

## Letter from Meredith Verdone



We are pleased to share the results of our first-ever Friends Again Report, an in-depth study that explores the impact that money can have on our closest relationships.

Friendship should have no boundaries when it comes to what can and can't be talked about, but unfortunately, we don't live in a perfect world and some topics are off-limits. According to our study, money is cited as a key stressor in friendships, and friends would rather talk about nearly anything - such as drama in their family or even their weight - before talking about money.

While it's clear that many consumers are willing to lend money to their friends, the idea of asking to be repaid causes tension and stress. In fact, survey respondents say asking a friend to pay them back is second only to forgetting someone's name as their most uncomfortable situation. And this avoidance often leads to the severing of ties among friends, as more than half of respondents have seen a friendship end over money owed.

Mobile payment apps are starting to ease this social friction, as many consumers say they eliminate the awkwardness of face-to-face confrontations and hold people accountable for what they owe. We are seeing the rapid adoption of this technology among our 23 million active mobile users, who increasingly use mobile person-to-person payments (P2P) in their everyday lives. As of this summer, Bank of America customers were using P2P more than 3 million times per month.

At Bank of America, we want to take the awkwardness out of relationships and money, and remind people that no matter how long it's been or how little is owed, friendships are greater than any debt. Today, it's easier than ever for friends to pay each other securely and reliably. That's why we are introducing Pay Back a Friend Day on October 17 - because there's no better time to let go of the past and settle up. So if you still owe money for those concert tickets or your portion of the latest vacation with your best friends, take advantage of the movement, download our mobile app and be friends again.

**Meredith Verdone**, Chief Marketing Officer, Bank of America

## Methodology

Convergys (an independent market research company) conducted a nationally representative online survey on behalf of Bank of America August 8-August 18, 2017 using panel provided sample. Convergys surveyed 1,000 respondents throughout the U.S., comprised of adults 18+ who own a smartphone. In addition, an Omnibus was conducted July 24-26, 2017 with a sample of 1,000 nationally representative online panelists ages 18+.

## Generational Breakdowns

- Millennials: Ages 18-34
- Gen Xers: Ages 35-52
- Baby boomers: Ages 53-71
- Seniors: Ages 72+

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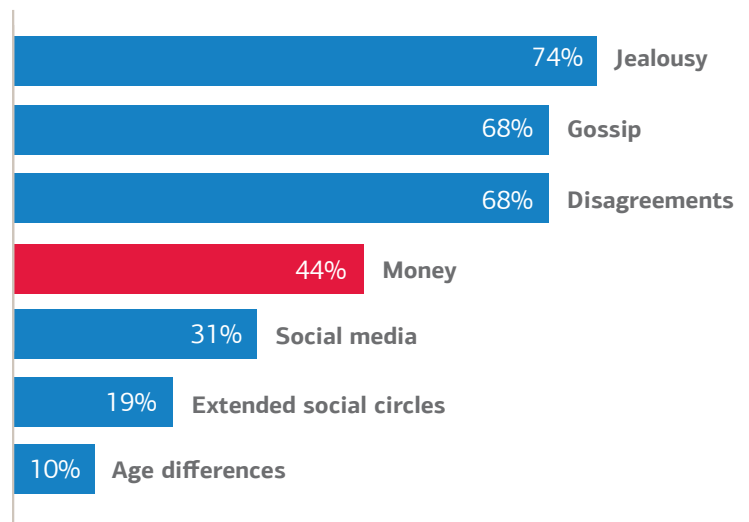
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## It's complicated: Money and friendships don't always mix

Many consumers cite money as a cause of stress in a friendship – ahead of social media, extended social circles and age differences.

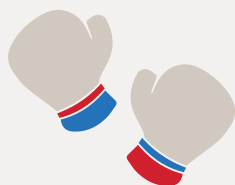


What do you believe causes stress in a friendship?



Americans would rather talk to their friends about their family drama, weight or love life before talking about money.

What are you comfortable talking to your friends about?



Family drama

67%



Weight

66%



Love life

57%



Money

50%

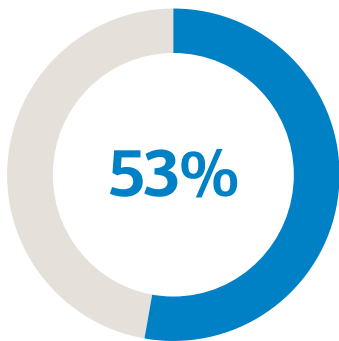


Personal hygiene

40%

## Friends through thick and thin...with one exception

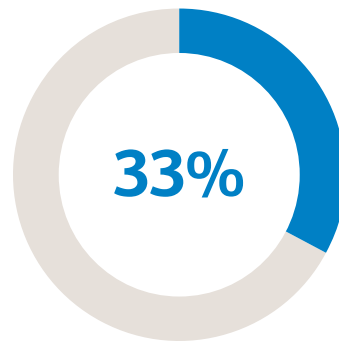
More than half of consumers have seen a friendship end over money owed.



**77%**

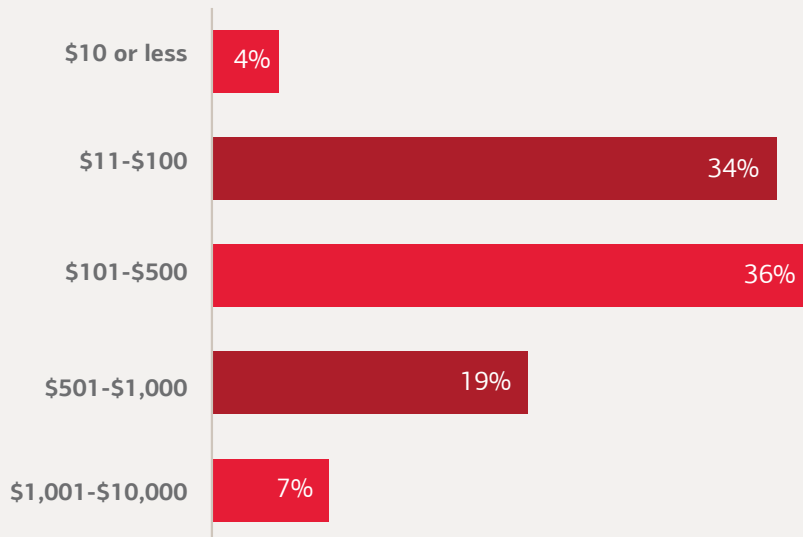
of Americans believe IOUs are harmful to friendships

One-third personally fear losing a friendship over money owed.



More than two in five (43%) Americans would be willing to end a relationship with a friend for not paying them back. Of those, nearly three-quarters say their financial breaking point is \$500 or less.

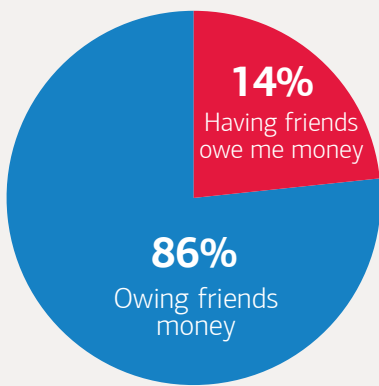
At what amount of money would you consider ending a friendship?



## That awkward moment when friends don't pay up

A majority of Americans say it's worse to be in the debt of others than to be owed money.

What's worse?



Many consumers feel stressed and anxious when they owe a friend money. Millennials strongly experience these emotions.

When I owe a friend money, I feel:



Awkward  
29% 33%



Stressed  
29% 38%



Anxious  
24% 37%

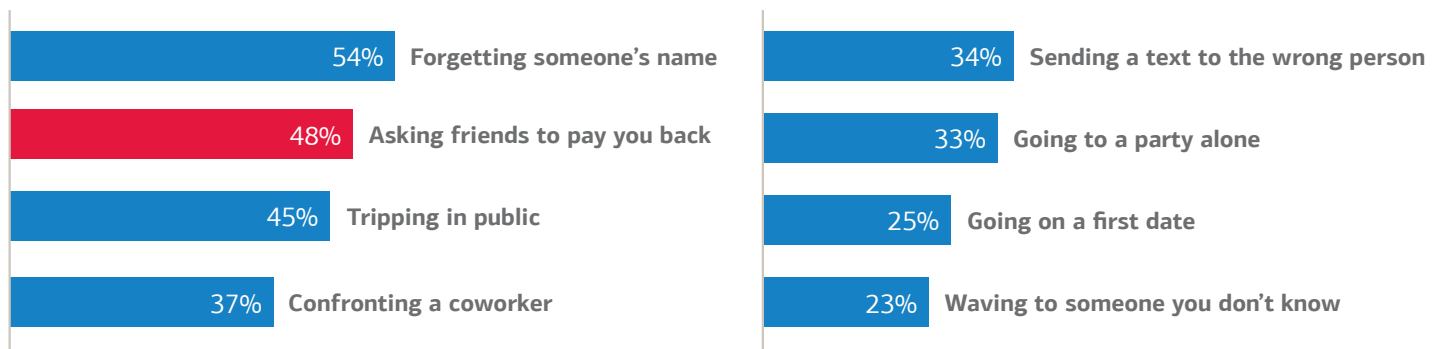


Burdened  
14% 17%

■ Total respondents ■ Millennials

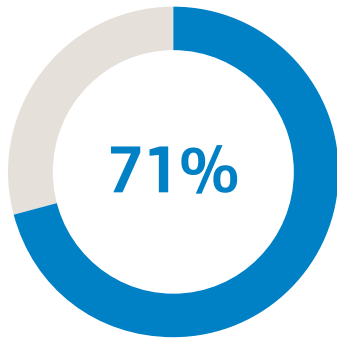
This may be because most consumers believe asking someone for money (90%) or to be paid back (86%) is awkward. In fact, when asked about various situations, "asking friends to pay you back" was second only to "forgetting someone's name" as the most uncomfortable.

Which of the following situations make you uncomfortable?

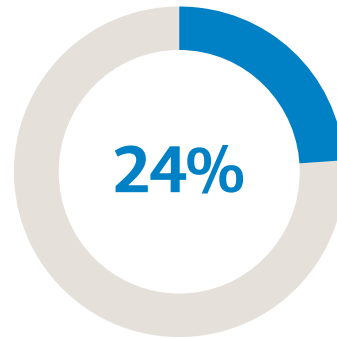


## Fear of confrontation leads to forever IOUs

Nearly three-quarters of Americans have loaned money to their friends and not been paid back...



...while less than one-quarter say they've borrowed money from friends but never paid them back.



The average amount they say they've lost over the years? \$2,092.



Millennials (34%) are the most likely to not pay back friends.

This may be because close to half (46%) of Americans don't remind their friends to pay them back. Among those who do send reminders, many prefer to do so via digital methods, including text and email, instead of in-person confrontation.

When a friend owes me money, I...



Remind them via text, email or phone call



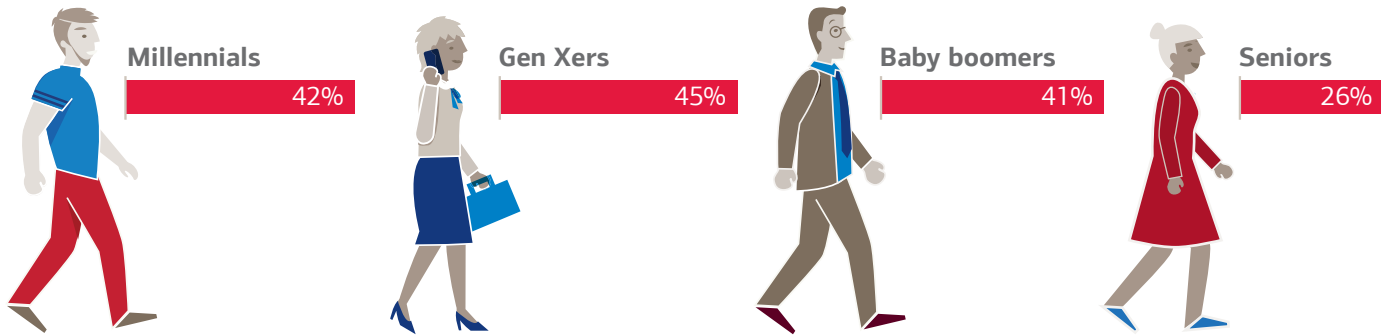
Confront them in-person



■ Total respondents ■ Millennials

## Money is creating a society of avoiders

Two in five Americans have been avoided by a friend who owes them money, including nearly half of Gen Xers.



Conversely, nearly one in five admit they have avoided a friend to whom they owe money. Of those, the most common actions include ignoring a text or call and skipping a party.

Which of the following have you done to avoid someone you owed money to?

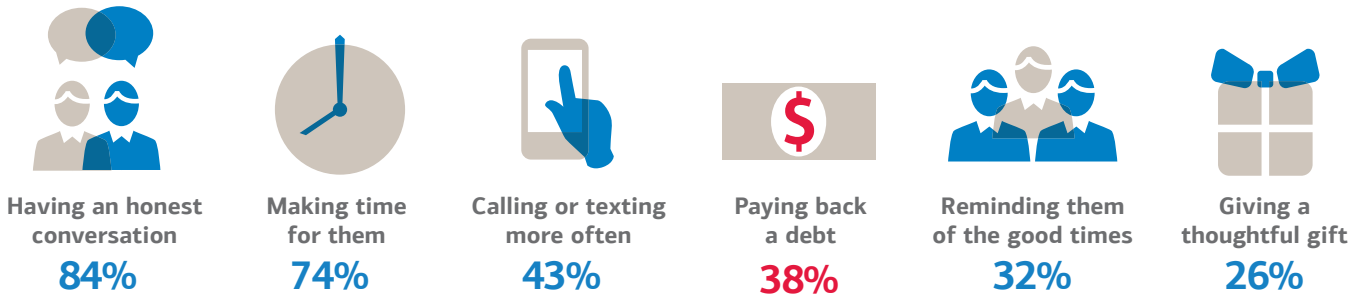


Avoidance has even made its way into our meal plans, as Americans cite the “Moocher” as the person they avoid going to dinner with the most.

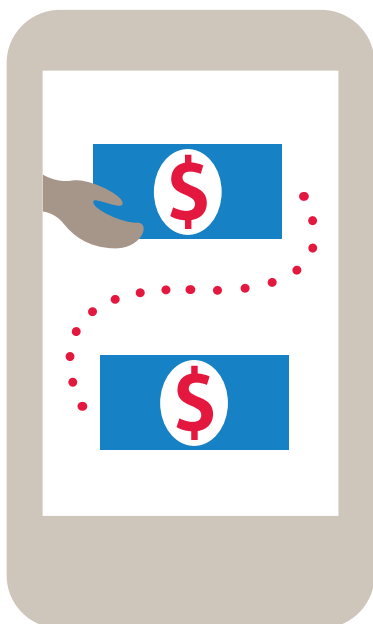
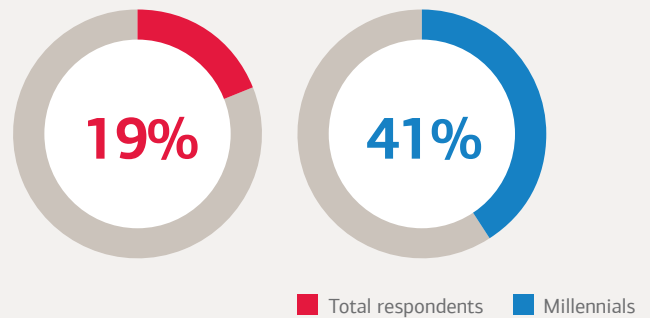


## Mobile payments, the ultimate friendship hero

While honesty and time top the list of ways to save a failing friendship, many Americans believe paying back a debt can also help to salvage the relationship.



Approximately one in five consumers say sending money via mobile would improve their relationship with their friends, with millennials twice as likely to say so.



### Consumers believe sending money via mobile:

