



Paycards: Generational Trends Shaping the Future of Worker Pay

Exciting findings about generational perceptions of paycards and paycard features reveal appeal with Generation Z and Millennials

Research Presented By: ADP Compliance Solutions

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George is a seasoned payments executive with over two decades in the prepaid industry with the last 16 years specifically in paycards.

Prior to ADP, George held several senior level positions at firms including Global Cash Card, rapid PayCard, Incomm, T-Mobile, ITC Financial Services, and PowerTel. He has worked in all facets of prepaid and paycard operations including but not limited to: Executive Management, Business Development, Project Management, Customer Service, Implementation, Relationship & Account Management, Thought Leadership and Social Media Expansion.

As Vice President of Strategy & Thought Leadership, George is a member of the Wage Payments Executive Team. He continues to deliver onsite presentations and support the business with executive decisions.

George is a prolific speaker at a variety of Payroll, HR, Treasury, and other industry events including at American Payroll Association Local Chapters, Statewide Conferences, and the AFA Congress. George is a recognized expert in the prepaid industry, and is invited to speak at over 50 conferences a year to educate professionals on the benefits of electronic pay.




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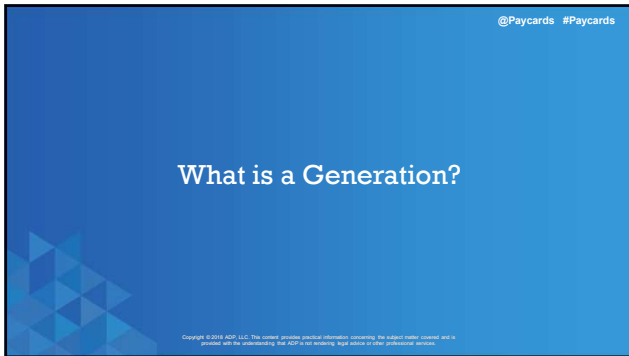


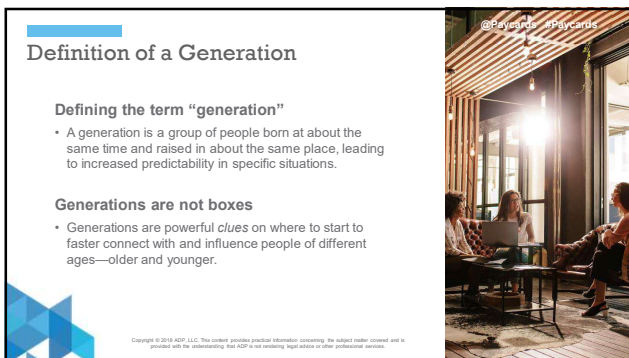
In This Presentation We'll Cover...

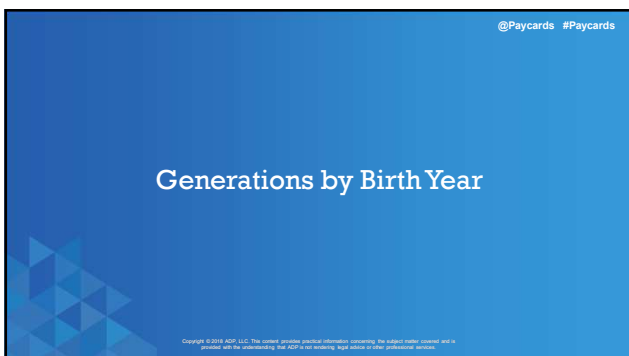
- What is a Generation?
- Generations by Birth Year
- Top 5 Things to Know About Millennials
- Top 5 Things to Know About Gen Z
- Overview of the 2017 National Study on Generational Views of Paycards and Paycard Features
- Exclusive Research Findings



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Generations by Birth Year

Generation Z | Born 1996 and after
Millennials | Born 1977 to 1995
Generation X | Born 1965 to 1976
Baby Boomers | Born 1946 to 1964
Traditionalists | Born 1945 and earlier



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Meet the Millennials

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Meet the Millennials

- Born 1977 to 1995 in the U.S.
- Approximately 83 million in the U.S.
- Most diverse generation in U.S. history
- Fastest growing generation of American workers and consumers



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Top 5 Things to Know About Millennials

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Top 5 Things to Know About Millennials Now

- Millennials are not tech savvy, but tech _____
- Delayed adulthood and potential generational dislocation
- Millennials are entering their wealth accumulation stage and will outspend Baby Boomers this year
- Millennials have the least established customer loyalty and are the group most likely to refer their friends
- Millennials now drive every major consumer and workforce trend



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Top 5 Things to Know About Generation Z

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Top 5 Things to Know About Generation Z

- Lower expectations upon entering the workforce than Millennials
- More frugal with their spending and ambitious with their saving
- Intentionally choosing to attend less expensive colleges
- First truly mobile-only generation
- They think Millennials are old!

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Overview of the 2017 National Study on Generational View of Paycards and Paycard Features

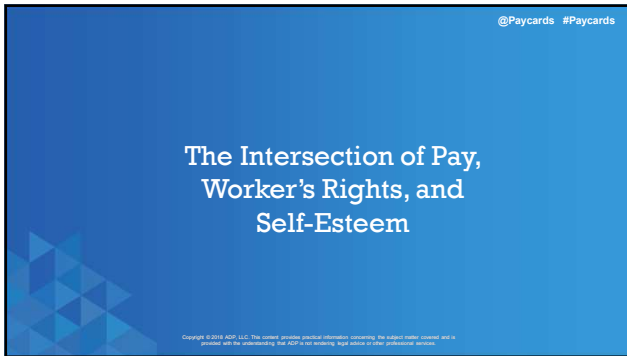
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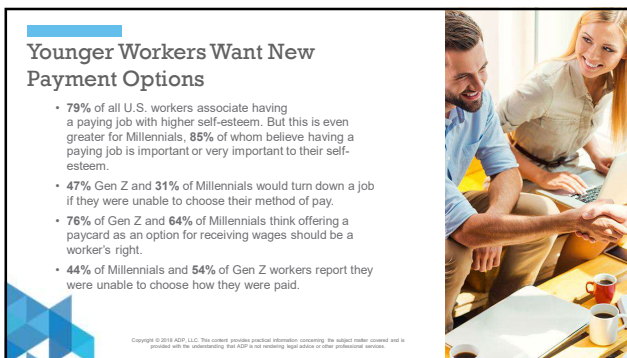
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Study Goals and Methodology

- The survey was administered to 1,025 U.S. adults ages 16-65 who have been employed in the past 6 months and have an annual household income of less than \$75,000 and was weighted to the current census data for age, gender, and region.
- The survey was conducted online in April 2017, and has a margin of error of +/-3.1.
- The study aimed to reveal the hidden habits, perceptions, and views of paycards and paycard features by generation and to discover the true awareness of, and candid attitudes towards, paycard pros and cons from the perspective of American workers.

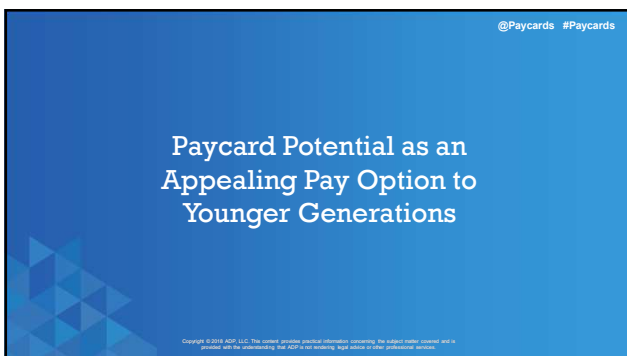
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Younger Workers Want New Payment Options

- 79% of all U.S. workers associate having a paying job with higher self-esteem. But this is even greater for Millennials, 85% of whom believe having a paying job is important or very important to their self-esteem.
- 47% Gen Z and 31% of Millennials would turn down a job if they were unable to choose their method of pay.
- 76% of Gen Z and 64% of Millennials think offering a paycard as an option for receiving wages should be a worker's right.
- 44% of Millennials and 54% of Gen Z workers report they were unable to choose how they were paid.




Paycard Potential as an Appealing Pay Option to Younger Generations

Digital Communication Isn't Everything

- 79% of Gen Z has received their wages via a paper check in the past year, compared to only 28% of Boomers.
- 59% of Boomers have not received a paper check in over 5 years.
- 43% of Gen Z, and 1 in 5 Millennials, have spent more than \$5 to cash a paper check, compared to only 9% of Boomers who have spent that much.
- 47% of workers say not needing a bank account is one of the main benefits of paycards.

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Financial Habits and Paycard Perceptions

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Cash In a Cashless Society

- 67% of Americans are not comfortable carrying more than \$100 cash.
- Only 23% of Gen Z feels comfortable carrying \$100 in cash, compared with 41% of Boomers.
- 47% of Millennials and 66% of Gen Z have used a pre-loaded payment card of some kind in the last 12 months.
- 63% of Gen Z and 50% of Millennials would absolutely use a paycard or think paycards are a good option for certain circumstances.
- 32% of Gen Z, more than any other generation, most appreciates the paycard benefit of free mobile access—including mobile web, balance or load alerts, and SMS two-way texting.

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Paycards Provide an Alternative to a Cashless Generation

- 72% of Millennials and 80% of Gen Z believe they can currently withdraw any amount of their available money from an ATM.
- ATMs frequently only allow access to limited cash from customer accounts, a daily limit, and \$20 increments.
- Operating with less cash is becoming a way of life for many Americans, particularly younger ones, because there are convenient, safe, secure alternatives.
- Paycards and other secure, convenient cash alternatives are poised to expand tremendously as the cashless trend continues.

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Research Conclusions

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Research Conclusions


- Gen Z and Millennials demonstrate striking differences compared to older generations in how they view paycards, wage payment options, and banking.
- There are simple practices that strongly appeal to this group of employees who now represent the largest segment of the U.S. workforce.
- The national study revealed several key findings that can be implemented immediately by companies to attract and retain younger workers.

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Key Takeaways For The Industry

- Employers should consider offering pay alternatives as a workforce recruiting and retention strategy. Younger workers strongly value choice in their pay options. Offering pay options such as paycards empowers Millennial and Gen Z workers with payment choices and conveys that they are heard and valued.
- Paycards can become the cashless method of choice by offering features that younger generations want like bill pay from devices, two-way text messaging, mobile features, and monthly sweepstakes and rewards.

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Key Takeaways For The Industry

- Paycards offer a convenient and safe way to go cashless and avoid the cost of paper checks experienced mostly by younger generations who often still receive wages in this form. Paycards are also an alternative for those who do not have a bank account or cannot open one for any number of reasons.


Download the complete white paper – ADP.com/paycards

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Questions & Answers

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