



DailyPay, LLC Testimony

TO: Oregon State Senate Business and Labor Committee
FROM: SB 481
DATE: February 6, 2025
SUBJECT: Testimony from DailyPay, LLC

Position: Support

Good morning, Chair Taylor, members of the Committee.

For the record, my name is Nancy Coleman-Chavez, and I am the Public Policy Manager for the Western States at DailyPay, the leading provider of employer-integrated Earned Wage Access (EWA). We partner with 327 businesses in Oregon, serving over 72,000 workers.

DailyPay integrates directly with employers' payroll systems, allowing employees to access their earned wages before payday. Workers can only access wages they have already earned, with taxes and benefits deducted. There are no interest rates, late fees, or debt collection practices. Most EWA providers offer a no-cost transfer taking 1-3 business days or an instant transfer for a low, flat fee of around \$3.50.

EWA is a proven tool that helps employees manage expenses without resorting to costly alternatives. In Oregon, where 12.2% of residents live below the poverty line, access to earned wages is a lifeline. A 2021 study commissioned by DailyPay found that 95% of EWA users who previously relied on high-cost, short-term loans stopped using them, saving between \$630 and \$930 per year. Another 2023 study by the Financial Health Network found that EWA helps workers pay bills ahead of payday and avoid financial distress. As one Oregon user, Nikki, shared:

"I can't live paycheck to paycheck; when I get paid every two weeks, it's difficult. It's really nice to have access to the money I've already made."

Beyond immediate relief, EWA supports financial wellness. DailyPay provides savings tools, credit score insights, and free financial counseling through our partnership with the Coordinated Assistance Network (CAN).

EWA also benefits businesses by reducing employee turnover and absenteeism while helping to attract and retain talent.

While EWA does not solve income insufficiency, it does solve the frequency of pay problem caused by biweekly or monthly pay schedules. This is why workers turn to it—to avoid late fees and maintain financial stability. As Ted P., another Oregon DailyPay user, put it:

"It helps with my small bills so I can concentrate on larger ones on payday."

Despite its benefits, opponents seek to regulate EWA as a loan, imposing unnecessary costs on workers. Using Annual Percentage Rate (APR) to measure EWA is misleading because APR assumes borrowing over a full year—which does not apply to EWA's flat fees and free transfer options. Applying APR distorts EWA's true cost and unfairly categorizes it alongside predatory financial products.

Additionally, groups opposing EWA offer no alternative solutions for workers needing timely access to wages. Instead, they aim to eliminate a product that helps Oregonians avoid overdrafts, payday loans, credit card debt, and other forms of debt.

This is why regulating EWA as a distinct financial product will establish industry best practices and strengthen consumer protections to help workers avoid debt cycles.

This is why DailyPay supports SB 481.