WAGE TO WALLET™ INDEX

Measuring the Labor Economy's Impact on U.S. Financial and Economic Health

OCTOBER 2025

PYMNTS INTELLIGENCE

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The Wage to Wallet Index: Measuring the Labor Economy's Impact on U.S. Financial and Economic Health was produced by PYMNTS Intelligence, which retains full editorial control over the following findings, methodology and data analysis.

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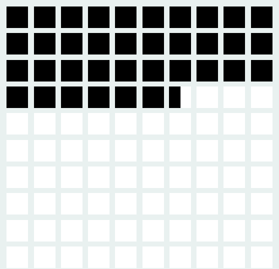
Introduction

America's economic engine doesn't run on technology or software. It runs on people who stock warehouses, move goods, serve meals, clean rooms, assist patients and staff retail counters. This is the Labor Economy. It's made up of roughly 60 million workers whose jobs are the connective tissue between production, distribution and service delivery. They are not invisible. They are essential. And they are financially fragile in ways that matter not just for individual households, but for the entire economy.



36.5%

of total U.S. employment is made up of 60 million workers generally **earning no more than $25 an hour or less than $50,000 a year**—and they drive 15% of total consumer spending.

The Labor Economy is a discrete cohort of about one-third of U.S. workers, most earning $25 an hour or less, most under $50,000 annually. Their day-to-day performance and spending power exert measurable influence on inflation, consumer demand and supply-chain resilience. Because their consumption and participation hinge on steady income and predictable work schedules, even short disruptions to work schedules or delays in getting paid create outsized economic drag. Instant, reliable access to earnings is therefore not just a convenience; it is a system-level stabilizer both for individual households and for the economy they power.

The **Wage to Wallet** Index

is a new monthly data initiative designed to bring visibility to the financial and economic importance of the Labor Economy, which is the 60 million workers who form the connective tissue of America's production, distribution and service sectors.

This collaboration between PYMNTS Intelligence, WorkWhile and Ingo Payments provides a first-of-its-kind quantitative and behavioral lens into how wage growth, employment dynamics and income access among these essential workers influence not only household well-being but also macroeconomic performance.

The index combines WorkWhile's real-time labor utilization and wage data, Ingo Payments' wage access and disbursement data and PYMNTS Intelligence's proprietary research on consumer sentiment, savings, spending and financial lifestyles.

Together, these sources form an alternative data ecosystem that can track the pulse of America's working economy. This segment is often underrepresented in traditional measures of economic health.

DEFINING THE LABOR ECONOMY

The Labor Economy represents roughly one-third of all U.S. workers, comprising those who earn $25 an hour or less and typically make under $50,000 annually. These are the warehouse associates, drivers, servers, cooks, hotel staff, retail clerks, janitors, maintenance workers, construction crews, home health aides and customer service representatives who keep the economy running at scale.

Their roles require presence, reliability and human interaction. They cannot be automated, outsourced or performed remotely. Their collective effort forms what can best be described as America's human infrastructure, a hands-on workforce that allows goods to move, services to operate and communities to function.

WHY THE LABOR ECONOMY MATTERS

When the Labor Economy runs short, store shelves go empty, deliveries slow and service quality erodes. The pandemic made this dependence painfully clear when worker shortages rippled through every level of supply chains and Main Street businesses.

Because these workers make up such a large share of the total labor force, small changes in their wages, hours or employment stability can have outsized effects on prices, productivity and overall consumption. A healthy Labor Economy strengthens resilience; a strained one exposes fragility everywhere.

ECONOMIC AND FINANCIAL SIGNIFICANCE

PYMNTS Intelligence estimates that U.S. consumers will spend approximately **$11.5 trillion in 2025**. Labor Economy workers account for **36.5% percent of total employment**, yet because they are concentrated in lower-income bands, they drive **15.1% percent of total consumer spending—equivalent** to more than **$1.7 trillion in annual outlays**.

This means that even small shifts in their earnings cascade quickly across the broader economy.

A **1% percent wage change** within this segment translates into an approximate **$17 billion impact on GDP**.

Applying recent wage fluctuations observed in the WorkWhile sample, the annualized impact on spending has ranged from a **$20 billion increase** during periods of wage acceleration to **$30 billion–$40 billion decreases** when wages softened. These sensitivities illustrate the direct connection between the Labor Economy's financial health and the nation's macro-economic performance.

FINANCIAL FRAGILITY AND HOUSEHOLD STABILITY

Despite their essential role, many Labor Economy workers live on precarious financial ground.

Compared to the general population, these workers have significantly lower levels of savings and greater dependence on revolving credit. PYMNTS data shows that average consumers hold about $9,869 in liquid savings, while comparable workers in the Labor Economy have just $5,737. Fewer than one in three feel confident they could cover a $2,000 emergency within 30 days, and their consumer sentiment index is 10% lower than that of the broader population.

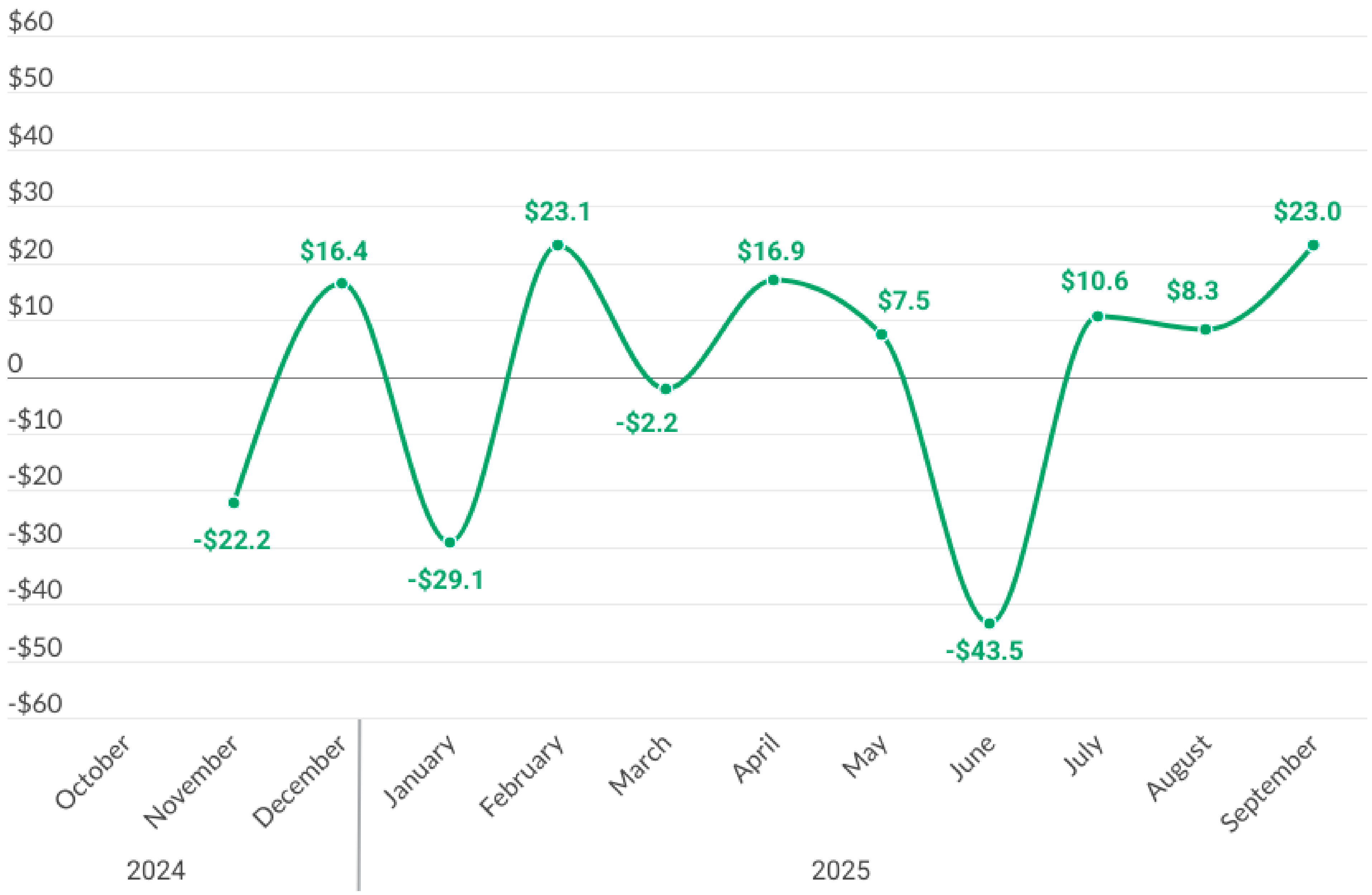
This fragility matters not just for households, but for the macroeconomy. When income continuity breaks, whether through missed shifts, delayed pay or unpredictable scheduling, these disruptions translate almost immediately into reduced spending and lower aggregate demand.

THE POWER OF INSTANT WAGE ACCESS

The data consistently shows that **faster access to pay enhances financial resilience**. A majority of Labor Economy workers opt to receive their wages in 30 minutes or less when that payment method is available, and many are willing to pay small fees for that immediacy. Having access to earnings in real time reduces reliance on high-cost credit and helps smooth cash flow between pay cycles. At scale, this mechanism acts as a stabilizer, not only for individual households but for the overall economy they sustain.

FIGURE 1

Estimated projection of annual impact to U.S. GDP associated with wage changes among Labor Economy workers, in billions of dollars



Source: PYMNTS Intelligence
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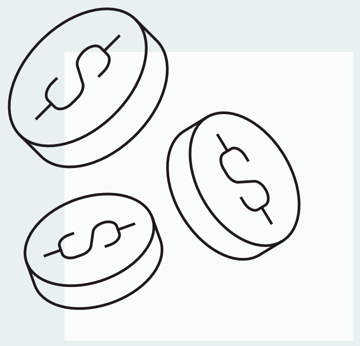
$23 BILLION



was contributed by **Labor Economy workers to U.S. GDP** in September 2025.

KEY **FINDINGS**

01

FINANCIAL FRAGILITY IS WIDESPREAD.

Lower liquid savings, higher credit-to-income ratios and heavier revolving balances weaken resilience. Labor Economy workers' confidence in handling financial shocks is the lowest of any group we analyzed.

02

RISING COSTS HAVE RESHAPED SPENDING BEHAVIOR.

Labor Economy workers trade down, seek sales and cut discretionary purchases at higher rates than average, signaling tighter demand elasticity.

KEY **FINDINGS**

03

INCOME CONTINUITY IS CRITICAL.

Missed shifts, unpredictable changes to work schedules and delayed pay translate quickly into curtailed spending and broader economic drag.

04

FASTER ACCESS TO WAGES BUILDS RESILIENCE.

A majority of Labor Economy workers choose instant wage access when offered it and are willing to pay more for to get it. Getting paid instantly stabilizes cash flow and reduces reliance on high-cost credit between pay cycles.

The **Wage to Wallet Index** represents a new, data-rich framework for understanding the Labor Economy. It is not a sidebar to macroeconomics, but its living core.

By merging behavioral, transactional and labor market data, this initiative will help quantify the true role of essential workers in shaping economic resilience.

These are not invisible workers. They are the foundation of an economy that runs on people whose daily labor, spending and persistence keep America's economic engine turning.

A strong Labor Economy strengthens economic resilience. A weak one exposes fragility everywhere.

FEWER THAN
1 IN 3

Labor Economy workers could **come up with $2,000 in cash within 30 days** for an emergency expense.

What Makes the **Labor Economy Unique**

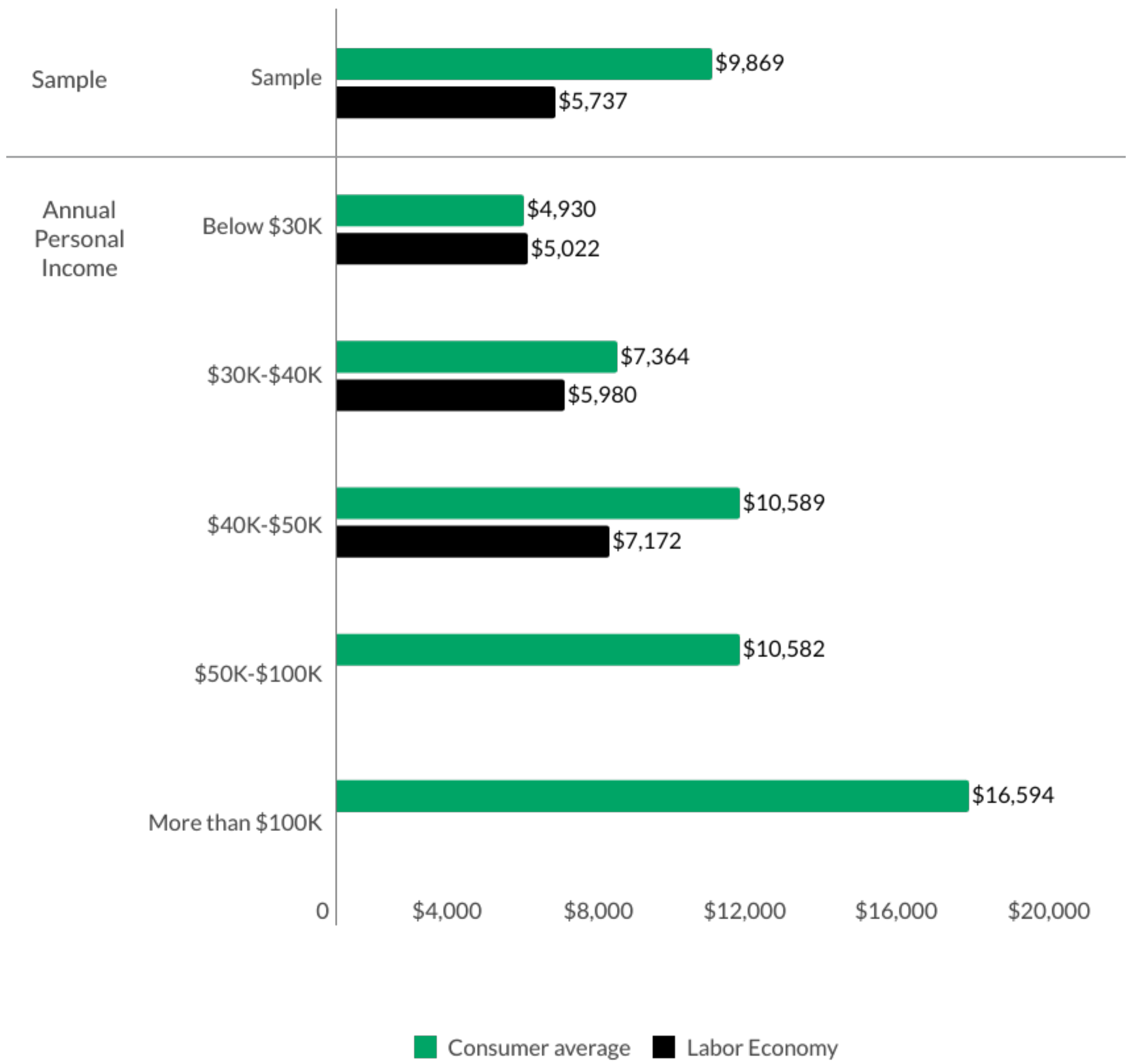
1

Financial fragility is widespread.

As seen in Figure 2 Labor Economy households hold thousands of dollars less in liquid reserves than the average consumer, even at similar income levels (about $5,737 vs. $9,869). Higher credit-to-income ratios and larger revolving balances compound the strain. Less than one-third could come up with the cash to handle a $2,000 surprise expense within a month, and their overall sentiment (49.2) trails the general population (54.7) The picture is consistent: thin buffers, more credit dependence, lower confidence. That fragility makes short-term income shocks expensive due to late fees, overdrafts and deferred bills. It also slows an individual's financial recovery.

FIGURE 2

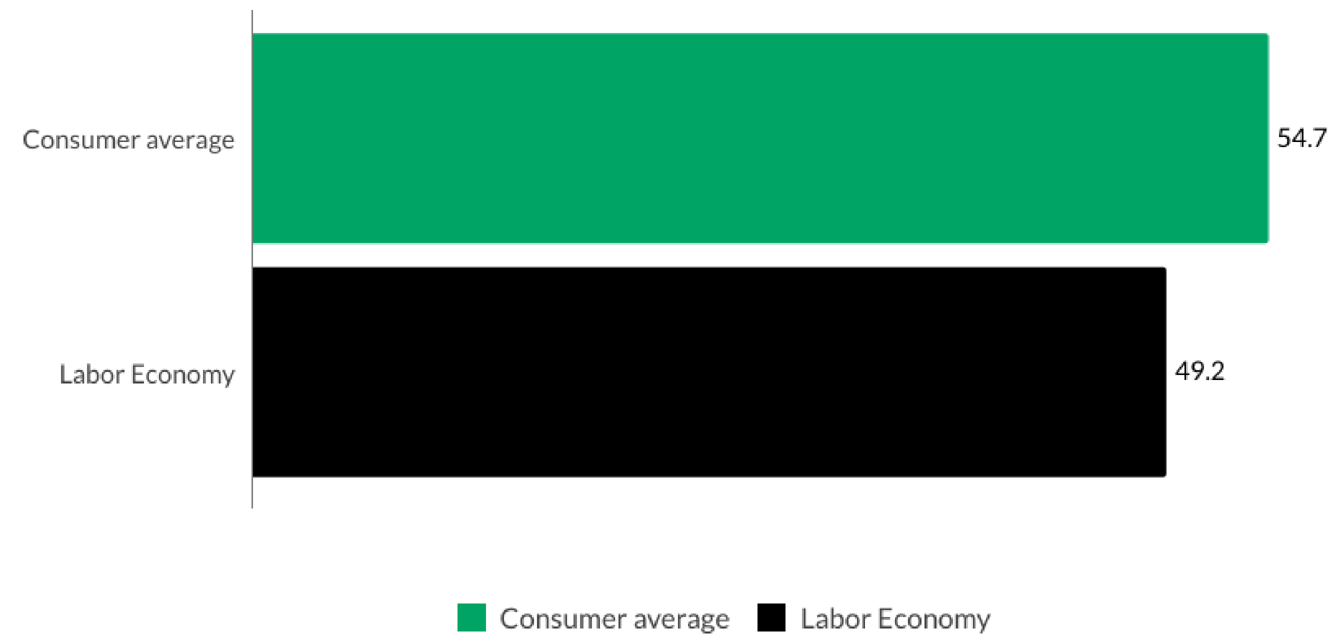
Readily-available savings by income: Labor Economy vs. Consumer Average



Source: PYMNTS Intelligence
The Wage to Wallet Index: Measuring the Labor Economy's Impact on U.S. Financial and Economic Health
August 2025, fielded Aug. 5, 2025, to Aug. 19, 2025

FIGURE 3

Consumer Sentiment: Index Score



Source: PYMNTS Intelligence
The Wage to Wallet Index: Measuring the Labor Economy's Impact on U.S. Financial and Economic Health
October 2025, fielded Oct. 6, 2025, to Oct. 15, 2025

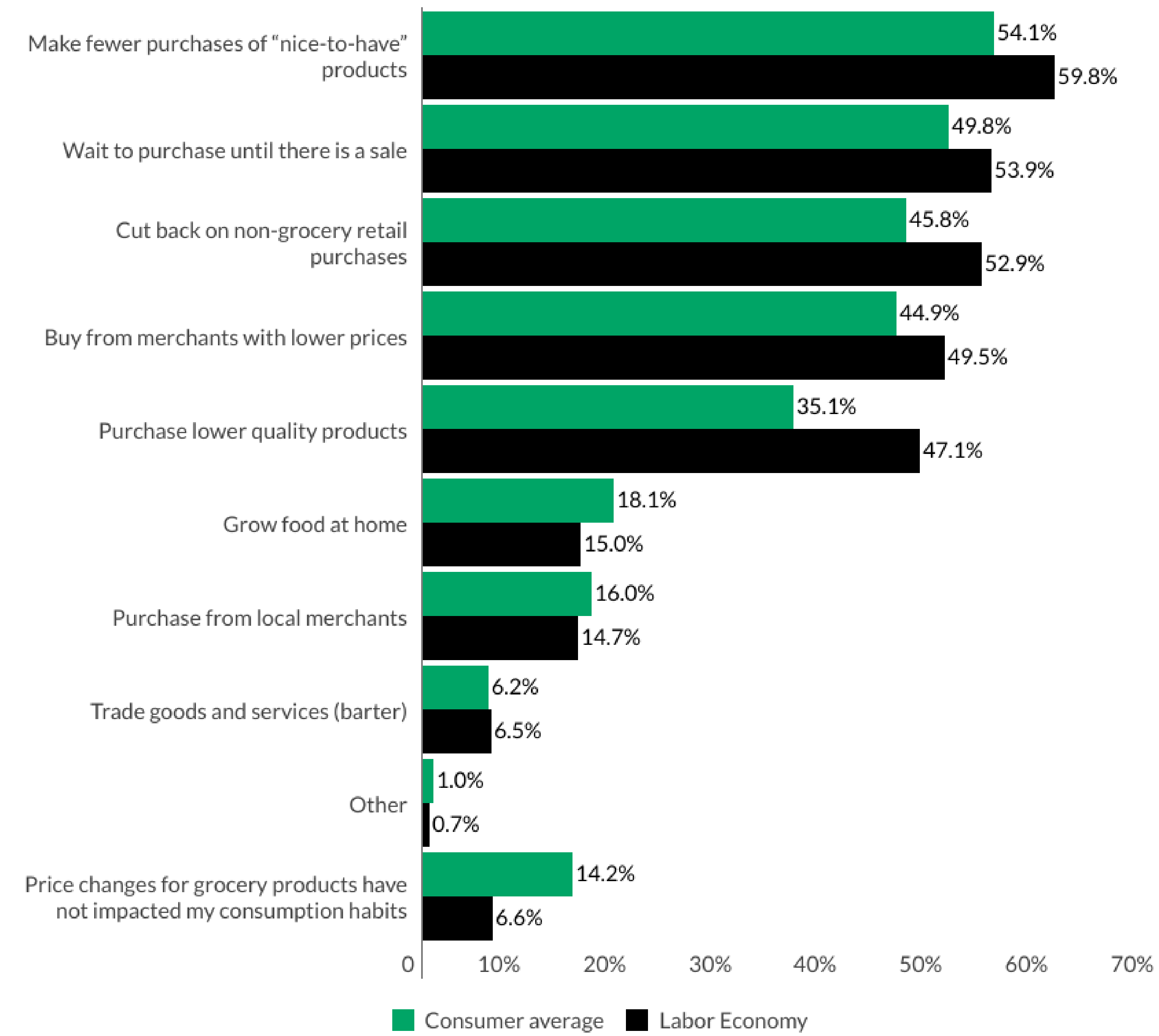
Note: Consumer sentiment is a metric calculated by considering 11 distinct measures of consumer confidence across current and future personal finances, the health of the broader economy, buying conditions, financial resilience related to savings, debt and emergency readiness and employment outlook and security.

2 Rising costs reshape spending.

Figure 4 shows how Labor Economy workers respond to higher consumer prices and increases in the cost of living. When prices rise, they are more likely to buy lower-priced goods (59.8% vs. 54.1%) and wait for sales (53.9% vs. 49.8%) compared to the general consumer. They pull back harder on discretionary categories (60% report buying fewer non-essential items) and trade down in brands and merchants. This is price sensitivity, not preference. It is survival.

FIGURE 4

Actions taken in response to price increases over the last 12 months through September



Source: PYMNTS Intelligence
The Wage to Wallet Index: Measuring the Labor Economy's Impact on U.S. Financial and Economic Health
August 2024, fielded Aug. 1, 2024, to Aug. 11

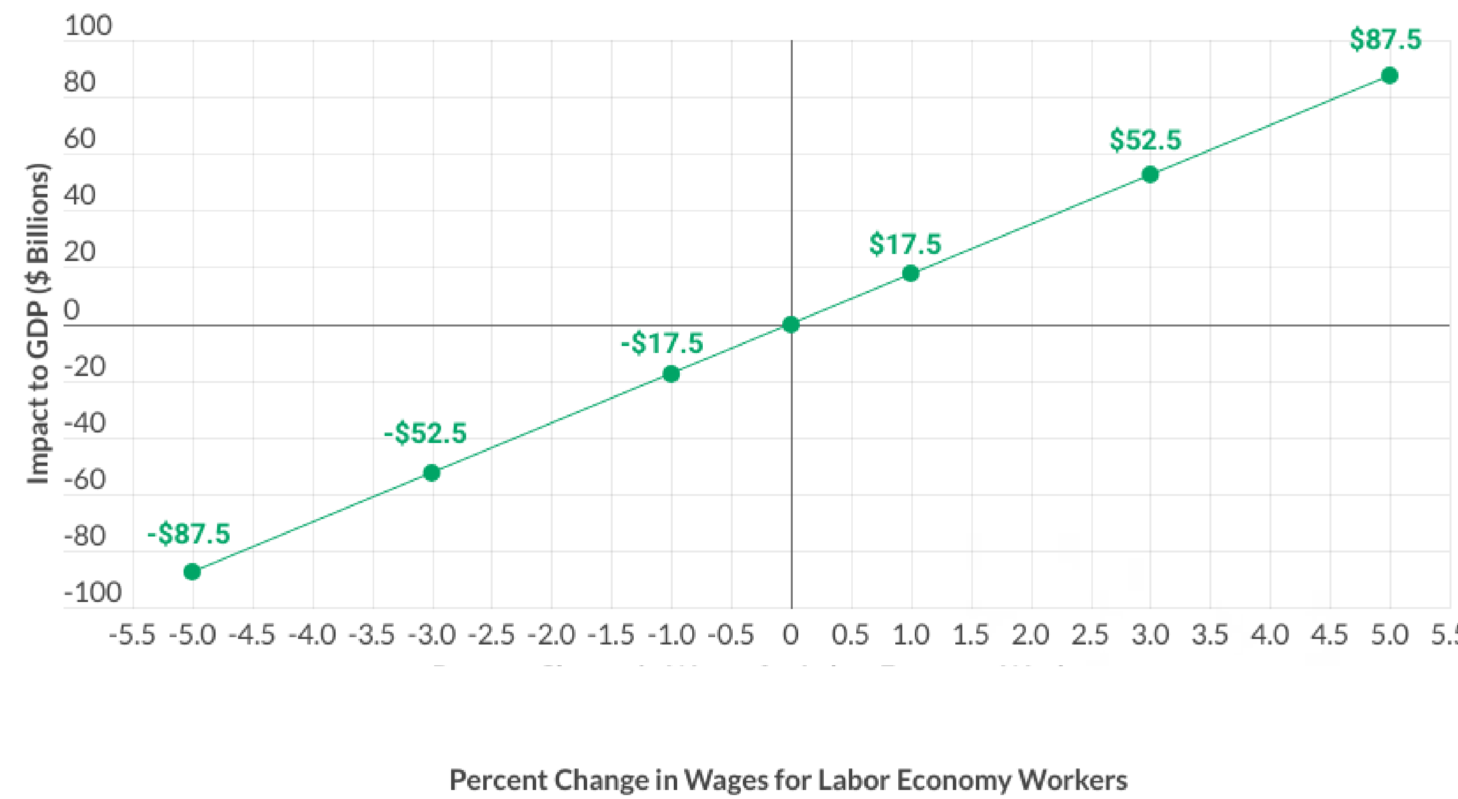
3

Income continuity is critical.

As Figure 5 shows for this group, spending maps closely to hours worked and timing of pay. Even brief interruptions such as a missed shift, a cut in hours or a delayed direct deposit impact the timing of rent, groceries and bill payments. At the macro level, the sensitivity is visible: A 1% wage move equates to about $17 billion in GDP impact, and recent wage changes in the sample imply $20 billion in gains or $30–$40 billion in losses in annualized consumer spending. The mechanism is straightforward: When pay is smooth and on time, consumption is steady; when pay is choppy, consumption stalls.

FIGURE 5

Impact to GDP based on wage changes among Labor Economy workers



Source: PYMNTS Intelligence
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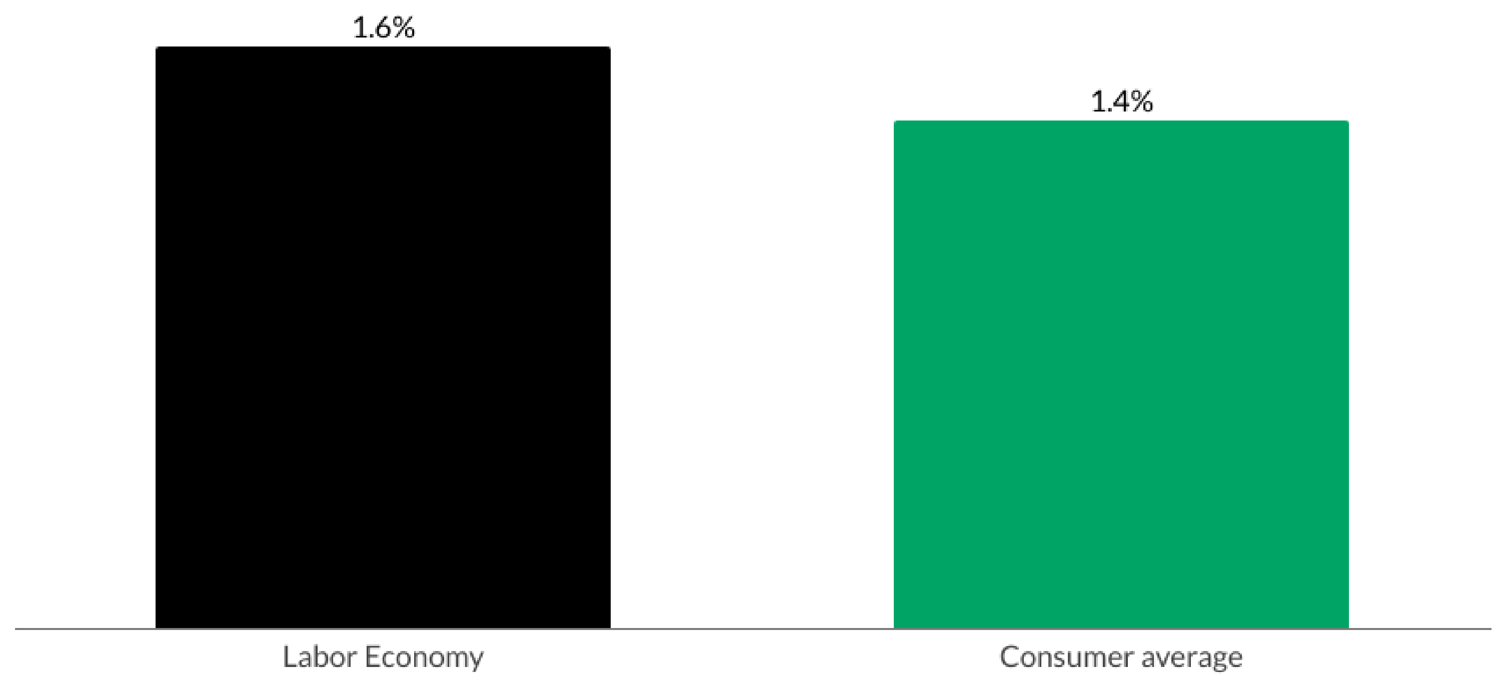
4 Faster pay access builds resilience.

When employers offer instant access to wages, 55% of Labor Economy workers opt in. As Figure 6 shows, many are willing to pay for speed because liquidity today can mean avoiding overdrafts, late fees or high-rate credit tomorrow. In this segment, instant pay is a financial shock absorber. It maintains spending continuity between pay cycles and reduces reliance on costly credit to bridge gaps.

FIGURE 6

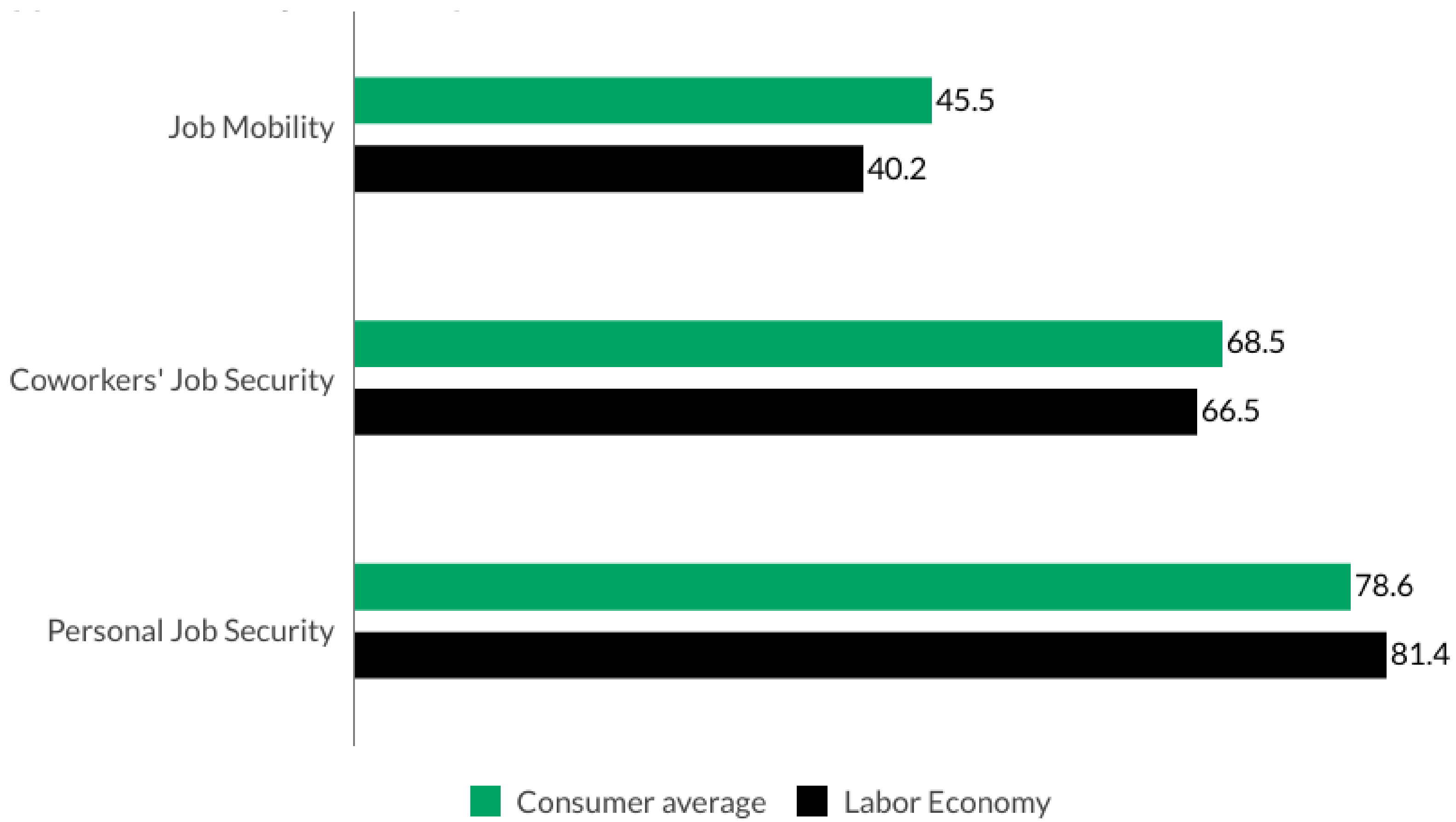
Average maximum fee that consumers are willing to pay to receive instant payments (as a percentage of the transaction)



Source: PYMNTS Intelligence
The Wage to Wallet Index: Measuring the Labor Economy's Impact on U.S. Financial and Economic Health
May 2025, fielded May 2, 2025, to May 29, 2025

FIGURE 7

Consumer sentiment: index components representing perceived availability of job opportunities and job security



Source: PYMNTS Intelligence
The Wage to Wallet Index: Measuring the Labor Economy's Impact on U.S. Financial and Economic Health
October 2025, fielded Oct. 6, 2025, to Oct. 15, 2025

Note: The above chart shows consumer sentiment index scores associated with the components related to job mobility (confidence in ability to find another job), broader economic job security (context) and personal job security.

As Figure 7 shows, despite lower job mobility (40.2 vs. 45.4), perceived job security is comparable or somewhat stronger compared to the average (81.4 vs. 78.6). That combination helps explain why wage moves and scheduling predictability matter more than job switching for short-run outcomes in this cohort.

Implications **and Actions**

Recognizing the Labor Economy as a distinct economic bloc clarifies how much of day-to-day commerce depends on a steady, fairly paid, well-scheduled workforce. Because their consumption is local and immediate, wage and scheduling improvements cascade into community-level demand. Conversely, volatility in hours and delays in pay result in empty restaurant seats, slower retail turns and deferred healthcare. Treating this segment as "human infrastructure" is not rhetoric. It is a practical lens for inflation management, supply-chain reliability and inclusive growth.

Three actions for employers and policymakers:

Modernize pay to provide instant, reliable delivery of wages. Offer instant or same-day access to earned wages to reduce reliance on revolving credit, overdrafts and payday alternatives. For the Labor Economy workforce, faster pay is a resilience tool, not a perk.

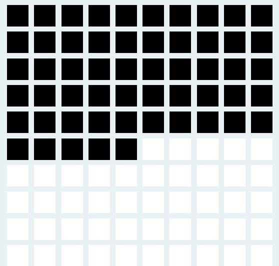
Stabilize schedules and hours. Reduce last-minute cancellations, improve shift predictability and ensure continuity of hours. Income continuity is the fulcrum of spending stability for this group and for the local economies they anchor.

Invest in the foundations of productivity. Improve pay, safety, training and tools in roles that cannot be automated away or offshored. Pathways to stability reduce turnover and improve service quality, strengthening the broader supply chain and consumer experience.

Conclusion

The Labor Economy is where the economy becomes real. It is the layer that makes the intangible tangible—moving boxes, serving meals, cleaning rooms, caring for people. It is also a segment whose balance sheets show thin buffers and whose spending rises and falls with the timing of pay. That makes them uniquely important to watch. When they are supported with fair wages, predictable schedules and instant access to earnings, households stabilize financially, businesses run better and macro indicators improve. The evidence is clear: Treating the Labor Economy as a cohesive system yields better economic forecasts, better policy and a more resilient economy. These 60 million workers are not invisible. They are indispensable.

55%



of **Labor Economy workers opt for instant pay** when it is available.

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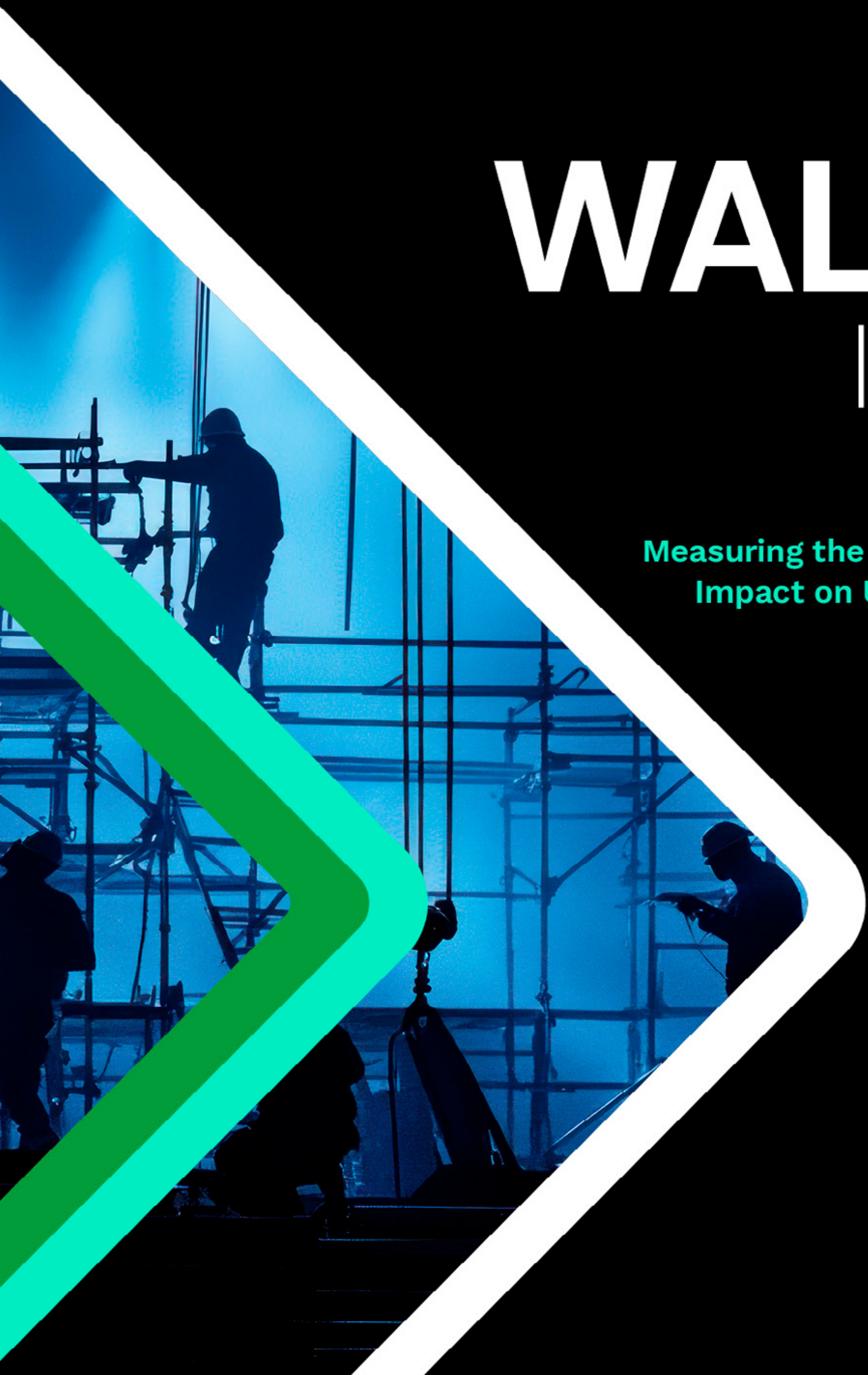

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METHODOLOGY

PYMNTS Intelligence built a proprietary economic model to estimate the spending power of the Labor Economy and its contribution to total U.S. consumer outlays. The model integrates official U.S. government data on consumer spending and income with workforce composition and occupational mapping to isolate workers in hands-on roles across logistics, retail, hospitality, construction and healthcare support. We established a baseline of spending by income and demographics, then layered in the workforce and occupational distribution that defines this segment to estimate its aggregate spending and its share of total consumer activity.

Projection techniques tied to macroeconomic benchmarks enable forward-looking estimates for 2025, including the share of national spending attributable to this cohort. All calculations are performed using internal interpolation, cohort mapping and allocation methods designed to reflect the demographic and occupational profile of the Labor Economy; the specific algorithms and weights are proprietary. The resulting figures provide directional insight into the scale and importance of this workforce while maintaining consistency with external benchmarks.

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ABOUT

The Wage to Wallet Index is built on a combination of three complementary data streams:

WorkWhile data: Provides real-time insights into employment trends, hourly wages, job participation rates and shift utilization across manufacturing, warehousing, logistics, retail, event and hospitality sectors. This data reveals how labor supply and compensation fluctuate at the ground level of the economy.

Ingo Payments data: Offers visibility into wage disbursement patterns and the adoption of instant pay. It captures how workers choose to access and manage their earnings and how instant availability of wages influences financial behavior and cash flow management.

PYMNTS Intelligence proprietary data: Supplements these sources with original survey data capturing financial sentiment, spending patterns, savings levels, and credit reliance across worker segments. This data identifies the behavioral and emotional contours of the Labor Economy, including confidence, stress, and spending elasticity.

Official Government data: Provides overall data on the U.S. economy and the size of consumer spending and employment cohorts. This includes data from the Census Bureau, Bureau of Labor Statistics and the Bureau of Economic Analysis on consumer spending by age and income level; total number of employed people by detailed occupation group and age; number of people by age and income level; and the level and growth of U.S. GDP.

The integration of these three sources enables the Index to measure relationships between earnings velocity, income access, and financial resilience, and to connect these microeconomic realities to macro-level outcomes such as GDP growth, consumer demand and inflation sensitivity.