

US consumer fintech adoption reaches 88%

Article

The news: The percentage of US consumers using technology to manage their finances jumped from 58% last year to 88% this year, per a Plaid [survey](#). The online survey was conducted from July 6-20, 2021 among 2,000 US adults.

By the numbers:

- **Fintech use is here to stay:** In last year's Plaid survey, [69%](#) of respondents said fintech was a lifeline during lockdown. Even though businesses and bank branches have since reopened, 58% still say they can't live without tech to manage their finances. In fact, **between 80% and**

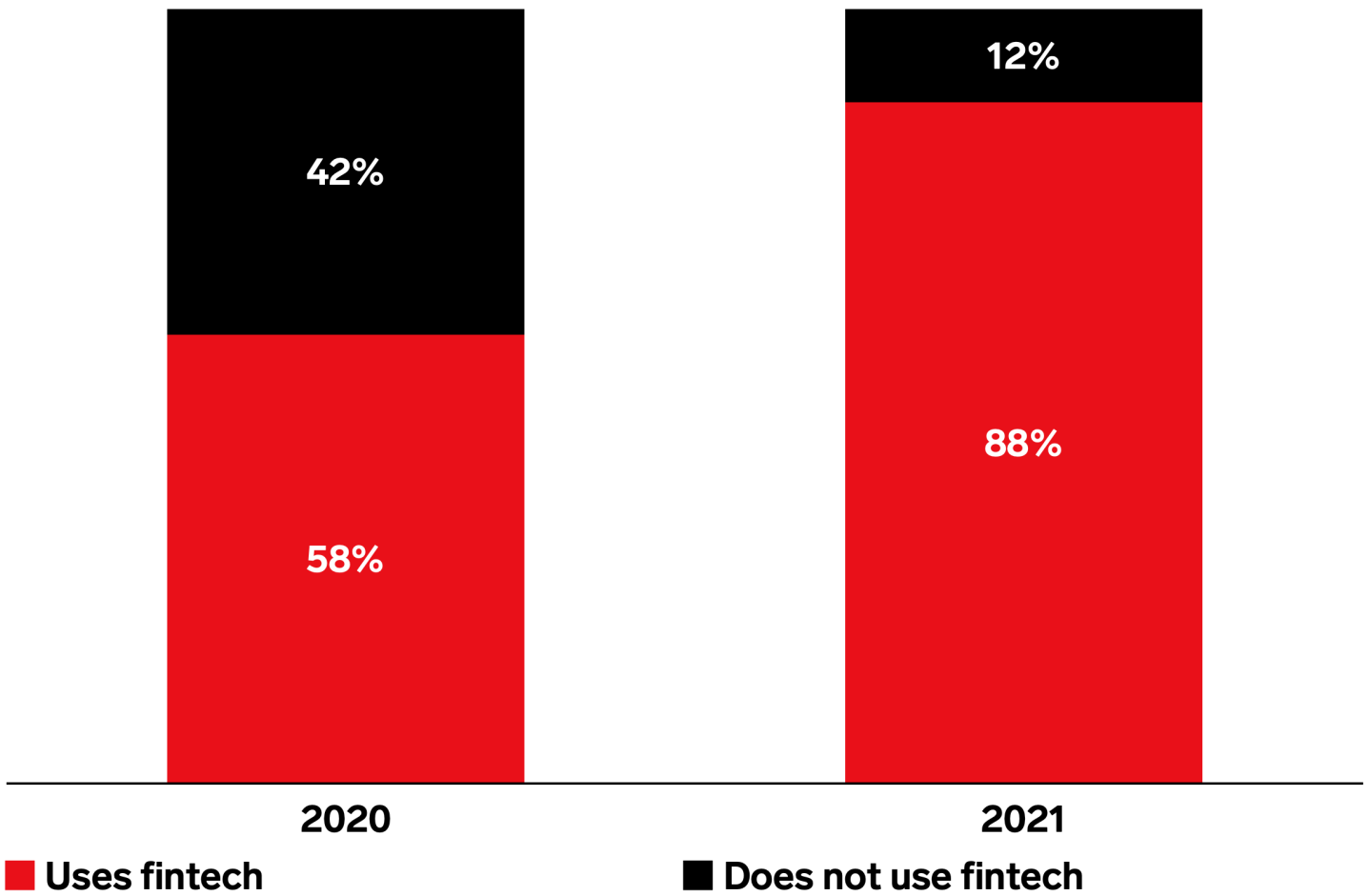
90% of fintech consumers plan to use these solutions just as frequently or even more often going forward.

- **Adoption growing across segments.** Fintech solutions have traditionally struck a chord among younger and more affluent consumers. But new customer segments are rapidly growing: Baby boomers are the fastest-growing segment, going from an adoption rate of **39% to 79%** today. And a whopping **96%** of Hispanic Americans now use fintech, up from **62%** last year.
- **Savings and investing saw the biggest adoption surge.** Digital payment is the most popular fintech use case, at **70%**. But the use of digital savings tools (**57%**) and online investing (**51%**) went up **24% and 18%**, respectively. This correlates with consumers citing short- and long-term savings as their main financial challenges.

Impact on the industry:

- **Heightened competition.** Since US consumers have become much more comfortable with using fintech, they'll do more shopping around. And it's more difficult to stand out now that all financial service providers—both incumbents and startups—are applying technology to their offerings. Fintechs seeking to cement their competitive edge will therefore need to take a more nuanced approach than simply offering standard services digitally, leading to audience hypersegmentation.
- **Greater customer segmentation leaves plenty of room for growth:** Instead of offering one-size-fits-all solutions, startups will boost their user acquisition by developing tools tailored to address specific groups' challenges. This will be a big trend in the fintech space in the years to come. We're already seeing this hypersegmentation among digital-only **banks**—for example, some are specifically targeting Asian Americans or underserved Latinos.

US Consumer Fintech Adoption



Source: Plaid, "The Fintech Effect: Fintech's Mass Adoption Moment," October 12, 2021
Methodology: The online survey was conducted from July 6-20, 2021 among 2,000 US adults.

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