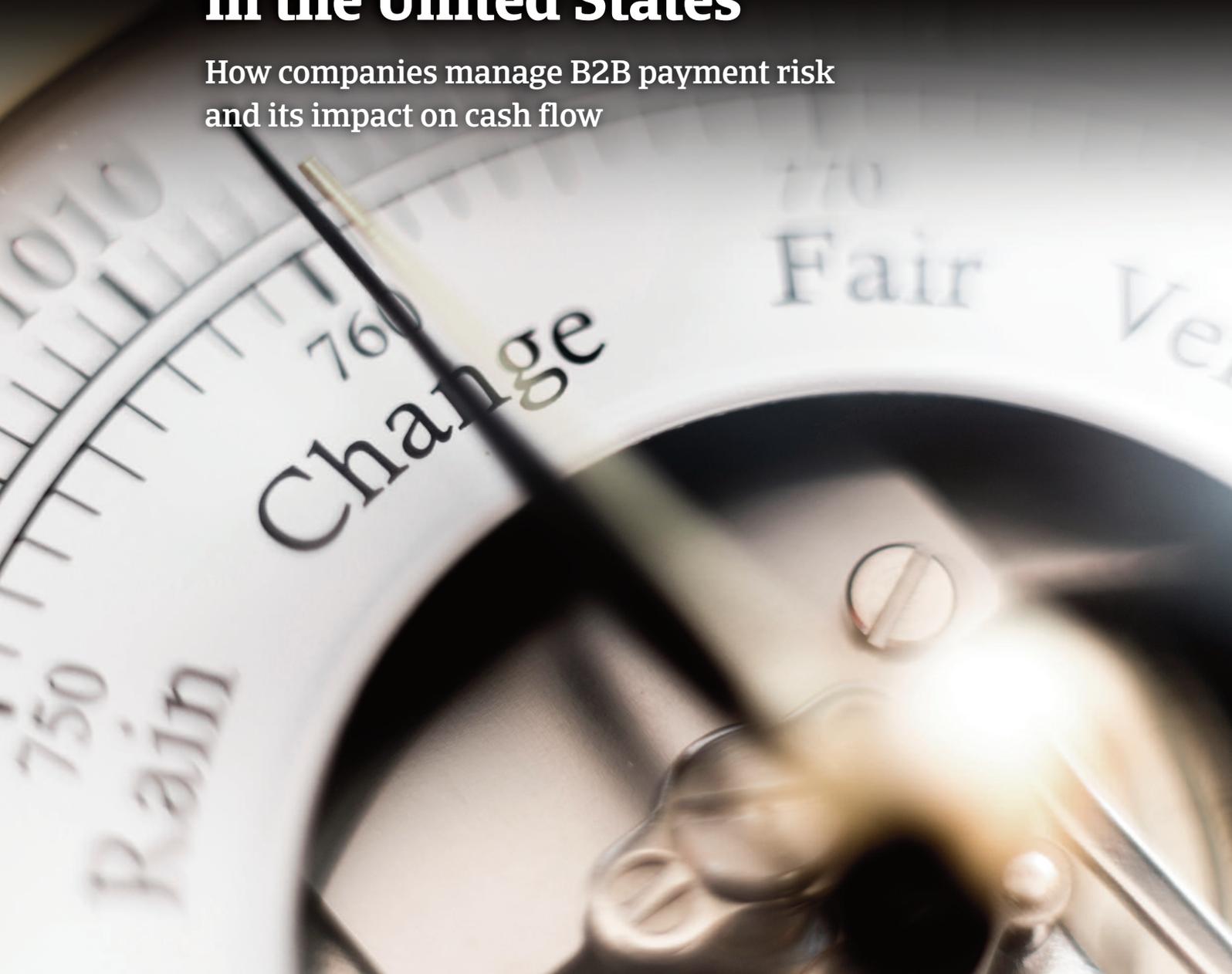




# B2B payment practices trends in the United States

How companies manage B2B payment risk  
and its impact on cash flow



## About the Atradius Payment Practices Barometer

The Atradius Payment Practices Barometer is an annual survey of business-to-business (B2B) payment practices in markets across the world.

Our survey provides us with the opportunity to hear directly from companies polled about how they are coping with the impact of the current challenging economic and trading environment on payment behaviour of their B2B customers. This can give valuable insights into how businesses are paid by their B2B customers, and how they tackle the pain points caused by poor payment practices.

The findings about what measures are undertaken to fund a sudden need for cash, and what credit management tools they use to mitigate the risk of long-term cash flow problems, may also be valuable information in helping understand how companies respond to the crucial issue of late or non-payment in the current uncertain times.

However, the survey also has a strong focus on the challenges and risks that companies polled believe they will encounter during the coming months, and their expectations for future business growth.

The results of our survey can supply useful insights into the current dynamics of corporate payment behaviour in B2B trade, and identify emerging trends that may shape its future. This can be extremely useful to companies doing business, or planning to do so, in the markets polled.

In this report, you will find the survey results for the United States .

The survey was conducted between the end of Q2 and the beginning of Q3 2024. The findings should therefore be viewed with this in mind.



## | In this report

---

B2B payment risk management <b>More US companies go strategic in managing B2B payments risk</b>	4
Key figures and charts	5

---

Looking ahead <b>Mixed outlook for US businesses as they grapple with economic concerns</b>	6
Key figures and charts	7

---

Survey design	8
---------------	---

---

### Disclaimer

This publication is provided for information purposes only and is not intended as investment advice, legal advice or as a recommendation as to particular transactions, investments or strategies to any reader. Readers must make their own independent decisions, commercial or otherwise, regarding the information provided. While we have made every attempt to ensure that the information contained in this publication has been obtained from reliable sources, Atradius is not responsible for any errors or omissions, or for the results obtained from the use of this information. All information in this publication is provided 'as is', with no guarantee of completeness, accuracy, timeliness or of the results obtained from its use, and without warranty of any kind, express or implied. In no event will Atradius, its related partnerships or corporations, or the partners, agents or employees thereof, be liable to you or anyone else for any decision made or action taken in reliance on the information in this publication or for any loss of opportunity, loss of profit, loss of production, loss of business or indirect losses, special or similar damages of any kind, even if advised of the possibility of such losses or damages.

Copyright Atradius N.V. 2024

# United States

## B2B payment risk management

### More US companies go strategic in managing B2B payments risk

A stand-out finding from our survey from our survey in the US is that companies report a range of diverse experiences in the payment behaviour of their B2B customers on credit. Across all sectors, 46% of businesses tell us there has been little or no change during the past 12 months in customer payment practices. However, one-third of companies, mainly in the US steel/metals industry, note swifter invoice payments compared to the previous year. In contrast, many other businesses, particularly in the chemicals sectors, say they are experiencing slower payment cycles from their B2B credit customers than previously.

This mixed landscape in payment challenges is highlighted by half of all invoices issued in B2B trade currently being overdue, which has a clear impact on working capital management. Bad debts stand at an average 8% of all B2B invoices, adding further financial strain when written off as uncollectable, with the chemicals industry hardest hit. The main reason cited for late payments, especially in the US steel/metals sector, is administrative inefficiencies among B2B credit customers. Invoice disputes are a factor for chemicals companies, while the electronics/ICT sector often attributes late payments to customer cashflow issues. Overdue invoices are turned into cash on average 20 days past due.

Various strategies are used by US businesses to mitigate liquidity risks stemming from late or non-payment, with 40% delaying payment to their own suppliers, despite the risk of a domino effect through the supply chain. Many companies in the steel/metals sector respond to late payments by deferring investment plans, while 55% of businesses focus on maintaining stable Days-Sales-Outstanding (DSO) to optimise their working capital. They also try to strike a prudent balance between safeguarding financial health and pursuing sales growth, which is reflected in 46% of all B2B sales currently being transacted on credit. This approach is complemented by payment terms for B2B customers being set on average 30 days from invoicing.

Another clear shift of approach among companies in the US is towards strengthening their strategic credit risk management framework. Around 15% more businesses than last year tell us they have moved away from in-house retention and management of customer credit risk to more strategic methods, including the leverage of credit insurance, which acknowledges that their financial health is safeguarded even during payment challenges.

**Key figures and charts on the following pages**

### Key survey findings

- Companies in the US report varied B2B customer payment behaviour. 46% indicate no change, while one-third, mainly in the steel/metals sector, note faster invoice payments compared to the previous year. The remainder, particularly in the chemicals industry, report a deterioration in B2B payment behaviour.
- Late payments from B2B credit transactions remain a major issue for US businesses, with half of all B2B invoices currently overdue, impacting their working capital management. Bad debts average 8% of all B2B credit sales, adding further financial strain, particularly in the chemicals sector.
- The main reason cited for late payments by US companies is administrative inefficiencies in the payment processes of B2B credit customers. Invoice disputes are common in the chemicals sector, and customer cashflow issues in the electronics/ICT industry. Overdue invoices are turned into cash on average 20 days past due.
- 40% of US businesses react to late payments from B2B credit transactions by delaying payments to their own suppliers. Deferring investment plans is another strategy, especially in the steel/metals industry. To optimise working capital, 55% of firms focus on maintaining stable Days-Sales-Outstanding (DSO).
- An average 46% of all B2B sales are made on credit by US companies as they try to strike a balance between safeguarding financial health and pursuing sales growth. This is complemented by relatively strict payment terms offered to B2B customers, with most US companies setting an average of 30 days from invoicing.
- A further clear finding from our survey is that 15% more US businesses are strengthening their strategic risk management frameworks, which now more often includes the use of credit insurance. This shift represents a notable move away from internal credit risk management practices.

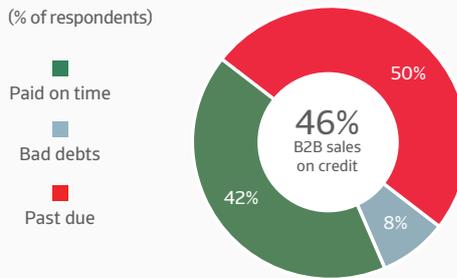
It is a notable change, that recognises the limitations of relying solely on reserve funds to cover unexpected losses or significant write-offs, as well as the potential hindrance of holding funds idle rather than investing them in business growth.



# United States

## B2B payment practices trends in the United States

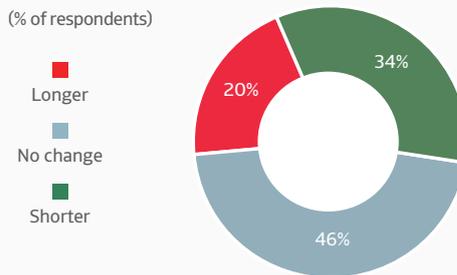
% of B2B invoices paid on time, past due and bad debts



Sample: all survey respondents  
Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the United States

% of respondents reporting changes in payment duration\* over the past 12 months

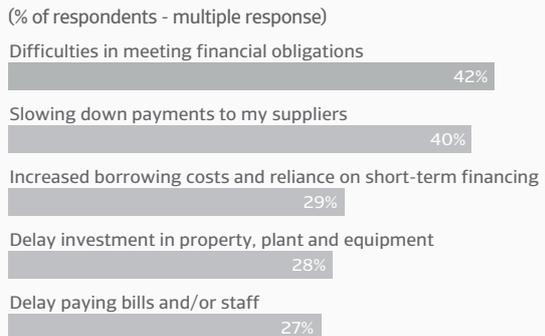


\*average amount of time to get paid from B2B customers

Sample: all survey respondents  
Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the United States

Over the past 12 months, have late payments from your B2B customers led your company to experience any of the following situations?



Sample: all survey respondents  
Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the United States

What are the main sources of financing that your company used during the past 12 months?

- 67% Invoice financing
- 65% Trade credit
- 52% Bank loans
- 31% Internal funds

(% of respondents - multiple response)

Sample: all survey respondents  
Source: Atradius Payment Practices Barometer United States – 2024

# United States

## Looking ahead

### Mixed outlook for US businesses as they grapple with economic concerns

Uncertainty about the future trend of insolvencies and its potential impact on the business landscape is evident in our survey of US companies. Around 50% of businesses, chiefly in the steel/metals industry, tell us they anticipate an increase in insolvencies during the year ahead, which could lead to financial distress. The US chemicals sector is more optimistic, expecting a positive trend in the coming months. There is also a mixed mood about the outlook for Days-Sales-Outstanding (DSO). 45% of companies believe DSO will remain stable, but a similar percentage anticipate an improvement in debt collection efficiency, notably in the electronics/ICT sector. This positivity reflects efforts to streamline payment collection through innovative methods, which can enhance cashflow and financial stability.

There is much more optimism about the outlook for B2B customer payment behaviour during the year ahead. 53% of companies in the US expect an improvement in payment practices, particularly in the steel/metals and electronics/ICT industries, while businesses in the chemicals sector mostly anticipate no change. Businesses are also very positive about the prospects for sales growth, with 69% expecting a surge in demand for their products and services, again especially in the steel/metals and electronics/ICT sectors. By contrast, only 48% of companies are confident about a rise in profits, a sentiment influenced by years of high interest rates which have constrained credit availability.

The major concern looking ahead for businesses in the US is how ongoing fluctuations in economic conditions may affect their business operations and future profitability, with anxiety evident for both the short-term and long-term. Companies in the steel/metals sector express heightened worry in the short-term that the current economic dynamics will affect industries which purchase their output. The strongest long-term apprehension about economic conditions is felt in the US chemicals sector, which anticipates challenges from broader shifts in global trade and market dynamics. Companies in this industry also express significant concern about the impact on their businesses of environmental and sustainability issues.

A range of other anxieties are also reported by companies in the US. Cybersecurity threats are particularly worrying for the chemicals sector, as they face risks which can disrupt operations, compromise data integrity, and lead to financial losses.

### Key figures and charts on the following pages

### Key survey findings

- An increase in insolvencies during the year ahead is expected by half of the US companies in our survey, chiefly in the steel/metals sector. This negative trend could lead to financial distress, although businesses in the chemicals industry are more optimistic.
- Days-Sales-Outstanding (DSO) is expected to remain stable in the coming 12 months according to 45% of US companies. A similar percentage, particularly in the electronics/ICT industry, anticipate an improvement in debt collection efficiency.
- 53% of US companies expect an improvement in payment behaviour of B2B customers in the year ahead, with optimism prevalent in the steel/metals and electronics/ICT sectors. Businesses in the chemicals industry mostly anticipate no change in the outlook for payment practices.
- The mood is even more positive about sales growth in the coming months. 69% of companies anticipate a surge in demand for their products and services, particularly in the steel/metals and electronics/ICT industries. By contrast, only 48% of businesses express confidence about rising profitability.
- Despite a strong outlook for the US economy this year, ongoing fluctuations in economic conditions remain a major concern for US companies looking ahead. This is felt particularly in the short-term in the steel/metals sector. The chemicals industry expresses most concern about long-term global economic headwinds.
- Other significant concerns raised by US companies include cybersecurity threats, particularly as B2B payments rely more on digital technologies. Market saturation is also a concern, along with environmental issues and financial constraints due to restricted access to credit.

These concerns are also felt in the long-term across all the industries in our survey. Market saturation is another major issue in all sectors, with concern about the difficulty in finding new customers and a consequent threat to sustainable growth and profitability. Financial constraints, such as lack of capital, access to financing, and insufficient cashflow are also troubling, and could prevent companies from investing in growth opportunities.

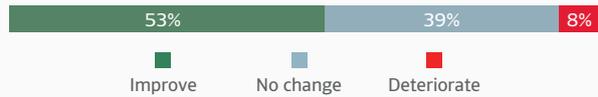


# United States

## B2B payment practices trends in the United States

Looking ahead to the next 12 months: how do you expect the payment practices of your B2B customers to change?

(% of respondents)



Sample: all survey respondents

Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the United States

Do you see an increased insolvency risk for your customers in the next 12 months?

(% of respondents)



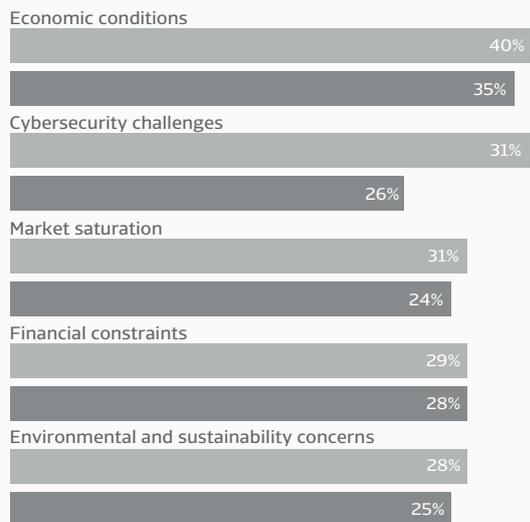
Sample: all survey respondents

Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the United States

Looking ahead: top 5 concerns expressed by businesses polled

(% of respondents - multiple response)



■ Short-term (one to two years from now)

■ Long-term (ten years and beyond)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer United States – 2024

## B2B payment practices trends in the United States

How do you expect your average DSO to change over the next 12 months?

- 45% Improve
- 45% No change
- 10% Deteriorate

(% of respondents)

Sample: all survey respondents

Source: Atradius Payment Practices Barometer The United States – 2024

## Survey design

Atradius conducts annual reviews of international corporate payment practices through a survey called the Atradius Payment Practices Barometer. Companies polled in the United States are the focus of this report, which forms part of the 2024 edition of the Atradius Payment Practices Barometer. A change in research methodology means year-on-year comparisons are not feasible for some of these survey results. Using a questionnaire, CSA Research conducted 240 interviews in total. All interviews were conducted exclusively for Atradius.

### Survey scope

- **Basic population:** Companies from the United States were surveyed, and the appropriate contacts for accounts receivable management were interviewed
- **Sample design:** The Strategic Sampling Plan enables us to perform an analysis of country data crossed by sector and company size. It also allows us to compare data referring to a specific sector crossed by each of the economies surveyed.
- **Selection process:** Companies were selected and contacted by use of an international Internet panel.  
A screening for the appropriate contact, and for quota control, was conducted at the beginning of the interview.
- **Sample:** 240 people were interviewed in total.  
A quota was maintained according to four classes of company size.
- **Interview:** Computer Assisted Web Interviews (CAWI) of approximately 15 minutes duration.  
Interview period: The survey was conducted between the end of Q2 and the beginning of Q3 2024. The findings should therefore be viewed with this in mind.

### Sample overview – Total interviews = 240

Business sector	Interviews	%
Manufacturing	153	64
Wholesale trade	61	25
Retail trade/Distribution	12	5
Services	14	6
<b>TOTAL</b>	<b>240</b>	<b>100</b>
Business size	Interviews	%
SME: Small enterprises	42	18
SME: Medium enterprises	86	36
Medium Large enterprises	56	23
Large enterprises	56	23
<b>TOTAL</b>	<b>240</b>	<b>100</b>
Industries	Interviews	%
Chemicals	59	25
Electronics/ICT	94	39
Steel/metals	87	36
<b>TOTAL</b>	<b>240</b>	<b>100</b>

### Methodological note

Last year different industries were included in the survey for the United States. This makes year-on-year comparisons unfeasible for certain topics for the current year. For a detailed overview of last year's survey results for the United States please refer to the specific report available on the [Atradius website](#).

## Interested in finding out more?

Please visit the [Atradius](#) website where you can find a wide range of up-to-date publications. [Click here](#) to access our analysis of individual industry performance, detailed focus on country-specific and global economic concerns, insights into credit management issues, and information about protecting your receivables against payment default by your customers.

Follow us to stay up to date with our latest releases by [subscribing](#) to notifications of our Publications, and receive weekly emails with alerts to when new reports are published.

To find out more about B2B receivables collection practices in the **United States and worldwide**, please visit [atradiuscollections.com](https://atradiuscollections.com).

### For the United States

Atradius Trade Credit Insurance, Inc.  
211 Schilling Circle, Suite 200 Hunt Valley, MD  
21031 USA

Telephone: +1 800 822 3223

[info.us@atradius.com](mailto:info.us@atradius.com)  
[atradius.us](https://atradius.us)

Follow Atradius on  
Social Media



@Atradius



Atradius

Atradius  
David Ricardostraat 1 · 1066 JS Amsterdam  
Postbus 8982 · 1006 JD Amsterdam  
The Netherlands  
Phone: +31 20 553 9111

[info@atradius.com](mailto:info@atradius.com)  
[atradius.com](http://atradius.com)