



March 25, 2025

The Honorable Pamela Beidle
Chair, Senate Committee on Finance
Room 3 East Wing
Miller Senate Building
11 Bladen Street
Annapolis, MD 21401-1991

Re: In support of MD HB 1294 - Earned Wage Access and Credit Modernization

Dear Chair Beidle and members of the committee:

On behalf of Chamber of Progress – a tech industry coalition promoting technology's progressive future – I write to **express our strong support for HB 1294 as amended**, which would regulate earned wage access services.

We are strong supporters of providing consumers with better alternatives to predatory lending and junk fees at banks. Earned wage and early wage access services help workers bridge the gap from today to payday and free workers from dependency on the payroll cycle and a financial system that frequently disadvantages them.

Earned wage access operates on an agreement between the service provider and an employer, which allows the provider access to employee timesheets to determine earned wages.¹ On an employee's payday, the provider collects funds from the employer that were disbursed to the employee ahead of payday.

Early wage access is a similar concept, except the service provider does business directly with the consumer without direct involvement from the employer. In this instance, the consumer downloads an application, establishes an account with the service provider, and links their checking account information.

In both setups, the earned wage access provider allows users to access anywhere between 50-100% of their earned wages at any given time, with limits sometimes

¹ *Ask the Fed: Exploring the Rise of Earned Wage Access Programs*, The Federal Reserve Bank of Kansas City (Jan. 2021). <https://www.kansascityfed.org/ten/2021-winter-ten-magazine/ask-the-fed-exploring-rise-of-earned-wage-access-programs/>

placed by the provider based on frequency and consecutive use.²

Earned Wage Access Promotes Consumer Choice

Based on a survey conducted by three direct-to-consumer earned wage access service providers, an overwhelming number of earned wage access consumers said they understood how the service structure works and considered it the best option for managing their spending.³ Earned wage access provides consumers the opportunity to stretch their dollar farther than the standard two-week pay cycle, enabling them to avoid predatory payday loans.

Consumers overwhelmingly use earned wage access services to pay bills on time, buy groceries, and avoid late fees.⁴ Notably, 8 out of 10 earned wage access consumers felt these services were the best available options to manage their spending, and 80% of users said that their lives significantly improved after using these services.⁵ Earned wage access gives consumers a safer alternative to paying bills late and getting charged bank overdraft fees that can cause a further decline into debt.

In this post-COVID, inflationary economy, the usage of earned wage access has increased across the board. From 2018 until now, these services tripled in usage in response to consumers adapting to a financial environment where they are empowered to spend without a lack of liquidity.⁶ In fact:

- 82% of hourly workers whose employer offers earned wage access services say it is one of their favorite benefits.⁷
- 72% of earned wage access service users say the offering helps them feel more confident in managing their finances.⁸
- 95% of companies offering an earned wage access solution believe it has a positive impact on employee retention.⁹
- 77% of earned wage access users state that the services help them save money by avoiding other more expensive alternatives to handle expenses.¹⁰

² *Id.*

³ *Earned Wage Access: A Framework for Financial Inclusion*, Earnin (July 2021).
<https://www.earnin.com/assets/pdf/FTI-Earned-wage-access-memo.pdf>

⁴ *Id.*

⁵ *Id.*

⁶ *Earned Wage Access: Direct-to-Consumer Advances– Trends and Insights*, Center for Financial Services Innovation (April 2021).
https://cfsi-innovation-files-2018.s3.amazonaws.com/wp-content/uploads/2021/04/26190749/EWA_D2C_Advance-age_Trends_FINAL.pdf

⁷ The Harris Poll. [Nearly 3 in 4 Hourly Workers Love/Like Their Job](#). March 20, 2024.

⁸ Arizent Research. [Earned Wage Access: A Powerful, Cost-Effective Financial Wellness Tool](#). September 2023.

⁹ Hanover Research Study. *Companies with EWA Solutions*. September 2023.

¹⁰ Mercator Advisory Group. [Customer Perceived Cost Savings](#). August 2022.

Families working paycheck to paycheck are currently beholden to the 2-4 week pay cycle, trapped in a system that does not account for real-life factors that cannot wait for payday. With the right regulatory framework, earned wage access has an opportunity to make a greater impact by providing a service that meets the consumers where they are.

Like many other innovations in services, consumer choice with earned wage access will allow workers to choose the service that is best for them and their budget.

With this in mind, **we urge you to pass HB 1294 in its amended form.** Thank you for your leadership in promoting a responsible regulatory structure that protects consumers, increases transparency, and ensures that earned wage access providers can continue to deliver services that Marylanders rely on.

Sincerely,

A handwritten signature in black ink, appearing to read "Brianna January". The signature is fluid and cursive, with the first name "Brianna" written in a larger, more prominent script than the last name "January".

Brianna January
Director of State & Local Government Relations, Northeast US