

Banking app Step reaches 1M users thanks to its hyper-focus on teens

Article

The San Francisco-based app reached 1 million users in just four months following its October 2020 launch—[double](#) its count as of early December, [per](#) PYMNTS. Step offers teenagers a

bank account, debit card, and peer-to-peer (P2P) payment capabilities, while allowing parents to view their balances, see real-time activity, add money to their accounts, and freeze cards. It is fee-free and instead generates revenues from card interchange—a common strategy among new challenger banks, which often initially offer a majority of their accounts and other services at no cost to attract users.

The youth-focused banking market is getting crowded, but two aspects of Step's approach have helped it rapidly pull in sign-ups. In the past few years, fintechs and banks have increasingly recognized the value of cementing customer relationships as early as possible: Greenlight, for example, is geared toward ages 8–22, and its 2 million users have collectively saved over \$50 million since its 2017 launch. But specifically targeting a teenage demographic with the inclusion of relevant features like P2P payments is likely helping Step stand out to its target audience. And celebrity involvement in Step brings a spotlight that competing services don't have: Step raised \$50 million in December 2020 from celebrity backers including Justin Timberlake and TikTok star Charli D'Amelio, helping Step further appeal to the teen demographic and drive sign-up momentum.