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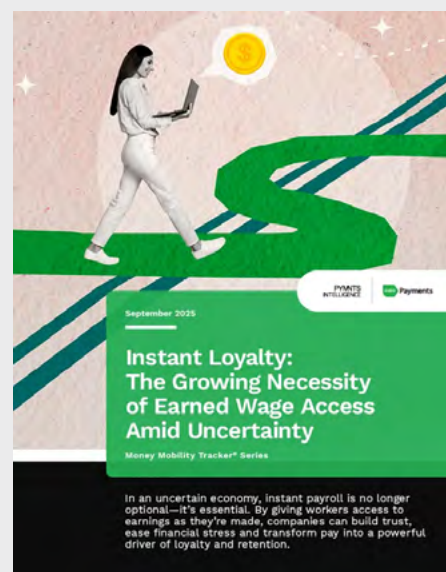
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# Tips on Tap: Instant Payments in the Restaurant Industry

Money Mobility Tracker® Series

Labor shortages and rising consumer expectations are pushing restaurants to rethink payments. Instant payouts and digital tipping have evolved from optional perks to critical survival tools that boost efficiency, attract staff and keep cash flow strong.

■ Read the previous edition



SEPTEMBER 2025  
**Money Mobility  
Tracker® Series**

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### Acknowledgment

The Money Mobility Tracker® Series is produced in collaboration with Ingo Payments, and PYMNTS Intelligence is grateful for the company's support and insight. [PYMNTS Intelligence](#) retains full editorial control over the following findings, methodology and data analysis.

# Introduction

The restaurant industry continues to face challenges since the pandemic brought about its overnight digital revolution. Staffing shortages remain severe, and rising consumer expectations for both convenience and digital innovation are squeezing budgets even as consumer spending is tightening. Operators must manage lean teams while also competing to attract new workers and improve guest experiences.

Payment innovation has emerged as both a frontline solution for these pressures and a back-end differentiator for eateries. Instant payments—such as real-time tip disbursements and supplier payouts—are quickly becoming essential to retaining staff and boosting cash flow. Labor-constrained operators see instant compensation as a lever for recruiting and retention, while instant business-to-business (B2B) solutions are building financial wellness and healthier balance sheets industry-wide.

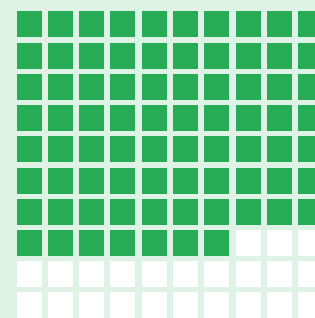


## Instant Demands

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# Restaurants Under Pressure: The Demand for Instant Solutions

The restaurant industry is facing a multitude of challenges, including a critical labor shortage and heightened customer demand for convenience alongside seamless technology. Instant payments offer both direct and indirect solutions to these pressures.



# 77%

of restaurant operators say worker recruitment and retention pose significant challenges to their businesses.

## Instant Demands

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# A tight labor market has turned up the heat on restaurants.

Labor shortages continue to strain the restaurant workforce. According to the [National Restaurant Association](#), full-service restaurant employment in June 2025 remained below pre-pandemic levels by 222,000 jobs, or 4%. In addition, 77% of operators this year say [recruiting and retention](#) pose significant challenges. Research from [Expert Market](#) adds that 23% of the industry cited labor shortages as an operational pain point, with 82% of restaurants actively hiring. These shortages create daily operational bottlenecks and underscore the value of workforce incentives such as instant access to wages and tips.

# Mounting customer expectations are doubling the challenge.

However, service remains a flash point for diners, and much of it comes down to staffing. Restaurants battling high turnover and unpredictable schedules often see those gaps show up in delayed service, inconsistent quality and frustrated guests. Instant wage access, same-day pay and on-demand tip disbursements help address this by reducing financial stress for employees and increasing the likelihood they stay. A recent [Rellevate](#) report (2025) shows that offering its Pay Any-Day solution led to an up to 36% improvement in employee retention in high-turnover sectors such as hospitality. In the quick-service restaurant (QSR) space, an analysis by [Crunchtime/Tapcheck](#) found that nearly half of employees leave before their 90-day mark, but earned wage access (EWA) is helping cut into that early churn. Given that QSRs see annual turnover rates exceeding 130% industry-wide, according to [Paytronix](#), these improvements matter. By making wages and tips available instantly, restaurants can stabilize staffing, strengthen morale and ultimately deliver more consistent service to their guests.

## Tipping Point

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# Tipping Transformation: From Cash to Digital

Tipping was once dominated by cash, but the rise of digital payments has completely upended the gratuity paradigm.



# 20%-30%

Reported increase in tip amounts by restaurants after implementing touchscreen ordering systems



## Tipping Point

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# Tipping has undergone significant changes with the rise of digital payments.

The tipping economy is undergoing a structural shift, moving away from its traditional cash roots toward a digital-first model. Historically, many restaurants relied on lengthy, manual end-of-shift cash-outs to distribute earnings, a process that could take staff as much as an hour every day. By contrast, [Ingo Payments](#) finds that digital payout systems integrated directly into point-of-sale (POS) platforms reduce this reconciliation to just 60 seconds.

Speed is only part of the benefit. Instant digital tip transfers ensure accuracy and fairness across both front- and back-of-house staff, eliminating disputes and improving morale.



## Tipping Point

# Digital tipping has also transformed how customers reward service.

[Restaurant Dive](#) reports that touchscreen ordering systems have boosted tip amounts by 20% to 30%, as easy-to-use digital tipping prompts consumers to give more generously. This aligns with broader consumer comfort with card and mobile transactions, where tipping is seamlessly built into the flow of ordering and paying.

For employees, the implications of this shift are significant. The convergence of consumer behavior and digital payout capabilities positions tipping as a reliable, transparent system that aligns daily work with immediate financial reward. [Immediate access to earnings](#) and tips at the end of each shift means the ability to cover daily expenses without resorting to payday loans or other high-cost financial products. Faster wage access contributes to financial stability, which in turn supports job satisfaction and long-term retention.

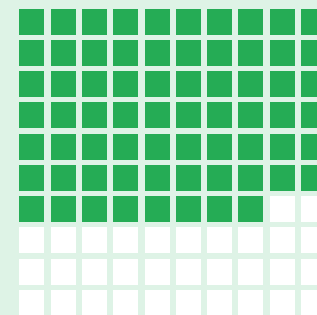


Employees are not the only beneficiaries, however. For employers, streamlined, instant tip payouts reduce administrative overhead, accelerate cash flow and bolster workforce retention, all critical qualities in a tight labor market.

## Bottom-Line Benefits

# Powering Restaurant Operations: Instant Payments for the Bottom Line

Instant payouts for restaurant worker tipping and wages are just the beginning. Instant supplier payments are reducing administrative burdens, bolstering cash flow and creating healthier balance sheets for the industry.



# 68%

of restaurant SMBs that rely primarily on instant payments describe their balance sheets as very or extremely healthy.

## Bottom-Line Benefits

# Instant payments unlock cash flow and efficiency benefits for restaurants and their B2B partners.

For restaurants, cash flow can make or break the business. Rent, payroll and supplier invoices are large recurring costs that must be paid on time, but delays in payment processing can trap working capital and strain balance sheets. Instant payments help relieve that pressure. [PYMNTS Intelligence](#) data shows the impact: 68% of restaurant small to mid-sized businesses (SMBs) that rely primarily on instant payments describe their balance sheets as very or extremely healthy, compared to just 58% of those that rely on non-instant methods. The effect is even stronger for bank-to-bank instant transfers, with 76% reporting very or extremely healthy balance sheets, versus 63% among PayPal or debit users. These advantages matter in an industry where missed or late supplier payments have contributed to bankruptcies at chains ranging from [Planta](#) to [Burger King](#) franchisees. Instant settlement gives operators greater confidence in their ability to meet obligations, reduce reconciliation headaches and maintain healthier financial footing.

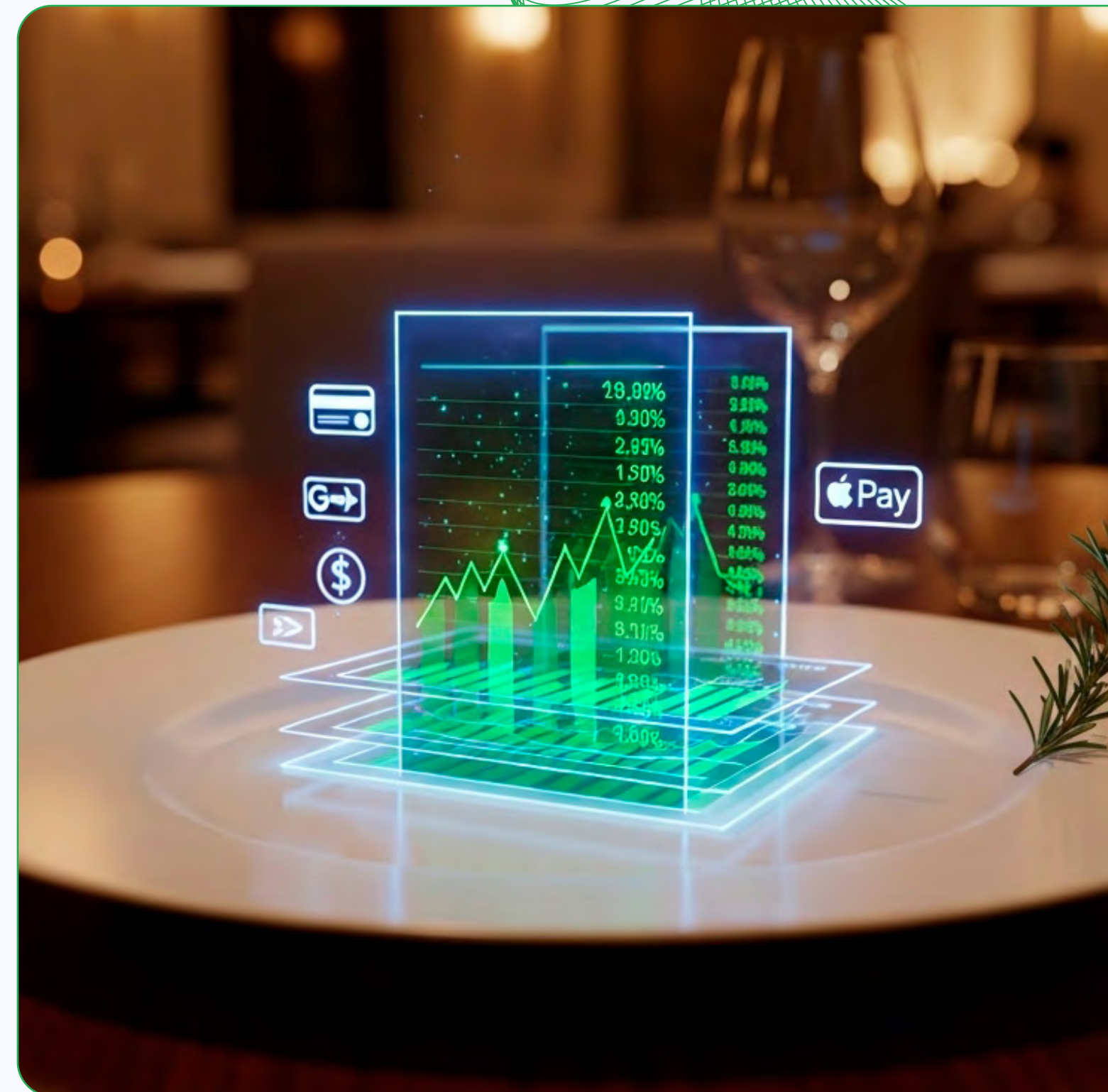


## Bottom-Line Benefits

# Instant payments can fuel long-term satisfaction for restaurants.

Instant payments are also driving higher satisfaction among restaurant operators and their partners—a signal that they are viewed not just as a short-term fix but as a long-term advantage. Nearly four in five restaurants that sent instant payments in the past year (79%) report being very or extremely satisfied with their experience, while satisfaction climbs even higher among those on the receiving end (82%). Operators consistently cite speed and ease of use as the top benefits, with 70% and 68%, respectively, pointing to these features as critical. The convenience factor resonates, too: Nearly one-quarter of restaurants rank it as the single most important advantage.

This benefit helps explain why instant payments now outpace all other payment methods among restaurant SMBs, with 74% sending instant payments last year compared to 48% using credit cards and 44% using automated clearing house (ACH). In fact, 40% cite instant payments as their *most used* method, with PayPal, push-to-debit and Venmo leading usage. With satisfaction rates this high, instant rails are no longer an experiment—they're fast becoming the backbone of restaurant financial strategy.



## Call to Action

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# Putting Instant Payments on the Table

The restaurant sector faces mounting operational and labor pressures, but instant payments present a clear path forward. By streamlining employee compensation, accelerating tip distribution and supporting frictionless supplier experiences, instant payments are no longer a “nice to have” but a strategic requirement for long-term success.

PYMNTS Intelligence offers the following actionable roadmap for restaurants considering instant payments:

- **Leverage instant wages and tipping to support recruitment and retention.** Providing employees with immediate access to earnings enhances job satisfaction, reduces turnover and supports financial wellness.
- **Upgrade POS systems to embed instant payout functionality.** Integrating digital payouts into existing platforms reduces manual reconciliation and accelerates wage distribution.
- **Adopt instant payment systems for B2B and supplier transactions.** Doing so helps restaurants avoid late fees and supplier disputes, strengthen relationships with vendors, and keep inventory flowing without costly interruptions.

“When people get paid fast and without friction, it changes how they feel about their work. Instant payments aren’t just about speed—they’re about trust, loyalty and keeping operations smooth.”

DREW EDWARDS  
CEO



Restaurants that embrace instant payments will not only alleviate current workforce challenges but also position themselves competitively in an increasingly digital economy.

# 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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