

5 Key Takeaways from the State of the U.S. Deposit Market: March 2026

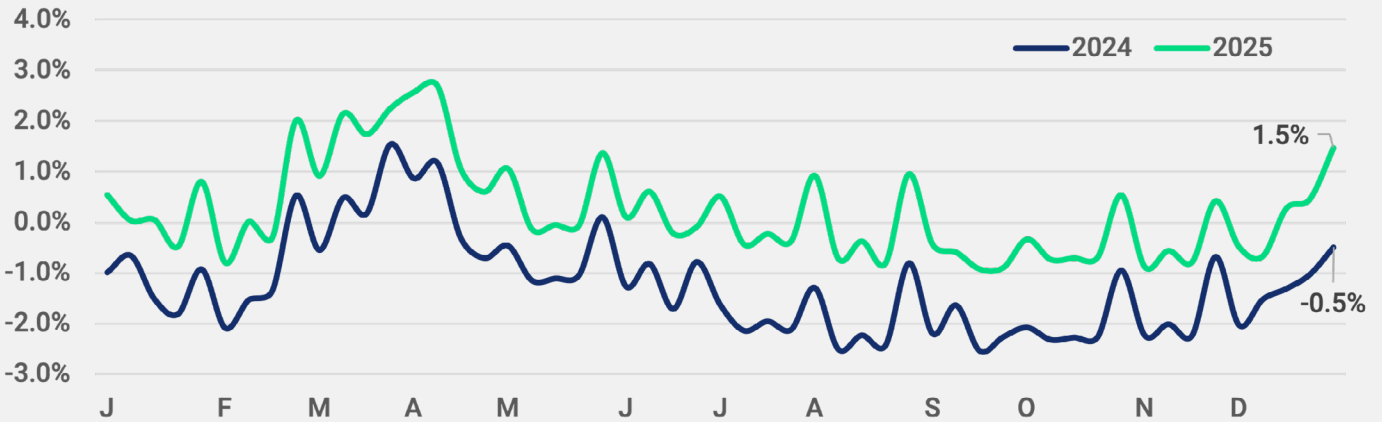


Last year brought positive growth in both consumer and small business deposits, and initial data from 2026 is encouraging. However, obstacles to further growth persist and financial institutions must make careful use of customer acquisition strategies to remain competitive.

In the March 2026 installment of ProSight’s quarterly State of U.S. Deposits series, research experts Tom Hoscheidt and John Rountree reviewed year-end results from 2025 and evaluated data collected through early 2026. Here are five key takeaways from their analysis:

1. **After declining steadily from 2018 to 2023, fees are on the rise. Checking fee income has increased every month since 2023.**

2025 Weekly Cumulative Total Deposit Balance Growth – Consumer

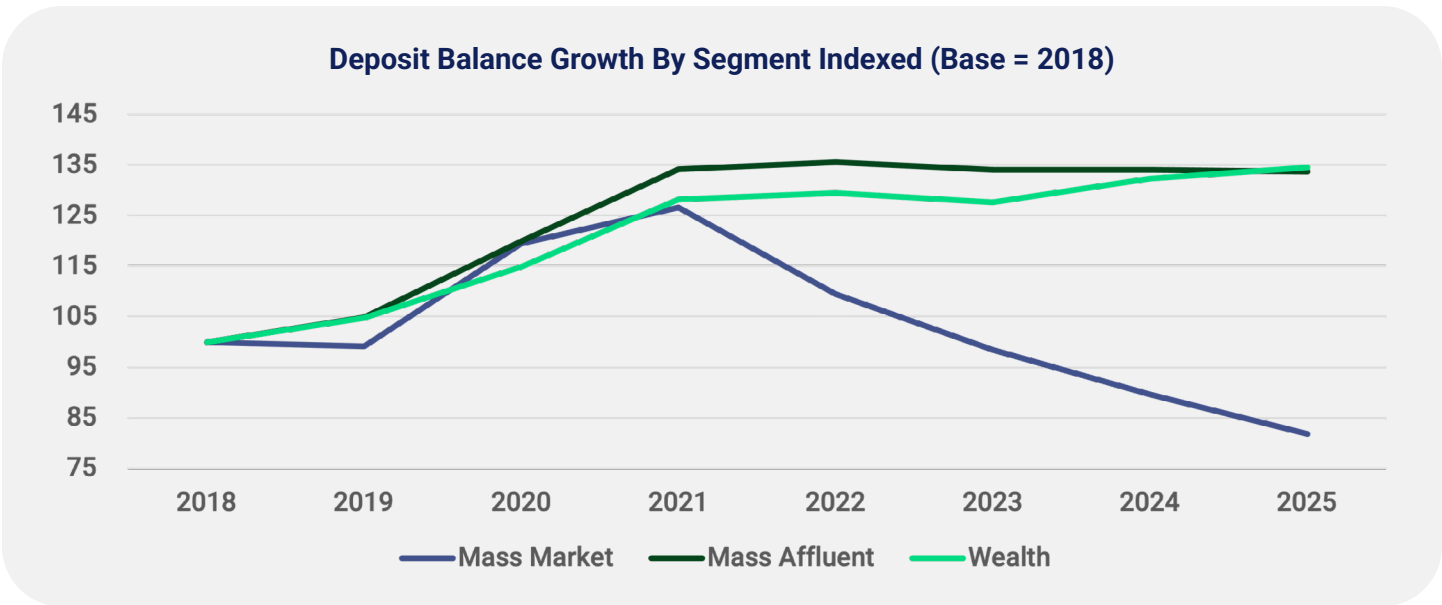


2025 Weekly Cumulative Total Deposit Balance Growth – Small Business



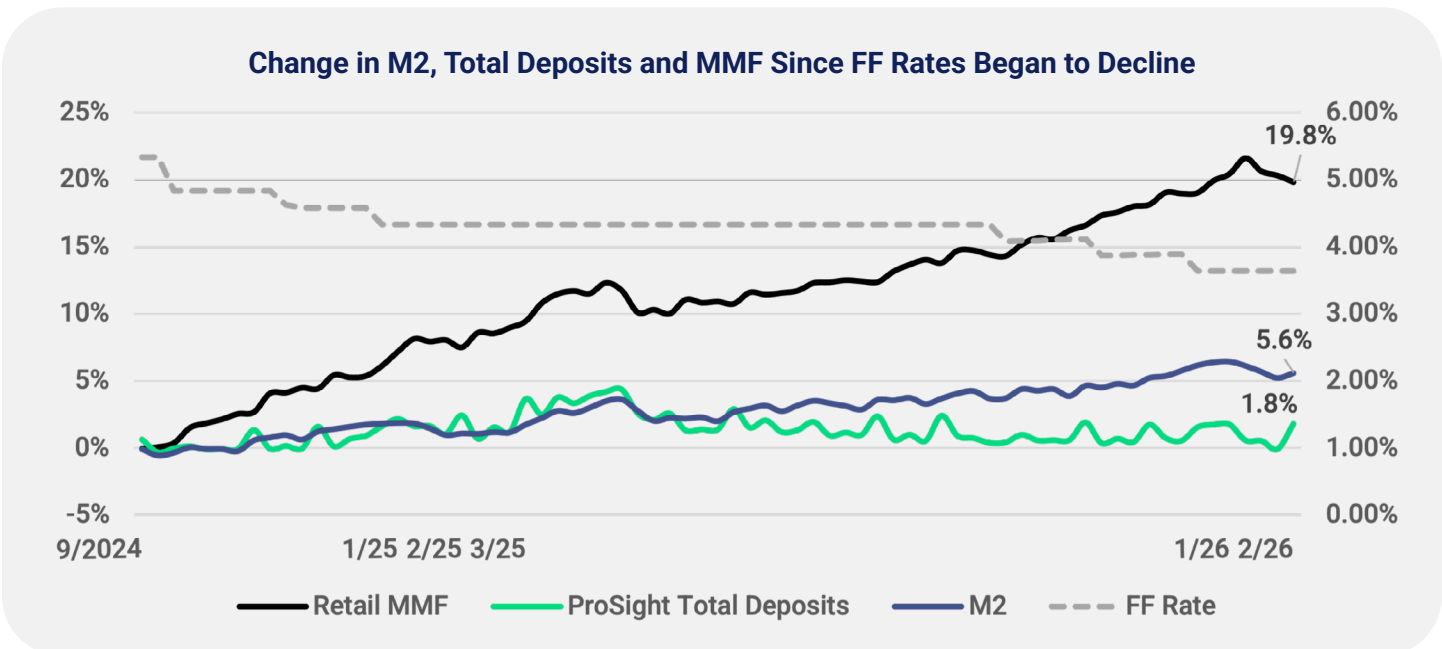
In 2025, cumulative total deposit balance growth was +1.5% for consumers and +2.0% for small businesses. Both figures marked notable year-over-year increases, and small business balance growth was particularly strong. Thus far in 2026, both consumer and small business deposit balances are trending ahead of where they were at this point last year.

2. Household wealth remains a defining factor in consumer deposit growth, creating K-shaped trends.



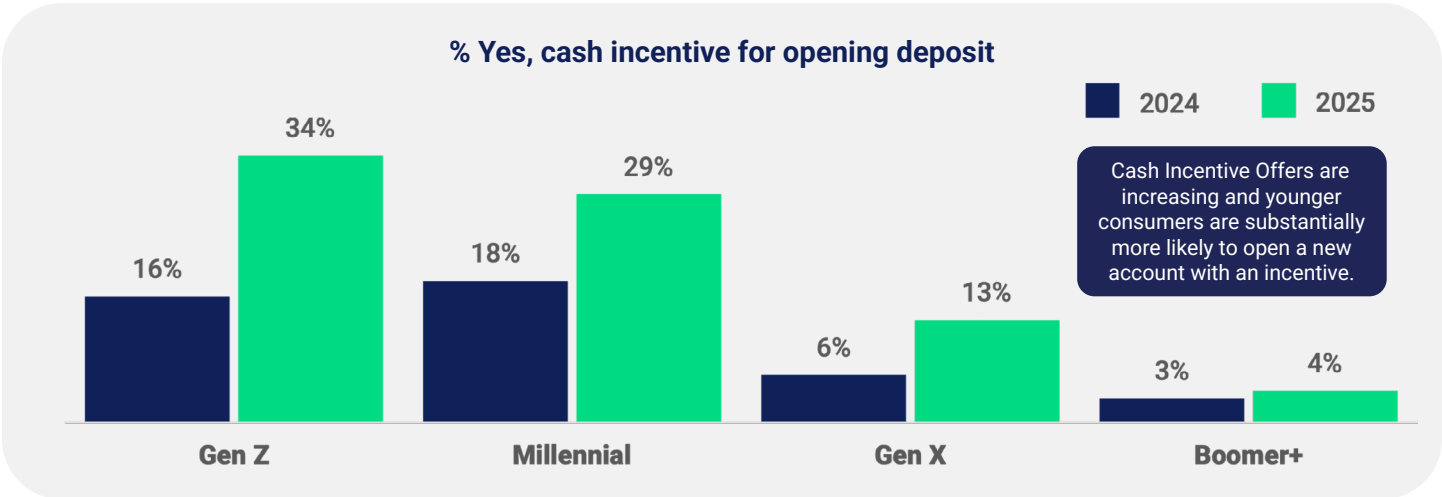
Most deposit growth has come from affluent households with \$500,000 or more in investable assets. Meanwhile, less affluent households have struggled to keep pace. Financial institutions may benefit from strategically targeting wealthier consumers while maintaining inclusive positioning with consumers who are less affluent.

3. Deposit growth is likely to remain muted as long as the Fed Funds rate stays above 2.00%.



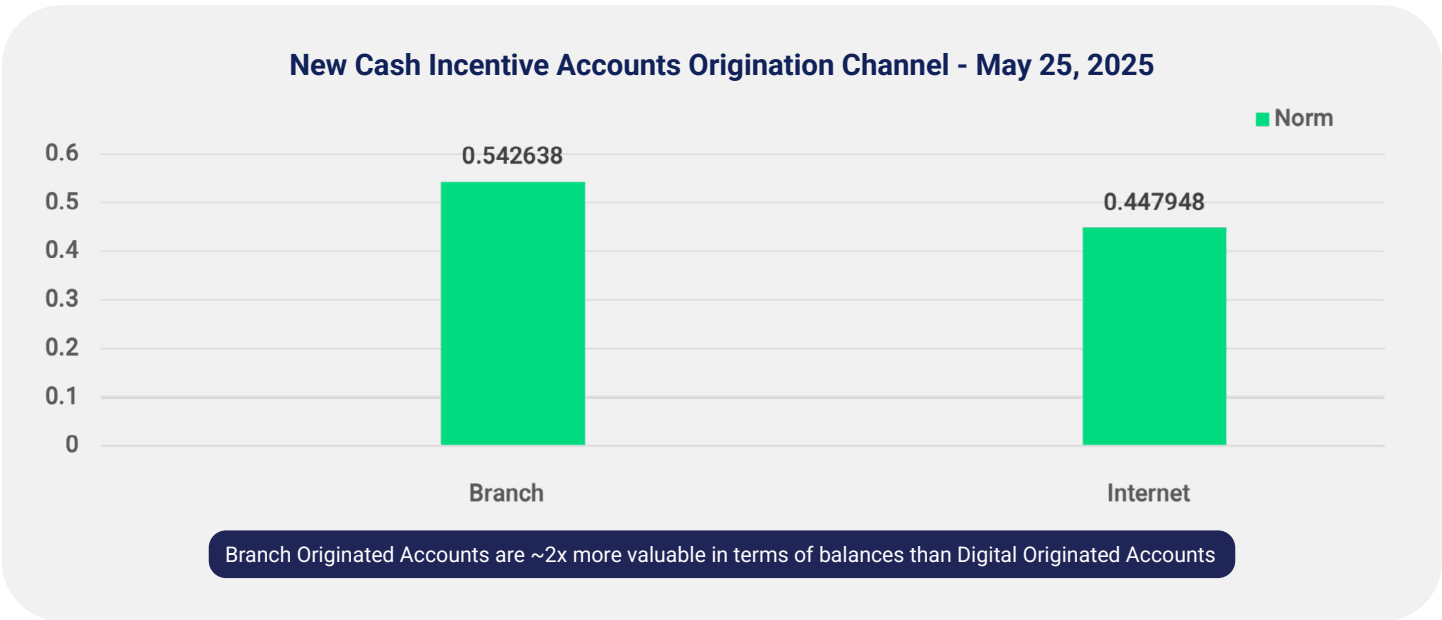
Deposit growth tends to slow when the Fed Funds rate exceeds 2.00%. If rates persist above that level, financial institutions can expect subdued growth and a more competitive deposit acquisition environment.

4. Cash incentive offers succeed in attracting new business, but with a caveat that financial institutions must carefully consider.



Compared with 2024, the share of new accounts opened with cash incentives in 2025 rose sharply among younger consumers and remained steady across older depositors. However, there is a downside: In 2025, new accounts opened with a cash incentive attracted 51% lower average balances than new accounts without any incentives attached.

5. Branch originated consumer checking accounts result in much higher average deposit balances for new accounts opened with cash incentives.



For new accounts with cash incentives, branch originations attracted 86% higher average balances than digital originations in 2025. Branch-based acquisitions also provide institutions with the valuable opportunity to have broader conversations with new customers about additional accounts, credit cards, mortgages, and other financial products.

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