

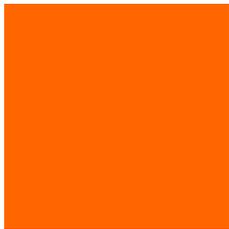
## Case Study



### DailyPay

## Industry Pioneer Uses Digital Disbursements to Provide Employees Instant Access to Earned Wages to Improve Financial Well-Being

Founded on a mission of providing employees more control over when they get paid and helping them achieve financial security, DailyPay developed technology that would allow employees to access their earned but unpaid wages. To maximize adoption and success, DailyPay needed a payment solution that could deliver instant payments, 24/7/365. They found the answer in Digital Disbursements from Fiserv\*.



“We live in a world where instant is an expectation,” said Jason Lee, CEO of DailyPay. “The evolution of the on-demand economy has created a new generation in the workforce who expects to be paid immediately for services rendered. Employees want the financial security of knowing their hard-earned money can be used in case of an emergency or to pay their bills.”

In 2015, Lee founded DailyPay to meet the growing demand for employees wanting instant access to earned wages.

“When we first started DailyPay, we were making payments via a next-day ACH network that was limited by bank hours, which meant payments could not be made on weekends or holidays,” said Lee. “Since our product is a needs-based product, we required a solution that was accessible 24/7/365 and that offered immediate payments. Digital Disbursements\* provided this capability, enabling us to stay competitive.”



### Client Profile

Headquartered in New York, DailyPay is the pioneer in providing employees instant access to earned wages across a wide range of industries. One in six Americans now has access to DailyPay through trusted payroll service partners such as ADP, Smartlinx and other HR technology providers that offer the DailyPay product to their customers. With DailyPay, employees can pay bills on time and avoid late fees, helping them reach their financial goals while helping their employers increase employee engagement and retention and support recruitment.

## **Fast, Reliable Payments Offer Greater Control**

DailyPay works with employers to make its solution available to employees either through the employer's existing HR platform and/or through the DailyPay app. From there, the employer is out of the picture; DailyPay handles the transaction of advancing funds to the employee.

Typically, DailyPay users initiate a transfer of funds in situations where they need money instantly. For example, rent is due before the next payday and they are short on cash, or an unanticipated emergency expense arises. As such, the ability to provide employees immediate payments into their account is critical for DailyPay's business model.

"It's not an understatement to say the reputation of our product hinged on the digital disbursement capabilities Fiserv could offer," said Lee. "If we promised users the ability to make transfers instantly, and then couldn't deliver on that promise, platform adoption and company morale would have tanked."

Reliability also was important. Lee compares DailyPay to an ATM. If an ATM doesn't work properly, or isn't working at all, chances are an individual won't return to that ATM in the future. Similarly, if an employee pays a fee to access their wages before payday and the transaction fails or is not completed on time, the employee will likely not use the service again.

"Digital Disbursements is important to our business model because it helps us gain the trust of end-users by knowing they can rely on DailyPay for access to funds when they need it," said Lee. "With Digital Disbursements, transactions are performed seamlessly and our users have peace of mind knowing any transfers they request will, in fact, be there."

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"We have been able to build our entire platform around the ability Digital Disbursements provides to instantly disburse funds when requested."

**Jason Lee**  
CEO  
DailyPay

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## **Flexible Payment Methods Provide Options**

Digital Disbursements offers a full suite of payment options including:

- Bank account – Payments can be sent directly to a bank account at a U.S. federally insured financial institution via ACH or NOW<sup>®</sup> Network from Fiserv. This method can settle the same day, the next business day or instantly\*\* to real-time-enabled bank accounts
- Debit card – Payments can be sent over electronic funds transfer networks such as Visa<sup>®</sup> and Mastercard<sup>®</sup> as well as Accel<sup>®</sup> debit payments network from Fiserv, STAR<sup>®</sup> Network or PULSE<sup>®</sup>. These payments are typically delivered instantly\*\*
- Email address or mobile phone number – When the account information is unknown, payments can be sent using the recipient's email address or mobile phone number by leveraging the powerful social token directory of Fiserv that maps millions of customers to their financial institution accounts
- Physical check – There is even a check option for those who prefer to receive their payment by check

No matter which payment method a user selects, the funds will be delivered efficiently and cost-effectively.

## **Industry-Leading Risk Management Ensures Security**

“The secure nature of Digital Disbursements was also important because it helps us earn the trust of businesses that chose to offer DailyPay to their employees,” said Lee. “The security, reliability, and ease-of-use of Digital Disbursements makes our partners’ lives easier, and when we make their lives easier, they are more likely to recommend us. Word of mouth referrals are critical to the growth of our business.”

Digital Disbursements leverages Fiserv risk management leadership, using a unique three-phase monitoring approach to prevent, detect and shield organizations from payments-associated risks. Some of the risk services that are built into the solution are intelligent limits, receiver token validation, and automated handling of notifications of change and returns. The platform also relies on the same networks and rails that Fiserv uses today to move over \$1.5 trillion across 30 billion digital payments every year.

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“If digital payments are key to the success of your platform, you should absolutely consider working with Fiserv.”

**Jason Lee**  
CEO  
DailyPay

## **Immediate Digital Payments Make a Difference**

“The follow-through of our promise to create a truly instant earned wage disbursement platform for employees has helped DailyPay lead this burgeoning

category,” said Lee. “DailyPay is now used by more than 100 businesses and more than 500,000 employees across the U.S.”

DailyPay partners (employers) are seeing an increase in employee retention – in some cases up to 41 percent – and reduced employee turnover costs. Some partners also report an increase (up to 15 percent) in the number of applicants for an open position when they advertise that they offer DailyPay, which can be a significant advantage in a competitive labor market.

Partners also report:

- An average adoption rate greater than 30 percent
- More employees opting into direct deposit by enrolling in DailyPay
- A 52 percent faster fill rate of open positions (than companies who do not offer DailyPay)

The company is also having a tremendous impact on employees.

- Applicants say they are 1.9 times more likely to apply for a job that offers DailyPay
- Ninety-four percent of employees use DailyPay to pay bills
- Nearly 73 percent of DailyPay users report greater control of their finances

The biggest benefit for DailyPay users is the peace of mind it provides to absorb an unexpected financial expense. For example, one user reported that having instant access to earned wages meant being able to pay a phone bill that was due before the company turned off their phone service.

Fiserv is driving innovation in Payments, Processing Services, Risk & Compliance, Customer & Channel Management and Insights & Optimization. Our solutions help clients deliver financial services at the speed of life to enhance the way people live and work today. Visit [fiserv.com](http://fiserv.com) to learn more.

## Turnkey, Easy Integration

Digital Disbursements is an efficient, flexible, easy-to-implement digital solution for sending payments quickly and securely. Fiserv manages all aspects of payment processing and security.

“Fiserv is a great partner,” said Lee. “The team was very helpful throughout the entire process. Any time we needed their assistance, they were quick to lend a hand.”

## Connect With Us

For more information about Digital Disbursements, call 800-872-7882, email [fasterpayments@fiserv.com](mailto:fasterpayments@fiserv.com) or visit [www.fiserv.com](http://www.fiserv.com).

## Challenge

DailyPay needed a digital payment platform that could deliver secure, reliable and immediate payments, 24/7/365.

## Solution

DailyPay selected Digital Disbursements, an efficient and flexible digital solution for sending payments quickly, securely and through multiple payment methods.

## Key Benefits

- Multiple options for payment delivery
- Instant, same-day or next-day payments
- Frictionless payment experience
- Multiparty payment approval and acceptance
- Enhanced reporting to track and report on payment activities faster and more reliably
- Integration with existing processes using APIs or file transfers
- Proven risk management and security measures accepted by thousands of financial institutions



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\*Digital Disbursements are provided by or through CheckFreePay Corporation (NMLS ID#908760), a licensed money transmitter, and/or its affiliate CheckFreePay Corporation of New York, which is licensed and regulated as a Money Transmitter by the New York State Department of Financial Services, each a wholly owned subsidiary of Fiserv, Inc.

\*\*Funds availability may vary and is subject to the policy of each individual financial institution.