More than half of Americans in the tenuous segment live paycheck to paycheck (53%) and struggle to keep up with bills and credit payments. Yet the majority receive regular wages and predictable income. In many ways, individuals in the tenuous segment resemble those in the striving segment, though they differ significantly in their planning and saving behaviors, and they have less financial confidence. People who fall into this segment span all income levels and represent diverse demographics.

**Who Are They?**

12% of American Adults Are Financially Tenuous

**Race/Ethnicity**

- White, Non-Hispanic: 62%
- Hispanic: 15%
- Black, Non-Hispanic: 13%
- Other, Non-Hispanic: 9%
- 2+ Races, Non-Hispanic: 2%

**Household Income**

- $100,000 or more: 17%
- $60,000 - 99,999: 27%
- $30,000 - 59,999: 28%
- Less than $30,000: 28%

**Age**

- 65+: 12%
- 50-64: 28%
- 36-49: 25%
- 26-35: 23%
- 18-25: 12%

**Gender**

- 49% Male
- 51% Female

35% have children

**Total US Population**

<table>
<thead>
<tr>
<th>Age</th>
<th>Gender</th>
<th>Household Income</th>
<th>Race</th>
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<tr>
<td>65+</td>
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</tbody>
</table>
What Behaviors Does This Segment Exhibit?

Planning
None of the financially tenuous plan for large, irregular expenses.
» 37% use a budget or monthly spending plan.
» 50% could only make ends meet for three months or less in the event of a sudden drop in income.

Saving
One third do not save.
» One in five have a regular saving habit, 46% save whatever money is left over at the end of the month, and 33% do not save.
» 59% have less than $5,000 in non-retirement savings, and 53% have less than $10,000 in retirement savings.

Debt
Many have debt loads that may be difficult to manage.
» 44% have student loan debt, 25% have medical debt, and 84% have other non-mortgage debt.
» At least 41% have an unhealthy amount of debt compared to income.*

What Products Are They Using?
Individuals in this segment tend to leverage financial services using a variety of channels, including ATM, phone, online, and mobile. They use a variety of locations to cash checks to receive immediate access to funds, including bank branches, check cashers (also known as currency exchanges), retail locations, mobile apps, employers, and friends and family.

64% use online banking and 42% use mobile financial services regularly.

Attitudes
» 53% say “I always find myself living paycheck to paycheck.”
» 41% say their finances cause them significant stress.
» 36% are confident they can meet their short-term savings goals.
» 33% are confident they can meet their long-term goals for becoming financially secure.
» 45% believe they have the skills and knowledge to manage their finances well.
» 51% are only slightly or not at all confident they could come up with $2,000 in a month in an emergency.
» 52% expect their financial situation to be better in five years than it is today.

“I always find myself living paycheck to paycheck,” more than half of tenuous Americans say.

* An ‘unhealthy amount of debt’ is defined as having a financial obligation ratio of 40% or more. The ratio could not be calculated for 17% of this segment because respondents answered “don’t know” to one or more of the questions that provided data for the ratio.

** Mobile financial services includes mobile banking, receiving an SMS alert from a financial services provider, and using mobile remote deposit capture. Regular use = in the last 30 days.
How to Reach 29 Million Financially Tenuous Americans

The tenuous segment has regular income streams, they use technology more than the average consumer, and they are optimistic about the long term.

Providers have an opportunity to serve this segment by further exploring their financial pain points and testing innovative solutions to uncover:

» What are the most effective strategies to help this segment plan ahead? More than half (57%) say they would plan ahead if they could. What is preventing them from planning, and what tools and motivators can help them reap the benefits of thinking and planning ahead financially?

» Can well-designed, targeted products and services boost the financial confidence of this segment? Does increased financial confidence reduce stress and/or drive positive outcomes across multiple aspects of consumers’ financial lives?

» What tools, features, and incentives are most effective at helping this segment establish and maintain saving habits? Does gamification engage them? Do encouraging texts and alerts motivate them to continue?

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MetLife Foundation is a major sponsor of CFSI’s ongoing consumer financial health work, including these segment briefs.

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The Consumer Financial Health Study benefited from guidance and generous financial support from Ford Foundation and MetLife Foundation. The Consumer Financial Health Study also benefited from generous financial support from American Express.

For more on the study – including details on the survey instrument, methodology, financial health indicators, and financial health segmentation – download the segmentation whitepaper: