

New Survey Finds Majority of Hourly Workers Have \$0 in Emergency Savings, Delayed a Bill Payment Due to the Pandemic

2nd Annual Branch Report Examines How COVID-19 Has Upended Hourly Workers' Finances, Work Priorities

Minneapolis, MN -- [Branch](#), the challenger bank that partners with employers to help workers grow financially, announced findings from its second annual Branch Report, a look at the financial, work, and lifestyle interests of today's hourly workers. In surveying over 3,000 hourly employees across a variety of sectors including food service, retail, and healthcare, the report reveals how much of their priorities and concerns have changed because of COVID-19. The pandemic took a devastating toll on their finances, as 80 percent of hourly workers had less than \$500 saved for an emergency. The percentage of hourly workers who had \$0 saved increased 12 percent from last year to 52 percent. Even with stimulus checks, 76 percent had already delayed or missed a bill payment, with another 10 percent expecting to because of the coronavirus. Basic living costs continued to rank among hourly workers' top concerns, but shorter term costs such as utility bills (62%) overtook last year's top concern of home/rent affordability (60%).

"Even before the pandemic, the vast majority of hourly workers had been living paycheck to paycheck and had very little saved," said Branch CEO Atif Siddiqi. "The decrease in hours and economic uncertainty have created even more challenges for hourly workers trying to establish financial stability."

Their concern for meeting day to day needs may be why 94 percent of hourly employees said accessing their pay before pay day would be helpful, increasing nearly 15 percent since last year. The pandemic also impacted how they chose to pay. While debit cards (78%) continued to be hourly workers' preferred payment method by far for the second year in a row, 76 percent said that they had increased their use of contactless and digital payments because of COVID-19.

Given growing financial challenges, higher pay became even more important to hourly workers, with 77 percent citing higher wages as what they looked for most out of a workplace, a 14 percent increase from last year. A stable, predictable schedule (53%) and a positive work culture (36%) were the second and third most important factors respectively. The pandemic also influenced hourly workers' job searches, with 33 percent affirming that the pandemic had impacted the type of job they were looking for.

Additional findings include:

Finances

Contactless Payments and Banking

Among preferred payment methods, debit cards (78%) continued to be hourly workers' top choice for the second year in a row, with cash a distant second (7%). While the preference for cash decreased by four percent compared to last year, the preference for contactless payments nearly tripled with adoption of digital wallets and payment apps increasing to 11 percent (4%

last year). About 76 percent said that they had increased their use of contactless and digital payments because of COVID-19

Work

Higher Wages Become Even More Important

Higher wages became even more important this year, increasing 14 percent with 77 percent of hourly workers citing it as their top work priority. A stable, predictable schedule (53%) and a positive work culture (36%) ranked in the top three once again, even outpacing a safe work environment during COVID-19 (26%).

Optimistic about Job Prospects, Shifting Job Interests

Despite the setbacks caused by COVID-19, hourly workers' outlook on the economy was more optimistic (42%) than negative (27%), and even more were optimistic about their own job prospects (66%). They were nearly three times as likely more interested in using their work experience to earn a promotion at their current employer (31%) rather than using it to switch occupations (11%). However, the pandemic did cause 33 percent of hourly employees to reevaluate the type of job they wanted.

Lifestyle

Video Streaming Tops Entertainment Platforms, Paid Subscriptions

The survey also dives into how hourly employees spend their time and money outside of the workplace. For the second year in a row, Netflix was not only hourly workers' favorite entertainment platform (84%), but also the platform they most likely had a paid subscription for (74%). Among top paid subscriptions, Hulu took second after Netflix with about half (50%) of hourly workers paying for a Hulu subscription, a 12 percent increase from last year. Amazon Prime adoption increased over 11 percent to overtake Apple Music for third place (48%).

Civically Engaged and Ready to Vote

Nearly 70 percent (68.5%) of hourly workers were already registered and ready to vote in the 2020 election, while another 6 percent had not registered to vote but planned to vote this election. And they know that their votes matter -- 76 percent believe that the 2020 election will impact their current economic situation.

To view the full report, please visit: <https://www.branchapp.com/branch-report>

About Branch

Branch is the only challenger bank that partners with employers to help Americans grow financially. Employers turn to Branch to reduce the costs of paper checks and paycards by offering Branch as a free financial wellness benefit and banking alternative. Employees that sign up with Branch can receive a zero-fee bank account, debit card, free instant access to earned wages, tips, and mileage, and auto-budgeting tools to help them manage their cash flow between paychecks. Branch has partnered with some of the nation's largest employers and is adding new employers daily in retail, restaurant, logistics, manufacturing, and healthcare. To learn more about Branch, visit <http://www.branchapp.com> and follow us on Twitter, Facebook, and LinkedIn.