



AiteNovarica

# DAILYPAY USE AND OUTCOMES

A SUMMARY OF SURVEY FINDINGS

AUGUST 2021

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Study commissioned by

**dailypay.**

## DailyPay commissioned Aite-Novarica Group to conduct a survey of its Earned Wage Access customer base.

### Research questions



- What types of strategies were customers using before DailyPay?
- To what extent is DailyPay a substitute for these previous strategies?
- Have customers' financial circumstances changed since using DailyPay?
- How do these results differ among users of varying frequency/intensity of DailyPay use?

### Methodology



Online survey of 1,114 DailyPay customers  
Conducted May 2021  
95% confidence interval with 3-point margin of error



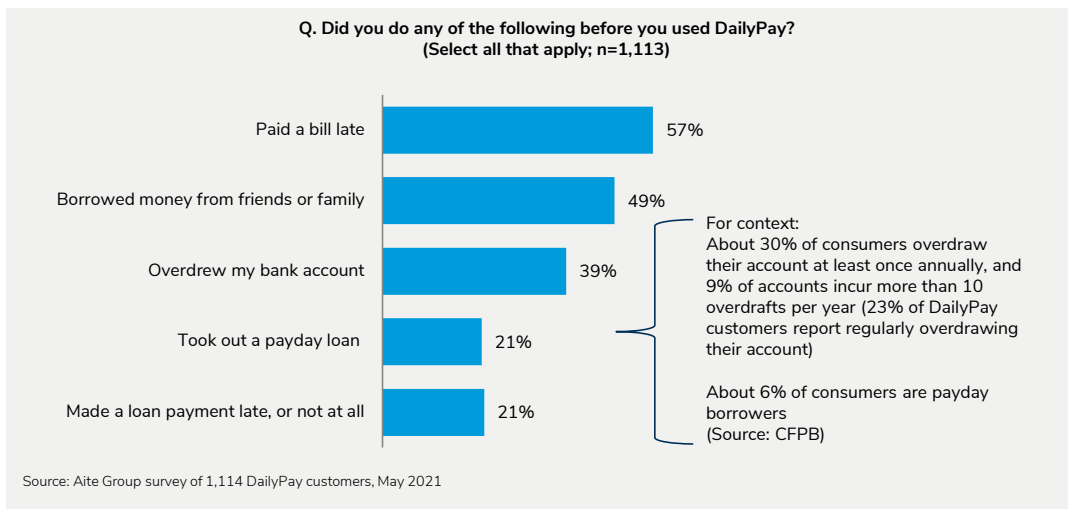
### Key takeaways

**Prior use of expensive/inferior strategies.** Over half of respondents had trouble with financial obligations, and a disproportionate share used payday loans or overdrew their bank account.

**Substitution not addition.** Users report that DailyPay has allowed them to end or reduce their use of more expensive strategies such as using payday loans, incurring overdraft fees, or paying bills or loans late. Users also report less reliance on friends and family.

**Perception of overall better financial management.** At least three-quarters of respondents report worrying about money less and being better able to plan and budget since using DailyPay.

Survey respondents were asked about their use of costly (or otherwise arguably inferior) strategies they used before DailyPay—many used more than one.

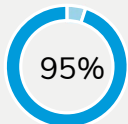
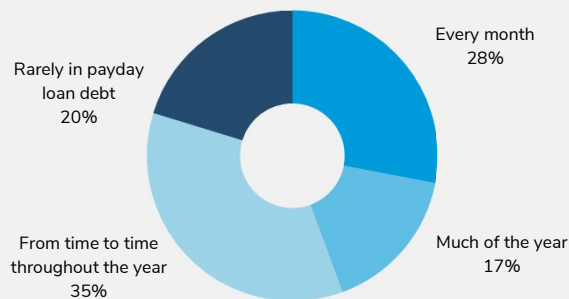


- Prior to using DailyPay, a disproportionate share of customers took out payday loans or incurred overdraft fees.
- One in seven survey respondents used payday loans **and** had overdrafts before using DailyPay. An additional 32% either used payday loans **or** overdrew their accounts before using DailyPay.

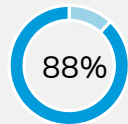
# The vast majority of prior payday loan users and overdrafters were able to move away from these strategies and attribute this change to DailyPay.

## Payday loans: Before and after

Q. Before you began using DailyPay, what best describes how frequently you were in payday loan debt?  
(n=232 DailyPay customers who had used payday loan(s) before using DailyPay)



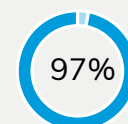
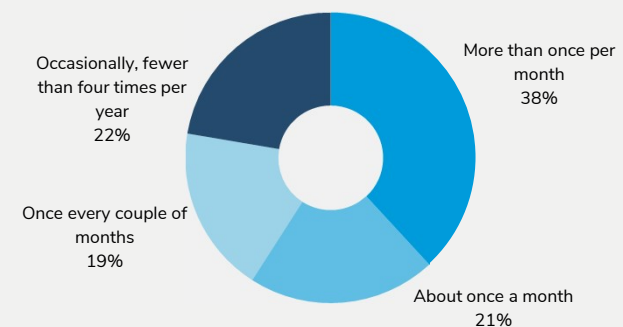
stopped using payday loans (81%) or reduced use (15%) after using DailyPay (n=232)



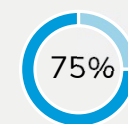
credit DailyPay for this change in payday loan use (n=221)

## Overdrafts: Before and after

Q. Before you began using DailyPay, about how often did you overdraw your bank account?  
(n=430 respondents who overdrawed/had an overdraft on their bank account before using DailyPay)



overdrew their account rarely/never (79%) or less often than they used to (18%) after using DailyPay (n=430)



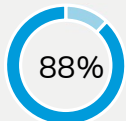
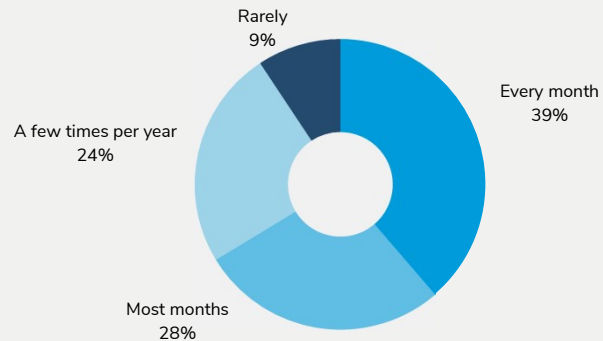
credit use of DailyPay for this change in overdrafts (n=416)

Aite Group survey of 1,114 DailyPay customers, May 2021

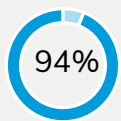
Similarly, DailyPay users report being able to better manage their bill and loan payments, and to reduce requests for help from friends or family.

### Bill and loan payments: Before and after

Q. Before you began using DailyPay, about how often did you have trouble paying bills or making on-time loan payments? (n=656 DailyPay customers whose bill/loan payment(s) were late or missed before using DailyPay)



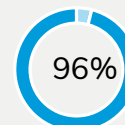
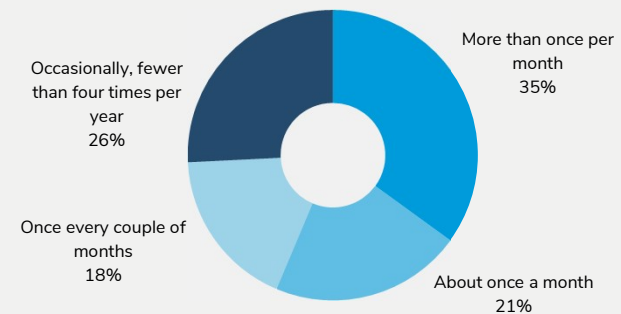
had less trouble with bills and loan payments after using DailyPay (n=656)



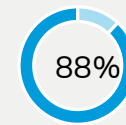
credit use of DailyPay for this change in ability to make bill/loan payments (n=575)

### Help from friends or family: Before and after

Q. Before you began using DailyPay, about how often did you ask friends or family for money? (n=543 DailyPay customers who borrowed money from friends or family before using DailyPay)



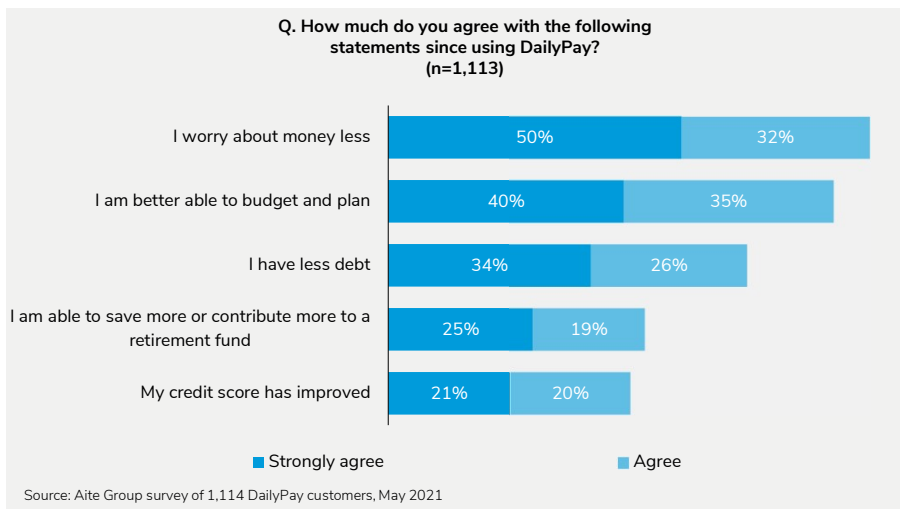
don't ask family or friends for money (64%) or ask less often (33%) after using DailyPay (n=543)



credit use of DailyPay for this change in asking friends or family for help (n=522)

Aite Group survey of 1,114 DailyPay customers, May 2021

Overall, a majority of DailyPay users agree that the product has caused them to worry about money less, improved their ability to budget and plan, and allowed them to reduce debt.



- Those respondents who used payday loans and/or incurred overdrafts the most frequently before DailyPay are more likely to strongly agree with many of these statements than those who did not use payday loans or incur overdrafts in the past.
- Likewise, those using DailyPay the most frequently are more likely to agree with many of these statements compared to those who are more occasional DailyPay users.
- Based on the cost of payday loans and overdrafts and reported frequency of use, Aite-Novarica Group estimates that previous frequent payday borrowers saved between US\$624 and US\$930 per year by switching to DailyPay, and that the most frequent overdrafters saved US\$660.



## About DailyPay

DailyPay, powered by its industry-leading technology platform, is on a mission to build a new financial system. Partnering with America's best-in-class employers, including Dollar Tree, Berkshire Hathaway and Adecco, DailyPay is the recognized gold-standard in on-demand pay. Through its massive data network, proprietary funding model and connections into over 6,000 endpoints in the banking system, DailyPay works to ensure that money is always in the right place at the right time for employers, merchants and financial institutions. DailyPay is building technology and the mindset to reimagine the way money moves, from the moment work starts. DailyPay is headquartered in New York City, with operations based in Minneapolis.

For more information, visit [www.dailypay.com/press](http://www.dailypay.com/press).

# AITE-NOVARICA GROUP

Aite-Novarica Group is an advisory firm providing mission-critical insights on technology, regulations, strategy, and operations to hundreds of banks, insurers, payments providers, and investment firms as well as the technology and service providers that support them. Comprising former senior technology, strategy, and operations executives as well as experienced researchers and consultants, our experts provide actionable advice to our client base. The quality of our research, insights, and advice is driven by our core values: independence, objectivity, curiosity, and integrity.

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