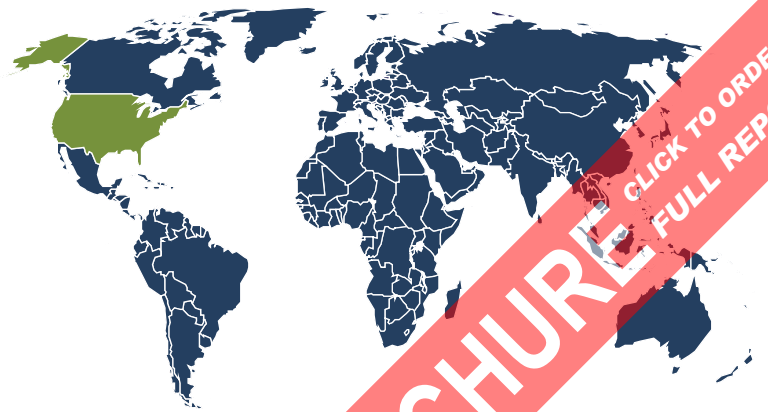




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Consumer Financial Service Trends: United States

December 2018



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About This Report

Scope

This report discusses US consumer financial service market trends in nominal US dollars between 2010 and 2019. Among the trends discussed are:

- household net worth by race/ethnicity, 2010 versus 2019
- household net worth and net worth share by race/ethnicity, 2010 versus 2019
- household net worth by generation, 2016
- average household assets and debt by type and race/ethnicity, 2013 versus 2016
- homeownership rate, net value, value, and debt by race/ethnicity, 2016
- banking/investment account ownership by account value and race/ethnicity, 2018
- liquid assets: households that own, participation rate, and average assets by race/ethnicity, 2007 versus 2016
- directly held stocks: households that own, participation rate, and average assets by race/ethnicity, 2007 versus 2016
- bank usage by bank type and race/ethnicity, 2018
- active credit card users, cards per user, and wallet share by card network/type and race/ethnicity, 2017

A full outline of report items by page is available in the Table of Contents.

Freedonia quantifies trends in various measures of growth and volatility. Growth (or decline) expressed as an average annual growth rate (AAGR) is the least squares growth rate, which takes into account all available datapoints over a period. The volatility of datapoints around a least squares growth trend over time is expressed via the coefficient of determination, or r^2 . The most stable data series relative to the trend carries an r^2 value of 1.0; the most volatile – 0.0. Growth calculated as a compound annual growth rate (CAGR) employs, by definition, only the first and last datapoints over a period. The CAGR is used to describe forecast growth, defined as the expected trend beginning in the base year and ending in the forecast year. Readers are encouraged to consider historical volatility when assessing particular annual values along the forecast trend, including in the forecast year.

Sources

Consumer Financial Service Trends: United States (FF95068) is based on *The Financial Services Market: African Americans and Hispanics*, a comprehensive industry study published by Packaged Facts. That report's primary research includes national online consumer surveys of US adults (age 18+) that Packaged Facts conducts on a regular basis to measure consumer purchasing patterns and attitudes for various products and services.

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These proprietary Packaged Facts surveys have a sample size of approximately 2,000, screened for response quality, and representative of the US population on the demographic measures of age, gender, geographic region, race/ethnicity, household income, and the presence/absence of children in the household.

Packaged Facts' consumer analysis also drew on national consumer survey data licensed by Simmons Research LLC. On a quarterly basis, Simmons releases 12-month aggregations of booklet-based survey results from a large and random sample (approximately 25,000 for each quarterly release) that accurately represents the US population. This database allows for historical trending and detailed consumer profiles across various demographic and psychographic measures as well as product and service categories. Results from the 12-month Summer 2009-2018 surveys are analyzed.

The report featured analysis based on data from several US government sources: The Consumer Expenditures Survey, published by the US Bureau of Labor Statistics; and the Diary of Consumer Payment Choice, Survey of Consumer Payment Choice, and the Survey of Consumer Finances, each of which is published by the Federal Reserve.

The Consumer Expenditures Survey (CE) used a representative sample to estimate the spending habits of the US civilian non-institutional population. It contains an interview component and a diary component. For the Diary Survey, about 7,000 consumer units (CUs) are sampled each year. Each CU keeps a diary for two 1-week periods, yielding approximately 14,000 diaries a year. The Interview Survey, selected on a rotating panel basis, collects data from about 7,000 CUs each quarter. With the rotating panel, some CUs rotate out of the survey each quarter, while others rotate in. Each consumer unit is interviewed once per quarter, for four consecutive quarters.

Diary data provided in the report was analyzed via SPSS statistical software. Individual weights provided in the dataset were applied.

Conducted using a nationally representative sample of US consumers, the Federal Reserve's Diary of Consumer Payment Choice is a survey designed to study the purchase and payment behavior of US consumers. Participants are asked to record information on all transactions (purchases, bill payments, deposits, withdrawals, etc.) conducted during an assigned consecutive three-day period. Data provided by the Diary are limited to consumer payments; business and government payments are not covered. The Diary provides data on consumer payment volume and value, including data on cash payments. The Diary was first conducted in 2012 and was conducted again in 2015, and 2016, and 2017. Data are collected during the month of October, which tends to have very small seasonal effects. The Diary complements the Survey of Consumer Payment Choice, described below.

Conducted annually by the Federal Reserve, the Survey of Consumer Payment Choice is conducted to gain a comprehensive understanding of the cash and noncash payment behavior of US consumers. The Survey includes estimates of the number of consumer payments, rate of adoption, and share of consumers using common payment instruments,

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including cash, checks, money orders, traveler's checks, debit cards, credit cards (including charge cards), prepaid cards, online banking bill payments, and bank account number payments – plus payments made directly from consumers' income sources.

The Survey of Consumer Finances (SCF) is normally a triennial cross-sectional survey of US families. The survey data include information on families' balance sheets, pensions, income, and demographic characteristics. Information is also included from related surveys of pension providers and the earlier such surveys conducted by the Federal Reserve Board. No other study for the country collects comparable information. Data from the SCF are widely used, from analysis at the Federal Reserve and other branches of government to scholarly work at the major economic research centers. 6,500 families were interviewed in the 2016 survey.

With one exception, population estimates used in this report are based on the Current Population Survey (CPS), sponsored jointly by the US Census Bureau and the US Bureau of Labor Statistics. The reference population is the US population of civilian adults aged 18 and older. CPS population estimates are also used to create nationally representative samples for each of the four government surveys listed above.

Specific sources and additional resources are listed in the Resources section of this publication for reference and to facilitate further research.

Industry Codes

Table 11 | NAICS & SIC Codes Related to Consumer Financial Services

NAICS/SCIAN 2007		SIC	
North American Industry Classification System		Standard Industrial Classification	
522110	Commercial Banking	6021	National Commercial Banks
522120	Savings Institutions	6022	State Commercial Banks
522210	Credit Card Issuing	6035	Savings Institutions, Federally Chartered
522220	Sales Financing	6036	Savings Institutions, Not Federally Chartered
522292	Real Estate Credit	6099	Functions Related to Depository Banking, NEC
522293	International Trade Financing	6141	Personal Credit Institutions
522294	Secondary Market Financing	6153	Short-Term Business Credit Institutions, except Agricultural
522298	All Other Nondepository Credit Intermediation	6159	Miscellaneous Business Credit Institutions
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	7389	Business Services, NEC

Source: US Census Bureau

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Resources

Packaged Facts

The Financial Services Market: African Americans and Hispanics

The Financial Services Market: Targeting Gig Economy Workers

Prepaid and Gift Cards in the US

The Freedonia Group

Freedonia Industry Studies

Elder Care Services Market in the US

Global Housing

Freedonia Focus Reports

Commercial Banking: United States

Demographics: United States

Employment Services: United States

Global Demographics

Housing: United States

Macroeconomy: United States

Professional Services: United States

Freedonia Custom Research

Trade Publications

American Banker

Chain Store Age

IndustryWeek

Premium Incentive Products

Agencies & Associations

Center for Financial Services Innovation

Consumer Financial Protection Bureau

Experian Marketing Services

Federal Deposit Insurance Corporation

The Federal Reserve

Network Branded Prepaid Card Association

United States Census Bureau

United States Department of Agriculture

United States Department of Labor

United States Department of the Treasury