

April 2, 2025

# Santander US Paths to Prosperity

## Financial Prosperity in America:

Middle-income Americans remain optimistic about their own finances while adapting the ways they live and work.

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# Paths to Financial Prosperity

At Santander, we strive to help consumers achieve prosperity. We commissioned this study to continue our efforts to better understand middle-income Americans' current financial state and future aspirations, so we can best support them on their journey. This research series explores the barriers and challenges facing consumers as they work toward achieving financial prosperity, and the tools and support that middle-income households need to get there.

Building upon eight quarters of research, this installment looks at households' current financial state and outlook for the next 12 months. It examines how economic conditions and other trends are impacting these households, including their vehicle, banking and housing needs. It further explores how these factors are driving pent-up demand for auto purchases, utilization of banking products, views on homeownership and renting and more.

# Key Findings

- 1 More than three-quarters of middle-income Americans believe they are on the right financial track, a new high. Most are current on their bills and feel secure in their jobs.
- 2 Concerns about inflation remain elevated, but they have leveled. Middle-income Americans continue to cut back on retail and other spending in response.
- 3 Most middle-income Americans are optimistic about their job security, and many are driving to work more often, further supporting pent-up demand for vehicle purchases.
- 4 Banking products have an important part in meeting consumers' financial needs. More are using savings accounts that pay higher interest rates, and personal loans are being considered for financing large purchases or paying down debt.
- 5 As home prices soar, renters view their housing situation as a more affordable option. Many recent homebuyers are struggling with the financial implications of their purchases.

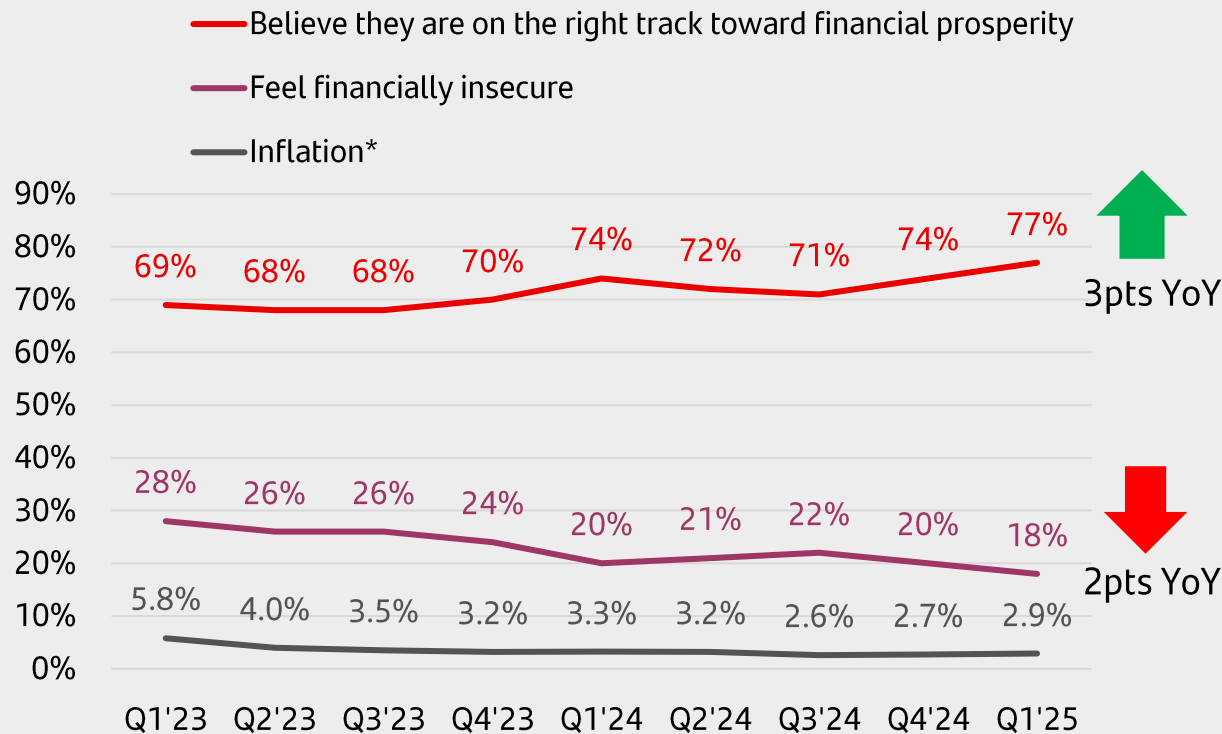
Middle-income Americans remain on the right track despite sticky inflation.



# Middle-income Americans are optimistic about their own financial situations

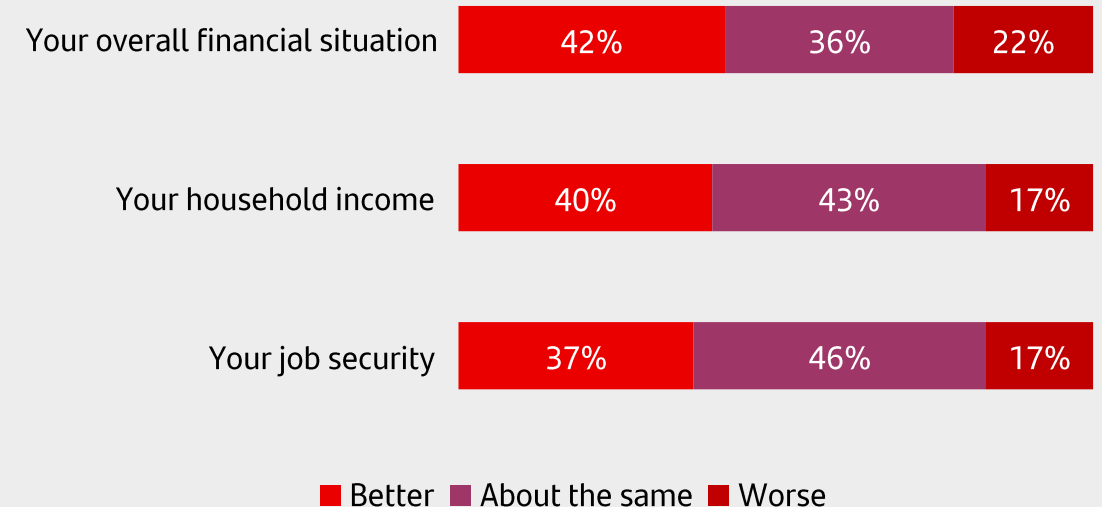
As inflation has moderated, consumers are feeling confident about their finances, with those believing they are on the right financial path hitting a new survey high.

Those feeling they are on the right financial track hit a new high, while those feeling insecure dropped to a fresh low.



Middle-income Americans are optimistic about various aspects of their own finances by a 2 to 1 margin.

Over the next 12 months, do you believe the following will be better, worse or about the same as they are now?



\*Quarterly readings based on average of monthly readings from the [Consumer Price Index](#). Q1'25 is based on January and February readings, as March data is unavailable at time of publish.

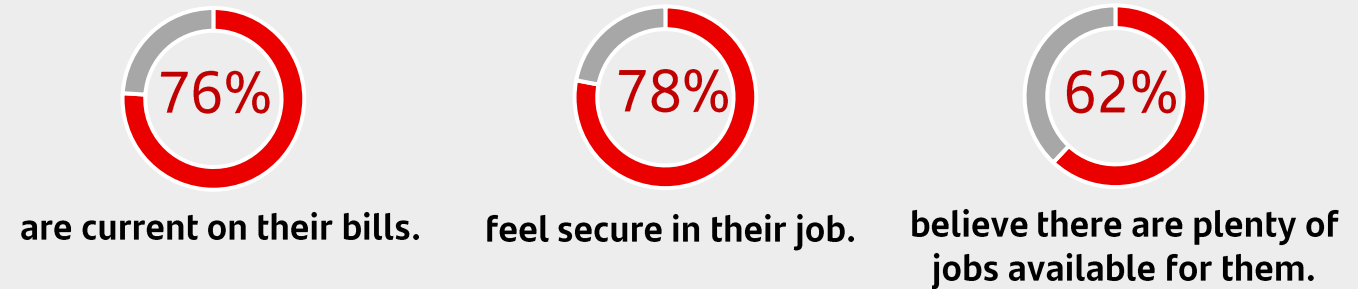
# Middle-income Americans define their financial prosperity

More than three-quarters of middle-income Americans are up-to-date on their bills, and most feel secure in their jobs—two key factors they consider essential to their prosperity.

## Top 5 factors middle-income Americans associate with their own prosperity\*:

- 1 Being able to pay bills and expenses 
- 2 Having job security 
- 3 Having enough savings to handle emergency expenses 
- 4 Having flexibility in how you live life 
- 5 Being debt free 

## More than 3 in 4 middle-income households remain current on their financial commitments and feel secure in their jobs.



## Less than 3 in 10 middle-income Americans believe homeownership is a requirement to be financially prosperous.

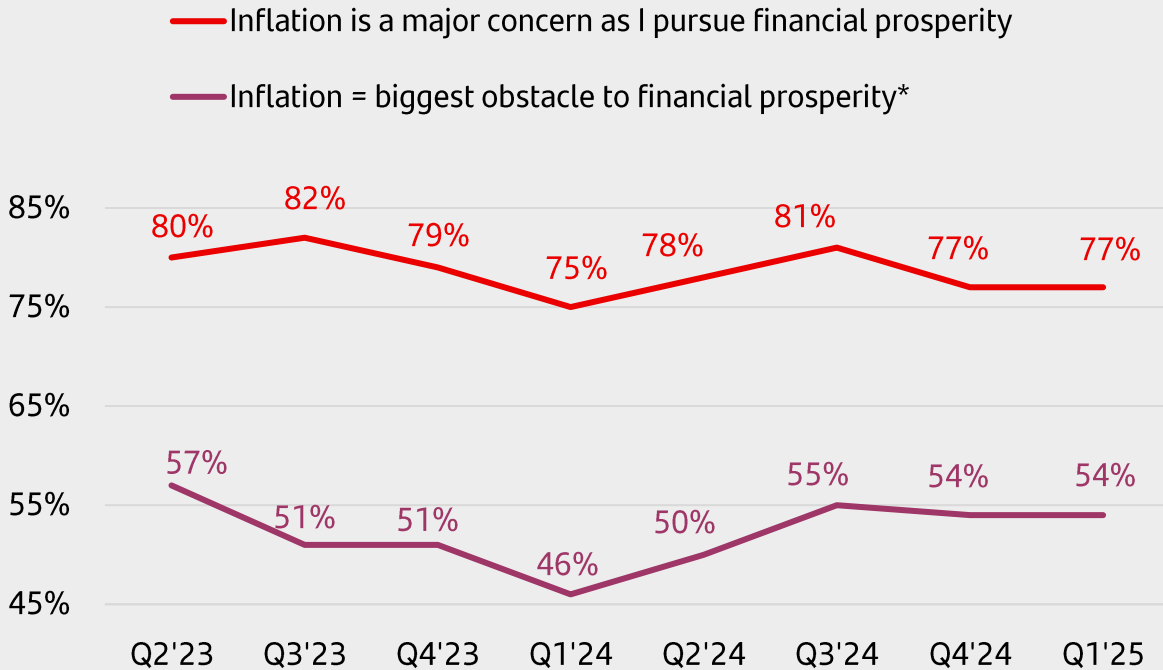


\*Top responses shown; respondents were asked to rate each factor on a scale of 1 to 10.

# Middle-income Americans continue to view inflation as a major concern

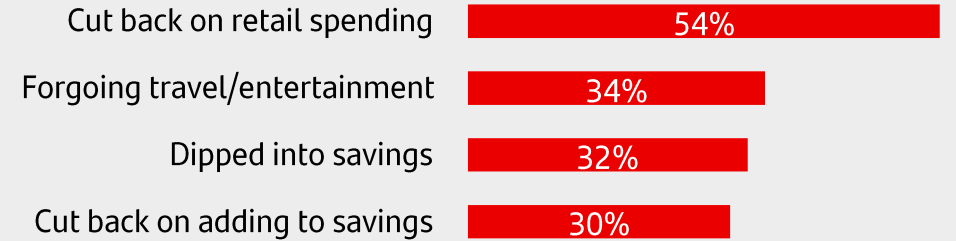
Nearly half (48%) believe they are managing higher prices better than a year ago.

## Inflation concerns, while high, remained flat QoQ.



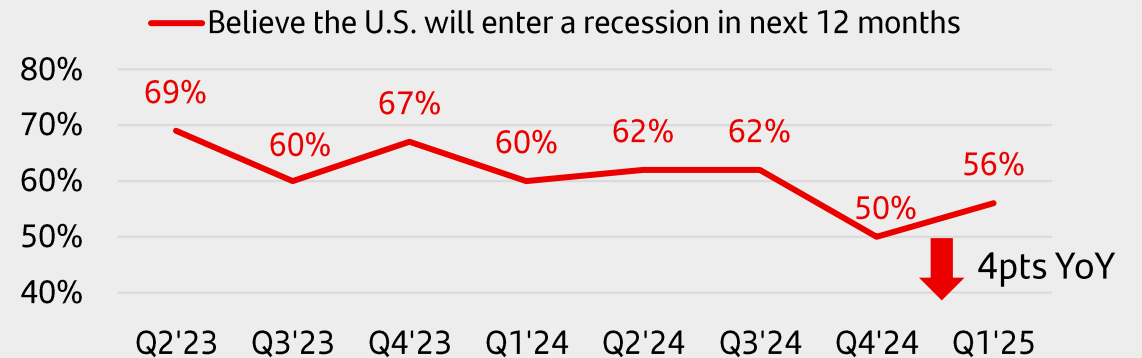
\*54% indicated inflation is their biggest obstacle to financial prosperity, the highest of seven response options including debt (11%), slow wage growth (9%) and state of the job market/job security (9%).

## More than 8 in 10 (86%) took some action in the past three months due to inflation.



\*\*Respondents could select all that apply; only top actions shown.

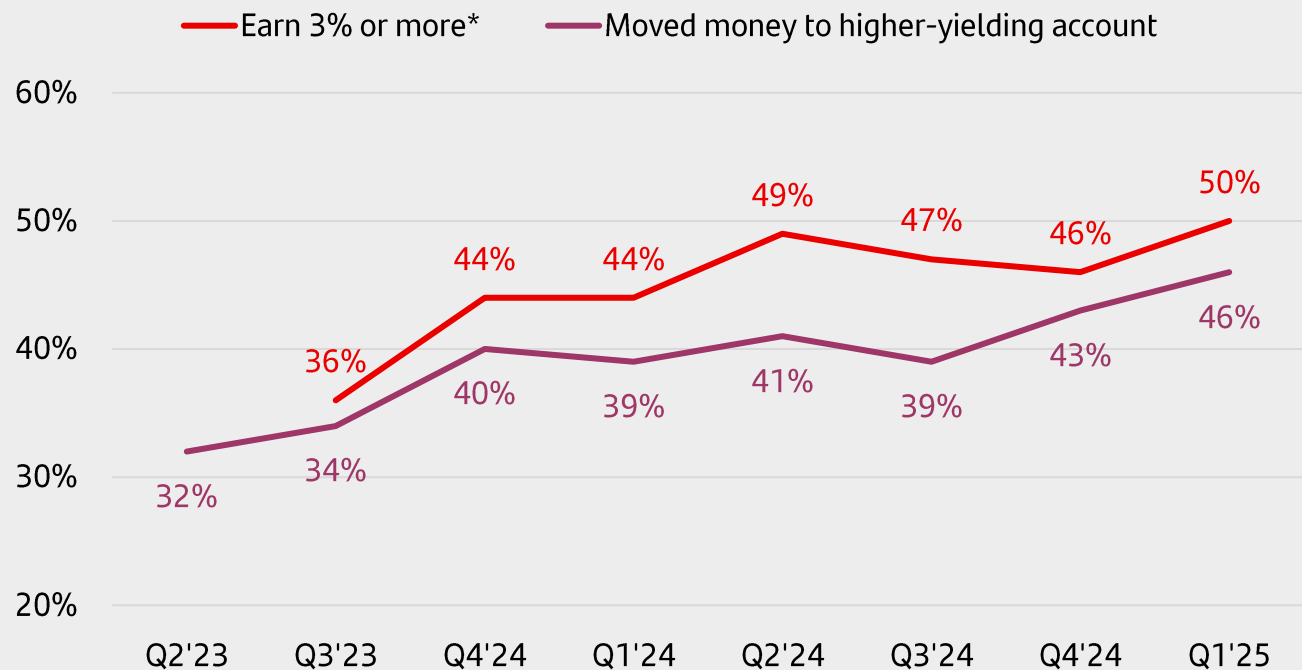
## Anticipation of an economic recession is up from Q4, but it is still down from this time a year ago.



# More consumers are offsetting inflation by earning higher interest rates on their savings

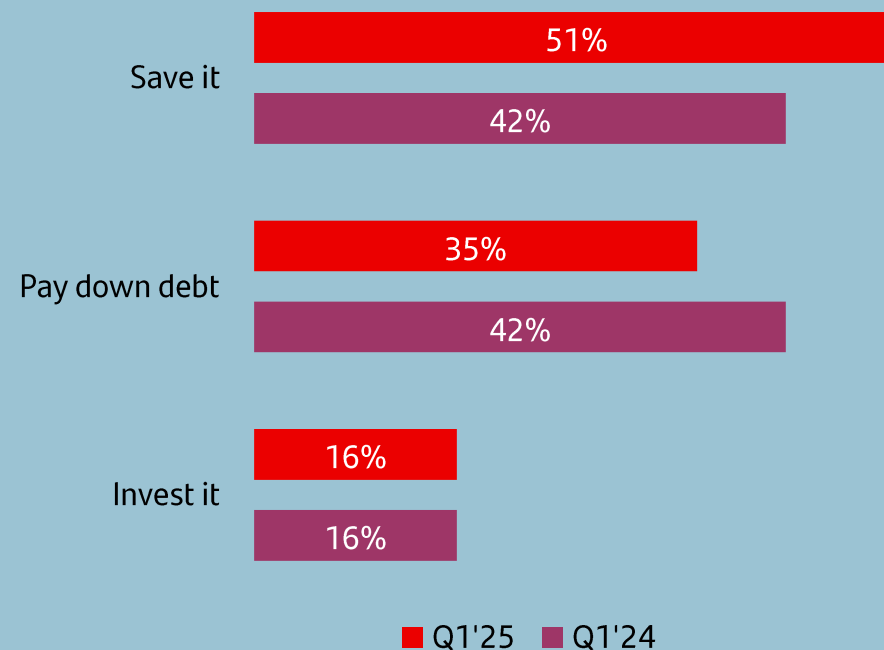
Tax refunds offer savers an opportunity to boost their balances and capitalize on higher-rate savings options.

More middle-income Americans are taking advantage of higher interest rates on savings.



\*Among those who know the interest rate on their primary savings account. 20% do not know the rate they earn on their savings.

7 in 10 (69%) are anticipating a tax refund, with more planning to save at least a portion of it compared to last year\*\*.



\*\*Among those anticipating a tax refund. Respondents could select all that apply; only top responses shown.



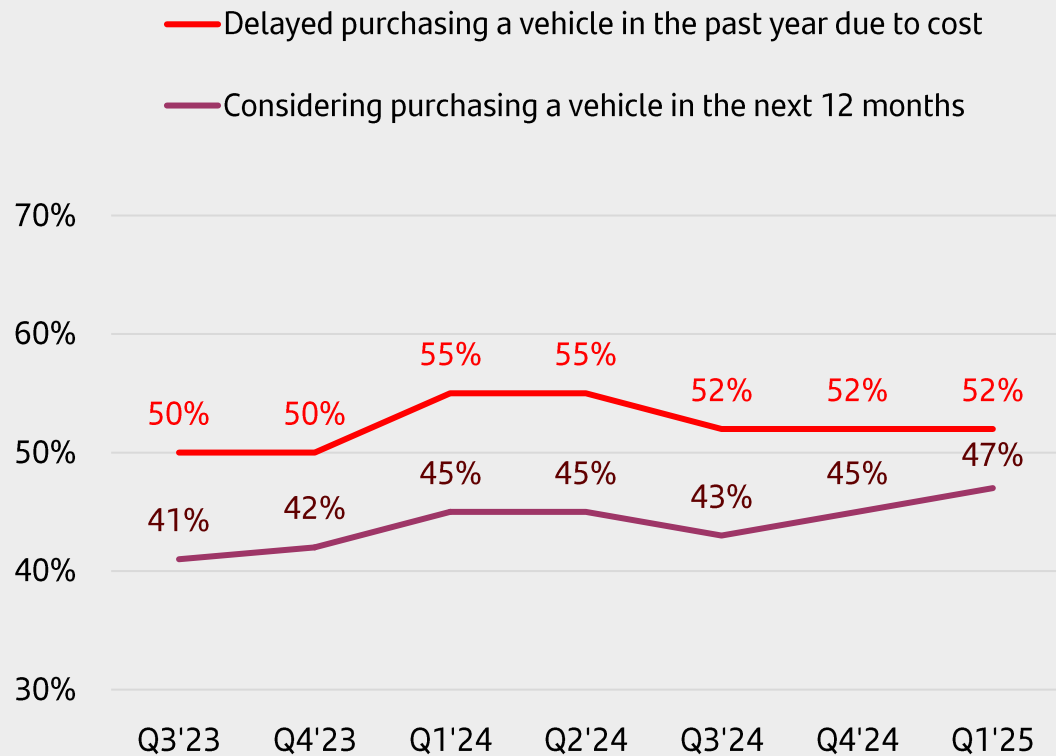
Pent-up demand for vehicle purchases ticks up as middle-income Americans are driving to work more often.



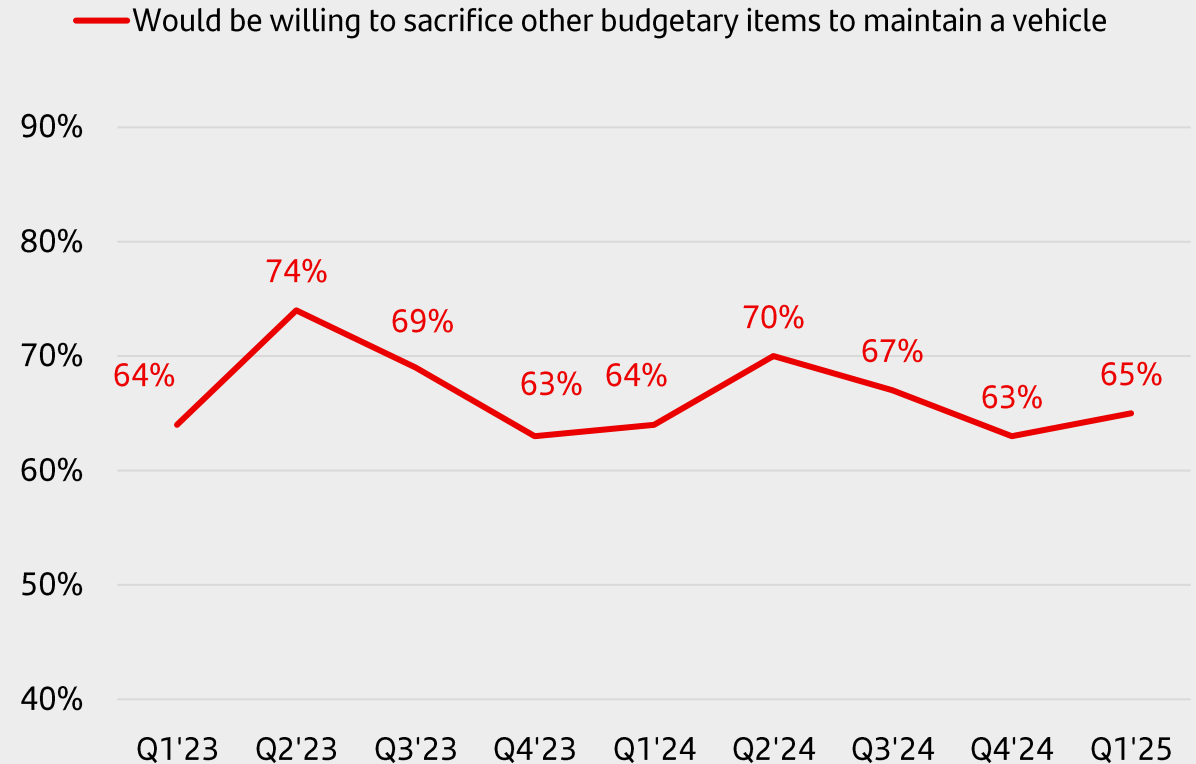
# More middle-income Americans are considering a vehicle purchase

Close to half of vehicle owners (44%) have concerns about reliability.

## High demand for vehicles persists:



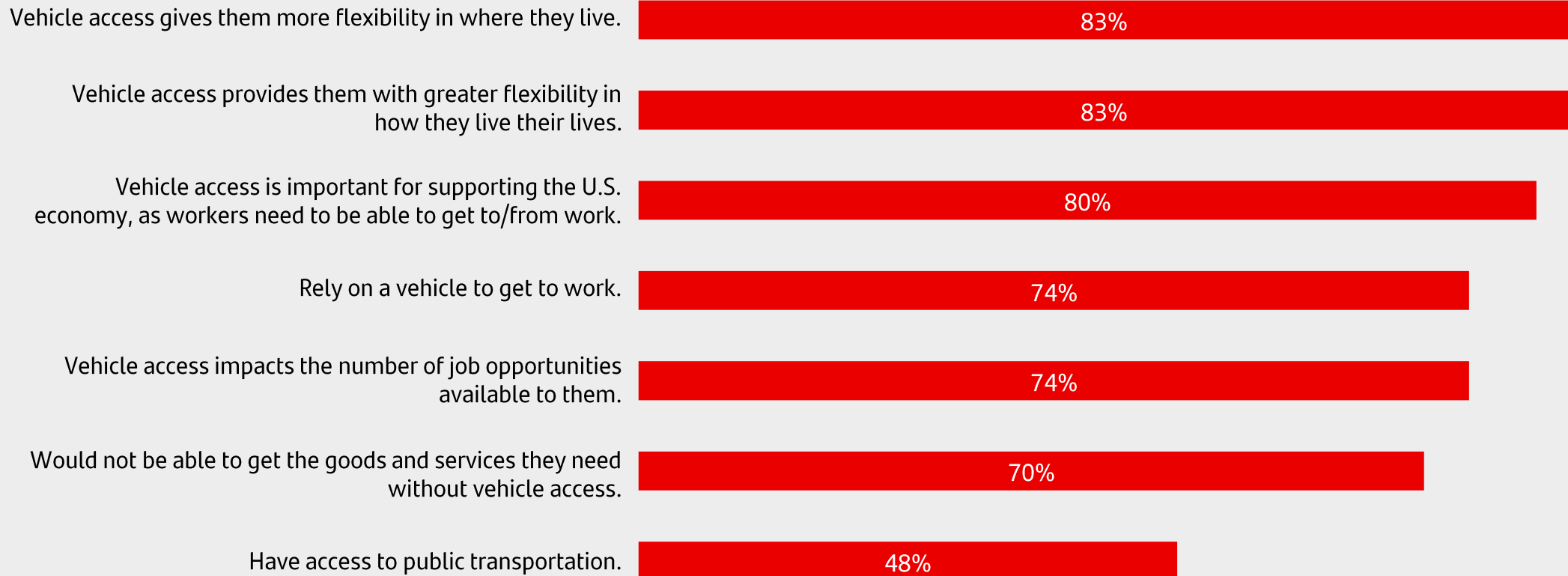
## Vehicles remain a budgetary priority.



# Vehicle access is key for middle-income Americans' financial prosperity

Americans rely on their vehicles, with less than half having access to public transportation.

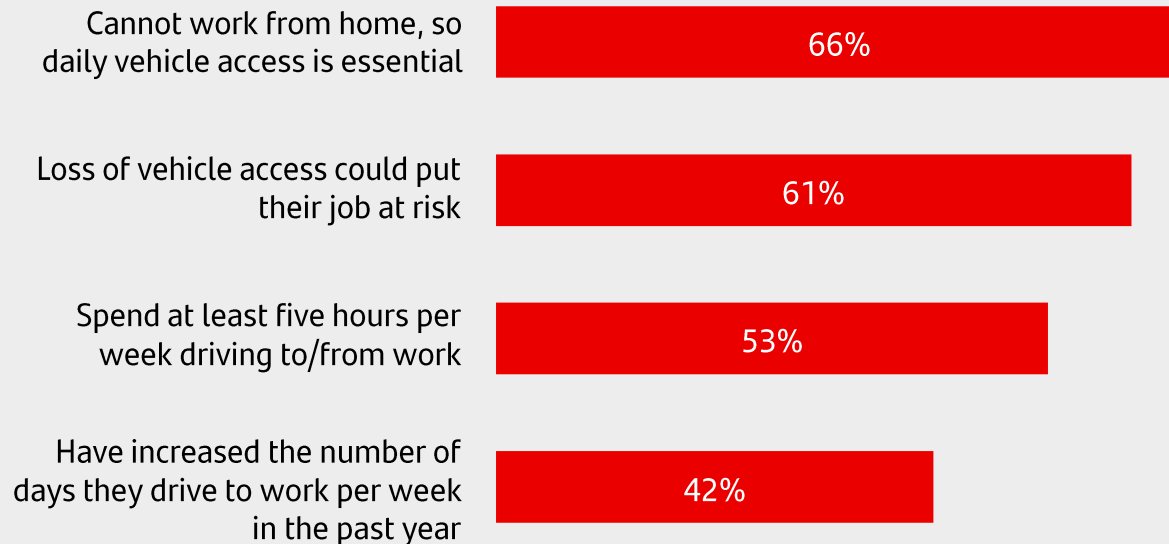
## Vehicle access provides flexibility in where middle-income Americans live and work.



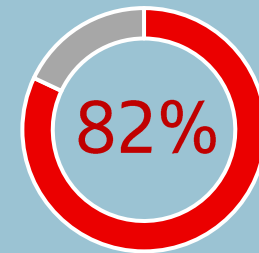
# Americans return to in-person work, adding to pent-up demand for vehicles

Just over one-quarter of Americans with remote-capable jobs (26%) work exclusively remotely, down from 70% in May 2020, according to Gallup.

Many workers are driving to their jobs more often and note the importance of vehicles for maintaining employment.



Vehicle purchase considerations are influenced by a need to drive to work.

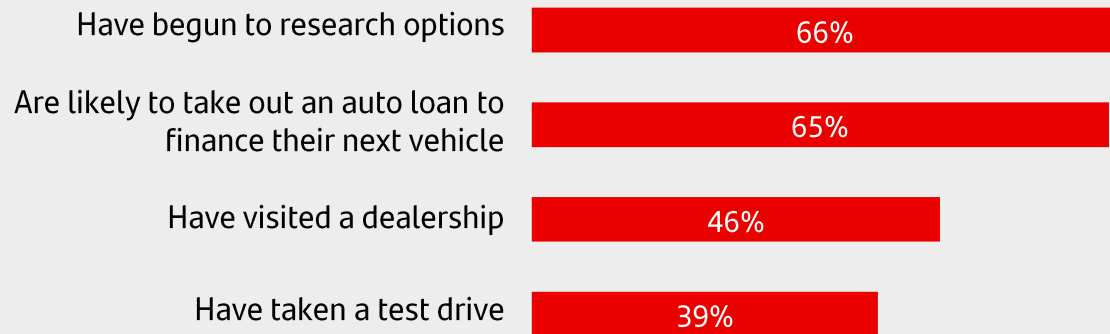


of those who are considering a vehicle purchase rely on one to get to work.

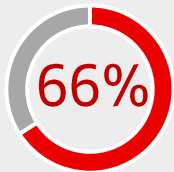
# Prospective buyers begin to take steps toward purchasing, while price uncertainties could accelerate the process

More than 1 in 3 middle-income Americans (34%) plan to purchase a vehicle in the next 12 months.

## Many are taking steps toward their next vehicle purchase\*.



## Some are looking to get ahead of potential price increases\*.



believe vehicle prices are more likely to increase than decrease over the next three months.

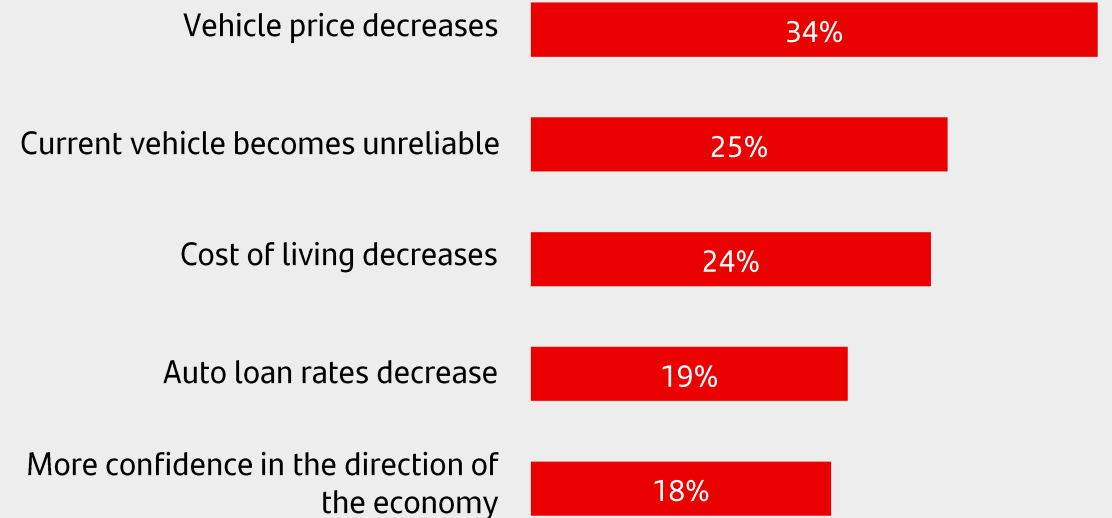


are more likely to purchase in the next three months because they are worried about prices increasing.

\*Among those considering a vehicle purchase in the next 12 months.

## Factors weighing on vehicle purchase decisions.

What are the top two factors that would most impact your likelihood of purchasing a vehicle in the next 12 months\*?



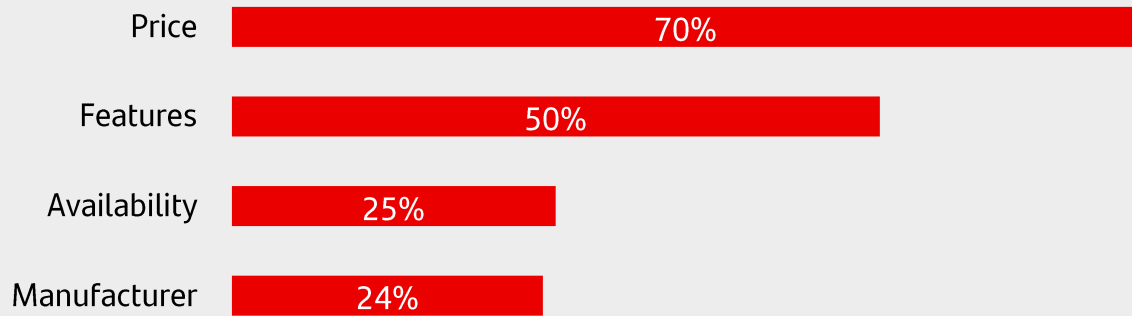
\*Among those considering purchasing a vehicle in the next 12 months. Respondents could select up to two; only top responses shown.

# Prospective buyers are focused on total cost of ownership

Those considering a vehicle purchase point to the sticker price and limiting ongoing expenses.

## Price is the primary factor for those considering a purchase.

Most important factors when comparing vehicles\*:



\*Among those considering a vehicle purchase in the next 12 months. Respondents could select up to two.

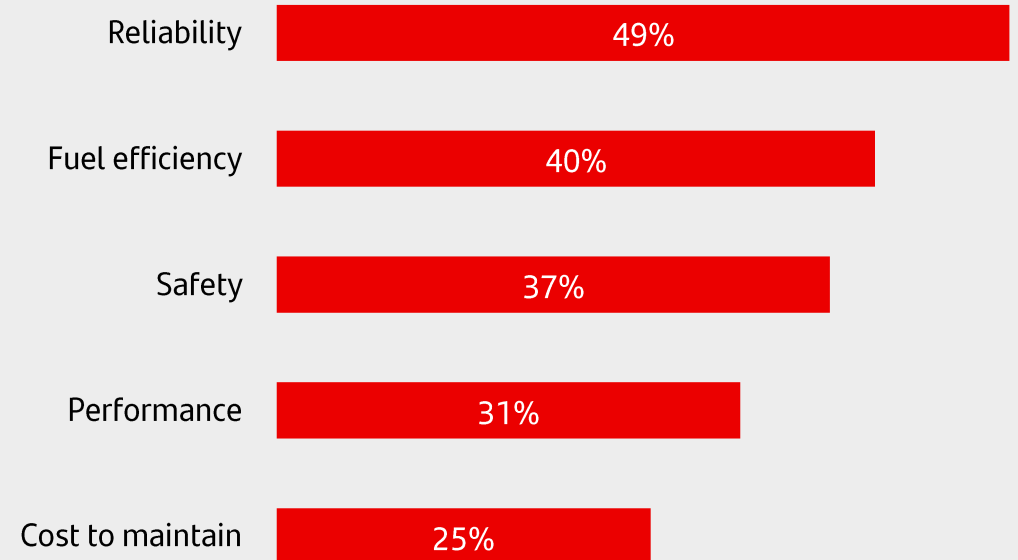
## Prospective buyers prefer to buy new vs. used and would rather buy than lease\*\*.



\*\*Among those considering a vehicle purchase in the next 12 months.

## Features that reduce ongoing costs are most attractive to prospective buyers.

Most important features when comparing vehicles\*\*\*:



\*\*\*Among those considering a vehicle purchase in the next 12 months. Respondents could select up to three.

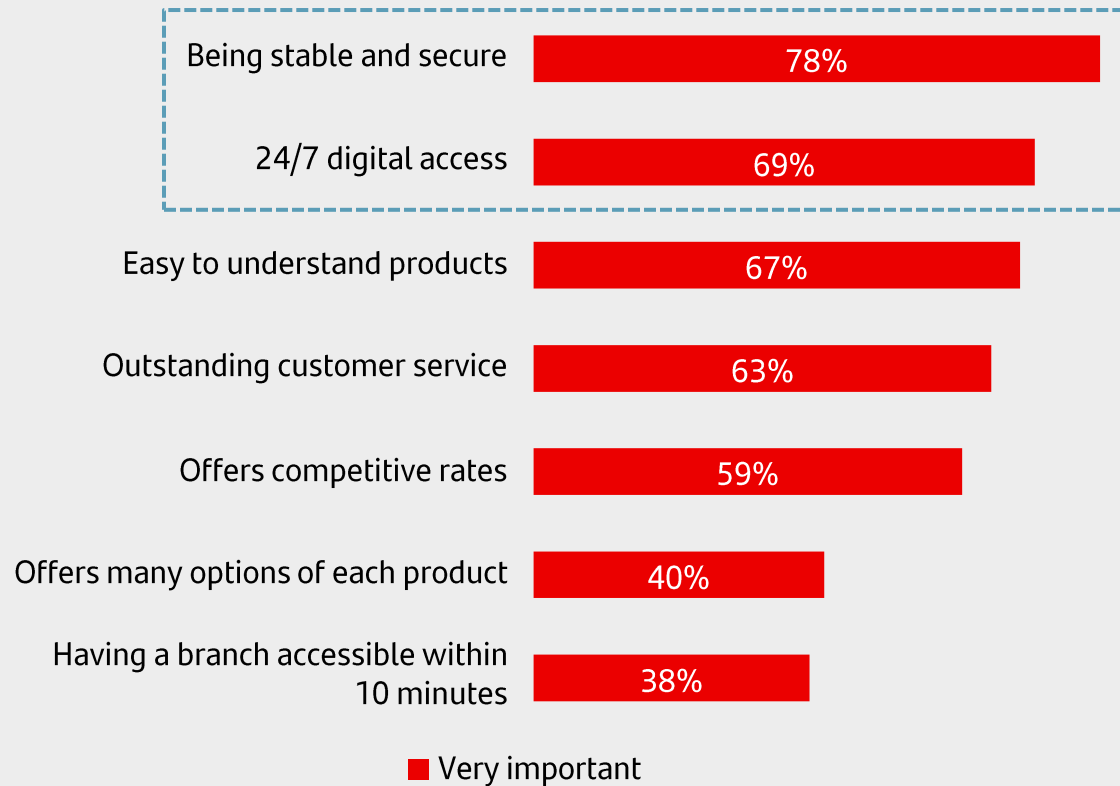
The role of banks in achieving financial prosperity.



# Americans prioritize bank stability and digital banking capabilities

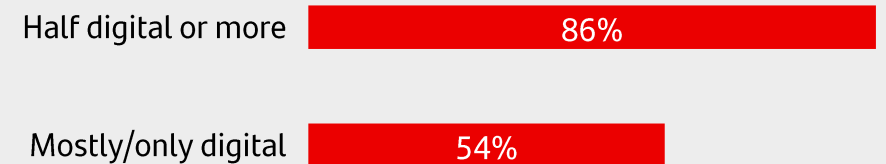
Nearly 6 in 10 middle-income Americans (58%) agree their bank provides information and guidance that is helpful for achieving financial prosperity.

## Most important factors when considering a banking provider:

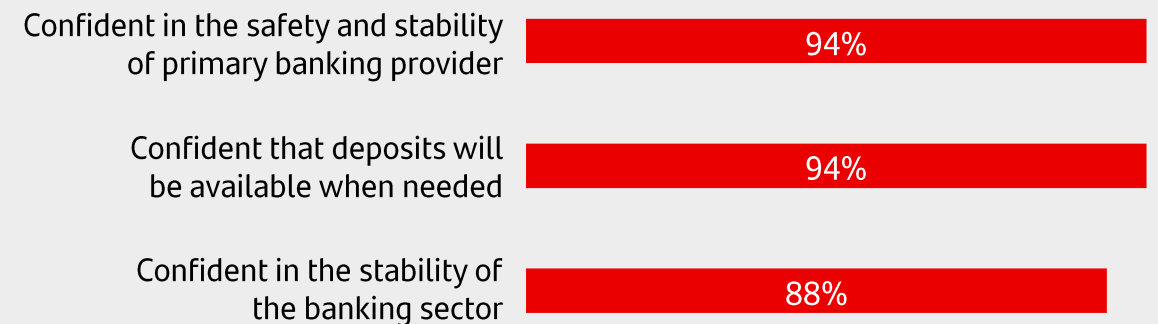


## Most bank digitally for a majority of their transactions.

How middle-income Americans interact with their bank accounts:



## Middle-income consumers are confident in their bank and the banking sector overall.



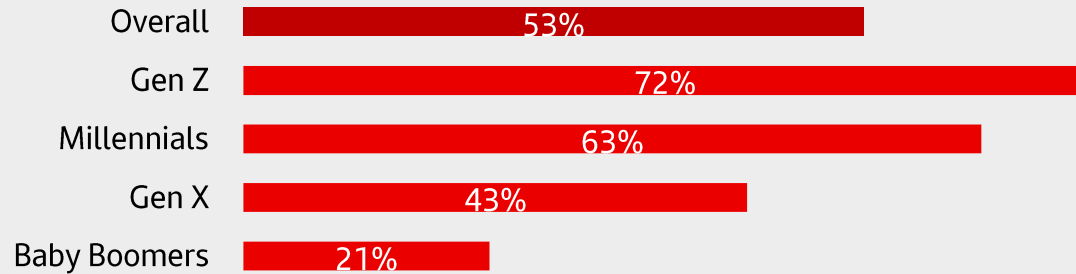


# Consumers show interest in personal loans

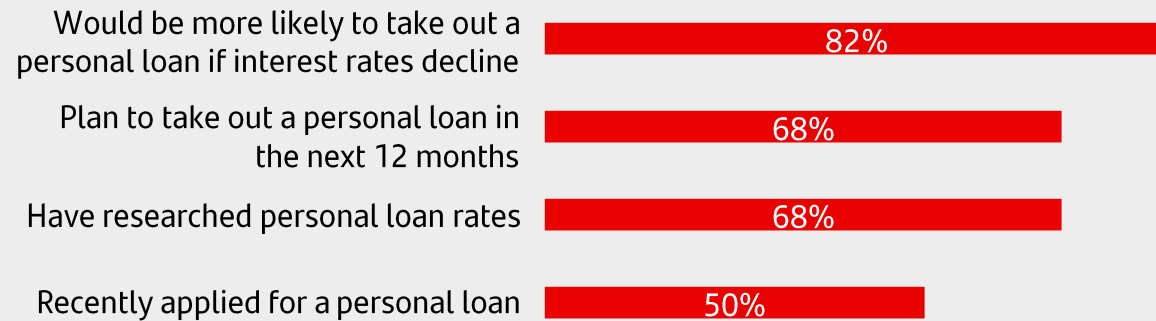
While more than half (54%) delayed a major purchase in the past year due to economic concerns, nearly 4 in 10 (37%) are now considering a personal loan to help pay for a large expense.

## Younger generations are more likely to consider taking out a personal loan.

Those considering a personal loan for any reason by generation:



## Those considering a personal loan are taking action\*.



\*Among those considering taking out a personal loan from a bank for any reason.

## For those carrying credit card debt, personal loans are seen as a tool to improve their finances.

Among those carrying credit card debt:



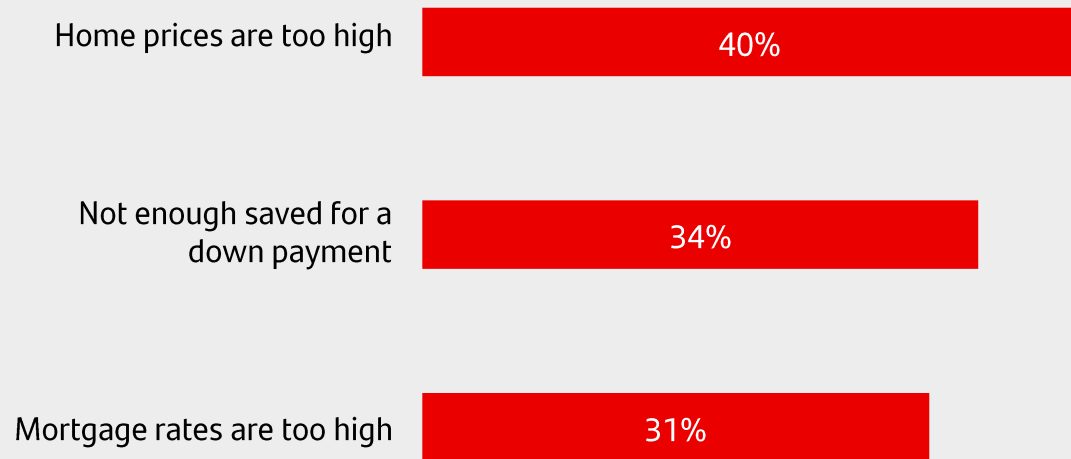
With rising cost of homeownership,  
renters see their housing situation as  
the more affordable option.



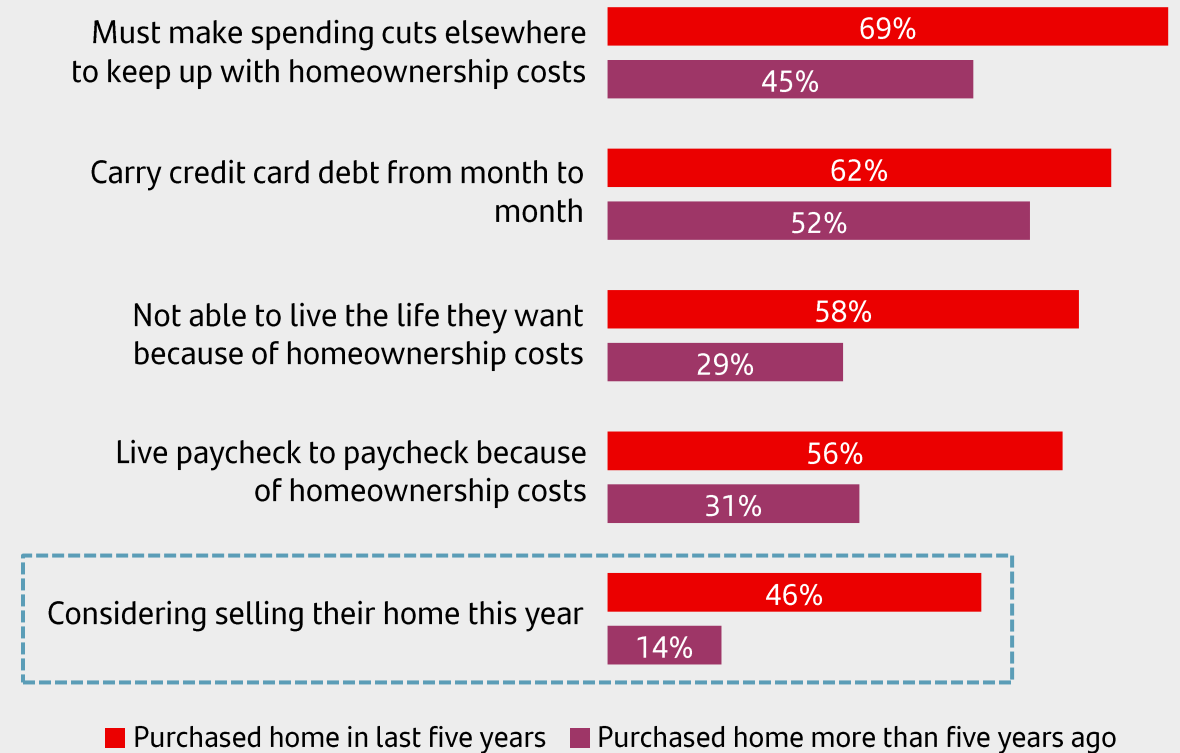
# Home affordability is impacting prospective and recent buyers

As recent homebuyers struggle with costs, nearly 6 in 10 who purchased their home in the last five years (57%) say renting provided more financial flexibility.

## Top three reasons why middle-income Americans do not own homes\*:



## Nearly half of recent homebuyers are considering selling their homes as costs become prohibitive.

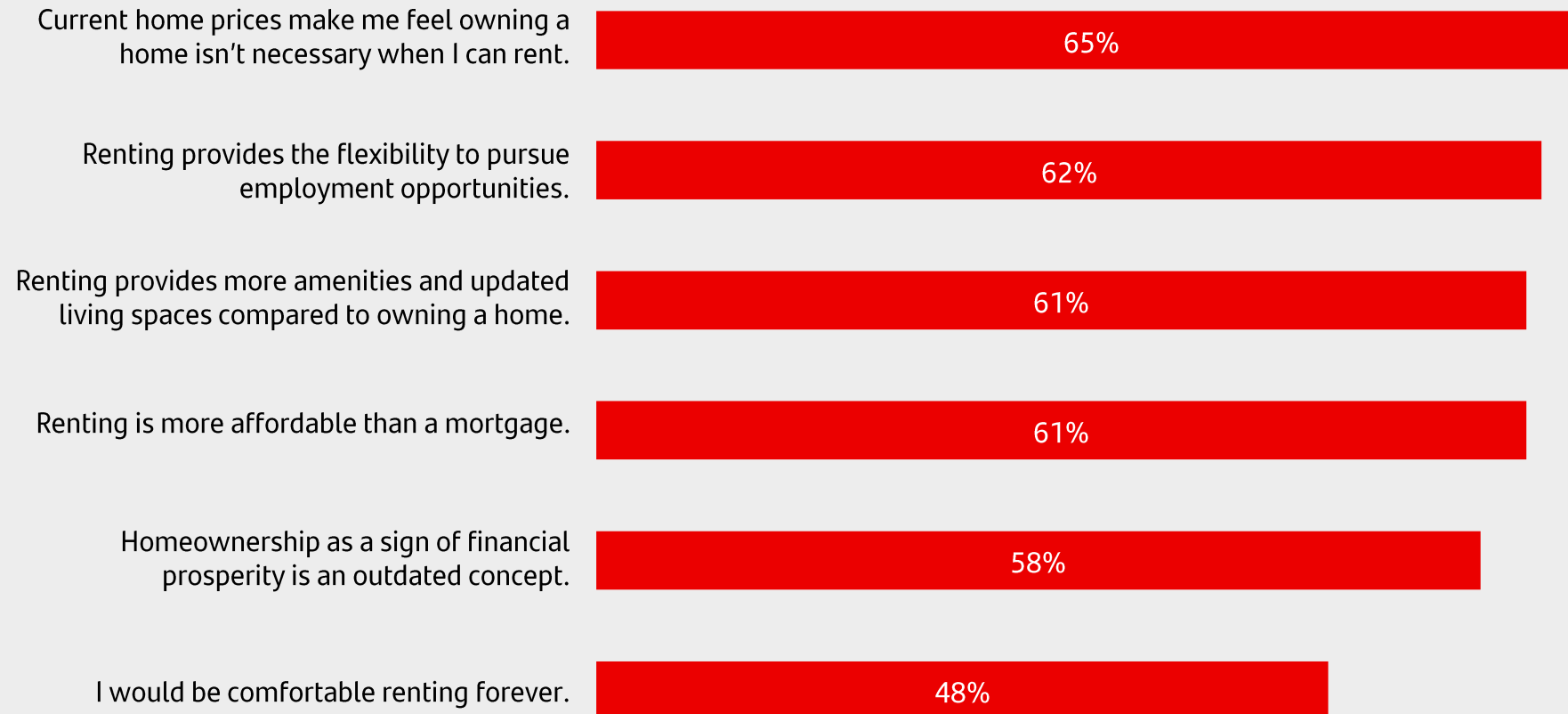


\*Among those who do not own a home. Respondents could select up to three; only top responses shown.

# Renting is considered the more affordable option

Renters believe their living situation provides them with more flexibility and affordability.

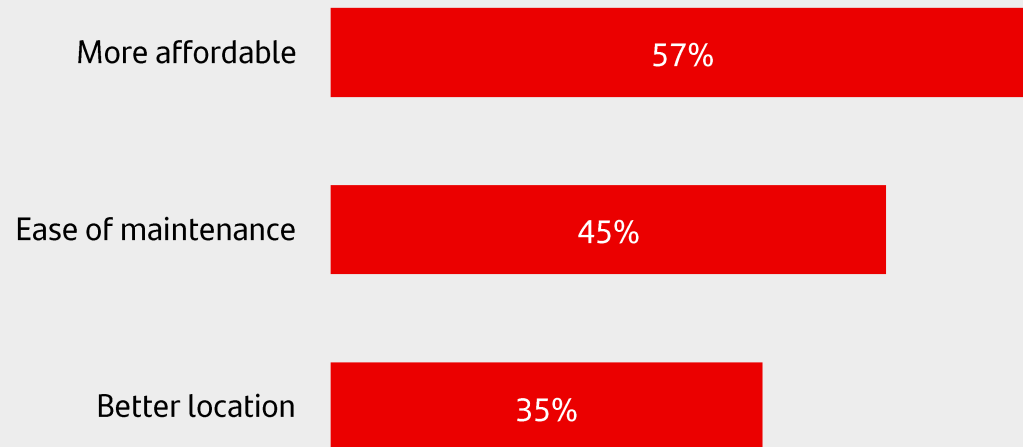
## Among those who rent their primary residence:



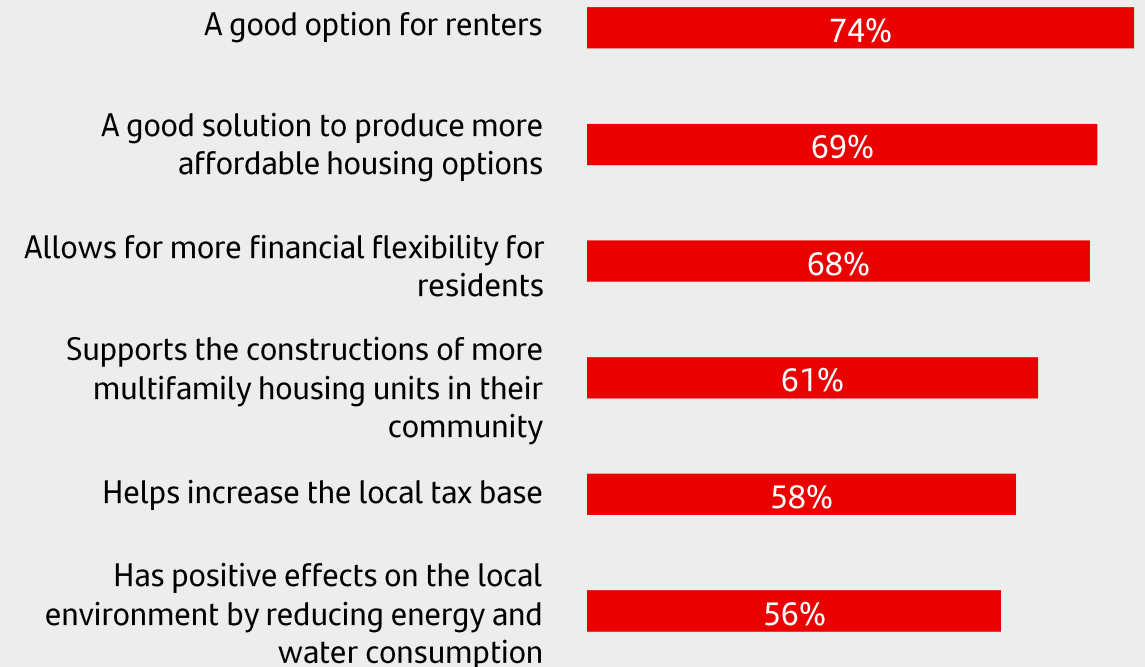
# Benefits of multifamily housing

Most of those living in multifamily homes believe they are a good option for renters.

## Top three reasons for living in a multifamily home\*:



## Multifamily homes are viewed as beneficial for residents and the broader community\*\*.



\*Among those living in a multifamily home. Respondents could select all that apply; only top responses shown.

\*\*Among those living in a multifamily home.

# Methodology



# Methodology

This research on financial prosperity, conducted by Morning Consult on behalf of Santander US, surveyed 2,266 Americans who are bank and/or financial services customers, ages 18-76.

Survey participants are employed or looking for work, own/use at least one financial product and are the primary or shared decision-maker on household finances with household income in the “middle-income” range of ~\$53,000 to \$161,000<sup>1</sup>.

<sup>1</sup> Range based on median household income of ~\$80,500 (U.S. Census Bureau) and Pew Research Center definition of middle-income being two-thirds to double median household income.

This Q1 study was conducted in February 2025. The interviews were conducted online, and the margin of error is +/- 2 percentage points for the total audience at a 95% confidence level. Percentages may not total 100 due to rounding.

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

The previous studies were conducted over the following time periods:

- Q4 2024: December 2024
- Q3 2024: August 2024
- Q2 2024: May 2024
- Q1 2024: February 2024
- Q4 2023: December 2023
- Q3 2023: September 2023
- Q2 2023: May 2023
- Q1 2023: January 2023

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.

Multifamily homes are generally housing properties with five or more residential units, such as an apartment building.

The Gallup data referenced in the study can be found [here](#).

# About Santander US

**Santander Holdings USA, Inc. (SHUSA)** is a wholly-owned subsidiary of Madrid-based Banco Santander, S.A. (NYSE: SAN) (Santander), recognized as one of the world's most admired companies by Fortune Magazine in 2025, with approximately 173 million customers in the U.S., Europe and Latin America. As the intermediate holding company for Santander's U.S. businesses, SHUSA is the parent company of financial companies with more than 11,300 employees, 4.5 million customers, and assets of \$165 billion in the fiscal year ended 2024. These include Santander Bank, N.A., Santander Consumer USA Holdings Inc., Banco Santander International, Santander Securities LLC, Santander US Capital Markets LLC and several other subsidiaries. Santander US is recognized as a top 10 auto lender and a top 10 multifamily bank lender and has a growing wealth management business. For more information about Santander US, please visit [www.santanderus.com](http://www.santanderus.com).



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