

2024 Consumer Digital Government Adoption Index

Charting a path to
80%+ digital adoption

Paylt  Smarter for government.
Easier for everyone.



Introduction

Charting a path to 80%+ digital adoption

Digital government services aren't a "nice to have" anymore — they're a must. Government organizations with an easy-to-use digital front door gain efficiency and improve resident satisfaction. But maximizing these benefits requires a shift from offering an online option as an afterthought, to thinking digital-first.

Government Customer Experience 2.0 centers on the resident experience — without sacrificing agency business rules or waiting for upgraded systems of record.

But what makes up a truly next-generation customer experience? Our 2024 study of nearly 1800 consumers in the United States and Canada uncovered several insights that help set the roadmap for Government CX 2.0.

The report explores four key insights that public sector leaders should keep in mind as they pursue digital service improvements.



Achieving 80%+ digital adoption is possible

People prefer digital government ...

COVID accelerated the digitization of virtually every aspect of life – including access to government. Agencies raced to provide their communities with access to digital services. At the same time, consumers increased their comfort with operating online and their expectations for digital experiences. Consumers of every age and walk of life now expect a frictionless experience and advanced features.



We asked respondents about their future plans to transact online with government. The responses help us understand four kinds of customers:



Enthusiastically Digital Customers said they will definitely pay online next time

40%



Satisfied Digital Customers said they will probably pay online next time

35%



Persuadable Customers said they are not sure how they will pay next time

12%



Firmly Analog Customers said they probably or definitely will not pay online next time

13%

Understanding these groups of customers makes one thing clear: **Government organizations can achieve or exceed the once-ambitious target of 80% digital adoption.**

... but digital government needs to be easier

Achieving these targets requires a more purpose-built digital customer experience than most organizations offer today. Many digital government services still have technical or user experience gaps that undermine adoption.

Sixty-three percent of respondents said they experienced at least one challenge making an online payment for a government service.

Problems logging in, technical glitches and errors, slow loading times, and difficulty navigating the website or application topped the list of difficulties people had.

These issues put the 80% target at risk, considering that a **difficult or confusing user experience would be enough to dissuade 27% of respondents (and 37% of 18-29-year-olds) from using an online payment system.**

It should be easy to find where to pay, the amount to pay, and payment confirmation. The user experience should include concise instructions and no unnecessary steps. Issues like slow loading time and buried payment pages frustrate users, adding support volume or causing people to abandon the process. And the experience must meet or exceed the [accessibility standards](#) required by the U.S. Department of Justice.

Insight #2:

Customers bring high expectations to their interactions with government

With once-novel digital features now commonplace, the stakes for digital customer experience are higher than ever. Although most interactions with government organizations are compulsory (paying taxes, fees, etc.), consumers bring increased expectations from other digital experiences into government transactions and are frustrated when those digital services fall short.

The majority of respondents in our study reported that they expect a wide range of payment options and immediate receipt delivery following a government transaction. And increasingly, people expect advanced options like autopay, due date notifications, and installment payments to be part of government transactions.

Features users expect in digital government

Preferred payment method

(credit, debit, Apple/Google pay, ACH)

63%

Downloadable or emailed receipt

57%

Autopay for recurring charges

45%

Email messages with a link to pay when a bill is due

42%

Text messages with a link to pay when a bill is due

39%

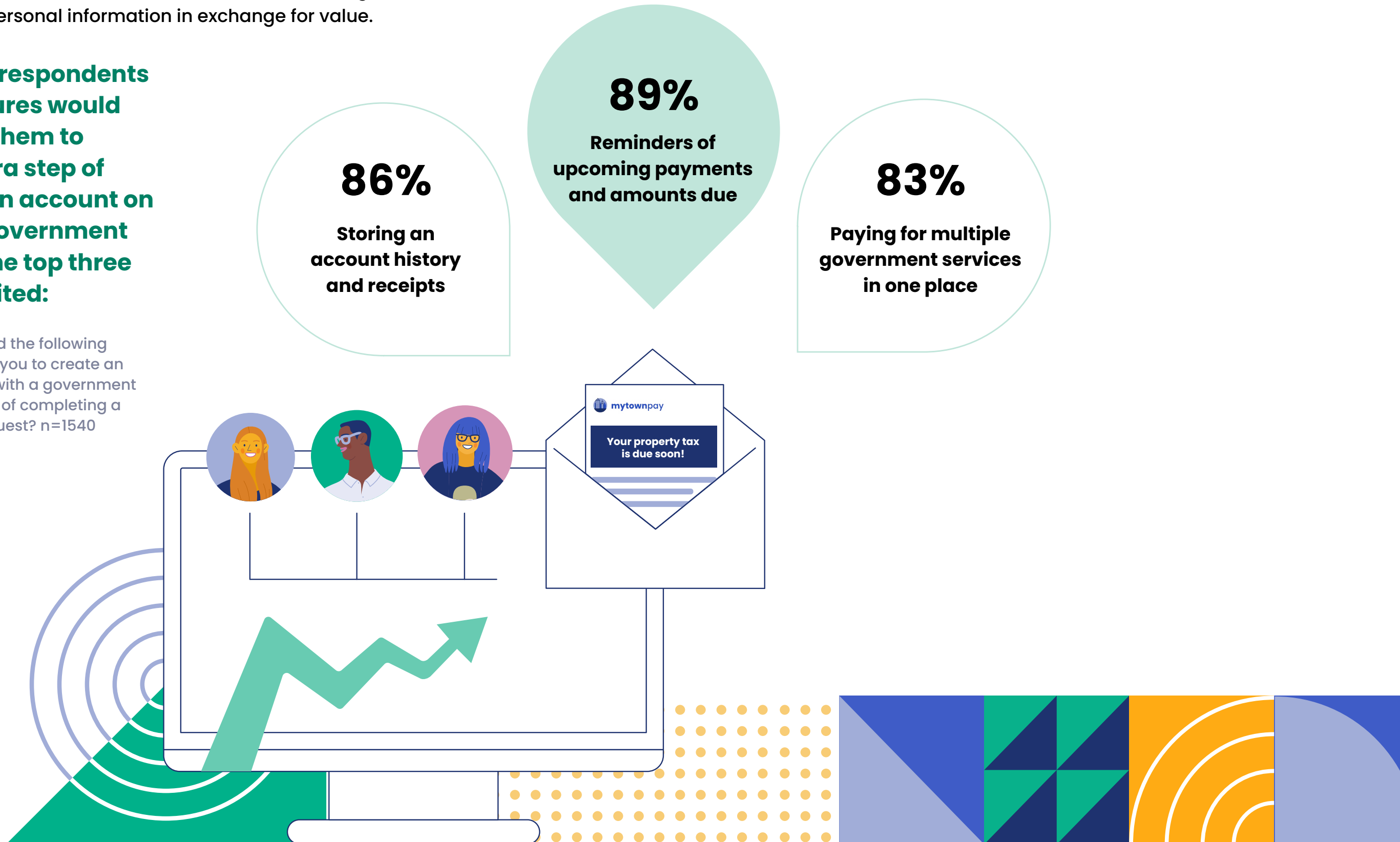
Which of the following things do you expect to find when paying a government bill online? n=1544



As with other online transactions, customers are willing to share more personal information in exchange for value.

We asked respondents what features would motivate them to go the extra step of creating an account on a digital government service. The top three features cited:

How much would the following things motivate you to create an online account with a government agency, instead of completing a payment as a guest? n=1540



Insight #3:

Security and privacy are critical customer concerns

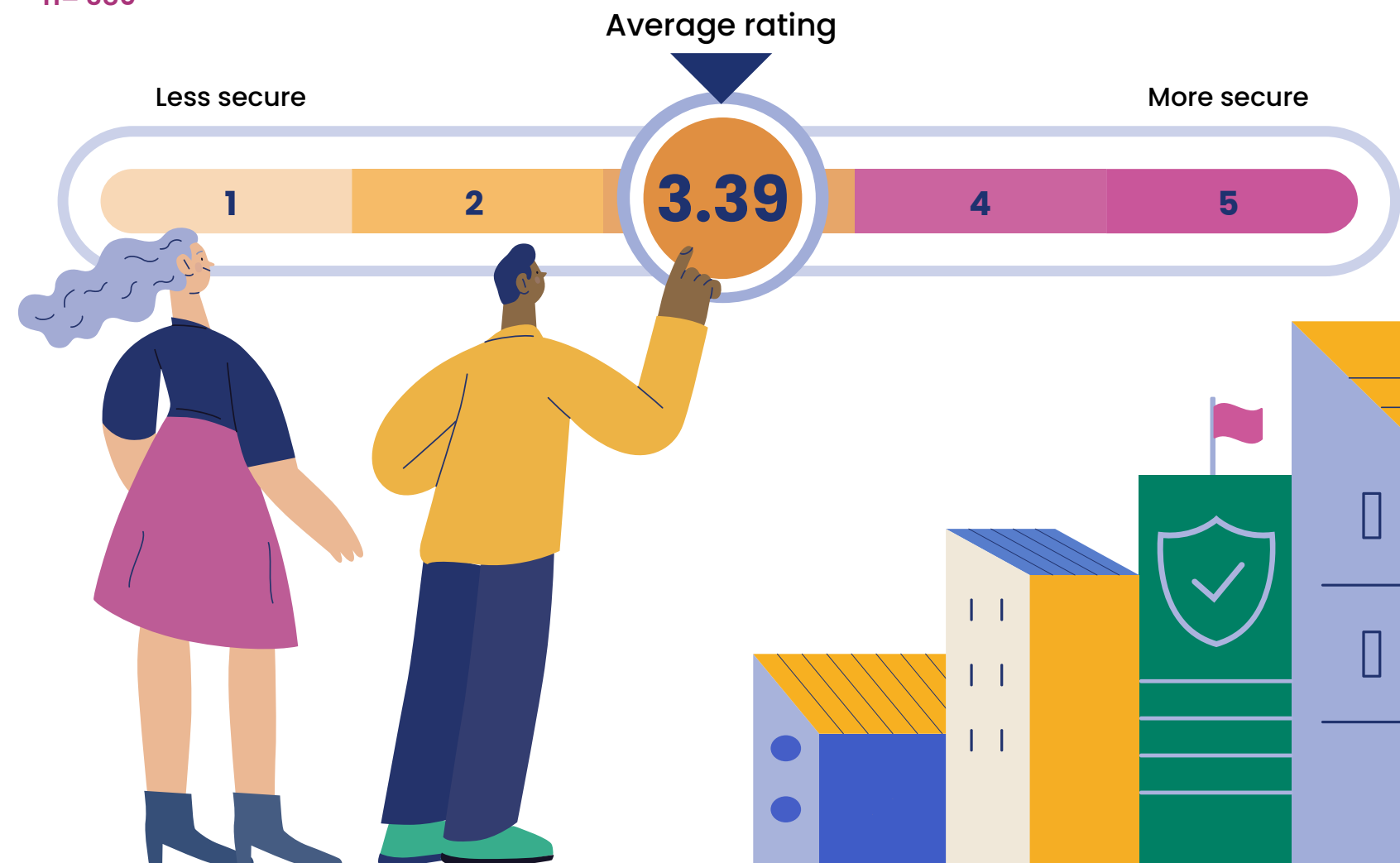
Digital adoption hinges on addressing security and privacy

Security concerns can make customers wary of digital government services. Among the 13% of residents in the Firmly Analog category, concerns about security surface as the most-frequently cited barrier to going digital: **28% of Firmly Analog Customers chose this as the primary reason they do not plan to use digital channels.**

And all respondents in the Firmly Analog Customers are at least somewhat concerned about security. They rate mail, phone, and in-person transactions as somewhat more secure than digital transactions.

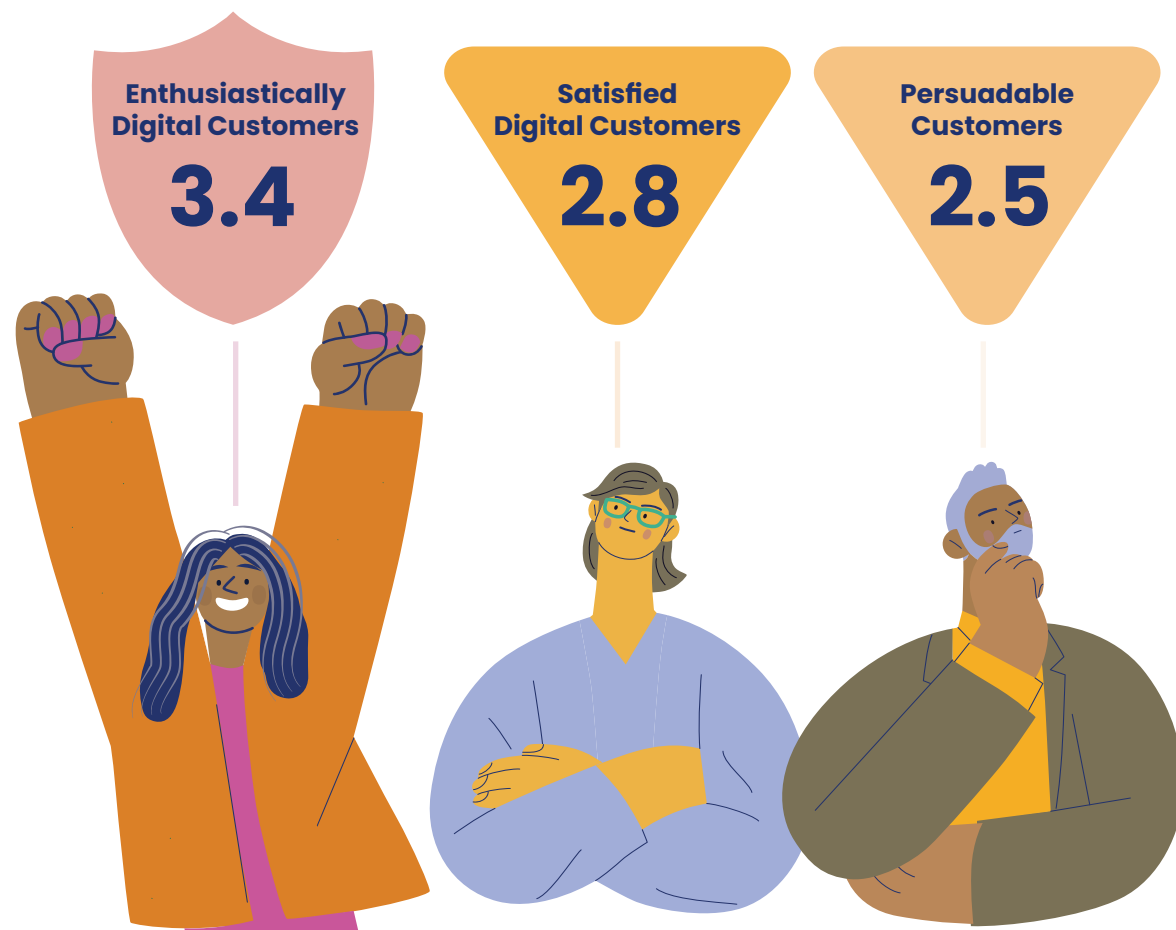
How do you compare the overall security of paying a government bill via phone, mail, or in-person to paying a government bill online?

n= 380



Conversely, residents with higher confidence in security have stronger digital intent

Average ratings of the relative security of government vs. commercial digital transactions:



How confident are you that digital services provided by the government will keep your personal and payment data secure, compared with non-government online services? A rating of 3 indicates that the security is “about the same”, with a higher rating indicating greater security. n=1545

We uncovered another layer to people’s concerns, one that’s specifically about privacy and trust in government: **16% of Firmly Analog residents said they will not transact online because they don’t want government agencies to have their personal information.**

A 2023 [Pew Research Center](#) report indicates that **71% of US consumers are concerned about how the government uses the data they collect about them.** While this is lower than the 81% of respondents who reported concern about private companies’ privacy protections, it is clear that **government organizations must communicate clearly and frequently about the security and privacy protections they have in place.**

To help calm residents’ worries about the security and protection of their personal data, government organizations should:

- **Implement strong security, privacy, and compliance measures:** Data governance, payment compliance certifications, risk management, and internal training all help keep resident and agency information safe.
- **Clearly communicate the protections in place:** Tell residents (clearly and frequently) about how your agency safeguards data and prominently display third-party security and compliance certifications on your digital properties. Learning that you take data security seriously can be a difference-maker for Persuadable and even some Firmly Analog residents.
- **Make it clear that digital services are officially sponsored by your agency:** Eighty-eight percent of our respondents indicated that knowing that an online service is “the official way to pay” strongly influences their decision to go digital. Resident-facing digital services should reflect the appearance and branding of your agency and include specific messages about the official nature of the service.

Keep in mind that while security and privacy concerns are most pressing among the minority of residents with low digital intent, every customer will welcome reassurance.

Consumers are still unsure about AI

As with most emerging technologies, customers are still skeptical about the use of Artificial Intelligence (AI) for government services. **Fifty-six percent of respondents are somewhat or very comfortable with government agencies using AI, while 44% of respondents said they are somewhat or very uncomfortable with this new technology.**

Unsurprisingly, avid digital users were more likely to express comfort with AI. But even among the most digital-forward residents there remains significant hesitation:

- **66%** of Enthusiastically Digital Customers reported they are somewhat or very comfortable
- **50%** of Satisfied Digital Customers reported they are somewhat or very comfortable
- **43%** of Persuadable Customers reported they are somewhat or very comfortable

While completing mundane tasks seems to be an acceptable use of AI, overall trust in AI remains shaky at best. An April 2024 YouGov poll found that [62% of people](#) don't trust AI to make ethical decisions, and 45% don't trust that AI's information is accurate.

This matches the sentiments from our survey, where respondents recognized that while AI could have benefits, the lack of regulation and potential for error gives them pause. Other worries included data security, scams, and bugs. **And numerous respondents also expressed concerns about the human cost of AI, including job losses.**

Positive

"AI is making our life more comfortable."

"AI makes business more efficient."

"Could make the process easier."



Concerned

"I don't trust AI for sensitive personal information."

"The chance for error seems high."

"Far too early in the development life of AI to be depending on it. Ethical considerations and technical error issues abound. Also wary of AI replacing humans, replacing customer service reps and putting people out of work."



Negative

"AI is taking ACTUAL HUMANS jobs away."

"AI may not be secure and uses obscene amounts of energy."

"AI is fancy auto-complete. I need to be able to trust the government, and I don't trust AI."



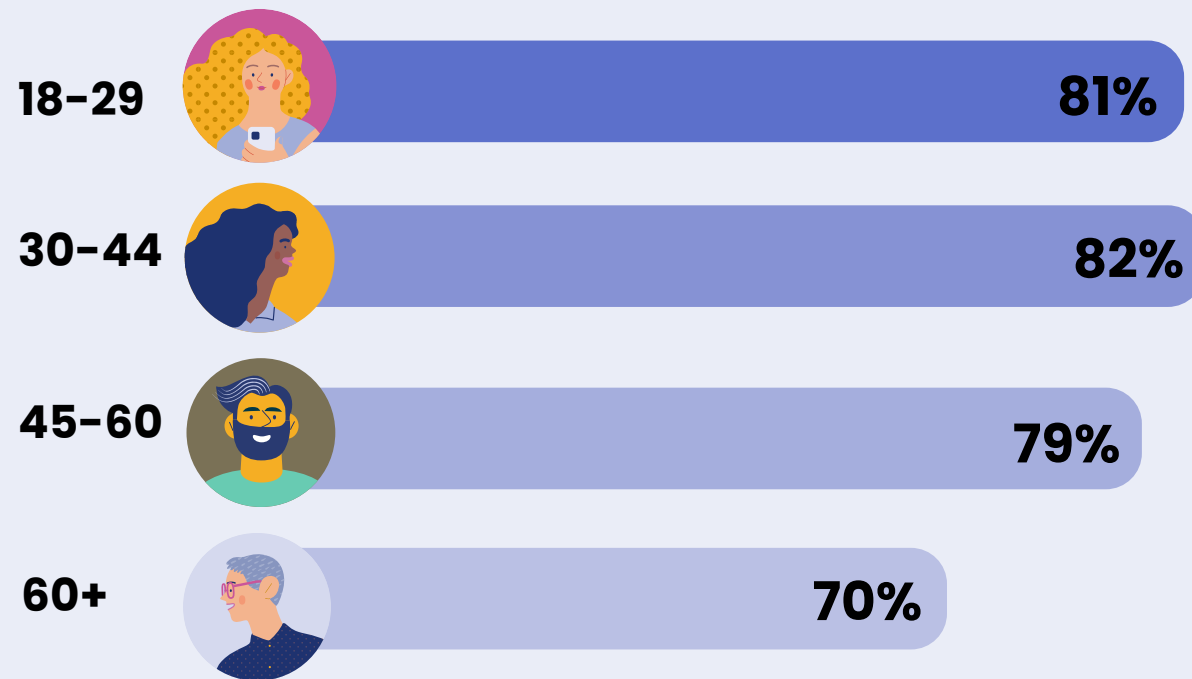
Government IT staff also seem to have mixed feelings about AI: exciting, but possibly premature for some use cases. In [March 2024 research](#) by the National Association of State IT Directors, respondents cited similar concerns as our end users: higher risk, underdeveloped solutions, and workforce concerns.

Insight #4:

Every generation prefers digital, but their experiences vary

From recent college grads to grandparents, digital government reaches everyone. Most government organizations are doing a good job of making sure digital services are accessible to people of every age, and even among our oldest cohort of respondents, digital adoption reaches 70%.

Percentage that paid a government bill online in last 18 months

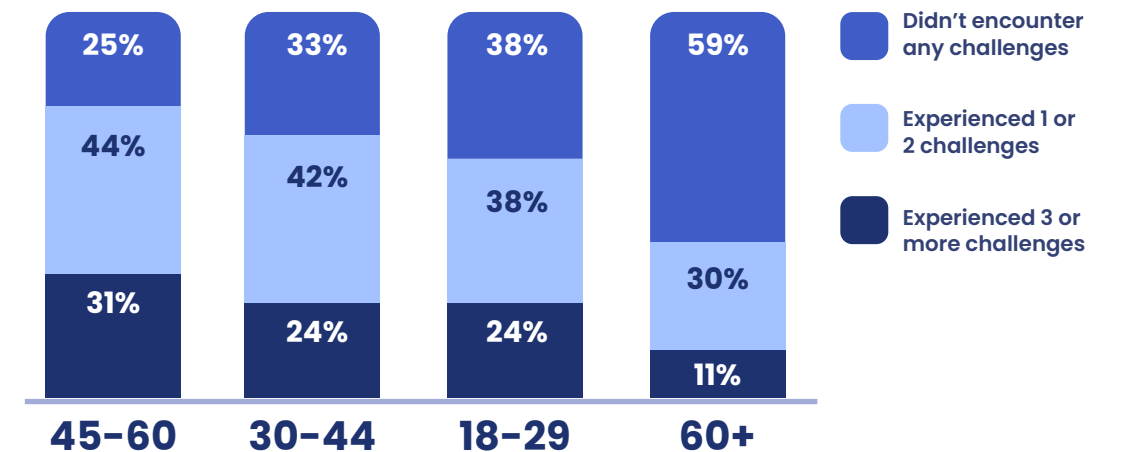


In the past 18 months, have you made a payment to a state, local, or government department? Examples include paying for a driver's license or vehicle registration, paying a property tax bill, purchasing a hunting or fishing license, paying for a residential building permit, or paying a city water or trash bill. n=1983

And yet there are interesting differences among age groups. **The youngest cohort faced the most challenges when paying for government services online, even as 59% of people 60 and over reported having no issues or challenges the last time they paid a government bill online.**

What gives? Our theory: The youngest residents have the highest bar for digital experiences, and some of the dated UX conventions from earlier stages of the internet are less familiar and more frustrating for them. GenZ and the youngest Millennials have had little to no experience contending with things like lengthy drop-down menus, poor mobile responsiveness, slow data calls that time out, and clunky forms.

Number of challenges encountered when paying last government bill online



The last time you made an online payment to a government agency, what, if any, of these challenges did you experience? n=1401

The right message to the right audience can help drive digital adoption

Beyond convenience, what influences people to pay online? As noted earlier, a large majority of all age groups said the next time they have to pay a government bill, they need confidence that an online channel is an official way to pay.

Consider creating how-to content or step-by-step guides to share in email messaging or on your agency's social channels to give Persuadable Customers (and others who are hesitant) the confidence to try digital services. This can overcome some of the UX challenges our respondents cited, especially for more complex interactions.

And when it comes to willingness to use digital channels, age doesn't matter that much — but different age groups are more likely to respond to different messages. Older cohorts are most skeptical about digital security, so targeted messaging for those ages should seek to alleviate those concerns. Risk management, strict compliance regulations, and data security practices are all worth highlighting — but use plain language.

As for younger generations, government agencies should highlight mission-driven messaging, social proof, and great reviews, as these messages resonate more strongly with those groups.

Reaching young adults: The messages that matter

Thinking about the next time you need to pay a government bill, how much would each of these things influence your decision to pay online? n=418

18- to 29-year-old replies:

92% 

Friends or family recommend the online payment service

89% 

Reading positive user reviews for the online payment service

80% 

Learning that a lot of people in my community pay online

And while **85% of 18- to 29-year-olds** also said that **quicker funding for schools, libraries, parks, and emergency services would influence their decision to pay online**, this factor is only compelling to **68% of our 60+ group**.

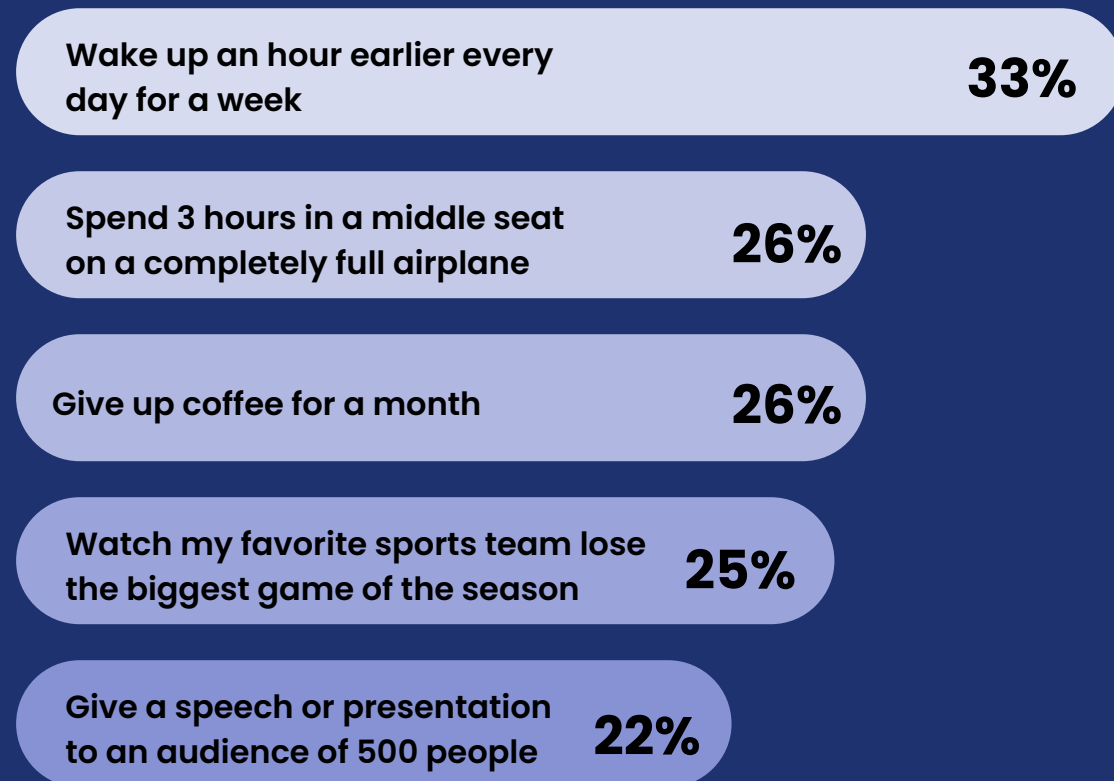
This lines up with [other research on generational motivators](#). Younger people are driven to enact positive changes, look to like-minded peers for inspiration and validation, and want to do business with brands that share similar values.

Just for fun!

What would you trade off to skip the DMV or tax office?

It's a common stereotype that younger people are chronically online and generally try to avoid in-person interaction in favor of screen time, but when it comes to engaging with the government, it appears that people of all ages prefer to do so online.

Which of the following would you be willing to do to avoid a visit to a government office to pay a bill in person? n=1540



The path to Customer Experience 2.0

Government digital modernization is a marathon, not a sprint.

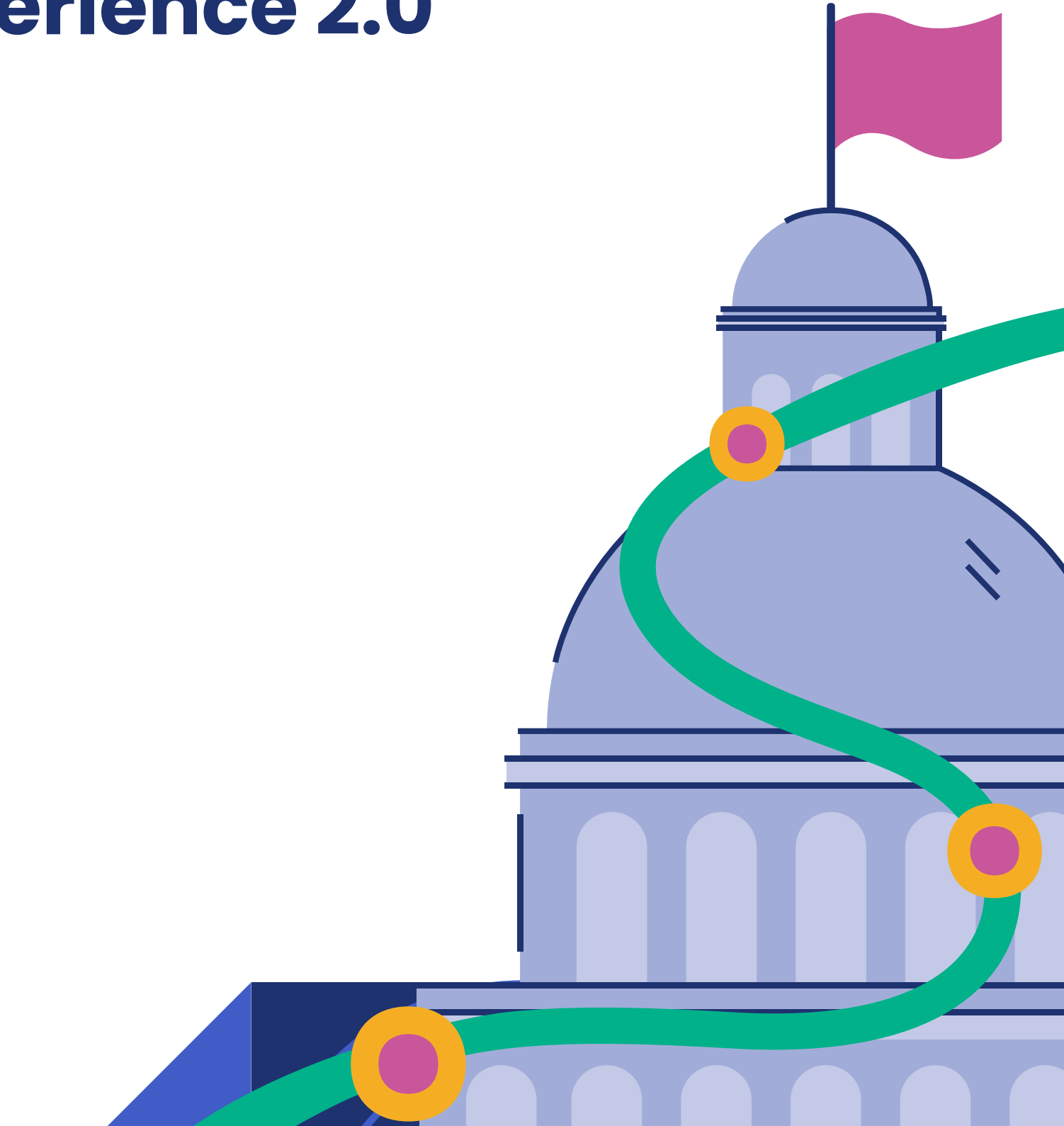
Legacy systems, bureaucracy, and resource constraints make it difficult to move fast on digital projects, leaving the experience fragmented and clunky. But there are plenty of upsides to upgrading digital services; with broad adoption come efficiency gains, financial transparency, and satisfied residents.

Government leaders should consider our study’s insights as they plan and champion the modernization of resident-facing digital services.

It is possible to achieve 80%+ digital adoption. Seek customer experience solutions that have advanced features, clearly communicate the security and privacy protections in place, and recognize that different age groups have different communication needs to motivate them to go digital.

Finally, keep in mind that a next-generation customer experience is a journey, not a destination; seek continuous feedback from your residents and staff to help you define the way forward.

Get [our full guide to driving digital adoption.](#)



About PayIt

PayIt enables state and local government agencies to deliver a great resident payments experience that accelerates the shift to digital. Agencies choose PayIt to better achieve their mission through improved operational efficiency, customer support, and resident satisfaction. Our solutions span property tax, courts, utilities, DMV, outdoors, and more. PayIt provides a single resident profile across agencies and jurisdictions, integrates into back-office and adjacent systems, and our team helps clients drive adoption of digital channels. Serving more than 100 million residents in North America, we have received awards from Fast Company and StateScoop, and have been listed in the GovTech 100 for 8 years and counting.



To learn more, visit www.payitgov.com

