



# Boost your direct deposit strategy with earned wage access

Unlock the secrets to implementing powerful incentives, helping you become your customer's primary financial institution.



YourApp

now

**You did it! Time to get paid 💰**

Looks like you've worked 17.5 hours so far. Do you want to get paid now?

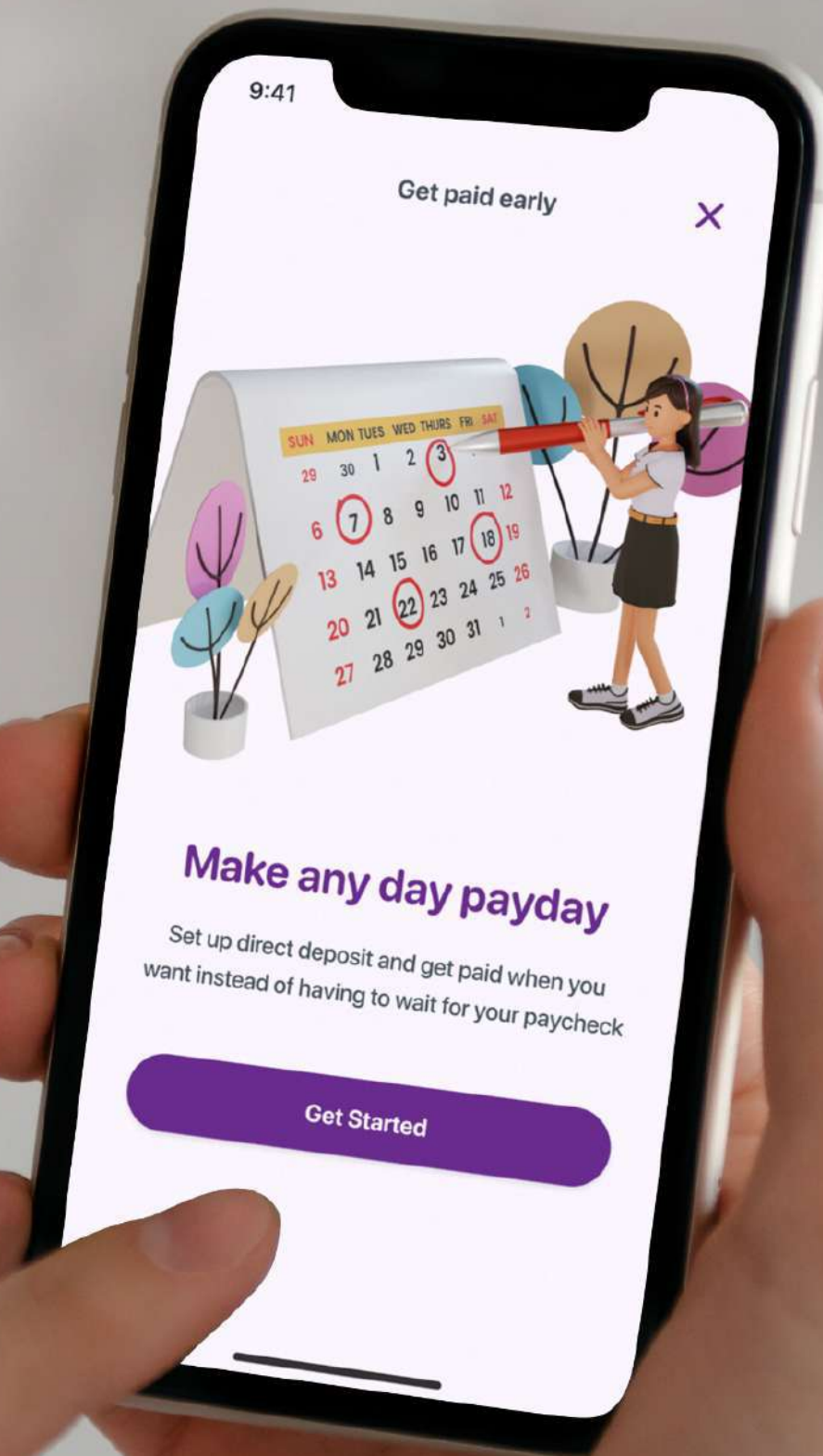
**Andrew L.**

Net pay rate:	\$12.75/hr
Hours worked:	17.5
Net accrued:	\$223.13
Net projected (80 hours):	\$1020

**Total Payout: \$223.13**

— Accrued earnings    - - - - Projected earnings

The direct deposit holds the key to building long-term customer relationships.

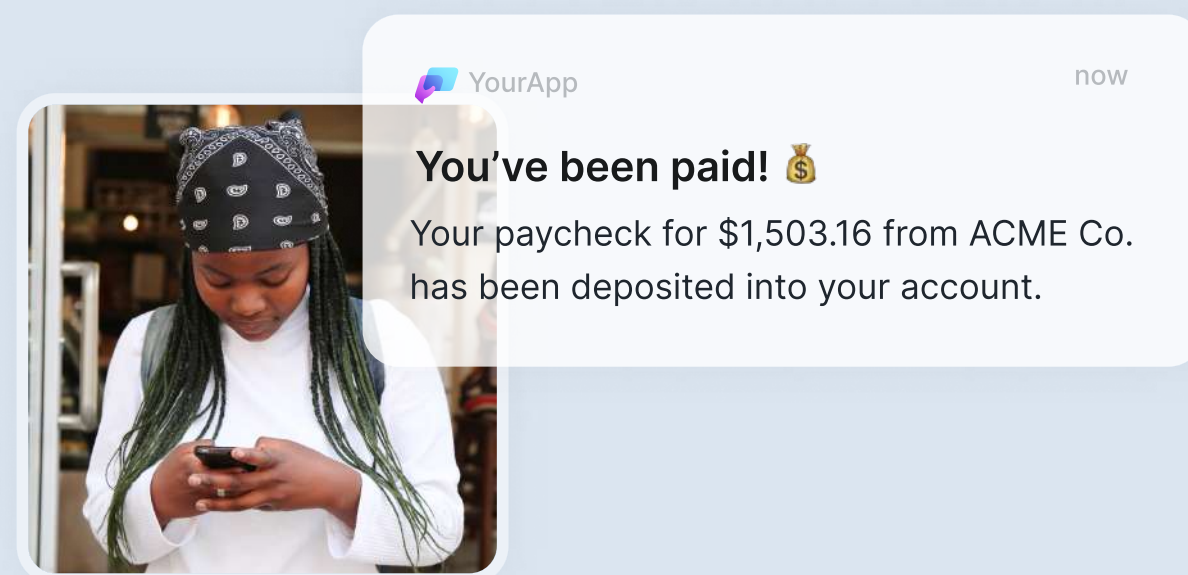


With so much competition in consumer finance, acquiring the customer's deposit can be a challenge. **Earned wage access (EWA)** provides a powerful incentive for customers to switch their direct deposit to you and grow your share of wallet.

# Direct deposit switching matters for your product strategy

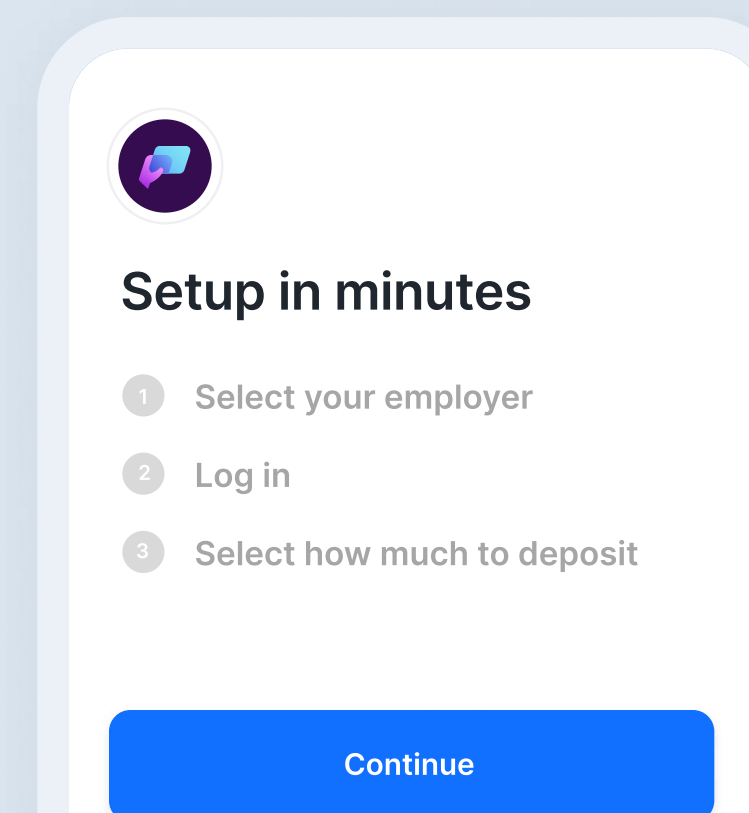
Capturing the direct deposit is a top priority for financial service providers as consumers diversify their banking and spending habits across fintech apps and services.

- ✓ Automated direct deposit switching is essential to becoming a consumer's primary account and is the gateway to increasing customer lifetime value by up to 32X.



With top neobanks and even cryptocurrency exchanges implementing automated switching, the trend is clear. Still, many of the financial apps consumers use don't provide automated deposit switching and risk losing business to innovators that offer more seamless experiences.

- ✓ Additionally, it's a top feature demanded by mobile banking consumers and for good reason: manual deposit switching is tedious, time-consuming, and risks consumer attrition through the use of paper forms.



Consumers have become accustomed to automation, and they're unlikely to compromise for companies that don't offer it. To remain competitive, financial service providers must prioritize automated direct deposit switching on their product roadmaps.

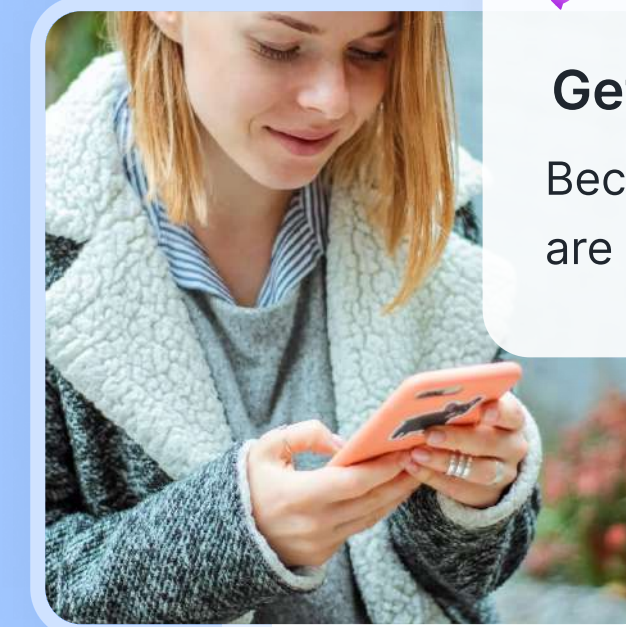
# The role of earned wage access in increasing direct deposits

- ✓ You can drive customers to switch their direct deposit by offering them access to EWA.

You can capture a larger share of wallet by unlocking higher EWA limits when customers allocate more of their direct deposit\*.

In addition to strengthening your direct deposit strategy, EWA can attract new customers and retain existing ones – a crucial benefit in times of fierce competition in financial services.

The following pages will help you understand how to offer EWA, the limitations of existing methods, and why customers are demanding it.



YourApp

now

## Get paid early! 💰

Because you switched your direct deposit you are now eligible for earned wage access.



## Your direct deposit settings have been updated!

Your changes will be effective in 1-2 payroll cycles depending on your employer.

\*When a customer opts to switch their direct deposit, they're given the opportunity to switch their entire paycheck, or switch only a portion.

Introduction to

# Earned Wage Access

Earned wage access is exactly what it sounds like:

People work daily, but they get paid 2 weeks later.

Give consumers access to their earnings before their typical payday.

Two EWA models have emerged, but neither offers a complete solution to the end user:

## ✓ EWA as an employment benefit

Employers that offer EWA as a benefit do so by partnering with companies that connect to their payroll systems, verify the employee's earnings, and make them available for withdrawal. Currently, only 5% of large U.S. companies offer this, meaning most users are not served.

## ✓ Direct-to-consumer EWA

Direct-to-consumer EWA is an option for everyone who doesn't have access to on-demand pay via their employer. Because these providers don't connect to payroll or income platforms, they determine earned wages by reviewing historical direct deposit transactions.

EWA is an evolution from simple cash advances, which are often just a small fraction of the money that's available before payday and have a reputation of being predatory in nature.

**77%**  
of consumers

surveyed by American Banker said they would use EWA if their credit union or bank offered it.

Between 2018 and 2020, the amount of funds that employees accessed before payday increased by nearly 3x, rising from \$3.2 to \$9.5 billion.

Without access to real-time employment data, companies that offer EWA can take on credit risk, which caps the value of the service. With Pinwheel, that risk is significantly lower, so companies can extend more money, more often.

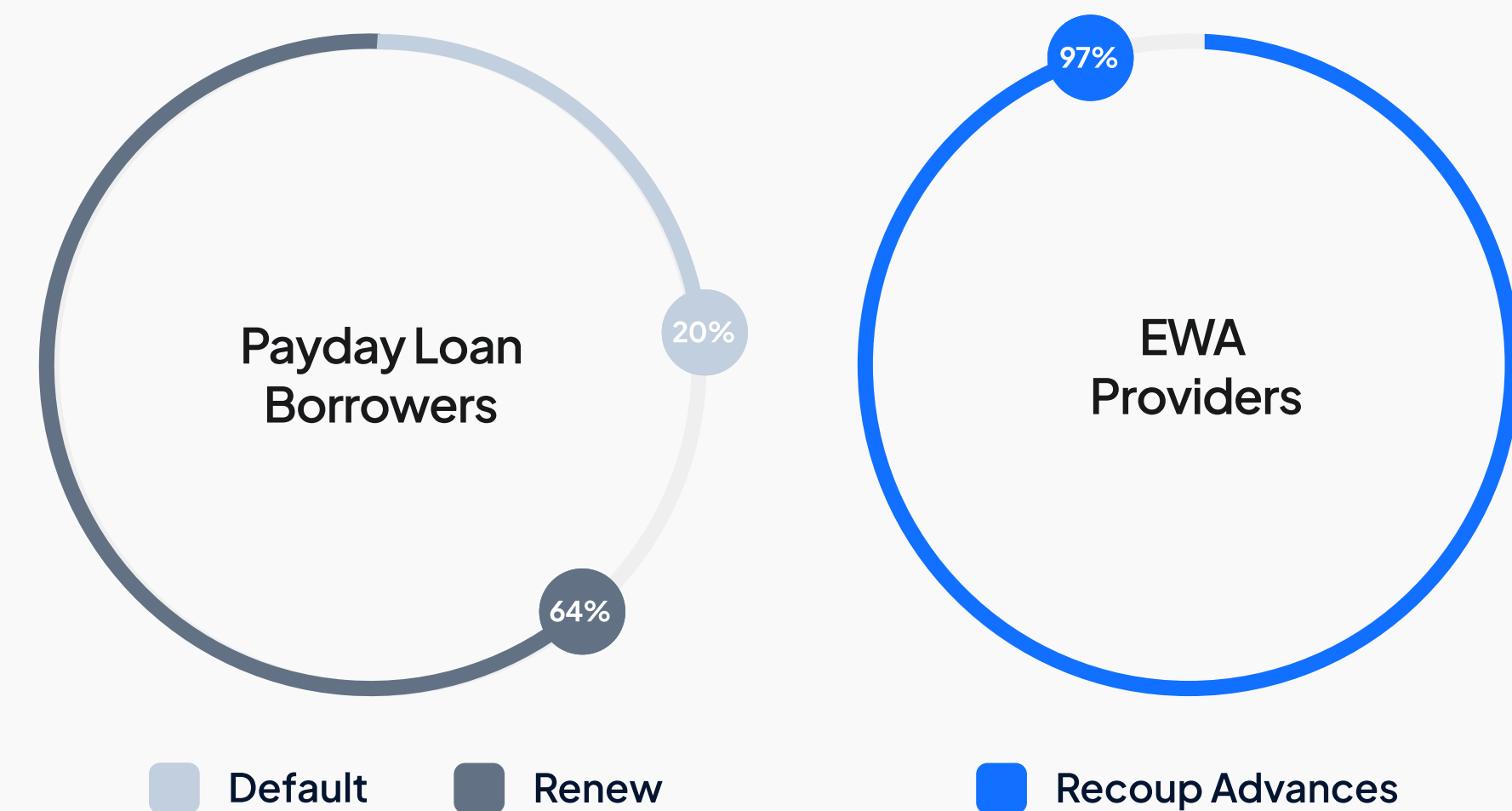
# Earned wage access matters to consumers

The expansion of EWA products is very important for consumers who live paycheck-to-paycheck. For anyone who struggles financially, EWA can mean the difference between being able to pay for an unexpected expense and taking out an expensive loan that will only add to their financial strain.

Without access to affordable credit products, many people turn to payday loans. The average annual percentage rate (APR) of these loans can go as high as 664%. It's not uncommon to read about consumers who fell into a debt trap after getting a payday loan, while some have even had to file for bankruptcy.

With EWA as an option, consumers can access their earnings to cover emergency expenses and avoid defaulting on an expensive loan.

The percentage of payday loan borrowers who default on their loans in an 11-month period is 20%, while 64% renew. In comparison, EWA providers successfully recoup advances 97% of the time.



# Real-time data connectivity and accuracy is crucial for successful EWA products

To build a market-leading EWA product – one that has a low risk of loss and allows greater access to earnings – underpinning it with payroll data connectivity is a must.

Connectivity to payroll and income platforms enables two processes that are essential to EWA:



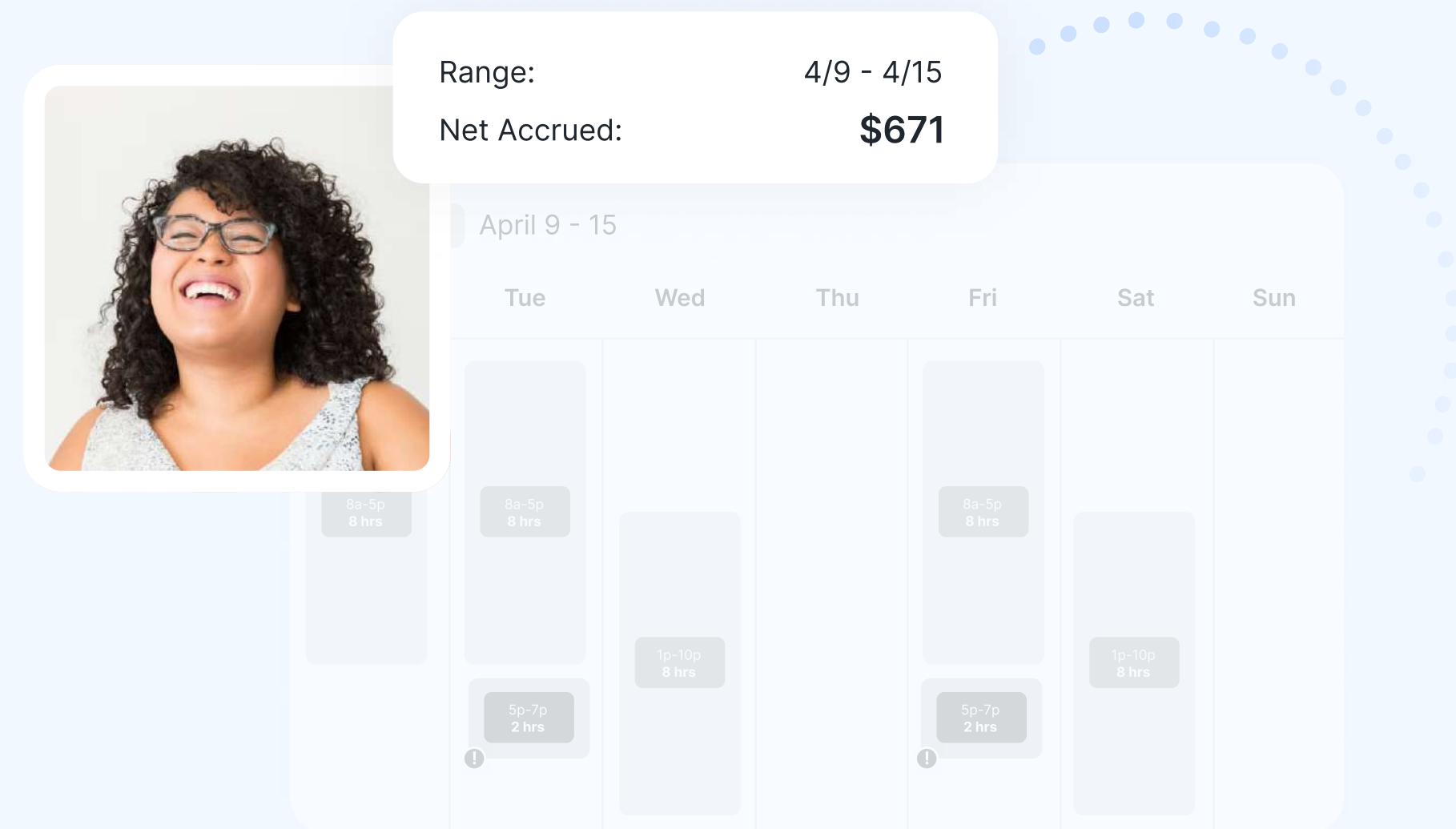
Retrieving accurate real-time income and employment data



Enabling reliable repayment via direct deposit

For a single bank or fintech to launch a payroll-powered EWA product at scale, it would have to connect to hundreds of payroll and income platforms – a process that would require over a year of development. With a single payroll data connectivity API, financial service providers can compress months of development into weeks and quickly develop a low-risk EWA product for eligible customers\*.

Enter [Pinwheel Earnings Stream](#), a solution that helps you calculate a customer's earned wages and make them available for withdrawal. An EWA product built with the help of Earnings Stream can boost your direct deposit growth and can be a very compelling acquisition value proposition.



## 📌 Pinwheel Earnings Stream

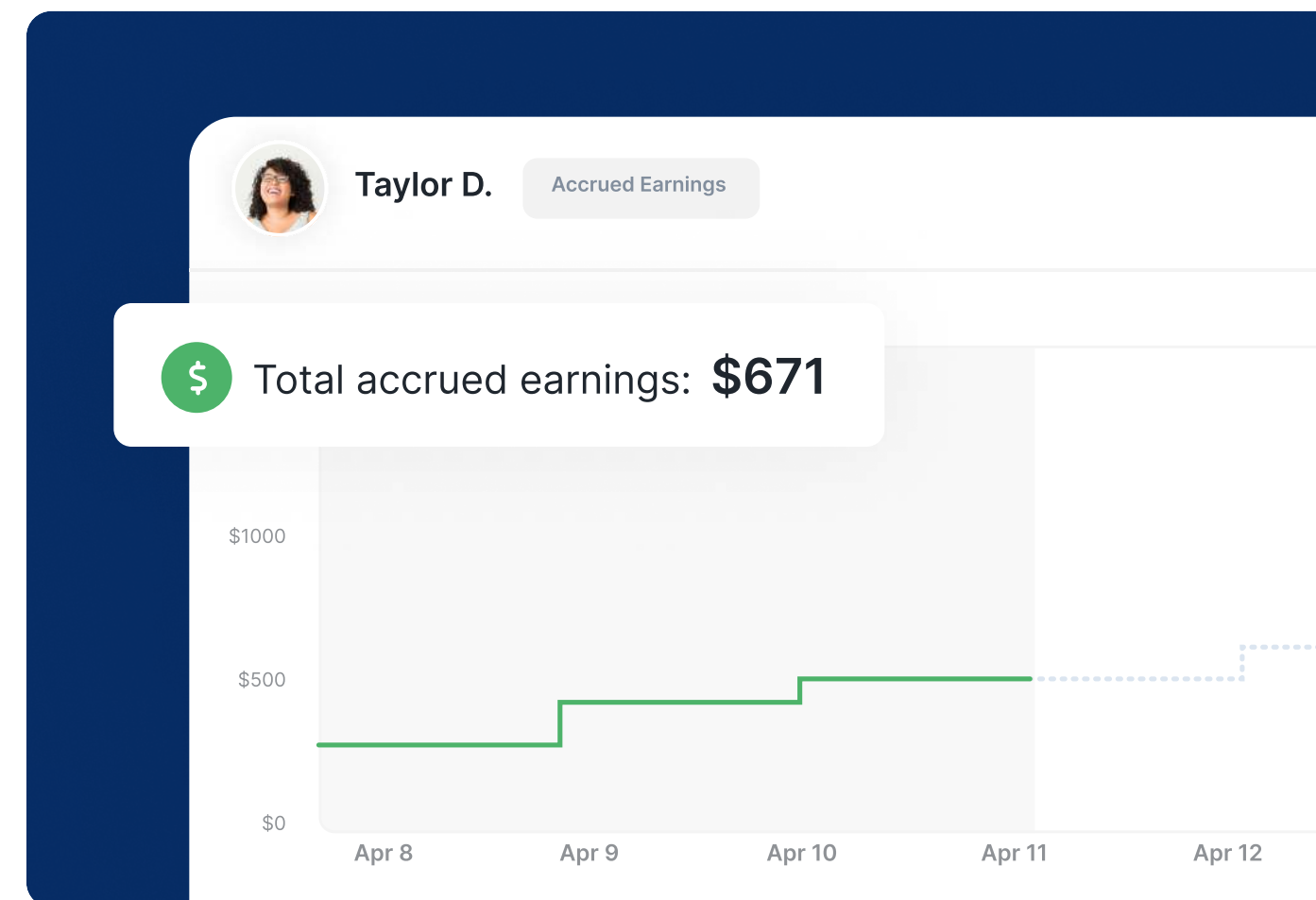
Pinwheel Earnings Stream uses consumer-permissioned income data directly from payroll systems to deliver actionable insights in real-time.

Income data insights, rather than just income data, are what sets apart Earnings Stream from every other solution that provides income and employment data. Payroll platforms are a treasure trove of consumer data, but analyzing it to calculate earned wages is a time-consuming process. With access to income insights, financial service providers can skip this stage for eligible customers.



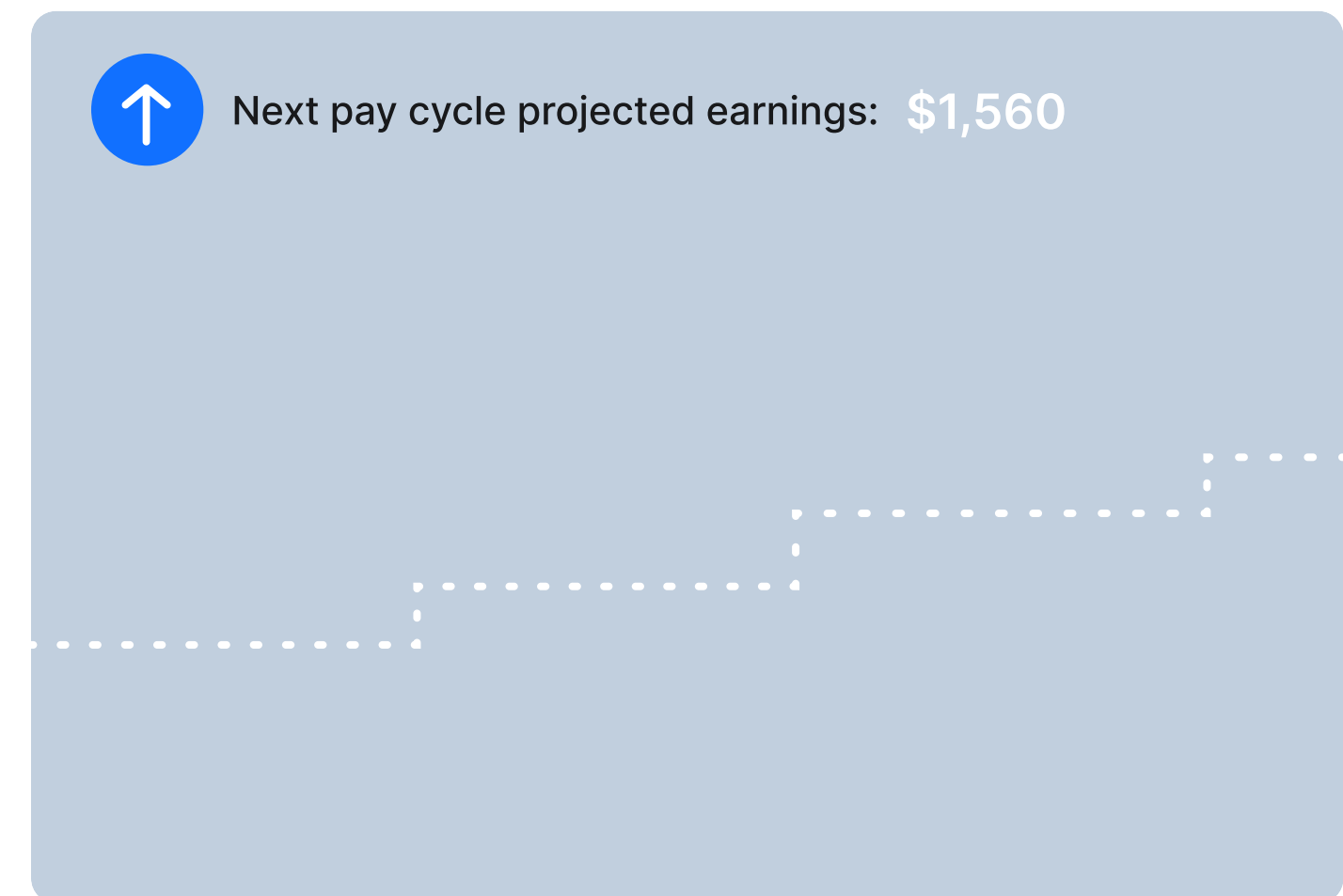
### Historical cash flows

An overview of the customer's previous earnings.



### Accrued earnings

Wages the customer has earned so far in the current pay period – data that is critical for any EWA product. We break this down by day so your users can have the clearest understanding of their finances.



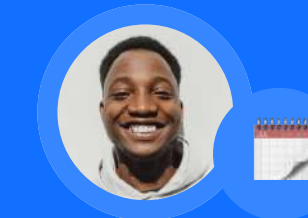
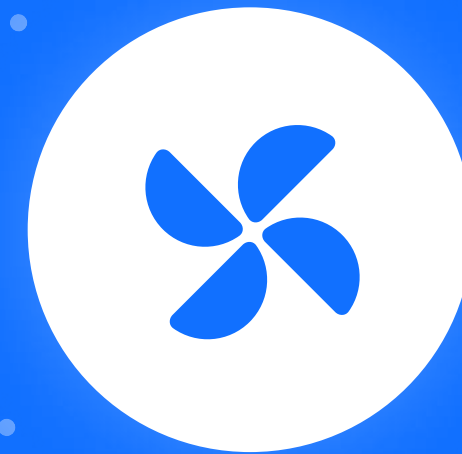
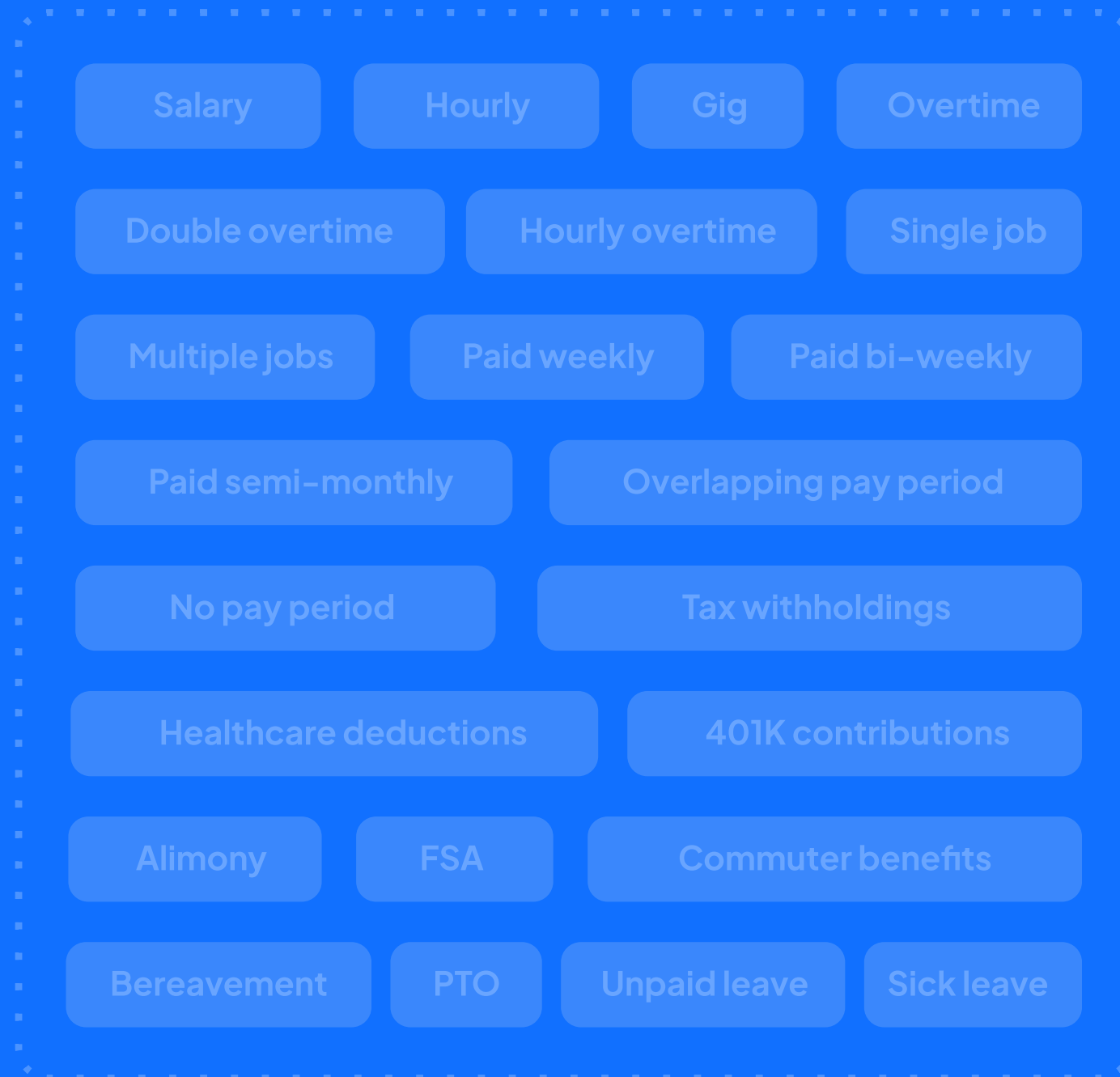
### Projected earnings and pay dates

Based on historical income patterns, Pinwheel projects future earnings (gross pay minus taxes and contributions) for upcoming pay dates.



# Income data insights, simplified

Peoples' income is complex. That's why we took two years to understand it and build Earnings Stream. Now, with just weeks of implementation you can get the benefit of a platform that simplifies the complexity and uncovers what you care about: insights.



**Frank V. has accrued \$913 over the last 3 business days.**  
He is eligible to receive \$913 in Earned Wage Access.

# Pinwheel-powered earned wage access in action

## Step 1

Integrate Link Modal, our flexible drop in UX, into your app for a fully native user experience for automated direct deposit switching. This enables your customers to give Pinwheel permission to access the data inside their payroll platform. Don't forget webhooks, notifications, and win-back campaigns.

## Step 2

Use initial data set to understand customer behavior and forecast an EWA business case and design an EWA product.

## Step 3

Implement Earnings Stream to enable EWA for eligible customers using verified insights into income and employment data. Launch EWA to a targeted segment as an incentive for switching their direct deposit.

## Step 4

Monitor EWA activity and payback. On payday, you will recover the cash advance directly from the customer's direct deposit, remitting the remaining funds to their bank account.

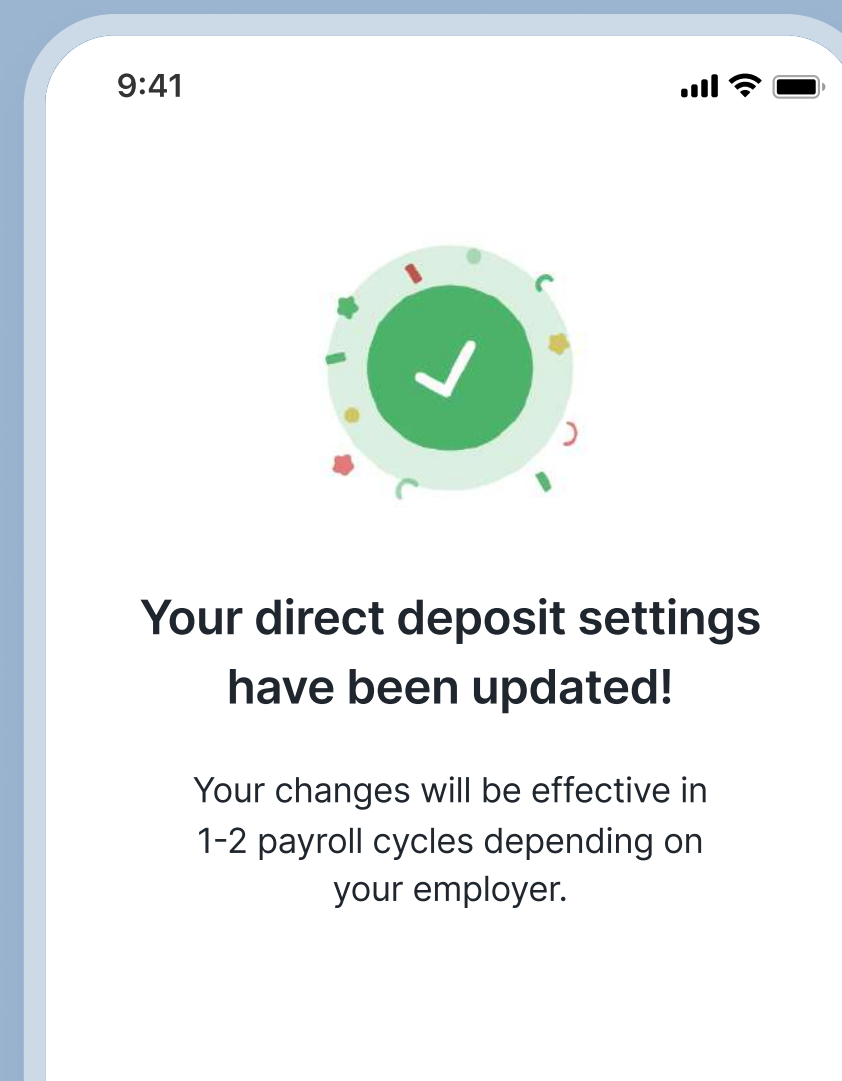
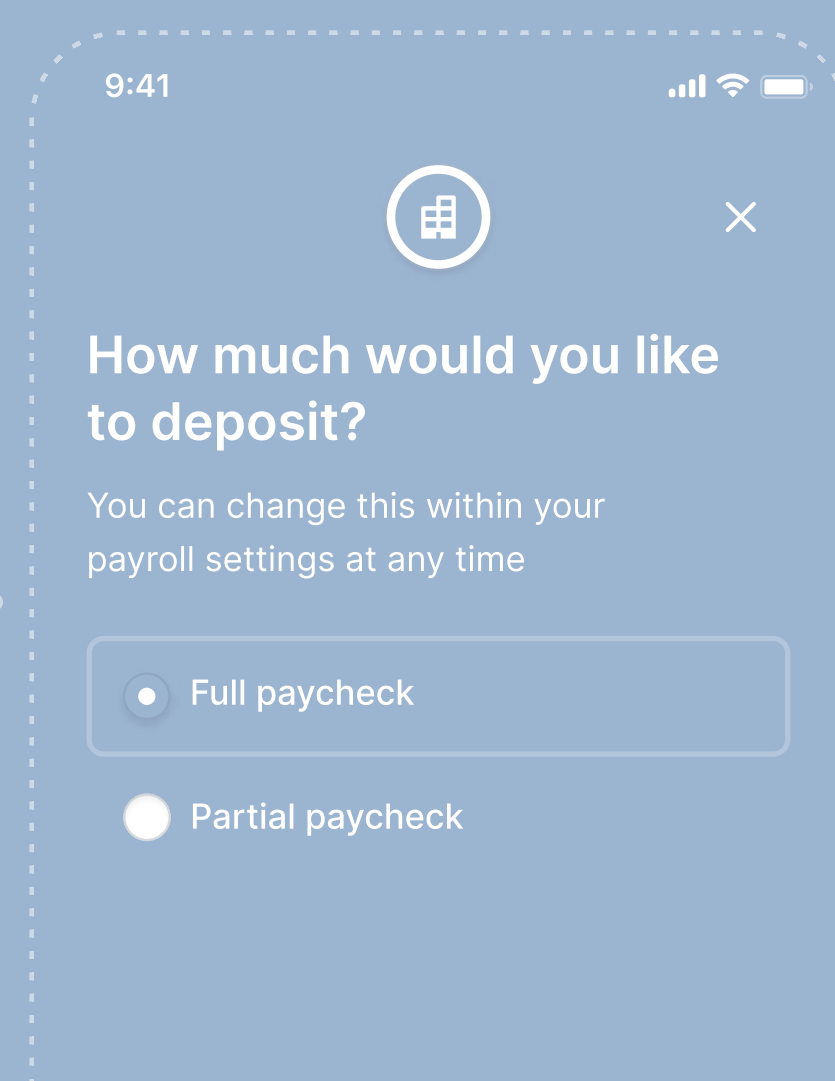
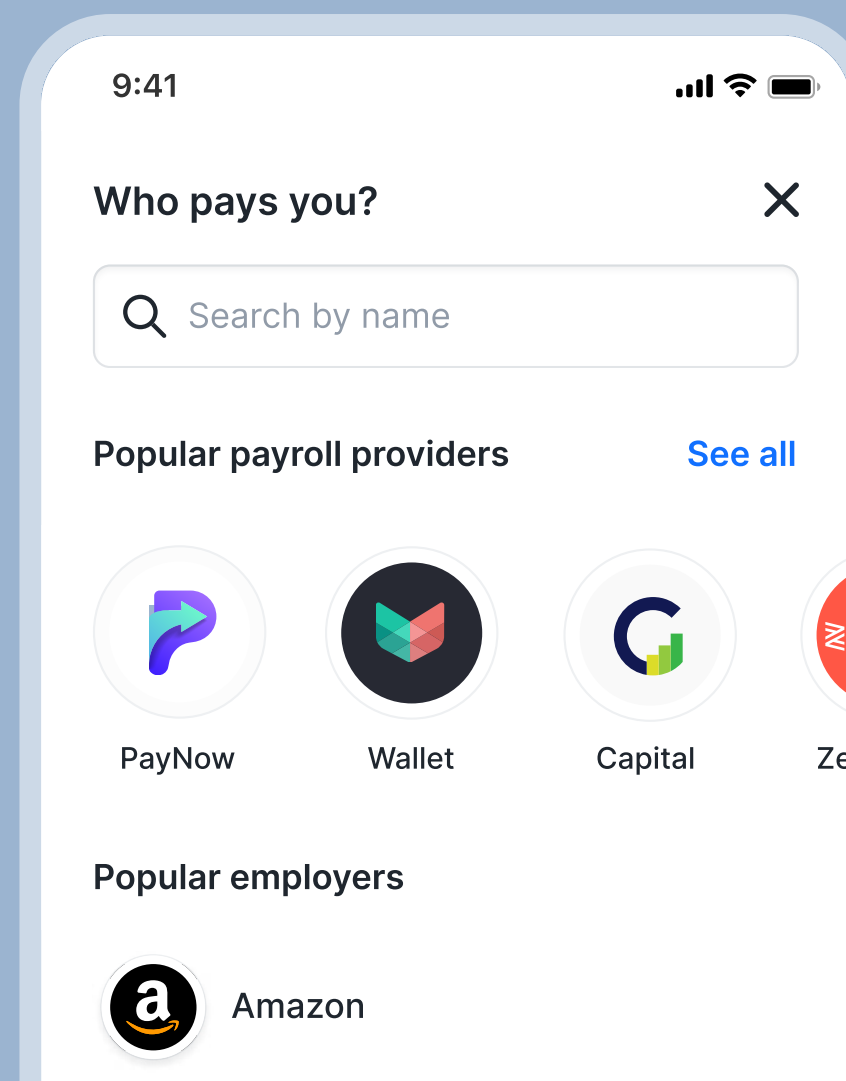
## Step 5

Expand coverage and product offerings to increase customer lifetime value and engagement.

If Earnings Stream is unavailable for the user, offer a cash advance on the basis of the direct deposit switch. Because you have confirmation the deposit switch has occurred, you can offer this cash advance immediately, as opposed to waiting 2 weeks for their direct deposit.

Many interfaces, one Pinwheel, fully customizable.

✔ No-code   ✔ Embed   ✔ API

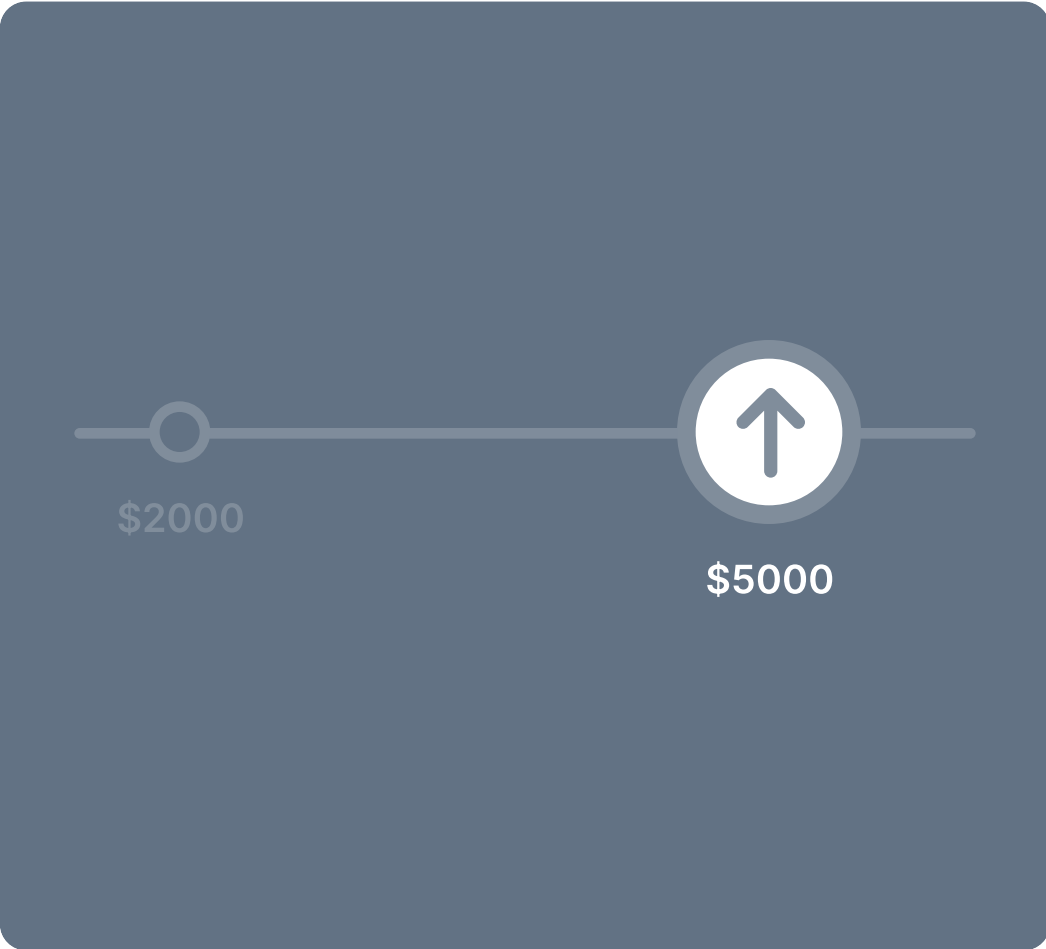


# Earnings Stream also enables use cases beyond earned wage access



**Cash flow underwriting**

Detailed insights into a person's past cash flows and other income and employment data can help lenders reduce risk, even for applicants with subprime credit scores.



**Credit line management**

With real-time insights into a customer's income, financial service providers can increase or decrease credit card limits.

**Plan Ahead!**

Payday is arriving soon.

You are projected to earn a total of **\$1,550.36** next pay cycle.

**Financial education**

Income data insights can be incorporated into products that help customers improve their financial management skills.

Monitoring

Income	2022 YTD
Base	\$36,500.00
Overtime	\$0.00
Commission	\$2,325.00
Bonus	\$0.00

**Proactive remediation plans**

By actively monitoring accrued earnings, financial providers can help prevent loan delinquencies.

# Launch low-risk earned wage access and grow deposits

Increasing the conversion rate for direct deposit switching begins with implementing Pinwheel Deposit Switch and launching EWA through Pinwheel Earnings Stream.

With Pinwheel Deposit Switch you can:

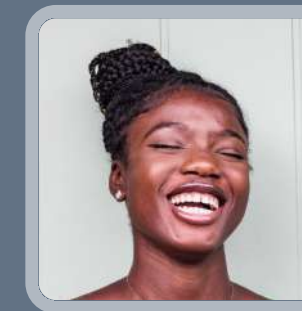
- ✓ Get insight into your customer's deposit allocations
- ✓ Be notified when allocations change
- ✓ Reliably recoup funds you advanced as part of your EWA solution

By offering EWA as a benefit to customers that make the switch, you can further encourage customers to choose you as their primary financial institution and grow share-of-wallet. Considering EWA is in high demand, there's no better time than now to give your customers more freedom over how they get paid.

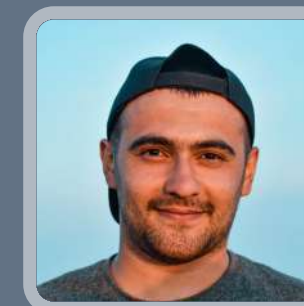
As you build your EWA solution, you can rely on Pinwheel Earnings Stream to provide verified income and employment data for eligible customers and benefit from the low risk that comes with real-time payroll data updates.



**Brady M.** has switched 100% of their direct deposit to your bank



**Paige B.** has switched 50% of their direct deposit to your bank



**Carlos A.** has switched 10% of their direct deposit to your bank

# Thanks for reading.

Ready to discover what Pinwheel can do for you?

Contact us to learn more about how Deposit Switch and Earnings Stream can help you grow deposits, implement earned wage access, improve existing products, and launch new ones.

[Get started](#)