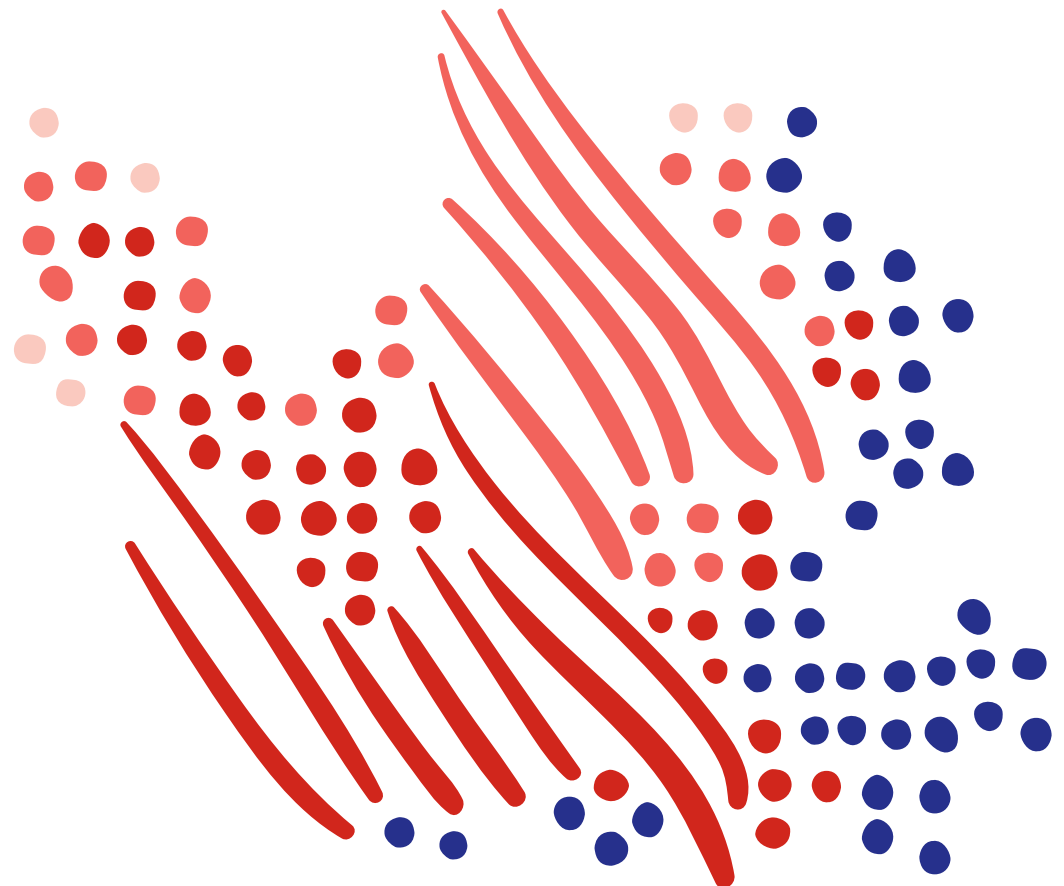


# Evolution of Pay

May 2019

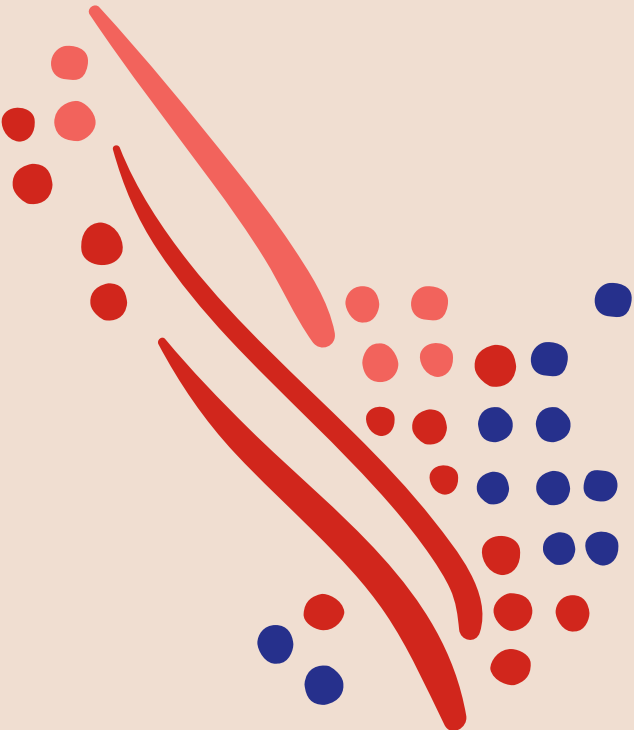
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Sara Klein



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# Executive Summary

**The world of pay spans recorded history and has continued to evolve with technological innovation. An explosion of new payment methods, specifically those that have become available in the last 10 years, has reshaped how consumers pay for things and has coincided with economic and demographic changes in the global workforce. With this constellation of changes impacting every element of the way we work, it is time to reexamine how and when employees are paid and the potential impact of pay on the workplace of the future.**

While technological and social change continues at an ever-increasing pace, payment methods and technologies have often lagged behind. History has shown that, while new payment practices may ultimately gain wide adoption and acceptance, the path to getting there is not always simple or direct.

To examine changes in the payment landscape, the ADP Research Institute® (ADPRI) conducted a survey of nearly 7,000 employees and employers across the globe to assess their perceptions of pay methods, pay cycles and elements of financial wellness. The survey results reveal that, as in other aspects of our lives, employees want more choices, more flexibility, the ability to access pay as needed and, above all, security.

The findings summarized in this paper suggest that employees are not only concerned about how much they are paid for work, but also how they receive their pay and how often. Further, employee perceptions of how and when they are paid have a deeper impact than employers typically appreciate.

## **Additional key findings include:**

1. Employers are offering nontraditional payment methods, though usage by employees is less common.
2. Although usage of nontraditional payment options is low relative to direct deposit, willingness to accept these new methods is high.
3. Employers believe that pay can have an impact on talent acquisition and retention, and employees say they are right.
4. Security is the most important element of pay across the globe.

5. More than one in two employees would pay for early access to their pay at least once per year. This varies mainly by whether or not employees have used a checking account in the past year, and not as much by income level or pay type.
6. Employers believe that employee financial wellness impacts their business. Employees believe their employer can be a reliable source of advice regarding financial wellness.
7. Though employers perceive that making changes to employee pay methods may carry some risk, a majority believe they need to make changes and see benefits to doing so.

For employers that recognize, anticipate and respond to these emerging priorities, the benefits go beyond cost savings and convenience. Whether it is the attractiveness of a company to prospective employees, or the impact on financial well-being for a company's existing workforce, payment methods represent an untapped advantage for any organization choosing to go beyond the status quo to compete in a dynamic, ever-evolving world of work.

# Introduction

**While there is a wealth of research regarding employee compensation and its impact on recruiting, retention and satisfaction, how employees are paid has been an overlooked and undervalued dimension of pay.**

The methods of giving and receiving payment for work have continued to evolve since the dawn of civilization and the rise of commerce. In fact, some of the earliest known written records from ancient civilizations include wage and payment data recorded on clay tablets or sheets of papyrus.

Today, the pace of change has accelerated, as technology enables an instantaneous world, driving consumer expectations for immediate gratification. An explosion of payment options over the last 10 years is changing the way consumers pay for goods and services. Digital and mobile platforms such as PayPal®, Venmo® and Apple Pay® allow consumers to manage day-to-day payments on demand. With a simple tap or click, consumers can not only exchange payments with businesses, but also with family and friends. The latest advances require only the flick of a wrist to pay by smartwatch or even a smile, as is the case of “Smile to Pay” facial recognition software in China. New, nontraditional technologies have also facilitated the noncash transfer of payments that are disconnected from a conventional bank. All of these innovations for consumers in a market economy are also beginning to drive expectations of employees and employers, regarding how to pay and be paid.

With this wave of new payment options for consumers, one might expect employers to widely adopt and extend the same kinds of payment options to employees. Although this is true in some parts of the world, payment practices have largely remained unchanged since the 1970s and 1980s, when direct deposit became available. It continues today as the most popular payment method in use.

Interestingly, while direct deposit is widely accepted today as a common and convenient method for employee payment, its adoption was neither smooth nor quick. However, it was ultimately accepted — even preferred over paper checks — in spite of initial resistance. As was the case then, the new method of employee pay coincided with changes in consumer expectations for how to pay and be paid.

In the intervening decades, globalization, new technologies and the ability to work nearly anywhere have only exacerbated the desire for a faster pace. In addition, newly emerging trends, such as the gig economy and an increase in unconventional employment arrangements, are further driving the desire for quicker and more flexible payment options, including both methods and frequency of pay.

Demographic and generational trends are also expected to drive a shift in worker pay preferences. Millennials, for example, are accustomed to the immediacy that technology provides and the flexibility of digital payment options. By 2025, this cohort will make up 75 percent of the global workforce. And now that members of Generation Z (those born after 1996) have started to enter the workforce, employers will soon witness the final crossover to a fully digital work environment — one where employees are true digital natives who have never known life without smartphones and social media.<sup>1</sup>

Perhaps more important than satisfying a need for speed, the method and frequency of payment also has important ramifications, impacting how employees are able to manage their finances and how they feel about their pay levels, their jobs and even themselves. According to a PwC study, financial stress can be a significant distraction at work for employees,<sup>2</sup> and employers recognize the direct impact this stress can have on productivity and engagement. For employers, providing payment options that reflect the needs of their employees has clear, quantifiable benefits.

The ADP Research Institute Evolution of Pay report provides HR leaders with data and analysis on a topic that many employers rarely think about — how employees are paid. While new payment methods are gaining traction in the consumer world, payment options in the world of work have the potential to impact the financial health of the employee as well as the employer. Especially now, in a tight labor market, taking a look into how to pay employees could help employers differentiate themselves in hiring and retaining top talent. Employers now have a unique opportunity to become a leader in the future of pay.

1. <https://www.forbes.com/sites/causeintegration/2016/11/28/get-ready-for-generation-z/#797783ed2204>.

2. PwC's 2018 Employee Financial Wellness Survey.

# Introduction

(continued)

Below is how the payment options are defined in the survey:

## Payment Options Defined

- **Paper check:** traditional check that can be cashed however the employee chooses.
- **Direct deposit:** money deposited directly into a bank account of the employee's choice.

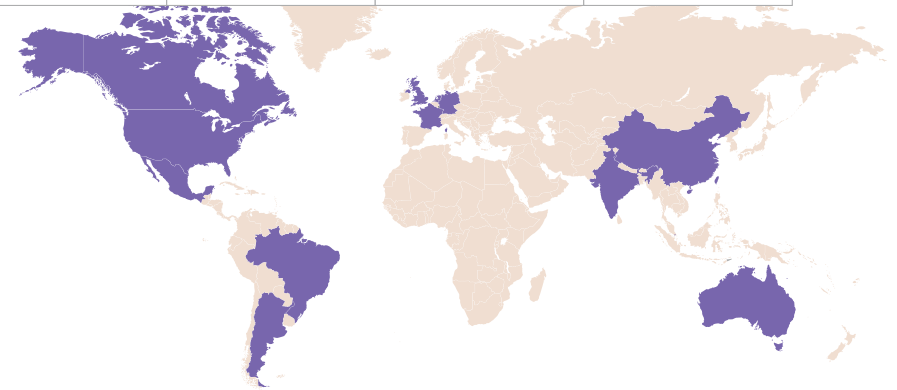
## Nontraditional

- **Pay card:** pay loaded onto a card provided by the employer or a third party on behalf of the employer. The card is like a debit card, but is not connected to a bank account.
- **Mobile payment:** money deposited directly to a mobile wallet that employees can use for multiple types of transactions (similar to Apple Pay).
- **Digital platform:** money deposited into an online account that employees can use to receive money or make payments (similar to Venmo or PayPal).
- **Cryptocurrency:** a medium of exchange, such as the U.S. dollar, but is digital and uses encryption techniques to control the creation of monetary units and to verify the transfer of funds. Bitcoin is an example of the best-known cryptocurrency.\*

\* Cryptocurrency was only included in questions about the future of pay. Source: PwC.  
<https://www.pwc.com/us/en/industries/financial-services/fintech/bitcoin-blockchain-cryptocurrency.html>

## Data and Methodology

An online survey was conducted among 4,006 employees and 2,910 employers across 13 countries in companies with 50+ employees. Countries surveyed include: the United States, Canada, Mexico, Brazil, Argentina, the United Kingdom, France, Germany, the Netherlands, Australia, China, India and Singapore. Data was weighted by country based on size of workforce. Employee data was also weighted by age and gender based on their representation in the individual country's workforce. An additional sample of 896 U.S. 1099 workers — who have worked on a contract, temporary or seasonal basis or who have worked on-demand using an online platform in the past year — was surveyed. No weighting or restrictions on company size were applied to the sample of 1099 workers.



# Key Findings

Finding

1

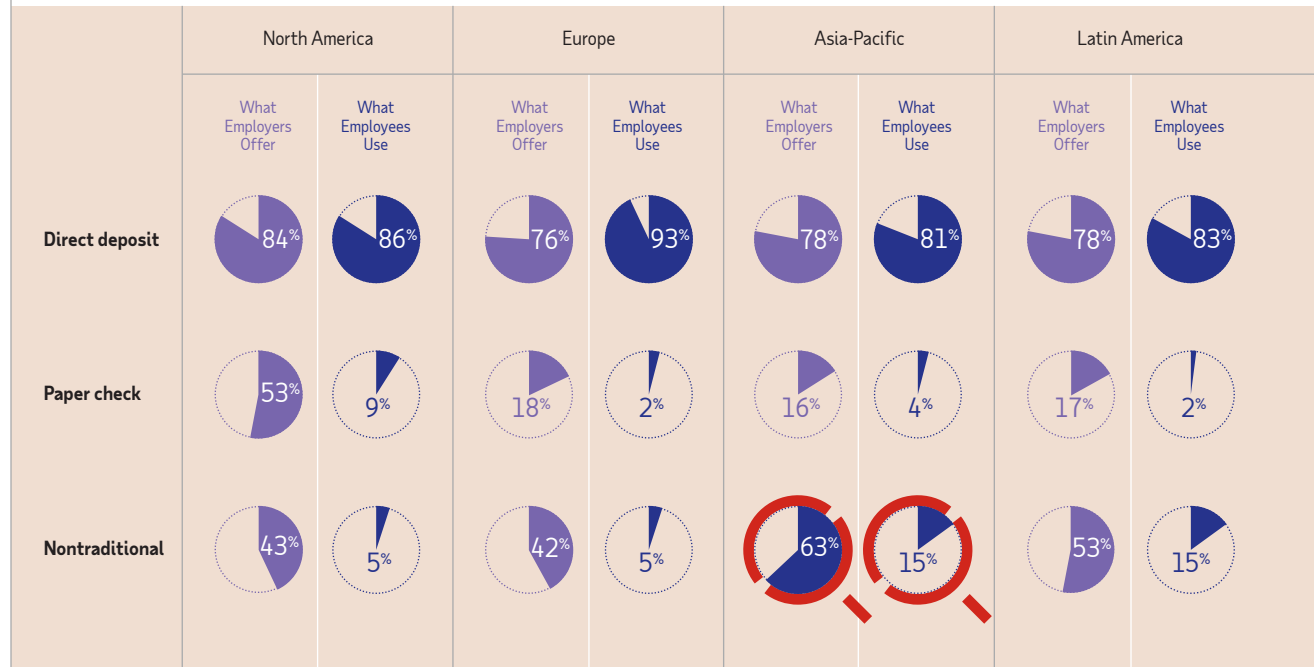
**Employers are offering nontraditional payment methods, although usage by employees is less common.**

Today, direct deposit is the dominant form of payment across the globe. Approximately 80 percent of employers in North America, Europe, APAC and Latin America offer direct deposit, and 80 percent of employees, or more, in these regions utilize it.

Like the transition from paper check to direct deposit in the 1970s and 1980s, employers today are experiencing a change in the payment landscape. Worldwide, employers are beginning to offer alternative forms of payment, such as prepaid pay cards and mobile wallets; however, employees in most regions are not typically being paid by these new methods.

As seen in Chart 1, employers and employees in the Asia-Pacific and Latin American regions are outliers, where employers are heavy users of nontraditional payment methods, and 15 percent of employees are currently paid by these methods. In these regions, both employees and employers are embracing new payment options, perhaps signaling the start of a global shift.

**Chart 1. Current Payment Methods: What Employers Offer Versus What Employees Use**  
(% Selecting)

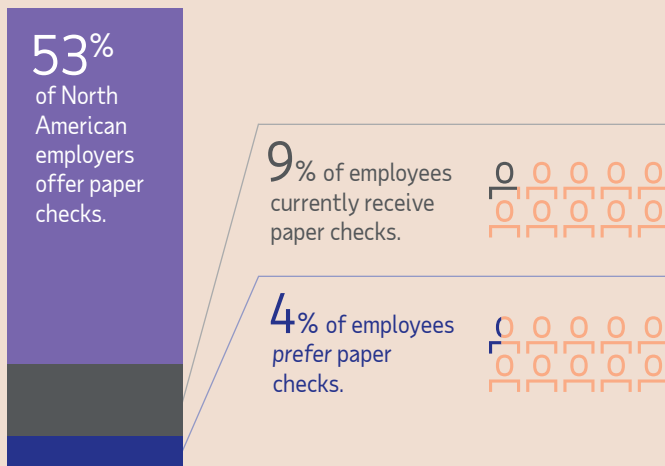


# Key Findings

## From Paper Checks to Electronic Methods — A Slow Transition for Some

In North America, direct deposit is common. Over 80 percent of employers offer this payment method, and 80 percent of employees say they prefer it. Despite this strong preference, more than 50 percent of employers still offer paper checks. The persistence of this pay method is unique to North America and is not fully explained by employee usage or preference. As shown in Chart 2, only 9 percent of employees receive paper checks today, and just 4 percent of employees say they prefer them. While nontraditional payment methods — such as digital platforms, mobile payments, or pay cards — are not yet prevalent in North America, nearly half of employees in the region are willing to accept them from their employer.

**Chart 2. North American Employers Still Offer Paper Checks**  
(% Selecting)



In Europe, direct deposit stands alone as the dominant pay method used by employees and employers. Globally, Europe has the highest use of direct deposit at over 90 percent of all employees, and it is the most preferred method of pay at nearly 80 percent. As a sign of potential change to come, however, 42 percent of employers now offer nontraditional alternatives, and 44 percent of employees are open to those new methods.

Though direct deposit is similarly well established in Latin America as in North America and Europe, employers and employees in Latin America are more likely to be interested in and using nontraditional options. More than 40 percent of employees say they prefer nontraditional options, particularly digital and prepaid pay cards, and 66 percent of employees in Latin America are willing to accept them.

Employer payments in the Asia-Pacific region are markedly different from those around the rest of the globe. More than half of employers offer nontraditional payment options. The majority of employees in this region, 74 percent, prefer prepaid pay cards, mobile payment or other digital options over direct deposit.

Though employers are offering, it seems few employees are taking advantage of nontraditional options where available, perhaps because the survey included mostly full-time, white-collar workers. In the United States, for example, alternative payment methods hold particular appeal for workers employed in less conventional arrangements.

**74%** of employees in the Asia-Pacific region prefer nontraditional payment methods over direct deposit.



**62%** of employees indicate that alternative pay frequencies or options would make a difference in their decision to accept a job offer.



In addition to the method of payment, frequency of payment is also a consideration for both employers and employees. Biweekly is the most common pay cycle in the United States and Canada. Outside of North America, monthly pay cycles are popular. The frequency of payments appears to be based on historical practices. New technology and nontraditional payment methods are making more frequent pay cycles and off-cycle pay feasible and cost-effective. Alternate pay cycles appeal to employees as a whole and appear to be especially attractive to certain segments such as contractors, those paid by the hour, people with lower household incomes and those who do not hold bank accounts.

# Key Findings

Finding

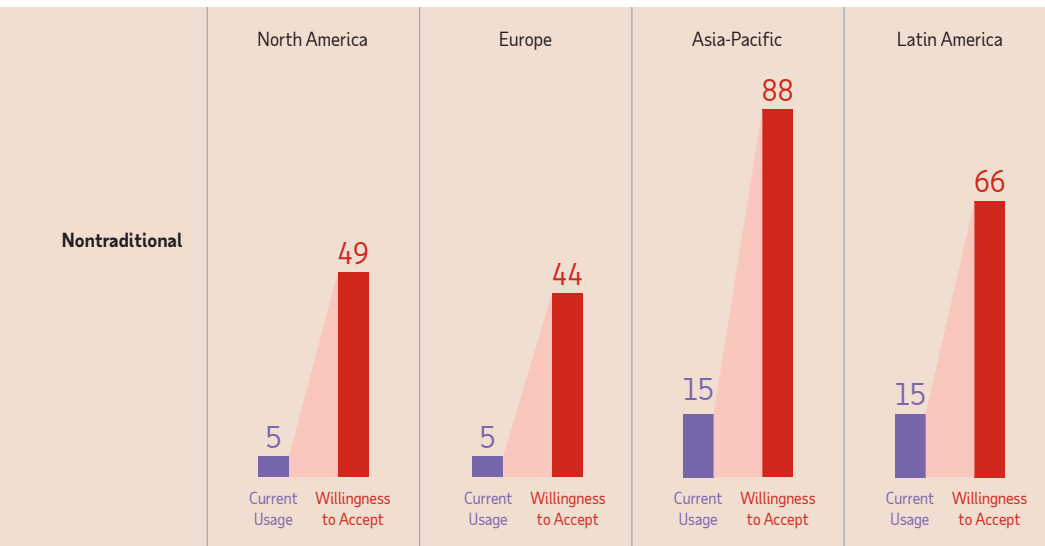
# 2

**Although usage of nontraditional payment options is low relative to direct deposit, willingness to accept these new methods is high.**

Science fiction writer William Gibson (who coined the term "cyberspace") famously said, "the future is here, it just isn't evenly distributed." As the ADP Research Institute found in the 2016 Evolution of Work survey, employees can be slower to adapt to change, even when it is something they want. This prior research also uncovered regional variations in openness to change. These same findings appear to hold true, when it comes to changes in payment methods and technologies.

Across the globe, there is a large discrepancy between the pay methods employees are currently using and what they are willing to accept. In all regions, a substantial portion of employees are willing to accept nontraditional methods of pay, as seen in Chart 3. This pattern is true across the globe, even in places where nontraditional payment methods are less commonly used.

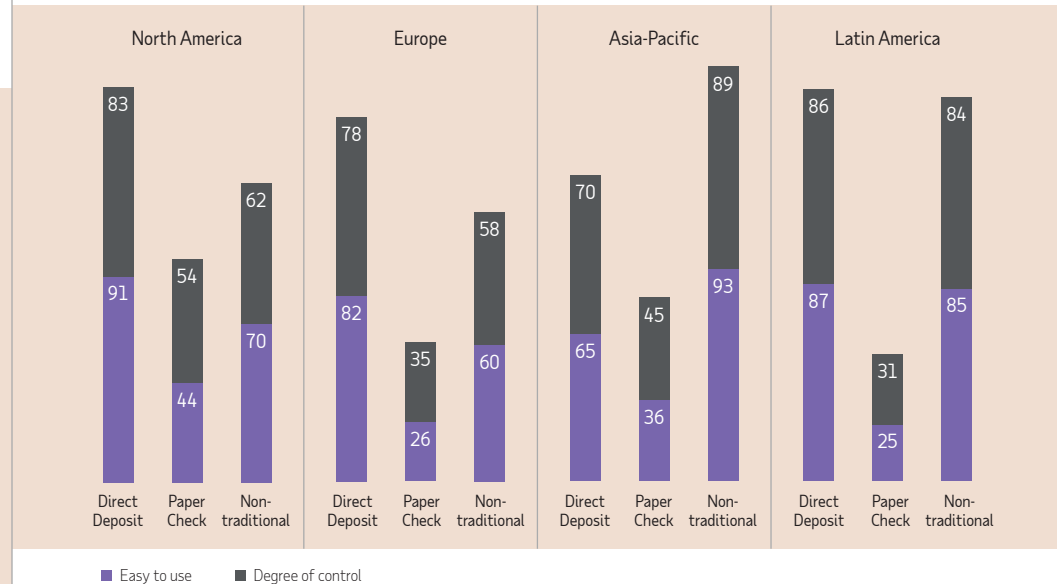
**Chart 3. Employees and Nontraditional Pay Methods: Current Usage Versus Willingness to Accept**  
(% Selecting)



Asia-Pacific and Latin America lead the way in readiness to accept new payment options. When looking at employee views of payment methods' ease of use and the degree of control each provides, Chart 4 shows that employees in Latin America and the Asia-Pacific region are embracing the new pay technologies as being as good as, or even possibly better than, direct deposit.

In all regions, even those that appear reluctant to change based on this and prior research, employees agree that nontraditional payment methods provide an advantage on control and convenience compared with paper checks.

**Chart 4. Employee Views of Payment Methods' Ease of Use and Degree of Control**  
(% Selecting)





# Key Findings

Finding

# 3

## Employers believe that pay can have an impact on talent acquisition and retention, and employees say they are right.

Pay, in the form of compensation, has an obvious impact on talent recruitment and retention. Nearly all employers recognize that this is more far-reaching than pay itself and extends to pay as a perk.

Globally, almost 80 percent of employers say they need to customize payment options in order to remain competitive in the war for talent. Many agree that they themselves have seen a need for different payment options. When making decisions about pay, the ability to customize pay methods for different types of workers is important to them (See Chart 5).

**Chart 5. Employer View: Pay Methods and Talent Management**  
(% Selecting)

### Employers agree that ...

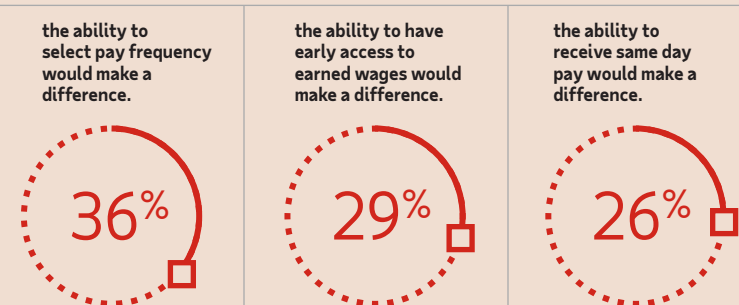


Employees are clear about the potential impact of pay options on their career decisions. Over 60 percent say that pay options — particularly those related to frequency — would make a difference in whether or not they accepted a position. The most popular perk is choice of pay frequency, which the data shows can be as impactful on consideration of a career change as the ability to telecommute<sup>3</sup> (see Chart 6).

Beyond how and when pay is delivered, advice on how to manage expenses can also be a talent differentiator. Over 60 percent of employees indicate that advice related to managing health-care costs, retirement planning, and debt — along with money management tools — would make a difference in their consideration of a job offer.

**Chart 6. Employee View: Pay Options That Make a Difference During Recruitment**  
(% Selecting)

### When making a decision to accept a job offer, employees say ...



With both parties in agreement, the future of pay is likely to evolve quickly and look very different than the world of pay that exists today, dominated by direct deposit, paper checks and fixed payment intervals.

3. Thirty percent of employees said that the ability to telecommute would make a difference in their decisions to stay with or leave their company (ADP Research Institute, Evolution of Work 2.0: The Me vs. We Disconnect).

# Key Findings

Finding

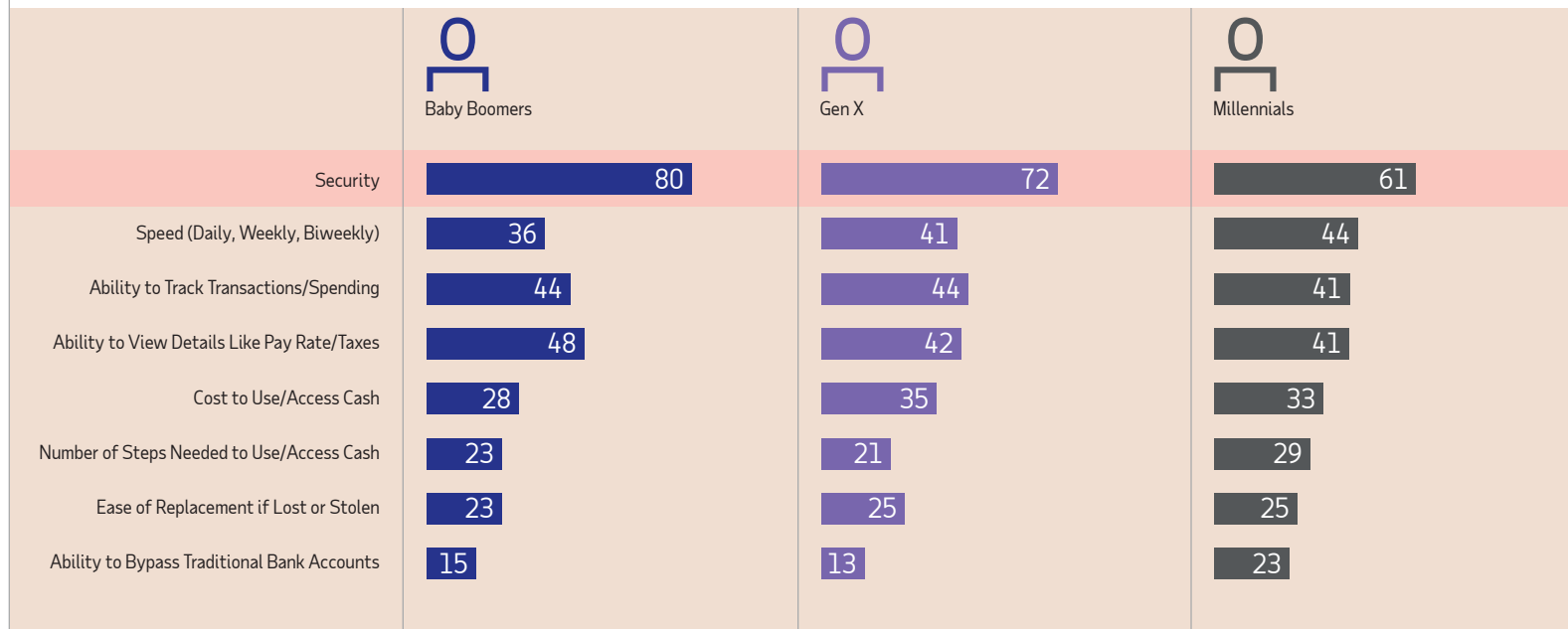
4

## Security is the most important element of pay across the globe.

Employees overwhelmingly agree that new methods of pay are coming their way. Over 90 percent say that employers will pay workers via pay cards, digital platforms or mobile wallets in 10 years. Almost 40 percent believe employers will pay workers using cryptocurrency — and this rises to 50 percent when looking at millennials alone.

When new payment methods are used by consumers for day-to-day money transfers, consumer groups report that the convenience comes with risks, including scams, theft and user errors. The ADPRI survey found that when it comes to employer pay, security ranked as the most important element, even among millennials, who appear more willing than older workers to make some trade-offs on this. Security concerns could be a barrier to the adoption of new employer payment methods, even among younger workers. Employers and employees alike need to balance security and the expectation for newer, faster and more flexible payment options.

**Chart 7. Employee View: Most Important Elements of Pay, by Generation\***  
(% Selecting)



\* Respondents asked to select top three most important elements of pay.

# Key Findings

Finding

# 5

**More than one in two employees would pay for early access to their pay at least once per year. This varies mainly by whether or not employees have used a checking account in the past year, and not as much by income level or pay type.**

Just as employers' payment methods have lagged behind consumer technology and behaviors, so too have pay cycles. While consumers can transfer money and manage finances in real-time, employer pay cycles, by comparison, move at a snail's pace. As an example, in the United States, 79 percent of employees are paid biweekly or semi-monthly. In other countries, monthly pay is common.

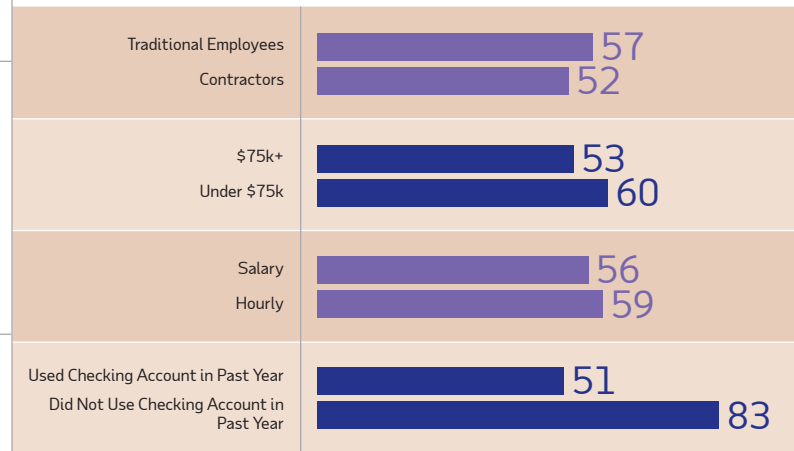
Pay cycles are problematic for many segments of the working population, including lower-income workers who may not hold a bank account. If paid with a paper check, these workers may need to pay expensive check-cashing fees or risk expensive overdraft fees due to the time it takes for a check to clear. Thus, it is not surprising that 52 percent of U.S. employees without a checking account say they would pay a small fee for early access to their earned money once a month or more often, compared to 19 percent of employees who have traditional accounts.

**79%** of U.S. employees are paid biweekly or semi-monthly.<sup>4</sup>

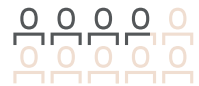


Interest in off-cycle pay is not limited to these employee segments, however. For example, as shown in Chart 8, over 50 percent of U.S. employees with a personal annual income over \$75,000 say they would pay for early access to earned money at least once a year, most commonly for emergency or unexpected expenses.

**Chart 8. Percent of U.S. Employees Who Would Pay a Small Fee for Early Access to Wages at Least Once Per Year**  
(% Selecting)



U.S. employers think **38%** of employees will pay a fee for early access to wages at least once per year.



In all geographic regions surveyed, the relative importance of speed versus other elements of pay varies by generation. Millennials tend to prioritize the speed of their pay more than older employees. In most regions, this younger cohort considers speed nearly as important as security.

Employers are likely to face increasing pressure to speed up payments. In 2015, the U.S. Federal Reserve established the Faster Payments Taskforce to find ways to give consumers and businesses better and faster access to their money. Their ambitious goal is to create a real-time system by 2020 through which funds can be received instantly by any financial institution.<sup>5</sup>

These trends suggest that the future of pay will need to be much faster to keep up with the pace of social and technological change.

4. ADP Research Institute.

5. <https://www.pewtrusts.org/en/research-and-analysis/articles/2018/03/09/faster-payments-system-could-give-consumers-and-businesses-better-access-to-their-money>.

# Key Findings

Finding

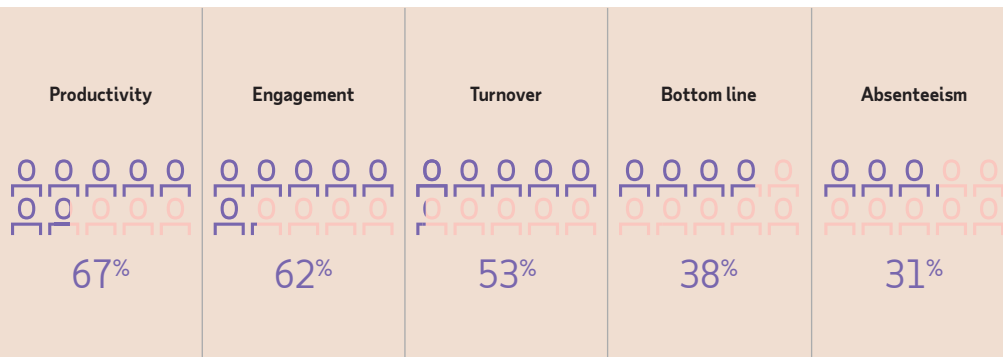
# 6

**Employers believe that employee financial wellness impacts their business. Employees believe their employer can be a reliable source of advice regarding financial wellness.**

Though the future of pay is focused on speed, flexibility and security, there is one additional dimension to be explored that is less obvious, but potentially far more impactful. Rather than simply allowing employees to collect pay more often, more quickly and more conveniently, a new approach to pay can help employees manage their pay and spend it more wisely. Financial wellness is a top priority for employees, and they increasingly welcome the role of their employer in providing tools to help them better manage their finances.

Ninety-eight percent of employers surveyed agree that employee financial wellness has a direct impact on their organization, most commonly on productivity, engagement and turnover. Therefore, it is not surprising that over 80 percent of employers believe that companies should take an active interest in the financial health of their employees.

**Chart 9. Employer View: Impact of Employee Financial Wellness on the Company**  
(% Selecting)



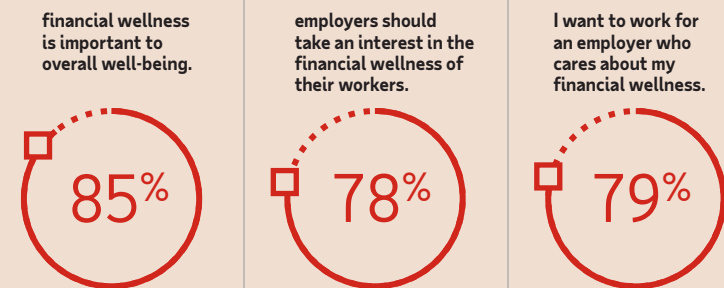
**Chart 10. Employer View: Financial Wellness in the Workplace**  
(% Selecting)

Employers agree ...



**Chart 11. Employee View: Financial Wellness in the Workplace**  
(% Selecting)

Employees agree ...



# Key Findings

The good news is that employees are looking for financial wellness support at work, and employers that provide this support (such as budgeting and financial tracking tools) could improve talent acquisition and retention. As seen in Chart 11, nearly 80 percent of employees say they want to work for an employer who cares about their financial wellness. Thirty percent say the availability of budgeting and money-tracking tools would make a difference in their decision to accept a job offer, suggesting this is as impactful as off-cycle pay options, telecommuting and other popular employee benefits. Moreover, a similar percentage say their employer is a trustworthy and credible source of information about how to manage their money (second only to a bank in many countries). More than half are comfortable with their employer using their personal data to provide advice and recommendations on this topic.

**Chart 12. Employee View: Trustworthy and Credible Sources of Money Management Advice**  
(Color gradations represent ranking from high to low)

Which of the following would you consider trustworthy and credible sources for money management advice?

	North America	Europe	Asia-Pacific	Latin America
1	A bank	A bank	A bank	A bank
2	Financial advisor	Your employer	Payroll provider	Financial advisor
3	Retirement plan provider	Financial advisor	Digital payment provider	Digital payment provider
4	Your employer	Payroll provider	Mobile payment provider	Payroll provider
5	Payroll provider	Digital payment provider	Your employer	Your employer
6	Digital payment provider	Retirement plan provider	Credit card company	Retirement plan provider
7	Credit card company	Credit card company	Retirement plan provider	Credit card company
8	Mobile payment provider	Mobile payment provider	Financial advisor	Mobile payment provider

Millennials want financial wellness support, and they are willing to share information in order to get it.

**Chart 13. Employee View: Comfortable With Sources Using Personal Financial Data**  
(Color gradations represent ranking from high to low)

How comfortable are you with each of the following using your personal financial data to provide financial wellness advice?

	North America	Europe	Asia-Pacific	Latin America
1	A bank	A bank	A bank	A bank
2	Financial advisor	Your employer	Your employer	Your employer
3	Retirement plan provider	Financial advisor	Payroll provider	Financial advisor
4	Your employer	Payroll provider	Mobile payment provider	Digital payment provider
5	Payroll provider	Retirement plan provider	Retirement plan provider	Retirement plan provider
6	Credit card company	Credit card company	Digital payment provider	Payroll provider
7	Mobile payment provider	Digital payment provider	Financial advisor	Mobile payment provider
8	Digital payment provider	Mobile payment provider	Credit card company	Credit card company

Millennials are particularly interested in money management. Although trust varies by region, they're generally willing to share information to obtain advice and often place significant trust in their employer and related providers (such as payroll or retirement). A full 90 percent of younger workers say they would share personal information with a payroll provider in order to receive money management advice.

**90%** of younger workers say they would share personal information with a payroll provider in order to receive money management advice.



**35%** of millennials say budgeting and savings tools provided by an employer would make a difference when considering a job offer.



In recent years, employers have had success providing employees with technology tools for health tracking in order to improve employee well-being and lower health-care costs. Similar tools for budgeting and financial tracking may be a natural extension of this effort in order to help employees manage and spend their pay and improve their financial well-being.

In that context, financial wellness support could be the next generation of workplace perks that forward-thinking employers make available.

# Key Findings

Finding

7

**Though employers perceive that making changes to employee pay methods may carry some risk, a majority believe they need to make changes and see benefits to doing so.**

As explored in this paper, technological, social and demographic dynamics reshaping the world of work are driving employers and employees to challenge assumptions about every dimension of work — including when and how employees are paid.

Today, while most employers still rely on direct deposit to pay employees, they recognize that this reliance may not be sustainable or even desirable in the future. As the pace of change continues to accelerate all around us, employers are gauging the rewards and possible risks associated with new payment methods and practices. Chart 14 shows that, while employers perceive that making changes to pay may carry some risk, a majority of employers see benefits or needs to doing so. This pattern emerges in all regions, despite local variation in adoption levels of new payment technologies.

**Chart 14. Employer View: The Risk of Making Changes to Pay Is Often Perceived as Lower than the Negative Impact of Outdated Methods of Pay**  
(% Selecting)

	North America	Europe	Asia-Pacific	Latin America
Pay is too important to risk a major change in the way my company manages this	58	64	67	58
Companies will need to customize payment options to remain competitive in the war for talent	72	58	82	78
Outdated payment methods cost my company money	64	52	70	74
Outdated payment methods hurt my company's ability to attract and retain workers	59	45	61	66

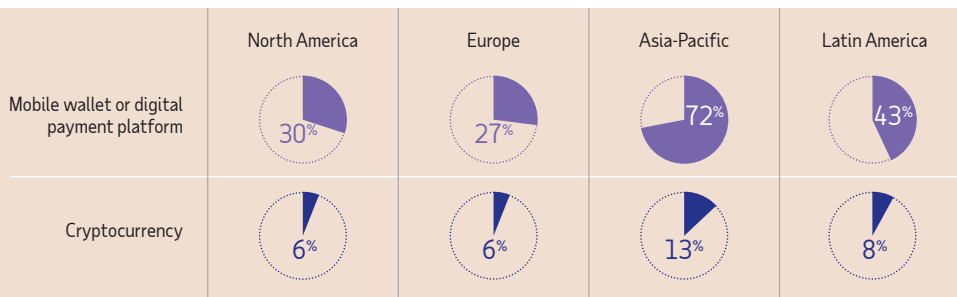
History has shown that new methods of pay can reach a tipping point that quickly translates into widespread adoption. For many decades, paper checks were the accepted form of payment, and when direct deposit became an option in the 1970s and 1980s, there were concerns about security and access to cash. Today, of course, the paper check is the least preferred method of payment. The first employers who took the risk to change to direct deposit were ahead of the curve, as evidenced by the majority of today's workers who now say they are not even willing to accept this form of payment from their employer.

# Conclusion

The world of work is changing: The next generation of workers brings a new set of expectations. Companies are looking for new and differentiated ways to attract top talent. And, the gig economy presents new paradigms for businesses and workers alike. In this context, employees and employers around the world are questioning long-held assumptions about how they work, why they work and what the world of work should look like today. In this continuing evolution, no assumption is left unchallenged. Everything is up for re-examination, including possibly the most fundamental component of work — pay itself, specifically, how people are paid and how often.

Employees, especially millennials, are becoming accustomed to using nontraditional payment options as they go about their daily lives (see Chart 15). In Asia-Pacific, nearly three quarters of employees say they have used a digital payment platform or mobile wallet in the past year alone. Employees are also experimenting with cryptocurrencies. Though this represents a small portion of employees (ranging from six to 13 percent by region), this willingness to experiment with money and payments may be a sign of change to come.

**Chart 15. % of Employees Who Have Used New Consumer Payment Technologies in the Past Year; Reflects Personal Use, Not Employer Payments**



Employers, too, have many compelling reasons to explore alternative payment options, with cost savings being one of many drivers. With new payment technologies comes the potential for greater speed, security and flexibility than in previous decades. Employees desire these same benefits in their pay for work. Employers who offer a range of payment options may have an edge in attracting and retaining top talent.

The findings summarized in this report suggest that the evolution of pay is happening at a quick pace, and a shift from direct deposit to a more diverse array of choices may be on the horizon.

The following key findings from this report may be helpful to employers who are considering the adoption of alternative pay methods:

## Direct Deposit Alternatives Are on the Rise

While direct deposit remains the most common form of payment globally, new payment options are emerging to challenge its dominance. Employers around the world are already embracing alternative forms of payment. And, over 90 percent of employees expect workers to be paid using these methods within ten years.

## Consumer Interest in Alternatives Is High

While global adoption of nontraditional payment methods is not common today, interest and receptiveness to alternatives is high. In North America, 49 percent of employees are willing to accept new payment methods from their employer today. In Asia-Pacific, employee willingness is 88 percent.

## Employees and Employers Agree: Pay Can Impact Talent

Globally, almost 80 percent of employers believe they need to customize payment options in order to remain competitive. And, over 60 percent of employees say that pay options would influence their decision to accept a job offer. Employers who offer alternative pay options may be better equipped to attract and retain employees.

## Security Will Impact Adoption of Alternatives

Both employers and employees agree that security is of the utmost importance regarding any pay methods. Security risks stand apart from other priorities as a key factor for success, when it comes to future adoption of alternative pay methods.

## Rigid Pay Cycles Don't Reflect Evolving Work Models

Just as employers' payment methods have lagged behind consumer technology and behaviors, so too have pay cycles. While consumers can transfer money and manage finances in real-time, traditional employer pay cycles remain rigid. Employees around the world and across various demographics desire more flexibility regarding when they are paid.

## Employees and Employers Agree on the Value of Financial Wellness

Ninety-eight percent of employers surveyed agree that employee financial wellness has a direct impact on their organization. And, nearly 80 percent of employees believe that their employers should take an interest in their financial health. In the end, when an employer can help employees improve their financial health, everyone benefits.

## With Change Comes Risk, but the Benefits Are Clear

Though most employers still rely on direct deposit to pay employees, they recognize that changes may be desirable — and even necessary. Pay is such a critical part of the employee-employer relationship that a major change in how it is delivered is perceived to carry some risk. However, the majority of employers believe there are clear benefits to making changes. For employers seeking to elevate their workforce and adapt to the new world of work, considering how employees are paid is equally important to how much to pay them.



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