



America's Invisible Bank

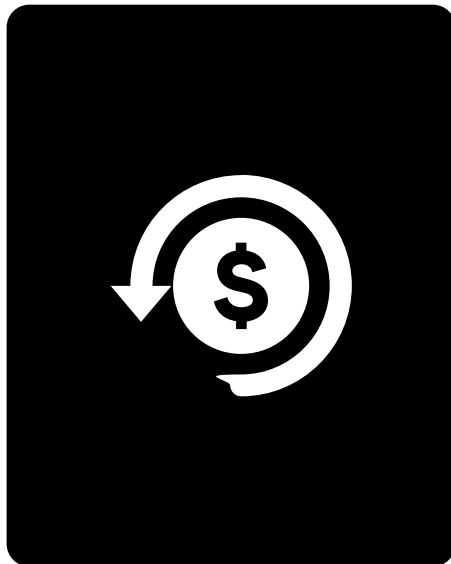
The Real Cost to Employees

Conferma Insight Report 2019



Key findings

Employees in the US are effectively lending their employers \$1.6 billion a month through expenses, leading to a feeling they are at times acting as a bank to their own employer. The problem of reimbursement is a big issue for many, so much so that 45% experience personal cash flow issues because of their company's expense submission deadline.



45%

of employees state that the time taken to get their expenses repaid has left them with less money to spend on personal items in the short term.



The average amount of money spent on work related expenses equates to \$111 per month.

The majority of employees say that if faced with a situation where they were expected to pay for their own expenses but had no access to their personal funds at the time would refrain from paying the expense even if detrimental to the company.

\$1.6B

2 in 5

employees say that their company's expense submission deadline has caused them personal cashflow issues and stress.

2 in 3

employees use their own money to pay for work-related expenses.

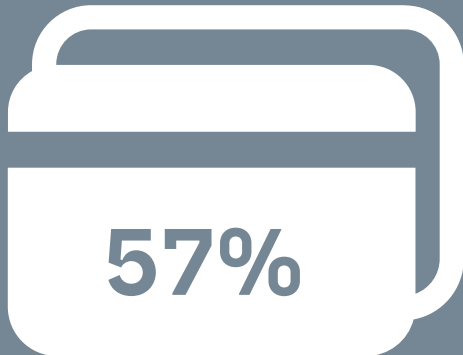
3 in 5

employees would use a mobile app for expense payments.

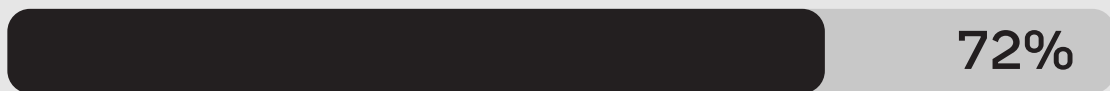


of employees experience personal cash flow issues.

Unwilling Financiers



of employees use their own money to pay for work-related expenses at least once a month.



of employees aged 18-34 use their own money to pay for work related expenses.



of employees use their own money to pay for work related expenses at least once a year.

1 in 5

employees use their own money at least on a weekly basis to pay for work related expenses.

2 in 5

employees have used their own money to pay for work related expenses.

Cost to Employee

The average expenses claim per month is

Employees spend \$111 of their own money per month on average to cover work related expenses.



63% of employees pay at least \$50 of their own money per month to cover work related expenses.



50% of employees use their personal card to pay for work related expenses they incur and then subsequently reclaim the cost from their employer at a later date.



38% of employees pay at least \$100 of their own money per month to cover work related expenses.

Two thirds of employees are responsible for personally paying the work related expenses they incur.

2/3

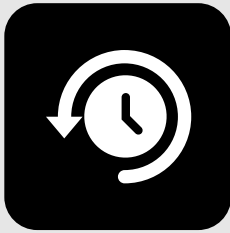
Higher income employees are more likely to cover work related expenses themselves.



The largest expense claim submitted by the average employee is \$440.

\$440

Cost to Employers



Delays in reimbursement of work expenses can also have detrimental effects on businesses.



of employees say that if they were in a situation where they were expected to pay their expenses from their own account but did not have the access to personal funds, they would not incur the expense even if it was bad for the company.

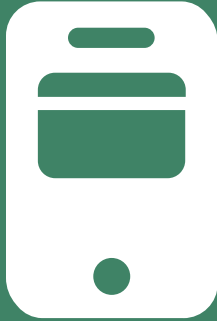


of 18–34 year olds say that if they were in a situation where they were expected to pay their expenses from their own account but did not have the access to personal funds, they would get a loan from a friend/family to cover the shortfall.

58%

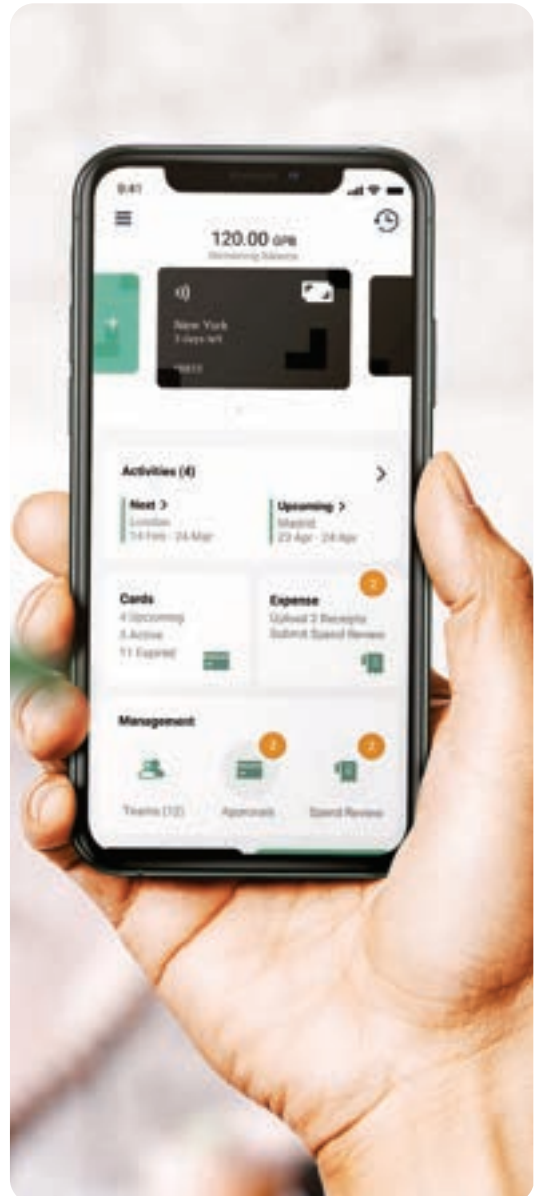
of employees say they would stop expenditure on work-related costs if there was a significant delay in their expense reimbursement.

Solution



If companies introduced a mobile app for expenses where employees would not need to cover the cost of business expenses, 60% of them said that they would be very likely to use such an app.

If your company introduced a mobile app for expenses that would mean you never have to cover the cost of a business expense yourself, how likely would you be to use the app instead of a card to cover your expenses?



Methodology

Approach

Fieldwork Dates:

14 June 2018 – 19 June 2018

Sample Size:

1,001 US adults (18+) currently in employment


Methodology:


Online survey (sole traders and the self-employed were excluded)

Calculation for America's Invisible Bank. In order to establish a figure on the amount of money 'lent' by employees to businesses through the time lag of expenses being incurred and reimbursed, Conferma used the following process:

US working population employed (US Census Bureau, 2015)	115,938,468
% of employees who pay for expenses using personal means at least once a month	38%
Sum of employees who pay expenses using personal means at least once a month	\$ 4,919,112
Average expense claim on a monthly basis	\$ 110.90
% of expenses repaid in less than a week but not immediately	33%
% of expenses repaid in 1-2 weeks	27%
% of expenses repaid in more than 2 weeks	11%
Sum of expenses repaid in less than a week but not immediately	\$ 406,561,729
Sum of expenses repaid in 1-2 weeks	\$ 665,282,826
Sum of expenses repaid in more than 2 weeks	\$ 542,082,303
Total sum of employee 'lending' to company	\$ 1,613,927,900



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