

Closing the pay timing gap

Rain Research – January 2026



How employees and employers view earned wage access and why payroll modernization can't wait

Introduction

You expect your employees to show up for their scheduled shifts, right? But you recently heard through the grapevine at work that some of your staff are skipping work because they need money fast, and payday is still days away. So they are driving for Uber to get some quick cash, leaving you in the lurch, short-staffed and your patient care in jeopardy.

This is just one of the ways that employees are changing their behavior to cope with rigid pay cycles, and while employers overwhelmingly agree pay flexibility matters, only about half are ready to modernize fast enough to deliver it.

Over the past decade, wages, schedules and benefits have dominated conversations about hourly work. But a quieter shift is underway, and how and when people get paid is now shaping productivity, attendance, retention and trust.

Rain's dual survey of 1,000 U.S. hourly workers and 1,000 U.S. employers reveals a widening gap between employee experience and employer readiness. Employers overwhelmingly agree that faster pay improves engagement, productivity and retention. Yet only about half plan to modernize payroll systems in 2026. Meanwhile, employees are already paying fees, missing shifts and taking second jobs simply to access their earned wages faster.

This e-book examines where employers and employees align, where perceptions diverge, and why pay timing has moved to a core element of workforce strategy.



Pay timing has become a workforce issue

Payroll was once invisible, noticed only when employees reported that something went wrong. Today, pay timing has become a visible, emotional and operational signal inside organizations. Rigid pay cycles create cash-flow volatility that employees experience personally, but that volatility shows up at work in focus, attendance and reliability. As a result, pay timing is no longer just a finance decision. It is workforce infrastructure.

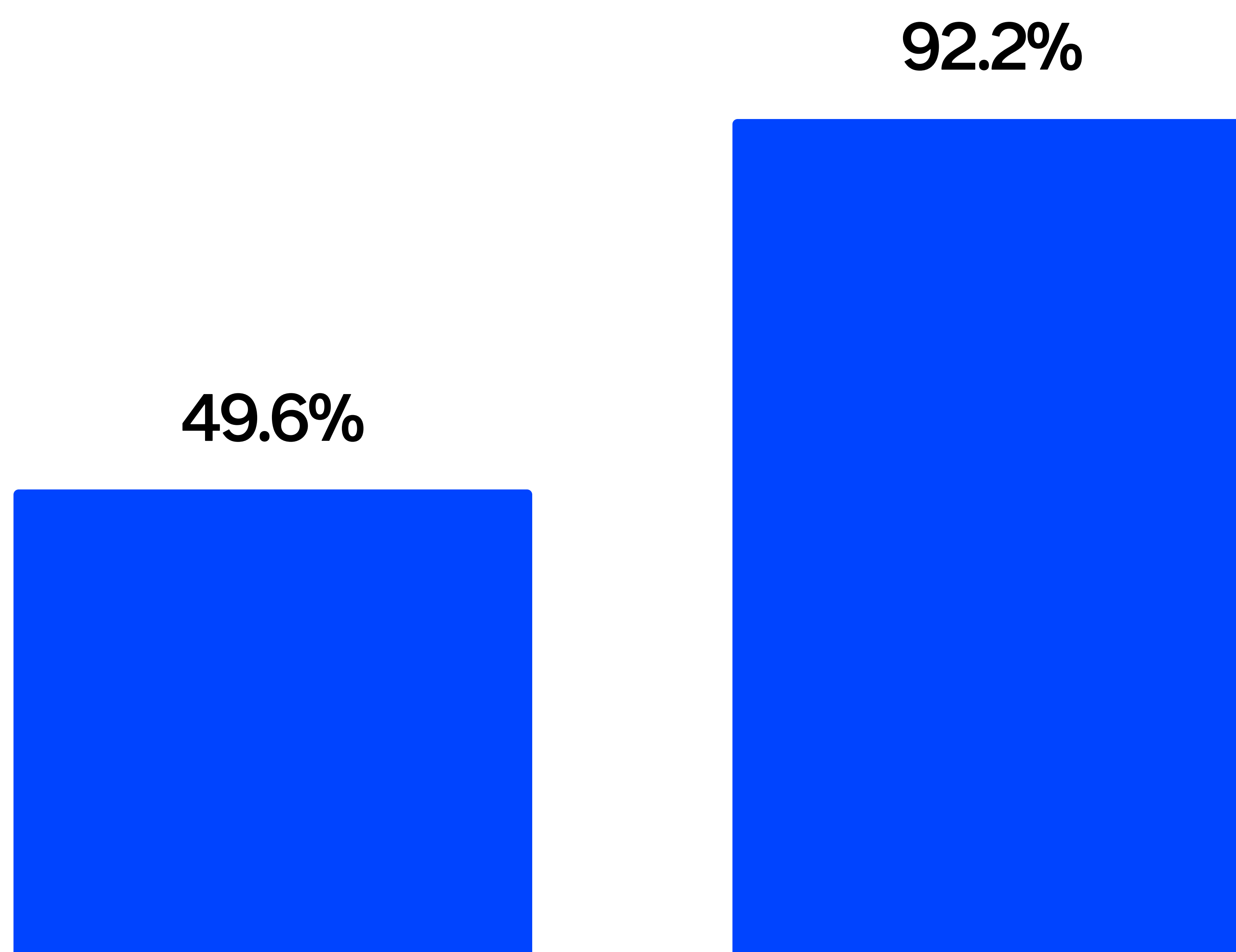
“Pay timing is no longer a benefits conversation — it’s a workforce infrastructure issue. When employees take second jobs or miss shifts just to manage cash flow, that’s not a personal finance problem. It’s a systems problem.”

— Alex Bradford, Co-founder & CEO, Rain

What employees are experiencing

Employees aren’t waiting for payroll systems to change. They are actively adapting their behavior to cope with rigid pay cycles.

Waiting for pay hurts focus and attendance



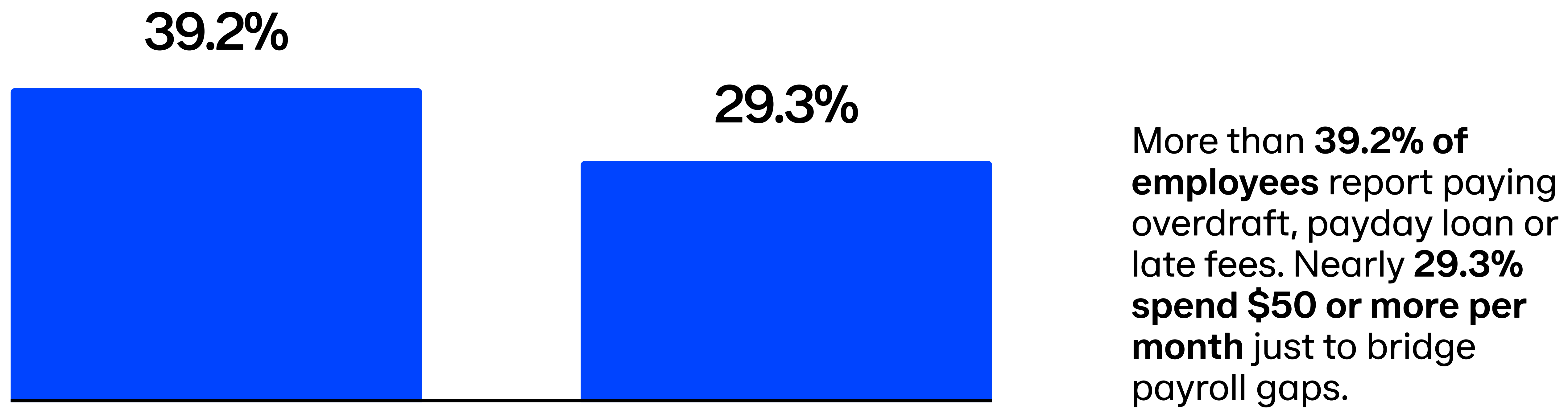
Nearly **49.6%** of hourly workers say waiting for pay negatively affects their focus or attendance, while **92.2%** of employers agree that faster pay improves engagement.



What this means: For half of hourly employees, pay timing directly affects day-to-day performance. This isn’t just abstract personal stress; it’s showing up on the job. Employers realize that faster pay improves employee engagement, so they have it in their power to do something to make pay more easily accessible.



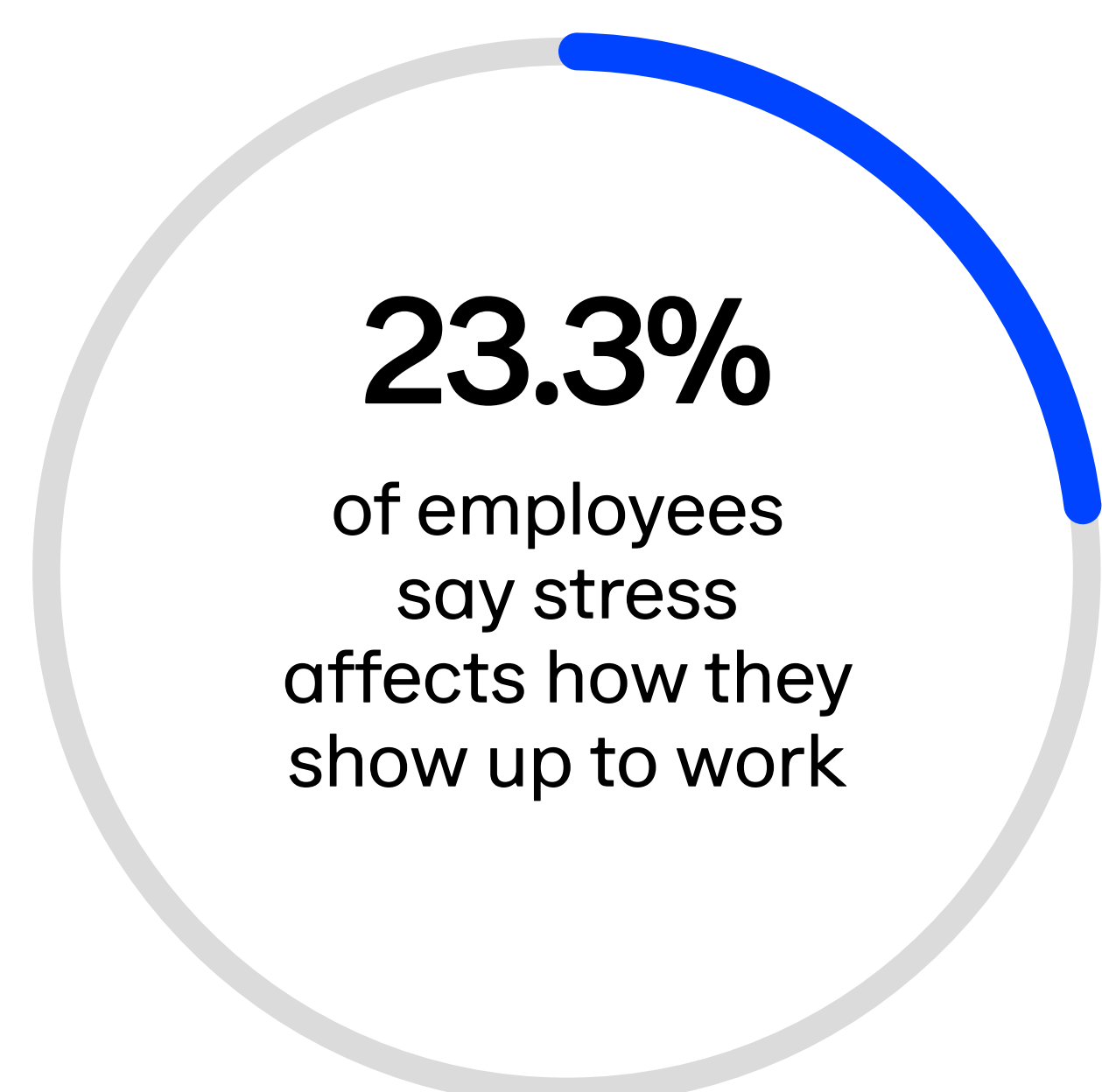
Workers acutely feel the burden of having to wait for their pay



What this means: Pay timing quietly takes a bite out of take-home pay. Fees employees incur while waiting for payday function like a hidden tax on earned wages. Employers rarely see this, while workers feel it acutely.



Financial stress is showing up on the schedule

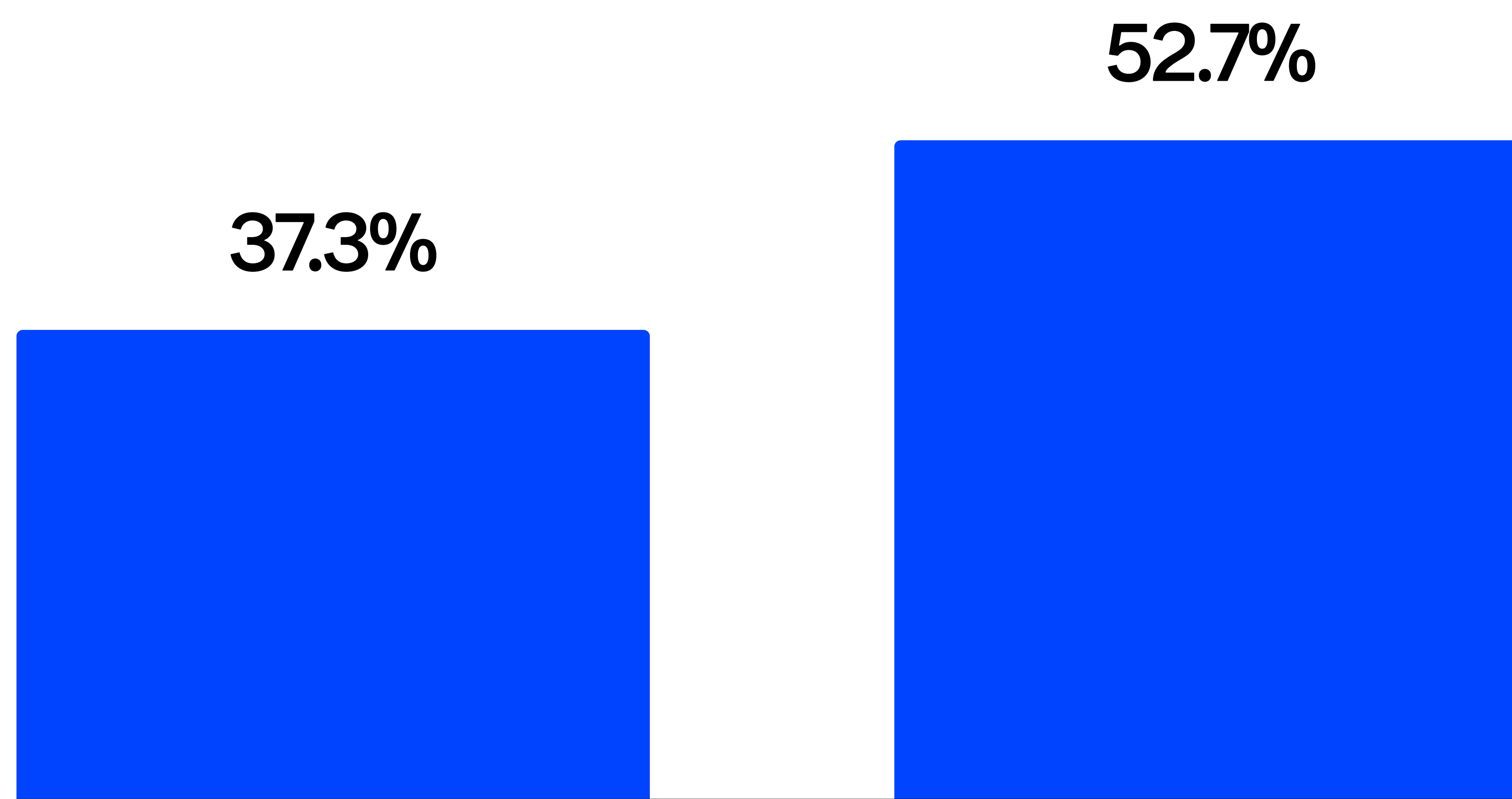


Nearly **23.3% of employees** say that financial stress has caused them to miss work or arrive late.

What this means: Even when a minority of workers are affected, the operational impact is real, especially in shift-based industries.



Employees are adapting faster than payroll systems



More than **37.3% of employees** have taken a second job simply to access pay faster. In comparison, **52.7% of employers** say they plan to modernize payroll in 2026.

What this means: Employee behavior has already changed. Payroll systems are still catching up.

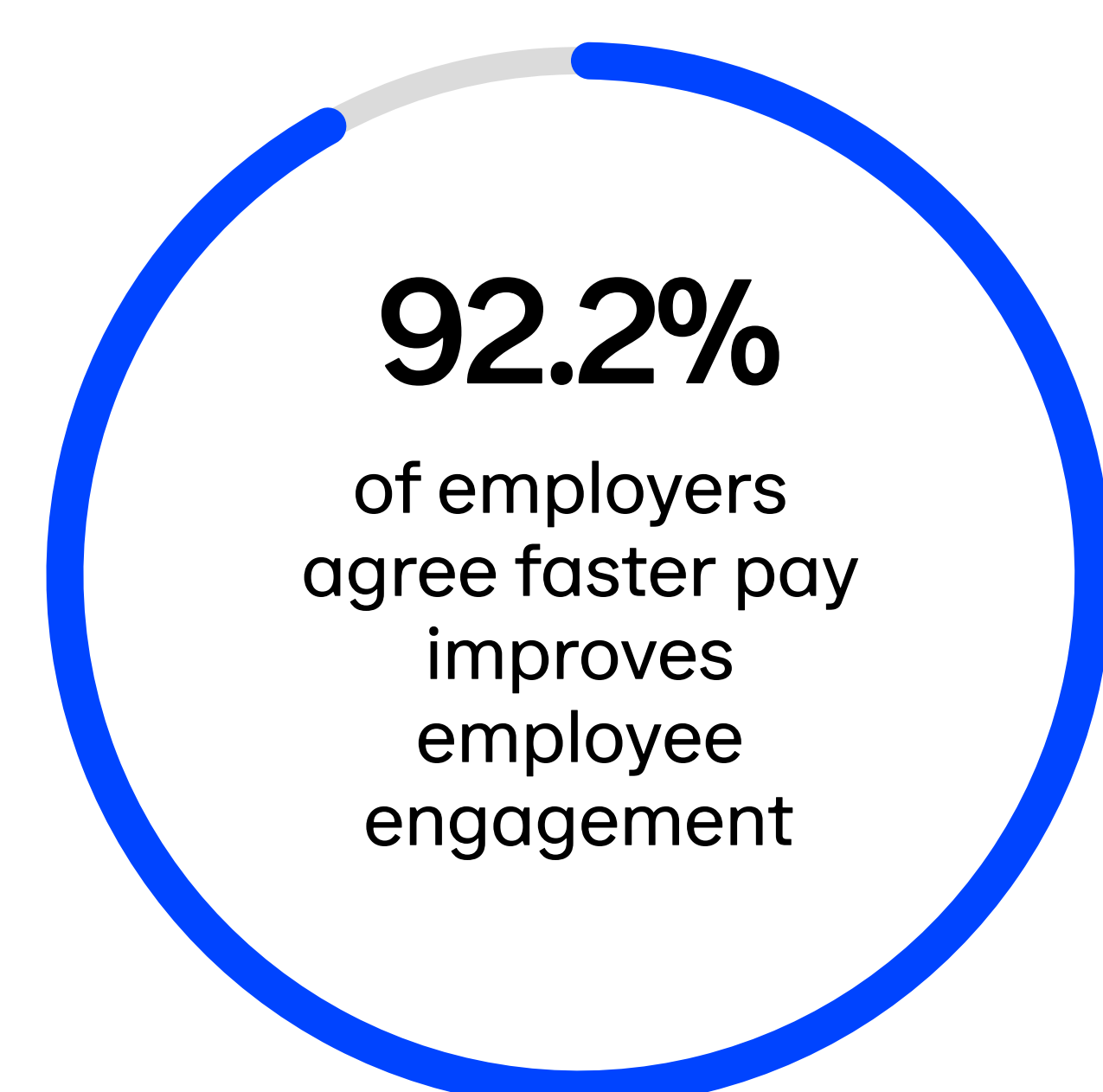
“Employees aren’t asking for advances or favors. They’re asking for access to money they’ve already earned — on a timeline that reflects how life actually works.”

— Jen Terrell, VP of Employer Partnerships and Co-founder, Rain

What employers believe

Employers largely understand that pay timing matters. Belief in its importance is widespread across HR, payroll and finance leaders. The real question is, “What are they actively doing to address the pay timing issue?”

Faster pay improves engagement

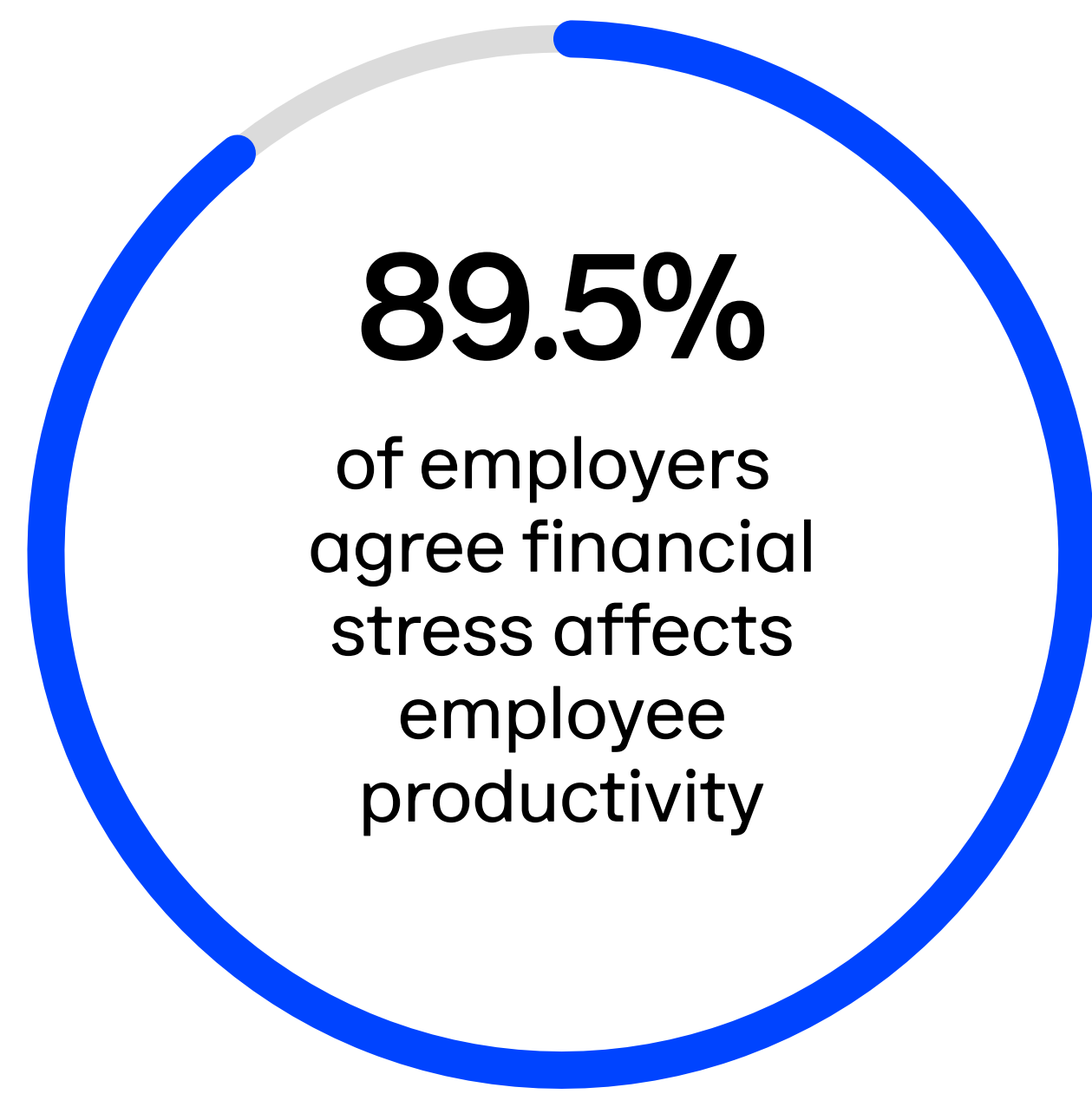


An overwhelming **92.2% of employers** agree that faster pay improves employee engagement.

What this means: Organizations overwhelmingly understand and agree on the conceptual case for pay flexibility, they just don’t see it as a need “right now.”



Financial stress hurts productivity

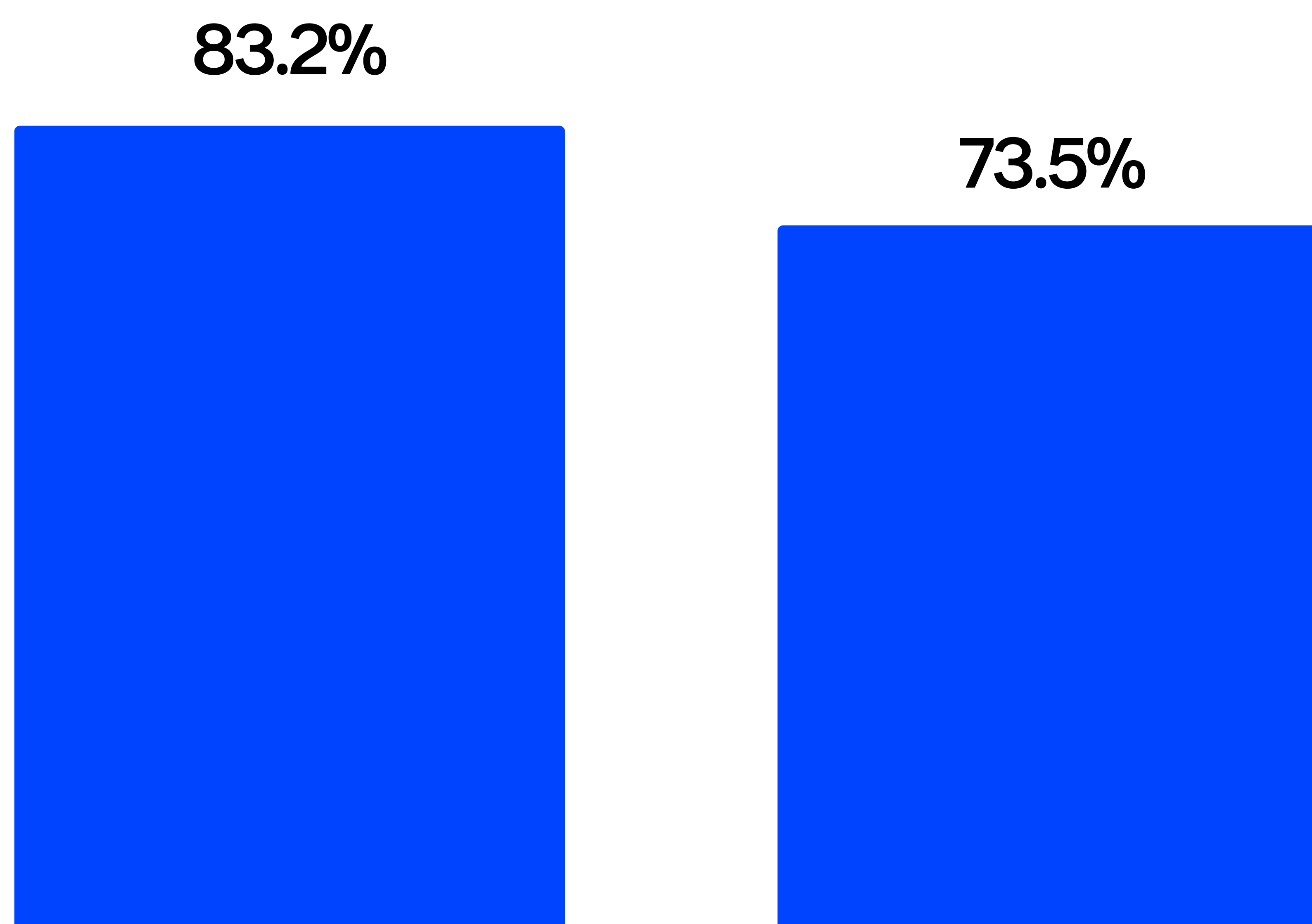


Nearly **89.5% of employers** agree that employee financial stress negatively affects productivity.

What this means:

Leaders recognize the risk, but often continue to treat financial stress as a **personal** issue rather than a wage accessibility challenge they need to address.

Employees feel more valued when they control the timing of their pay



83.2% of employers say faster pay demonstrates trust, while **73.5% of employees** say it makes them feel more valued.



What this means: Payroll is no longer simply operational — it's a visible expression of company values and how a company treats its people.

“Good intentions don’t improve attendance. Infrastructure does.”

— Alex Bradford, Co-founder & CEO, Rain

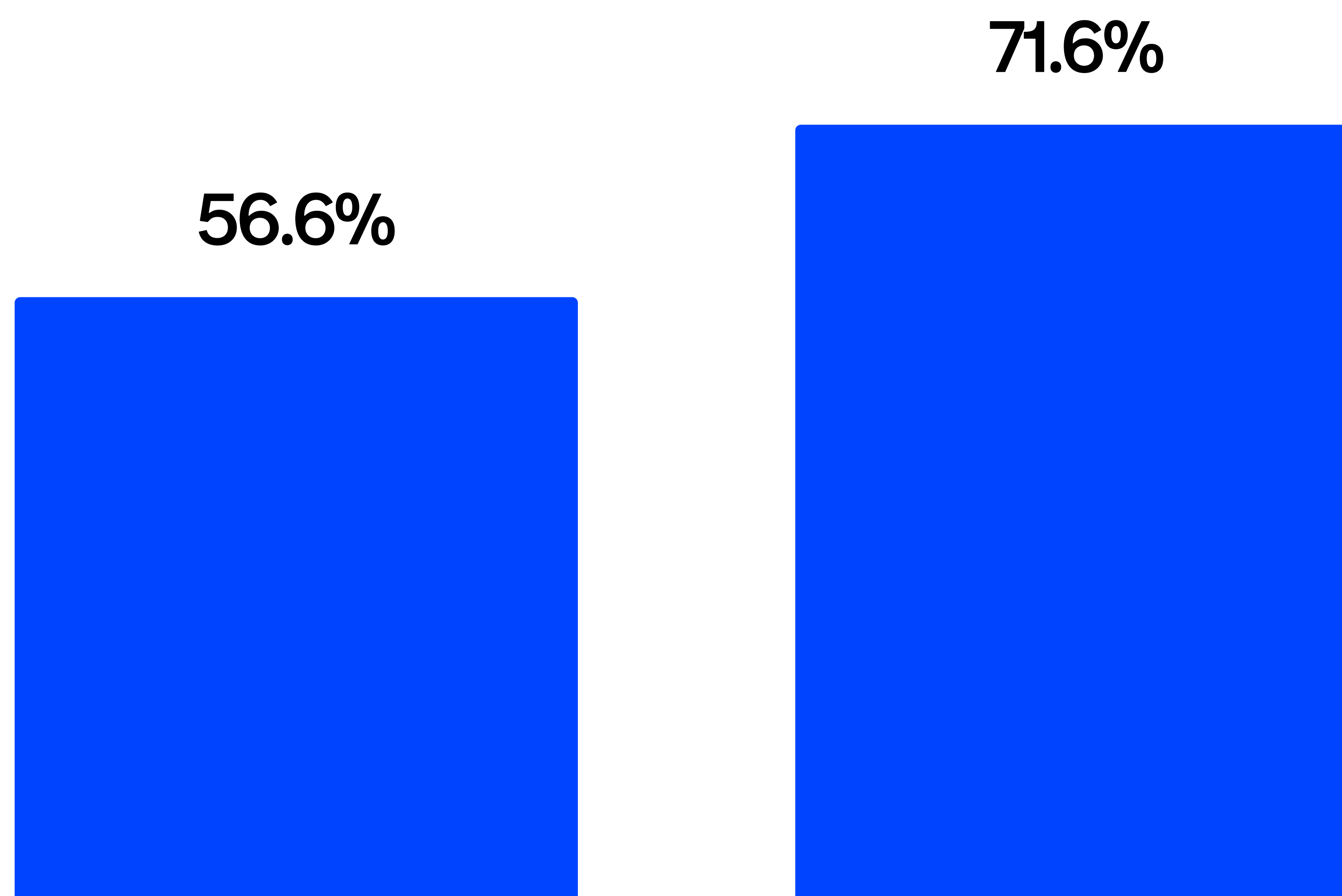


The pay flexibility perception gap

Viewed side by side, employee experience and employer beliefs reveal a clear disconnect.

Employees experience rigid pay systems as missed shifts, paid fees and second jobs. Employers see pay flexibility as a promising future opportunity, rather than a present-day necessity for their workers.

Pay flexibility is a retention lever



More than half of **employees (56.6%)** say faster access to earned wages would make them stay longer with an employer. Employers agree at least in principle, with nearly three-quarters (71.6%) believing pay flexibility could reduce turnover.

The difference is not belief, but urgency. Employees describe a behavior change (staying longer) that results from pay flexibility, while employers frame pay flexibility as a future lever rather than a present one.

What this means: Pay flexibility is a retention lever that doesn't require raising wages — yet it remains underutilized because employers don't see the urgency.

Significant industry results

Across frontline industries, employers increasingly agree that pay timing is no longer just a benefits consideration; it is an operational lever. Survey data from companies in health care, hospitality, retail and manufacturing show strong alignment: faster access to earned wages improves engagement, productivity, attendance and workforce stability.

While belief in pay flexibility is high across sectors, intent to modernize payroll systems remains moderate, revealing an execution gap. This creates a meaningful opportunity for earned wage access solutions that integrate with existing payroll and operational environments.



Key cross-sector findings

Employers across all four sectors connect pay flexibility to core performance indicators:

- **Manufacturing:** 92.4% agree financial stress negatively affects productivity
- **Hospitality:** 83.3% link pay timing directly to absenteeism and shift coverage reliability
- **Retail:** 84.6% say flexible pay could improve attendance and shift reliability
- **Health Care:** 77.6% say flexible pay could improve attendance and shift reliability

What this means: Across sectors, pay timing is increasingly viewed as a contributor to productivity, reliability and continuity, not simply employee satisfaction.

Employer belief is high; execution lags behind

Despite strong agreement on the value of pay flexibility, only about six in 10 employers plan to modernize payroll or benefits systems in 2026.

Sector	Agree faster pay improves engagement	Plan payroll modernization in 2026
Manufacturing	95.2%	61.0%
Hospitality	91.7%	61.1%
Retail	95.2%	60.6%
Health Care	94.4%	61.2%

What this means: This gap reflects execution challenges, not philosophical resistance to pay flexibility, highlighting demand for solutions that enable flexibility without payroll disruption.



Four different workforce pressures

While agreement is consistent, each sector experiences pay-related pressure differently:

- **Manufacturing:** Productivity, focus and operational precision
- **Hospitality:** Absenteeism, morale volatility and shift coverage
- **Retail:** Engagement and peak-period attendance
- **Health Care:** Trust, transparency and continuity of care

What this means: Earned wage access resonates across industries because it addresses different workforce risks with the same underlying purpose: improved financial stability.

Health Care

In health care, employers see pay flexibility as closely tied to trust and reliability. More than three-quarters believe it could improve attendance and make it easier to staff shifts consistently, which matters deeply in environments where patient care depends on having the right people in place.

Hospitality

Hospitality leaders are especially aware of how pay timing can affect morale and absenteeism. Many view pay flexibility as a practical way to keep schedules more stable and reduce last-minute callouts that disrupt daily operations.

Retail

Retail employers show some of the strongest belief that faster access to earned wages boosts engagement and attendance. With so much competition for hourly talent, pay flexibility is increasingly seen as a meaningful way to stand out and keep shifts covered.

Manufacturing

Manufacturing stands out because financial stress has a clear impact on how employees show up and perform. Leaders in this space tend to focus less on employer branding and more on trust, reliability and keeping operations running smoothly.

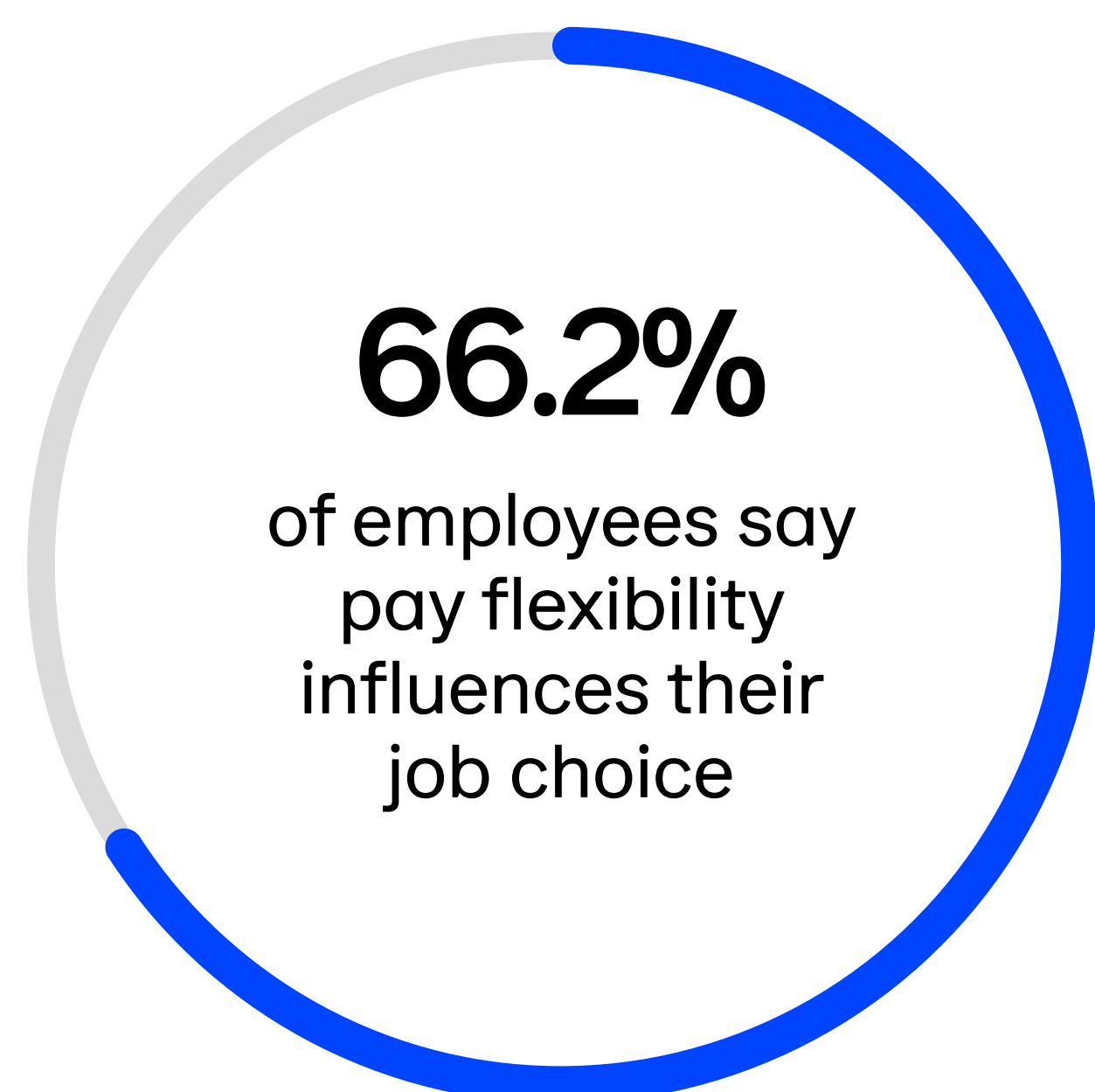


Key takeaway

More than 90% of employers across frontline industries say faster access to earned wages improves engagement, creating a clear opportunity to apply one solution to different operational priorities, from productivity to shift reliability to trust.

While the operational pressure points vary by sector, from productivity and precision to attendance and continuity of care, this variation represents a clear opportunity: earned wage access can be tailored to address each industry's most critical workforce challenges using a single, scalable approach.

The cost of waiting



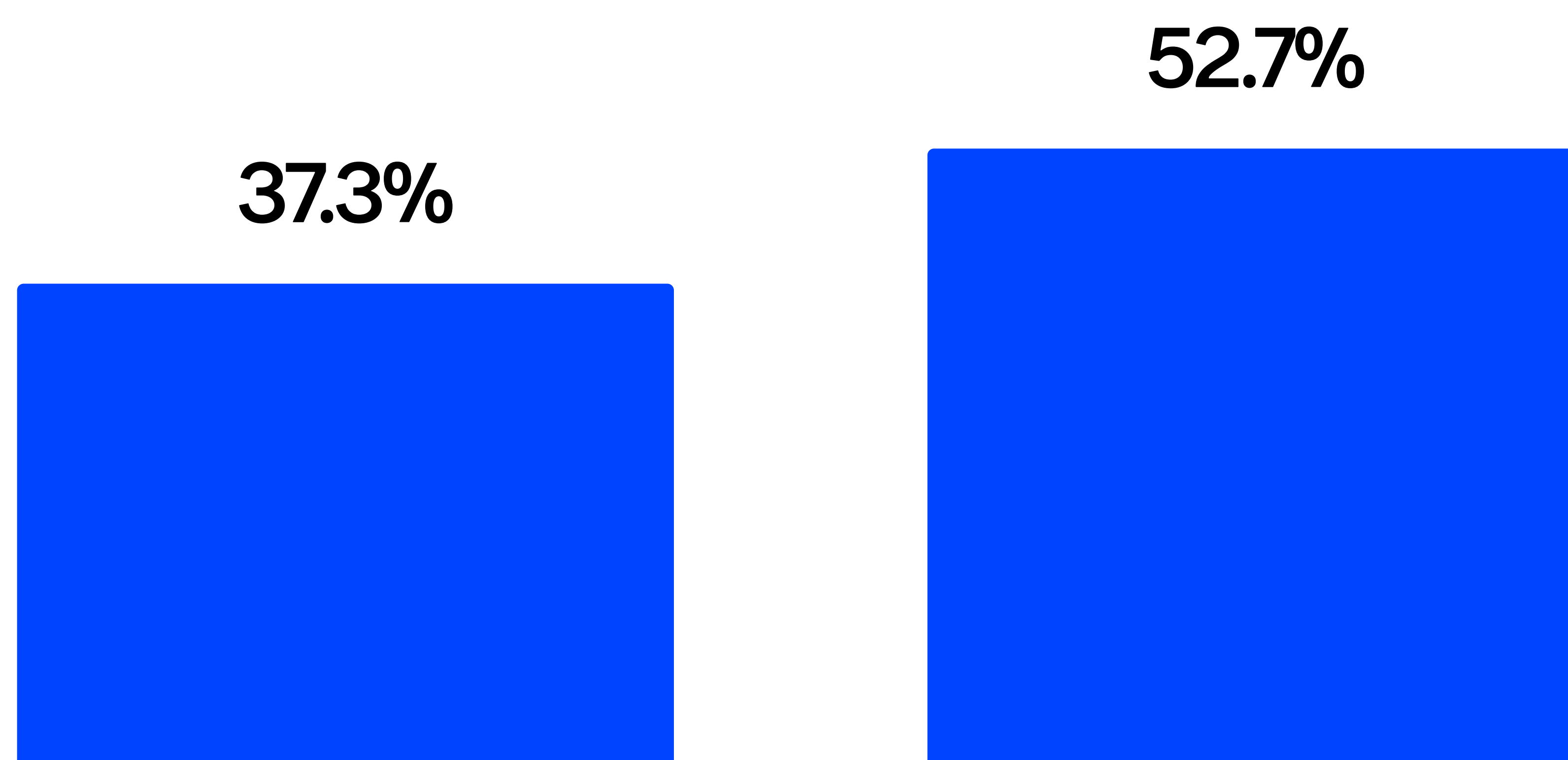
As worker expectations continue to evolve, delaying the implementation of a flexible pay system carries increasing risk. Pay flexibility is entering the job choice equation, with more than **66.2% of employees** saying it will influence their job choice by 2026.

What this means: Control over pay timing is now a consideration when workers evaluate prospective employers — along with wages and schedules.

Workers will judge employers by their ability to provide flexible pay arrangements

Nearly 50% of workers will also judge employers based on how modern their pay systems are. How employers pay is now becoming part of the employer brand, where it once was invisible and workers were happy just to get a paycheck on time.

On-demand pay is becoming the baseline



More than half of both **employees (51.6%)** and **employers (52.8%)** agree on-demand pay will be expected by 2026.

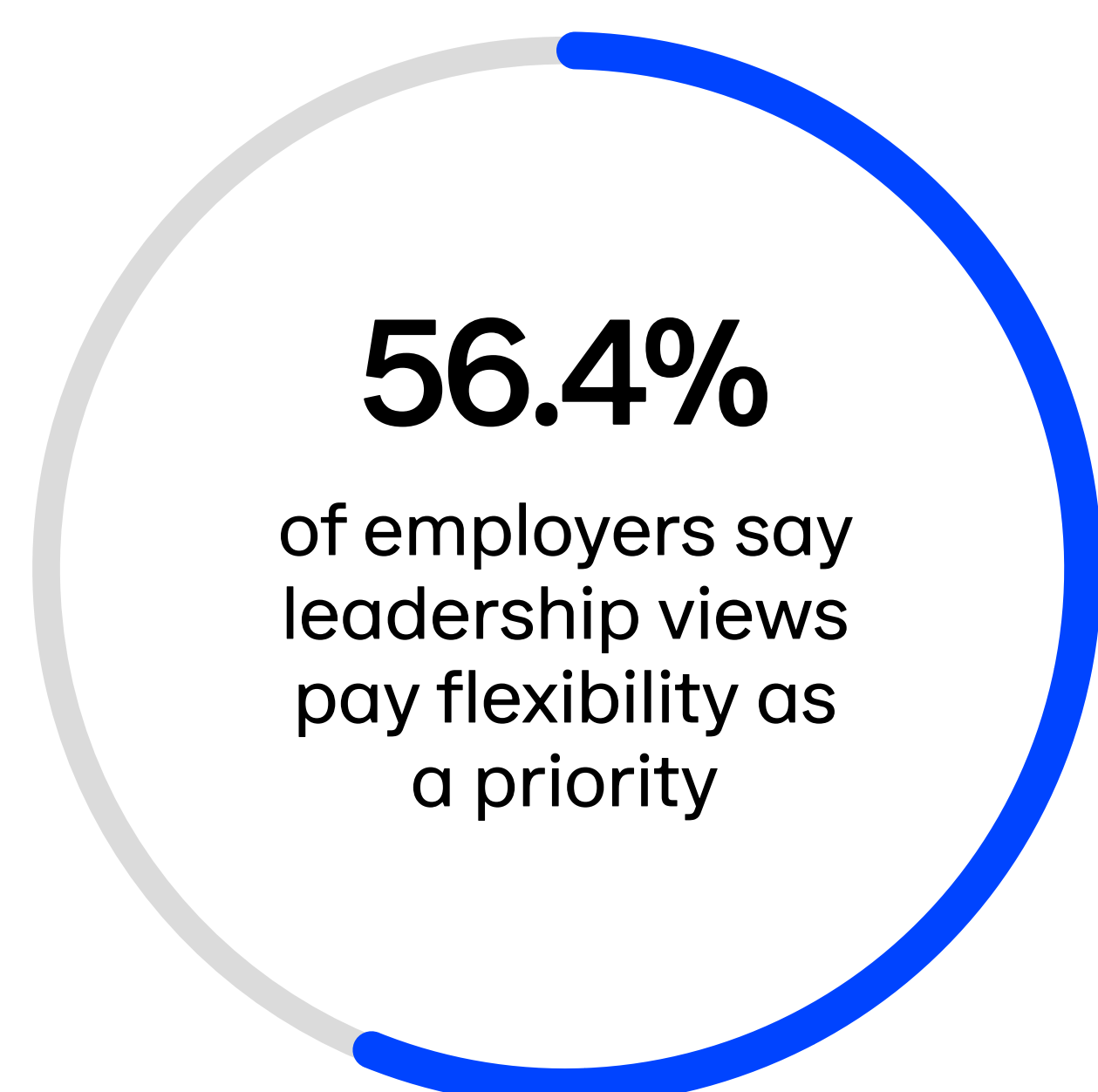
What this means: The future direction is clear, even if implementation timelines differ.



“Employees have already adapted to rigid pay cycles. The question for employers isn’t whether pay flexibility matters — it’s whether their systems will catch up before workers move on.”

— Alex Bradford, Co-founder & CEO, Rain

The real bottleneck: leadership and infrastructure



Despite strong alignment on the importance of pay flexibility, progress is slow because organizations aren’t making it a priority. The barrier isn’t demand, it’s priority.

Only **56.4% of employers** say leadership views pay flexibility as a strategic priority.

What this means: Employee demand isn’t the constraint. Leadership hesitation and priority differences are.

What flexible pay signals to employees

Employees increasingly interpret pay systems as signals of trust, respect and stability. Outdated payroll practices suggest misaligned priorities. The willingness to offer flexible pay arrangements signals care, innovation and credibility.

“Culture isn’t just what you say — it’s what your systems allow. Employees read outdated payroll the same way they read outdated tools anywhere else.”

— Alex Bradford, Co-founder & CEO, Rain

Conclusion: where trust is won or lost

Employees have already adapted their behavior to slow, rigid pay systems in various ways, which aren’t always in the best interests of the companies they work for.

Employers are still debating whether to prioritize how they pay employees.

That gap — between lived worker experience and employer perception — is where productivity, retention and trust are being won or lost.

Payroll is no longer invisible. It is part of the larger workforce infrastructure.

Learn more about [Rain’s EWA solution](#) →



About the research

In November–December 2025, Rain Technologies surveyed 1,000 U.S.-based hourly workers and 1,000 U.S.-based employers in HR, payroll and finance via Pollfish. Results carry a ± 3.1 percentage-point margin of error at the 95% confidence level.

About Rain

Rain is transforming how companies support employee financial health by embedding workforce finance solutions directly where payroll and workforce management already happen. By offering Rain to their workforce, employers reduce financial stress — the leading cause of productivity loss.

Rain helps employees stay ahead of bills and rent (Stabilize), lays the foundation for healthy finances (Build), and creates room to thrive (Grow). The platform includes real-time access to earned wages, rent assist, automated savings and rewards, credit building and personalized financial guidance.

For employers, Rain delivers measurable outcomes in retention and engagement, directly impacting bottom-line performance.

Ready to transform your workforce's financial health?

Visit rainapp.com or contact us at sales@rain.us to learn more.

