



MOTIVATIONS ASSESSMENT PROGRAM™

AMERICANS AND THEIR MONEY

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



artemis
STRATEGY GROUP

AMERICANS AND THEIR MONEY

You can't ignore money. Americans make many decisions daily, weekly, monthly and annually about money: how to get it, use it, learn about it and accumulate it.

Through our Motivations Assessment Program™ (MAP), Artemis Strategy Group continues to examine the forces that motivate individual decisions. In this first report on financial decision-making, we take a holistic look at how Americans think about their financial lives by focusing on the context of financial decisions.



MOTIVATIONS ASSESSMENT PROGRAM™



This report on financial mindset and goals 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.

MINDSET AND GOALS

Our study of context sets the table for a broader analysis in the next report. Understanding context — Americans' mindsets about their financial circumstances and financial goals — is a crucial first step in illustrating the framework of financial decisions. To illustrate context, we focus on two questions:

1. What is the current mindset of Americans about their financial affairs?
2. How do Americans prioritize different financial-related life goals?

THREE KEY OBSERVATIONS



Americans' attitudes about financial well-being are hugely diverse, and they reflect the lasting effects of the Great Recession: financial well-being is a work in progress, and anxiety is a significant factor in financial decision-making.



Americans pursue a range of distinct financial life goals at any one time. The particular goal that most preoccupies a person is a good indicator of his/her sense of financial well-being and level of financial anxiety.



The desire for stability is a central feature of the American financial decision landscape today. The majority of Americans tie their decisions to either their search for financial stability or their desire to protect the stability they have achieved. Americans still aspire to financial growth, but in an uncertain time that aspiration is more restrained and secondary to the stability/protection imperative.



AMERICANS' FINANCIAL MINDSET

Americans' attitudes about their financial well-being are hugely diverse. They reflect the lasting effects of the Great Recession and the uncertainties of the American economy, and are signs of the financial inequities that are part of our public discourse today.

To gain a perspective on the American financial mindset, we measured a number of attitudes and perceptions including overall satisfaction, feelings of well-being relative to peers, the role of anxiety and the degrees to which people feel in control and/or vulnerable.

Overall Satisfaction

Most Americans view their financial situation as a work in progress. The divides are great and show the emotional impacts of financial struggles. Americans, on average, express modest satisfaction with their personal financial situations. **One in four (24%)** expresses high satisfaction, and **just one in seven (15%)** is completely dissatisfied:

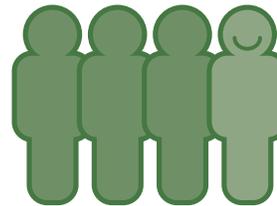
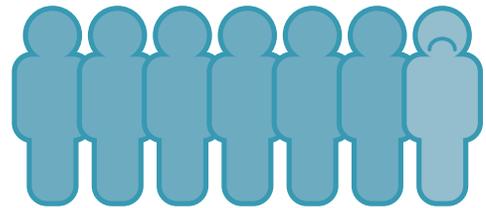
"I haven't started saving yet. I currently feel angry, mad and depressed when I think about finances. I want to feel happy when I think about my financial situation, and I know I'll feel relieved when I can finally start saving."

The **majority (61%)** of respondents express varying states of middling satisfaction.

Financial Status Compared to My Peers

Americans show a sharper divide in perspectives when asked to rate how they're doing financially relative to other Americans their age. On this measure, the population divides more evenly: **one in four (27%)** places him/herself in the middle, while **four in 10 (40%)** rate themselves better off and **one third (33%)** rate themselves below the norm for their age. One could interpret a sense of solidarity with peers from the fact that just 14% rate themselves much better off than their age peers, and just 8% rate themselves much worse off.

"I'm focused on improving my credit score. When you have a better credit rating, you get lower interest rates when applying for loans, which can make a huge difference. This can make the unaffordable affordable. I am paying very high rates for things now that should be a fraction of the cost due to poor credit choices in the past."



One in four Americans expresses high satisfaction, and just one in seven is completely dissatisfied.

"I'm feeling okay now. I'm 45 days ahead on paying my student loans because I have a second job now."

FINANCIAL STATUS IN COMPARISON TO OTHER PEOPLE MY AGE:

Americans' perspectives on how they're doing financially relative to their peers.



THE ROLE OF ANXIETY

Anxiety is a pervasive part of financial considerations for most people. **One third of Americans (31%)** rate their level of anxiety about their current financial circumstances as very high. Anxiety highly correlates with a sense of personal vulnerability as well as a perceived loss of control over one’s financial circumstances.

FINANCIAL GOALS

Financial goals often relate to one’s assessment of the present. They also indicate one’s views of the future and the decisions one is likely to make about that future.

We asked people to indicate which of six different overarching financial priorities — defined very broadly, from growing and extending assets to stabilizing after a financial setback — they focus on most. We observed that most people have several financial objectives at any one time.

Americans Have Multiple Goals

On average, Americans acknowledge paying at least some attention to about four distinct financial priorities at once.

Four out of five Americans consider growing assets — protecting against financial threats and extending financial well-being into the future — to be a goal. **Two thirds** include stabilizing finances as an ongoing goal. A reminder of the hard economic times we have come through in the last decade is the finding that **about half** consider some recovery from hard times to be part of their goal set.

Those in financial distress or recovering from a financial setback have a larger number of financial goals in mind than people who are in more comfortable circumstances.

Single Most Important Goal

We gain additional insight when we focus on the single goal that causes people the greatest anxiety. Probably the most striking observation is that for **nearly one in five Americans (19%)**, overcoming a past decision or recovering from a setback is the most prominent anxiety-producing financial priority.

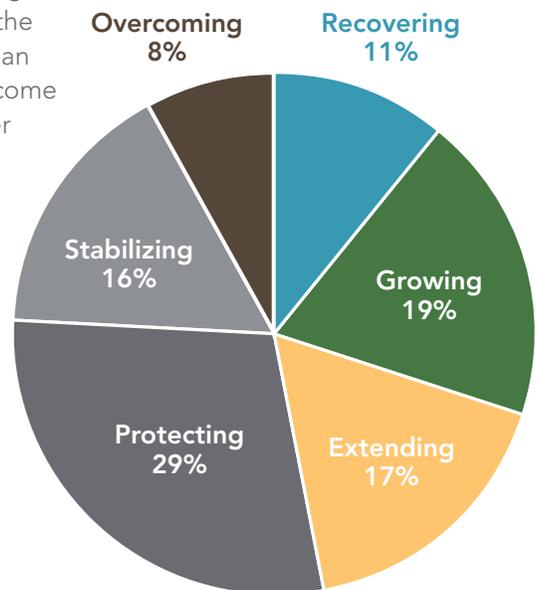
“My investments have only recently come back from the loss in 2009; I’ve lost seven years in the process.”

Another one in five (19%) frames the top financial goal as being focused on asset growth, while a similar proportion (17%) concentrate more on extending their current level of well-being into the future.

The single largest financial priority is the goal of protecting against threats to prosperity.



What Is the Single Most Important Financial Goal for Americans?



● *“I’m working on being content with what I have and curbing my spending.”*

THE SEARCH FOR STABILITY

Two thirds of Americans fall into one of the three more positive goal groups: those aiming to grow assets, extend current well-being or protect against threats. One third have goals associated with negative financial circumstances: stabilizing, overcoming or recovering from past setbacks.

The divide between “Stabilizing finances” and “Protecting against threats” is significant for predicting the emotional state of Americans. It is the point of transition between those who have mostly negative thoughts about their financial affairs and those with mostly positive emotions. It shows the starkest contrasts on measures of relative well-being and satisfaction with one’s financial state.

Demographic similarities across groups are more noteworthy than the differences, and every demographic segment has people with widely divergent financial priorities at any one time. But on average, those on the “Protecting” side of the equation have significantly higher incomes and more financial assets compared to those focused on “Stabilizing.”

“I had a stable life until my spouse died and my financial stability was taken away. I feel like I worry about money all the time.”

- AIMING TO GROW ASSETS
- EXTENDING CURRENT WELL-BEING
- PROTECTING AGAINST THREATS
- STABILIZING, OVERCOMING OR RECOVERING FROM PAST SETBACKS



Americans Recognize the Need to Stay on Top of Their Financial Affairs

Several financial services firms understand that Americans need to connect and get on top of their financial affairs. PNC, one of the top 10 banks in the U.S., released this study in September 2016:

The latest iteration of the PNC Perspectives of Retirement Survey found that the most digitally connected among successful savers had the highest average estimated household income and the highest total investable assets among survey participants. They average 3 hours, 42 minutes per week reviewing their finances and financial information online or on a mobile device. Of the 45 percent of survey participants who describe themselves as feeling “very connected,” nearly half look at financial headlines every day and a half, using a mobile app connected to their investment accounts.

<http://pnc.mediaroom.com/2016-09-26-PNC-Retirement-Survey-Reveals-Digital-Connection-And-Expert-Advice-Crucial-To-Savings-Success>



SUMMARY

This review of financial mindsets and goals reveals both a picture of the collective American financial psyche and a sense of the vast differences among Americans. Based on our several decades conducting Motivation Research in the financial sector, we perceive a significant evolution of the collective financial mindset. This mindset reflects the angst brought out by a historic recession and a tumultuous political environment. Americans seek stability in their financial lives and are focusing on protecting what they have. Financial anxiety is high, especially for those most in need of stability. A smaller segment of society is focusing on growth.

The ultimate opportunity — and necessity — in this environment is to devise approaches that help people gain control of their financial affairs, both tangibly and emotionally. We see the evidence of interest in finding effective approaches at all levels of our society: government, nonprofit/advocacy organizations and private sector players. One encouraging note, obvious in our research, is that Americans recognize that they need to do more themselves to get on top of their financial affairs. But they need tools and encouragement that motivate them to act. Not an easy task, but one made easier by gaining greater insights into those motivational drivers.

COMING NEXT: MOTIVATORS OF FINANCIAL DECISION-MAKING

Understanding *context* — Americans' mindsets about their financial circumstances and financial goals — is a crucial first step in illustrating the framework of financial decisions. We will discuss two other key elements in separate reports. The first: identifying the triggers of financial anxiety and how those interact with financial decision-making. The second: examining the actions Americans take in pursuit of their financial goals and pinpointing the key motivational drivers of the specific choices they make.





MOTIVATIONS ASSESSMENT PROGRAM™

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:

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

*From Confidently Anxious to Practically Confident:
How Americans of Different Generations Feel About Money*

Health and Happiness: A Purposeful Approach

Healthful Is the New Healthy



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