



# DailyPay, Inc. Testimony

TO: House Commerce and Labor Committee  
RE: House Bill 152  
DATE: April 2, 2025  
SUBJECT: Testimony from DailyPay, Inc. (*as submitted for the record*)

**Position: Support**

**Testimony:**

Good Morning,

Chairman Johnson, Vice Chair Lear, Ranking Member McNally and members of the Commerce and Labor Committee. Thank you for the opportunity to present testimony in support of HB 152.

My name is Elyse Hicks, and I am the Senior Manager of Public Policy at DailyPay, LLC. DailyPay is the leading provider of employer-integrated Earned Wage Access (EWA) with more than 4.4 million users nationwide. Since 2015, we have partnered with 675 Ohio businesses, to serve more than 194,000 Ohio workers.

The framework included in HB152 would give our users and businesses much-needed certainty—ensuring that consumers continue to have access to this beneficial product, which is an essential alternative to high-cost options that are otherwise available. It would also help employers continue to grow and retain their workforce.

As this committee knows, two-thirds of Americans live paycheck to paycheck. But bills and emergencies do not wait every two weeks or once a month for an employer to run payroll.<sup>1</sup>

Earned wage access is popular with Ohio workers today because it provides access to the wages they have already worked for and earned but have yet to receive. When unexpected expenses arise, such as medical bills or a flat tire, EWA users have the financial freedom to access liquidity. EWA employees instantly access their own money and can avoid late fees, bank overdraft fees, and high-cost credit products like payday loans or high-APR credit cards.

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<sup>1</sup> SecureSave, January 25, 2023, Survey: Americans personal savings are plummeting as 74% are now living paycheck to paycheck (<https://www.prweb.com/releases/2023/01/prweb19128966.htm>).



EWA is also popular with employers because it reduces employee turnover, absenteeism, and helps fill open jobs.

While each EWA company differs slightly, we share a few key characteristics.

1 - First, all EWA is based on wages that have already been earned. Workers can access only their own money that they have already worked for and earned. We are not providing credit.

2 - No EWA provider charges interest or late fees because our product is not a loan.

3 - All EWA products are also non-recourse to the employee. If an employer fails to make payroll, the EWA provider assumes that risk, not the worker. There is also no requirement to repay, no collection activity, and no credit bureau reporting for non-payment.

4 - While there are usually some small costs associated with EWA, most EWA providers offer at least one “no-cost” option, such as through a debit card or a next-business-day ACH bank transfer. A nominal fee of about \$3 for instant delivery to any bank account is also common, similar to an out-of-network ATM fee or an instant deposit fee from Venmo or other providers.

Without EWA, available options to access funds quickly can be very costly, especially without good credit. While EWA does not eliminate income insufficiency, it effectively addresses the challenges posed by infrequent pay schedules, such as biweekly or monthly payments.

Employees are gravitating toward this solution because it saves them money and provides greater financial flexibility.

Specifically, EWA offers Ohioans a practical alternative to costly financial products, empowering them to manage late bill payments or navigate financial emergencies with ease. Currently, seven states regulate EWA as a unique financial product, and DailyPay firmly advocates for thoughtful and balanced regulation of the EWA industry to ensure broad access to these vital services.

HB 152 creates a consumer protection-focused registration process for EWA providers, with transparency and choice for consumers. Registration that will discourage bad actors and ensure fairness, while allowing the state to monitor product use. Such a robust framework not only maintains access to EWA services but also introduces important consumer protections, including:

- A mandatory free option for all transactions
- Prohibiting credit reports as a requirement for service access
- The right for users to cancel services without penalty or fees



- Strong disclosure requirements

HB 152 will enable Ohio to lead the way in implementing significant consumer protections while promoting an environment for business innovation.

### DailyPay by the Numbers

In 2021, DailyPay commissioned independent research found that most of our platform users previously relied upon costly financial strategies that harmed their financial health before accessing DailyPay. Specifically, 57% of our users had previously paid bills late, 49% had borrowed money from friends and family, 39% regularly overdrew their bank accounts and incurred a fee, 21% took out payday loans, and 21% made a loan payment late or not at all.

For 40% of our users who frequently overdrafted their bank accounts before accessing EWA, after realizing DailyPay could help them access their own funds sooner, 97% no longer fell victim to overdraft fees again. EWA directly resulted in approximately \$660 in yearly savings per user. The results were equally positive for the 21% of our platform users making loan payments late and the 57% of our users previously paying other bills late.

I want to address how we help people get out of debt. From February to May of last year we closely tracked our high-frequency users. Our data showed a 50% decline in high-frequency usage of our platform after 4 weeks, an 80% decline by week 8, and within 12 weeks or 3 months, a 97% decline in high-frequency usage. Less than 1% of people on our platform are high-frequency users for 3 months.

We have heard countless user stories on how our platform has allowed employees to bridge short-term cash crunches and get through challenging times. Our service is helping everyday workers break the cycle of debt.

The Financial Health Network recently released a user study sponsored by DailyPay that spoke to users of any EWA product available. The study found people used EWA to pay bills due ahead of their paycheck or cover some other financial shortfall. Nearly all participants in the study did not view EWA as a loan. Instead, participants asserted that EWA provided wages they had already earned, fundamentally different from borrowing against future earnings.

The participants also preferred EWA to alternatives and other short-term liquidity options, with one user adding that EWA allowed them “to access the liquidity they needed while preserving their dignity.”



This is welcome feedback to the industry, and it is because our companies do the opposite of how lenders treat consumers. For example, since EWA is not credit, our industry conducts no underwriting and does not base its low transaction fees or access to wages on creditworthiness. We also do not charge these low fees in installments.

Well-intentioned but misguided stakeholders throughout the country seek to over-regulate EWA by applying credit laws to EWA products. Such overregulation significantly harms consumers and the industry and results in zero new consumer protections. The House proposal recognizes the uniqueness of our financial product. It will help protect consumers and prevent other states and federal regulators from enacting harmful over-regulation.

Thank you for your time, and I am happy to answer any questions.

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