

Appendix A

Survey and Diary of Consumer Payment Choice questions related to BNPL, 2021 through 2023:

1. Have you heard of paying for goods and services using a payment method called Buy Now, Pay Later?
2. “Buy Now, Pay Later” allows people to make a purchase and spread payments over a period of time. This type of payment is sometimes offered by online stores when checking out through finance companies called Affirm, Afterpay, Klarna, QuadPay, Sezzle, etc. This type of payment is like a loan, but for smaller purposes and sometimes without any interest to pay. Given the description above, have you been offered to use Buy Now, Pay Later when making a purchase?

If YES:

3. To better understand your experience, in your own words, please briefly describe the most recent time you were offered Buy Now, Pay Later when making a purchase.
4. In the last 30 days, have you paid for a good or service using Buy Now, Pay Later?
5. In the last 30 days, how many times did you use Buy Now, Pay Later when making a purchase?
6. For your most recent Buy Now, Pay Later purchase, how many installments will you or did you make to pay the full amount owed?

Appendix B

The results shown in the following table are from probit regressions in which the dependent variable is equal to one if a consumer used BNPL at least once during the previous 30 days and zero otherwise. Columns (1) through (3) show the results for individual years, and column (4) shows the results for the pooled 2021–2023 sample with year fixed effects. The probability of using BNPL rises over time, as reflected in positive coefficients on the year fixed effects.

Table B1: Marginal Effects of Various Characteristics on the Probability of BNPL Use

		Estimated effect on percentage-point chance of having used BNPL in past 30 days			
		2021	2022	2023	2021–2023
		(1)	(2)	(3)	(4)
Age:	< 25	-0.25	-0.65	0.14	-0.24
	25–34	-0.55	-0.07	-1.76	-0.77
	35–44	--	--	--	--
	45–54	0.03	-0.56	-1.32	-0.67
	55–64	-1.59	-1.28	0.31	-0.89
	65+	-2.05	0.29	-0.58	-0.85
Highest education:	No high school	2.12	0.14	-3.08**	-0.41
	High school	--	--	--	--
	Some college	1.63	1.52	0.62	1.21*
	College graduate	0.15	1.15	0.36	0.53
	Graduate school	1.88	0.87	1.53	1.35*
Income:	< \$25,000	-2.54**	-3.61***	-2.46*	-2.87***
	\$25,000–\$49,999	0.31	-1.32	-0.66	-0.54
	\$50,000–\$74,999	--	--	--	--
	\$75,000–\$99,999	0.66	-1.72	-0.52	-0.55
	> \$100,000	-1.11	-1.81	-2.14	-1.65**
Employment status:	Employed	--	--	--	--
	Unemployed	-2.51***	-3.32**	-3.15**	-2.97***
	Retired	0.80	-2.76**	-1.00	-1.05
	Other	-0.47	-0.81	-0.44	-0.52
Home ownership:	Homeowner	-1.47*	-0.81	0.63	-0.54
	Non-homeowner	--	--	--	--
Gender:	Female	3.12***	3.35***	3.65***	3.40***
	Male	--	--	--	--
Marital status:	Married	-0.79	-0.33	0.67	-0.22
	Divorced/Separated	0.18	-1.02	-0.88	-0.58
	Widowed	-2.25	-1.98	-1.19	-1.81*
	Never Married	--	--	--	--
Race:	White	--	--	--	--
	Black	0.80	2.90**	4.39***	2.85***
	Asian	1.16	1.00	0.65	0.94
	Other	0.24	0.35	1.27	0.58
Ethnicity:	Latino	2.96**	2.01	5.71***	3.50***
	Non-Latino	--	--	--	--
	# of household residents	0.28	0.16	0.20	0.22**
	Bankruptcy in past year	0.54	2.09	5.20*	2.31
Urbanicity	Rural	0.22	-0.45	1.19	0.16
	Mixed	--	--	--	--
	Urban	-0.27	0.41	-0.77	-0.25
FICO Score:	< 600	4.28**	8.25***	13.17***	8.63***
	600–649	8.56***	8.71***	12.02***	9.87***
	650–699	3.58**	7.83***	7.60***	6.29***
	700–749	--	--	--	--
	750–799	-1.84*	-2.46**	-3.32***	-2.56***
	> 800	-2.56**	-4.01***	-4.95***	-3.88***
	Unknown	-0.97	-2.04	-3.71**	-2.22***
Year	2021				--
	2022				1.54***
	2023				2.40***
	Observations	4,409	4,681	4,546	13,636
	Pseudo-R ²	0.0928	0.0954	0.1215	0.1001

Note: Results shown are estimated marginal effects of a discrete change relative to the reference group for categorical variables, and marginal effects at means for continuous variables. "--" denotes the reference group for categorical variables. * p < 0.10, ** p < 0.05, *** p < 0.01.

Source: 2021–2023 SDCPC.