

Coronavirus Boosts Online Banking, Payments Usage in the US

ARTICLE | **APRIL 23, 2020**

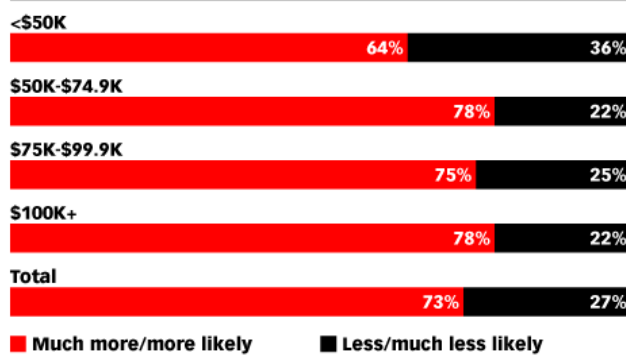
Blake Droesch

US bank branches are still shuttered amid the pandemic, but consumers are more likely to conduct their banking online, according to recent research.

An April 2020 William Mills Agency survey conducted by The Harris Poll found that 73% of US adults were more likely to leverage digital banking and payments while social distancing. Respondents making more than \$50,000 per year were even more likely to make financial transactions online.

US Adults Using Digital Banking and Digital Payments During the Coronavirus Pandemic, by Income, April 2020

% of respondents in each group



Note: n=1,043

Source: William Mills Agency survey conducted by The Harris Poll, April 2, 2020

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A March 2020 J.D. Power survey found similar results. More than one in three US adults said they will use mobile and online tools to do more of their banking, 23% of respondents plan to deposit checks using a mobile phone more often, 20% will visit a bank branch less often and 18% plan to learn more about mobile or online banking options.

US bank branches began closing in mid-March following the national emergency declaration due to the coronavirus outbreak, and many remain closed as of mid-May. According to an [April 21 article](#) from Reuters, JPMorgan Chase is the first bank to bring employees back to work in phases.

There will be more than 166 million monthly US online banking users this year, up 2.7% from last year, according to our pre-pandemic estimates. This figure already represents more than 72% of US internet users, so room for substantial growth may be limited.

Health concerns may also lead to increased adoption of services like Apple Pay and Google Pay. Businesses worldwide now discourage customers from using cash, and contactless payments have seen increased usage in the US. Apprehension with touching credit card terminals at brick-and-mortar stores could also boost contactless payment adoption.

Nearly one in five respondents to J.D. Power's survey said they plan to use mobile payments to make in-store purchases more often due to COVID-19, while 28% said they will use less cash and 18% will use ATMs less often out of concerns of spreading the virus.

Our September 2019 forecast anticipated that 69.4 million people in the US would make at least one proximity mobile payment during a six-month period in 2020, amounting to 28.2% of internet users. Proximity mobile payments are not as popular in the US compared with other countries, leaving greater opportunity for growth.

While it's unclear if consumers' online banking habits will change permanently post-pandemic, the coronavirus may introduce digital financial services options to consumers who have not previously adopted them.