LendingClub and PYMNTS Second Report Finds Americans Living in the South Central Region are Most Likely to Live Paycheck to Paycheck

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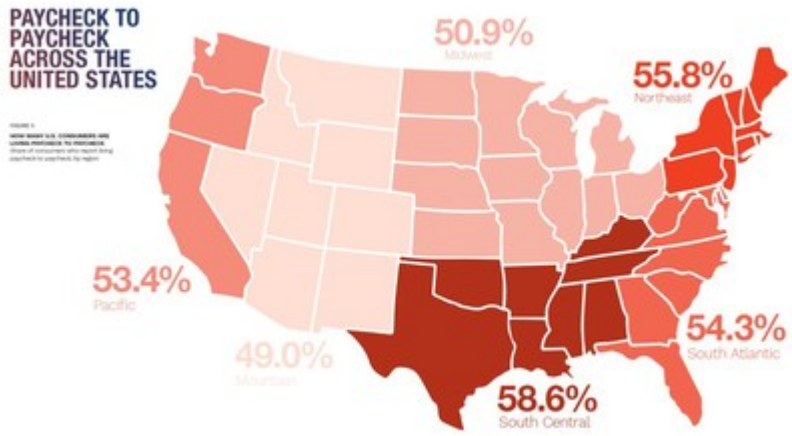
SAN FRANCISCO, Aug. 2, 2021 /PRNewswire/ -- LendingClub Corporation (NYSE: LC), the parent company of LendingClub Bank, America's leading digital marketplace bank, today released findings from its second Reality Check: Paycheck-To-Paycheck research series, conducted in partnership with PYMNTS.

The first report found that the majority of Americans (54 percent) living paycheck-to-paycheck; this second August edition examines regional differences.

The key takeaway: In every region within the United States, Americans are living paycheck to paycheck, with certain regions faring better than others.



Americans Living in the South Central Region are Most Likely to Live Paycheck to Paycheck

According to the research, nearly 59 percent of all consumers in the South Central region (Texas, Oklahoma, Arkansas, Louisiana, Mississippi, Alabama, Tennessee, and Kentucky) of America live paycheck to paycheck (compared to 54 percent nationally), with 25 percent of respondents living there struggling to pay their monthly bills. South Central residents are also 20 percent more likely to live paycheck to paycheck and 22 percent more likely to have trouble paying their monthly expenses than Mountain residents. Americans living in the Northeast states (Pennsylvania, New Jersey, New York, Connecticut, Rhode Island, Vermont, New Hampshire, Massachusetts, Maine) are also living paycheck to paycheck at a higher-than-average rate (nearly 56 percent), with 23 percent of respondents living there struggling to pay their monthly bills.

Those living in the Northeast and South Central are more cash strapped than most:

- **Forty-five percent of consumers earning more than $100,000 in the Northeast live paycheck to paycheck**, compared to 40% nationally, with 19 percent of them struggling to pay their monthly bills.
- Seventy-one percent and 69 percent of millennials living in the South Central and the Northeast regions, respectively, live paycheck to paycheck.
- Older "Bridge" millennials — consumers born between 1978 and 1988 that therefore "bridge" the gap between older millennials and younger Generation X consumers — living in the Northeast region of the United States are **20 percent** likelier to be living paycheck to paycheck than those in the Mountain states.

On the other end of the spectrum are the Mountain states (New Mexico, Arizona, Nevada, Utah, Colorado, Wyoming, Idaho, Montana) where consumers residing in this region are the least likely to live paycheck to paycheck. Mountain state residents are also tied with residents in South Atlantic states (Florida, Georgia, North Carolina, South Carolina, Virginia, West Virginia, Washington, D.C., Maryland, Delaware) as being the second-least likely consumers to have trouble paying their monthly bills. Though, it's worth noting that the financial lifestyle gap is largest in the Mountain region, where low earners are 150 percent more likely than high earners to be caught in the paycheck cycle.

Americans Living in Urban Areas are More Likely to Live Paycheck to Paycheck

The cost of living in metropolitan areas tends to be higher than in rural areas, making it difficult for many consumers to pay their bills. According to the research, 63 percent of all consumers residing in metropolitan areas live paycheck to paycheck which is 24 percent higher than in rural areas.

The South Central and the South Atlantic regions are exceptions to this rule, where consumers living in rural areas within these regions are more likely to live paycheck to paycheck than such consumers living in towns and cities, as 58 percent and 59 percent of each region's rural residents do so, respectively. In comparison, 52 percent of metropolitan residents in the South Central and 51 percent of town residents in the South Atlantic live paycheck to paycheck. Even so, consumers living in rural areas in the South Central and South Atlantic are 16 percent and 7 percent less likely, respectively, to be living paycheck to paycheck than those living in major metropolitan areas across the country.

"No region of the United States is immune to falling into the paycheck to paycheck cycle, and no single defining factor determines who will and will not ultimately become immersed in it," said Anuj Nayar, Financial Health Officer at LendingClub. "There is a clear need for the financial industry to step up and provide products and services that help all Americans effectively manage their cashflow so they can plan and save for their futures, no matter where they live."

To view the full report, visit: https://www.pymnts.com/study/reality-check-paycheck-to-paycheck-study-finances-loans-geography-millennials

Methodology

Reality Check: The Paycheck-To-Paycheck Report is based on census-balanced surveys of 7,116 U.S. consumers conducted throughout Q2 2021, as well as an analysis of other economic data.

About LendingClub

LendingClub Corporation (NYSE: LC) is the parent company of LendingClub Bank, National Association, Member FDIC. LendingClub Bank is the leading digital marketplace bank in the U.S. Members can gain access to a broad range of financial products and services through a technology-driven platform, designed to help them pay less when borrowing and earn more when saving. Since 2007, more than 3 million members have joined the Club to help reach their financial goals. For more information about LendingClub, visit https://www.lendingclub.com.

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