

Consumer Impacts of EWA

Most frequently used EWA providers:
Brigit, Cleo, Dave, EarnIn, MoneyLion



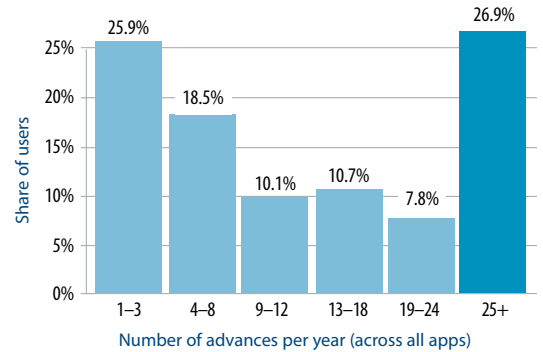
Earned wage advances (EWA) are small, short-term loans that are typically repaid on the consumer's next payday. Regulators should enforce credit laws to increase transparency and to protect consumers' paychecks from being eroded by fees and tips.

Repeat Borrowing

Frequent advances incur more fees, making EWA more costly for workers

Users with at least **6** advances in 1 or more months accounted for **38%** of all users and **86%** of all advances.

Roughly 1 in 4 took out 25+ advances in a year

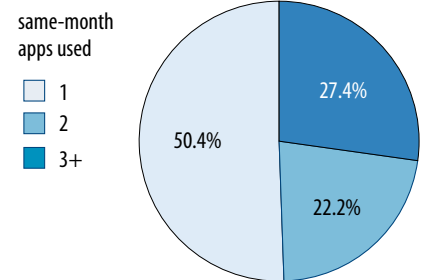


Loan Stacking

Using multiple apps leaves workers with less money on payday, making it harder to meet expenses

One worker used as many as **8** apps in the same month. On average, workers used **1.5** apps every month.

Roughly 1 in 4 used 3+ apps in the same month

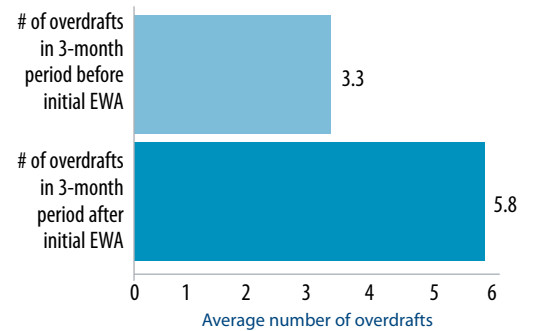


More Overdrafts

EWA products may exacerbate overdrafts, negatively impacting overall financial health

Of EWA users who experienced overdrafts, **roughly 2 in 3 (67%)** had increased overdrafts after their initial advance.

Overdrafts increased after initial advance



More Payday Loans

In states without strong consumer protections, workers used more payday loans after starting to use EWA

Of EWA users who used high-cost payday loans, **58%** used payday loans more often after their initial advance.

Payday loan use increased after initial advance

