

Open Learning Forum

[The State of Stablecoins](#)

Stellar Development Foundation and Wirex

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Methodology

Over the course of three weeks, Wirex and Stellar Development Foundation (SDF) sent out two rounds of emails to their respective databases. They asked for volunteers to fill out a survey focused on the way people conduct cross-border payments. It is important to note that respondents' views are not representative of the general populace. The fact that they receive communications from Wirex or SDF indicates an interest in cryptocurrency and blockchain that goes beyond that of the average person.

Here is a view of the respondents: 3,834 total respondents; 80% identified as male, 18% as female; 81% were based in Europe, 17% in Asia-Pacific; 83% were above the age of 35.

Less than 1% is the sweet spot for transaction fees

75% of respondents send money abroad, and a majority believe that transaction fees above 1% are too high. Most respondents are conducting international transactions worth between \$101 and \$500, thus a fee as low as \$1.01 is seen as costly. The more a person pays in transaction fees, the more willing they are to consider cheaper alternatives to money transfer operators (MTOs). This includes digital assets.

Transaction fees are often charged to cover operating costs, a byproduct of working with different intermediaries and systems. By integrating digital assets into their solutions, financial institutions and MTOs can reduce operating costs, optimize for lower transaction fees, and capture market share by advertising this alternative form of payment – a competitive boon all around.

Cryptocurrency has gone mainstream, but stablecoins have not

[40 million people](#) are using cryptocurrency in some shape and form, and this number is only going to grow as blockchain wallets become more popular. Despite increasing usage, critics argue that crypto is unlikely to achieve mainstream adoption due to volatile price fluctuations and a lack of real-world use cases.

Stablecoins have been proposed as a solution to that problem, though they suffer from lack of awareness: 75% of respondents had never heard of stablecoins before, and this is an audience more familiar with crypto than the general public.

Education regarding how stablecoins can power digital payments is a top priority, as it can frame cryptocurrency within actual use cases that the average person can see themselves applying.

Cryptocurrency is deemed safe by most, but there is a long way to go

Crypto has been scrutinized heavily, in large part because of the crypto bubble of 2017. But the narrative of crypto being harmful or unsafe to use is unraveling as more positive use cases have been demonstrated, leading to more confidence in the technology. Well-designed user experience, robust education, and support will continue to bolster this trend.

86% of respondents reported that they feel safe using crypto. More male respondents (87.5%) felt safe using crypto than female respondents (80.4%), 24-34 year olds felt the most secure using cryptocurrency (90.6%) compared to their 65+ counterparts (80.4%). Awareness of these gaps is crucial for businesses to design solutions and products for underserved demographics who represent a sizable portion of the market.