A look at the financial, work, and lifestyle interests of today's hourly workers.
2020 Branch Report

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Methodology
The survey was conducted through the Branch app from May 2020 to June 2020 featuring more than 3,000 responses from hourly employees across industries ranging from retail, food service, to healthcare. Participation in this survey was completely voluntary and all responses were anonymized.

Survey questions were authored by Branch. For more information or questions, please contact research@branchapp.com
Introduction

COVID-19 upends hourly workers’ savings, ability to pay bills on time

Branch, the challenger bank that partners with employers to help workers grow financially, announced findings from its second annual Branch Report, a look at the financial, work, and lifestyle interests of today’s hourly workers. In surveying over 3,000 hourly employees across a variety of sectors including food service, retail, and healthcare, the report reveals how much of their priorities and concerns have changed because of COVID-19.

The pandemic took a devastating toll on their finances, as 80 percent of hourly workers had less than $500 saved for an emergency. The percentage of hourly workers who had $0 saved increased 12 percent from last year to 52 percent. Even with stimulus checks, 76 percent had already delayed or missed a bill payment, with another 10 percent expecting to because of the virus. Basic living costs continued to rank among hourly workers’ top concerns, but shorter term costs such as utility bills (62%) overtook last year’s top concern of home/rent affordability (60%).
“Even before the pandemic, the vast majority of hourly workers had been living paycheck to paycheck and had very little saved,” said Branch CEO Atif Siddiqi. “The decrease in hours and economic uncertainty have created even more challenges for hourly workers trying to establish financial stability.”

Their concern for meeting day to day needs may also be why 94 percent of hourly employees said accessing their pay before pay day would be helpful, a 14 percent increase from last year (79.6%). The pandemic also impacted how they chose to pay. While debit cards (78%) continued to be hourly workers’ preferred payment method by far for the second year in a row, 76 percent said that they had increased their use of contactless and digital payments because of COVID-19.

Given growing financial challenges, higher pay became even more important to hourly workers, with 77 percent citing higher wages as what they looked for most out of a workplace, a 14 percent increase from last year. A stable, predictable schedule (53%) and a positive work culture (36%) were the second and third most important factors respectively. The pandemic also had a slight impact on hourly workers’ job searches, with 33 percent affirming that the pandemic had impacted the type of job they were looking for.
Emergency Savings Wiped Out, Bill Pay Delays

While 80 percent of hourly workers had less than $500 saved for an emergency, 52 percent had $0 saved, 12 percent increase from last year. Even with stimulus checks, 76 percent had already delayed or missed a bill payment, with another 10 percent expecting to because of the virus.

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Shifting Concerns to Shorter Term Needs, Increased Interest in Accessing Pay

Hourly workers still cited basic living costs among their top three concerns, but cited Utility Bills, such as gas and electricity, as their top financial concern (62%), followed by Home/Rent affordability (60%), which had been their top concern last year. Still in third place was Groceries (54%).

The most costly emergency by far for hourly workers has been auto/transportation-related (47%) followed by healthcare (23%).

The percentage of hourly employees experiencing some sort of pay variability decreased (69% vs. 79%).
Contactless Payments and Banking

Among preferred payment methods, debit cards (78%) continued to be hourly workers’ top choice for the second year in a row, with cash a distant second (7%). While the preference for cash decreased by four percent compared to last year, the preference for contactless payments nearly tripled with adoption of digital wallets and payment apps increasing to 11 percent (4% last year).

<table>
<thead>
<tr>
<th>PREFERRED METHOD OF PAYMENT</th>
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<tbody>
<tr>
<td>78% Debit Card</td>
<td></td>
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<tr>
<td>7% Cash</td>
<td></td>
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<tr>
<td>6% Apps (Venmo, Cash, PayPal, etc.)</td>
<td></td>
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<tr>
<td>6% Credit Card</td>
<td></td>
</tr>
<tr>
<td>2% Digital Wallet (Apple/Google Pay, etc.)</td>
<td></td>
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<tr>
<td>1% Paper Check</td>
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</table>

About 76 percent said that they had increased their use of contactless and digital payments because of COVID-19.

Most Desired Banking Features

When it came to banking, the majority of hourly workers had only held their primary bank accounts for two years or less (50%), with 28 percent having signed up within the last year. While an in-person experience was at the bottom of the list (2%), rather, no fees (47%) and good customer support (23%) were the most important to the banking experience:

- 47% No Overdraft or Maintenance Fees
- 23% Customer Support
- 15% Free ATMs
- 6% Good Mobile Experience
- 6% Debit Card Rewards
- 2% In-Person Location
- 1% Other
Higher Wages Become Even More Important

Higher wages became even more important this year, increasing 14 percent with 77 percent of hourly workers citing it as their top work priority. A stable, predictable work schedule (53%) and a positive work culture (36%) ranked in the top three once again, even outpacing safe work environment during COVID-19:

Optimistic about Job Prospects, Shift Job Type Interests

Despite the setbacks caused by COVID-19, hourly workers’ outlook on the economy were more optimistic (42%) than negative (27%), even more were optimistic about their own job prospects (66%). They were nearly three times as likely more interested in using their work experience to earn a promotion at their current employer (31%) rather than using it to switch occupations (11%).
33 percent of hourly employees are reevaluating the type of job they want, due to the pandemic.

However, the pandemic did cause 33 percent of hourly employees to reevaluate the type of job they wanted. Within that group, 40 percent were looking for a job with higher pay and 25 percent were looking for a job that allowed them to work from home. When it came to where they looked for work, Indeed was the overwhelming favorite (49%) and Google a distant second (25%):

**TOP PLACES TO JOB SEARCH**

- **49%** Indeed
- **25%** Google

**Hesitance, Challenges in Returning to Work**

Among unemployed workers, about half (50%) had received unemployment benefits, but nearly one-third (29%) were still trying to file while one fifth (20%) did not qualify. But even as business open up more, over two thirds were either planning not to (31%) or uncertain about (37%) returning to work.

**Biggest Concern Returning to Work**

- **42%** Safety Concerns/Fear of Exposure
- **28%** Lack of Childcare/School Closures
- **11%** Loss of Unemployment Benefits
- **11%** No Concerns
- **8%** Other
Civically Engaged and Ready to Vote

Nearly 70 percent (68.5%) of hourly workers were already registered and ready to vote in the 2020 election, while another 6 percent had not registered to vote but planned to vote this election. And they know that their votes matter -- 76 percent believe that the 2020 election will impact their current economic situation.

Most Used Social Media Platforms

When comparing social media platforms, Facebook grew its lead over Instagram (83% vs. 73%), with Snapchat (53%) dropping 20 percent to place a distant third. TikTok shot up the list this year from ninth to fourth place (24%), with the percentage of hourly workers adopting the platform growing six fold.
The survey also dives into how hourly employees spend their time and money outside of the workplace. For the second year in a row, Netflix was not only hourly workers’ favorite entertainment platform (84%), but also the platform they most likely had a paid subscription for (74%). Love for the platform only grew 5 percent in each of those categories compared to last year.

YouTube held steady in second, but experienced a decrease compared to last year (61% vs. 68.9% in 2019), as Hulu (48% vs. 34.7%) grew its market share alongside newcomer Disney+ (30%).

Among top paid subscriptions, Hulu took second after Netflix with about half (50%) of hourly workers paying for a Hulu subscription, a 12 percent increase from last year. Amazon Prime adoption increased over 11 percent to overtake Apple Music for third place (48%). Apple Music fell as a subscription hourly workers were willing to purchase to fifth place (27%).
About Branch

Branch is the only challenger bank that partners with employers to help Americans grow financially. Employers turn to Branch to reduce the costs of paper checks and paycards by offering Branch as a free financial wellness benefit and banking alternative. Employees that sign up with Branch can receive a zero-fee bank account, debit card, free instant access to earned wages, tips, and mileage, and auto-budgeting tools to help them manage their cash flow between paychecks. Branch has partnered with some of the nation’s largest employers and is adding new employers daily in retail, restaurant, logistics, manufacturing, and healthcare.

To learn more about Branch, visit [www.branchapp.com](http://www.branchapp.com) and follow us on Twitter, Facebook, and LinkedIn.
Appendix

General

What industry do you work in?
Healthcare - 24%
Retail - 15%
Restaurant/Service - 12%
Manufacturing/Construction - 10%
Public/Government Services - 9%
Banking/Financial Services - 4%
Telecommunications - 3%
Hospitality (hotel, travel, airline, gym/fitness) - 3%
IT - 1%
Gig Economy - 1%
Other - 14%

What is the average amount of hours you work per week?
40+ - 62%
21-39 - 26%
11-20 - 5%
Not currently working (furloughed) - 3%
6-10 - 2%
1-5 - 1%

Where do you get your health insurance?
From my employer - 57%
I don’t have health insurance - 17%
From Healthcare.Gov/Healthcare Marketplace - 15%
From my parents - 5%
Prefer not to say - 4%
From my spouse/partner - 2%

COVID-19

Are you receiving unemployment benefits?
Yes - 50%
Not yet, because I am still trying to file - 29%
No, I do not qualify - 21%

With businesses opening up more, has that changed how much you work?
Maybe, not sure yet - 37%
No, I am not returning to work - 31%
Yes, I am working fewer hours - 13%
No, I am working about the same number of hours - 10%
Yes, I can now return to work - 9%
Yes, I am working more hours - 0%

What has been the biggest concern or challenge for returning to work?
Safety concerns/Fear of exposure - 42%
Childcare/schools staying closed - 28%
Loss of unemployment benefits - 11%
No concerns - 11%
Other - 8%

Finances

What do you want most out of a workplace? (select top 3)
Higher wages - 77%
A stable, predictable work schedule - 53%
Positive work culture - 36%
Scheduling flexibility/more control over when you work - 30%
Supportive managers - 29%
Additional hours of work - 27%
Safe work environment - 26%
Supportive team members - 19%

How much does your pay vary from week to week?
Some - 32%
A little - 26%
A lot - 11%
Hardly at all - 31%

How helpful would it be if you could access your pay before the official pay day?
Very helpful - 80%
Somewhat helpful - 14%
I wouldn’t do this - 3%
Not too helpful - 2%

Did you delay or miss a bill due to the pandemic?
Yes, and I still have it pay it back - 50%
Yes, but I have paid that back - 26%
No, I don’t expect to delay or miss a bill soon - 14%
No, but I expect to delay or miss a bill soon - 10%

What has been your most costly emergency in the past year?
Auto/transportation-related - 47%
Medical/health (for yourself) - 23%
Other - 15%
Medical/health (for a family member) - 9%
Home repair - 6%
Appendix

Finances

What are your top financial concerns? (select top 3)
- Utility Bills (electricity, gas) - 62%
- Home/rent affordability - 60%
- Groceries - 54%
- Autocare/Transportation - 25%
- Medical/Healthcare costs - 21%
- Cell Phone Bill - 20%
- Short-term savings - 18%
- School/College Tuition Debt - 12%
- Childcare - 12%
- Retirement - 11%
- Elder care - 1%

What’s your preferred method of payment?
- Debit card - 78%
- Cash - 7%
- Online/Mobile app payments (Venmo, Cash app, PayPal, etc.) - 6%
- Credit card - 6%
- Digital wallet (Apple Pay, Google Pay, Samsung Pay) - 2%
- Check - 1%

What is the most important to you for your banking experience?
- No overdraft/additional maintenance fees - 47%
- Customer support - 23%
- Free ATM - 15%
- Good mobile experience - 6%
- Debit card rewards - 6%
- Having an in-person location - 2%
- Other - 1%

<table>
<thead>
<tr>
<th>Top Financial Concerns (by Age)</th>
<th>14-19</th>
<th>20-29</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical/Health</td>
<td>20%</td>
<td>19%</td>
<td>19%</td>
<td>29%</td>
<td>39%</td>
</tr>
<tr>
<td>Groceries</td>
<td>53%</td>
<td>54%</td>
<td>56%</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Utility Bills</td>
<td>32%</td>
<td>61%</td>
<td>65%</td>
<td>65%</td>
<td>55%</td>
</tr>
<tr>
<td>Cell Phone Bill</td>
<td>33%</td>
<td>23%</td>
<td>21%</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Short-term Savings</td>
<td>38%</td>
<td>17%</td>
<td>19%</td>
<td>17%</td>
<td>16%</td>
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<tr>
<td>Retirement</td>
<td>3%</td>
<td>6%</td>
<td>10%</td>
<td>19%</td>
<td>33%</td>
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<tr>
<td>School/College Tuition Debt</td>
<td>44%</td>
<td>15%</td>
<td>9%</td>
<td>12%</td>
<td>6%</td>
</tr>
<tr>
<td>Childcare</td>
<td>5%</td>
<td>18%</td>
<td>13%</td>
<td>5%</td>
<td>3%</td>
</tr>
<tr>
<td>Autocare/Transportation</td>
<td>33%</td>
<td>28%</td>
<td>24%</td>
<td>25%</td>
<td>22%</td>
</tr>
<tr>
<td>Childcare</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>2%</td>
</tr>
<tr>
<td>Home/Rent</td>
<td>38%</td>
<td>62%</td>
<td>62%</td>
<td>56%</td>
<td>60%</td>
</tr>
</tbody>
</table>
Appendix

Lifestyle

Are you registered to vote?
Yes, and I plan to vote in the 2020 election - 68%
No, but I don’t know if I will plan to register and vote in the 2020 election - 29%
Yes, but I don’t know if I will vote in the 2020 election - 8%
I prefer not to say - 7%
No, but I plan to register and vote in the 2020 election - 6%
I am unable to register to vote - 2%

Do you think the results of the 2020 Presidential Election will impact your current economic situation?
Yes, a lot - 39%
Yes, somewhat - 22%
No, not really - 19%
Yes, a little - 15%
No, not at all - 5%

Among these entertainment platforms, which do you use the most? (select top 3)
Netflix - 85%
YouTube - 61%
Hulu - 48%
Disney+ - 30%
Amazon Prime Video - 29%
PlayStation - 14%
Xbox - 12%
HBO Go/HBO Max - 7%
I don’t use any of these - 5%
PC Gaming - 3%
Nintendo - 2%
Twitch - 1%

Which platforms do you have paid subscriptions for? (Select all that apply)
Netflix - 74%
Hulu - 50%
Amazon Prime - 48%
Disney+ - 38%
Apple Music - 27%
Spotify Premium - 14%
YouTube Premium - 10%
HBO Go/HBO Now/HBO Max - 9%
Other - 8%
YouTube TV - 6%
I don’t use any of these - 5%
Tidal - 2%
Quibi - 1%
Microsoft Mixer - 1%

What is your career goal with your current employment situation?
Higher Pay - 45%
Promotion at This Employer - 31%
Gain Experience to Switch Industries/Occupations - 11%
Professional Development and Training - 8%
Employment Perks + Discounts - 3%
Qualifying for Health Benefits - 2%

How optimistic do you feel about the economy?
Neither Optimistic nor Negative - 31%
Somewhat Optimistic - 26%
Somewhat Negative - 19%
Very Optimistic - 16%
Very Negative - 8%

Do you feel optimistic about your job prospects (the ability to switch jobs easily or grow in your current position)?
Somewhat Optimistic - 34%
Very Optimistic - 32%
Neither Optimistic nor Negative - 21%
Somewhat Negative - 9%
Very Negative - 4%

Has the coronavirus impacted the type of job you’re looking for?
No, it has not - 49%
Maybe, I’m not sure - 18%
Yes, I am now looking for a job that provides higher pay - 13%
Yes, I am now looking for a job that allows me to work from home - 8%
Yes, I am now looking for a job that provides more stability and guaranteed hours - 8%
Yes, I am now looking for a job that the provides sick leave and paid time off - 3%
Yes, I am now looking for a job that provides better health insurance - 1%

What is your top resource for finding a job?
Indeed - 49%
Google - 25%
Friends/Word of Mouth - 6%
Craigslist - 3%
Glassdoor - 3%
Staffing Agency - 3%
Snagajob - 3%
Monster - 2%
Family - 2%
School/University Job Board - 1%
Other - 3%