Flute



The Cost of Waiting To Get Paid.

Growing businesses are using their own money to cover cash-flow shortages and invest in growth while waiting to get paid.

Survey of 209 U.S. small business owners

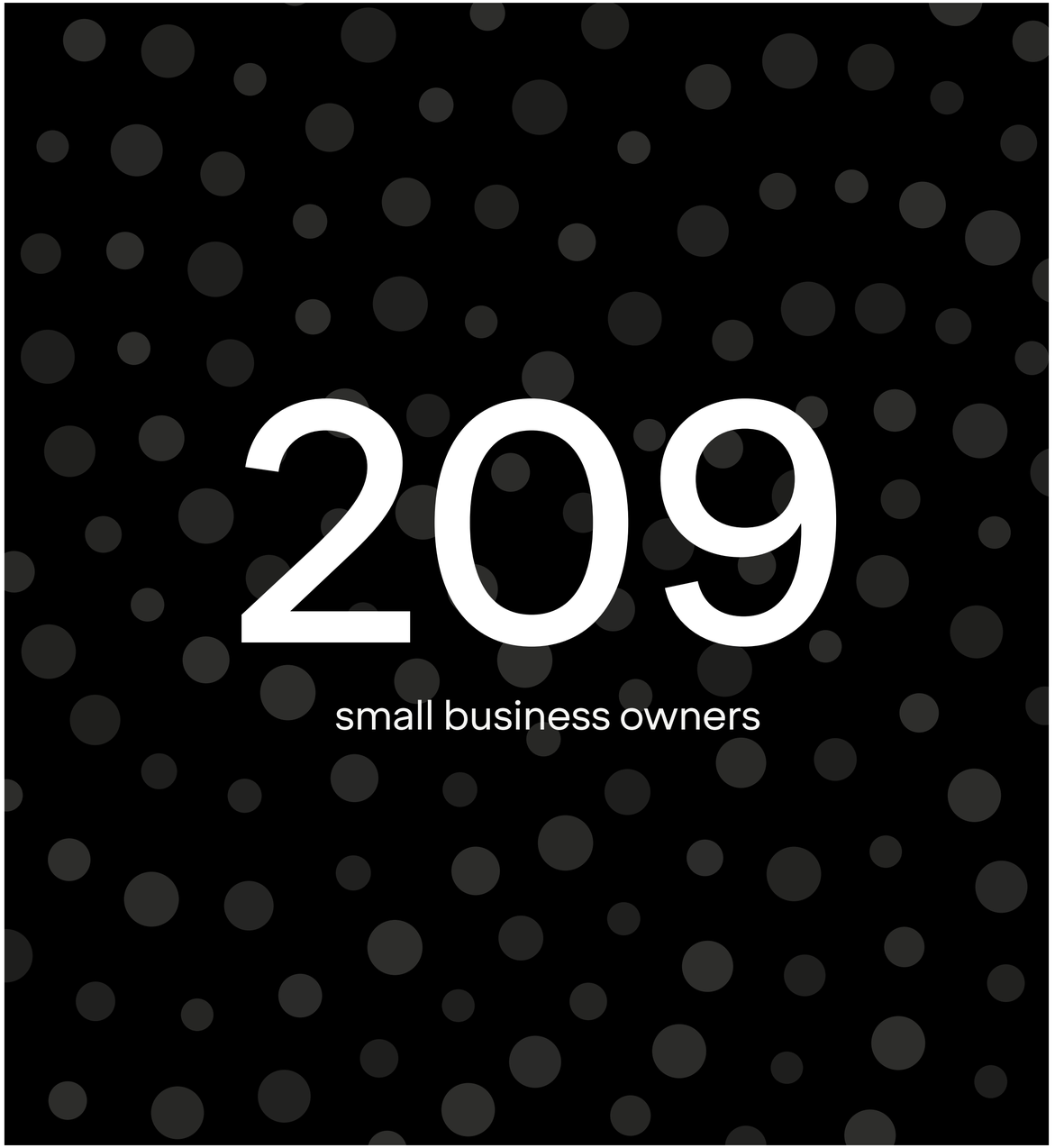
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We asked 209 small business owners how they fund their businesses, how quickly they get paid, and what happens when cash runs short.

Their answers point to a single pressure showing up in three places: Owners borrow when they can, fund the business themselves when they can't, and wait days for revenue they have already earned. In most cases, the cost falls on the owner's household.



Owners borrow when they can, fund the business themselves when they can’t, and wait days for revenue they have already earned.

52%

needed extra cash to run or grow the business in the past year

79%

put personal money into the business in the past year

4%

of owners who needed cash turned to their payment processor, the least-used source on the list

73%

say faster access to their own money would meaningfully change how they run the business

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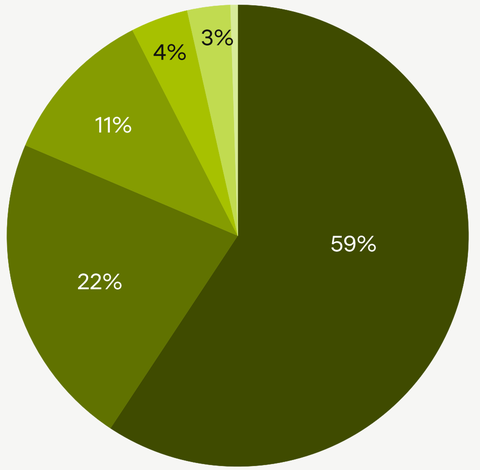
Who we heard from

209 owners of growing businesses

The sample reflects the businesses that make up the Main Street economy, including:

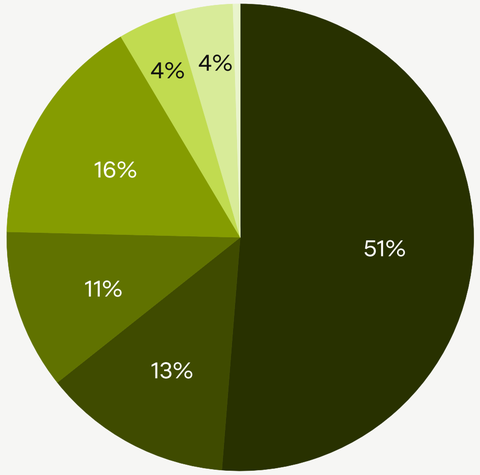
59%	retail, including brick-and-mortar, online, or both
51%	under $250,000 in annual revenue
70%	have one to nine employees
57%	in business for six years or more

Methodology: 209 U.S. small business owners, fielded Aug. 28 to Sept. 3, 2026. Subgroup bases are noted on every chart; cuts under 100 respondents are labeled directional.



Business type

Retail	59%
Professional services	22%
Automotive	11%
Jewelry	4%
Restaurant/hospitality	3%
Funeral services	0.5%



Annual revenue, past 12 months

Under $250K	51%
$250K to $500K	13%
$500K to $1M	11%
$1M to $2.49M	16%
$2.5M to $5M	4%
$5M to $10M	4%
$10M+	0.5%

share of 209 respondents

Owners are the lender of last resort

More than half of owners needed extra cash in the past year, largely driven by the cost of running a business. When they looked for funding, the most common sources were credit cards and their own savings. Many never applied for financing at all, and those who did often came up short.

52%

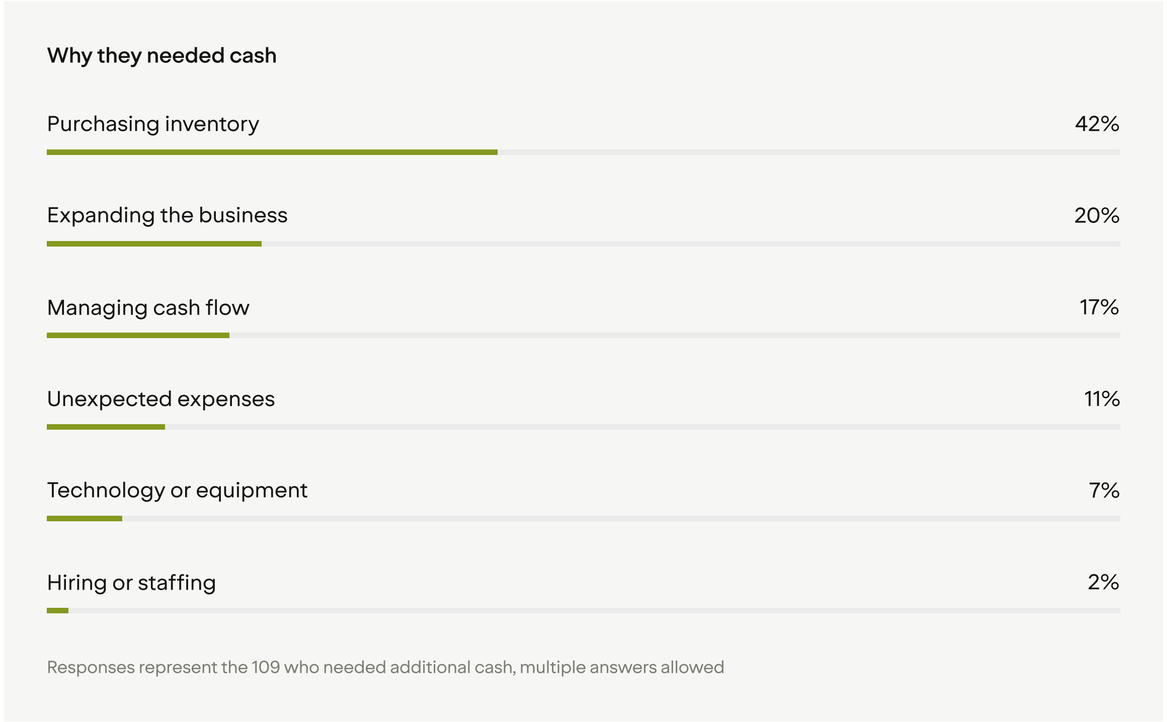
needed extra cash or funding in the past year

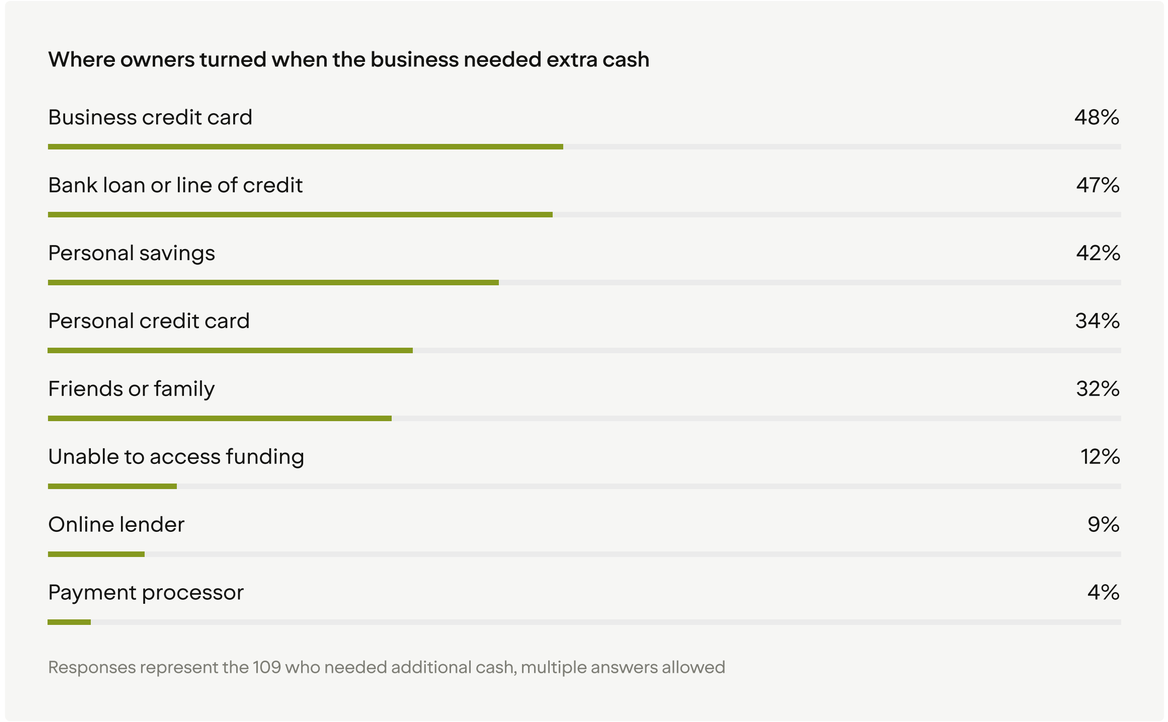
37%

applied for a loan, line of credit, or other outside financing

28%

of applicants were approved for less than they requested or were denied





Cash needs are common

Inventory was the top reason owners needed cash, cited by 42% of those who needed it and by 49% of retail owners. Expanding the business (20%) and managing cash flow (17%) followed.

Inventory is a timing problem: cash goes out weeks before sales bring it back in. Ahead of the holidays, retailers have to buy stock long before seasonal sales bring in the cash to pay for it. Covering that gap requires short-term working capital that can be set up quickly, and many owners struggle to get it.

Owners turn to personal capital

Business credit cards (48%), bank loans (47%), and personal savings (42%) were the most common sources of extra cash, followed by personal credit cards (34%) and friends or family (32%). Twelve percent could not access funding at all.

Three of the top five sources sit outside the business. When personal savings, personal credit, or family loans cover a business need, the owner's household absorbs the risk.

Financing itself creates friction

Fifty-two percent of owners needed cash, yet only 37% applied for financing.

Applying takes time, paperwork, and a credit inquiry, with no guarantee of approval. For many owners, skipping the process costs less than pursuing financing they may not receive.

Approval does not always solve the problem

Sixty-seven percent of applicants were approved in full. Fourteen percent received less than they requested, and 14% were denied. Among owners who came up short, 41% used personal savings to cover the difference.

A partial approval leaves the original need in place. The business still needs the money, and the owner covers the rest.



Self-funding has become a major source of capital

Seventy-nine percent of owners put personal money into the business in the past year. Most put in less than $10,000, with 21% contributing under $2,500 and 29% contributing $2,500 to $9,999. Another 19% put in $10,000 to $24,999, and 10% put in $25,000 or more.

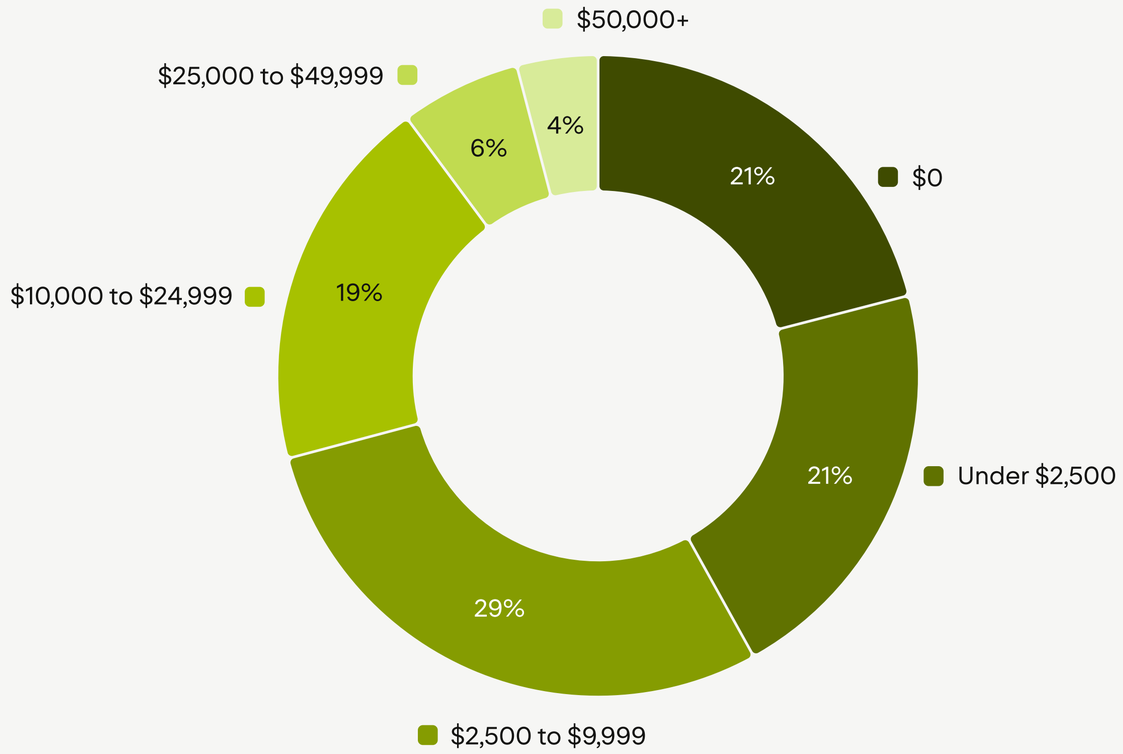
At these levels, self-funding is a significant capital decision. Money that could stay in personal savings or investments becomes capital tied to the business. Owners have less available for household expenses or emergencies, and their personal financial cushion depends more on business performance.

Smaller businesses face the largest financing barriers

Among businesses needing additional cash, 46% of those with annual revenue under $250,000 applied for financing, compared with 69% of larger businesses. Among applicants, 44% of smaller businesses were approved in full, compared with 78% of larger ones. Twenty-seven percent of smaller businesses that needed cash could not access funding, compared with 0% of larger businesses.

Smaller businesses have a harder time reaching traditional financing, which helps explain why their owners rely more heavily on personal capital.

Personal money put into the business in the past year



Share of 209 respondents

An overlooked route to working capital

The company that processes a business's sales already sees its revenue every day. Yet owners rarely turn to their processor when they need cash, mostly because their provider has never offered funding or they don't know it's an option. That leaves a wide gap between how many owners want this kind of funding and how many actually use it.

4%

of owners who needed cash turned to their processor

24%

would consider their processor as a funding source

37%

have been offered working capital or a cash advance by their processor

Processor funding remains largely untapped

Only 4% of owners who needed cash turned to their processor, making it the least-used funding source on the list.

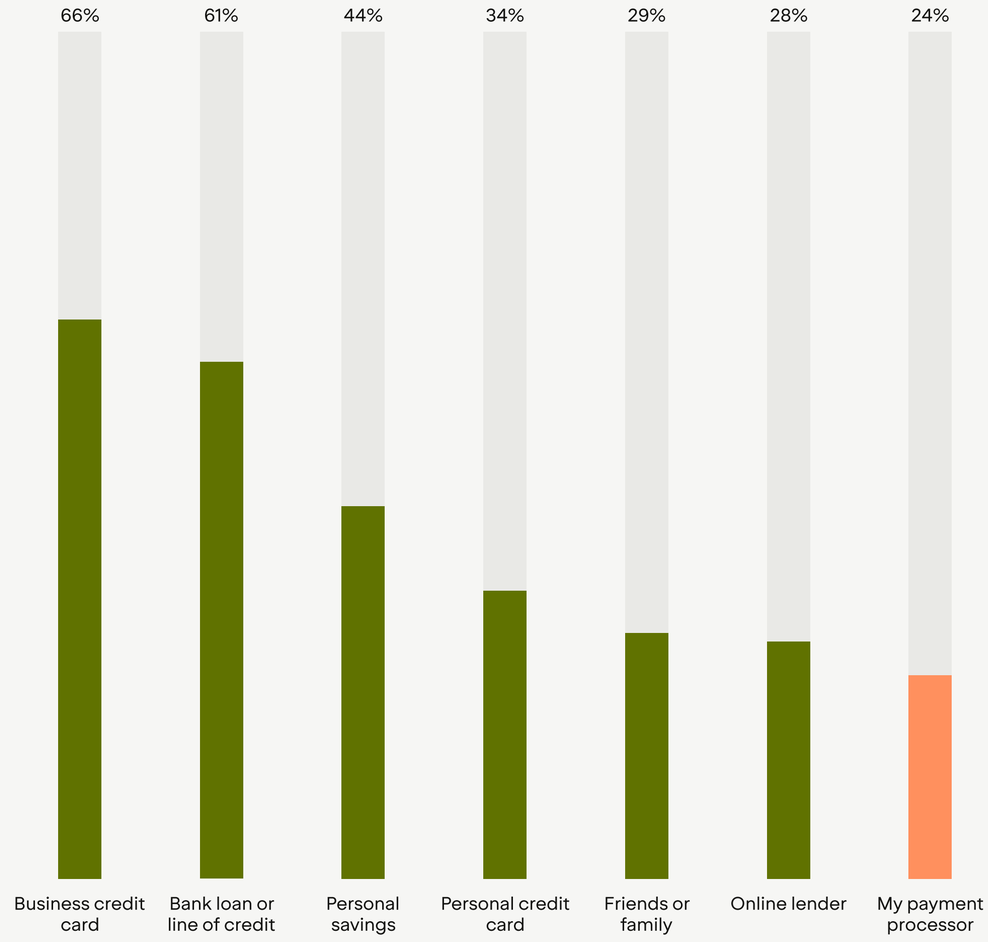
Payment activity provides a running record of business performance, which can inform working capital offers. For owners, it means they can access funding through a platform they already use, with less paperwork than a traditional application.

Interest exists among owners

Twenty-four percent of owners would consider their processor for funding, close to online lenders (28%) and friends or family (29%).

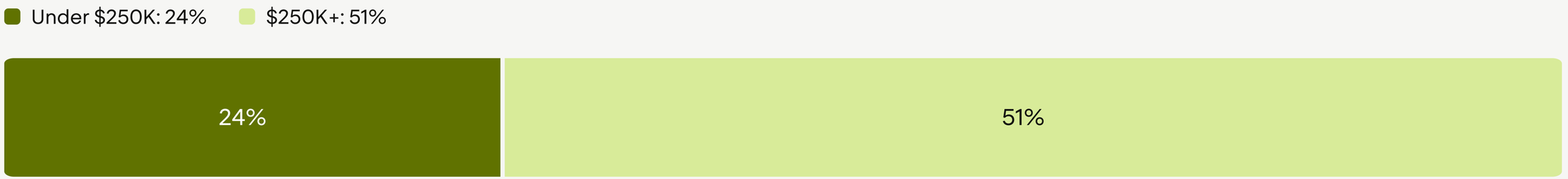
Demand is ahead of adoption. For owners, funding through a processor can sit inside the same platform they already use to take payments, based on sales they've already made. However, availability alone doesn't guarantee owners know the option exists or how to qualify. This gap between interest and the use of available funding presents an opportunity for clearer communication about options and eligibility.

Funding sources owners would consider next time



Share of 209 respondents, multiple answers allowed

Offered a processor cash advance, by revenue.



Most owners have never received an offer

Only thirty-seven percent of owners have been offered a cash advance or working capital by their processor.

Most owners reported never receiving an offer. Paired with the low usage rate, this presents an opportunity for processors to make funding options more visible and explain how they work.

Processor offers skew toward larger businesses

Fifty-one percent of businesses with $250,000 or more in revenue received a processor offer, compared with 24% of businesses with under $250,000 in revenue.

Processor financing has largely reached businesses that already have more financing options. Smaller businesses, which face the steepest bank barriers, are also the least likely to be offered processor funding.

Vertical differences

Professional services firms had the highest offer rate (47%, directional). Retail owners showed the highest openness to processor funding (28%) while also relying heavily on personal savings.

The businesses most open to processor funding are often not the ones most likely to receive offers.

Growing businesses carry more money in limbo

A completed sale doesn’t mean usable cash. Most owners wait two or more days for deposits; most have revenue sitting in pending deposits or unpaid invoices at any given time, and a large majority say faster access would change how they run the business. The amount waiting to clear grows as the business grows.

73%

say faster access to their own money would meaningfully change how they run the business

58%

wait two or more days for bank settlement

57%

have $1,000 or more in pending deposits, holds, or unpaid invoices at any given time

Faster access to revenue matters

Seventy-three percent of owners say faster access to their own money would meaningfully change how they run the business.

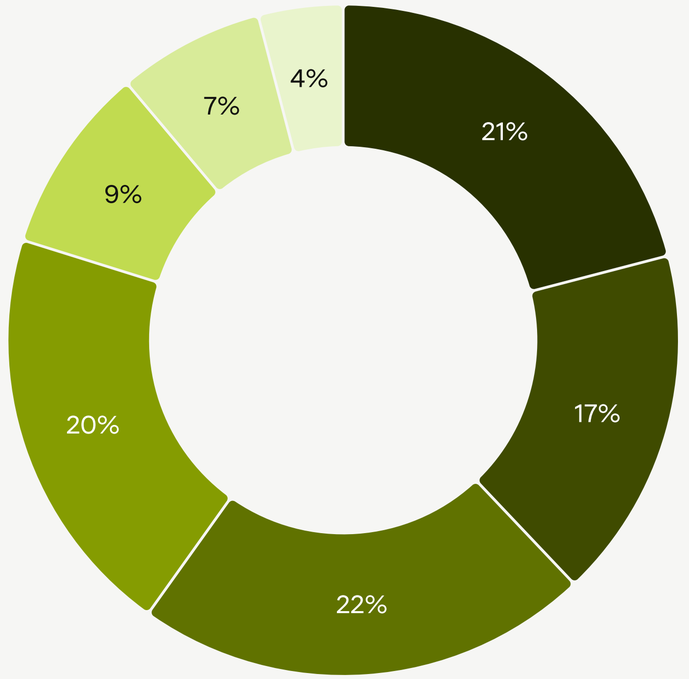
Owners want faster access to the revenue they have already earned. A completed card sale doesn't put the money in the business's account right away. Standard settlement cycles typically take two to three business days, and payout and bank processing can add more time. Owners see that wait as cash they can't use, even though the sale is done. Faster settlement makes earned revenue available sooner without adding debt.

Settlement delays create operating pressure

Twenty-one percent of owners receive payments the same day. Fifty-eight percent wait two or more days, and 16% wait four or more.

Every day of settlement delay means the business has to fund its operations with its own capital while revenue is unavailable. Unpredictable timing adds another cost, since owners have to hold extra cash in reserve when they can't count on when deposits will land.

How long owners wait for settlement



Same day	21%
1 day	17%
2 days	22%
3 days	20%
4 to 7 days	9%
More than 7 days	7%
Not sure	4%

Share of 209 respondents

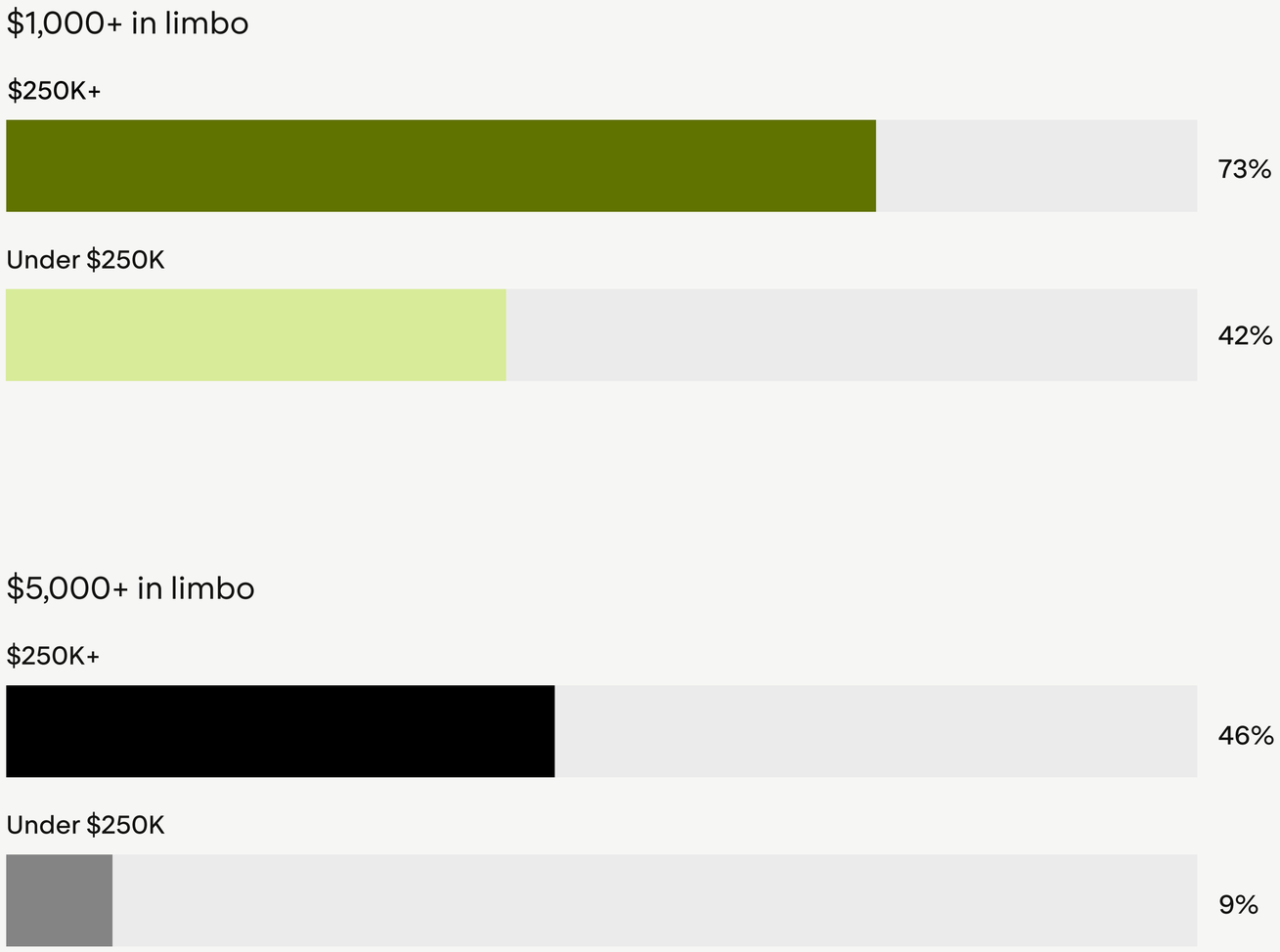
Cash sits out of reach

Money tied up in payment delays is working capital the business can't put toward inventory, payroll, or growth.

$1,000+

Fifty-seven percent of owners have $1,000 or more in pending deposits, holds, or unpaid invoices at any given time.

Funds in limbo, by revenue



Larger businesses have more cash waiting

Seventy-three percent of businesses with $250,000 or more in revenue have $1,000 or more in limbo, compared with 42% of smaller businesses. At $5,000 or more, the split is 46% vs. 9%.

As transaction volume rises, so does the amount of cash held up by the payment cycle. A growing business needs more working capital just to keep pace with its own sales.

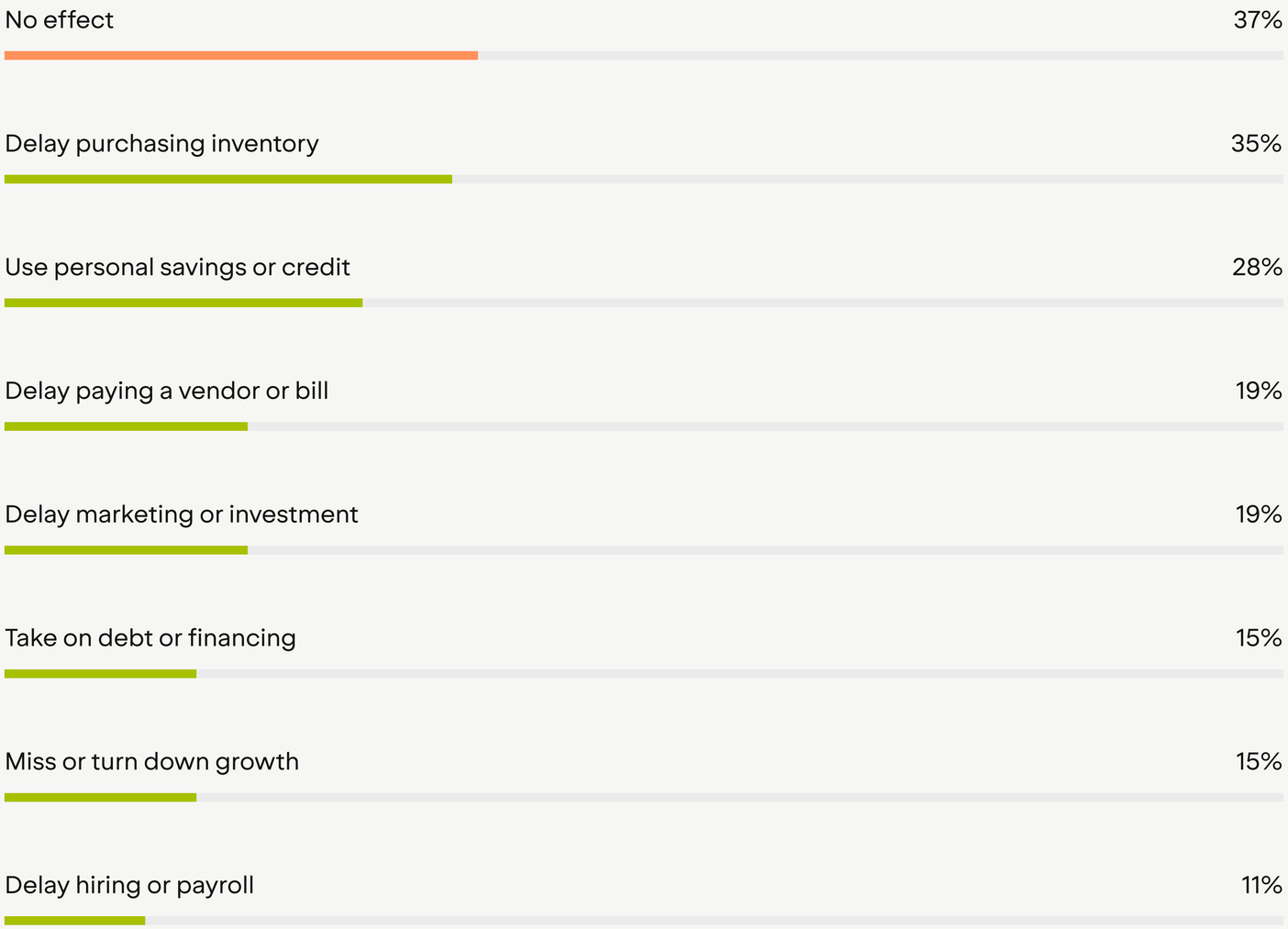
Payment delays create the same trade-offs as financing denials

Sixty-three percent say slow customer payments forced a change in their business. Thirty-five percent delayed inventory purchases, 28% used personal savings or credit, 19% delayed vendor payments, 19% cut marketing, and 15% passed on growth opportunities.

Owners who were denied or underfunded reported similar behaviors, with 59% delaying purchases and 46% passing on growth.

The operational impact looks similar whether cash is unavailable because financing fell through or because revenue hasn't arrived yet.

What slow customer payments forced businesses to do



Share of 209 respondents, multiple answers allowed

What it means for growing businesses

Earned revenue is the closest source of capital

Growing businesses are using personal funds to cover operating needs while delays in reaching their own revenue shape their decisions. Better access to cash gives owners more room to buy inventory, pay vendors, and pursue growth.

01 / Self-funding is the default

79%

of owners invest personal funds in their businesses, and smaller businesses face the steepest barriers to traditional financing.

02 / Processor funding is underused

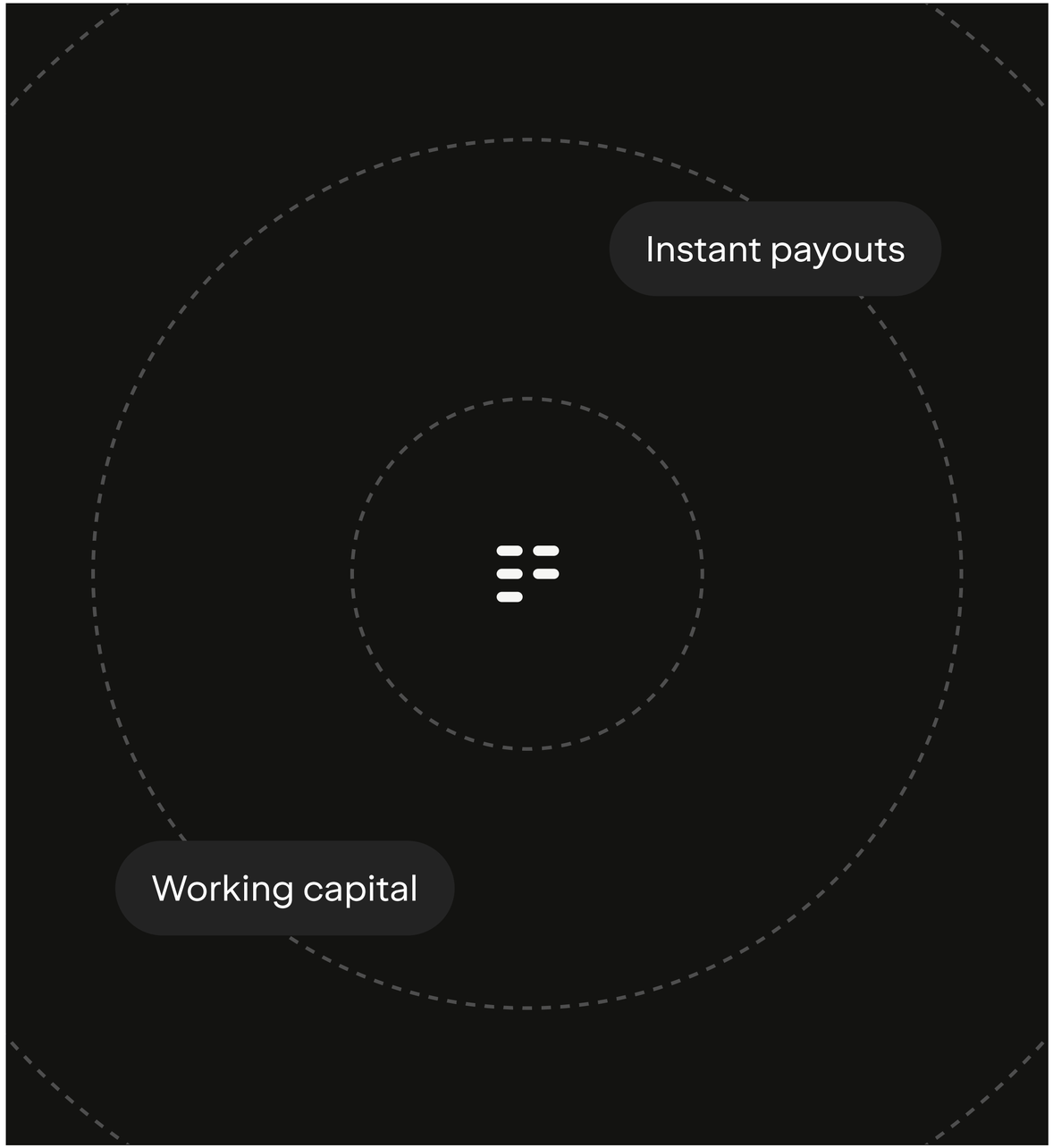
24%

would consider processor funding, 4% of those who needed cash used it, and most owners have never received an offer.

03 / Speed is a working capital issue

73%

say faster access to their money would change how they operate. The cash held up in payment cycles grows with the business.



Where Flute fits

Flute brings working capital and instant payouts into the platform owners already use to manage payments. Working capital provides eligible businesses with access to funding based on their transaction history, while instant payouts provide earlier access to funds from completed card sales. Reporting brings sales and deposits into a single view so that owners can make decisions with a clear picture of their cash.

The most accessible source of working capital is often the revenue a business has already generated. Faster settlement and transaction-based financing help owners reach that capital without leaning as heavily on personal savings or credit.

The cost of waiting to get paid

If you're a Flute merchant, check the "Finance" tab in the dashboard to see what you're eligible for. If you aren't processing with Flute yet, reach out to our team to learn how faster, more reliable financing can help your business grow.

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