# More than double are accessing their earned pay early

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The number of employers signing up for “on-demand pay services” around the world has risen, and withdrawal patterns suggest UK workers are using these tools to cover regular living costs, almost as a ‘digital ATM’. That’s according to new data from expert in global pay solutions, CloudPay.

The data revealed that since October 2021, while the number of withdrawals per month of earned wages has more than doubled, the average amounts withdrawn have dropped from £97 to £66. This suggests employees are increasingly accessing money they’ve already earned as and when they need it. This trend is one that some in the payroll world are predicting will take hold.

Also worth noting is that 15% of pay-on-demand withdrawals are made by people earning more than £30k, while 30% of users are earning between £20k and £30k, which suggests that it is not just those on the lower end of the wage scale utilising these services.

CloudPay CEO, Paul Bartlett, explained:

“Pay-on-demand solutions have been rising in popularity and while the cost-of-living crisis has no doubt accelerated this trend, our data does show that demand for this service was growing before these pressing economic concerns. Employees now want to have greater control over how and when they get paid and pay-on-demand solutions allow staff to access their earned wages as and when they earn them, whenever they need them.

“Employers that provide pay on-demand as an employee benefit enable staff to manage their cash flow in a new way that aligns with consumer expectations for instant services and instant payments, typically on a mobile device. Having access to earned wages can help steer people away from loans or credit card payments when unexpected costs arise, such as vehicle or household repairs. But we’re increasingly seeing employees use pay on-demand to withdraw relatively small amounts throughout the pay cycle – using it almost as a ‘digital ATM’ for regular living costs. In fact, our own data shows a drop in the average amounts withdrawn from £97 to £66, with a corresponding rise in the frequency of withdrawals from 2.2 to 5.6 per month.

“A rapidly growing number of payroll leaders are recognising the valuable role that technology and software can play in tough times, and that such innovations are actually what the future of payroll looks like for every business. Those leaders are also encouraged by the relative simplicity with which earned wage access can be integrated with an existing payroll system. It’s important to add that innovation such as this shouldn’t be limited to difficult times. In an age where individuals expect services to be on-demand and tailored to their needs, giving them access to the money they’ve already earnt as and when they need it makes more sense than making people wait until a payday chosen by the employer.”

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