The Impacts of Earned Wage Access: How Giving Workers More Control Over Pay Timing Can Increase Income and Boost Financial Stability

Jonathan M.V. Davis

Associate Professor of Economics

University of Oregon

November 2025

Abstract

This paper provides the first causal evidence on the impacts of direct-to-consumer earned wage access (EWA) in the United States. Using administrative data from EarnIn, the largest EWA provider, and a matched difference-in-differences design, I find that first-time EWA usage increases users' net monthly income by $334 or 11.5%. EWA users continue accessing earned wages regularly but show no increase in overdraft, interest, or other bank fees. Spending patterns indicate accessed wages fund essential expenses such as rent, fuel, and bills. Insufficient funds fees increase slightly however the magnitude of this effect is modest and the incidence is relatively rare. Relative to the large income increases, financial wellbeing is likely improved. EWA thus enhances short-term financial stability without inducing harmful borrowing behavior.

I. Introduction

Most American workers are paid biweekly or monthly, even though their financial obligations, like rent, utilities, transportation, and groceries, arrive daily. For households living paycheck to paycheck, this misalignment between pay frequency and expense timing can create significant short-term liquidity challenges. When unexpected expenses arise between pay periods, workers often turn to costly credit alternatives such as payday loans, overdrafts, or credit card debt. Earned wage access (EWA) has emerged as a rapidly expanding financial technology designed to bridge this gap by allowing workers to access a portion of their earned wages before payday.

The Consumer Financial Protection Bureau (CFPB, 2024) estimates that the employer-provided segment of the EWA market nearly doubled in 2022 (the most recent year usage data is currently available). I show that the direct-to-consumer (D2C) segment of the market is also significant. The largest D2C provider, EarnIn had over 1 million unique users in 2024, including approximately 500,000 new users, from 49 of the 50 states

In response to EWA's rapid growth, more than thirty states have enacted or proposed legislation to regulate these products (Pizzolato, 2025). Yet regulators remain divided over whether EWA should be treated as credit, as a payroll innovation, or as a form of financial wellness benefit. Arkansas, Indiana, Kansas, Louisiana, Missouri, Nevada, South Carolina, Utah and Wisconsin have passed

legislation acknowledging that EWA is a separate financial product. In contrast, Connecticut enacted legislation classifying EWA as a small dollar loan which caused most EWA providers to exit the Connecticut market. Understanding whether EWA improves or harms workers' financial well-being is a critical input into these outstanding regulatory questions.

Despite the popularity of EWA, little is known about its causal impacts on users. Existing studies are limited to employer-sponsored pilots and single-firm contexts. Chen, Feinerman, and Haggag (2024) studied Uber's randomized evaluation of its Instant Pay system and found that flexible pay increased labor supply and earnings. However, evidence on direct-to-consumer (D2C) EWA platforms, which operate independently of employers and represent a large share of the U.S. market, remains scarce. Without credible estimates from all segments of the EWA market, policymakers and researchers lack evidence on whether EWA truly improves financial stability or simply shifts the timing of financial stress.

This paper provides the first causal evidence on the impacts of D2C EWA in the United States. Using comprehensive administrative data from EarnIn, the largest D2C EWA provider, I combine detailed transaction records with matched difference-in-differences methods to estimate how first-time EWA usage affects users' income, spending, bank fees, and future EWA usage. The empirical design compares users who begin using EarnIn between April and June 2024 with matched individuals who begin using it several months later, providing credible identification of short-run causal effects.

I find that first-time EWA usage increases users' net monthly income by approximately $334. This is an 11.5 percent increase relative to the matched comparison group. This suggests that pay flexibility encourages more hours or longer retention in a job. Users continue using EWA about 4 times per month after their first use: accessing just under $250 and paying about $15 in voluntary fees across all transactions every 30 days. Spending analyses show that users primarily use accessed wages to cover essential needs like rent, utilities, fuel, and prescriptions. This is consistent with liquidity smoothing rather than discretionary consumption.

There is no evidence of increased overdraft, interest, or other bank fees. However, I find a small increase in insufficient funds (NSF) fees. The effect implies an additional $9 in insufficient funds paid per month. While this effect is statistically significant, its magnitude is modest and the incidence is relatively rare. Importantly, when weighed against the substantially larger and more frequent net income gains generated by the intervention, this increase in NSF fees is unlikely to meaningfully reduce users' financial well-being. On net, the evidence indicates that EWA improves financial outcomes for most users.

By combining large-scale administrative data with a credible research design, this study provides the best evidence to date on the financial and behavioral opportunities of earned wage access. The results suggest that EWA can meaningfully improve short-run financial stability without inducing harmful borrowing behavior, while highlighting the importance of responsible design and regulation as access to earned wages becomes a standard workplace benefit.

II. Background

Nearly 75 percent of workers in the United States are paid less frequently than once a week (Bureau of Labor Statistics, 2023). This is a reversal from the mid-1950s when most workers were paid weekly (Grossman, 1955), despite incredible developments in automation and computing during this same period. A negligible share of employees are paid daily for their work. However, 83% of surveyed workers report that they should have access to their earnings at the end of each workday (Segal, 2021).

Historically, the frequency of pay is an implicit negotiation of interests between employees and employers. Employees prefer more frequent pay to help with budgeting and to simplify verifying that their pay is correct. Employers prefer less frequent pay to lower payroll costs and to prolong their access to this capital in the short-term. Employers tend to have greater bargaining power in these timing negotiations. As a result, all but six states have laws requiring that workers be paid at least once a month (Parsons and Van Wesep, 2013).

EWA is a tool introduced in the early 2010s that gives workers more choice over the timing of their pay by allowing workers to access their wages before they would otherwise be paid (Lux and Chung, 2023). EWA is therefore a collaborative compromise to the negotiation between employee and employer interests in the timing of pay. EWA is becoming more widely available because of intermediaries that provide workers with more immediate access to their earned wages. Direct-to-consumer (D2C) EWA platforms allow employers to maintain their existing payroll infrastructure, creating interoperability in the payroll system. For example, EarnIn was founded in 2013 and is the largest direct-to-consumer EWA provider in the United States, in addition to offering other products, like payroll software. Some firms, including Walmart, Uber, and Lyft, have also piloted or adopted EWA for their workers. Often, employers partner with business-to-business (B2B) providers who facilitate EWA on the employer's behalf. Gig employers who hire contractors paid with W9s may have more flexibility in offering EWA than employers paying W2 workers.

Fees for EWA, if any, are generally much lower than traditional financial instruments. D2C EWA platforms provide access to earned wages at a very low cost, and sometimes charge no fees, because the data rich environment, including the ability to use geolocation to confirm hours worked, makes it very low risk to bridge the period between a worker's shift and their payday. For example, in most states EarnIn allows workers to access up to $150 in earned wages per day and a maximum of $750 in earned wages per pay period. EarnIn does not charge any mandatory fees or interest for using its "Cash Out" EWA service. Instead, customers are given the option to choose their own price point for the service via a voluntary "tip," which may be $0. Customers can also choose to pay a fee for an expedited "Lightning Speed" transfer rather than a standard ACH transfer that can take up to 1-2 business days to be reflected in the customer's bank account.[1] EarnIn also does not charge any fees

[1] Lightning Speed transfers result in funds being deposited in the customer's bank account within 30 minutes. Lightning Speed fees are much less expensive than standard wire transfer fees.

or penalties if there is an issue that prevents EarnIn from recovering the accessed wages from the worker's bank account. In this case, the worker is simply prevented from using the service again until the accessed wages are repaid.[2] With employer provided EWA, employees are sometimes required to pay a fee to use EWA in order to share the costs associated with more rapid payroll processing. For example, Uber and Lyft provide drivers with an EWA option but charge drivers between $0.50 and $1.25 per cash-out (Chen, Feinerman, and Haggag, 2024).

Critics of EWA mention that consumers could potentially enroll in multiple EWA platforms and access more than they earn. This concern assumes consumers are quite naïve. They are often more sophisticated than experts assume (Allcott et al., 2022). Moreover, the consequences of this type of mistake are quite low. For example, as was mentioned above, EarnIn does not charge any fees or penalties if it fails to recover a worker's accessed wages. The only penalty EarnIn imposes is that the worker is prohibited from using the service until the wages are recovered. However, banks may charge overdraft or NSF fees if the account is overdrawn. In contrast to credit transactions or payday loans, where the borrower shares the risk with increasing fees and penalties for late payments, EWA providers bear nearly all of the risk of non-payment.

III. Data

My analysis is based on comprehensive administrative data provided by EarnIn. The data includes detailed information about EWA usage, net monthly income, and other spending based on bank transactions.

The EWA usage data includes information about all EWA transactions with EarnIn in the 2024 calendar year. This includes an anonymized user identifier, the date and amount of the transaction, the amount the user voluntarily tipped (if any), and whether the user paid an extra fee to use a Lightning Speed transfer to receive their accessed wages faster.

The income and spending data are based on bank transactions voluntarily shared with EarnIn. Net income data is available at the calendar month level and is based on deposits into users' bank accounts from employers. Daily spending information aggregated by spending category is also observed. A limitation of this data is that I do not observe income or spending that is not reflected in their linked bank account, for example, spending on a credit card or from other bank accounts.

IV. EWA Usage and Users

The best information to date on EWA usage is based on a CFPB report that gathered information from eight employer-partnered earned wage access providers that constituted roughly half of the employer-partnered market (CFPB, 2024). The report documents over seven million users accessing $22 billion in 2022, with an average transaction of $106 and 27 withdrawals per year. However, it provides no comparable information on D2C EWA products.

[2] https://www.earnin.com/privacyandterms/cash-out/terms-of-service Accessed on April 25, 2025.

I fill this gap using my administrative data from EarnIn, the largest D2C provider and the setting for my causal analysis. In 2024, over 1 million unique users accessed an average of $96 about 4 times per month. EarnIn does not charge any mandatory fees or interest. Users left a voluntary tip in about 45 percent of transactions (averaging $1.25). By default, transfers are sent via a standard ACH transfer that could take 1-2 business days to be reflected in a user's bank account. In over 80 percent of transactions, users chose to pay an additional fee for a Lightning Speed transfer (averaging $3.79 at the time the data was pulled) so the deposit is reflected in their account almost instantaneously. Together, these imply average voluntary costs of about 5 percent of the amount accessed.

Table 1. Earned Wage Access Usage in 2024

	N	Total Uses	Average Wages Accessed	Any Tip	Average Tip	Any Lightning	Average Lightning
All Users	>1,000,000	50.08	95.92	0.45	1.25	0.86	3.79
New Users	~500,000	22.08	94.39	0.40	1.18	0.83	3.84

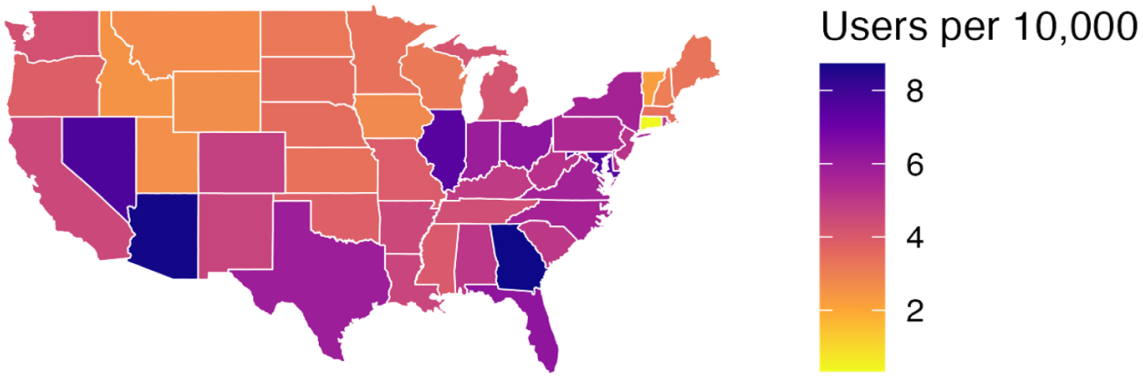
Notes: This table shows summary statistics about usage of EarnIn's EWA product among all users (first row) and new users (second row) in 2024. Average total uses is calculated at the user level. Averages for accessed wages, tips, and Lightning Speed fees are calculated at the transaction level.

Figure 1 shows considerable geographic heterogeneity. Usage is highest in Arizona, Georgia, Illinois, Maryland, and Nevada. Connecticut has no users because EarnIn did not operate in the state for regulatory reasons.

Among the approximately 500,000 new users in 2024, usage intensity was slightly lower. New users made 22 transactions on average in 2024 which equates to 36 transactions when annualized. They make very slightly smaller withdrawals and pay comparable voluntary costs. This reflects the nature of Earned Wage Access usage: EWA transactions tend to be smaller and more frequent, as they often cover immediate, specific expenses like bills, gas, and groceries.

These patterns illustrate how D2C EWA functions as a recurring liquidity tool rather than an occasional emergency product, and they provide essential context for interpreting the causal effects on income and financial outcomes that follow.

Figure 1. EarnIn Usage Per Capita by State



V. Identifying the Causal Effects of EWA

A key challenge when evaluating the impacts of using earned wage access is finding a comparison group of individuals whose outcomes are similar to what would have happened to the EWA users had they not used EWA. This is difficult because people use EWA for a reason. For example, someone may use EWA for the first time because they have overdrawn their bank account and need to get their bank account out of a deficit. Therefore, EWA users who just experienced an economic shock may look like they are experiencing worse outcomes because of this shock rather than the causal effects of EWA (e.g. Wang et al., 2024). This is a widely known problem in program evaluation often referred to as "Ashenfelter's Dip" (Ashenfelter, 1978).

I overcome this challenge by matching individuals who first used EWA between April and June 2024 to the most comparable individual who first uses EWA at least three months later between July and September 2024. These windows are selected to allow for a three-month observation window before and after users first use EWA. To ensure that the comparison group does not start using EWA until after the observation window, users who first used EarnIn in April 2024 can match with users who first used EarnIn between July and October 2024. However, users who first used EarnIn in May 2024 are matched with users who first used EarnIn between August and October 2024 and users who first used EarnIn in June 2024 match with users who first used EarnIn in September or October 2024. I also require that users' spending data is first observed on or before March 26, 2024 to allow for controls for daily spending patterns in the week leading up to the reference date to be included.

To find the most comparable individual, I estimate the probability an individual first uses EWA on a particular day. I use a sample of 1,522,348 person-days that consists of 23,201 individuals observed between April 1, 2024 and June 30, 2024 until the date of their first use. I estimate this probability using the following linear probability model:

$$FirstUseEWA_{it} = \alpha + \sum_{r=0}^{6} S'_{i,t-r}\beta_r + Income'_{i,m(t)}\gamma + \delta_{s(i)} + e_{it}, \qquad (1)$$

where $FirstUseEWA_{it}$ is an indicator variable for person i first using EarnIn's EWA product on the reference date t. $S_{i,t-r}$ is a vector of spending variables r days before the reference date, including controls for any spending and the amount of spending[3] on bank fees for interest, overdrafts, insufficient funds, and other reasons and loan payments for cars, credit cards, mortgages, personal loans, and student loans, and other types of loans. I control for spending up to and including the reference date because many bank transactions post with a one-day lag. For example, most of the largest banks post overdraft fees the day after the account is overdrawn to verify that

[3] The levels of the spending variables are coded as the initial level of spending 6 days before the reference date and then the changes in that level each day.

the account is not rightsized by deposits later in the day. $Income_{i,m(t)}$ is a vector of monthly net income controls, including net income in the calendar month three months before the calendar month of the reference date and the change in net income in each of the two previous months. For example, if the reference date is in April, $Income_{it}$ will include a control for the level of net income in January and the change in net income in February and March relative to the prior month. $\delta_{s(i)}$ is a state fixed effect. ε_{it} is a residual.

The estimates from this model are then used to generate a predicted propensity score for first using EWA on date t for each person-date combination. Each "early adopter" who first used EWA between April and June 2024 is then matched to the late adopter with the closest predicted propensity score. Matches where the difference in propensity scores between the matched pair is above the 95th percentile, about 0.0016, are dropped.

Table 2 provides summary statistics about the matched sample. As intended, the early adopters are matched to late adopters with a nearly identical propensity score for starting to use EarnIn on the same day as the early adopter. Early adopters had slightly lower net monthly income than the late adopters three months before they started using EarnIn, $2,554 compared to $2,775. However, the net income trends over the next two months are very similar across the two groups, with little change the month before first use, and about a $350 increase the month of first use.

Table 2. Matched Sample Summary Statistics

First EWA Use	Early Adopters April to June 2024	Matched Late Adopters July to October 2024
N	9,890	9,890
Propensity score	0.0102	0.0102
Net Income, 3 months prior	2553.52	2774.62
Change in income, 2 months prior	30.33	-5.85
Change in Income, prior month	351.61	338.45

I use this matched sample to estimate the causal effect of first EWA usage on outcomes using the following difference-in-differences regression:

$$Y_{it} = \theta EWA_{it} + \mu EarlyAdopter_i + \iota P_{it} + \zeta_{g(i)} + \kappa_t + \lambda_{c(i,t)} + \varepsilon_{it}, \qquad (2)$$

where EWA_{it} is an indicator for adopting EWA by time t. $EarlyAdopter_i$ is an indicator for first using EWA between April and June 2024. $\zeta_{g(i)}$, κ_t, and $\lambda_{c(i,t)}$ are matched group, relative time, and calendar time fixed effects. P_{it} is the estimated propensity score from equation (1). The unit of time is determined by the frequency the outcome is observed, so at the month level for income and at the daily level for spending.

θ is interpretable as the causal effect of adopting earned wage access under a parallel trends assumption that outcomes of early adopters would have trended similarly to the matched late

adopter group had they not started using EWA. While the parallel trends assumption is not directly testable, I show that there were not significant differences in outcomes between the treatment group and the matched comparison group prior to EWA adoption using an event study design. Specifically, I show the dynamics of the effect of EWA usage using the following event study specification:

$$Y_{it} = \sum_{r=-T_0}^{\bar{T}} \nu_r \, EarlyAdopter_i \times 1(t = r) + \tau EarlyAdopter_i + \xi P_{it} + o_{g(i)} + \pi_t + \rho_{c(i,t)} + \epsilon_{it}, \qquad (3)$$

where the ν_r coefficients show the difference between early adopters and late adopters in each period after adjusting for the set of controls and fixed effects in equation (2). One of these coefficients is normalized to zero without loss of generality.

Inference is clustered at the user level. This allows for arbitrary correlation across a single user's outcomes over time and also adjusts for the fact that some users in the comparison group are the best match for multiple users in the treatment group and so are included in the sample multiple times.

VI. Impacts of first EWA usage on usage in first 42 days

I begin my analysis by looking at the impact of first EWA usage on EWA usage over the next 6 weeks. Specifically, I measure the impact of first EWA usage on daily accessed wages, tips, and Lightning Speed fees in the first 42 days after the first use. To make the estimates comparable to later estimates on monthly net income, I also discuss the implied 30-day impacts which are just thirty times the daily effects.

Table 2 shows these estimates. The first row shows the estimates on average outcomes over the first 42 days, including the day of the initial EWA usage. The second row shows the estimates on the following 41 days, excluding the effect of the initial EWA usage.

Individuals continue using EWA once they start using it. Table 2, Column 1 shows estimated impact on whether or not an individual uses EWA on a given day. After their first use of EWA, individuals have a 12 percent probability of using EWA on any given day during the following 42 days, including the day of first use. This equates to 3.7 uses every 30 days. Excluding the day of initial use, individuals are 10 percent more likely to use EWA each day which equates to 3.1 uses per month. Column 4 shows analogous estimates looking at the amount of wages accessed each day. On average, individuals access $9.98 per day including the initial EWA usage or about $300 per month. Or excluding the first use, $8.20 per day, or about $250 per month.

The estimates in columns 2 and 5 suggest that users tip in 42 percent of these transactions and 1.7 percent of the transaction amount, on average. Users are about twice as likely to pay Lightning Speed fees as they are to leave a tip. On average, they pay 3.8 percent of the transaction amount in

these fees. Combining these results suggests that users pay about $15 each month in voluntary fees across all transactions.

Table 2. Impacts of first EWA usage on future usage

	Any			Amount		
	Accessed Wages	Tips	Lightning Fees	Accessed Wages	Tips	Lightning Fees
EWA Effect	0.12	0.05	0.09	9.98	0.17	0.37
	(0.001)	(0.001)	(0.001)	(0.07)	(0.00)	(0.00)
EWA Effect After Day 0	0.10	0.04	0.09	8.20	0.13	0.37
	(0.001)	(0.001)	(0.001)	(0.07)	(0.00)	(0.00)
Outcome Mean for Matched Comparison Group	0.00	0.00	0.00	0.00	0.00	0.00
Unit of Observation	Person-Day	Person-Day	Person-Day	Person-Day	Person-Day	Person-Day
Observations	969,220	969,220	969,220	969,220	969,220	969,220
Matched Pairs	9,890	9,890	9,890	9,890	9,890	9,890

Notes: This table shows the impact of first EWA usage on daily EWA usage over the next 6 weeks using the matched sample of early and late EWA adopters. Coefficients are estimates from a regression of the outcome on an indicator for being an early EWA adopter interacted with being in the post-usage period (first row) or being in the period starting one day after first usage (second row). Each regression also controls for the estimated propensity score for using EWA, and fixed effects for relative time to EWA adoption, calendar date, and being an early EWA adopter. The second-row specification includes an additional control for being an early EWA adopter interacted with an indicator for being the date of first usage. Robust standard errors, clustered by user, in parentheses.

VII. How are accessed wages spent

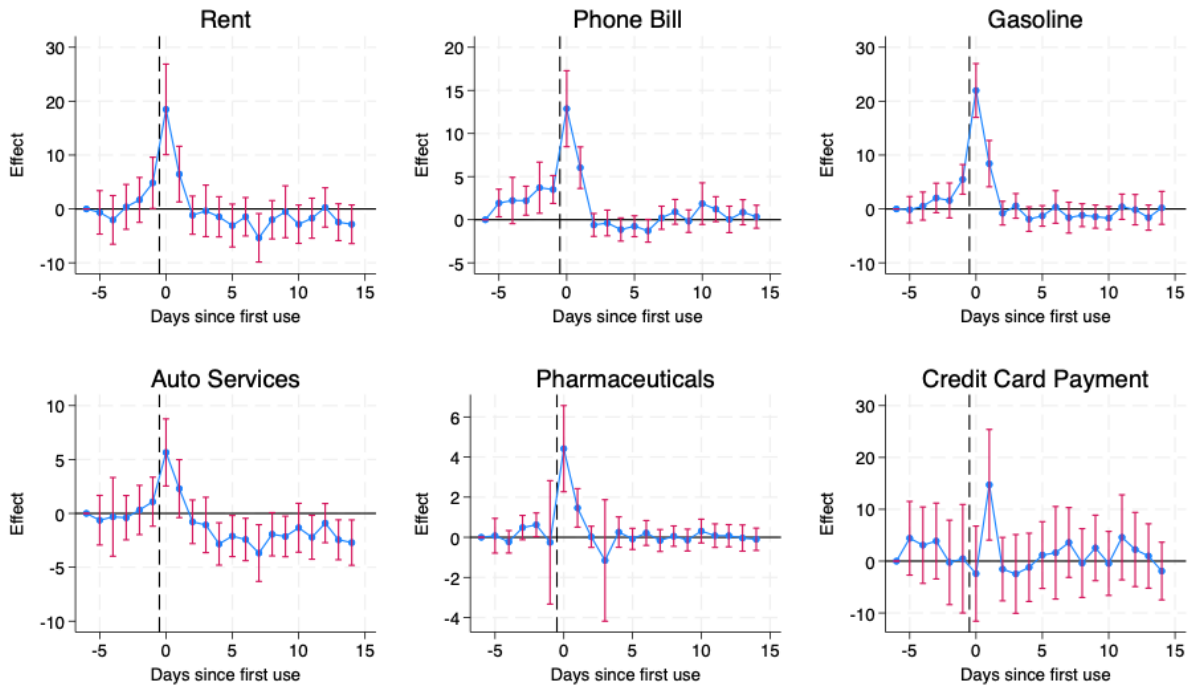
How do EWA users spend their accessed wages? Figure 2 shows event study estimates of the impact of EWA usage on different spending categories. These are based on estimates looking at spending in the week leading up to the first EWA usage through 42 days after the first usage, controlling for the other covariates in Equation (2). The figures are truncated to only show the first 14 days post-first use to improve readability.

As was shown in Table 1, new users access $94 each time they use EWA. The event studies below demonstrate that a significant share of accessed wages go towards paying bills and potentially unexpected expenses. The figures are normalized so that the difference between the early EWA adopters and the matched late adopters is set to zero at six days before first use.

The first panel shows that the rent payments of EWA users begin to increase the day before first EWA use and peak nearly $20 above the average rent differential on the day of first use before falling back to the baseline difference 2 days after first use. A similar pattern can be seen for phone

bill payments, gasoline purchases, spending on auto services, and pharmaceuticals that increase to about $13, $22, $6, and $4 above the pre-EWA usage differential, respectively. The difference in credit card payments between new EWA users and the matched comparison group spikes to $15 the day after using EWA and then falls back to zero. This could reflect credit card payments being made when accessed wages are received but not posting in the account until the next day. These event studies suggest many EWA users use accessed wages to cover bills, to fulfill immediate needs, like getting gas, an auto repair, or a prescription, or to pay down other debt, like credit cards.[4]

Figure 2. Where accessed wages are spent



Notes. This figure shows an event study of the dynamic effects of EWA adoption on daily spending on rent, telephone bills, gasoline, auto services, pharmaceuticals, or credit card payments in the matched sample of early and late EWA adopters. Estimates based on a regression of daily spending in the listed category on treatment indicators interacted with time since first EWA use indicators with controls for the estimated propensity score for using EWA, and fixed effects for relative time to EWA adoption, calendar date, and being an early EWA adopter. Error bars are 95% confidence intervals based on robust standard errors, clustered by user.

VIII. Impacts of first EWA usage on net income

Giving workers more immediate access to their earnings may encourage workers to work more (Chen, Feinerman, and Haggag, 2024) or to stay in their job longer (Murillo, Vallee, and Yu, 2022;

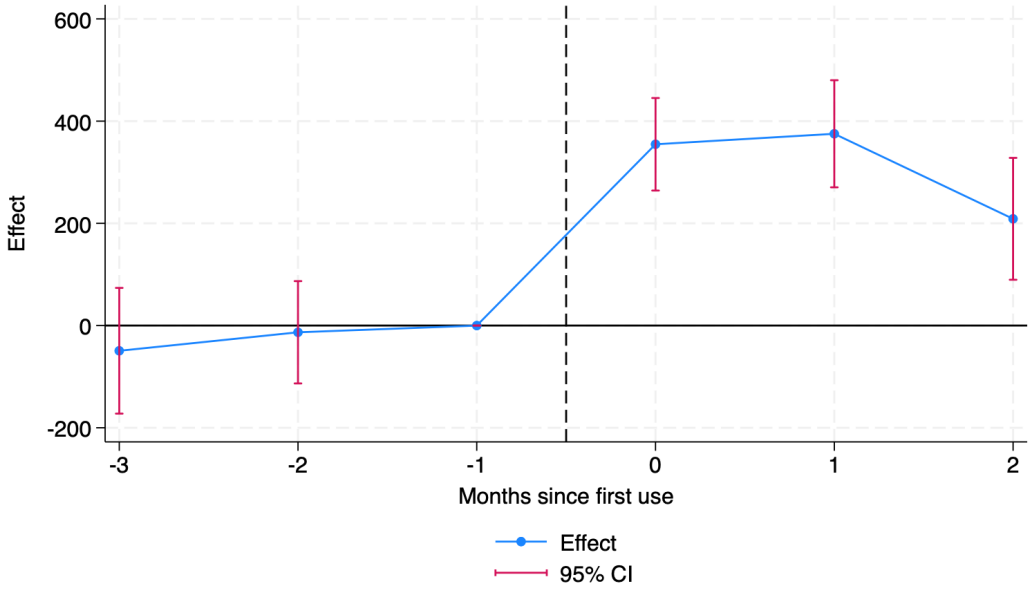
[4] Analogous event studies looking at spending on primary medical care and dental care indicate no spike and a much smaller spike in spending, respectively. This could be because medical and dental insurance separate the timing of these expenses from the date of service.

Baker and Kumar, 2018). Both of these channels could cause EWA to increase users' incomes. In this section, I test this prediction.

Figure 3 below shows event study estimates of the impact of first EWA usage on net monthly income. There is no difference between early EWA adopters and the matched comparison group in the three months before their first EWA usage. However, once the early EWA adopters start using EWA their income increases by nearly $400 in the month of first use, which often includes some days before and after using EWA. This effect persists in the first full month after first use and falls to $200 in the second full month after first use.

Pooling these monthly estimates yields a combined estimate of a $333.76 increase in monthly income with a standard error of $27.09. This statistically significant increase in income is an 11.5 percent increase relative to the matched comparison group's average monthly net income of $2,908.78.

Figure 3. The Effects of EWA on Net Monthly Income



Notes. This figure shows an event study of the dynamic effects of EWA adoption on net monthly income in the matched sample of early and late EWA adopters. Estimates based on a regression of net monthly income on treatment indicators interacted with time since first EWA use indicators with controls for the estimated propensity score for using EWA, and fixed effects for relative time to EWA adoption, calendar month, and being an early EWA adopter. Error bars are 95% confidence intervals based on robust standard errors, clustered by user.

IX. Impacts of EWA on banking fees

EWA may reduce bank fees by increasing users' liquidity. On the other hand, critics of EWA worry that users may end up paying more in bank fees if they access their wages and then spend their paycheck before the accessed wages are recovered.

Table 3 tests these competing predictions empirically. While the point estimates are positive, I do not find evidence of a statistically significant increase in overdraft fees, interest paid, or other fees. However, I find a statistically significant, yet economically small, just $0.30 per day increase in NSF fees paid. Over a month, this works out to an additional $9 in insufficient funds fees paid. CFPB estimates suggest the median insufficient funds fee was $32 in 2023 (CFPB, 2023). This suggests that there is about one additional insufficient fund fee for every 13 transactions.[5] When compared to the substantially larger net income gains generated by EWA, this increase in NSF fees is unlikely to meaningfully reduce users' financial well-being.

Table 3. Impacts of EWA on Bank Fees

	Amount			
	Overdraft Fees	Insufficient Funds	Interest	Other
EWA Effect	0.130	0.294	0.038	0.057
	(0.124)	(0.132)	(0.036)	(0.101)
EWA Effect After Day 0	0.147	0.301	0.041	0.061
	(0.125)	(0.134)	(0.037)	(0.104)
Outcome Mean for Matched Comparison Group	0.75	0.33	0.14	0.29
Unit of Observation	Person-Day	Person-Day	Person-Day	Person-Day
Observations	969,220	969,220	969,220	969,220
Matched Pairs	9,890	9,890	9,890	9,890

Notes: This table shows the impact of first EWA usage on daily bank fees over the next 6 weeks using the matched sample of early and late EWA adopters. Coefficients are estimates from a regression of the outcome on an indicator for being an early EWA adopter interacted with being in the post-usage period (first row) or being in the period starting one day after first usage (second row). Each regression also controls for the estimated propensity score for using EWA, and fixed effects for relative time to EWA adoption, calendar date, and being an early EWA adopter. The second-row specification includes an additional control for being an early EWA adopter interacted with an indicator for being the date of first usage. Robust standard errors, clustered by user, in parentheses.

[5] These estimates suggest an additional $8.82 in NSF funds per month, or about 0.28 median-sized NSF fees per month. The usage results suggested 3.7 uses per month and 0.283.7113.

X. Conclusion

This paper provides the first causal evidence on the impacts of direct-to-consumer earned wage access (EWA) in the United States. Using administrative data from EarnIn and a matched difference-in-differences design, I find that first-time EWA usage increases users' monthly income by about $334 or 11.5 percent. Users continue to access their earnings frequently in the weeks following adoption, suggesting that EWA fills a persistent liquidity need.

I find no evidence that EWA increases overdraft, interest, or other bank fees, though there is a small rise in NSF fees, a change that is statistically detectable but much smaller than the income increases. As a result, EWA likely improves financial wellbeing for most users. Spending patterns indicate that users primarily use accessed wages for expenses such as rent, bills, fuel, and medical costs. This supports the view that EWA is used to smooth consumption rather than to finance discretionary purchases.

Overall, the evidence suggests that earned wage access provides tangible short-run financial benefits without meaningful adverse effects. By helping workers better align cash flow with expenses, EWA can improve financial stability and potentially strengthen the link between work and pay. Future research should explore the long-run effects of EWA on savings, credit access, and employment dynamics.

XI. References

Allcott, Hunt, Joshua Kim, Dmitry Taubinsky, and Jonathan Zinman. 2022. "Are High-Interest Loans Predatory? Theory and Evidence from Payday Lending." The Review of Economic Studies 89(3): 1041-1084.

Ashenfelter, Orley. (1978). Estimating the effect of training programs on earnings. The Review of Economics and Statistics, 47-57.

Baker, Todd H. and Snigdha Kumar. 2018. "The power of the salary link: assessing the benefits of employer-sponsored FinTech liquidity and credit solutions for low-wage working Americans and their employers." Available at SSRN : https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3571499

Bureau of Labor Statistics. 2023. "Length of pay periods in the Current Employment Statistics survey." https://www.bls.gov/ces/publications/length-pay-period.htm. Accessed on April 4, 2025.

Chen, M. Keith, Katherine Feinerman, and Kareem Haggag. 2024. "Flexible Pay and Labor Supply: Evidence from Uber's Instant Pay." National Bureau of Economic Research Working Paper 33177.

Consumer Financial Protection Plan (CFPB). 2023. "Overdraft and Nonsufficient Fund Fees: Insights from the Making Ends Meet Survey and Consumer Credit Panel." CFPB Office of Research Publication No. 2023-9. https://files.consumerfinance.gov/f/documents/cfpb_overdraft-nsf-report_2023-12.pdf Accessed on November 13, 2025.

CFPB. 2024. "Data Spotlight: Developments in the Paycheck Advance Market." https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-developments-in-the-paycheck-advance-market/

Grossman, Philip. 1955. "Length of Pay Periods in American Industry." Monthly Labor Review: 188-192.

Lux. Marshall and Chung, Cherie. 2023. "Earned Wage Access: An Innovation in Financial Inclusion?" M-RCBG Associate Working Paper Series No. 214.

Murillo, Jose and Boris Vallee and Dolly Yu. 2022. "Fintech to the (Worker) Rescue: Earned Wage Access and Employee Retention." Available at SSRN: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4067701

Parsons, Christopher A., and Edward D. Van Wesep. 2013. "The timing of pay." Journal of Financial Economics 109, no. 2: 373-397.

Pizzolato, Joey. 2025. "Earned wage access regulation by state: A complete guide." American Banker. https://www.americanbanker.com/payments/list/a-complete-guide-to-earned-wage-access-regulation-by-state

Segal, Edward. 2021. "Most Workers Want to Be Paid Automatically Every Day According to New Poll." Forbes. https://www.forbes.com/sites/edwardsegal/2021/09/13/most-workers-want-to-be-paid-automatically-every-day-according-to-new-poll/. Accessed April 4, 2025.

Wang, Candice, Lucia Constantine, Monica Burks, and Yasmin Farahi. 2024. "A Loan Shark in Your Pocket: The Perils of Earned Wage Advance." Center for Responsible Lending. https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-ewa-loan-shark-oct2024.pdf Accessed on November 13, 2025.