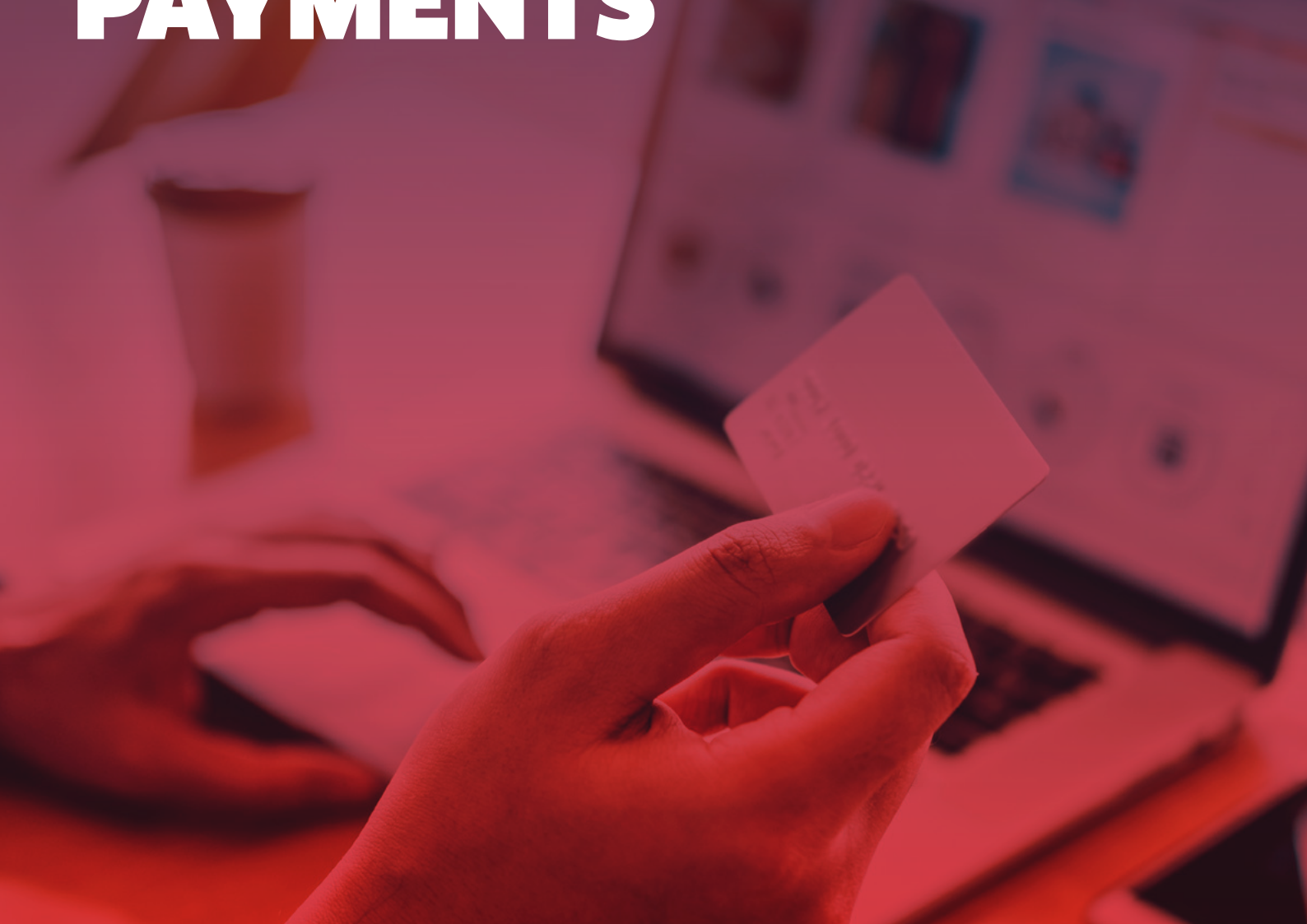




Article by: Lori Breitzke, Vice President of FIS Product Management, Prepaid

SOLVING AMERICA'S LIQUIDITY CRUNCH WITH SAME-DAY PAYMENTS



COVID-19 is creating a massive cash crunch for businesses and workers in the U.S. Many small and medium-sized businesses (SMBs) are filing for federally guaranteed loans under the Paycheck Protection Program to keep their doors open and continue paying workers. Still others are downscaling operations, laying off or furloughing workers or asking them to work on a part-time or intermittent basis. It's business unusual, and almost everyone is fighting for survival. The struggle is most acute, of course, for presence-based businesses, such as restaurants and bars, hair and beauty salons, and hospitality companies, as well as the vendors who serve them.

As U.S. states ease COVID-19 lockdown restrictions, companies will face another huge hurdle: persuading staff to return to work, or hiring new workers to begin operations again. It's likely most will start slow and scale as demand returns and new sanitation and social distancing practices can be established to protect employees. That process will take weeks, or even months, as the world waits for better medical treatments and a vaccine.

Businesses and workers can't wait for checks to clear

However, the financial reality for both businesses and workers has changed. Neither group can afford to wait days for checks to arrive in the mail, or the up to five days ACH payments take to clear. Small businesses have been hit by the trifecta of no to low revenues, fixed costs such as rent and supplies, and staffing and vendor payment woes. The average small business has less than [27 days of cash on hand](#), meaning that finding a way to increase cashflow quickly is imperative.

Meanwhile, for minimum-wage workers, one-time stimulus payments of \$1,200 and unemployment benefits could be better than working, but for most employees, these funds will fall short. A Bankrate survey last year famously found that 40 percent of workers [didn't have \\$1,000](#) for an emergency expense and would be in a bind if they missed a single paycheck. These employees are learning now just how painful that reality is.

Prepaid business cards provide same-day access to earned wages

Fortunately, there's a simple solution for meeting business and worker needs for fast, transparent and trusted payments: prepaid cards. With prepaid cards, companies can receive same-day payments and pay their vendors, employees, gig workers and contractors that day.

Everyone benefits. Businesses improve their cashflow and financial decision-making and build better relationships with their suppliers, vendors and workforce. Workers increase their peace of mind and financial stability by avoiding the vicious cycle of payday loans, overdrawn checks and high bank fees. Those who don't have bank accounts can also receive earned wages on a prepaid card and avoid payment delays associated with visiting a check-cashing establishment.



Getting started with prepaid cards is easier than you think

Setting up a prepaid card solution might seem like it would take time and resources that companies don't have. However, the reality is that SMBs and larger firms can implement a prepaid business platform and begin using prepaid cards in a matter of weeks. A prepaid business platform provides a portal for companies to manage customers, vendors and workers and related payment and payroll processes. Cards are reloadable, for such purposes as payroll; or available as single-load products, which can be used for incentives, gift cards, rebates, tax refunds, COVID-19 relief payments and more. Payments can also be scheduled or instantly issued, providing businesses with much needed flexibility.

SMB finance and risk management teams benefit from an end-to-end digital workflow that verifies the identity of recipients; issues, settles and reconciles payments; works with – and speeds up – established ACH processes; provides integrated risk and fraud management; and offers digital reporting to streamline financial operations. Digital processes make adding new workers, issuing payroll, assessing supplier payments and cashflow, reconciling the books, and supporting audits faster and more accurate.

Prepaid cards combat the very real problem of check fraud, which has affected up to 70 percent of organizations in the U.S. and [cost businesses \\$18 billion in 2018](#). In addition, they help companies achieve significant operational efficiencies and cost savings. A benchmarking study by the Association for Financial Professionals found that sending a check was [10 times more expensive](#) than sending or receiving an ACH payment, and receiving a check was five times more expensive. Companies that eliminate checks for payroll and supplier payments can decrease printing and postage costs and focus staff on higher-level customer service duties.

Now, COVID-19 is providing a different reason to adopt digital payments. Rapid change is creating business complexity, sidelining talent and causing financial issues for all. Setting up prepaid business cards enables companies to pay all their workers their wages on the same day they earn them, allowing these companies to compete effectively for talent against other employers and save on costs.

As your business navigates COVID-19, prepaid cards can help you move your financial operations into real time. In a period of incredible business uncertainty, that's not a good thing: It's a *great* thing.

Learn more at:

<https://empower1.fisglobal.com/prepaid-cards.html>


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 www.fisglobal.com

 getinfo@fisglobal.com

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