



CASE STUDY

How Christian Horizons
used DailyPay to Improve
Employee Engagement



THE RESULTS

7.2%
Turnover
Reduction

31%
Adoption Rates

\$531,240
estimated annual
cost savings



Overview

Christian Horizons needed to retain existing employees and improve employee engagement while remaining conscious of their bottom line.

Industry

Senior Care

The Problem

Attrition was an ongoing problem for Christian Horizons and the continuous staffing gaps were becoming increasingly damaging.

The Solution

Introducing DailyPay allowed employees to access their earned wages faster, which improved turnover and engagement without adjusting the current payroll process.

Headquarters

St. Louis, Missouri

Founded

1962

How Christian Horizons Used DailyPay to Improve Employee Engagement

The Problem

Similar to many of their peers in the elder care industry, Christian Horizons was plagued by high turnover rates — the industry average is about 80-90%.

High turnover creates staffing gaps that lead to a multitude of issues.

1. Christian Horizons was forced to turn down new clients because they couldn't keep a large enough staff to satisfy the demand.
2. Staff turnover and attrition pose a risk for patient care. Too much volatility in staffing can lead to inadequate patient care and client expectations.
3. Understaffing also leads to even higher turnover rates, employee burnout and exorbitant overtime payouts.

Adjusting payroll

Christian Horizons' CEO, Jake Bell, requested changing their payroll schedule from bi-weekly to weekly in an effort to maintain healthy staff levels. Unfortunately, they quickly found that the process was too costly.

Each time payroll is run for their staff of 2,100, Christian Horizons has to pay a per-employee fee, which usually ranges from \$1.60-\$5. Adding 26 runs of payroll meant increasing payroll cost significantly.

Christian Horizons also knew that their existing staff wouldn't be able to handle the additional administrative work, which meant even considerably more expenses.

 @DailyPay-Inc

 @DailyPay

The logo for DailyPay, featuring the word "dailypay" in a white, lowercase sans-serif font with a checkmark above the letter 'y'.

A mentor program

Rather than moving forward with payroll changes, Christian Horizons tested a mentor program. New hires were paired with longer-tenured staff members to guide them in an effort to improve the training process. After a 90-day period, mentors were rewarded with a bonus.

“We spent a great deal of money on the program and it didn’t move the needle one bit on turnover,” according to Chuck Schmitz, CFO of Christian Horizons.

That’s when they decided to try something different.

Introducing DailyPay

Christian Horizons knew access to money was important. And while the mentor program offered access to more money, it did not provide faster access to it.

After seeing DailyPay’s product discussed on a CBS news segment, they learned about on-demand payments as a solution for employee engagement and retention.

That’s when the dots connected.

Christian Horizons had previously noticed that their staff occasionally relied on payday loans to make ends meet. If Christian Horizons could offer their employees instant access their earned wages, they could decrease or eliminate the need for payday loans and the additional stress they produced.

According to a recent International Foundation of Employee Benefit Plans survey, personal financial issues:

- Increase stress among 76% of employees
- Limit the ability to focus at work for 60% of workers
- Increase absenteeism and tardiness by 34%

And because financial stress directly impacts job performance, turnover and employee engagement had a chance to improve once this issue was addressed.

The logic made sense to Christian Horizons, so they moved forward with DailyPay.

In only one of their 13 locations, and then, after a 45-day window, Christian Horizons rolled DailyPay out to their entire network. Now, every staff member has access to the benefit, including corporate office staff.

The Results

After the first week at Christian Horizons, DailyPay’s program was measured at 5% adoption rate. To date, adoption rates have ballooned to 31%. This is consistent with the average adoption rate across all DailyPay partner companies.

More importantly, over a four-month period, Christian Horizons reported that DailyPay helped reduce turnover by 7.2% and, month-over-month, its turnover rate continues to decrease.

By the one year mark, DailyPay estimates that Christian Horizons will save more than \$531,240 by reducing turnover and decreasing its number of new hires.

From payday loans to financial wellness

One of the major concerns Christian Horizons had upon implementing DailyPay was that their employees would take too much out of their paycheck before payday. Again, the point of the benefit was faster access to money to avoid unnecessary late fees or interest rates from payday loans, not worsening someone’s financial situation.

DailyPay’s app and account balance dashboard can be used as a budgeting tool to see one’s real-time earnings. DailyPay users will check their accumulating earned wages on average five times per week, but elect to transfer only once per week.



This proves users are budgeting and planning for their financial lives.

After months of paying close attention to how his staff used DailyPay, Schmitz said, “No one has had an unpleasant surprise when they receive their paycheck.” Additionally, usage trend reports show that income level had no impact on DailyPay’s popularity, even the highest-earning employees use DailyPay.

The average withdrawal by DailyPay users is \$66; on payday, the average DailyPay user still receives 51.9% of his/her paycheck.

How DailyPay Worked with Christian Horizons’ Payroll Infrastructure

Prior to signing up with DailyPay, Christian Horizons did their due diligence by:

- Vetting DailyPay for data security and compliance
- Syncing with their HR team to ensure the benefit made sense for staff
- Researching how DailyPay would offer continued support to the team
- Ensuring their IT team’s involvement in the program would be minimal

It all checked out. Apart from upfront data exchanges, DailyPay has become inherently a part of Christian Horizons’ payroll, allowing the company to benefit from the best part of payroll — paying employees daily — without the having to worry about dealing with potentially the worst part of payroll — running payroll daily.

This is because DailyPay funds all employee advances off its own balance sheet. There is no change to how Christian Horizons runs payroll, including the timing of payroll funds. As a result, there is also no change to the timing of the related tax withholding filings and DailyPay assumes 100% of payment risk, in contrast to other alternative daily pay benefit providers.

Looking Toward the Future

Now that the millennial demographic is the largest in the workforce, and as boomers continue to retire, Christian Horizons has shifted its focus toward catering to their millennial staff’s needs.

“We’re looking at the millennials, and they are very comfortable with their phones. We’re trying to incorporate that more into health care, which has been taboo in the past,” Schmitz said. “We’re trying to be out in front of that.”

DailyPay’s digital interface was impressive to Schmitz and his team who wants to continue to add to their workplace technology to further the technology in their workplace, too.

In Conclusion

DailyPay solved a number of issues for Christian Horizons. Not only was DailyPay a cost-effective alternative to changing their payroll processes, it has improved employee retention rates by a significant amount, which has had a positive effect on the company’s bottom line.





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