

Consumer Views on Personal Cash Flow Planning

Consumer Point-of-View

January 2019

Prepared for:



PEOPLE THAT MATTER MOST TO YOUR SUCCESS WE
WE HELP YOU **MOTIVATE AND PERSUADE** THE
THE HEARTS AND MINDS OF THE PEOPLE THAT
MATTER MOST TO YOUR SUCCESS WE HELP YOU
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OF THE PEOPLE THAT MATTER MOST TO YOUR

Methodology



AUDIENCE

n=300

All between ages 35 and 65, are the primary or shared decision maker for personal finances, have investable assets of \$100K+



MODE

Online survey



LENGTH

15 minutes



DATES

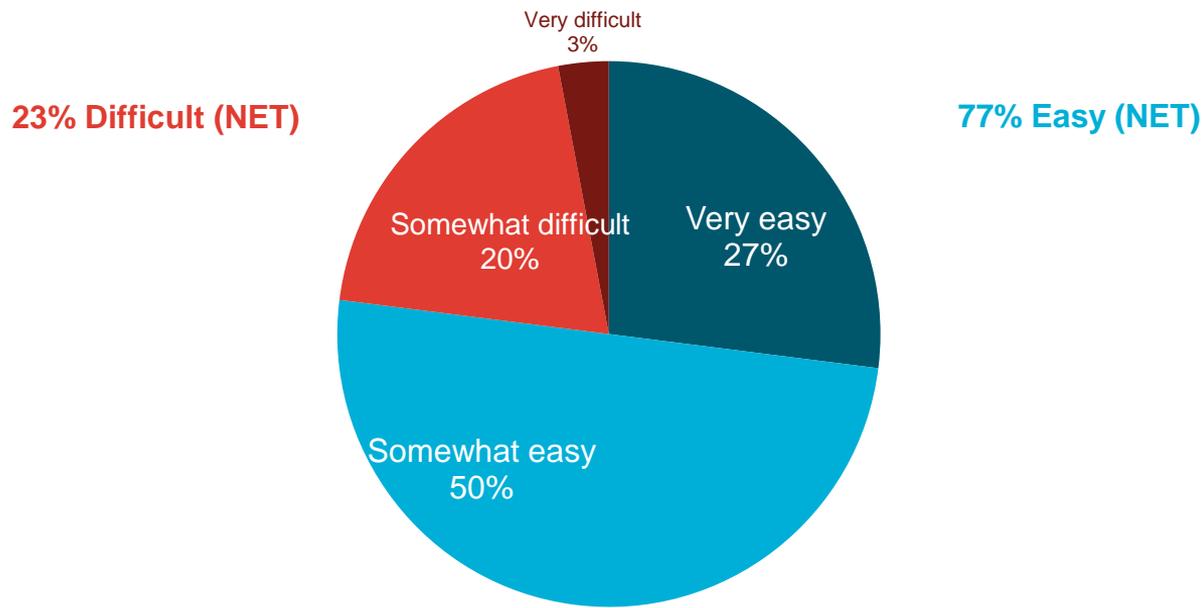
Oct. 23 – Oct. 26, 2018

Results adding to slightly under or over 100% may be due to rounding.

Though consumers find it easy to spend money, the majority say they do not spend more than they earn.



Ease of SPENDING Money



BASE: Consumers (n=300)

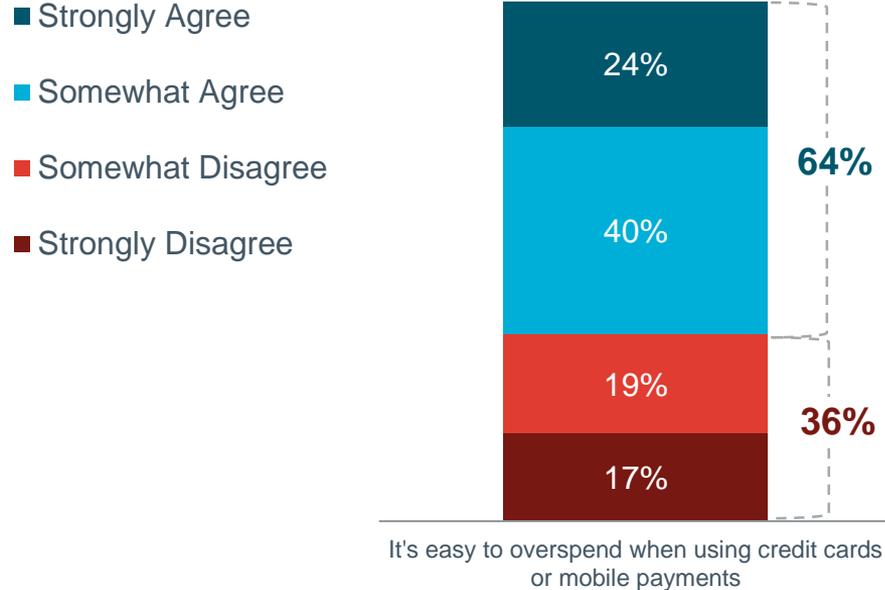
Q3a. Overall, would you say that you find it easy or difficult to spend your money?

Q2a. Would you say that you/your household spends more than what you earn each month?

Credit cards/mobile payments contribute to overspending.



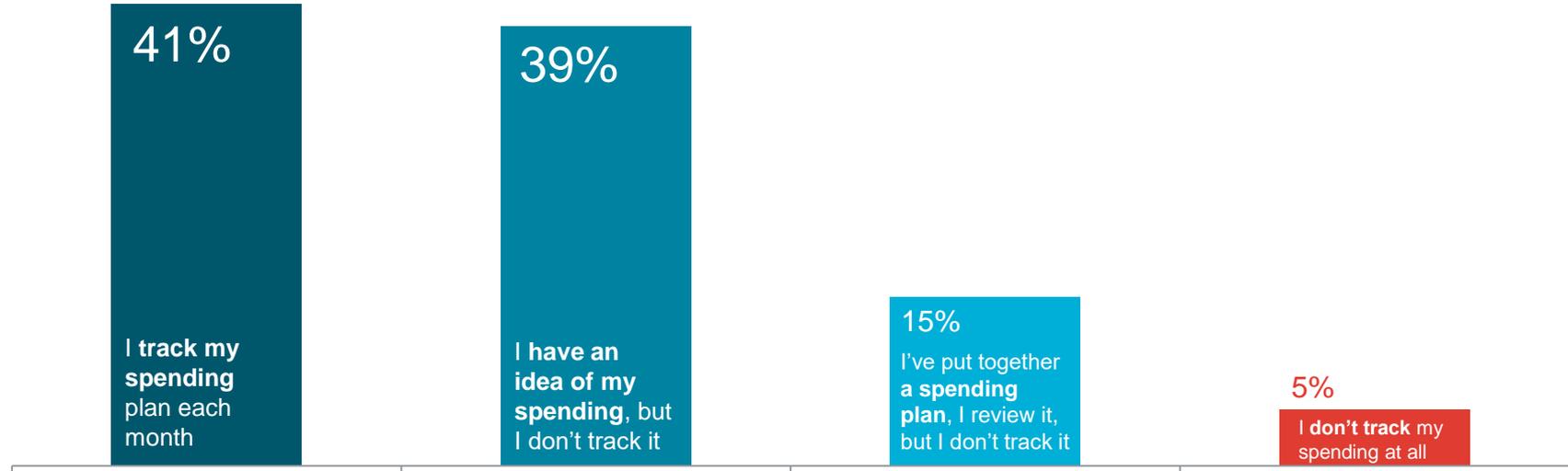
Agreement with Following Statement



Most (59%) consumers are not tracking their spending.



Tracking Household Spending*



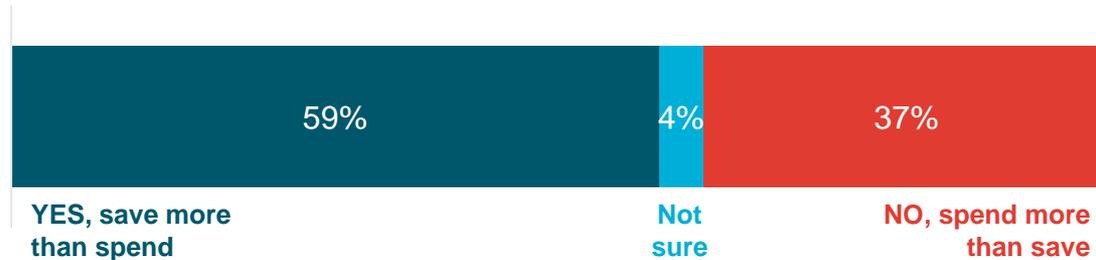


Nearly 8 in 10 consumers find it easy to save money, with about 6 in 10 who say they save more than they spend.



Monthly Saving vs. Spending

Save more than you spend each month



BASE: Consumers (n=300)

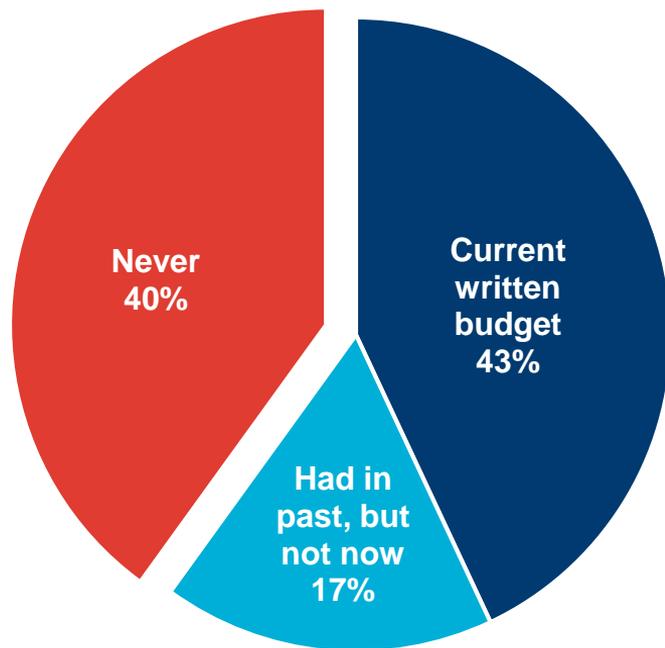
Q3b. Overall, would you say that you find it easy or difficult to save your money?

Q2b. Would you say that you/your household saves more than you spend each month?

Forty-three percent (43%) of Consumers currently believe they have a written budget, and most prepare it themselves.



Have/Had Written Household Budget



BASE: Consumers (n=300)

Q11. Do you (or your husband/wife/partner) have a household budget?

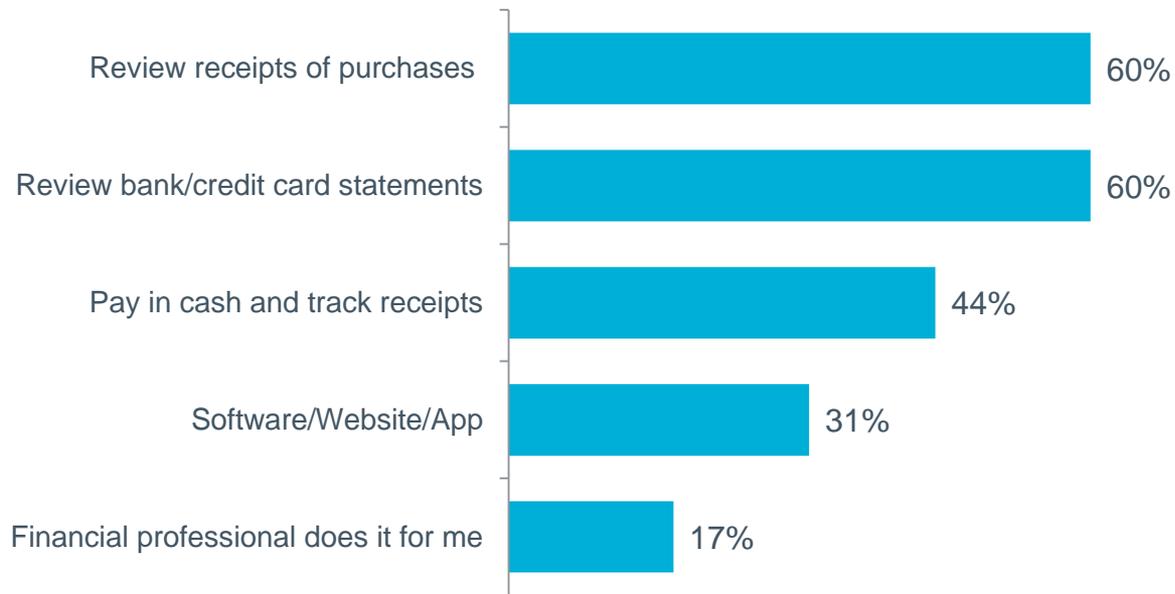
BASE: Consumers Who Has Or Had A Budget (n=180)

Q11a. Who prepared your household budget?

Consumers use receipts and bank/credit card statements to keep track of spending. For them, that's a budget/spending plan.



How Keep Track of Spending



Consumers (68%) say that a budget would help them reach their personal/family goals.



Smith/Jones On Whether A Household Budget Is Needed

SMITH

32%

“ I don't need a household budget to help organize or plan my finances. I/We are doing fine without one. ”

JONES

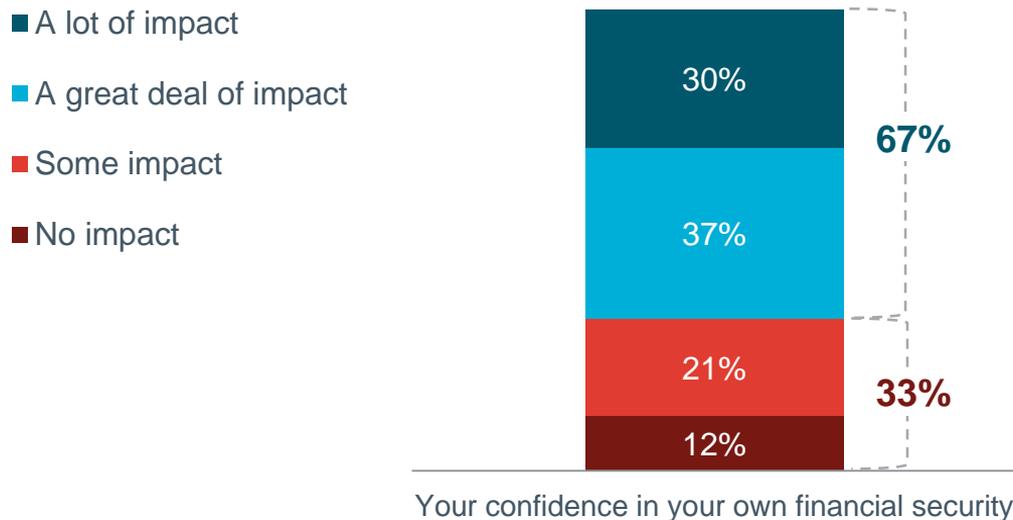
68%

“ I am glad that I have a household budget because it helps me (and my family) organize and plan my/our finances so that I know where we are, which will ultimately help me to reach my goals. ”

If advisors/CFP[®] professionals, had access to the consumers' monthly spending, consumers would feel more confident and financially secure.



Assuming your financial professional had access to your monthly spending activities to develop a monthly budgeting and spending plan, **how would this impact...**



BASE: Consumers who Have Or Had A Financial Professional (n=221)

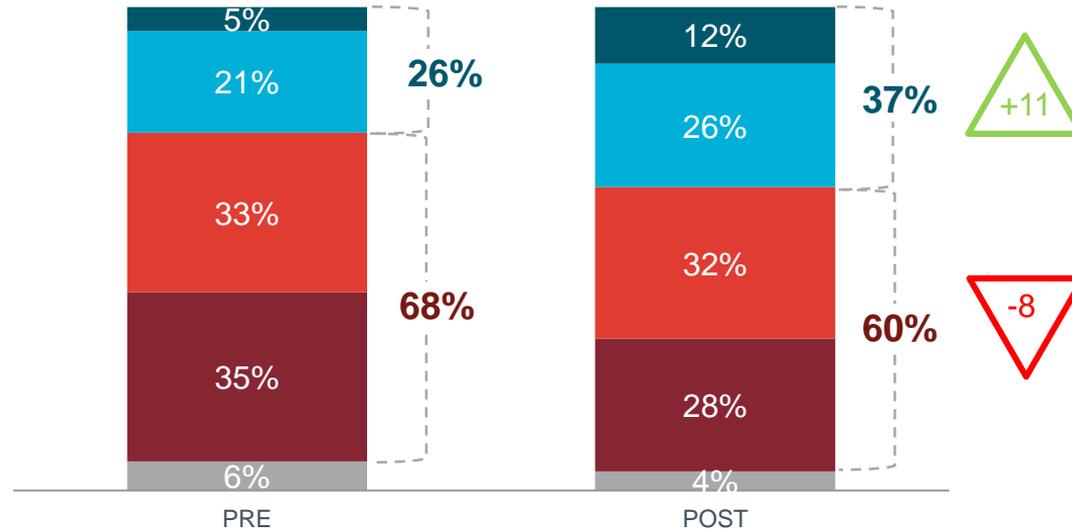
Q27a_1. Assuming that your financial professional had access to your monthly spending activities so that they could help develop a monthly budgeting and spending plan, what impact would this have on your confidence in your own financial security and confidence?

Educating clients increases the likelihood they will create a budget.



Pre/Post Likelihood of Preparing Budget in Next Year

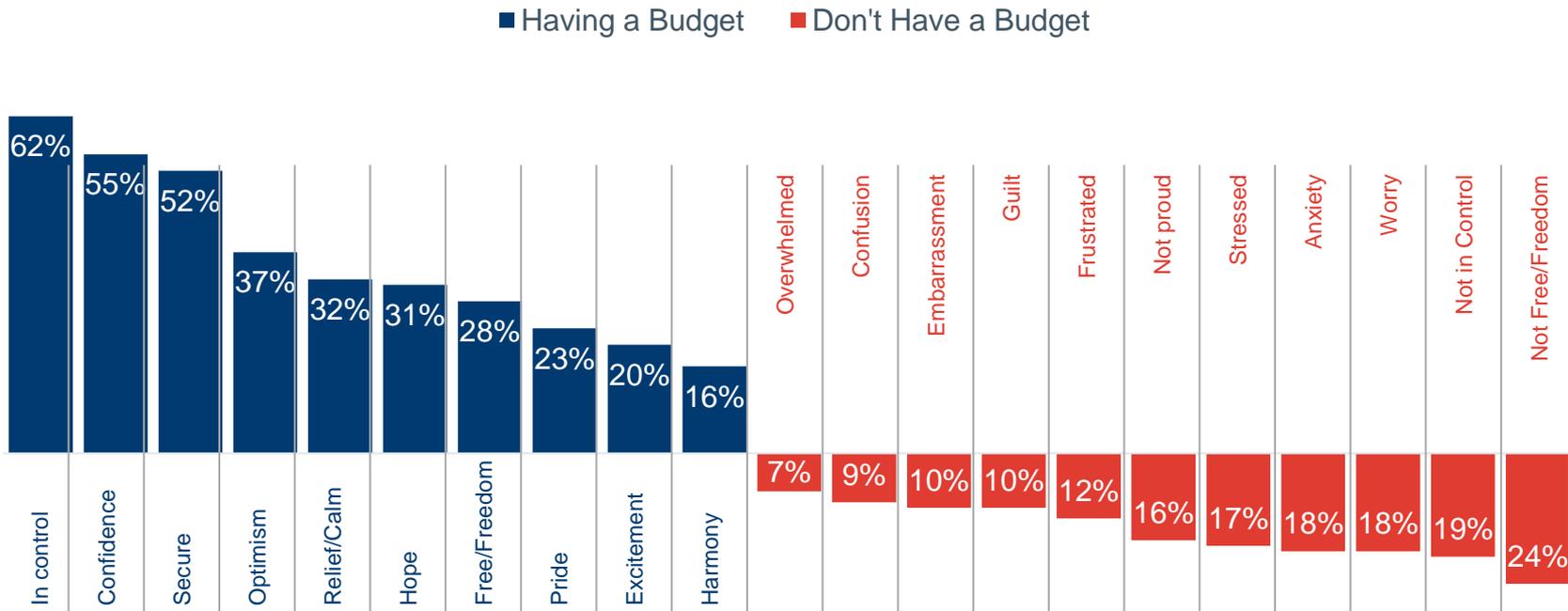
- Very likely
- Somewhat likely
- Not too likely
- Not at all likely
- Don't know



Those that have a budget feel 'In control,' 'Confidence,' and 'Secure.' Those without feel of sense of 'Not Free,' 'Not in Control,' and 'Worry/Anxiety.'



Emotions Relating to Having/Not Having a Budget



BASE: Consumers Who Have A Budget (n=128)

Q15a_1. Please choose up to five words and emotions that best describe how you feel about HAVING a household budget plan in place?

BASE: Consumers Who Don't Currently Have A Budget (n=172)

Q15a_2. Please choose up to five words and emotions that best describe how you feel NOT having a household budget plan in place?



- Consumers find it **easy to spend money** (77%) and **easy to overspend** when using cards or mobile payment (64%).
- Though **consumers find it easy to spend money and to overspend** when using cards and mobile payment, the **majority are not tracking their spending** (59%), and more than **1 in 3 spend more than they save**.
- **2 in 5 consumers have never had a budget**. Among those who have a budget, they are **only tracking spending through reviewing receipts** (60%) and **reviewing bank/credit card statements** (60%).
- Consumers see a significant benefit to developing and adhering to a household budget because it would **help them reach their personal/family goals** (68%).
- Having a household budget positively affects consumers' emotional state by **reducing stress, anxiety, and frustration**.