Press Release

Six Months of FedNow

PAULINA ENCK | JANUARY 16, 2024

The development of real-time payment networks, allowing for effectively instantaneous money transfers, was led by private industry before the surprise announcement by the Federal Reserve in 2018 of a competing, government-operated real-time payment system, FedNow. In a new insight, Director of Financial Services Policy Thomas Kingsley reviews the progress and problems of FedNow six months after its launch.

Kingsley concludes:

> *FedNow remains a fascinating experiment by the Federal Reserve in the creation of a full-scale, government-operated, real-time payment system from scratch. While it is fortunate that private industry does not appear to have suffered from the introduction of a federal competitor (at least post-launch of FedNow), questions remain as to the necessity or mandate of the Fed in providing this government alternative at all. Taxpayers deserve greater insight into the operation of FedNow, including value and volume processing data, to better assess the impact of such a sizeable assault on the existing private networks.*

Read the analysis