

Testimony in Support of HB 152  
on behalf of EarnIn  
by Andrew Herf, President, Shumaker Advisors  
before the Ohio House Commerce & Labor Committee  
April 2, 2025

Chairman Johnson, Vice Chair Lear, Ranking Member McNally and members of the House Commerce & Labor Committee, thank you for the opportunity to testify before you today.

My name is Andrew Herf, and I am testifying today on behalf of EarnIn, one of the largest providers of Earned Wage Access services, or EWA, in the country. Their mission is simple: creating a more worker friendly payroll system by giving workers access to the wages they have already earned when they need it instead of waiting for an arbitrary two or four week pay cycle.

In Ohio, more than 200,000 residents have used their earned wage access product, including more than 83,000 last year. Top employers of their customers include Amazon, the Cleveland Clinic, Walmart, and FedEx.

I'm here to testify in support of HB 152, a bill to regulate and codify the Earned Wage Access, or EWA, industry. This is an Ohio specific version of a model bill that is the result of years of negotiation, with input from dozens of EWA providers, regulators, legislators, and consumer advocates. Similar bills have been passed into law in seven states including Arkansas, Kansas, Missouri, Nevada, South Carolina, Utah and Wisconsin.

EarnIn is direct to consumer, which means anyone can use their services, though they also have partnerships with large employers and own a payroll company, which processes payroll for hundreds of thousands of workers.

Nationally, last year, about 2 million Americans used EarnIn to access their earnings on their own schedules.

Once you have worked and earned money, those funds are legally yours, but your employer gets to hold onto an individual's wages until payday because running payroll is complicated and expensive. This is why most employers pay biweekly or even monthly.

EarnIn provides customers with access to their earnings as they are earned, without mandatory fees, interest, or recourse.

Traditional financial services often don't serve low-income families very well, relying on high fees to penalize workers when they most need help. With EWA, EarnIn takes on all the risk, so it aligns incentives between the provider and the user. They only succeed when their customers do. If they don't pay them back, they lose that money, so it is in their interest to offer a product that is responsibly used.

This bill requires that there is a free option - so how do customers get paid? Similar to other fintechs, like PayPal or Venmo, an ACH transfer option is free, and customers will typically receive money in 1-3 business days, or they can pay a small fee for an instant transfer. For EarnIn, this fee is \$2.99 to \$5.99. EarnIn also asks for a voluntary tip or gratuity. Less than half of transactions have a tip, and the average tip is about \$1. However, many people receive EarnIn's service for absolutely no cost whatsoever. There is no relationship between the voluntary tip and an individual's ability to utilize the service.

Other consumer protections that EarnIn supports in this legislation are strict disclosures and transparency of operations, robust privacy protections (EarnIn does not monetize nor sell any data), and a prohibition on any interest, late fees, or recourse such as sending someone to collections or reporting a non payment to a credit bureau.

EarnIn is working every day to find better solutions for consumers, and HB 152 places meaningful guardrails on an existing product to better serve Ohio consumers with free and low-cost options.

Thank you for the opportunity to speak today. I am looking forward to continuing to work together towards our common goal of serving Ohioans and being there for them meaningfully when they need it.

I'm happy to answer any questions you may have.