



# November 2025 EarnIn Study Shows the Harms of Payday Loan Apps (“EWA”)

## Summary

A recent study out of the University of Oregon, and commissioned by EarnIn, analyzed data from EarnIn’s Cash Out product (the “EarnIn Study”). The study concludes that users experience an average 11.5% increase in monthly take-home income after beginning to use EarnIn.<sup>1</sup> While this headline claim has been promoted as evidence that Earned Wage Access (payday loan apps) improves workers’ financial stability, the study’s findings undermine that conclusion. The report’s author explains the income increase as most likely reflecting an increase driven by working more hours or staying in a job longer, based on prior literature rather than direct evidence in the data. This is the sole benefit of payday loan app use identified in the report.

The report finds that -- notwithstanding this increased income -- EarnIn use caused borrowers to incur an *increase in bank fees charged* for having insufficient funds to cover checks and withdrawals from their accounts. Thus, even after earning more income, borrowers experienced higher bank penalty fees.

Moreover, the EarnIn Study confirms several core findings from Center for Responsible Lending (CRL) research: payday loan app use escalates over time; most transactions carry fees; and users incur increased bank penalty fees. In fact, the study *understates* total costs of payday loan apps (EWA) because it considered only one company, ignoring prior research demonstrating widespread concurrent use across multiple apps.

## Increased Income May Be a Result of Borrowers Working More

The EarnIn study reports an average 11.5% increase in net monthly income. However, the study explicitly relies on two prior academic studies to support its conjecture that observed income increases are most likely driven by workers supplying more labor (rather than improved financial stability).<sup>ii</sup> CRL research shows that payday loan apps reduce take-home pay through repeated fees and repayment timing, creating pressure to work more to offset eroded paychecks.<sup>iii</sup> An income increase driven by workers needing to work more to cover loan costs is not evidence of improved financial stability —as evidenced by the study's finding that EarnIn use caused borrowers to incur more bank fees for transactions denied due to insufficient funds (NSF fees).

## Increased Bank Penalty Fees

**What the EarnIn Study says:** The study finds a significant increase in NSF fees (the fees charged by a bank when declining a transaction due to insufficient funds) after users begin using EarnIn. Importantly, the study explicitly attributes the cause of these increased fees to the use of EWA, calling these increases the “EWA effect”. The study finds the EWA effect increases users’ NSF fees by \$9 per month.

**What CRL research shows:** CRL has consistently found that payday loan app use increases overdraft fees. Rising NSF fees after payday loan app use directly contradict claims that payday loan apps improve consumer's ability to consistently avoid account shortfalls.<sup>iv</sup>

## Escalating Use Over Time

**What the EarnIn Study says:** EarnIn users take an increasing number of advances over time, with longer-tenured users borrowing more frequently than newer users.

**What CRL research shows:** CRL research demonstrates that escalating use is a defining feature of payday loan app business models, with borrowing frequency doubling over the first year of use. The EarnIn Study's EarnIn only- findings align with this pattern and confirm that payday loan apps are not an occasional liquidity tool but a product that drives repeat borrowing.<sup>v</sup>

## Most Consumers Pay Expedite Fees

**What the EarnIn Study says:** Approximately 86% of EarnIn transactions include an expedite fee, indicating that most users pay to receive funds instantly.

**What CRL research shows:** CRL surveys and transaction analyses find that roughly 8 in 10 payday loan apps users pay expedite fees, making the so-called free option largely illusory. The EarnIn Study reinforces that immediacy is central to the product's appeal and that fees are a routine part of payday loan app use.<sup>6</sup>

## Understated Annual Cost of Payday Loan App Use

**What the EarnIn Study says:** On average, EarnIn users took 50.08 advances a year and paid \$5.04 in expedite fees and tips per advance. This means the average EarnIn user pays about \$250 annually in fees.

**What CRL research shows:** CRL research documents widespread concurrent use, with consumers using multiple payday loan apps within the same pay period. Because the EarnIn Study examines only EarnIn data, it substantially understates the true annual cost borne by consumers who pay fees across several app-based lenders.<sup>vii</sup>

### Conclusion

Far from demonstrating that EarnIn improves workers' financial health, the EarnIn Study corroborates key CRL findings about the harms of payday loan apps. The study's lone claimed benefit – higher income – may reflect pressure to work more to offset eroded paychecks. Even with this additional income, the study shows payday loan app users experience increased bank penalty fees, escalating borrowing, and near universal fee payment. When viewed in full, the evidence supports the conclusion that payday loan apps deepen financial instability rather than alleviate it.

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<sup>i</sup> Jonathan Davis, *The Impacts of Earned Wage Access: How Giving Workers More Control Over Pay Timing Can Increase Income and Boost Financial Stability* (Univ. of Oregon, Nov. 2025) (“EarnIn Study”)

<sup>ii</sup> Raj Chetty Chen, Joshua Feinerman & Kareem Haggag, *The Impact of Flexible Pay Timing on Worker Labor Supply*, *American Economic Review Papers & Proceedings* (2024) (finding that earlier access to earned wages may induce some workers to increase labor supply by working additional hours, rather than improving overall financial well-being); see also Juan Murillo, Benoît Vallee & Jialan Yu, *Employer Retention and Worker Outcomes Under On-Demand Pay Models*, *Management Science* (2022) (suggesting that wage-timing interventions may affect job retention or labor attachment, without evidence that such effects reduce financial precarity or net household costs).

<sup>iii</sup> Center for Responsible Lending, *Not Free: The Large Hidden Costs of Small-Dollar Loans Made Through Cash Advance Apps* (Apr. 2024), at 6–10 (documenting repeated payday lending app use, fee-driven paycheck erosion, and the relationship between payday lending apps use and financial strain).

<sup>iv</sup> Center for Responsible Lending, *Not Free: The Large Hidden Costs of Small-Dollar Loans Made Through Cash Advance Apps* (Apr. 2024), at 6–7 (finding overdrafts increased by 56% on average after payday lending app use).

<sup>v</sup> Center for Responsible Lending, *Nickel and Dimed: How Payday Loan Apps Drain Workers' Pay and How to Stop Them* (Oct. 2025), at 3–4 (showing that payday loan app use escalates over time, with borrowing frequency increasing substantially over the first year of use).

<sup>vi</sup> Center for Responsible Lending, *Survey Summary of Earned Wage Advance and Cash Advance Apps* (Aug. 2023), at 2-3 (reporting that the vast majority of payday lending apps transactions include expedite fees and that nominally “free” options are rarely used in practice).

<sup>vii</sup> Center for Responsible Lending, *Nickel and Dimed: How Payday Loan Apps Drain Workers' Pay and How to Stop Them* (Oct. 2025), at 3–5; Center for Responsible Lending, *A Loan Shark in Your Pocket: The Perils of Earned Wage Advance* (Oct. 2024), at 8–9 (documenting widespread concurrent use of multiple payday lending apps, resulting in total annual fees far exceeding amounts captured in single-provider studies).