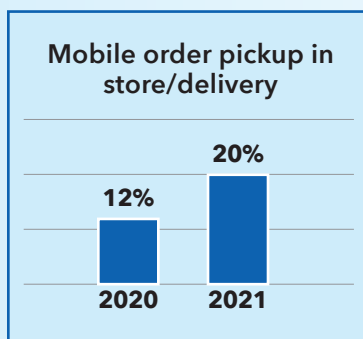


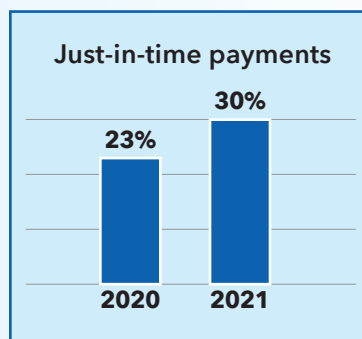
Executive Summary


The Federal Reserve’s second annual corporate study of financial decision makers’ readiness for faster payments revealed that U.S. businesses are increasingly showing interest in using faster payments for day-to-day business operations.

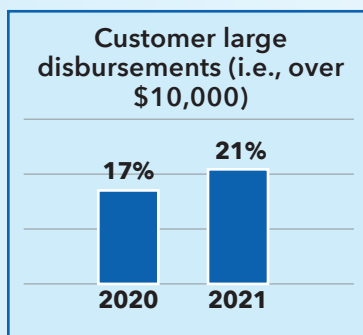
The survey found that while interest in certain faster payment use cases, such as recurring bills and routine payments, remained consistent from the previous year, interest in several emerging use cases saw the greatest growth year over year, as shown below.




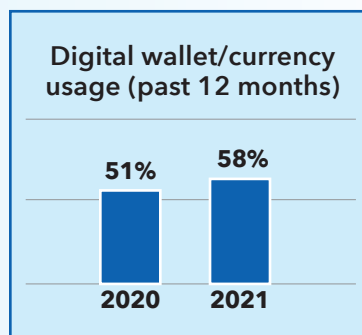
 **67% increase** in the proportion of businesses interested in supporting faster/instant payment for **mobile pickup of products and services**




 **30% increase** in number of businesses interested in faster/instant payments to support **just-in-time supply chain payments**



 **24% increase** in total businesses interested in faster/instant payments for **large disbursements related to ongoing operations and contingency scenarios**



 **14% increase** in businesses saying they are interested in using **digital wallets to send and/or receive payments**

What is a faster payment?

For this report, “faster payments” encompass electronic payment services that provide funds to the payee within seconds or up to a few hours of initiation by the payer, including:

Instant payment services credit the payee’s deposit account within a matter of seconds of initiation; some instant payment services are designed to enable transmission of rich data, such as extended remittance details, with the payment

Same Day ACH credits the payee’s deposit account by end of day if payment is initiated by the midday cutoff

Push-to-card credits the payee’s debit card account within minutes of payment initiation

Digital wallet apps credit the payee’s digital wallet within minutes of payment initiation, but funds must be transferred to a bank account for outside the app’s network.

Additional Key Survey Findings

Other survey findings were consistent with [2020 results](#), underscoring the importance businesses place on faster payments, including instant payments – a type of faster payment that settles between financial institutions in real time – that will allow businesses to keep pace with emerging e-commerce trends:

- Businesses are seeking faster/instant payment solutions because of the key features: quicker access to funds (60%), immediate notification when a payment arrives (58%), the ability to post immediately or automatically to customers' accounts (57%), and the inclusion of remittance details with payments which supports straight-through processing (55%). See chart 1 for details.
- Consistent with last year's survey, businesses indicated the faster/instant use cases they're most interested in include payroll, recurring bill payments, internal transfers, and regular or routine payments. See chart 2 for details.
- While many results were consistent across different business market segments – such as an interest in immediate access to funds – some segments placed a higher degree of importance on certain faster/instant payment features, use cases and benefits. See chart 3 for details.
- Nearly 40% of businesses signaled interest in faster/instant payment options that might reduce the overall costs of financial operations.
- Nearly nine in 10 businesses expect to be ready to make and support 24x7x365 operational faster payments within the next three years.

CHART 1: MOST IMPORTANT FASTER/INSTANT PAYMENT FEATURES

The following chart offers an in-depth look at the faster/instant payment features of most interest to survey respondents.

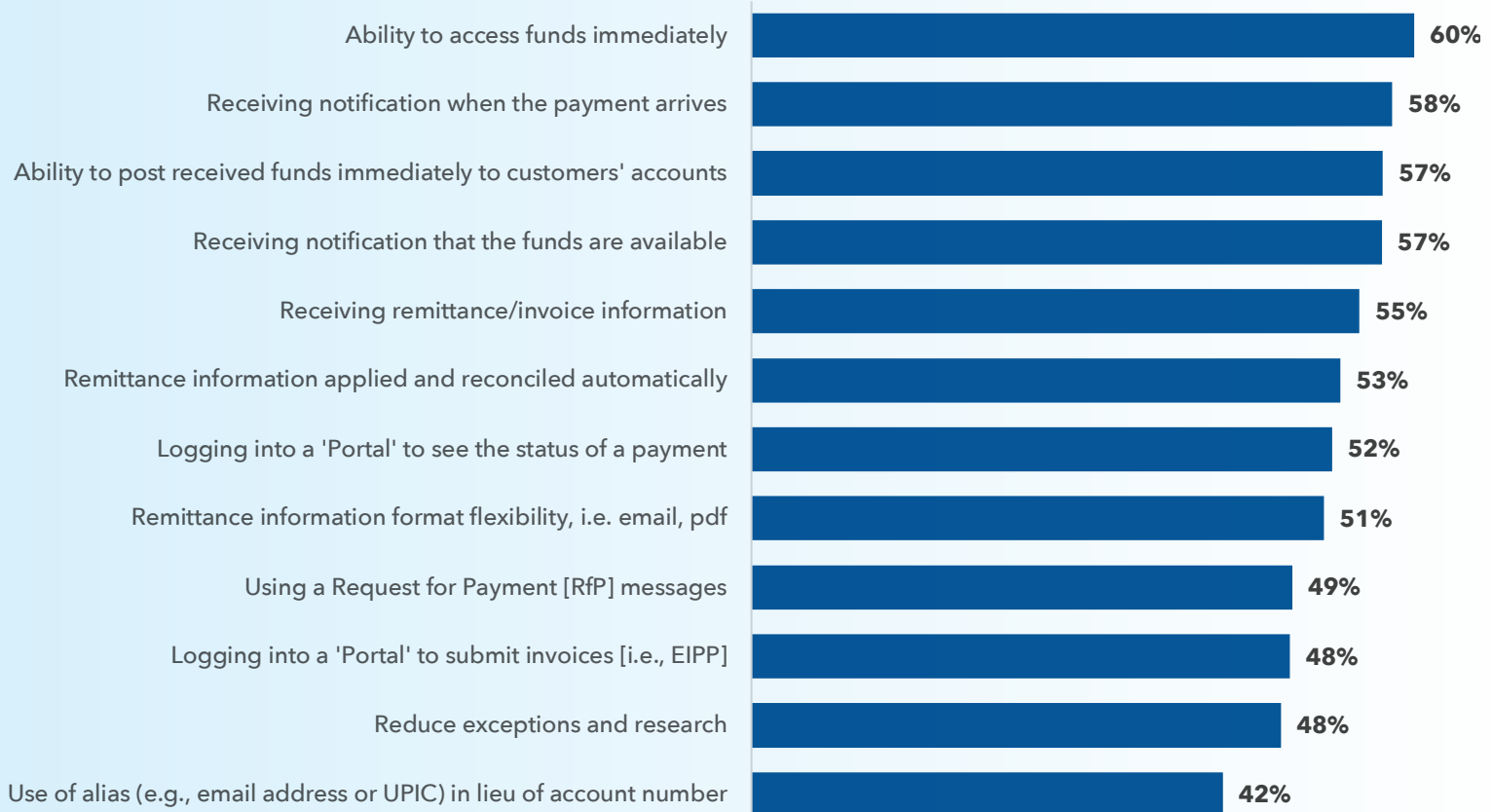
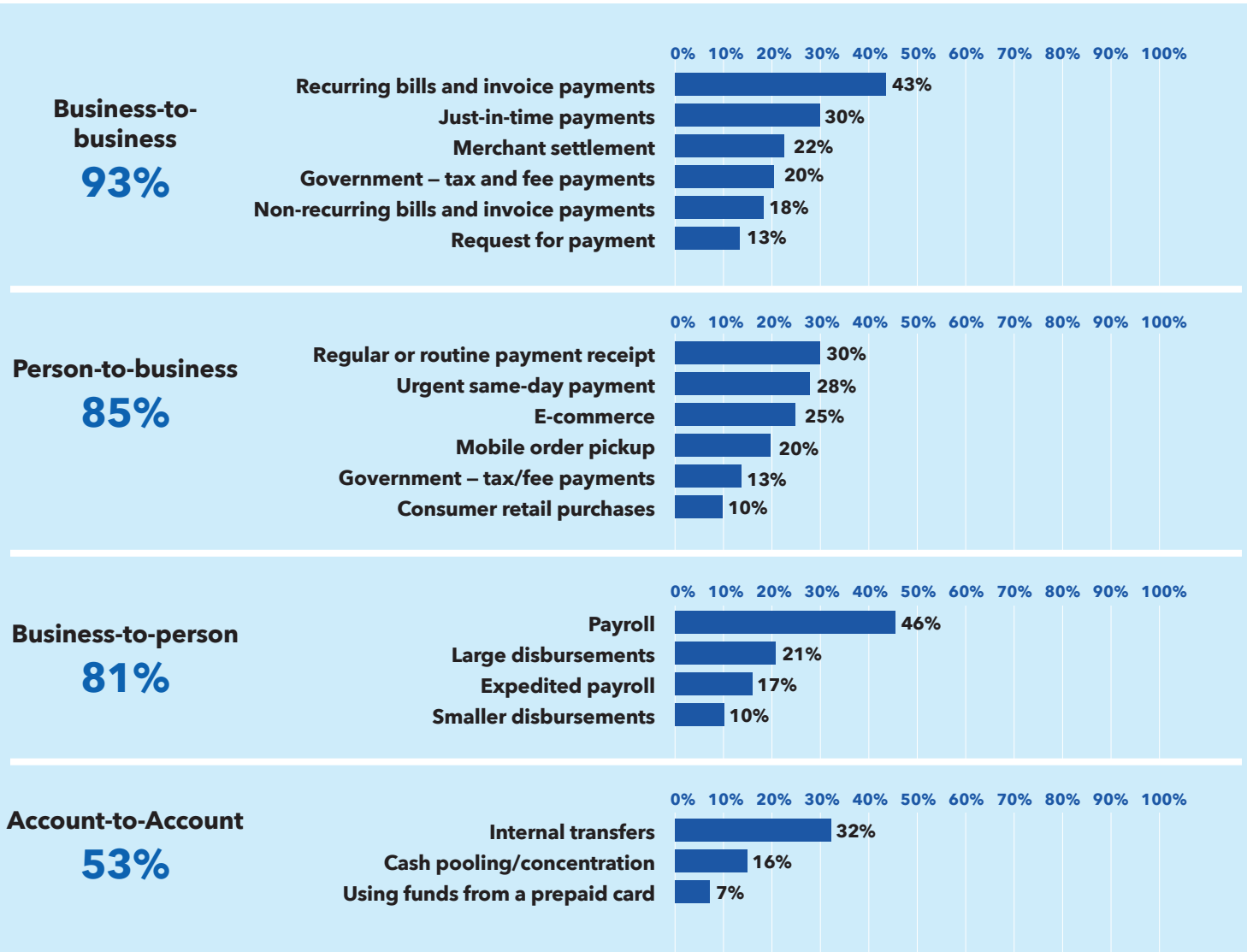


CHART 2: INTEREST IN USE CASES FOR FASTER/INSTANT PAYMENTS

The following chart tracks businesses' interest in faster/instant payments use cases across various transaction categories.

n=1,506



2021

CHART 3: MARKET SEGMENT INSIGHTS

While many results were consistent across different business market segments, some segments placed a higher degree of importance on certain faster/instant payment features, use cases and benefits.

	Gig (<\$25M)	Small (\$1M to \$10M)	Medium (\$10M to \$100M)	Large/XL (\$100 to >\$250M)
Current payment methods	<ul style="list-style-type: none"> • Cash • Checks • Credit cards • Debit cards 	<ul style="list-style-type: none"> • Checks • ACH • Debit cards 	<ul style="list-style-type: none"> • Debit cards • Mobile payments 	<ul style="list-style-type: none"> • Digital wallets • Digital currency • Faster payments
Faster/instant payment use cases perceived to provide the most benefits	<ul style="list-style-type: none"> • Internal transfers • Receiving bill payments • E-commerce 	<ul style="list-style-type: none"> • Business to business ad-hoc payments • Government payments • Payroll 	<ul style="list-style-type: none"> • Recurring bills and invoice payments • Urgent same-day immediate payment receipts 	<ul style="list-style-type: none"> • Standard payroll • Internal transfers • Just-in-time payments
Faster/instant payment features of greatest interest	<ul style="list-style-type: none"> • Accessing funds immediately • Receiving notification when a payment arrives 	<ul style="list-style-type: none"> • Accessing funds immediately 	<ul style="list-style-type: none"> • Receiving notification when a payment arrives 	<ul style="list-style-type: none"> • Being able to post received funds immediately • Receiving remittance information along with the payment to explain the purpose of the payment (i.e., invoice numbers)
Expected benefits of using faster/instant payments	<ul style="list-style-type: none"> • Lower cost • Instant funds availability 	<ul style="list-style-type: none"> • Lower cost • Instant funds availability 	<ul style="list-style-type: none"> • Improved cash flow • Increased confidence in payment 	<ul style="list-style-type: none"> • 24/7 year-round service • Improved processing efficiency • Potential for straight through processing

