

## PayPal Study Reveals Adults Globally Owed More Than \$51 Billion by Friends and Family

### People in the U.S., Canada, Germany and Australia Are Owed \$450 on Average

SAN JOSE, Calif.--Today PayPal released a new [PayPal Money Habits Study](#) that sheds new light on people's attitudes and behaviors around money. In a survey of 4,000 consumers in the U.S., Canada, Germany and Australia, the study found that one third of adults in the U.S. have ruined a relationship over IOUs and are owed on average \$450. A driving reason is discomfort around financial conversations; more than 50 percent of Americans find it awkward to ask their friends or family to pay them back.

The survey also found digital wallets continue to gain popularity with one third of respondents preferring a digital wallet to a real one. Most people dislike dealing with checks (74 percent), and while cash is still king, mobile payments are on the rise with peer-to-peer (P2P) payments increasingly popular for IOUs.

"As we see money going digital and mobile, people need more flexible ways to manage their money. It's simple – we all want no-fuss ways to pay and get paid back, and avoid awkward IOU conversations," said Matt Gromada, Director of Consumer Product Marketing at PayPal. "PayPal pioneered sending money digitally 16 years ago, and we are continuing to lead the way with our P2P offerings."

#### **Why don't people ask for their money back? Awkward!!**

Bottom line – money is an uncomfortable subject and it takes a lot of time to chase down debts. More than half of people surveyed across the four countries find it awkward to ask their friends or family members to pay them back, and nearly 55 percent on average admitted they felt embarrassed asking friends to spot them cash.

"People are more willing to discuss their sex lives than their finances," says Dr. Ryan Howell, Associate Professor of Psychology at San Francisco State University and an expert on the psychology of spending. "Money is still considered an incredibly private, personal topic for many people due to deep-seated cross-cultural stigmas around money."

Not only do most people feel anxiety bringing up IOUs, nearly 50 percent of people across the four countries never get paid back because they are too uncomfortable bringing up the subject. But letting these debts go can have real fiscal and social consequences.

#### **Are a few small debts really a big deal? Actually, yes.**

Small, unpaid debts between friends may seem easy to forgive when hoping to avoid awkward conversations, but they can leave a sizable hole in consumers' wallets. According to PayPal's study, adults are owed an average of nearly \$450 – a global total of \$51 billion.

That's a pretty steep financial cost, but the greater one comes to people's health and happiness – one-third of people have lost a friend or ruined a family relationship over debt. Dr. Howell explains that social connections are not just a nice-to-have, they are a must-have for our emotional well-being.

#### **Digital P2P Payments are Poised for a Takeover**

PayPal just announced a way to name your money with PayPal.Me – a free, simple, and personal way for people to request money from anyone across the globe. PayPal.Me is a personal link (for example, John Smith's link could be [paypal.me/JohnSmith](#)) and can be sent to groups of friends, family and colleagues for a quick, hassle-free way to pay someone back quickly. It's an instant, safe, unique link that works on any device no matter where it's used – in a text, email, instant messenger, social media post, blog, or on the web. Anyone who receives it has a fast and easy way to pay an IOU quickly.

With P2P payments providing the option to avoid wasting time to chase down debts or deal with the friendships going sour over money, the vast majority of people around the world are looking forward to foregoing having to rustle up cash or pull out a checkbook when it comes time to split a bill or go in on a present together in the near future.

#### **About the Study**

PayPal commissioned a global study with Koski Research to uncover people's attitudes and behaviors about money and digital payment options. Between May 14, 2015 and June 25, 2015, over 4,000 participants from the U.S., Canada, Germany and Australia participated in the 14-minute online study. Additionally, a five-minute online study was conducted by Koski Research between June 22 and June 28, 2015 to over 4,000 participants from the U.S., Canada, Germany and Australia.

### **About 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](#).

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