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Real-Time Payments and SMBs: The Need for Action

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Summary and Key Findings

Small businesses aren't using real-time payments to the degree most observers would expect, given the available benefits. All real-time payments usage remains low compared to other payment types, and while push-to-card and Zelle Small Business have seen considerable growth, the RTP network in particular appears to be underutilized. However, SMBs want all of the benefits that real-time payments provide. Financial institutions (FIs) should take action to close the understanding gap between SMBs and real-time payments. The key findings from this report follow:

- **Real-time payments offerings in the U.S. have evolved for SMB usage:** The SMB payments landscape has evolved to include several real-time digital options, including push-to-card, Zelle Small Business, the RTP network through The Clearing House, and most recently, FedNow. These real-time payment solutions coincide with other digitization efforts that can bring new efficiencies to SMB financial processes.
- **SMB real-time payments usage remains inconsistent:** Given the benefits of real-time payments for SMBs, it was assumed that real-time digital payments would quickly become their preferred disbursement method. However, only 20% of SMBs report using push-to-card, 16% use Zelle Small Business, and only 13% use RTP. When compared to midsize and large organizations, real-time payments remain low or inconsistent among SMBs.
- **Revenue provides some insight into how SMBs use real-time payments:** Usage of real-time payments fluctuates slightly when considering different revenue bands within SMBs. For example, only 8% of the smallest SMBs use RTP, which increases to 15% as revenue grows.
- **SMBs want the benefits of real-time payments and will find solutions with or without their FI:** SMBs want faster payments, better fraud controls, and reduced costs when it comes to payment types. For example, 87% rank speed as either important or very important when choosing a payment method. All of the benefits that real-time payments can provide rank highly on the priority list for SMBs when choosing payment methods, suggesting that most SMBs do not fully understand the benefits of real-time payments and/or their FI does not offer them.

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