

# EARNED WAGE ACCESS' ROLE IN RECRUITMENT AND RETENTION

How providing instant access  
to earned wages can alleviate  
post-pandemic hiring wars



**instant**



As pandemic restrictions eased and the United States attempted to return to business as usual as quickly as possible, employers across industries began recruiting at a velocity not seen in recent history.

In fact, ZipRecruiter reported in mid-March 2021 that there were 15 million job postings online, up from 10 million before the pandemic<sup>1</sup>. Human resource leaders got creative, offering everything from signing bonuses to raffles for new cars in an attempt to fill open roles.

While flash-in-the-pan hiring gimmicks might get an employee in the door, they don't contribute to worker retention, creating a vicious and expensive revolving door. Moreover, post-pandemic surveys find that employee expectations of benefits, flexibility and treatment are higher than ever. And for good reason. In 2020, the unemployment rate hit a peak at 14.8%, child care became painfully acute for families, and mental health had its own epidemic. Americans now expect their employers to care for their entire wellbeing - forcing HR disruption in stores, facilities and offices across the country.

Enter earned wage access (EWA), a movement which upends the traditional two-week pay period by giving workers instant access to the wages they have earned. EWA ensures employees are not only able to take control of how they spend the money they earn, but also how and when they receive it. In return, they create greater loyalty to their employer.

The following proprietary data illuminates how paying workers after each day or shift aids recruitment while decreasing existing worker churn. We hope it serves as a guide for executives and HR leaders as you seek to implement sustainable hiring and retention practices, as well as holistic employee benefit and wellness programs.

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<sup>1</sup><https://www.nbcnews.com/business/economy/there-are-now-more-jobs-available-pandemic-so-why-aren-n1263669>

# BOOSTING LONG TERM PROFITABILITY WITH SHORTER PAY PERIODS

Consider that the average retailer experiences an ~80% annual employee turnover<sup>2</sup>. For restaurants, this number is even higher - estimated at nearly 150%<sup>3</sup>. However, new Instant data shows that **companies that offer EWA benefit from an average 27% reduction in turnover.**

Further, there is a direct correlation between the number of EWA payments that an employee receives and their tenure. According to our analysis, **employees taking**

**8+ Instant Pays stay 2-3x longer** at their jobs than employees who only receive standard two-week pay checks.

This employee retention equates to significant cost and productivity savings for employers. For example, if a company of 2,000 employees has just half of its workforce opted into an EWA program, that company will lower its annual hiring costs by 35%, which equates to \$2 million.



Within just 4 months of implementing Instant Pay, a 50-store Wendy's franchise saw a **19% increase** in employee retention.



In 2020, Church's Chicken rolled out Instant to **165 locations. 41% of employees** adopted into the program, leading to a significant increase in employee retention.

<sup>2</sup><https://www.kornferry.com/about-us/press/as-the-holiday-shopping-season-approaches-korn-ferry-survey-of-top-US-retailers-examines-employee-turnover#:~:text=The%20survey%20finds%20that%20of,of%2081%20percent%20in%202018.&text=That's%20down%20from%2029%20percent%20in%202018.>

<sup>3</sup><https://www.cnn.com/2019/08/29/fast-food-restaurants-in-america-are-losing-100percent-of-workers-every-year.html>

# CREATING STRONGER TENURE AND EMPLOYEE WELLBEING

The logo for ARGO, consisting of the word "ARGO" in white, uppercase, sans-serif font on a dark blue rectangular background.

8 months after rolling out its Instant Pay program, Argo Contact Center **decreased its turnover rate by 12%** and **absenteeism rate by 13%**.

Providing instant access to earned income offers workers benefits that extend beyond financial flexibility, and prevents workers' bank accounts from hitting zero. When employees can freely draw their pay, they are less likely to miss work and can maintain long-term employment for continued financial independence. There are countless benefits associated with this - reducing periods of household hunger, preventing gaps in child care and allowing people to afford critical medication when they need it.

As Destiny Cashier in Memphis, Tenn. said, "I wouldn't make it without Instant Pay. I'm a single mother and need money between pay periods for diapers and formula."

The top 4 categories that Instant end users spend funds on are:

- 1 Food
- 2 Transportation Costs
- 3 Household Items
- 4 Internet & Cell Phone

**Because EWA measurably improves workers' lives and companies' bottom lines, employers should implement a fee-free EWA program and then market it in hiring materials as well as to existing employees. To get started, [click here to schedule a demo of Instant's platform, which is offered at no charge to both employees and employers - without interrupting existing payroll processes.](#)**