

Here's What Leads Baby Boomers to Try P2P Payments

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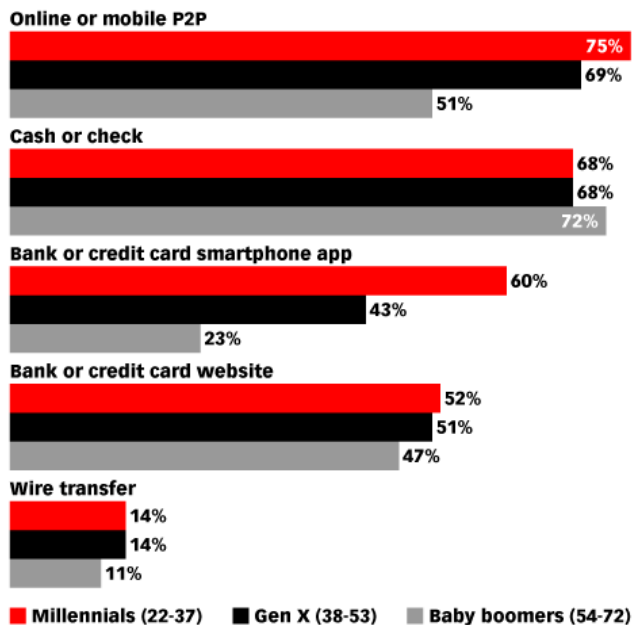
While [mobile peer-to-peer \(P2P\) payment](#) apps may have first found popularity with millennials as a way to split joint utility bills and bar tabs, adoption has also spread to older generations.

According to an April survey of over 9,000 US internet users by [Early Warning Services](#), the owner of P2P service Zelle, some 75% of millennials and 69% of Gen Xers use a P2P method to send or receive money from businesses, family or friends.

Surprisingly, baby boomers are not all that far behind, with about half saying they use a P2P payment method.

Methods Used by US Digital Banking Users to Send or Receive Money*, by Generation, April 2018

% of respondents in each group



Note: among those who own a smartphone; *to/from a business, family or friends

Source: Early Warning Services, "Digital Payments Adoption Study," July 11, 2018

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The survey asked consumers what influenced them to try P2P payments. For millennials and Gen Xers, recommendations from family and friends were the highest driver of use.

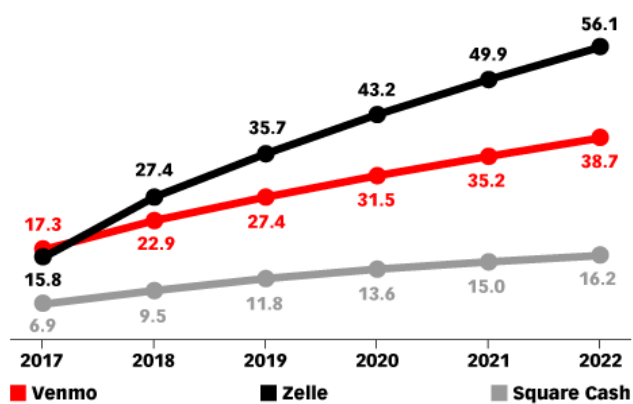
Older users, though, said they were more likely to try a P2P if the service was offered by a financial institution that they already used. Some 70% of boomers said this was a key driver, compared with just 35% of millennials.

It's worth noting that the source of the survey, Zelle, is a network of large financial institutions, including Bank of America, Citi, JPMorgan Chase and Wells Fargo. Zelle allows banking customers to transfer money to others within a network of 30-plus US banks.

"One of the main hurdles new apps face is building trust and a sizable audience," eMarketer forecasting analyst Cindy Liu said. "But Zelle has leapfrogged the early stages of adoption by having the benefit of being embedded into the already existing apps of participating banks."

Mobile Phone P2P Payment Users, by Platform, 2017-2022

millions



Note: ages 18+; mobile phone users who have made at least one peer-to-peer (P2P) transaction via a mobile phone in the past month
Source: eMarketer, May 2018

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According to our latest US mobile payment forecast, Zelle will overtake Venmo in 2018.

Zelle is expected to grow more than 73% to 27.4 million users in the US, putting it slightly ahead of Venmo's 22.9 million users. Meanwhile, Square Cash will round out the top three with 9.5 million users.