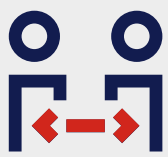


# The Evolution of Pay: Work Status and Payroll

By Sara Klein, Senior Director of Market Research for ADP Research Institute



The ADP Research Institute® has long believed that a human-centric framework is essential to understanding workplace change. Often our research reveals differences between how employees and employers view a particular issue and change is one of the places where we often see interesting and different perspectives. Employers take a long-term view and consider change as positive, while employees tend to be wary of changes and are concerned about how it will impact them, even if it is something they want.



Our latest research on the **Evolution of Pay** uncovered a similar disconnect with regard to the payment landscape. This survey was conducted with nearly **7,000** employers and employees across the globe to assess how they view pay, what's important, how payment methods are changing and what the future might look like.

Before diving into the disconnect between employers and employees, it is important to recognize one dimension of the payment landscape that both agree on, and that is the idea that change is coming. Over **90%** of respondents expect that new payment options like digital platforms, mobile wallets or paycards will be used to pay workers within the next ten years. About **40%** of both groups even think cryptocurrency will be an option in this same timeframe.



In many other areas, employer and employee views diverge. This is not because employers do not care about understanding what employees think. Most employers at least aim to consider the employee view when making decisions about payments. More than **60%** of employers say that customizing pay options for different types of workers and providing a variety of payment options are important factors when they make decisions about pay. However, employers do not always know what employees really think about pay.

Employers often imagine clear generational differences when it comes to preferences for new technologies, but the results are actually mixed. Employers expect millennials to be much more interested in non-traditional payment methods compared to boomers. This is true to an extent, but **73%** of baby boomers are open to be paid in new ways, which is a reasonably high percentage. When it comes to cryptocurrency, stark generational contrasts appear with **50%** of millennials believing this will be an option ten years from now, compared to only **22%** of boomers.

Choice is another interesting area of employer/employee disconnect. Employers often appear to think they should offer specific options to specific worker types, such as offering one pay option to millennial employees and another option to freelancers. But our survey suggests that it is the ability to choose for oneself, as opposed to a targeted option, that is what really appeals. Choice of pay frequency in particular stands out as something that crosses generational lines. While many new pay options we examined (such as paycards or same day pay) do appeal most strongly to millennials, boomers are also interested in choice of pay frequency.

One dimension of choice is the ability to receive access to earned wages at times other than traditional paydays. Employers think employees will consider this an exciting perk, but they don't expect it to be widely adopted. The employees in our survey told us the opposite. The majority say they would access this at least once per year – even if they had to pay a small fee for it. However, employees do not find early access as exciting as the large sum of payment one receives with traditional weekly or biweekly pay. The reason for this appears to be that early access reflects a real financial need, which would be leveraged for emergencies or unexpected expenses. So we believe the option is something employees want because they may need it in situations that are more likely to be a source of dread than of excitement.



Finally, many employers take the view that workers just want to be paid, and that payroll perks are less important. But we found that payroll perks, like the ability to choose pay frequency or be paid on a paycard, actually can make a difference, and that these perks can be as important as other popular benefits like telecommuting.

Employee pay is perhaps the most fundamental component of the employer/employee relationship. For most employees, the pay from their employer is how they finance their livelihoods. Our survey found that, regardless of whether they have children or their children's ages, employees across the globe say that supporting family is the single most important thing they do with their pay. Pay is also associated with a range of emotions, not just happiness and excitement but also stress and disappointment.

Our survey found that employees want and expect their employer to take a role in supporting their financial wellness. Employees tell us that pay options will make a difference when making decisions about where to work. Employers looking to leverage new payment technologies and appeal to employees should first recognize that employees need time to assess and evaluate these options. Then employees can choose what works best for them.

Go Deeper

[Infographic The Evolution of Pay: Employees Desire Greater Speed, Security, and Flexibility](#)