

A smartphone is shown at an angle, with several coins scattered around it. The background is a solid green color. The text 'THE STATE OF CONSUMER DISBURSEMENTS 2021' is written in white, with 'DISBURSEMENTS' in a larger font size.

# THE STATE OF CONSUMER DISBURSEMENTS 2021

WHO PAYS CONSUMERS — AND HOW QUICKLY

**The State Of Consumer Disbursements 2021**, a PYMNTS and Ingo Money collaboration, takes a closer look into consumers' growing interest in and demand for instant disbursements. We surveyed a census-balanced panel of 2,951 U.S. consumers from July 13 to Aug. 2 to examine how consumer demand for instant disbursement options has changed since March 2020 and what disbursements they are most interested in receiving instantly.

THE STATE OF  
CONSUMER  
**DISBURSEMENTS**  
2021



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The State Of Consumer Disbursements 2021 was produced 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.

# EXECUTIVE SUMMARY

In many ways, 2020 was the year of disbursements in the United States. The U.S. government disbursed stimulus payments to 138 million consumers to shore up their incomes as employment levels plummeted amid the pandemic, and by July had issued roughly 171 million payments worth more than a collective \$400 billion.<sup>1</sup>

Stimulus payments as a form of disbursement are winding down as the pandemic wanes, but they have left a lasting impact. Consumers' experiences with pandemic stimulus payments led many to rethink what they want from the disbursements — payments made directly from organizations to individuals — that play such a key role in their lives.

More consumers than ever are deciding they want to receive those disbursements instantly. Consumers received almost three times as many disbursements via instant payment in 2021 than they did in 2020, with 17 percent of them — 27 million individuals — having received at least one instant disbursement in the past year. This rapid increase means instant disbursements are now on course to overtake same-day automated clearing house (ACH) as the most common disbursement method in the U.S. as soon as 2022.

This growing appetite for instant disbursements also presents a massive opportunity for organizations that can provide these recipients the instant disbursement options they crave. PYMNTS' latest research shows that approximately 158 million U.S. consumers received

roughly 11 billion disbursements in 2021, whether from the government, their employers, their insurance companies or others — and 33 percent of consumers say they would pay extra to receive those disbursements instantly. The only question is: How many organizations will seize this opportunity by delivering on consumers' growing demands?

Now in its fourth year, The State Of Consumer Disbursements 2021: Who Pays Consumers — And How Quickly, a PYMNTS and IngoMoney collaboration, takes a closer look into consumers' growing interest in and demand for instant disbursements. We surveyed a census-balanced panel of 2,951 U.S. consumers between July 13 and Aug. 2 to examine how consumer demand for instant disbursement options has changed since March 2020 and what disbursements they are most interested in receiving instantly.



## Growing appetite for instant disbursements

presents a massive  
opportunity for  
organizations that  
can provide recipients  
the instant disbursement  
options they crave.

<sup>1</sup> More than 2.2 million additional Economic Impact Payments were disbursed under the American Rescue Plan.

01

**The share of disbursements received via instant rails has tripled since 2020, closing the gap with same-day ACH as the most common disbursement method.**

Instant disbursements usage is higher than ever, with 17 percent of the 11 billion disbursements received having been issued via instant methods in 2021 — roughly three times the 5.7 percent of disbursements that were issued via instant payment methods in 2020.

Same-day account transfers remain a more common way for consumers to receive disbursements, with 22 percent doing so, but this method is beginning to lose its lead. Twenty percent of all consumers — 51 million individuals — now say they receive at least one type of disbursement via instant payment rails more often than any other method. This compares to 14 percent who received primarily instant disbursements in 2020.

02

**Thirty-seven percent of consumers — more than ever before — now say they are familiar with instant payments. Sixty-six percent would be more likely to do business with firms that provided free instant disbursement options.**

Consumers' growing awareness of instant payments and their capabilities is fueling a surge in demand for instant disbursement options. Not only are consumers 50 percent more likely to say they are aware of instant payments now than they were in 2020, but they also are 15 percent more likely to say they would be “very” or “extremely” likely to choose instant disbursements if they were available. Forty-six percent of disbursement recipients would be inclined to choose instant payments if they were available, and 66 percent would be more likely to continue doing business with firms that provided free instant payment options.

03

**The more freedom consumers are given to choose how to receive disbursements, the more likely they are to choose instant payments.**

Consumers have more choice in how to receive disbursements now than they did a year ago, which, in practice, means more are opting to receive them instantly. Consumers were

04

**The average consumer received 2.9 different types of disbursements in 2021, and did so from many more payors than in 2020.**

Sixty-one percent of all consumers — 158 million individuals — received disbursements in 2021, 10 percent fewer than did so in 2020. This decrease is driven primarily by the decrease in government disbursements made in 2021. Forty-seven percent of consumers received government disbursements in 2021 — 12 percent fewer than in 2020.

The consumers who did receive disbursements in 2021 received them from more sources than last year, however. The average recipient received disbursements from 2.9 different sources in 2021 — up from an average of 2.7 in 2020. They also received more disbursements from sources most likely to offer instant options, and fewer from sources that lack such options. This shift means more consumers than ever before are being given the chance to receive the instant disbursement options they crave.

05

**Thirty-three percent of consumers would pay extra to receive instant disbursements — double the share who said the same in 2020.**

There could be as many as 52 million consumers in the U.S. who would be willing to pay an added fee for the opportunity to receive their disbursements instantly, 15 percent more than said the same in 2020.

Demand for instant insurance, income and earnings disbursements is even higher. Fifty-one percent of disbursement recipients say they would pay such a fee to receive insurance payments instantly, and 49 percent would pay a fee to receive instant income and earnings disbursements.

# The rise of instant disbursements

Consumers' use of instant disbursements is growing faster than any other method of receipt. Receipt of instant disbursements has grown threefold over the past year and nearly fivefold since 2018, with 17 percent of all disbursements having been received via instant payment.

As instant disbursements gain ground, same-day ACH is losing ground. Same-day ACH still is the most common method by which consumers receive disbursements, but there were 26 percent fewer disbursements received via same-day ACH this year than in 2020. This trajectory suggests that instant payments could be on the verge of overtaking same-day ACH as the United States' most common method of disbursement received as soon as 2022.



Percentage decline in disbursements received via same-day ACH this year from 2020

This rapid increase in instant disbursement usage can be seen among all types of disbursements U.S. consumers receive. The share of consumers receiving instant investment account disbursements has roughly tripled since last year, for example, as has the share receiving income disbursements, insurance disbursements and product purchase disbursements.

TABLE 1:

**Change in disbursements' methods of receipt over time and disbursements from different sources received via instant payments**

Share received from select sources using select methods, by year

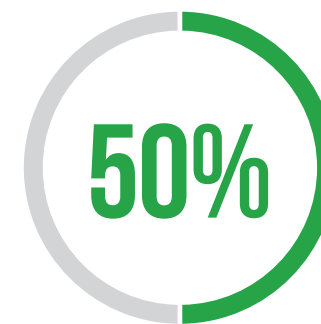
	2018	2019	2020	2021
• Total non-instant digital payments	59.2%	58.6%	62.7%	<b>64.8%</b>
• Same-day bank account	—	28.1%	29.2%	<b>21.7%</b>
• PayPal	—	7.0%	6.9%	<b>13.8%</b>
• Three- to five-day bank account deposit	45.9%	14.7%	14.6%	<b>7.5%</b>
• Gift card	—	5.9%	5.8%	<b>6.0%</b>
• Venmo	—	0.3%	0.6%	<b>3.6%</b>
• Cryptocurrency	—	0.1%	0.1%	<b>3.5%</b>
• Zelle	—	0.3%	0.4%	<b>3.4%</b>
• Credit card	—	0.0%	2.3%	<b>3.4%</b>
• Other	—	2.1%	2.6%	<b>1.8%</b>
<hr/>				
• Instant payments	3.6%	6.4%	5.7%	<b>17.0%</b>
• Check	33.2%	23.3%	18.7%	<b>9.9%</b>
• Cash	4.0%	11.7%	12.9%	<b>8.3%</b>
<hr/>				
• All categories	3.6%	6.4%	5.7%	<b>17.0%</b>
• All nongovernment categories	4.2%	7.1%	6.0%	<b>17.5%</b>
• Income and earnings disbursements	2.2%	7.0%	5.9%	<b>17.2%</b>
• Insurance and borrowing disbursements	1.5%	5.4%	6.6%	<b>17.7%</b>
• Product purchase-related disbursements	9.0%	11.7%	6.7%	<b>18.7%</b>
• Government disbursements	2.0%	4.8%	5.0%	<b>14.9%</b>
• Investment account disbursements	3.0%	4.7%	4.4%	<b>14.8%</b>
• Other disbursements	5.4%	6.5%	6.2%	<b>19.3%</b>

Source: PYMNTS | Ingo Money  
The State Of Consumer Disbursements 2021

**By 2022,  
instant payments  
could overtake  
same-day ACH**

**as the most common method  
in the United States through  
which recipients receive  
disbursements.**

# Becoming familiar with instant payments

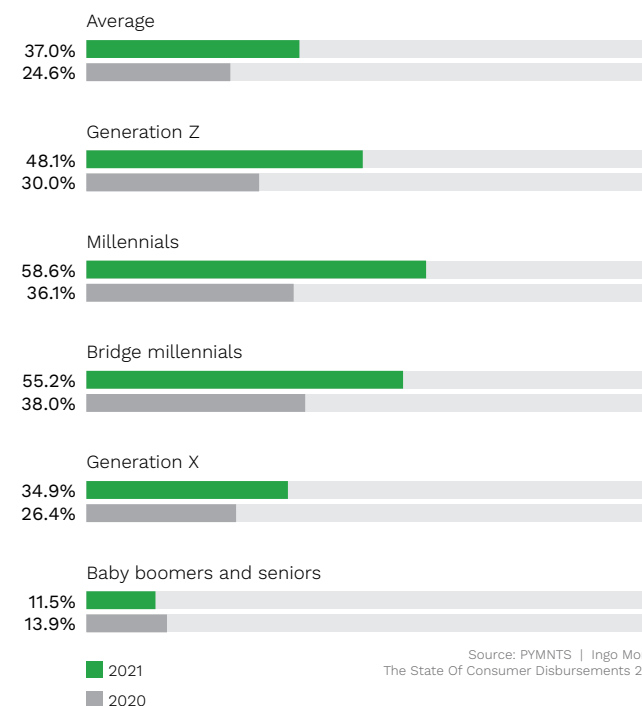


Increase in share of consumers who are aware of instant payments compared to 2020

The spike in disbursement receipt corresponded with a massive uptick in consumers' familiarity with instant disbursement capabilities. Thirty-seven percent of consumers now say they are aware of instant payments and what they are — 50 percent more than the share who said the same in 2020.

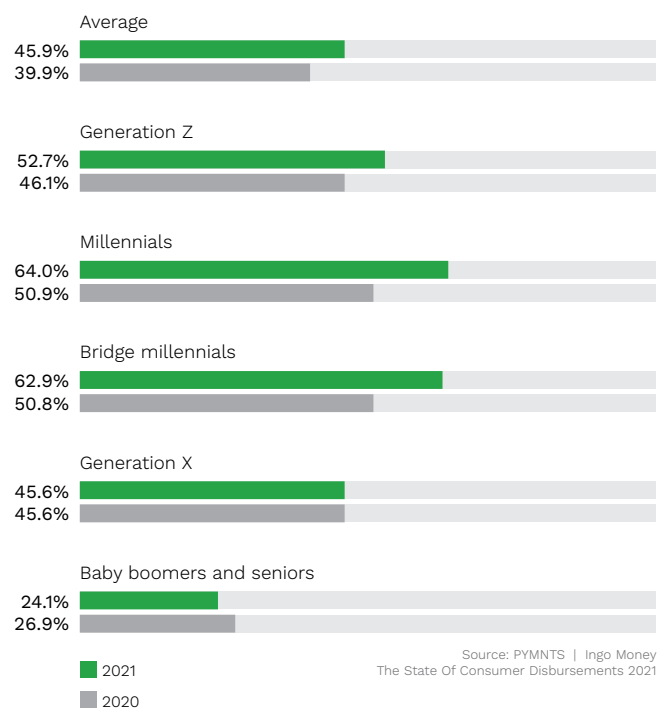
Familiarity with instant payments is most common among millennials and bridge millennials, a unique age cohort composed of both older millennials and younger members of Generation X. These consumers share characteristics of both generations and therefore “bridge the gap” between them. Fifty-nine percent of millennials and 55 percent of bridge millennials now say they are familiar with instant payment methods and their capabilities. This compares to just 36 percent and 38 percent, respectively, who said the same in 2020.

**FIGURE 1:**  
**Consumers' awareness of instant payments**  
Share of consumers familiar with instant payments, by generation



As consumers grow more familiar with instant payments capabilities, they also grow more interested in using them in their everyday lives — including for receiving disbursements. Forty-six percent of all disbursement recipients say they would be “very” or “extremely” likely to choose instant payments if available, compared to 40 percent in 2020. This makes for a year-over-year increase of 15 percent.

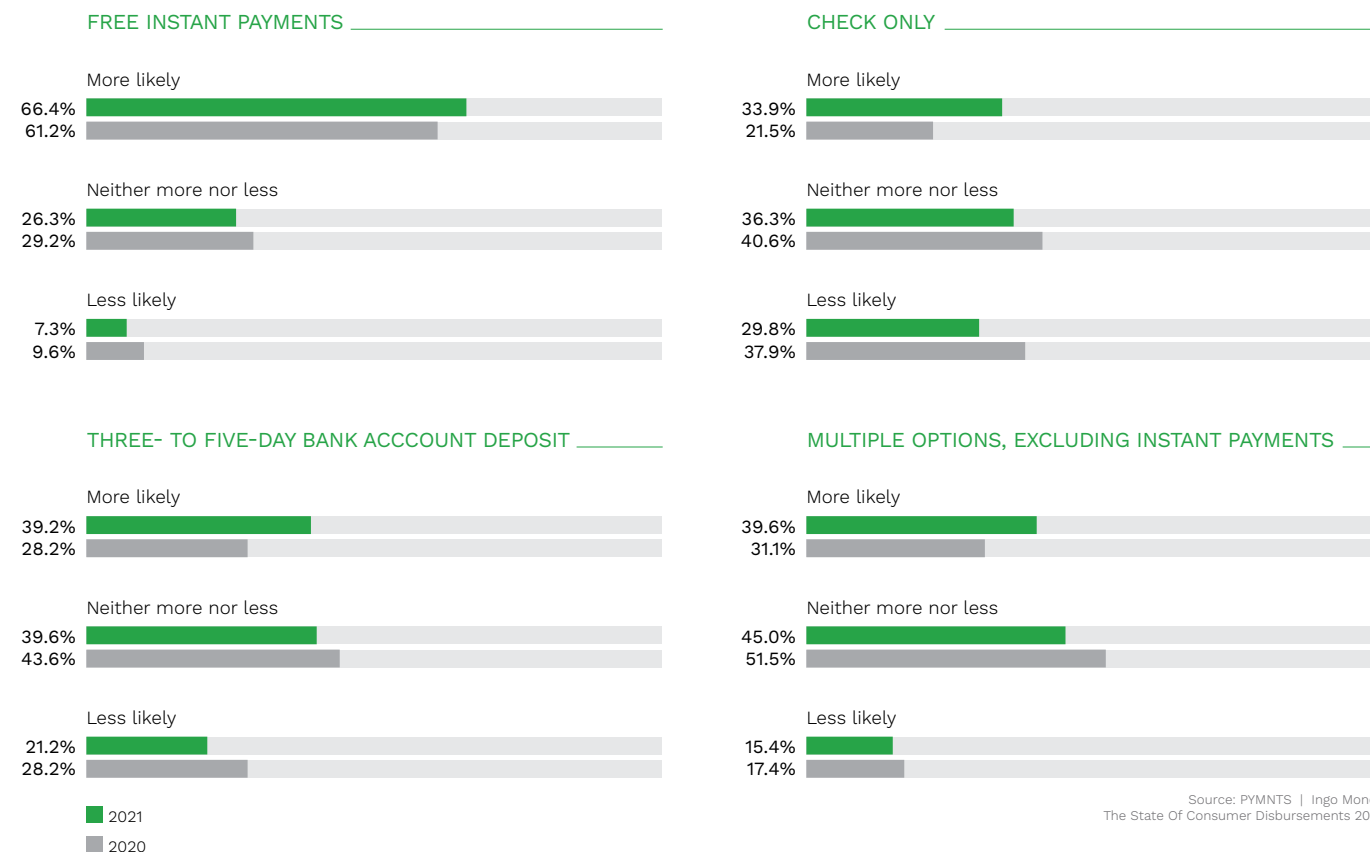
**FIGURE 2:**  
**Share of consumers who would choose to receive instant disbursements if they could**  
 Percent “very” or “extremely” likely to choose instant payments if offered, by generation



Propensity to choose instant payments is growing even more quickly among bridge millennials and millennials, who are 24 percent and 26 percent likelier to choose instant payments if offered now than they were one year ago, respectively.

Consumers have come to value instant disbursements so highly that they are more willing to continue doing business with organizations that offer instant disbursements than they would with those that do not provide instant options. Sixty-six percent of all disbursement recipients say they would be more likely to continue doing business with firms that provide them with free instant payment options, in fact. This is more than would be willing to continue doing business with senders that offer any other disbursement options.

**FIGURE 3:**  
**Share of consumers who would want to continue doing business with senders that offer select disbursement methods**  
 Percent who would continue client relations if offered select disbursement methods, by source



**INSTANT PAYMENT OPTIONS**  
 Two-thirds of disbursement recipients are likelier to choose businesses if they offer instant payment options.

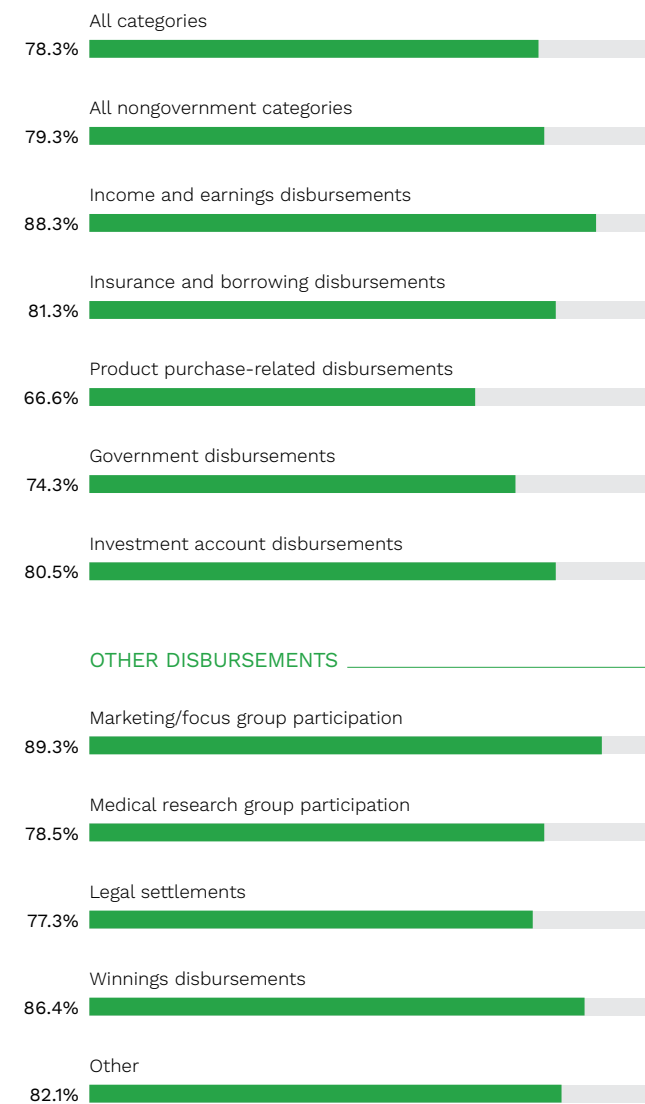
Only 39 percent of consumers say they would be more willing to continue doing business with senders if they offered direct deposits, by comparison. Even fewer say the same of organizations that offer only disbursements via check.



# Choices, choices:

## WHY MORE OPTIONS MEANS MORE INSTANT PAYMENTS

**FIGURE 4:**  
**How often instant payment recipients can choose their method of receipt**  
Share of instant disbursement recipients who can choose method of receipt



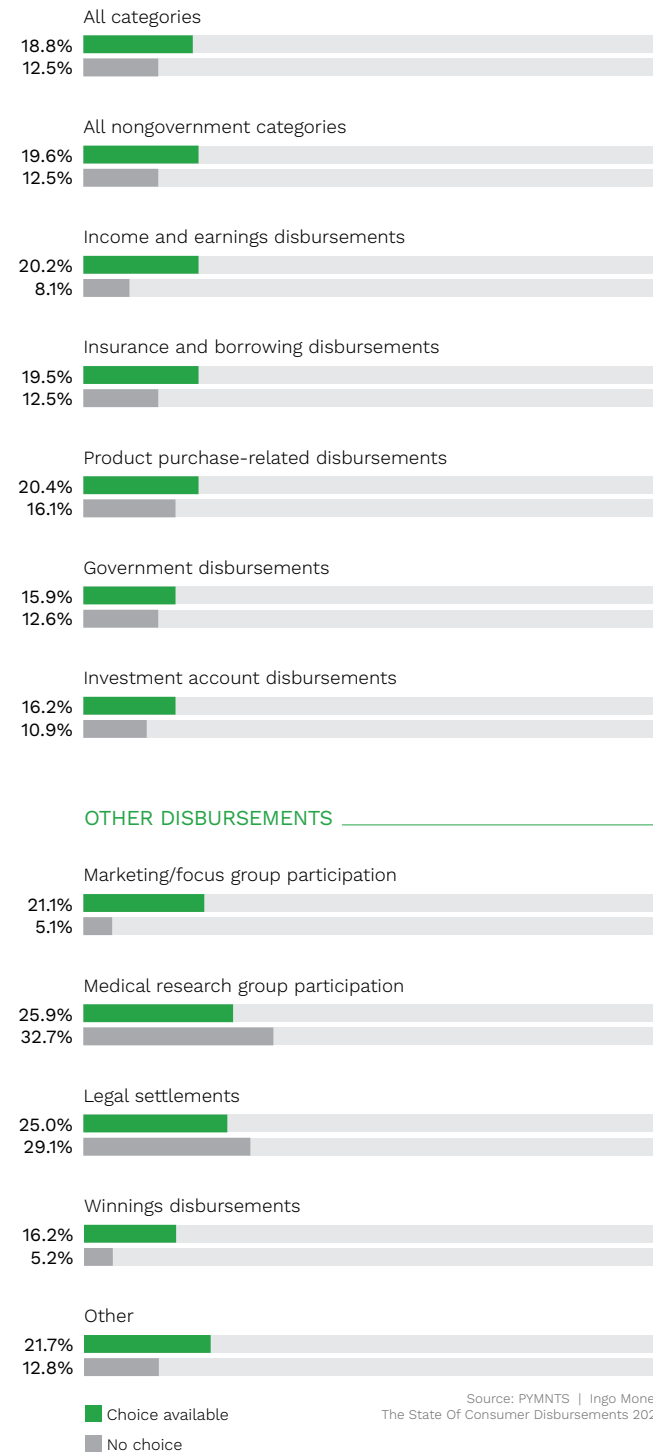
Source: PYMNTS | Ingo Money  
The State Of Consumer Disbursements 2021

Consumers do not always have the luxury of choosing their method of receipt, but when they do, they tend to choose instant payments. In 78 percent of instances in which instant payments were the most common way by which consumers received disbursements in 2021, consumers were given a choice in how they were able to receive those payments.

Instant payment recipients' likelihood of being given a choice in method of receipt also varies depending on the source from which they receive those disbursements. Among consumers who received government disbursements more often via instant payment than any other method, 74 percent say they were given a choice in how they received those payments, for example.

**FIGURE 5:**  
**How often instant payment recipients can choose their method of receipt**

Share in which instant payments were the most common method of receipt, by availability of choice

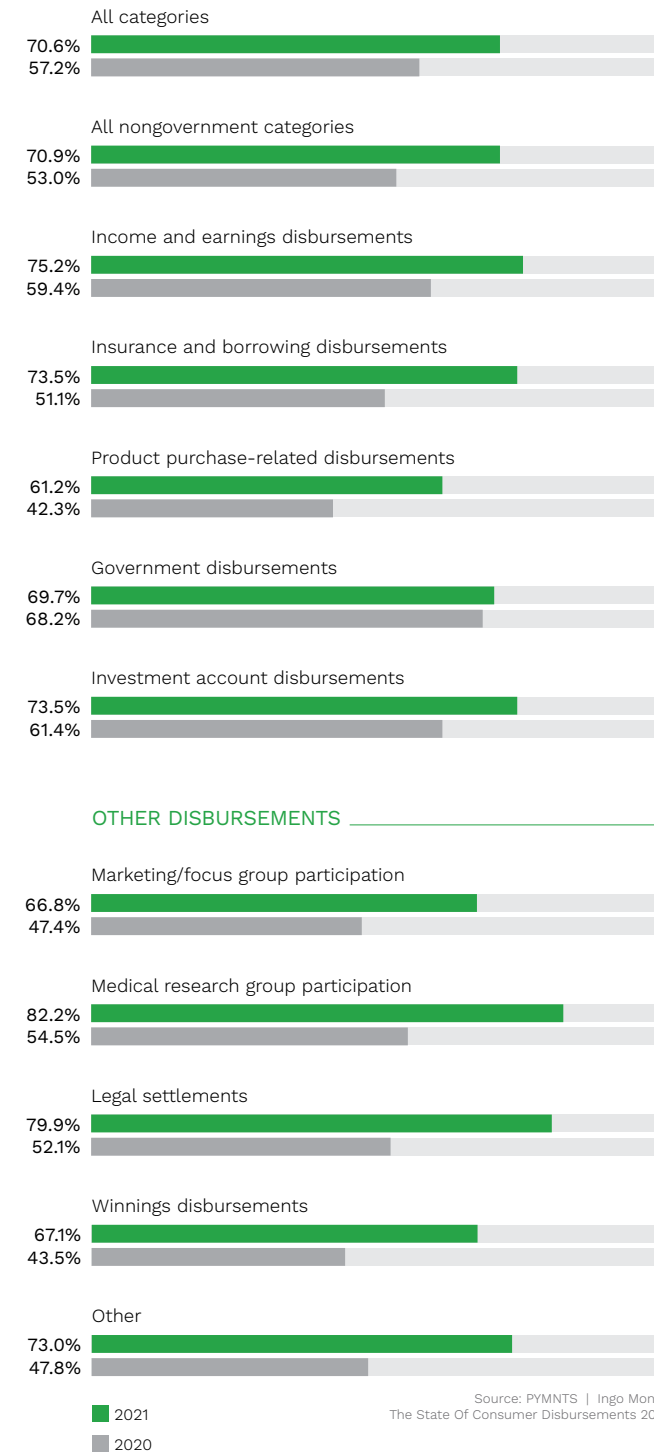


The inverse also is true: The more consumers are given a choice as to how they receive disbursements, the more likely those disbursements are to be received instantly. Nineteen percent of disbursements for which consumers were given a choice in method of receipt were received instantly. Thirteen percent of instant payments received came with no choice in method of receipt, by contrast.

Given consumers' tendency to opt for instant disbursements when they can, it is no surprise that the sharp rise in instant disbursements in 2021 corresponds to a similar increase in consumers' ability to choose the method of receipt. Seventy-one percent of disbursement recipients say they were able to choose between at least two options of disbursement receipt in 2021 — 23 percent more than said the same last year.

**FIGURE 6:**  
**Share of consumers given a choice in how they receive disbursements**

Share who can choose how to receive disbursements from select sources, by year



Increase in the share of consumers who had access to at least two disbursement options in 2021

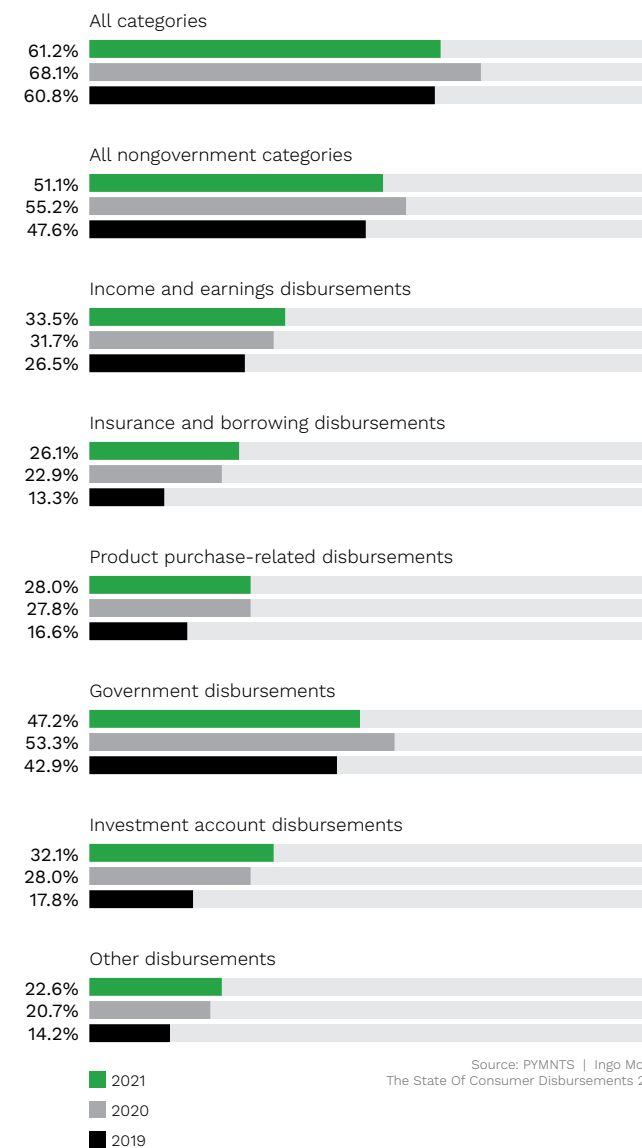
Consumers also were given more choice in how they received disbursements from every source in our study, whether they came from the government, investment accounts, employers, insurance organizations or other sources. In summary, consumers are receiving more instant disbursements this year than last year in large part because more organizations are giving them the option to do so.

# The rise and fall of government disbursements

**A**nother key reason why more consumers reported receiving instant disbursements in 2021 than they did in 2020 relates to a broader shift in the types of disbursements they receive. Simply stated, consumers are receiving more disbursements from organizations that give them instant payment options and fewer disbursements from organizations that do not.

The share of the adult U.S. population receiving disbursements fell from 68 percent to 61 percent between 2020 and 2021, with the biggest year-over-year decrease among consumers receiving government disbursements, which include government stimulus payments, property tax refunds and income tax credits, for example. Forty-seven percent of consumers received government disbursements like these in 2021 — 12 percent fewer than did so in 2020 at the height of the pandemic.

**FIGURE 7:**  
**Types of disbursements consumers receive most often**  
Share of consumers receiving disbursements from select senders, by year



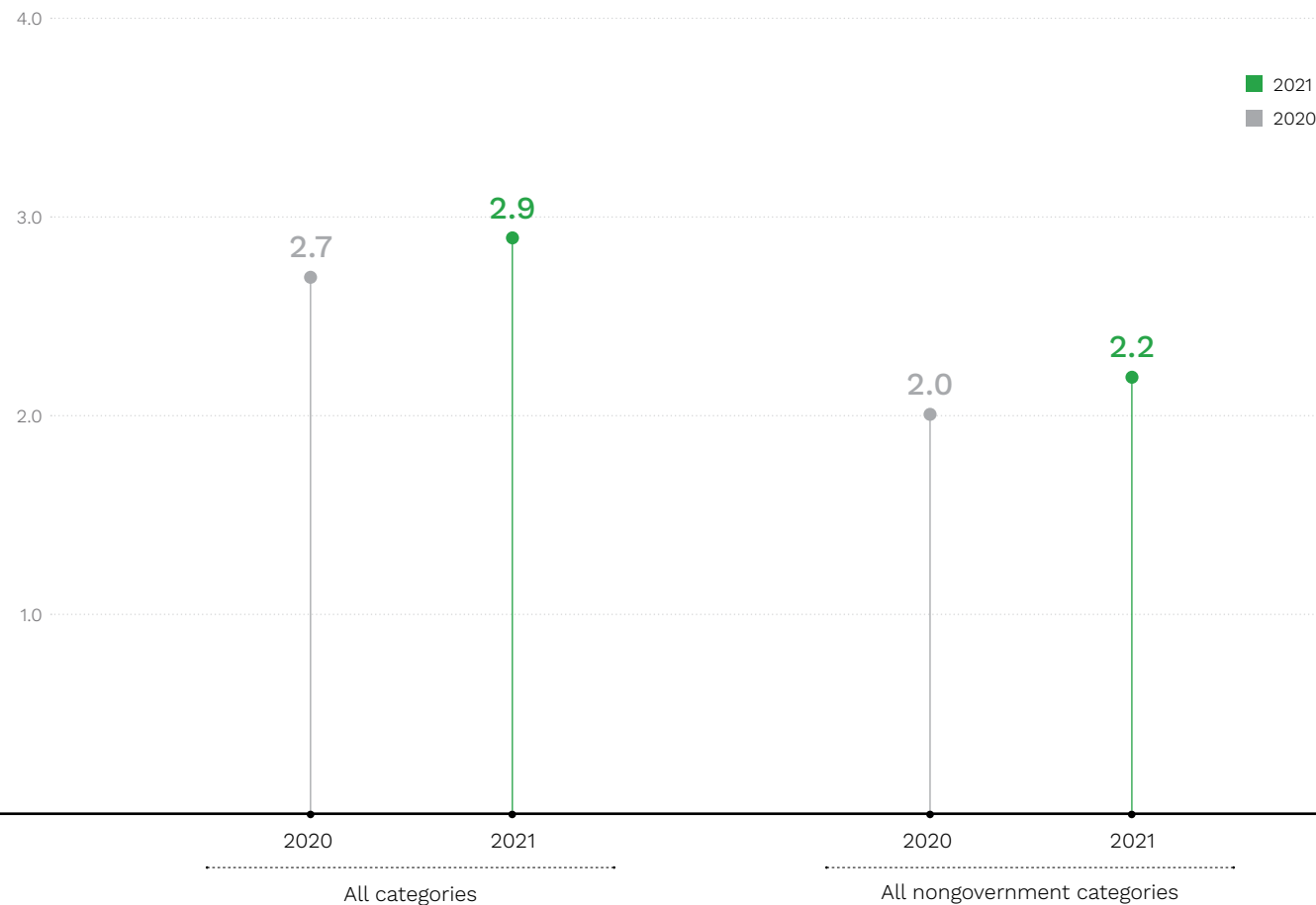
As discussed in the previous section, consumers who receive government disbursements are among the least likely to be given a choice in how they want to receive their disbursements. Consumers who received these also are nearly as likely to be given a choice in method of receipt this year as they were last year.



**2.9 SOURCES**

Average number of sources from which consumers reported receiving disbursements in 2021

**FIGURE 8:**  
**Number of different sources from which consumers receive disbursements**  
 Average number of nongovernment and all types of disbursements received in 2020 and 2021



This is not the case with income and investment account disbursements, among which we have seen the biggest increase in the share of consumers receiving them. Fifteen percent more consumers received investment account disbursements in 2021 than in 2020, the largest year-over-year increase seen among any disbursement type. Additionally, there has been a 6 percent increase in the share of consumers receiving income disbursements.

Investment account disbursements are among the most likely disbursements for which consumers are given a choice in how they receive them, and consumers who received income and investment disbursements also were far more likely to be given this choice in 2021 than they were in 2020.

Also notable is that, although the overall number of consumers receiving disbursements is down from last year, the consumers who are receiving disbursements are receiving them from more sources now than they did in 2020. The average recipient received disbursements from an average of 2.9 sources in 2021, compared an average of 2.7 sources in 2020.

In short, consumers are receiving more of the types of disbursements for which they are most likely to be given an instant payment option.

Source: PYMNTS | Ingo Money  
 The State Of Consumer Disbursements 2021

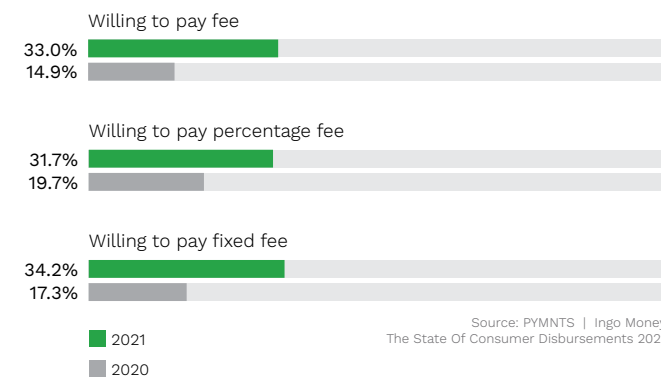
# To pay or not to pay: CONSUMERS SAY “YES” TO INSTANT PAYMENTS

**T**hirty-three percent of all consumers — roughly 52 million individuals — would be willing to pay an added fee for the opportunity to receive their disbursements instantly, but not all added fees are created equal. Consumers are slightly more willing to pay a fixed fee for instant disbursement receipt as opposed to paying a fee that changes based on the disbursement’s value. Thirty-four percent of consumers would be willing to pay an added, fixed fee for instant disbursement receipt, and 32 percent would be willing to pay a proportional fee that functions as a percentage of the disbursement value.

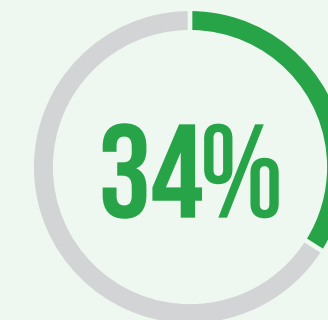
**FIGURE 9:**

**Portion of consumers who would pay extra for instant payments**

Share who would be willing to pay an added fee to receive instant disbursements



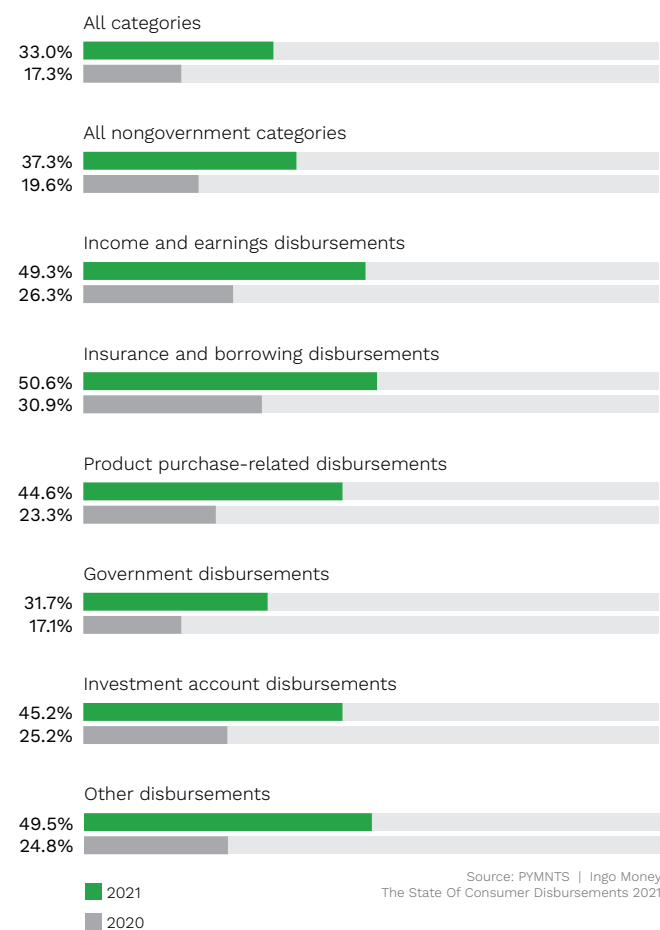
Share of consumers who are willing to pay a percentage fee to receive instant disbursements



Share of consumers who are willing to pay a fixed fee to receive instant disbursements

**FIGURE 10:**  
**Portion of consumers willing to pay for instant disbursements from different disbursement categories**

Share willing to pay an added fee to receive instant disbursements, by category



**52 MILLION**  
 Number of consumers willing to pay an added fee to access instant disbursements

Consumers' willingness to pay extra for instant disbursements also varies depending on the type of organization from which they receive those disbursements. Half of all insurance, income and earnings disbursement recipients would be willing to pay an added fee to receive instant payments, making them the most likely to do so. Government disbursement recipients are the least likely to pay an added fee for instant payments, with 32 percent willing to do so.



## Half of all insurance, income and earnings disbursement recipients

would be willing to pay an added fee to receive instant payments.

# CONCLUSION

**M**ore consumers than ever before have had a taste of what it is like to receive disbursements instantly, and there is no going back. As governmental bodies, insurance firms, employers and other organizations provide more instant disbursement options, consumers' familiarity with, interest in and usage of instant options continue to grow, creating a veritable snowball effect. Instant payments are on the brink of overtaking same-day ACH as the most common disbursement method as soon as next year. Therefore, it is clear that instant options will be key to meeting consumers' increasing demands for immediate funds access going forward.

# Methodology

The State Of Consumer Disbursements 2021, a PYMNTS and Ingo Money collaboration, is based on a consumer survey conducted from July 13 to Aug. 2. We surveyed 2,951 consumers who received at least one of a select range of disbursements during the last year. We also focused on the adoption and overall usage of instant payments for received disbursements.

## GET MORE INSIGHTS AND TRENDS:



Disbursements Satisfaction Playbook

DECEMBER 2020



Disbursements Satisfaction Playbook

JANUARY 2021



Disbursements Tracker®

NOVEMBER 2021



Fixing Small Business Payments

NOVEMBER 2020

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