

21A.01 | Ethnographic Assignment #2

Venmo Transactions

Venmo is a widely used app that allows people to pay & charge money. You can either pay from your Venmo balance or directly from your credit/debit cards or bank. The Venmo balance is the amount of money you have in the app, which you could accumulate from people paying you.

There are two modes of transaction in Venmo: You request money from someone, or you pay someone. When you charge someone, they have an option to accept, decline, or not take any action on the request. However, when you pay someone, the money has left you forever—there is no way of revoking it. Whether you pay or are paid, your transaction history may show up in the “Venmo feed,” where you can see what Venmo transactions your friends made. Each transaction also allows you to enter a description (Exhibit 1). Let’s take a look at different instances you may charge or pay someone, and what these transactions imply.

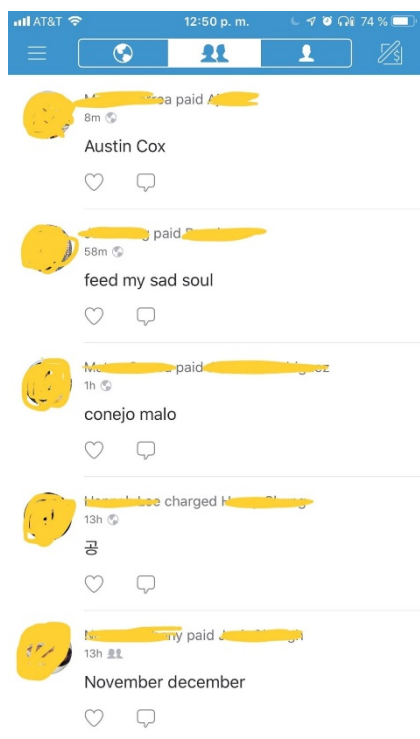


Exhibit 1: Example of my Venmo feed

If you are charging someone on Venmo, the most common reason is that you have fronted the bill for a shared meal, Uber ride, lodging at a hotel, etc. Why would Person A (“creditor”) as opposed to Person B (“debtor”) front the bill? There are possible motivations: Sometimes, someone just has to pay the bill, and the creditor happens to be a go-getter. In other instances, being the creditor brings them tangible and intangible values. For one, fronting a large sum of money may help them meet an expenditure goal for their credit card. Furthermore, being the creditor implies a certain level of generosity. There is always a risk that debtors may not pay the creditor back, and yet the creditor assumed that risk (especially for a larger payment such as a hotel stay). In return, however, by assuming this risk, the parties involved develop a sense of trust; it is a mutual understanding that the creditor trusts the debtor enough to front the bill, and the debtor indirectly exhibits appreciation and feels the need to repay the trust.

In a less ideal world, of course, the debtor may take days or even months to complete the Venmo request—or never pay them back. This behavior chafes their friendship and the debtor’s social status. In the creditor’s mind, the debtor is potentially inconsiderate, rude, and maybe even less desirable to share food, transportation, or memories with them in the future. For the debtor, if he repeats his action to multiple creditors, his social reputation is eventually damaged.

On the other hand, if someone is *Venmo-paying* someone else, there are more diverse motivations. Firstly, back to the restaurants, Ubers, and hotels—before the person who fronts the bill even charges the debtor, the debtor takes the initiative on the spot to Venmo pay them. There are ways that this action can go, however. One: Debtor pays the creditor the exact amount he owes, therefore nobody gets upset (Exhibit 2). Two: Debtor overestimates the amount owed on purpose. In this case, the debtor gets to give the impression that he’s a generous person. Three: Debtor underestimates the amount, in which case it irks the creditor.



Exhibit 2: Person immediately pays me the exact amount owed.

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Another reason you may Venmo-pay someone is a pure act of service. For example, it is your friend's 21st birthday, or your friend is going through a tough week, but you are a thousand miles away (Exhibit 3).

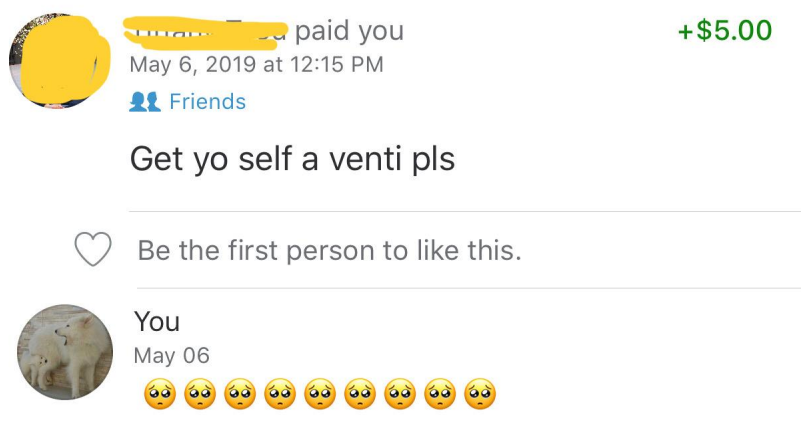


Exhibit 3: Friend “pays” me five dollars to get myself a drink at Starbucks when I was having a rough week.

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You Venmo them maybe five to fifteen bucks. In essence, it is like giving someone a gift card—but remotely. This act of “generosity” actually puts the gifter in a socially favorable position. Although the gifter can define the transaction however they want, the receiver also has the flexibility to spend it on whatever they wish. Maybe the receiver will even utilize this extra balance in their Venmo account to spread the act of generosity to someone else, thus creating a larger social value. If you had received a gift card from someone, it is on some level odd or feels even inappropriate to recycle a gift card to another person—not the case with a disembedded item such as Venmo balance. In this sense, receiving a Venmo payment is more pleasant than receiving a gift card. Furthermore, small acts of kindness like this (Exhibit 3) in times of difficulty are very memorable for the receiver, and it

therefore strengthens the friendship between the parties. Lastly, Venmo has an option to make a transaction public (either to the whole world or to your Venmo friends), and this even shows to people outside of the immediate parties involved that the gifter is a generous person. In other words, with a relatively small amount of money, the gifter is creating a large impact on the receiver as well as himself.

Certainly, there are other cases and motivations why a Venmo transaction may occur. However, the idea that Venmo requests and Venmo payments bring out nuanced social motivations and implications is present in all Venmo transactions. Whether someone is requesting money from someone else, paying someone back, or gifting someone, there are chances of elevating one's social status within the people involved in the transaction and potentially beyond that group. If a payment amount is underestimated or delayed, it eventually brings damage to the debtor's friendship, social status, or even material gain in the future (e.g. people will not buy you things). Though such implications that come with owing and gifting forms of money have existed in society since at least the invention of standardized currency, an app like Venmo allows for more intricate relationship between the younger generations and money.

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