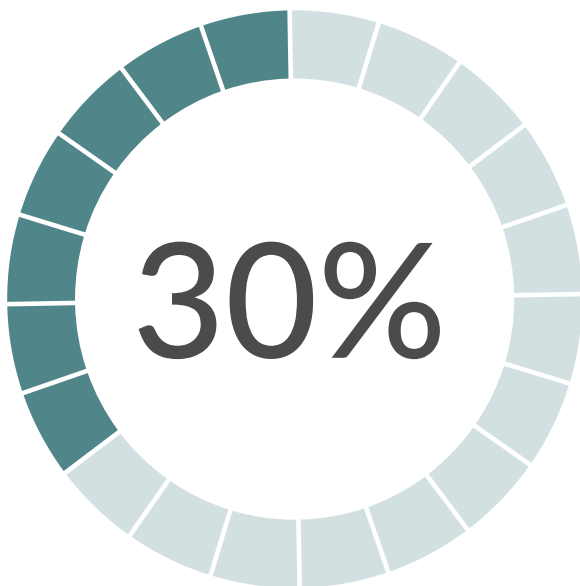


**31%** of employees and **38%** of hourly workers went to work even when they were sick and should have stayed home

Nearly a quarter, **24%** of Millennials lost at least 1 night of sleep each week



**30%** of Gen Z employees have skipped at least 1 meal in order to save money

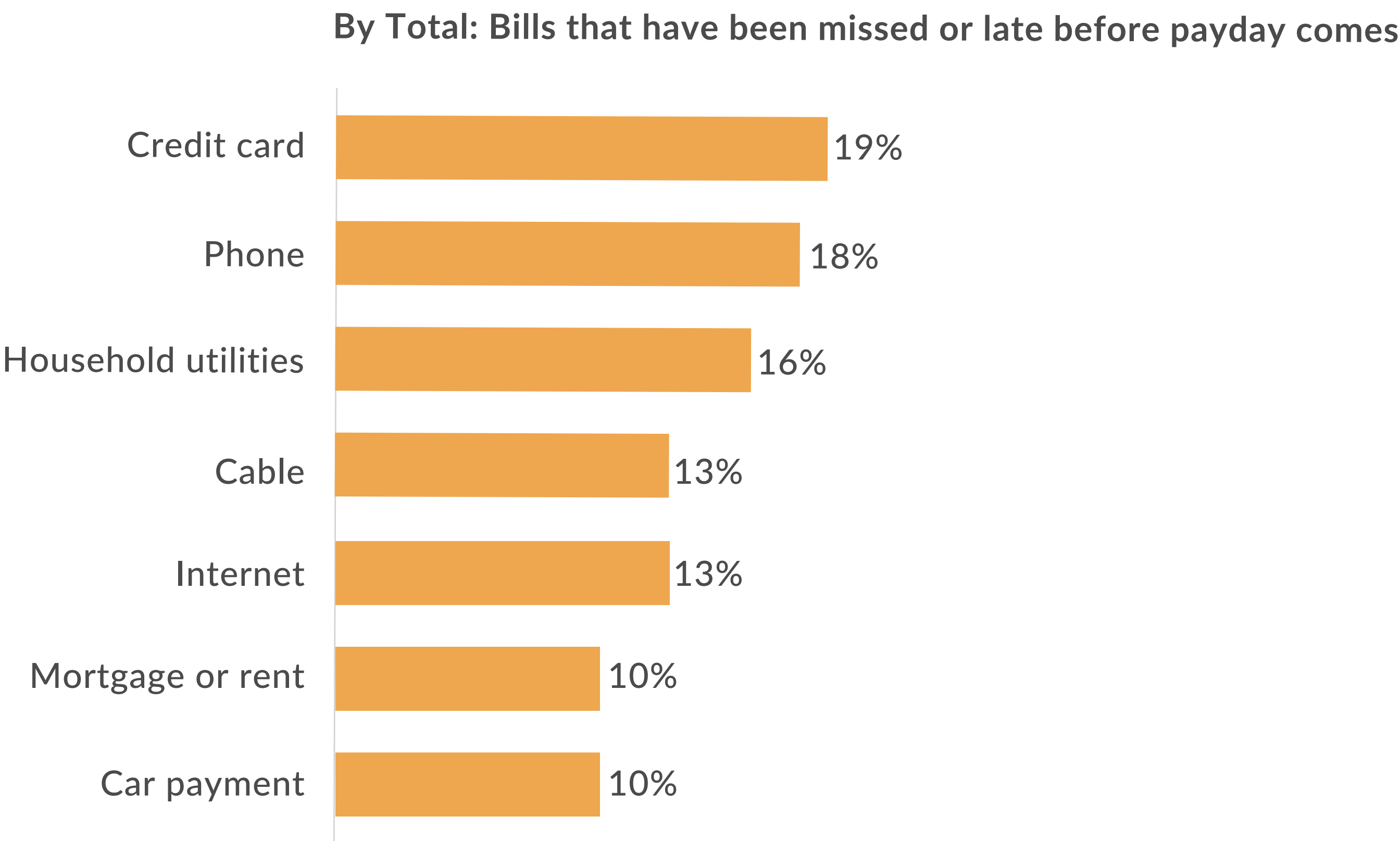


...and **11%** of employees have had to borrow money at a high interest rate in order to pay their bills

Q4. In the last three months, which of these have happened to you because you were worried about making your money last until your next payday? Please check all that apply.

# When Money Runs Out Before Payday, Credit Cards, Phone, and Utilities are the First Bills to be Missed

Cable, Internet, mortgage or rent, and car payments aren't too far behind.

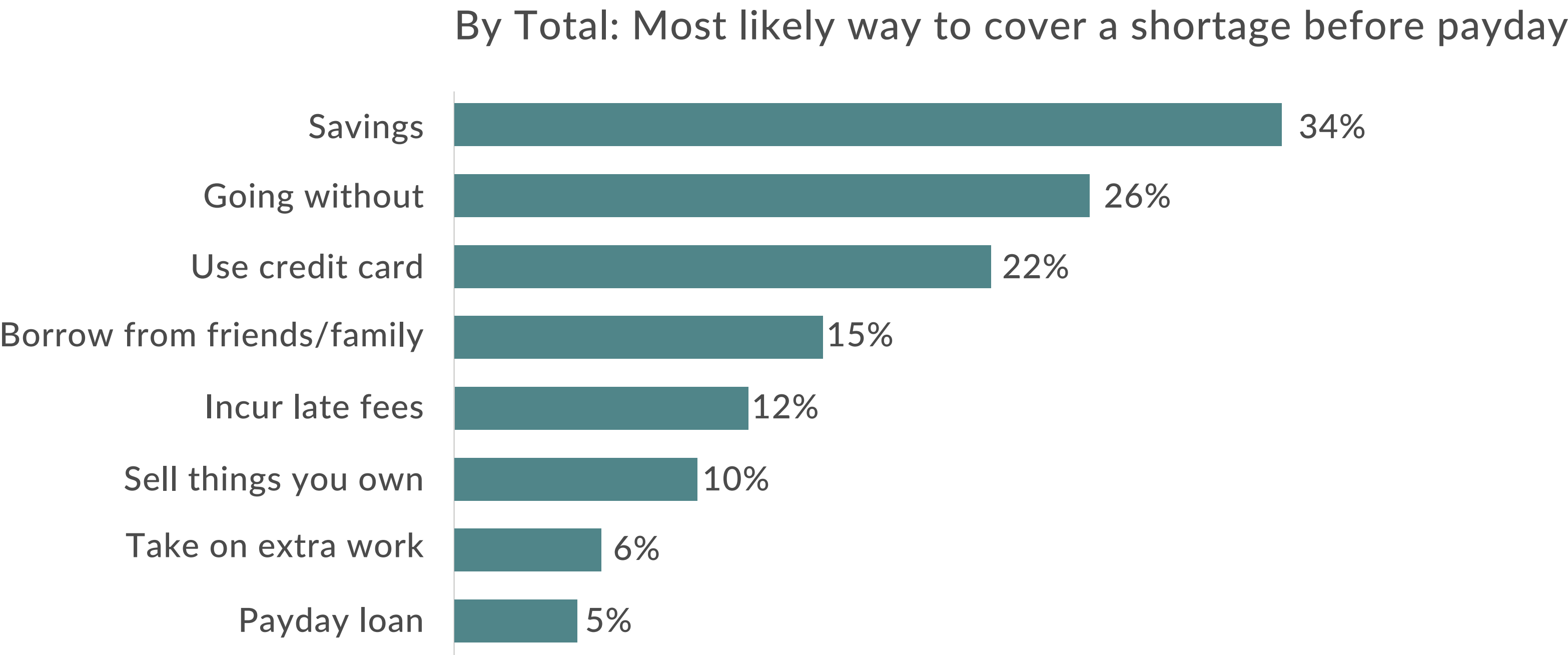


Q5. If you have been short on money before you got to payday, which of the following bills have you not paid or had to pay late?  
Please check all that apply.



# A Pre-Payday Shortage is Most Often Covered by Dipping Into Savings or Going Without

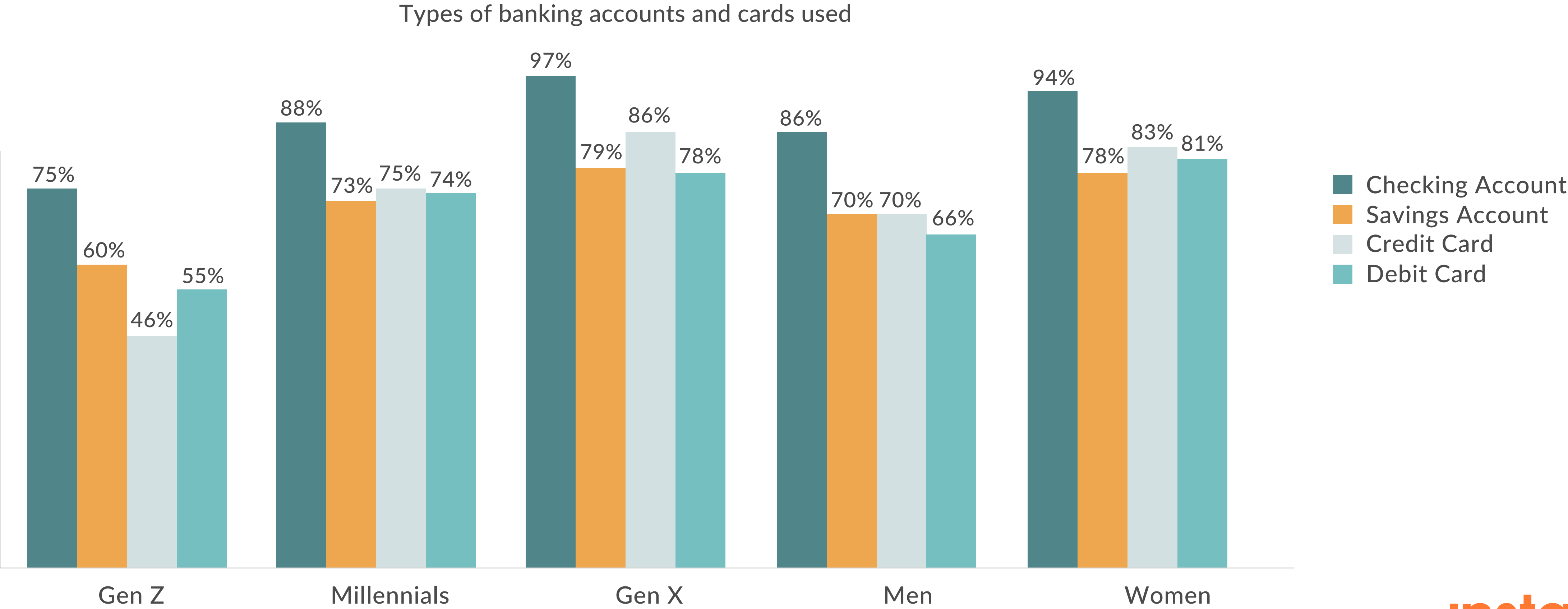
It also frequently means paying bills with a credit card or asking to borrow money from friends or family. Sometimes it even means accumulating late fees or getting a payday loan.



Q6. What are you most likely to do if you need money before payday? Please select up to two.

# Age and Gender Play a Big Role in Banking Habits

Gen X and Millennial employees are much more likely than Gen Z to be utilizing the full range of financial banking options with multiple types of accounts and cards. Women are also much more likely than men to use these.



S9. Which of the following do you currently have? Please check all that apply.





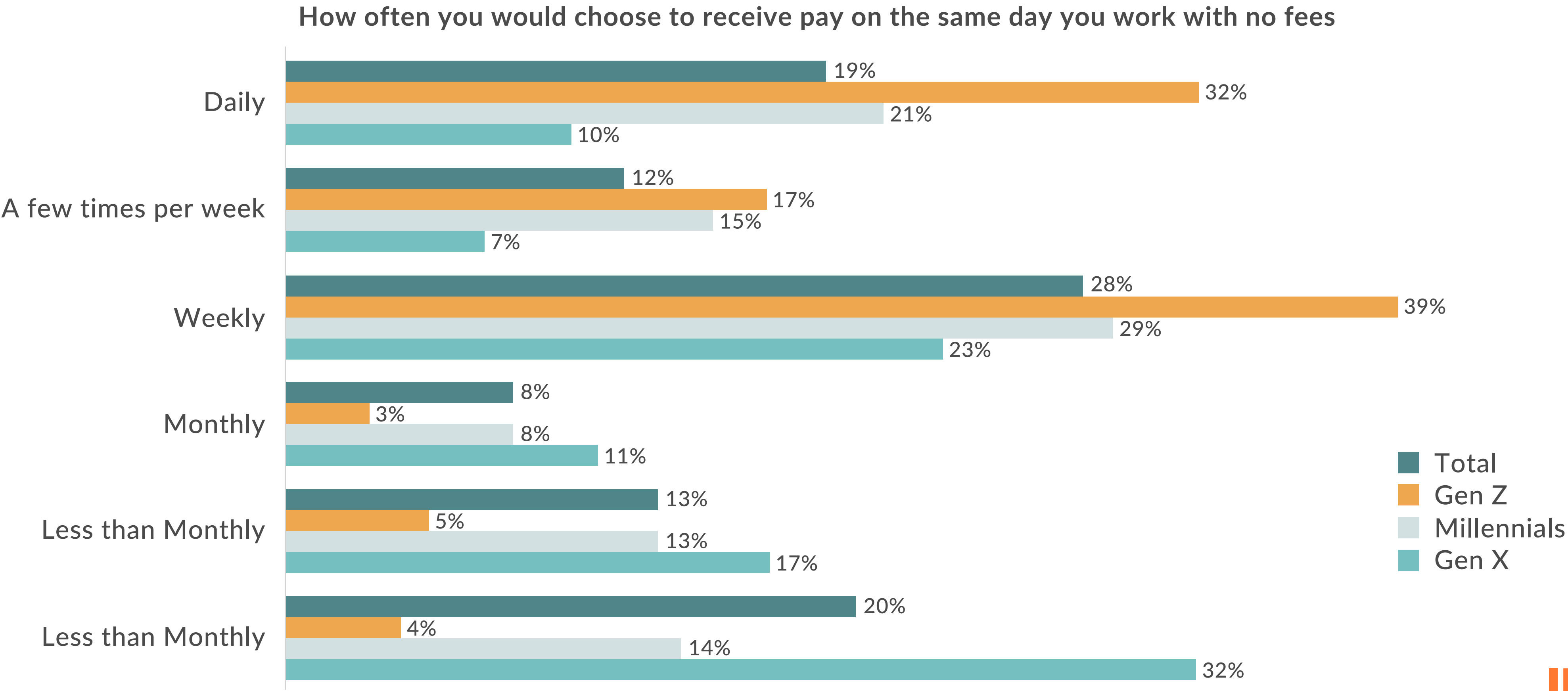
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## The Impact of an Instant Pay Option



# Most Workers Believe They Would Use an Instant Pay Option Regularly

This most often means weekly, but Gen Z is likely to use it more frequently than older generations.

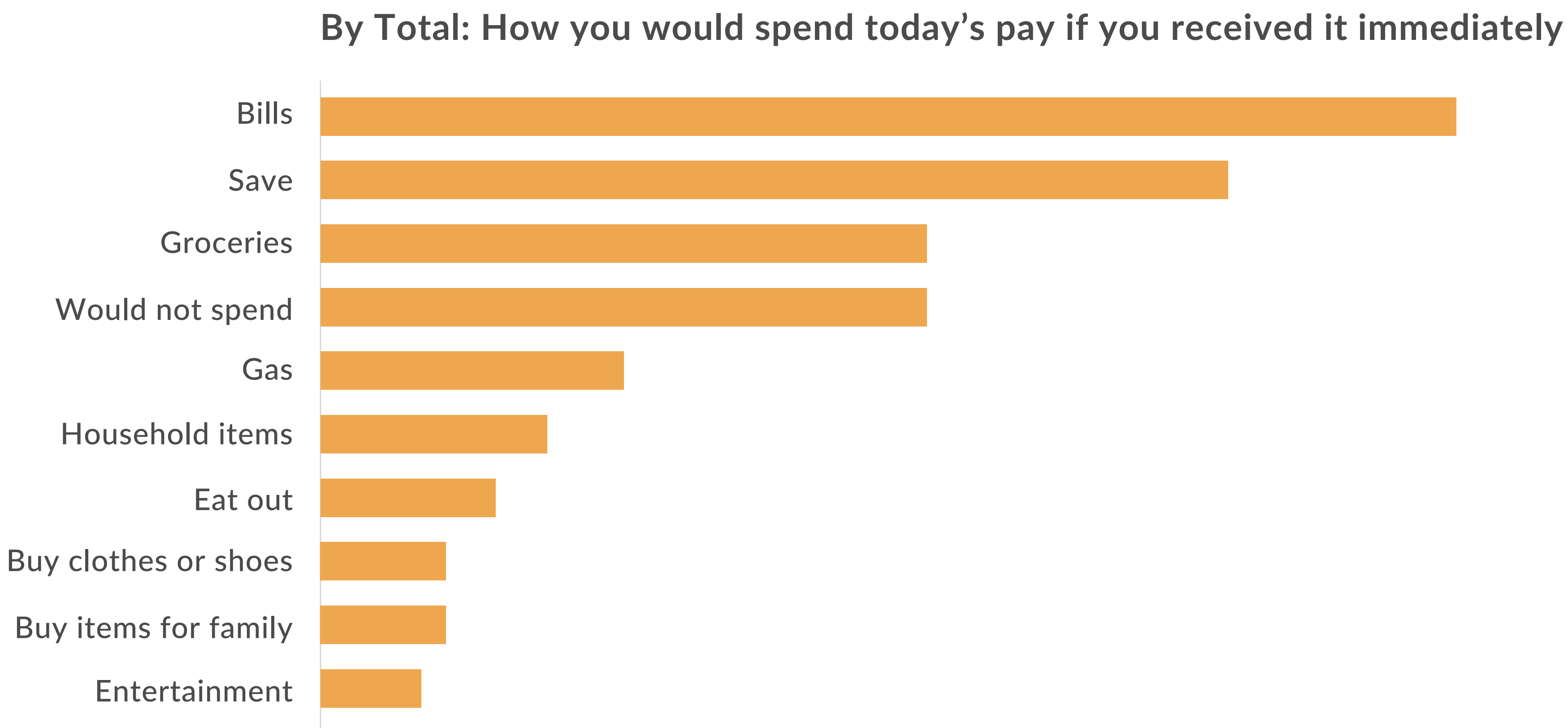


Q14. If you were able to access your earned pay after every day of work without any fees, how often would you choose to get paid on the same day you worked?



# Bills, Savings, and Groceries Top the List of Where Money Made at Work Today Would be Spent

Across generations, today's pay would be spent in similar fashion if it were received today.



Q27. If you immediately received the money you made at work today, what would you do with the money? Please select your top two.



# An Instant Pay Option Would Foster Greater Peace of Mind

It would also produce a feeling of control, especially when it comes to financial issues, emergencies, or budgeting. Interestingly, it would also positively affect a person’s opinions of his or her employer, especially for Gen Z.

An option to receive pay each day would cause you to feel this way	Total	Gen Z	Millennials	Gen X	Salary	Hourly
More peace of mind	43%	71%	48%	28%	33%	49%
More in control of my personal finances and my life	41%	66%	47%	23%	33%	45%
Better able to handle financial challenges and emergencies	40%	67%	43%	27%	33%	44%
Better able to budget my finances	39%	60%	44%	25%	31%	45%
Better able to set and achieve personal financial goals	38%	60%	42%	23%	29%	44%
Safer in my financial position	37%	63%	41%	21%	29%	40%
Better able to financially provide for myself and my family	37%	54%	43%	21%	29%	41%
Sleep better at night	36%	57%	42%	22%	27%	41%
More trust in my employer	33%	59%	39%	17%	24%	38%
More confidence in my career	33%	58%	38%	18%	26%	37%

\* Statistically Significant Figures are highlighted

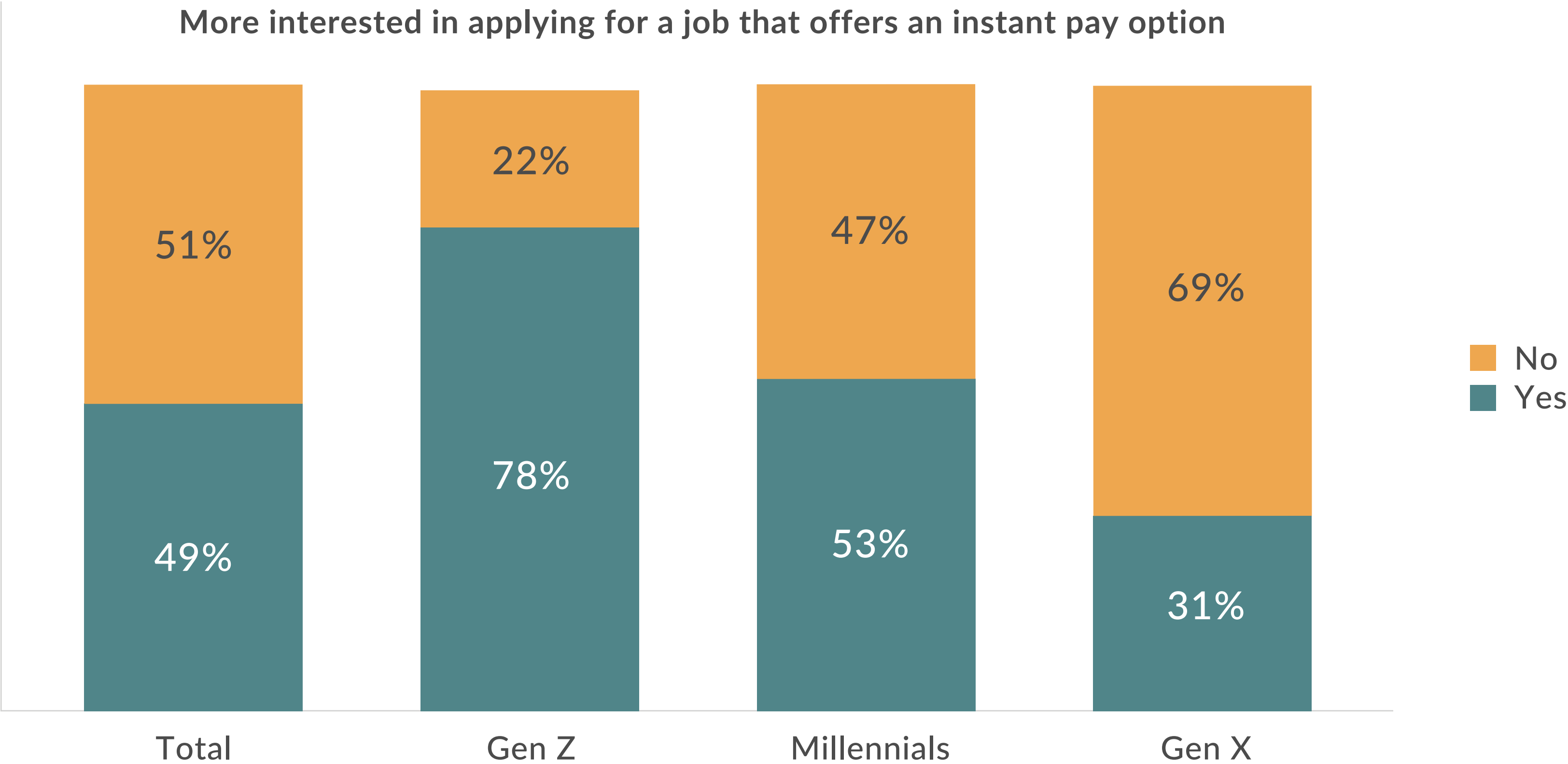
Q8. If you had the option to get paid each day upon completion of your day’s work, do you think you would feel: Yes/No for each.





# An Instant Pay Option Massively Increases Interest in Applying for a Position

Nearly half of all employees and more than 3 out of 4 Gen Z employees say they would be more interested in applying for a job if an employer offers an instant pay option.

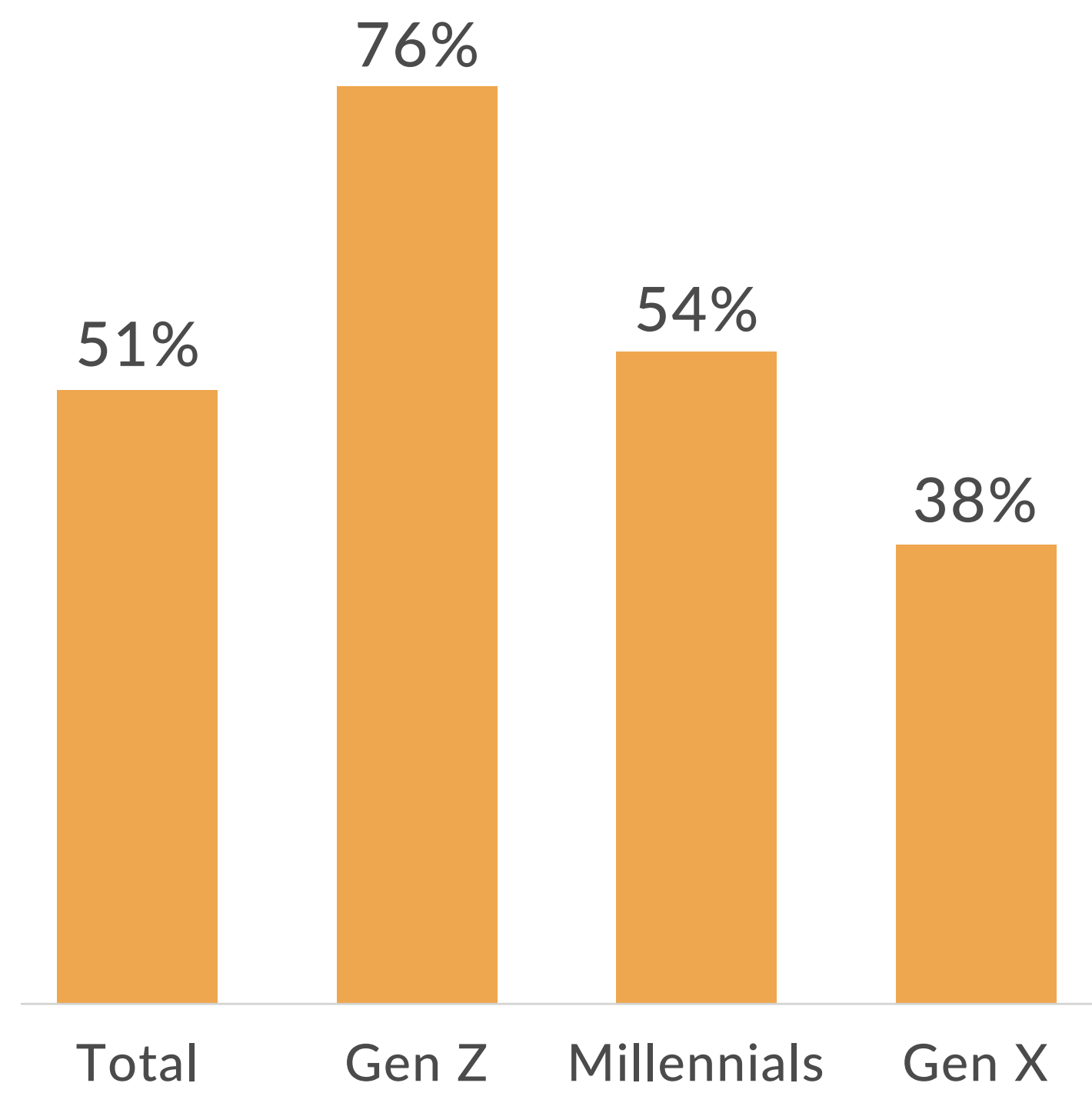


Q9. If you were looking for a job, would learning that a potential employer pays you on the same day that you work increase your interest in applying for the job?



# An Instant Pay Option can Dramatically Increase a Job's Acceptance Rate Over Another Job of Equal Pay and Hours

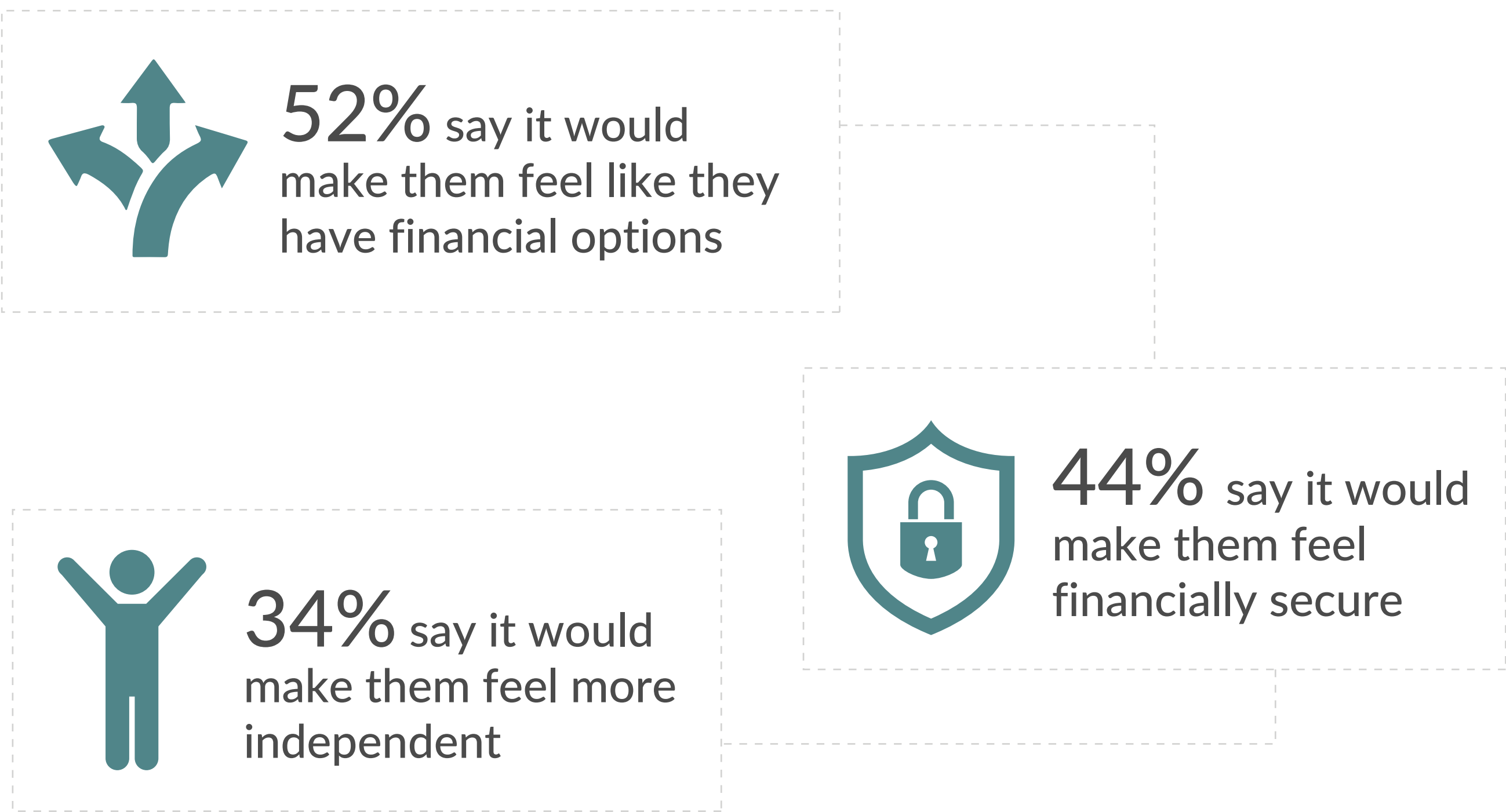
Would accept an instant pay option job over another job with equal pay and hours



Q10. If you received two job offers that are equal in pay and hours, would the ability to receive a portion of your earned wages daily versus every two weeks convince you to accept the job that offers daily pay?

Reasons an instant pay option job would win over a similar job (by total)

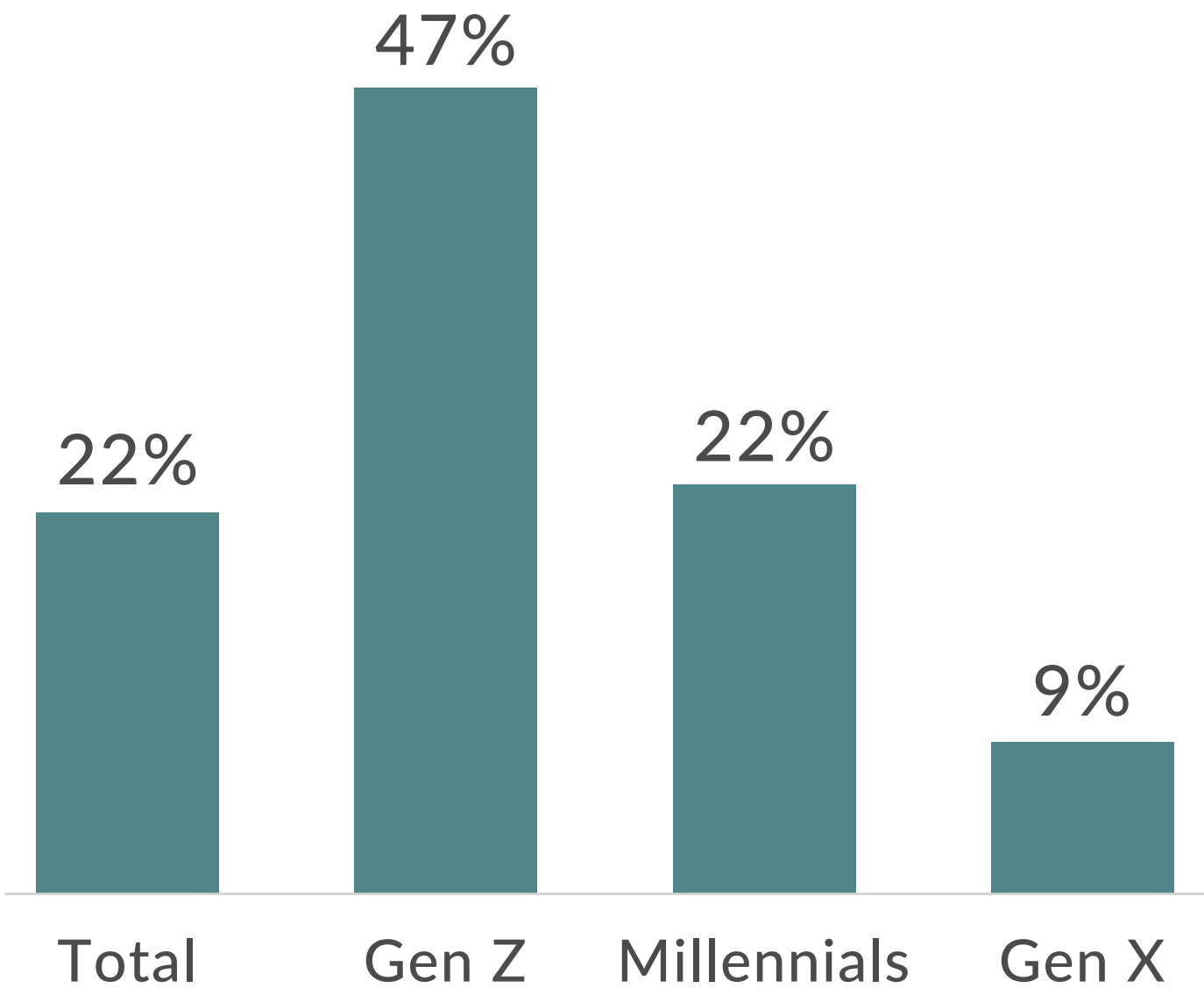
An instant pay option is appealing to workers of all generations for the same reasons.



Q11. How would immediately being able to access a portion of your earned pay via an app or payment card affect your life? Please select all that apply

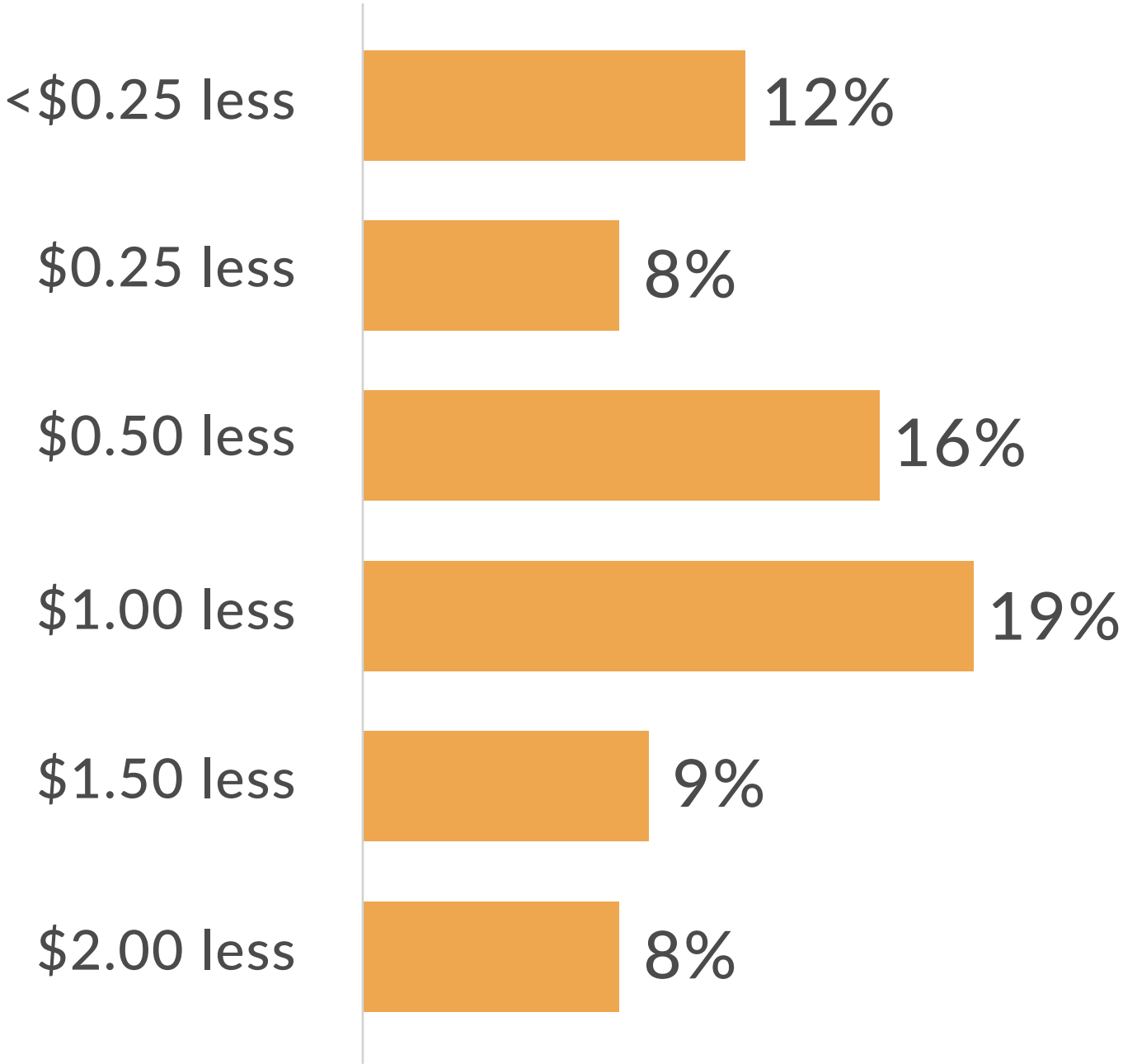
# For Gen Z, Instant Pay Often Trumps Higher Pay

Would accept a job that pays less but has an option for instant pay



Q12. Would you accept a job that pays slightly less than your current job if you were able to have access to your earned pay after each day of work?

How much less per hour you are willing to be paid in order to have an instant pay option (By Total)



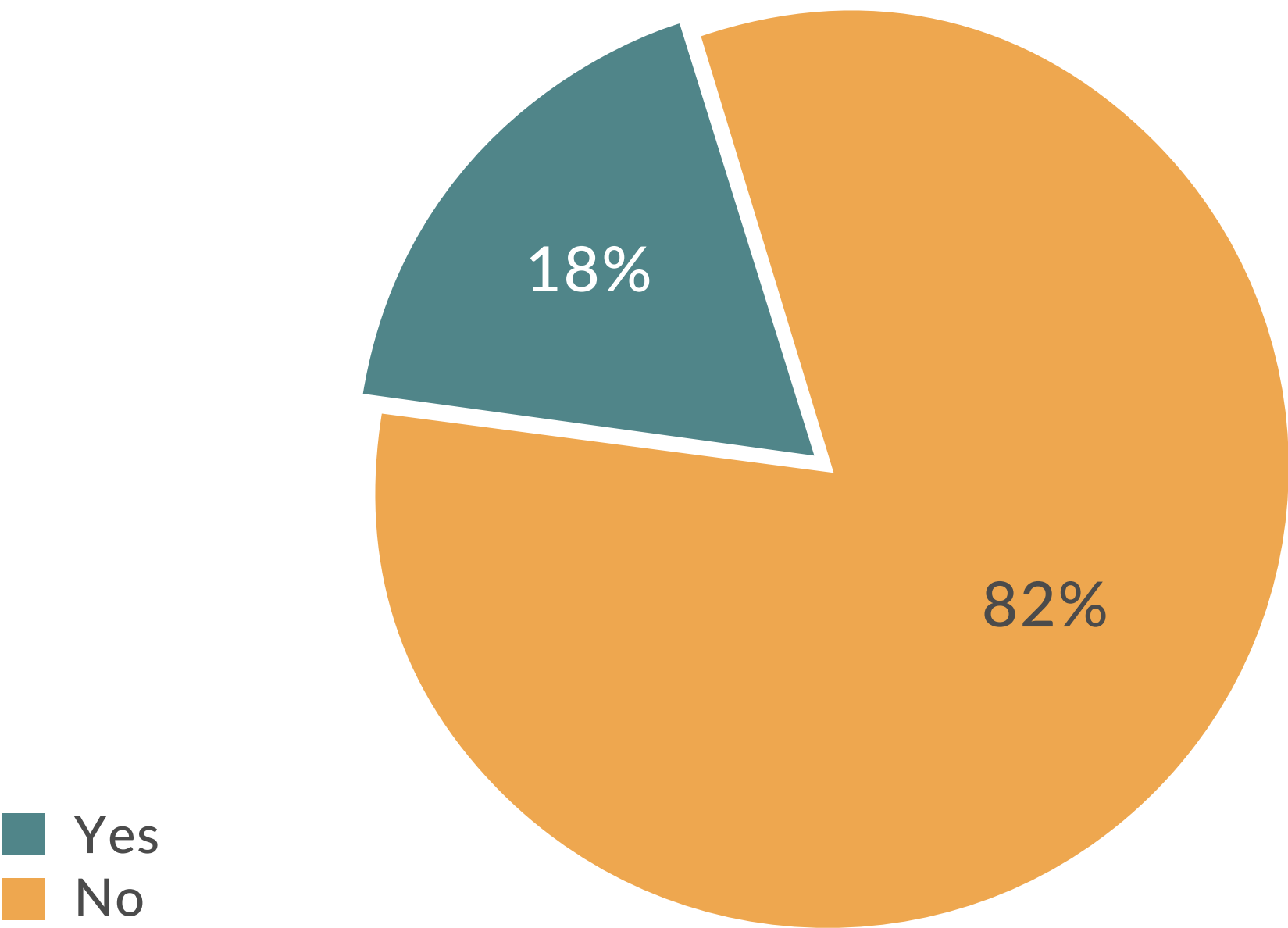
Q13. How much less per hour would you be willing to make in order to get paid every day? Please select one.



# Most Workers are Unwilling to Pay a Fee for Same-Day Access to Their Pay

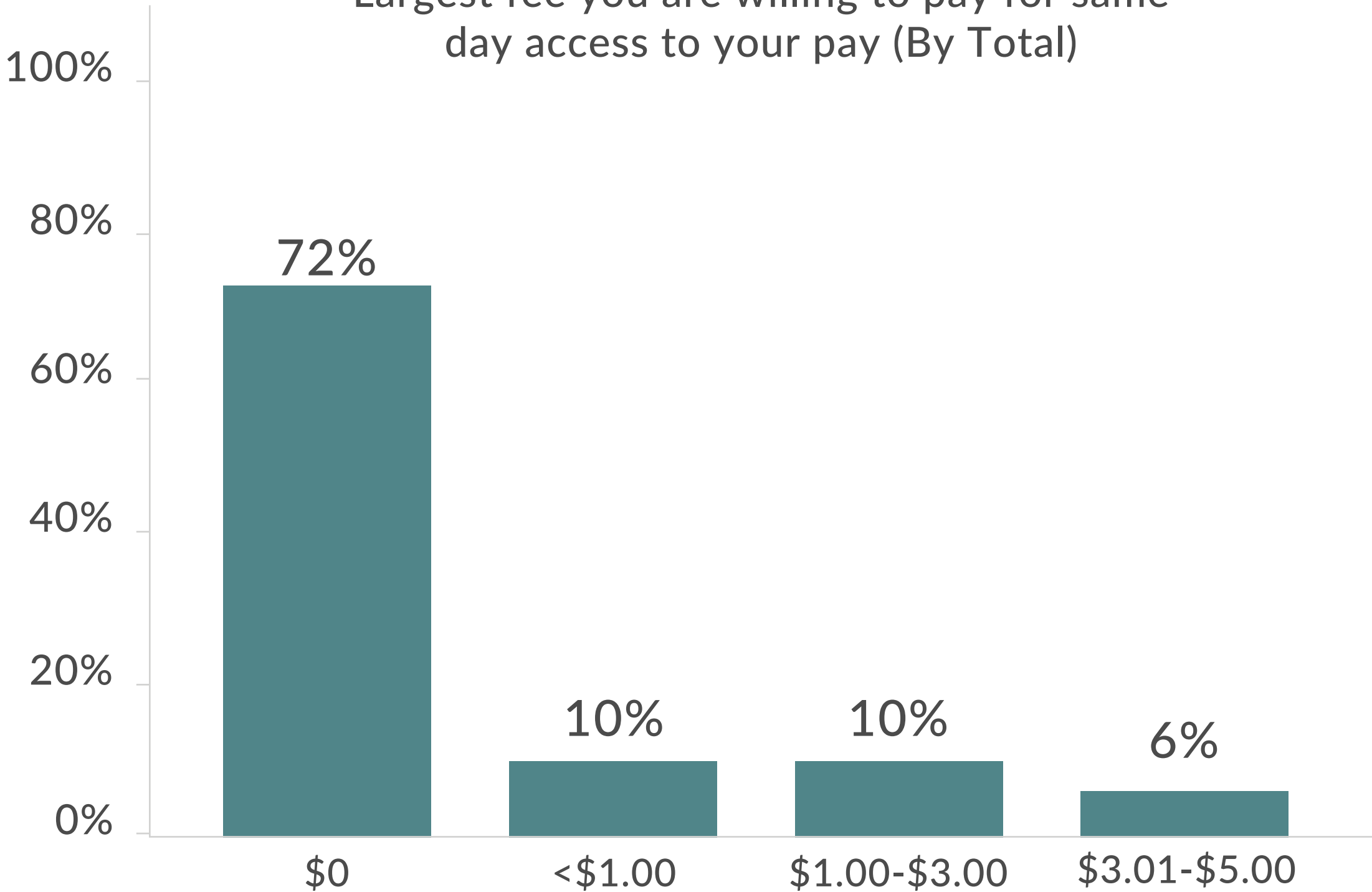
Of those willing to pay a fee for same day access, very few are willing to pay more than a few dollars. This is true across generations.

Would you be willing to pay a \$5 fee to access your pay on the same day



Q16. Would you be willing to pay \$5 to access your earned wages on the same day you worked? This fee would be charged each time you accessed your wages on the same day.

Largest fee you are willing to pay for same day access to your pay (By Total)

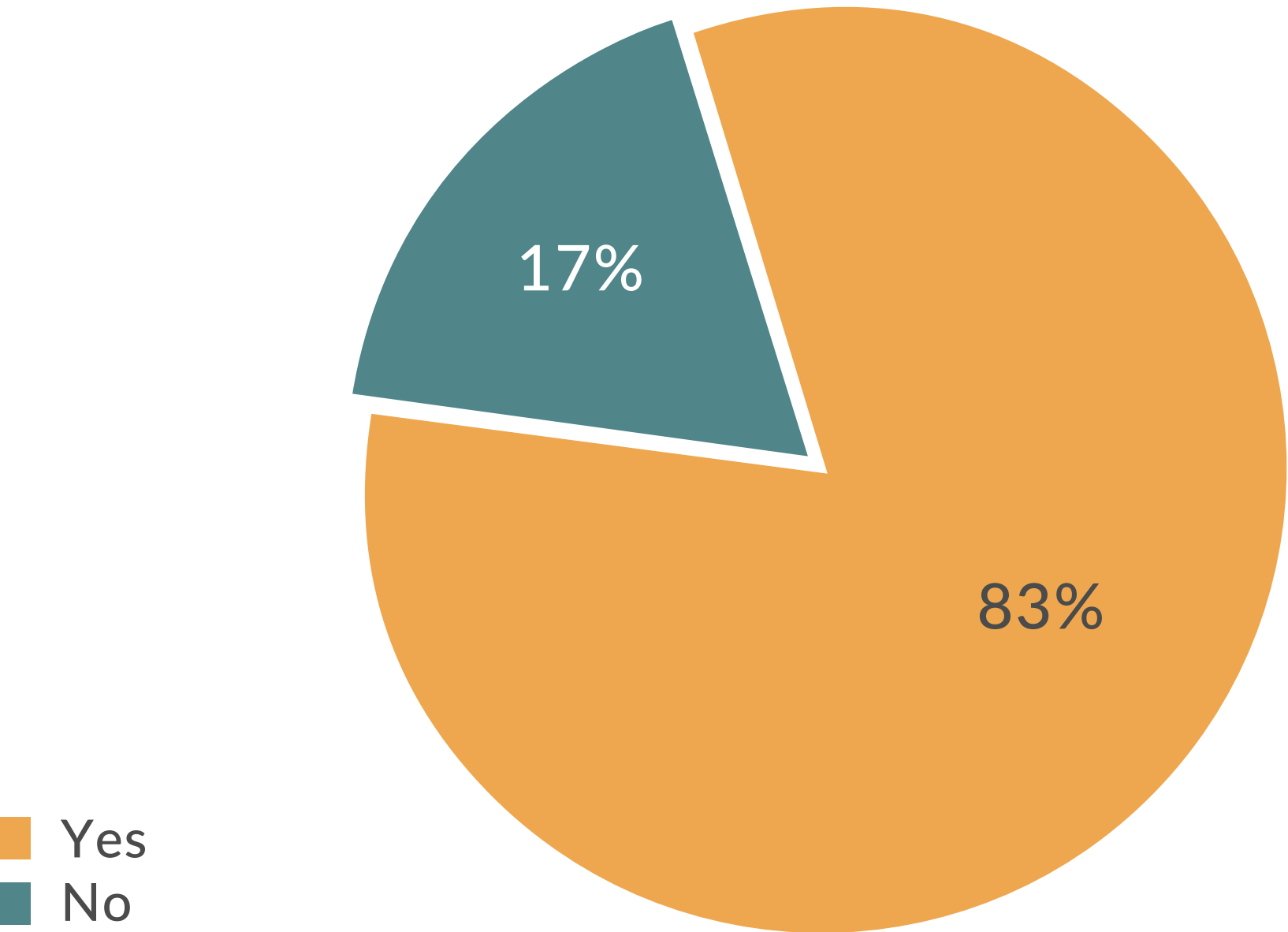


Q17. What is the largest fee you would be willing to pay in order to immediately have access to your earned pay after each day? Please select one.



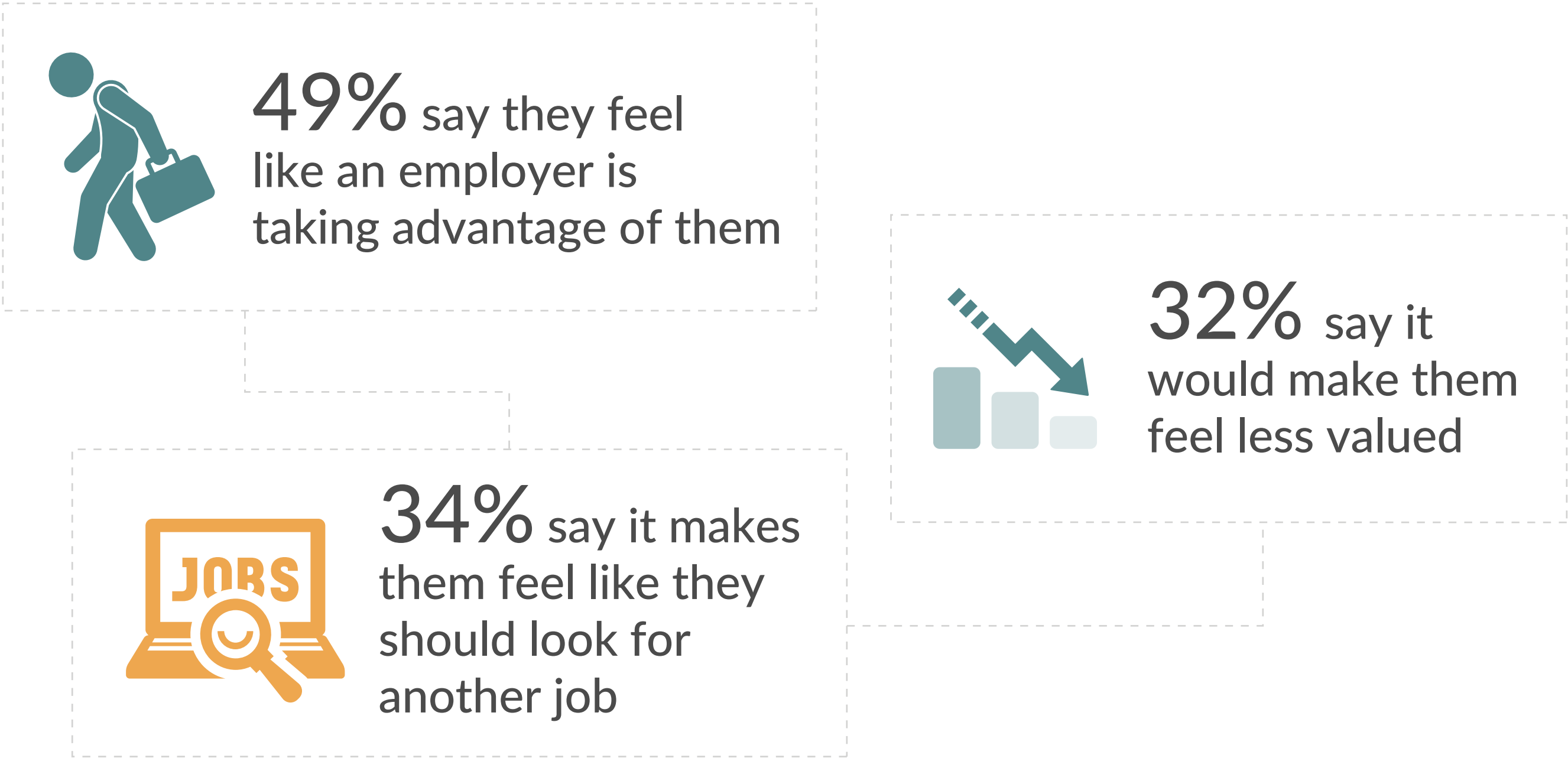
# Daily Pay Options with Fees Make Workers Feel That Employers are Taking Advantage of Them

Believe it is unfair to be charged a fee to access your pay after every day of work



Q18. Do you think it is unfair to be charged a fee to access your earned pay after every day of work?

Worker perceptions of employers who charge fees for daily pay access (By Total)



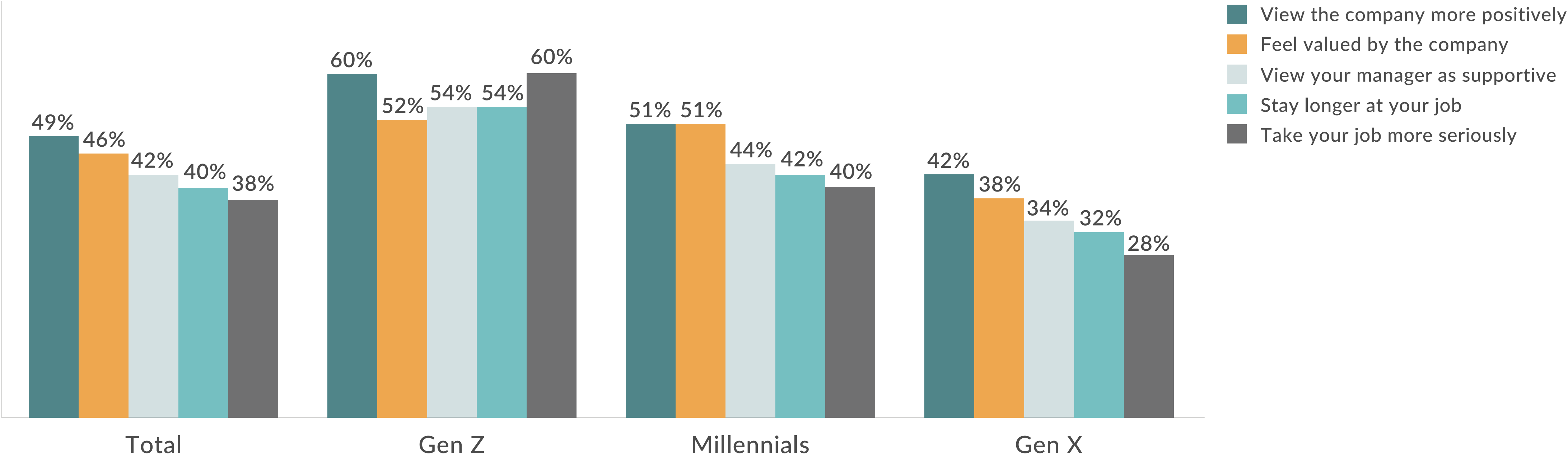
Q15. If you were charged \$5 to access your pay after each day of work, which of these would you feel toward your employer? Please select all that apply.



# But Offering a No-Fee Instant Pay Option Has Huge Upsides for Employers in Terms of Employee Happiness

Employees are much more likely to view the company and their managers more positively. 40% say they would even stay longer at the job. Gen Z in particular feels this way.

Actions that result from an employer offering a no-fee instant pay option



Q19. If you accepted a job that gave you immediate access to your earned pay every day at no cost, please indicate how likely you would be to do each of the following.



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# The Instant Pay Option: A Big Win for Employers

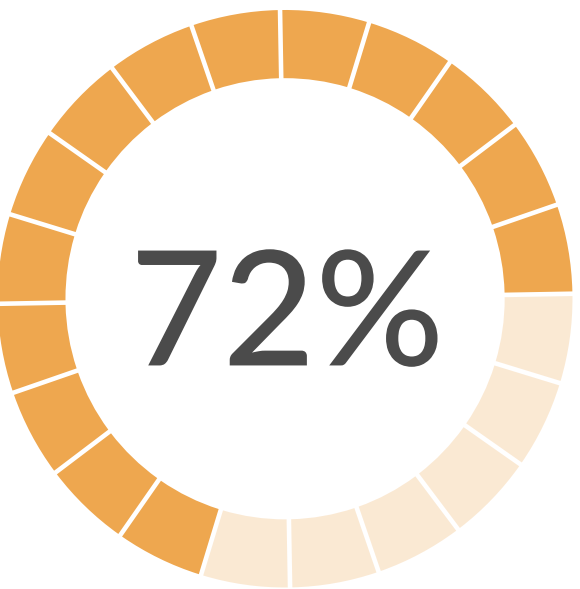
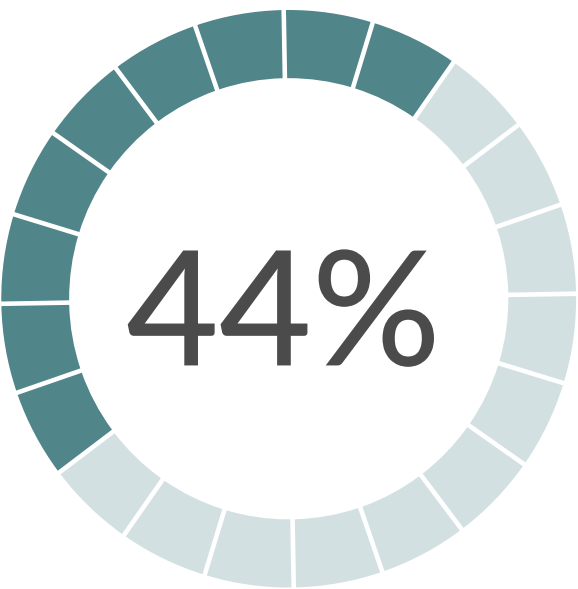




# How Offering an Instant Pay Option can Dramatically Affect Employee Morale



**44%** of employees and **78%** of Gen Z say that having immediate access to their pay would inspire them to put forth more effort at work



**44%** of employees and **72%** of Gen Z say that an instant pay option makes them more loyal to their employer



**More than 1 in 3** employees would stop looking for another job if they were offered the option to receive immediate access to their pay

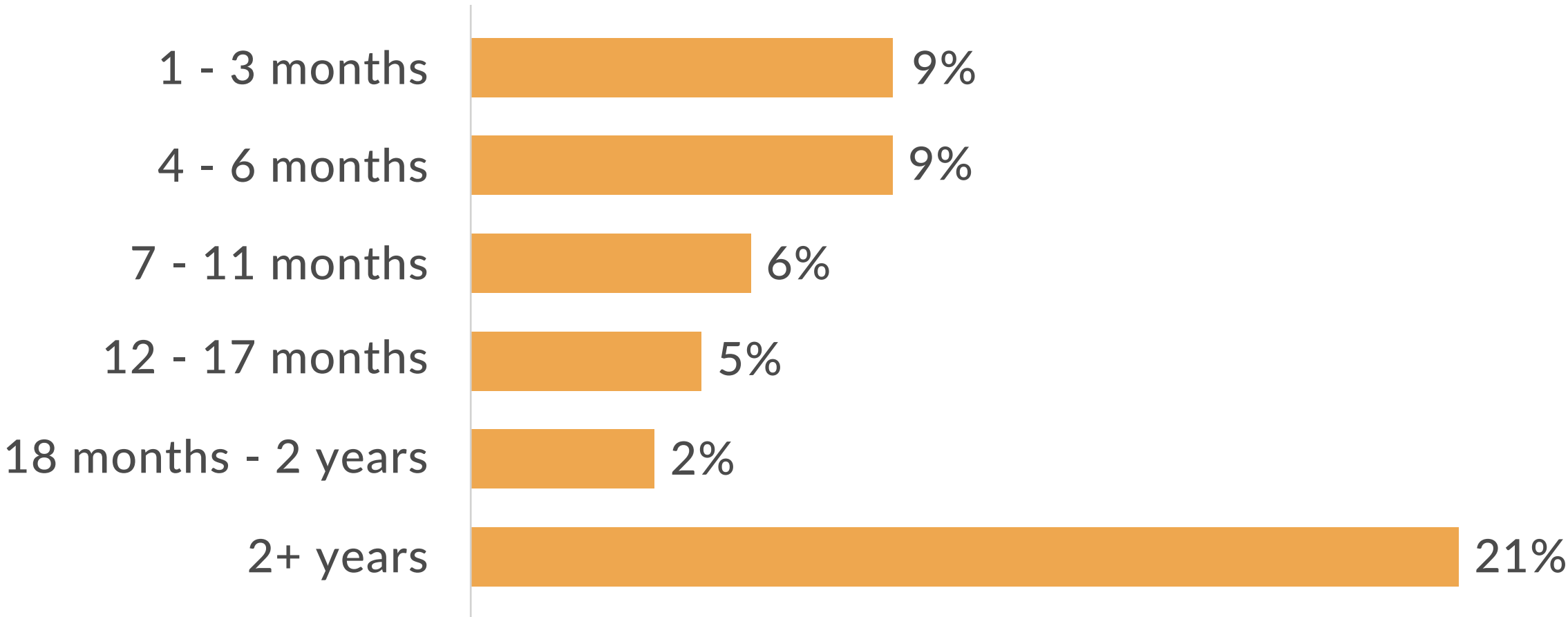


...and **more than half** of Gen Z would stay longer at a job they don't like if they had an instant pay option

# An Instant Pay Option Could Lengthen an Employee's Stay by Months or Even Years

Across generations, employees are equally inspired to lengthen their tenure with an employer who offers them same day access to their pay.

By Total: How much longer you would stay at your current job if offered an instant pay option



Q24. How much longer would you stay at your current job if you were able to receive immediate access to your earned pay after every day's work. Please select one.





A background image of two male chefs in a kitchen. The chef on the left is a man with a beard and short dark hair, wearing a white shirt and a dark apron, smiling broadly. The chef on the right is a Black man wearing a black chef's hat, a white shirt, and a dark apron, also smiling. They are standing in front of a brick oven. The image is semi-transparent, allowing the text to be overlaid.

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**The Instant Pay Option  
can Drive Results**



# The Solution Employees Need

- ✔ Employers attain significant rewards by giving employees instant access to their pay without any fees.
- ✔ By giving employees more control over their own pay, employers provide a resource that increases employee financial well-being. This develops a sense of loyalty and respect towards their employer.
- ✔ The result is lower rates of turnover, improved shift flexibility, and increased workplace motivation. These factors combine to substantially reduce overall labor force costs.

# Contact Us

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1-855-976-4376

[www.instant.co](http://www.instant.co)

[sales@instant.co](mailto:sales@instant.co) | [media@instant.co](mailto:media@instant.co)

# Methodology

- ✔ Custom 25-question survey commissioned by Instant Financial and conducted by The Center for Generational Kinetics.
- ✔ Study was administered to 1001 U.S. respondents ages 16-52 who are currently employed. The sample was weighted to current U.S. Census data for age, gender, and region.
- ✔ Survey was conducted online from January 11, 2018 to January 17, 2018.
- ✔ Figures are statistically significant at the 95% confidence level. Margin of error is +/-3.1 percentage points.
- ✔ Please note that “By Total” in any graph represents the sample as a whole.