Marqeta Survey Finds Consumers Interested in Embedded Finance Offerings Amid Continued Fears of Recession, Despite Improved Economic Outlook

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- *67% of consumers surveyed said that they've changed their financial habits to cut spending amidst economic uncertainty*
- *Against this backdrop, consumers surveyed reported growing demand for Accelerated Wage Access: One out of five US consumers said they would give up a full week of paid time off (PTO) if they could get daily access to their wages*
- *52% of consumers surveyed under 50 years old said they'd be interested in using Generative AI to help manage their finances*

OAKLAND, Calif.--(BUSINESS WIRE)--Sep. 14, 2023-- While financial analysts have downgraded the likelihood of a recession to 20% in the next 12 months, lingering recessionary fears are causing consumers to still cut spending according to the Q3 2023 Consumer Pulse Report released today by Marqeta, the global modern card issuing platform. The new report surveyed 3,000 consumers in the US and the UK in partnership with Propeller Insights, showing that against this backdrop of economic uncertainty, consumers are reevaluating how new technologies can help them manage their finances and are flocking to embedded finance offerings including Accelerated Wage Access to help them gain access to wages faster. In addition, consumers are showing demand for seamless and delightful shopping experiences along with newfound interest in how Generative AI solutions can help them reduce spending and guide savings.

Marqeta's Q3 Consumer Pulse report is the second of its kind where the company has surveyed consumers to get a pulse check on how they're adapting to the changing financial landscape. According to the survey, despite an improved economic outlook, consumers are feeling the crunch as living costs remain high. Eighty-six percent of consumers surveyed reported being concerned about an impending recession and the majority (67%) are changing their financial habits in order to cut spending.

Daily Wage Access Trumps Other Conveniences

According to the report, embedded finance solutions that offer accelerated access to wages are striking a chord with consumers, enabling them to access their wages sooner to help keep up with rising interest rates and inflation. Over two-thirds of consumers surveyed (66%) said that if presented with a choice, they would sacrifice something important to them to get paid daily– the most popular being a year of takeout food (29%), social media access (27%), or haircuts (25%). The appeal for daily access to wages was highest in the US, with 21% of surveyed consumers saying that they would give up an entire week of PTO, compared with 15% in the UK, and 16% saying that they'd give up their retirement savings in order to get daily access to their paychecks, compared with 10% in the UK – underlining the desire for a transformation in how workers get paid in today's economy.

A Seamless Payments Experience More Important Than Corporate Values

When it comes to brand loyalty, consumers reported the importance of the customer experience. Brand loyalty relies heavily on ensuring a seamless customer journey, from the start of the shopping experience to the checkout and payment process. Almost three-quarters of consumers surveyed (72%) said they are likely to be more loyal to a brand because it offers a better customer experience when they purchase a product or service, including fast checkout, quick shipping, or the ability to pay with a phone or earn rewards. Eighty-five percent of consumers think the checkout or payment experience is more important than a company's corporate values or social positions when purchasing from a brand – especially critical for brands as discretionary spending increases.

"Today, there is no room for anything less than a stellar customer experience," said Rachel Huber, Marqeta's Market Intelligence Lead. "Consumers are demanding seamless touch points at every stage of the customer lifecycle. Our report shows the opportunity for companies to think about how they can boost customer loyalty and offer embedded finance solutions that elevate their customer experiences and promote financial empowerment."

Consumers Are Ready For Generative AI to Generate "Money"

With economic uncertainty taking hold, Marqeta's report reveals that consumers are increasingly open to leveraging Generative AI tools to help them with their financial planning, including budgeting, investing and how to increase their savings. Over one-third (36%) of consumers surveyed said they'd be interested in using Generative AI to manage their finances, with that number increasing to over 50% for individuals younger than 50 years old. US consumers reported being more open to Generative AI than UK consumers, with 40% agreeing that they're open to Generative AI tools, compared to 29% in the UK.

"Generative AI has the potential to be a force for good when it comes to financial management," said Huber. "What our findings show is that after a year of unrelenting rises in living expenses, consumers are open to emerging technologies that could provide support and unlock new ways to improve financial well-being."

Download the full report here.

About the research

The survey was performed on behalf of Marqeta by Propeller Insights, in June 2023. Marqeta surveyed 3,046 consumers (2,012 in the United States and 1,034 in the UK) ages 18 and up.

About Marqeta (NASDAQ: MQ)

Marqeta's embedded finance and modern card issuing platform empowers its customers to create customized and innovative payment cards and embedded finance offerings. Marqeta's platform, powered by open APIs, gives its customers the ability to build more configurable and flexible payment experiences, accelerating product development and democratizing access to card issuing technology. Its modern architecture provides instant access to highly scalable, cloud-based payment infrastructure that enables customers to launch and manage their own card programs, issue cards and authorize and settle transactions. Marqeta is headquartered in Oakland, California and is certified to operate in 40 countries globally. For more information, visit www.marqeta.com, Twitter and LinkedIn.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements expressed or implied in this press release include, but are not limited to, quotations and statements relating to changing consumer preferences; increasing consumer adoption of certain digital payment methods, products, and solutions; which payment, banking, and financial services products and solutions may succeed; technological and market trends; Marqeta's business; Marqeta's products and services; and statements made by Marqeta's senior leadership. Actual results may differ materially from the expectations contained in these statements due to risks and uncertainties, including, but not limited to, the following: any factors creating issues with changes in domestic business, market, financial, political and legal conditions; the effect of and uncertainties related to the global COVID-19 pandemic on U.S. and global economies and demand for Marqeta's services and products; the uncertainties and direct and indirect effects of the significant military action against Ukraine launched by Russia, including threats of attacks against U.S. financial institutions as retaliation against financial institutions for sanctions imposed against Russia; the risk that Marqeta is unable to further attract and grow its customer base; the risk that consumers will not perceive the benefits of Marqeta's products and services, including digital payment and banking products and services; the risk that Marqeta's products and services do not operate as intended, including digital payment and banking products and services; the risk that Marqeta's products and solutions will not achieve the expected market acceptance, including digital payment and banking products and services; and the risk that competition could reduce expected demand for Marqeta's products and services, including digital payment and banking products and services. Detailed information about these risks and other factors that could potentially affect Marqeta's business, financial condition and results of operations are included in the "Risk Factors" disclosed in Marqeta's Annual Report on Form 10-K for the year ended December 31, 2022, as such risk factors may be updated from time to time in Marqeta's periodic filings with the SEC, available at *www.sec.gov* and Marqeta's website at *http://investors.marqeta.com*. The forward-looking statements in this press release are based on information available to Marqeta as of the date hereof. Marqeta disclaims any obligation to update any forward-looking statements, except as required by law.

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