

Fiserv acquires Payfare as earned wage access demand heats up

Article

The news: Fiserv will acquire Canada-based earned wage access (EWA) provider Payfare, per a press release.

The two companies previously competed for similar business: Payfare had been managing DoorDash's debit card issuing platform for gig workers, but Fiserv won the DoorDash

platform agreement in October. The acquisition helps clear the field for Fiserv to grow its embedded finance solutions and card program management.

The deal, which is reported to be worth around \$140 million, is expected to close in the first half of 2025.

The bigger picture: Demand for EWA among workers has been on the rise, and providers have been racing to keep up.

- **The number of transactions processed by EWA providers shot up more than 90% between 2021 and 2022**, per CFPB estimates.
- During this time, more than 7 million workers accessed \$22 billion in wages through EWA plans. Workers took out an average of 27 loans per year.

In response, at least 35 companies now have EWA as a standalone offering, and major banks like **PNC** and **TD** offer such services to commercial workers.

Our take: A large payment provider like Fiserv making this type of acquisition highlights the growth of the EWA sector.

EWA can improve consumers' cash flow and help pay for unexpected expenses: **62% of consumers** live paycheck to paycheck, per a January 2024 survey from PYMNTS.

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