The State of Consumer Banking & Payments

How consumers’ relationships with financial services providers are changing amid high inflation and bank failures

H1 2023
Inflation and bank failures dent consumers’ well-being, but not their trust

This year began with a major crisis in the banking industry that has already seen noteworthy shares of adults move money between or out of banks and could lead to more downstream changes to relationships if the situation worsens. While trust remains intact for now, consumers’ minds have turned toward switching providers. Meanwhile, Gen Zers continue to reshape the industry with their payment preferences.

Morning Consult’s biannual report, The State of Consumer Banking & Payments, tracks evolving trends in consumer banking, payments and investing, and evaluates what changing attitudes mean for the future of each industry.

Based on survey interviews conducted monthly over 20 months, this report provides insights into consumers’ relationships with their primary banking and payment providers, as well as the other financial services they’re using to meet their needs.

Financial well-being remains lower than in 2021
Inflation and interest rate hikes have impacted the financial well-being of all households, regardless of income.

Bank failures shine a light on trust
Consumers have faith in the industry even after the collapse of three regional banks.

Digital wallet dominance continues
Bank branch and ATM visits are becoming a thing of the past.

Gen Z has arrived ... in debt
The youngest generation is shaping consumer payment and credit trends.

No, consumers haven’t given up on crypto
Crypto ownership remains steady, despite the latest spate of negative crypto news.
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Financial Well-Being

Inflation and interest rate hikes are negatively impacting many consumers’ financial well-being
Consumers — especially higher earners — are worse off now than last year

Morning Consult’s financial well-being score for U.S. consumers — a reflection of their perceived security and freedom of choice based on their current financial situation — shows that consumers are slightly worse off now than at this time last year as they grapple with high inflation and interest rate hikes.

High-income households, which remained insulated from the impacts of inflation for the second half of 2021 and into 2022, have seen the largest drop in financial well-being over the past year.

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Financial well-being scores by annual household income

- All U.S. adults
- Income: <$50k
- Income: $50k-$99k
- Income: $100k+

Source: Morning Consult Research Intelligence

Annual change in financial well-being, February 2022 to February 2023

- All U.S. adults: -0.27
- Income: <$50k: -0.86
- Income: $50k-$99k: -0.59
- Income: $100k+: -2.45

Source: Morning Consult Research Intelligence
High-income households are most likely to be worried about unexpected events, savings

Financial well-being scores are derived from the series of 10 statements shown on this page, gauging how consumers feel about how their finances are impacting their lives.

Compared with February 2022, members of high-income households tend to be less sure that they could handle a major unexpected expense, less likely to have money left over at the end of the month and more likely to be behind on their finances.

Shares who said the following statements describe them well:

- I could handle a major unexpected expense
- I am securing my financial future
- Because of my financial situation, I feel like I will never have the things I want in life
- I can enjoy life because of the way I’m managing my money
- I am just getting by financially
- I am concerned that the money I have or will save won’t last

Shares who said the following statements describe them always or often:

- Giving a gift for a special occasion would put a strain on my finances for the month
- I have money left over at the end of the month
- I am behind on my finances
- My finances control my life

Source: Morning Consult Research Intelligence
Women’s financial anxiety has eased after entering the holiday shopping season with the lowest financial-well being on record

Women have persistently lower levels of financial well-being than men, with the greatest gaps occurring during the 2021 holiday season and fall 2022.

More recently, consumers faced the highest inflation of the last decade during summer travel and back-to-school shopping, then had to quickly pivot to making holiday purchases. These events disproportionately impacted women, who tend to carry the burden of family expenses and purchasing, and who tend to experience more financial anxiety as a result.

Source: Morning Consult Research Intelligence
Budgeting, emergency funds remain most common priorities, but progress is hard

Near-term goals of budgeting and evening out monthly spending are among the most common for consumers to report working toward, and most U.S. adults with these goals say they are making progress. However, the share reporting “a lot” of progress is much smaller than the share reporting “some.”

Consumers are less likely to report progress toward longer-term goals like purchasing a home or saving for a big purchase. These are generally less popular goals overall, as consumers continue to grapple with inflation and high interest rates that make them more oriented toward near-term priorities.

Adults with lower financial well-being are much less likely than those with high financial well-being to report making progress toward goals.

<table>
<thead>
<tr>
<th>Financial Goal</th>
<th>A lot of progress</th>
<th>Some progress</th>
<th>Not too much progress</th>
<th>No progress at all</th>
<th>This does not apply to me</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing and maintaining a budget</td>
<td>15%</td>
<td>30%</td>
<td>14%</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>Creating an emergency fund</td>
<td>10%</td>
<td>21%</td>
<td>19%</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Saving for retirement</td>
<td>10%</td>
<td>24%</td>
<td>15%</td>
<td>23%</td>
<td>28%</td>
</tr>
<tr>
<td>Evening out my spending month to month</td>
<td>11%</td>
<td>27%</td>
<td>17%</td>
<td>18%</td>
<td>28%</td>
</tr>
<tr>
<td>Improving my credit</td>
<td>13%</td>
<td>27%</td>
<td>15%</td>
<td>17%</td>
<td>29%</td>
</tr>
<tr>
<td>Eliminating my debt</td>
<td>11%</td>
<td>25%</td>
<td>13%</td>
<td>18%</td>
<td>33%</td>
</tr>
<tr>
<td>Investing money</td>
<td>9%</td>
<td>21%</td>
<td>14%</td>
<td>22%</td>
<td>34%</td>
</tr>
<tr>
<td>Donating to charity</td>
<td>9%</td>
<td>20%</td>
<td>13%</td>
<td>21%</td>
<td>37%</td>
</tr>
<tr>
<td>Saving for a big purchase</td>
<td>7%</td>
<td>20%</td>
<td>13%</td>
<td>22%</td>
<td>37%</td>
</tr>
<tr>
<td>Supporting family members financially</td>
<td>8%</td>
<td>17%</td>
<td>11%</td>
<td>17%</td>
<td>48%</td>
</tr>
<tr>
<td>Purchasing a home</td>
<td>5%</td>
<td>8%</td>
<td>8%</td>
<td>21%</td>
<td>57%</td>
</tr>
<tr>
<td>Saving for education</td>
<td>5%</td>
<td>10%</td>
<td>7%</td>
<td>17%</td>
<td>61%</td>
</tr>
<tr>
<td>Starting a business</td>
<td>4%</td>
<td>8%</td>
<td>7%</td>
<td>18%</td>
<td>63%</td>
</tr>
</tbody>
</table>

Source: Morning Consult Research Intelligence
Financial well-being is tenuous at best for most U.S. adults

What this means for financial services leaders:

Don’t assume any consumers are immune to the impacts of inflation and interest rate hikes. Even higher-income adults are feeling the effects of inflation and expressing concern about their financial futures.

Women’s feelings of financial stability and freedom have been particularly impacted by inflation, especially during the holiday season. Be mindful in outreach of increased anxiety that female customers may be feeling.

Day-to-day financial goals of budgeting and evening out spending remain top of mind — and a struggle — for many consumers. Help consumers prioritize their goals and keep a long-term mindset to their finances.
Banking and Credit Relationships

Trust in banks remains high in the wake of failures, but switching thoughts are on the rise
The collapse of three U.S. banks did not shake consumers’ faith in the banking industry

The share of Americans with trust in banks slightly increased in wake of the collapse of three regional banks in early March. A similar trend was true when it came to consumers’ trust in the nation’s 10 largest banks: Despite the tumultuous events, no bank saw a significant negative swing in trust. This proves that consumers were able to separate the actions of a few banks from the stability of the banking system overall.

However, their trust in banks to do what is right does not mean there isn’t fear of more fallout from the recent collapses: Most U.S. adults (65%) also anticipated that more banks would be put into receivership by the Federal Deposit Insurance Corp. Banking leaders should continue to communicate their institutions’ stability and distance from the isolated causes of the recent bank collapses, or risk losing consumers’ trust.

Source: Morning Consult Research Intelligence

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Source: Morning Consult Research Intelligence
As of March 17, 2023, 10% of consumers said they had moved all of their money somewhere else as a direct result of bank collapses, and an additional 6% said they had moved at least some money.

Those who moved money were disproportionately high earners, they were much more likely to own cryptocurrency than the general population and a majority were millennials. However, they were just as trusting of banks as the general population, suggesting that they moved money due to opportunity — not out of fear.

Source: Morning Consult Research Intelligence
Despite some money movement, the primary banking provider landscape remains largely unchanged. Only 5% of consumers said they changed their primary bank provider as a result of the bank failures, but **23% are considering starting a relationship with a new bank in the next six months**, up 8 percentage points from February.

### Primary banking provider relationships remain intact — for now

<table>
<thead>
<tr>
<th>Before failures</th>
<th>After failures</th>
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<tbody>
<tr>
<td>National bank</td>
<td>41%</td>
</tr>
<tr>
<td>Regional bank</td>
<td>15%</td>
</tr>
<tr>
<td>Community bank</td>
<td>15%</td>
</tr>
<tr>
<td>Digital bank</td>
<td>7%</td>
</tr>
<tr>
<td>Credit union</td>
<td>22%</td>
</tr>
</tbody>
</table>

Share of U.S. adults identifying the following as their primary banking provider, before and after the recent bank failures:

Source: Morning Consult Research Intelligence
The widely held goal of being the sole banking provider to customers is becoming increasingly hard to achieve. While most U.S. adults report that they have only one banking provider, that share has fallen to its lowest level (51%) since Morning Consult began collecting this data, meaning consumers are spreading their wallets to more providers than ever before.

Meanwhile, the share of adults who say they have opened or closed an account in the past month remains overall steady at around 7% and 11%, respectively, signaling that consumers are often swapping one bank with another. Banking leaders must adjust loyalty strategies to the new normal of multiple provider relationships, and constant undercurrent of switching accounts.
High-income adults are most likely to move savings for a higher interest rate

Perhaps the one benefit to a rising interest rate environment is that banks can offer higher interest rates on savings accounts. However, these rate hikes typically lag federal interest rate hikes by months, if banks raise them at all.

A popular deposit-gathering strategy, interest rate hikes primarily appeal to high-income adults, who are more than twice as likely as adults overall to say they opened a new savings account to take advantage of savings rates.

This group moved significant amounts of money when they did so: 12% of adults with annual household income over $100k say they moved more than $20k in savings.

<table>
<thead>
<tr>
<th>Shares who said did the following based on savings account interest rates in the past 6 months:</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Green Circle] Opened a new savings account</td>
</tr>
<tr>
<td>All U.S. adults</td>
</tr>
<tr>
<td>Men</td>
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<tr>
<td>Women</td>
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<tr>
<td>Gen Z adults</td>
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<td>Millennials</td>
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<td>Gen Xers</td>
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<tr>
<td>Baby Boomers</td>
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<tr>
<td>Under $50k</td>
</tr>
<tr>
<td>$50k-$99.9k</td>
</tr>
<tr>
<td>$100k or more</td>
</tr>
</tbody>
</table>

Source: Morning Consult Research Intelligence
Gen Z deserves some credit for responsible card use

Shares with at least one credit card and outstanding credit card debt

- **Own a credit card**
  - ALL U.S. ADULTS: 69%
  - GEN Z ADULTS: 63%
  - MILLENNIALS: 70%
  - GEN XERS: 63%
  - BABY BOOMERS: 76%

- **Have credit card debt**
  - ALL U.S. ADULTS: 40%
  - GEN Z ADULTS: 30%
  - MILLENNIALS: 42%
  - GEN XERS: 43%
  - BABY BOOMERS: 40%

Median outstanding credit card debt vs. median payment last month

- **Total amount owed**
  - ALL U.S. ADULTS: $1,300
  - GEN Z ADULTS: $400
  - MILLENNIALS: $1,000
  - GEN XERS: $400
  - BABY BOOMERS: $500

- **Paid last month**
  - ALL U.S. ADULTS: $303
  - GEN Z ADULTS: $244
  - MILLENNIALS: $312
  - GEN XERS: $400
  - BABY BOOMERS: $500

Compared to other generations, Gen Z adults are less likely to say they have outstanding credit card debt. **Less than a third of Gen Z adults (30%) reported having any credit card debt**, meaning most are not carrying an outstanding balance on their cards from month to month. This is a considerably smaller share than the roughly 40% of millennials, Gen Xers and baby boomers who said the same.

Yet, Gen Z adults feel their financial security is tenuous at best. Morning Consult’s Financial Well-Being Scale reveals that as of February, only 22% of them believed they could handle a major unexpected expense, while 44% said their finances control their life.
Millennials face a mountain of debt

Millennials' lower financial well-being is no doubt directly related to the mountain of debt they have accumulated, which has only worsened as interest rates rise. Compared to other generations, millennials are more likely to have any type of debt listed below, including medical and educational debt.

Shares with the following types of debt, by generation:

- **Credit card debt**
- **Auto loan**
- **Mortgage**
- **Educational loan**
- **Medical debt**
- **Personal loan debt**
- **"Buy now, pay later" loan debt**
- **Home equity loan**
- **Other debt**

Source: Morning Consult Research Intelligence
Consumers are remaining mostly calm amid banking industry turmoil — for now

What this means for financial services leaders:

The overall level of trust in banks in general has slightly risen since the collapse of three U.S. regional banks. Now is the time to communicate stability to concerned customers.

Expect more switching of accounts: Switching thoughts have been piqued by recent events, and higher-income adults have already been switching for higher savings rates.

Millennials are sitting on a mountain of all types of debt. With rising interest rates, their financial futures are looking especially imperiled. Now is the time for financial services providers to begin relationships built on advice and guidance to set up Gen Z adults for long-term financial success.
Digital Wallets and Alternative Payments

Digital wallet dominance continues — and poses a threat to traditional financial provider relationships
Smartphones will always be closer to consumers than their bank branch or ATM, so it is not surprising that digital wallet use has continued to rise while bank branch and ATM visits have fallen.

**Gen Z adults are behind the rise of digital wallet usage** — the share of Gen Z adults who use digital wallets at least monthly has risen 6 points since July 2021, while other generations have stayed mostly steady in their usage.

They’re also the reason for the large declines in bank branch and ATM usage: 42% of Gen Zers said they visited a bank branch at least monthly, a 16-point drop since July 2021. Monthly ATM visits have also fallen 11 points over the same time period.
Digital wallets are not a winner-take-all game; disloyalty is the norm

While having only one physical wallet may make sense for most adults, this isn’t the case for digital wallets — at least not yet. **Morning Consult Brand Intelligence data shows** that users of one digital wallet are very likely to use others as well. For example, a staggering 88% of Apple Pay users said they also use PayPal. The latter’s dominance is especially visible in this respect. Nearly every user of any competitor digital wallet also uses PayPal, but the overlap doesn’t stop there: 65% of Google Pay users also use Cash App, and over half of Cash App users also use Venmo.

This use of multiple digital wallet providers may suggest there are gaps a new competitor could fill, but that’s actually not the case. **Consumers across the board say they are highly satisfied with their digital wallet providers, even though they use multiple.** For example, 82% of Venmo users have a favorable view of the app, despite the fact that 65% of them also report using Cash App. It seems consumers are content managing their money with various digital wallets and don’t expect one digital wallet to serve all their needs.

Source: Morning Consult Research Intelligence
Young adults continue to use BNPL despite missed payments, negative credit score impacts

Shares who reported using BNPL to make a purchase at least once in the last month

Share of BNPL users who said they experienced the following in February:

- **18%** Missed a BNPL payment
- **21%** Paid a late fee for a missed BNPL payment
- **22%** Received a call from a debt collector about a missed BNPL payment
- **24%** Saw their credit score decrease as a result of a missed or late BNPL payment

Source: Morning Consult Research Intelligence
Many consumers continue to rely on costly alternative financial services

Share of U.S. adults who used the following alternatives to traditional banking services in February 2023:

- Sent money to family or friends living in a different country than where you currently live: 10%
- Purchased a money order: 9%
- Cashed a check: 7%
- Paid bills through a service such as Western Union or MoneyGram: 5%
- Took out a payday loan or payday advance: 5%
- Took out an auto title loan: 3%

Use of alternative financial services — such as money orders, check cashing and payday loans — has remained relatively unchanged over the past year. Money orders and remittances are the most frequently utilized alternative financial services, followed by nonbank check cashing.

**Millennials, Hispanic adults, cryptocurrency owners and BNPL users in particular are more likely to use these services than the general population.** Household income is not a strong indicator for use of these services, which is to say that these are not services exclusively used by lower-income adults, as is often the belief.

This should serve as a reminder to both banking and payments leaders that consumers are eager for cheaper, more efficient ways to move their money and access funds when needed, regardless of income.

Source: Morning Consult Research Intelligence
The future of payments is digital and distributed

What this means for financial services leaders:

- Expect digital wallets to further cement their lead in usage over bank branches and ATM visits, especially as more Gen Zers enter adulthood.

- The digital wallet landscape is not winner-take-all — new entrants as well as established players should expect consumers to use multiple wallets.

- BNPL and alternative financial services continue to remain useful financing options for consumers looking for different ways to pay. Offering a wide array of payment options will be critical to any banking or payment providers’ loyalty strategy.
Investing

Investing is still an exclusive club: The demographic makeup of investors skews older and male
Trust in wealth and investment management firms ticked up after SVB collapse, but so did switching thoughts

Interestingly, the collapse of three regional U.S. banks caused a slight bump in trust among U.S. adults for wealth and investment management firms, not just banks. This can be explained by two likely factors: 1) Consumers saw the stability of wealth and investment managers, and the stock market as a whole, as an indication of trustworthiness in comparison to the failed banks. 2) They may have received direct messaging from these providers in the wake of the collapses that bolstered their trust.

Regardless, the events also jolted consumers into rethinking their provider relationships, and an increased share of U.S. adults said they were considering starting a relationship with a new wealth management or investment provider.

Source: Morning Consult Research Intelligence
More than 6 in 10 U.S. consumers have some form of investment account as of February 2023, up 3 points from the same time last year. Employer-sponsored retirement accounts remain the most common investment vehicle, followed by IRAs or Roth IRAs.

Gen Z adults and Gen Xers are driving the growth in employer-sponsored retirement accounts — shares of each group with the product grew by 4 and 7 points, respectively. Both are taking advantage of competitive benefits that are typical of a tight labor market.

Robo-adviser accounts have yet to grow to a prominent share among U.S. consumers, despite their popularity in 2020 as retail investors flooded the markets with excess cash from stimulus payments.

Share of U.S. households with the following investment products:

- **Any of the following investment products**: 58%
  - **Feb '22**: 58%
  - **Feb '23**: 61%

- **Employer-sponsored retirement account**: 38%
  - **Feb '22**: 38%
  - **Feb '23**: 40%

- **IRA or Roth IRA**: 31%
  - **Feb '22**: 31%
  - **Feb '23**: 32%

- **Employer-sponsored pension plan**: 29%
  - **Feb '22**: 29%
  - **Feb '23**: 29%

- **Managed investment account**: 27%
  - **Feb '22**: 27%
  - **Feb '23**: 26%

- **Self-managed personal brokerage account**: 25%
  - **Feb '22**: 25%
  - **Feb '23**: 25%

- **Robo-adviser account**: 10%
  - **Feb '22**: 10%
  - **Feb '23**: 9%

Source: Morning Consult Research Intelligence
Men, older adults still make up the majority of investors; homogeneity could worsen

The demographic makeup of investors, February 2023

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>52%</td>
<td>48%</td>
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</table>

<table>
<thead>
<tr>
<th>Age</th>
<th>Gen Z adults</th>
<th>Millennials</th>
<th>Gen Xers</th>
<th>Baby boomers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gen Z adults</td>
<td>12%</td>
<td>31%</td>
<td>23%</td>
<td>34%</td>
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<tr>
<td>Millennials</td>
<td>12%</td>
<td>31%</td>
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<td>31%</td>
<td>23%</td>
<td>34%</td>
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<table>
<thead>
<tr>
<th>Household income</th>
<th>Under $50k</th>
<th>$50k-$99.9k</th>
<th>$100 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $50k</td>
<td>33%</td>
<td>41%</td>
<td>27%</td>
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<tr>
<td>$50k-$99.9k</td>
<td>41%</td>
<td>37%</td>
<td>27%</td>
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<td>$100 or more</td>
<td>27%</td>
<td>37%</td>
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<thead>
<tr>
<th>Region</th>
<th>Northeast</th>
<th>Midwest</th>
<th>South</th>
<th>West</th>
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<tbody>
<tr>
<td>Northeast</td>
<td>18%</td>
<td>21%</td>
<td>37%</td>
<td>25%</td>
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<tr>
<td>Midwest</td>
<td>12%</td>
<td>31%</td>
<td>23%</td>
<td>34%</td>
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<tr>
<td>South</td>
<td>12%</td>
<td>31%</td>
<td>23%</td>
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<tr>
<td>West</td>
<td>12%</td>
<td>31%</td>
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<td>34%</td>
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<thead>
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<th>Education</th>
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<th>College grad</th>
<th>Graduate+</th>
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<td>College grad</td>
<td>30%</td>
<td>30%</td>
<td>18%</td>
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<tr>
<td>Graduate+</td>
<td>18%</td>
<td>18%</td>
<td>18%</td>
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</table>

Though a majority of consumers have at least one investment account, investors are not representative of the general U.S. population in several important ways. Investors are more likely than the general population to be male, older, more educated and have a higher annual household income.

There have been several notable changes in the demographic makeup of investors as the pandemic has receded and inflation increased. Since July 2021, when Morning Consult began tracking this data, more women have become investors (42% to 48%), and investors have skewed wealthier (21% of investors reported annual household income of $100k or more in July 2021, compared with 27% in February 2023). The share of Gen Z investors has also increased — by 5 points — as more Gen Zers have entered adulthood.

Continued pressure on wallets from inflation will make investing increasingly difficult for lower-income families and those who are just gaining their financial footing.

Source: Morning Consult Research Intelligence
Most Americans want to invest, but progress is reserved for a few

Over two-thirds of U.S. adults (68%) say that investing is a goal, but less than half of these adults (29% of adults overall) reported making progress toward their goals in February.

Traditionally underserved populations such as women, lower-income households and minorities are less likely to report progress toward their investing goals, and also less likely to cite investing as a goal in general.

Source: Morning Consult Research Intelligence
Investing progress remains elusive to many

What this means for financial services leaders:

Employer-provided investment vehicles remain the most popular means of investing for most consumers. Robo-adviser providers will continue to struggle to recruit users, but younger generations remain their base.

Investors still skew older, wealthier and more male than the general population. Continued inflation and interest rate pressure will disproportionately impact the investing habits of lower-income & traditionally underserved households.

There’s a large and diverse untapped market for investment companies — most U.S. adults want to invest.
Cryptocurrency

Crypto owners continue to hold onto their assets but calls for regulation are on the rise.
If the last 20 months have proven anything, it’s that crypto owners mean it when they say “HODL” (hold on for dear life).

Despite historical downfalls of crypto companies and fluctuating bitcoin value, the share of U.S. adults who say they own cryptocurrency — and bitcoin specifically — has held steady throughout 2022 and 2023 so far.

**Cryptocurrency ownership remains steady despite hacks, collapses and bank failures**

<table>
<thead>
<tr>
<th>Month</th>
<th>Own cryptocurrency</th>
<th>Own bitcoin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan '22</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Feb '22</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Mar '22</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Apr '22</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>May '22</td>
<td>17%</td>
<td>13%</td>
</tr>
<tr>
<td>Jun '22</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>Jul '22</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>Aug '22</td>
<td>19%</td>
<td>13%</td>
</tr>
<tr>
<td>Sep '22</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Oct '22</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Nov '22</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Dec '22</td>
<td>No data</td>
<td>No data</td>
</tr>
<tr>
<td>Jan '23</td>
<td>19%</td>
<td>14%</td>
</tr>
<tr>
<td>Feb '23</td>
<td>20%</td>
<td>15%</td>
</tr>
<tr>
<td>Mar '23</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Morning Consult Research Intelligence
More adults recognize crypto as a payment method, while cold wallet storage also grows

Most cryptocurrency owners view their crypto as an asset in their investment portfolio rather than a means of sending or receiving payments, although the share who see it as a form of payment has grown 7 points since January 2022. Rather than sell their holdings or use them to make purchases, some owners are moving their crypto to cold storage.

This is the most secure way of storing cryptocurrency, but owners who do this may find it harder to buy, sell or trade when their crypto isn’t accessible online or via an exchange. The share of crypto owners who say they have a cold wallet has grown 14 points (a 58% increase) since January 2022.

**Crypto owners said they primarily use cryptocurrency ...**

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan '22</th>
<th>Mar '23</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Both as a way to send money and purchase and as an asset in my investment portfolio</td>
<td>20%</td>
<td>18%</td>
<td>-2 pts</td>
</tr>
<tr>
<td>As a way to send money or purchase things</td>
<td>14%</td>
<td>21%</td>
<td>+7 pts</td>
</tr>
<tr>
<td>As an asset in my investment portfolio</td>
<td>67%</td>
<td>61%</td>
<td>-6 pts</td>
</tr>
</tbody>
</table>

**Share of cryptocurrency owners who report using a cold wallet**

<table>
<thead>
<tr>
<th>Description</th>
<th>Jan '22</th>
<th>Mar '23</th>
</tr>
</thead>
<tbody>
<tr>
<td>58% increase</td>
<td>24%</td>
<td>38%</td>
</tr>
</tbody>
</table>

Source: Morning Consult Research Intelligence
The tumultuous events within the cryptocurrency industry over 2022 and into 2023, which spilled over into the traditional banking sector with the collapse of Silvergate Capital and Signature Bank, have impacted consumers’ views on regulation and crypto’s impact on financial stability. The share of adults who believe crypto should be more regulated has increased 6 points since last March, and the share who believe crypto will decrease financial stability has increased 5 points.

Desire for more regulation grows amid concerns of decreased financial stability from crypto

Relative to other financial assets like securities and investment funds, cryptocurrencies should be ...

Respondents were asked how they believe cryptocurrency will impact the financial stability of the U.S. economy

Source: Morning Consult Research Intelligence
Cryptocurrency owners stay the course as 2023 proves to be just as tumultuous as 2022.

What this means for financial services leaders:

- Consumers remain committed to crypto despite continued crypto company failures and fluctuating values.
- Crypto as a form of payment is gaining steam. As there become more opportunities to use cryptocurrency as a method of payment, more consumers will utilize them.
- Expect increased scrutiny and regulation of any crypto-related partnership or endeavor, as more consumers become favorable of these positions and lawmakers take note.
SECTION 6

The Data Behind the Report

Methodology and about the author
Methodology

Morning Consult Research Intelligence data featured in this report draws from monthly surveys conducted from July 2021 to March 2023 among roughly 2,200 or 4,400 U.S. adults per month. It also includes data from various surveys fielded throughout 2022 and 2023 among representative samples of around 2,200 U.S. adults each.

All survey interviews were conducted online, and the data was weighted to approximate populations of adults based on age, gender, race, educational attainment, region, gender by age and race by educational attainment. Top-line results from the surveys have a margin of error of +/-2 percentage points.
Charlotte Principato is the lead financial services analyst at global intelligence company Morning Consult. She heads Morning Consult’s efforts to deliver real-time insights to leaders in the financial services sector.

Prior to her current role, Charlotte partnered with industry executives as a director of client services at Morning Consult, leading a team focused on tailoring customized research intelligence to help Fortune 500 companies make better-informed decisions.

Before joining Morning Consult, Charlotte spent more than five years at Gartner, delivering research insights on global financial services. She served as senior principal adviser in Gartner’s global financial services industry research and advisory group, where she offered guidance and insights to line of business, strategy and talent executives at financial institutions on go-to-market strategy, customer experience and digital transformation. In that role, Charlotte partnered directly with consumer, small business and commercial banking leaders across the globe to develop research-based strategies for growth.

Charlotte graduated from the University of Virginia with a bachelor’s degree in anthropology.