Half the Share of the Wealthiest Americans Now Live Paycheck to Paycheck

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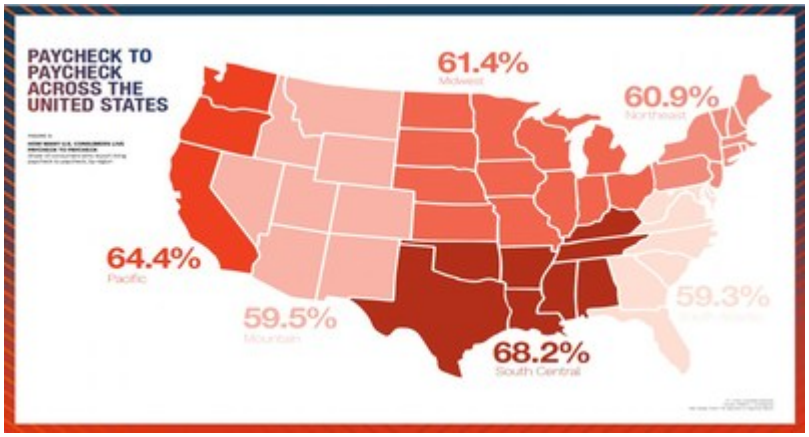
50% of Americans Who Earn More than $100,000 a Year Now Live Paycheck to Paycheck

67% of Americans Living in Cities Live Paycheck to Paycheck

SAN FRANCISCO, April 4, 2022 /PRNewswire/ -- LendingClub Corporation (NYSE: LC), the parent company of LendingClub Bank, America's leading digital marketplace bank, today released findings from the eighth edition of the Reality Check: Paycheck-To-Paycheck research series, conducted in partnership with PYMNTS.com.



The Regional Divide Edition examines the growing shares of consumers living paycheck to paycheck in urban, suburban, and rural areas of the U.S. and the impact on their ability to both build savings and afford emergency expenses.

Key takeaway: Exactly half the share of the wealthiest Americans now live paycheck to paycheck. The number of Americans earning more than $100,000 who live paycheck to paycheck increased two percentage points in February to 50% from 48% the previous month.

Living paycheck to paycheck means devoting all of one's salary to expenses with little to nothing left over at the end of the month. Many paycheck-to-paycheck consumers are able to remain credit-worthy by actively managing their cash flows in real time; however, breaking the cycle of debt remains elusive. LendingClub helps this growing population of consumers looking to get a handle on their finances by simplifying the everyday financial experience.

"With inflation hitting even the wealthiest Americans' pocketbooks, the ranks of paycheck-to-paycheck Americans continues to swell," said Anuj Nayar, LendingClub's financial health officer. "It's time to take a long, hard look at ways to trim down unnecessary expenses. One of the first things you can do is pay less on any expensive credit card bills by converting them into an installment loan with a fixed rate and clear end date."

Wealth in the Paycheck-to-Paycheck Landscape

In addition to the share of paycheck-to-paycheck consumers earning more than $100,000 rising, more consumers in lower income brackets are also living paycheck to paycheck. The share of consumers earning less than $50,000 who live paycheck to paycheck rose to 80 percent in February from 77 percent in January.

Paycheck-to-paycheck consumers fall into two categories: those who can pay their bills easily and those who cannot. PYMNTS' research finds that in February 41 percent of consumers were living paycheck to paycheck without difficulties paying monthly bills, while 21 percent were living paycheck to paycheck with difficulties paying their monthly bills. In February, 38 percent of consumers were not living paycheck to paycheck, up from 36 percent in January.

Location and Living Paycheck to Paycheck

Consumers in urban areas are both more likely to earn more than $100,000 a year and live paycheck to paycheck. This seems to

correlate with the relatively younger demographic of urban dwellers. Regardless of annual income, consumers living in urban, suburban and rural areas in the U.S. exhibit different financial lifestyle patterns. Forty-nine percent of survey respondents resided in suburban areas, with approximately one-quarter each living in urban (26 percent) and rural (25 percent) areas, yet PYMNTS' research finds that 67 percent of consumers living in urban areas and 68 percent of consumers living in rural areas are more likely to live paycheck to paycheck.

Urban consumers report the highest savings ($9,890) among those living paycheck to paycheck without issues paying monthly bills. They also report the highest savings ($4,569) among consumers living paycheck to paycheck struggling to pay bills. In contrast, rural consumers living paycheck to paycheck without issues paying their bills report average savings of $7,437, while those with issues report the lowest average savings: $705.

"Whether you are living in a city, a suburb or a rural community, inflation is a fact of life," added Nayar, "As the effects of the most recent hikes in gas and grocery prices continue to be felt by all Americans, it's time for consumers in all income brackets and geographies to review their financial situations and look for better ways to manage their cash flow."

Methodology

New Reality Check: The Paycheck-To-Paycheck Report is based on a census-balanced survey of 3,250 U.S. consumers conducted from Feb. 7 to Feb. 14, 2022. The Paycheck-To-Paycheck series expands on existing data published by agencies such as the Federal Reserve System and the Bureau of Labor Statistics to provide a deep dive into the elements that lie at the backbone of the American consumer's financial wellness: income, savings, debt and spending choices. The report's sample was balanced to match the U.S. adult population in a set of key demographic variables: 52% of respondents identify as female, 32% are college educated and 36% declared incomes of more than $100,000 per year.

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., where members can access a broad range of financial products and services designed to help them pay less when borrowing and earn more when saving. Based on more than 150 billion cells of data and over $70 billion in loans, our artificial intelligence-driven credit decisioning and machine-learning models are used across the customer lifecycle to expand seamless access to credit for our members, while generating compelling risk-adjusted returns for our loan investors. Since 2007, more than 4 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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