



ASSOCIATION FOR  
FINANCIAL  
PROFESSIONALS

2023 AFP®

# REAL-TIME PAYMENTS SURVEY REPORT

*Underwritten by*



Dear Corporate Financial Professional,

The Clearing House (TCH) is proud to partner with the Association for Financial Professionals® (AFP) to sponsor the 2023 AFP® Real-time Payments Survey Report, an exploration of current and planned usage of real-time payments by corporates in the United States.

The survey shows that the vast majority of corporate financial professionals are using or will use real-time payments within the next five years, and they are looking forward to having real-time payments enable new bill pay and request for payment capabilities, streamline payment processes, improve liquidity management and the efficiency of working capital, transmit additional payment information (such as invoices), and provide immediate confirmation of payment.

The survey identifies a number of interesting real-time payment findings:

- 98% of organizations with annual revenue between \$1 billion and \$9.9 billion anticipate they will have adopted real-time payments within the next five years to send payments.
- 50% of survey respondents indicate that the lower cost of transactions is a benefit of using real-time payments.
- 44% of survey respondents cite strengthening payment efficiency as a benefit of real-time payments, and 40% cite improved cash flow.

TCH operates U.S.-based payments networks that clear and settle trillions of dollars each day through wire, ACH, check image, and real-time payments. The RTP® network, which supports the immediate clearing and settlement of payments,

along with the ability to exchange related payment information across the same secure financial institution channel, was launched in 2017, currently has approximately 60 million transactions each quarter, and reaches over 65% of demand deposit accounts in the United States. TCH also operates CHIPS, which is the largest private sector high-value real-time clearing and settlement system in the world that settles an average of \$1.9 trillion in payments per day on a comparatively small funding base. CHIPS patented liquidity savings algorithm matches and offsets payments continually, resulting in an extremely efficient settlement process.

We hope the insights from the AFP® Real-time Payments Survey Report will spark new ideas on how to improve end-to-end payments efficiency across your organization, create innovative payment experiences for your customers and help guide you as your company looks to benefit from rapidly evolving payments innovations that are driven by the RTP® network.

Sincerely,

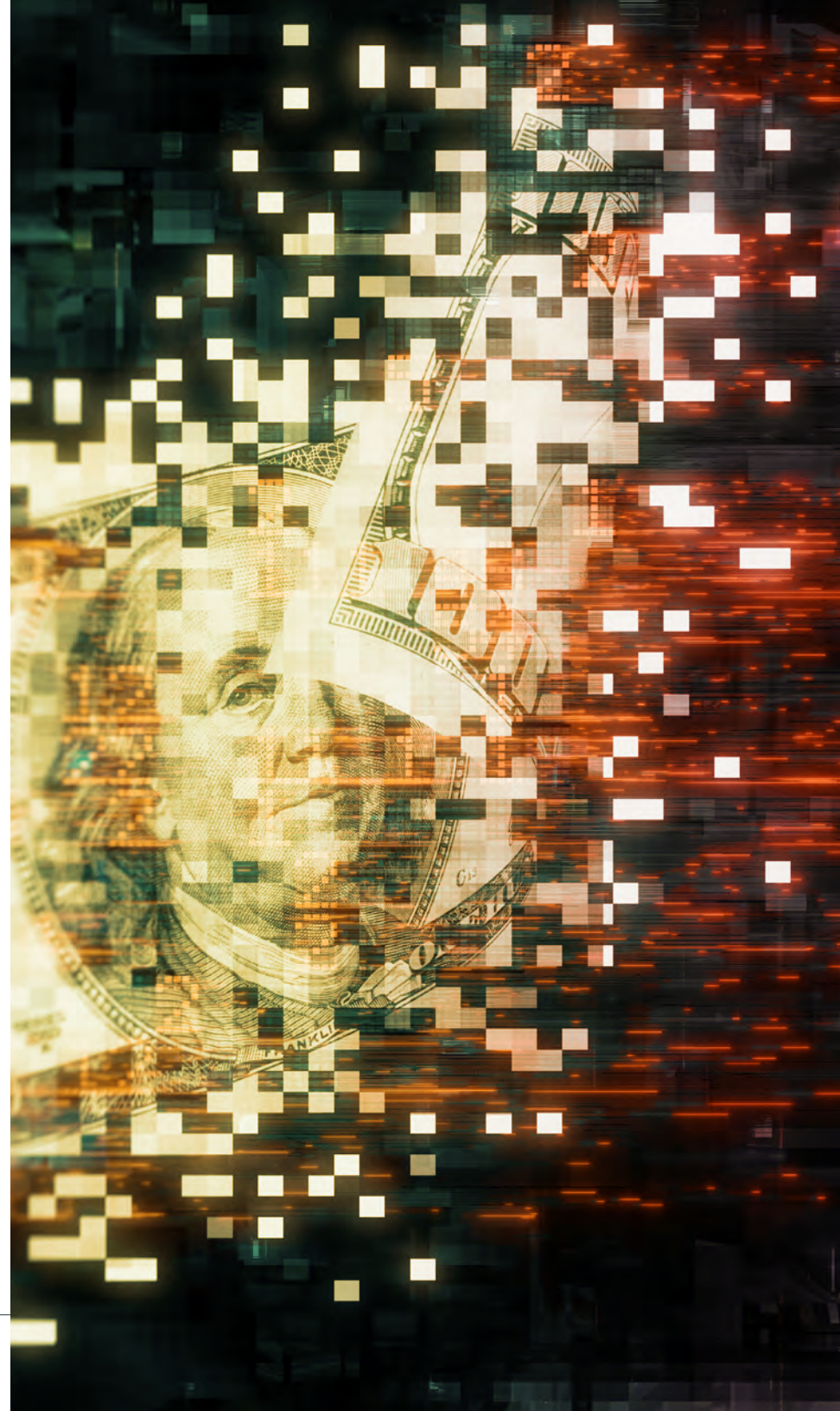


Rusiru Gunasena  
Senior Vice President, RTP® Product Management  
& Strategy  
The Clearing House



# TABLE OF CONTENTS

REAL-TIME PAYMENTS LANDSCAPE .....	4
KEY FINDINGS.....	5
OVERVIEW OF FINDINGS .....	6
— Prevalence of Real-time Payments When SENDING Payments	
— Prevalence of Real-time Payments When RECEIVING Payments	
— Real-time Payments Systems in Use	
— Channels Used for SENDING Real-time Payments	
— Channels Used for RECEIVING Real-time Payments	
— Real-time Payments Use by Transaction	
— Benefits of Real-time Payments Use	
— Barriers to Adopting Real-time Payments Methods	
— Importance of Real-time Payments Features	
DEMOGRAPHICS.....	23



# REAL-TIME PAYMENTS LANDSCAPE

For the purpose of this survey, we defined Instant payments or real-time payments as payments that are initiated and settled nearly instantaneously. However, real-time payments should be viewed as a distinct service based on instant or near real-time transfer of value to the payee.

Real-time payments, such as RTP® network and FedNow®, have features such as immediate inter-bank settlement, 24/7/365 initiation and execution, payment confirmation, and irrevocability and are limited to credit-push payments in which the payer initiates payment to the payee.

In 2022, 195 billion real-time payment transactions were recorded – a year-over-year growth of 63.2 percent; by 2027, real-time payments are expected to account for 27.8 percent of all electronic payments globally. India leads the world in the number of real-time payments, having posted 89.5 billion such transactions in 2022. Brazil ranks second with 29.2 billion transactions followed by the People’s Republic of China with 17.6 billion real-time payment transactions. In comparison, the United States recorded 2.8 billion real-time payment transactions in 2022.<sup>1</sup>

Real-time payment options in the U.S. were enhanced in 2017 when The Clearing House Payments Company (TCH) launched the RTP® network. The RTP® network from TCH is a platform that all U.S. depository institutions are eligible to use for payments innovation. In addition, other near real-time payment options – e.g., PayPal, Mastercard Send, Visa Direct and Venmo – have been introduced as options for transacting a faster

payment, which typically provide immediate funds availability to the receiving customer (although receiving banks do not receive settlement until later). However, the U.S. continues to lag behind other countries in the use of real-time payments; and even those countries whose economies are significantly smaller than the U.S. economy are adopting real-time payments at a far more rapid pace than is the U.S.

On July 20, 2023, the Federal Reserve announced that its new system for real-time payments, FedNow® was live.<sup>2</sup> Like the RTP® network, FedNow® will allow banks and credit unions of all sizes to sign-up to use the system, to transfer money for their customers, any time of the day, on any day of the year. Although, its offerings are currently limited, it is expected that when fully available the benefits of the system will be similar to the existing RTP® network, e.g., customers will be able to send and access funds immediately through their financial institutions’ mobile app, website, etc.,

Against this landscape, in June – July 2023 the Association for Financial Professionals® (AFP) conducted the 2023 AFP® Real-time Payments Survey, underwritten by The Clearing House. The survey’s goals were:

- Understanding the prevalence of real-time payments in the U.S. by examining the various faster payment or real-time payments systems being used
- Determining if organizations are planning to adopt real-time payments in the near future



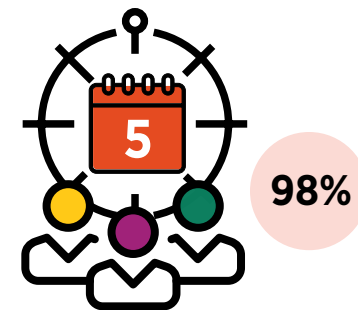
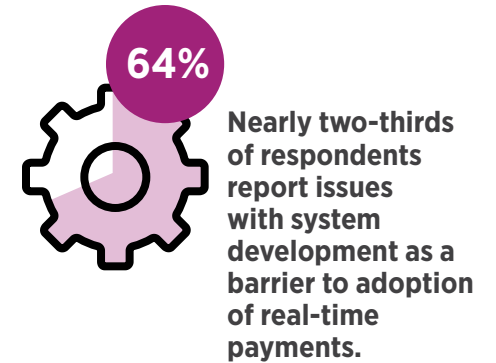
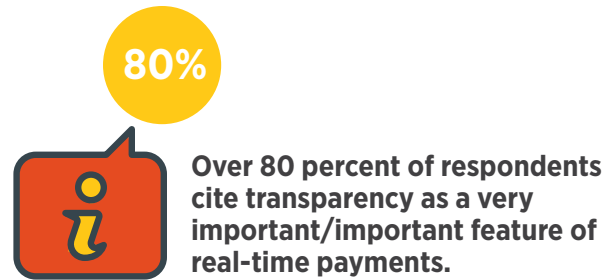
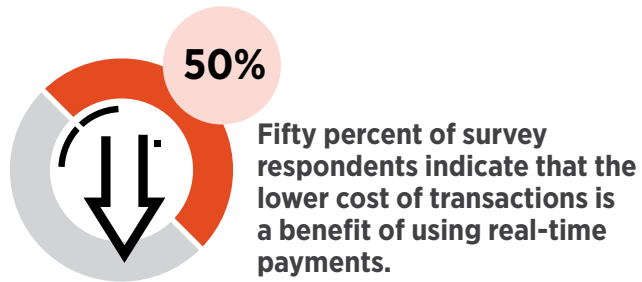
- Ascertaining through which payments channels real-time payment transactions are carried out
- Discerning benefits of and barriers to adopting real-time payments as well as the importance of real-time payment features

Responses from 310 treasury practitioners form the basis of this report.

<sup>1</sup> [ACI Worldwide Prime time for Real-Time Global Payments Report](#)

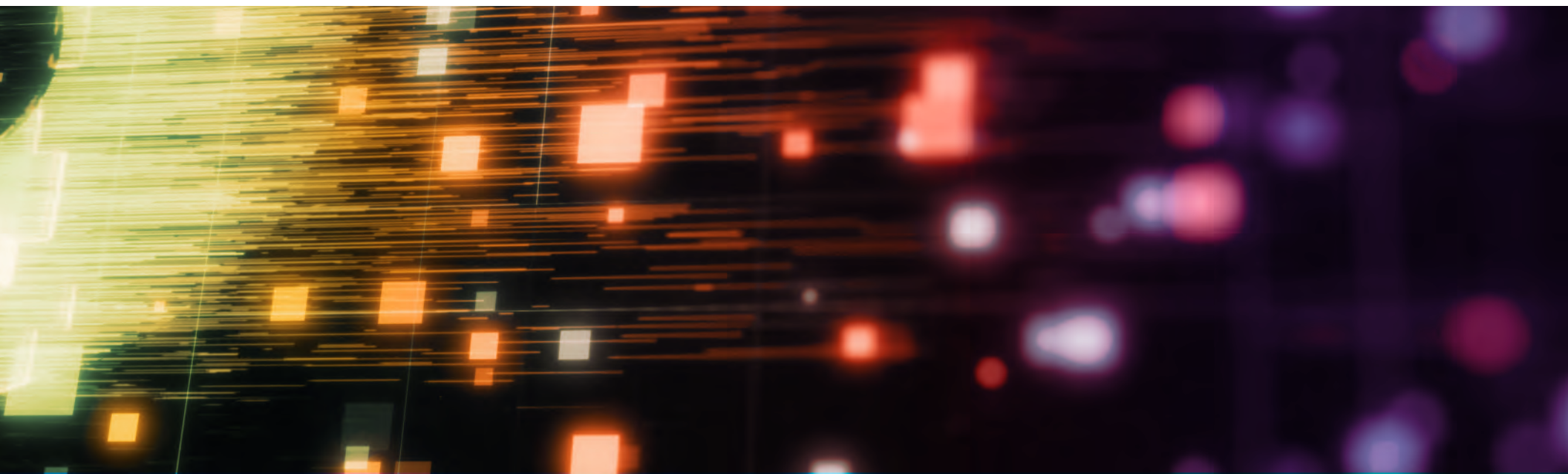
<sup>2</sup> [FedNow® Press Release](#)

# KEY FINDINGS





## **OVERVIEW OF SURVEY FINDINGS**





## PREVALENCE OF REAL-TIME PAYMENTS WHEN SENDING PAYMENTS

Currently, 78 percent of organizations are either not using real-time payments when sending payments or use them in less than 10 percent of payments being sent. At least 50 percent of respondents from organizations with annual revenue of at least \$1 billion and those that are publicly owned report their organizations are not using real-time payments to send payments. Twelve percent of respondents indicate that over 25 percent of their organizations' payments are currently being sent via real-time payments. Survey findings suggest that small and privately held organizations are using real-time payments to a greater extent than are other organizations. Respondent demographics reveal that 40 percent of respondents are from organizations with annual revenue less than \$1 billion, another 40 percent are from organizations with annual revenue between \$1 billion and \$9.9 billion, and the remaining 20 percent represent organizations with annual revenue of at least \$10 billion. Smaller companies and privately held companies are considered more agile in enhancing their system infrastructure or having developed use-cases; this is reflected in the higher usage of real-time payments for these categories of organizations.

In the next two years, over 90 percent of respondents expect their organizations will be using real-time payments to receive payments, although 72 percent anticipate less than 26 percent of payments received will be via real-time payments. A greater percentage of organizations with annual revenue less than \$1 billion and those that are privately held anticipate using real-time payments for over 50 percent of payments received than do other organizations. By 2028, 94 percent of organizations plan to be using real-time payments when receiving payment, with 36 percent of respondents expecting at least 26 percent of payments made will be via real-time payments.

By 2028, it is expected that 42 percent of organizations will be sending at least 26 percent of their payments via real-time payments, while 51 percent of organizations will be sending 1% to 25% of their payment transactions via real-time payments.



### Prevalence of Real-time Payments When SENDING Payments: Currently

(Percentage Distribution of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE FROM \$1 BILLION TO \$9.9 BILLION	REVENUE AT LEAST \$10 BILLION	PRIVATELY HELD	PUBLICLY OWNED
None	45%	41%	50%	54%	40%	55%
Less than 10%	33%	27%	40%	33%	33%	31%
10%-25%	10%	13%	6%	9%	12%	10%
26%-50%	5%	9%	2%	--	7%	2%
Over 50%	7%	10%	3%	4%	8%	2%

### Prevalence of Real-time Payments When SENDING Payments: Within Two Years (2025)

(Percentage Distribution of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE FROM \$1 BILLION TO \$9.9 BILLION	REVENUE AT LEAST \$10 BILLION	PRIVATELY HELD	PUBLICLY OWNED
None	9%	9%	8%	14%	8%	14%
Less than 10%	43%	33%	55%	46%	39%	41%
10%-25%	25%	27%	23%	21%	24%	30%
26%-50%	14%	18%	9%	14%	19%	11%
Over 50%	9%	13%	5%	5%	10%	4%

### Prevalence of Real-time Payments When SENDING Payments: Within Five Years (2028)

(Percentage Distribution of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE FROM \$1 BILLION TO \$9.9 BILLION	REVENUE AT LEAST \$10 BILLION	PRIVATELY HELD	PUBLICLY OWNED
None	6%	6%	2%	13%	5%	8%
Less than 10%	26%	19%	37%	6%	26%	27%
10%-25%	25%	26%	26%	34%	24%	28%
26%-50%	18%	22%	15%	8%	16%	18%
Over 50%	24%	27%	20%	19%	29%	19%



## PREVALENCE OF REAL-TIME PAYMENTS WHEN RECEIVING PAYMENTS

Currently, 40 percent of organizations are not utilizing real-time payments to receive payments, while an almost equal share of organizations are using real-time payments for less than 10 percent of payments received. A greater share of organizations with annual revenue less than \$1 billion (63 percent) and those that are privately held (67 percent) are using real-time payments to a greater extent than are other organizations. As noted earlier, use of real-time payments is still a relatively novel concept in the U.S. The Clearing House's RTP® Network and the newly announced FedNow® network currently only offer credit push.

In the next two years, over 90 percent of respondents expect their organizations will be using real-time payments to receive payments, although 72 percent anticipate less than 26 percent of payments received will be via real-time payments. A greater percentage of organizations with annual revenue less than \$1 billion and those that are privately held anticipate using real-time payments for over 50 percent of payments received than do other organizations.

By 2028, it is expected that 42 percent of organizations will be sending at least 26 percent of their payments via real-time payments, while 51 percent of organizations will be sending 1% to 25% of their payment transactions via real-time payments.



### Prevalence of Real-time Payments When RECEIVING Payments: Currently

(Percentage Distribution of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE FROM \$1 BILLION TO \$9.9 BILLION	REVENUE AT LEAST \$10 BILLION	PRIVATELY HELD	PUBLICLY OWNED
None	40%	37%	43%	44%	33%	47%
Less than 10%	39%	35%	46%	39%	39%	40%
10%-25%	8%	6%	6%	13%	10%	8%
26%-50%	5%	9%	1%	2%	6%	2%
Over 50%	8%	13%	4%	2%	12%	3%

### Prevalence of Real-time Payments When RECEIVING Payments: Within Two Years (2025)

(Percentage Distribution of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE FROM \$1 BILLION TO \$9.9 BILLION	REVENUE AT LEAST \$10 BILLION	PRIVATELY HELD	PUBLICLY OWNED
None	9%	8%	9%	9%	9%	10%
Less than 10%	47%	43%	56%	45%	44%	49%
10%-25%	25%	25%	23%	30%	25%	26%
26%-50%	9%	8%	9%	11%	10%	10%
Over 50%	10%	16%	3%	5%	12%	5%

### Prevalence of Real-time Payments When RECEIVING Payments: Within Five Years (2028)

(Percentage Distribution of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE FROM \$1 BILLION TO \$9.9 BILLION	REVENUE AT LEAST \$10 BILLION	PRIVATELY HELD	PUBLICLY OWNED
None	6%	4%	5%	9%	6%	6%
Less than 10%	30%	26%	42%	25%	32%	32%
10%-25%	28%	31%	22%	26%	26%	25%
26%-50%	16%	15%	14%	21%	13%	17%
Over 50%	20%	24%	17%	19%	23%	20%



## REAL-TIME PAYMENTS SYSTEMS IN USE

**The Federal Reserve Banks provide the Fedwire® Funds Service**, a real-time gross settlement system that enables participants to initiate funds transfer that are immediate, final, and irrevocable once processed.<sup>3</sup>

**PayPal is a payment platform with a website and a phone app that enables payments between parties through online money transfers.**<sup>4</sup> PayPal ranks a distant second in usage, with 17 percent of respondents indicating it was being used at their organizations. A PayPal recipient receives notification instantly, while the payments generally settle between banks over the ACH network.

**Zelle® is a peer-to-peer money transfer app that allows users to move funds from one bank account to another.**<sup>5</sup> Zelle® is used by 13 percent of respondent organizations. As with PayPal, Zelle® recipients receive instant notification normally with payments settling over the ACH network. A few financial institutions that participate in both Zelle® and the RTP® network use the RTP® network to clear and settle their Zelle® payments, enabling the receiving financial institution to receive immediate settlement.

**The RTP® network from [The Clearing House](#) is a real-time payments platform that also provides 24/7/365 operation, immediate inter-bank settlement, payment confirmation, and irrevocability.** All insured U.S. depository

institutions are eligible to use for payments innovation.<sup>6</sup> It was introduced in 2017 and currently reaches 65 percent<sup>7</sup> of deposit accounts in the U.S. and has a volume of approximately 64 million transactions each quarter<sup>8</sup>; 12 percent of respondents report that their organizations utilize this network.

Few organizations have plans to use PayPal (8 percent) and Zelle® (11 percent). However, 20 percent of organizations do plan to use the RTP® network in the future.

**FedNow® was launched on July 20, 2023**, while this survey was in the field (June 22nd to July 28th). This explains the mere three percent of organizations that are currently using the system. However, 33 percent of organizations plan to use the system in the future.

“We are currently 100% real time. We invoice electronically. We are paid electronically. We receive vendor invoices electronically. And we pay them electronically. We have no paper checks.”



<sup>3</sup> <https://www.frbservices.org/financial-services/wires>

<sup>4</sup> Source: [www.investopedia.com](http://www.investopedia.com)

<sup>5</sup> Source: [www.investopedia.com](http://www.investopedia.com)

<sup>6</sup> Source: [The Clearing House](#)

<sup>7</sup> Source: [The Clearing House](#)

<sup>8</sup> Source: [The Clearing House](#)

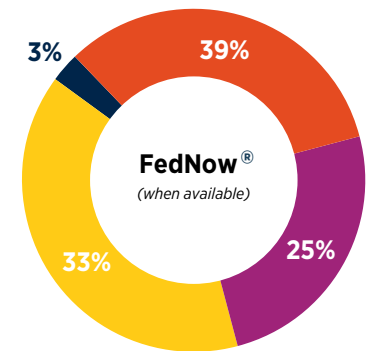
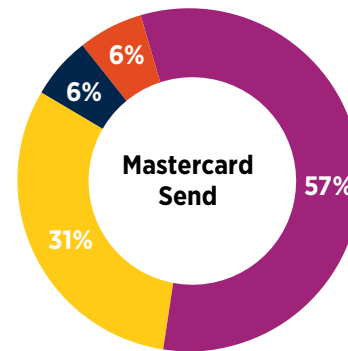
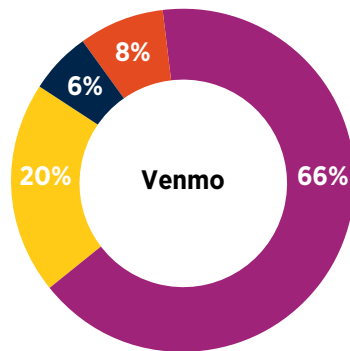
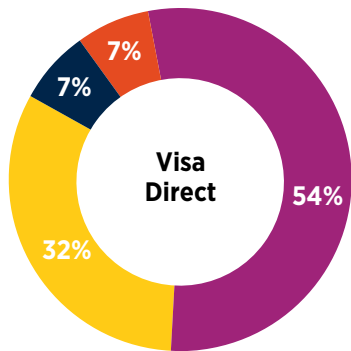
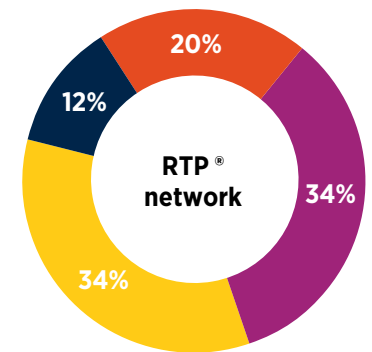
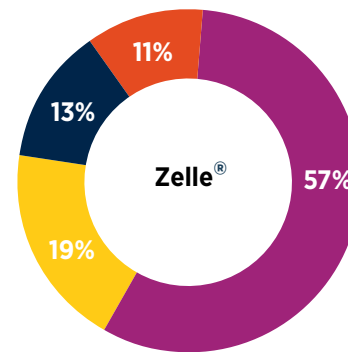
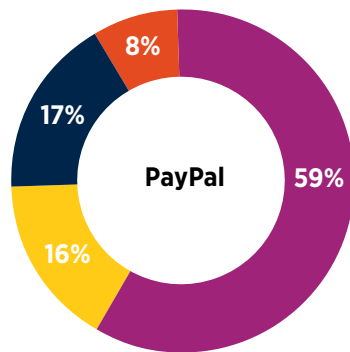
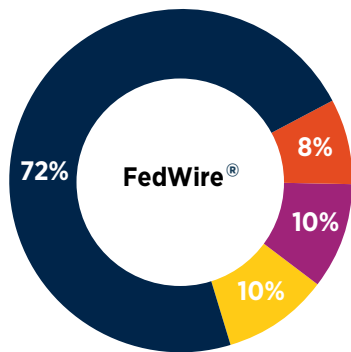
While a significant percentage of organizations do not plan to use many of these payment systems, many respondents could not comment on whether or not their organizations plan to implement a specific real-time payments system. Fedwire® is currently utilized by 72 percent of respondents – despite being a payment rail that began in 1915.<sup>9</sup>

Since 20 percent of respondents indicate their companies have no plans to use Fedwire® or are unsure about any such plans, it seems evident that the U.S. market will take a while to adopt the two, new real-time payments networks (the RTP® network and FedNow®).

<sup>9</sup> <https://www.federalreservehistory.org/essays/Fedwire®>

**Real-time Payments Systems in Use**  
(Percentage of Organizations)

● Currently use      ● No plans to use  
● Plan to use      ● Unsure



**Comments regarding plans to use real-time payments.**

- Ability to use real-time payments is dependent upon transaction dollar limits.
- Limits will need to increase.
- Real-time payments are not suitable for B2B transactions
- Not worth the hype, prefer to stay with ACH
- Cost and pricing per transaction a barrier

## Real-Time Payment Systems in Use by Industry

Fedwire® is most often cited as the real-time payments system being used across key industries. However, the use of other real-time payment systems varies significantly. Although Zelle® is currently used by one-third of companies in the Banking/Financial Services sector and by 24 percent of organizations in the Insurance sector, it is rarely used by companies in other sectors. Similarly, PayPal is used by 29 percent of organizations in the Manufacturing and Software/Technology sectors and by 20 percent of companies in the Banking/Financial Services sector, but far less so by companies in other industries.

Based on the survey findings, the RTP® network is currently being utilized by 12 percent of organizations, with an additional 20 percent planning to use it in the future. However, 39 percent of organizations in the Banking/Financial Services sector and 38 percent of those in the Insurance sector are planning to use the RTP® network. Approximately 20 percent of companies in other industries plan to use the RTP® network, with only four percent of Manufacturing sector companies considering using the RTP® network.

FedNow® appears to be the future choice of organizations within Banking/Financial Services (50 percent), Health Care and Social Assistance (41 percent), Insurance (38 percent), Manufacturing (23 percent) and Software/Technology (56 percent).

### Banking/Financial Services

(Percentage Distribution of Organizations)

	CURRENTLY USE	PLAN TO USE	NO PLANS TO USE	UNSURE
Fedwire®	73%	9%	7%	11%
Zelle®	33%	16%	47%	4%
PayPal	20%	2%	68%	10%
RTP® network	18%	39%	18%	25%
Visa Direct	12%	12%	50%	26%
Venmo	12%	--	76%	12%
Mastercard Send	10%	10%	59%	21%
FedNow® (when available)	7%	49%	14%	30%

### Health Care and Social Assistances

(Percentage Distribution of Organizations)

	CURRENTLY USE	PLAN TO USE	NO PLANS TO USE	UNSURE
Fedwire®	68%	11%	5%	16%
Zelle®	11%	--	61%	28%
PayPal	11%	5%	47%	37%
RTP® network	6%	28%	55%	11%
Visa Direct	--	28%	61%	11%
Venmo	--	19%	31%	50%
Mastercard Send	--	18%	76%	6%
FedNow® (when available)	--	41%	24%	35%

## Manufacturing

(Percentage Distribution of Organizations)

	CURRENTLY USE	PLAN TO USE	NO PLANS TO USE	UNSURE
Fedwire®	66%	3%	14%	17%
Zelle®	29%	4%	61%	6%
PayPal	19%	4%	42%	35%
RTP® network	10%	3%	74%	13%
Visa Direct	4%	--	63%	33%
Venmo	4%	3%	60%	33%
Mastercard Send	3%	23%	23%	51%
FedNow® (when available)	--	6%	77%	17%

## Insurance

(Percentage Distribution of Organizations)

	CURRENTLY USE	PLAN TO USE	NO PLANS TO USE	UNSURE
Fedwire®	78%	9%	9%	4%
Zelle®	24%	14%	38%	24%
PayPal	15%	38%	14%	33%
RTP® network	11%	5%	58%	26%
Visa Direct	10%	15%	50%	25%
Venmo	5%	5%	58%	32%
Mastercard Send	--	24%	47%	29%
FedNow® (when available)	--	38%	19%	43%

## Software/Technology

(Percentage Distribution of Organizations)

	CURRENTLY USE	PLAN TO USE	NO PLANS TO USE	UNSURE
Fedwire®	79%	11%	5%	5%
Zelle®	29%	6%	53%	12%
PayPal	19%	13%	37%	31%
RTP® network	13%	19%	31%	37%
Visa Direct	13%	13%	43%	31%
Venmo	6%	6%	69%	19%
Mastercard Send	6%	--	75%	19%
FedNow® (when available)	--	56%	19%	25%

“Real-time payments are not something my industry will immediately embrace as we are mostly B2B.”



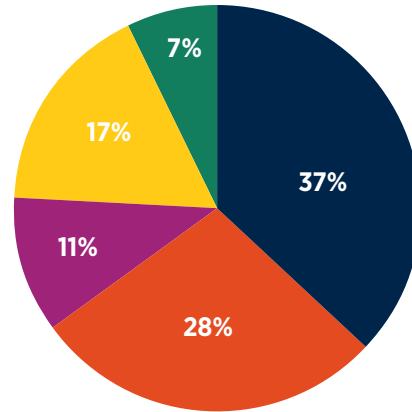
# CHANNELS USED FOR SENDING REAL-TIME PAYMENTS

Currently 37 percent of organizations are using business-to-business (B2B) channels to send real-time payments. Twenty-eight percent of respondents anticipate that within two years, their organizations will have adopted real-time payments for B2B transactions. Far fewer organizations are currently using the RTP® network for other payments, i.e., business-to-consumer (B2C), business-to-government (B2G) and consumers-to-business (C2B). Respondents anticipate an uptick in the future, with more of their companies using the various channels to send real-time payments.

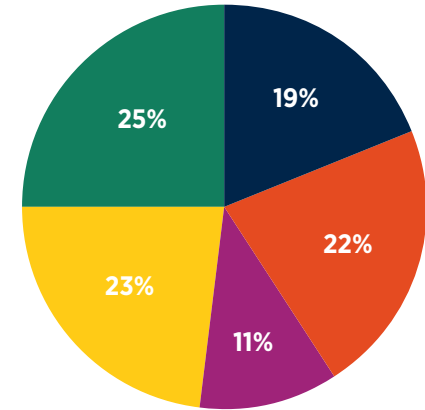
“We especially like to use RTP for same day payroll transactions instead of cutting checks.”

**Channels Used for SENDING Real-time Payments:**  
(Percentage Distribution of Organizations)

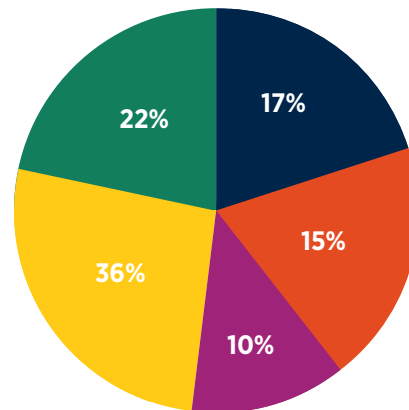
**Business-to-Business (B2B)\***



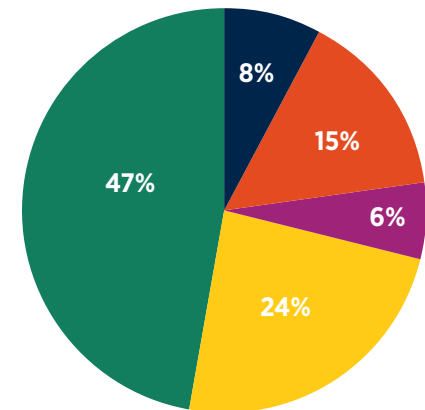
**Business-to-Consumers (B2C)**



**Business-to-Government (B2G)**



**Consumers-to-Business (C2B)**



● Currently  
● Within 2 years (2025)

● Within 5 years (2028)  
● Unsure

● N/A  
\*Includes Fedwire®

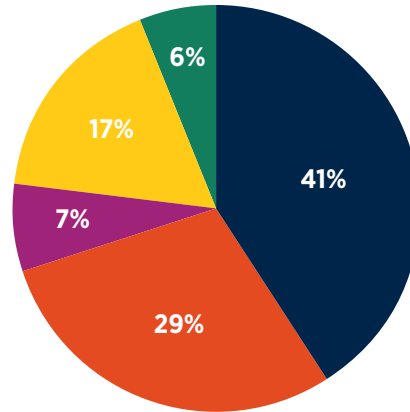


## CHANNELS USED FOR RECEIVING REAL-TIME PAYMENTS

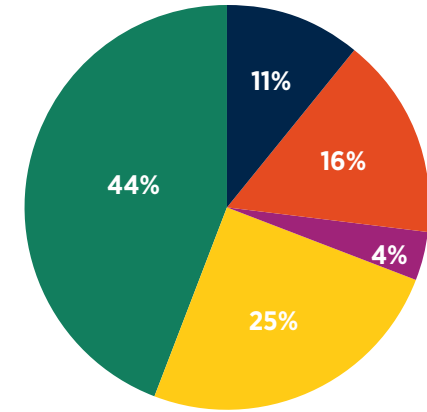
Forty-one percent of organizations are currently receiving real-time payments for B2B transactions, 29 percent expect they will have adopted real-time payments for B2B transactions by 2025, and 7 percent anticipate by 2028 they will be using real-time payments for B2B transactions. Organizations are more likely to use real-time payments for consumer-to-business (C2B) channels in the next 3-5 years. By 2028, 77 percent of organizations expect to be using B2B channels for receiving real-time payments and 48 percent expect to be doing so for C2B channels.

**Channels Used for RECEIVING Real-time Payments:**  
(Percentage Distribution of Organizations)

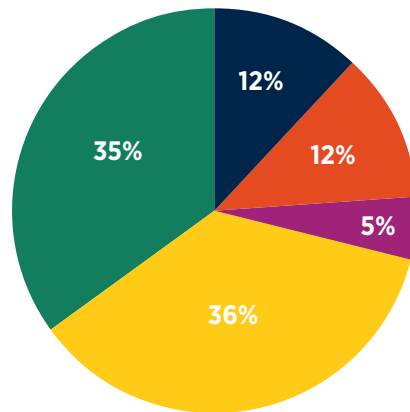
**Business-to-Business (B2B)\***



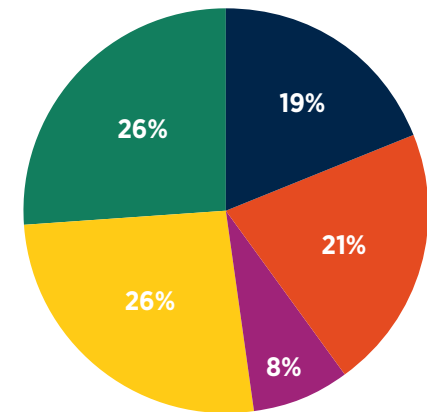
**Business-to-Consumers (B2C)**



**Business-to-Government (B2G)**



**Consumers-to-Business (C2B)**



● Currently  
● Within 2 years (2025)

● Within 5 years (2028)  
● Unsure

● N/A

\*Includes Fedwire®



## REAL-TIME PAYMENTS USE BY TRANSACTION

Approximately one-fourth of organizations is currently using real-time payments to pay vendors (26 percent) and suppliers (23 percent). Within two years (by 2025), an additional 30 percent of respondents believe their organizations will be paying vendors and suppliers using real-time payments. Respondents expect their organizations will be increasingly using real-time payments for other transactions including:

- Paying contract/gig workers (currently 13 percent of organizations; expected to be 22 percent of organizations in 2025)
- Reimbursement of customer refunds (currently 12 percent; expected to be 27 percent in 2025)
- Reimbursement of employees' expenses (currently 13 percent; expected to be 23 percent in 2025)
- Final paycheck for employees (currently 13 percent; expected to be 23 percent in 2025)

Within 5 years, about 5 percent to 13 percent more organizations are expected to use real-time payments for various transactions ranging from paying contract/gig workers to paying vendors. There is a significant percentage of respondents who are unsure whether their organizations will use real-time payments for transactions.

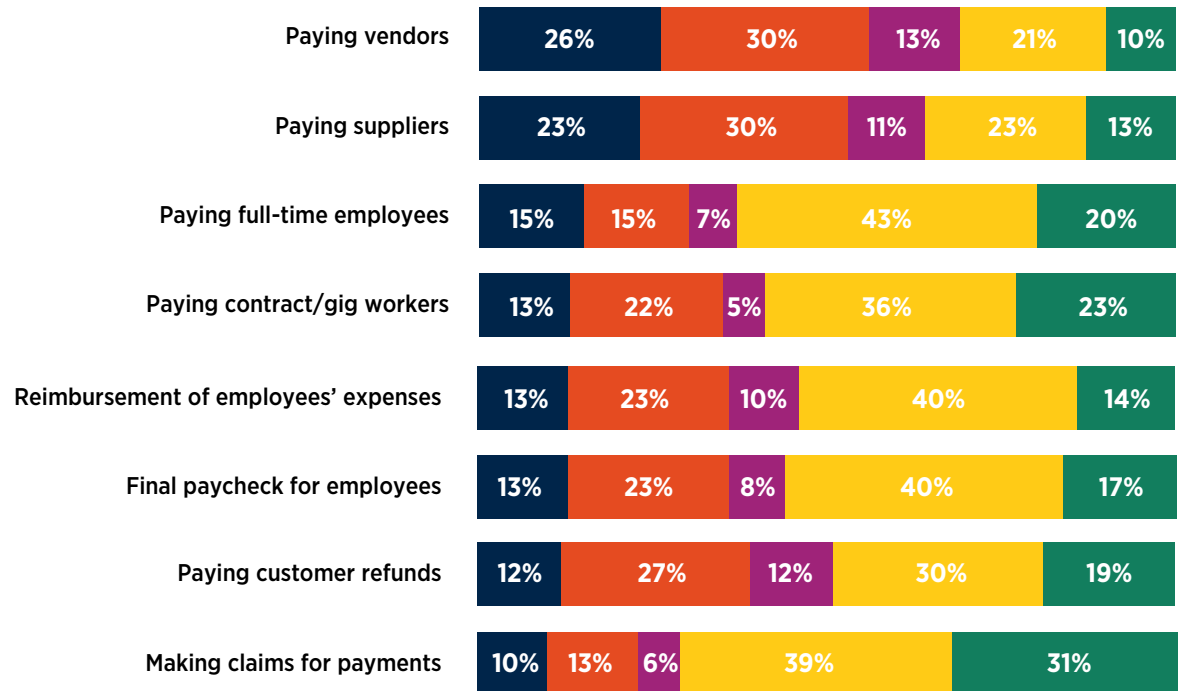
As will be discussed in the later section on barriers to adoption, it is likely with time we will see an increase in the share of organizations adopting and utilizing real-time payments. With two payment rails recently introduced (in 2017 and 2023), use

cases are still being developed. Additionally, more payments will be automated. With automation and tools – such as intelligent routing or using the lowest cost routing for payments by type – real-time payments will be more commonplace. As the cost of technology per transaction decreases, the cost to send these payments will likely also decrease over time. For example, the cost per credit transfer charged to financial institutions

for RTP<sup>10</sup> (from The Clearing House) as well as for FedNow<sup>11</sup> (from the Fed) is \$.045, while the flat cost (without volume discounts) for Fedwire<sup>12</sup> is \$0.92<sup>12</sup> and for ACH is \$.0035 (also without volume discounts).<sup>13</sup> The end cost to end user will differentiate across industry, client risk profile, credit extension, overall client relationship and as volumes pick up.

### Real-time Payments Use by Transaction

(Percentage Distribution of Organizations)



● Currently ● Within 2 years (2025) ● Within 5 years (2028) ● Unsure ● N/A

<sup>10</sup> [The Clearing House RTP® Participant Fee Schedule](#)

<sup>11</sup> [FedNow® Service 2023 Fee Schedule](#)

<sup>12</sup> [Fedwire® Funds Service 2023 Fee Schedules](#)

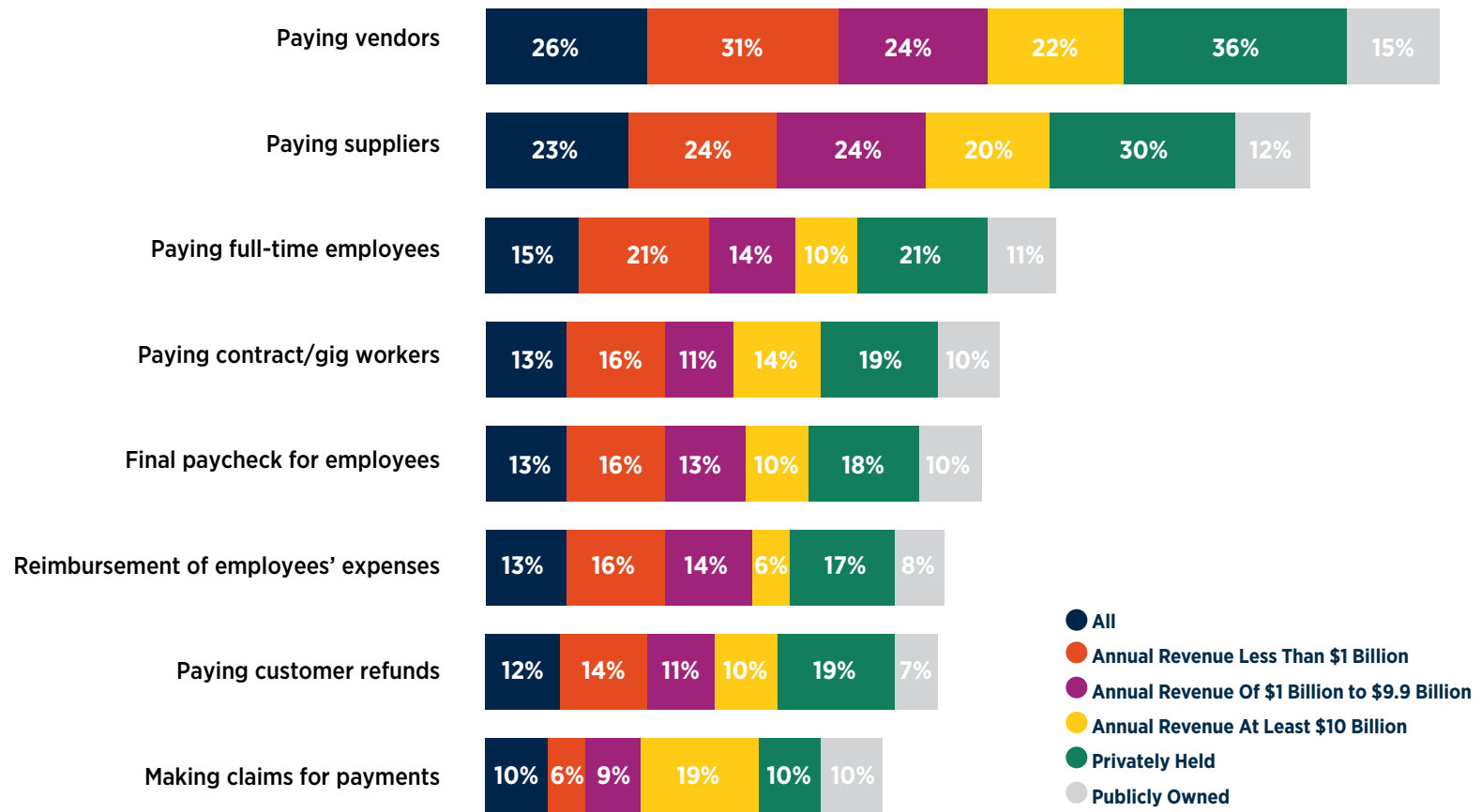
<sup>13</sup> [FedACH® Services 2023 Fee Schedule](#)

Approximately one-third of organizations with annual revenue less than \$1 billion (31 percent) and those that are privately held (36 percent) are paying vendors using real-time payments. Additionally, 21 percent of these organizations are paying full-time employees using real-time payments.

“It’s only a matter of time before real time payments are the nation’s dominant form of payment”.

### Real-time Payments Use by Transaction: Currently

(Percent of Organizations)



Larger shares of organizations in the Manufacturing and Health Care/Social Assistance sectors are paying vendors (37 percent and 35 percent, respectively) and suppliers (40 percent and 32 percent, respectively) using real-time payments. One-fourth of organizations in the insurance industry use real-time payments when paying claims.

“Real-time payments is done for very specific reasons and not all payments will need to be done real-time. This is just one more way to pay that needs to be managed.”

### Real-time Payments Use by Transaction: Industry

(Percentage of Organizations)

	ALL	BANKING/FINANCIAL SERVICES	HEALTH CARE AND SOCIAL ASSISTANCE	INSURANCE	MANUFACTURING	SOFTWARE/ TECHNOLOGY
Paying vendors	26%	19%	35%	20%	37%	22%
Paying suppliers	23%	19%	32%	10%	40%	17%
Paying full-time employees	15%	10%	21%	--	12%	21%
Paying contract/gig workers	13%	10%	16%	6%	16%	22%
Final paycheck for employees	13%	10%	16%	6%	15%	28%
Reimbursement of employees' expenses	13%	15%	16%	6%	9%	17%
Paying customer refunds	12%	8%	11%	11%	12%	17%
Making claims for payments	10%	7%	15%	26%	9%	6%



## BENEFITS OF REAL-TIME PAYMENTS USE

Respondents perceive using real-time payments as beneficial in various ways. The most often cited benefit is the lower cost of transactions (cited by 50 percent of respondents), followed by strengthening payment efficiency (44 percent) and manage cash flow (40 percent). Other positive benefits of real-time payments include:

- Allows late day payments (cited by 38 percent of respondents)
- Instant bill payment (37 percent)
- Confirmation of payment (36 percent)
- Efficient working capital (36 percent)

Over 60 percent of organizations with annual revenue of at least \$10 billion note that real-time payments lower the cost of transactions, while 50 percent of this cohort believe real-time payments strengthen payment efficiency. Organizations with annual revenue less than \$1 billion report that an advantage of using real-time payments is helping manage cash flow.

As noted previously in the report, the pricing for the RTP® network from The Clearing House as well as FedNow® from the Fed to financial institutions is \$0.045 per item, compared to the cost for a non-volume-discounted, standard Fedwire® which is \$0.92 per item. In this simple example, a wire is 20 times more expensive to a financial institution, consequently it is not surprising that real-time payments based on this would be less expensive than a wire. But note that FedNow® and RTP® network pricing is 13 times higher than non-volume-

discounted, standard ACH pricing which is \$0.0035 per transaction to a financial institution. FedNow®'s maximum payment amount is \$500,000<sup>14</sup> while for the RTP® network the maximum is \$1,000,000.<sup>15</sup> As

the transaction amount inches higher – much like Same Day ACH is currently \$1 million as well and as transaction limits increase for all – there will likely be more adoption as a result.

### Benefits of Real-time Payments Use

(Percentage of Organizations)

	ALL	ANNUAL REVENUE LESS THAN \$1 BILLION	ANNUAL REVENUE FROM \$1 BILLION TO \$9.9 BILLION	REVENUE AT LEAST \$10 BILLION	PRIVATELY HELD	PUBLICLY OWNED
Lower cost of transactions	50%	53%	43%	61%	53%	54%
Strengthen payment efficiency	44%	48%	41%	50%	41%	48%
Manage cash flow	40%	48%	40%	28%	45%	35%
Allows late day payments	38%	38%	42%	31%	44%	39%
Instant bill payment	37%	39%	37%	39%	44%	34%
Confirmation of payment	36%	39%	37%	33%	35%	36%
Efficient working capital	36%	40%	37%	28%	40%	33%
Streamline reconciliation w/process	29%	33%	26%	33%	35%	28%
Availability of remittance data	25%	29%	w24%	22%	23%	24%
Utilization of intelligent routing of payments	16%	15%	13%	26%	16%	18%
Utilize existing Supply Chain Financing and Dynamic Discounting more effectively	10%	7%	14%	9%	11%	9%
Unsure	14%	11%	15%	13%	10%	13%
Other	5%	2%	8%	6%	5%	6%

#### \*Other includes:

- Improves collection of patients' payments
- Customer expectation
- Payments during holidays and weekends
- Check fraud prevention

<sup>14</sup> [Pricing approach and credit transfer limit for the FedNow® Service \(explore.FedNow®.org\)](https://www.fednow.org/service)

<sup>15</sup> <https://www.theclearinghouse.org/payment-systems/rtp/institution>



## BARRIERS TO ADOPTING REAL-TIME PAYMENTS METHODS

More than 60 percent of respondents cite system development issues as a primary barrier to adopting real-time payments at their organizations. This is a concern across the board, regardless of revenue size. Concerns about real-time payments triggering increased fraud risk are also reported by 44 percent of organizations. Other barriers include:

- Cost of adopting instant payment technology (cited by 42 percent of respondents)
- Irrevocability of payment (40 percent)

IT resources have been a longstanding scarce resource when it comes to treasury and payments. It is often hard to move a project up to the top of the priority list for IT's attention. This, coupled with the cost of system changes, makes the current business

case for using real-time payments hard to justify. As time progresses, there is likely more throughput achieved in automated processes. Those companies who are finding the use case now are the trailblazers for those that will eventually make the system changes needed. As new enterprise resource planning (ERP)/treasury management system (TMS) software versions are rolled out, real-time payment connectivity through application programming interfaces (APIs) will likely be added in more and more, making the business case less of a hurdle from a cost standpoint if the technology is already in-house.

Thirty-seven percent of organizations cite payments processed as batches as a barrier, this is because organizations currently batch their payments as it

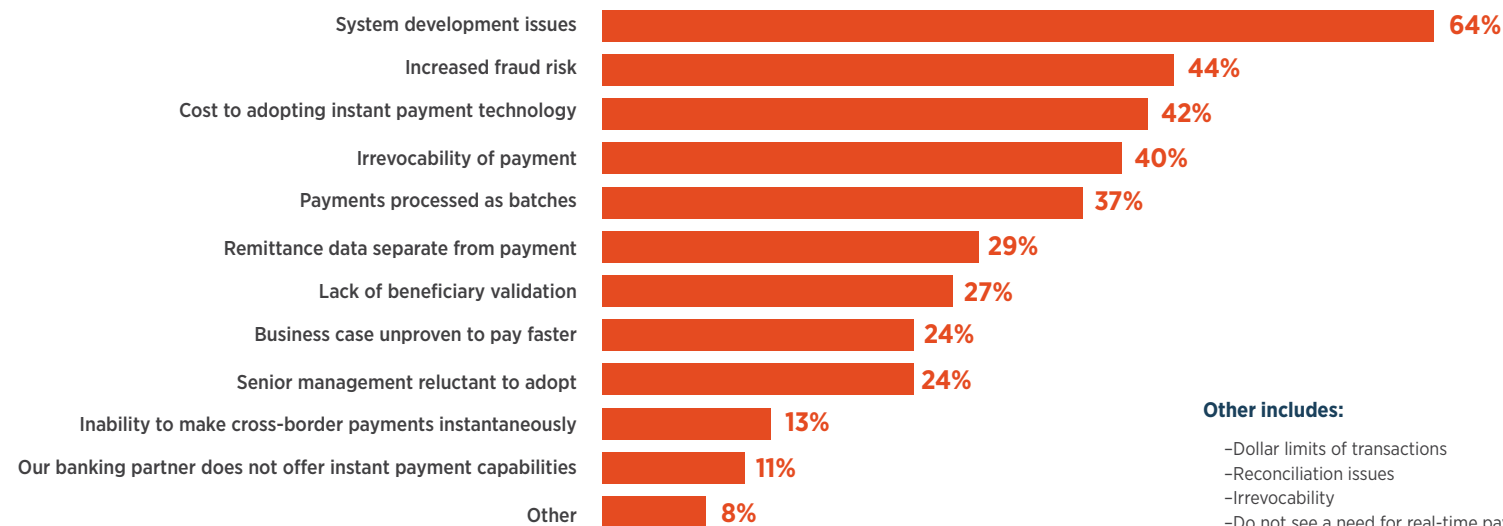
is convenient and with the assistance of systems like intelligent payment routing, they are able to disseminate B2B transactions via various payment systems. Since real-time payments systems do not batch payments, this might be a barrier for those organizations where batch is a routine process.

As per the *2022 AFP® Digital Payments Survey Report*,<sup>16</sup> 61 percent of organizations send emails predominately as remittance information. They appear to have a current process when disseminating payments. With real-time payments including remittance information, change in process can create some reluctance to adopting real-time payment systems.

<sup>16</sup> <https://www.afponline.org/publications-data-tools/reports/survey-research-economic-data/Details/epayments-survey>

### Barriers to Adopting Real-time Payment Methods

(Percentage of Organizations)



#### Other includes:

- Dollar limits of transactions
- Reconciliation issues
- Irrevocability
- Do not see a need for real-time payments at our organization
- Some banking partners do not have the capability to process real-time payments



## IMPORTANCE OF REAL-TIME PAYMENTS FEATURES

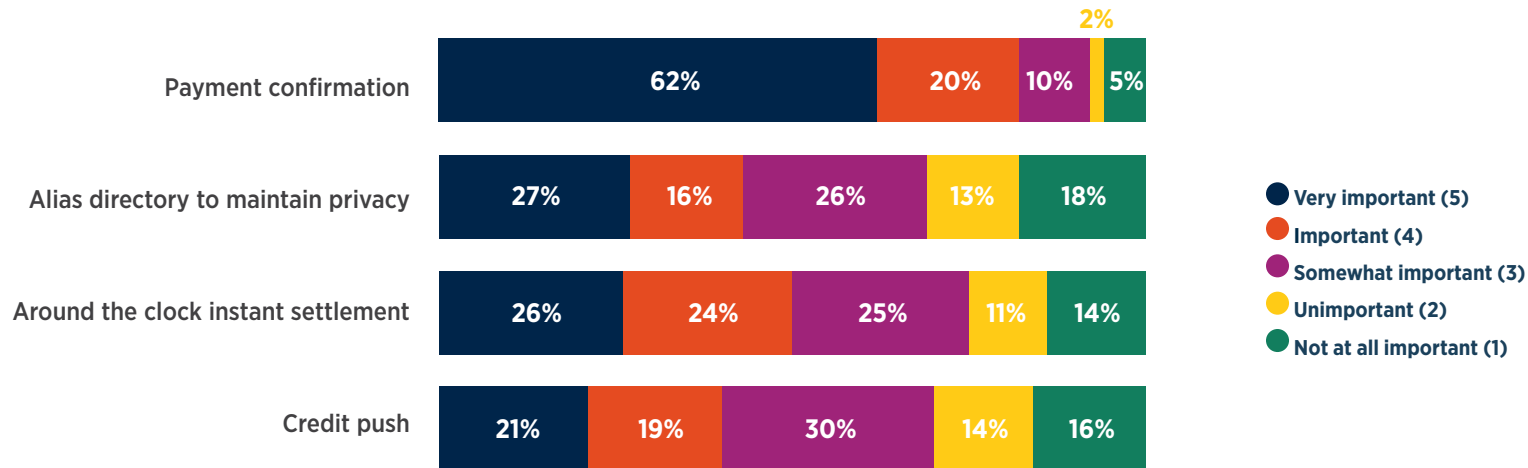
Over 80 percent of respondents consider payment confirmation as either a very important or important feature of real-time payments. Other features that are considered very important or important – although by fewer respondents – include:

- Around-the-clock settlement (cited by 50 percent of respondents)
- Alias directory to maintain privacy (43 percent)
- Credit push (40 percent)

The RTP® network and FedNow® do not talk to each other domestically; there is no interoperability between the two networks currently. Being able to “follow the sun” in their liquidity process, as anecdotally noted by AFP members, will enable companies to maintain a competitive edge globally. In theory, operating in a 24/7/365 environment would require one connection to one bank in order to be able to access real-time payments – so that interoperability on an international level is achieved.

### Importance of Real-time Payments Features

(Percentage Distribution of Respondents)





## DEMOGRAPHICS





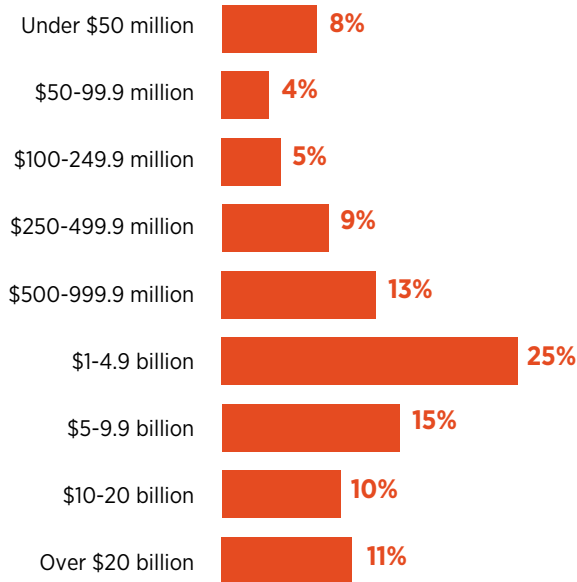
## ABOUT SURVEY RESPONDENTS

In June and July 2023, the Research Department of the Association for Financial Professionals® (AFP) surveyed treasury practitioner members and prospects. The survey was sent to treasury professionals with the following job titles: Vice President of Treasury, Treasurer, Assistant Treasurer, Director of Treasury, Treasury Manager, Director of Treasury and Finance, Senior Treasury Analyst, and Cash Manager. A total of 310 responses were received from practitioners, which form the basis of the report.

AFP thanks The Clearing House for its sponsorship of the *2023 AFP® Real-time Payments Survey*. Both the questionnaire design and the final report, along with its content and conclusions, are the sole responsibilities of the AFP Research Department. The following tables provide a profile of the survey respondents.

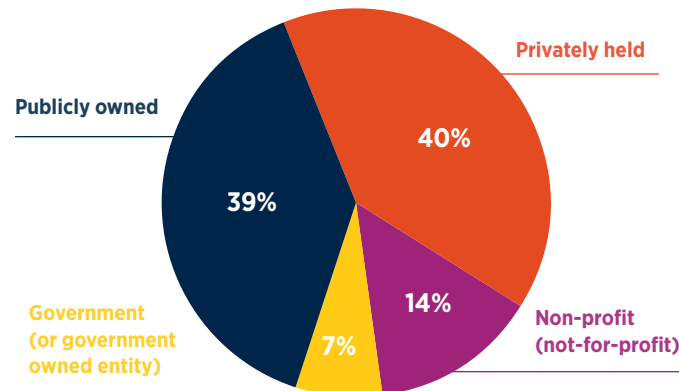
### Annual Revenue (USD)

(Percentage Distribution of Organizations)



### Organization's Ownership Type

(Percentage Distribution of Organizations)



### Industry Classification

(Percentage Distribution of Organizations)

Agricultural, Forestry, Fishing & Hunting	2%
Administrative Support/Business services/Consulting	2%
Banking/Financial services	17%
Construction	4%
E-Commerce	1%
Education (K-12, public or private institution)	3%
University or other Higher Education	4%
Energy	5%
Government	3%
Health Care and Social Assistance	6%
Hospitality/Travel/Food Services	2%
Insurance	8%
Manufacturing	13%
Mining	-
Non-profit	5%
Petroleum	1%
Professional/Scientific/Technical Services	2%
Real estate/Rental/Leasing	4%
Retail Trade	4%
Wholesale Distribution	3%
Software/Technology	6%
Telecommunications/Media	2%
Transportation and Warehousing	2%
Utilities	3%

## **2023 AFP® Real-time Payments Survey Report**

**Copyright © 2023 by the Association for Financial Professionals (AFP).  
All Rights Reserved.**

This work is intended solely for the personal and noncommercial use of the reader. All other uses of this work, or the information included therein, is strictly prohibited absent prior express written consent of the Association for Financial Professionals. *The 2023 AFP Real-time Payments Survey Report* the information included therein, may not be reproduced, publicly displayed, or transmitted in any form or by any means, electronic or mechanical, including but not limited to photocopy, recording, dissemination through online networks or through any other information storage or retrieval system known now or in the future, without the express written permission of the Association for Financial Professionals. In addition, this work may not be embedded in or distributed through commercial software or applications without appropriate licensing agreements with the Association for Financial Professionals.

Each violation of this copyright notice or the copyright owner's other rights, may result in legal action by the copyright owner and enforcement of the owner's rights to the full extent permitted by law, which may include financial penalties of up to \$150,000 per violation.

This publication is not intended to offer or provide accounting, legal or other professional advice. The Association for Financial Professionals recommends that you seek accounting, legal or other professional advice as may be necessary based on your knowledge of the subject matter.

### **All inquiries should be addressed to:**

Association for Financial Professionals, Inc.

12345 Parklawn Dr Ste 200

PMB 1001

Rockville, MD 20852

Phone: 301.907.2862

E-mail: [AFP@AFPonline.org](mailto:AFP@AFPonline.org)

Web: [www.AFPonline.org](http://www.AFPonline.org)



ASSOCIATION FOR  
FINANCIAL  
PROFESSIONALS

### **AFP Research**

AFP Research provides financial professionals with proprietary and timely research that drives business performance. AFP Research draws on the knowledge of the Association's members and its subject matter experts in areas that include bank relationship management, risk management, payments, and financial accounting and reporting. Studies report on a variety of topics, including AFP's annual compensation survey, are available online at [www.AFPonline.org/research](http://www.AFPonline.org/research).

### **About AFP®**

Headquartered outside of Washington, D.C. and located regionally in Singapore, the Association for Financial Professionals (AFP) is the professional society committed to advancing the success of treasury and finance members and their organizations. AFP established and administers the Certified Treasury Professional and Certified Corporate FP&A Professional credentials, which set standards of excellence in treasury and finance. Each year, AFP hosts the largest networking conference worldwide for more than 7,000 corporate financial professionals.

Association for Financial Professionals, Inc.

12345 Parklawn Dr Ste 200

PMB 1001

Rockville, MD 20852

T: +1 301.907.2862 | [www.AFPonline.org](http://www.AFPonline.org)



RTP<sup>®</sup> has made real-time payments believers of over 150,000 corporate originators. And the future looks very, very bright.

**Our thanks to AFP<sup>®</sup> for producing the 2023 Real-time Payments Survey Report.**

**R | T | P<sup>®</sup>**

Powering Smarter Payments