

Earned Wage Access

A new standard that helps
employees and companies



advanto.cz

 **Advanto**

What is Earned Wage Access?



Earned Wage access means the ability to withdraw a part of already earned money regardless of the pay date - at any time. In other words, it is the ability to receive wage more often than only once a month, as is the most common practice in companies. Not only does it demonstrably lead to a better overview of own finances, but it also allows to deal with unexpected expenses and avoid borrowing money with risk of unfavorable interest rate to be repaid with upcoming wage.

Advanto App was built as a solution to allow employees access their earned wage at any time. It has been designed as a tool that is as easy as possible to connect to corporate HRMS or payroll systems and virtually no extra challenge while operating. The app works in an autonomous and automated way, including the transfer of money to workers. Accountants in the company can work undisturbed in a custom mode and solely add end-of-month settlements with Advanto to their monthly routine. In addition, Advanto provides the company with information on how often employees transfer their money. This may help support employees in financial distress and thus increase their loyalty.



Martin Fortelny

Co-Founder and CEO of Advanto

Advanto through the eyes of HR

Every employee, regardless of salary level, occasionally gets to the point when they would've liked a part of their paycheck sooner. Sometimes just a little bit of money can help, for example, for everyday costs like public transport fines, overdrawn mobile limits... If only the chance to withdraw earned wage earlier helped 100 people a year to reject an "exceptional offer of instant loan" from usurers in the financial market, that would be great. Ten years from now, there will be 1,000 fewer foreclosures.

In some companies, people may be afraid to ask for a wage advance, so the indirect method via mobile app can help a lot with this in the long run.



Gerhard Knop

Mentor, consultant and co-creator of Leadership Synergy Community. He has 30 years of experience in leadership positions from lower middle management to senior management in the banking and automotive industries. His core competencies are financial management, employee education, HR processes.

This is a benefit that addresses the most basic need of a huge group of employees. Which is namely the pay.

According to many forecasts, there will be a strong demand for workforce in the coming period. Companies are aware that the introduction of such a benefit will give them a competitive advantage in an overheated job market. Employers also understand the needs of their staff and know that being able to withdraw wages more often is a significant plus for them. Moreover, it costs companies a minimal amount of money or nothing at all to implement such a system.



Peter Otáhal

HR expert and President of the Association of HR professionals of the Czech Republic, whose mission is to bring together citizens, individuals and legal entities involved in the development and the management of human resources in the public administration, the healthcare, the commercial sector or other types of organizations.

Companies look for workers and the motivators to keep them

01 Lack of workers

65% of large businesses are understaffed. Finding suitable candidates in today's job market has become challenging.

02 Employee turnover

Today's high employee turnover is typical, especially among the younger generations. Offering benefits can help to retain employees.

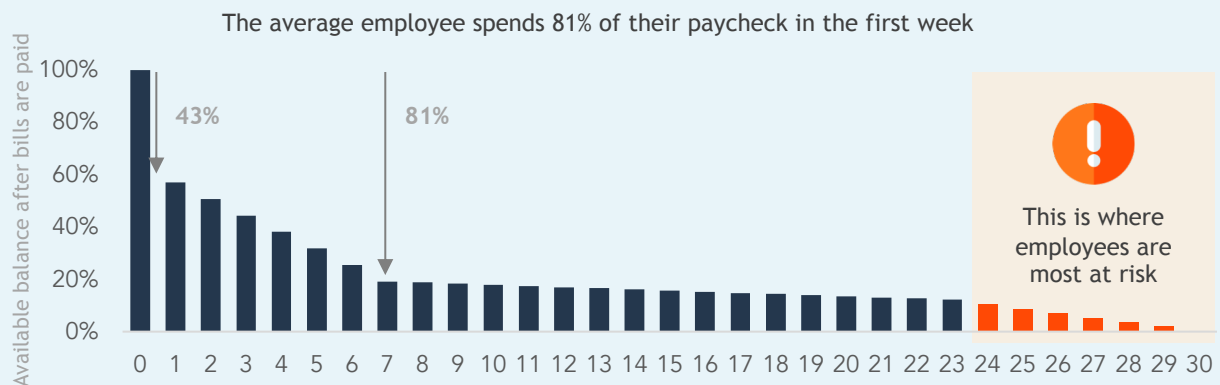
Employees are looking for financial stability more than ever

Getting into debt

Almost 50% of employees are struggling to make ends meet, which is often solved by quick loans, credit cards or overdrafts.

Paycheck Millionaire

Employees do not build up savings and spend 81% of their wages within the first 7 days. They live the rest of the month on less than a fifth of their income.



Source: ManPower Group (2021). The biggest shortage of employees with the required profile in the last 15 years

Portafina survey (2017) PAYDAY MILLIONAIRES.

Access to their earned wages is valued by workers and protects them from debt

Convenient money withdrawal and attendance monitoring

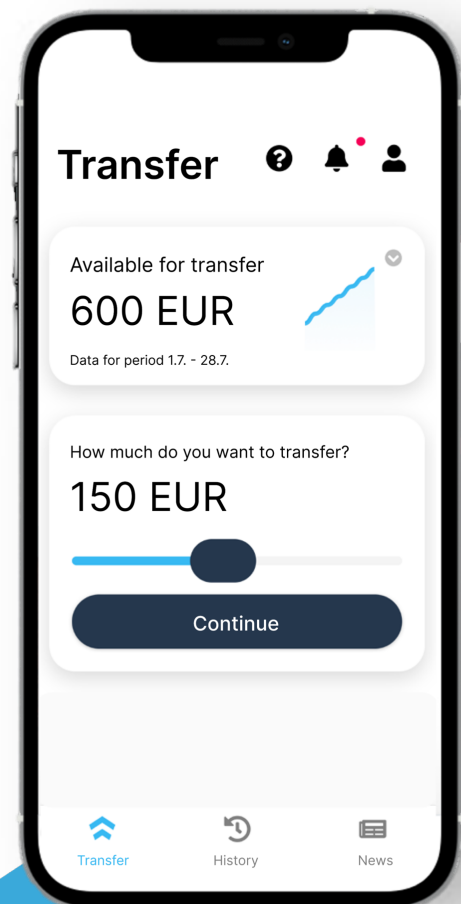
Advanto allows to withdraw money with a few clicks on one's mobile or computer and it also works for tracking attendance

Greater financial stability

Access to earned wage at any time demonstrably improves the overview and the management of personal finances

Less stress

Being able to withdraw money more often than once a month protects employees from the financial stress and therefore from the mental and health problems



70%

of employees would appreciate help from their employer in the case of a sudden financial emergency

67%

of employees consider more frequent wage payments to be perfectly normal and a better solution than taking out loans

57%

of employees would like the wage advance application process to be completely online on their mobiles or browser



“More frequent payouts are also teaching financial literacy”
- G. Knop

Source: EMA survey data for Advanto on a sample of 500 Czech employees

Payout at any time is a lucrative benefit

Advantage on the job market

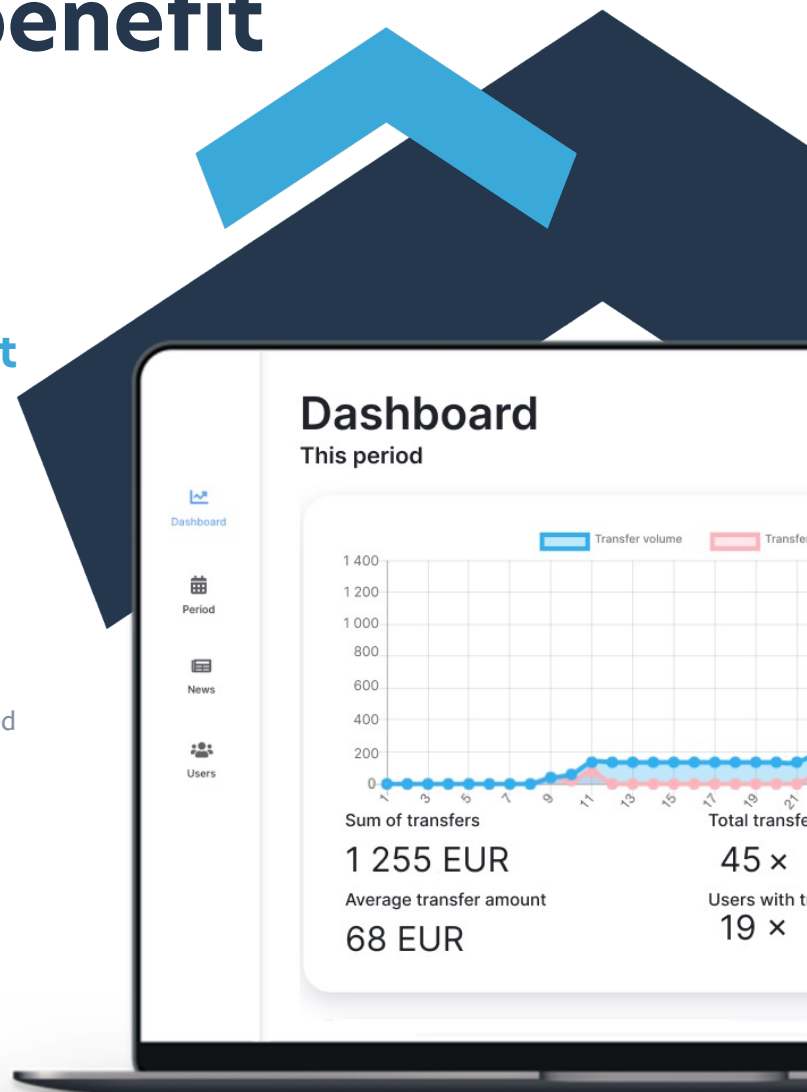
A valuable and attractive benefit for the purpose of recruitment and retention of staff

Higher worker productivity

The insight into the amount of money already earned has been shown to increase employee efficiency

Overview of staff financial behaviour

Information on payroll withdrawals is an indicator of financial stability and employee satisfaction



- 52%

cheaper recruitment

If Earned Wage Access is mentioned in the job ad, up to twice as many candidates apply

- 28%

lower fluctuations

Benefit demonstrably increases employee loyalty

+31%

more worked hours

Employees know that if they work more, they can withdraw more money that day



69.2% of employees would prefer an employer that offers more frequent payouts through Advanto.

Everything centralized in one App

Wage withdrawal

Advanto provides employees with access to their earnings at any time within the month

Academy for financial education

Employees have access to financial education quizzes, articles and a debt advice chatbot

Attendance monitoring

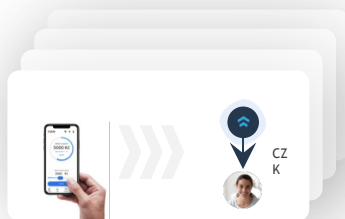
In Advanto employees can track their attendance in real time

News for corporate communication

App can also serve as a platform for internal communication between an employer and an employee.

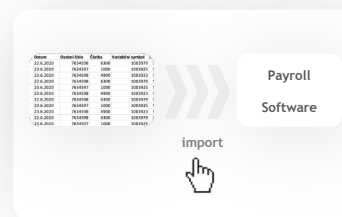
The role of the employer is only to import a spreadsheet once a month

Advanto pays advances throughout the calendar month as requested by employees



- ✓ Advances in bank account within 24h
- ✓ No impact on company cash flow

At the end of the month, Advanto sends a list of advances paid as a base for payroll processing



- ✓ No change to the pay cycle
- ✓ Spreadsheet format can be customized according to the payroll software requirements

Experience with Advanto



Our couriers do a great job every day, and we love finding more ways to repay their diligence. It only seems fair to us that they have access to their earnings immediately, whenever they need it.

Viera Slota Gecková
CFO, DoDo Czech s.r.o.



"In my 7 years of experience in the company, I have never encountered an IT project deployed so quickly as in the case of Advanto. Based on my previous experience, I had assumed that from the first meeting to the project's launch it would take at least a year, but the speed with which the project was brought to life surprised me very pleasantly... We were concerned about the economic impact of the COVID-19 crisis on the family finances of our staff. So, we decided to partner with Advanto to provide our employees with a financial safety net in case they encountered unexpected expenses, and possibly protect them from some of the unfavorable quick loans they were being provided with."

Simona Mohacsi
CFO, Dopravní podnik města Ústí nad Labem a.s.



We wanted to offer our employees a new type of benefit that would help them especially when dealing with unexpected financial situations. Quick and easy access to your own earnings can be essential to maintaining financial stability. We think the privacy the app provides and the fact that the whole process is online and doesn't require complex administration is also important.

Eva Kyselová
HR Director, Lagardère Travel Retail a.s.



**Satisfied Advanto users include employees
of these companies:**



Sources



Primary sources

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