

GENERATION INSTANT:

Business Expense Reimbursements



December 2023 Survey

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Acknowledgment

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Introduction

As with most travel trends following the height of the pandemic, business travel is on the rise as professionals attend industry conferences and meet with clients. This has also led to an uptick in business expenses, and many businesses follow the practice of reimbursing employees after the initial payment. Data shows, in fact, that 5.5% of consumers have received business expense reimbursements in the last 12 months, up from 3.5% in 2021. Traditionally, these payouts often occur via check, separate from payroll. Yet, with the rise of digital payments, employees increasingly expect their reimbursements to come sooner rather than later — without the hassle of waiting to receive and deposit a check.

Given these conditions, it may not be surprising that instant payments of business expense reimbursements are also on the rise. In fact, employees received 43% of business expense reimbursements via instant payments, a 6 percentage point increase from a year ago. Meanwhile, employee satisfaction with instant payments to receive business expense reimbursements is also growing, reaching a high of 78% this year, indicating that employees increasingly value the convenience and quick access to good funds that instant payment methods provide.

Generation Instant: Business Expense Reimbursements, a PYMNTS Intelligence and Ingo Money collaboration, is based on a census-balanced survey of 2,606 consumers across the United States conducted between Aug. 28 and Oct. 4; it examines consumers' satisfaction with disbursements received from government and nongovernment entities.

This is what we learned.

THE ARCHITECTURE OF MONEY MOBILITY



The share of consumers receiving business expense reimbursements has risen 57% in the last two years, with millennials and high-income consumers most likely to receive payouts this way.

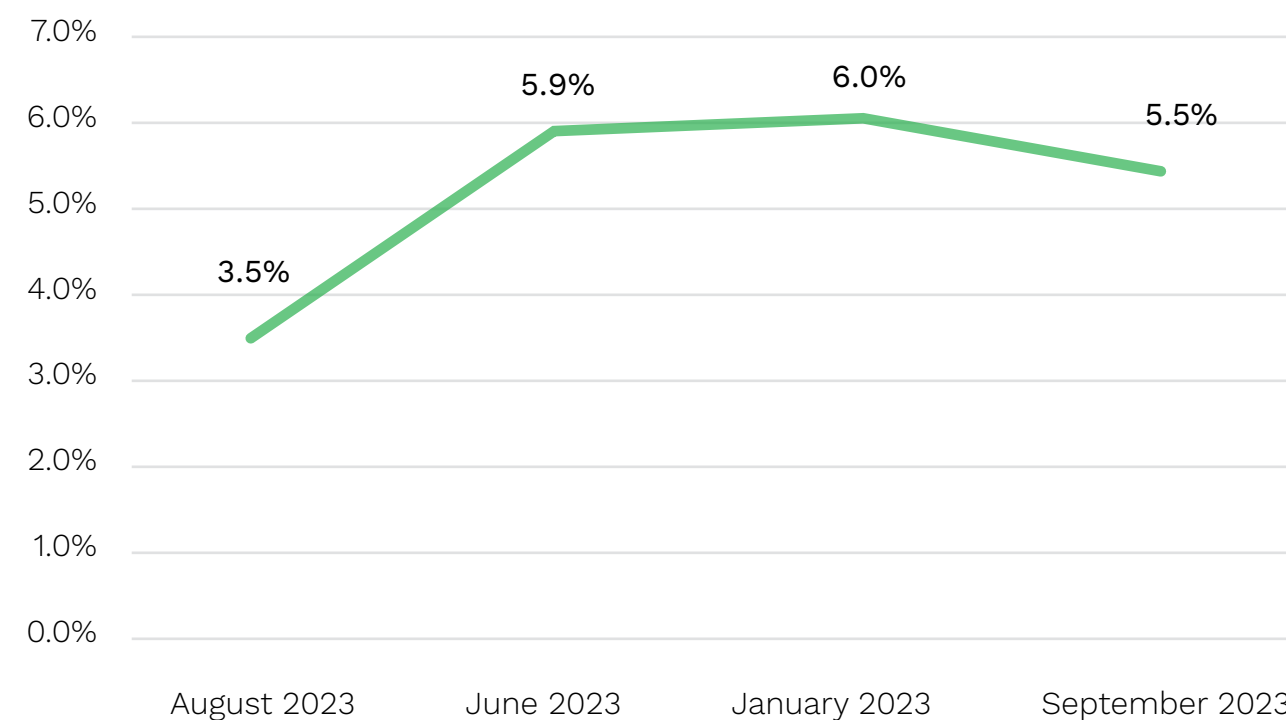
In 2023, 5.5% of consumers had received business expense reimbursements in the last 12 months, up from 3.5% in 2021, suggesting that business meetings and travel are increasing after the height of the pandemic. These consumers tend to not have just one business expense reimbursement; on average, consumers receiving business expense reimbursements received 10 disbursements of this kind in the last year, adding up to \$15,300 per receiver. The average size of each disbursement was \$1,488 per receiver, with the payment size for instant transactions slightly higher than for non-instant ones: \$1,552 versus \$1,424, on average.

Millennials and high-income consumers — those earning more than \$100,000 annually — received reimbursements the most in the last year, at 9.4% and 9.5%, respectively. In contrast, just 2.8% of baby boomers and seniors and 1.7% of consumers earning less than \$50,000 annually received these disbursements.

FIGURE 1A:

Business expense reimbursements

Share of consumers who received business expense reimbursements, over time



Source: PYMNTS Intelligence

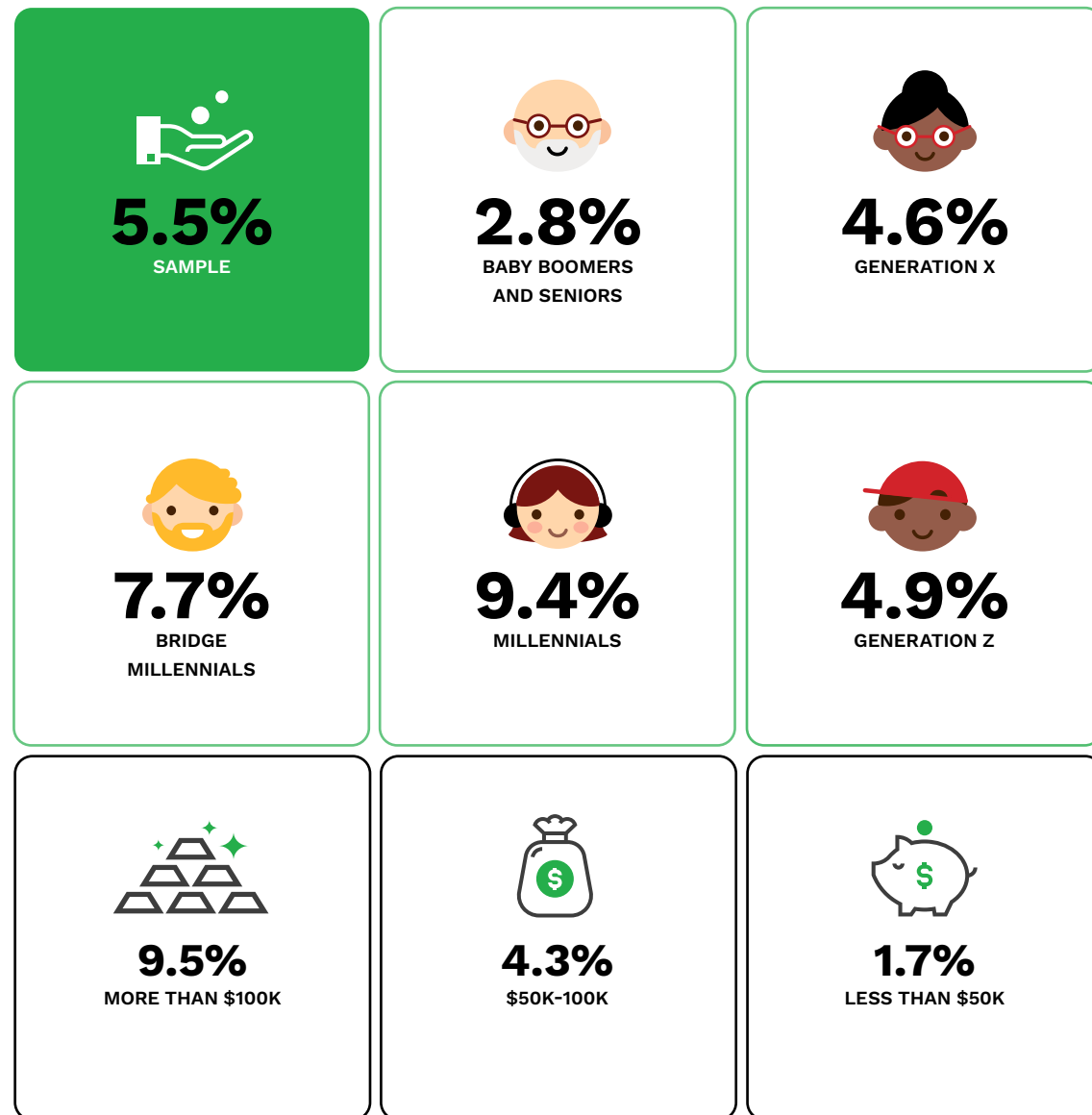
Generation Instant: Business Expense Reimbursements, December 2023

N = 3903: Whole sample, fielded Aug. 28, 2023 – Oct. 4, 2023

FIGURE 1B:

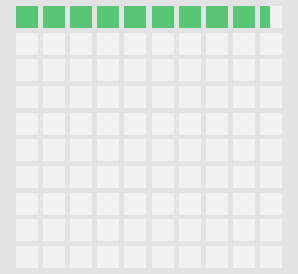
Business expense reimbursements

Share of consumers who have received business expense reimbursements, by demographic



9.4%

Share of millennials who have received business expense reimbursements



Source: PYMNTS Intelligence
 Generation Instant: Business Expense Reimbursements, December 2023
 N = 3903: Whole sample, fielded Aug. 28, 2023 – Oct. 4, 2023

Close to half of consumers who receive business expense reimbursements now do so via instant payments, a 15% increase from 2022.







When looking at how consumers receive business expense reimbursements, indications are that instant payment options' increased ubiquity is carrying over to these payouts. Overall, 58% of receivers used instant methods to receive business expense reimbursements in the last 12 months at least once, with 43% of consumers saying that they received business expense reimbursements via instant payments most. That latter figure represents an increase of 15%, compared to the 37% of receivers who used instant payments the most in June 2022.

Meanwhile, 71% of consumers say they received business expense reimbursements via other methods, such as cash or non-instant digital wallets, with 57% saying they received business expense reimbursements via these other payment methods the most. Among these other payment methods, non-instant digital payments — such as cryptocurrency, gift cards and payments to a PayPal account — were the most used, with 14% of reimbursements paid this way. The share of consumers receiving non-instant digital reimbursements the most is down from 22% in June 2022 and January 2023. Checks are still in second place, as 13% of consumers primarily received these

FIGURE 2:

Primary reimbursement methods

Share of consumers who received business expense reimbursements via select payment methods the most, over time

	June 2022	January 2023	September 2023
 INSTANT	37.0%	39.6%	42.5%
 CHECK	12.8%	10.8%	12.9%
 NON-INSTANT DIGITAL PAYMENT	21.7%	22.2%	14.1%
 CASH	5.9%	8.0%	9.7%
 SAME-DAY BANK TRANSFER	11.3%	7.9%	11.8%
 THREE- TO FIVE-DAY BANK TRANSFER	11.4%	10.5%	7.0%

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N = 216: Respondents who received business expense reimbursements over the last 12 months, fielded Aug. 28, 2023 – Oct. 4, 2023

payouts via the stubborn legacy method, a similar share to that measured in June 2022. Interestingly, the share of employees receiving reimbursements via same-day bank account transfers and cash payouts has increased since 2022 as well, while the share of receivers getting their payouts via three- to five-day bank account transfers has decreased.

Such shifts in primary reimbursement methods indicate that receiving business expense reimbursements via digital payment methods with non-instant digital payouts is giving way to instant alternatives, a development that will serve consumers who prioritize quick access to good funds.

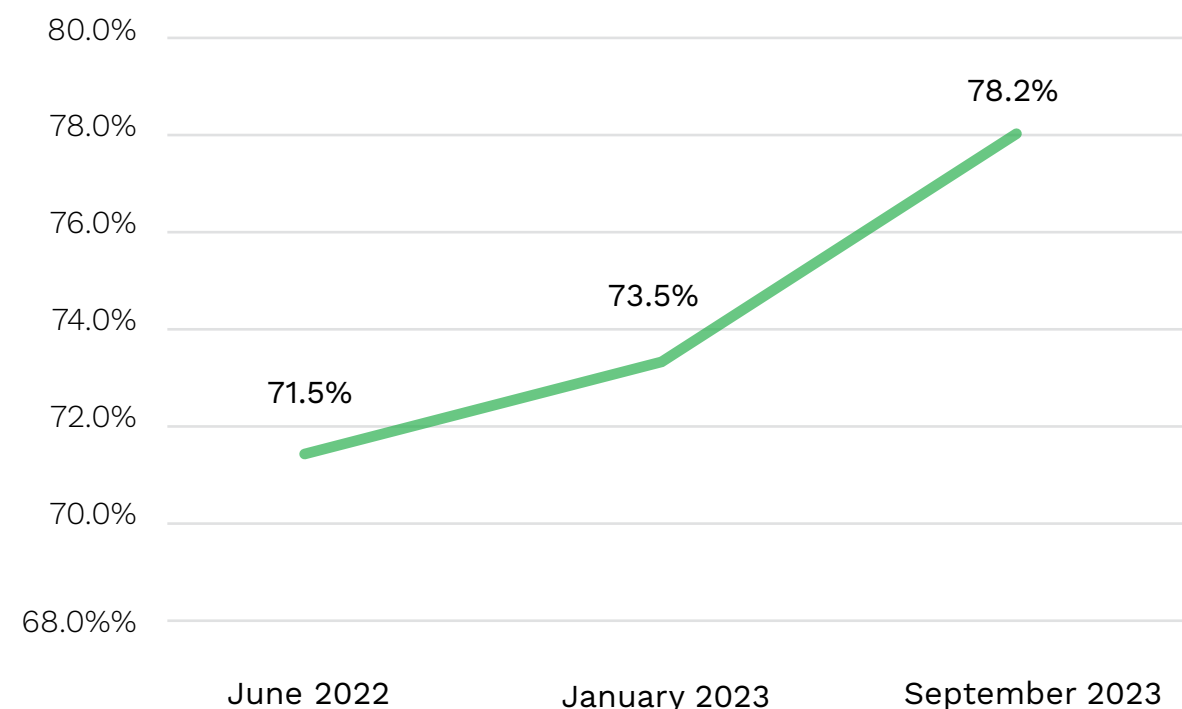
Consumers are 12% more satisfied when receiving their expense reimbursements via instant payments than the average consumer receiving these payouts.

The data confirms that instant payments impact satisfaction, as 78% of consumers say they are very or extremely satisfied when receiving their expense reimbursements via instant payments. In contrast, 70% of receivers who are highly satisfied across all payment methods agree. Moreover, this is trending up, as the share of receivers highly satisfied with instant payments increased from 72% in June 2022. It is important to note that 77% of consumers are very or extremely satisfied when receiving their reimbursements via cash, itself a sort of instant payment, which represents the second highest share of highly satisfied consumers following instant digital payments. This suggests that for business employees, receiving the money they spent to cover expenses as soon as possible is important — and any delay harms satisfaction.

FIGURE 3:

Satisfaction with instant digital reimbursements

Share of business expense reimbursement receivers who are very or extremely satisfied receiving their payments via instant methods, over time



Source: PYMNTS Intelligence

Generation Instant: Business Expense Reimbursements, December 2023

N = 216: Respondents who received business expense reimbursements in the last 12 months, fielded Aug. 28, 2023 – Oct. 4, 2023

Half of consumers who opted for another payout method when offered an instant option said concerns about sharing payment credentials was their primary reason for concern. More than one-third were not aware instant was even an option.

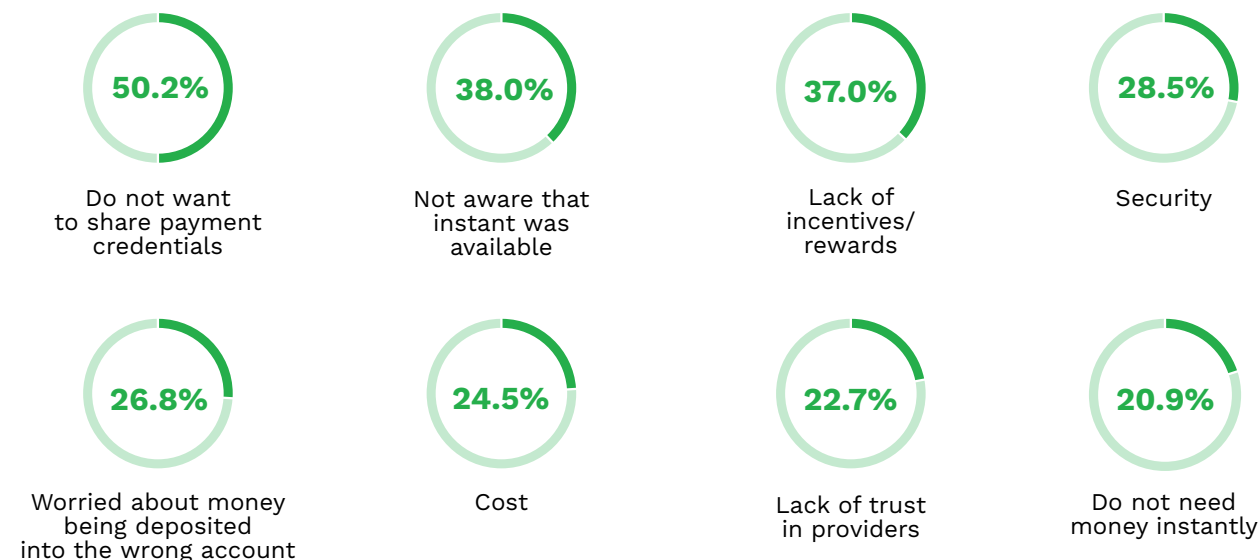
Just 49% of receivers had instant payments as an option to receive their expense reimbursements, yet 73% of this group, on average, chose instant payments when offered them. Among those who chose instant pay, speed and the guarantee of good funds was the top reason, cited by 74%, followed by convenience, at 65%. Meanwhile, 43% of consumers had no payment method choice, while 8% had a choice, but instant was not an option. The figures here suggest that enterprises are not meeting the demand for instant payment methods despite high interest in them.

While there is high interest in instant pay to receive business expense reimbursements, some receivers remain reluctant to choose instant

FIGURE 4:

Reasons receivers do not choose instant

Share of consumers with the choice of receiving businesses expense reimbursements via instant who cite select reasons for choosing another method



Source: PYMNTS Intelligence

Generation Instant: Business Expense Reimbursements, December 2023

N = 27: Respondents who had the choice of receiving business expense reimbursements via instant but chose another method, fielded Aug. 28, 2023 – Oct. 4, 2023

payment options. Among consumers who opted for another payout method, 50% cited concerns about sharing payment credentials as their primary reason for not going with instant payments. Additionally, 37% cited choosing alternative payment methods, while 25% cited cost as the reason for choosing alternative payment methods. Meanwhile, 38% of those who prefer instant payment methods did not choose an instant option because they were unaware of its availability until after choosing another method, suggesting that these enterprise senders could do a better job promoting instant as a payment option.



CONCLUSION

Business travel has increased since the height of the pandemic, as have the related expenses — most of which employees pay upfront. Consequently, consumers need reimbursements, and with the rise of digital payment options, greater shares indicate they want these business reimbursements as soon as possible. The traditional practice of paying via a check separate from payroll no longer satisfies many employees. In fact, many consumers prefer instant payments and are highly satisfied when offered the option. Still, many businesses are not offering this option. Even more so, some who would select instant are not aware such options are available until it is too late. To meet increasing demand and retain valued employees, enterprises in all industries could benefit by enabling instant payment of business expense reimbursements — and making it more apparent that the three-quarters who would elect to receive instant digital reimbursements can choose to do so.

METHODOLOGY

Generation Instant: Business Expenses Reimbursement, a PYMNTS Intelligence and Ingo Money collaboration, is based on a census-balanced survey of 2,606 consumers across the United States conducted between Aug. 28 and Oct. 4 examining consumers' satisfaction with disbursements received from government and nongovernment entities. Our sample was balanced to match the U.S. adult population in a set of key demographic variables: 51% of respondents identified as female, 39% had a college degree, 43% earned more than \$100,000 annually and 31% were millennials.

ABOUT

PYMNTS
INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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