

PayPal Money Habits Study *– Global*

Research Findings

September 1, 2015



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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 June 25, 2015. Additionally, a 5 minute online study was conducted by Koski Research between June 22 and June 28, 2015. Koski Research is neither affiliated with, nor employed by, PayPal, Inc.

Who

4 countries were sampled via an online panel:

- United States (N=1041)
- Canada (N=1020)
- Germany (N=1006)
- Australia (N=1010)

All survey participants are ages 18 to 55

Globally, many people hate owing each other money, and relationships can suffer as a result of IOUs.

Across the countries, almost everyone hates owing someone money; most hate carrying a check book or writing checks.

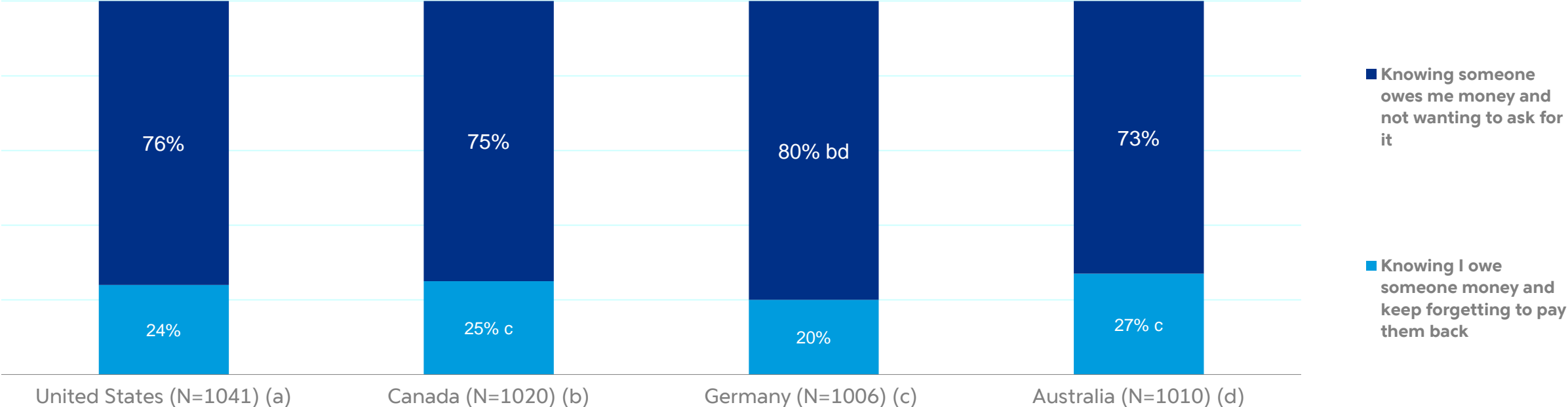
Attitudes Regarding Money and Payments

	United States (N=1041) (a)		Canada (N=1020) (b)		Germany (N=1006) (c)		Australia (N=1010) (d)	
	Hate It	Love It	Hate It	Love It	Hate It	Love It	Hate It	Love It
Owing someone money	93%	7%	94%	6%	93%	7%	93%	7%
Carrying a check book	79%	21% bd	86% a	14%	N/A	N/A	89% a	11%
Writing checks	74%	26% bd	81% a	19% d	N/A	N/A	87% ab	13%

Q8. For each of the following items related to money and payments, please select the option that applies to you.
(Base: Total) Letters indicate significant differences at the 95% confidence level.

Across the countries, most prefer being owed money than owing money.

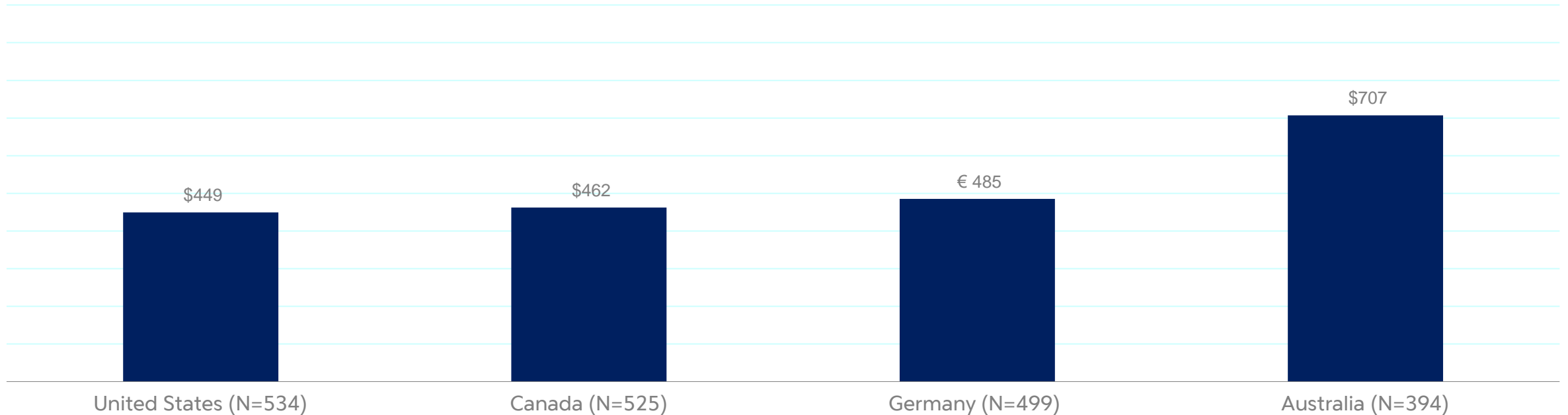
Which Situation Would Rather Be In



Q13. Which situation would you rather be in? (Base: Total)
Letters indicate significant differences at the 95% confidence level.

Americans, Canadians, and Germans are owed around \$450. Australians are typically owed more money.

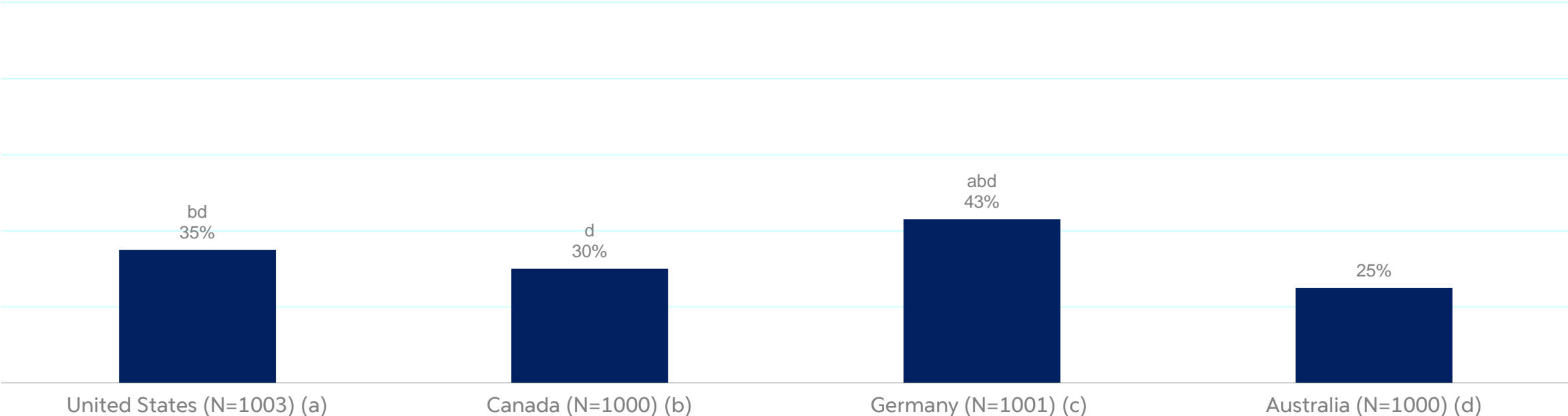
Mean Amount Owed for Small Debts



Q2. About how much are you owed for all these small debts?
(Base: Those who are owed money).

Relationships have been impacted by debts, particularly in Germany.

Lost Relationship or Had a Relationship Ruined Due to Debt Owed



Q5. Even with the best of intentions, some of these small debts never get paid back. Have you ever lost a relationship or had a relationship ruined with a friend or family member because either you did not pay back a small debt or someone did not pay a small debt back to you?
(Base: Total) Letters indicate significant differences at the 95% confidence level.

Sharing expenses creates problems – it can be awkward, embarrassing and approximately half say they do not always get paid back.

Australians typically have more issues with group gifting

Statement Best Describing Feelings about Paying for Shared Expenses

	United States (N=1041) (a)	Canada (N=1020) (b)	Germany (N=1006) (c)	Australia (N=1010) (d)
I have no problem having friends pay for me if I don't have enough cash at the moment	42%	46% a	47% a	46%
It is embarrassing to have friends pay for me if I don't have enough cash at the moment	58% bc	54%	53%	54%
I trust that my friends will pay me back when we share expenses	71%	71%	77% abd	70%
If I don't get paid back immediately, I don't trust that I will get paid back	29% c	29% c	23%	30% c
I don't have trouble asking my friends or family to pay me back	48%	47%	54% abd	45%
I find it awkward to ask my friends or family to pay me back	52% c	53% c	46%	55% c
I always make sure I get my money back from friends when we share expenses	50% d	53% d	67% abd	45%
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	50% c	47% c	33%	55% abc

Q12. Please select which statement best describes how you feel about paying for shared expenses.
(Base: Total) Letters indicate significant differences at the 95% confidence level.

Projecting How Much People are Owed.

Country	Amount Owed
United States	\$37,606,684,142
Canada	\$2,625,704,902
Germany	\$9,155,733,396
Australia	\$1,933,253,408
Total Across Four Countries	\$51,321,375,849

** See Slide 12 for Methodology*

Projecting How Much People are Owed: Methodology

1. For each country, the estimated 2014-2015 total population ages 18 to 55 was calculated using census data from the following sources:
<http://www.census.gov/population/international/data/idb/informationGateway.php> (all countries), [/www.destatis.de/EN/FactsFigures/SocietyState/Population/CurrentPopulation/CurrentPopulation.html](http://www.destatis.de/EN/FactsFigures/SocietyState/Population/CurrentPopulation/CurrentPopulation.html) (Germany), <http://www.abs.gov.au/census> (Australia), <http://www12.statcan.gc.ca/census-recensement/index-eng.cfm> (Canada), and <http://www.census.gov/> (United States)
2. That estimate was decreased to represent the population who are online using this source:
<http://www.internetworldstats.com/stats.htm>
3. That population number was multiplied by the percentage of people who indicated they are owed money from the PayPal P2P PR survey.
4. This provided an estimate of the total online population ages 18 to 55 who are owed money in each country.
5. That number was multiplied by the average (mean) amount owed per person in each country taken from the PayPal P2P PR survey.
6. This provided the total amount owed among those 18 to 55 who are online.
7. The Australia, Germany, and Canadian amounts were converted to US currency using a currency converter calculator.

P2P usage is becoming widespread across the globe. Consumers dislike carrying cash, and P2P serves as a convenient and 'liberating' option.

Best descriptions of using P2P to pay back money: time saving and easy.

	United States (N=1041) (a)	Canada (N=1020) (b)	Germany (N=1006) (c)	Australia (N=1010) (d)
Time saving	79% d	77% d	79% d	71%
Time consuming	21%	23%	21%	29% abc
Easy	77% d	74% d	77% d	68%
Painful	23%	26%	23%	32% abc
Liberating	65% d	63% d	64% d	58%
Stressful	35%	37%	36%	42% abc
Free	65%	61%	63%	66%
Expensive	35%	39%	37%	34%
Seamless	61%	62% d	62% d	57%
Confusing	39%	38%	38%	43% bc
Secure	57% c	59% cd	46%	54% c
Unsafe	43%	41%	54% abd	46% b
Personal	53% cd	55% cd	35%	48% c
Impersonal	47%	45%	65% abd	52% ab

Q10. Which one word describes how you feel about paying someone money you owe using peer-to-peer payments?
(Base: Total) Letters indicate significant differences at the 95% confidence level.

Canada Leads in P2P Payments.

Peer-to-Peer Payments Usage Stats

- Canadians more likely have the most experience using P2P, though Interac e-Transfer is available in that country
- Canadians more likely have a lower preference for P2P but they are selecting Interac e-Transfer as another alternative
- Americans are most likely to consider P2P for group gifting
- Australians more likely have used P2P most for group gifting and travel

	United States (a)	Canada (b)	Germany (c)	Australia (d)
Usage: Have Used P2P	26%	35% acd	25%	29%
How Prefer to Pay Someone Back: P2P	23% b	16%	20%	26% bc
How Prefer to Get Paid Back: P2P	23% b	16%	20%	26% bc
Preferred Method of Payment: Mobile Phone (vs. Wallet)	36% bd	28%	34% bd	29%
How Would Feel from Immediate Pay Back on App on Phone: Relief (vs. Worry)	74 d	76% cd	71%	67%
Used P2P When Travelling	18%	19%	N/A	29% ab
How Pay People Back When Travelling: P2P	32%	22%	N/A	39% ab

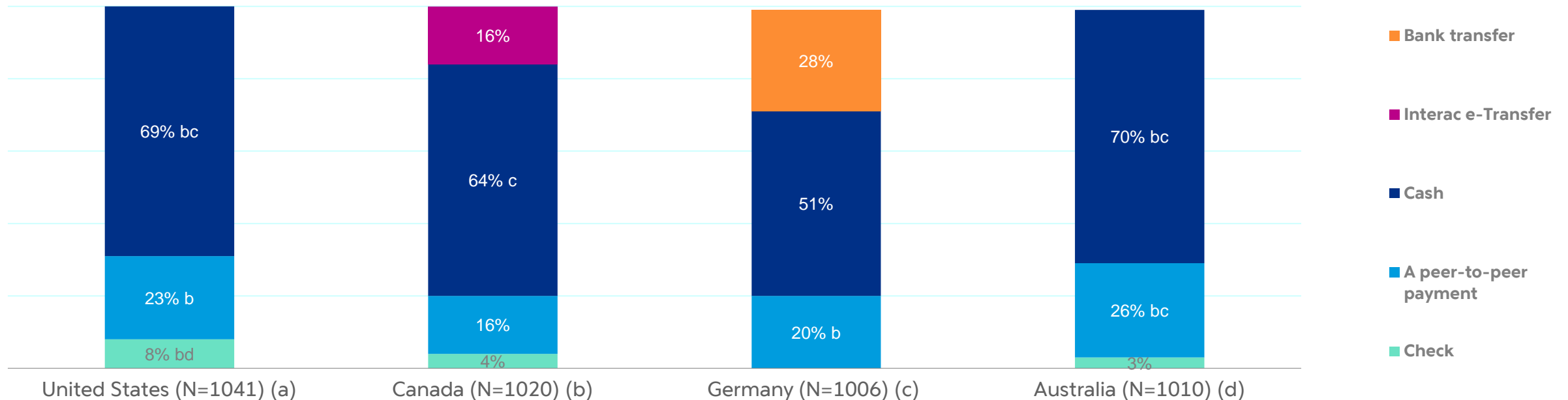
Summary of results.

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

About one-quarter prefers a P2P payment for getting paid back for shared expenses.

Cash though is the preferred method; Canadians also typically prefer Interac e-Transfer

How Prefer to Get Paid Back When Sharing an Expense with Someone

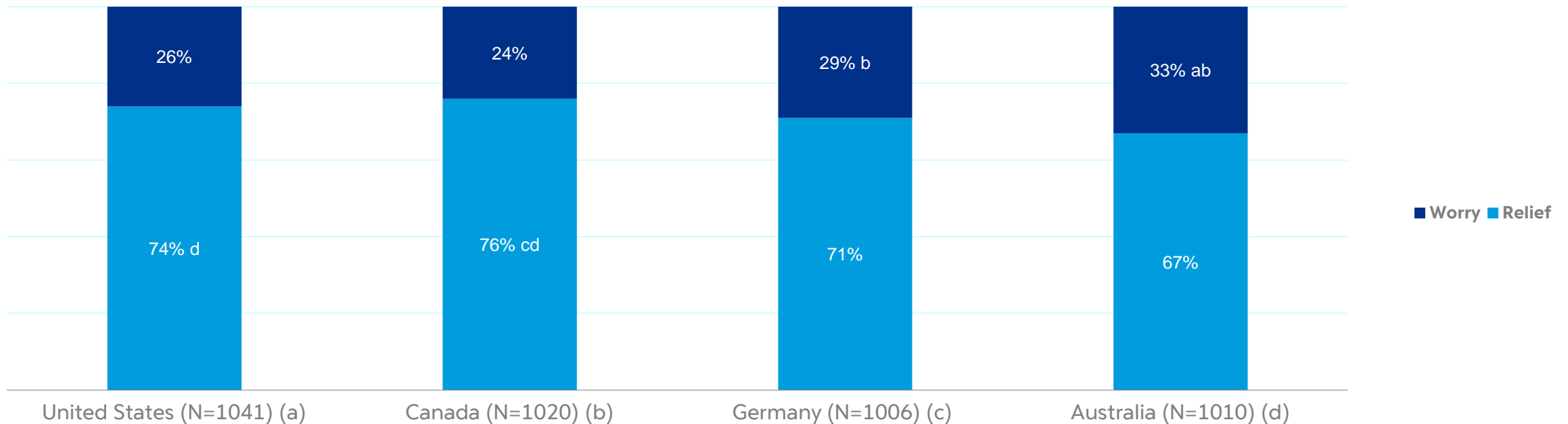


Q3. If I share an expense with someone, I prefer to get paid back with ...
(Base: Total) Letters indicate significant differences at the 95% confidence level.

The ability to pay people back immediately with a smartphone app provides relief rather than worry.

Australians would feel the most worry

Feeling Toward Paying Someone Immediately with App on Phone Versus Waiting to Write a Check/Getting Cash



Q14. Would paying someone back immediately with an app on your phone versus waiting to write a check or get cash make you feel...?
(Base: Total) Letters indicate significant differences at the 95% confidence level.

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.