PayPal
Holiday Money Habits Study – U.S.

November 14, 2016
# Table of contents

1. Introduction
2. Methodology
3. Holiday Shopping Attitudes
4. Thanksgiving, Black Friday and Cyber Monday findings
5. Charitable Donations
6. Data Sources
Introduction

Technology and digital payments have radically transformed the way we exchange money, manage our finances and pay each other back. When consumer spending surges in-store and online during the busy holiday season, it’s one of the best times of year to study consumer trends and behavior towards the management and movement of money. With each new year comes new attitudes and expectations about how, when and where people want to shop, pay and give.

We enlisted Koski Research to conduct PayPal’s Holiday Money Habits Study: an online survey conducted in the United States on consumer behaviors and attitudes toward holiday shopping and giving. The 1,000 Americans aged 18-55 who participated are planning to celebrate the holidays this year, and shared their feelings about how they will face the 2016 holiday season.
## Methodology

<table>
<thead>
<tr>
<th>What</th>
<th>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.</th>
</tr>
</thead>
</table>
| When                      | The study was fielded October 3rd to 7th, 2016  
|                           | The study averaged 13 minutes in length.                                                                                                                                                        |
| Who                       | 1,000 Americans aged 18-55 planning to celebrate the holidays this year 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.  
|                           | Note: References to “Americans” in this report refer to the subset of Americans that say they plan to celebrate at least one of the following holidays: Thanksgiving, Hanukkah, Winter Solstice, Kwanzaa, Christmas, or New Year’s. |
Holiday Shopping Attitudes
Highlights

Half of Americans (50%), and even more Millennials (59%), plan to do their holiday shopping while binge-watching TV.

The majority (59%) of Americans find holiday shopping to be stressful and they’d rather do a multitude of unenviable activities than fight the holiday shopping crowds. More than a quarter of Americans would rather shovel snow from their driveway; 1-in-5 Young Boomers and Gen-Xers would rather go to the dentist; and, about 1-in-5 Millennials (19%) would rather text with their boss over the weekend.

One in five (22%) will shop on the toilet and, more than a third (34%) will shop for their partner or spouse who is sleeping next to them in bed.

Half of Millennials (and two-fifths of Americans) say they will pool money in order to buy someone a gift this year. Although collecting cash and checks in person is the top way to collect funds, a third say they will collect via P2P (peer-to-peer payments).

Time spent in lines is expected to average 53 minutes for those shopping in stores this holiday season.

Significantly more Millennials (51%) than Gen X (40%) or Young Boomers (38%) end up buying things for themselves while holiday shopping.
More Americans look forward to holiday shopping and feel proud of themselves when it is over

About a third would shop at the Thanksgiving table in order to get a deal

<table>
<thead>
<tr>
<th>Describes Me Best</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>When all my holiday shopping is over I feel proud of myself</td>
<td>64%</td>
</tr>
<tr>
<td>I look forward to holiday shopping</td>
<td>58%</td>
</tr>
<tr>
<td>When holiday shopping I always stick pretty close to my budget</td>
<td>56%</td>
</tr>
<tr>
<td>When shopping online this year, I feel like my personal information is safer than ever</td>
<td>53%</td>
</tr>
<tr>
<td>I plan to have all of my shopping done by December 1</td>
<td>50%</td>
</tr>
<tr>
<td>I enjoy browsing items in stores and seeing and touching items in person</td>
<td>50%</td>
</tr>
<tr>
<td>I try to shop for the holidays during my lunch hour or during the week</td>
<td>45%</td>
</tr>
<tr>
<td>to avoid shopping on weekends</td>
<td></td>
</tr>
<tr>
<td>I dread holiday shopping</td>
<td>41%</td>
</tr>
<tr>
<td>I enjoy the hustle and bustle of holiday shopping</td>
<td>41%</td>
</tr>
<tr>
<td>When my holiday shopping is over I worry about how much I spent</td>
<td>36%</td>
</tr>
<tr>
<td>I dread holiday shopping</td>
<td>42%</td>
</tr>
<tr>
<td>When holiday shopping I always exceed my budget</td>
<td>44%</td>
</tr>
<tr>
<td>I feel less secure shopping online than in previous years</td>
<td>47%</td>
</tr>
<tr>
<td>I am a last minute holiday shopper</td>
<td>50%</td>
</tr>
<tr>
<td>I prefer to sit at home and shop online</td>
<td>50%</td>
</tr>
<tr>
<td>I do most of my holiday shopping on the weekends</td>
<td>55%</td>
</tr>
<tr>
<td>I dread doing my taxes</td>
<td>59%</td>
</tr>
<tr>
<td>I find holiday shopping can be crowded and stressful</td>
<td>59%</td>
</tr>
<tr>
<td>I am looking forward to a phone-free Thanksgiving dinner</td>
<td>65%</td>
</tr>
</tbody>
</table>
About two-thirds of Americans view holiday shopping crowds as more unpleasant than shoveling snow, in-laws, the dentist, texting their boss, or the DMV.

Preferred to Holiday Shopping Crowds

64%

Would rather...

42%

...shovel snow from your driveway

39%

...visit your in-laws

35%

...go to the dentist

26%

...go to the DMV

24%

...text with your boss over the weekend

36%

Would rather fight the crowds
**Millennials significantly more likely to shop while binge watching TV, in bed, on the toilet, or at the table**

Over half say they end up buying things just for themselves when shopping for holiday gifts

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
<th>Male (%)</th>
<th>Female (%)</th>
<th>Both (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shop while binge watching TV</td>
<td>50%</td>
<td>59%</td>
<td>47%</td>
<td>32%</td>
</tr>
<tr>
<td>End up just buying things for yourself</td>
<td>44%</td>
<td>51%</td>
<td>40%</td>
<td>38%</td>
</tr>
<tr>
<td>Shop in bed for your partner/spouse while they’re sleeping next to you</td>
<td>34%</td>
<td>43%</td>
<td>28%</td>
<td>20%</td>
</tr>
<tr>
<td>Have an alcoholic drink</td>
<td>29%</td>
<td>32%</td>
<td>27%</td>
<td>21%</td>
</tr>
<tr>
<td>Shop on the toilet</td>
<td>22%</td>
<td>34%</td>
<td>16%</td>
<td>6%</td>
</tr>
<tr>
<td>Shop while at the dinner table</td>
<td>14%</td>
<td>20%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Enjoy online chats with customer service</td>
<td>11%</td>
<td>13%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Shop while on a conference call at work</td>
<td>9%</td>
<td>10%</td>
<td>9%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Half of Millennials plan to pool funds to buy a gift this holiday season

Most plan to collect funds via cash or checks in person; a third plan to use P2P.
More than half of Americans who shop at the last minute are hoping for a better deal

Majority of Americans are last minute holiday shoppers

Last Minute Shopping Behaviors

85%  Shop at the last minute

59%  I keep shopping around hoping for a better deal

43%  I don't know what to get people

28%  I am so busy it is hard to make time for shopping

16%  I don't enjoy holiday shopping so I put it off until the last minute
The biggest inconvenience to returning gifts is the time spent figuring out the return process

Over a quarter say they do not return gifts

**Inconvenience of Returning Gifts**

- **74%** Return gifts
- **26%** Do not return gifts

- **42%** Time figuring out the return process
- **25%** Going to the post office
- **24%** Cost of shipping
- **9%** Printing a return label
Thanksgiving, Black Friday, Cyber Monday
Highlights

Two in five Millennials would shop online at the Thanksgiving table to get a good deal, whereas 4 in 5 Young Boomers are looking forward to a phone-free Thanksgiving dinner.

A surprising percent of Americans (11%) would give up alcohol for the holiday season in order to skip work on Cyber Monday, while 14% would prefer to work on Black Friday.

Cyber Monday shoppers will spend an average of 26 minutes shopping online on Cyber Monday compared to the 53 minutes that in-store holiday shoppers will spend on average.

Women and holiday shoppers in the south will spend the most amount of time shopping online on Cyber Monday.

More than a third of holiday shoppers (38%) plan to have all of their holiday shopping complete just after Black Friday and Cyber Monday.
Almost half of Americans have started or will start their holiday shopping before Thanksgiving while a quarter are waiting for Black Friday. Nearly one quarter of shoppers don’t expect to finish their shopping until Christmas Eve.

<table>
<thead>
<tr>
<th>Plan to start shopping for holiday gifts</th>
<th>Plan to start shopping for holiday travel</th>
<th>Plan to start making charitable donations</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>November</td>
<td>December</td>
</tr>
<tr>
<td>I’ve already started or finished</td>
<td>Winter</td>
<td>Early December</td>
</tr>
<tr>
<td>32%</td>
<td>31%</td>
<td>40%</td>
</tr>
<tr>
<td>Before Thanksgiving</td>
<td>On Thanksgiving</td>
<td>Last Minute/Christmas Eve</td>
</tr>
<tr>
<td>17%</td>
<td>4%</td>
<td>24%</td>
</tr>
<tr>
<td>Black Friday</td>
<td>Cyber Monday</td>
<td>New Year’s Eve</td>
</tr>
<tr>
<td>23%</td>
<td>5%</td>
<td>15%</td>
</tr>
<tr>
<td>Early December</td>
<td>Last Minute/Christmas Eve</td>
<td></td>
</tr>
<tr>
<td>14%</td>
<td>3%</td>
<td>14%</td>
</tr>
<tr>
<td>Last Minute/Christmas Eve</td>
<td>New Year’s Eve</td>
<td>7%</td>
</tr>
<tr>
<td>3%</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>New Year’s Eve</td>
<td></td>
<td>7%</td>
</tr>
</tbody>
</table>

Expect to finish:

<table>
<thead>
<tr>
<th>Plan to start shopping for holiday gifts</th>
<th>Plan to start shopping for holiday travel</th>
<th>Plan to start making charitable donations</th>
</tr>
</thead>
<tbody>
<tr>
<td>October</td>
<td>November</td>
<td>December</td>
</tr>
<tr>
<td>I’ve already started or finished</td>
<td>Winter</td>
<td>Early December</td>
</tr>
<tr>
<td>7%</td>
<td>13%</td>
<td>16%</td>
</tr>
<tr>
<td>Before Thanksgiving</td>
<td>On Thanksgiving</td>
<td>Last Minute/Christmas Eve</td>
</tr>
<tr>
<td>8%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>Black Friday</td>
<td>Cyber Monday</td>
<td>New Year’s Eve</td>
</tr>
<tr>
<td>4%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Early December</td>
<td>Last Minute/Christmas Eve</td>
<td></td>
</tr>
<tr>
<td>6%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Last Minute/Christmas Eve</td>
<td>New Year’s Eve</td>
<td>7%</td>
</tr>
<tr>
<td>2%</td>
<td></td>
<td>7%</td>
</tr>
<tr>
<td>New Year’s Eve</td>
<td></td>
<td>7%</td>
</tr>
</tbody>
</table>

Expect to finish:

<table>
<thead>
<tr>
<th>Plan to start making charitable donations</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>I’ve already started or finished</td>
<td>31%</td>
</tr>
<tr>
<td>Before Thanksgiving</td>
<td>13%</td>
</tr>
<tr>
<td>On Thanksgiving</td>
<td>13%</td>
</tr>
<tr>
<td>Black Friday</td>
<td>13%</td>
</tr>
<tr>
<td>Cyber Monday</td>
<td>13%</td>
</tr>
<tr>
<td>Early December</td>
<td>13%</td>
</tr>
<tr>
<td>Last Minute/Christmas Eve</td>
<td>13%</td>
</tr>
<tr>
<td>New Year’s Eve</td>
<td>13%</td>
</tr>
</tbody>
</table>
Three in five Millennials would shop at the Thanksgiving table to get an amazing deal
Young Boomers significantly less likely to consider shopping at the Thanksgiving table

Reasons to Shop at the Thanksgiving Table

- **51%** To get an amazing deal
  - M: 61\%^{xb}  
  - X: 48\%^{xb}  
  - B: 27\%

- **26%** To ensure you get the gift you want
  - M: 33\%^{xb}  
  - X: 22\%  
  - B: 18\%

- **18%** To purchase something discussed at the table
  - M: 22\%^{xb}  
  - X: 15\%  
  - B: 11\%

- **14%** To avoid awkward or unwanted conversation
  - M: 20\%^{xb}  
  - X: 11\%  
  - B: 6\%

- **12%** Support a store that is closed so employees can enjoy family
  - M: 14\%  
  - X: 10\%  
  - B: 11\%

- **9%** Less concerned about being social after a few glasses of alcohol
  - M: 12\%^{x}  
  - X: 6\%  
  - B: 8\%

- **29%** None of these
  - M: 17\%  
  - X: 35\%^{m}  
  - B: 53\%^{mx}
In-store shoppers expect to wait in line for almost an hour this holiday season

Cyber Monday shoppers will spend a little under half an hour shopping online at work that day.

### Time Waiting in Line While Holiday Shopping

- **Up to 30 minutes**: 38%
- **Up to 1 hour**: 24%
- **Up to 2 hours**: 17%
- **More than 2 hours**: 11%
- **None, I plan to do all of my shopping online**: 10%

**53 minutes waiting in line on average this Holiday Season**

### Time Shopping on Cyber Monday

- **Up to 30 minutes**: 19%
- **Up to 1 hour**: 26%
- **Up to 2 hours**: 19%
- **More than 2 hours**: 13%
- **None**: 23%

**26 minutes shopping online on Cyber Monday on average**

---

©2016 PayPal Inc. Confidential and proprietary.
About a fifth of working Americans would sign a petition or join a movement in order to not go to work on Cyber Monday

Half would not do any of these things in order not to work on Cyber Monday

Willing to do to Not Go into Work on Cyber Monday

- **Sign a petition**
  - 20% in total
  - M: 25%
  - X: 18%
  - B: 9%

- **Join a movement**
  - 17% in total
  - M: 21%
  - X: 16%
  - B: 8%

- **Work on Black Friday instead**
  - 14% in total
  - M: 17%
  - X: 12%
  - B: 9%

- **Extend Movember into December**
  - 11% in total
  - M: 16%
  - X: 7%
  - B: 7%

- **Give up alcohol for the holiday season**
  - 11% in total
  - M: 12%
  - X: 11%
  - B: 5%

- **Give up caffeine for the holiday season**
  - 11% in total
  - M: 14%
  - X: 10%
  - B: 5%

- **Shave your head**
  - 7% in total
  - M: 8%
  - X: 7%
  - B: 2%

- **None of these**
  - 48% in total
  - M: 38%
  - X: 54%
  - B: 64%

©2016 PayPal Inc. Confidential and proprietary.
Charitable Donations
Three in five Americans plan to make charitable donations this Holiday Season

Those that aren’t donating say they don’t have extra money after the holidays

$259 average amount people plan to donate this Holiday Season

Planning to Make Charitable Donations This Year

Donations This Holiday Season

Half of Donors will donate online
On average, Americans will donate just over $250 this holiday season. Males, those in the West and Young Boomers will be the most generous this season.

Donations This Holiday Season

- **Male**: $302
- **Female**: $218
- **Northeast**: $279
- **Midwest**: $186
- **South**: $251
- **West**: $317
- **Millennials**: $245
- **GenX**: $230
- **Young Boomers**: $416

Q33. In total, how much do you plan to donate during the holiday season? (Base: Those planning to make charitable donations this year - Total=623; Male=303; Female=319; Northeast=111; Midwest=125; South=233; West=153; Millennials=270; GenX=276; Young Boomers=76)
Data Sources
Data Sources
Study commissioned by PayPal 2016

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
At PayPal (NASDAQ: PYPL), we put people at the center of everything we do. Founded in 1998, we continue to be at the forefront of the digital payments revolution. PayPal gives people better ways to manage and move their money, offering them choice and flexibility in how they are able to send money, pay or get paid. We operate an open, secure and technology agnostic payments platform that businesses use to securely transact with their customers online, in stores and increasingly on mobile devices. In 2015, 28% of the 4.9 billion payments we processed were made on a mobile device. With our 192 million active customer accounts, PayPal is a truly global payments platform that is available to people in more than 200 markets, allowing customers to get paid in more than 100 currencies, withdraw funds to their bank accounts 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 PYPL financial information, visit https://investor.paypal-corp.com.