

DISBURSEMENT SATISFACTION REPORT

★★★★★



75%

Share of disbursements

recipients who want to receive instant payments because they gain instant access to funds

64%

Share of consumers

who are at least "somewhat" familiar with instant payments

52%

Share of recipients

who would prefer to receive instant payments



IN COLLABORATION WITH



PYMNTS.com

DISBURSEMENT SATISFACTION ★★★★★ REPORT

ACKNOWLEDGMENT

The Disbursement Satisfaction Report was done in collaboration with Ingo Money, and PYMNTS is grateful for the company's support and insight. [PYMNTS.com](https://pymnts.com) retains full editorial control over the following findings, methodology and data analysis.

TABLE OF CONTENTS

DISBURSEMENT SATISFACTION ★★★★★ REPORT

Introduction	04
The need for disbursement speed	09
Playing catch-up	12
A bridge between paychecks	15
Deep dive: adoption and opportunity	20
Conclusion	22

ADOPTION CURVES TELL THE STORY OF INNOVATION.

They provide insights into how long it takes innovations to reach critical mass, or if such innovations ever will. Adoption curves also offer glimpses into the external factors that might accelerate adoption or give it a boost.

Smartphones provide one example. Examining their implementation in the United States reveals that the iPhone's 2007 introduction was an important milestone in moving all smartphones' adoption curves up and to the right.

It was ultimately the launch of Apple's App Store in 2008 – and the widespread availability of 4G

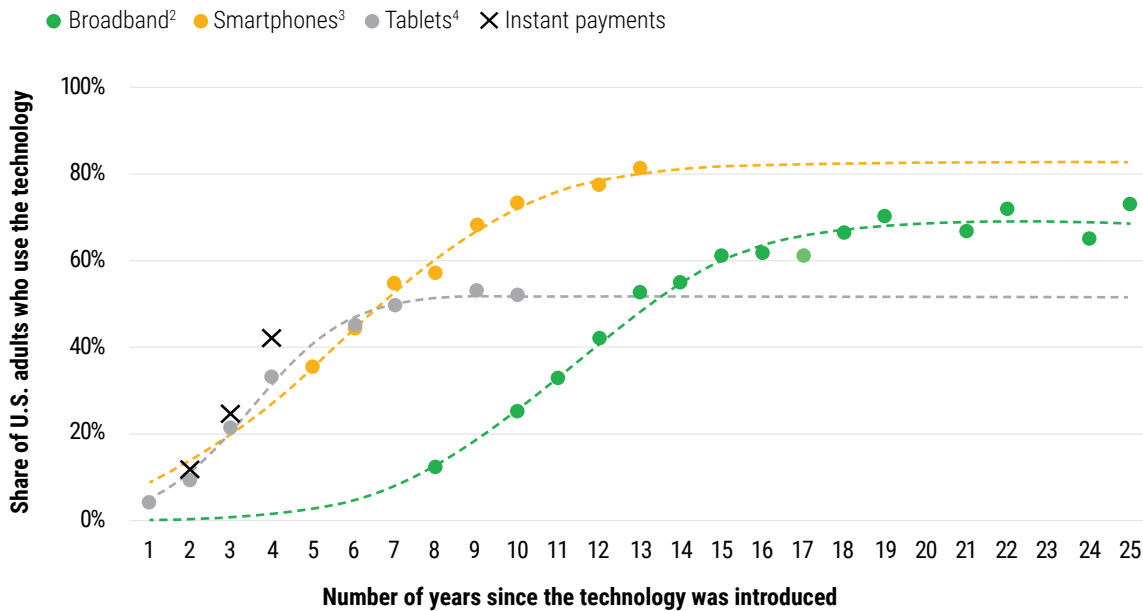
networks that came shortly afterward – that made smartphones faster and easier for consumers to use, and inspired developers to create more apps for Apple and Android devices. The convergence of all three factors helped a critical mass of consumers and developers shift smartphones' adoption curves much more sharply upward.

The results of the 2019 Disbursement Satisfaction Index show a similar pattern for instant payments – disbursements that are immediately available and safe to spend.¹ Consumers' instant payments adoption has increased nearly fourfold over the past three years, with 42 percent reporting they received at least one such payment this year compared to the 11 percent who said the same in 2017.

FIGURE 1:

Adoption curve for connected technologies

Share of adult U.S. consumers who use select technologies, by year



¹ Disbursement Satisfaction Index. PYMNTS.com. 2019. <https://www.pymnts.com/study/disbursement-satisfaction-study-2019/>. Accessed October 2019.

² Author unknown. Internet/Broadband Fact Sheet. Pew Research Center. 2019. <https://www.pewinternet.org/fact-sheet/internet-broadband/>. Accessed October 2019.

³ Author unknown. Mobile Fact Sheet. Pew Research Center. 2019. <https://www.pewinternet.org/fact-sheet/mobile/>. Accessed October 2019.

⁴ Author unknown. Mobile Fact Sheet. Pew Research Center. 2019. <https://www.pewinternet.org/fact-sheet/mobile/>. Accessed October 2019.

This adoption is being stoked by consumers' near-universal understanding of instant payments and the pressure they are exerting on corporates to use such methods to deliver funds to consumers and small businesses. Eighty-two percent of consumers know what an instant payment is, for example, up from 60 percent just one year ago. That knowledge comes from exposure, as adult U.S. consumers receive an average of 18 disbursements per year for a total of \$4.6 trillion in annual disbursements.

Consumers not only know about and are beginning to receive instant payments, but also are expressing that they prefer to receive disbursements from businesses via such methods. Instant payment is not how most consumers are paid today, however, and their payment method preferences differ based on disbursement type. Our findings reveal that they prefer instant funds across a variety of payment types, with 11.7 percent of consumers wanting instant funds paid to their debit cards and 38.2 percent wanting them paid to their bank accounts, for example.

Consumers' preferences are based on a variety of factors, including what they intend to do with their funds and their comfort – or lack thereof – in sharing details to have payments pushed directly into their bank accounts. They are most likely to receive instant payments to their bank accounts when being paid by government agencies (cited by 24.7 percent who receive such disbursements this way) and least likely to be paid in this manner for gambling winnings (cited by 3.7 percent).



Many consumers are not given the option of receiving their disbursements through instant payments, which would make good funds instantly available for them to spend without the risk of having said funds clawed back. They are instead more likely to receive them via ACH deposits into their bank accounts that are available one or more days later (29.6 percent) or through paper checks (21.5 percent).

So, what is driving consumers' growing demand for instant payments, and how does that demand change depending on their preferences for payment and disbursement types?

The Disbursement Satisfaction Report, a PYMNTS and Ingo Money collaboration, is an annual study of more than 5,000 U.S. consumers. The study, in its third year, provides new insights into what is driving instant payments' adoption and the imperative for payers to fulfill consumers' expectations.

KEY FINDINGS

Consumers want instant disbursements and to choose how such funds are paid to them.

Of U.S. consumers, 61.8 percent have received at least one disbursement from a business or government entity in 2019. The most common types received are issued by state or federal governments as either tax refunds or benefits payments. Fifty-two percent of the consumers who receive disbursements do so from corporate entities, and the 45.3 percent who receive them from merchants receive not only what we classify as merchandise refunds (13 percent), but also store credits (22.6 percent), rebates (15.3 percent) and warranty payments (3 percent).

Consumers want to be paid instantly when receiving disbursements. Our study shows that 51.6 percent say they would like to receive disbursements via instant payments, up from 32.2 percent in 2018.

Respondents' desires to be paid instantly vary considerably depending on the type of disbursement received, however. Our research reveals that 37.4 percent who receive disbursements from government entities would like to do so instantly, while just 28.2 percent of those who receive them from financial institutions would like to do so via instant payments. Consumers are less likely to seek instant payments for merchant disbursements and gambling winnings, however, with just 27.6 percent and 10.7 percent saying they would like to do so, respectively.

61.8%
OF U.S. CONSUMERS
 HAVE RECEIVED AT
 LEAST ONE DISBURSEMENT
 FROM A BUSINESS OR
 GOVERNMENT ENTITY
 IN 2019.

Demand may vary, but most consumers who seek instant payments want them paid directly into their bank accounts. Our findings show that 38.2 percent of consumers would like to receive instant payments in this manner, while 11.7 percent would like them paid to their debit cards and 10.8 percent to their credit cards. Fewer consumers would choose to receive instant payments to digital wallets and prepaid cards, with just 2.4 percent saying they would opt to do so in each of these ways. It seems the issue is that not all consumers can choose how they would like to be paid.

KEY FINDINGS

The gap between consumer demand for instant payments and payers' readiness to offer them is big, with the greatest differences seen in the legal and insurance industries.

Consumers like receiving instant disbursements, but payers are not fully on board. Just 24.7 percent of government disbursements are received via instant payment rails, for example, even though 37.4 percent of consumers say they would like to receive them in this manner. Corporate entities are also behind the curve in offering instant disbursements, with 19 percent of consumers saying they receive corporate disbursements via instant payment rails

and 28.4 percent saying they would like to do so.

Insurance companies appear to be the furthest behind in terms of instant payment adoption, with just 10.9 percent of all insurance disbursements being paid instantly. These firms are also heavily reliant on legacy payment methods, with 52.1 percent of all insurance disbursements received last year being paid via paper check. Law firms are not far behind, though. Just 11.4 percent of legal disbursements received last year were paid instantly, while 56.6 percent were made via paper check.

This shows that there is enormous potential for market growth. Allowing the consumers who want to receive legal and insurance disbursements via instant payments to do so would mean a combined \$68.8 billion in funds being instantly transferred into their hands.

There is also massive growth potential in larger sectors in which instant payments are already widely offered. While our research shows instant payments represent 24.7 percent of all government disbursements, instantly providing such disbursements to all consumers who want them would lead to an additional \$163.5 billion being transferred to consumers via such rails. The same is true for corporate disbursements, which could unlock an additional \$233 billion in instant payments to consumers.



24.7%

**OF ALL GOVERNMENT
DISBURSEMENTS ARE
CURRENTLY RECEIVED
VIA INSTANT PAYMENT.**

KEY FINDINGS

Instant disbursements are critical to consumers living paycheck to paycheck and who need to immediately spend their funds.

All consumers want instant access to disbursements, but those who are short on cash and living paycheck to paycheck are the most eager to quickly receive funds via debit card. Our research shows 75.6 percent of paycheck-to-paycheck respondents want instant payments made to their debit cards, as do 74.9 percent who live paycheck to paycheck and struggle to pay their bills.

Consumers' growing awareness of instant payments will force corporates to offer them or risk losing customers to competitors that do.

Our survey reveals 51.6 percent of consumers would like instant payments, but just 42.2 percent of them currently receive their disbursements in this way. The total amount disbursed via instant payments in the U.S. would increase by an additional \$571 billion per year if all of these consumers were allowed to choose how they receive disbursements, however. This would give many recipients much-needed cushions between paychecks and enable instant access to funds that are safe to spend at their discretion.

These values are based solely on consumers' current awareness of instant payments. The real potential market growth is likely much greater, as consumers' usage of instant payments increases with awareness. Our study determined that 63.5

63.5%
OF U.S. CONSUMERS
 ARE AT LEAST
 "SOMEWHAT" AWARE
 OF **WHAT INSTANT**
PAYMENTS ARE.

percent of U.S. consumers are at least "somewhat" aware of what instant payments are, and 33.7 percent are "very" or "extremely" familiar with them.

These findings provide just a glimpse into a broader story of shifting consumer preferences and evolving payment processes. The following report provides an in-depth look at how the interplay between these factors has made instant disbursements one of the fastest-growing areas in payments.

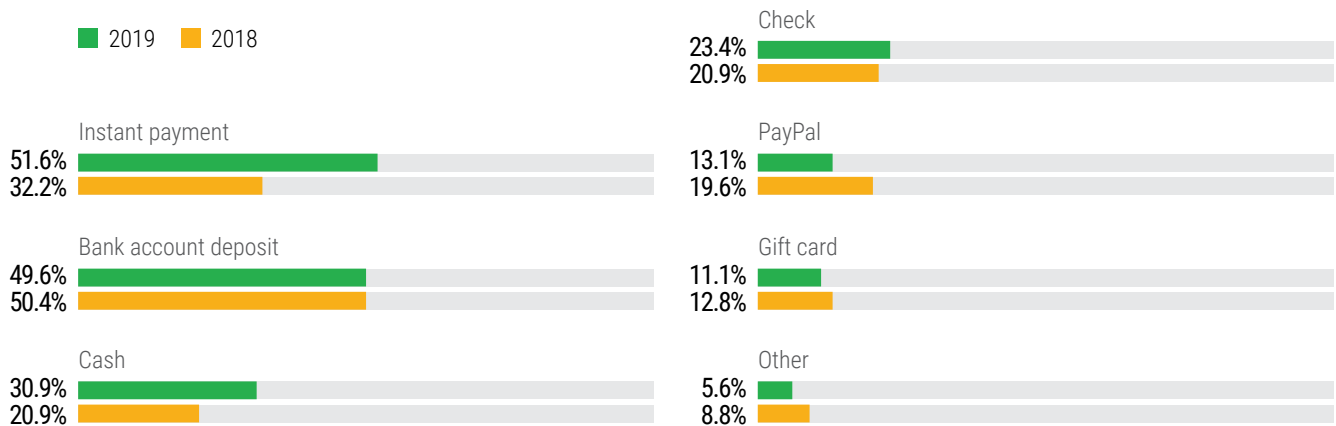
THE NEED FOR DISBURSEMENT SPEED

Consumer demand for instant payments and the immediate fund access they provide is rapidly expanding. The share of consumers who would like to be paid via instant rails has risen from 32.2 percent in 2018 to 51.6 percent during the past year – a 60.2 percent increase. This shift means instant payments have replaced direct deposit as consumers’ chosen method for receiving disbursements.

FIGURE 2:

How consumers would like to receive disbursements

Share of disbursement recipients who would prefer to receive payments in select ways, by year



Source: PYMNTS.com

Instant disbursements are not the only payment method in vogue in 2019. There is also a sharp increase in the share of consumers who prefer to receive cash disbursements and a moderate boost in the portion of those who prefer to be paid via check. The share of who express interest in receiving cash disbursements rose from 20.9 percent in 2018 to 30.9 percent this year, while those who would like to be paid via check increased from 20.9 percent to 23.4 percent during the same period.

TABLE 1:

How consumers would like to receive disbursements

Share of disbursements consumers would like to receive via select payment methods, by disbursement type

	Bank account deposit	Cash	Check	Prepaid card	PayPal	Other
Government disbursements	41.3%	6.4%	10.8%	0.5%	2.3%	1.2%
Corporate disbursements	28.4%	15.2%	11.1%	2.8%	6.6%	3.6%
Merchant disbursements	14.5%	18.0%	11.1%	13.6%	12.1%	3.1%
Goods or services sold online	18.4%	19.2%	5.1%	1.4%	31.3%	4.0%
Gambling winnings	8.4%	67.2%	6.7%	0.6%	5.1%	1.1%
Other disbursements	38.0%	8.7%	16.6%	0.4%	3.5%	0.9%
Insurance disbursements	30.1%	7.4%	24.6%	1.5%	3.7%	2.6%
Financial institution disbursements	31.1%	18.2%	15.7%	1.2%	2.4%	3.2%
Legal disbursements	19.5%	14.7%	30.6%	1.1%	7.1%	1.2%
Total	27.7%	15.0%	11.9%	4.5%	7.5%	2.6%
INSTANT PAYMENTS	TOTAL	To bank account	To credit card	To debit card	To prepaid card	To digital wallet
Government disbursements	37.4%	31.3%	0.7%	4.1%	1.0%	0.3%
Corporate disbursements	32.4%	24.4%	1.7%	3.9%	0.9%	1.6%
Merchant disbursements	27.6%	12.3%	6.5%	6.1%	1.0%	1.7%
Goods or services sold online	20.7%	10.2%	1.9%	5.1%	0.6%	3.0%
Gambling disbursements	10.7%	6.1%	1.4%	1.7%	0.6%	1.0%
Other disbursements	31.9%	24.4%	1.2%	3.6%	1.0%	1.8%
Insurance disbursements	30.1%	19.6%	2.2%	6.0%	1.4%	0.9%
Financial institution disbursements	28.2%	18.8%	1.9%	3.9%	1.1%	2.6%
Legal disbursements	25.8%	18.0%	2.2%	3.1%	0.6%	1.9%
Total	30.9%	21.4%	2.7%	4.6%	1.0%	1.3%

Source: PYMNTS.com

Payment methods that do not offer instant access to cash are declining in popularity. The portion of respondents who want disbursements made to their PayPal accounts has dropped from 19.6 percent in 2018 to 13.1 percent this year, for example, and the share who want to be paid via gift card is also slightly down over the same period.

Consumers tend to prefer different disbursement methods for varying use cases, however. Demand for instant payments is highest among respondents when it comes to receiving government disbursements, with 37.4 percent saying they would prefer to receive them in this manner. Demand is also high among those seeking instant corporate and insurance disbursements. Our research shows that 32.4 percent of consumers would like to receive former, and 30.1 percent would like to receive the latter.

Consumers cite a host of reasons for preferring instant payments for these transactions, with immediate fund access and convenience topping their lists. In 75.1 percent of instances in which respondents want to receive disbursements via instant payments, they cite immediate access to funds as a reason. They report convenience as a factor in 59 percent of cases in which they seek to receive disbursements via instant rails.

TABLE 2:

Reasons consumers would like to receive disbursements via select payment methods

Share of disbursements consumers would like to receive via select payment methods, by reason

	Bank account deposit	Cash	Check	Prepaid card	PayPal	Other
Offers immediate fund access	60.1%	80.1%	28.1%	46.1%	59.1%	49.8%
Adds convenience	51.7%	37.6%	25.1%	49.5%	62.0%	60.6%
Funds are safe to spend	44.8%	31.9%	35.4%	31.6%	37.6%	33.3%
Funds are paid faster	36.5%	34.1%	11.9%	23.9%	46.5%	38.3%
Trust the funds are protected	41.7%	25.2%	38.0%	22.7%	41.7%	36.0%
Easier to determine when money will be received	36.3%	27.4%	28.6%	23.6%	32.3%	28.0%
Do not have to go to bank/ATM to deposit payments	29.8%	17.3%	5.4%	20.6%	34.1%	27.9%
Do not have to pay check cashing fees	19.5%	20.0%	13.0%	16.6%	26.2%	19.5%
Financial data is secure	17.1%	15.1%	22.9%	22.1%	34.4%	26.3%
Do not have to worry about being paid	18.8%	17.4%	11.9%	15.4%	27.9%	22.3%
Other	0.4%	0.9%	2.5%	0.9%	1.0%	7.5%
INSTANT PAYMENTS	TOTAL	To bank account	To credit card	To debit card	To prepaid card	To digital wallet
Offers immediate fund access	75.1%	79.0%	55.8%	76.2%	56.1%	60.3%
Adds convenience	59.0%	60.7%	56.9%	55.1%	49.0%	56.4%
Funds are safe to spend	44.3%	47.1%	28.5%	41.3%	42.0%	41.6%
Funds are paid faster	45.6%	45.9%	44.0%	44.5%	37.9%	51.8%
Trust the funds are protected	36.9%	38.2%	30.9%	33.7%	34.0%	42.0%
Easier to determine when money will be received	38.4%	38.8%	31.8%	39.6%	36.4%	42.2%
Do not have to go to bank/ATM to deposit payments	33.2%	35.6%	22.7%	30.1%	27.1%	29.2%
Do not have to pay check cashing fees	21.3%	20.5%	16.1%	24.2%	28.5%	29.8%
Financial data is secure	20.5%	19.5%	22.4%	18.8%	26.4%	35.0%
Do not have to worry about being paid	20.6%	20.2%	19.4%	20.1%	23.2%	28.5%
Other	0.5%	0.4%	0.0%	0.6%	2.4%	0.8%

Source: PYMNTS.com

This compares to the 60.1 percent of instances in which respondents prefer to receive disbursements via standard direct deposit and cite immediate access as their reason, and just 25.1 percent of cases in which they wish to receive disbursements through checks and cite convenience as a factor.

Respondents also say they prefer instant payments because of their speed (cited in 45.6 percent of cases in which they would like to receive disbursements via instant rails) and not having to go to banks or ATMs to deposit funds before spending them (cited by 33.2 percent). Consumers prefer instant payments over almost all other methods on both counts.

These factors help explain consumers' growing interest in instant payments, but there are signs they are driving an increase in demand that is faster than what the market can handle.



PLAYING CATCH-UP

There is growing demand for instant payments, but businesses and government institutions alike appear to be lagging in offering them. Many payers do not offer any instant disbursement options, thereby failing to cater to consumers who prefer to receive payments in this way. This presents a tremendous opportunity for those willing to step up and fulfill this unmet demand – an opportunity on which many businesses are missing out.

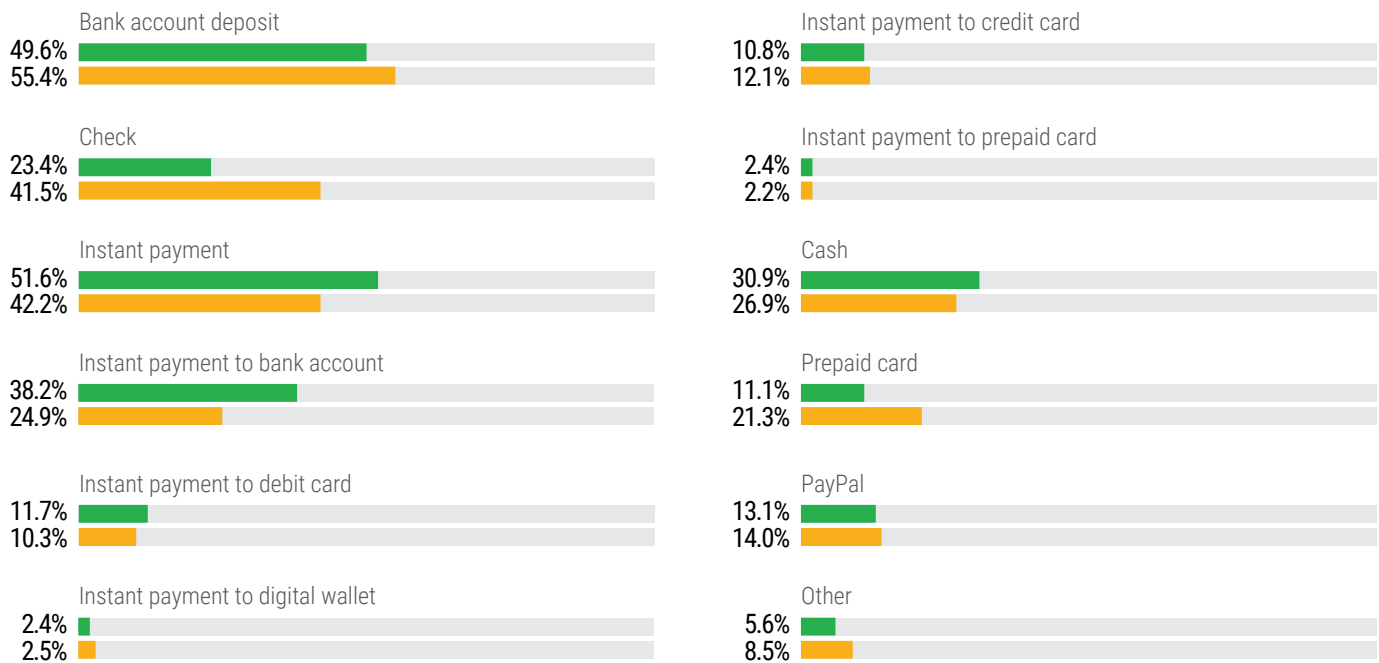
Our research reveals that 42.2 percent of disbursement recipients were paid via instant payments in 2019, but 51.6 percent say they would prefer to be paid in this way.

FIGURE 3:

The gap between the demand for and receipt of instant disbursements

Share of disbursement recipients who would like to receive select disbursement types versus the share who receive them

■ Would like to receive ■ Received



Source: PYMNTS.com



38.2%
**OF DISBURSEMENT
RECIPIENTS**

**WOULD PREFER TO
RECEIVE INSTANT PAYMENTS
MADE DIRECTLY TO THEIR
BANK ACCOUNTS.**

There is an even larger disconnect when it comes to offering instant payments made directly to consumers' bank accounts. Our survey shows that just 24.9 percent of disbursements recipients receive instant payments in this manner, even though 38.2 percent would prefer to do so. This strongly suggests that many consumers forgo using instant payments because they are unavailable rather than by choice.

Some businesses are particularly far behind the curve in providing instant payment options. Just 11.4 percent of legal disbursements were paid via instant payments in 2019, for example, even though respondents indicate they wanted to receive such disbursements through instant rails in 25.8 percent of cases.



TABLE 3:

Disbursement types consumers receive

Share of disbursements received, by payment type

	Bank account deposit	Cash	Check	Prepaid card	PayPal	Other
Government disbursements	49.0%	4.1%	19.1%	0.7%	1.0%	1.6%
Corporate disbursements	30.4%	13.3%	22.0%	4.9%	6.4%	4.0%
Merchant disbursements	14.4%	7.7%	17.8%	29.3%	9.6%	4.7%
Gambling winnings	7.2%	70.6%	10.9%	1.7%	4.7%	1.2%
Goods or services sold online	16.8%	22.3%	6.0%	1.9%	37.4%	2.9%
Other disbursements	33.1%	6.4%	34.1%	1.3%	1.7%	1.7%
Insurance disbursements	23.3%	6.3%	52.1%	1.9%	2.3%	3.2%
Financial institution disbursements	32.4%	18.6%	22.2%	2.1%	3.8%	4.2%
Legal disbursements	16.7%	6.9%	56.6%	1.4%	5.4%	1.6%
Total	29.6%	11.3%	21.5%	9.2%	6.6%	3.2%

INSTANT PAYMENTS	TOTAL	To bank account	To credit card	To debit card	To prepaid card	To digital wallet
Government disbursements	24.7%	19.9%	0.5%	3.1%	0.8%	0.3%
Corporate disbursements	19.0%	12.9%	1.9%	2.6%	0.6%	1.1%
Merchant disbursements	16.5%	3.8%	6.3%	3.6%	1.2%	1.5%
Gambling winnings	3.7%	1.5%	0.5%	0.7%	0.0%	0.9%
Goods or services sold online	12.8%	4.1%	1.6%	3.2%	0.2%	3.8%
Other disbursements	21.7%	15.4%	3.2%	2.1%	0.1%	1.0%
Insurance disbursements	10.9%	5.9%	1.4%	2.0%	1.0%	0.5%
Financial institution disbursements	16.8%	10.2%	1.6%	2.9%	0.2%	1.8%
Legal disbursements	11.4%	9.0%	0.3%	1.5%	0.6%	0.0%
Total	18.6%	11.3%	2.6%	2.9%	0.8%	1.1%

Source: PYMNTS.com

The insurance disbursements sector is especially ripe for change. Just 10.9 percent of insurance disbursements were made via instant payment rails, while respondents indicated they would have liked to receive them via instant payments in 30.1 percent of instances. If all consumers who would like to receive instant disbursements had the option to do so, \$55.8 billion in funds would be transferred directly to consumers' pockets.

There is even more opportunity for growth in other areas, including the government disbursements sector. Government-issued disbursements are the most likely of all types to be made using instant payments, but there are still many who receive such disbursements and are not given access to instant methods. In fact, 24.7 percent of these consumers receive government disbursements via instant payments, while 34.7 percent say they wish to do so. Providing instant payment options to all government disbursement recipients who seek them could boost the dollar amount sent to consumers via instant rails by as much as \$163.5 billion per year.

The corporate disbursements market presents a similar growth opportunity. Respondents indicated receiving 19 percent of their corporate disbursements via instant payments this year, but they would like to have been paid in that way in 28.4 percent of instances. If corporates were to provide instant disbursements to all those who seek them, the dollar amount transmitted via instant rails could increase by as much as \$233 billion per year.

A BRIDGE BETWEEN PAYCHECKS

Having immediate access to disbursement funds may not greatly affect consumers in good financial standing, but it can make all the difference for those struggling to make ends meet between pay cycles. These consumers stand to benefit the most from instant payment offerings.

It makes sense that these cash-strapped consumers are more satisfied with instant disbursements. Seventy-six percent of disbursements received instantly by respondents living paycheck to paycheck with less than \$500 in savings left them “very” or “extremely” satisfied. Satisfaction is also high among recipients living paycheck to paycheck with more than \$500 in the bank, with 81.5 percent of disbursements made instantly resulting in “very” or “extremely” satisfied respondents in this category. This compares to 61.9 percent of those living paycheck to paycheck with less than \$500 in savings and 68.5 percent of those with more than \$500 in their accounts who say the same about standard direct deposits.

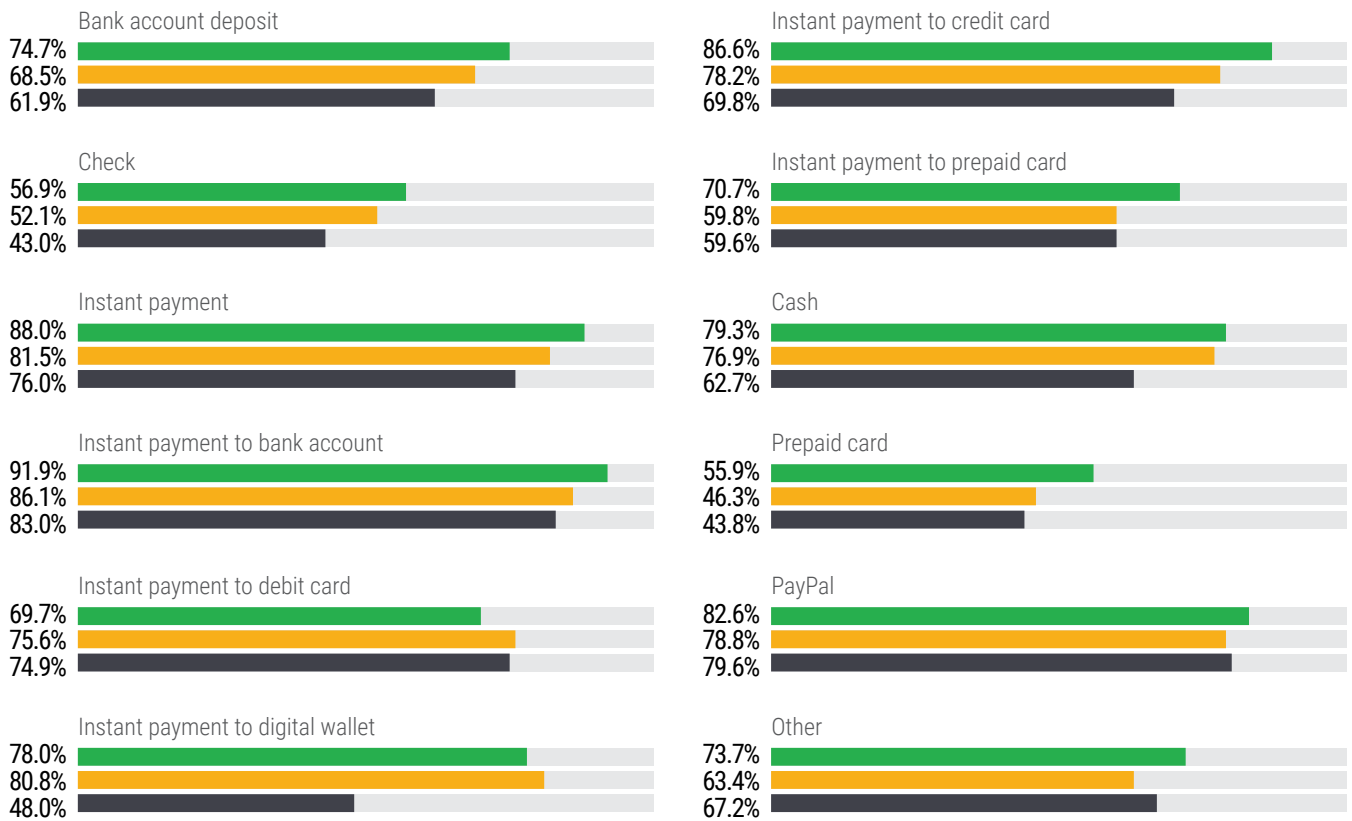


FIGURE 4:

Consumers' satisfaction with various disbursement options

Share of disbursements that left recipients "very" or "extremely" satisfied with various methods, by persona and payment method

- Do not live paycheck to paycheck
- Live paycheck to paycheck
- Live paycheck to paycheck and struggle to pay bills



Source: PYMNTS.com



Paycheck-to-paycheck workers without savings also favor receiving instant payments directly into their bank accounts. Those without savings indicated feeling "very" or "extremely" satisfied with 83 percent of the instant disbursements they received, and those with more than \$500 in their accounts said the same about 86.1 percent of their instant disbursements.

Consumers with steady financial situations also indicate being satisfied with instant payment options. Eighty-eight percent of instant payments received by these consumers left them feeling "very" or "extremely" satisfied with the way they received disbursements, as did 91.9 percent of disbursements received via instant payments to their bank accounts.

This says less about financially stable consumers' needs for immediate fund access than their general financial comfort, though. They are almost always

happier with how they receive payments than those who live paycheck to paycheck, with instant payments made to debit cards and digital wallets representing the only exceptions. Consumers living paycheck to paycheck who have more than \$500 in savings tend to be more satisfied with both of these disbursement methods than any other persona group.

So, which consumers stand to benefit the most from instant disbursement options?

Our survey shows there are several factors correlated with consumers' financial stability, the first of which is annual income. Twenty-three percent of respondents who earn between \$50,000 and \$100,000 annually live paycheck to paycheck and struggle to pay bills, while 34.3 percent in this bracket live paycheck to paycheck and do not struggle.

HOW DIFFERENT CONSUMERS LIVE BETWEEN PAYCHECKS

37.4%

do not live paycheck to paycheck



48.2%

live paycheck to paycheck



14.4%

live paycheck to paycheck and struggle to pay bills



BY AGE

53.4

AVERAGE AGE of consumers who do not live paycheck to paycheck

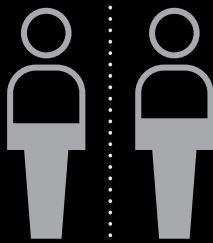
45.2

AVERAGE AGE of consumers who live paycheck to paycheck

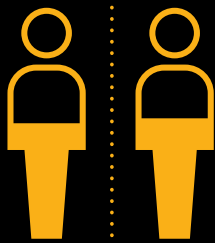
45.7

AVERAGE AGE of consumers who live paycheck to paycheck and struggle to pay bills

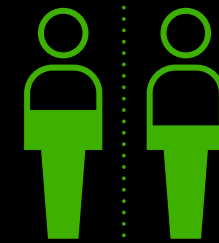
BY SEX



49.8% FEMALE 50.2% MALE



48.6% FEMALE 51.4% MALE



56.8% FEMALE 43.2% MALE

BY EDUCATION

48.0%



share with a college education



35.5%



share with a college education



17.8%

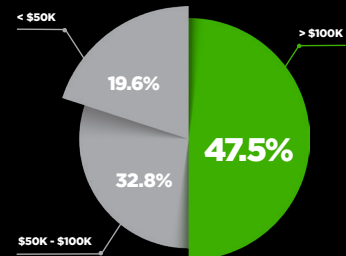


share with a college education

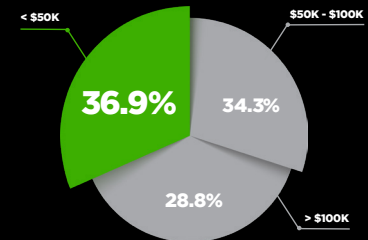


BY ANNUAL INCOME

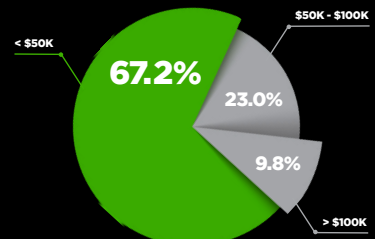
DO NOT LIVE PAYCHECK TO PAYCHECK



LIVE PAYCHECK TO PAYCHECK



LIVE PAYCHECK TO PAYCHECK AND STRUGGLE TO PAY BILLS





62.6%

OF RESPONDENTS

REPORT LIVING

PAYCHECK

TO PAYCHECK.

Respondents earning less than \$50,000 per year are at far greater risk of cash flow shortfalls, however, with 67.2 percent saying they live paycheck to paycheck and struggle to pay bills at the end of each month.

Respondents with annual incomes of more than \$100,000 are less likely than those in other brackets to live paycheck to paycheck. Even so, 36.6 percent report doing so, with 9.8 percent indicating they live paycheck to paycheck and have less than \$500 in savings. It thus appears that no income bracket is immune to falling short on cash between pay cycles.

Younger consumers are also more likely to be affected by cash flow shortfalls. The average age of those who live paycheck to paycheck and have less than \$500 in savings is 45.7, while paycheck-to-paycheck respondents with more than \$500 in savings are 45.2 years old on average. This compares to an average age of 53.4 for those who do not live paycheck to paycheck.

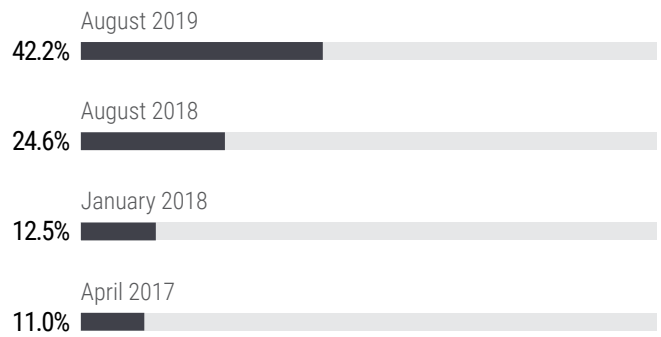
We also notice that women make up 56.8 percent of consumers who live paycheck to paycheck and have less than \$500 in savings. Women and men are evenly split when it comes to being on solid financial footing, however.

Consumers' education levels also appear to factor into their financial stability. College-educated respondents fare better than those without college degrees, with 35.5 percent of the former living paycheck to paycheck and just 17.8 percent doing so while also struggling to pay their bills. Forty-eight percent of consumers who are able to accumulate savings at the end of each month have at least a four-year degree.

Young women who lack college degrees and earn less than \$50,000 per year appear to be the most vulnerable to cash flow shortfalls, but they are not alone. Our survey demonstrates that consumers of all incomes and demographics can fall on hard times. Instant disbursements can offer much-needed financial relief during these periods, giving consumers access to the funds they need to reach their next pay cycles.

The portion of consumers receiving instant disbursements has almost quadrupled since April 2017, with most of the growth occurring over the past year. Eleven percent of respondents in our Q1 2017 Disbursement Satisfaction Index received instant disbursements, while 12.5 percent did so in January 2018 and 24.6 percent did in August 2018. This means instant payments' adoption has more than tripled over the last three years.

FIGURE 6:
Instant payments' adoption over time
 Share of respondents who received at least one instant disbursement



Source: PYMNTS.com

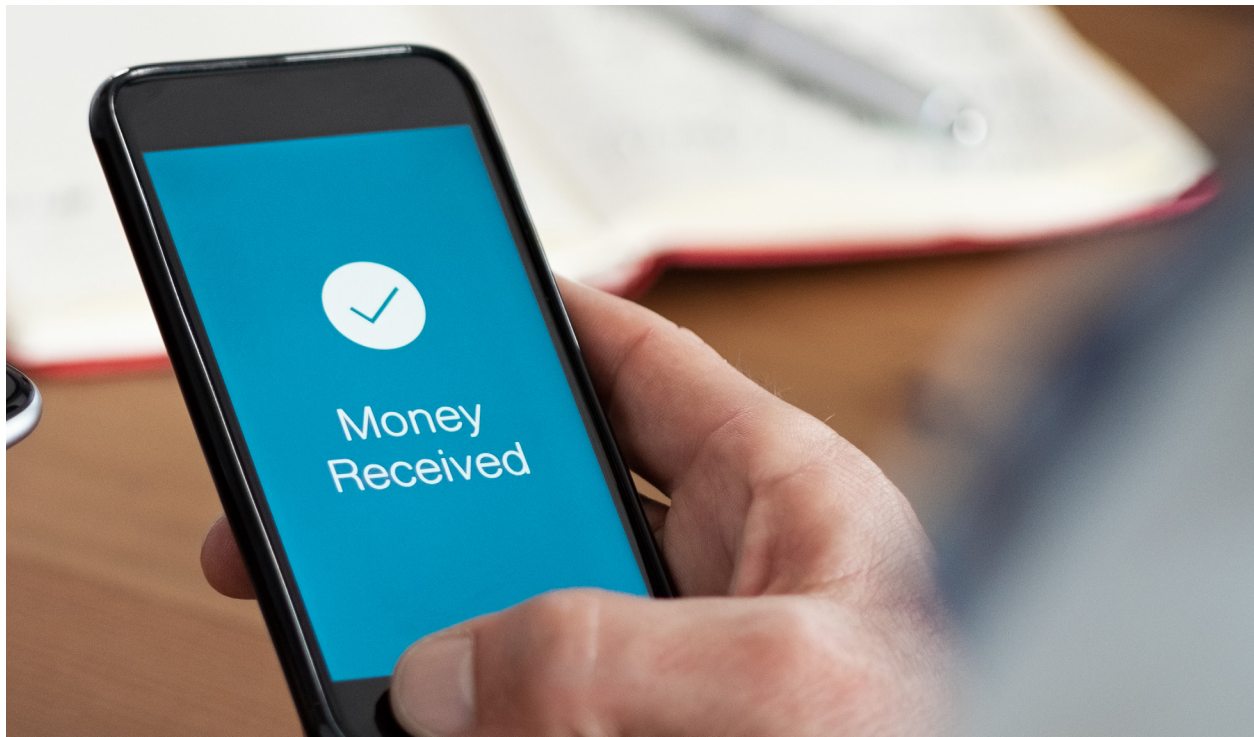
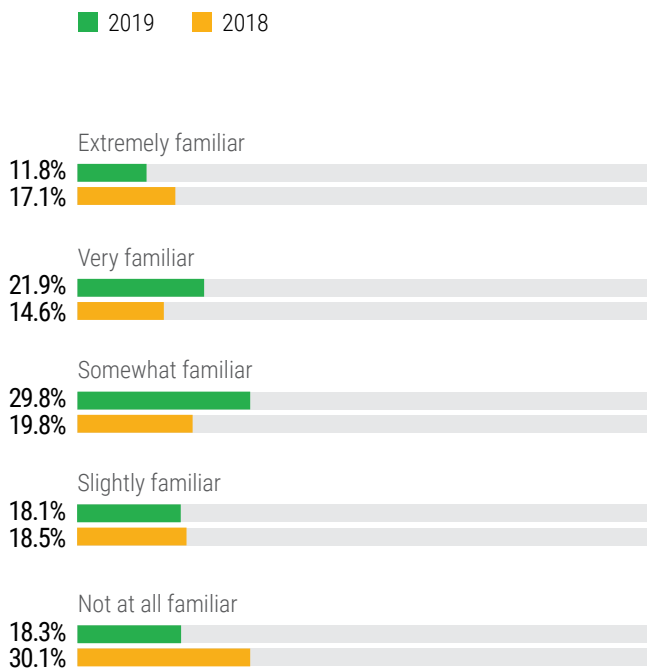


FIGURE 7:

Consumers' familiarity with instant payments

Share who report having various levels of familiarity with instant payments



Source: PYMNTS.com

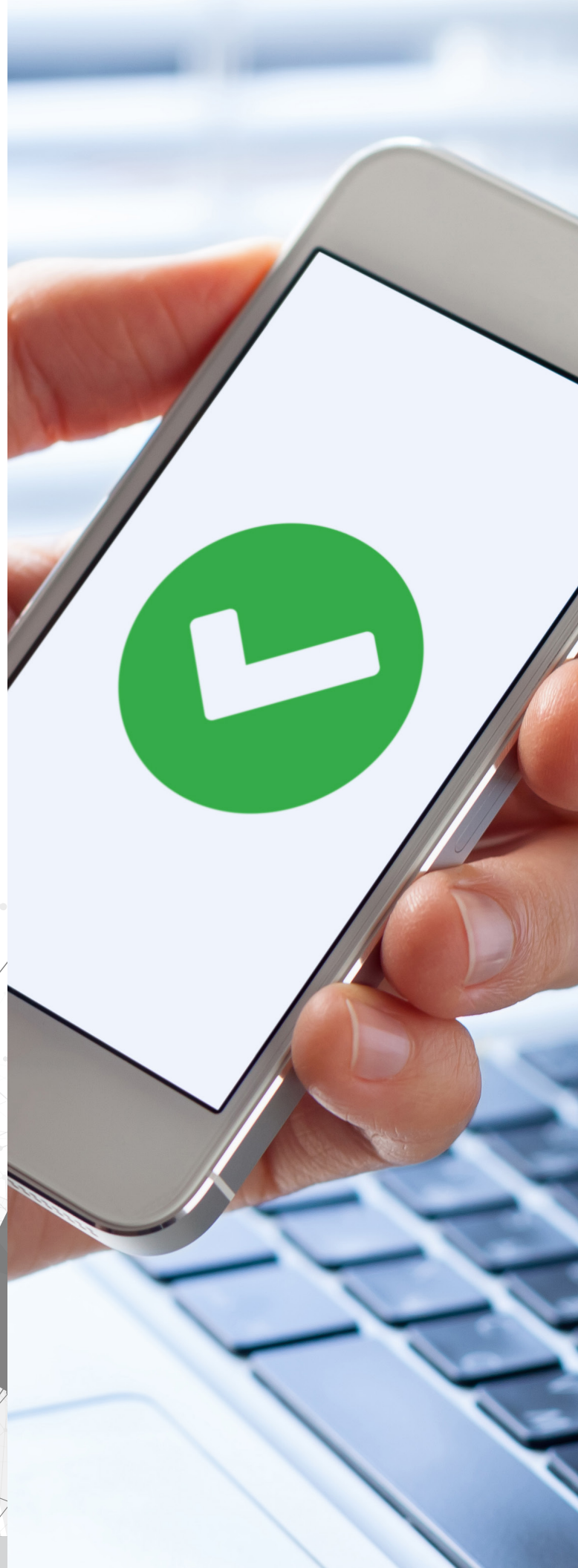
This growth is even more impressive considering it does not account for consumers who would like to use instant payments but do not have opportunities to do so. Our analysis reveals that just 42.2 percent of respondents receive instant disbursements, while 51.6 percent would like to do so. Offering instant rails to all consumers who are interested in them could unlock an additional \$571 billion in instant funds being paid to them annually.

The opportunity does not stop there. Our 2019 survey shows that 63.5 percent of U.S. consumers are at least “somewhat” aware of what instant payments are, and 33.7 percent are either “very” or “extremely” familiar with them. This compares with 51.5 percent of U.S. consumers who were at least “somewhat” familiar and just 31.7 percent who were “very” or “extremely” familiar with instant payments in 2018.

There are many consumers who are still unaware of instant payments and might choose to receive them if they knew more. Such awareness is spreading and will continue to boost instant payments' market growth.

CONCLUSION

It is getting harder for businesses and government entities to ignore the market pressure to offer instant disbursements. Consumer demand for such options is at an all-time high and shows no signs of slowing. This demand is set to increase even further as a larger share of the U.S. population becomes more acquainted with the benefits that instant disbursements offer. It is no wonder that instant disbursement options are rapidly expanding, and firms that resist the call to implement them risk being left behind.



DISBURSEMENT SATISFACTION ★★★★★ REPORT

For the latest edition of the Disbursement Satisfaction Report, PYMNTS surveyed 5,505 U.S. consumers between August and September 2019 about how they received disbursements and the methods in which they would prefer to do so in the future. We asked them about the types of disbursements they received, the frequency with which they did and methods through which they were paid.

Our sample was census-balanced to match the general population distribution. Respondents who receive disbursements are slightly more educated than the average population but do not seem to differ in any other significant way. The share of total respondents receiving disbursements was 62 percent, while the types of disbursements received were similar to those observed last year, with a higher portion of government disbursements.

ABOUT

PYMNTS.com

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Ingo Money is the instant money company. Founded in 2001 with a mission to digitize the paper check, our industry-first disbursements marketplace enables businesses and banks to disburse instant, safe-to-spend electronic funds from any source to an account that a consumer or business chooses, with network reach to more than 4 billion debit, prepaid, credit, private label credit and mobile wallet accounts. This transformation of traditional payments helps businesses reduce cost and delays while dramatically improving the consumer experience by shifting choice to the recipient of a payment.

Ingo Money has funded over \$20 billion in transactions across all of its use cases since launch and completed the first push payment transaction in the U.S. in 2012. Headquartered in Alpharetta, Georgia, Ingo employs 250 professionals and serves some of the largest brands in North America.

Learn more at www.biz.ingomoney.com.

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