



Payments to the People

Results from our first citizen government payments study

November 2018

We value consumer insights



And we had questions about government payments

- How do Americans make their government payments today?
- How do they want to pay?
- What other views do they hold about government payments?

When We Couldn't Find a Study, We Did One

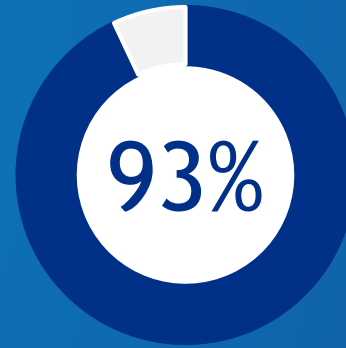
What	<ul style="list-style-type: none">▪ Online study of 2,000 Americans aged 18-75▪ Americans who have made a government payment in the past 12 months▪ Conducted by independent research firm, Logica Research (formerly Koski).
When	<ul style="list-style-type: none">▪ The study was fielded March 14th to 30th, 2018▪ Survey response time averaged 11 minutes in length
Who	<ul style="list-style-type: none">▪ The sample was drawn from online sample sources▪ Age, gender, ethnicity, and region quotas were used to develop a nationally representative sample; the data was not weighted



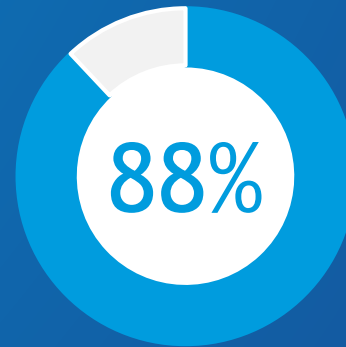
INSIGHT:

Americans have a strong interest in digital payment options for their government transactions.

Americans want digital options for government payments

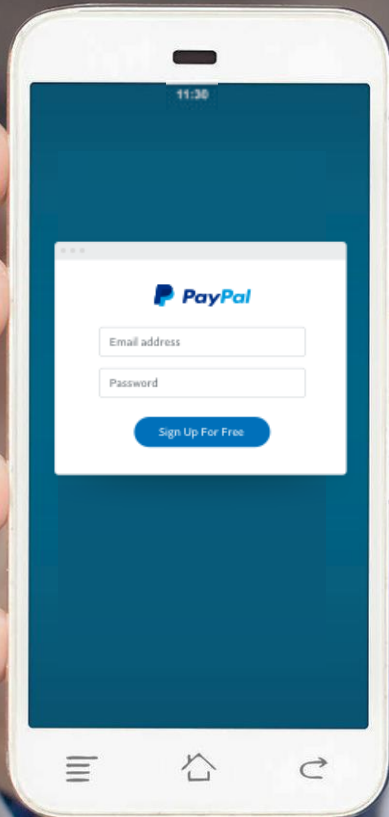


Think the government should offer digital and online payment options.



Would be likely to use those options, if they were offered.

Over half would pay
the government
with PayPal
or Venmo,
if they were
available.



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PayPal or Venmo

54%

Bank app

30%

Visa Checkout

20%

Apple Pay

10%

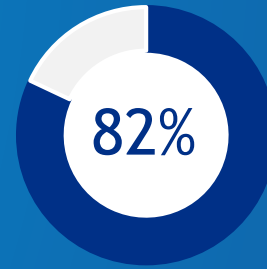
Q5. Which of the following would you use for making a government payment, if available? (Base: Total=2,000)



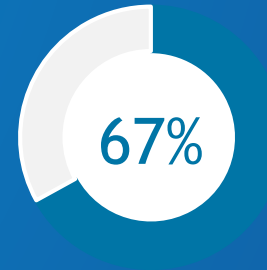
INSIGHT:

Americans see direct benefits
in being able to make their
government payments digitally.

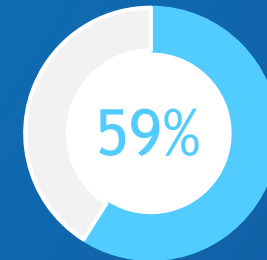
Americans see benefits for themselves



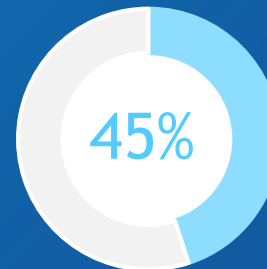
Paying all government taxes and bills online would make my life easier.



Worry about losing payments in the mail.

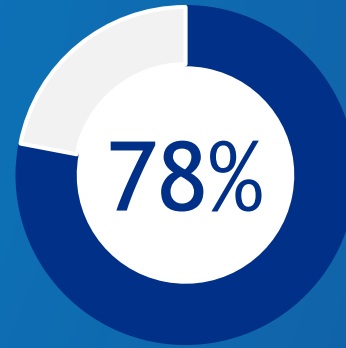


Would be confident they are paying accurately and on time.

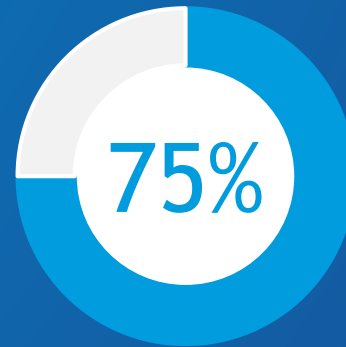


Would have more time in their day by avoiding a trip to a government office.

Americans see benefits for their communities



By making digital payments they can help make government more efficient.



Would be likely to pay their government bills as soon as possible, if they could pay digitally.

What about the 12% who are NOT likely to pay digitally?

59%
have security
concerns

“I’m not sure how secure technology is as of yet so I’m not inclined to pay certain things online without knowing that it is safe first.”

12%
just want
paper

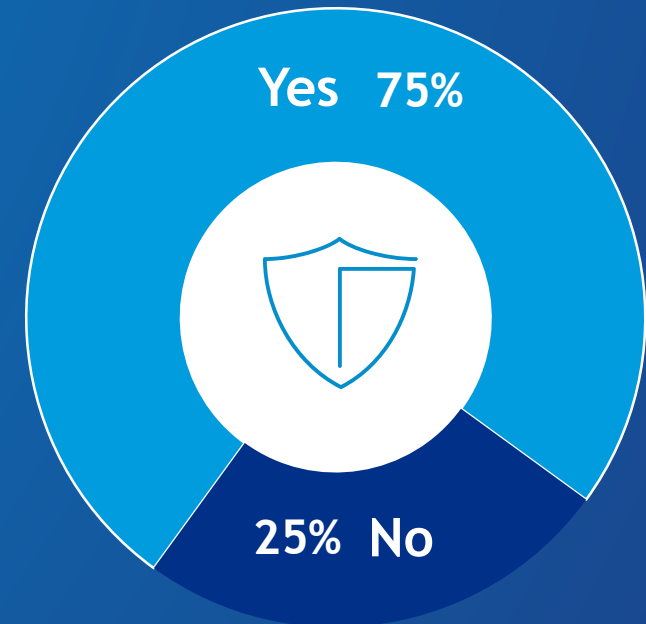
“Because I prefer paper payment options. It’s easier for me to keep track”

Americans have general concerns about payment security, but are confident in government security

74% agree they don't like sharing banking info online

71% agree paying online opens them up to hacking or fraud

Feel financial info would be secure online: Government Digital Payments





INSIGHT:

Americans want more innovation
in their government payments
and disbursements.

Americans
want to make more
government payments
with digital wallets
than they do today...

...and less with
cash and checks.



Transit

+4x increase vs. today



Parks & Rec

+3.5x increase vs. today



State Income
Tax

+3.5x increase vs. today



Court Fines
& Tickets

+3x increase vs. today

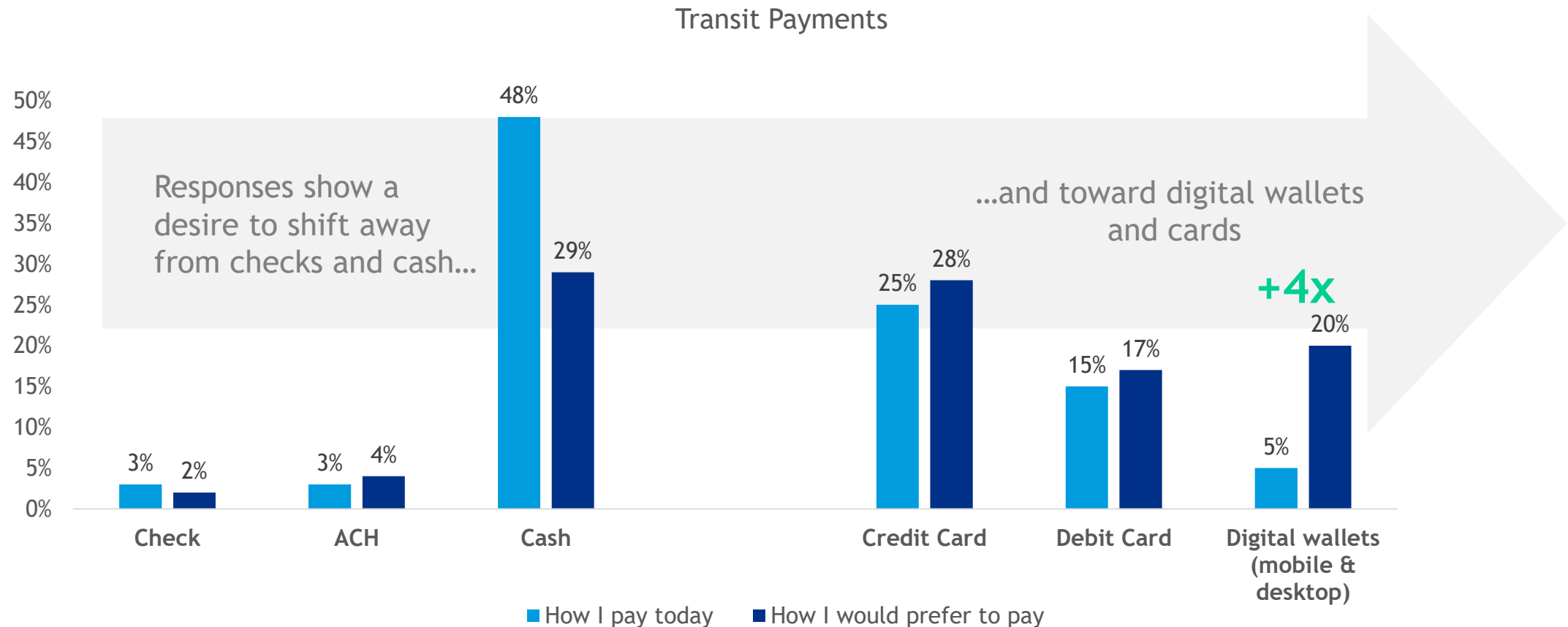


Child Support

+2.5x increase vs. today

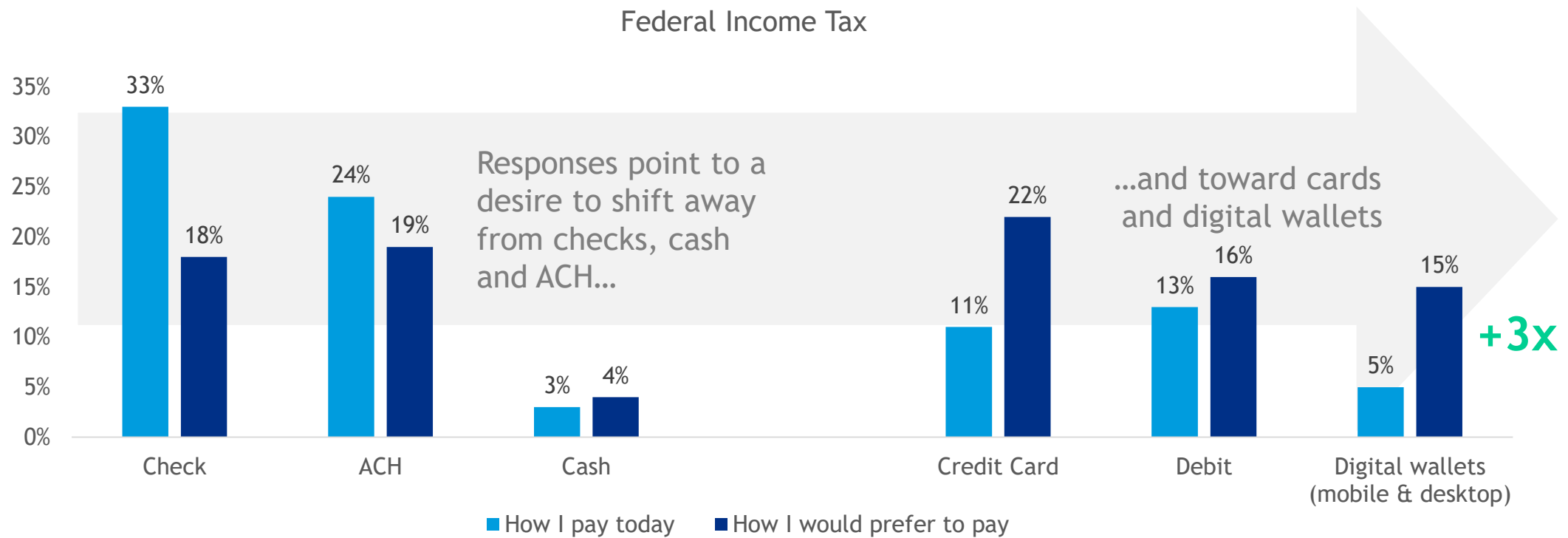
With similar results for federal income tax, parking,
DMV, fish & game licenses, business licenses and more!

Americans would make 4x more transit payments with digital wallets, if they were an option.



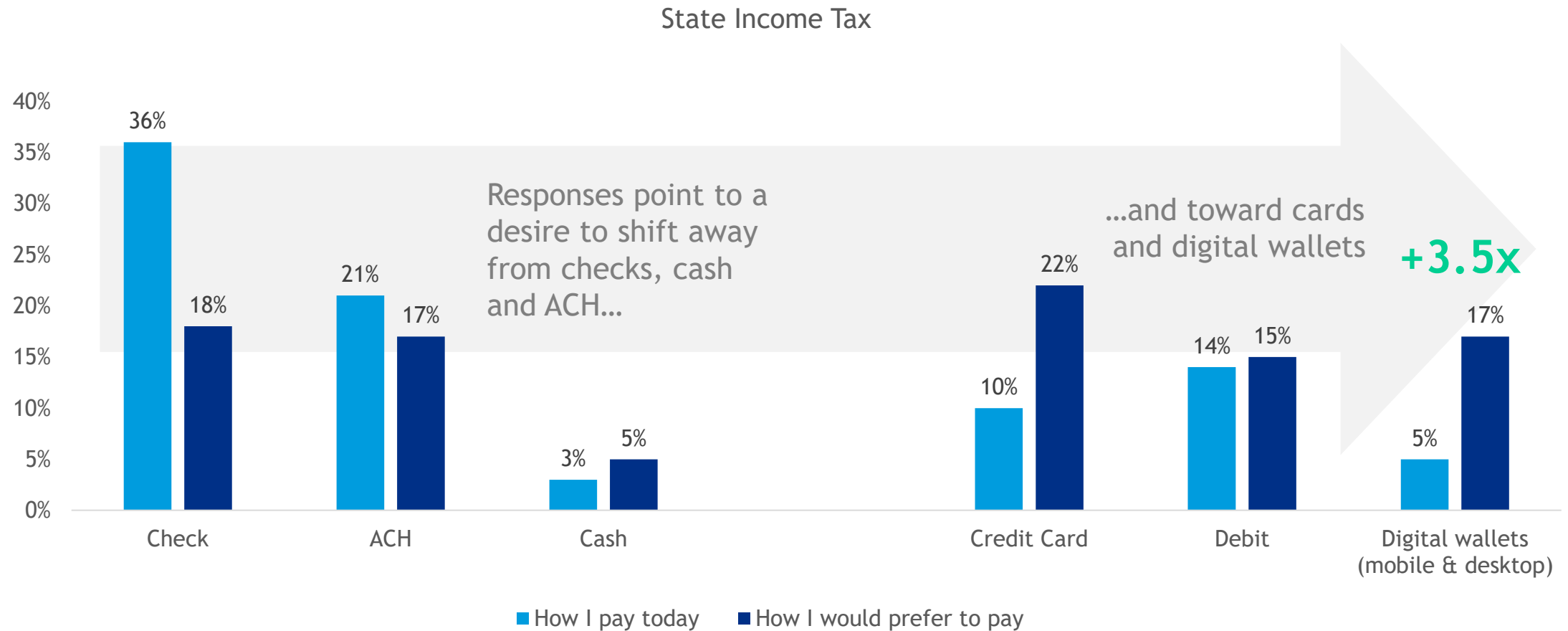
Q2. "Now thinking specifically about payments you make to the government, please select how you currently pay for each of the following." (transit responses)
Q3. "Please select how you would prefer to pay if all of the options were available to you ." (transit responses).

Americans would make 3x more federal income tax payments with digital wallets, if they were an option.

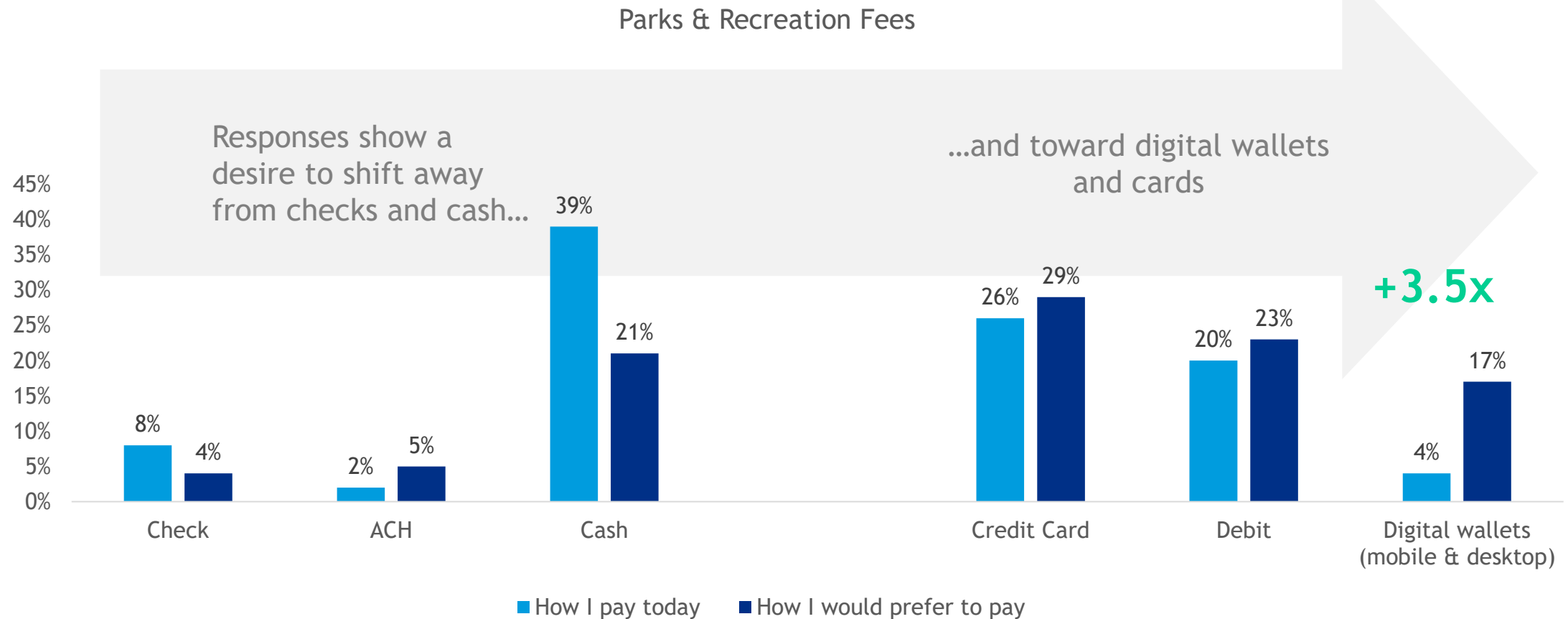


Q2. "Now thinking specifically about payments you make to the government, please select how you currently pay for each of the following." (transit responses)
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Americans would make 3.5x more state income tax payments with digital wallets, if they were an option.

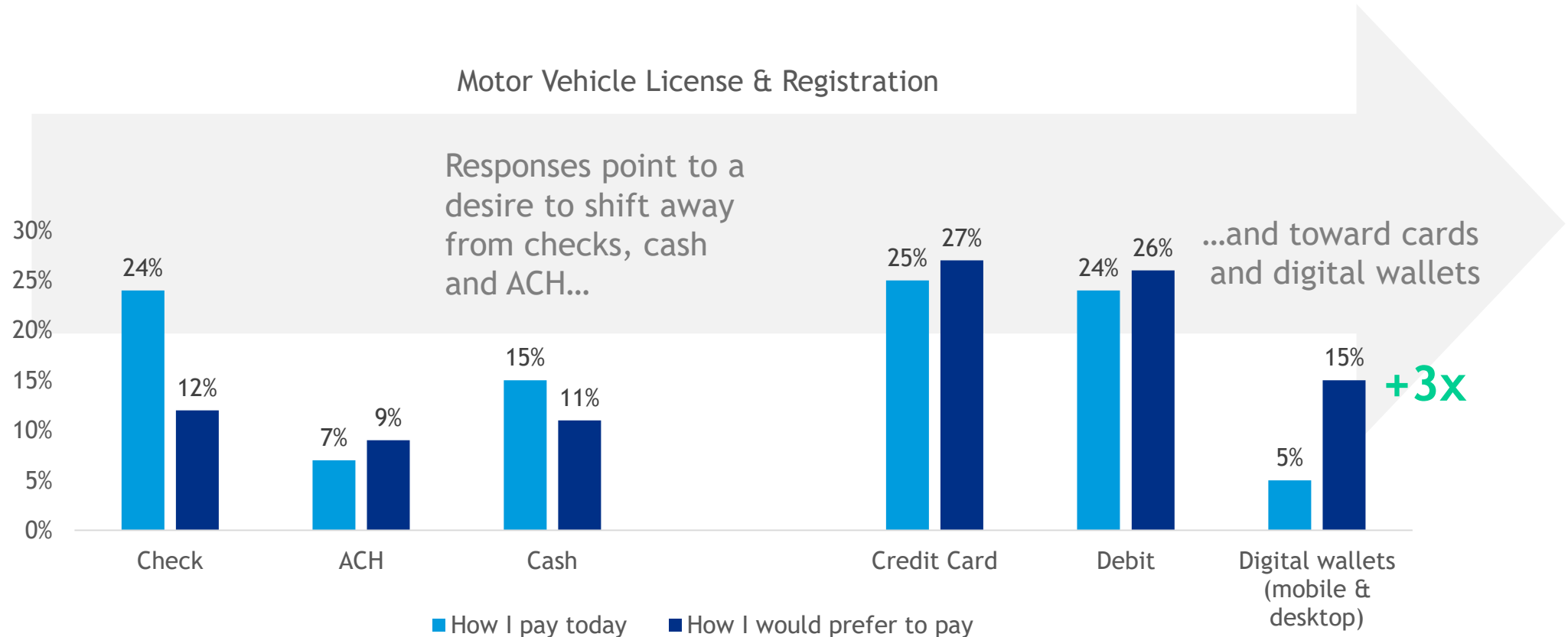


Americans would pay 3.5x more parks and rec fees with digital wallets, if they were an option.



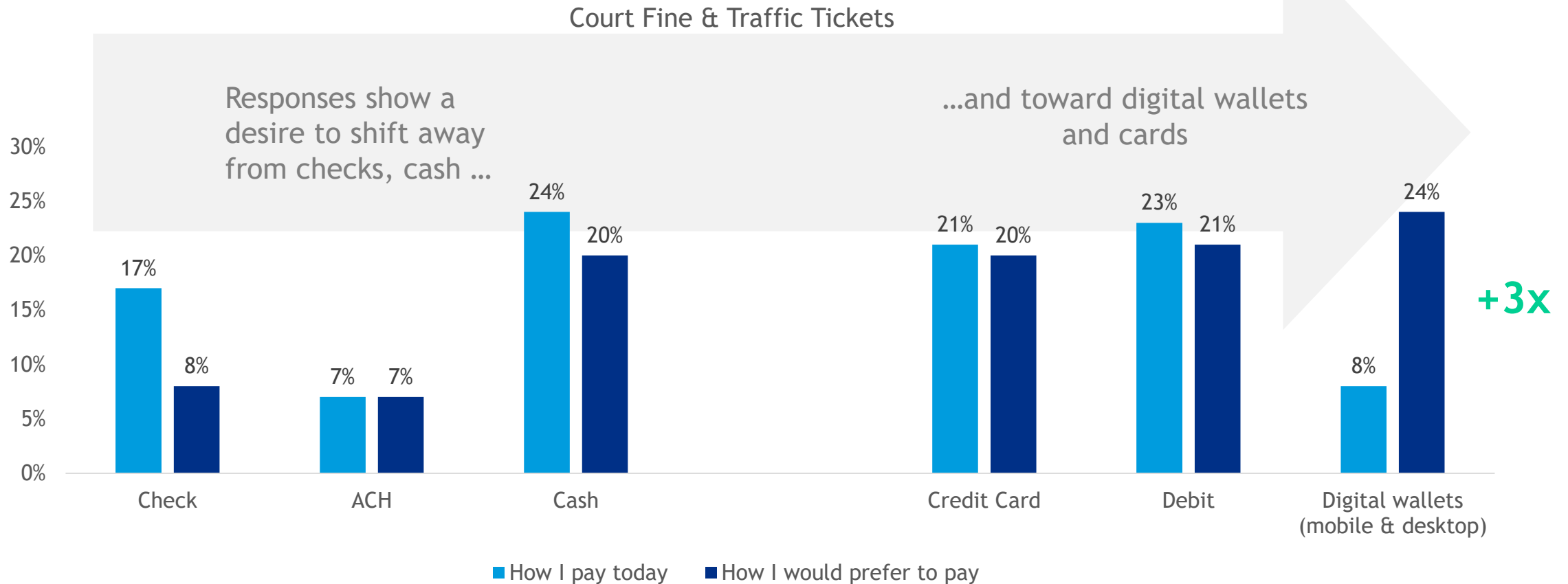
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Americans would make 3x more DMV payments with digital wallets, if they were an option.



Q2. "Now thinking specifically about payments you make to the government, please select how you currently pay for each of the following." (transit responses)
Q3. "Please select how you would prefer to pay if all of the options were available to you ." (transit responses).

Americans would make 3x more fines and tickets payments with digital wallets, if they were an option.



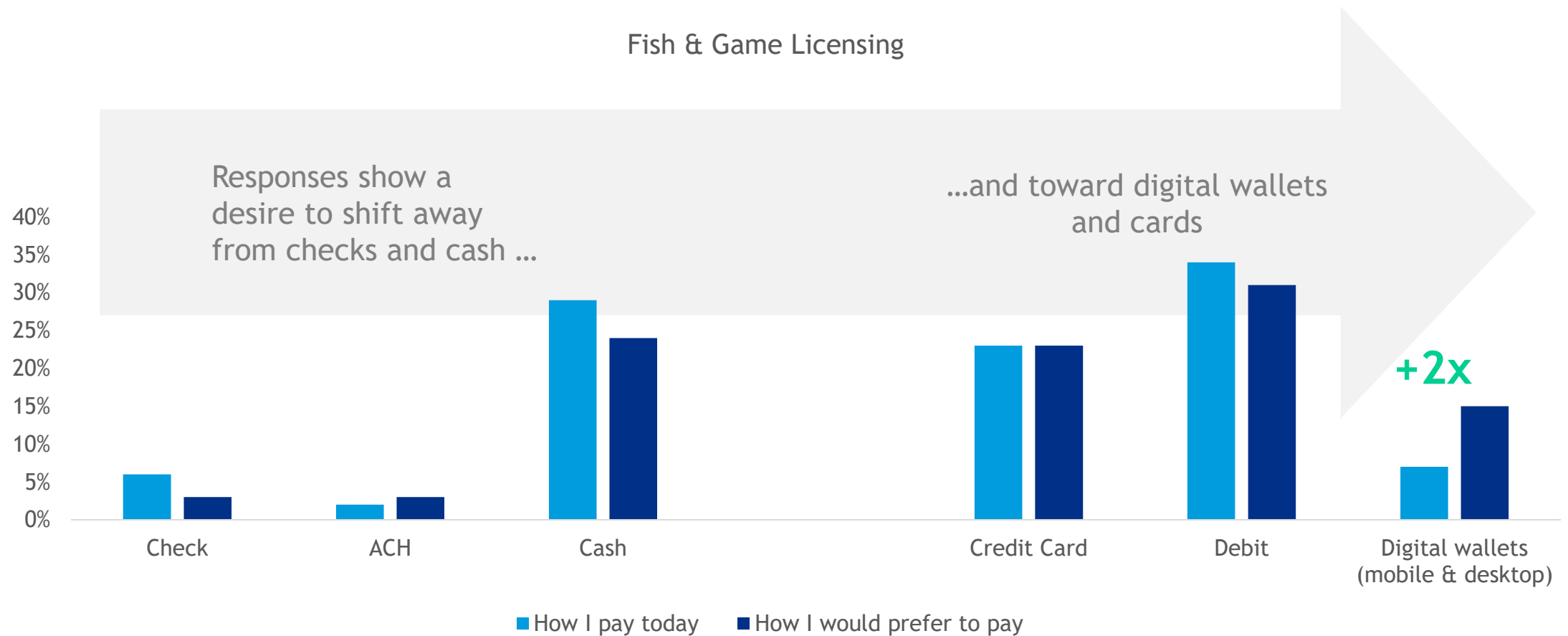
Q2. "Now thinking specifically about payments you make to the government, please select how you currently pay for each of the following." (transit responses)
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Americans would make 2.5x more child support payments with digital wallets. if they were an option.



Q2. "Now thinking specifically about payments you make to the government, please select how you currently pay for each of the following." (transit responses)
Q3. "Please select how you would prefer to pay if all of the options were available to you ." (transit responses).

Americans would make 2x more fish & game license, payments with digital wallets, if they were an option.



Q2. "Now thinking specifically about payments you make to the government, please select how you currently pay for each of the following." (transit responses)
Q3. "Please select how you would prefer to pay if all of the options were available to you ." (transit responses).

Almost half of Americans would prefer to spread out tax payments across the year, instead of paying all at once.



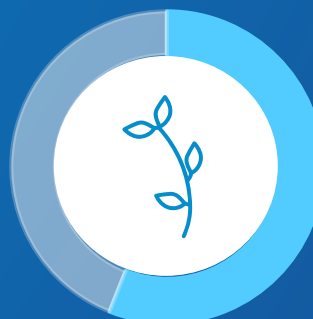
49%

Property Tax



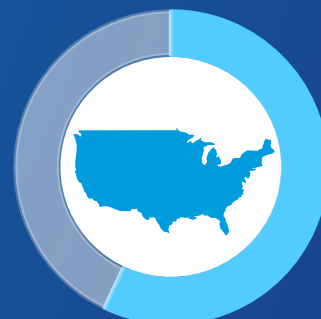
47%

Federal Income Tax



44%

Local Income Tax

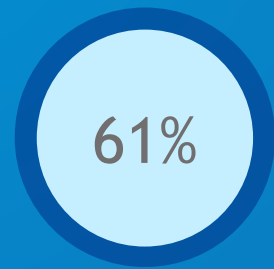


43%

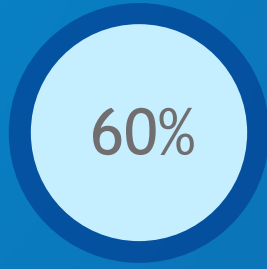
State Income Tax

91% of Americans think government should offer digital disbursement options too.

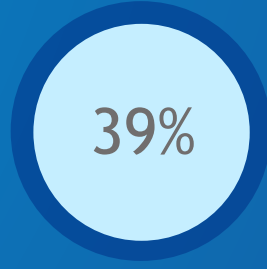
Prefer to receive via ACH



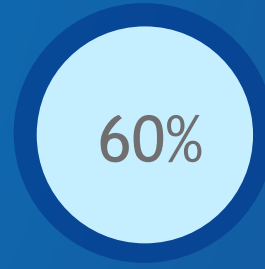
Federal Tax Refunds



State Tax Refunds



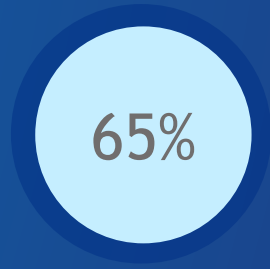
Child Support



Unemployment Benefits

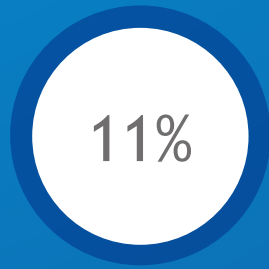


Disability Benefits

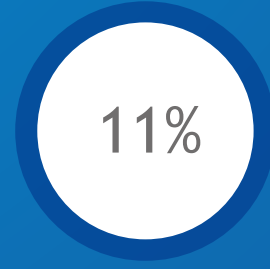


Social Security Benefits

Prefer to receive via Digital Wallet



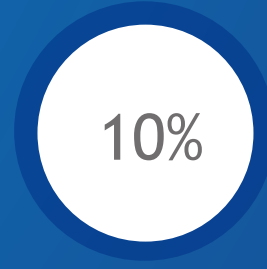
Federal Tax Refunds



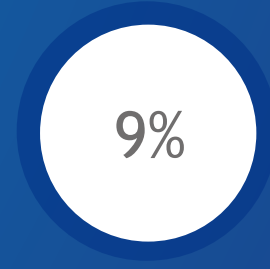
State Tax Refunds



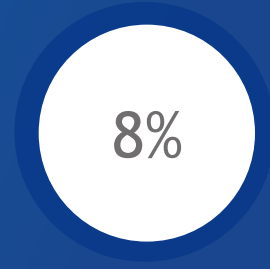
Child Support



Unemployment Benefits



Disability Benefits



Social Security Benefits

Takeaways

1

Every agency should be working to expand (or start offering) digital payment options, including digital wallets.

2

In presenting digital options, it's important to focus on citizen touchstones:

- Citizen concerns: confirmation of payment, data security.
- Perceived benefits: for them as citizens and for government too.

3

Agencies that are already offering digital options, should consider additional innovations - like installment payments.

About PayPal Government Solutions



PayPal powers more than \$1 billion in government payments for thousands of federal, state and local government agencies across the U.S. Through best-in-class partners, agencies get integrated solutions tailored to meet a variety of citizen use cases, with payments powered by PayPal.

Fueled by a fundamental belief that access to financial services creates opportunity, PayPal is committed to democratizing financial services and empowering citizens, businesses and governments to thrive in the digital economy.

Our open payments platform - including Braintree, Venmo and Xoom - gives PayPal's 250+ million active account holders the confidence to connect and transact in new and powerful ways, whether they are online, on a mobile device, in an app, or in person. Through a combination of technological innovation and strategic partnerships, PayPal creates better ways to manage and move money, and offers choice and flexibility when paying or getting paid.

Visit us at paypal.com/government to learn more

