CRYPTO MARKETS · STABLECOIN STUDY

# Stablecoins: Digital Dollars or the Future of Money?

A proprietary study of 1,500 cryptocurrency investors examining how stablecoins are evolving from a trading tool into an instrument for savings, payments, and cross-border transfers — and whether retail behavior aligns with institutional adoption.

**41%**
USE THEM TO PROTECT SAVINGS

**66%**
USE THEM FOR PAYMENTS/TRANSFERS

**54%**
EXPECT MAINSTREAM USE WITHIN 5 YEARS

**TU Research Team**
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**Methodology**
CAWI · 95% confidence · ±2.5%

**Sample**
1,500 crypto investors

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## 01 Executive Findings

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TU proprietary research suggests that stablecoins are rapidly evolving from a cryptocurrency trading tool into a broader financial instrument for savings and payments. In a survey of 1,500 cryptocurrency investors, 41% said they primarily use stablecoins to protect savings from inflation, compared with 34% who use them mainly for trading. Meanwhile, 46% still store most of their stablecoins on centralized exchanges despite growing awareness of self-custody risks, and 38% trust stablecoins more than traditional banks for holding part of their savings. The research also found that 66% of respondents already use stablecoins for payments or international transfers, while 54% believe they will become a mainstream financial tool within five years.

- ✓ Inflation protection leads adoption. 41% use stablecoins mainly to preserve purchasing power, ahead of the 34% who use them for trading.
- ✓ Convenience beats self-custody. 46% keep most holdings on centralized exchanges, versus 24% in non-custodial wallets and 18% in hardware wallets.
- ✓ Trust is shifting. 38% trust stablecoins more than banks; only 21% still prefer traditional banking.
- ✓ Payments are real. 66% already use stablecoins for payments or transfers, frequently (29%) or occasionally (37%).
- ✓ Regulation is the top worry. 36% cite future regulation as their main concern, ahead of de-pegging (29%) and issuer solvency (25%).

## 02 Introduction & Research Questions

TU

Stablecoins have evolved far beyond their original role as a tool for cryptocurrency trading. Once used mainly to move funds between exchanges without converting into fiat, they are now becoming an important part of global digital finance. Payment companies, banks, fintech firms, and institutional investors increasingly view stablecoins as financial infrastructure for cross-border payments, settlement, treasury management, and tokenized assets.

Institutional interest has accelerated alongside regulatory progress, with companies such as Visa, Circle, PayPal, and JPMorgan actively developing stablecoin-based payment solutions. Yet relatively little is known about how retail

investors actually use stablecoins. Are they still primarily a trading tool, or have they become a preferred vehicle for savings and payments? Do users trust them more than traditional banks, and do retail patterns align with institutional trends?

**The research aims to answer six key questions:**

- Why do retail investors use stablecoins today?
- Where do users prefer to store their stablecoin holdings?
- Do investors trust stablecoins more than traditional banks?
- How widely are stablecoins used for payments and international transfers?
- What risks concern stablecoin users the most?
- Do investors believe stablecoins will become a mainstream financial tool?

> **RISK WARNING**
>
> Cryptocurrencies and stablecoins carry risk, including de-pegging, issuer solvency, regulatory, and custody risks. Price stability does not eliminate investment risk. This research is informational only and is not investment advice.

## 03 Institutional Validation

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Stablecoins have moved from a crypto-native trading tool to a subject of direct interest for payment companies, asset managers, regulators, and macro-financial institutions. Institutional research increasingly treats them not only as part of the digital-asset market, but as a potential payments, settlement, and treasury-management layer.

Coinbase Institutional reports that stablecoin interest among professional investors has accelerated sharply. In its 2025 Institutional Investor Digital Assets Survey, Coinbase found that 84% of institutions are either already using stablecoins or interested in doing so, mainly for yield, transactional convenience, and foreign-exchange efficiency.

Visa's stablecoin research supports the infrastructure thesis. Its Onchain Analytics Dashboard, developed with Allium, tracks fiat-backed stablecoin activity across major blockchains and highlights that stablecoin transfers operate continuously, including weekends. Visa notes stablecoins can enable near-continuous settlement 24/7/365, especially relevant for cross-border payments.

Circle, the issuer of USDC, positions stablecoins as a "software upgrade" to global finance. In its State of the USDC Economy report, Circle reports that USDC circulation grew by more than 78% year over year, and that since launch it has bridged more than $850 billion between fiat and supported blockchains.

Artemis provides a more granular view of actual payment usage. Its research shows stablecoin payments increased from $6.0 billion in February to $10.2 billion in August, a 70% rise, and estimates more than $136 billion in payments have been settled since 2023 — separating payment use from broader on-chain activity tied to trading, arbitrage, or DeFi.

Research from Castle Island Ventures and Brevan Howard Digital, sponsored by Visa, highlights emerging markets. While access to crypto remains the most common motivation, 47% of surveyed users cited access to dollars and 39% cited yield generation — suggesting that in economies with inflation or weak banking access, stablecoins function more like digital dollar accounts.

McKinsey takes a more cautious view, warning that headline transaction volumes can mislead because much on-chain activity is not tied to real-world payments, but instead reflects trading, liquidity management, and exchange transfers. TRM Labs adds a compliance dimension: stablecoins now account for 30% of all on-chain crypto transaction volume, with more than $4 trillion recorded year-to-date by August 2025, an 83% increase over 2024, even as sanctions-related activity fell 60%.

Traditional institutions remain divided. The IMF recognizes stablecoins could support digital payments where banking infrastructure is limited, but emphasizes risks to regulation, reserves, and monetary sovereignty. The BIS is more skeptical, arguing that rapid growth carries implications for monetary policy and financial stability, since large issuers hold significant short-term safe assets such as U.S. Treasury bills.

> **KEY INSTITUTIONAL TAKEAWAYS**
>
> **Coinbase** — 84% of institutions use or want to use stablecoins · **Visa/Circle** — positioned as 24/7 settlement infrastructure · **IMF/BIS** — flag reserves, monetary-sovereignty, and stability risks.

## 04 Theoretical Framework

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From an economic perspective, stablecoins combine characteristics of traditional money, payment infrastructure, and digital financial assets. Unlike volatile cryptocurrencies such as Bitcoin or Ethereum, fiat-backed stablecoins are designed to maintain a stable value, making them suitable for transactions, savings, and settlement rather than speculation alone.

### Currency substitution (digital dollarization)

In countries with high inflation, capital controls, or volatile exchange rates, households and businesses often seek alternative stores of value — historically the U.S. dollar. Stablecoins provide a digital version of dollarization, allowing users to access dollar-denominated assets without foreign bank accounts or reliance on local institutions.

### Store-of-value behavior

Traditional theory defines a store of value as an asset that preserves purchasing power over time. Although stablecoins do not generate returns on their own, they may protect holders from rapid depreciation of local currencies, which explains accelerating adoption in economies facing persistent inflation or banking instability.

### Payment infrastructure theory

Traditional international payments involve multiple correspondent banks, settlement delays, and high costs. Stablecoins on public blockchains enable near-instant settlement without legacy banking infrastructure, processing transactions continuously, 24 hours a day, seven days a week.

### Tokenized finance

Increasingly, institutions view stablecoins not merely as crypto assets but as programmable digital cash supporting tokenized securities, decentralized finance, and global payment networks. As tokenization expands across capital markets, stablecoins may become the primary settlement asset connecting traditional finance with blockchain infrastructure.

> **INSIGHT**
>
> These four frameworks — currency substitution, store-of-value behavior, payment infrastructure, and tokenized finance — explain why stablecoin use is expanding well beyond trading into savings and payments.

## 05 Methodology & Research Team

TU

To better understand how retail investors actually use stablecoins, TU conducted a proprietary quantitative study examining user behavior, adoption patterns, trust, storage preferences, payment activity, and risk perception. Unlike

institutional reports focused on infrastructure and market trends, this research explores how individual investors use stablecoins in practice and whether their behavior aligns with institutional adoption.

| | |
|---|---|
| **1,500** crypto investors | **18–60** age range |
| **6 regions** — NA · EU · Asia · LATAM · Africa · EM | **CAWI** survey method |
| **95%** confidence | **±2.5%** sampling deviation |

**Participation criteria:** respondents who had used at least one fiat-backed stablecoin (USDT, USDC, DAI, FDUSD, USDe, or similar) during the previous 24 months.

### Research team

- **Anastasiia Chabaniuk** — Author, TU Research · Research design and interpretation
- **Chinmay Soni** — Fact-checker · Data validation & statistical verification
- **Dan Blystone** — Editor-in-Chief · Editorial & methodological supervision
- **Andrey Mastykin · Oleg Tkachenko** — TU Research · Data collection and analysis

## 06 Survey Results

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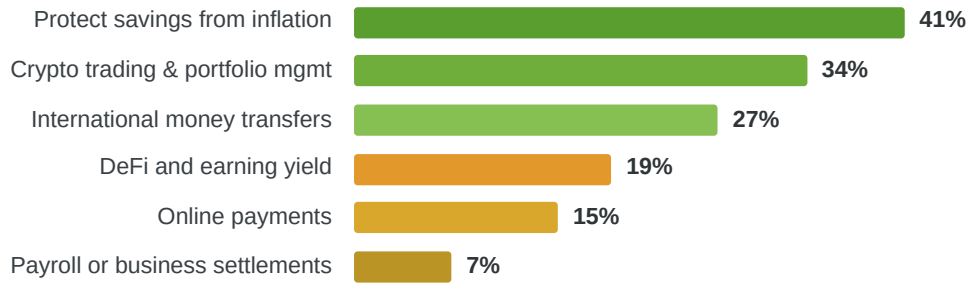
### Why do investors use stablecoins?

Stablecoins were initially a tool for cryptocurrency trading, letting users move funds between exchanges without converting into fiat. Their role has expanded considerably: today they are used for savings, cross-border payments, DeFi, and everyday transactions. Respondents were asked about their primary reason for using stablecoins.




*Primary use case for stablecoins*

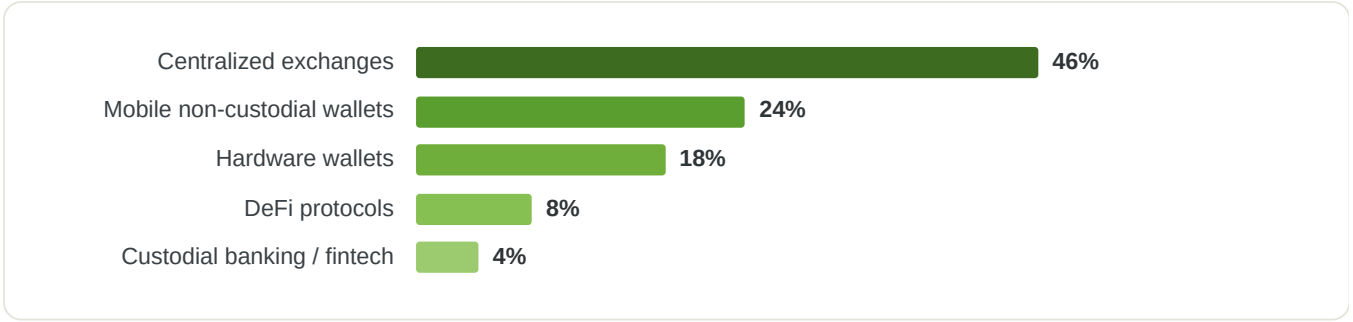
| Reason | Share of users |
|---|---|
| Protect savings from inflation | 41% |
| Crypto trading and portfolio management | 34% |
| International money transfers | 27% |
| DeFi and earning yield | 19% |
| Online payments | 15% |
| Payroll or business settlements | 7% |

**INSIGHT**

Preserving purchasing power has become the leading use case, surpassing trading. Many users increasingly view stablecoins as digital dollars rather than purely trading instruments.

## Where do users keep their stablecoins?

Choosing where to store stablecoins is one of the most important security decisions for investors. Self-custody offers greater control, while centralized exchanges provide convenience, liquidity, and easy access to trading. Respondents were asked where they keep most of their holdings.



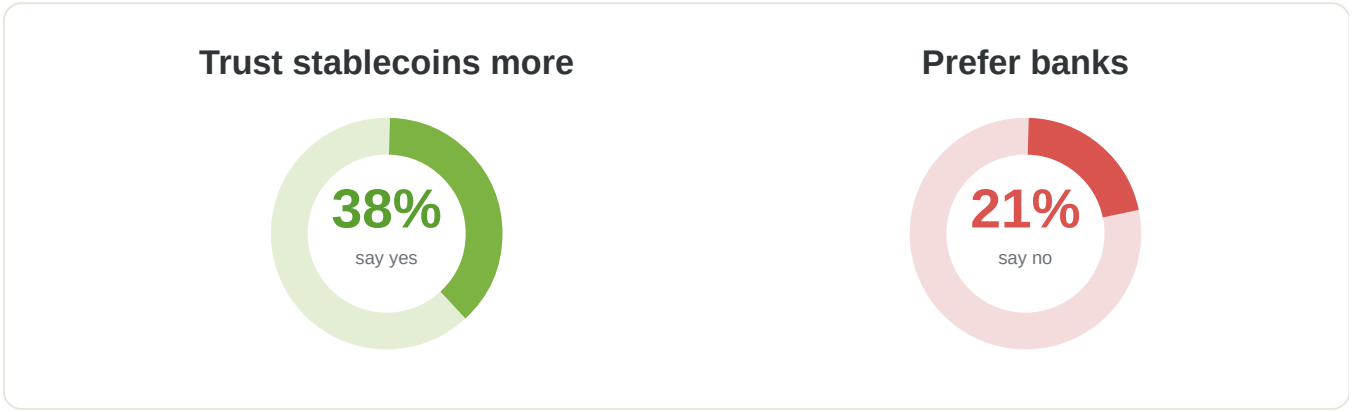

*Where users store their stablecoins*

**INSIGHT**

Despite growing awareness of self-custody, centralized exchanges remain dominant — convenience continues to outweigh security considerations for many retail investors.

## Do investors trust stablecoins more than banks?

Trust plays a central role in financial decisions. In regions with high inflation, currency depreciation, or banking instability, stablecoins may increasingly compete with traditional institutions as a store of value. Respondents were asked whether they trust stablecoins more than banks for holding part of their savings.




*Trust in stablecoins vs. traditional banks*

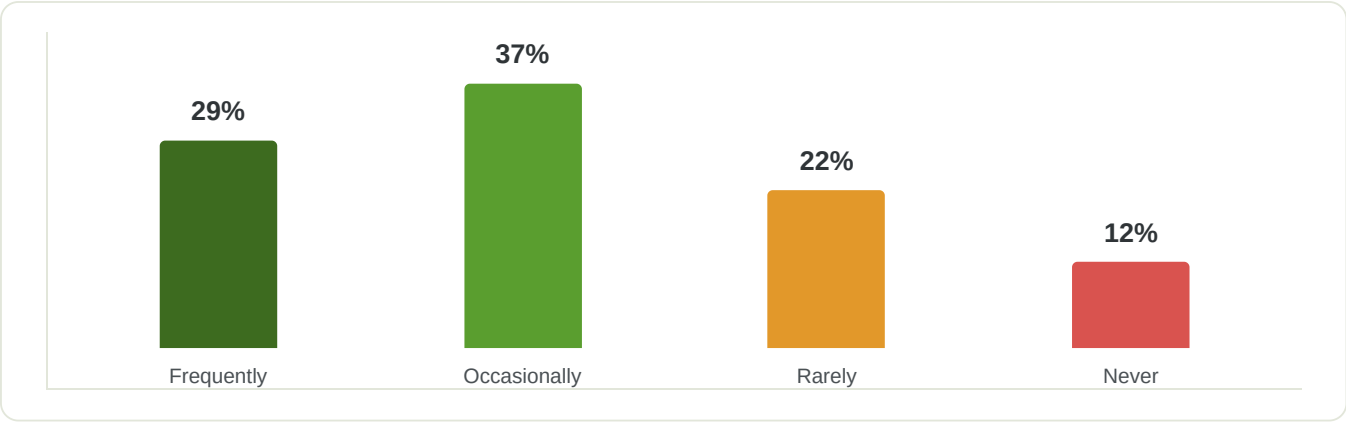
| Response | Share of users |
|---|---|
| Yes — trust stablecoins more | 38% |
| Depends on the issuer | 33% |
| No — prefer banks | 21% |
| Unsure | 8% |

**INSIGHT**

More than one-third already place greater trust in stablecoins than in banks, while another third say trust depends largely on the issuer and reserve transparency.

## How are stablecoins used for payments?

Although stablecoins were developed for crypto markets, payment companies increasingly position them as infrastructure for cross-border transactions and digital commerce. Respondents were asked how frequently they use stablecoins for payments or transfers.



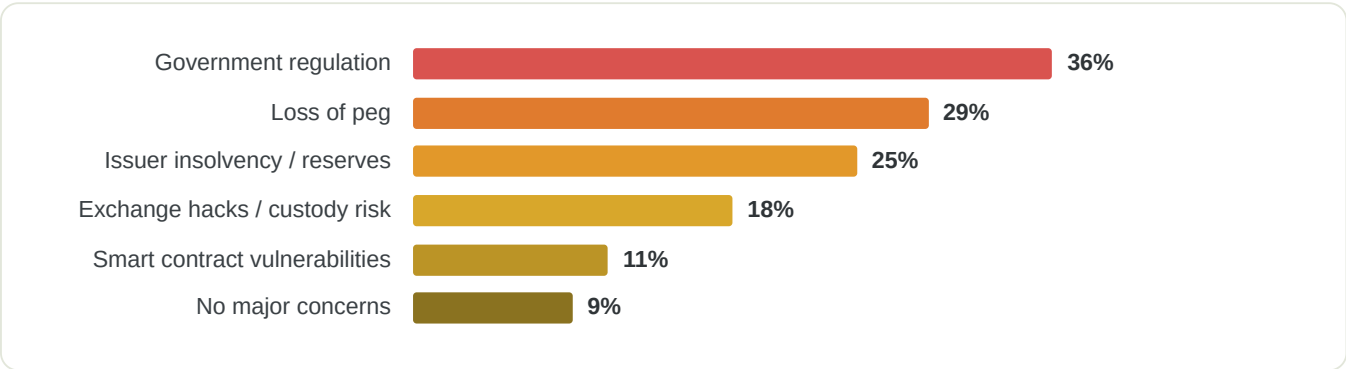

*Stablecoin payment activity*

**INSIGHT**

Nearly two-thirds of respondents have already used stablecoins for payments or transfers, supporting the institutional narrative that stablecoins are evolving into a global payment network.

## What concerns investors the most?

Despite rapid adoption, stablecoins face regulatory, technological, and issuer-related risks. Understanding these concerns helps explain what may slow broader adoption. Respondents were asked to identify the greatest risk associated with holding stablecoins.




*Biggest concerns about stablecoins*

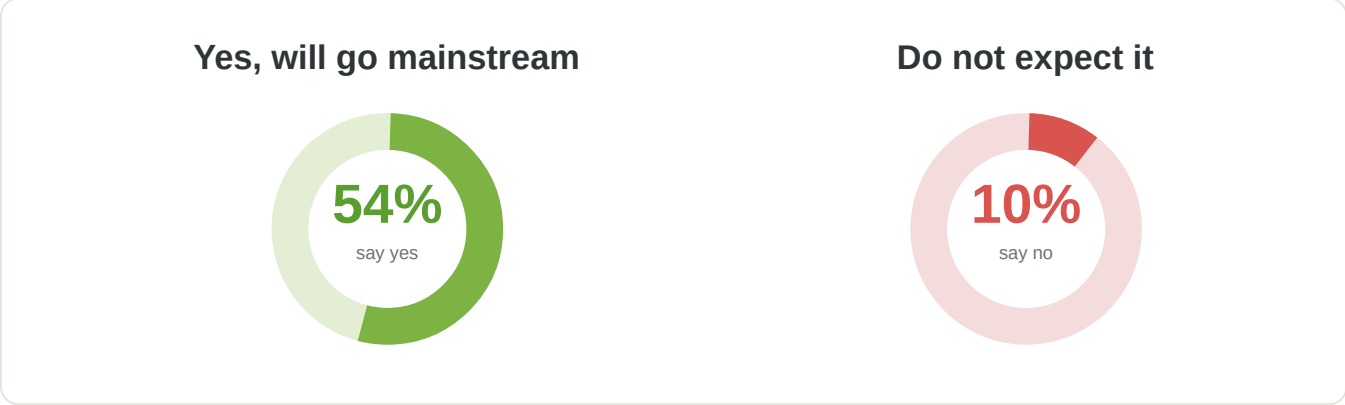
| Concern | Share of users |
|---|---|
| Government regulation | 36% |
| Loss of peg | 29% |
| Issuer insolvency or insufficient reserves | 25% |
| Exchange hacks or custody risks | 18% |
| Smart contract vulnerabilities | 11% |
| I have no major concerns | 9% |

**INSIGHT**

Regulatory uncertainty is the largest concern among retail investors, while confidence in reserve backing and price stability also strongly shapes adoption decisions.

## Will stablecoins become mainstream money?

Institutional adoption has accelerated, but retail investors ultimately determine whether stablecoins become part of everyday financial life. Respondents were asked whether they believe stablecoins will become a widely accepted payment method within the next five years.




*Will stablecoins become mainstream within five years?*

| Response | Share of users |
|---|---|
| Yes | 54% |
| Possibly | 31% |
| No | 10% |
| Unsure | 5% |

**INSIGHT**

Most respondents expect stablecoins to become a mainstream financial tool over the coming years, reflecting growing confidence in their long-term role beyond cryptocurrency markets.

## 07 Practical Implications

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The findings suggest stablecoins are rapidly evolving from a trading tool into a broader financial instrument used for savings, payments, and international transfers. Adoption also introduces new risks that investors should carefully evaluate. Several practical conclusions emerge:

- Stablecoins should no longer be viewed solely as a way to move funds between exchanges — they are increasingly digital dollars for savings, payments, and treasury management.
- Choosing the right issuer is becoming as important as choosing the right bank. Evaluate reserve transparency, regulatory oversight, redemption mechanisms, and audit reports before holding significant balances.
- Diversifying across multiple issuers may reduce counterparty risk. Concentrating funds in a single issuer exposes investors to operational, regulatory, or liquidity risks.
- Self-custody offers greater control but requires strong security practices — consider hardware wallets and secure backups instead of relying only on exchanges.
- Stablecoins can significantly cut the cost and time of international payments, especially where access to dollars or remittance infrastructure is limited.
- Regulatory developments are likely to be a main driver of future adoption; clear frameworks could boost participation while restrictive policies may limit issuer availability.
- Price stability does not eliminate investment risk — counterparty, reserve, regulatory, and custody risks remain critical.

Platform choice also plays an increasingly important role. While the stablecoin itself determines price stability and issuer risk, the platform influences accessibility, transaction costs, available networks, custody options, and services such as staking, lending, and fiat on/off-ramps. As stablecoins expand beyond trading into payments and digital cash management, selecting a reliable platform becomes just as important as choosing the right stablecoin.

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