



PayPal
Friendship and Money Study - U.S.

August 2017

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Introduction

Technology and digital payments have radically transformed the way we exchange money with friends and family. With the rise of peer-to-peer (P2P) payments, many attitudes toward paying back loved ones have changed attitudes, challenging old taboos, creating new challenges and even giving rise to new behaviors.

We enlisted Koski Research to conduct PayPal's Friendship and Money Study: an online survey conducted in the United States on consumer behaviors and attitudes toward money and friendship. The 1,000 Americans aged 18-55 who participated shared their feelings about how and why they send money to friends and loved ones, and how it impacts their daily lives.

Methodology

What	<ul style="list-style-type: none">▪ An online study among a sample of the general public planning to celebrate the holidays this year was conducted by independent research firm, Koski Research.
When	<ul style="list-style-type: none">▪ The study was fielded July 21, 2017 and July 24, 2017.
Who	<ul style="list-style-type: none">▪ 1,000 Americans aged 18-55 completed the survey.▪ 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.

Key Takeaways

1. P2P already comprises more than a third of all payments between friends. In all, Americans pay friends back more than \$1500 via P2P over the course of the year.
2. Nearly 40% of Americans have a debt to friends that cannot be repaid, for acts of friendship, like advice, support and more.
3. Almost half of Gen Z and Millennials have felt strain in their friendships over money.
4. Asked to put a relative price on some of these acts of friendship, attitudes greatly varied, with some (like being introduced to a significant other) being priced at millions of dollars.
5. The rise of P2P payments among family and friends has spawned a whole new behavior: almost 40% of Americans send their friends small sums of money when they aren't expecting it. More than half of the time, these "penny pokes" are to say thank you or to cheer their friend up.



Friendship and Money

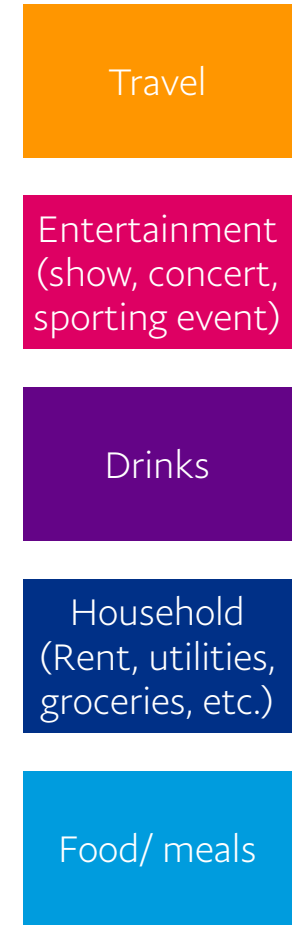
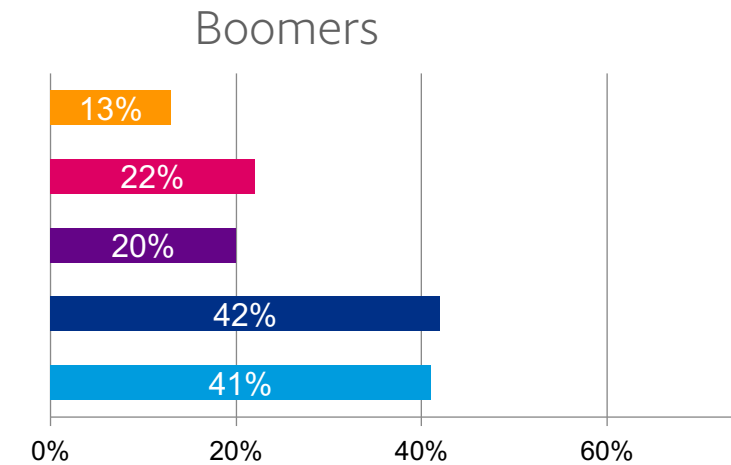
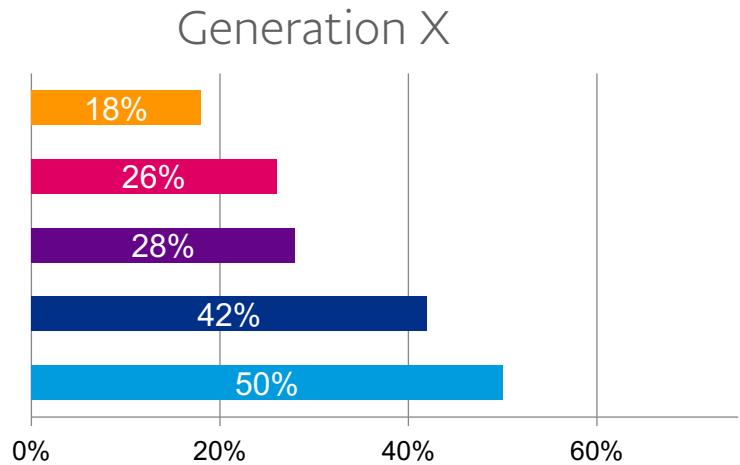
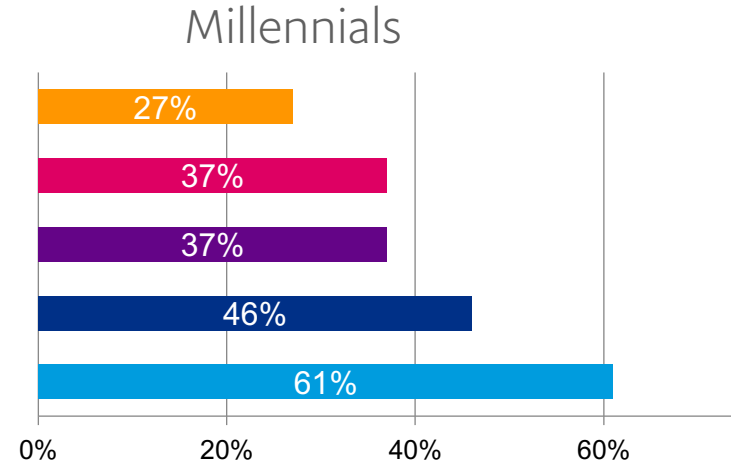
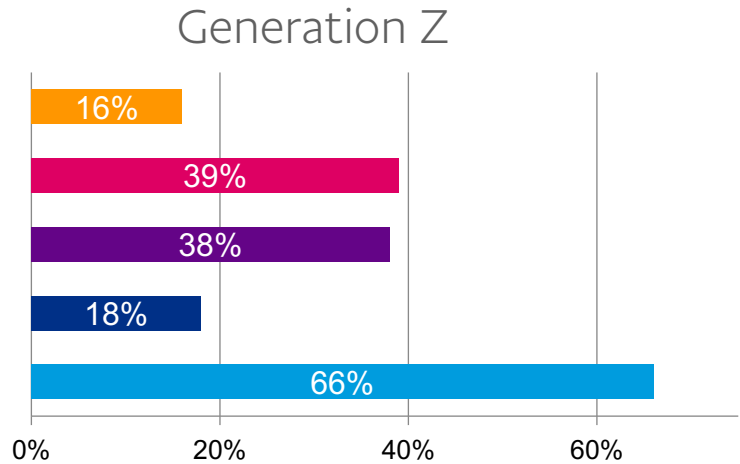
80% of Gen Z relies on parents to borrow money

Gradually spreads to siblings and friends over time

	Generation Z	Millennials	Generation X	Boomers	Total (N=1000)
Parent(s)	80%	69%	60%	42%	64%
Sibling	13%	12%	15%	31%	15%
Friend	7%	16%	23%	27%	19%
Coworker	0%	2%	2%	0%	2%

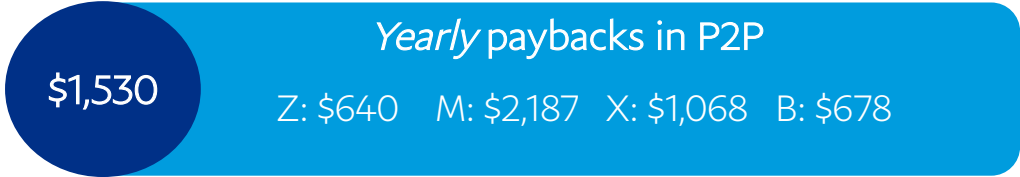
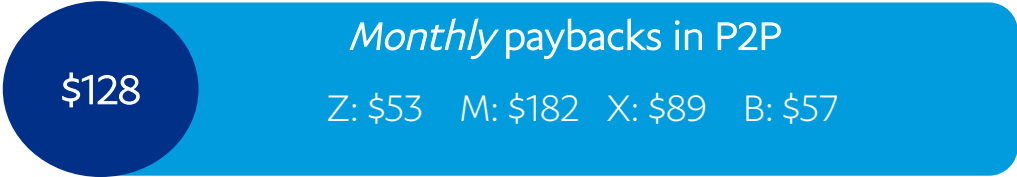
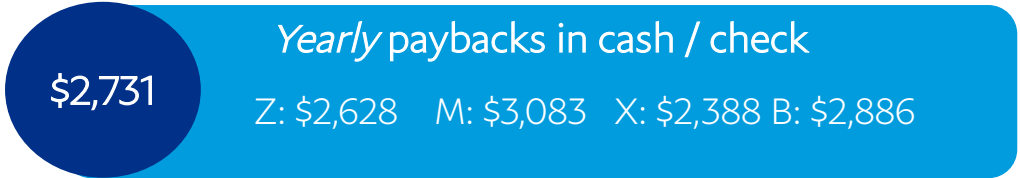
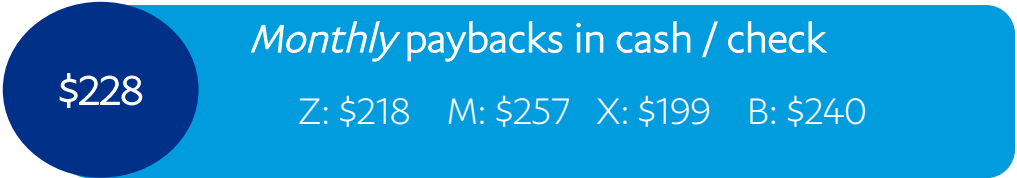
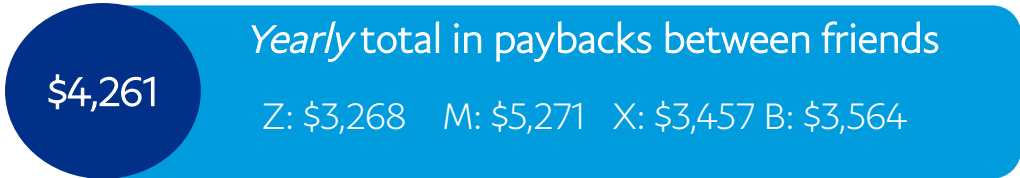
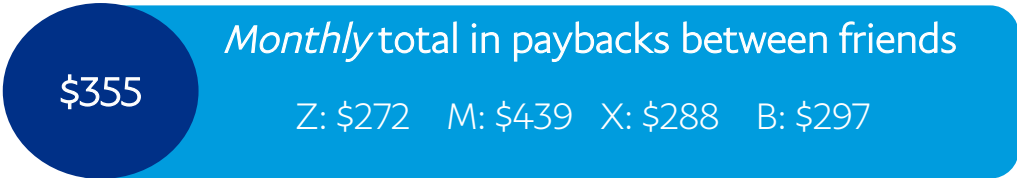
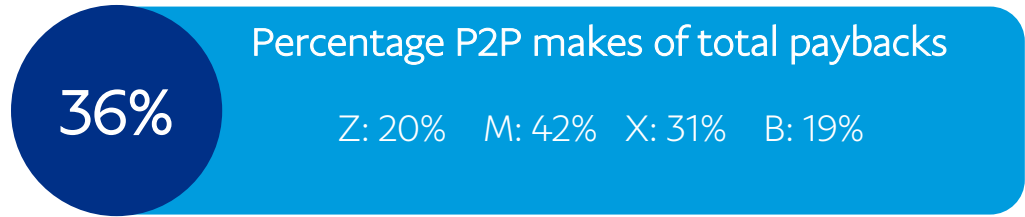
Food and meals drive most repayments

Food and drink payments get absorbed by household spending over time



P2P comprises more than 1/3 of all repayments between friends

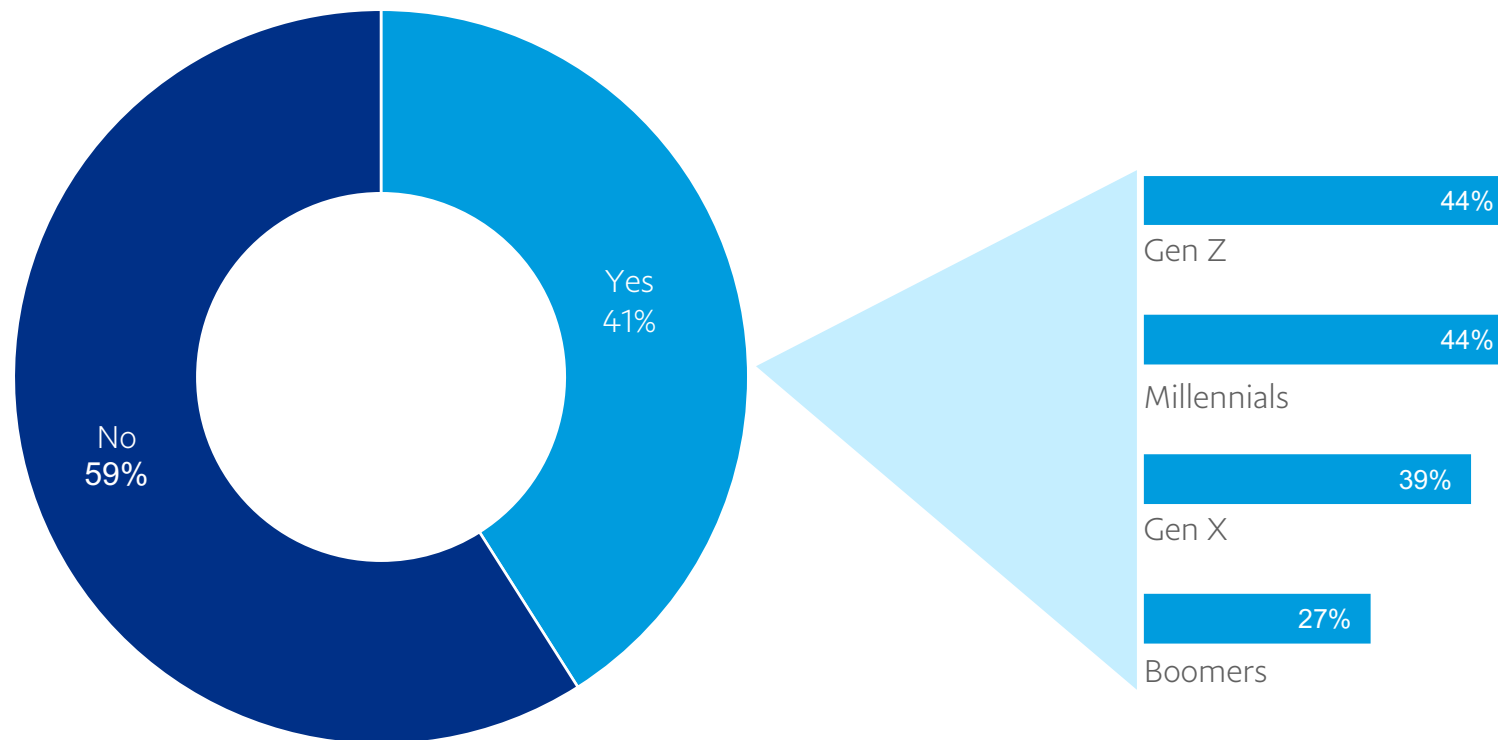
Average American sends more than \$1500 to friends thru P2P over the course of the year



Money issues impact friendships among younger generations

Almost half of Gen Z/Millennials have felt relationship strain over money

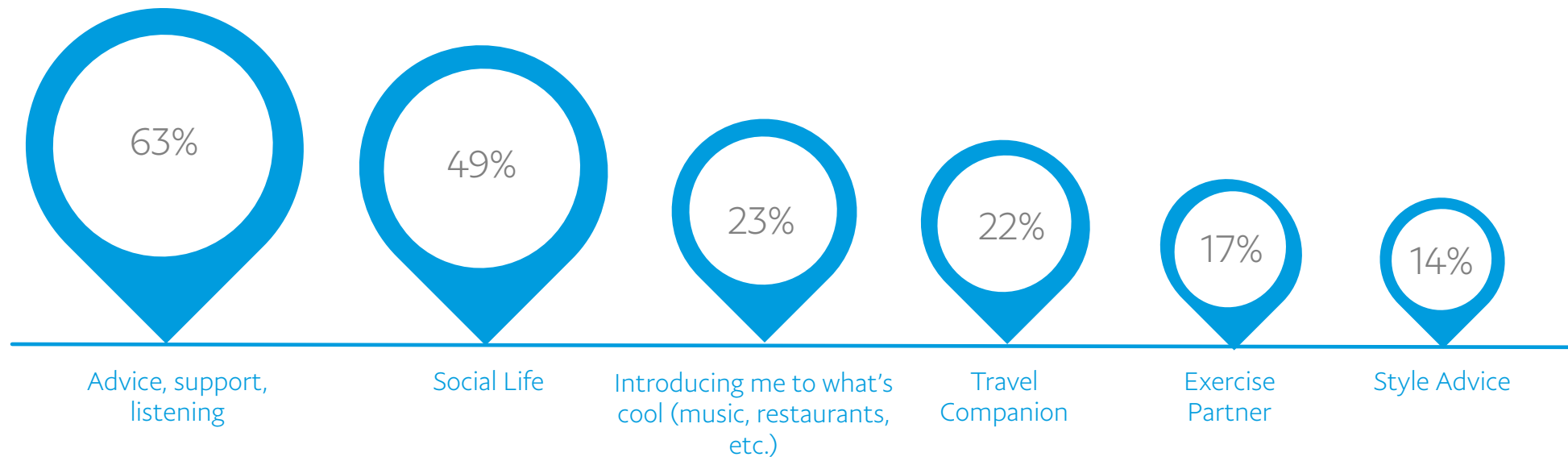
Has owing money to a friend had an impact on a friendship?



40% of Americans have friends who do things that can't be repaid

Friends can't pay friends back for emotional and social support

Which of the following things do you appreciate most about your friends and feel you owe them for?



Friends would pay millions of dollars to repay being set up with husband/wife

Thousands of dollars to friends who help them move

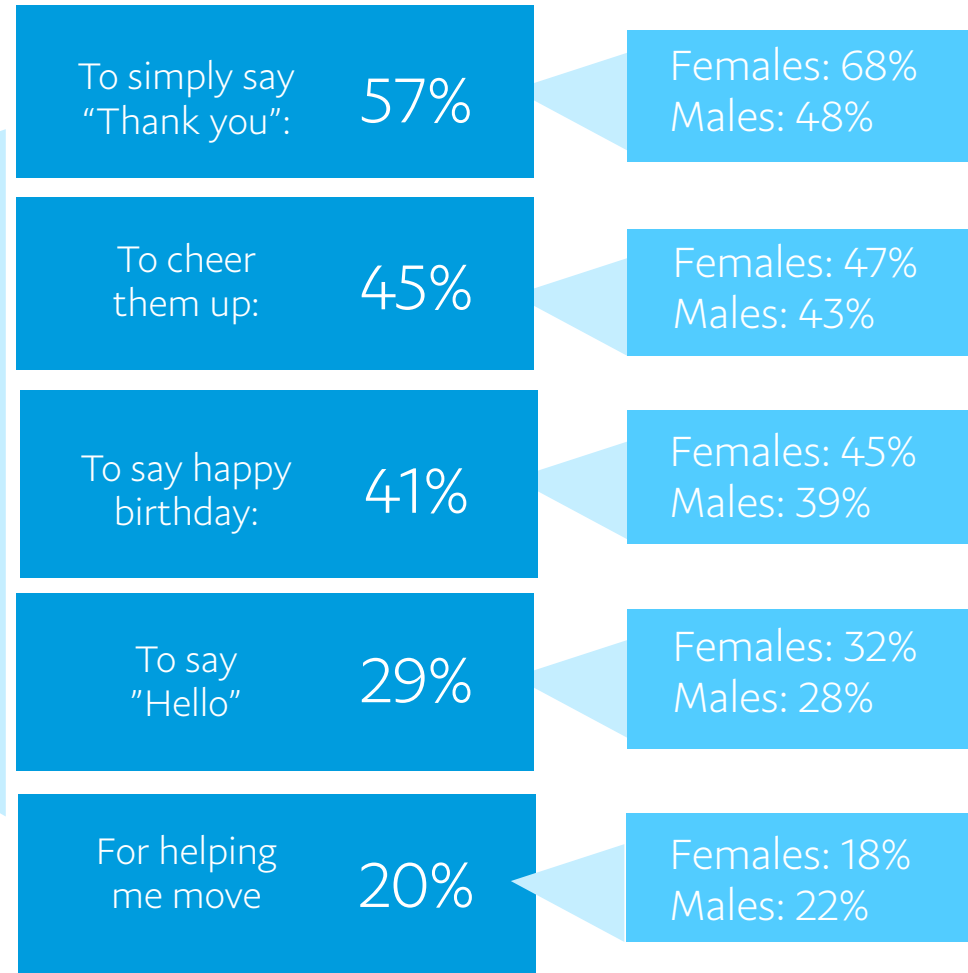
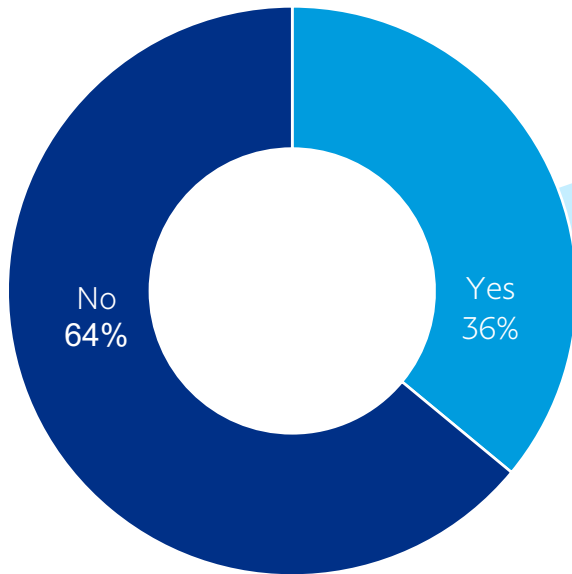
If money were no object, what dollar amount would you place on things friends might have done for you?

	Total Mean Dollar(\$)	Males	Females	Gen Z	Mill.	GenX	Boomers
Setting me up with my husband/wife/partner	\$4,400,000	\$4,500,000	\$4,300,000	\$1,910,000	\$5,000,000	\$2,600,000	\$15,900,000
Helping me on moving day	\$4,284	\$997	\$7,551	\$1,034	\$1,327	\$8,483	\$381
Going on trips with me	\$1,675	\$734	\$2,619	\$2,126	\$2,244	\$1,118	\$934
Throwing a surprise birthday party for me	\$1,145	\$1,194	\$1,101	\$2,092	\$1,491	\$653	\$1,111
Getting tickets to a sold out concert	\$767	\$735	\$802	\$1,950	\$1,206	\$223	\$164
Picking me up from the airport	\$605	\$586	\$627	\$1,820	\$617	\$466	\$286
Working out with me at the gym	\$524	\$545	\$505	\$404	\$619	\$504	\$101
Getting a reservation at a hot new restaurant	\$175	\$227	\$123	\$387	\$196	\$121	\$184
Letting me borrow that perfect shirt	\$132	\$147	\$118	\$306	\$151	\$83	\$164

P2P has created “penny poke” behavior

Almost 40% of Americans send small sums to friends when they aren't expecting it

Do you ever send small amounts of money (\$1-\$5) to friends when they aren't expecting it?





Data Sources

Data Sources

Study commissioned by PayPal 2017

About Koski Research

Koski Research specializes in custom research solutions that answer the most complex business questions of Fortune 10000 companies. Answers to these questions result in national media coverage, drive business growth and prepare clients for the future. As the creator of the Engagement IQ, a proprietary measurement system that assesses the public's sentiment of a company based on key social behaviors, Koski Research excels in leveraging research to drive customer engagement.

About PayPal

Fueled by a fundamental belief that having access to financial services creates opportunity, PayPal (Nasdaq: PYPL) is committed to democratizing financial services and empowering people and businesses to join and thrive in the global economy. Our open digital payments platform gives PayPal's 210 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 sending payments, paying or getting paid. Available in more than 200 markets around the world, the PayPal platform, including Braintree, Venmo and Xoom, enables consumers and merchants to receive money in more than 100 currencies, withdraw funds in 56 currencies and hold balances in their PayPal accounts in 25 currencies. For more information on PayPal, visit <https://www.paypal.com/about>. For PayPal financial information, visit <https://investor.paypal-corp.com>.



Thank You