

# A WORKFORCE WOUNDED BY COVID-19

The COVID-19 crisis has upended the American worker, and severely damaged the businesses for whom they work.

PayActiv seeks to educate policymakers and stakeholders on the plight of the hourly worker, and how they can be of most assistance during and after this crisis.

PayActiv surveyed 12,000 employees across 955 businesses to demonstrate the thin lifeline most hourly workers walk, and what happens when that lifeline snaps.

## 46%

Have gotten their hours reduced

### Have your hours been reduced as a result of the Coronavirus?

On March 16, 32% said their working hours would be reduced.

In a follow-up survey on April 8, that result increased to 46%.

Until the U.S. is truly open again for business, that number may very well increase.

### At this time what is your greatest concern in relation to the Coronavirus?

The plight of the hourly worker cannot be overstated.

In the midst of a global pandemic, PayActiv found that more people in this vulnerable demographic were concerned about the loss of job income (46%) and the inability to feed their family (25%), then their own health (18%).

The implications cannot be overstated: *the hourly worker considers their financial health to be more important than their physical health.*

Meanwhile, 11% were worried about the need to borrow money at high cost. That's because....

## 46%

Are concerned of losing income

## 25%

Fear not being able to feed their family

## 60%

Are not eligible for unemployment insurance

## 25%

Have to wait one week before being eligible

### When do you become eligible for unemployment insurance or employer-sponsored assistance?

60% said they were not eligible at all, whereas 25% said they would be after one week, and 15% after two weeks.

America's low-to-middle income workers have no safety net in the form of third-party assistance. Nor are these workers eligible for the hundreds of billions of dollars of loans the federal government is providing.

The individual stimulus checks will be of some help, but nobody knows when they will even be sent out.

### If you were unable to work, how many paid sick days are available to you?

Workers don't have much in the way of paid sick leave, with 59% saying they had none available at all, 27% had a week or less, and only 14% had more than one week.

Paid sick days are an employee benefit, but can be a substantial expense to small businesses.

In a commoditized labor market, even one that was near full-employment, paid sick days are more of an employee luxury geared for recruitment and retention, and hard to find.

## 59%

Have no available sick days

## 27%

Only have a week or less

## 66%

Will resort to getting payday loans

## 15%

Will turn to other forms of credit

### To meet additional expenses, where will you turn?

The unstable ground on which the hourly worker stands thus pushes them to the most undesirable solutions.

66% say they will be forced into using payday loans, 15% will use other forms of credit, and 19% will have to dip into what little savings they have.

Not only do Payday loans have a high cost, but if one is unable to pay, the cost can roll up to 3 times the original loan.

There is only so much employers and government can do to assist the hourly worker in a crisis. That's why employees must be empowered should their work circumstances suddenly change.

**Earned Wage Access is the fundamental tool that would accomplish this.**

The bi-weekly payroll system no longer works. Bills and creditors don't wait for payday, forcing the average hourly worker to spend \$2,400 in annual payday loan, overdraft, credit card, and late fees.

Earned Wage Access permits those lost fees to be reclaimed towards savings, so that workers will be in a much stronger position to survive the next crisis.