



U.S. Companies are Increasing Use of Embedded Finance as a Retention Tool & Revenue Driver

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New Study by Green Dot and [PYMNTS.com](https://pymnts.com) Shows Banking as a Service (BaaS) Adoption and Investments are Accelerating, Despite Risks

PROVO, Utah--(BUSINESS WIRE)--Oct. 21, 2025-- Mid- to large-scale companies are increasing their investments in embedded banking and payment tools to strengthen customer and employee relationships, boost brand value and fuel bottom-line growth. According to a new study commissioned by Green Dot Corporation (NYSE: GDOT) and conducted by [PYMNTS.com](https://pymnts.com), the vast majority (94%) of enterprises plan to increase their investments in embedded finance, with three out of four planning to increase investments in the next 12 months. Companies are focused on enhancing banking (80%) and payments (72%) capabilities as well as adding new payroll (61%) and investing (57%) tools and features. The findings are featured in a new report, "[Embedded Finance as a Strategic Initiative](#)," which published today and features more insights from the study.

This press release features multimedia. View the full release here: <https://www.businesswire.com/news/home/20251021367928/en/>

"The data is clear: Embedded finance is no longer a niche offering limited to businesses of a certain size or vertical; it has become a strategic priority across a wide array of industries and offers value to companies at almost every stage of growth," said Renata Caine, senior vice president and general manager of banking as a service at Green Dot. "Meanwhile, the complexities and risks that are inherent in embedded finance are continually evolving and must be carefully considered and managed. Alignment and trust between BaaS providers, partners and customers are increasingly critical, if not non-negotiable. At Green Dot, we're focused on delivering embedded finance tools and services seamlessly and securely through our single-source, configurable platform, Arc."

The survey was conducted among 515 senior decision-makers directly involved in payments or embedded finance strategy across the banking, fintech, HR, retail and technology sectors, and focused on firms with at least 100 employees and annual revenue of more than \$25 million. Following are highlights from the survey, with further detail available in the comprehensive report.

Embedded Finance is Everywhere – and Growing

Nearly 94% of companies plan to increase their embedded finance investments, with growth expected across all industries surveyed and with 76% expecting to upgrade capabilities within the next 12 months. Banking and payments lead current adoption, with seven in 10 companies embedding these features. Among planned enhancements, companies are prioritizing upgrades to banking (80%) and payments (72%) capabilities, while focusing new additions on payroll (61%) and investing (57%) capabilities.

Why Companies Embed Finance: Customers Over Cost

Companies are embedding finance primarily to strengthen relationships with customers and employees (45%), improve the user experience (38%), and enhance and differentiate their brands (35%). When planning investments, they're prioritizing success metrics beyond cost efficiencies (33%), focusing instead on improving financial outcomes (86%) and driving growth through stronger customer relationships (75%).

Risks Are Real, But Payoff Outweighs the Pain

While 93% of companies report risks – led by transparency and flexibility concerns (42%), technical and integration challenges (40%), and compliance and security issues (39%) – these concerns are not slowing adoption. In fact, 93% of respondents said they are very or extremely satisfied with their embedded finance capabilities.

Meanwhile, regulation seems to be less of a concern, with 39% of respondents believing it may negatively impact the industry, compared to 57% who believe increased regulation will have no negative impact on embedded finance and its end users. Fintechs were the least concerned, with 62% indicating growing regulatory oversight would have minimal negative impact.

For Partnerships, Trust and Alignment Matter

Nearly 70% of companies outsource embedded finance delivery. When selecting a partner, trust and alignment (88%) are cited as the most critical factors, followed by technology compatibility and customization (76%). Security and compliance (63%) and delivery and execution (57%) also play key roles, outweighing pricing considerations (41%).

The report, "[Embedded Finance as a Strategic Initiative](#)," is a collaboration between [PYMNTS.com](https://pymnts.com) and Green Dot, based on a survey of 515 senior decision-makers at U.S. companies across banking, fintech, HR, retail and technology, conducted from Aug. 21 to Sept. 10, 2025. This is the second annual [survey](#) conducted by Green Dot exploring perceptions of senior industry leaders on the evolution of embedded finance.

"It's encouraging to see investments in embedded finance continue to increase and expand as leaders across industries recognize its power to drive deeper engagement, deliver value and unlock new opportunities for their businesses and customers," Caine continued. "We are excited about the future of this space and the endless possibilities our Arc platform offers to grow with our partners and support our shared visions and goals."

To learn more and download the full report, visit greendot.com/arc.

About Arc by Green Dot

Arc is the embedded finance platform of services featuring all of Green Dot's secure banking and money processing capabilities designed to fuel value, loyalty and growth for consumers and businesses. Arc by Green Dot powers some of the world's most trusted brands and thousands of other businesses with seamless, secure and useful financial tools and experiences.

Integrated with Green Dot Bank, Arc provides partners with leading FDIC-insured banking products and tools, plus regulatory and compliance

expertise, oversight and support. The Arc platform is cloud-based, modular and scalable by design – configurable to meet a wide range of business needs and goals, and flexible to adapt as our partners grow. Arc's end-to-end banking services are powered by enterprise-grade APIs and offer partners access to comprehensive customer support, fraud protection, the largest retail deposit and ATM network in the U.S., and much more. For more information, visit greendot.com/arc.

About Green Dot

Green Dot Corporation (NYSE: GDOT) is a financial technology platform and registered bank holding company that builds banking and payment solutions to create value, retain and reward customers, and accelerate growth for businesses of all sizes. For more than two decades, Green Dot has delivered financial tools and services that address the most pressing financial needs of consumers and businesses, and that transform the way people and businesses manage and move money.

Green Dot delivers a broad spectrum of financial products to consumers and businesses through its portfolio of brands, including: GO2bank, a leading digital and mobile bank account offering simple, secure and useful banking for Americans living paycheck to paycheck; the Green Dot Network ("GDN") of more than 90,000 retail distribution and cash access locations nationwide; Arc by Green Dot, the single-source embedded finance platform combining all of Green Dot's secure banking and money processing capabilities to power businesses at all stages of growth; rapid! wage and disbursements solutions, providing pay card and earned wage access services to more than 6,000 businesses and their employees; and Santa Barbara Tax Products Group ("SBTPG"), the company's tax division, which issues more than 14 million tax refunds annually.

Founded in 1999, Green Dot has managed more than 80 million accounts to date both directly and through its partners. Green Dot Bank is a subsidiary of Green Dot Corporation and member of the FDIC¹. For more information about Green Dot's products and services, please visit www.greendot.com.

¹ Green Dot Bank also operates under the following registered trade names: GO2bank, GoBank and Bonneville Bank. All of these registered trade names are used by, and refer to, a single FDIC-insured bank, Green Dot Bank. Deposits under any of these trade names are deposits with Green Dot Bank and are aggregated for deposit insurance coverage up to the allowable limits.

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