Fintech Takes

A SKEPTIC'S GUIDE TO STABLECOINS

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What's In This Guide?

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Who You'll Hear From

This guide draws on extended conversations with two people building in this space — one inside a 175-year-old money movement business, one inside the company issuing stablecoin-backed cards — plus the perspective of the person asking the questions.







Malcolm Clarke

runs digital assets at Western Union, a portfolio spanning the company's stablecoin, its card, and the networks that let partners use Western Union as an off-ramp. He's the operator.

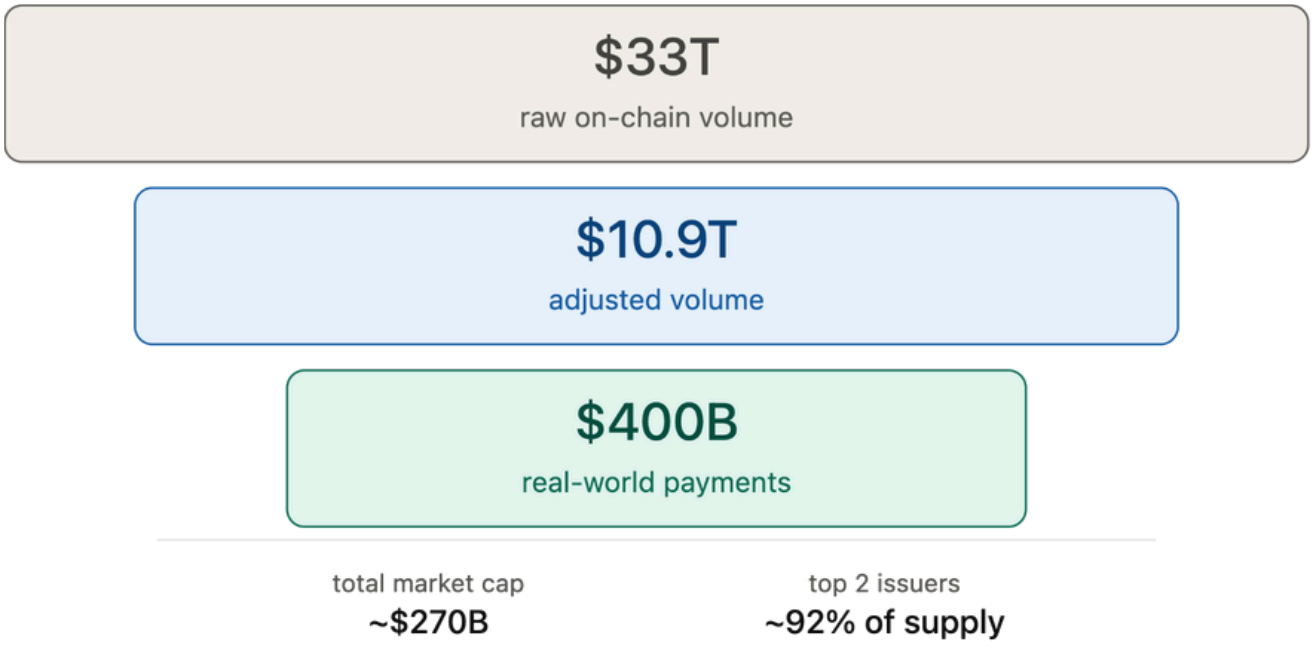
Charles Yoo-Naut

is co-founder and CTO of Rain, a stablecoin payments platform powering more than 100 programs globally — cards, money movement, on and off ramps, rewards. He's the builder.

Alex Johnson

is the founder of Fintech Takes, a publication focused on the intersection of finance, technology, and public policy. He asked the questions.

Stablecoins By the Numbers



Fintech Takes has always looked at stablecoins through a skeptical lens. If you're reading this, there's a good chance you have too.

That's a reasonable place to start. But skepticism only does useful work when it's precise, and the trouble with stablecoins is that the case for them and the case against them keep getting built out of the exact same pile of numbers.

So here's the position we're starting from:

Stablecoins are overhyped and genuinely hard to wrap your head around. They're also a critical piece of payments infrastructure that anyone working in this industry needs to understand.

Let's start with a number you've already seen. **$33 trillion in stablecoin transaction volume in 2025.**

It's an enormous number and it's close to meaningless, because of what it counts. Bots trading automatically against each other count. So does someone moving money out of one wallet they own and into another wallet they also own. Strip both of those out and you land at **$10.9 trillion** — which is to say, roughly one-third of the headline number.

Now for the objection skeptics usually lead with: Aren't stablecoins really just plumbing for crypto trading?

Mostly, yes. That is what they were originally built for — somewhere safe to park value on-chain between trades — and it's still where the lion's share of that $10.9 trillion sits. Take it out, and what's left as **real-world non-crypto payment volume is $400 billion. Roughly double the volume the year before.**



"$400 billion compared to $33 trillion might seem like a small number, but that's still a very, very large number," says Charles Yoo-Naut, co-founder and CTO of Rain. **"If you look at M2 money supply, it's 1%."**

One percent of the money supply is either a rounding error or a real number, depending on your priors. We'd suggest it's worth paying attention to either way. It wasn't 1% the year before.

You can check the math. Every claim in this section is auditable, which is unusual. Stablecoin activity settles on public blockchains, so anyone willing to do the work can pull the numbers apart themselves — bot traffic separated from real payments, use case by use case.

Where are stablecoins now?

Short-term use cases that have already started getting traction.

For most of their history, the answer to "where are stablecoins actually being used?" was "to facilitate crypto trading." That has changed, and it changed first in the least glamorous corner of payments: **Moving money across borders, and helping people in certain countries hold their savings in U.S. dollars.**

The first is the most obvious: Remittances and cross-border payments — money sent home to family, suppliers paid overseas — moving faster than was previously possible.

The second is less obvious, but, for people living in countries with unstable monetary systems, more consequential. Think about what saving in U.S. dollars used to require. Across much of the world, you could not walk into your local bank and ask for a USD-denominated savings account, because it wasn't a product they offered to you. If you were wealthy enough to warrant a private banker, they might be able to find a way. Everyone else was priced out.



"The average consumer, average person, just was priced out of that product," Yoo-Naut notes. **"Now, with stablecoins, you have a wallet, you actually can save in dollars."**

So why are stablecoins a good fit for these two things specifically?

You could argue this is a financial inclusion story, and plenty of people do. But the sharper version is narrower than that: In both cases, stablecoins aren't competing against a bank product. They're competing against nothing at all.

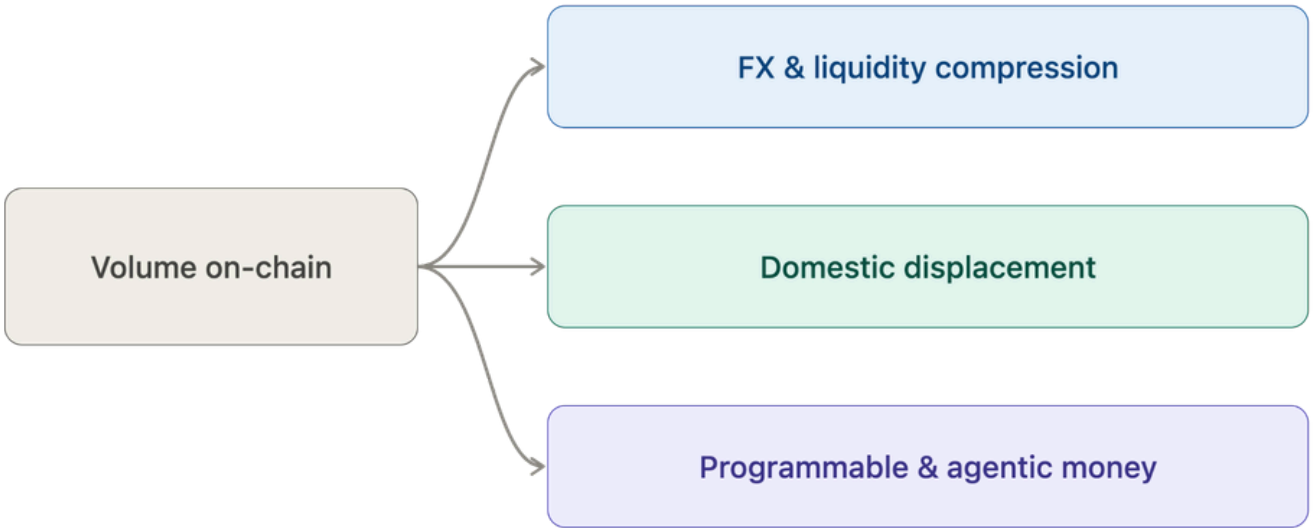
Western Union moves remittances to more than 100 million consumers through roughly 500,000 agent locations, which range from Walmart and Kroger down to individually owned bodegas. A large share of those recipients collect their money exactly one way — cash, over a counter — and not out of preference.



"The majority can't get access to the US account," says Malcolm Clarke, who runs digital assets at Western Union. **"It's not something in region, the local banks don't offer it, or they just don't have local banks."**

Where might stablecoins go tomorrow?

Long-term opportunities that may become available.



Here's a rule that holds nearly everywhere in payments: Slow is expensive. If a payment takes three days to settle, somebody is financing those three days, and that somebody is charging for it.

Money moving from Madrid to New York through Western Union lands instantly, Clarke explains. Behind that instant, though, sits capital already parked as collateral, sitting idle for the length of the transaction, because the correspondent banking layers underneath don't run 24/7 and someone has to cover the gap.

Parked capital has a price. Depending on the region, and on whether the money was raised through debt, loans, or the markets, it runs 3% to 9% — which, for a business like Western Union, which Clarke notes moves more than $130 billion a year in treasury flows, is not a rounding error in anybody's model.

Move that same capital into short-term Treasury bills and it stops costing you and starts earning.



"You're actually swinging your business from a 5% deficit on capital to a 2% profit," says Clarke. **"So that 7% swing, just by changing the mechanism of how you move funding in your operation, is a huge economic driver."**

The same logic shows up on the card side, in a slightly different way.

Card authorization runs constantly. Settlement historically hasn't — it stops for weekends and holidays while transactions keep getting approved — and issuers cover the risk piling up in those gaps by posting multiple days of spending as collateral.

Rain is a principal member of the Visa network, but a non-bank one, Yoo-Naut notes. It can't move traditional fiat without a banking partner, and it doesn't need to, because it moves stablecoins. That structural quirk turned into a settlement advantage: Rain pushed Visa on it, first to settle seven days a week, and now every day of the year.



"Our collateral requirements as an issuer have gone down dramatically because of that," says Yoo-Naut. **"That means that our cost of being an issuer is much less than a traditional issuer."**

Both examples are making the same point, and it isn't really about speed. In each case the money wasn't the thing sitting still. The *capital backing* it was, posted against a settlement window that is wider than it needs to be. Narrow the window, free the capital.

What about foreign exchange risk? Could we compress it?

FX is among the largest costs in moving money globally and is priced by people other than the companies doing the money movement (over-the-counter desks and spot markets) with money parked at various points along the way. Every step adds cost. Every hour between agreeing a rate and settling at it is an hour the rate can move against you.

Now picture the currencies themselves as tokens: A euro coin issued under European rules, a Mexican peso coin. Once both legs of the trade live on-chain, the conversion can happen there too, and the risk window shrinks.



> **"Tomorrow, we'll actually use on-chain FX,"** argues Clarke. **"The user wants to get Mexican pesos instantly, they don't want to take the FX risk at the end. It moves to on-chain, and that helps that FX and liquidity compression."**

The open question isn't technical. It's which blockchains end up carrying this, and what they charge for the privilege, because a chain that takes too large a cut just reintroduces the cost everyone was trying to remove.

What's still uncertain?

Open questions in stablecoins.

Let's start with regulatory clarity. Before the GENIUS Act, a stablecoin initiative inside a company like Western Union would likely stay theoretical, not because anybody would doubt the technology, but because no legacy institution would commit serious resources to a category of infrastructure that a regulator hadn't blessed. **GENIUS made stablecoins safer to plan around.**

So what's genuinely unresolved? Tether is launching a GENIUS-compliant stablecoin alongside its non-compliant one, and nobody — not Tether, not us — knows how that adoption splits, or what premium users will place on compliance, if any. Europe's MiCA rules and GENIUS aren't fully compatible either, which leaves issuers navigating different regulatory rules simultaneously.

The read from Fintech Takes: Tether is dominant enough in its core use cases that displacing it isn't a realistic near-term outcome, and it isn't under the same pressure to pass yield back to customers that regulated issuers are, so it's playing a different game with a different cost structure. Don't expect consolidation. **Expect a split market that everyone learns to operate across.**

Then there's programmability, which has always struck us as the emergent property of stablecoins — the thing people describe as obviously powerful without ever quite finishing the sentence.

Yoo-Naut's case is that every paradigm shift starts with interoperability, making the new thing work with the old thing before it can do anything genuinely new. Mobile phones had to be able to call landlines first.



> **"Once mobile phones got to enough penetration,"** he says, **"you could start thinking about new things that were only possible in a world where a majority of people have a mobile phone in their pocket. You come up with Uber."**

By that logic, stablecoins are still in the landline-compatibility phase. Rain has built for the phase after — on-chain rewards you can swap or pool, rather than points frozen in one company's ledger, plus a control layer that hands an AI agent its own card with defined spending limits.

Where does that leave you?

Some of this is settled and some of it isn't, and a true skeptic deserves to know which is which.

What's happening today

Cross-border money movement. Remittances and global business payments, moving faster and cheaper than many alternatives.

Storing money in dollars. A funds storage product that is broadly accessible to those interested in holding U.S. dollars.

Spending stablecoins directly. Stablecoin card programs that make a stablecoin balance spendable at everyday merchants.

What's likely

Savings from faster settlement. On the treasury side, capital that sat parked as collateral can earn instead — a swing of several percentage points on volume measured in the hundreds of billions. On the card side, daily settlement collapses the collateral window from days down to one.

Savings from reduced FX risk. Once both legs of a payment live on-chain, the conversion can happen there too, and the window where the risk lives shrinks.

What's still open

Regulatory clarity. GENIUS, MiCA, and many others, with no consensus yet on what consumers will pay a premium for, or whether they'll even notice.

Programmability. Interesting in theory, thin on use cases until enough people hold stablecoins to make those use cases worth building.

Where to start

Not with the most impressive use case. With the most provable one.

Find the thing that already works but works badly, prove the technology can make it cheaper, and bank the savings.

Every conversation after that one is easier, because now the organization has its hands around the technology and a number on the table. Clarke built the case at Western Union in exactly that order: Treasury efficiency first, and the savings it generates will fund the consumer products that follow.

About rain

Rain is the global stablecoin payments platform for enterprises, neobanks, platforms, developers, and AI agents. Our technology allows partners to move, store, and use stablecoins instantly and compliantly through global payment cards, rewards, on/offramps, wallets, and cross-border rails. As both a Visa and Mastercard Principal Member, Rain issues cards that work at more than 175 million merchant locations in over 220 countries and territories. Built natively for stablecoins and trusted by more than 100 organizations worldwide, Rain delivers secure, scalable infrastructure that makes money move freely and instantly around the world.

Learn more about Rain's technology: ***https://www.rain.xyz/***