



United States of Bill Pay: How Americans Pay Their Bills

doxoINSIGHTS 2023 Report



This report examines who the bill pay consumer is, and how and when they pay their household bills. When it comes to bill pay practices, the report shows, there is no normal.

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About doxoINSIGHTS

doxoINSIGHTS leverages doxo's unique, aggregate, anonymized bill pay data comprised of actual bill payment activity to confirmed household service providers across the country.

8M+

Statistically significant, with over 8 million paying consumers.

97%

Geographically diverse, capturing payment activity in all 97% U.S. zip codes

120,000

Covering 45 different biller service categories, with more than 120,000 unique billers

All income brackets

Economically representative, with participation from all income brackets.

All payment funding sources

Capturing all payment funding sources, including bank accounts, credit cards, and debit cards.

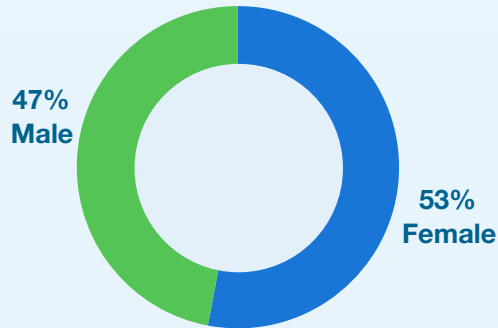
doxoINSIGHTS provides a comprehensive look into the household bill pay industry, with a deep dive into category size and average spend at the national, state, and regional level. doxoINSIGHTS aims to bring transparency to the U.S. bill pay market by bringing together the broadest available data set for analyzing actual household payment activity, and providing the foundation for bottoms-up market sizing for the 10 most common household bills. For more information about doxoINSIGHTS visit www.doxo.com/insights.

The “**United States of Bill Pay: How Americans Pay Their Bills**” report breaks down doxoINSIGHTS’ key findings for 2023 related to how and when consumers pay the 10 most common household bills. These bills include Utilities, Mortgage, Rent, Auto Loan, Auto Insurance, Mobile Phone, Cable & Internet, Health Insurance, Life Insurance, and Alarm & Security.

Who is the bill pay consumer?

Bill Pay Consumers: A Breakdown

(1)



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Average bills to pay per month ⁽²⁾

9.3



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Percentage of bills paid with cards (credit, debit, prepaid): ⁽³⁾

60%



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Percent of households with variable income ⁽⁴⁾

27%



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Percent who delay one or more bills each month ⁽⁵⁾

14%



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(1) doxoINSIGHTS data (2) ACI, Billing and Payment Trends 2021 Annual Report (3) Federal Reserve Bank of Atlanta, The 2021 Diary of Consumer Payment Choice (4) Federal Reserve, Report on Economic Wellbeing of US Households, May 2022 (5) Federal Reserve, Report on Economic Wellbeing of US Households, May 2022

How much does the average consumer pay in household bills?

Monthly Household Bill Spend ⁽¹⁾

\$2,046



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Annual Household Bill Spend ⁽¹⁾

\$24,557



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Annual Household Income ⁽²⁾

\$70,784



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Percent of Household Income Spent on Bills ⁽³⁾

35%

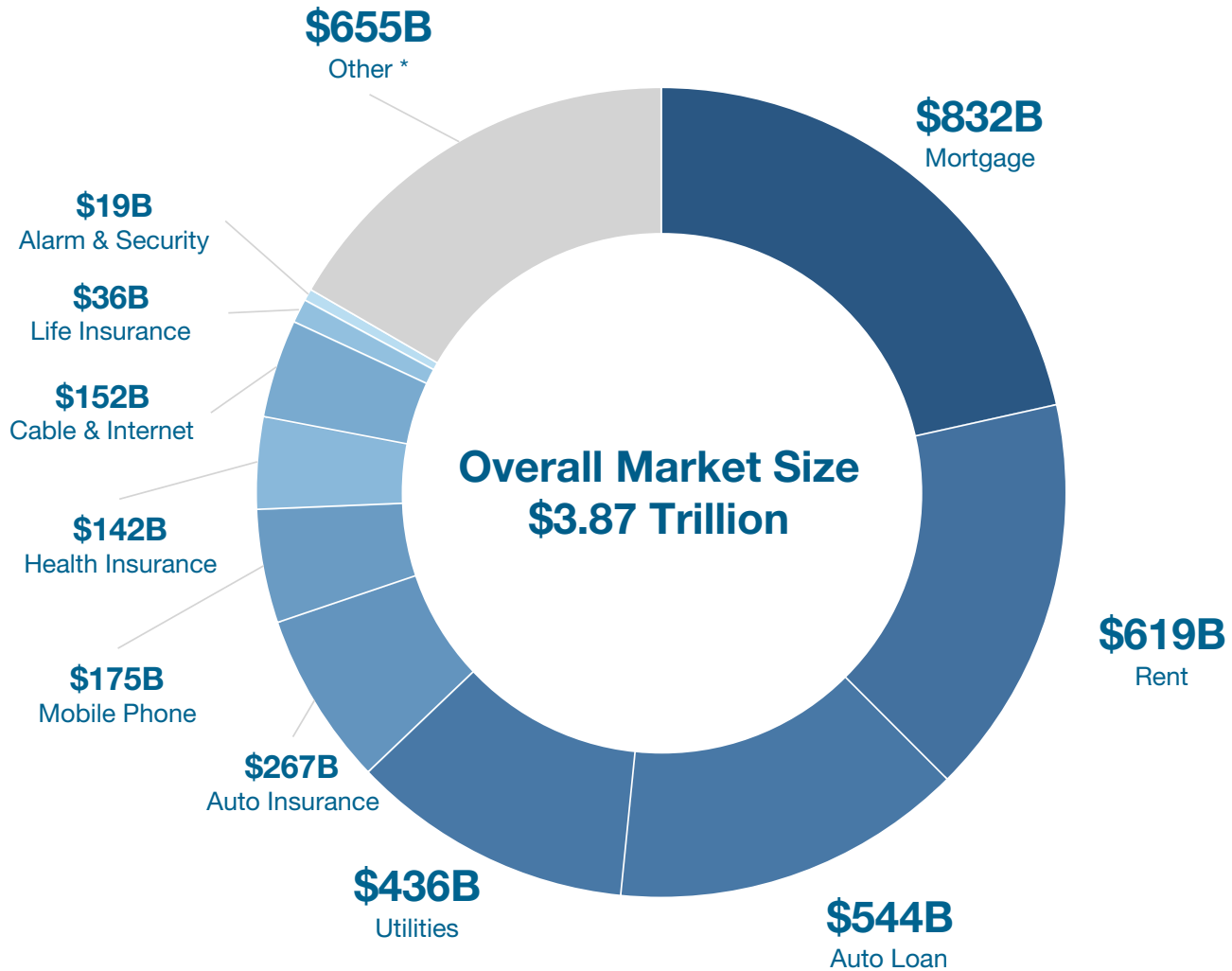


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How much do consumers spend on household bills?

Overall Bill Pay Market Size (in billions)

While the total market size for U.S. household bills is \$3.87 trillion per year, this report focuses on the ten most common household bills, which amount to \$3.22 trillion. These include Mortgage; Rent; Auto Loan; Utilities (electric, gas, water & sewer, and waste & recycling); Auto Insurance; Cable & Internet & Phone; Health Insurance; Mobile Phone; Alarm & Security; and Life Insurance

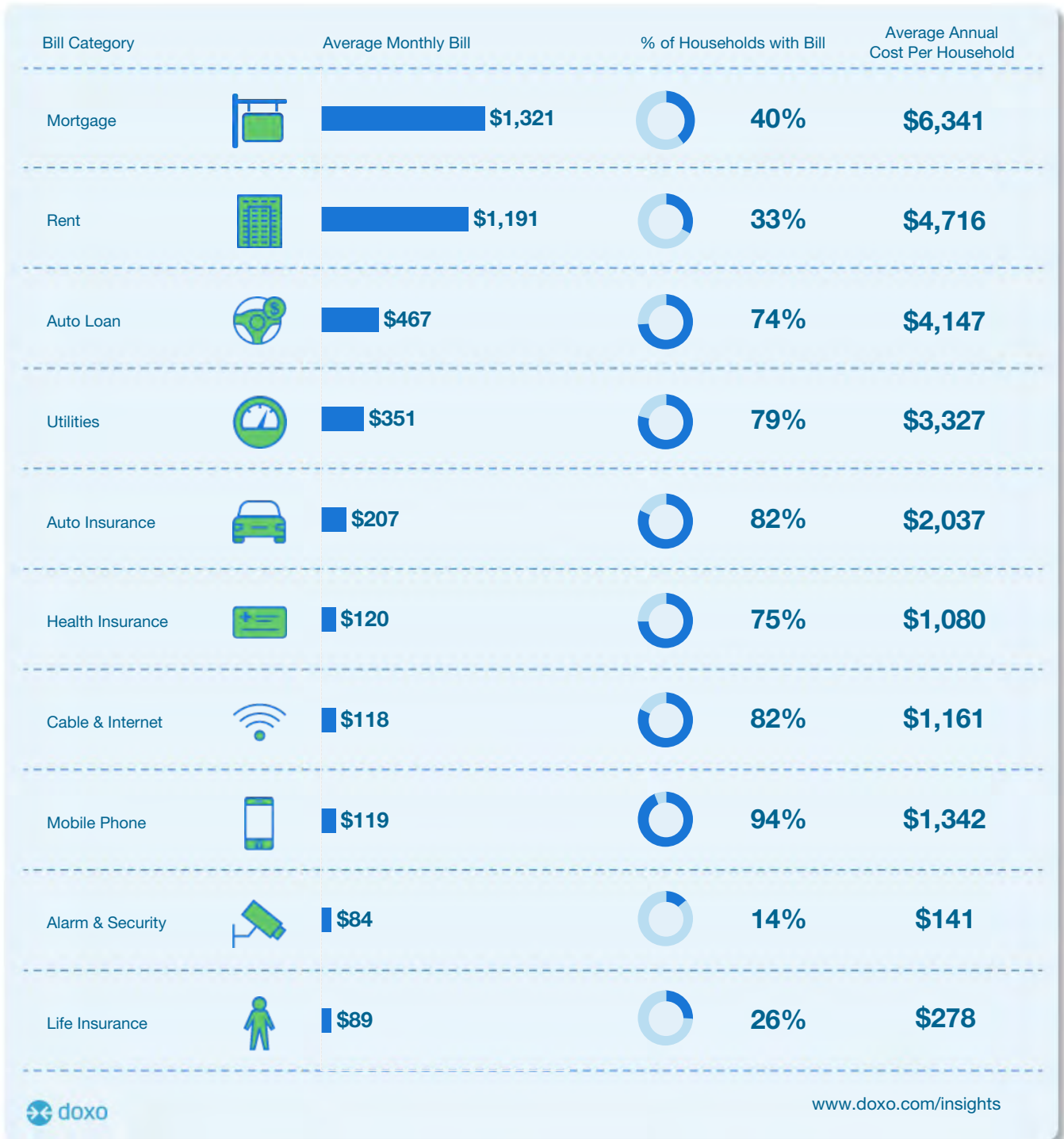


U.S. Households spend **\$3.22 Trillion** annually on the ten most common household bills.

*Other includes taxes and non-recurring fees like health care lab expenses, and toll roads.

TO NOTE: Category specific data is sourced from actual bill payment activity via doxo's platform, with the exception of Rent and Mortgage, which is sourced from the U.S. Census Bureau.

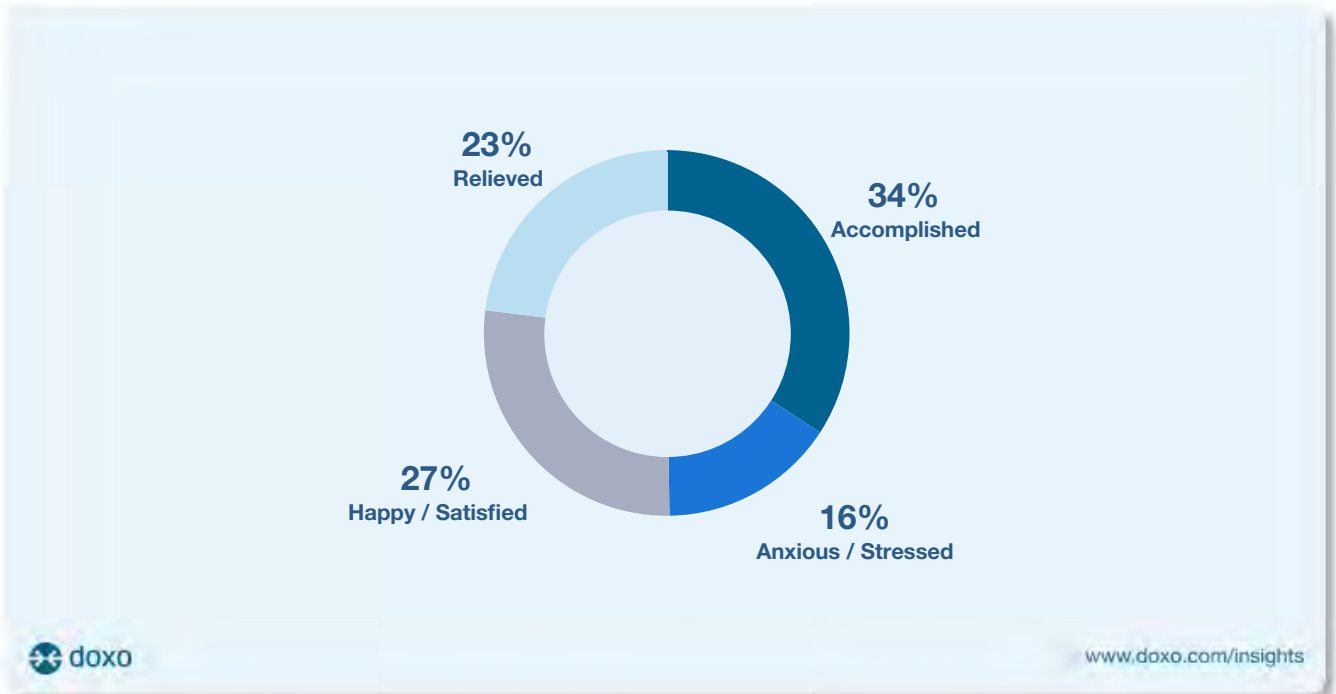
How do average household bills break down according to category?



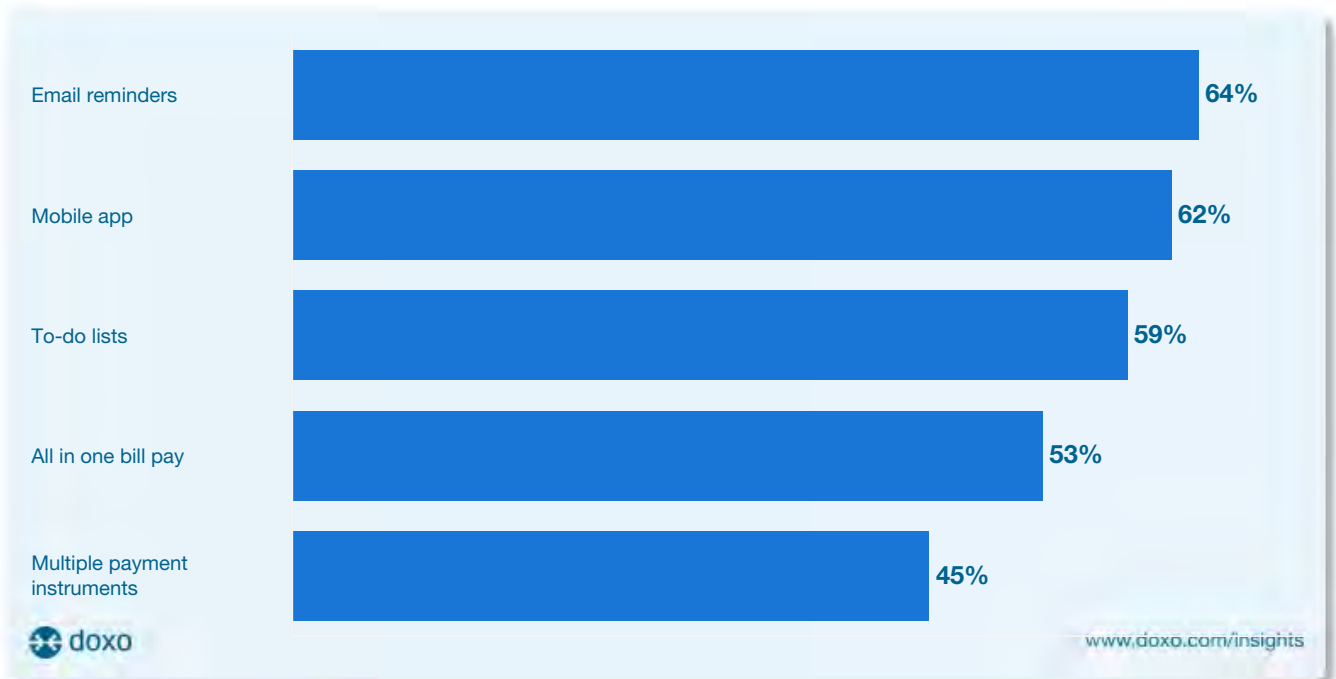
*The ten most common household bills do not take into account such things as credit card payments, taxes and non-recurring fees like health care lab expenses and toll roads.

What do consumers want from bill pay?

How do consumers feel when paying their bills?

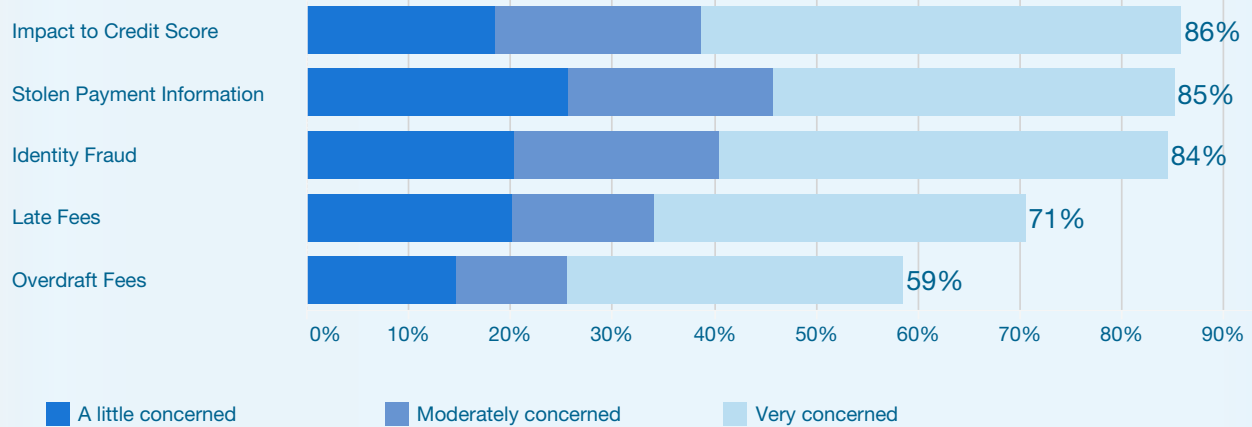


How do consumers want to improve their bill pay experience?



What are consumers' top bill pay concerns?

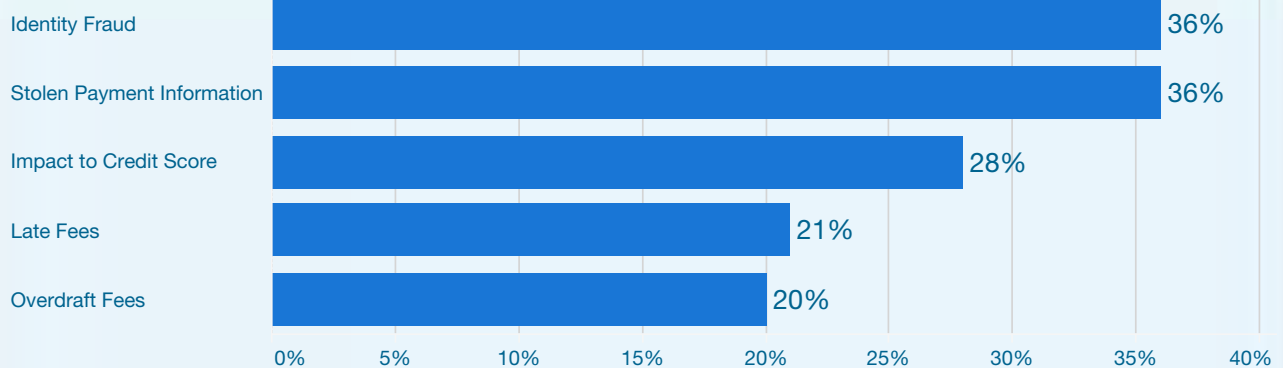
The impact that paying bills can have on credit scores emerges as the top concern for U.S. consumers. 86% of bill paying consumers surveyed indicated concern about credit scores. Other identified concerns for bill payers are stolen payment information (85%), identity fraud (84%), late fees (71%) and overdraft fees (59%)



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How do consumers' bill pay concerns compare to last year?

For many households, concerns about bill payments have only mounted during the past year. The largest spike in concern was Identity Fraud: 36% of surveyed households were more concerned about it than they were last year. Other mounting concerns were Stolen Payment Information (36%), Impact to Credit Score (28%), Paying Late Fees (21%) and Paying Overdraft Fees (20%).



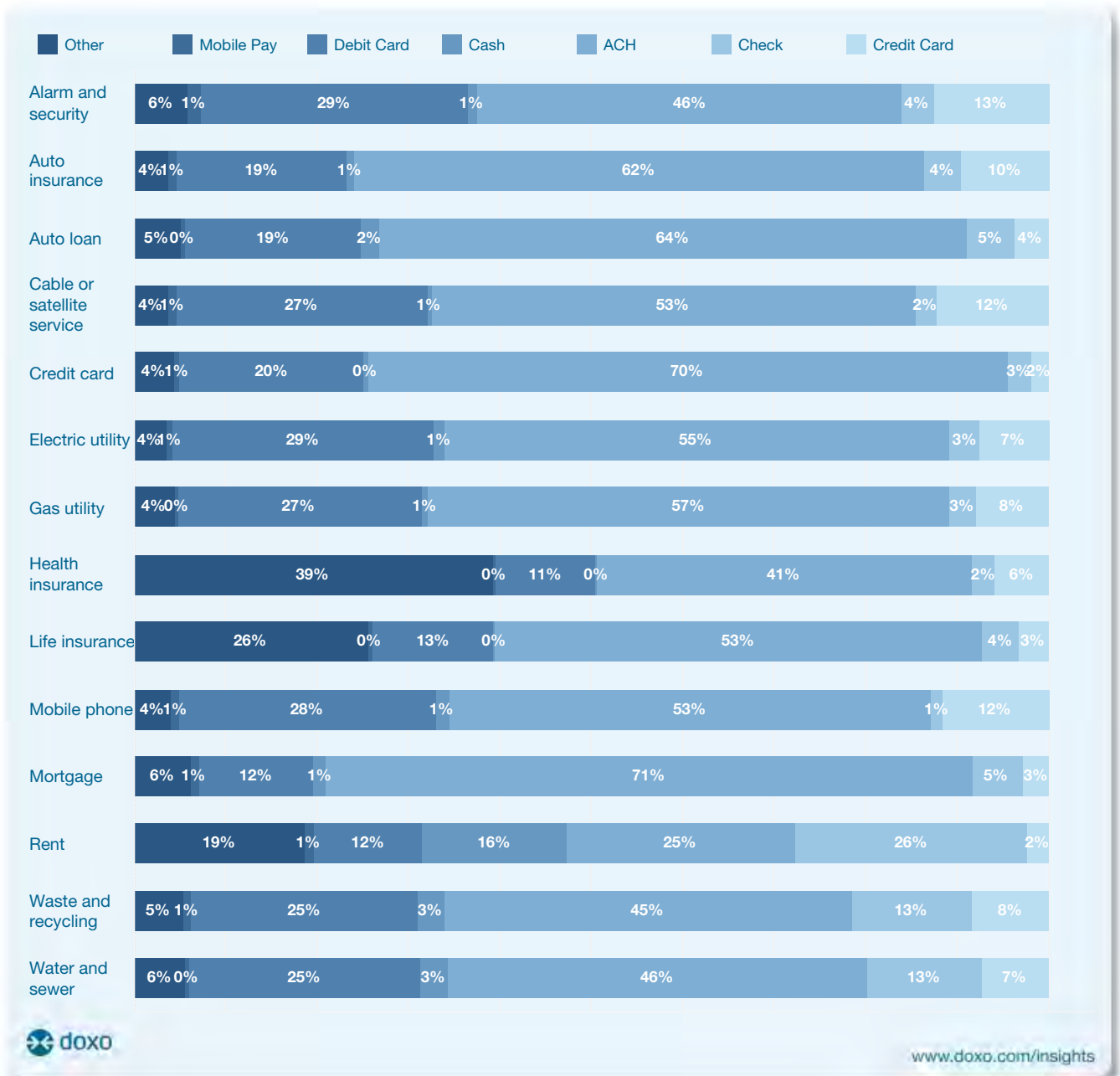
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How and when do consumers pay their bills?

What payment instruments do consumers use to pay bills?

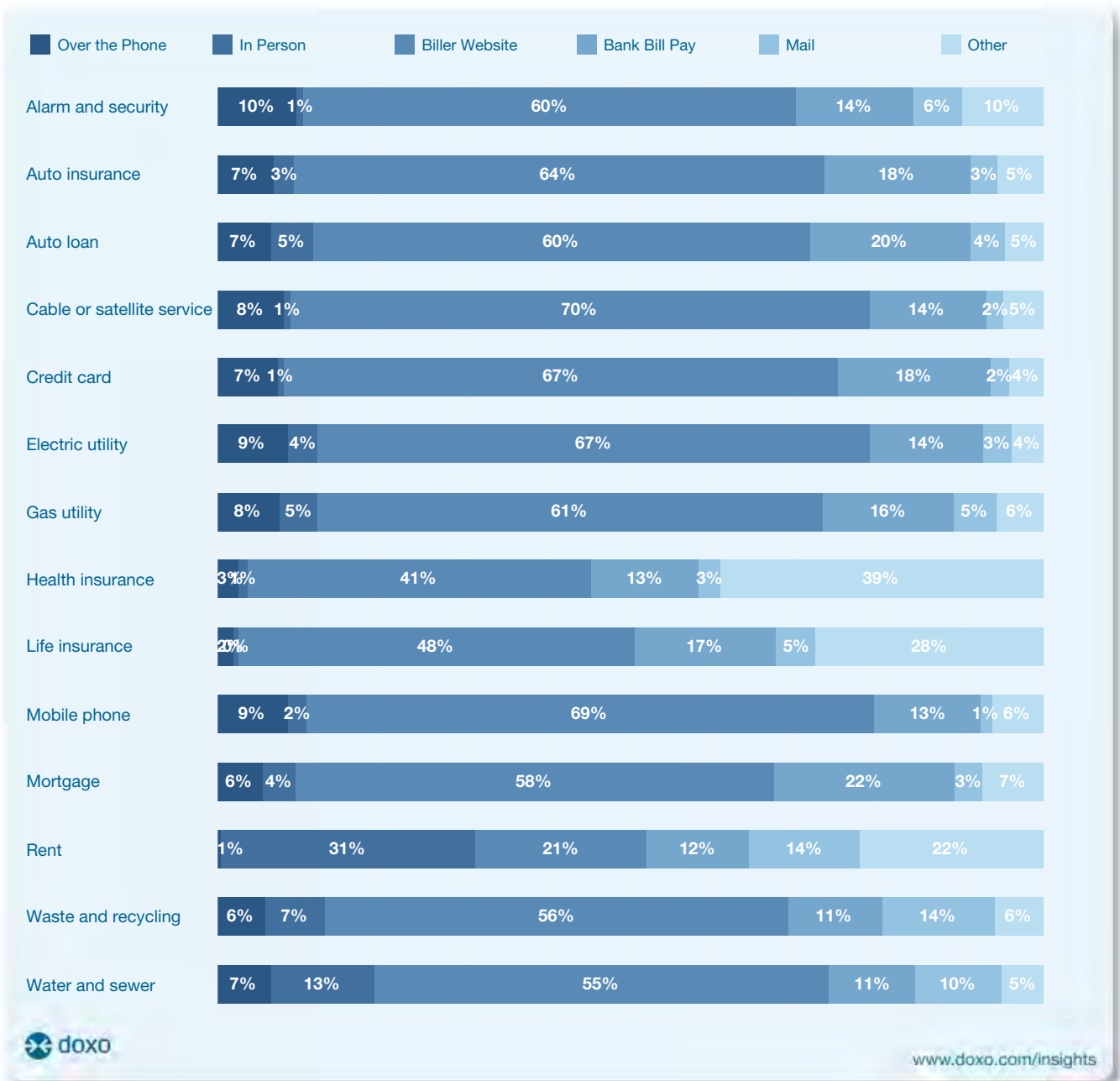
Results of a doxo "How Americans Pay Their Bills" survey show that the payment instruments consumers use vary widely depending on what bills they are paying. For instance, more than 70% of consumers use ACH (direct bank account transfer) to pay their credit card and mortgage bills, but when it comes to Rent payments, only 25% of consumers do so. Cash is also disproportionately used to pay Rent. Other bills are paid using cash only between 1% and 3% of the time, Rent is paid with cash 16% of the time.

Note: "Mobile pay" refers to Apple Pay and Google Pay.



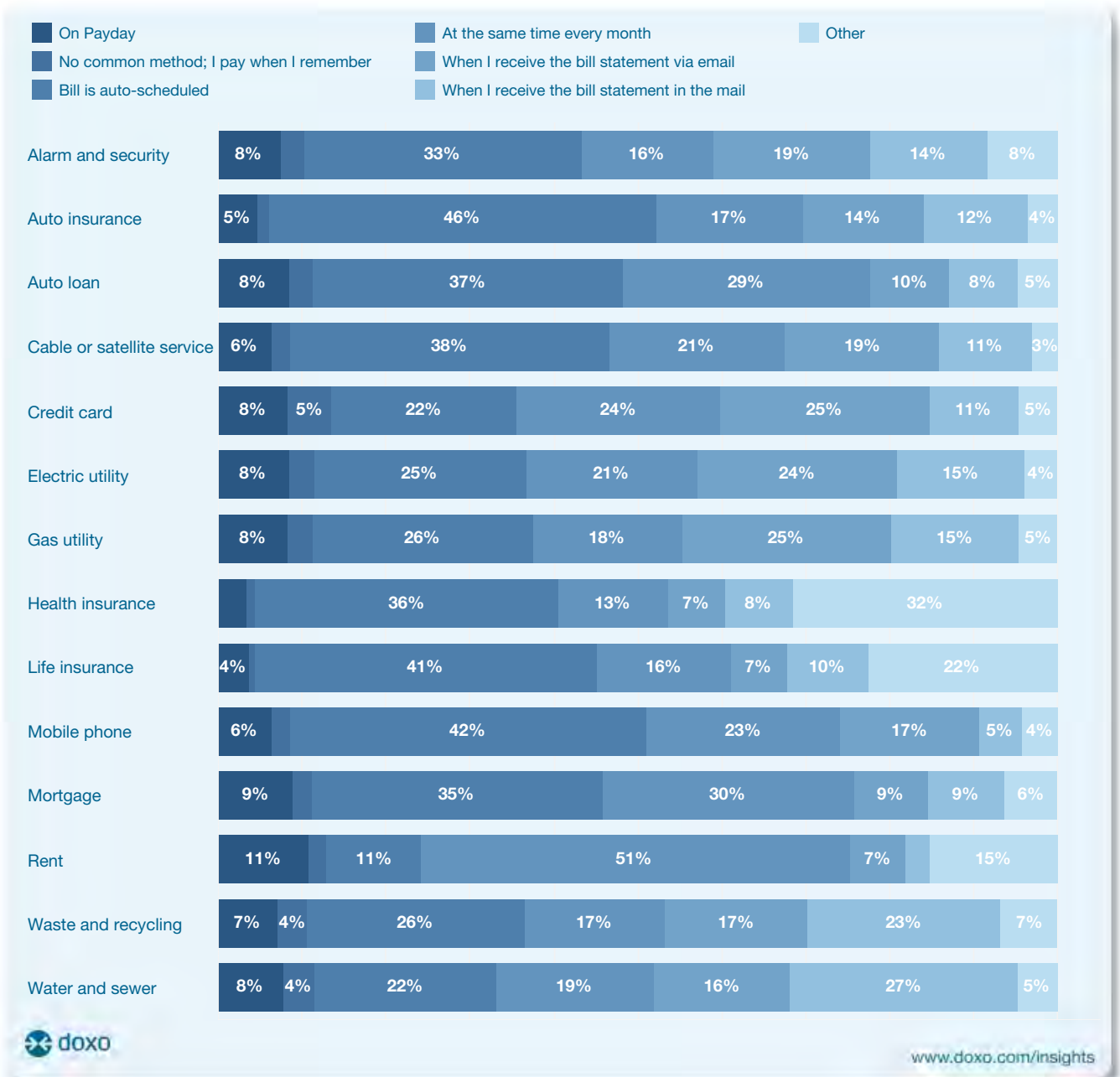
What channels do consumers use to pay bills?

Consumers pay their bills on a variety of different channels. When surveyed on payment methods (other than doxo), the largest chunk of individuals said they paid their bills on biller websites. However a substantial percentage of individuals still pay their bills on the phone or by mail.



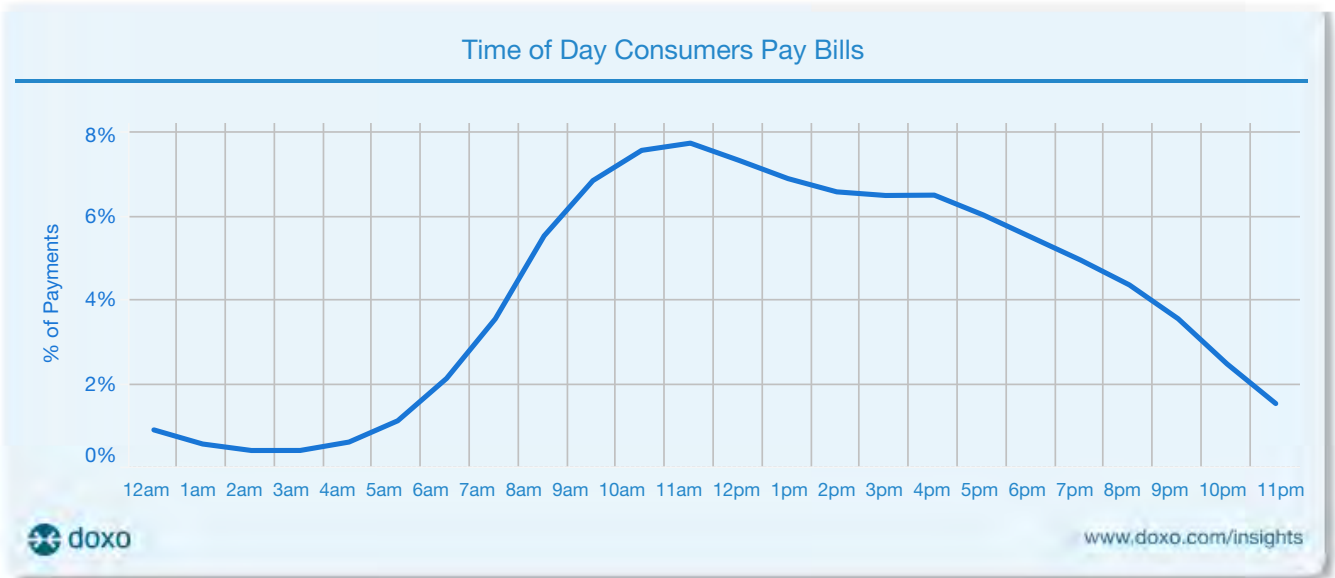
How do consumers remember to pay their bills?

doxo survey data shows that consumers are prompted to pay their bills by different causes. Certain bills are far more likely than others to be on automatic payments, for instance: while close to half of auto insurance bills are paid automatically, only 11% of Rent payments are on autopay. And more than half of Rent payments are paid on the same day every month, whereas this is only true for 16% of Alarm and Security bills, or Waste and recycling bills.

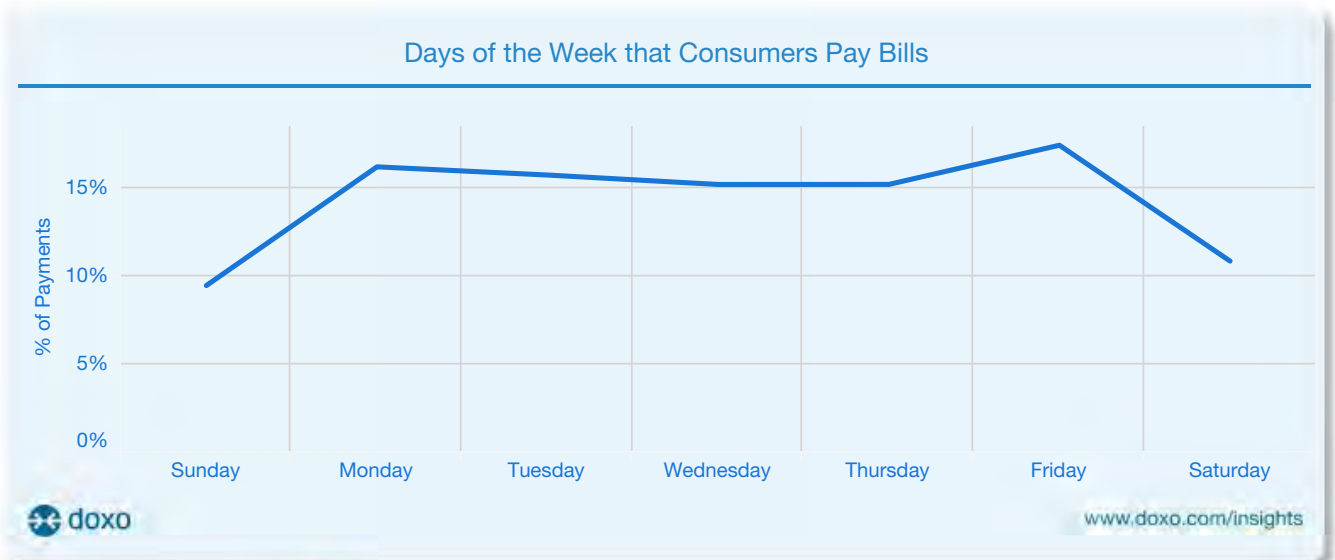


When do consumers pay their bills?

Consumers are most likely to pay their bills right before lunchtime, with the period between 10am and 12pm being the time window in which they are most likely to make bill payments. Percentage of payments taper off after that, with a slight bump around 4:30pm. To see individualized time-of-day graphs for different locations in the US, consult doxoINSIGHTS Explorer to browse over 4000 cities and towns all across the country.



Across the seven days of the week, Monday and Friday are the most common days for consumers to pay their bills, with almost 40% of payments being made on one of those two days. The weekend, meanwhile, is the least common time for consumers to pay their bills.

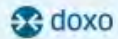


How Inflation has Impacted Bill Pay

86% of consumers are worried about the impact of inflation on their financial health

Given recent strains on household budgets due to nationwide inflation, it is no surprise that an overwhelming majority of consumers are worried about the state of their financial health in 2023.

Consumer sentiment towards the impact of inflation on future financial health

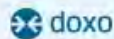
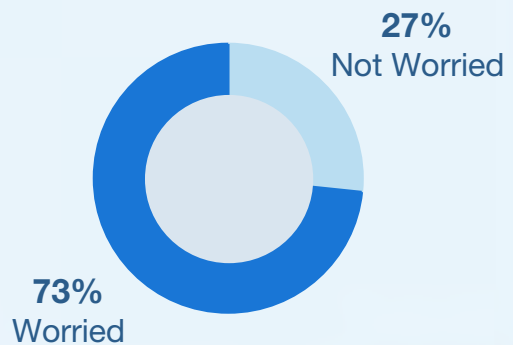


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73% of consumers say inflation is impacting their ability to pay household bills

As household bills have risen due to inflation, it is no surprise that consumers are worried about how they will keep up this year.

Percentage who are worried about paying bills due to inflation

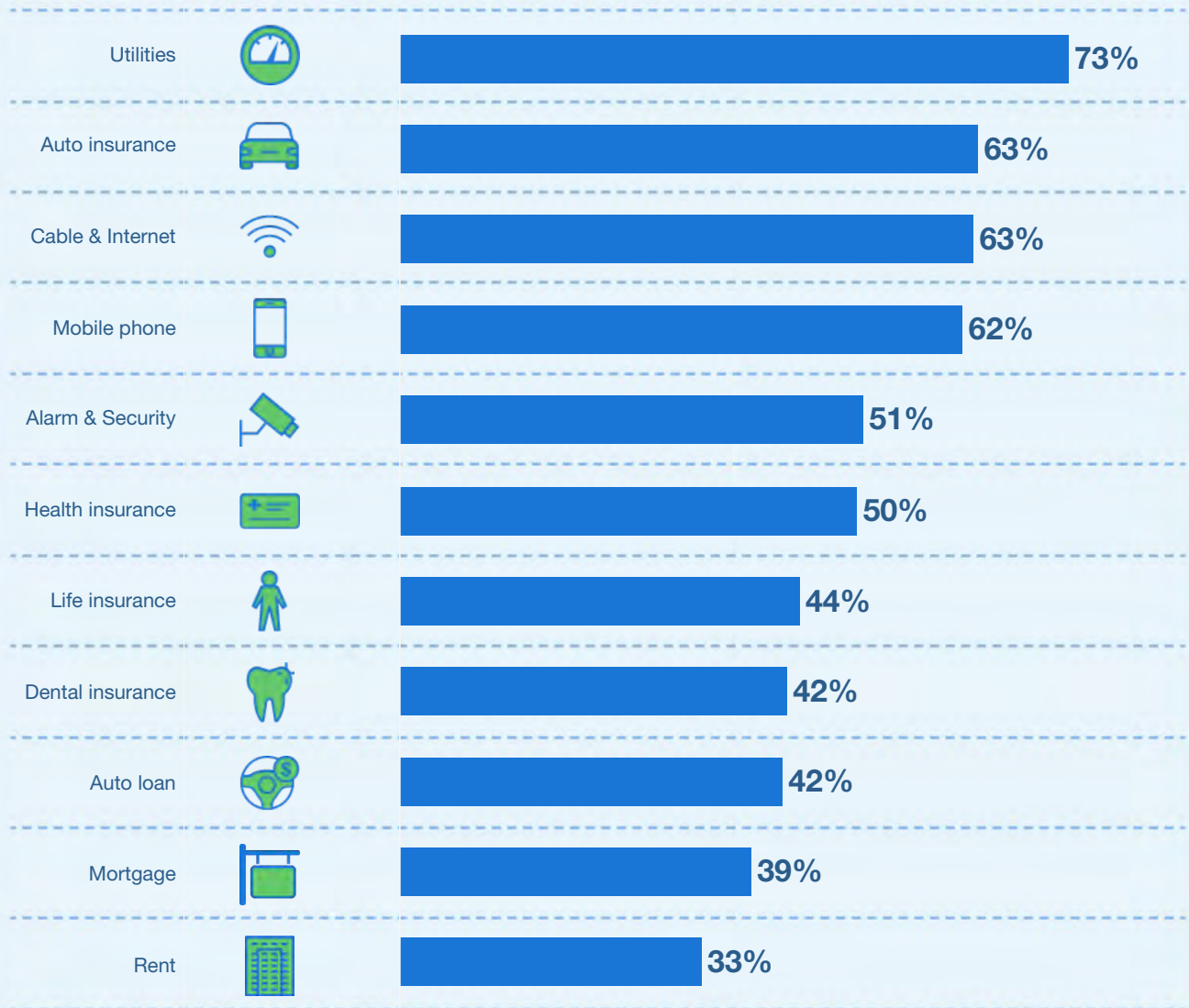


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Utilities top the list of household bills that consumers are most concerned about paying in the future

Of the more than 70% of consumers who are concerned about paying bills in the future, 73% say they are most concerned about paying their Utilities, followed by Auto Insurance and Cable & Internet (both 63%), then Mobile Phone (62%).

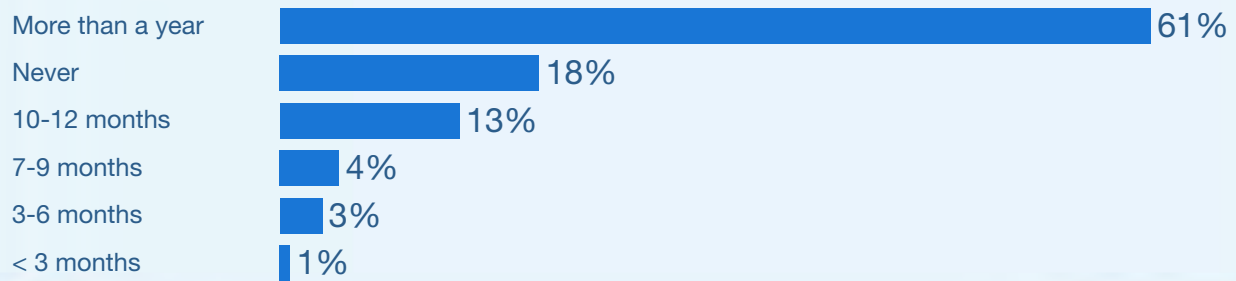
Percentage worried about being able to pay each bill type



61% of consumers believe it will take more than a year for the U.S. economy to recover

The majority of consumers believe that the U.S. economy will struggle for at least another year; 18% believe that the impact of inflation over the past year+ means that it will never recover.

Expectations for recovery time of U.S. economy

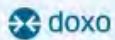
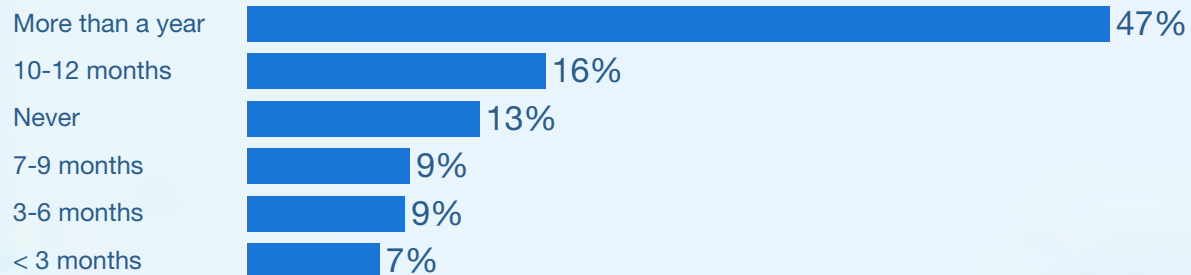


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72% said it would take 6 months or more until their own household's financial health improves

7 in ten consumers believe it will take 6 months or more until their own household's financial health improves, nearly 50% said it would take more than a year, and a little more than 10% said it would never improve.

Expectations of recovery time for household financial health



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About doxo

doxo delivers innovation that transforms the bill pay experience for consumers, billers and financial technology providers. For over 8M consumers, doxo's all-in-one bill pay makes it simple to organize and pay any bill on any device through a secure checkout.

For billers, doxo's network-driven platform enables online and mobile payments with a ridiculously simple integration, radically lower costs, and game-changing features that are unavailable with legacy bill pay vendors. For fintech partners, doxo delivers financial innovations to consumers across 97% of US Zip Codes, paying from more than 5,000 financial institutions to over 120,000 billers in 45+ service categories. For employees, doxo is a creative, ever-learning team that is passionate about building fintech tools that dramatically improve the bill pay experience. For investors, doxo provides an extraordinary opportunity to invest alongside Jackson Square Ventures, MDV, and Bezos Expeditions to disrupt a market that accounts for over \$4T of US Household spend.

To learn more about America's leading bill pay network, visit doxo.com.