

PayPal Money Habits Study *– U.S.*

Research Findings

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Introduction

Between friends and family, money lending, borrowing, requesting, and personal preferences for getting paid back is awkward (to say the least). Most people dislike personal checks and while cash is certainly still king, mobile payments are on the rise. In particular, “peer-to-peer” (P2P) payments are becoming more popular for IOUs, group gifts, and shared travel expenses.

We enlisted Koski Research to conduct **PayPal’s Money Habits Study**: an online survey conducted in the US, Canada, Germany, and Australia on consumer behaviors and attitudes toward money and payment options. Over 4,000 respondents ages 18-55 participated in the survey, sharing their feelings about preferred payment methods, P2P usage, and the barriers that existing payment methods face.

Methodology

What & When

A 14 minute online study was conducted by Koski Research between May 14 and May 19, 2015. Additionally, a 5 minute online study was conducted by Koski Research between June 22 and June 28, 2015.

Who

1041 Americans across three generations from an online panel:

- 382 Millennials (aged 18-33)
- 482 Generation X (aged 34-50)
- 176 Young Boomers (aged 51-55)

All survey participants are ages 18 to 55

In the U.S., respondents have different attitudes toward payment methods depending on their region and age.

P2P Usage by Generation

P2P usage is much higher among Millennials.

Millennials

- 32% use P2P
- 46% of P2P users have used P2P in the past week
- One-quarter prefer P2P for paying others back and getting paid back
- 42% would prefer to pay with their mobile phone (vs. wallet)
- One-quarter have used P2P for group gifting and travel

Generation X

- 25% use P2P
- 27% of P2P users have used P2P in the past week
- One-fifth prefer P2P for paying others back and getting paid back
- 35% would prefer to pay with their mobile phone (vs. wallet)
- One in seven have used P2P for group gifting and travel

Young Boomers

- 17% use P2P
- 20% of P2P users have used P2P in the past week
- One in seven prefer P2P for paying others back and getting paid back
- 23% would prefer to pay with their mobile phone (vs. wallet)
- One in ten have used P2P for group gifting and travel

Focus On: Region

	Northeast ^a (n=219)	Midwest ^b (n=226)	South ^c (n=407)	West ^d (n=189)
Words Best Describing Feelings about Paying Money Owed Using P2P Payments				
Liberating	67% ^b	56%	70% ^b	63%
Stressful	33%	44% ^{ac}	30%	37%
Easy	77%	70%	81% ^{bd}	73%
Painful	23%	30% ^c	19%	27% ^c
Seamless	65% ^d	57%	63% ^d	53%
Confusing	35%	43%	37%	47% ^{ac}
Statement Best Describing Feelings About P2P				
I trust that my money is safe when I transfer it electronically or through a mobile app	53% ^{bd}	42%	51% ^b	42%
I worry about the safety of my money when I send it electronically or through a mobile app	47%	58% ^{ac}	49%	58% ^a
Transferring money electronically or through a mobile app is seamless	68%	63%	69% ^d	60%
Transferring money electronically or through a mobile app is a real hassle	32%	37%	31%	40% ^c

(Base: Total) Letters indicate significant differences at the 95% confidence level.

Focus On: Region

	Northeast ^a (n=219)	Midwest ^b (n=226)	South ^c (n=407)	West ^d (n=189)
Statement Best Describing Feelings about Paying for Shared Expenses				
I trust that my friends will pay me back when we share expenses	75% ^d	69%	72%	64%
If I don't get paid back immediately, I don't trust that I will get paid back	25%	31%	29%	36% ^a
I always make sure I get my money back from friends when we share expenses	55% ^d	50%	50%	44%
When I share expenses with others, I sometimes don't get paid back because I don't want to make a big deal out of it	45%	50%	50%	56% ^a
How Expenses Dealt with When Traveling (Among those who travel with others)				
	(n=77)	(n=68)	(n=142)	(n=65)
Check	19%	34% ^a	27%	28%
Peer-to-peer payment (i.e. transfer electronically or through a mobile app)	47% ^{bc}	22%	27%	32%
Have Used Peer-to-Peer Payments When Traveling	23% ^b	14%	18%	18%
How Funds Collected for Pooled Funds Gifts (Among those who have pooled funds)				
	(n=164)	(n=169)	(n=289)	(n=127)
Collecting checks	24%	40% ^a	31%	35% ^a
Peer-to-peer payments (i.e. transfer electronically or through a mobile app)	23% ^b	12%	16%	24% ^b

(B:

Data Sources

Study commissioned by PayPal 2015

Koski Research

Koski Research specializes in custom research solutions that answer the most complex business questions of Fortune 1000 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, last year we processed 4 billion payments, of which 1 billion were made on mobile devices. PayPal gives people better ways to connect to their money and to each other, helping them safely access and move their money and offering a choice of how they would like to pay or be paid. With our 169 million active customer accounts, we have created an open and secure payments ecosystem that people and businesses choose to securely transact with each other online, in stores and on mobile devices. PayPal is a truly global payments platform that is available to people in [203 markets](#), allowing customers to get paid in more than 100 currencies, withdraw funds to their bank accounts in 57 currencies and hold balances in their PayPal accounts in 26 currencies. For more information on PayPal, visit about.paypal-corp.com. For PYPL financial information visit investor.paypal-corp.com.