

**2024** STATE OF  
REMITTANCES



# Through the Lens of the Consumer

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Consumers are Turning to Digital Solutions to Facilitate International Money Transfers to Help Loved Ones Manage Inflation, Unrest and Disasters



# INTRODUCTION & KEY TAKEAWAYS

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For the approximately one billion people around the world participating in remittance transactions, sending funds is a key method of staying connected to loved ones abroad. In fact, an overwhelming majority of U.S. remittance consumers say they feel closer to their loved ones when they can provide them with financial support. Further, not only is it a means of connection, but also a means of survival, as a large majority of funds sent via remittances is spent on essential needs like food and shelter, unexpected expenses like medical care and aid in times of natural disasters. With no signs of that behavior changing, it underscores the importance of a steady means of connection on both a personal and financial level.

As options for personal finance continue to evolve and new technology and digital solutions emerge, consumers increasingly want and expect more from their money transfer providers. The industry must respond in relevant ways that satisfy the diverse needs of global consumers by balancing innovative digital offerings with the continued importance of walk-in retail locations.

**To better understand the motivations and behaviors of consumers as well as explore sentiment toward innovation in the space, MoneyGram commissioned a survey of over 1,000 adult remittance consumers living in the U.S.** This report captures those details while demonstrating how access to trustworthy money transfer services helps maintain a sense of connection to family and loved ones who may be thousands of miles away. The findings also reveal the key reasons behind why people are transferring more funds – and their growing use of digital solutions to do so.

# INTRODUCTION & KEY TAKEAWAYS

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- Remittances play an integral role in closing the distance between sender and recipient, as **providing support for loved ones living abroad is the top reason consumers send money overseas.**
- Consumers articulate the interpersonal and global impact that remittances have, as many have **increased the amount of money they send abroad to help loved ones cope** with various world events.
- The **future of personal finance**, according to most consumers, lies in **emerging technologies.**



# The Driving Force of Remittances

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Nearly **9 in 10** remittance consumers say that they **feel closer to their loved ones** when they are able to provide them with financial support.

In the face of the great distance between senders and recipients, remittances help pave the way for connection – offering consumers the opportunity to provide support, assuage financial burdens and express care for their loved ones. The profound impact of bridging this gap is evident in consumer sentiments. Understanding the breadth of the impact of remittances begins with identifying the reasons behind consumers’ decisions to send money internationally.

## Top Reasons for Sending Money Abroad in the Past 12 Months

- 1 Support family/friends** with an unexpected situation/need (44%)
- 2 Ongoing support** for family/friends (42%)
- 3 Support for family/friends** who have been impacted by world events (27%) and with **celebrations** (27%)



Further, those who sent money abroad to support their loved ones more specifically describe doing so to help cover **food expenses** (45%), **emergency expenses** (37%), help **boost their recipient's financial confidence** (37%) or to help **cover housing expenses** (35%).

In addition to supporting the livelihood of their recipient, the impact of remittances can be felt as they relate to global events. Many U.S.-based consumers explain that they have increased the amount of cash they have transferred over the past 12 months to their contacts overseas. The increase appears to be in response to three important trends.

### Consumers say they are sending more money to family, friends or others living abroad to...

**62%**

help them cope with **inflation**.

**59%**

help them cope with **geopolitical issues** like war, violence and unrest.

**57%**

help them cope with the **impacts of natural disasters** or climate-related problems.



#### **A Reason for Celebration:**

Nearly half of remittance consumers (46%) say they tend to send more money abroad during celebrations of loved ones, such as Mother's Day and Father's Day.



# Identifying Senders and Recipients



As is evident in their reasons for transferring money internationally, these transactions have largely interpersonal influences. Family abroad represents the key recipients of international money transfers. **In the past 12 months, more than 4 in 5 remittance consumers (81%) say they have sent money internationally to at least one family member.** This begs the question: which family members specifically?

## Family members receiving international money transfers:



More Gen Z remittance consumers appear to send money internationally to family members compared to their older generational cohorts: **91% of Gen Z remittance consumers cite having sent money internationally to at least one family member in the past 12 months.** Broken down by recipient, 41% of Gen Z remittance consumers say they have sent money to their mother internationally within the past 12 months, followed by their father (31%) and sibling(s) (21%).

When it comes to sending money internationally to friends, more millennials cite having done so in the past 12 months compared to other generations.

### International money transfers to friends, by generation:



#### Funding Personal Travel Abroad

Nearly 2 in 3 (63%) remittance consumers who have traveled abroad in the past 12 months say they send money internationally to their foreign bank accounts for personal use when traveling abroad.

While most remittance consumers trace their roots to countries around the world where they were not born, they retain close connections to these communities that are oceans away. **Among remittance consumers born in the United States, 38% say they are the first U.S.-born generation of their family.** For those not born in the U.S., opportunity drives their reasons for immigrating.

### Primary reasons remittance consumers born outside the U.S. moved to the U.S.

- 38%** The decision was made by their parents or other relatives
- 33%** Education/schooling for themselves or their children
- 30%** Employment opportunities



#### Helping Humanitarian Efforts

20% of remittance consumers say they have sent money abroad in the past 12 months to a humanitarian organization that supports countries impacted by world events.

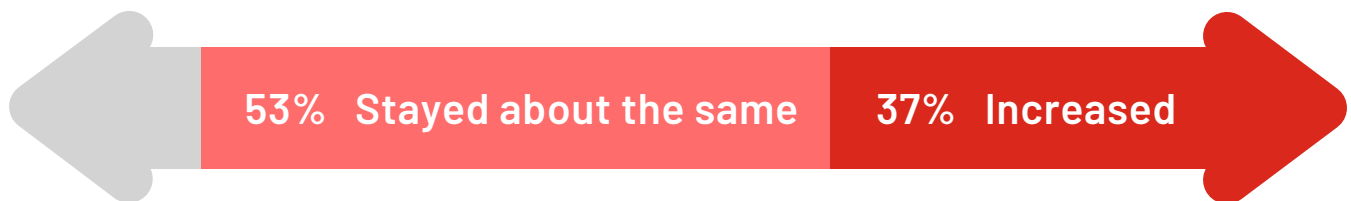
# The Means of Money Transfers

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A closer look at *how* funds are sent and received highlights the importance of both digital and physical options and provides additional detail to remittance consumers' support of family and friends abroad. The prevalence of money transfers internationally is evident in consumer behavior, as most remittance consumers say their use of international digital money transfers has either increased or remained steady within the past 12 months.

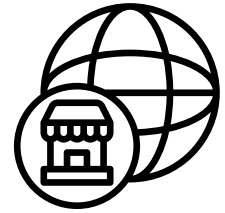
## Use of international digital money transfers over the past 12 months has...



Increased use of international digital money transfers is higher **among remittance consumers whose annual household income is \$100k or higher, with 52% of these consumers indicating increased use of the services over the past 12 months.**

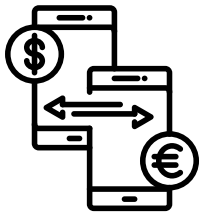


## Methods of money transfers vary, but digital and physical options are both strong among remittance consumers.



While nearly half of remittance consumers indicate that they use a money transfer app on their smartphone to send money internationally, just over 40% say that they use in-person bank or money transfer service locations to do so.

### Using an app for money transfer services was the most frequently cited way of sending money abroad across most generations.



Gen Z adults (44%), millennials (54%) and Gen X adults (49%) sent money abroad in the past 12 months by **using an app**, while baby boomers most frequently indicate using a **website of a bank or money transfer service** (38%).

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### Interestingly, money transfer providers that offer both online options and physical locations benefit from additional positive perceptions on the part of remittance consumers.

When a money transfer provider has both digital services and walk-in retail locations, remittance consumers most frequently say they assume the provider is **more flexible** (39%) and **more accessible** to the recipient (39%). These positive impressions are much stronger than any negative ones, such as the idea that these providers might be slower or less innovative compared to those that are online-only.

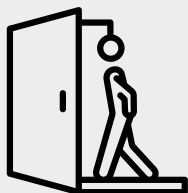
With regards to recipients, methods of receipt of transfers closely align to the send method reported, and there is a clear continued need for multiple options on the receiving side.

### Method of receipt cited most frequently by remittance consumers:

**44%** Directly to a bank account

**38%** In an app or digital wallet

**38%** At a branch/walk-in location



#### ***In-Person Receipt:***

*Hispanic remittance consumers most frequently report that their recipient receives the money they send abroad at a branch/walk-in location (45%).*

**Among all remittance consumers, 71% say their recipient uses cash as their main form of payment, which further underscores the importance of flexibility and accessibility in the money transfer process.**

However, the prevalence of e-wallet use among digital-first remittance consumers, especially younger generations, highlights an area where current and future expectations go beyond just the ability to transfer and receive funds quickly.



# Future Focus - Expectations of Digital Tools

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As many consumers continue to expand the ways they utilize digital financial tools, understanding consumers' expectations for their digital transfer provider is key. For some, the e-wallet appears to have more popularity than more traditional types of payment. Millennial and Gen X remittance consumers (44% each) more frequently indicate their recipient having a digital wallet than having a credit card (43% and 39%, respectively).

**While factors such as trustworthiness, a lack of hidden fees and 24/7 accessibility are must-have features for remittance consumers, many say they wish they could use their money transfer app for other positive financial purposes.**

**"I wish I could use my money transfer app to..."**

**50%**

use it as a wallet or e-wallet when shopping in-stores or online

**36%**

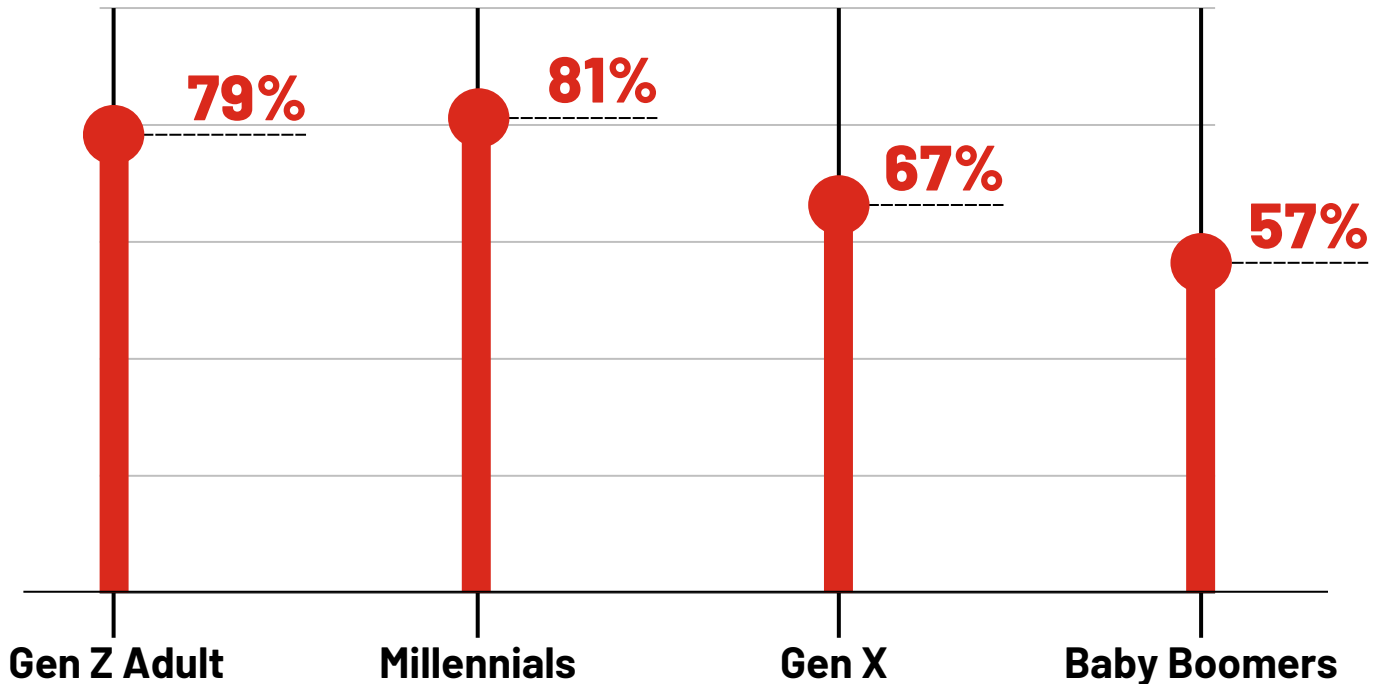
pay bills

**29%**

pay rent

**This sentiment is tangentially exemplified in most consumers' belief that emerging technologies – such as stablecoins, cryptocurrency, blockchain networks and digital wallets – are the future of personal finance.**

**Belief that emerging technologies are the future of personal finance**



Aside from this wish list, must-have features play an important role in remittance consumers' commitment to a money transfer service. **Trustworthiness** reigns supreme.

**Must-have features of money transfer services cited most frequently by remittance consumers:**

- 50%** It is trustworthy
- 45%** It has no hidden fees
- 42%** It is open 24/7
- 39%** It provides easy-to-access customer service
- 38%** It offers near-instant transfers
- 35%** It has a user-friendly interface
- 36%** It has fewer restrictions on what countries I can send money to

The importance of these key features and offerings is evident, as **money transfer services that offer specific features could drive those consumers to switch**. For all remittance consumers, across all generations, securing lower fees is the most frequently cited reason they'd switch money transfer providers. Faster transfers and rewards represent the second and third most frequently cited reasons.

**"I would consider switching to a new money transfer provider if they offered..."**

	Total	Gen Z Adults (18-27)	Millennials (28-43)	Gen X (44-59)	Baby Boomer (60-78)
Lowers fees	<b>50%</b>	<b>35%</b>	<b>51%</b>	<b>62%</b>	<b>68%</b>
Faster transfers	<b>41%</b>	<b>38%</b>	<b>43%</b>	<b>43%</b>	<b>35%</b>
Rewards	<b>39%</b>	<b>34%</b>	<b>43%</b>	<b>42%</b>	<b>31%</b>
Higher exchange rate	<b>33%</b>	<b>30%</b>	<b>32%</b>	<b>35%</b>	<b>38%</b>
Discounts on everyday purchases	<b>33%</b>	<b>34%</b>	<b>35%</b>	<b>30%</b>	<b>22%</b>
Discounts on additional transfers	<b>32%</b>	<b>31%</b>	<b>33%</b>	<b>30%</b>	<b>29%</b>
Immediate cancellation and status notification	<b>25%</b>	<b>30%</b>	<b>23%</b>	<b>23%</b>	<b>18%</b>

\*Red numbers represent the highest percentage for each generation



# Commitment & Connectedness Close the Distance

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Commitment and connectedness to family, friends and others living abroad will continue to motivate remittance consumers to send money internationally with digital-first behaviors leading the way for both senders and recipients.

Supporting loved ones' needs abroad, whether for basic needs, overcoming financial crises and/or in times of celebration, allows remittance consumers to feel closer and enrich communities even from so far away.

For international money transfer providers, continued innovations in both service features and expanded capabilities of digital platforms – apps and websites alike – will ensure that remittance consumers' expectations can continue to be met and exceeded. This adds to the commitment and connectedness that remittance consumers have to their loved ones abroad, making such money transfer services an even more important fixture in the lives of money transfer senders and recipients oceans apart.

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## **Methodology:**

This survey was conducted online within the United States between May 31 and June 4, 2024, among over 1,000 remittance consumers. The sample consists of adults throughout the U.S. who have sent money abroad within the past 12 months by means of international money transfer service or international wire transfer from a bank. The survey was conducted by Atomik Research on behalf of MoneyGram. All survey participants were sampled from online consumer panels. Raw data were not weighted and are only representative of those respondents who participated in the survey. The margin of error for the overall sample is +/-3 percentage points with a confidence level of 95 percent.