

Market Forces Leading to Daily Pay

Welcome to the show!

November 2019





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Robby is the CMO of Proliant.

He is an expert on HR and recruiting technology and a recognized speaker, blogger, and daily pay expert.

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Agenda for Today's Webinar

1. Major market shifts leading to "daily pay"
2. Workers' Demands in the modern world
3. Confusion in the market
4. What is Early Access to Earned Wages (EWA)?
5. Employee vs. Employer sponsored EWA
6. Proliant powered EWA
7. What to consider before you jump into offering EWA to your employees
8. What's next & Q/A

We provide **People Tools** you need to succeed.



Applicant Tracking & Recruitment

Never miss out
on Rockstar
talent again



Employee Onboarding

Delight your
employees with
the smoothest
onboarding
process in your
industry



Time & Labor Management

Take back
control of your
most expensive
resource – your
labor



Payroll & Tax

Eliminate
manual
spreadsheet
entries and tax
compliance
headaches
forever



HR & Benefits Administration

Give your
people the
peace of mind
they need to
perform at their
peak



Performance Management

Keep your
employees fully
engaged,
driven, and
performing at
their peak

A person, likely a food service worker, is shown from the chest up. They are wearing a white short-sleeved polo shirt and a black apron. The apron has a small logo on the left chest that depicts a coffee cup with a swirl. On the left sleeve of the white shirt, there is a small black Nike swoosh logo. The person is holding a black, handheld electronic device with both hands. The device has a small white logo on the top left that says "CONOR". In the background, to the left, is a large pizza with toppings. To the right is a display case containing various food items, possibly pastries or breads, under warm lighting.

Recruitment?

A man with a beard, wearing a white long-sleeved shirt and dark trousers, stands in a kitchen or food preparation area. He is holding a large, thick wooden mallet with both hands. In the background, there are shelves with various food items, including what looks like bread or pastries. To the right, there is a counter with several bottles of liquid, possibly oils or dressings, and some kitchen equipment. A green rectangular box with the word "Retention?" in blue text is overlaid on the center of the image.

Retention?

Absenteeism

?



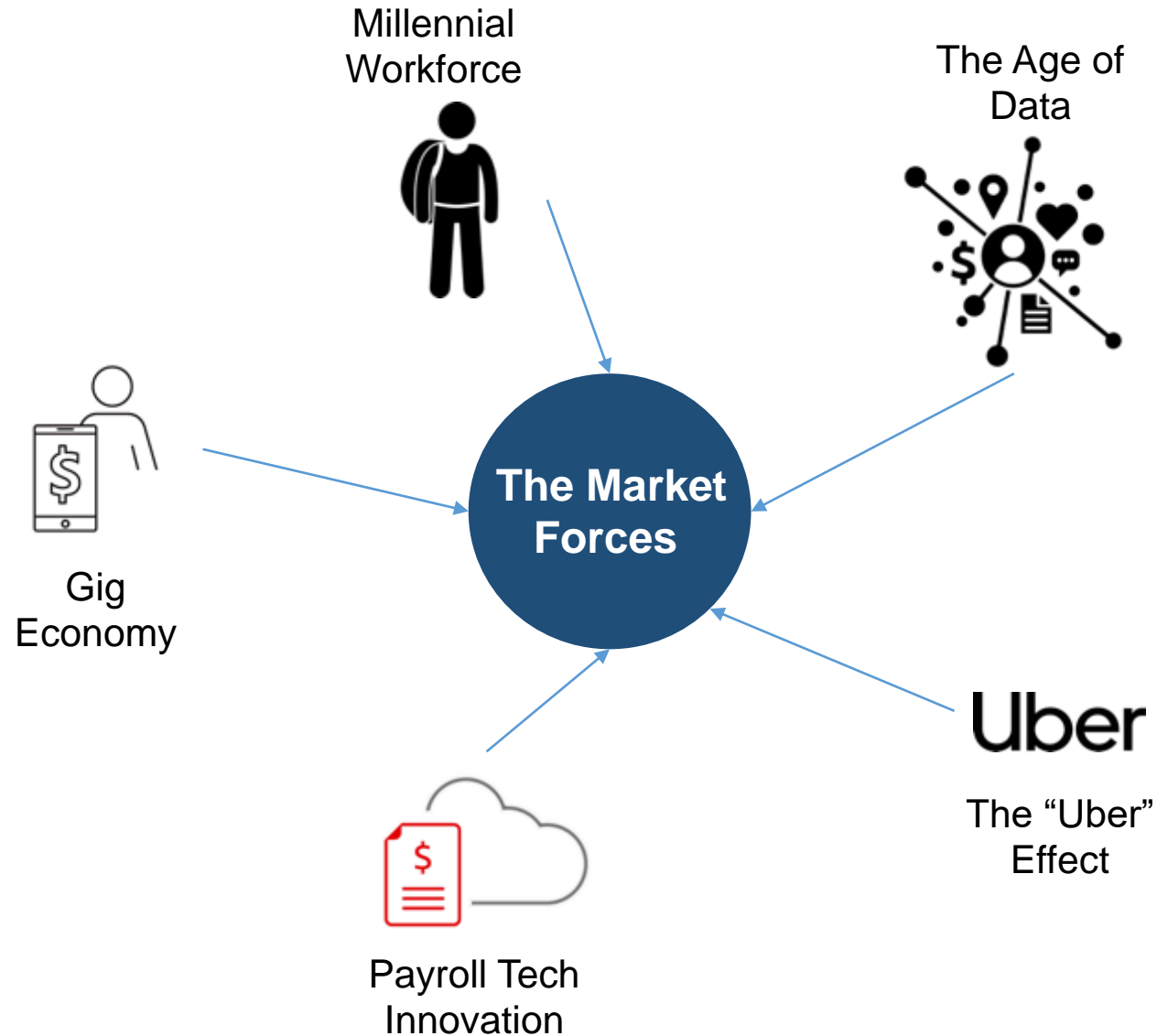
Callouts?





The Perfect Storm!

5 Market Forces Leading to “daily pay”





“

**The times they
are a-changin’.**

Bob Dylan



The gig economy will be mainstream in every office within five years.

178 Million Workers in the Gig Economy

4 Types of Gig Economy Workers

Gig doesn't mean just tech workers



Free
Agents



Casual
Earners

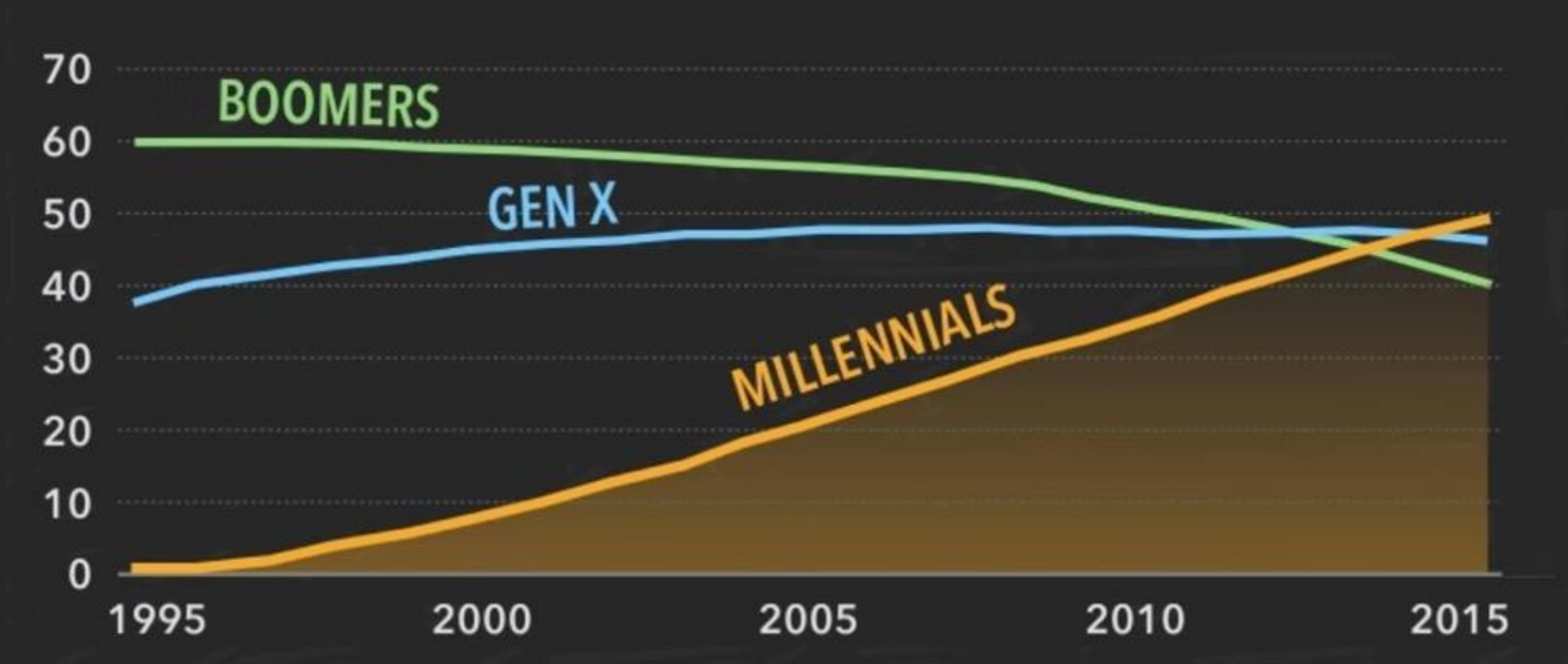


Reluctant
Workers



Financially
Strapped

In 2015, Millennials became the **LARGEST** generation in the US workforce



Source: Pew Research Center (2015)



By 2020, millennials
will be **HALF** of the
global workforce.

Source: Pew Research Center (2015)

“Data is the new oil.”

Clive Humby, Chief Data Officer (Starcount)

Forbes

2019

From The Age Of Computing
To The Age Of Data: Are You
Ready?

“Data is the new currency for
business and it's at the heart of
artificial intelligence (AI) and
machine learning.

It has to be made available on-
demand to employees throughout
the business without friction or
limitations.”

The “Uber Effect”

Uber Drivers have the option of getting paid up to 4 times a day.

Workers all over are taking notice.

Uber

The “Uber Effect”

“ daily pay ”



Daily pay is not just for big brands.

“It’s been over 40 years since direct deposit was introduced, arguably the last major development in the payroll world.the most recent payroll innovation that had such a significant impact on both employees and employers..”

Forbes 2019

Forbes





Payroll Tech
Innovation



Automation



Cloud-based



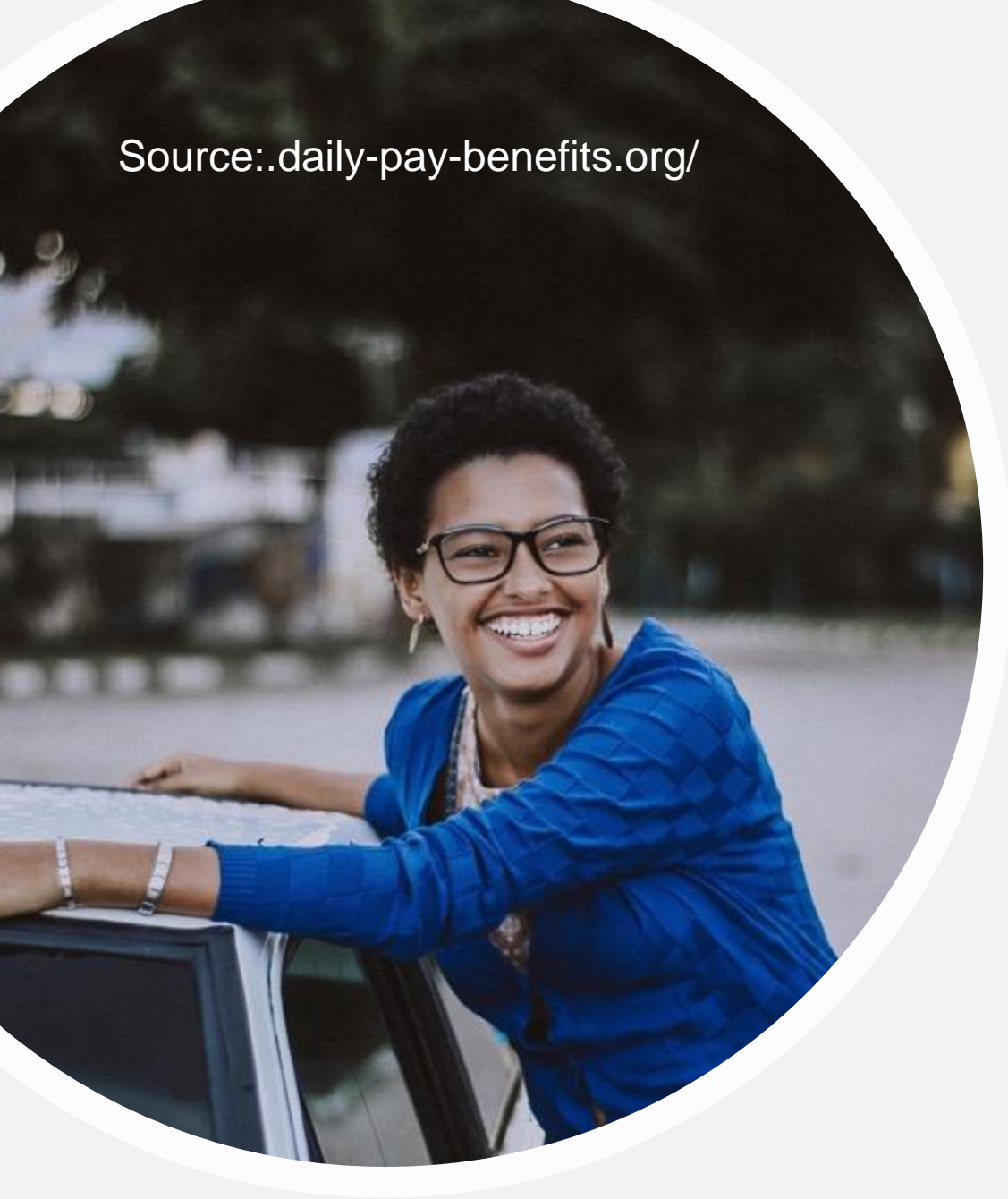
Deep
Analytics



HR &
Employee
Engagement

8 out of 10
hourly employees say
that receiving their pay
before pay day would
help them with financial
security.

Source: daily-pay-benefits.org/



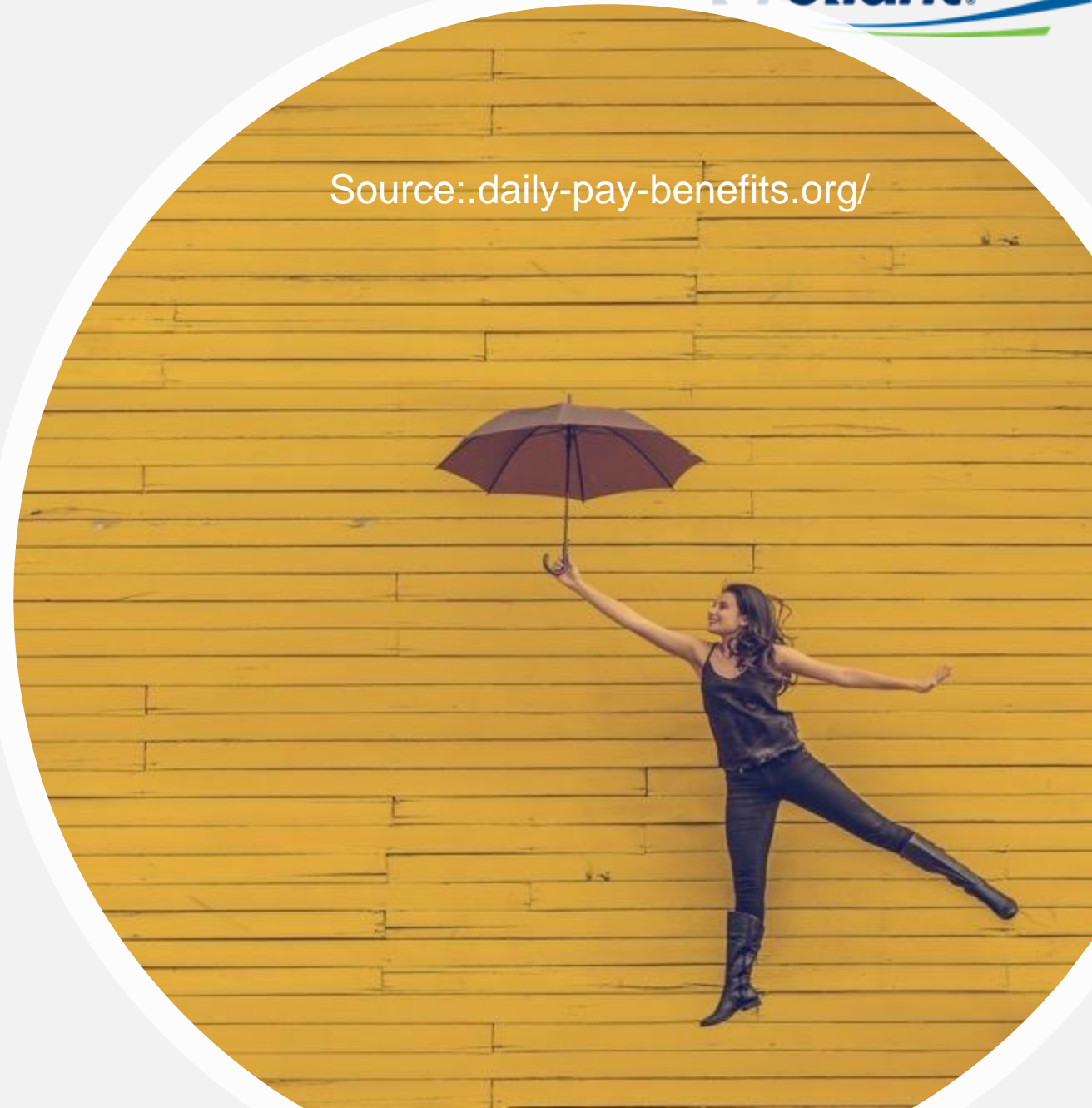
Applicants are willing to
take on average a

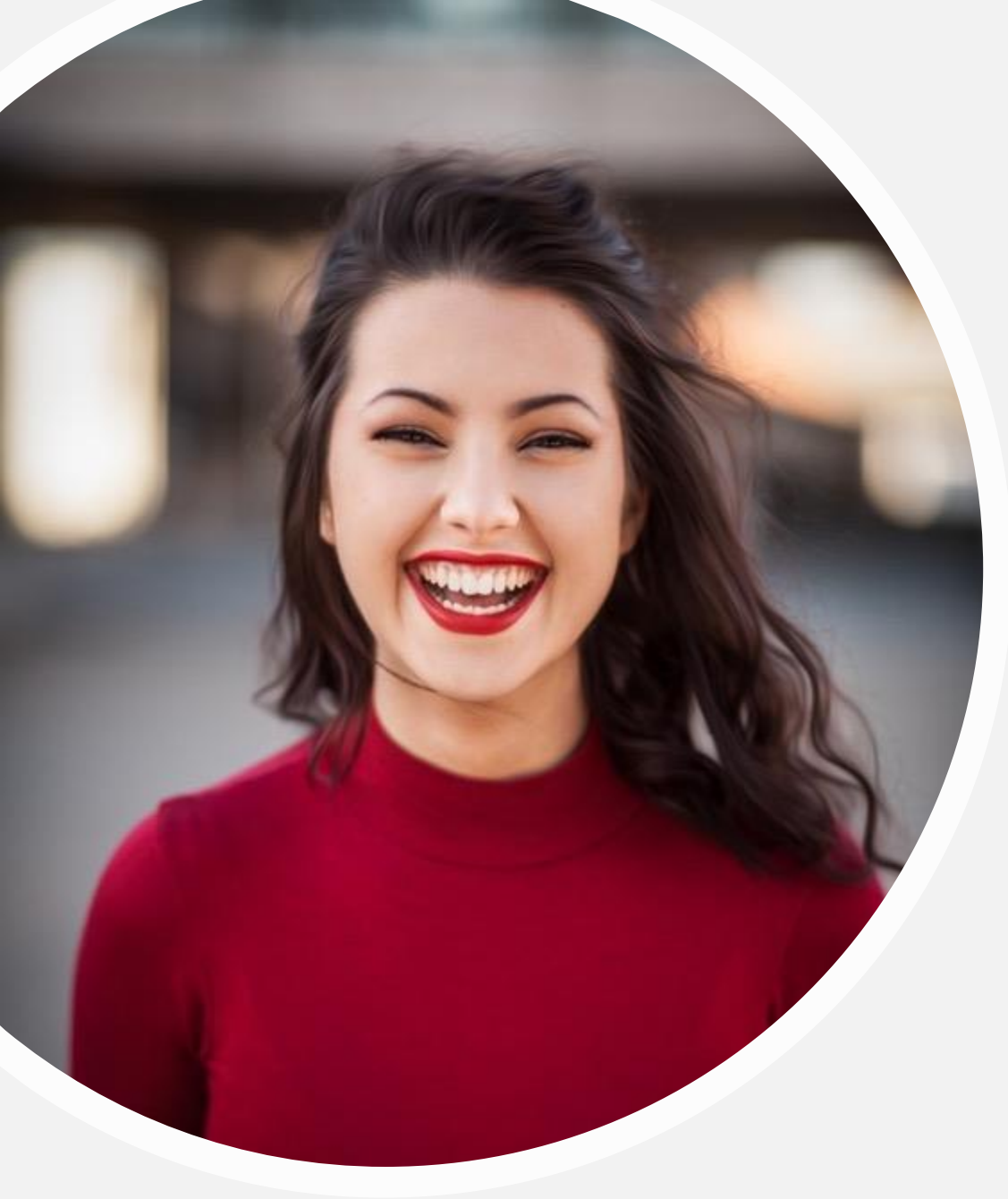
13%

reduction in pay if they
would receive money
daily.

A “daily pay”
solution has shown
to decrease
turnover by
40% and
increase
recruitment by
30%.

Source: daily-pay-benefits.org/





Employers have taken notice and see an opportunity to:

- Increase Recruitment
- Increase Retention
- Decrease Absenteeism



**Employers are looking to
partners and vendors for help.**

A woman with dark, curly hair tied up is looking upwards with a confused expression. The background is a dark chalkboard filled with white question marks and swirls. A white rectangular box with a blue border is centered over the text.

Confusing

Predatory Lending



Press Release

August 6, 2019

SUPERINTENDENT OF FINANCIAL SERVICES LINDA A. LACEWELL LEADS MULTISTATE INVESTIGATION OF THE PAYROLL ADVANCE INDUSTRY

New York Leads Regulators from Ten States and Puerto Rico in Investigating Companies that Engage in Payroll Advances

States to Investigate Allegations of Illegal Online Lending, and Unlawful Interest Rates Disguised as Tips, Monthly Memberships and Other Unexpected Fees to Protect Cash-Strapped Consumers

NEW YORK - Financial Services Superintendent Linda A. Lacewell today announced that the Department of Financial Services (DFS) is leading a multistate investigation into the payroll advance industry and allegations of unlawful online lending. Members of the industry purport to provide consumers access to wages already earned prior to payroll. However, some of these firms appear to collect usurious or otherwise unlawful interest rates in the guise of "tips," monthly membership and/or exorbitant additional fees, and may force improper overdraft charges on vulnerable low-income consumers. The investigation focuses on whether companies are in violation of state banking laws, including usury limits, licensing laws and other applicable laws regulating payday lending and consumer protection laws.

"High-cost payroll loans are scrutinized closely in New York, and this investigation will help determine whether these payroll advance practices are usurious and harming consumers. Protecting consumers is our top priority and New York is leading the charge to expand the investigation of illegal online lending by including regulators from ten additional states and Puerto Rico," **said Superintendent Lacewell**. "We will use all the tools at our disposal, including partnering with peer regulators to safeguard consumers from predatory lending and scams that ensnare families in endless cycles of debt."


DFS is sending out letter requests for information to members of the payroll advance industry.

The following regulators join DFS in investigating the payroll advance industry:

1. Connecticut Department of Banking;
2. Illinois Department of Financial Professional Regulation;
3. The Office of the Commissioner for Financial Regulation in the State of Maryland;
4. New Jersey Department of Banking and Insurance;
5. North Carolina Office of the Commissioner of Banks;



High Employee Fees

A man in a light blue dress shirt and a dark patterned tie is sitting at a desk. He has a stressed or tired expression, with his right hand pressed against his forehead. In the background, a laptop and some office supplies are visible on the desk, and the office environment is blurred.

**Not available to
every employee**



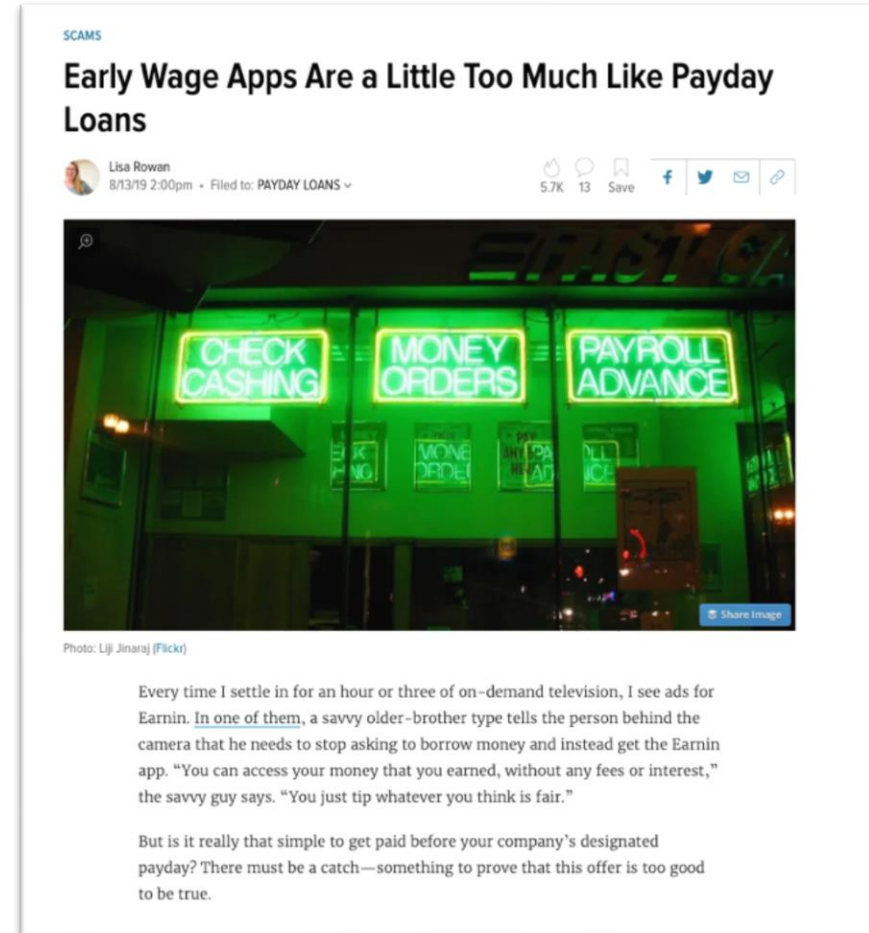
womblebonddickinson.com/us/insights/alerts/what-employers-need-know-about-advance-wage-payment-products



The screenshot shows the Womble Bond Dickinson website. The header includes the company logo and navigation links: Sectors, Services, Locations, Insights, People, and a search icon. The main article title is "What Employers Need to Know About Advance Wage Payment Products". Below the title is a breadcrumb trail: HOME → US → INSIGHTS → ALERTS → WHAT EMPLOYERS NEED TO KNOW ABOUT ADVANCE WAGE PAYMENT PRODUCTS. The article is dated Aug 08 2019. The text discusses the prospect of new services providing immediate access to wages, referred to as "Advance Wage Payment," "Earned Wage Access," or "Wages-on-Demand." It mentions that these services are becoming popular with employees, especially those working minimum wage, and that employers offering them often see a boost in morale and retention. It also notes that several states are investigating whether certain wage advance providers are violating state law. The article is signed by Stephen T. Middlebrook, Of Counsel, US, with contact information: steve.middlebrook@wbd-us.com. There are social media share buttons and a "Read Profile" link. A "Stay informed" section offers to subscribe to Womble Bond Dickinson news and events. A "Contact us" section invites users to let the firm know how they can help.

“Employers should review the details of a particular program before committing and evaluate whether the proposed program is in compliance with lending laws and state wage and hour laws...”

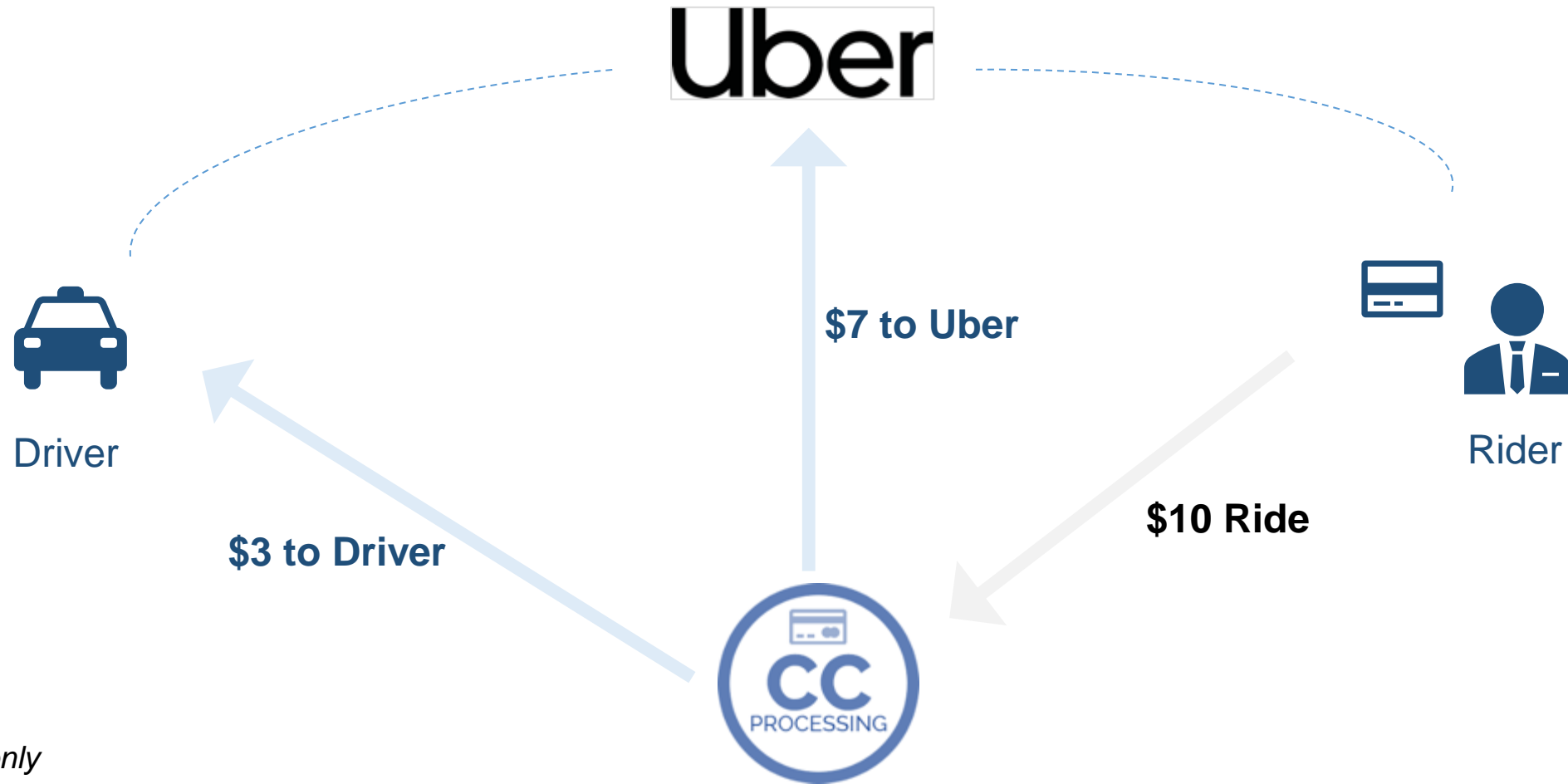
twocents.lifehacker.com/early-wage-apps-are-a-little-too-much-like-payday-loans-1837206504



The screenshot shows a Lifehacker article titled "Early Wage Apps Are a Little Too Much Like Payday Loans" under the "SCAMS" category. The author is Lisa Rowan, dated 8/13/19 2:00pm, and it's filed under "PAYDAY LOANS". The article features a photo of a storefront at night with bright green neon signs that read "CHECK CASHING", "MONEY ORDERS", and "PAYROLL ADVANCE". Below the photo is a quote from a person on the TV show "The Contender": "Every time I settle in for an hour or three of on-demand television, I see ads for Earnin. In one of them, a savvy older-brother type tells the person behind the camera that he needs to stop asking to borrow money and instead get the Earnin app. 'You can access your money that you earned, without any fees or interest,' the savvy guy says. 'You just tip whatever you think is fair.'" The article concludes with the text: "But is it really that simple to get paid before your company's designated payday? There must be a catch—something to prove that this offer is too good to be true."

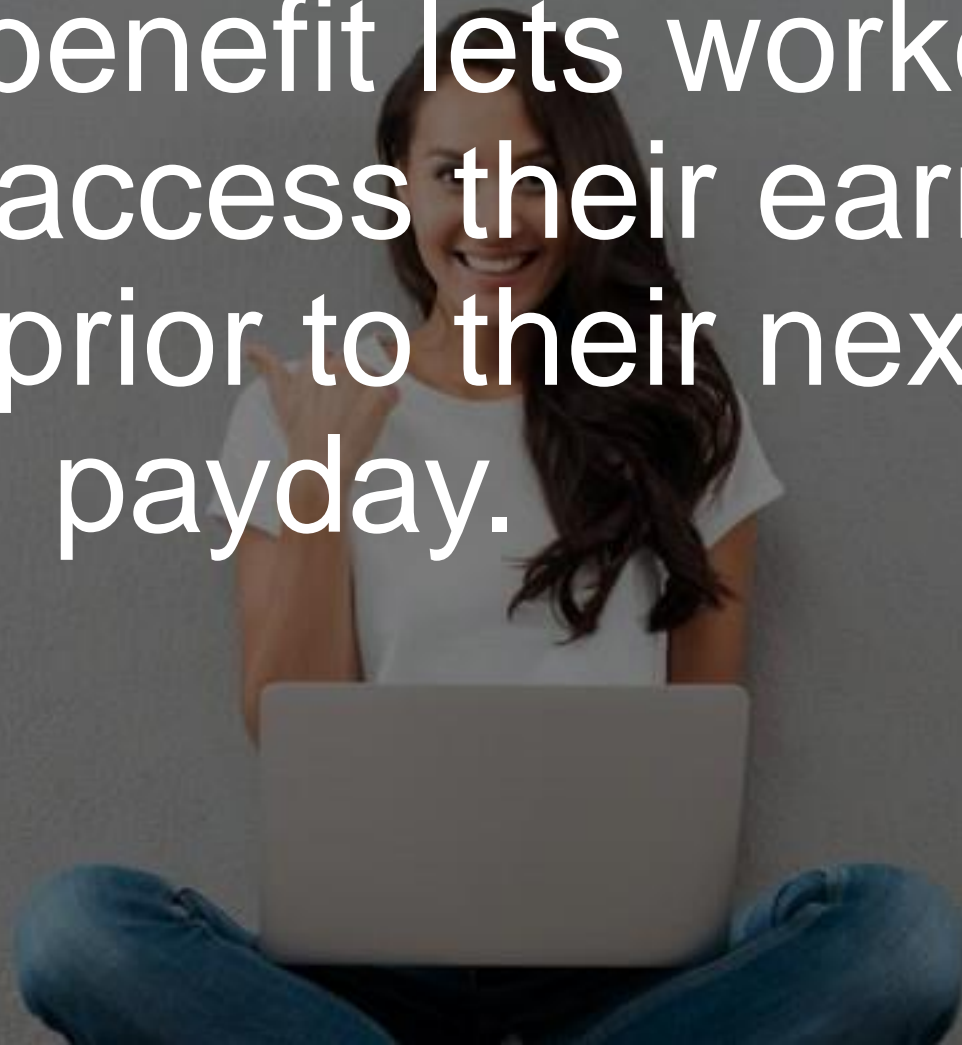
““Just because you access it through an app doesn’t mean it’s not a loan,” Lauren Saunders, associate director of the National Consumer Law Center, said. ...”

Much more complicated than a typical "Uber-like" instant payment



Example only

An EWA benefit lets workers track and access their earned wages prior to their next payday.

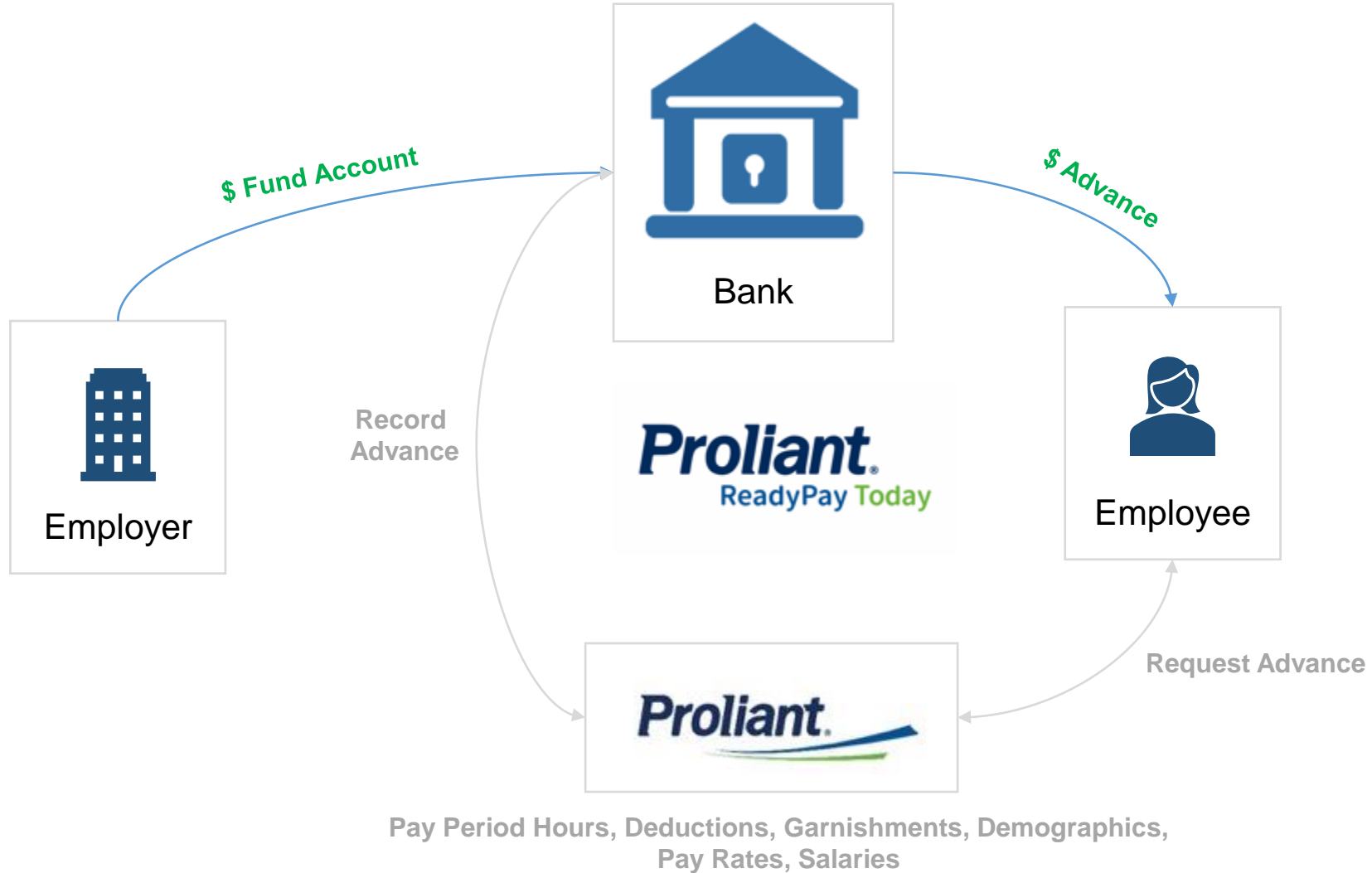




The Benefits of Proliant EWA

- ✓ Provides the flexibility to accept earned wages prior to pay day
- ✓ Increases accountability between employees and their supervisors
- ✓ Integrates with most Time & Labor platforms to avoid purchasing additional products to make EWA work easily

**Pay your
employees
daily so they
love you.❤️**






Pros

- Treated like any other Employer provided benefit
- All payroll data resides in ReadyPay
- Flexibility to work with any Time & Labor system
- Transaction fees can be charged to Employer, the Employee, or a combination of the two
- Multiple payment methods to Employees
- Taxes, deduction, garnishments all calculated real time
- Accounts for pay period hourly adjustments
- EWA used for hourly wages, tips, commissions, bonuses, rewards, mileage, and more



Cons

- Upfront cash contribution by Employer to facilitate the program
- Additional bank account setup required and account balance has to be monitored

A circular inset image on the left side of the slide shows a business meeting. Two people are seated at a desk. One person, wearing a dark suit, is pointing with a pen at a bar chart on a document. Another person's hand is visible on the left, also holding a pen. The document contains several charts, including a bar chart and a pie chart. A laptop keyboard is visible in the foreground.

A daily pay solution for your business can save you \$1000s in recruiting, turnover, and retention costs.

Find out how much money you can save by offering a daily pay solution with our ROI Calculator.


proliant.com/readypaytoday-roi



What's next?

- ✓ Get a read on your employees and take an inventory
- ✓ Do an inventory of your internal accounting, time & labor, and payroll systems
- ✓ Contact Proliant for help

**Pay your
employees
daily so they
love you.❤️**



A delightful employee experience starts with providing **financial security** to your employees.

To Learn more
about ReadyPay
Today...

Schedule a Demo

PeopleFirst@Proliant.com



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