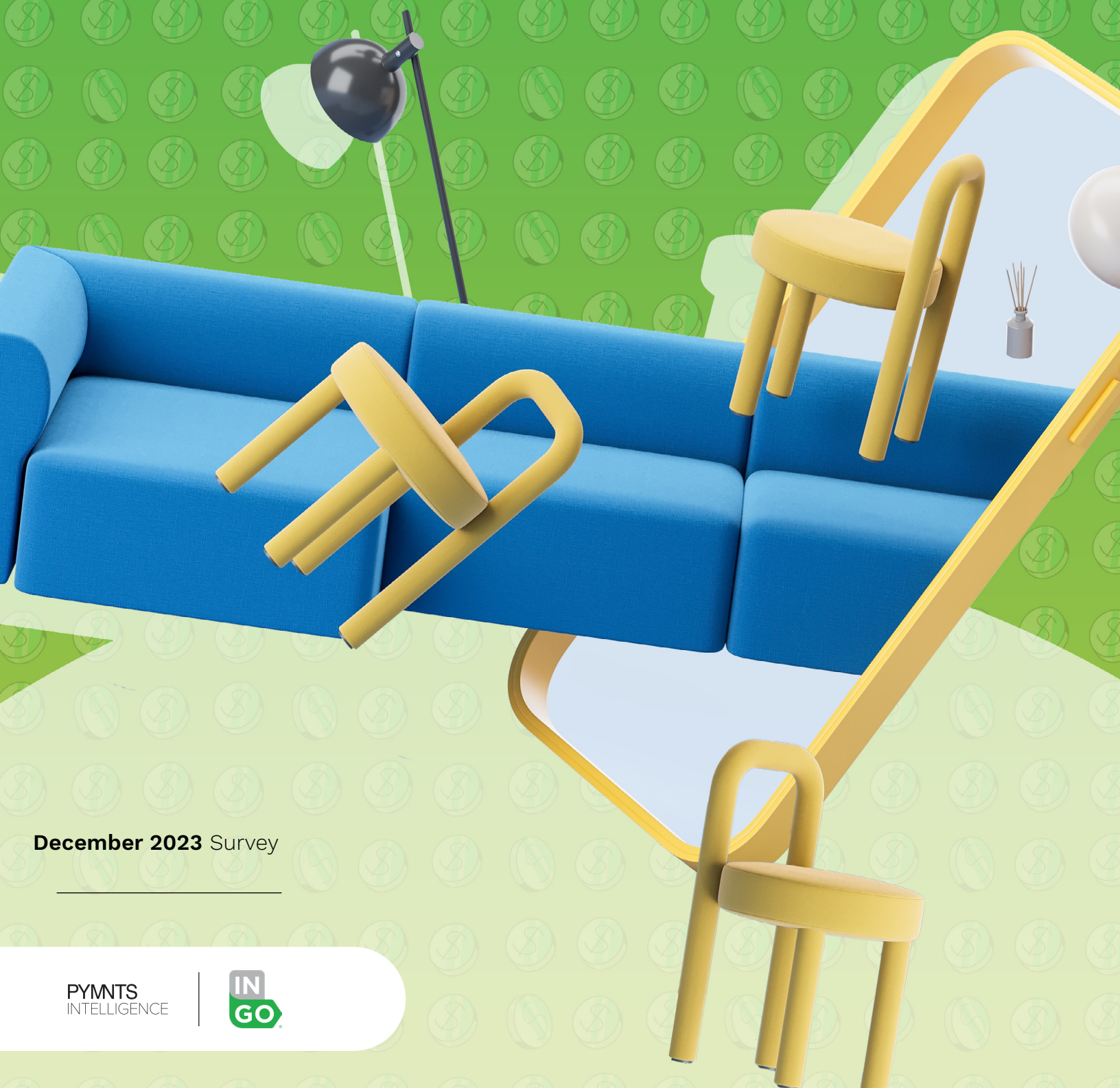


# GENERATION INSTANT:

Renters and Refunds



December 2023 Survey

PYMNTS  
INTELLIGENCE



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### Acknowledgment

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# Introduction

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Renting an apartment, house or an office space often means eventually receiving a rent-related refund of some sort, such as a returned security deposit or reimbursement for work on the property. And just as digital options have proliferated for paying rent directly from a bank account, data shows that the digitization of refunds has picked up some steam. In other words, the days of writing a check and putting it in the mail are numbered, if not yet fully gone. Of course, not all digital payments are instant: In fact, one-third of these transactions are non-instant. Yet, as these deposits are sizable and usually equal to or approximately one month's rent, it makes sense that tenants, especially those with high rents (and who thus tend to receive higher refunds), may want access to these refunds as soon as possible without the hassle of waiting to receive and then deposit a check.

Renters prefer receiving instant refunds to their bank accounts more than digital wallets and cards. Among the 40% of those who received rent-related refunds who primarily used instant methods, 19% received most of those payments instantly to a bank account, while 13% received most of those payments instantly to a digital wallet. More importantly, renters are more satisfied when receiving rent-related refunds instantly, suggesting that property management companies that offer instant pay may have a competitive advantage. The process seems to scale well, as rent-related refunds received via instant payments are 46% larger, on average, than those received via non-instant methods.

Generation Instant: Renters and Refunds, a PYMNTS Intelligence and Ingo Money collaboration, is based on a census-balanced survey of 2,606 consumers across the United States conducted between Aug. 28 and Oct. 4; it examines consumers' satisfaction with the disbursements they receive from government and nongovernment entities.

**This is what we learned.**

# THE ARCHITECTURE OF MONEY MOBILITY



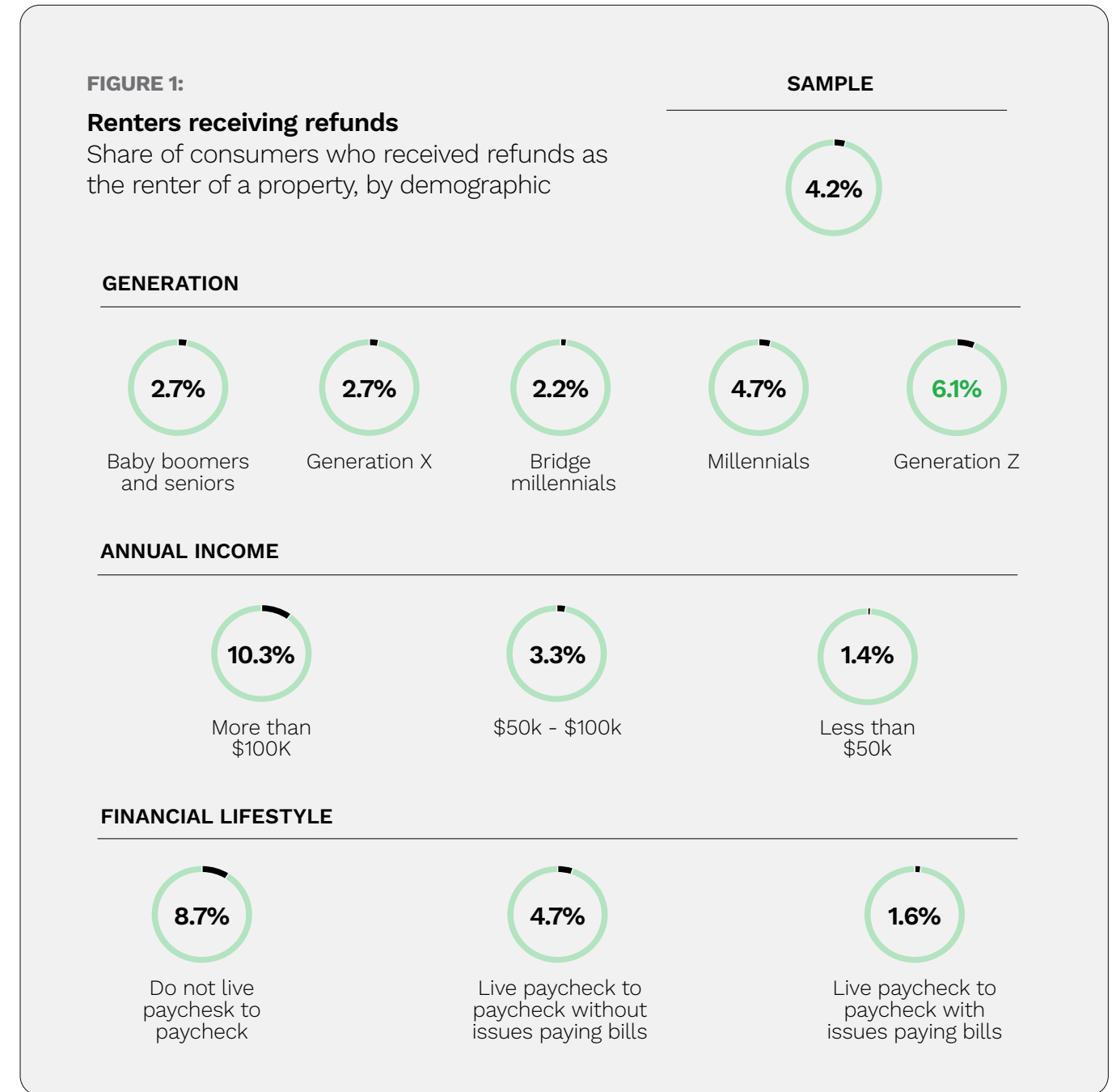
# Rent-related refunds received via instant payments were 46% larger, on average, than those received via non-instant methods.

Even though the shares of consumers receiving rent-related refunds are relatively small, at 4.2% overall, high-income consumers and those not living paycheck to paycheck have received them the most.

Ten percent of consumers making more than \$100,000 annually and 8.7% of consumers who do not live paycheck to paycheck received these refunds — each more than double the average share. Also prominent are Generation Z consumers, as 6.1% say they have received rent-related refunds, perhaps because they may be changing residences more often than other consumers.

The average size of each refund was \$1,007 per receiver, with the size of these refunds correlating with income. The average rent-related refund high-income consumers received was \$1,159, compared to just \$446 for low-income consumers.

A phenomenon that is tricky to explain is that rent-related refunds received via instant payments are significantly higher, on average, than those received via non-instant methods. The average refund received via an instant method was \$1,222, compared to \$843 for non-instant — an increase of 46%. Several implications abound: This could mean that when receiving higher rent-related refunds, con-



Source: PYMNTS Intelligence  
 Generation Instant: Renters and Refunds, December 2023  
 N = 3,903: Whole sample, fielded Aug. 28, 2023 – Oct. 4, 2023

sumers want to receive their refunds sooner rather than later, or that landlords with higher-value property may use more modernized means of payment relative to landlords of lower-cost properties.

## Renters exhibit a clear preference for receiving instant refunds to their bank accounts, leading digital wallets and cards.

Many consumers gravitate toward instant refunds, particularly for higher refund amounts. In fact, 62% of renters have received at least one refund via instant payments, while 40% primarily received refunds via instant methods.

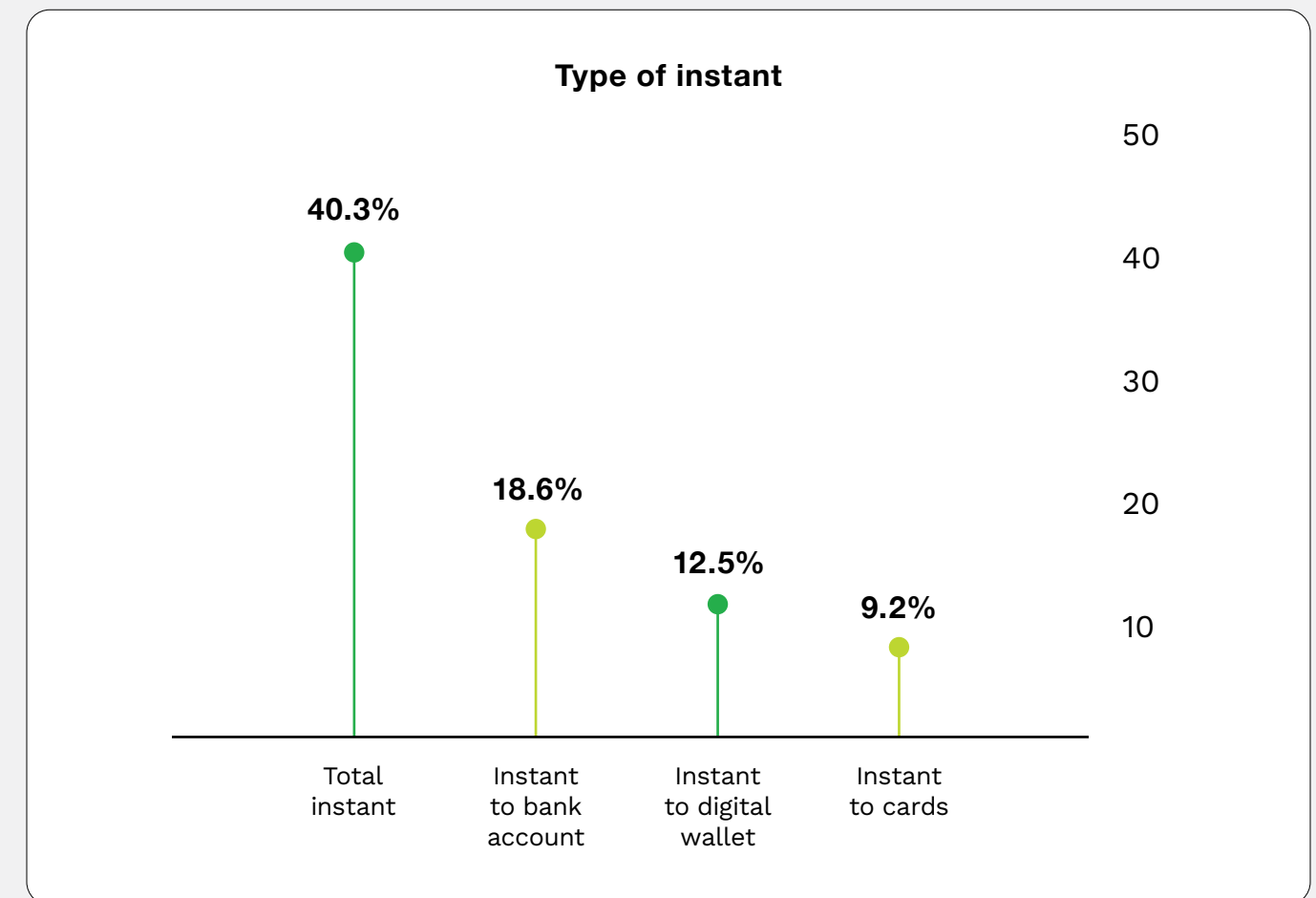
Among those who received rent-related refunds primarily via instant methods, payments sent instantly to a bank account is the most used method. Bank accounts are familiar, after all, as many renters also pay their rent via bank account transfer. The data shows that 19% of renters received most of those payments instantly to a bank account, 13% received most of those payments instantly to a digital wallet and 9.2% received most of those payments instantly to cards.

The average amount of refunds received across instant options varies, with instant bank account transfers typically larger than those received via digital wallet and cards. While rent-related refunds via instant bank account transfer average \$1,857 per refund, instant to digital wallet refunds average \$1,713, and instant to cards average

FIGURE 2:

### Primary instant reimbursement methods

Share of renters who received refunds via select instant payment methods the most in the last 12 months

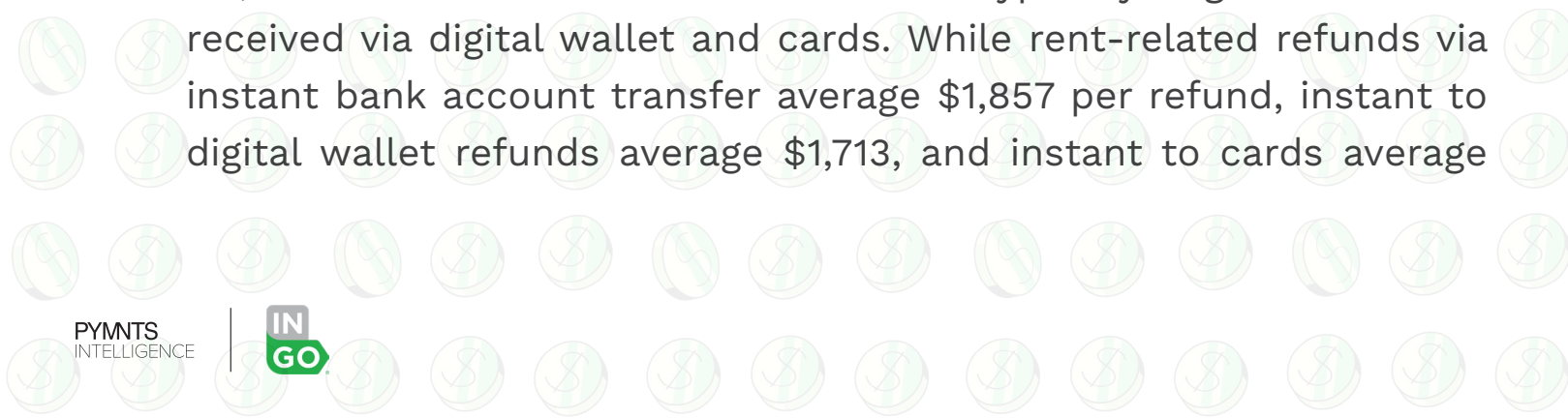


Source: PYMNTS Intelligence

Generation Instant: Renters and Refunds, December 2023

N = 94: Respondents who received refunds related to their rent over the last 12 months, fielded Aug. 28, 2023 – Oct. 4, 2023

just \$357. Again, this suggests that renters prefer to receive larger refunds sooner than later, and via channels they already use and trust for rent-related transactions.



# Seven in 10 renters are highly satisfied with receiving refunds via digital payments, with nearly two-thirds highly satisfied when receiving refunds instantly.

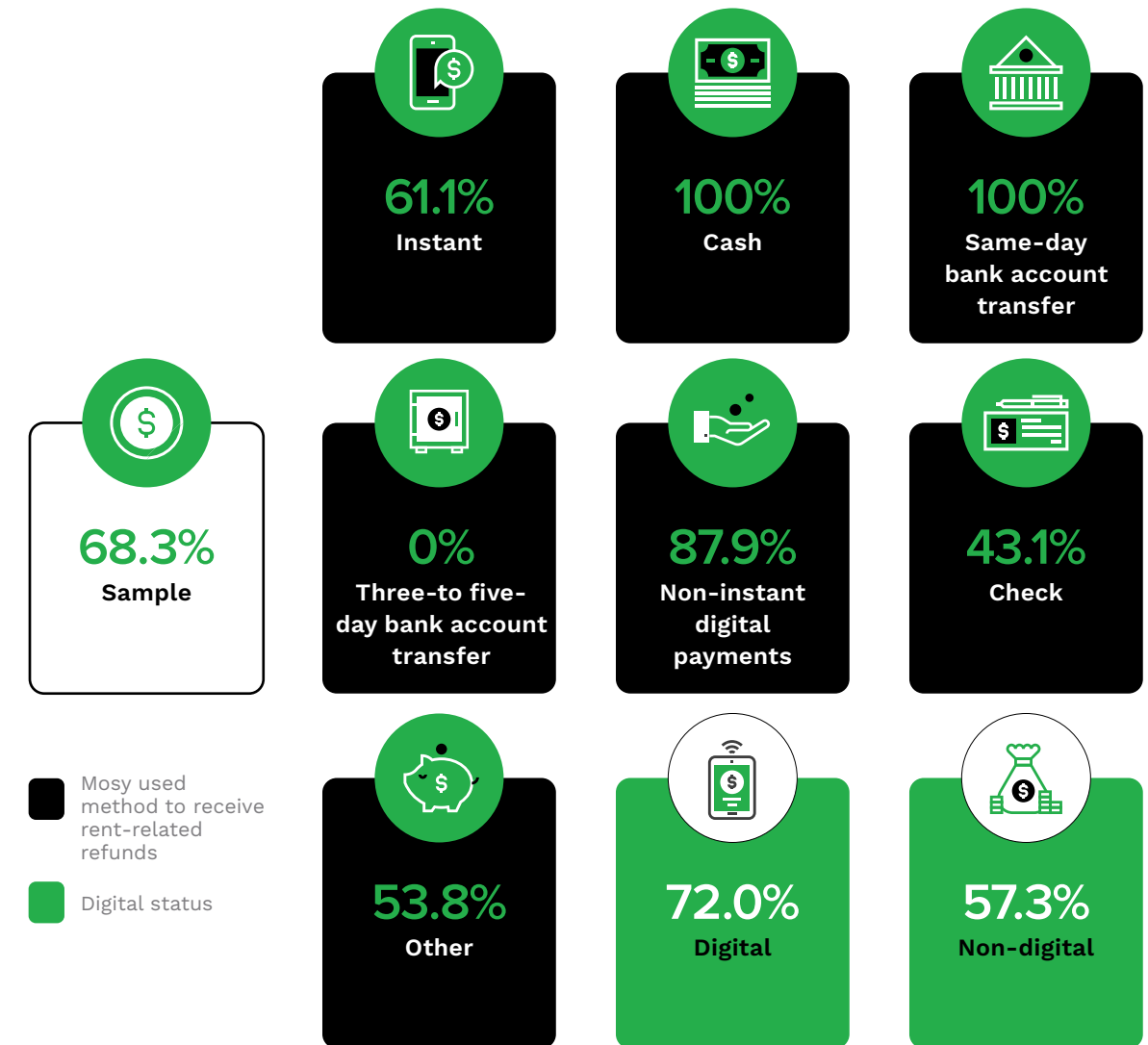
Data shows that renters particularly prefer receiving rent-related refunds via digital channels and instant payment methods. Although only 57% of those receiving refunds via non-digital payment methods are very or extremely satisfied, 72% of renters receiving refunds via digital payment methods report that level of satisfaction. Moreover, 61% of renters are very or extremely satisfied with receiving rent-related refunds via instant payment methods.

Despite the interest in instant pay, 44% of renters were not offered the chance to receive instant payments, with 35% of this group saying they would have chosen instant payments if given the choice. This suggests that property management companies would likely improve refund satisfaction if they did a better job meeting the demand for instant payment methods for rent-related refunds.

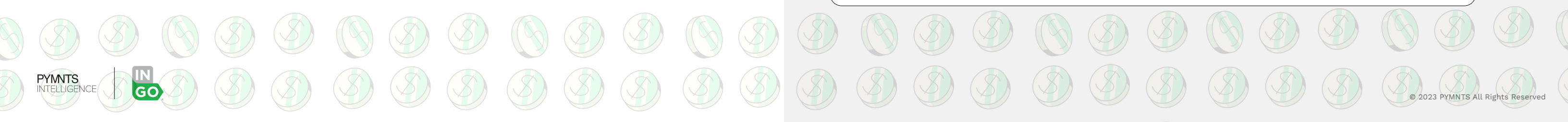
**FIGURE 3:**

### Satisfaction with rent-related reimbursements

Share of consumers highly satisfied with the method most used to receive rent-related disbursements



Source: PYMNTS Intelligence  
 Generation Instant: Renters and Refunds, December 2023  
 N = 94: Respondents who received refunds related to their rent over the last 12 months, fielded Aug. 28, 2023 – Oct. 4, 2023



## Although consumers value the speed of instant payments, security concerns and a reluctance to share payment credentials were the top reasons why some do not use instant payments when available.

More than half of renters were offered instant payments as an option to receive refunds, with two-thirds choosing instant when they were able. Renters that chose to use instant payments cite receiving their funds quickly and securing them as the top reason for their choice. Ninety percent said they preferred instant payments because of the speedy guarantee of good funds.

Yet there are renters who do not prefer to receive their rent-related refunds via instant payment methods. Among these renters, 71% cited security concerns and 70% cited not wanting to share their payment credentials to use instant payments as reasons for their disinterest. A lack of incentives to use instant payments was third-most common, at 64%. Cost was one of these renters' least cited

FIGURE 4:

### Reasons receivers do not choose instant

Share of renters with the choice of receiving refunds via instant who cite select reasons for choosing another method



deterrents, indicating that many renters are willing to pay for instant access to good funds. Even so, property management companies looking to leverage instant pay to attract renters could benefit from better marketing that addresses these concerns to incentivize renters to receive rent-related refunds via instant pay.





## CONCLUSION

**R**enters do not often receive rent-related refunds, but when they do, they increasingly expect them to be delivered digitally. And as higher-end properties provide more modern payment platforms, instant payment of refunds is often expected by their higher-rent-paying tenants. Higher rents mean bigger refunds, and when more is at stake, swift refunds may hold particular value. Still, some renters are never given the option, suggesting that property management companies are missing an opportunity to better engage and even attract high-income and digitally savvy consumers to their properties.

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## METHODOLOGY

**G**eneration Instant: Renters and Refunds, a PYMNTS Intelligence and Ingo Money collaboration, is based on a census-balanced survey of 2,606 consumers across the United States conducted between Aug. 28 and Oct. 4 examining consumers' satisfaction with the disbursements they receive from government and nongovernment entities. Our sample was balanced to match the U.S. adult population in a set of key demographic variables: 51% of respondents identified as female, 39% had a college degree, 43% earned more than \$100,000 annually and 31% were millennials.

# ABOUT

**PYMNTS**  
INTELLIGENCE

**PYMNTS Intelligence** is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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We are interested in your feedback on this report. If you have questions or comments, or if you would like to subscribe to this report, please email us at [feedback@pymnts.com](mailto:feedback@pymnts.com).

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