



MOTIVATIONS ASSESSMENT PROGRAM™

FROM CONFIDENTLY ANXIOUS TO PRACTICALLY CONFIDENT:

How Americans of Different Generations Feel About Money

SECOND OF A SERIES ON FINANCIAL DECISION-MAKING | MOTIVATIONS ASSESSMENT PROGRAM™ (MAP)



FROM CONFIDENTLY ANXIOUS TO PRACTICALLY CONFIDENT: How Americans of Different Generations Feel About Money

Through our Motivations Assessment Program™ (MAP), Artemis Strategy Group continues to look at the forces that motivate individual decisions. In this second report on financial decision-making, we focus on generational differences.



MOTIVATIONS ASSESSMENT PROGRAM™

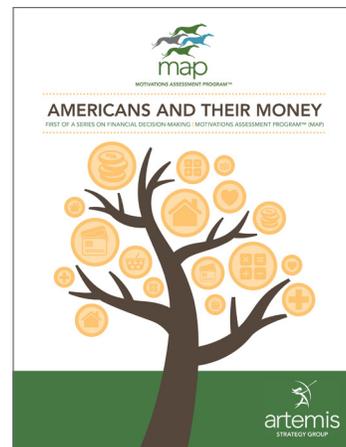
Americans of all ages aspire to achieve a wide range of financial goals, but they differ in their aspirations and thinking.

Life priorities change as we age, and our anxiety about our finances shifts as well. In this report, we examine how Americans' financial outlook and well-being vary as a function of age and life stage. In particular, there are significant differences in how people of various ages think about the financial aspects of their lives, including:

- 1 How Americans are doing compared to their peers and how much anxiety they feel.
- 2 What Americans set as their financial goals.
- 3 Which actions Americans are taking to meet their financial goals.

What can financial marketers and advocates do to reach and help each generation financially? This report lays out some ideas.

This report is one of several feature analyses in the Artemis Motivations Assessment Program™ (MAP). MAP applies the Artemis Motivation Research approach to probe deeply into the goals, actions, barriers and motivations associated with Americans' individual health and financial decisions, as well as the interactions between health and financial decisions. Measuring hundreds of activities and attitudes through qualitative research and a large quantitative study (n=3041), we map the rational-to-emotional forces that underlie health and financial decision motivations.



We asked people about their overall financial goals (read what we found in our e-book "Americans and Their Money"), and on average we each are trying to achieve about four goals at any one time.

CONFIDENCE AND ANXIETY ARE BOTH TEMPERED BY AGE

We asked Americans how they feel about their finances on several levels. One of the more interesting questions is how they believe they stack up to their peers. Those under age 35 are more likely than their older counterparts to believe they are doing better financially than others their age.

Believe they are better off financially than those the same age



Perhaps young people are more optimistic and even overconfident, and it takes time for realism and humility to set in.

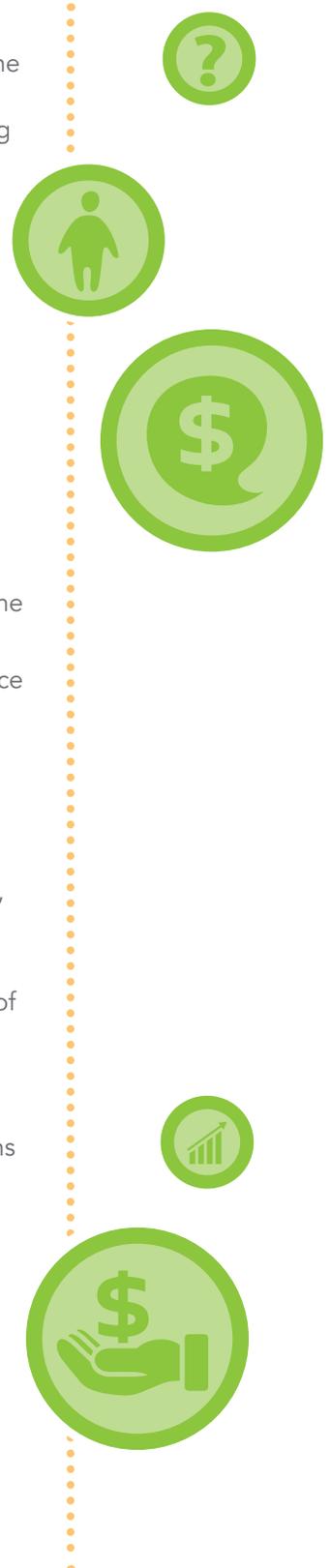
Secondly, this youngest age group, for the most part, gained financial independence during and after the financial crisis of the late 2000s. We could argue that 18- to 34-year-olds have lower standards for financial success than older Americans, who remember the flush years.

The media often spotlights young people who are still living at home or with lots of roommates and those who are drowning under student loan debt. Millennials, especially those with no hope of owning a car and being approved for a mortgage, have not set the bar for financial success very high.

Despite this sense of relative well-being amongst their peers, younger Americans report the highest levels of financial anxiety, which may be driven by uncertainties of the future or perhaps a desire to “keep up with the Joneses.”

Age and experience may moderate views about finances. Those over 55 have the lowest levels of financial anxiety, perhaps because they have come to accept their financial status, whatever it might be. Another reason could be that older Americans have more assets and may feel they have achieved a healthy financial state.

Percentage who feel very anxious about their financial life





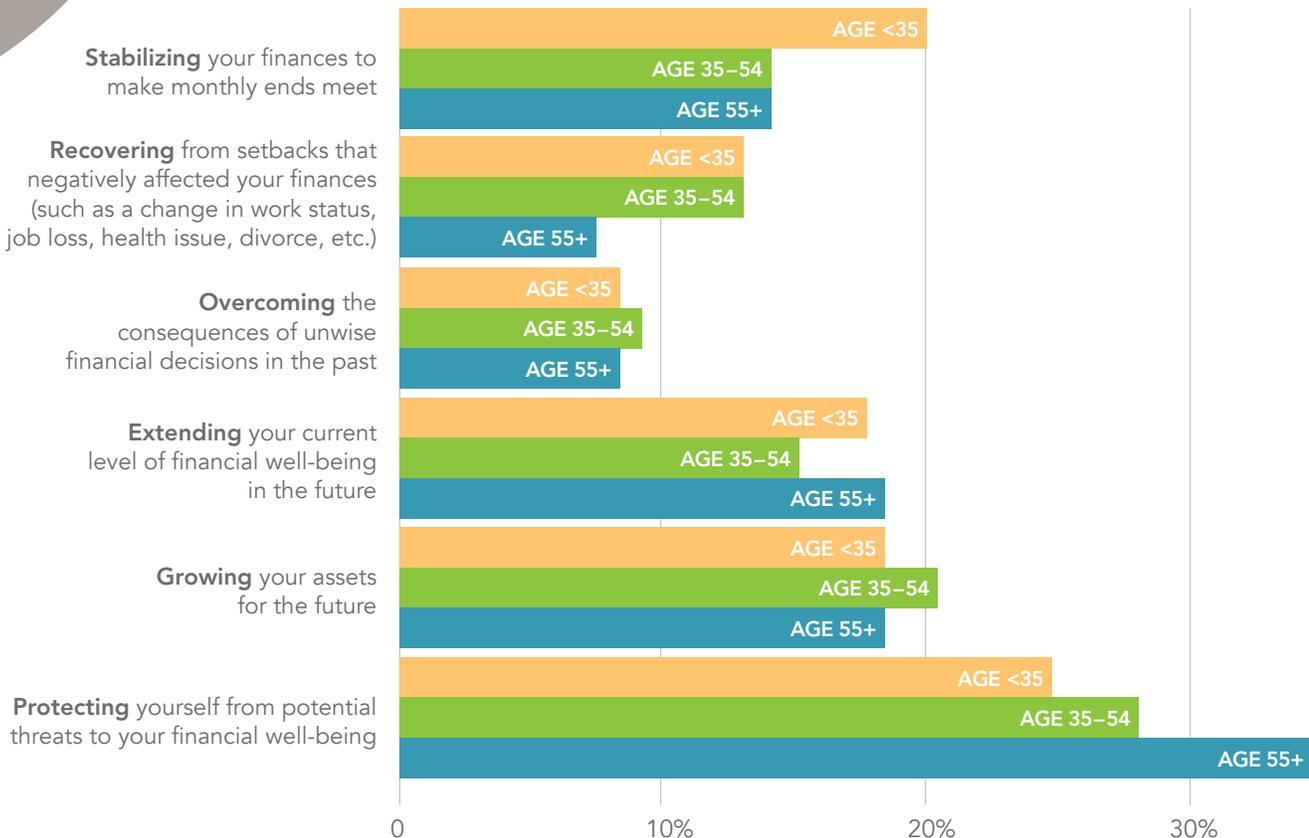
GOALS: MOVING AHEAD, STANDING STILL OR RECOVERING?

Americans of all ages aspire to achieve a broad range of financial goals. At the same time, there are some nuances within their aspirations.

Differences in these financial goals emerge by age. Roughly one quarter of younger and middle-aged adults are still overcoming and recovering from setbacks, a reminder of the continuing damage wrought by the financial recession.

Younger adults are more likely than others to be focused on stabilizing their finances (20%), while older adults are more likely to be protecting what they have accumulated (34%). Nearly 15% of those age 55 or over are still trying to overcome or recover—a reminder that financial setbacks can happen at any age and that it may take a while to rebound from them.

Percentage for Whom This Is a *Primary* Goal



AMERICANS OF DIFFERENT GENERATIONS USE VARIED APPROACHES TO MEET THEIR GOALS

We can never have everything, and we often lack the appropriate resources that affect our financial goals and priorities at different stages in our life.

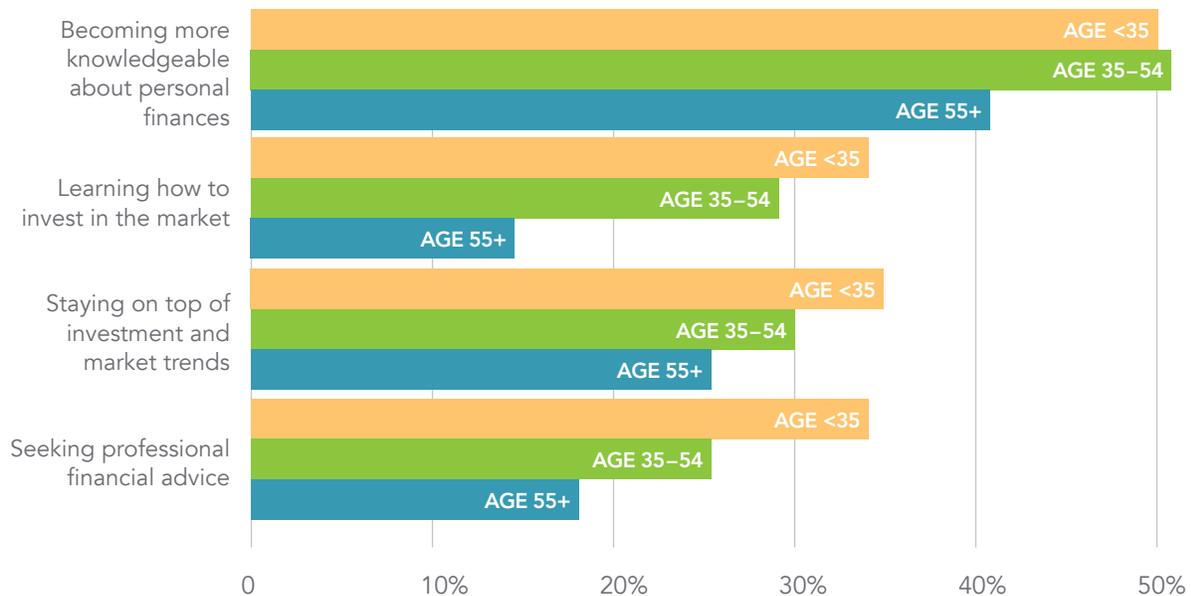
We looked at four dimensions of financial actions that people take: managing/educating, saving, debt reduction and income-related actions. We see some illuminating differences by generation.

Younger adults do more of everything. Compared to those who are older, they are most actively engaged in managing their finances, likely because they are still learning how to traverse the complex financial landscape. They are embracing technology: two in three Americans under 35 managed their money online or via mobile in the past month compared to half of those 55 years or older. And younger adults are also most likely to have sought advice and information in the past month, through both traditional (e.g., financial professional) and online (e.g., social media) sources.

To paraphrase a popular saying, young people have time and energy, but less money; middle-aged people have money and energy, but less time; and older people have time and money, but less energy.

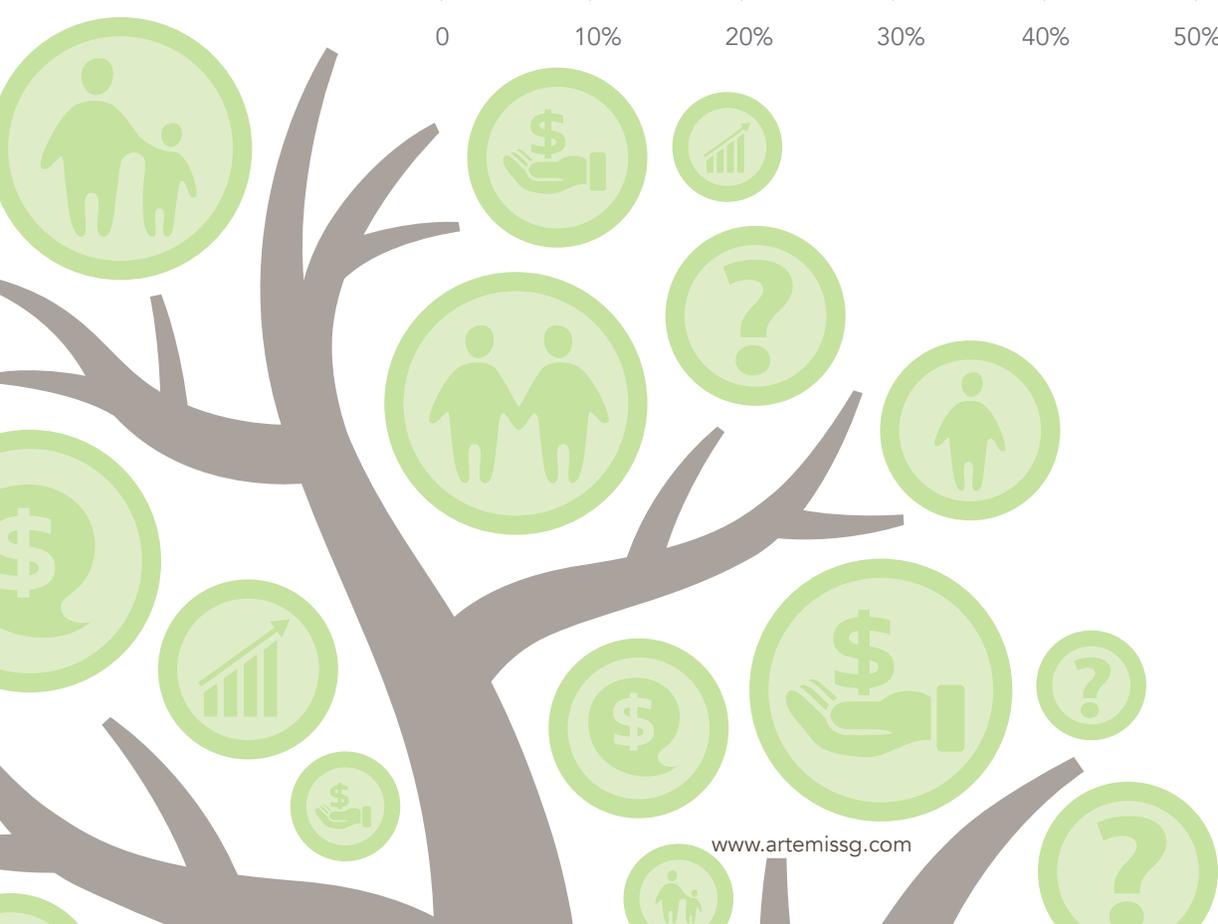
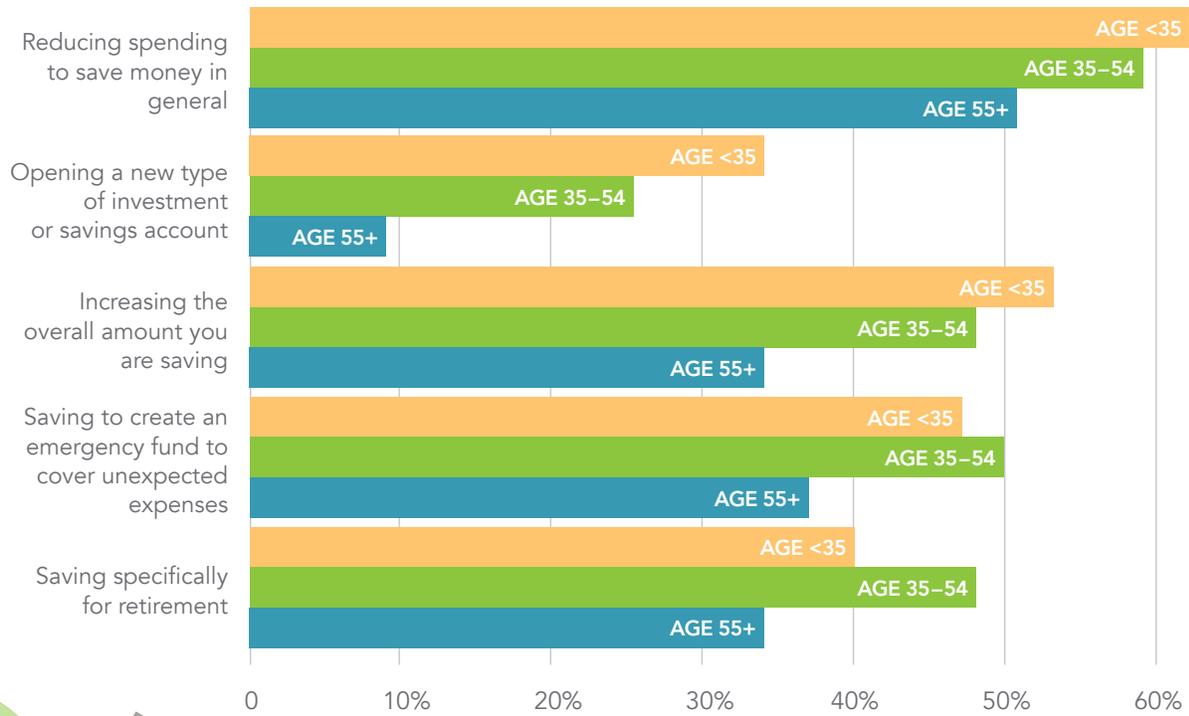


What actions are you taking to reach your goals? MANAGING AND EDUCATING



The pattern of engagement continues with the youngest age cohort focused more than other generations on reducing spending to save, opening new investment accounts and saving for specific goals.

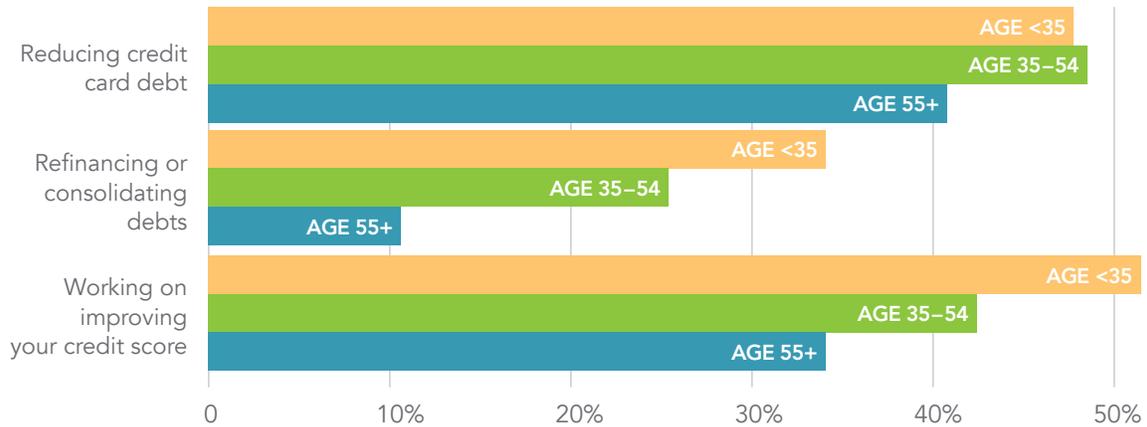
What actions are you taking to reach your goals? SAVING



Debt reduction or avoidance is a goal for at least half of Americans. Reducing credit card debt is pretty consistent across generations, though the percentage of people taking this action tapers off with age. We see a similar pattern with refinancing and consolidating debts. The youngest focus more on improving their credit score, and presumably many need to establish credit as well.

What actions are you taking to reach your goals?

DEBT REDUCTION



Our earlier point about older generations having time and money but less energy is illustrated in the table below.

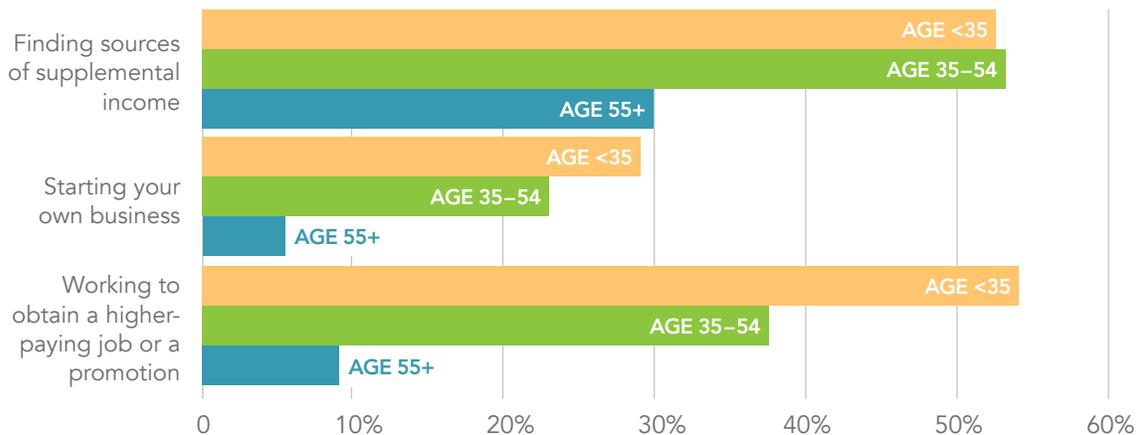
Fifty-four percent (54%) of young adults are working toward a higher-paying job or promotion. They have the time and the energy, and they want the money.

“Working to obtain a high-paying job or a promotion” dips down to 37% for middle-aged adults. It’s likely that most middle-aged folks have settled into their roles: They don’t want longer hours because they have families at home. Or they realize the need for advanced degrees to move up any further, and that’s just not going to happen.

And only 9% of those 55+ years are interested in moving up, most likely because they may retire soon anyway.

What actions are you taking to reach your goals?

INCOME-RELATED ACTIONS





Support middle-aged adults (35–54) by providing simple, quick solutions

While younger adults are still figuring things out, middle-aged adults (35–54) appear to need the most

immediate **support**. More than two out of 10 are recovering from a setback or overcoming the consequences of bad financial decisions, many feel most anxious about their financial goals, and about four in 10 say they are anxious about having to live paycheck to paycheck. These sentiments likely arise from the many responsibilities (e.g., childcare, eldercare) and debt (mortgages, credit card debt) one can have at this time of life. They tend to have more financial resources than younger people, but not the time to deal with growing those resources for their older age.

Middle-aged adults need financial institutions and advocates to provide support through simple, prepared solutions fine-tuned to their individual situations that don't require too much effort. The key here is to be **tactical**.

Tips for financial marketers and advocates:

- Support, support, support!
- Acknowledge that they are facing the challenge of recovering from the past and trying to build a solid financial future.
- Provide services and tools that help them manage specific life milestones (e.g., having children, buying a first home, taking care of elderly relatives, etc.).
- Many goals are shorter term in this stage. For those who aren't struggling from financial setbacks—and even for some of those who are—it may be possible to tackle a big financial goal, like paying off a major loan, during these years. Provide simple solutions to help them get there.



Protect older adults (55+)

Older Americans are least likely to think they are doing better than others their age, but it does not seem to bother

them as much—they've come to terms with their financial situation. One third think they are doing better than others their age, yet fewer than one quarter report high levels of anxiety about money.

At this point in their lives, they want to **protect** what they have and, ideally, make the most of their financial assets. Compared to younger adults, they are less engaged in financial management on a monthly basis and are less interested in knowledge and advice. They have less energy for all of this and would likely appreciate a financial organization or individual advisor who would **handle** their financial tasks.

Tips for financial marketers and advocates:

- Protect, protect, protect!
- Let clients know that you are there to protect everything they have worked so hard to build. Demonstrate your capability to manage the things clients may have less interest in at this point in their lives.
- Provide services and tools that help clients limit spending and reduce debt as well as maximize returns so they can maintain their desired lifestyle in retirement.



The [MOTIVATIONS ASSESSMENT PROGRAM™](#) (MAP) is a free service for financial and health marketers and communicators seeking to influence their target audiences' decision-making. Through MAP eBooks, webinars and blog posts, Artemis Strategy Group provides actionable insights and illustrates how to use Motivation Research to develop effective communications strategies.

Other eBooks by Artemis Strategy Group:

Americans and Their Money

*Don't Just Talk to Your Audience; Persuade Them:
Research for Effective Brand Positioning*

Health and Happiness: A Purposeful Approach

Healthful Is the New Healthy



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