

Uber to give drivers option to be paid instantly

March 17 2016, by Ken Sweet

Uber is launching a pilot program intended to help the ride-hailing service's drivers draw their pay faster, an effort that may also fend off emerging payday lenders who are targeting the service's drivers.

Uber will allow [drivers](#) to deposit their earnings from each ride into an account with GoBank, a subsidiary of the pre-paid debit card company Green Dot. Uber won't charge any fees for the service, and GoBank will not charge a monthly fee so long as drivers access their accounts at least once every six months. Should it go untouched for longer, drivers would face a monthly fee of \$8.95.

San Francisco-based Uber pays its drivers once a week, sometimes leading to financial stress for some members of its largely low-to-middle income workforce.

The [pilot program](#), which Uber is launching in San Francisco and a few other cities, is a direct challenge to companies that offer drivers faster payment in exchange for high fees. Drivers have been increasingly vocal about the need for alternatives, Uber executives said.

"Our drivers should not have to pay for this technology," said Wayne Ting, Uber's general manager for the San Francisco Bay Area.

The lack of an option at Uber, by far the largest of the ride-hailing app companies, to pay drivers instantly has increasingly resulted in services going into the business of providing cash advances to Uber drivers and

other members of the so-called "freelance economy."

One recently launched service, known as Clearbanc, charges \$2 a day any time an Uber or Lyft driver wants to have money deposited into a Clearbanc account. If a driver works five days a week and wants to be paid at the end of each shift, Clearbanc's current fee structure would cost a driver \$10 a week or roughly \$40 a month. That's far more than any standard bank account or pre-paid debit card charges.

Uber competitor Lyft recently launched an instant pay program, but it requires drivers to deposit at least \$50 and charges a 50 cent fee for each deposit.

Uber's program also has the potential to be a large new type of business for Green Dot Corp, which is based in Pasadena, California. Uber has 400,000 active drivers in the U.S., which could result in a large new swath of customers for Green Dot and millions of dollars in new deposits for Green Dot's GoBank.

"The on-demand economy is super important for the future of this country, and is the fastest growing part of our economy. It's what the world is coming to and we wanted to be part of this," said Steve Streit, CEO of Green Dot.

Streit said Green Dot and GoBank will be looking at establishing partnerships with other companies like Uber. If the program is successful, Uber will expand it to other cities, Ting said.

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