Strivers are generally able to make ends meet, but many of them are not satisfied with their current financial situation and are working to better their financial circumstances. This segment differentiates itself by its unusually high rate of planning for irregular expenses, according to the Center for Financial Services Innovation’s 2014 study on consumer financial health. These consumers have low-to-moderate savings and high debt. People who fall into this segment span all income levels and represent diverse demographics.
What Behaviors Does This Segment Exhibit?

Planning

Strivers have the highest rates of planning of all segments.
» 100% plan ahead for large, irregular expenses.
» 73% use a budget or monthly spending plan.

Saving

Half save whatever money is left over at the end of the month.
» 35% have a regular saving plan while only 14% do not save.
» Six in ten cite saving for an emergency fund.
» Almost one-quarter have $50,000 or more in retirement savings, though 47% have less than $10,000.

Debt

Many have debt loads that may be difficult to manage.
» 43% have student loan debt, 25% have medical debt, and 84% have other non-mortgage debt.
» At least 42% have an unhealthy amount of debt compared to income.*

Attitudes

✓ 51% are confident they can meet their short-term savings goals.
✓ 41% are confident they can meet their long-term goals for becoming financially secure.
✓ 54% believe they have the skills and knowledge to manage their finances well.
✓ 44% are only slightly or not at all confident they could come up with $2,000 in a month in an emergency.
✓ 56% expect their financial situation to be better in five years than it is today.

What Products Are They Using?

Strivers have very active financial lives; they regularly perform financial transactions across a variety of channels, including at bank branches, ATMs, and retail stores. They access information about their finances using phone, text alerts, and internet and mobile banking.

64% use online banking and 40% use mobile financial services regularly.

» 68% of this segment says that once they find a product or service they like, they tend to be very loyal and do not like to switch.
» 93% have a checking account, 80% have a savings account, and 80% have a credit card. 66% have all three.
» 65% check their checking account balance at least once a week.
» 64% use online banking and 40% use mobile financial services regularly.**
» Prior to opening a new account, members of this segment consult more sources of information than the population in general.
» 64% use debit cards always or often to make purchases.
» 58% use online bill pay always or often, and 36% use automatic bill pay always or often.
» One in ten strivers is always on the lookout for new financial services products or providers.

* An ‘unhealthy amount of debt’ is defined as having a financial obligation ratio of 40% or more. The ratio could not be calculated for 14% of this segment because respondents answered “don’t know” to one or more of the questions that provided data for the ratio.

** Mobile financial services includes mobile banking, receiving an SMS alert from a financial services provider, and using mobile remote deposit capture. Regular use = in the last 30 days.
How to Reach 39 Million Strivers

The striving segment is characterized by high levels of day-to-day planning activity - including budgeting and planning for irregular expenses - and engagement with technology and a variety of financial services.

Providers have an opportunity to serve this segment by further exploring their financial pain points and testing innovative solutions to uncover:

> Do consumers in the striving segment have planning tools that meet their needs and help them make decisions efficiently and effectively? If not, what are they currently doing, what are their challenges, and what improvements do they most desire?

> What is the most effective way to leverage this segment’s financial discipline to strengthen other aspects of striving consumers’ financial lives, including: increasing non-retirement saving balances to strengthen resilience and boosting saving for long-term financial security?

> Can context-aware and predictive technology power products that help individuals in the striving segment pay down debt and build savings, while also mitigating provider risk?

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Support for this Brief

MetLife Foundation is a major sponsor of CFSI’s ongoing consumer financial health work, including these segment briefs.

About the Consumer Financial Health Study

The Consumer Financial Health Study benefited from guidance and generous financial support from Ford Foundation and MetLife Foundation. The Consumer Financial Health Study also benefited from generous financial support from American Express.

MetLife Foundation

The Center for Financial Services Innovation launched its Consumer Financial Health Study to better understand the current state of financial health in America and consumer challenges.

For more on the study – including details on the survey instrument, methodology, financial health indicators, and financial health segmentation – download the segmentation whitepaper: http://bit.ly/ConsumerFinHealth