



Consumer Payment Behaviors

September 2020

METHODOLOGY



Methodology:

- Brief, online survey
- Monthly tracking (June-December 2020 – *weekly Tracking April/May 2020*)
- Sample via EWS Online Research Panel



Population:

- 600 interviews per month
- Mobile Majority ages 18-72, determined by U.S. Census data
- Boomer segment (ages 55-72) added in Week 6

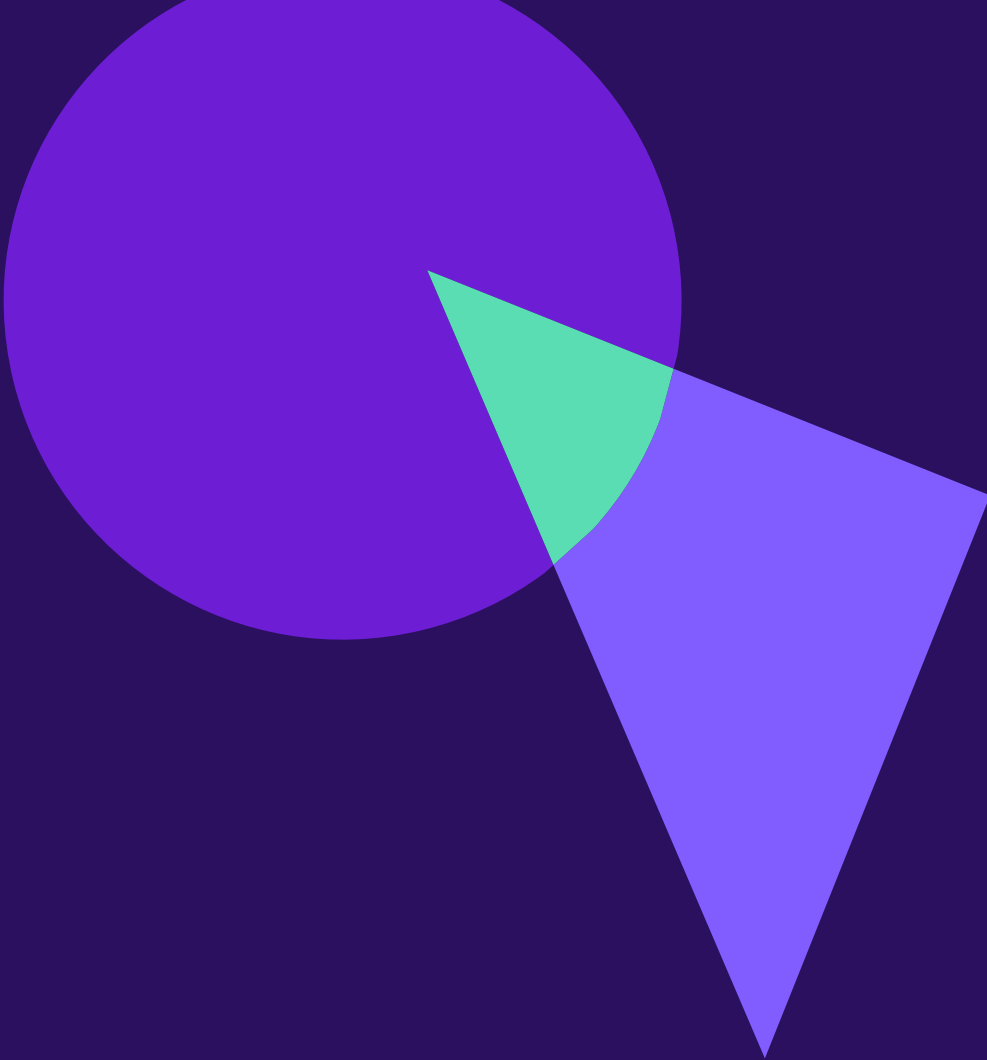


Qualifying Criteria

- Ages 18-72 | HS diploma or higher | Mix of race, gender, age, employment (no unemployed) | Standard criteria excludes unemployed – for this study, *temporarily unemployed due to crisis* are included
- Not employed in a sensitive industry
- Must own a smartphone and have a checking or savings account

KEY FINDINGS

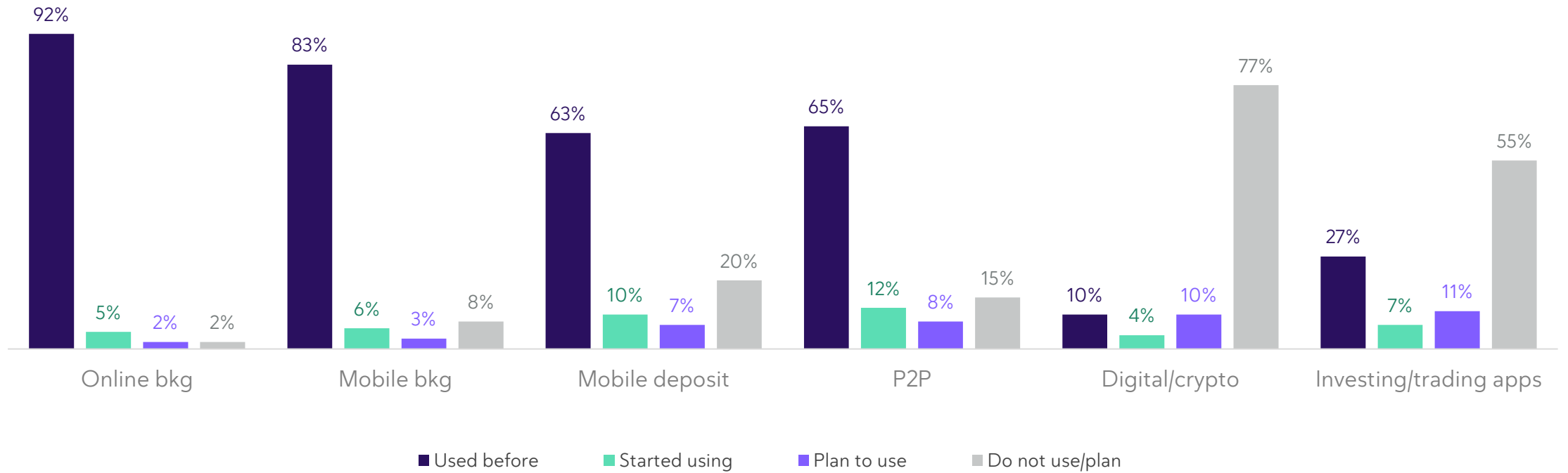
- Since the beginning of the COVID crisis, consumers' lives have been impacted on many levels and most express concern about the future. These concerns are justified as four in ten respondents have experienced a decrease in household income since the beginning, with lower income households impacted most heavily.
 - Consumers are concerned about their short-term and long-term financial health and their employment status, but are most concerned with the length of time it will take to “get back to normal”.
 - Concern over the risk of being targeted by financial scams or fraud has increased steadily during the COVID crisis, with more than half (53%) of respondents currently indicate this as a concern, versus less than four in ten (38%) in Week 1.
- These trends are impacting consumer spending and shopping behavior. More than four in ten respondents indicate lower overall household spending since the beginning of the crisis.
 - Consumers are spending more on groceries and in-home entertainment since the crisis, but all other spending has declined, most pronounced in out of home meals and entertainment, travel, gas, and personal care.
 - Consumers are shopping more frequently online and for home delivery of essentials
- The crisis seems to be spurring adoption of online banking and financial services. Seventeen percent of respondents indicated they have either started using, or plan to start using, mobile deposit and twenty percent started or plan to start using P2P services.



Impact of Crisis

CHANGES IN USE OF DIGITAL FINANCIAL SERVICES SINCE CRISIS

One-fifth of consumers report either initial adoption, or plans to adopt, P2P services



Source Q4B. Since the U.S. national emergency declaration on March 13, 2020, how would you best describe your usage, or intended future usage, of each of the digital financial service solutions listed below?

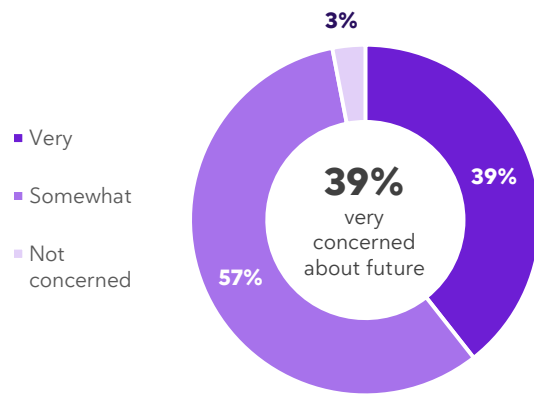
CURRENT FINANCIAL CONCERNS

Nearly one in four consumers report High concerns about the future

"I am fearful that we are headed for a great depression...I have drastically cut down on my expenses...try to save as much money as possible in preparation for such a dreadful time in our history."

- Gen X Consumer

Overall concern about the future

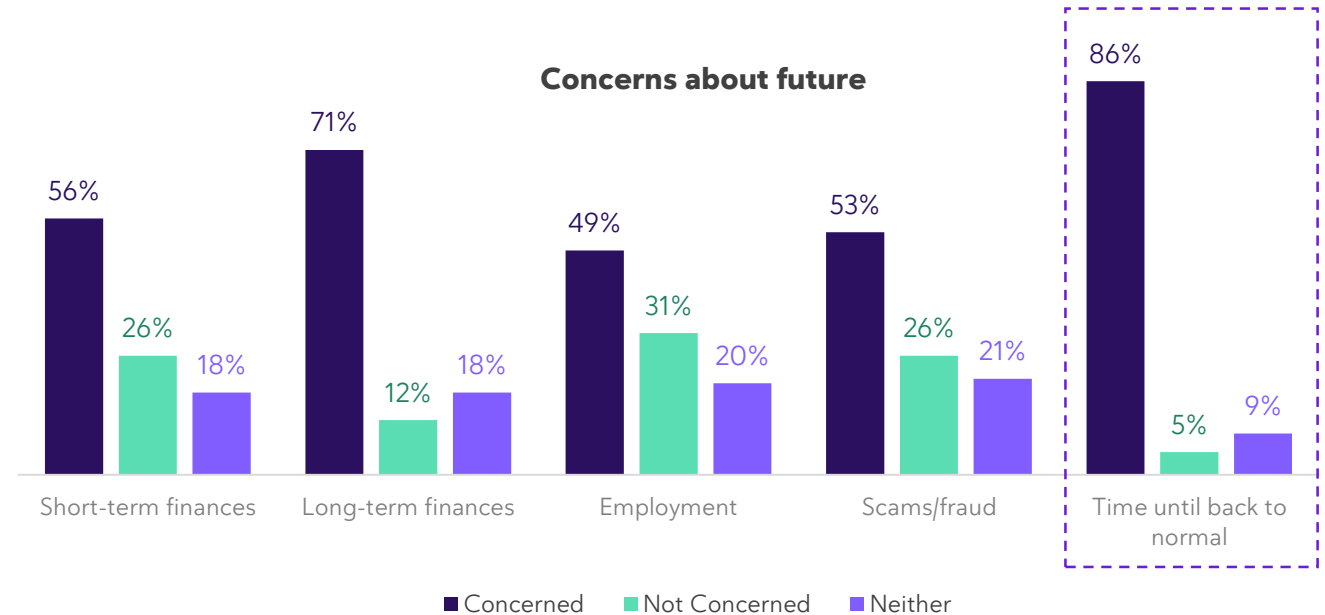


Lower income households (\$50K or less, \$50K-\$99.9K) show greater concern, while Boomers show lower concern, over short-term finances

Boomers are least concerned about employment

Scams and fraud are a concern among all age groups

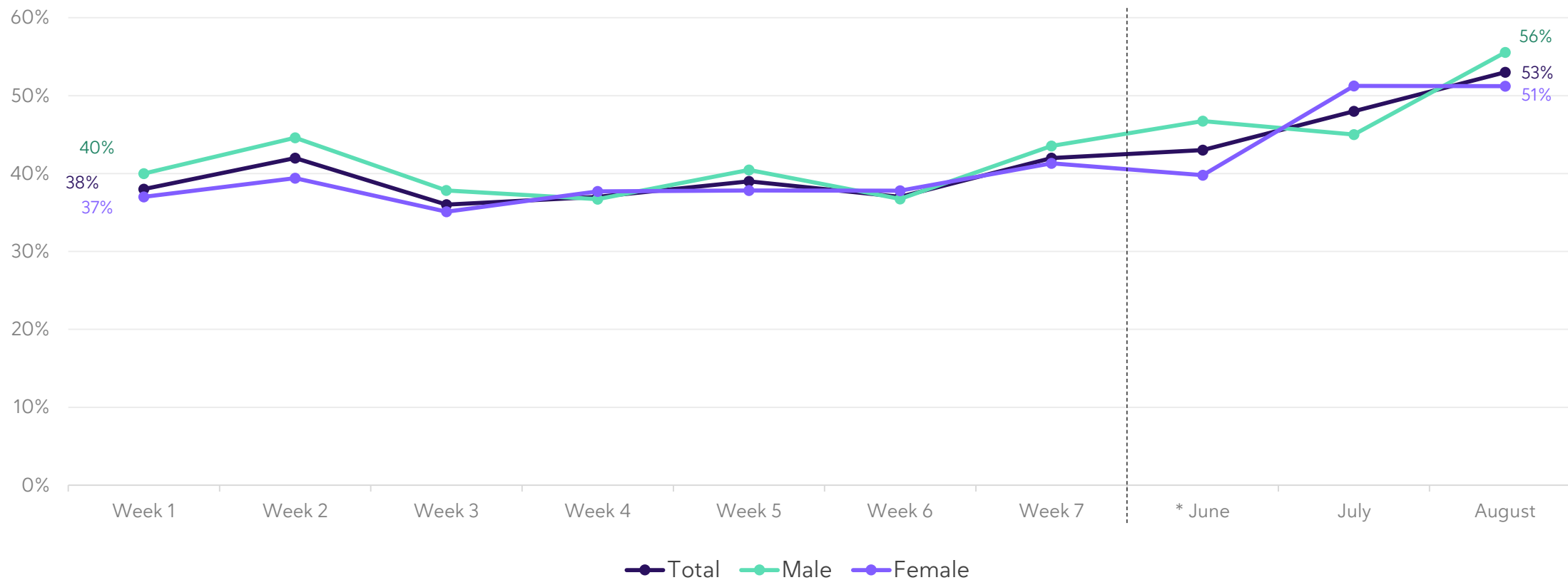
Concerns about future



Source Q8. and Q7. Using the ten-point scale below, please rate your level of concern about the future. How concerned are you, personally, about the each of the following?

CONCERN OVER THE RISK OF BEING TARGETED BY FINANCIAL SCAMS OR FRAUD

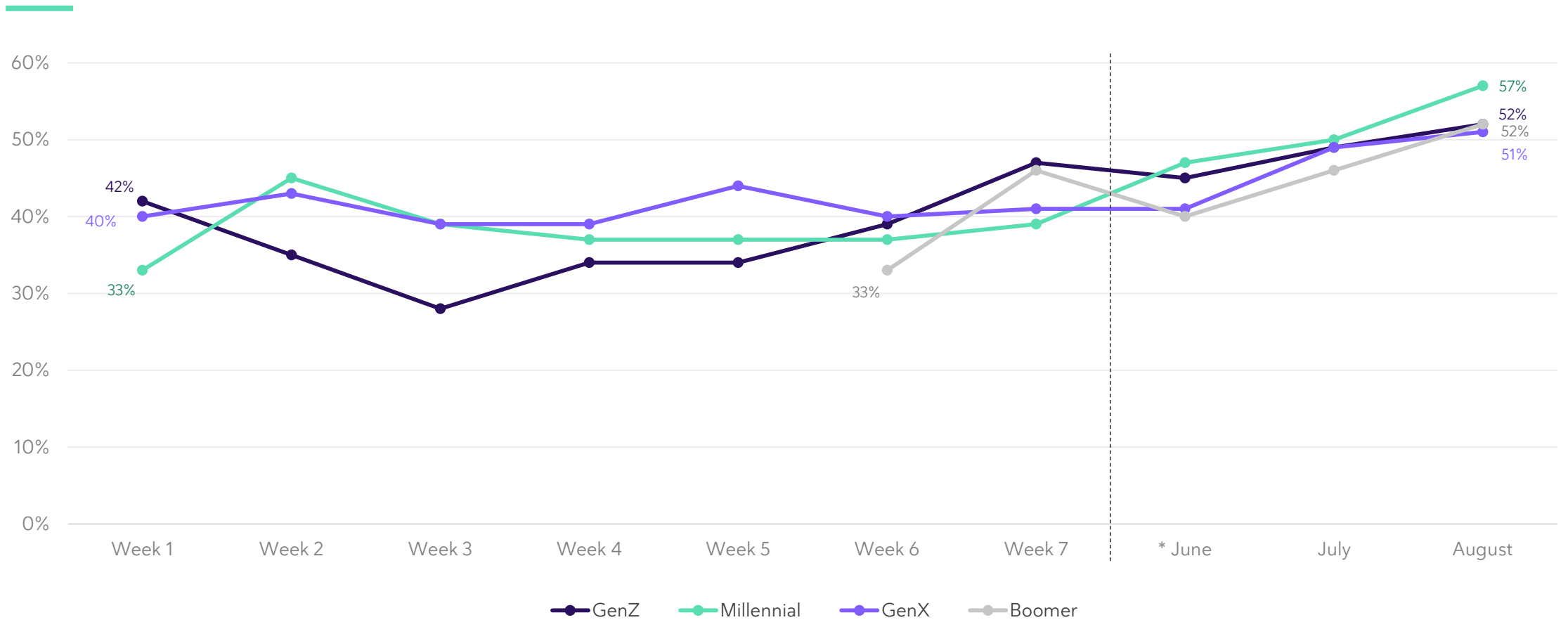
Concerns over potential fraud and/or scams has increased significantly since Week 1



Source Q7. Using the ten-point scale below, please rate your level of concern about the future. How concerned are you, personally, about the each of the following?

CONCERN OVER THE RISK OF BEING TARGETED BY FINANCIAL SCAMS OR FRAUD

Concerns over potential fraud and/or scams has increased significantly since Week 1



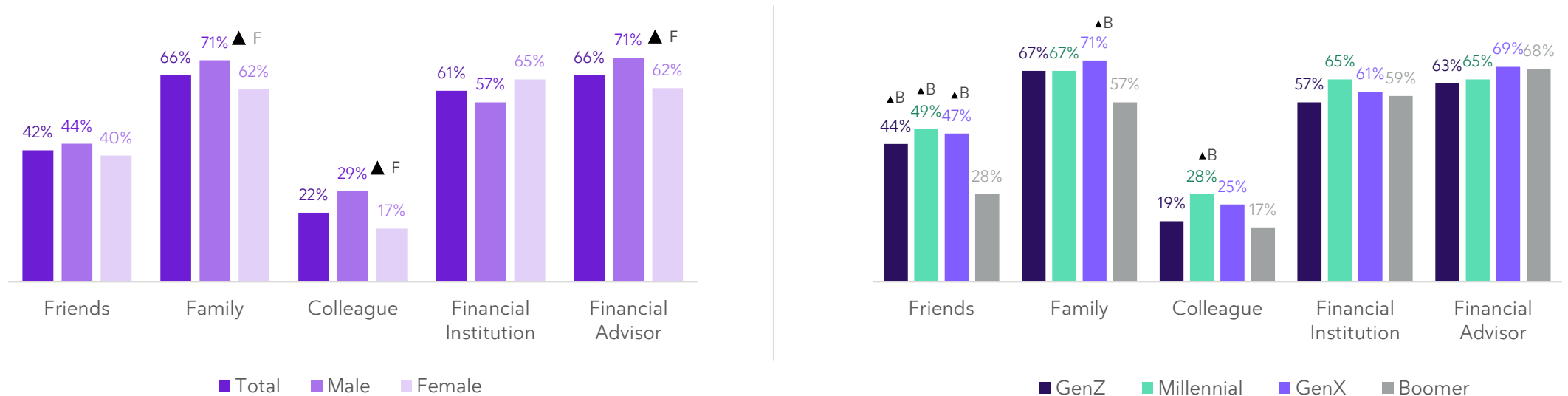
Source Q7. Using the ten-point scale below, please rate your level of concern about the future. How concerned are you, personally, about the each of the following?

COMFORT LEVEL IN DISCUSSING FINANCIAL SITUATION

Consumers express a high level of comfort discussing finances with family, financial institutions, and financial advisors, less so with friends and colleagues.

- Females are significantly less comfortable discussing finances with family, colleagues, and financial advisors than males.
- Boomers are significantly less comfortable discussing finances with friends and family than other age cohorts.
- Comfort level discussing finances increases with household income.

Top 2 Box – Very/Somewhat Comfortable



Source Q9. Please indicate your level of comfort in discussing your financial situation with the following.



Shopping & Spending Behaviors

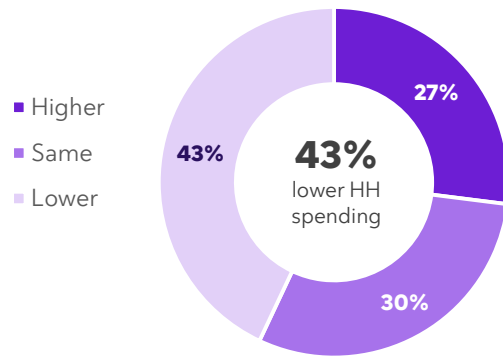
CHANGES IN SPENDING/SHOPPING BEHAVIOR SINCE CRISIS

More than half of households report lower levels of spending since the crisis

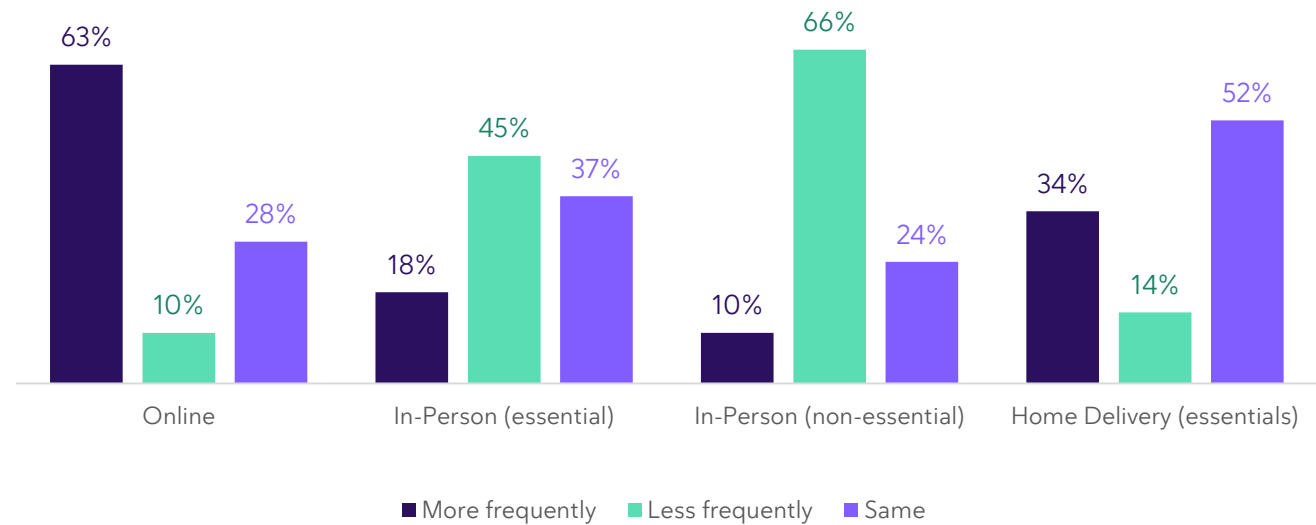
"We are spending a lot less and will continue until the economy gets better."
- GenX Consumer

"Our spending behaviors have not changed. We are however, using more online shopping."
- Millennial Consumer

Changes in household spending since crisis

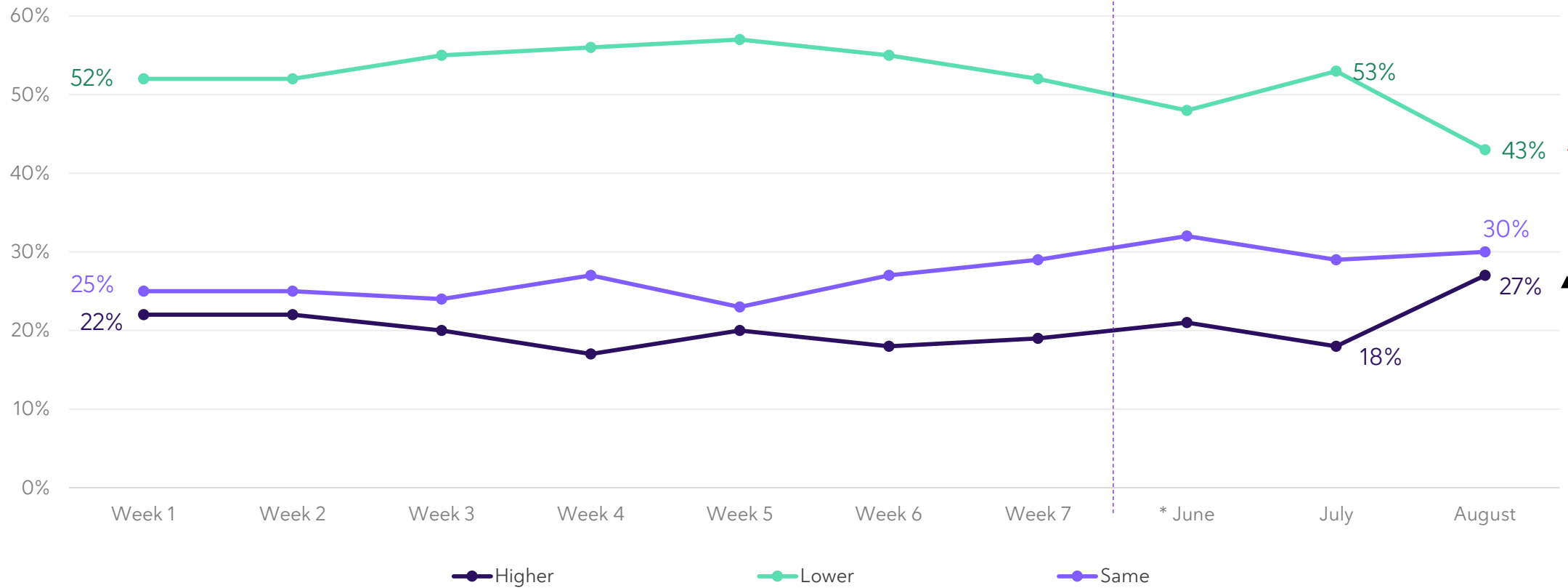


Shopping changes by category



Source Q2. & Q3. Since the U S national emergency declaration on March 13, 2020, how has your household spending changed, if at all? How has your shopping behavior changed, if at all?

CHANGES IN HOUSEHOLD SPENDING SINCE CRISIS



Source Q2. Since the U S national emergency declaration on March 13, 2020, how has your household spending changed, if at all?

* Ages 18-72 (ages 55-72 Boomers added in Week 6 and not included in weekly trends)



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▲ = significantly higher than prior week at 95% confidence level

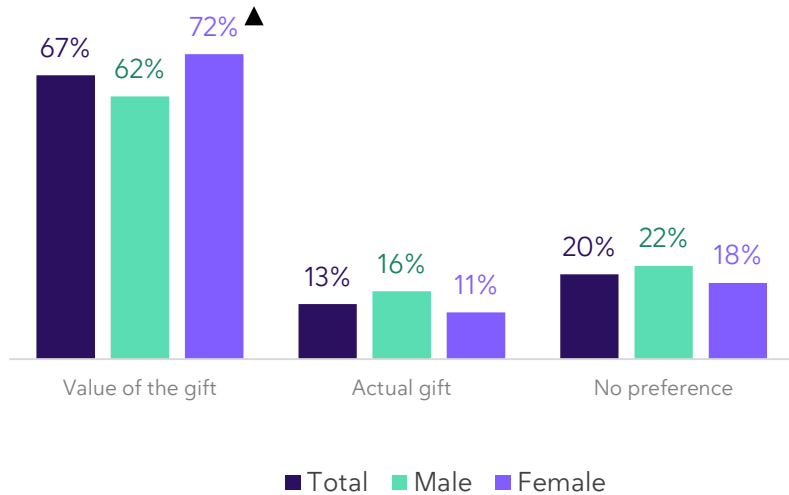
▲ = significantly lower than prior week at 95% confidence level

GIFTING

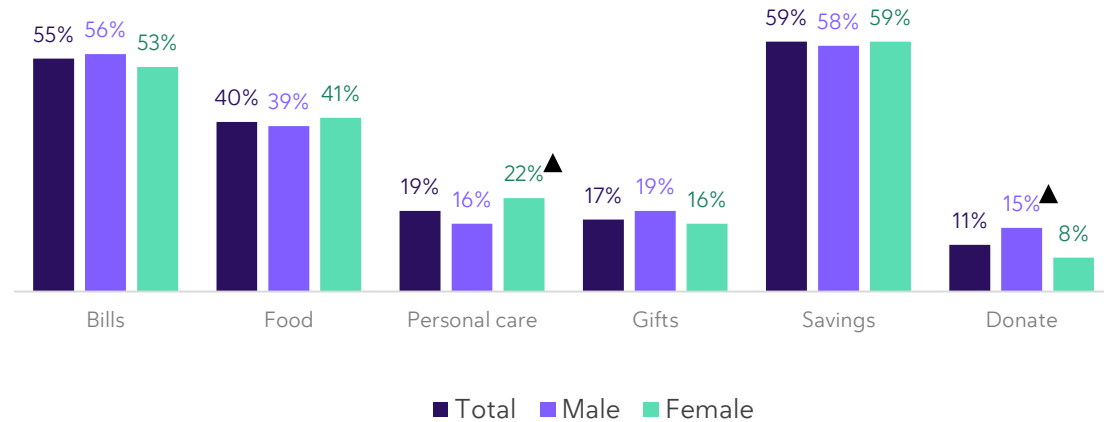
Most consumers would prefer to receive money in their bank accounts over an actual gift. Consumers would be most likely to use unexpected money to put in savings, pay bills, and purchase food.

- Females are significantly more likely to prefer cash over gifts than males.
- Households with \$50K or less in household income would be more likely to spend unexpected money on bills and food than higher income households.

Gift Preference



What Would Do With Unexpected Money

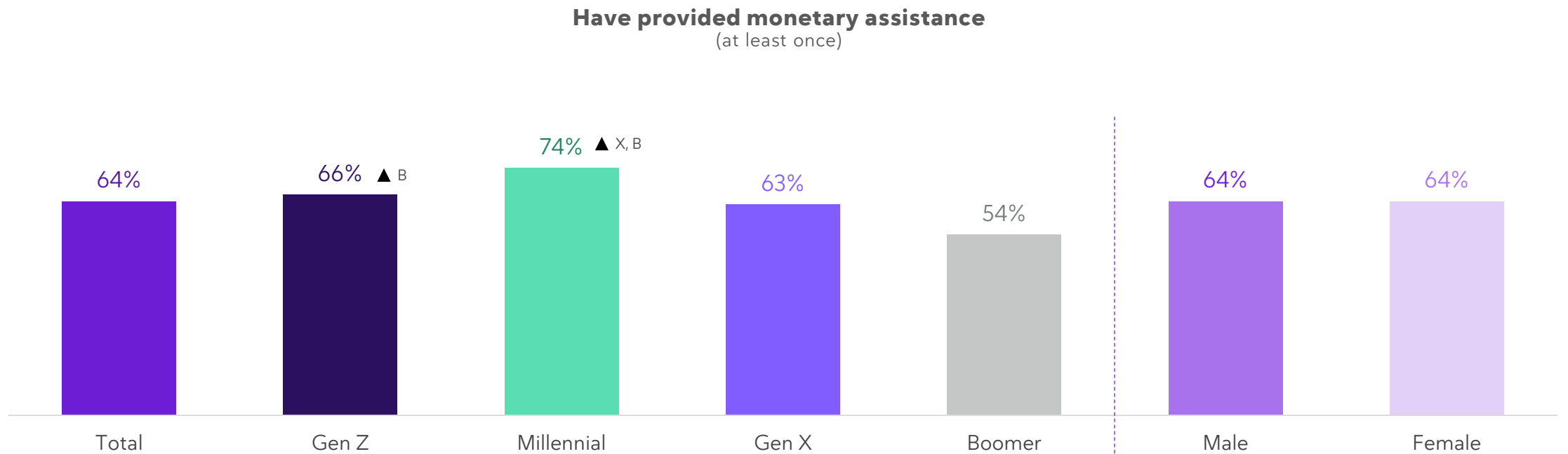


Source Q10 & Q11. If someone was going to give you a gift with a value of \$100, how would you most prefer to receive the gift? If you unexpectedly received a monetary gift, what would you do with the money you received?

PROVIDING MONETARY ASSISTANCE

Nearly two-thirds of consumers have sent financial aid to someone since the COVID crisis.

- GenZ and Millennials are most likely to have provided financial aid to someone.



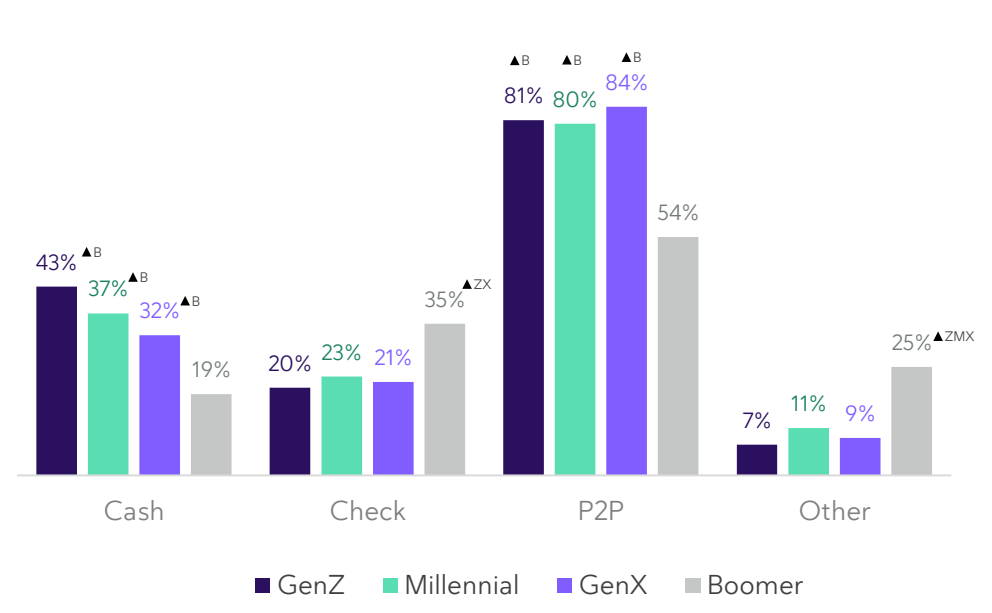
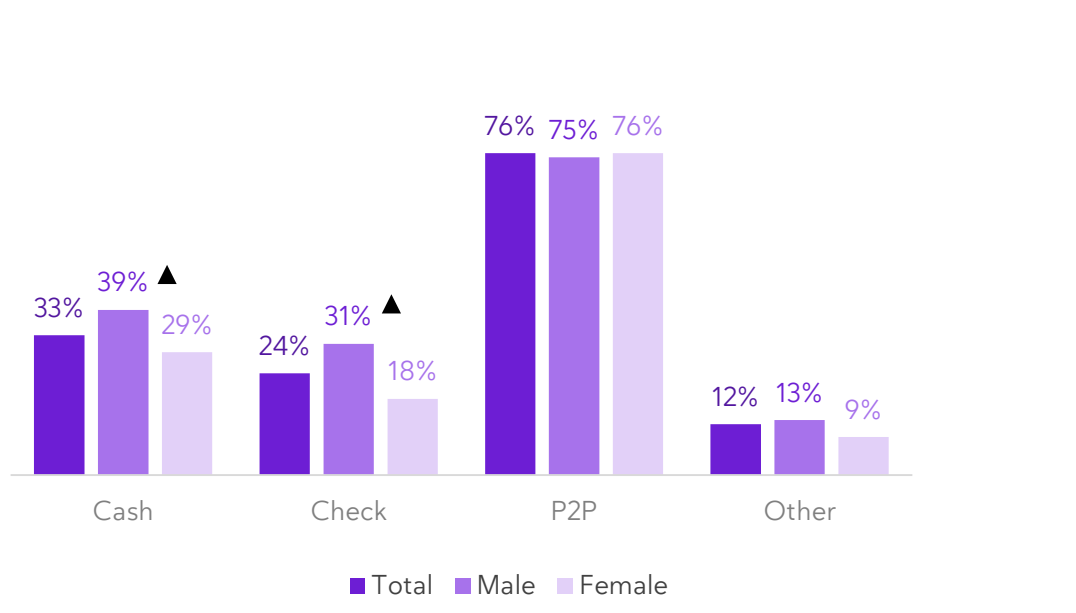
Source Q12. Since the novel coronavirus (COVID-19) outbreak, how many times have you sent money to a friend, loved one, or charitable organization to provide financial assistance?

PROVIDING MONETARY ASSISTANCE

Consumers are most likely to use P2P when providing financial aid to someone.

- Males are more likely to use cash and checks than females.
- Boomers are less likely to use P2P and cash and more likely to use checks to send financial aid than other age groups.

Methods used to send monetary assistance

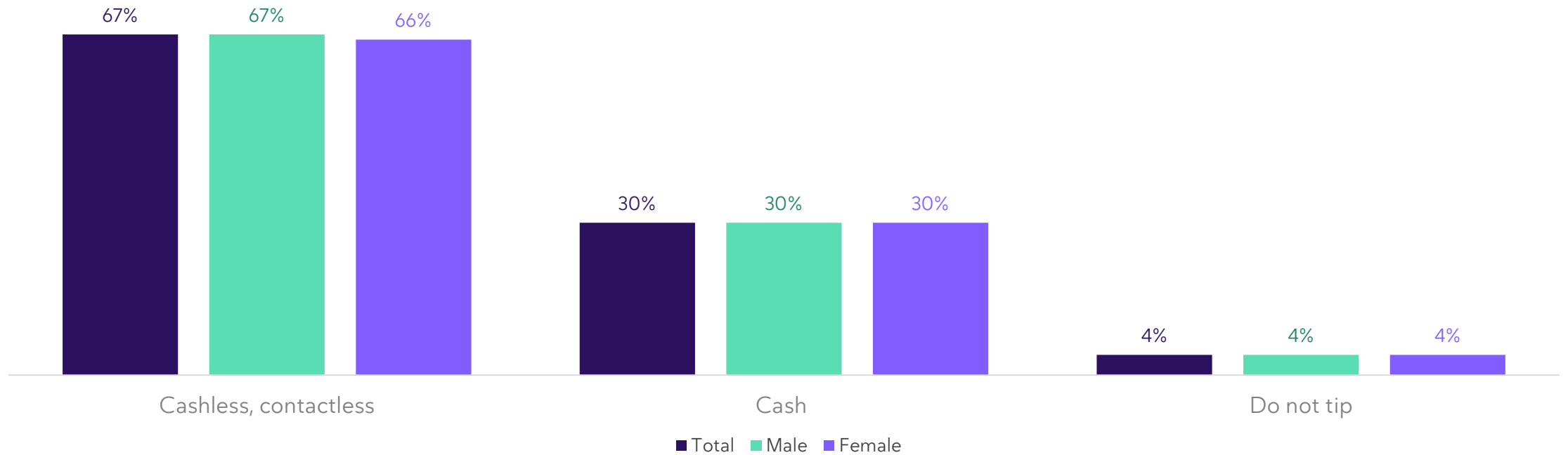


Source Q12b. Which of the following methods did/do you use to send the money?



TIPPING PREFERENCE

Most consumers prefer a cashless, contactless method when tipping service providers during the COVID crisis.



Source Q13. Experts have warned that cash can carry COVID-19 and other potentially harmful organisms. How do you most prefer to tip a provider (such as takeout/delivery, personal services, home care) for their service(s)?

zelle

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