



# On-Demand Pay: The Benefits and Potential Pitfalls.



## WHY NOW?

The “Great Resignation” began in April when over 4,000,000 workers resigned from their jobs and it is estimated that a further 25-30% of workers will resign from their current employer as the pandemic comes to an end. The battle for talent is in full swing.

Show your workers you understand the following and want to help. You’re more likely to become an employer of choice.



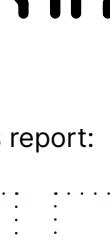
## What is On-Demand Pay?

On-demand pay is a voluntary benefit that allows employees to access the wages they’ve already earned before their traditional payday.

## Employee Benefits



American workers know what they want:



### PAY FLEXIBILITY

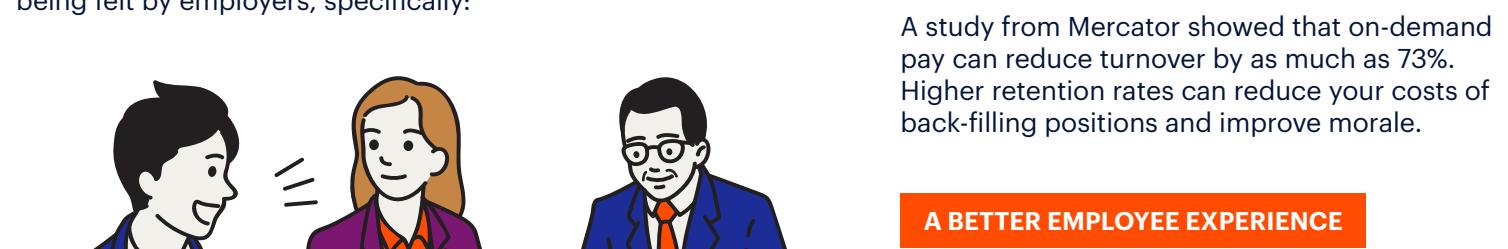
According to ADP, 60% of employees would take a new job that offered more pay flexibility, such as same-day pay or early access to pay, over one that did not.



### AN EMPLOYER WHO CARES

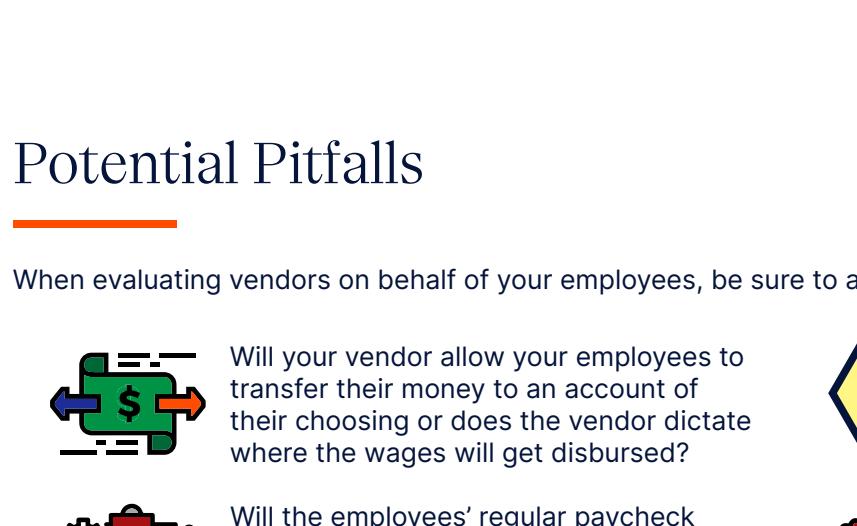
72% of employees who experienced increased financial stress due to COVID-19, and 57% of those who didn’t, prefer an employer who cares about their financial well-being.

On-demand pay addresses both of those needs as users report:



## Employer Benefits

At face value, on-demand pay may seem designed only to better the lives of employees, but its positive effects are also being felt by employers, specifically:



### INCREASED RETENTION

A study from Mercator showed that on-demand pay can reduce turnover by as much as 73%. Higher retention rates can reduce your costs of back-filling positions and improve morale.

### A BETTER EMPLOYEE EXPERIENCE

Companies that deliver strong employee experience are 2.2x more likely to exceed financial goals, 5.1x more likely to engage and retain employees and 4.3x more likely to innovate effectively. On-demand pay reduces employee stress, and happier employees have been proven to be 31% more productive.

### FASTER HIRING

Job postings featuring on-demand pay typically receive about twice as many applications because workers are actively seeking opportunities that provide more flexible pay options.

## Potential Pitfalls

When evaluating vendors on behalf of your employees, be sure to assess some potential pitfalls such as:



Will your vendor allow your employees to transfer their money to an account of their choosing or does the vendor dictate where the wages will get disbursed?



Will your employees have a single place to go for questions and problem resolution?



Will the employees’ regular paycheck explain and reflect changes incurred from early wage disbursements in a simple and transparent way to avoid employee confusion?



Is your vendor’s revenue model aligned with the best interests of your employees? For example, some vendors make money only when your employee spends money, which is not always conducive to saving.

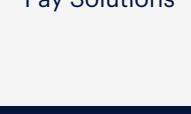
To learn more about on-demand pay, see The On-Demand Education Series (link to overview page), [dailypay.com/on-demand-pay](https://dailypay.com/on-demand-pay) which includes the following:



Understanding On-Demand Pay



The Real Costs of On-Demand Pay Solutions



Implementing and Managing On-Demand Pay Solutions



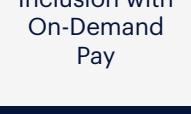
The Employee Experience: Solution, Rollout, and Support



The On-Demand Pay Scorecard. Are you getting what you signed up for?



The On-Demand Pay RFP



Fostering Diversity, Equity, and Inclusion with On-Demand Pay