



How Earned Wage Access Can Reshape the Public Sector's Total Rewards Programs.●

2024 Edition

dailypay.

Table of Contents

03

Introduction

04

Compensation

05

Enhanced Benefits

06

Employee Well-Being

07

**Employee Financial Growth
and Development**

09

Employee Rewards and Recognition

11

The DailyPay Impact

Introduction

Today's public sector employees expect more than just a paycheck and benefits — they want an exceptional employee experience. That's why having a robust total rewards program is crucial for attracting, engaging and retaining the best and brightest employees.

A well-designed total rewards program focuses on the employee experience, benefiting public sector organizations through improved retention and hiring.

A total rewards program also comprises monetary and non-monetary remuneration for an employee's job. A successful program should focus on five key pillars:

- ✓ Compensation
- ✓ Enhanced Benefits
- ✓ Employee Well-Being
- ✓ Employee Financial Growth and Development
- ✓ Employee Rewards and Recognition

Public sector organizations should address these pillars to create or improve their total rewards program that meets modern employees' diverse needs and expectations.

A total rewards program backed by financial wellness benefits such as earned wage access (EWA) can be the key. EWA — also known as on-demand pay — gives employees access to their earned pay before the traditional, scheduled payday.

According to the U.S. Dept of Commerce, most federal government employees and the military are on a bi-weekly pay schedule¹ and state and local employees are paid according to their state's pay laws. For the 78% of Americans living paycheck to paycheck, this frequency can present hurdles and cause extra financial stress when it comes to paying for everyday expenses on time.²

Added financial stress impacts employees in multiple ways. Not only are they dealing with this anxiety at home, but they're likely to carry it with them while at work. According to the PwC Employee Financial Wellness Survey, one in three full-time employees says that money worries have negatively impacted their productivity at work.³

Modernize Compensation Practices

With EWA you still process payroll on your regular schedule, just as you always have, but your employees can access their earned pay on their schedule. The ability to get paid on their terms as they earn gives your employees control over their pay, helps them avoid accruing more debt, and affords them a safety net for unexpected expenses.

Employees don't have to fall to the mercy of the standard pay period any longer. With EWA, employees can access their earned wages on their schedule and become less dependent on harmful alternatives such as payday loans. According to an Arizent study commissioned by DailyPay, 72% of DailyPay users say that DailyPay helps them feel more confident in managing their finances.⁴

Empowering your employees with EWA will give them more choice and control over their earned pay. This increased ability helps them reduce financial stress and avoid payday loans and overdraft fees. In fact, 49% of DailyPay users said DailyPay helps them avoid late fees or overdraft fees.⁵

According to an Arizent study commissioned by DailyPay

✓ **78% of Americans living paycheck to paycheck, this frequency can present hurdles and cause extra financial stress when it comes to paying for everyday expenses on time.**



¹ BLS, 2024

² Forbes, 2024

³ PwC's 2023 Employee Financial Wellness Survey

⁴ DailyPay Employee Experience Research, Arizent study commissioned by DailyPay, September 2023

⁵ April 2023 Product User Survey

Public sector organizations offer the typical core benefits such as medical, dental, vision and disability. While these core benefits are essential, employers can go further with financial wellness benefits. Roughly 14.5k employers in the US have already implemented EWA and this number is expected to grow by ~50% in the next year.⁶

As organizations adopt a more holistic approach to benefits, voluntary benefits like EWA are becoming increasingly important. Offering EWA can dramatically increase employee tenure, engagement and productivity for zero cost.

The Earned Wage Access Impact

EWA can easily fit into your current payroll process with no changes. Learn about some of the most impactful benefits of EWA:⁷

97% of companies offering an EWA solution today somewhat or strongly agree that providing an EWA solution is helping to attract and retain the right workforce for the future of their organization.

94% of companies offering an EWA solution today believe it has a positive impact on workforce productivity.

97% of companies with an EWA solution indicated employee financial wellness has a positive impact on productivity.



⁶ Everest Group, EWA market analysis for the U.S. market, January 2024

⁷ Hanover Research Study: Companies with EWA Solutions, September 2023

According to PwC's 2023 Employee Financial Wellness Survey, 60% of full-time employees are stressed about their finances.⁸ This stress follows them to work and can take a significant toll on their lives overall. According to the same PwC survey, financial stress has a negative impact on:⁹



A substantial portion of employees face financial difficulties. According to a study from MissionSquare Research Institute, close to one-fifth of all public employees reported skipping healthcare because they could not afford it.¹⁰

To align with the U.S. Office of Personnel Management's February 2024 Playbook, public sector organizations should consider how they can improve employee health and well-being.¹¹ Agencies should also consider how they can provide programs attuned to the next generation of the workforce, backed by relevant tools and resources.¹²

The public sector can improve employee well-being by further supporting employee financial wellness.

How EWA Improves Employee Financial Wellness

Improved financial wellness creates a healthier work environment where the employer and employee benefit from increased financial stability and peace of mind.

Financial wellness reduces stress, improves job satisfaction and provides a sense of security. Financially secure employees are better equipped to focus on their tasks, leading to increased productivity and reduced absenteeism. It also improves retention rates and can reduce recruitment and training costs.

EWA is more than just a way for employees to access their earned pay before payday; it's an essential financial wellness tool with features like shift visibility, automatic savings, seamless integrations and free in-app financial content and counseling to help track and plan for the future.

With all these capabilities, EWA is an easy choice for leveling up your total rewards program.

⁸⁹ PwC's 2023 Employee Financial Wellness Survey

¹⁰ https://drive.google.com/file/d/1wVgqgaMxAKO_XeOjELW304EMGBhNTa-w/view

¹¹ <https://www.opm.gov/workforce-of-the-future/wof-playbook.pdf>

¹² <https://www.opm.gov/workforce-of-the-future/wof-playbook.pdf>

Employee Financial Growth and Development

Pillar IV

The Growth and Development pillar of a total rewards program typically refers to ongoing training and development, which are essential for retaining employees and often allow them to take the next steps in their careers.

However, employee financial development should also fall under this pillar — it's the kind of development that allows employees to take steps to start saving.

With EWA, employees can track, access, and save their earned pay, giving them more control over their finances. Among employed millennials who participate in financial wellness programs, 89% are highly satisfied in their current role or position and 81% are highly motivated for new responsibilities and opportunities outside of their current role.¹³

This participation in financial wellness programs gives employees greater financial control and reduces financial stress. Therefore, your employees can focus at work and be motivated and engaged.

How EWA Supports Financial Growth and Development

EWA supports employees in managing their finances and promoting financial growth and development.



Real-time earnings visibility: EWA from DailyPay allows users to track their money as they earn it. Users can see how much they've earned each day and their available balance.



Flexible saving options: Our Save feature helps users plan and set aside money for payday — either one time or automatically.



Financial education resources: DailyPay provides users free in-app financial content, including ways to improve savings and more.



Personalized financial counseling: DailyPay provides users with no-fee financial counseling provided by the Coordinated Assistance Network (CAN).

By offering real-time earnings visibility, flexible saving options, financial education resources, and personalized counseling, DailyPay supports growth and development in financial wellness.

¹³ UBS Workplace Voice February 2023



Supporting Employee Recruitment and Retention

According to the Bureau of Labor Statistics, the government sector had the second-highest net turnover across a 12-month period ending in April 2024.¹⁴

In addition to high turnover rates, the state and local government workforce is shifting as baby boomers retire. Currently, millennials only make up 27% of the public workforce.¹⁵ This discrepancy can lead to a potential loss of institutional knowledge and a talent shortage.

To avoid this potential shortage, state and local governments should consider how they can attract new talent and retain their current workforce. Competitive benefits packages focused on financial wellness support backed by EWA can be the answer.

To further improve their retention efforts, public sector organizations should consider how to foster and retain early career talent for years to come. According to the U.S. Office of Personnel Management's February 2024 Playbook, government agencies typically view early career talent as short-term hires.¹⁶ Instead, these agencies should consider how they can further invest in the growth and development of this employee population and retain them throughout their career.

¹⁴ <https://www.bls.gov/charts/employment-situation/employment-by-industry-monthly-changes.htm>

¹⁵ <https://www.thomsonreuters.com/en-us/posts/news-and-media/retaining-government-workers/>

¹⁶ <https://www.opm.gov/workforce-of-the-future/wof-playbook.pdf>

Employee Rewards and Recognition

Typically, government employees may wait between 1-3 years for a salary increase and only receive bonuses at the end of the year.¹⁷ Organizations should consider how they can further bolster their rewards programs to address this discrepancy. In addition to the core compensation and benefits, it's essential to reward and thank employees for a job well done, or achieving a goal that increases motivation, productivity and job loyalty.

According to an Arizent study commissioned by DailyPay, 44% of users say DailyPay makes them more engaged at work and 45% of users say DailyPay makes them more productive at work.¹⁸

In addition to DailyPay's core EWA product, Reward by DailyPay can further engage and recognize employees to increase motivation and mission readiness.

Reward empowers managers to recognize a job well done by instantly sending a digital cash reward directly from the DailyPay platform. Managers can send bonuses to their employees instantly using Reward. Unlike alternatives, employees can send money to any debit card or bank account.

By offering DailyPay's Reward feature, you create a powerful employee experience that aligns with your total rewards program objectives.



¹⁷ <https://join.tts.gsa.gov/compensation-and-benefits/#raises-and-bonuses>

¹⁸ DailyPay Employee Experience Research, Arizent study commissioned by DailyPay, September 2023

Why You Should Choose DailyPay

A comprehensive total rewards program can help government agencies attract and retain employees and give them a competitive advantage over other non-public sector employers. Additionally, a competitive rewards program can lead to happier, more engaged and more productive employees — employees who want to stay with you because you provide meaningful benefits that improve their quality of life.

EWA from DailyPay can help public sector organizations fulfill their workforce of the future initiatives by modernizing the total rewards and benefit packages agencies provide their employees.

DailyPay's earned wage access (EWA) platform allows public sector employees to choose when they get their earned pay instead of the traditional pay cycle. At the same time, DailyPay helps you deliver a financial wellness benefit that gives your employees the financial control they need to be more engaged, motivated and happier at work.

- ✓ **Stop Predatory Payday Lending Practices:** Payday loans can lead to a dangerous financial spiral that handcuffs employees with costly interest rates and increasing debt. This trend is alarmingly apparent with military members, where a reported 17% of military personnel rely on payday loans.¹⁹ With EWA, payday loans can become a thing of the past, as public sector employees and military personnel have increased access to their earned pay. The results speak for themselves: 47% of users say DailyPay has helped them avoid taking out a payday loan.²⁰
- ✓ **Modernize Pay:** Employees can access their pay on their schedule with EWA. This increased pay flexibility can improve employee sentiment, with 57% of users surveyed say having EWA has improved their opinion of their employer.²¹
- ✓ **Improve Employee Retention:** Industry leaders are turning to EWA to reduce turnover and grow talent for the future, with 95% of companies offering an EWA solution today believing it has a positive impact on employee retention.²²
- ✓ **Increase Employee Mission Readiness:** DailyPay helps you deliver financial wellness benefits that give employees the control and peace of mind needed to be more engaged, motivated and happier at work. In fact, 82% of employees agree that financial wellness programs improve job performance.²³

With DailyPay as your partner, we can help build the future of work for the public sector. Our mission is to enhance the personal and professional readiness of our nation's civil servants. Learn how DailyPay can enhance total rewards programs across the public sector, providing a better experience for employees while benefiting your organization at no additional cost.

¹⁹ <https://www.armyemergencyrelief.org/news/how-the-military-lending-act-protects-service-members/>

²⁰ DailyPay Use and Impacts: A Summary of Consumer Survey Findings, Aite Group commissioned by DailyPay (June 2021)

²¹ DailyPay Employee Experience Research, Arizent study commissioned by DailyPay, September 2023

²² Hanover Research Study: Companies with EWA Solutions, September 2023, September 2023

²³ UBS Workplace Voice 2023

The DailyPay Impact

DailyPay can easily fit into your current payroll process with no changes to your current process. Learn about some of the most impactful benefits for both employers and employees:

Impactful for Government

- ✓ **No Change to Payroll Processes**
DailyPay handles it all to avoid unnecessary extra work for your team.
- ✓ **Seamless Integrations**
DailyPay integrates with over 180 HCM, payroll and timekeeping applications.
- ✓ **Increased Recruitment and Retention**
96% of companies offering an EWA solution today believe it has a positive impact on employee recruiting and 95% say it has a positive impact on employee retention.²⁴
- ✓ **Better Employee Relations**
57% of users surveyed say having earned wage access has improved their opinion of their employer.²⁵

Empowering for Employees

- ✓ **Improved Financial Visibility**
83% of DailyPay users say the app helps them understand how much they earn daily.²⁶
- ✓ **Greater Financial Control**
72% of DailyPay users say that DailyPay helps them feel more confident in managing their finances.²⁷
- ✓ **Less Financial Stress**
60% of DailyPay users surveyed say that DailyPay helps reduce their financial stress.²⁸
- ✓ **Higher Motivation**
Nearly half (49%) of users say DailyPay makes them feel more motivated at work.²⁹

²⁴ Hanover Research Study: Companies with EWA Solutions, September 2023

^{25/26/27/29} DailyPay Employee Experience Research, Arizent study commissioned by DailyPay, September 2023

²⁸ DailyPay User Survey, August 2023



Get started with EWA from DailyPay

[Book a demo today](#)

How Earned Wage Access Can Reshape the Public Sector's Total Rewards Programs

dailypay.