



PYMNTS
INTELLIGENCE

INGO Payments

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The Faster-Payments Imperative for Small-Business Cash Flow

Money Mobility Tracker® Series

Late payments and slow-moving money are putting small businesses at risk, turning necessary and expected receivables into a threat to cash flow and stability. As economic pressures rise, faster payments are emerging as a critical tool for small businesses to regain control and build resilience.

■ Read the previous edition



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Tracker® Series

What's Inside

04 Introduction

Delayed or hard-to-collect receivables are placing a growing strain on cash flow for SMBs across all industries, weakening operational resilience, limiting access to financing and accelerating the case for faster payment methods to restore liquidity.

06 When Receivables Stall, Small Businesses Feel the Squeeze

Payment delays create a chain reaction of operational strain, higher costs and reduced access to financing that can quickly destabilize otherwise healthy businesses.

12 Outdated Payment Methods Keep SMB Cash Flow Stuck

Even as payment delays strain cash flow, many SMBs continue to rely on paper checks and other legacy systems that slow the movement of money.

16 Faster Payments Turn Receivables Into Real Liquidity

By accelerating settlement and improving visibility, faster payment methods help businesses operate more efficiently, reduce risk and strengthen financial resilience.

22 Turning Faster Payments Into a Cash-Flow Strategy

Improving SMB payment operations requires deliberate action focused on accelerating cash flow and modernizing payment infrastructure.

24 About

Information on PYMNTS Intelligence and Ingo Payments

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Acknowledgment

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Introduction

Small businesses often operate with limited tolerance for cash-flow disruptions, where payment timing can matter as much as revenue itself. Delayed or hard-to-collect receivables are placing increasing strain on cash flow for small to mid-sized businesses (SMBs) across industries, weakening operational resilience and limiting access to financing. Research consistently shows that late payments, rising expenses and limited payment visibility are converging to create a fragile environment in which many small businesses are only a few missed payments away from crisis.

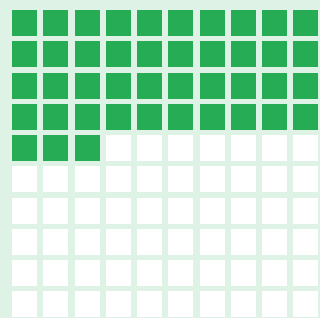
Despite these risks, a significant share of small businesses continue to rely on outdated payment systems such as paper checks, which introduce delays, uncertainty and administrative burden. However, faster and more modern payment methods—such as instant payments—are gaining traction to stabilize cash flow, improve efficiency and strengthen financial flexibility.



Money on Hold

When Receivables Stall, Small Businesses Feel the Squeeze

For many SMBs, late payments are becoming a pressing concern, even when sales figures remain high. These delays create a domino effect of operational strain, higher costs and reduced access to financing that can rapidly overwhelm even healthy businesses.



43%

of small businesses rank inefficient or inconsistent cash flow as their top obstacle to qualifying for financing.



Money on Hold

Delayed receivables put everyday operations at risk.

Late or hard-to-collect receivables are among the most persistent threats to small-business financial stability. According to [BillGO](#), inefficient or inconsistent cash flow stands out as the leading obstacle to qualifying for financing, cited by 43% of small businesses—well ahead of other challenges such as paying vendors on time. Nearly half of small businesses rank late payments as one of the most significant sources of cash-flow strain, alongside high operating costs at 51%, limited real-time financial visibility at 33% and a narrow range of payment options at 25%.

For small firms with slim margins, even modest delays can cascade. A \$10,000 late payment can force owners to postpone payroll, delay vendor payments or rely on high-interest credit. These disruptions often trigger late fees, higher borrowing costs and strained supplier and employee relationships. Additionally, lenders interpret irregular cash flow as heightened risk, lowering borrowers' approval odds or resulting in more restrictive credit terms.



According to the [Federal Reserve](#), 32% of businesses identify payment speed as a major pain point. This is especially true for small businesses, 37% of which are actively seeking better cash-flow solutions.

Money on Hold

Cash-flow stress ripples through growth and trust, threatening survival.

Research from [Gateway Commercial Finance](#) shows that receivables pressure is intensifying. Roughly 75% of SMB owners say invoice delays are becoming increasingly common, a trend that is even more pronounced among technology and software-as-a-service (SaaS) firms, where 91% report worsening delays. Lengthening payment cycles are showing up on SMBs' balance sheets. Most of the businesses report carrying invoices that remain unpaid for more than 90 days, a delay that accounts for 11% of their revenue. Meanwhile, 12% say they experienced at least one payment that took 120 days or longer to arrive over the past year. The cumulative cost is material: SMBs estimate average annual losses of \$39,406 tied to delayed payments, with nearly one in 10 reporting losses above \$100,000.



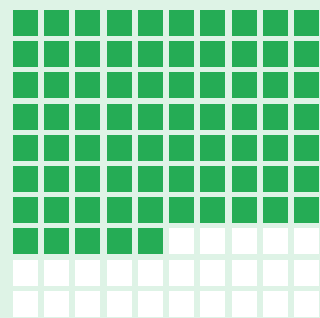
The downstream impacts of these cash-flow issues can be severe. More than half of business owners have postponed equipment or inventory purchases, while 43% have fallen behind on vendor payments, and 34% have struggled with rent or mortgage obligations. Sixty-three percent report missing expansion opportunities due to late payments, and 60% refrain from raising the issue with late-paying customers for fear of straining relationships. According to [American Express](#), 26% of business decision-makers say slow or late payments were a common factor in ending relationships with buyers or suppliers.

These pressures leave many businesses dangerously exposed. A recent [Bluevine survey](#) reported that 39% of small businesses have less than one month of operating cash on hand, underscoring how receivables delays can quickly become existential threats.

Built for Delay

Outdated Payment Methods Keep SMB Cash Flow Stuck

Even as payment delays strain cash flow, many SMBs continue to rely on paper checks and other legacy systems that slow the movement of money. That reliance introduces friction, uncertainty and hidden costs into everyday operations.



75%

of U.S. small businesses rely on physical checks sent through the mail.



Built for Delay

Legacy payment methods persist—despite the cost.

Despite mounting evidence that payment delays harm cash flow, many SMBs remain dependent on paper-based systems. [BillGO](#) estimates that approximately 75% of the 33 million American small businesses continue to depend on physical checks sent via mail. Under normal conditions, mailed checks add roughly 10 days before funds are made available, slowing vendor payments and increasing reliance on credit lines. Any disruption, such as postal delays, errors or fraud, can extend that timeline further.

Further research from the [Federal Reserve](#) reveals a sharp contrast in payment usage by business size. SMBs report heavy reliance on checks, cash and cards, while larger firms predominantly use digital payments such as same-day automated clearing house (ACH), digital wallets, wire transfers and instant payments. Smaller businesses are often drawn to methods perceived as familiar or low-cost, even when those systems introduce hidden costs through delays, reconciliation burdens and operational risk.

Payment friction extends well beyond settlement speed.

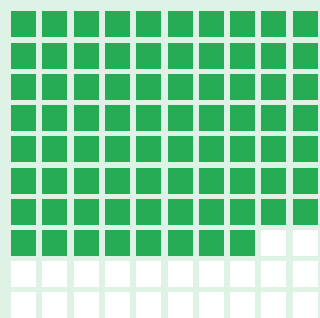
[American Express](#) found that nearly one-third of business decision-makers admit they spend too much time managing payments, while 29% say they would feel more at ease if concerns about payment accuracy and timing were removed. Manual processes, disconnected tools and limited visibility prevent businesses from forecasting cash flow accurately or responding quickly to shortfalls.

External forces are also accelerating pressure to modernize. As reported by [PYMNTS Intelligence](#), the federal government's move to phase out paper checks in favor of digital disbursements is expected to create ripple effects across adjacent sectors, nudging small businesses toward faster, digital payment methods. Even where opt-outs remain, digital payments are increasingly becoming the default. However, until adoption becomes widespread, many SMBs will continue to absorb unnecessary risk by relying on systems built for a slower, more predictable payments environment.

Speed Changes Everything

Faster Payments Turn Receivables Into Real Liquidity

Faster payments are reshaping how small businesses manage cash by turning receivables into usable funds immediately. By accelerating settlement and improving visibility, modern payment methods help businesses operate more efficiently, reduce risk and strengthen financial resilience.



78%

of CFOs view improving the cash-flow cycle as a very or extremely important strategic priority.



Speed Changes Everything

Real-time payments deliver immediate operational gains.

Instant payments provide immediate access to funds, giving businesses greater control over working capital and day-to-day liquidity. Real-time settlement allows owners to monitor balances continuously, streamline accounting and reduce reliance on paper checks, ACH transfers and wires, which can involve longer settlement times, higher costs or added operational friction.

Security is another key benefit. Instant payment systems are designed with rigorous controls to reduce fraud and meet regulatory requirements, an important advantage amid rising fraud risks. Additionally, advanced messaging capabilities can support detailed invoice data and real-time communication between senders and receivers, improving transparency and reducing disputes.

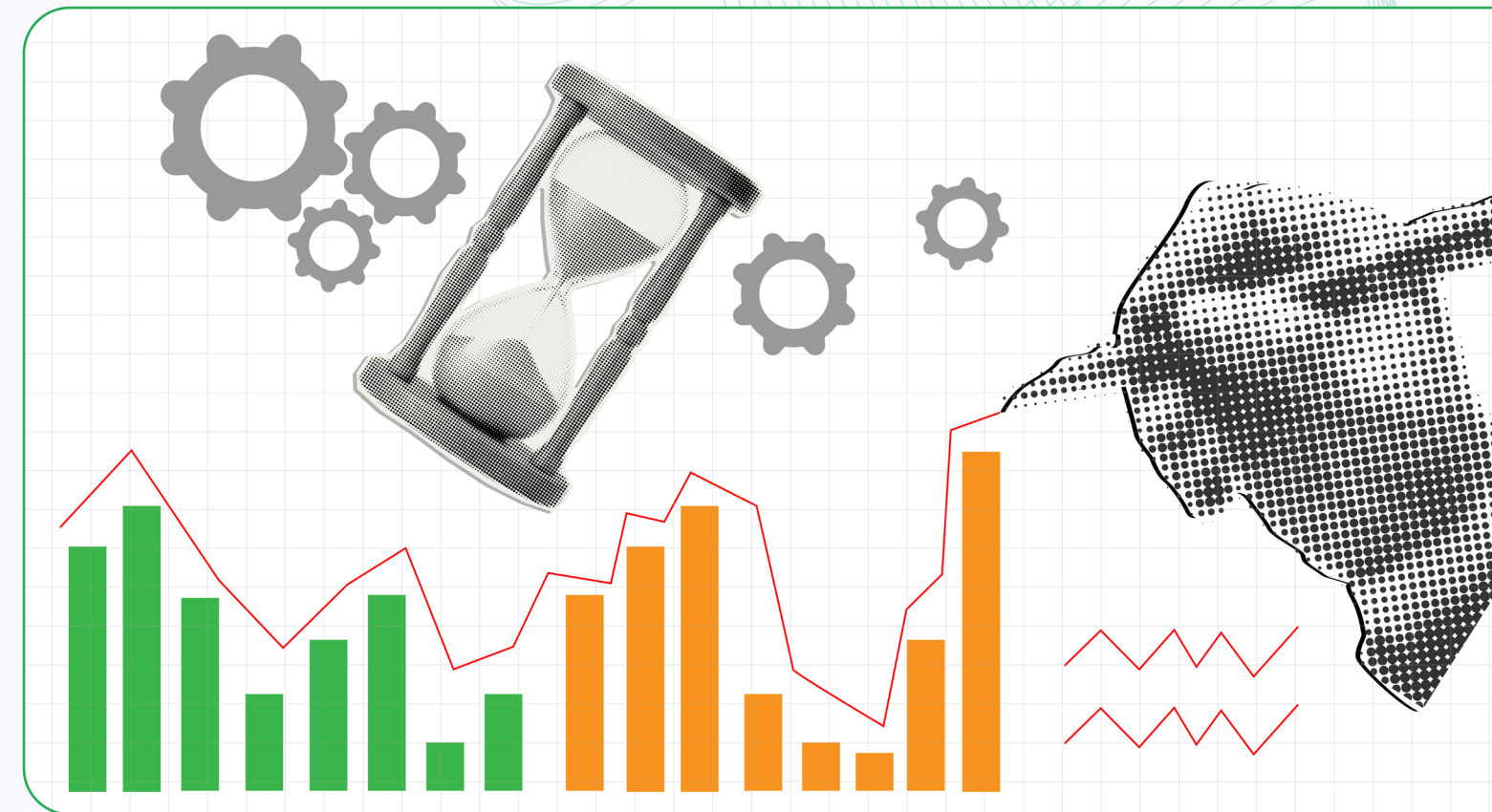


Speed Changes Everything

Payment speed is moving from operations to strategy.

The [Federal Reserve](#) reports that 92% of businesses already use faster payments to improve cash flow, citing benefits such as lower costs, greater flexibility, enhanced 24/7 service, improved security and immediate access to funds. These efficiencies reduce manual intervention and help offset other payment-related fees.

Beyond operational gains, faster payments are increasingly viewed as strategic tools. [PYMNTS Intelligence](#) reports that payments are moving from the back office to the boardroom as CFOs reassess payment infrastructure in terms of flexibility, data intelligence and alignment with broader business goals. Receivables innovation is emerging as a key lever for unlocking liquidity. Nearly 78% of CFOs say improving the cash-flow cycle is very or extremely important. Among “strategic movers,” defined as companies that lead peers in growth and digital transformation, that share rises to roughly 94%.



In addition, payment modernization improves visibility, strengthens relationships and gives businesses greater working capital flexibility, enabling them to reinvest in growth rather than managing delays. In this context, faster payments are not simply about speed—they are about resilience and competitiveness.

Call to Action

Turning Faster Payments Into a Cash-Flow Strategy

SMBs face a growing disconnect between how quickly they must operate and how slowly money can move. Late receivables, legacy payment systems and limited visibility are compounding risks at a time when many businesses have little margin for error. Addressing these challenges requires deliberate action focused on accelerating cash flow and modernizing payment infrastructure.

PYMNTS Intelligence offers the following actionable roadmap for SMBs looking to put faster receivables, improved visibility and stronger liquidity into practice:

Prioritize receivables speed by offering customers digital payment options that reduce delays and uncertainty.

Reduce reliance on paper checks in favor of ACH, instant payments, virtual cards or digital wallets to shorten settlement times.



“Small businesses can’t afford to wait days for money they’ve already earned. When 39% of them have less than a month of cash on hand, payment speed stops being a back-office issue and becomes a survival issue. The businesses that modernize how money moves in and out will be handsomely rewarded.”

DREW EDWARDS
CEO

 **Payments**

Improve payment visibility by adopting tools that provide real-time insight into incoming and outgoing cash.

Evaluate payment costs holistically, accounting for delays, administrative burden and credit reliance—not just transaction fees.

Align payments with growth strategy, treating faster payments as a lever for resilience, flexibility and competitiveness.

As the payments landscape continues to evolve, SMBs that modernize how money moves will be better positioned to withstand volatility, strengthen relationships and reinvest in growth.

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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Ingo Payments empowers banks, FinTechs and enterprises to deliver modern financial experiences through its full-service embedded banking platform. Ingo’s bank-grade modern money stack, built with embedded compliance and risk management, enables seamless account funding, transfers, mobile deposits and payout solutions across a wide range of industries and use cases. With a vertically integrated platform, Ingo helps clients minimize third-party risk, reduce operational complexity and lower costs—all while accelerating go-to-market timelines. Headquartered in Alpharetta, Georgia, Ingo employs more than 240 payments experts and serves some of the largest brands in North America. Learn more at ingopayments.com.

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