# The shift towards instant payroll solutions driven by gig economy dissatisfaction



The conversation surrounding payroll systems is evolving rapidly as workers in gig, freelance, and contract roles express growing dissatisfaction with traditional biweekly and monthly payment structures. According to a recent report by PYMNTS titled “Pay Without Delay: How Faster Payroll Improves Employee-Employer Relationships,” this dissatisfaction stems from the financial challenges imposed by delayed payments, prompting a significant demand for instant payroll solutions.

Traditional payroll systems are facing increasing scrutiny due to their limitations in meeting the needs of modern workers. The report reveals that a substantial percentage of employees—58%—consider the existing payroll infrastructure inadequate. Key issues cited include high processing fees, sluggish payment timelines, and complications with currency conversions. Notably, freelancers are disproportionately affected, with 29% reporting that their invoices are paid late, and a quarter of those experiencing delays exceeding two weeks. The issue is particularly pronounced among freelancers in specialised fields, such as software development, where 29% encounter these delays. Furthermore, female freelancers report higher levels of financial stress, with 31% affected by late payments compared to 24% of their male counterparts.

These payment delays often lead workers to consider payday loans as a potential quick solution, yet such decisions frequently exacerbate financial difficulties. The report highlights that 93% of payday loan borrowers subsequently regret their choice, with 80% finding themselves in a worse financial situation. Typically, borrowers incur significant fees and interest—averaging $520 for a $375 loan—underscoring the urgency for faster payroll solutions across various industries.

The growing demand for instant payroll reflects a broader shift in worker expectations. In the report, 72% of consumers expressed a preference for immediate access to their earnings, with 78% indicating satisfaction with such arrangements. Employers are encouraged to explore on-demand payroll systems, as 22% of surveyed individuals are willing to incur a fee for quicker payment access.

Particular sectors, like healthcare, present acute needs for these speedy payment solutions. The report indicates that 57% of healthcare workers experience financial stress, with 34% frequently running out of funds between pay periods. Nearly half of these workers struggle to meet their financial obligations on time due to the limitations of traditional payroll cycles. A notable 82% of healthcare employees believe more frequent pay could relieve some of this pressure, with 48% seeing earned wage access as a viable remedy.

Moreover, the benefits of instant payroll extend to employers, enhancing their operational efficacy and employee relations. By ensuring timely compensation, employers can foster trust and loyalty among their workforce, potentially lowering turnover rates and reducing the costs associated with hiring and training new staff. The trucking industry exemplifies this trend, facing a significant shortage of approximately 80,000 drivers. Companies that offer instant payments are reportedly gaining a competitive edge; 91% of truckers receiving instantaneous payments indicated that they appreciate the speed and security it provides, with 37% willing to pay a fee for the service.

In the hospitality sector, various companies, including Shift4 and Kickfin, are optimising tip payouts to improve efficiency, which benefits both employees and employers by minimising administrative burdens and enhancing retention.

The ongoing developments in payroll systems signify a critical juncture in how businesses engage with their workers and adapt to the evolving landscape of employment. The prospective shift towards instant payroll presents opportunities for innovation and reform in financial management within the workplace.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://finzly.com/insights/instant-payroll-the-obvious-use-case-for-rtp-and-fednow/> - Corroborates the benefits of instant payroll, including the elimination of 'paycheck to paycheck' payment cycles, especially for gig workers, and the flexibility to pay instantly 24/7/365.
* <https://www.pymnts.com/news/faster-payments/2025/88percent-firms-say-they-benefit-from-faster-payments/> - Supports the idea that faster payments help businesses manage cash flow, reduce delays, and enhance B2B connections, with 88% of firms reporting benefits from faster payment options.
* <https://www.pymnts.com/tracker_posts/end-the-wait-smbs-and-the-protracted-challenge-of-delayed-payments/> - Highlights the impact of delayed payments on SMBs, including disruptions in cash flow and the need for timely payments to sustain operations, especially during inflationary periods.
* <https://www.jemini.com/insights/latest-insights/payroll-solutions-gig-economy-modern-work/> - Discusses modern payroll solutions for the gig economy, including instant pay requests and quick pay processing, which align with the demand for faster payroll solutions.
* <https://www.pymnts.com/tracker_posts/end-the-wait-smbs-and-the-protracted-challenge-of-delayed-payments/> - Details the challenges faced by SMBs due to delayed payments, such as disrupted day-to-day operations and the need for modern cash management tools.
* <https://finzly.com/insights/instant-payroll-the-obvious-use-case-for-rtp-and-fednow/> - Mentions the ability to track invalid payments and potential efficiencies and cost savings by moving to instant payment rails, which benefits employers.
* <https://www.pymnts.com/news/faster-payments/2025/88percent-firms-say-they-benefit-from-faster-payments/> - Reports that late payments are common, with 57% of invoices paid late and 33% taking more than 90 days to settle, emphasizing the need for faster payment solutions.
* <https://www.jemini.com/insights/latest-insights/payroll-solutions-gig-economy-modern-work/> - Explains how modern payroll systems offer features like same-day or next-day payments, which boost worker satisfaction and help attract top talent.
* <https://www.pymnts.com/tracker_posts/end-the-wait-smbs-and-the-protracted-challenge-of-delayed-payments/> - Highlights the specific challenges faced by healthcare workers due to traditional payroll cycles, including financial stress and the need for more frequent pay.
* <https://finzly.com/insights/instant-payroll-the-obvious-use-case-for-rtp-and-fednow/> - Corroborates the benefits of instant payments in industries like trucking, where companies offering instant payments gain a competitive edge and improve employee satisfaction.