| NGPF_LG.png | **NGPF Activity Bank** ***Banking*** |
| --- | --- |

RESEARCH: Person-to-Person Payments

According to NerdWallet, peer-to-peer payment systems — also known as P2P payments or money transfer apps — allow users to send one another money from their mobile devices through a linked bank account or card. They make splitting bills with friends and family painless.

Complete this activity to learn more about P2P payments.

**Part I: How does P2P work?**

Read the How P2P Payments Work section of this [NerdWallet article](https://www.nerdwallet.com/article/banking/p2p-payment-systems) and answer the questions that follow.

1. How do you find a user to send them funds using P2P?
2. The day they go on sale, Beth forgets her money to buy season tickets to the high school basketball games. Randall has extra cash in his wallet and pays for her ticket. How is P2P useful for Beth in this scenario?

**Part II: What companies provide P2P payment apps?**

Use this [Magnify Money website](https://www.magnifymoney.com/blog/banking/p2p-payments/) to learn a bit more about which companies offer a P2P service and key details you should understand about their services.

1. For each P2P app reviewed in this article, place a checkmark on the chart with your familiarity for their service.

|  | **I’ve used it myself** | **I know someone who uses it** | **I’ve heard of this before** | **I’ve never heard of this** |
| --- | --- | --- | --- | --- |
| **PayPal**  |  |  |  |  |
| **Venmo** |  |  |  |  |
| **Google Pay** |  |  |  |  |
| **Apple Pay Cash** |  |  |  |  |
| **Zelle** |  |  |  |  |
| **Square Cash App** |  |  |  |  |
| **Popmoney** |  |  |  |  |

**Part III: Research**

Use the resources in the article above to select 3 apps you want to research in more detail. Then, conduct your own research to access additional resources and fill out the table for each app. While doing your research, think about the following questions:

* Does the tool work with specific banks/accounts only? Or can you use it regardless of your bank?
* Who am I allowed to send money to?
* Is there a fee for my transactions?
* What security or anti-fraud measures does this company take to protect their users?

| **App #1 Name:**  |
| --- |
| **Primary Purpose & How the App Works:** |
| **Who can you pay?** | **Fees to send money** | **Fees to cash out** | **Pros** | **Cons** |
|  |  |  |  |  |

| **App #2 Name:**  |
| --- |
| **Primary Purpose & How the App Works:** |
| **Who can you pay?** | **Fees to send money** | **Fees to cash out** | **Pros** | **Cons** |
|  |  |  |  |  |

| **App #3 Name:**  |
| --- |
| **Primary Purpose & How the App Works:** |
| **Who can you pay?** | **Fees to send money** | **Fees to cash out** | **Pros** | **Cons** |
|  |  |  |  |  |

**Part IV: What Do You Think?**

1. Which of the apps you researched would you use? Why this one?
2. Compare your answer to #5 with a partner. Which app did they choose and why?
3. What top 3 criteria would you recommend someone use to evaluate an app they are thinking of using? Explain your reasoning.
4. Why do you think P2P apps have become so popular?