

U.S. businesses of all sizes want to use faster payments, with the majority saying they'll be ready to implement a faster payment service within three years, according to a 2021 Federal Reserve survey.

## Why faster payments?

Businesses say the most important features of faster/instant payments are:

Ability to access funds immediately



Being notified when a payment arrives



Receiving notification that the funds are available



Ability to post received funds to customers' accounts immediately



Getting remittance/invoice information



## Top faster/instant payment use cases

Businesses are most interested in using instant payments for the following transactions:



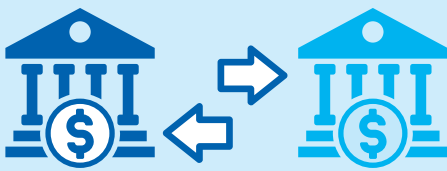
Business-to-business  
**93%**



Person-to-business  
**85%**



Business-to-person  
**81%**



Account-to-account  
**53%**



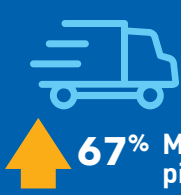
Payroll  
**46%**



Recurring bills and invoice payments  
**43%**

## Emerging use cases for faster/instant payments

Several faster/instant payment use cases saw the greatest jump in interest year over year:



**67%** Mobile order pickup



**30%** Just-in-time payments



**24%** Large disbursements



**14%** Digital wallets

Comparative results 2021 vs. 2020, Federal Reserve study of U.S. businesses

## Instant payment use cases in action

By offering instant payment services, financial institutions can help their business customers better manage cash flow and improve their own services and internal processes. The following hypothetical examples illustrate how instant payments can benefit businesses of all sizes.

BUSINESS	HOW THEY'RE USING INSTANT PAYMENTS	BENEFITS
<p><b>Gig economy photographer</b></p>	<ul style="list-style-type: none"> <li>Photographer sends a request-for-payment to a client in advance of a photo shoot</li> <li>Client reviews and submits the payment, which settles in the photographer's account immediately</li> <li>Photographer uses these funds to order supplies for the shoot and pays instantly using a digital wallet for mobile pick up of these items</li> </ul>	<ul style="list-style-type: none"> <li>Allows photographer to better manage cash flow and get supplies for the shoot without relying on credit</li> </ul>
<p><b>Small business restaurant</b></p>	<ul style="list-style-type: none"> <li>Uses instant payments to pay a new supplier for orders of fresh, specialty ingredients</li> <li>Pays for emergency maintenance and repairs with instant payments</li> </ul>	<ul style="list-style-type: none"> <li>Allows restaurant to immediately pay for and receive orders that are time sensitive</li> <li>Helps restaurant build credit with a new supplier</li> <li>Restaurant saves money on repairs because it gets a discount for paying instantly</li> </ul>
<p><b>Mid-size office supplier</b></p>	<ul style="list-style-type: none"> <li>Funds its payroll for its 25 employees using instant payments</li> <li>Uses instant payments to pay rent each month</li> </ul>	<ul style="list-style-type: none"> <li>Allows office supplier to better manage cash flow by controlling exactly when these large disbursements are made</li> <li>Supplier can pay its staff more frequently with instant payments, which improves employee satisfaction/recruitment</li> </ul>
<p><b>Corporate auto parts manufacturer</b></p>	<ul style="list-style-type: none"> <li>Bills its 20,000 customers each month by sending requests for payment</li> <li>Many of their clients pay instantly when they get the e-invoice</li> <li>It also uses instant payments to fund returns to customers</li> </ul>	<ul style="list-style-type: none"> <li>Enables manufacturer to increase efficiency with straight-through processing, fewer errors and reduced costs due to automated, data-rich billing</li> <li>Customers pay faster with instant payments than traditional methods</li> <li>Increase customer satisfaction with efficient billing process and returns</li> </ul>



### Learn more about the study

For more details on the 2021 Federal Reserve study of U.S. businesses visit [fedpaymentsimprovement.org](https://fedpaymentsimprovement.org).



### Get ready for instant payments with the FedNow<sup>SM</sup> Service

You can start preparing for the future of payments by learning about the FedNow Service, a new instant payments infrastructure the Federal Reserve is launching in 2023. Go to [FedNowExplorer.org](https://FedNowExplorer.org) to learn more about the service and instant payment use cases.