



Wages & Wellbeing

A Study of the Perceptions of the
American Workforce on Pay Frequency

instant



Introduction

In 2022, Instant Financial conducted a survey of the American workforce that sought to better understand the financial state of employees at the time, while examining the effects and perceptions of pay frequency across job consideration, retention, loyalty and more.

We conducted this survey again in 2024 to understand what changes have occurred across the American workforce over the past two years, while also establishing new data points around financial wellbeing, employee engagement, and workplace sentiment, among other factors. The results of the 2024 Wages & Wellbeing study aim to:

- 1** Determine the effects and perceptions of wage frequency on job consideration, application, and job offer acceptance, while uncovering meaningful differences across these topics in 2024 compared to 2022.
- 2** Uncover the impact of wage frequency on employee engagement and performance including impression of the company and management, likelihood of referrals, and willingness to increase work responsibilities and tenure.
- 3** Explore and discover the effect of wage frequency on employee retention, company loyalty, and recommendations including the impact of financial uncertainty caused by the pandemic.
- 4** Understand how state regulation, federal guidance, and employee integration play a role in EWA use.
- 5** Highlight consumers' current perception of earned wage access (EWA) and pay flexibility and uncover the role of EWA in improving financial and mental health indicators.



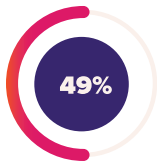
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Study Highlights

This study sheds light on the current financial landscape for American workers, explores the role of pay frequency on employee recruitment, retention and loyalty.

The main takeaways from the 2024 Wages & Wellbeing study are as follows:



Americans are still short on money

Almost half (**49%**) of working Americans are **frequently short on money** before they get to payday.

Americans still worry about making ends meet

54% of working Americans worry frequently about **making their money last** until their next paycheck.

Americans want to be paid the same day they work

86% of working Americans would be **more interested in applying for a job** that pays them the same day they work.

Americans would stay longer at a job if they were paid more frequently

74% of working Americans are **more likely to stay longer at a job** that offers immediate access to their earned pay after every day's work.

Americans think employers should offer same-day access to pay

72% of working Americans believe companies should be **required to offer no-fee earned wage access** to their employees.

Saving money would be easier with same-day access to pay

82% of American workers say having immediate access to their same-day pay would **significantly improve their ability to save money**.

Americans want some regulatory oversight to same-day pay

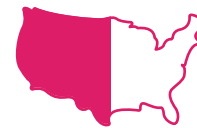
63% of Americans would **feel more comfortable with same-day pay** if there were state or federal oversight to govern how it's offered.

PART I

Current Wage Landscape

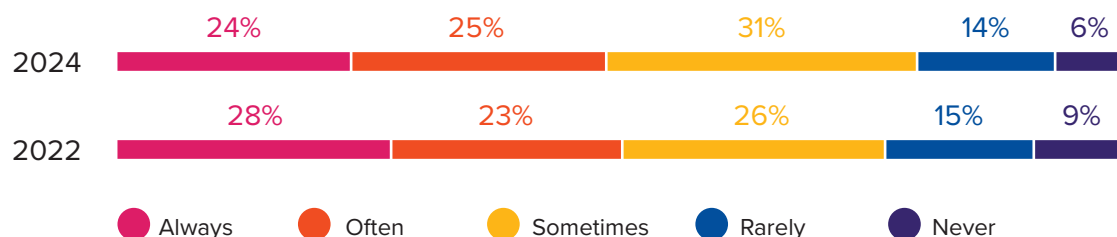
As we examine the state of employee sentiment related to pay frequency, we begin this study by looking at the current wage landscape of American workers and attempting to understand the financial wellbeing of employees. This section explores employee perspectives on financial liquidity between pay periods, the impact of optional and obligatory financial commitments, and what action workers would take if money was an issue between paydays.

In 2024, almost half (**49%**) of working Americans stated that they are often or always short on money before their next paycheck, which is consistent with 2022, the last time this study was conducted (**51%**).



In 2024, almost half (**49%**) of working Americans are regularly short on money before they get to payday, which is consistent with 2022 (**51%**).

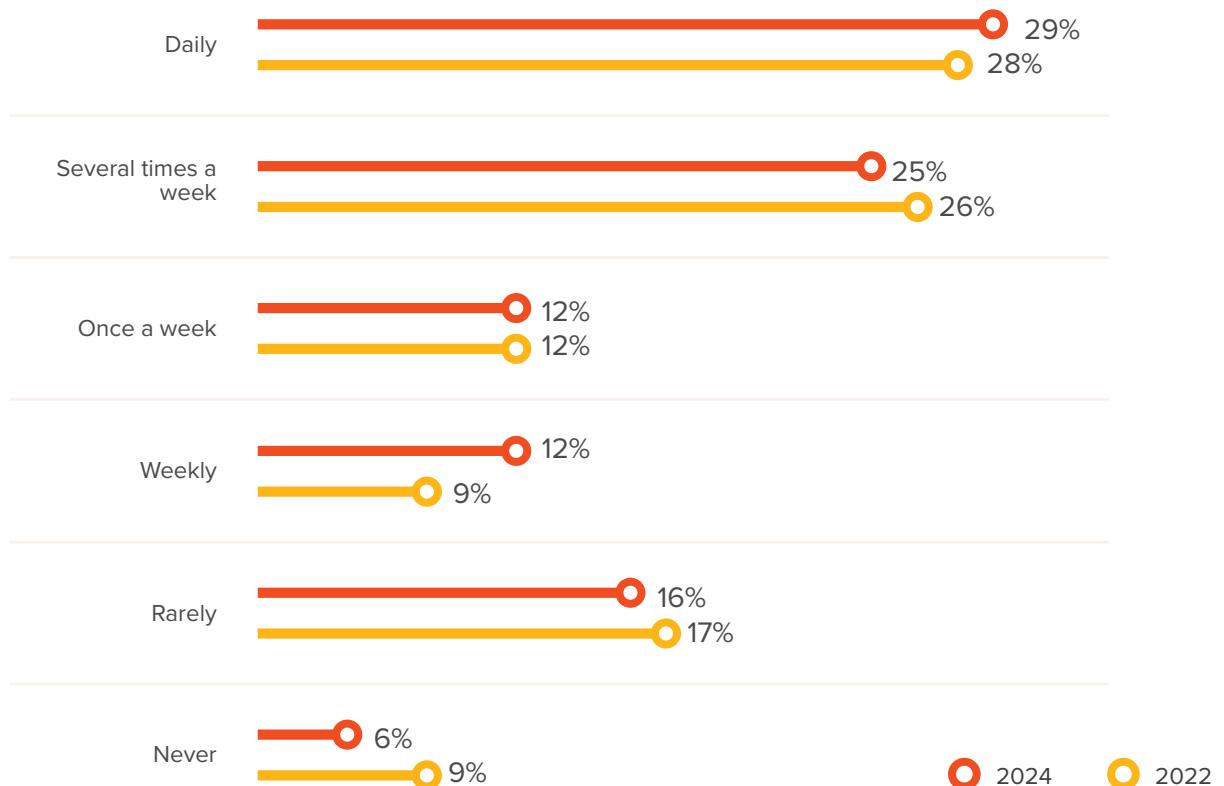
Q How often are you short on money before you get to payday?





And consistent with 2022 (**54%**), over half of working Americans in 2024 (**54%**) worry several times a week or daily about making their money last until their next paycheck. Also alarmingly, in 2024, working Americans are significantly less likely to never worry about making their money last until their next payday.

Q How often do you worry about making your money last until your next payday?



These responses underscore the reality still facing American workers today: that living paycheck to paycheck is a challenge for millions.

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

43%

Went to work when they were sick and should have stayed home

39%

Skipped at least one meal because they needed to save money

27%

Have borrowed money at a high interest rate in order to pay bills



Which has happened in the last three months because you were worried about making your money last until your next payday?



2024 2022



In 2024, **62%** of working Americans say they have felt financially overwhelmed or trapped because they had to borrow money from a payday lender or other high-interest lender, significantly higher than in 2022 (**53%**).



Generational Differences

When we examine this same question across generations, different themes arise. Already in 2024, each generation – including Generation Z, Younger and Older Millennials, and Generation X – have experienced different financial hardships when worried about making their money last until their next payday.

46%

of Gen Z workers went to work even when they were sick and should have stayed home

45%

of Gen Z workers skipped at least one meal because they needed to save money

41%

of Younger Millennial workers could not sleep at least one night per week

37%

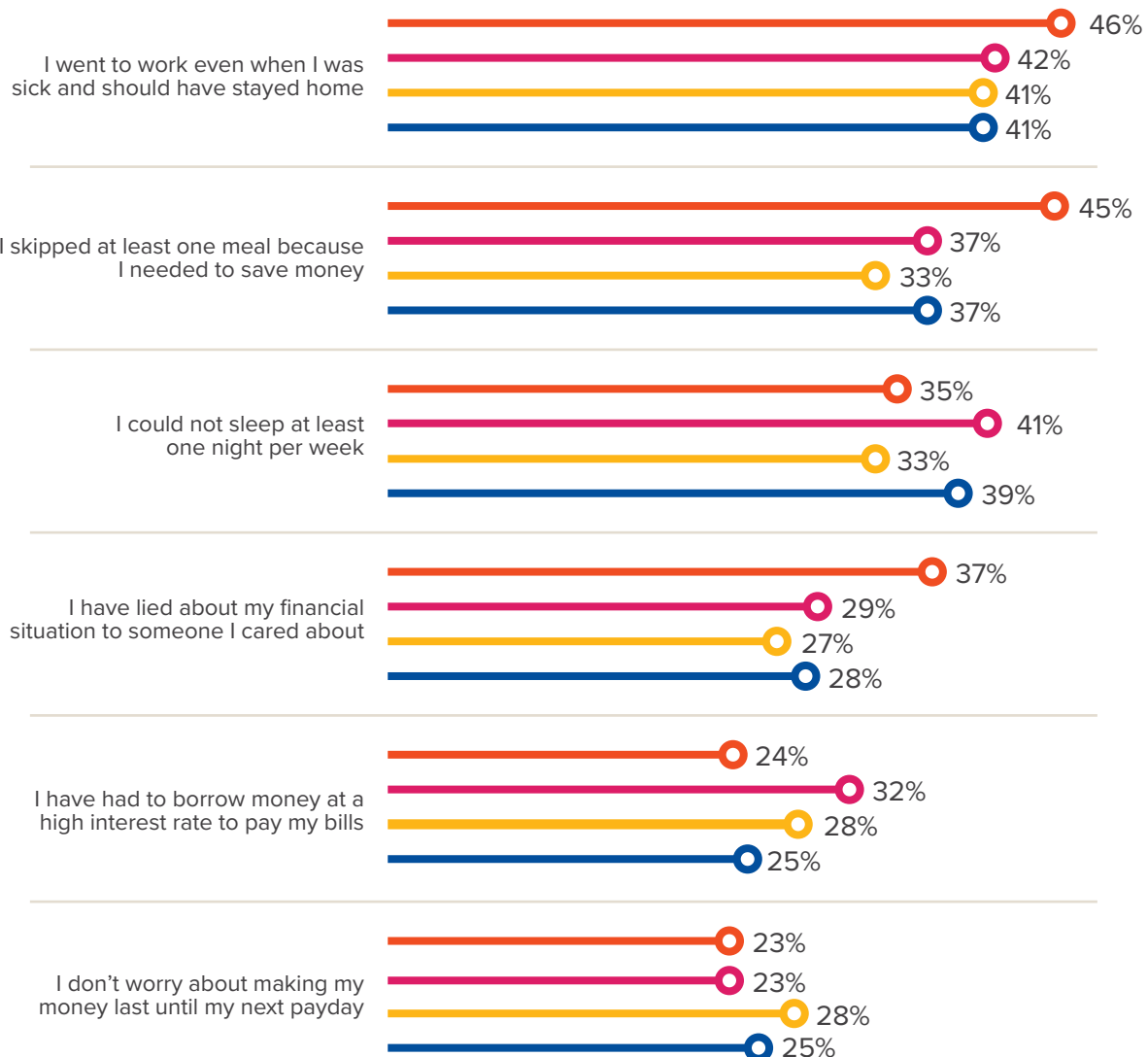
of Gen Z workers lied about their financial situation to someone they cared about

32%

of Young Millennial workers had to borrow money at a high interest rate to pay bills



Which has happened in the last three months because you were worried about making your money last until your next payday?

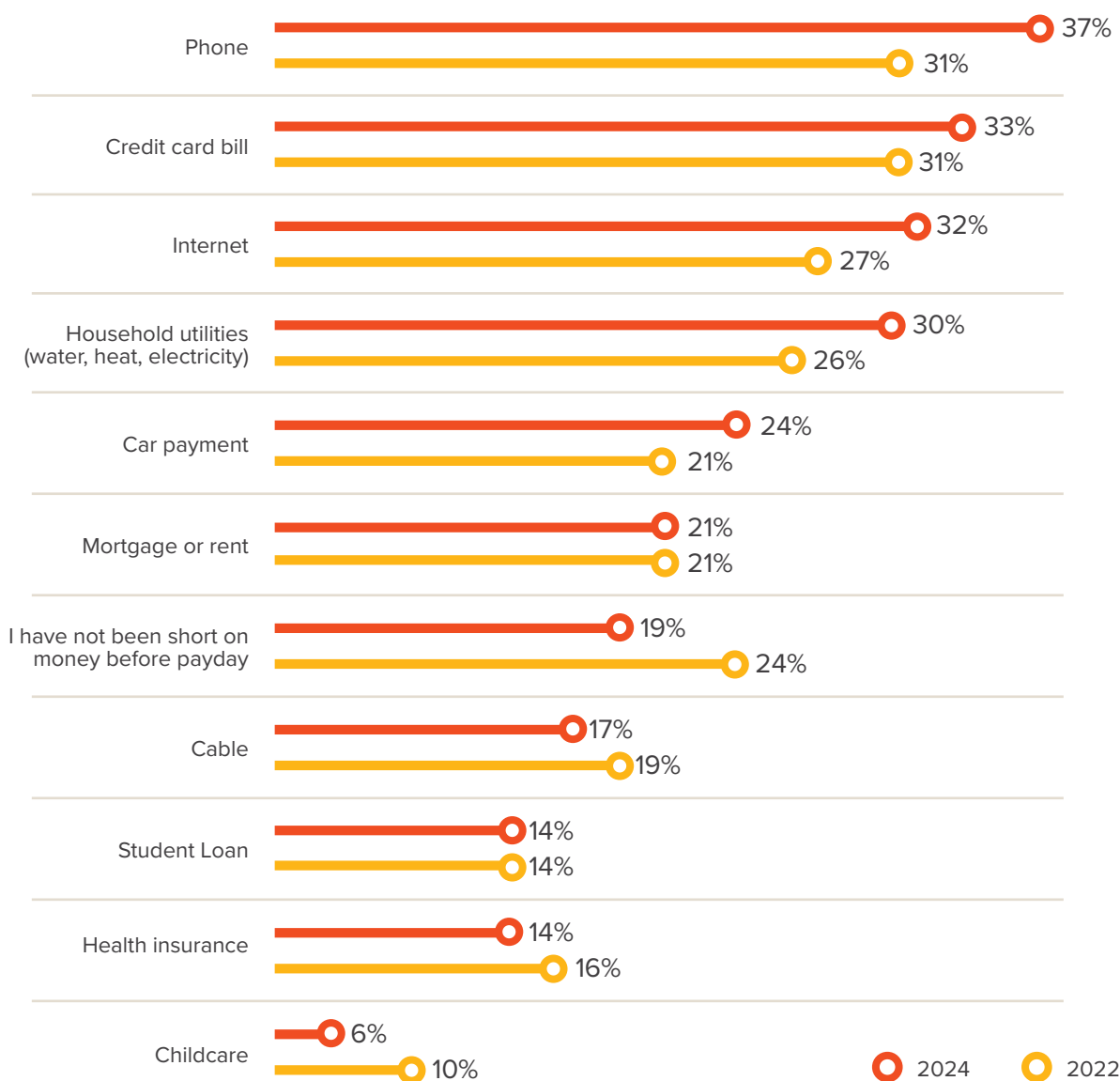


○ Gen Z (16-27) ○ Younger Millennials (28-35) ○ Older Millennials (36-44) ○ Gen X (46-66)

As we examine what American workers are forced to forgo to make ends meet, the results show that in 2024, significantly more than in 2022, employees are **unable to pay their bills on time – or sometimes even pay them at all** – because they were short on money before payday.



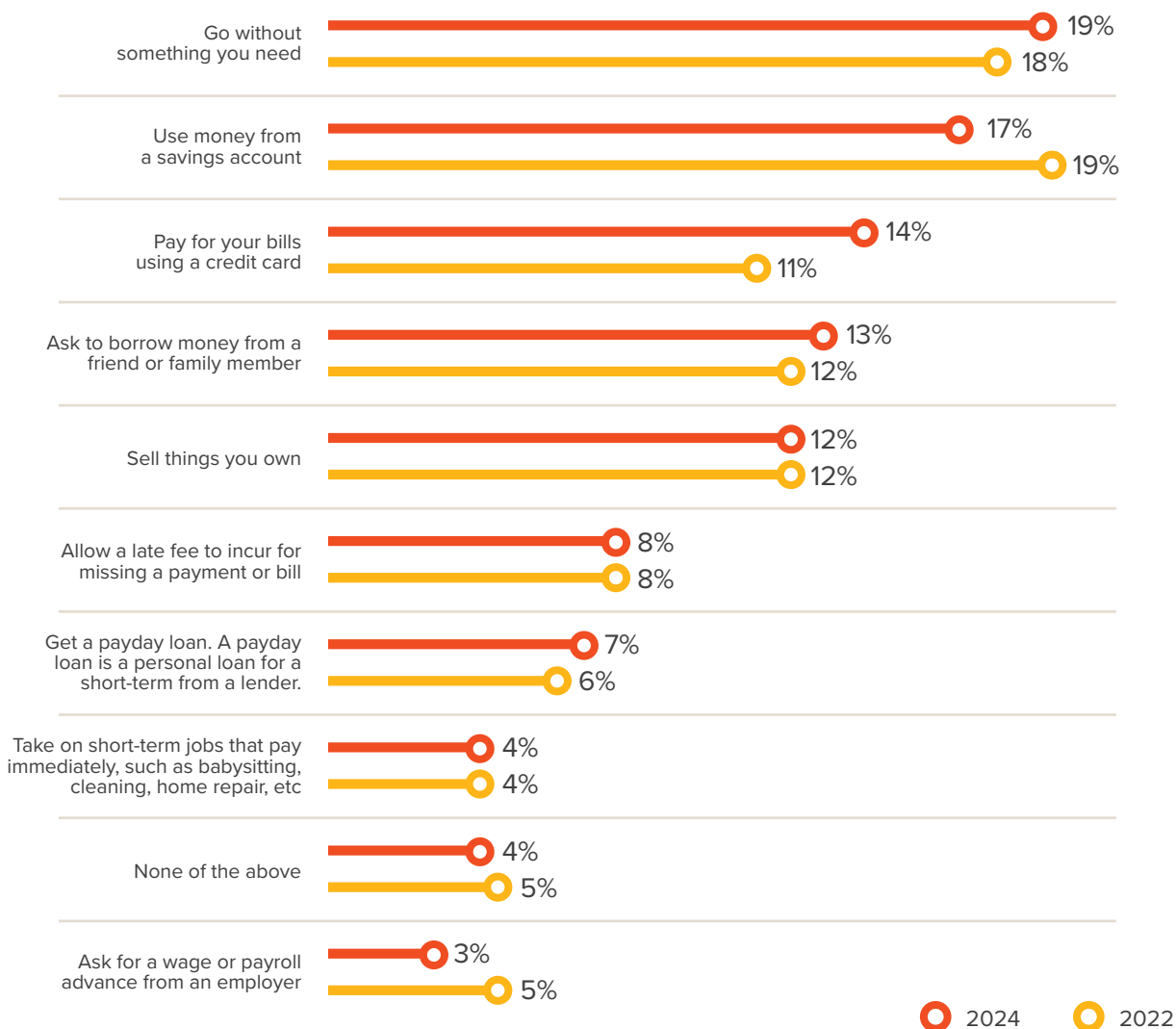
Q Which have you not paid or had to pay late because you were short on money before you got to payday?



And consistent with 2022, in 2024, working Americans are most likely to **go without something they need, use money from a savings account, or pay bills using a credit card** if they need money before payday.

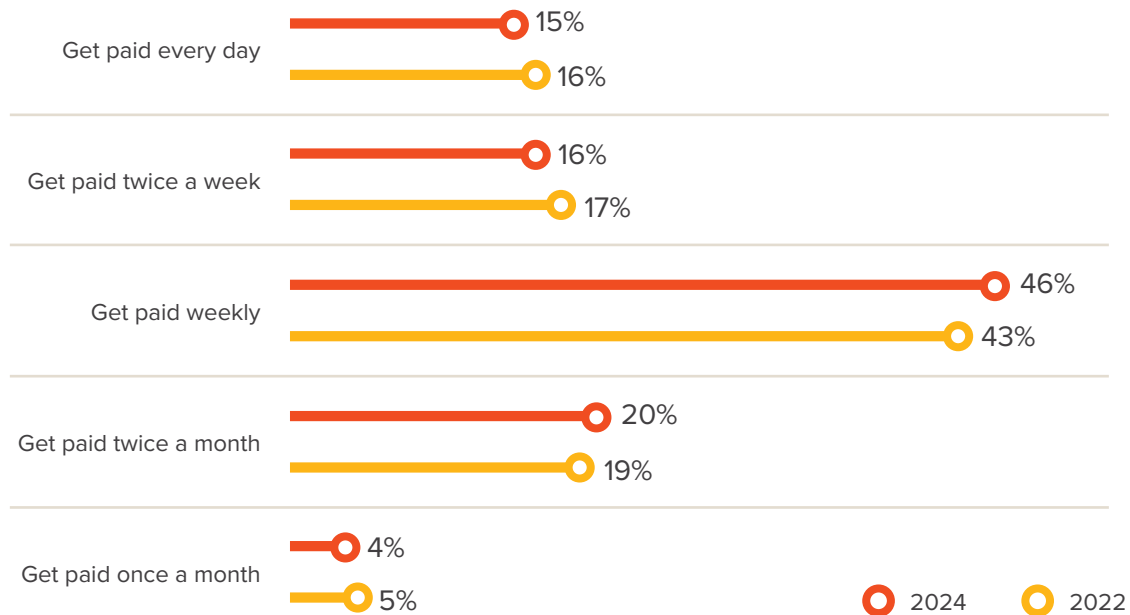


What are you most likely to do if you need money before payday?

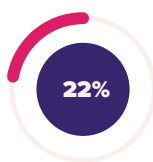


Amid all of these challenges facing American workers in 2024, it's increasingly clear that the majority would prefer to have **more frequent access to their wages**, allowing them to address many of the aforementioned issues.

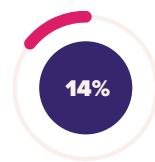
Q Ideally, how often would you like to receive your pay at work?



Generationally, additional themes arise:



In 2024, **Gen Z (22%)** is significantly more likely than **Younger Millennials (14%)** and **Gen X (13%)** to prefer to receive their pay at work twice a week.



In 2024, **Gen Z (14%)** and **Millennials (18%)** are significantly more likely than **Gen X (10%)** to like to receive their pay at work every day.



Summary

Over the past two years - since the last time this study was conducted - the financial situation of American workers has not changed significantly, with nearly half of employees stating that they continue to be short on money between pay periods.

This situation results in a large number of American workers needing to resort to short-term measures to make ends meet between pay periods - like going to work when sick, skipping meals or borrowing money at high interest rates.

To address this, American workers clearly are interested in solutions that allow them to get more frequent access to their pay, allowing them to worry less about making money last until payday, and avoid having to take drastic actions that may negatively impact their future financial or mental health.

PART II

Impact on Employee Recruiting, Engagement, and Performance

2022 - 2024 Comparison

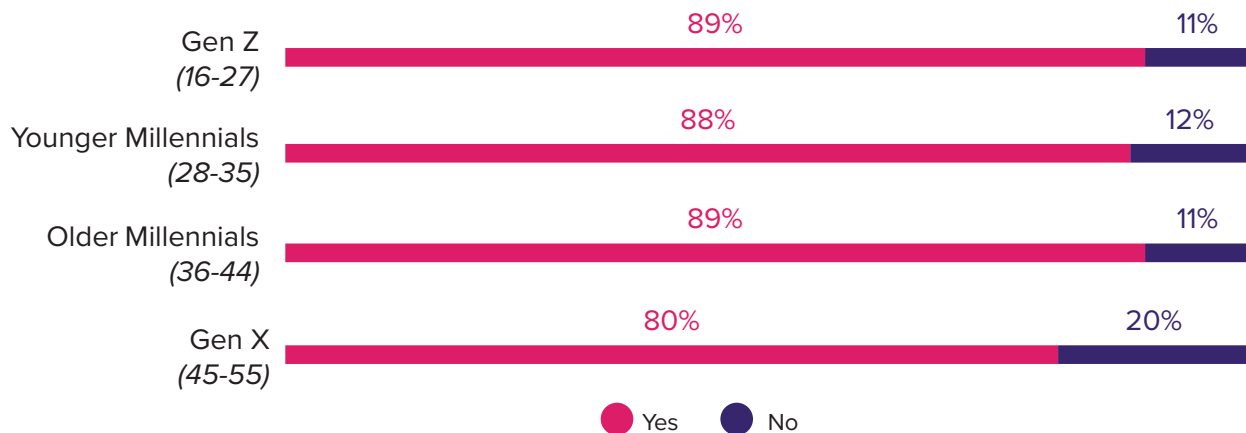
A deeper dive into the impact that wage frequency has on employee recruiting and performance tells us a compelling story, especially as we examine the perceptions across generations. Across the board, all generations surveyed – Generation Z, Millennials and Generation X – say their interest in applying for a job would increase if the employer paid them the same day they work.



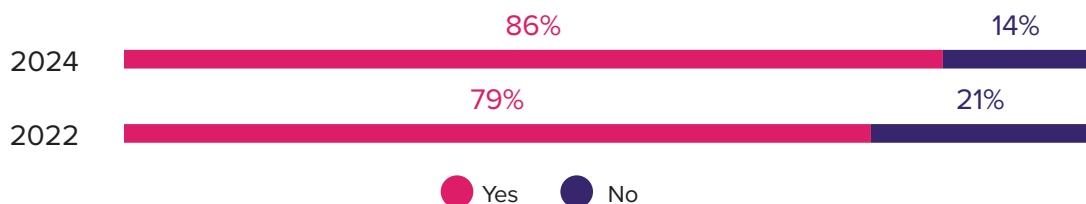
In 2024, **86%** of working Americans would be more interested in applying for a job that pays them the same day they work.



Would learning that a potential employer pays you on the same day that you work increase your interest in applying?



And in 2024, **86%** of all working Americans say their interest in applying for a job would increase if that potential employer pays them on the same day they work, compared to **79%** in 2022 – a considerable increase.

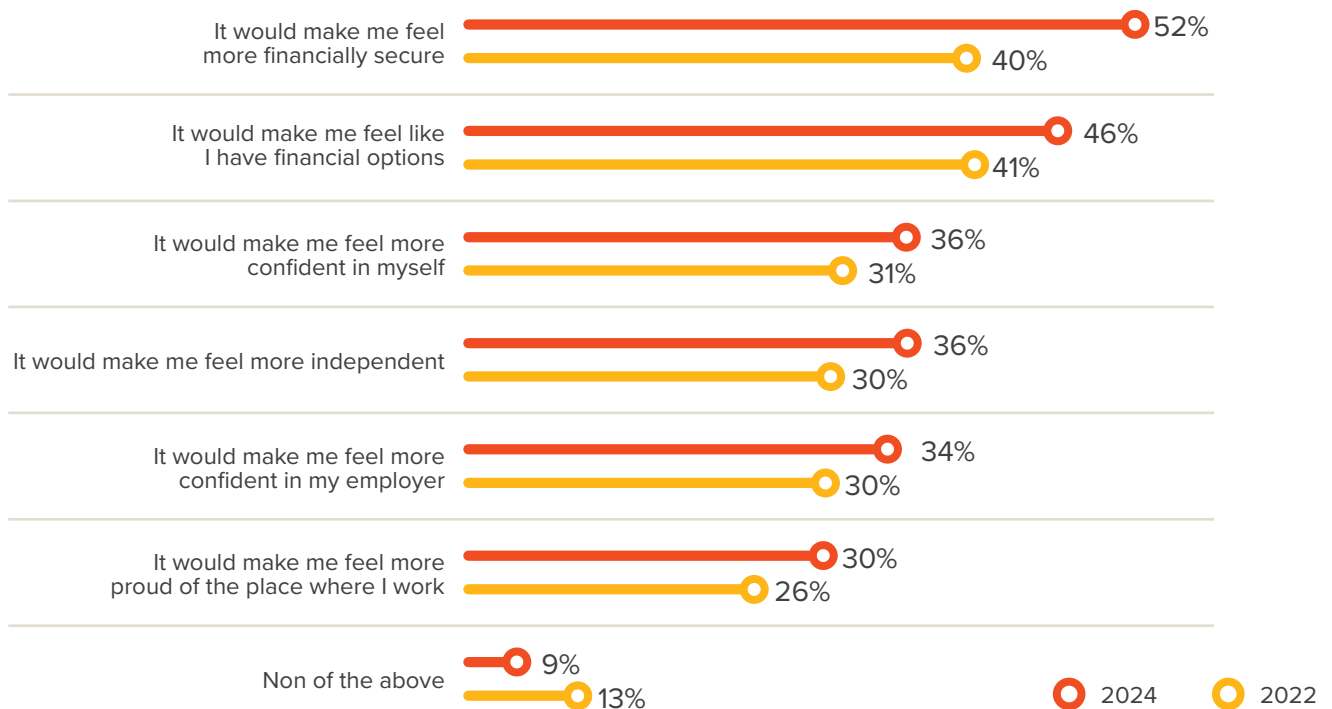




In 2024, **75%** of working Americans are more likely to apply for a job that offers immediate access to their earned pay after every day's work, significantly higher than in 2022 (**59%**).

Not only does an increase in pay frequency impact employee recruitment, it also plays a significant role in an employee's overall wellbeing. Compared to 2022, American workers in 2024 said that immediately being able to access a portion of earned pay via an app or pay card would significantly impact all areas of their lives, including financial security, confidence in their employer, and independence.

Q How would immediately being able to access a portion of your earned pay via an app or payment card affect your life?



In 2024, **74%** of working Americans are more likely to stay longer at a job that offers immediate access to their earned pay after every day's work, significantly higher than in 2022 (**62%**).



Across generations, the reactions are varied, but positive across the board. In 2024, younger Millennials are significantly more likely than all other generations tested to say that having immediate access to a portion of their earned pay would make them feel more confident in themselves.

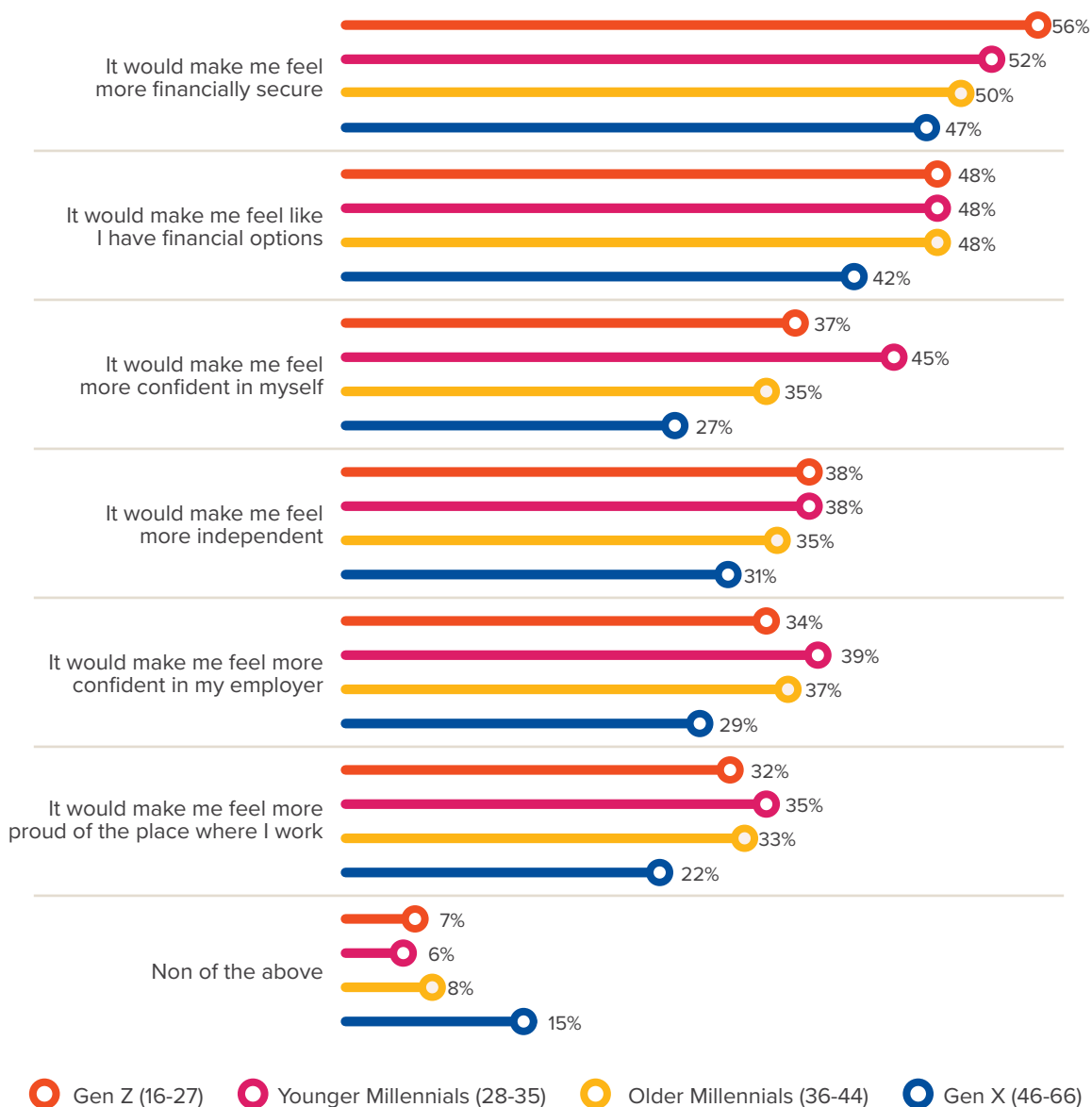
And Gen Z and Millennials are significantly more likely than Gen X to say that having immediate access to a portion of their earned pay would make them feel more proud of the place they work.



In 2024, **74%** 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, significantly higher than in 2022 (**62%**).



How would immediately being able to access a portion of your earned pay via an app or payment card affect your life?





In 2024, **74%** of working Americans would be better able to plan for their financial future if they were able to immediately access their earned pay after every day's work, significantly higher than in 2022 (**60%**).



Summary

It's increasingly evident that employees are continuing to seek out employers that offer a greater degree of flexibility in how they're able to access their pay, with 86% of employees indicating their interest in applying for a job would increase if that potential employer pays them on the same day they work.

Additionally, American workers would see significant improvements to multiple areas of their lives – including increased financial security, increased confidence and a greater sense of pride in their employer – if they could access their pay more frequently.

Not only are employees seeking out organizations that offer same-day access to pay, but employers can also positively impact the lives of those they employ, making an increase in pay accessibility a true win-win scenario for both employers and employees.

PART III

Impact on Employee Retention, Loyalty, and Recommendations

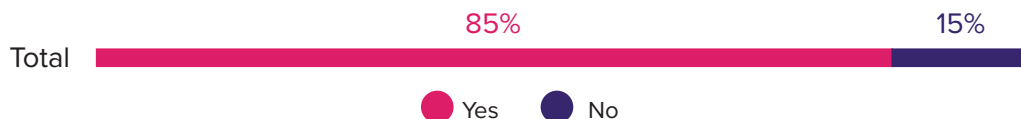
When we examine the role of pay frequency on employee retention and loyalty, it's clear that an increase in pay frequency corresponds with an increase in sentiment toward retention and loyalty, with the vast majority of working Americans indicating that they would stay at a job much longer than normal if they had immediate free access to their pay after each day's work.



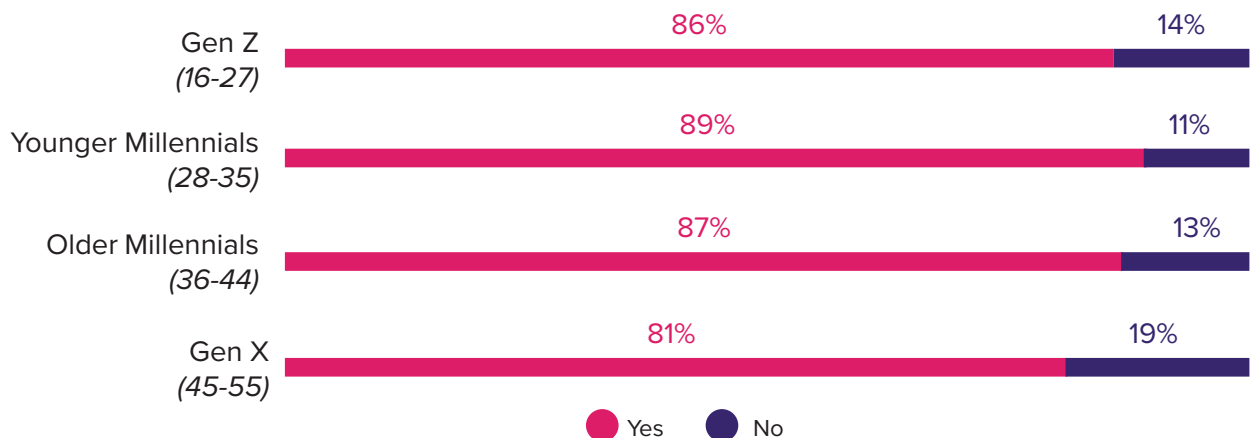
The vast majority of working Americans **(85%)** say they would stay at a job much longer than normal if they had immediate free access to their earned pay after every day's work



Would you stay at a job much longer than normal if you had immediate free access to your earned pay after every day's work?



Across generational cohorts, Gen Z, Younger Millennials, and Older Millennials indicate an even greater likelihood of staying at their job longer if they had access to same-day wages:



When we start to explore additional sentiments, the implications for businesses start to become evident, as there's a significant correlation between more frequent access to pay, and an expected improvement in key HR performance metrics, like reduced absenteeism, increased candidate applications and increased employee loyalty.

If given immediate, free access to a portion of earned pay at the end of each workday:



In 2024, **72%** 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, significantly higher than in 2022 (**58%**).

85%

of employees would be likely or very likely to arrive on time and work a full day

83%

of employees would be likely or very likely to accept a job offer

79%

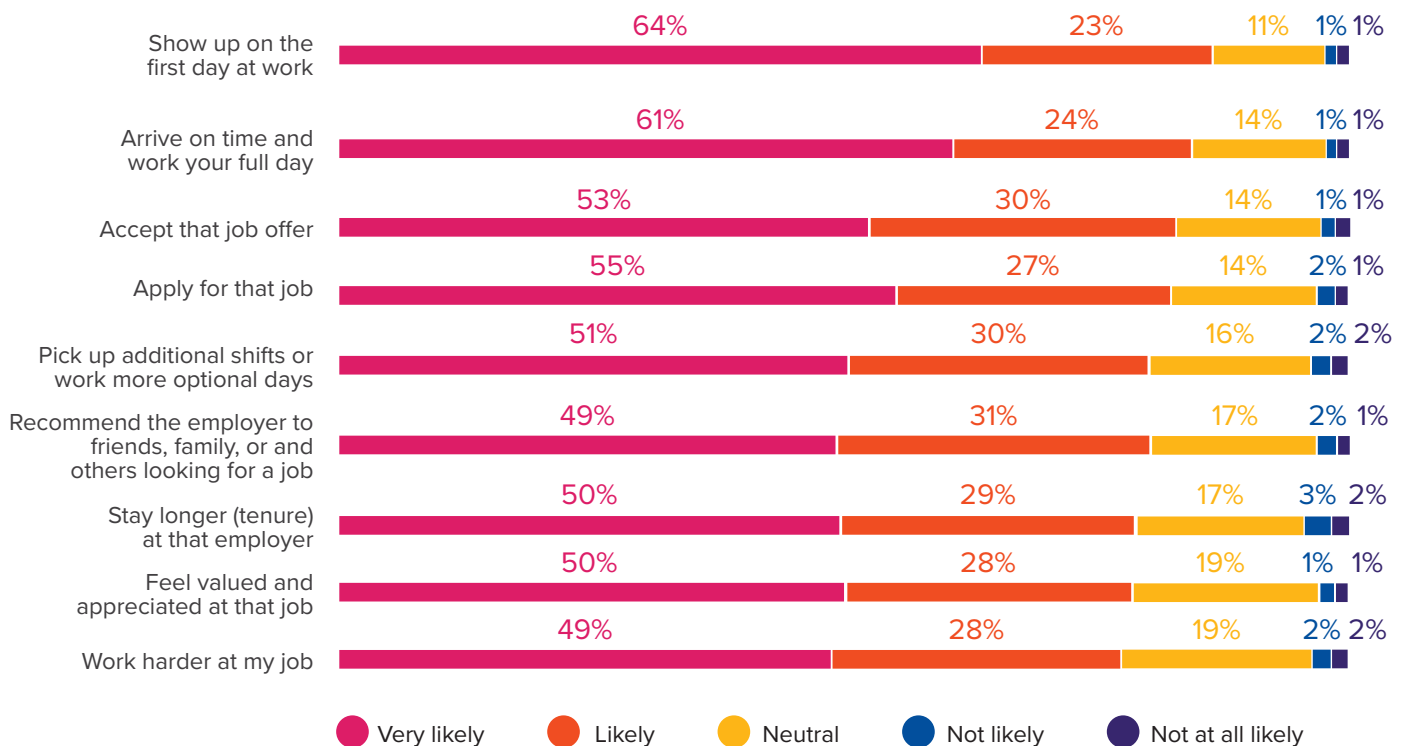
of employees would stay longer at their job

77%

of employees would work harder at their job



How likely would you be to do each if you were offered immediate free access to a portion of your earned pay after every day’s work?



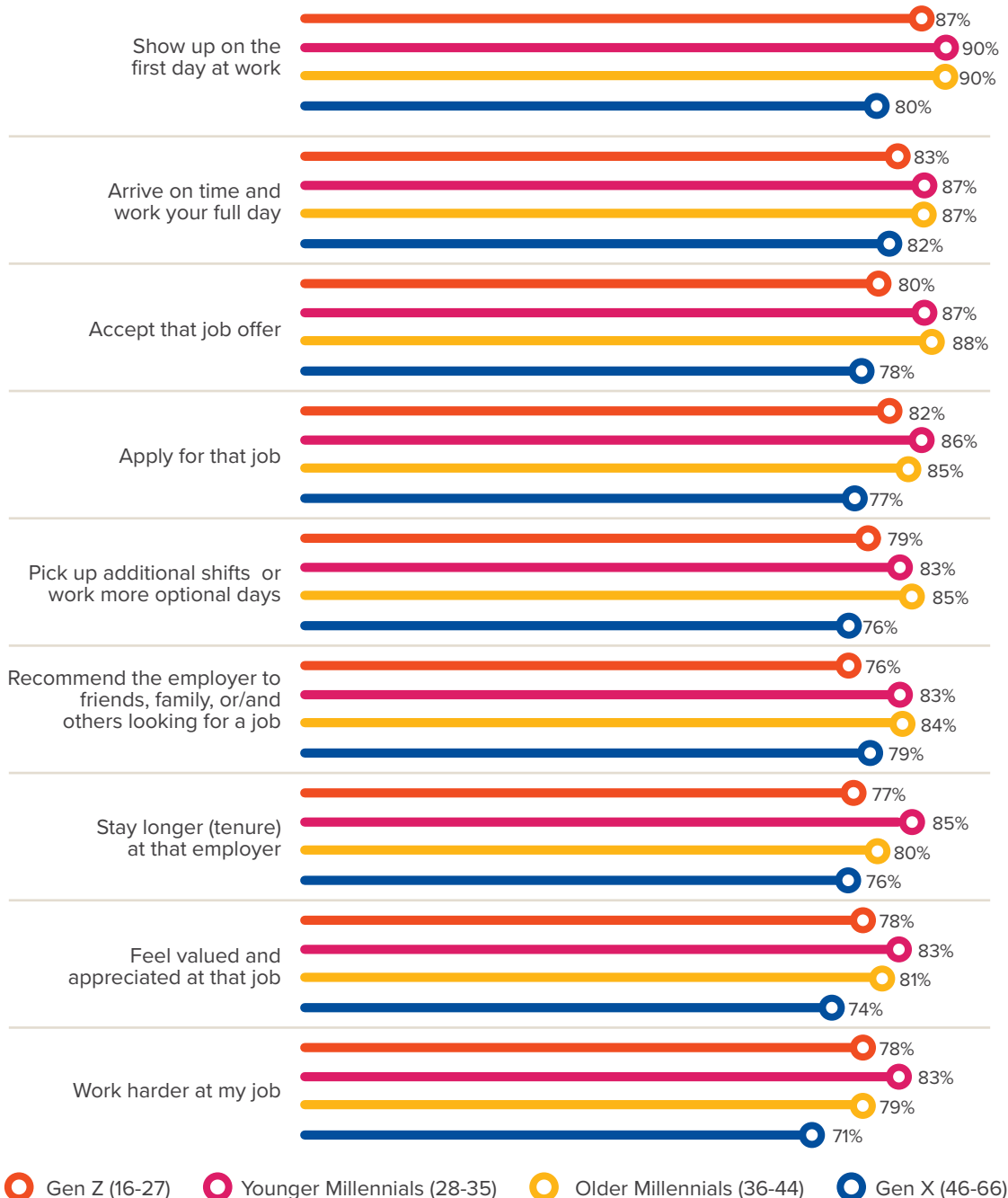
As we examine the sentiment of various generations toward immediate access to pay after each day's work, younger generations – especially Millennials – are significantly more likely than others to show up for the first day at work, accept a job offer and recommend an employer to friends or family.



77% of working Americans think it's a big advantage in recruiting if a company is providing the option for employees to receive part of their pay every day.



How likely would you be to do each if you were offered immediate free access to a portion of your earned pay after every day's work?



There are obvious implications for businesses here. As organizations are faced with rising costs related to hiring, training and recruiting, increased access to pay offers a path to addressing these challenges head-on.

Summary

As we look at the impact of pay frequency on employee retention and loyalty, it's evident that more frequent fee-free pay corresponds to higher levels of commitment. A significant majority of working Americans **(85%)** express a strong preference for staying longer at a job that provides free access to their pay after each day's work.

The benefits of more frequent pay access extend beyond retention, potentially improving HR metrics like reduced absenteeism and increased productivity. Key findings show high probabilities for **employees arriving on time (85%), accepting job offers (83%), staying longer at a job (79%), and working harder (77%).**

Furthermore, employees' expectation for companies to offer free earned wage access has grown significantly in the last two years (**72%** in 2024, up from **58%** in 2022).

 **85%**
Arrive on time

 **83%**
Accept job offers

 **79%**
Stay longer

 **77%**
Work harder



PART IV

Regulation of Earned Wage Access Solutions

This section takes a brief look at the regulation of earned wage access solutions. The questions asked here aim to help reach a preliminary understanding of employee sentiment and attitudes toward how earned wage access solutions are offered and governed.

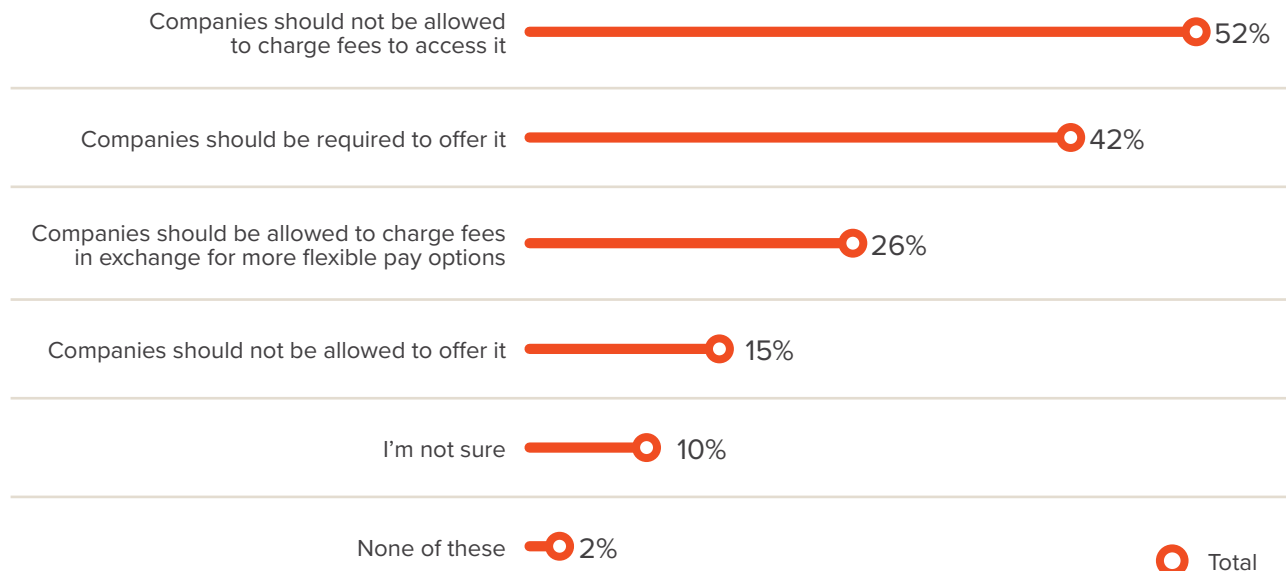
Interestingly, most American workers (**52%**) believe that organizations should not be allowed to charge fees for access to earned wages, and over 4 in 10 workers believe that companies should be required to offer same-day access to pay.



Over half (**52%**) of working Americans believe companies should not be allowed to charge fees for earned wage access.



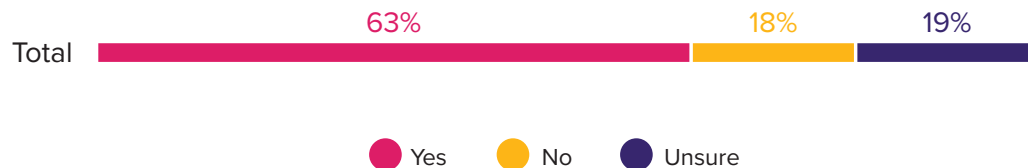
In which ways do you believe earned wage access should be regulated?



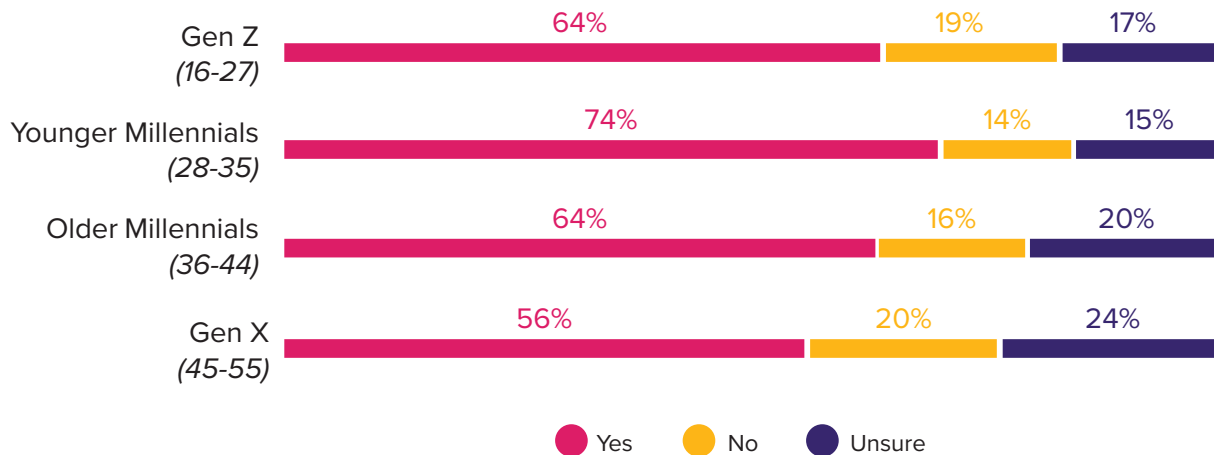
When asked about the role of state or federal oversight in governing earned wage access, a clear majority of workers would feel more comfortable immediately accessing a portion of their earned wages if there was some degree of regulation in how it's offered.



Would you feel more comfortable immediately accessing a portion of your earned pay after every day's work if there were state or federal oversight to govern how it is offered?



Generation Z and Millennials feel even more strongly about this:



73% of working Americans believe job seekers today want to know if a company is providing the option of receiving part of their pay every day.

Summary

While the role of state and federal entities in the delivery of earned wage access is still not clear, it's evident that American workers have an appetite for seeing some degree of consistency and oversight in how organizations are required to offer it.

Additionally, it's clear that American workers view the fees associated with earned wage access as negative - over half of those surveyed believe companies should not be allowed to charge fees in order for employees to access a portion of their wages prior to payday.



PART V

Uncovering Consumer Perception and Understanding of Earned Wage Access

This section explores the perception of earned wage access solutions among American workers. It explores how employees feel about earned wage access as an offering, and the role it can play in their overall financial health and wellbeing.

The first takeaway in this section is that an overwhelming majority of workers would feel more comfortable in using earned wage access if their employer offered it directly to them.



80% of working Americans feel more comfortable using earned wage access when it's offered directly from their employer.



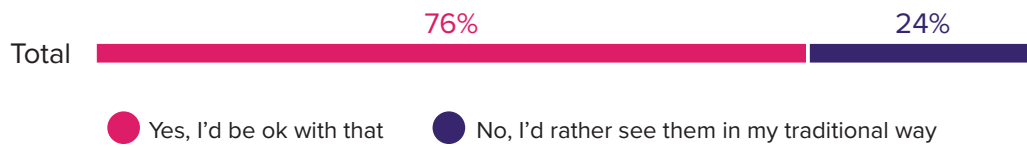
Would you feel more comfortable immediately accessing a portion of your earned pay after every day's work if it were offered directly from your employer?



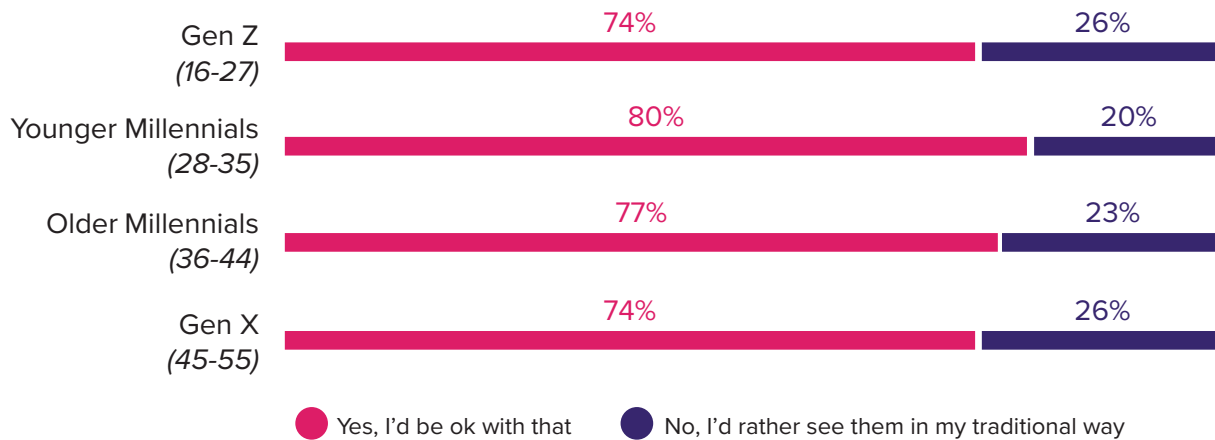
For those employees that do have access to earned wages, **61%** access their pay daily or a couple of times per week, which shows the frequency of use and demand for EWA. As you'll see ahead in the report, employees are using this pay access to address critical areas of their lives, like paying bills or meeting other short-term financial obligations.

When we asked tipped employees (those workers who receive tips for any part of their job) about their perception of receiving their tips right after they work via a mobile app, an overwhelming majority were in favor of this arrangement.

Q If you are a tipped employee, would you be okay with receiving your tips paid to you right after you work via a mobile app?



The Millennial cohort is more likely to be in favor of receiving their tips this way, as indicated by this breakdown:

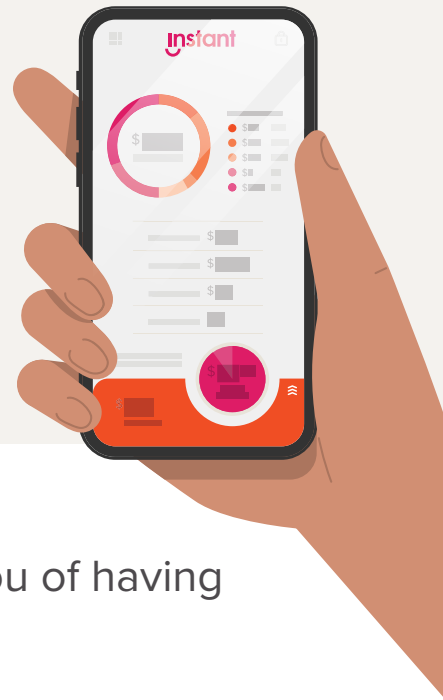


As organizations pivot to a more cashless-centric business model, employees are clearly demanding pay solutions that mirror this.

Earned Wage Access Impact on Financial and Mental Health

One of the primary reasons for conducting this study is to better understand the role that access to same-day pay can play in addressing financial and mental health.

For working Americans, the most valuable impact of having same-day access to their earned wages is an improvement in mental health related to financial matters. **51% of employees say that same day access to pay would decrease financial stress and anxiety; 44% say they'd avoid late fees or debt; and 41% would be able to better plan for monthly bills and expenses.**



What would be the most valuable impact to you of having same-day access to your earned wages?



By generation, the impact of having same-day access to earned wage varies greatly.

56%

of Generation X workers say it would decrease financial stress and anxiety

49%

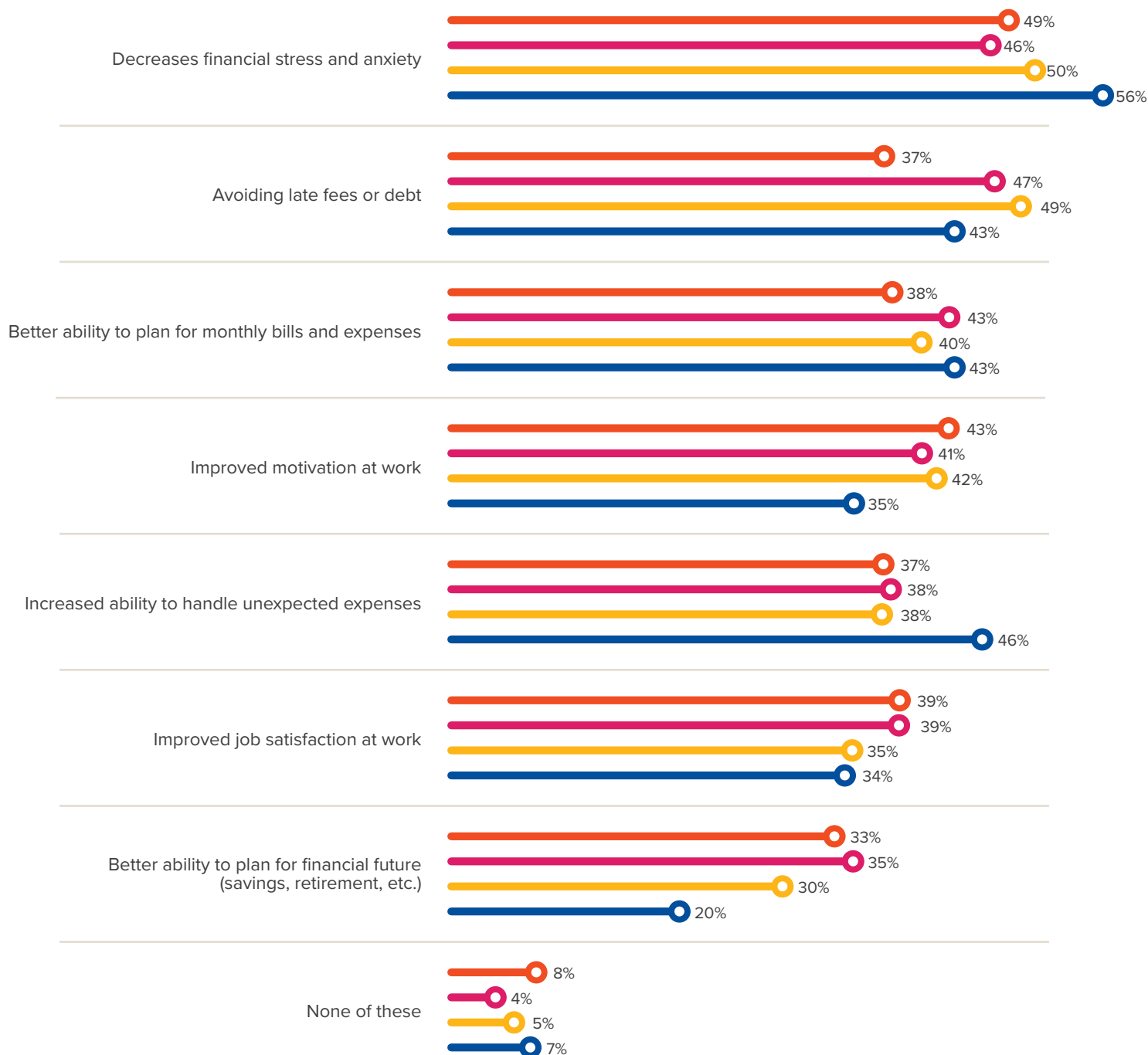
of Older Millennial employees say it would help them avoid late fees or debt

46%

of Generation X workers say it would increase their ability to handle unexpected expenses



Continued.



○ Gen Z (16-27) ○ Younger Millennials (28-35) ○ Older Millennials (36-44) ○ Gen X (46-66)

We also asked respondents what would happen if they did not have immediate access to their pay the same day they work. It became clear that the absence of more frequent access to pay could have serious negative consequences, both financially and mentally.

Over half of working Americans agree that if they did not have immediate access to their same-day pay they are more likely to get charged overdraft fees (**54%**), miss monthly bill payments (**53%**), and not sleep as well (**53%**).

54%

more likely to get charged overdraft fees

53%

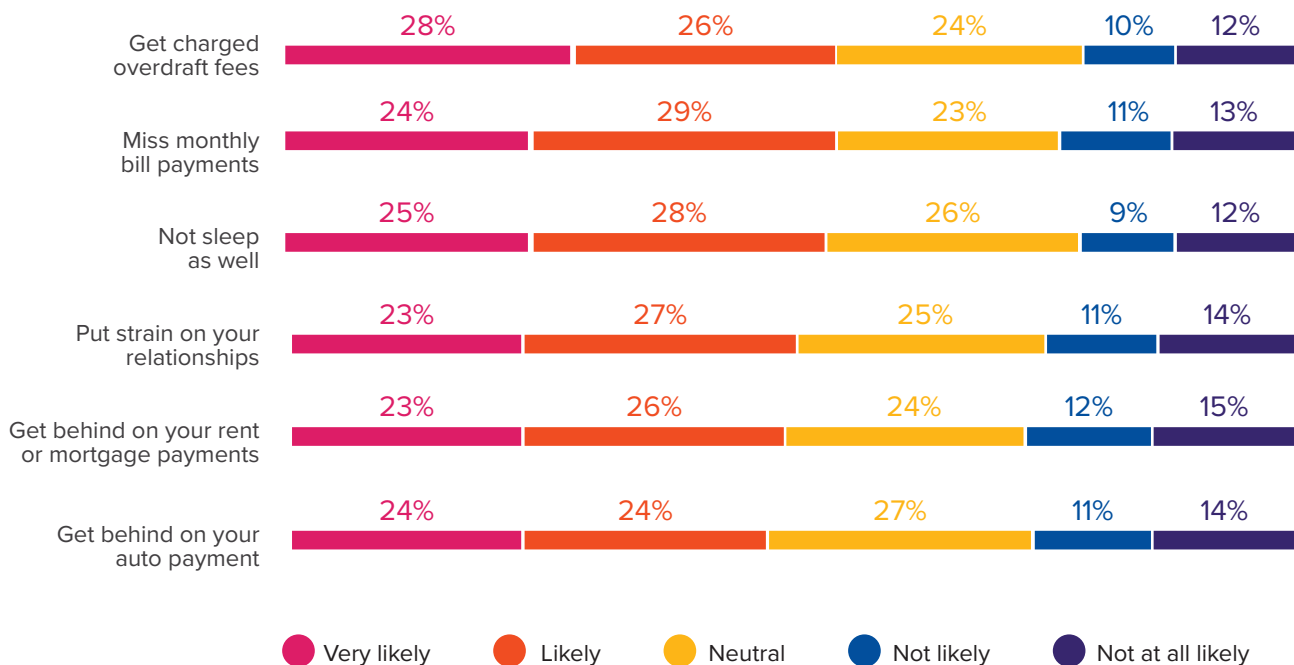
more likely to miss monthly bill payments

53%

more likely to not sleep as well



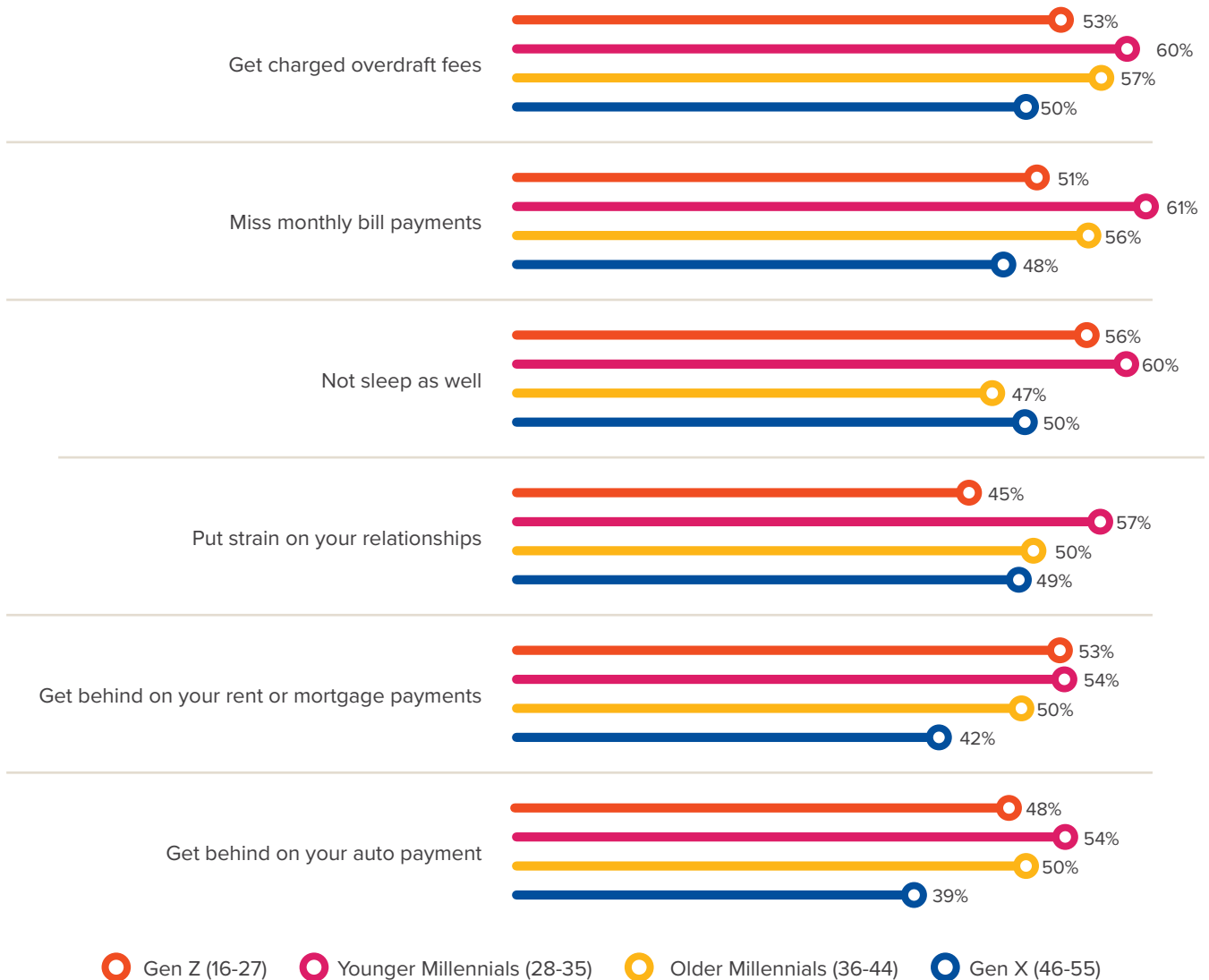
If you did not have immediate access to your same-day pay, how likely would each situation happen to you?





Continued.

Not having immediate access to same-day pay impacts younger generations – especially Younger Millennials – significantly more than older generations:



Having access to same-day pay would also have a positive impact on key financial wellbeing indicators, like paying bills on time, saving for emergencies and reducing credit card debt.

80%

of workers would be more likely to pay bills on time

79%

of workers would be more likely to keep their job

71%

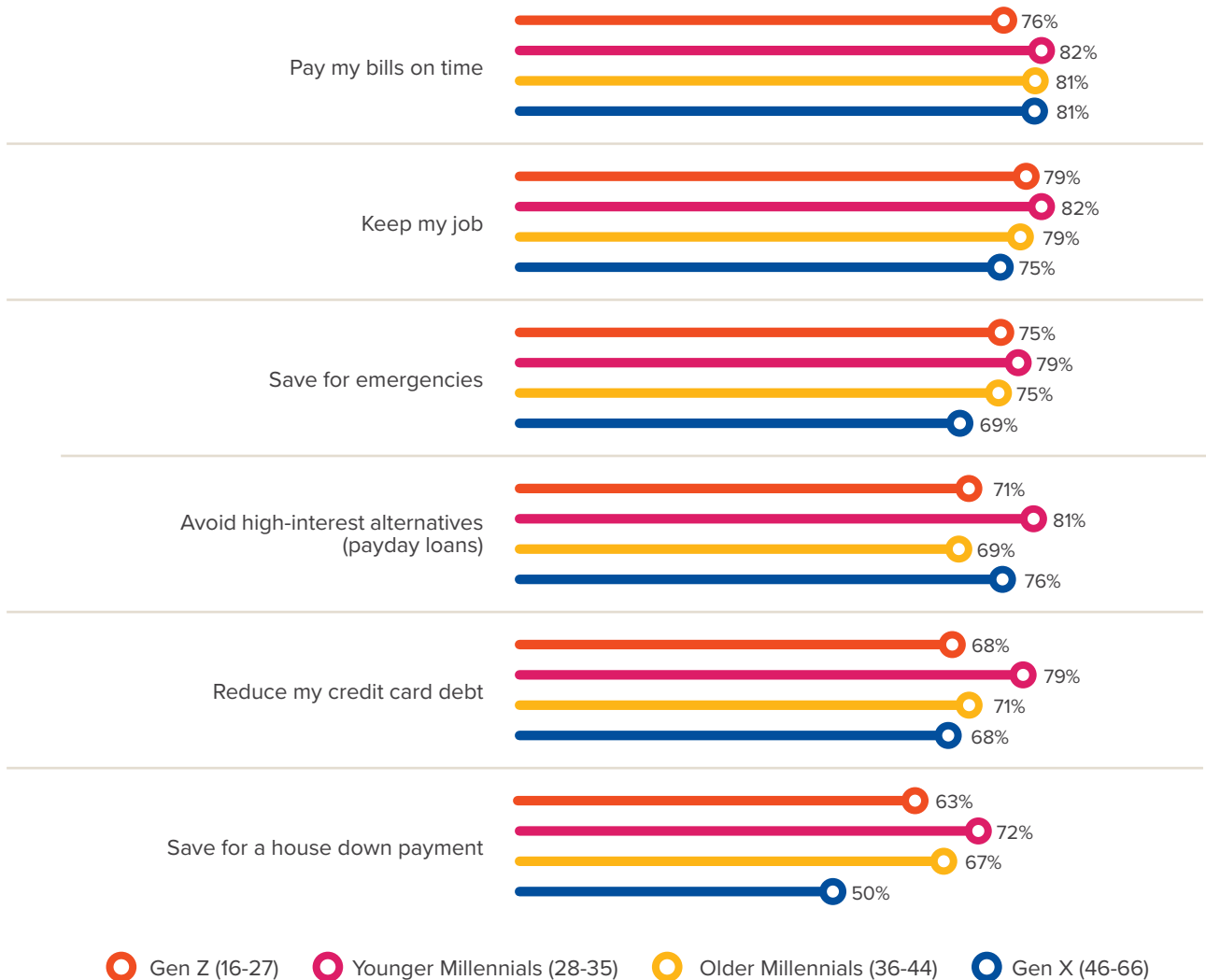
of workers would be more likely to reduce their credit card debt



Continued.

As we look at access to pay as a means to improved financial health, these responses paint a clear picture of how same-day pay can positively impact numerous factors contributing to an individual's overall financial wellbeing.

Generationally, having immediate access to same-day pay impacts Younger Millennials more than other generations. If they had immediate access to same-day pay, Younger Millennials would be significantly more likely than Gen X to keep their job, reduce their credit card debt, save for emergencies, and save for a house down payment.



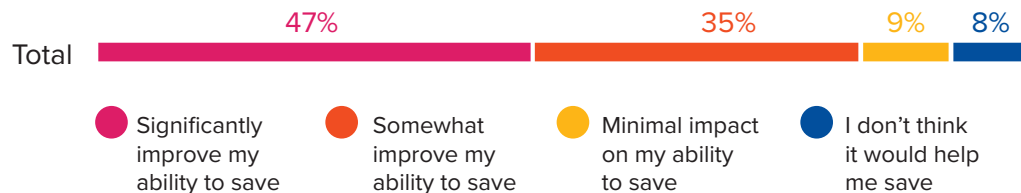
After receiving immediate access to their earned pay at the end of each workday, **65%** of working Americans would expect to be paid in this way at their next job, including **74%** of Younger Millennials, significantly higher than any generation tested.

Dispelling Earned Wage Access Usage Myths

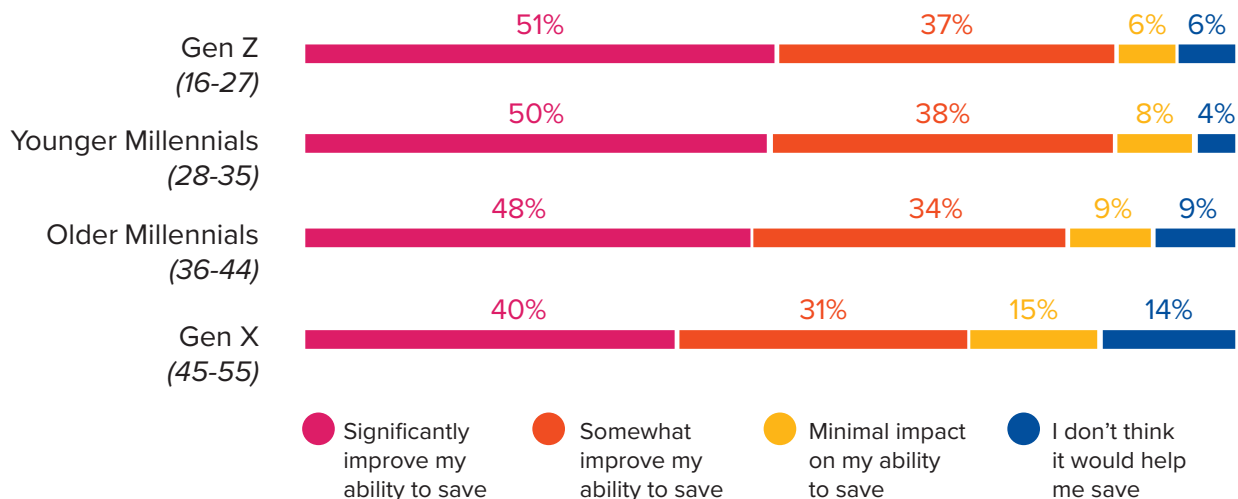
Despite myths that persist within the industry, employees who access same-day pay typically use the funds to improve their financial wellbeing or address daily living expenses. The evidence is apparent, as **82% of American workers say having immediate access to their same-day pay would significantly improve their ability to save money.**



Q If you had immediate access to your same-day pay, how would this impact your ability to save money?



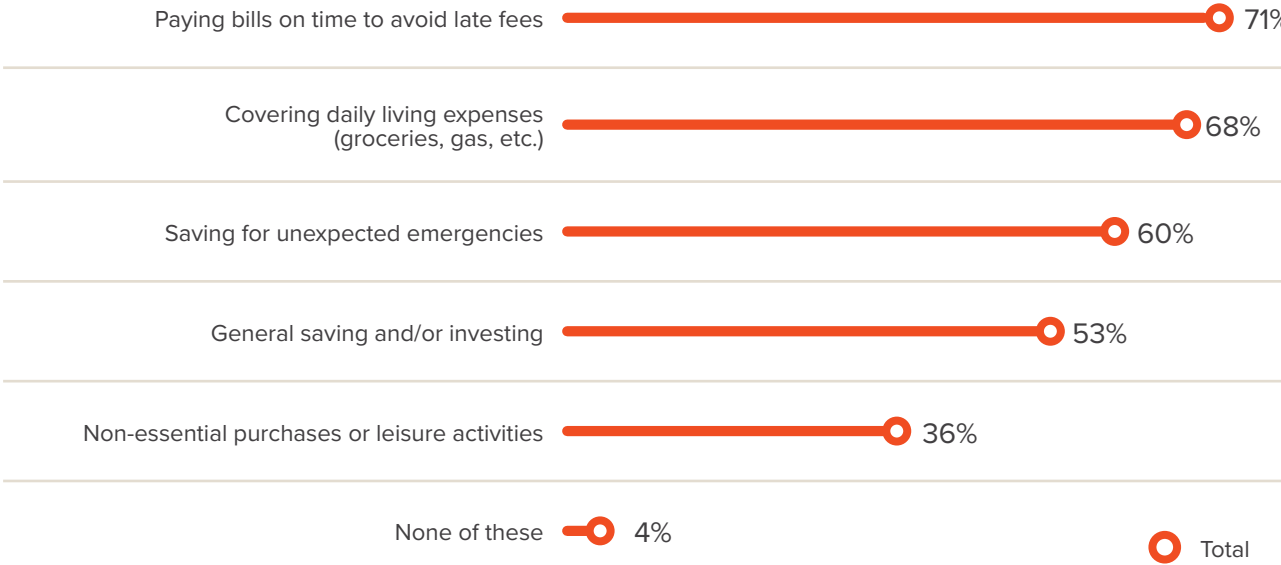
For Gen Z and Millennials this is even more pronounced:

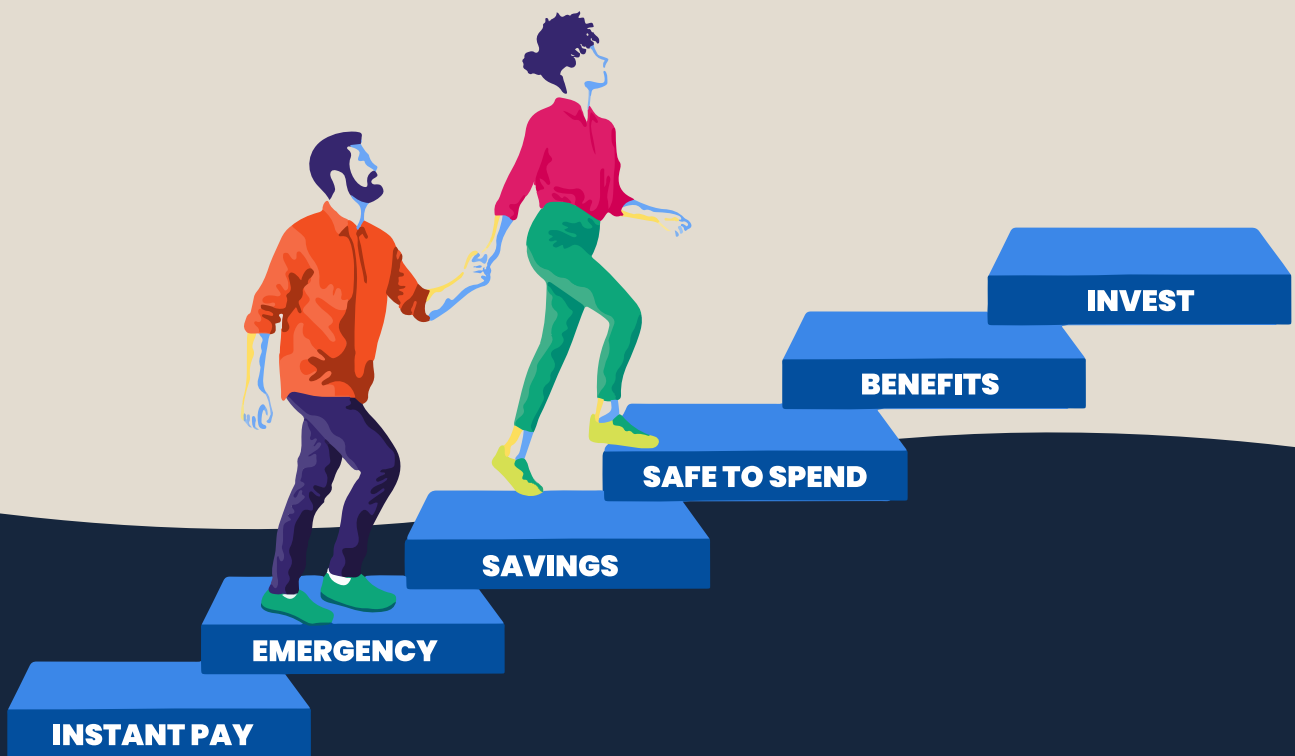


If working Americans had immediate access to same-day pay, they would most likely use the funds for paying bills on time and covering daily living expenses.



If you had immediate access to your same-day pay, what would you most likely use the funds for?





Summary

As the data shows, the impact of same-day pay on financial and mental health is obvious. A majority of American workers would see decreased financial stress and anxiety if they were able to access a portion of their pay the same day they work.

For those organizations that value employee mental and financial health, it's clear that they can provide direct support by offering more frequent access to pay. Organizations can play a meaningful role in helping their employees avoid missed bill payments or overdraft fees, while contributing to their ability to save money and cover their daily living expenses – all of which have an upward positive impact on the organization itself.

Conclusion

While the financial situation of employees has improved somewhat since this survey was last conducted in 2022, it's clear that the average American worker still faces challenges. Employees today continue to struggle to make ends meet between pay periods, often forced to resort to unfavorable options like high-interest loans or forgoing essentials to make it to payday.

Employees need a solution that puts the power of pay back in their hands, and this report demonstrates significant employee interest in flexible payment options beyond the traditional pay cycle. Given the opportunity, most employees would gladly leverage the ability to collect a portion of their pay at the end of each workday. Not only does this help them overcome the financial challenges they're facing today, but it has rippling positives across their financial goals and wellness, as well as workplace happiness, satisfaction, and engagement.

It's evident that today's employees are in favor of innovative employer-led solutions that give them access to their pay more frequently, ideally without fees. Our respondents' receptiveness to and desire for earned wage access demonstrates a need for more pay options and an openness to technologies that can make that happen.

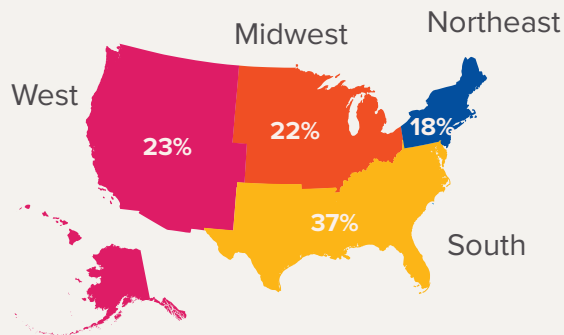
Instant Financial is leading the way for reimagining outdated pay practices. If you'd like to discuss the role of fee-free employee pay benefits for your organization, we'd be delighted to chat. Simply visit us at instant.co or contact us today at sales@instant.co.

Methodology

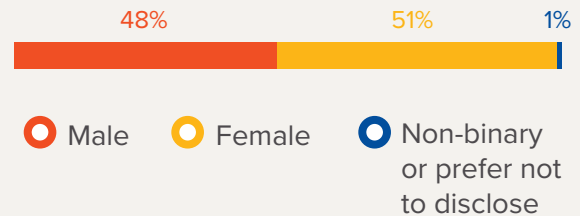
Survey of 1,000 employed full-time or part-time US labor force participants, ages 16-55



GEOGRAPHIC BREAKDOWN



GENDER BREAKDOWN

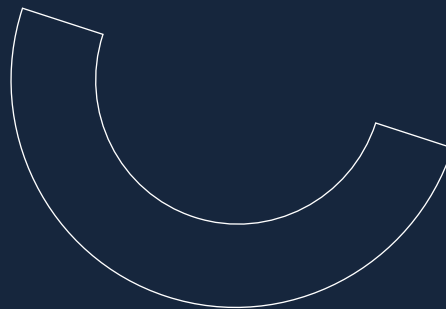


*Figures are statistically significant at the 90% and 95% confidence levels. Margin of error is +/-3.1 percentage points.

*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 May 2, 2024, to May 24, 2024.



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