



# What the Newest Generation Expects from Paying Bills

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# About this Survey

PayNearMe conducted an online survey in April 2021 to determine perceptions and preferences for how U.S. consumers want to pay their bills. The survey captured responses from a broad distribution of 2,676 U.S. consumers aged 18 and older.

## The Survey Aimed to Uncover:

- How consumers want to pay their bills
- What types of features and functionality would make the bill pay experience easier
- What consumers expect from their bill pay experience in the future
- How businesses must adapt their bill pay experience to meet shifting consumer expectations

## Respondent Profile

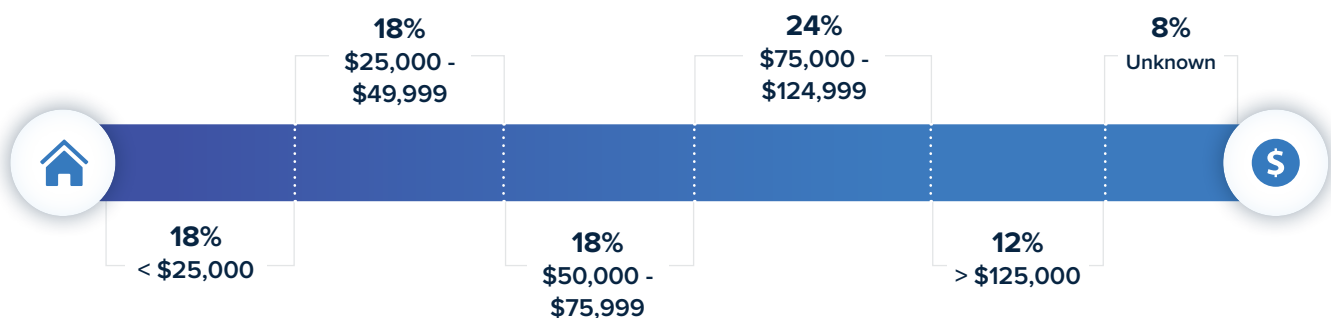
2,676 adult consumers (age 18+) with representatives from all 50 U.S. states



### Age Ranges



### Household Incomes



# Overview

In our series of research papers on consumer bill pay behavior, we've been exploring how payments innovation has caused a fundamental shift in the way consumers want to pay bills and how this compares with the offerings they have today. PayNearMe's consumer research survey uncovered new and surprising insights into the minds of the modern bill payer.

In this, our fourth and final report informed by our research, we'll uncover the payment options younger consumers aged 18-29 want for bill pay and how this leads to increased customer satisfaction and on-time payments for billers.

It's worth noting that this age range studied includes consumers in both Gen-Z (born 1997-2012) and Mil-

lennial (born in 1981-1996) groups. We believe it is important to look at this specific age range instead of segmenting by "Gen-Z" or "Millennial" because this group of young payers is buying or renting homes, establishing credit and becoming generally independent. They also represent the newest consumers coming aboard for bill pay organizations.

By segmenting into this 18-29 age group—one that has grown up with mobile devices and the internet readily available—we can better understand how younger payers manage and make payments, as well as all of the expectations they have around the process.

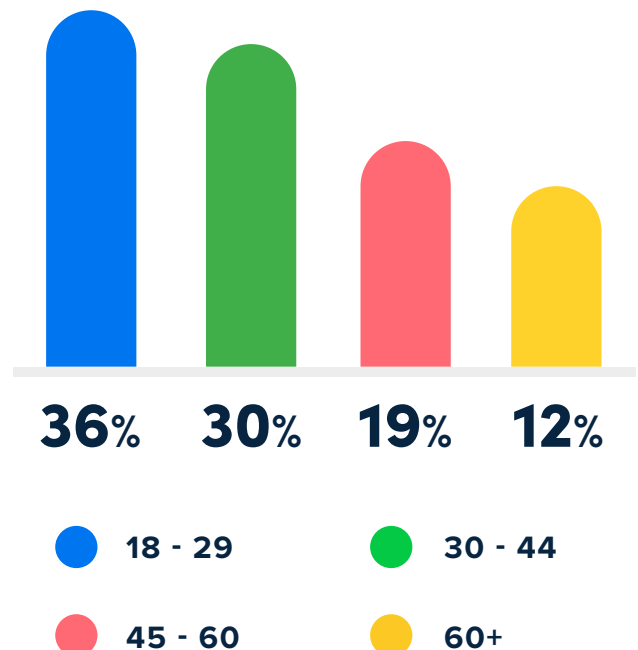
## The Stresses of Bill Pay

In our first research report of this series, we noted a stand-out trend from our consumer research: bill payers are stressed. And many times it isn't for financial reasons. While fewer than one-quarter of adults (22%) report not having enough money in their bank account to pay bills, the actual process of paying bills seems to be a bigger problem.

One quarter of adults (25%) say they feel disorganized when trying to manage and pay their bills. Younger payers are feeling it most, with 36% of those aged 18-29 reporting they "agree" or "strongly agree" to feeling disorganized, compared to just 12% of those aged 60+ answering the same way.

In addition, 18-29 year olds have more trouble than their older counterparts keeping track of bill due dates (53%) and the amount of money they owe (32%).

### Percentage of consumers who feel disorganized when trying to manage and pay bills



# What makes paying bills online difficult? (by age)

	18-29	30-44	45-60	> 60
Keeping track of the amount owed	32%	26%	22%	11%
Keeping track of due dates	53%	49%	41%	23%
Remembering logins/passwords/account numbers	51%	57%	52%	46%
Entering my card/payment information	29%	33%	26%	16%
Navigating biller websites that are not user friendly	32%	30%	29%	28%
Lack of payment confirmation	19%	14%	12%	10%
None of the above	7%	10%	18%	34%

All of this stress can lead to late payments, which we covered in detail in our previous paper titled “Why Consumers Pay Late”.

## Late Payments by Age

When asked how many times they had paid a bill late in the past twelve months, payers aged 18-29 were more likely (19%) to have paid their bills late 4-7 times than any other age group.

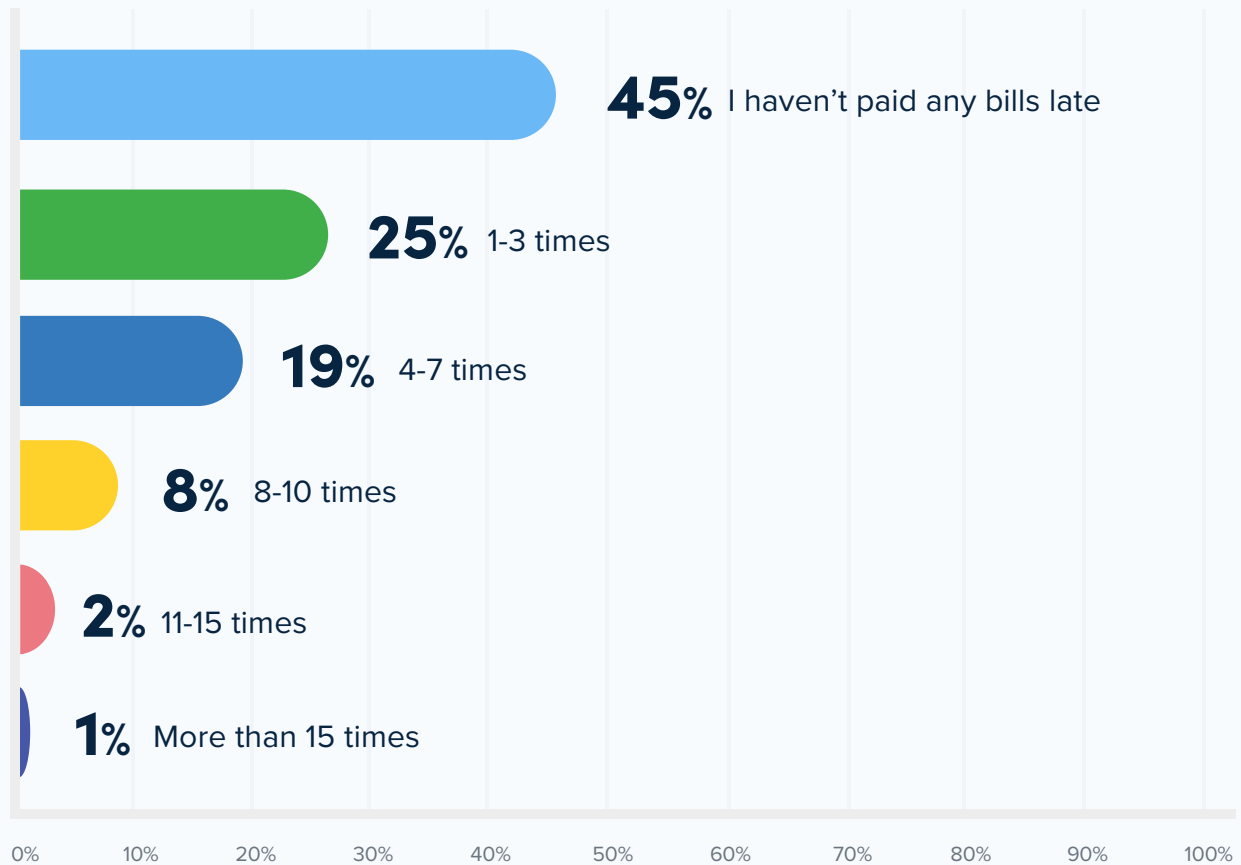
Setting up automatic payments could help with this issue, but doing so comes with challenges. Of those respondents aged 18-29 who hadn't yet set up automatic payments, 60% don't do so because they want to control when their bills are paid (perhaps because of lower incomes at this age level), and 41% worry about overdraft fees. Beyond the financial worries, however, there's also a timing issue.

18% of younger payers said they “keep procrastinating” as their reason for not setting up automatic payments. This is significantly higher than the other age groups, with ages 30-44 at 13%, ages 45-60 at 7% and over 60 respondents at 3%.

## Making Bill Pay Easier

So, if autopay is challenging, what would make it easier for 18-29 year olds to make their bill payments on time? 46% of younger payers answered that it would be helpful for them to receive a text message or email reminding them when their bill was due, while 44% said the ability to store their bills in their Apple or Google digital wallets would help.

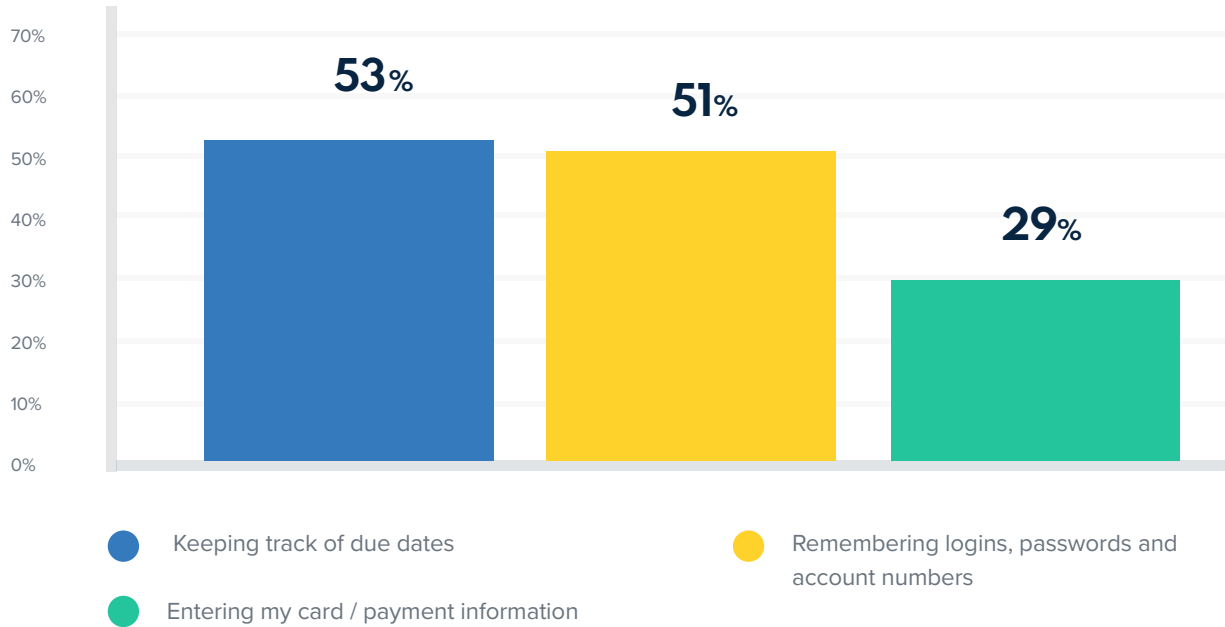
## How often have you paid a bill late in the past year? (Ages 18-29)



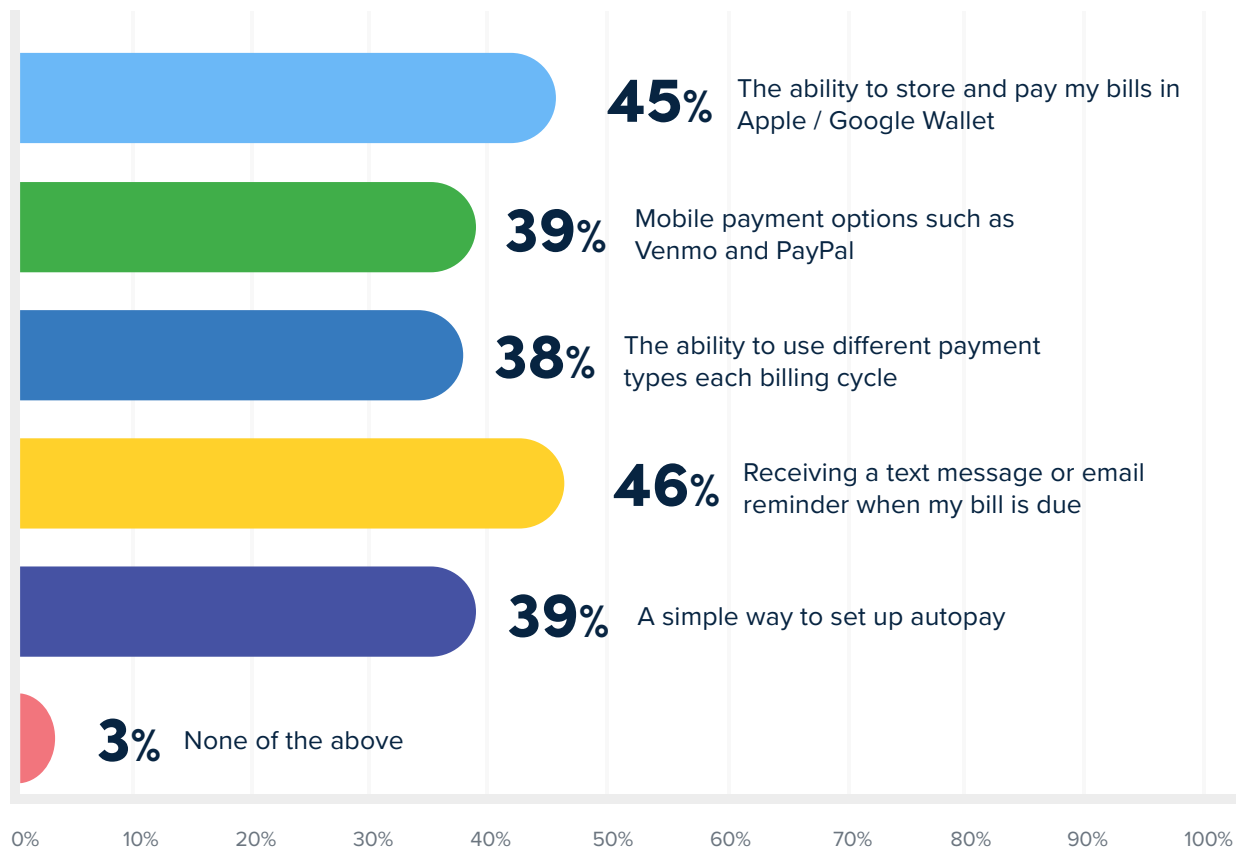
## Why haven't you set up autopay?

	18-29	30-44	45-60	> 60
I keep procrastinating	18%	13%	7%	3%
I worry about overdraft fees	41%	32%	27%	19%
I want to control when my bills get paid	60%	70%	75%	73%
It's a hassle to get my bills set up on autopay	16%	10%	2%	5%
I don't want my payment information stored	35%	33%	32%	47%

## What makes online bill pay difficult? (Ages 18-29)



## What would make it easier to pay bills on time? (Ages 18-29)



# Payment Types Younger Payers Love

Providing preferred payment types is another way to encourage satisfaction with younger consumers and help them pay quickly and easily. When considering their payment options, billers should research the types of payment choices customers want most. Some of these payment types might be new to billers (and to the bill pay industry in general), but they're worth exploring if there's a large amount of customer interest.

Younger payers' top choice for payments is PayPal. 54% of respondents aged 18-29 deemed it as an "important" or "very important" option for bill pay, showing that younger payers' interest in mobile payment types includes popular peer-to-peer options.

Younger payers also find the convenience of using Apple Pay or Google Pay to pay bills important. Approximately 2 in 5 adults in both age groups (18-29: 40%; 30-44: 41%) say that when it comes to convenience, this payment method is important or very important, with 18% saying it's very important. 31% of adults ages 45-60 and 17% of adults ages 61 and older feel it's important or very important.

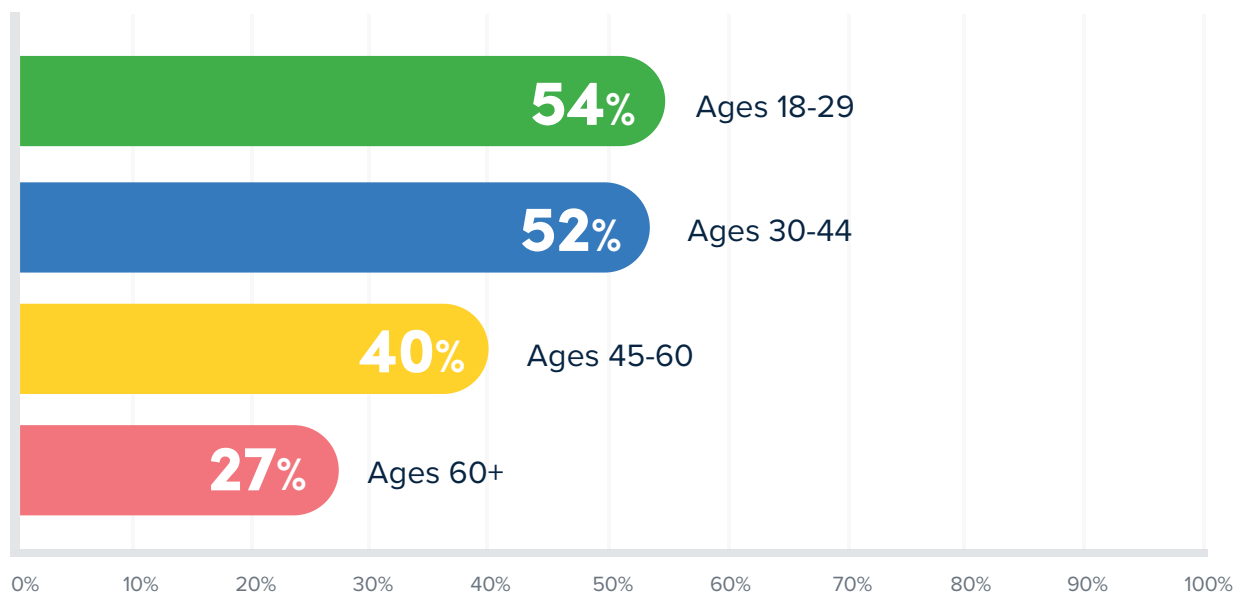
Additionally, 21% of payers aged 18-29 think cryptocurrency is "important" or "very important" options for bill pay, making them significantly more interested in this tender type than their older counterparts (e.g. ages 45-60: 12%; ages 60+: 5%, respectively).

Venmo and Cash App are also more important to younger payers, with 34% of respondents aged 18-29 answering that these options were important or very important for bill pay. Compare these 34% of respondents for Cash App to only 8% of respondents aged 60 and older answering the same way.

There are standout winners for the mobile payment types younger consumers are accustomed to using. Organizations can easily improve the bill pay experience for these customers by making sure they are offering these payment types. Additionally, billers should consider surveying their customer bases to determine if these options are a good fit for their customers.

## THE APPEAL OF PAYPAL

### Would PayPal be a convenient option for paying your bills?





# Newer payment types skew younger

Consumers who believe Venmo and Cash App would be convenient for paying bills

AGE	VENMO	CASH APP
18-29	34%	34%
30-44	36%	28%
45-60	23%	18%
60+	14%	8%

## Where Younger Payers Want to Pay

We've already noted that 44% of payers aged 18-29 would find the ability to store billing information in their Apple or Google digital wallets helpful for paying bills on time. But what are some of the other channels to which they would like access?

If offered, more than one quarter of all adults (26%) would be likely or very likely to pay their bills with cash in-person at a retail location such as CVS or 7-Eleven. If offered, 35% of adults aged 18-29 would be likely or very likely to do the same. This may seem contrary to a popular belief that younger payers are more likely to prefer digital money over pa-

per; however, because significantly more younger payers work in the service industry <sup>1</sup>, they may have access to more cash than their older counterparts.

18-29 year old payers also have a significant interest in paying their bills by scanning a QR code on physical statements using their mobile devices. If given the opportunity, 38% of respondents in this age group would be "likely" or "very likely" to scan a QR code on their bill and pay using their mobile device. That's a few points under their 30-44 aged counterparts but notably more than respondents aged 45+.

<sup>1</sup> "Labor Force Statistics from the Current Population Survey" U.S. Bureau of Labor Statistics.  
<https://www.bls.gov/cps/cpsaat18b.htm>. Accessed March 13, 2022.

## QR codes make a comeback

Percentage of consumers likely to scan a QR code on a bill and pay using a mobile device

38% 18-29

42% 30-44

35% 45-60

17% 60+



## Advice for Servicing Younger Payers

Now that we understand what younger payers want, let's talk about how to best service their needs.

Younger consumers are clear about their payment preferences: they want a wide range of mobile options as part of their bill payment experience, including the ability to access bills via their digital wallets, pay with options like QR codes and access mobile payment types such as Venmo, PayPal, and Cash App.

By offering customers more convenient payment options, channels and solutions, organizations can drive customer loyalty and improve customer satisfaction.

Billers who haven't already explored adding more of these options to their payment mix should consider surveying their consumers to ask what they're most interested in, then working with a trusted bill pay service provider to innovate and future-proof their bill pay experience.

In addition, billers can help younger payers who are stressed and have trouble remembering due dates stay on track with reminders using text messages, emails or push notifications with a link to pay.

For example, PayNearMe Smart Link™ technology enables organizations to send one-click payment links that don't require users to remember login details or passwords. These links can be sent in scheduled emails, texts or push notifications to consumers based on their individual payment due dates.

Providing more payment options and communication tools for younger payers will have a positive impact on customer experience. And it's especially important because billing may be some organizations' first and most frequent touchpoint with their customers. A great customer payments experience can help organizations drive retention and brand loyalty for the newest generation of bill payers.

# About PayNearMe

PayNearMe develops technology that drives better payment experiences for businesses and their customers. Our modern, flexible and reliable platform helps businesses increase customer engagement, improve operational efficiency and drive down the total cost of accepting payments. PayNearMe enables more ways to pay by offering major payment types and channels in a single platform.

PayNearMe today processes all forms of payment including cards, ACH, Apple Pay, Google Pay, PayPal and Venmo, and has enabled cash payments through our proprietary electronic cash network since 2009. PayNearMe cash payments are accepted at more than 40,000 retail locations in the U.S. including participating 7-Eleven®, Walmart®, Walgreens®, Family Dollar®, Casey's General Stores®, and ACE Cash Express®, among others.

Thousands of businesses partner with PayNearMe to manage the end-to-end customer payment experience in industries such as Consumer Finance, Property Management, Insurance, Utility and Municipality, and iGaming and Sports Betting.

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