

March 29, 2023

Santander US Paths to Prosperity

Financial Prosperity in America:

Defining prosperity for American households post-pandemic and beyond

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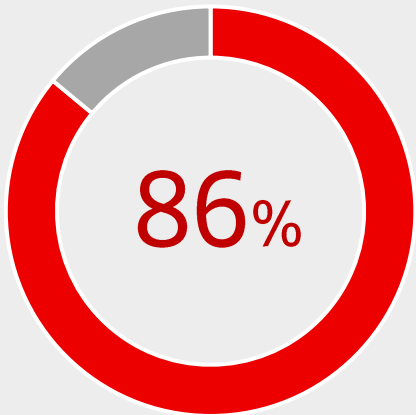
Path to Financial Prosperity

At Santander, we strive to help consumers achieve prosperity. We commissioned this study to better understand middle-income Americans' current financial state and future aspirations so we can best support them on their journey.

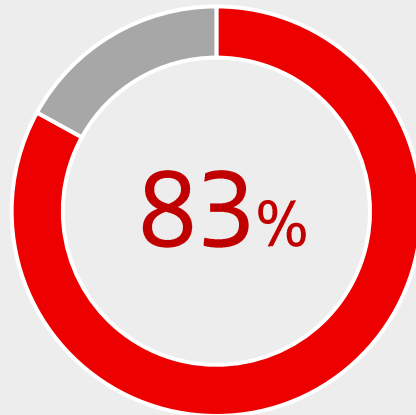
This study explores customer attitudes toward financial prosperity, the barriers and challenges to achieving it, and the tools and support that middle-income households need to get there.

Americans remain hopeful in achieving prosperity

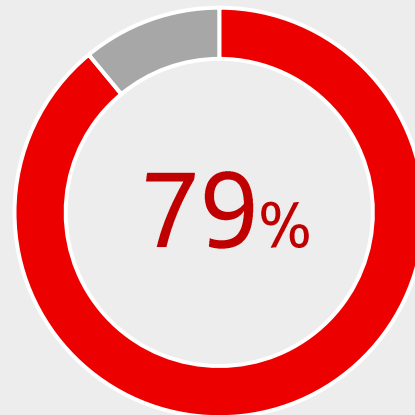
The goal of achieving personal prosperity is alive and well, and middle-income Americans believe they are on track.



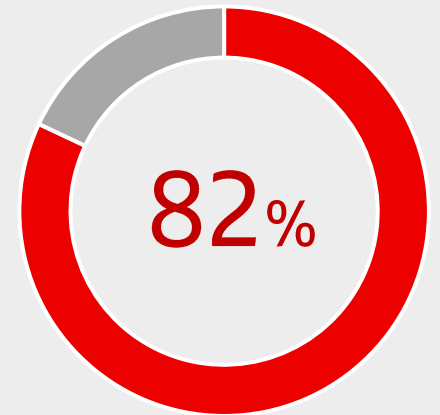
said working towards financial prosperity is a worthwhile goal.



agreed that achieving financial prosperity is important to them.



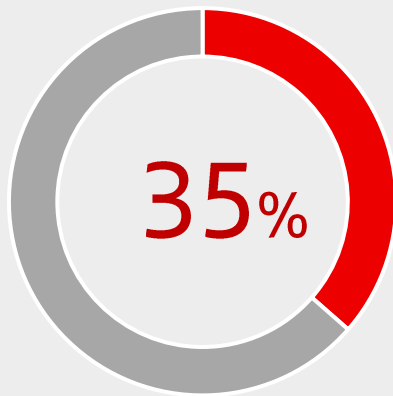
believe they can become financially prosperous within the next 10 years.



of GenZ say they are on the right track financially – higher than any other generation.

Americans lack confidence in their ability to achieve financial prosperity

While financial prosperity remains a goal, more than 1 in 3 respondents lack confidence they will achieve it, and confidence is net negative* across all middle-income households. Instead, there is a feeling of financial insecurity as middle-income households continue to struggle with monthly expenses.



of survey participants are not confident that they'll achieve financial prosperity.

Overall Net Confidence Score* (NCS) for all middle-income households: **-13**



28%

say they are financially insecure, versus 18% prior to the pandemic.



30%

say achieving financial prosperity is not realistic based on where they are today.



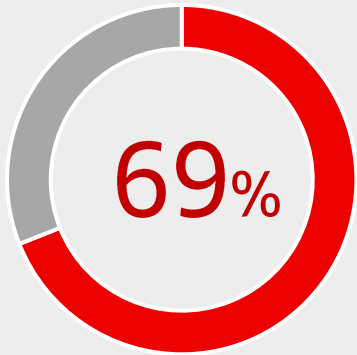
31%

say they are on the wrong track across all middle-income households.

Americans are facing economic headwinds

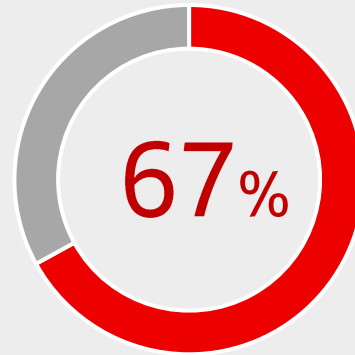
Inflation and potential recession are concerns for middle-income households.

Recession

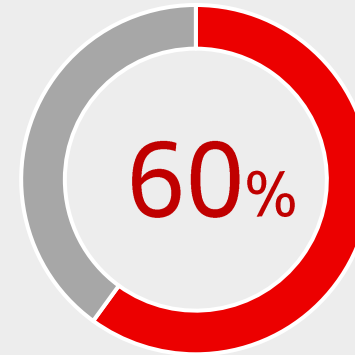


of survey participants are worried that a recession would impact their financial prosperity.

Inflation



said that they are not able to save as much as a result of inflation.



said that they have made significant cuts to their household spending to adjust for inflation.

Job-related income is critical to achieving prosperity

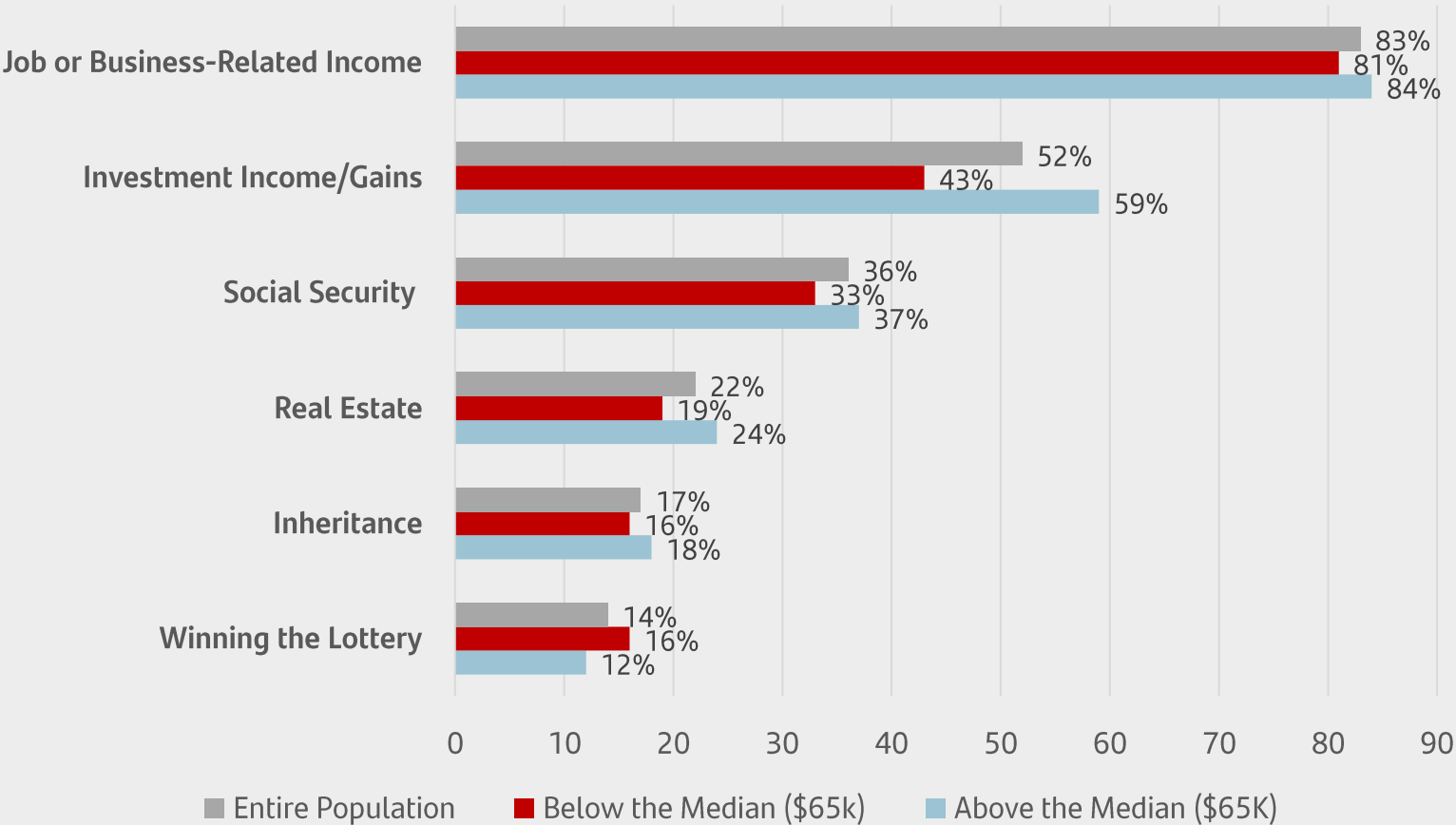


Most Americans believe job-related income is most critical to achieving financial prosperity. Yet, 14% say they will rely on lottery winnings to achieve it.



Over half of Americans rely on income from investments like stocks and bonds, yet survey participants under the median income of \$65,000 were considerably less likely to do so.

Potential Income Sources for Achieving Financial Prosperity



Vehicle access helps drive toward financial prosperity

Auto access is a key contributor to achieving prosperity, providing job access and personal flexibility.



Having access to a vehicle is critical for job security, according to middle-income Americans.



Vehicle access provides the flexibility that is necessary for prosperity.



Middle-income Americans are willing to make sacrifices to maintain their access to a vehicle.

Less than half have access to public transportation on a daily basis.

44



Nearly two-thirds would sacrifice other budgetary items in order to access and maintain a vehicle.

64



More than three-quarters say vehicle access is important for getting to work.

76



Nearly three-fourths say having access to a vehicle impacts the number of job opportunities available.

73



More than 8 in 10 say that having access to a vehicle provides them with greater personal flexibility.

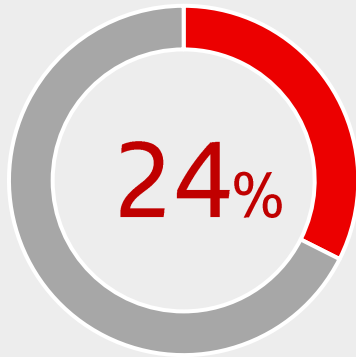
81



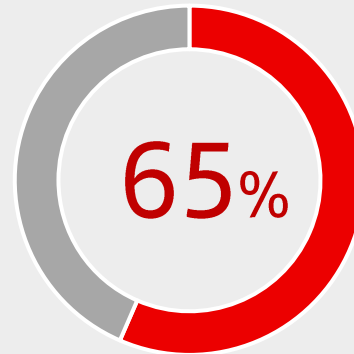
Planning is the first step in the path to financial prosperity

While most Americans have some financial knowledge, the majority feel they need more in order to plan for and achieve financial prosperity.

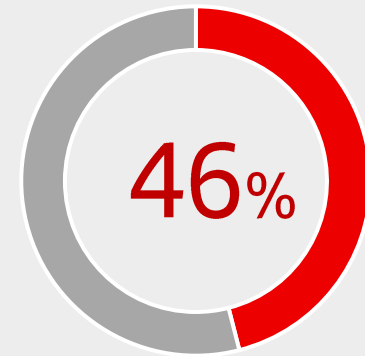
Insufficient financial knowledge and access to professional assistance appear to be significant barriers to financial prosperity for middle-income Americans.



have enough financial knowledge to plan for and achieve financial prosperity on their own.



have some financial knowledge but need some more in order to plan for and achieve financial prosperity.



say they would need professional financial assistance to achieve financial prosperity.

The pandemic prompted Americans to spend more time planning

The pandemic prompted many Americans to spend more time planning their finances as they faced increased uncertainty and financial challenges.



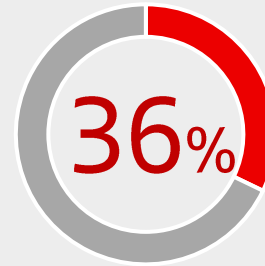
Americans are spending more time planning their finances after the pandemic.



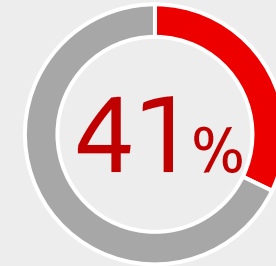
GenZers changed their planning the most post-pandemic.

Pre-Pandemic

36% of all households spent no time to less than an hour per week on finances. 41% of GenZ households did the same.



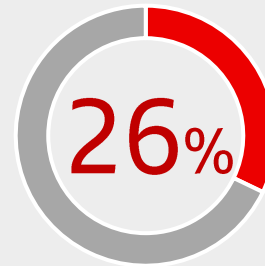
All households



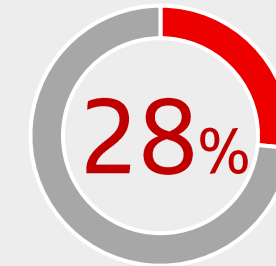
GenZ households

Post-Pandemic

26% of all households spend no time to less than an hour per week on finances. 28% of GenZ households are doing the same.



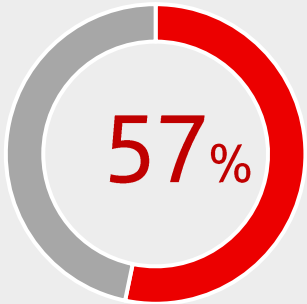
All households



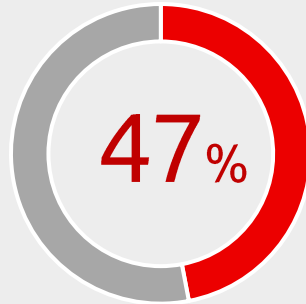
GenZ households

Americans counting on banks to help them achieve prosperity

Middle-income customers will be relying on banking and financial services companies to help support them on their journey to prosperity by providing access to products and digitally-driven tools.



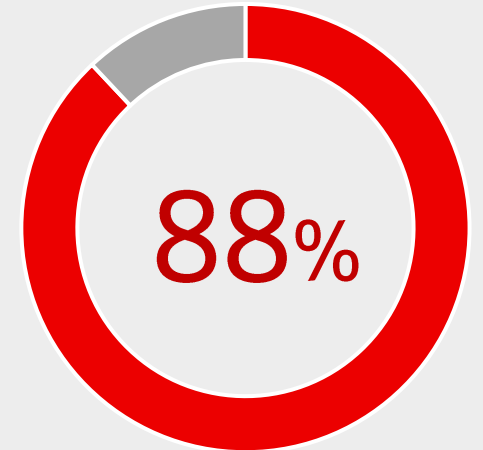
say they are moderately to significantly likely to count on banks to help, second only to employers and above family, government, and communities.



are looking to banks and financial service providers for financial knowledge.



agree they need more access to financial products and services to achieve financial prosperity.



engage with their bank accounts digitally.

6 in 10 engage digitally exclusively or most the time.

Future Financial Prosperity: Gen Z Deep-Dive

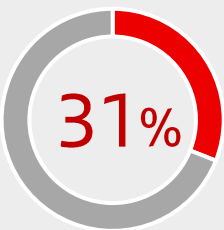


GenZ: Driving a re-definition of financial prosperity

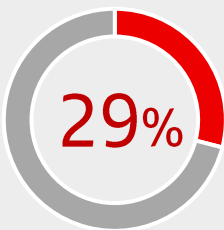
GenZers have an optimistic view of the future and their ability to achieve personal prosperity.

GenZ, more than any other generation, believe they are on track toward financial prosperity. Nearly two-thirds believe they will achieve it over the next five years.

GenZ are on par with Baby Boomers saying they have achieved financial prosperity already.

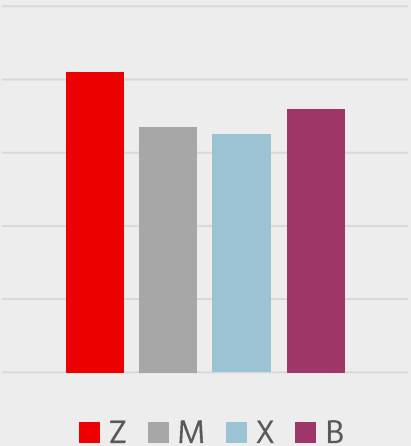


of GenZ respondents

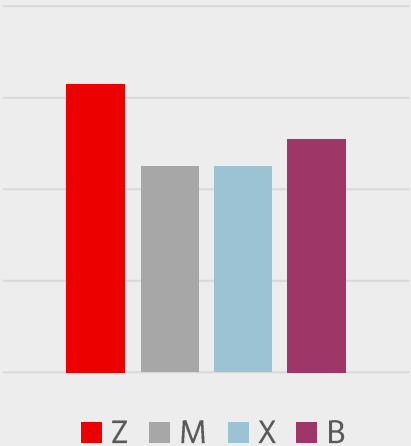


of Baby Boomer respondents

82% of GenZ say they are on the right track financially – higher than any other generation.



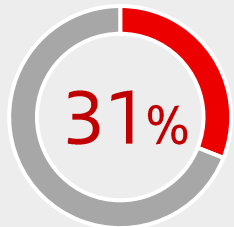
63% of GenZ say that they'll achieve prosperity in 1-5 years, higher than any other generation.



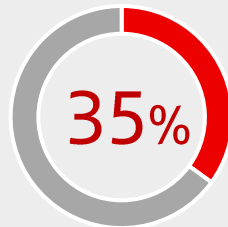
GenZ: Driving a re-definition of financial prosperity

"I learned it on YouTube!" GenZ is much more likely than other generations to get their financial knowledge from social media. They look to their employer not only for financial information, but as a key contributor to achieving prosperity as well.

GenZ is nearly as likely to look to social media for financial knowledge as financial institutions.



Social Media



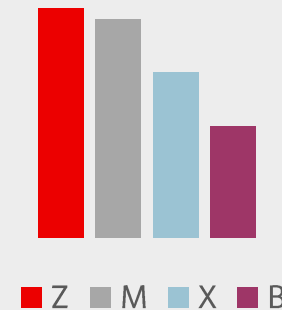
Traditional Financial Institutions

YouTube is the most commonly used platform for GenZers who are using social media for financial knowledge.

GenZ is looking to their employer to help them achieve financial prosperity, more so than other generations.



GenZ is more likely than other generations to get financial info from their employer, with 23% looking to their employer compared to 18% of the entire survey population.



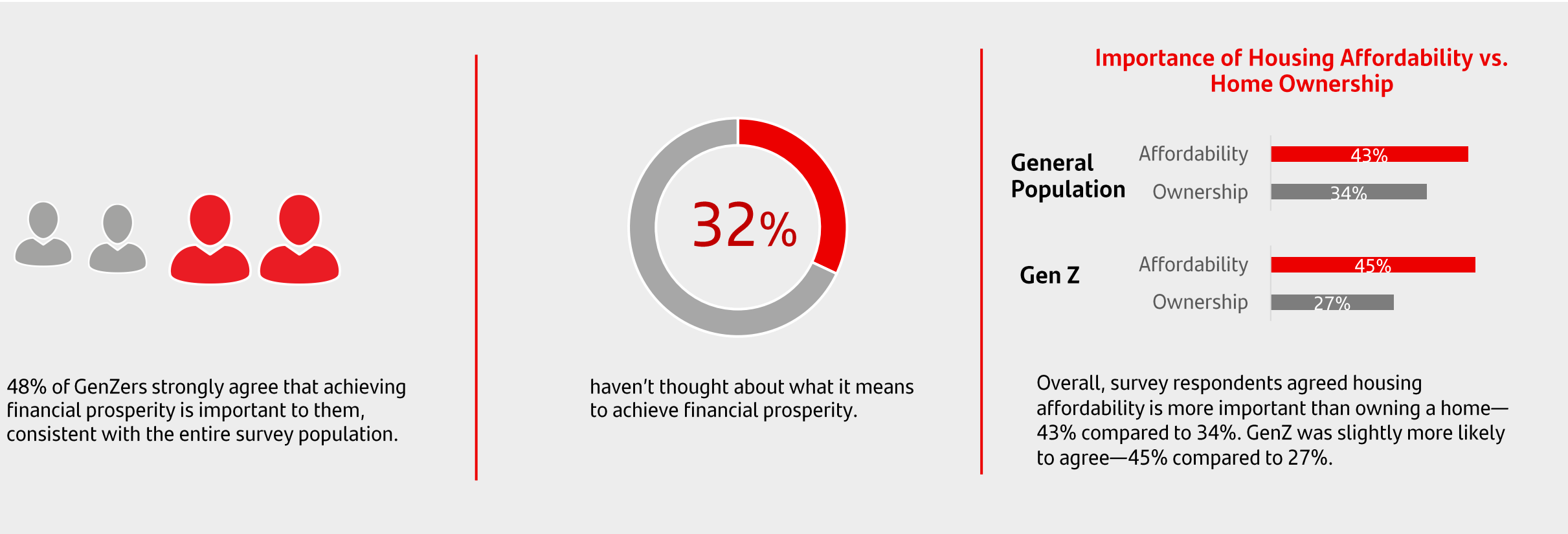
43% of GenZ view their employer as highly responsible for helping them achieve financial prosperity:

- Millennial: 41%
- Gen X: 31%
- Baby Boomers: 21%

For GenZ, having a job that they enjoy (47%) is almost as important as having a job that pays well (53%), compared to 39% and 61%, respectively, of the entire survey population.

GenZ: Driving a re-definition of financial prosperity

Nearly half of all GenZers strongly agree that financial prosperity is important to them, consistent with the overall population. Yet nearly a third have not spent much time thinking about it.



Appendix: Methodology

Methodology

This research on financial prosperity, conducted by Morning Consult on behalf of Santander US, surveyed 2,203 American bank and/or financial services customers, ages 18-76.

Survey participants are workers with household income in the “middle-income” range of \$43,00 to \$130,000. Range based on median household income of \$65,000 and Pew Research Center definition of middle-income being two-thirds to double median household income.

This study was conducted from January 19-21, 2023. The interviews were conducted online, and the margin of error is +/- 2 percentage points for the total audience at a 95% confidence level.

The data was weighted to target population proportions for a representative sample based on age, gender, ethnicity, region, and education.

Financial prosperity is defined as thriving financially. Achieving financial prosperity includes being able to cover living expenses, handle emergencies and pursue life goals without significant tradeoffs.

Net Confidence Score

Net Confidence scores are calculated by using the top two scores, out of a total value of 10 (those most confident), and subtracted by the net of the 0-6 scores (those who are generally not confident), and the result is the net confidence values.

About Santander US

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