

The Path to Wealth: A Look at Financial Mobility in America

Findings from the KeyBank 2023 Financial Mobility Survey

From the COVID-19 pandemic and racial reckoning in the United States to geopolitical uncertainty, market volatility and inflation, the highs and lows of the past few years have taken their toll on Americans' hearts, minds, and wallets. Going into 2023, Americans find themselves much more mindful about money, likely as a result of feeling less financially savvy.

The KeyBank 2023 Financial Mobility Survey polled Americans about the state of their financial lives and attitudes and found that the **share of Americans facing financial challenges grew substantially over the past year to 55%, up from 37% in the year prior. Not only did more people experience an uptick in the loss of income (21% vs. 16%), but also half reported making a financial faux pas in the past 12 months. The result? Fewer Americans report feeling savvy about their finances this year compared to last (33% vs. 43%).**

Yet, despite more challenges and financial stress, a majority of consumers experienced growth in their financial awareness (85%, up from 53% last year), citing access to financial information, digital banking tools, and financial advice as essential to feeling resilient in this ambiguous economic climate.

“Systemic instability is not only driving burnout in America, but also negatively impacting people’s financial confidence. Given the roller coaster of the past three years, Americans are much more aware of the financial challenges they face and are seeking ways to better manage their finances, avoid burnout, and balance their wants and needs.”

**Mitch Kime, Executive Vice President,
Consumer Client Growth, KeyBank**

Making financial faux pas has remained consistent among consumers, but unlike in previous years, these mishaps are resulting in lower confidence than in years prior.

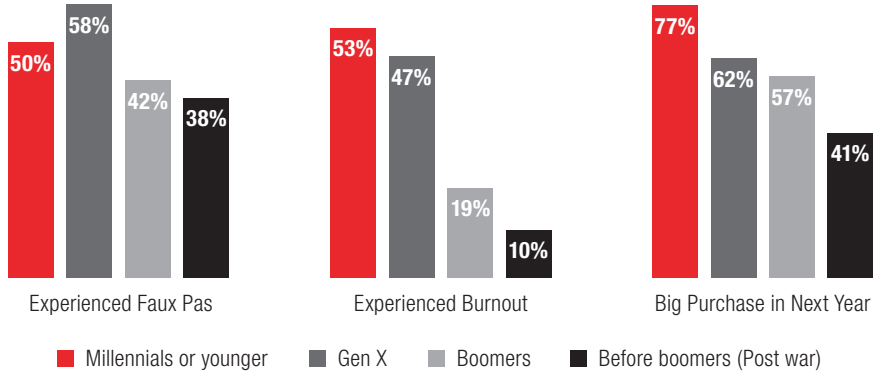
- **In a pinch:** Fewer people (40%) feel certain they could come up with \$2,000 in an emergency as compared with last year (51%).
- **Planning ahead:** More than half plan to make changes to spending (55%) and savings (56%) habits in the year ahead.

Confidence in ability to come up with \$2,000 in the next month					
	2019	2020	2021	2022	
I am certain I could come up with the full \$2,000	42%	51%↑	51%	40%↓	HHI \$100K+ (71%) Age 50+ (53%) Boomers (57%) West (49%)
I could probably come up with \$2,000	19%	19%	19%	23%↑	
I could probably not come up with \$2,000	10%	9%	7%	12%↑	HHI <\$25K (19%) HHI \$25–49K (17%)
I am certain I could not come up with \$2,000	15%	10%↓	13%↑	17%↑	HHI <\$25K (30%) HHI \$25–49K (25%) Gen Z (26%) Southwest (23%)
I don't know	8%	7%	6%	6%	HHI <\$25K (11%)

Coping With Burnout and Work-Life Balance

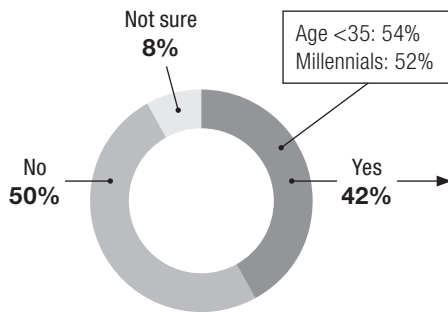
Americans of all ages are feeling burned out, likely exacerbated by the events of the past few years. A combination of the rise in consumer costs, decline in wages, and rumored economic recession caused many Americans to face financial challenges in 2022, and they are exhausting all options they can to cope.

- Two in five people (42%) reported feeling overwhelmed or burned out regularly, with Millennials or younger, and Gen X experiencing burnout more acutely (53% and 47% respectively).

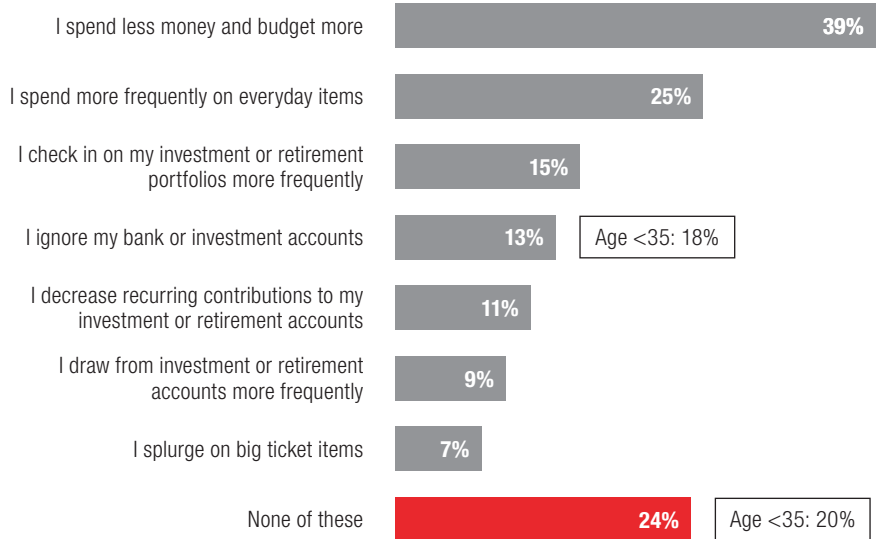


- To cope with the feeling of burnout, 39% of Americans are spending less and budgeting more, followed closely by 25% of those who spend more frequently on everyday items. Still, Millennials or younger and Gen X are the most likely generations to make big purchases in the next year (77%, 62% respectively).

Regularly feel overwhelmed or experience burnout

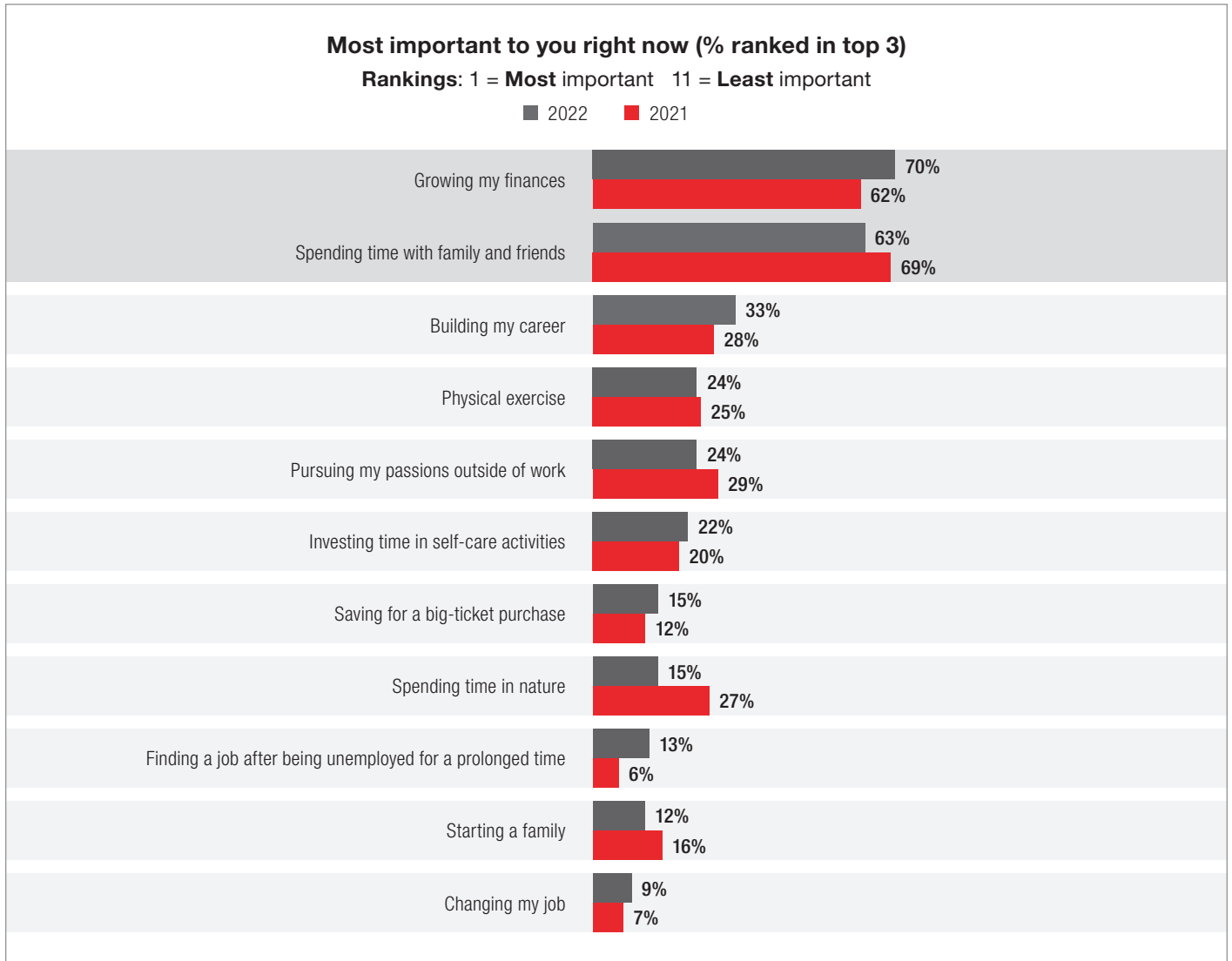


Do you do any of the following to cope with feeling overwhelmed or burned out?

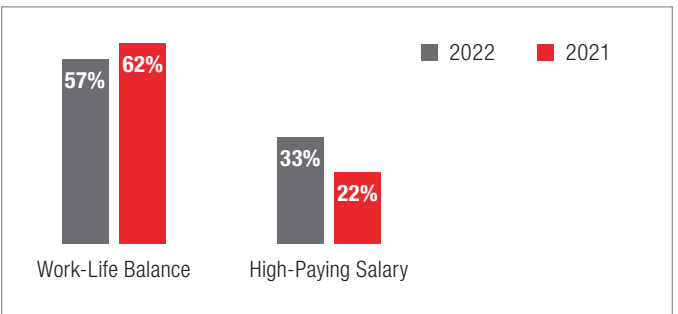


Resolving burnout can often require a drastic life change, and many people are taking steps to address their health and well-being. That said, while Americans still value and emphasize work-life balance, careers, finances, and salary are increasingly important year over year, as compared to lifestyle activities, like pursuing passions outside of work.

Battling burnout on all fronts. Burnout can impede not only your job performance but your overall financial health as well. Remember to check in with yourself regularly to best prioritize your workload, physical and mental health, budgeting strategies, and personal time.



More than half of Americans are still placing an emphasis on their work-life balance, but more people are starting to move back toward wanting and valuing a high-paying salary. 33% of respondents say this is a priority, representing a 50% rise from 2021.



Generational Spotlight: Millennials and younger want to do it all, but are they juggling too much?

Millennials and those younger have made significant adjustments in their lifestyle as they look to value their time — prioritizing higher-paying salaries, spending more on things they enjoy, and being transparent about their financial struggles. Even with missteps, Millennials and younger learn and grow their financial knowledge and skills along the way.

- **Feeling the Burn.** 53% of Millennials and those younger experienced burnout in the past year.
- **Paycheck vs. Work-Life Balance.** And while 39% of Millennials or younger think a high-paying salary is important, more than half (55%) desire work-life balance the most.
- **Financial Troubles Abound.** 60% of Millennials or younger noticed notable financial challenges over the past year and 50% experienced a financial faux pas.
- **Spending Big, Saving Little.** Millennials and those younger are less likely than their older counterparts to curb spending on discretionary in the new year (50% vs. 74%).
 - 78% of Millennials or younger made big purchases in the past year.
 - 77% anticipate making big purchases in the next year.
 - Only 57% of Millennials or younger can come up with \$2,000 right away, compared to 70% of Gen X or Boomers.
- **Awareness and Transparency.** 82% of Millennials and younger say that they have changed their spending habits in 2022 and this group is much more likely to openly discuss their financial challenges with their partners (59%) compared to Gen X and Boomer counterparts (43%).

Balancing the books (and your priorities). Whether leaning into career growth or planning for life milestones like buying a home or starting a family, professional financial advice coupled with digital tools like [Key's Savings Calculator](#) can provide a clear view of your financial picture and help you stay on track to reach your goals.

In 2022, 41% of Millennials prioritized building their career as most important. This is compared to 33% of all other generations. Only 21% of Millennials chose starting a family as most important, compared to 12% of other generations.

	Millennial and Younger (<43)	Older than Millennial (43+)
Very confident in ability to grow finances in future	38%	24%
Confident in ability to come up with \$2,000 if needed	57%	70%
Changed spending habits in 2022	82%	73%
Changed spending habits by spending less on discretionary	60%	74%
Made a big purchase last year	78%	57%
Anticipate making a big purchase in the next year	77%	59%
Talk to spouse/partner following financial faux pas	59%	43%
Faced notable financial challenges over past year	60%	50%
Ranked building career in Top 3 most important right now	45%	22%

The Shifting of Needs and Wants Among Americans

One in three (33%) seek to protect themselves from making financial faux pas by better identifying and prioritizing “must haves” versus “nice to haves,” but with plans to spend more money on experiences or events, what falls into the category of “need” vs. “want” may be changing.

- Nearly 4 in 5 people (77%) have made a change to their spending habits, primarily on discretionary items. However, the same proportion (two-thirds) that made large purchases last year still intend to make at least one in the next year.
- Over the past year these purchases were focused on: clothes, tech and vacations — Same top three in '23, except that vacation now ranks #1.

Protecting yourself from financial faux pas

Identify and prioritize needs versus wants



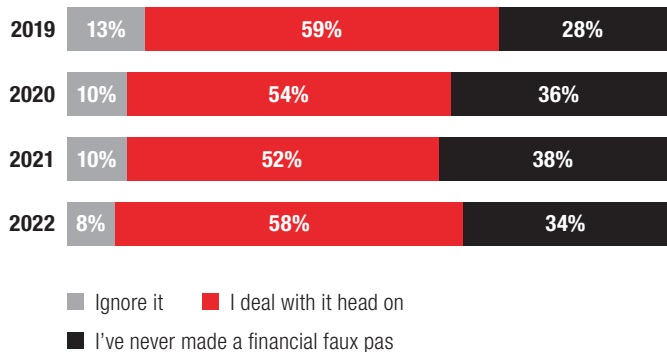
Determine a monthly budget and revisit on a weekly basis



Budgeting Faux Pas

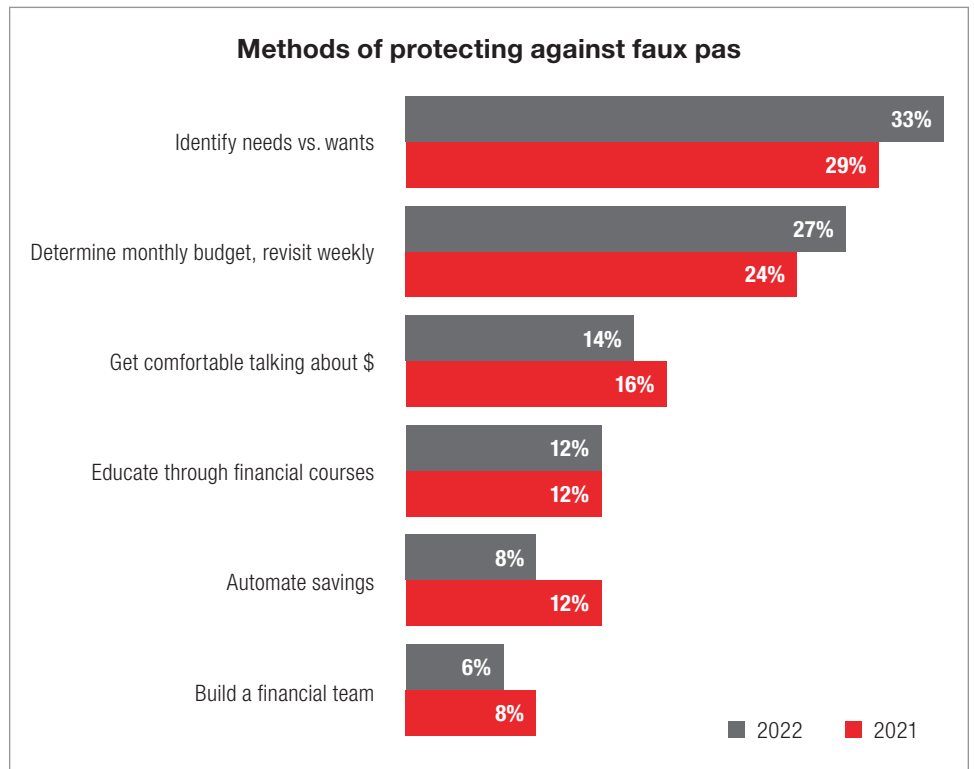
Budgeting has moved to the top financial faux pas made by Americans this year, beating out savings.

Substantially increasing over the previous year, 89% of respondents said that budgeting was their biggest financial faux pas. Although budgeting takes the top spot, among those who are self-described financial experts — who are also among those most likely to admit a faux pas (73%) — savings and investing mishaps are more common.



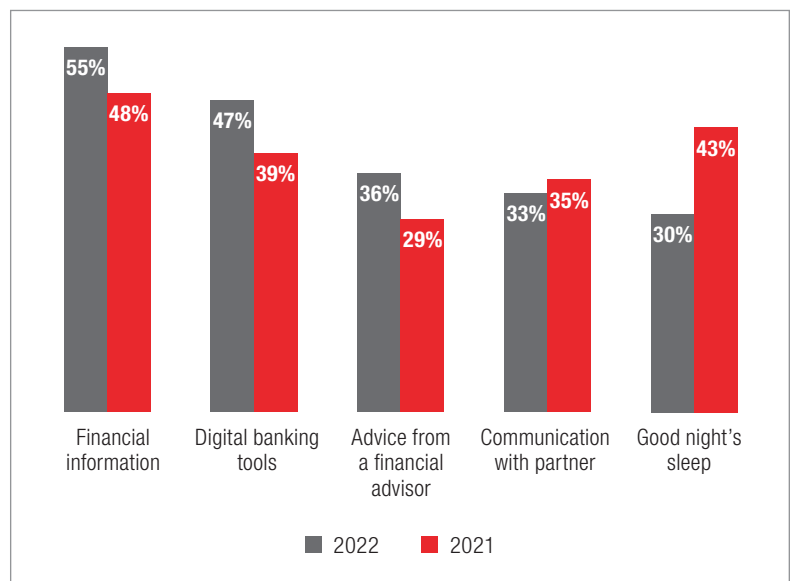
To deal with financial faux pas, face them head on.

- 58% of respondents agree that the best way to deal with financial faux pas is head on by either talking with someone they trust (50%) or by doing research online (49%).
- To better protect themselves from a financial faux pas, respondents are identifying and prioritizing needs vs. wants (33%) while also determining a monthly budget they revisit weekly (27%).



With the number of Americans who have faced a financial challenge up from previous years, financial confidence is low all around – leading to a decrease in financial savviness. This can be considered a year of learning for consumers, helping boost confidence and financial mobility in the future.

- Consumers reported experiencing growth in their financial awareness (85%, up from 53%) and agreed that access to information (55%) and digital banking tools (47%) are areas that make them feel more financially resilient – edging out a good night’s sleep (30%, down from 43%).



See where your finances stand. Schedule a [Key Financial Wellness Review](#)®

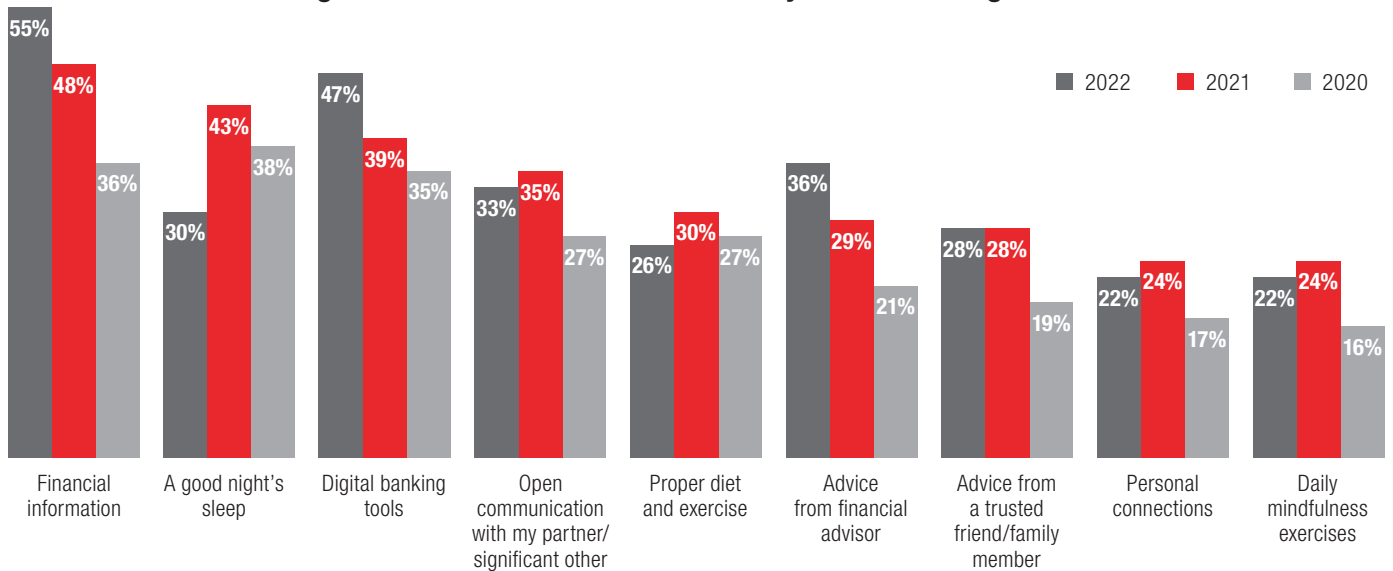
Money, Mindfulness, and Mobility

Compared to last year, a good night's sleep is no longer sufficient when it comes to feeling more financially resilient. Americans want intel and insight. In fact, each year, more Americans lean into digital/online banking tools to help them feel more financially resilient during challenging times.

- **Key findings: Adoption on the rise.** There is a 25% increase in consumers who use digital banking from last year.
- **Experts with confidence.** 46% of consumers who consider themselves financial experts rely more on digital tools now than they did in 2021.
- **Ease of access.** 72% of consumers are comfortable with online banking and 65% are comfortable with mobile banking apps.
- **All needs are digital.** Bill pay (67%), checking credit scores (64%), and transferring funds between accounts (62%) continue to be most self-serviceable with help of digital tools. This is an increase from 2021 — bill pay (61%), checking credit scores (60%), and transferring funds between accounts (56%).

Boosting financial savvy — at your fingertips. Access online resources from Key's [Financial Wellness Center](#), including [banking 101 curriculum](#) and [interactive quiz](#), to better understand your financial situation and chart the best path forward.

Things that make me feel more financially resilient during COVID-19



No matter where you are on your life's journey, there are tools that can support your financial mobility. [Check here](#) for more banking basics and financial literacy support.

About the KeyBank 2023 Financial Mobility Survey

This survey was conducted online by Schmidt Market Research. 1,018 Americans, ages 18–70 with sole or shared responsibility for household financial decisions that own a checking or savings account, completed the survey between September 8 and 16, 2022. The survey asked respondents about their financial attitudes, understanding, awareness, and actions over the prior year.