

Identify Consumers

Asian Americans Embrace Digital Banking and Investing for the Future



As innovations in the financial services industry advance, tech-savvy Asian Americans have proven that they're early adopters of online and mobile banking and investing technologies. Even with a higher preference for fintech, these savvy investors still value robust member benefits, quality customer service and convenience.

Asian banking consumers hold more accounts than all other races/ethnicities

Using Claritas' Financial Track Survey Data, we found that Asian Americans hold more deposit (checking/savings) and revolving credit accounts than the average respondent in our survey. When we look at deposit accounts, we see that Asians were 11% more likely than the average respondent to have a regular savings account and 44.1% more likely than the average respondent for having a CD account.

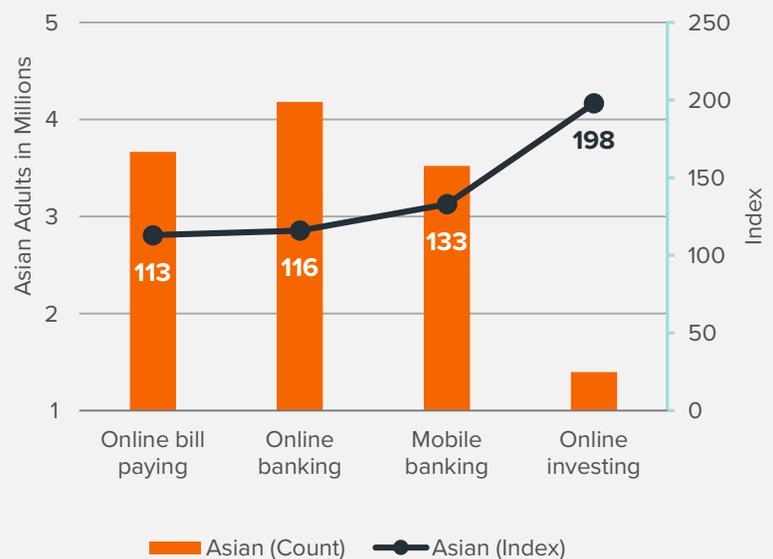
Asians also indexed higher for credit card services. In fact, Asians are 25% more likely than the average American to have and use a credit card and were 86.5% more likely than the average respondent to use an American Express card and 37.1% more likely than the average respondent to use a Discover card. They most likely prefer these cards because these brands offer great customer service, inclusive cash back rewards and bonus points for loyal members.

When it comes to non-traditional banking, 72% of Asians are happy to use the Internet to carry out day-to-day banking transactions

Asians are 25% more likely than the average American to carry out daily banking transactions using their mobile devices. In the graph to the right, we look at non-traditional banking services used by Asian Americans. We see that Asians are 16% more likely than the average American to do banking online and 33% more likely than the average American to use mobile banking apps. Asian households were also 87% more likely than the average American household to use Internet banks and were 98% more likely than the average American household to have invested or traded stocks online. When considering these facts, financial marketers may want to focus more on the technology enable services when advertising to the Asian Americans.

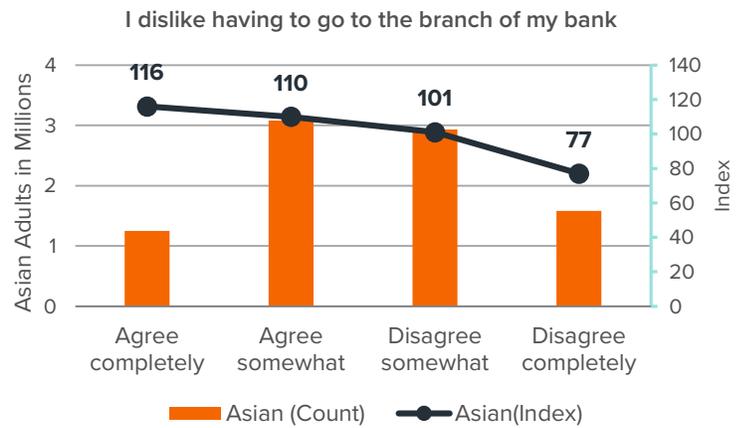
**Index values are measures indicating whether a characteristic is over/under-represented in a population group. '100' indicates that it is equal to the national average, '50' indicates half the national average, and '200' is twice the national average.*

Financial technology services Asian HHLs use



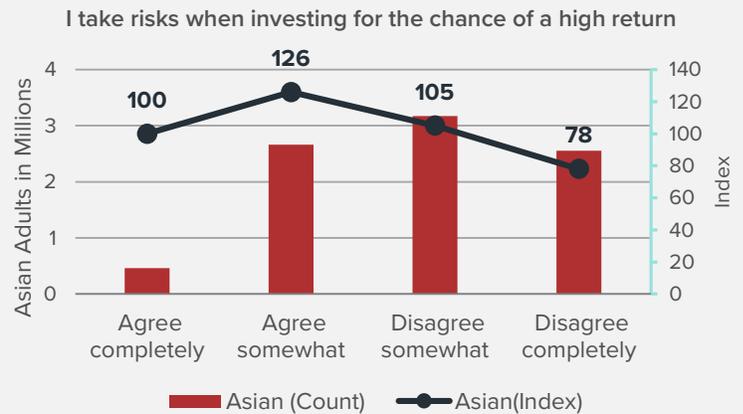
Asians dislike having to go to their branch, and they are 33% more likely to do mobile banking

Asians are 16% more likely to ‘completely dislike’ having to go into the branch of their bank or savings institution. When looking at ASIANICITY™, Claritas’ CultureCode® consumer segmentation system that measures the level of Asian acculturation, we discovered that less acculturated Asian Americans (Asian language dominant) are 43% more likely to dislike going into the branch where they bank. When considering these facts, financial marketers may want to focus their marketing efforts for products and services using digital channels with messages in language (Mandarin or Korean).



Asians will take risks when investing if there is the chance of a high return

Asian Americans are 25% more likely than the average American to somewhat agree to the statement, ‘I like to take risks when investing for the chance of a high return.’ Moreover, we see that Asian Americans are 13% more likely to disagree somewhat to the statement, ‘Investing in the stock market is too risky for me.’ When considering these facts, marketers may want to focus less on promoting traditionally “safe” investments like a CD or savings bonds with this savvy investor group, and instead promote products using messages that focus on the short and long-term returns for this consumer group.

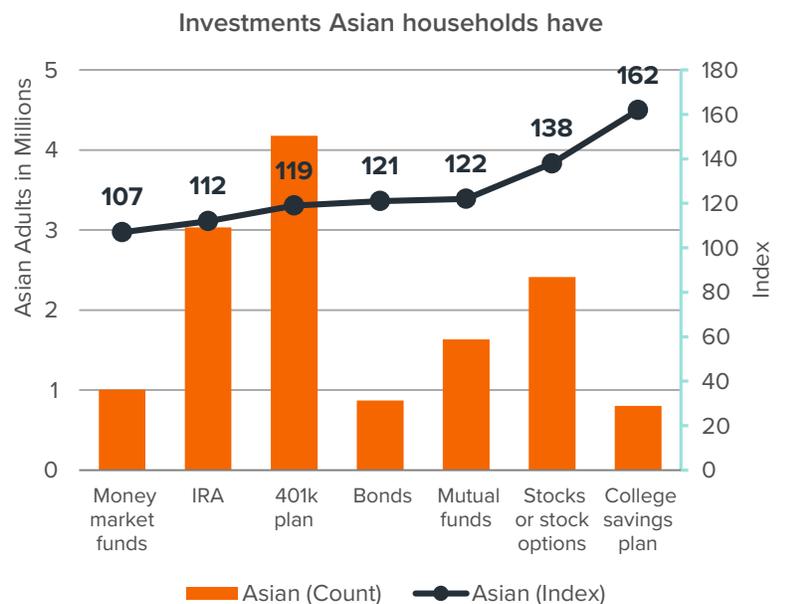


Asians are savvy investors for retirement and college, utilizing many investment products

Asians are 52.6% more likely than the average respondent to have a Tax Advantaged College Savings Plan, 38% more likely to have Stock options, and 62% more likely to have a College Savings Plan or a 529 Educational Savings Plan. This focus on college savings has resulted in Asian Americans having the highest indices for higher education. Asians are 62% more likely to have a college degree and 137% more likely to have a post graduate degree.

Asians are not big borrowers

Asian Americans seem to avoid any kind of debt beyond loans for their primary residence. The only loan product beyond a traditional mortgage that they consider is the home equity loan/2nd mortgage, and they are only slightly higher than average for this. They are savvy savers, and this is reflected in their lower likelihood to hold a loan product.



Sources:
Nielsen Scarborough 2018, Claritas 2019
Claritas Financial Track Q4 2019



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