



# Financial Literacy & Interpersonal Payment Behavior

October 2020

# METHODOLOGY

---



## METHODOLOGY:

- Brief, online survey
- Monthly tracking (June – December 2020-*weekly Tracking April/ May 2020*)
- Sample via EWS Online Research Panel



## POPULATION:

- 600 interviews per month
- Mobile Majority ages 18-72, determined by U.S. Census data
- Boomer segment (ages 55-72) added in Week 6



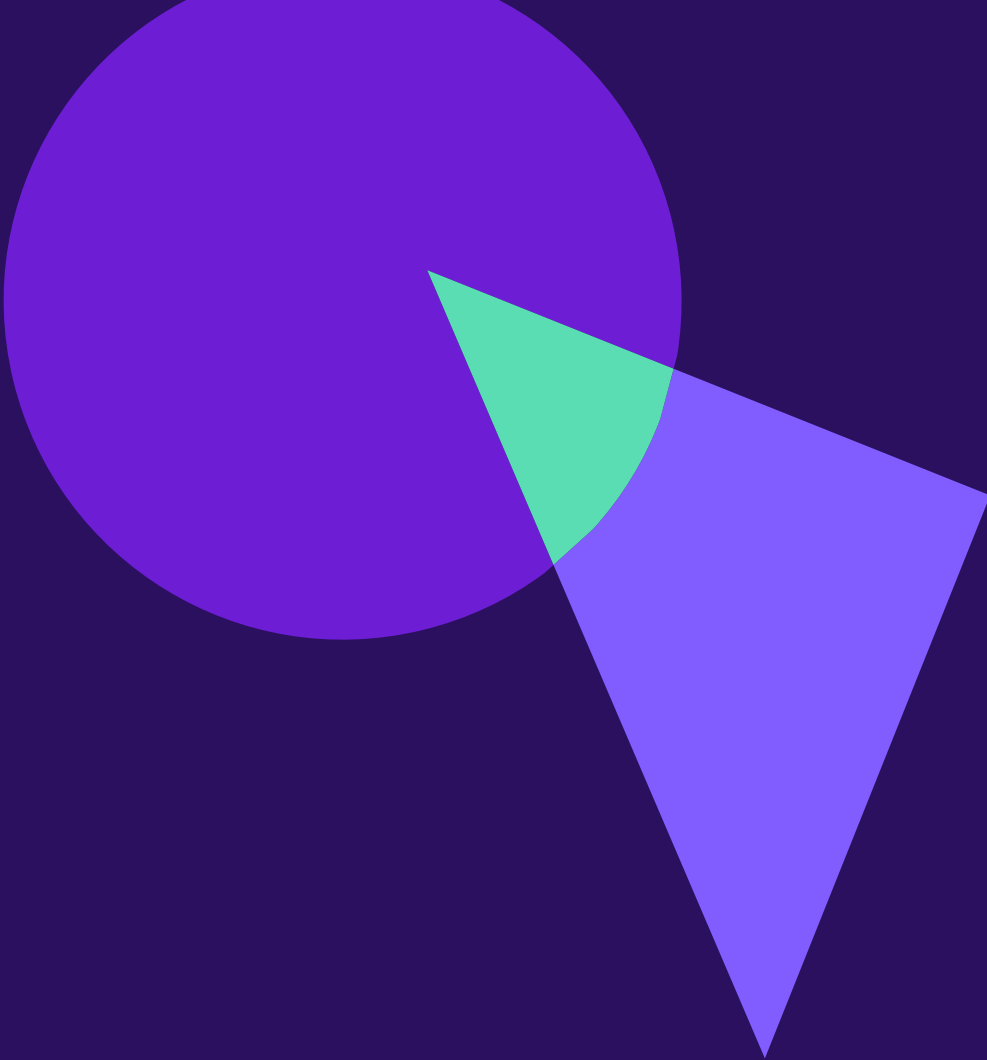
## QUALIFYING CRITERIA

- Ages 18 – 72 | HS diploma or higher | Mix of race, gender, age, employment (no unemployed) | Standard criteria excludes unemployed – for this study, *temporarily unemployed due to crisis* are included
- Not employed in a sensitive industry
- Must own a smartphone and have a checking or savings account

## KEY FINDINGS

---

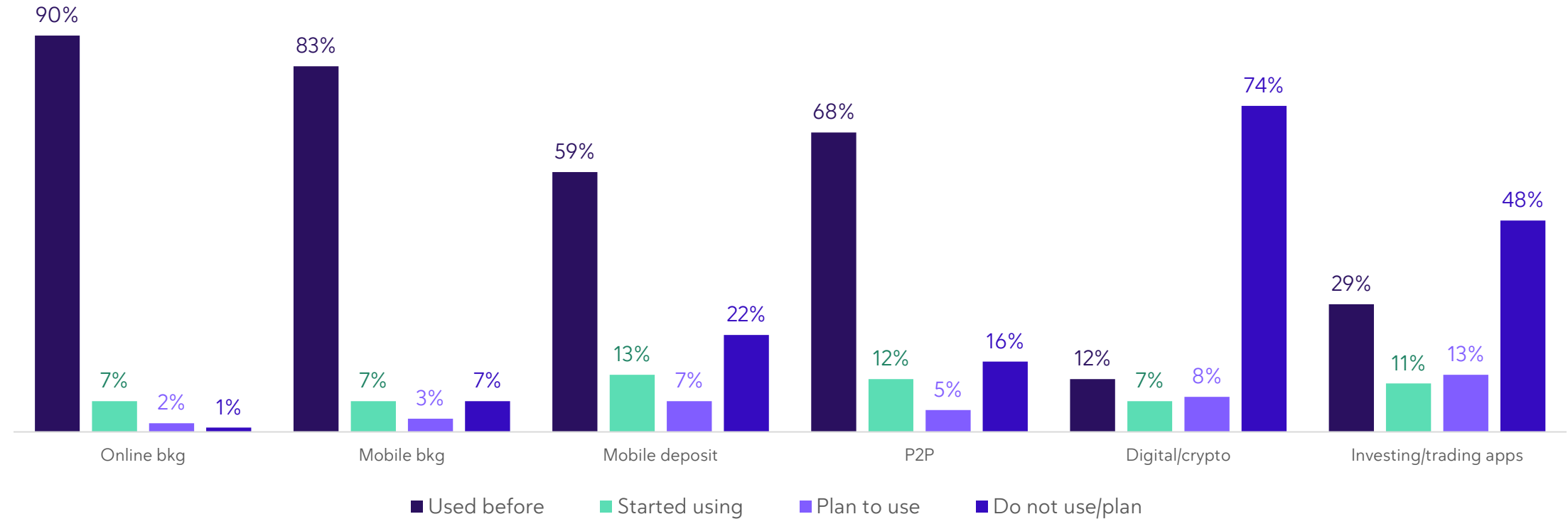
- Since the beginning of the COVID crisis, consumers' lives have been impacted on many levels and most express concern about the future. These concerns are justified as more than four in ten respondents have experienced a decrease in household income since the beginning, with lower income households impacted most heavily.
  - Consumers are concerned about their short-term and long-term financial health and their employment status, but are most concerned with the length of time it will take to “get back to normal”.
  - Concern over the risk of being targeted by financial scams or fraud has increased steadily during the COVID crisis, with 60% of respondents indicating this as a concern, versus less than four in ten (38%) in Week 1.
- The crisis seems to be spurring adoption of online banking and financial services. Seventeen percent of respondents indicated they have either started using, or plan to start using, mobile deposit and twenty percent started or plan to start using P2P services.
- The COVID crisis is having an impact on younger consumers' living situations. More than two-thirds of GenZ and one-quarter of Millennials have either moved in with someone else, or had someone move in with them.
- All age cohorts express a high level of interest in improving their financial literacy. Most age cohorts feel their generations are the most financially literate, but the majority of GenZ consumers feel their generation is least financially literate.



# Impact of Crisis

## CHANGES IN USE OF DIGITAL FINANCIAL SERVICES SINCE CRISIS

Nearly One-Fifth of Consumers Report Either Initial Adoption, or Plans to Adopt, P2P Services



Source Q4B. Since the U.S. national emergency declaration on March 13, 2020, how would you best describe your usage, or intended future usage, of each of the digital financial service solutions listed below?

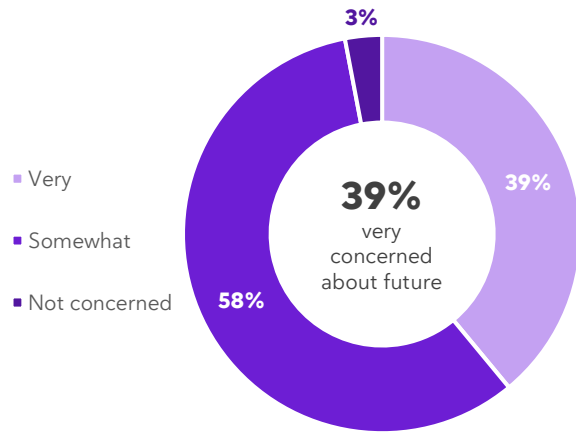
## CURRENT FINANCIAL CONCERNS

### Nearly One in Four Consumers Report High Concerns About the Future

"I am fearful that we are headed for a great depression...I have drastically cut down on my expenses...try to save as much money as possible in preparation for such a dreadful time in our history."

- Gen X Consumer

#### Overall concern about the future

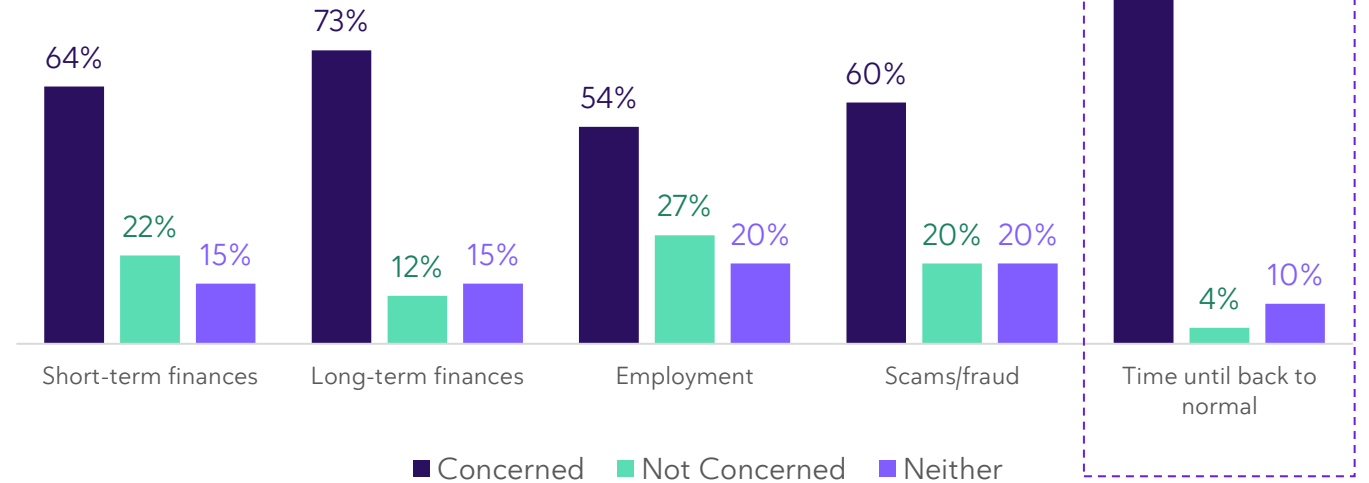


Lower income households (\$50K or less, \$50K-\$99.9K) show greater concern, while Boomers show lower concern, over short-term finances

Lower income households (\$50K or less, \$50K-\$99.9K) are most concerned, while Boomers are least concerned, about employment

Scams and fraud are a concern among all age groups

#### Concerns about future

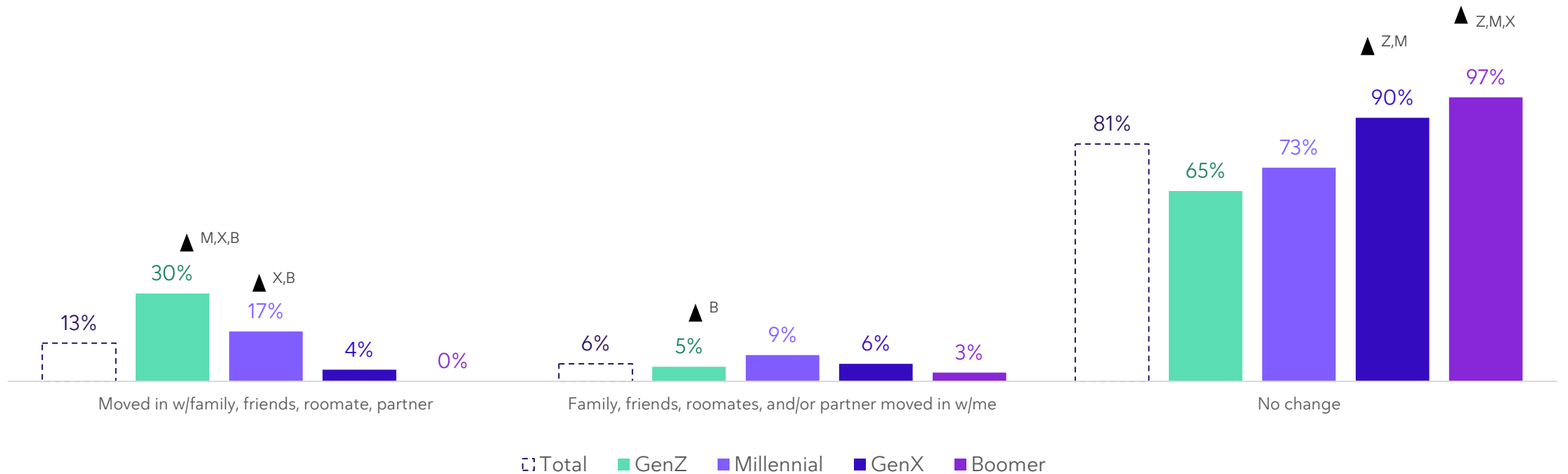


Source Q8. and Q7. Using the ten-point scale below, please rate your level of concern about the future. How concerned are you, personally, about the each of the following?

# CHANGES IN LIVING SITUATION

Nearly one-fifth of consumers have had a change in living situation (either moved with someone, or someone with them) since the beginning of the COVID crisis.

*More than one-third of GenZ and one-quarter of Millennials have had a change, most often moving in with someone else.*



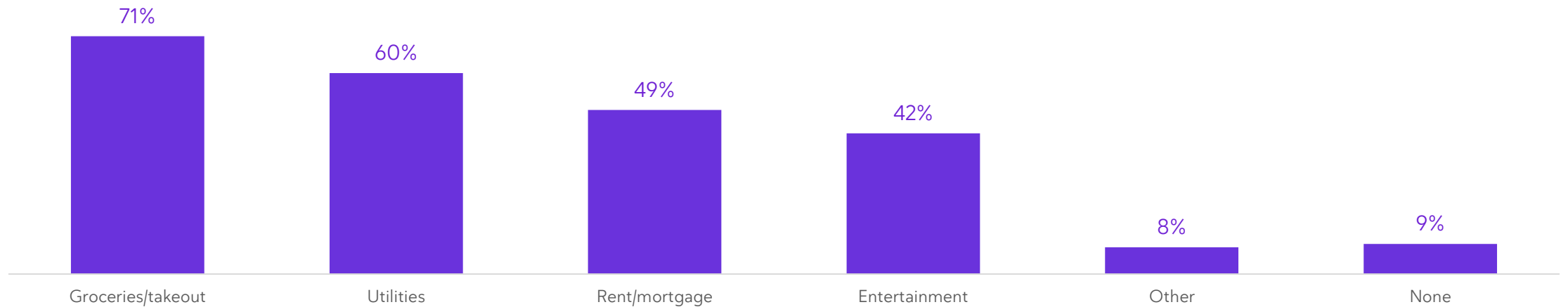
Source Q14. Has your living situation changed since the U.S. national emergency declaration on March 13, 2020?



## BILL SHARING (IF EXPERIENCED CHANGE IN LIVING SITUATION)

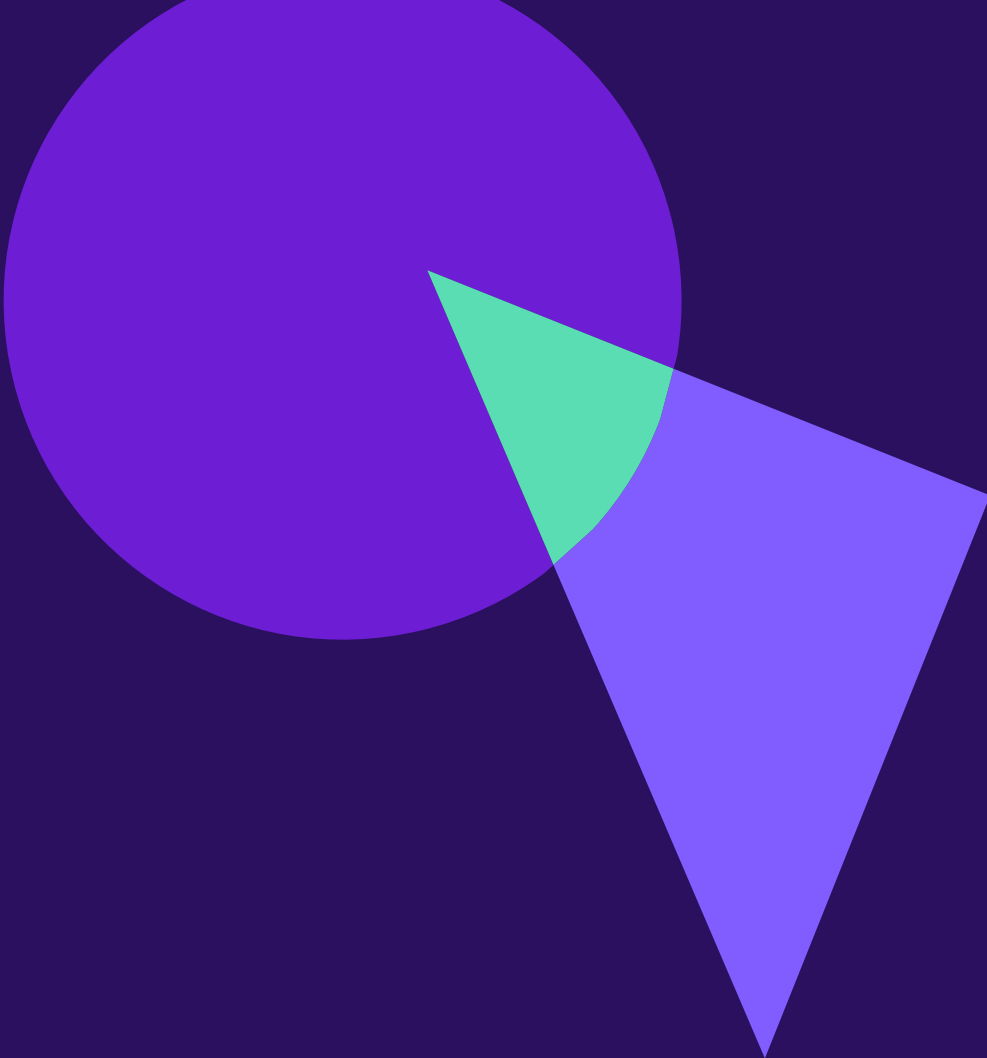
The most commonly shared bills among consumers with changes in their living situations are groceries/takeout and utilities.

**Bills Currently Shared with Living Partner(s)**



Source Q14b. You mentioned your living situation has changed since the U.S. national emergency declaration on March 13, 2020. What bills are you now sharing with family, friends, roommates and/or your partner?

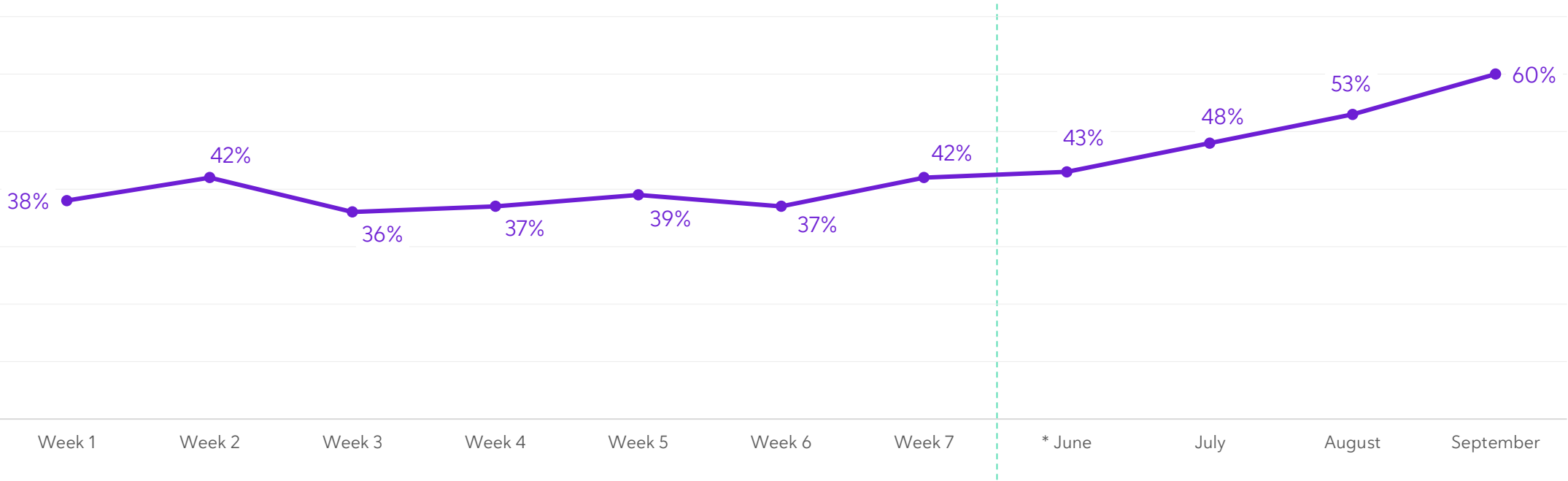




# Scams and Fraud

# CONCERN OVER THE RISK OF BEING TARGETED BY FINANCIAL SCAMS OR FRAUD

Concern over the risk of being targeted by financial scams or fraud continues to increase steadily throughout the COVID crisis, and increased significantly between August and September. This concern has increased among all age groups.

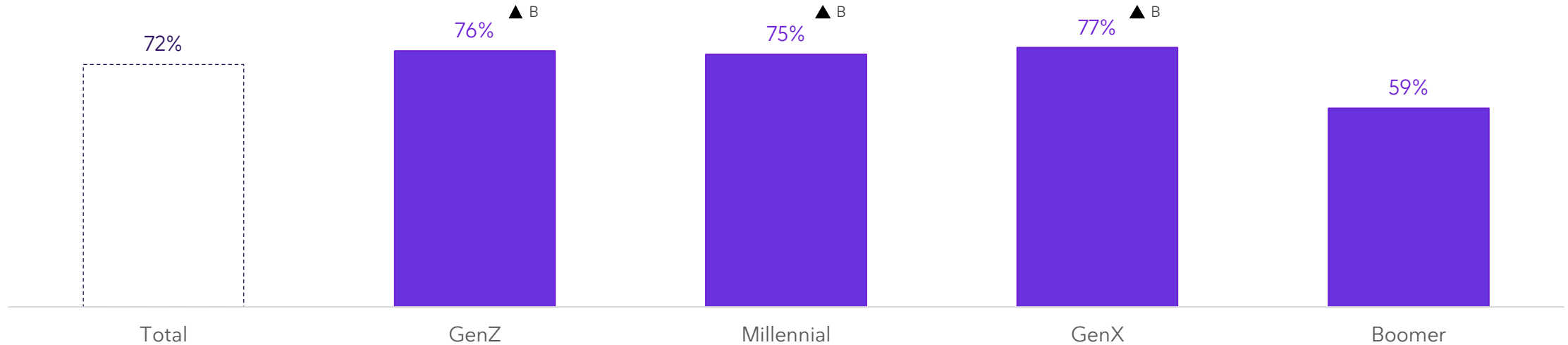


Source Q7. Using the ten-point scale below, please rate your level of concern about the future. How concerned are you, personally, about the each of the following?

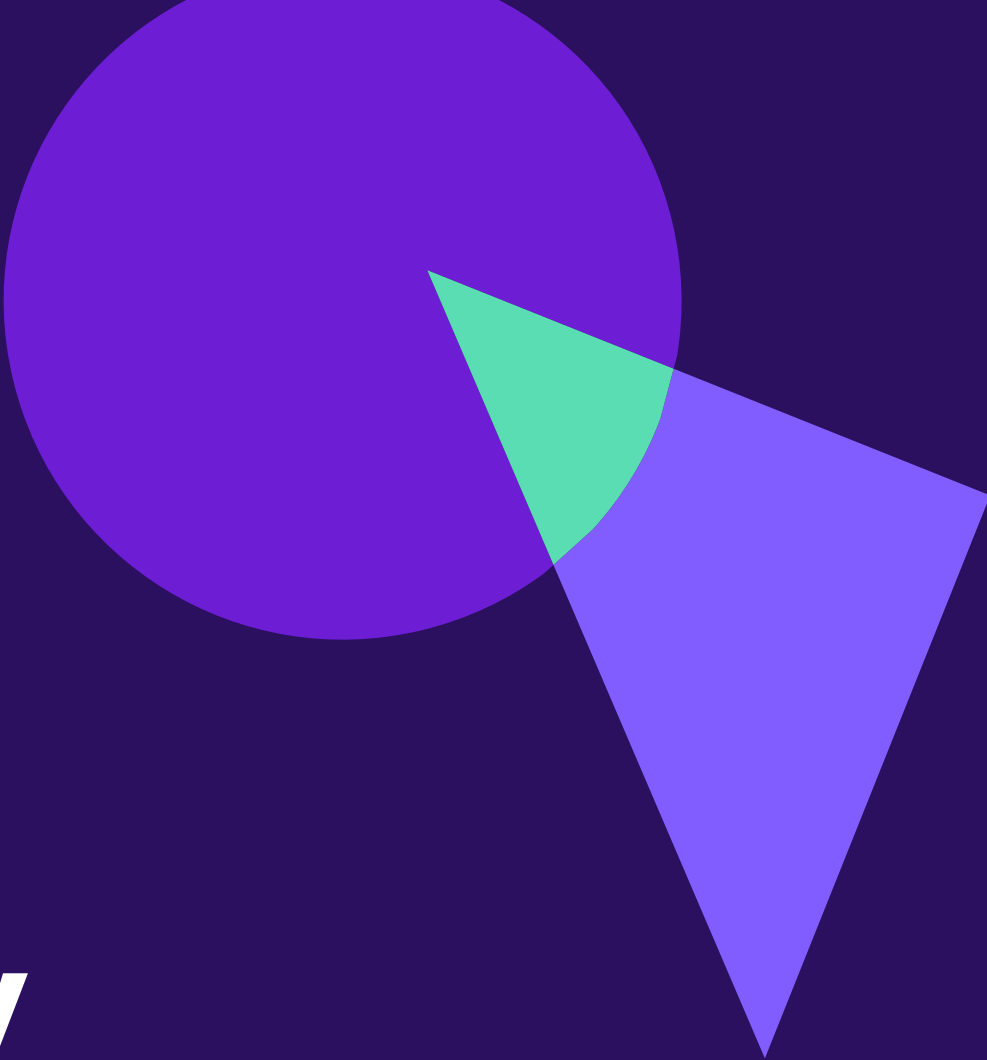


# TWO-FACTOR AUTHENTICATION

Nearly three-quarters of consumers have two-factor authentication set up for their online bank account, decreasing to less than six in ten Boomers.



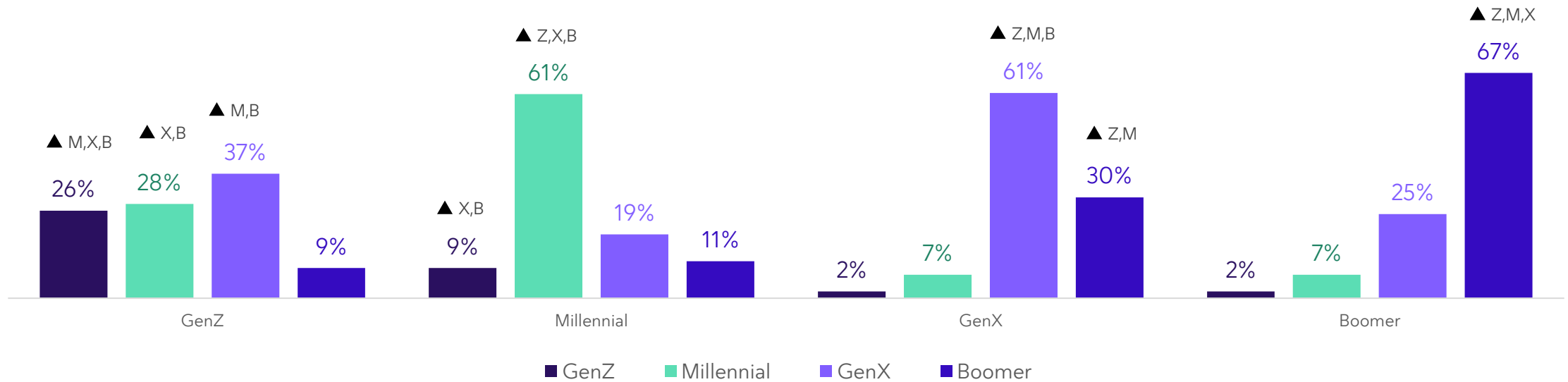
Source Q15. Is two-factor authentication set up for your online bank account?



# Financial Literacy

# FINANCIAL LITERACY - WHICH GENERATION IS *MOST* FINANCIALLY LITERATE?

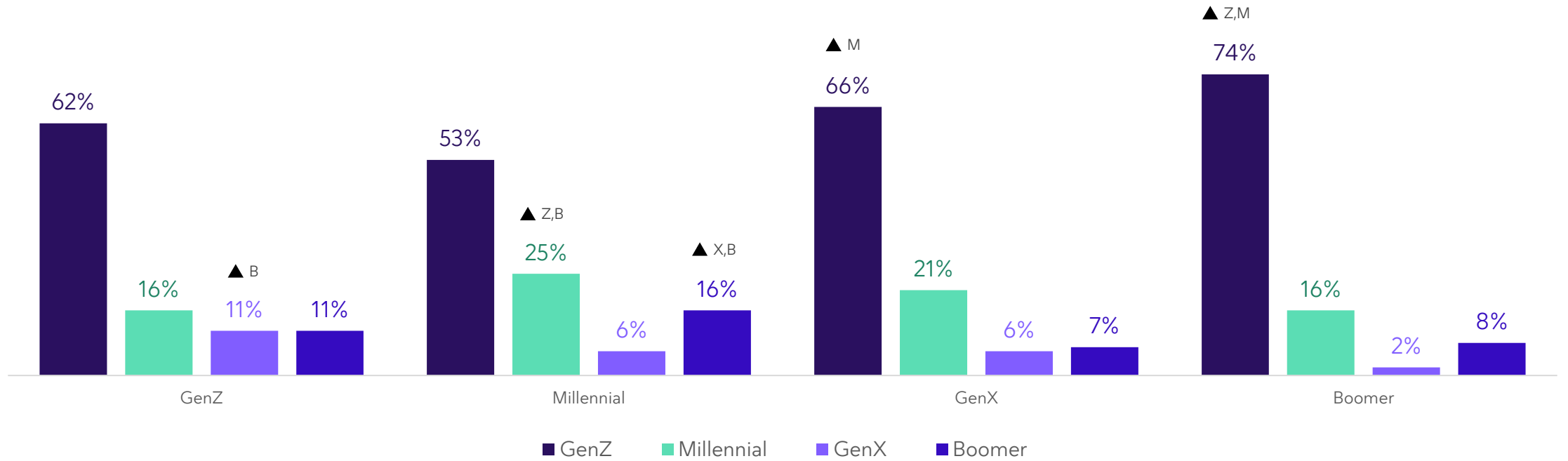
While most age cohorts feel their own generations are the most financially literate, only one-quarter of GenZ consumers feel this way.



Source Q16. In your opinion, which generation is the most financially literate?

# FINANCIAL LITERACY - WHICH GENERATION IS *LEAST* FINANCIALLY LITERATE?

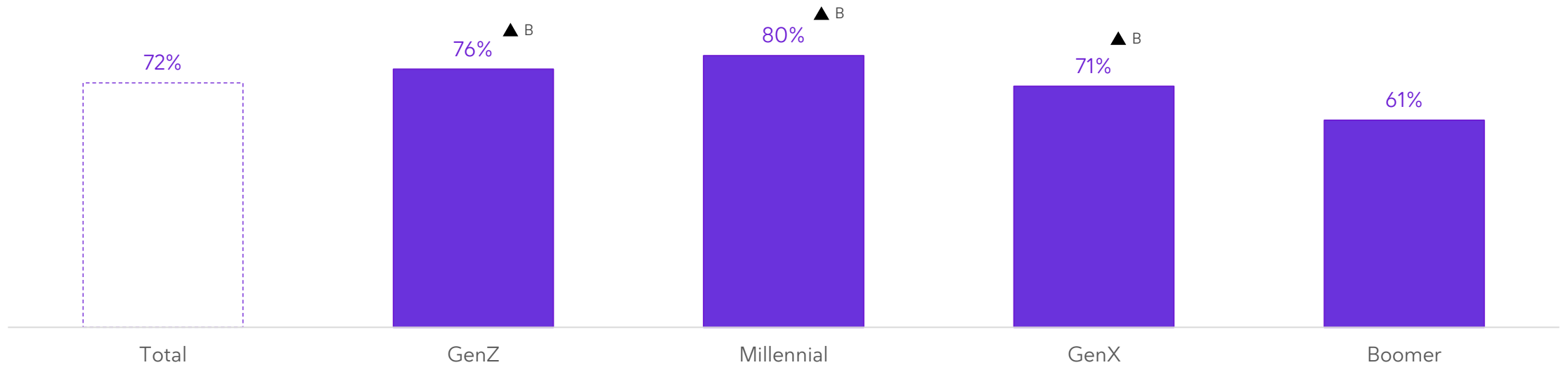
Most GenZ consumers feel their generation is the least financially literate, an opinion shared by the majority of consumers in the other age groups.



Source Q16b. In your opinion, which generation is the least financially literate?

# INTEREST IN IMPROVING FINANCIAL LITERACY

More than seven in ten GenZ, Millennial, and GenX consumers, and six in ten Boomers, express a high level of interest in improving their financial literacy.



Source Q17. If given the opportunity to do so for free, how interested would you be in improving your financial literacy?

zelle

THIS IS HOW MONEY MOVES®