



LOGICA®

# FUTURE OF MONEY STUDY

## The Consumer Money Mindset

People's financial lives are undergoing massive change in light of global disruptions—and financial brands must transform to meet their audiences' critical needs. The ongoing Logica® Future of Money Study seeks to understand the consumer mindset around money and delivers valuable immediate and historical insights that provide the foundation for deepening brand engagement. This is a must-read for financial brands looking to provide innovative products and services, deliver meaningful customer communications, and deepen customer engagement to improve people's financial lives.

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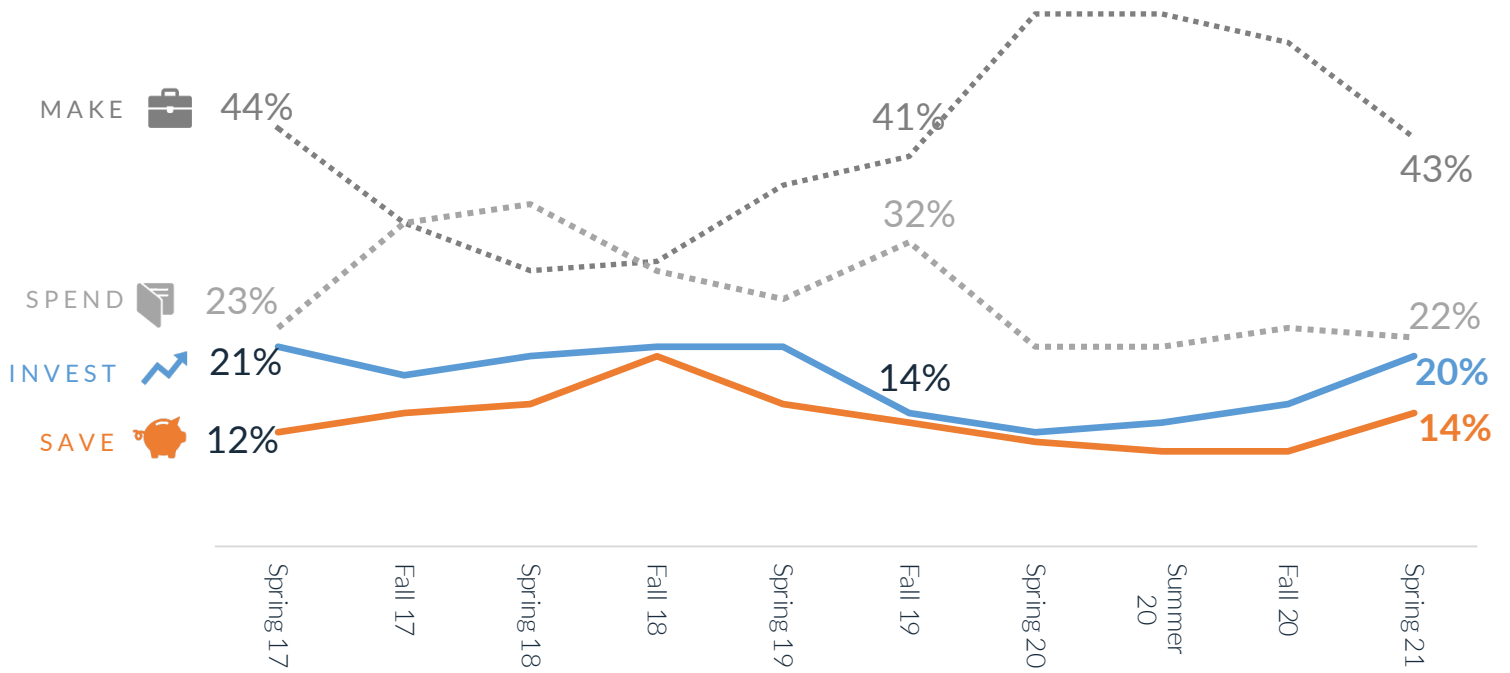
# STUDY CONTEXT

## How Americans make, spend and manage money, and engage with financial brands

Logica Research has been understanding the consumer money mindset in this Future of Money Study since 2017. During the past year, the Logica® Future of Money Study has been tracking the impact of COVID-19 on Americans' financial lives. We have seen that the way people work, spend, save and invest has dramatically changed, and many of these changes are here to stay. Americans have adopted new money behaviors at a faster rate than ever before, financial brands need to continue to innovate what they deliver, how they communicate to customers, and how they create the customer experience faster than ever before.

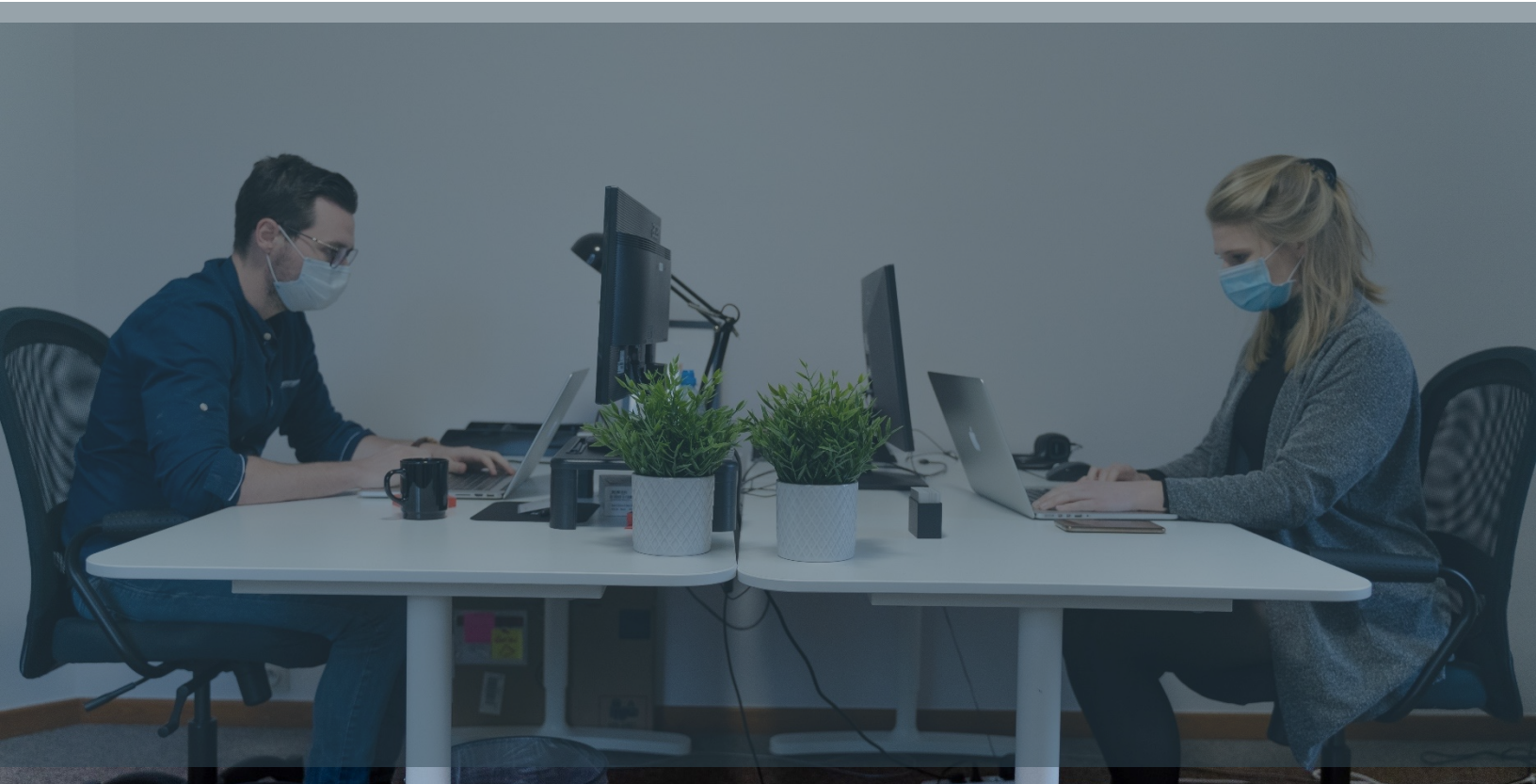
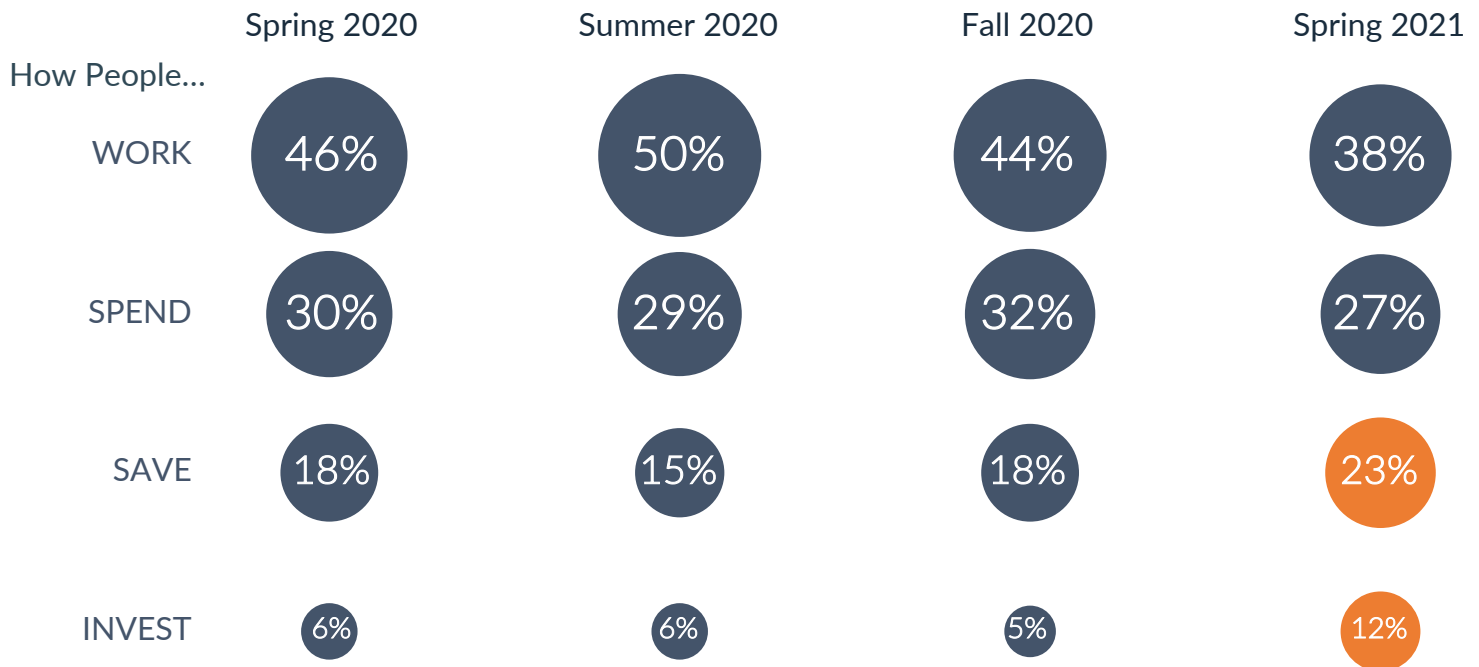
# Technology impact on how we save and invest is up

What will technology have the greatest impact on in 5 years?



# Americans anticipate COVID-19 having the biggest impact on work—down from peak in Summer 2020

What will COVID-19 have the greatest impact on in 12 months?



# WORK & MAKING MONEY

## Ongoing impact on how we work and make money

The pandemic's impact on how Americans work has been significant. As we move forward in 2021, we see that Americans who are working, tend to be working more hours. In terms of retirement plans, this wave of the Logica® Future of Money Study uncovered that more working Americans are postponing retirement. We also see that the percentage of working Americans taking an early retirement increased significantly, to almost 10%—offering financial brands an opportunity to help customers navigate this significant life decision. And it's not only financial brands that Americans turn to as they manage their finances, workers continue to look to their employers for support—from help with emergency savings to building wealth.

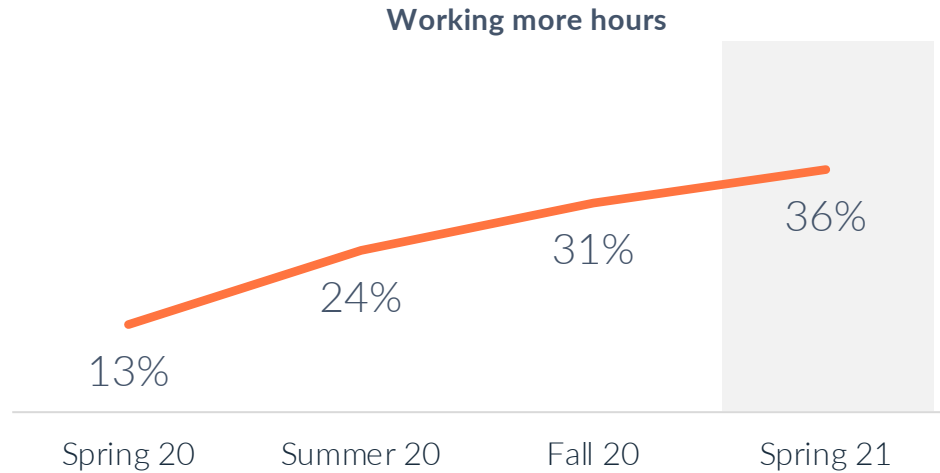




# Impact of COVID-19 on work remains high and of those working, hours are up

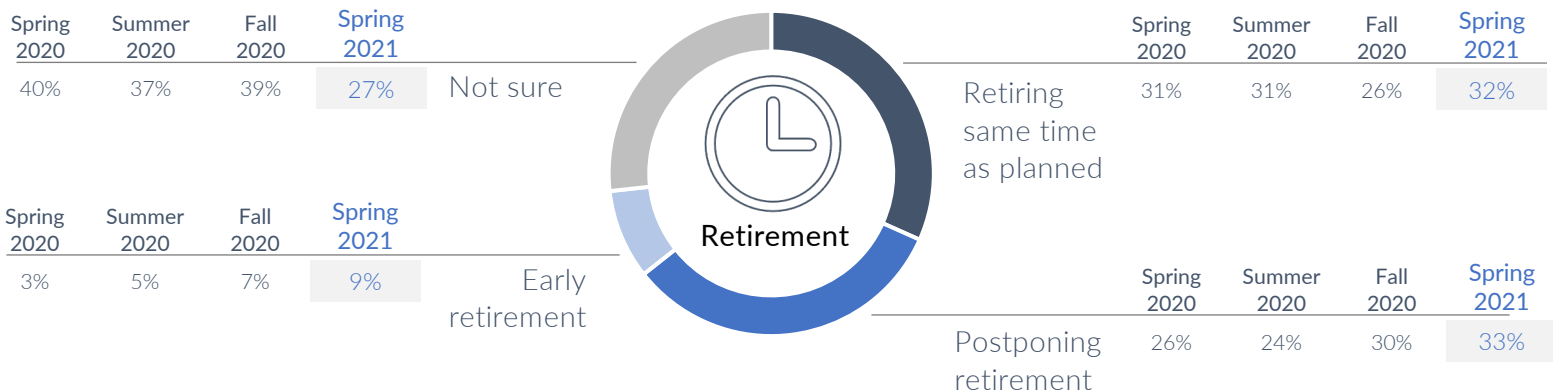
# 63%

Coronavirus impacted work situation



# Both early retirement and postponing retirement are trending up due to the pandemic

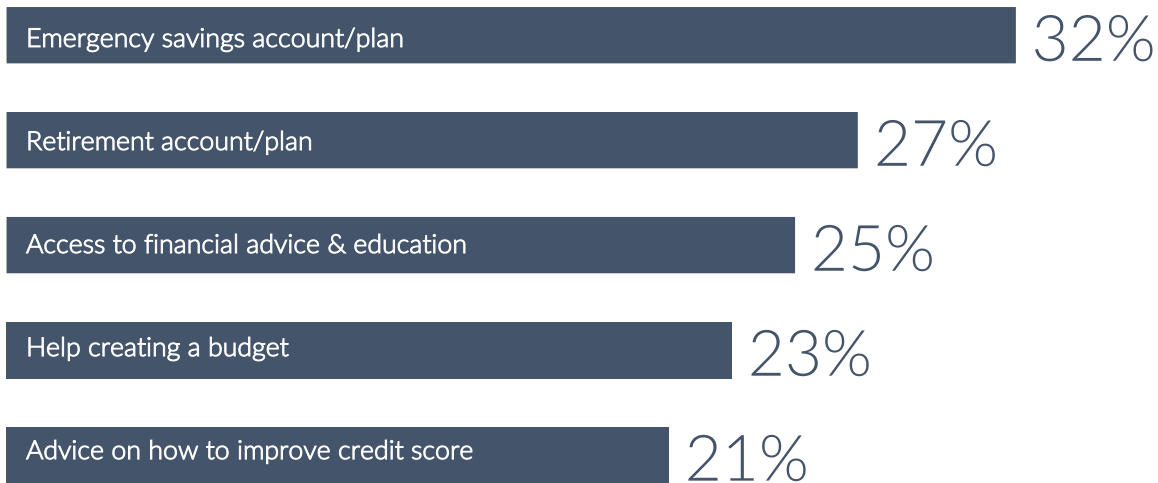
Planning to retire at the same time as they planned before March 15<sup>th</sup>, 2020





# Americans are looking for more financial benefits from employers

Would like to receive more of... from employer due to COVID-19 (Fall 2020)



Note: No significant differences compared to Summer 2020

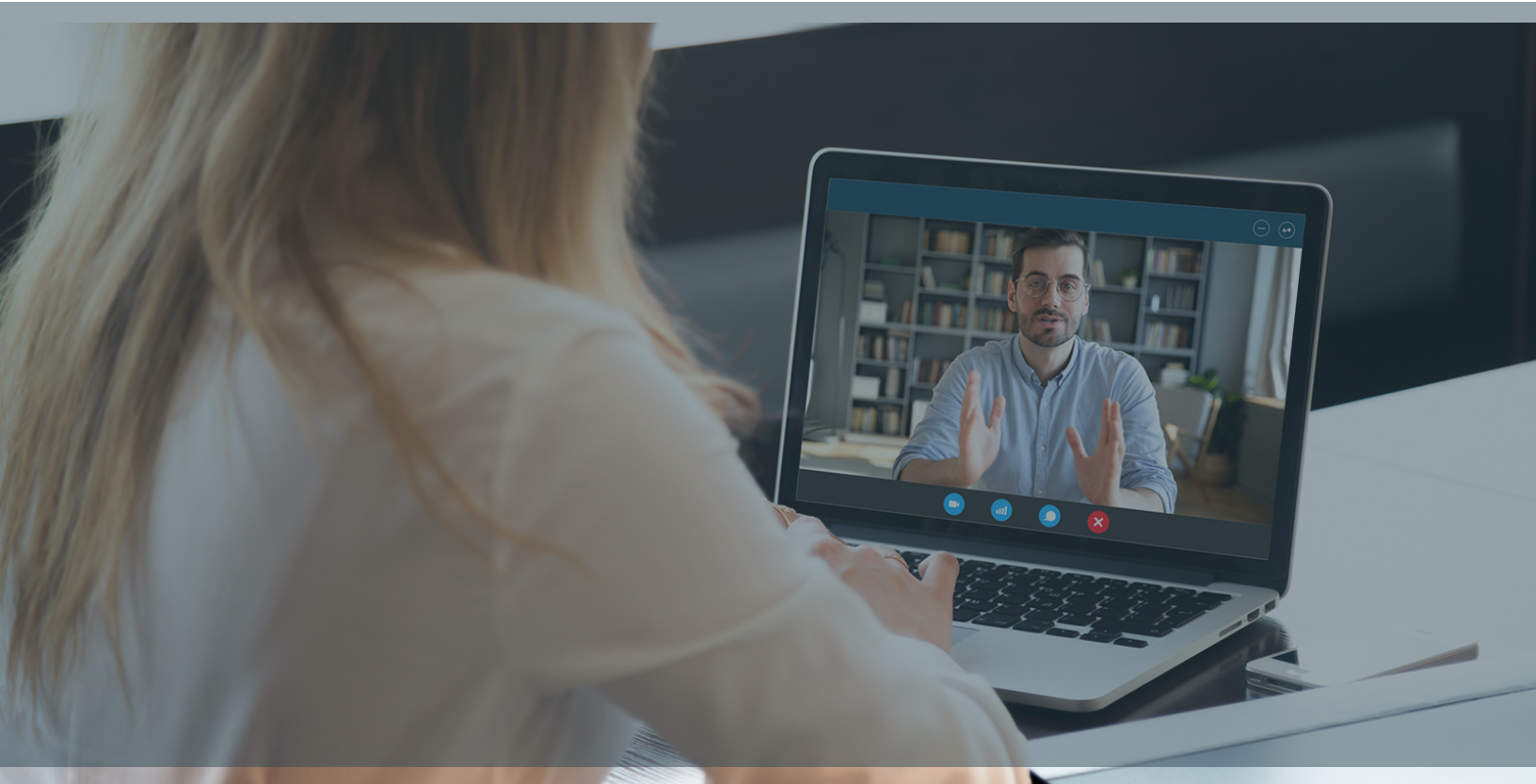






## Americans tell their story...

*“Before, because of the pandemic, I didn't feel safe going back to work at all, so I wasn't looking. But recently, my former employer reached out saying that she is hiring again and asking if, once I'm done with this semester, I would like come back. I'm considering telling her 'yes'; I'd like to return at this point.”*



# SPENDING MONEY

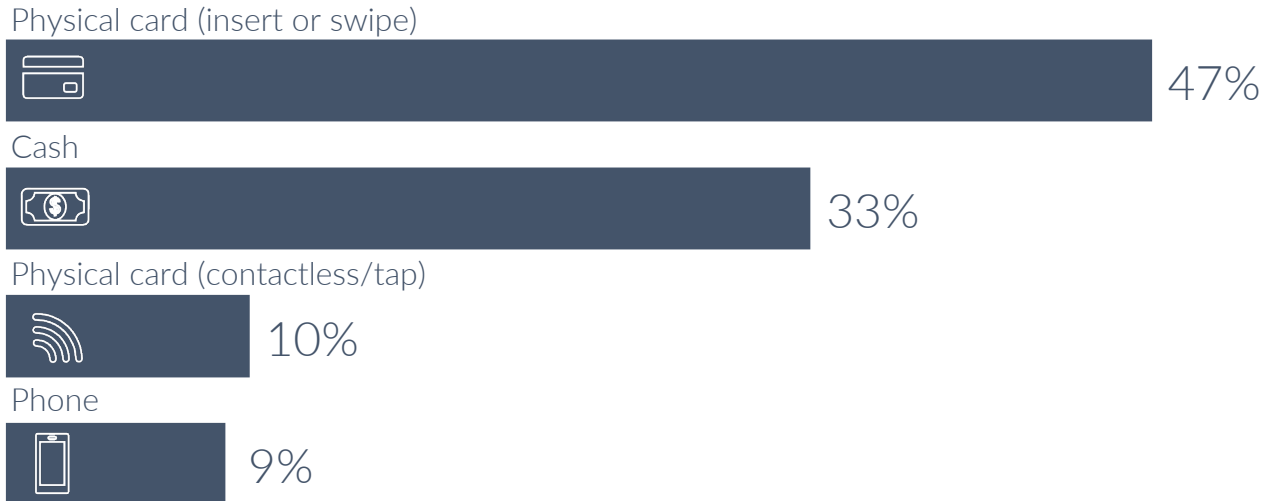
## Shifting trends in how Americans pay and spend

From mobile and contactless payments to online purchasing trends and from peer-to-peer payments (P2P) to buy now, pay later (BNPL) installment plans, the payments space continues to shift rapidly. For the first time since the onset of the pandemic, the Logica<sup>®</sup> Future of Money Study data shows some signs of stabilization in how people pay and that cash may be making a comeback. At the same time, payment apps continue to rise in popularity across most of the generational groups, with Millennials leading the way. This wave of the study also looked at online checkout behaviors, finding that Americans want both choice and some consistency in the checkout experience.



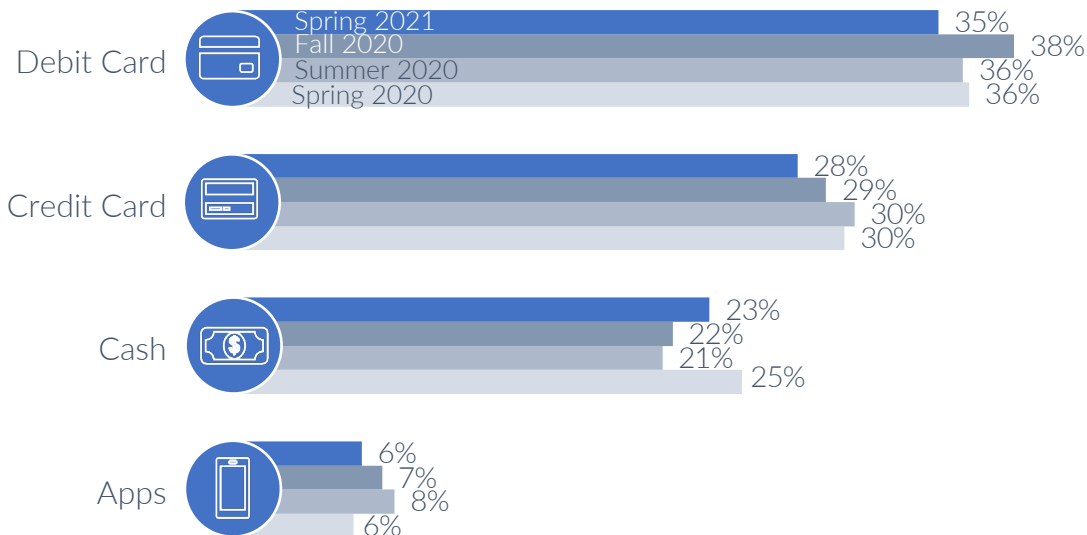
# Cards are most used for in-person purchases, only 10% use contactless payments

## Most recent in-person payment method



# In-person payments look to be stabilizing

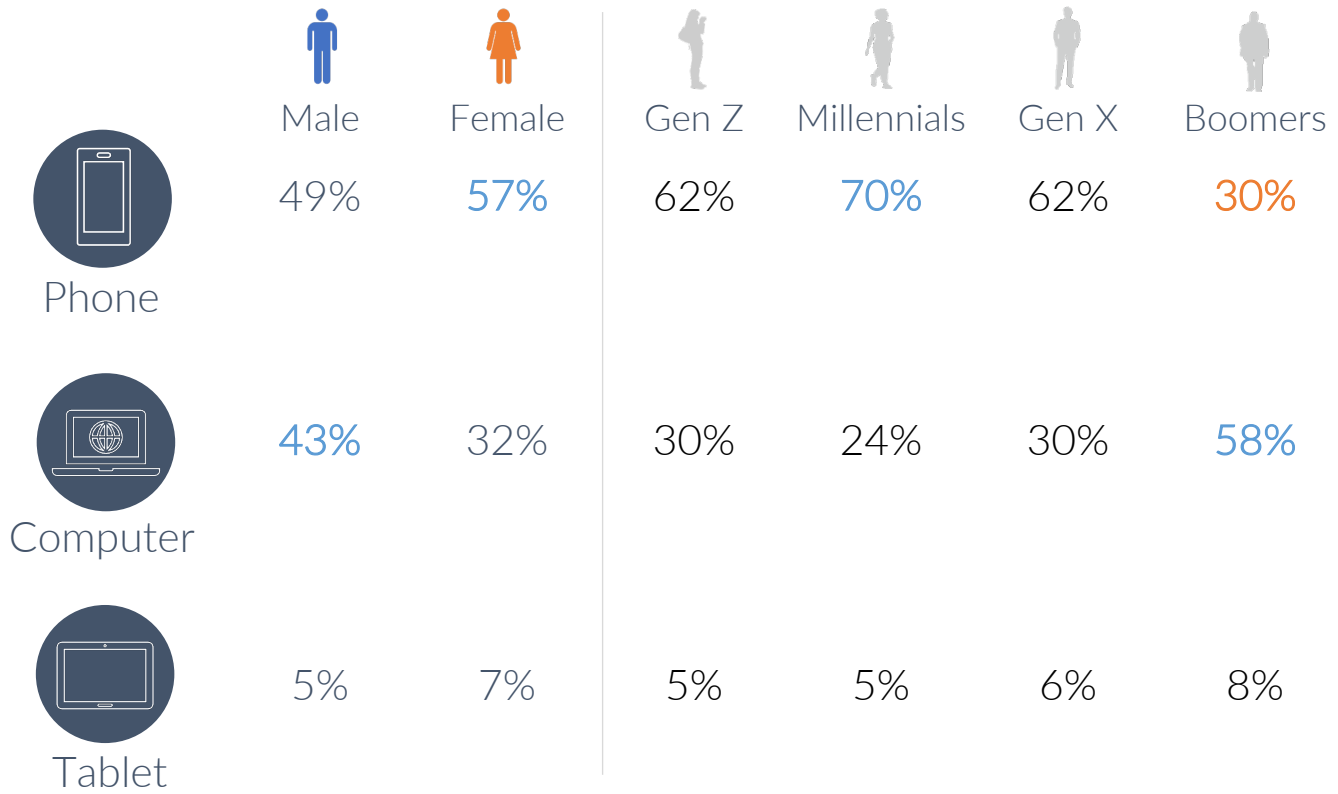
## Preference for in-person payments





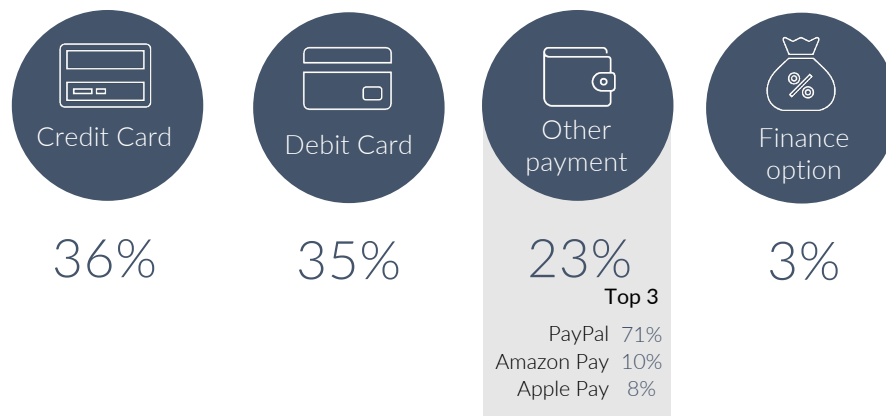
# Women and younger Americans use their mobile phone for online purchases most

Most recent online payment



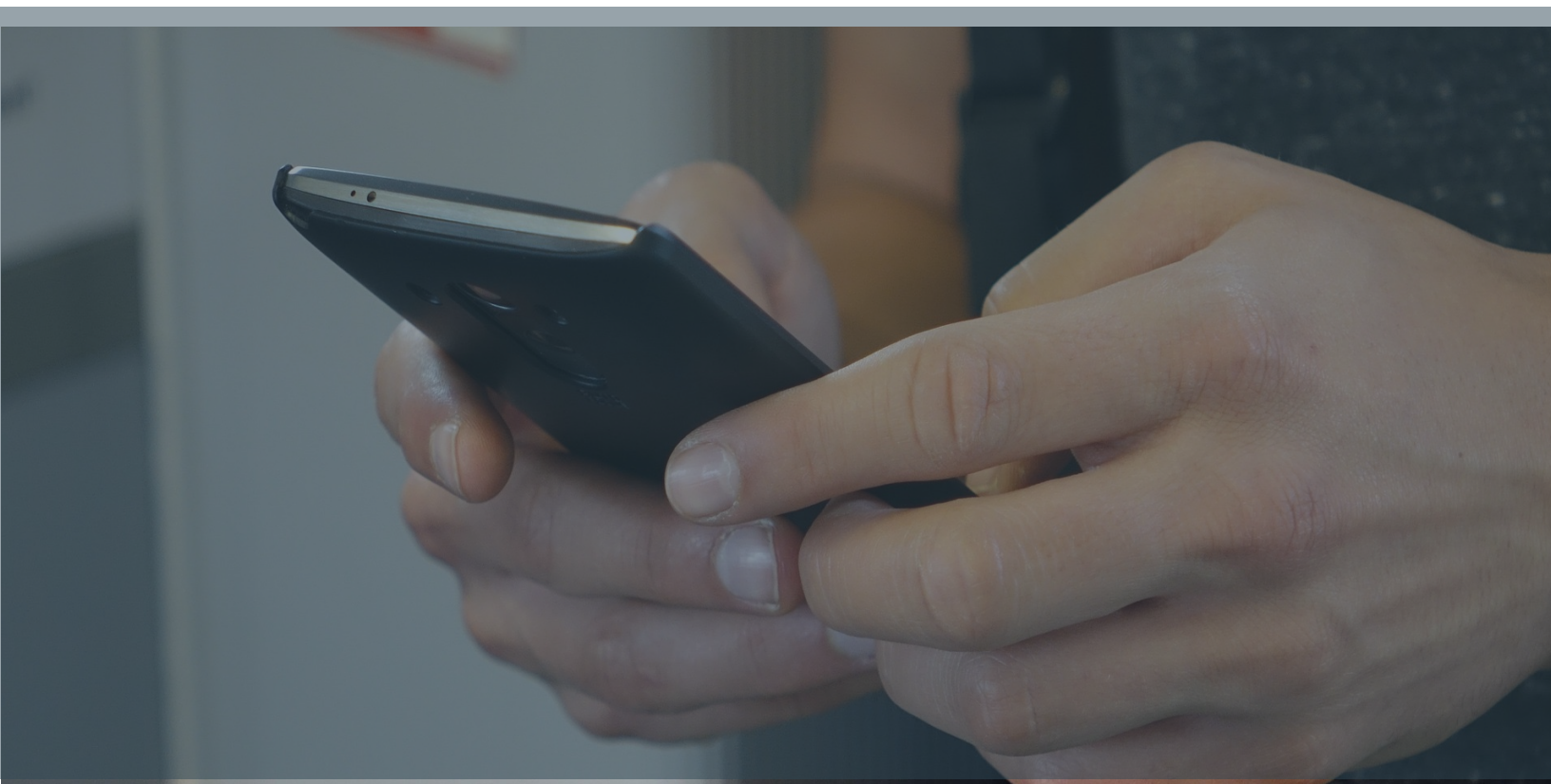
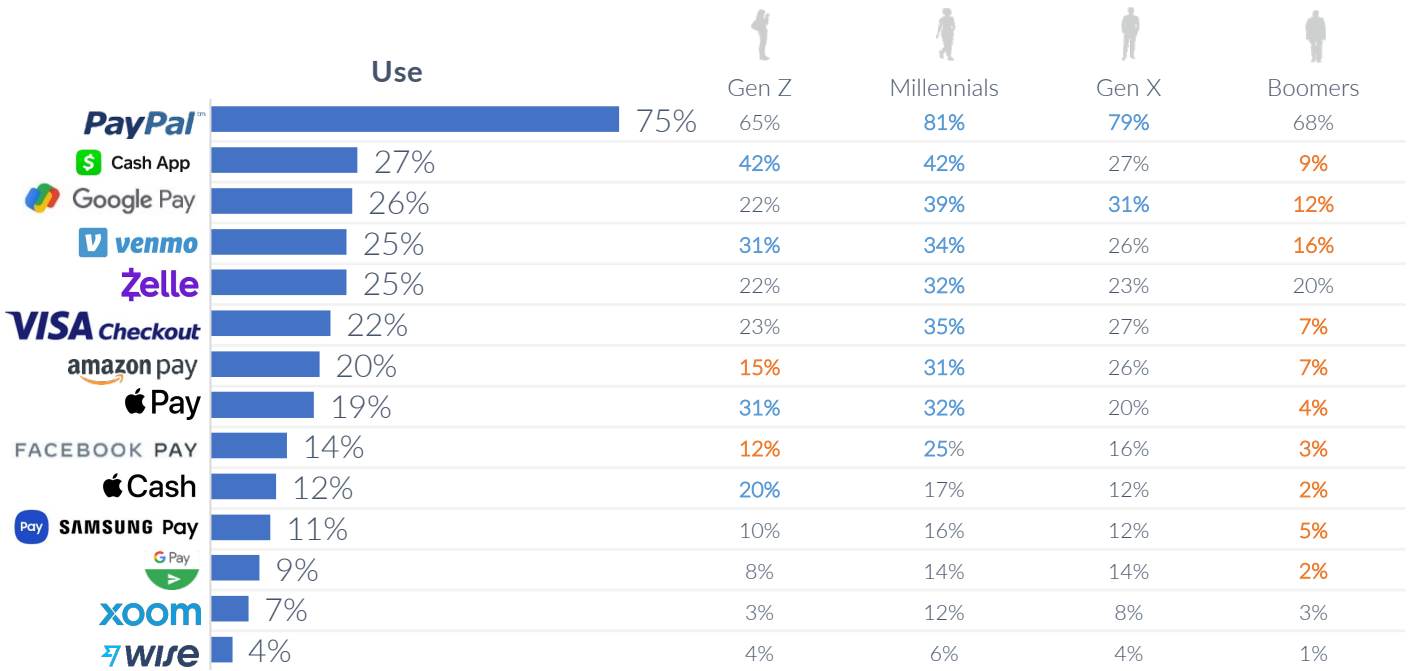
# Cards also dominate online purchases

Most recent online payment





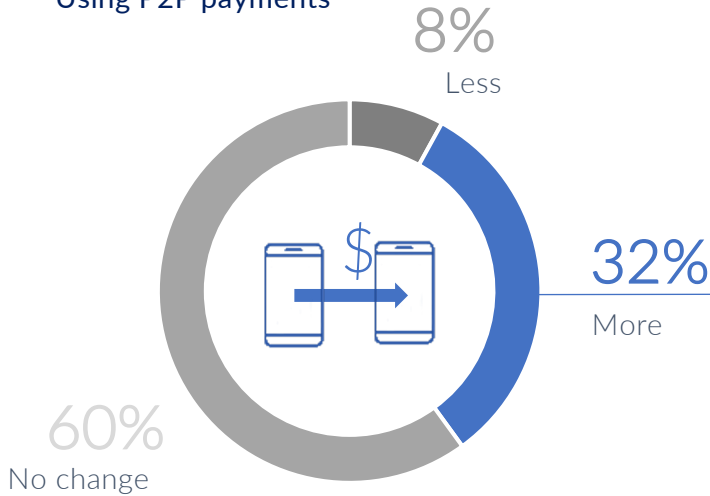
# Except for PayPal, Boomers are least likely to use payment apps





# Nearly 1 in 3 Americans are using P2P more a year after the pandemic started

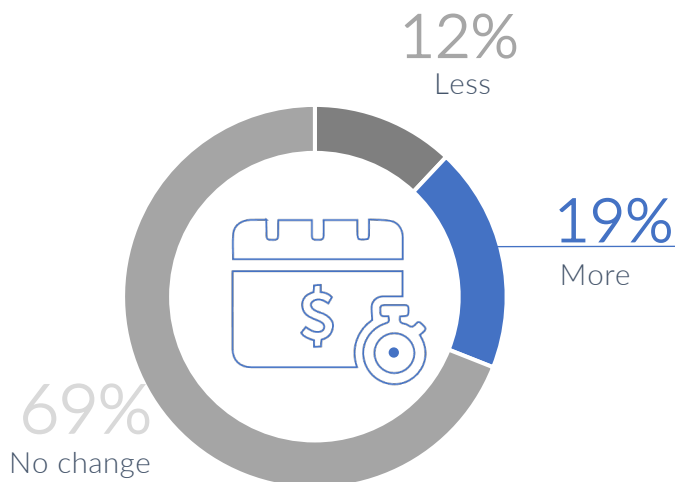
Using P2P payments



	Spring 2020	Summer 2020	Fall 2020	Spring 2021
	17%	23%	27%	32%
Gen Z	32%	42%	37%	37%
Millennials	23%	34%	40%	46%
Gen X	17%	20%	29%	37%
Boomers	9%	9%	12%	13%

# Increase in Buy Now Pay Later and installment payment plans for younger generations

Using BNPL/ installment payment options

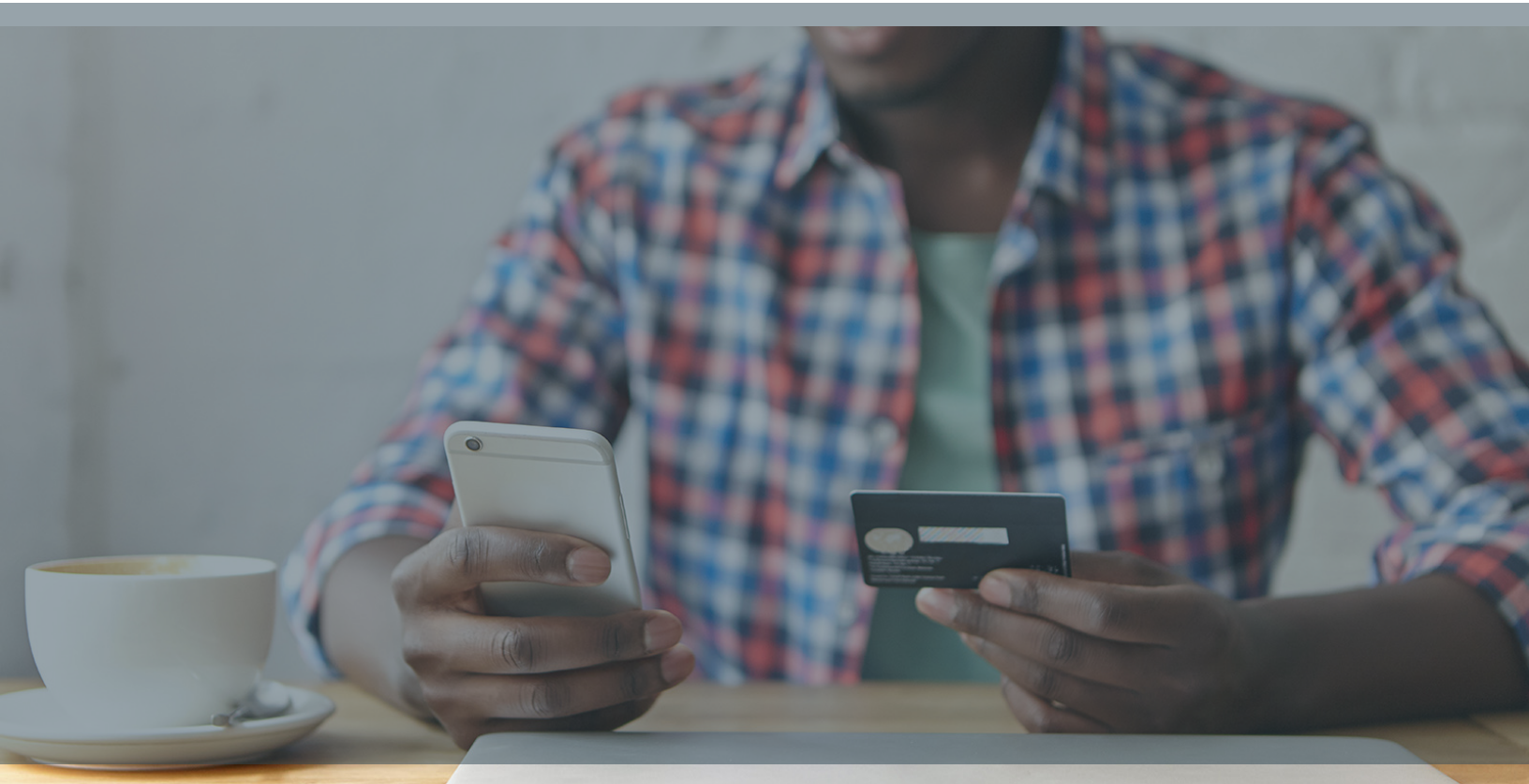
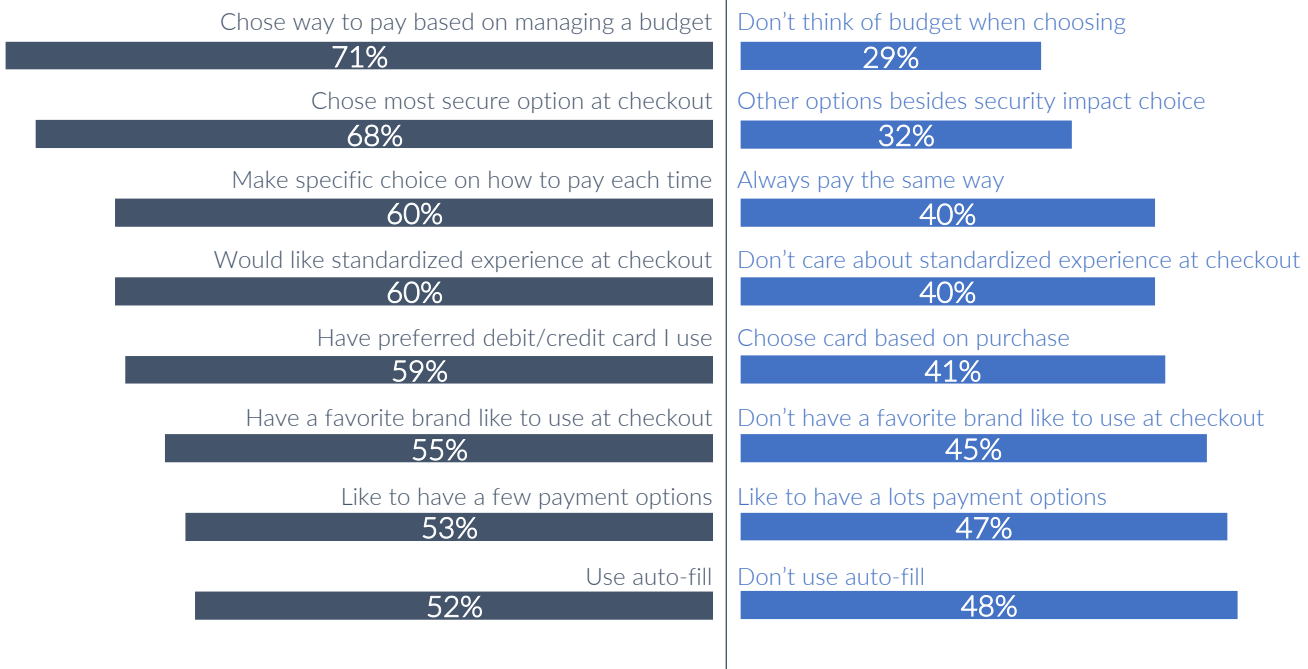


	Spring 2020	Summer 2020	Fall 2020	Spring 2021
	9%	13%	14%	19%
Gen Z	15%	25%	17%	22%
Millennials	12%	16%	21%	27%
Gen X	9%	13%	14%	24%
Boomers	5%	6%	6%	6%



# Americans want choice as well as some standardization at checkout

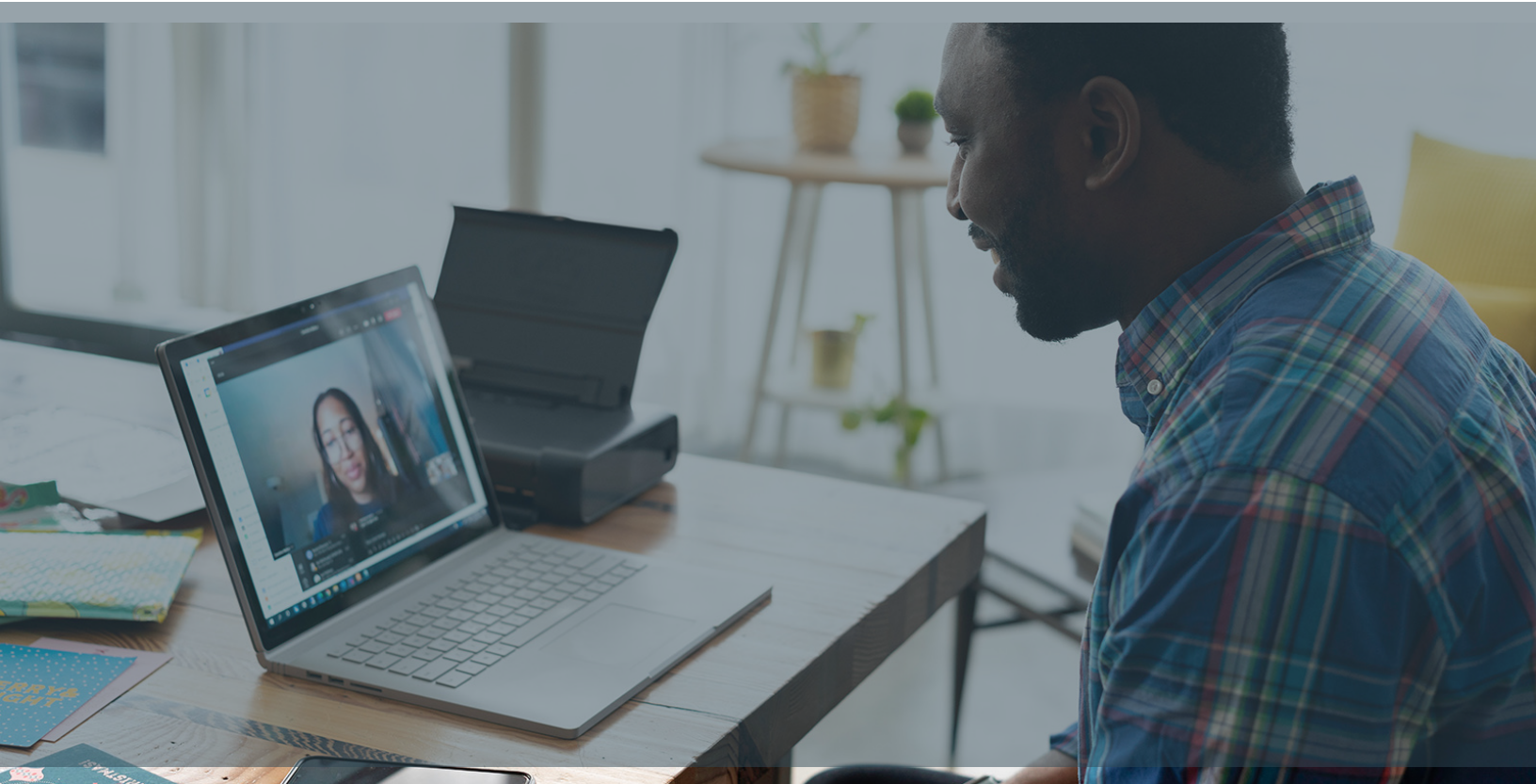
## At checkout...





## Americans tell their story...

*“We have a budget within a budget, within other budgets. We have an overall budget and then it's like, ‘I want to buy a car, and I want put down more money,’ so then I think ‘Well, why don't I just pick up some extra hours and allocate that money into the budget for a new car?’”*







# MANAGING MONEY

## How Americans save and invest in today's world

There is no doubt Americans are still stressed, but the level of financial stress is trending down across most groups as the pandemic wanes in the United States. Savings is up with a significant increase in the amount of people able to cover monthly expenses. What does this mean for financial brands? Our Logica® Future of Money Study shows that Americans are ready to invest more, especially men and Millennials, and are reaching out to their financial advisors for advice.

# The number of Americans who are financially stressed is still high, but it is slowly going down

## STRESSED

Somewhat or very stressed about financial situation



Spring 2020	Summer 2020	Fall 2020	Spring 2021
68%	67%	64%	56%

## NOT STRESSED



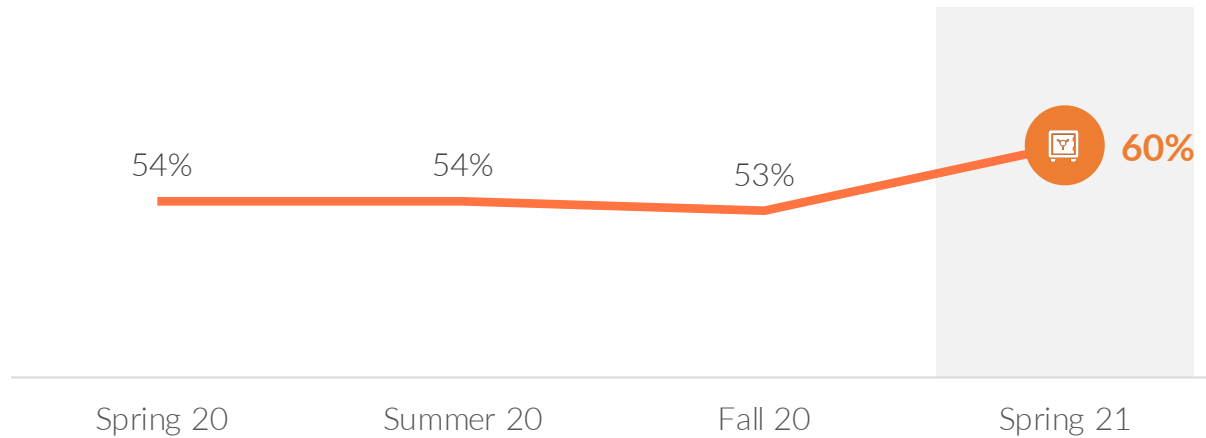
Not at all stressed about my financial situation

Spring 2020	Summer 2020	Fall 2020	Spring 2021
32%	33%	36%	44%

	Stressed	Not Stressed
Women	58%	46%
Millennials	32%	22%
HH Income	\$69K	\$93K
Diverse Groups	49%	34%
No longer working since before COVID-19	12%	5%
End up short each month	19%	6%
Postponing retirement	38%	25%
Paying down debt less	19%	7%
Paying credit card bills less	16%	3%
Using Buy Now Pay Later more	22%	15%

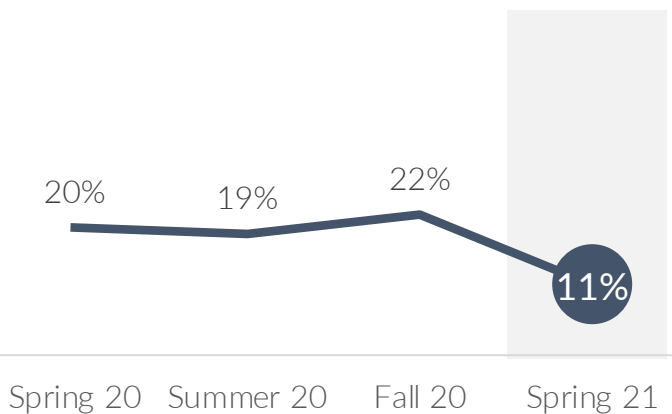
# More Americans are able to cover more monthly expenses and have left over money than in 2020

Ability to cover all expenses

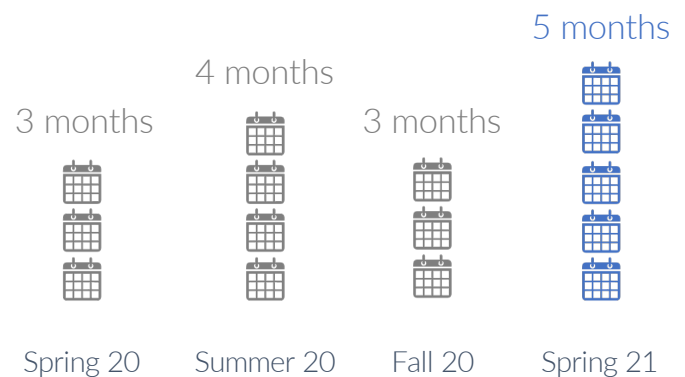


1 in 10 don't have enough savings to cover a month of expenses, down from 1 in 5 last year. Those who have savings can cover up to 5 months of expenses.

Americans that don't have enough savings to cover a month of expenses



Median number of months Americans are able to cover with savings



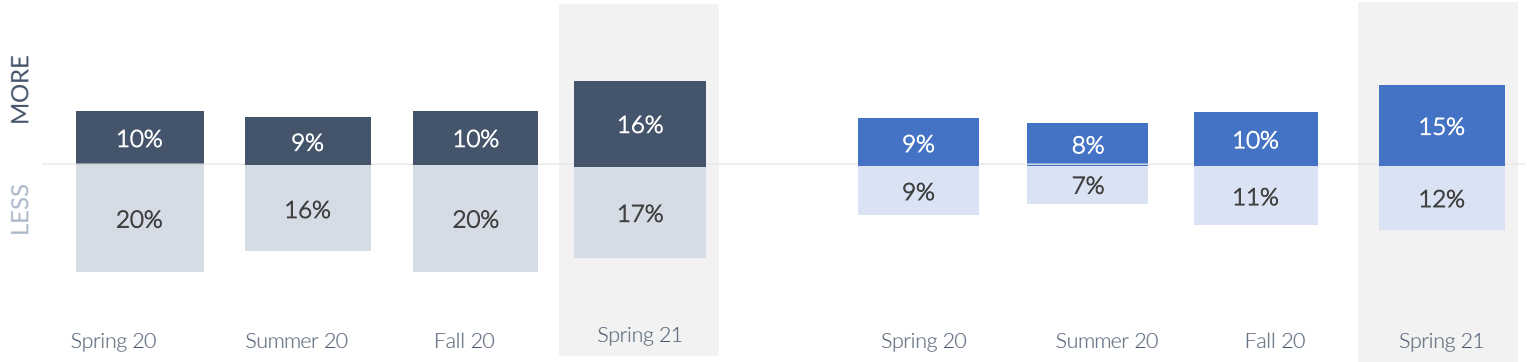
# Some Americans are investing more; talking to advisors more



Putting money into stock market



Talking to financial planner/ advisor



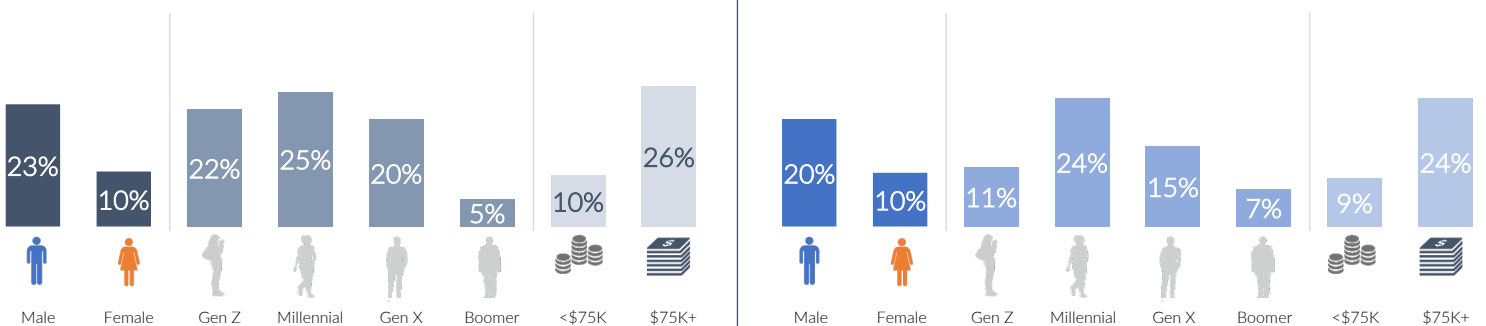
# Men and Millennials are more likely to invest more and speak with their advisor more



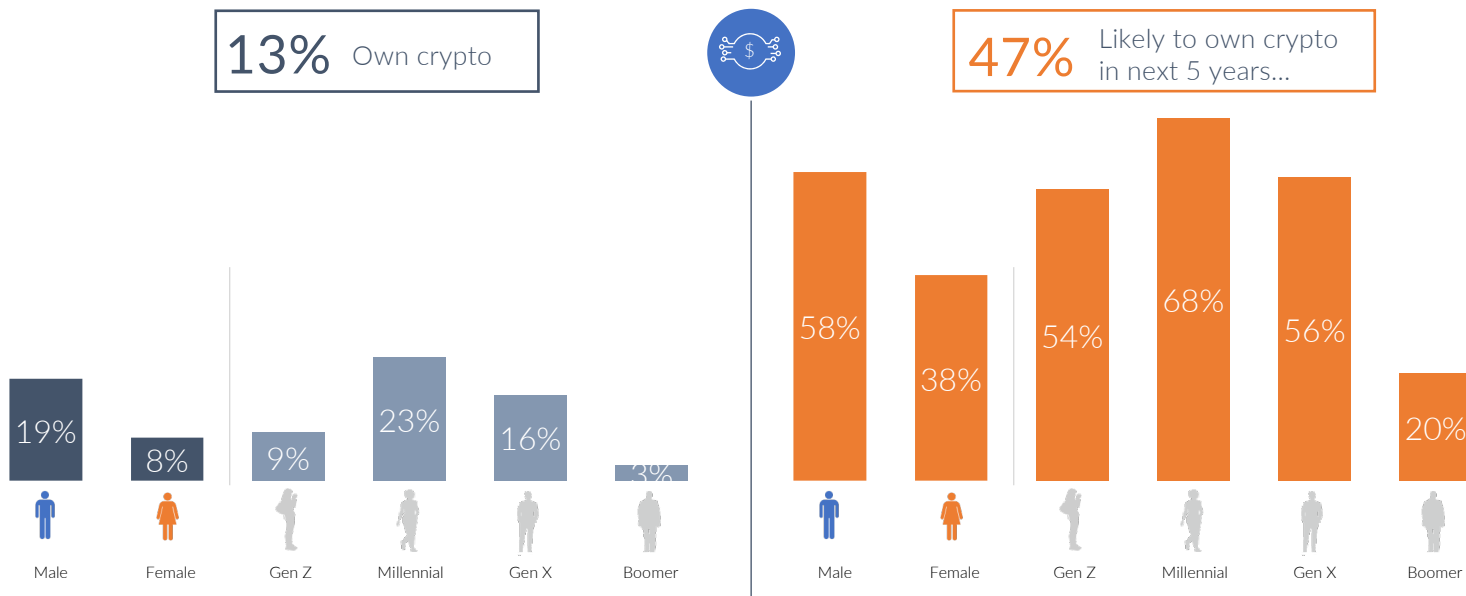
Putting money into stock market (More)



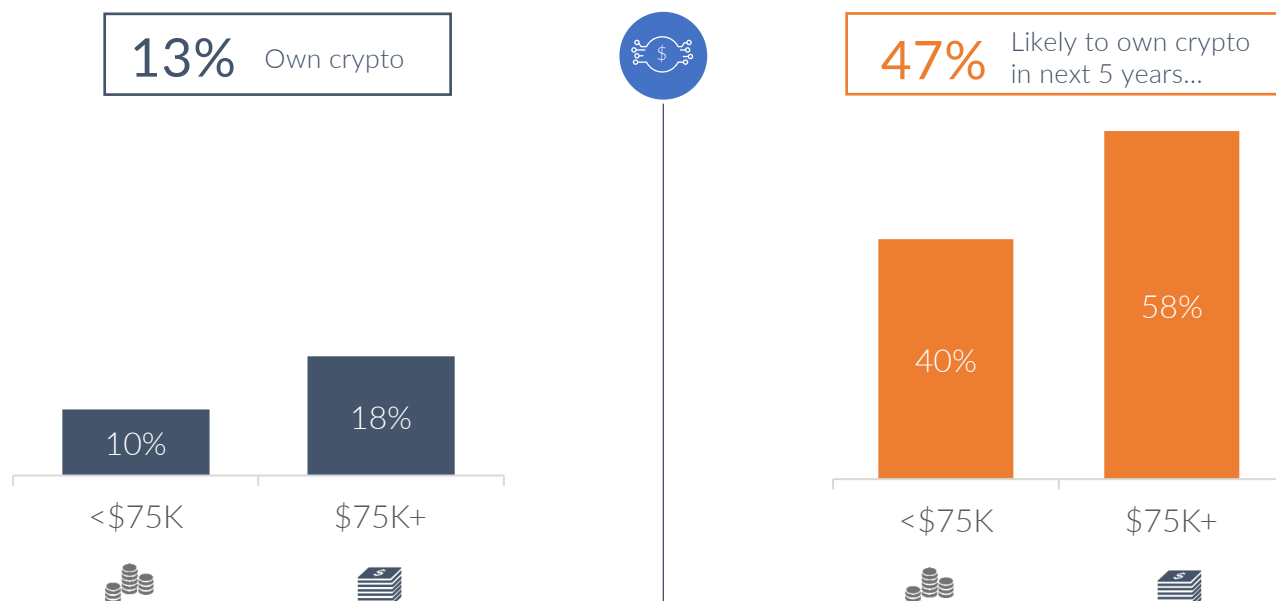
Talking to financial planner/ advisor (More)



# About 1 in 7 Americans own cryptocurrency, almost half are likely to own crypto in the next 5 years



# More affluent Americans currently own crypto, and are planning to own in the next 5 years





## Americans tell their story...

*"I noticed Robinhood had a plan where if you apply for a card, you can earn interest on the money that's not being invested. I transferred more money from my bank accounts to Robinhood. And although it's not a lot, it does earn a little more interest in comparison. So over time I've been putting more and more money into there instead of the traditional bank."*



# BRAND ENGAGEMENT

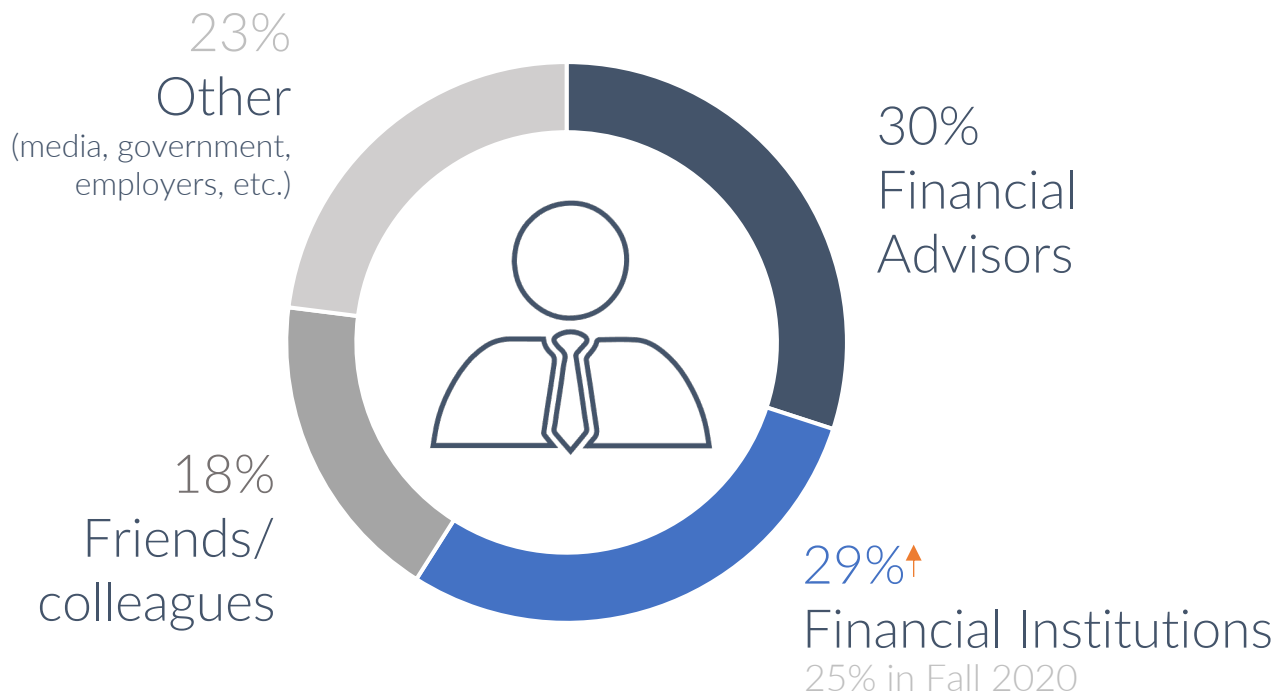
## Americans are turning to financial brands

One thing has become abundantly clear over the past few months: people are looking to brands for leadership and guidance in times of change. In order to meet audiences where they are, it is essential that brands understand what exactly their customers need and want as they continue to navigate these uncertain times. The Logica® Future of Money Study shows that trust in financial advisors and financial institutions is still high despite decreases in trust of other sources—and Americans are looking for help, advice and tools from financial brands.



# Financial institutions as a source of help and advise is up

Most likely to turn for financial help/advice...



Time of COVID-19 resulted in change in trust level...

Trust with..	Increased (+)	Decreased (-)	Stayed the Same (=)
Friends/colleagues	15%	10%	75%
Financial advisors	15%	12%	73%
Financial institutions	15%	13%	72%
Media/Social Media	15%	33%	52%
Employer	11%	23%	73%
Government	10%	37%	53%
Schools	9%	23%	68%





# Americans want help from financial institutions



29%

Decrease fees and costs



21%

Give me tools to help me build wealth



13%

Communicate with a greater understanding of my personal situation



13%

Provide more advice to manage my finances



13%

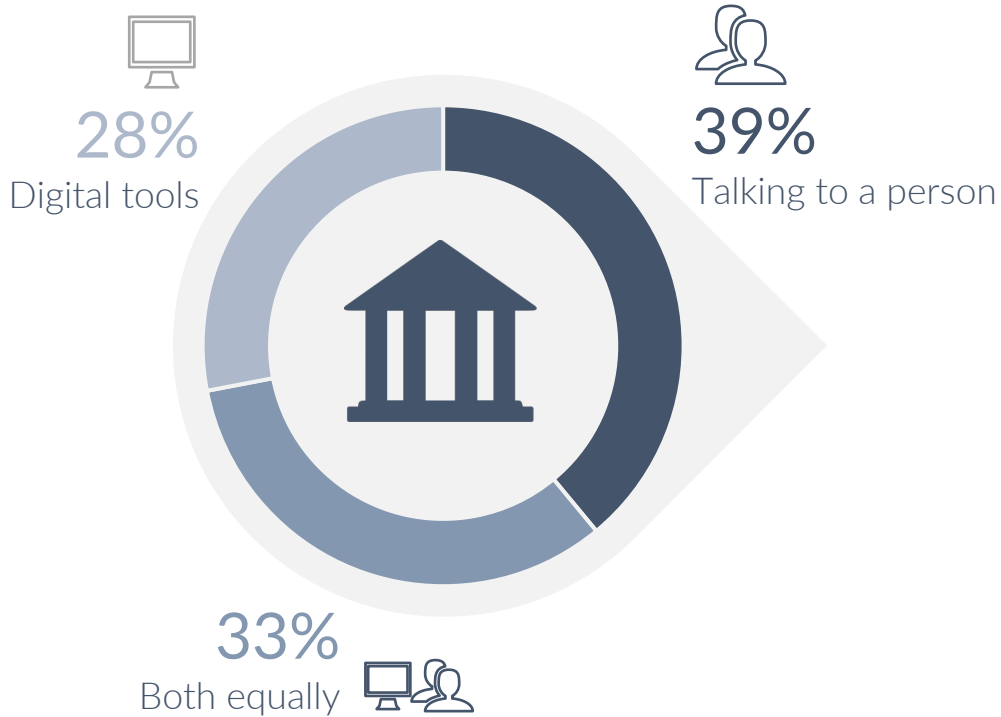
Deliver better service





# Financial institutions can help Americans

Preference for getting advice from a financial company or institution to help build wealth



## Types of advice or help would like financial company to provide

Best investing practices for my situation & goals



Advice on how to make most of savings to achieve financial goals



Calculate how much I can save each year based on financial situation



Review credit card spending and advise on expenses



None, wouldn't use these



# OVERALL IMPLICATIONS

## Moving forward from COVID-19



Work

The impact of COVID-19 on work is shifting as people are working more hours. As we look forward, increases both in early and postponed retirement will have an impact on employers, retirement planning, and investment services.



Spend

Americans lean toward wanting both choice and standardization in their checkout experience. Top payment methods of debit, credit and apps are mostly showing stabilization for in-person and online payments. Buy Now Pay Later and installment payment methods are on the rise, particularly with younger Americans and those who are more financially stressed. P2P continues to increase.



Manage

The accumulation of savings over the past year has impacted how people manage their money. We see an increase in investing and an interest in talking to financial advisors, particularly among men and younger generations, that will continue in 2021.



Brand engagement

Americans continue to look to financial brands to provide great value and financial advice on how to invest, make the most of their money, and manage to a budget. Financial institutions need to meet these needs with both digital tools and people.

# Logica<sup>®</sup> Future of Money Study Methodology

## SPRING 2021



### WHAT

12-minute online survey conducted by Logica<sup>®</sup>.  
Qualitative online interviews with select respondents.



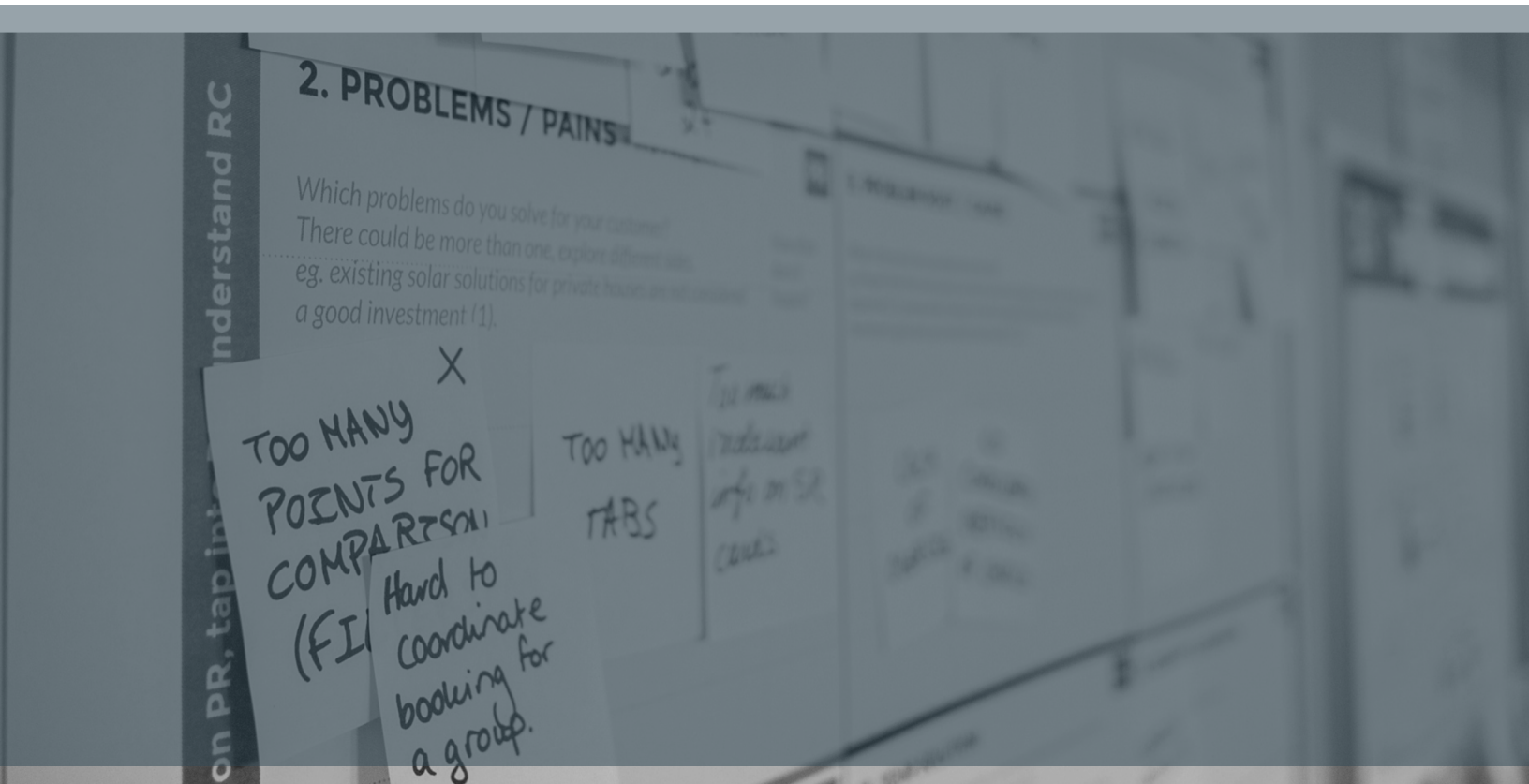
### WHO

1,000 U.S. Adults 18+, balanced on gender, income, and generation.  
200 augment of older Gen Zers (16-24), not included in total.



### WHEN

The Spring study was fielded April 8<sup>th</sup> to April 14<sup>th</sup>, 2021.  
We have completed our 10<sup>th</sup> wave of the study, which was launched in Spring 2017.



# About the Logica<sup>®</sup> Future of Money Study

## Logica Research

Logica Research excels in creating customized marketing research solutions for complex business questions. Logica<sup>®</sup> provides financial services companies, fintech companies, and growing organizations the insights they need for product development, service enhancements, and communications that will improve people's financial lives, deepen brand engagement, and drive business growth. The Logica<sup>®</sup> Future of Money Study is designed to give companies insights into how people think about money. Insights from the research that Logica<sup>®</sup> has conducted for clients have been published in the largest media outlets in the world including the New York Times, The Financial Times, The Wall Street Journal, CNN, Newsweek, Time, and USA Today. [www.logicaresearch.com](http://www.logicaresearch.com)

## KNow Research

KNow Research is a full-service, female-driven, insights consultancy on the front lines of research, delivering fresh insights through custom research design. KNow Research conducted in-depth interviews for the Future of Money Study this wave to bring human stories to the quantitative findings. KNow Research creates qualitative research design for clients by combining methodologies from traditional in-person research with online and mobile approaches. KNow Research designs and project-manages custom qualitative research studies to suit your needs and goals. In person or online, our work will unlock insights about your brand and audience. [www.knowresearch.com](http://www.knowresearch.com)