

Who's Mobile Banking in the US?

Article

What Does Growth Look Like?

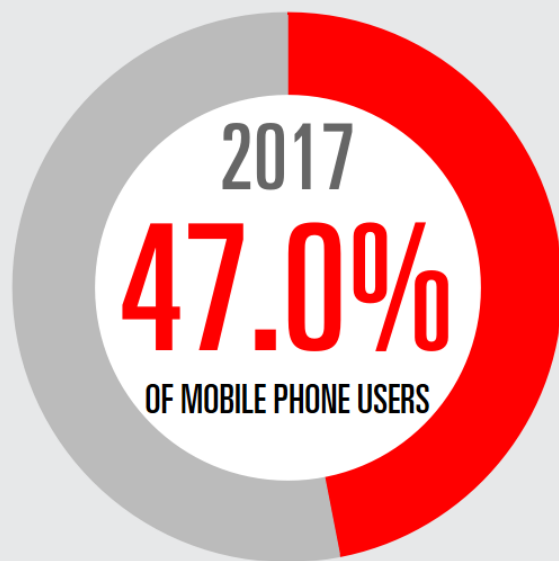
This year, 115.6 million mobile phone users in the US will bank on mobile at least once per month, according to eMarketer estimates.

Growth, however, will slow through the end of the forecasting period—from 6.6% by the end of 2018 to just 3% in 2022.

"Growth is slowing because mobile banking has reached near saturation among younger consumers," said eMarketer forecasting analyst Cindy Liu. "While penetration is still very low

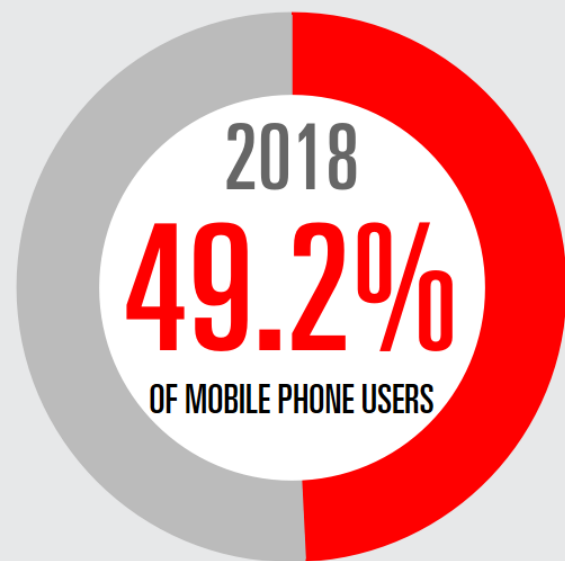
with older individuals, they are just not interested in mobile banking for numerous reasons."

How Many Mobile Phone Banking Users Are There in the US?



108.5M

↑ **8.1%**



115.6M

↑ **6.6%**

Note: mobile phone users 18+ who access their bank, credit union, credit card or brokerage account via mobile browser, app or SMS using a mobile phone at least once per month; excludes virtual wallet services (e.g., PayPal, Google Wallet)

Source: eMarketer, April 2018



This week, we're looking at mobile habits—how consumers shop, how they send money and other ways they transact via mobile. Previously, we looked at their **mobile coupon** and **mobile P2P behaviors**. Next up: mobile banking.

Why Is Growth Slowing Down?

Privacy and security are among the key factors driving decelerated mobile banking growth.

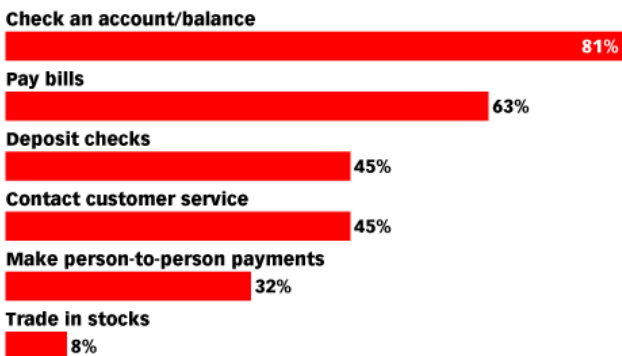
Mass data breaches from companies like Equifax, JPMorgan Chase, and most recently Marriott, have made consumers—especially older consumers, even more hesitant to trust anyone with their financial information.

Limited functionality with mobile banking is another factor.

An April 2018 survey from Morning Consult found that for the most part, internet users in the US will check an account or a balance or pay their bills online.

Digital Banking Activities Conducted by US Internet Users, April 2018

% of respondents



Source: Morning Consult, "Consumer Views on Retail Banking and Personal Finance," April 11, 2018

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"Beyond these activities, there really aren't more banking features that consumers can access via mobile," Liu said.

Who Are the Key Users?

Like with **peer-to-peer payments** (P2P), millennials are banking on their mobile phones at a much higher rate than older generations. We estimate that there will be 50.3 million millennial mobile phone banking users in the US by the end of 2018.

In contrast, we expect 31.5 million Gen Xers to bank on mobile, and 17.6 million boomers to do so as well.

"Mobile banking may seem too complicated for older consumers, who are just more comfortable using a desktop or conducting their financial transactions in-person," Liu said.

What's Next for Mobile Banking?

Investment app startups like Robinhood and Betterment have gained traction in the news recently for apps largely targeted at people just getting their start in investing, and at the same time, established financial institutions are also making big bets on mobile apps.

In August 2018, **JP Morgan Chase launched a digital investing service** with lower fees than it previously offered and 100 free trades in the first year to anyone who downloaded its mobile banking app or used its websites. **Bank of America said it tripled its mobile banking budget from 2015 to 2016 and it remained at that level throughout 2017.** And last week, **T-Mobile announced that it was getting back into mobile banking with the launch of its T-Mobile Money app.**

More on Digital Banking from eMarketer

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