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Mastercard Teams With Startup To Get Hourly Workers Paid Quicker



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More than half of U.S. employees are hourly workers. Yet the **81.9 million** of them are often ignored by the big banks and financial service providers.

Many hourly workers enter the workforce unbanked thanks to costly fees and minimum deposit requirements. Some are forced to use check-cashing services or payday lenders that eat away at their earnings.

Mastercard, the Purchase, N.Y.-based payment technology company, is trying to change that. It's teaming up with fintech startup Branch to provide a debit card to millions of hourly workers across the country.

“Mastercard recognizes work is changing and many people don’t have salaried jobs that they stay at for long periods of time,” said Sherri Haymond, EVP of Digital Partnerships for Mastercard. “No matter how you choose to work, Mastercard wants to make sure you can get paid and have access to your income in a way that makes more sense.”

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Branch, the Minneapolis, Minnesota, based mobile technology company that makes a financial wellness app for employers, inked a partnership with Mastercard and Evolve Bank & Trust to offer a free, digital checking account and debit card for hourly workers. Employees who use the debit card get instant advances against their paychecks for free. It will be available in November, with workers able to sign up directly from the Branch app. The checking account has no fees or minimum balance requirements.

Branch Chief Executive Atif Siddiqi said larger financial players are waking up to the opportunity there is in serving this group. “We've seen that once an hourly employee joins the workforce, their employer is their first entry into the financial system,” said Siddiqi when announcing the new checking account and debit card. “Given their income volatility and limited access to the support they need, we want to provide hourly workers a strong start on their financial journey and offer services that help them improve their financial wellness and save.”

Outside of the checking account and new Mastercard debit card, Branch offers hourly workers tools to help them manage their cash flow from one paycheck to the next. It also provides the ability for employees to pick up extra shifts through the app. Branch offers its platform to employers that customize it for their business. Its customers include Walgreens, Pizza Hut, Lowe's, McDonald's, Taco Bell, and CVS Pharmacy.

Siddiqi said its customer base is growing as employers look for ways to attract and retain hourly workers. “In the industries, we service there's anywhere from 60% to 150%

turnover annually,” said the CEO. “That’s a massive cost...they're looking for anything they can do to slow down the continual churn. This is a service employees need and makes a difference in their lives.”

Mastercard’s partnership with Branch underscores the credit issuer’s efforts to remain relevant in a fast-changing world. Not only are digital payments taking off around the globe, but people are changing the way they work. They no longer stay in one job for years collecting a steady paycheck. They’re jumping from one gig to the next, starting businesses or working at several jobs at once.

According to the Bureau of Labor Statistics, the average working-age American will hold 11 jobs over their lifetime. This shift in the workforce will require different benefits and means of paying these workers.

The best way to meet the change in the view of Mastercard is for the private sector and governments to work together to advance innovations. Mastercard wants to make sure it’s the one innovating, rather than a fintech startup coming out of Silicon Valley. “Work is a different thing now than even five years ago, let alone ten or twenty years,” said Haymond. “We will continue to innovate to provide useful tools. Money should be safe, simple and smart.”

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