



LOGICA®

## The Logica® Future of Money Study

Logica Research's newest Future of Money report highlights significant changes in people's financial lives when it comes to work, retirement and investing, including an examination of each generation's shifting financial priorities for 2022 and beyond. Effectively reaching target audiences requires a deep understanding of these changes. For more insights into how people make, spend, save and invest money, reach out to us.

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## Logica® Future of Money Study

In our Future of Money Study, we look at the consumer money mindset in four key areas: how people make, spend, save and invest money. The insights from this ongoing study highlight consumer needs from financial and fintech brands. Our data informs the next wave of product development and helps guide brands in how to communicate about those products to improve people's financial lives.

In the past two years since the onset of the pandemic, we have seen big shifts in all areas of the consumer money mindset. How people spend has gone digital—with an increase in digital and mobile payments, peer-to-peer payments, and “buy now, pay later” options. People have accumulated savings at a higher rate than ever before, and there has been a mass increase in investing.

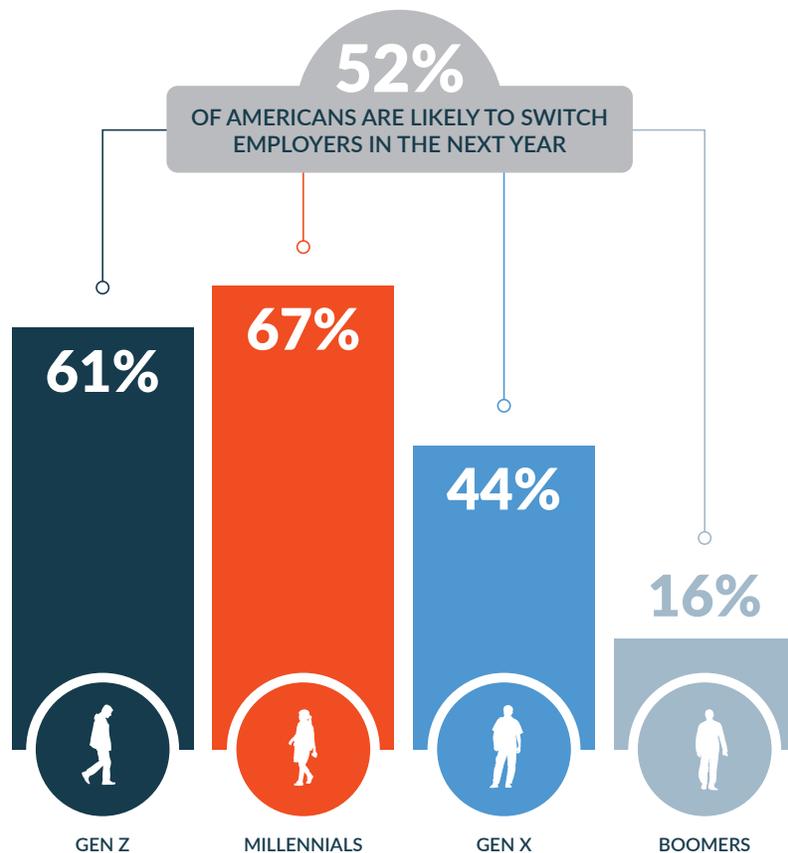
We have also seen shifts in work. These changes range from high unemployment rates to a tight labor market, from in-office work, to at-home work, to a mix of both. Plus, there has been a mental shift as people consider the kind of work they want to do and where they want to work. The Great Resignation has hit employers and employees hard this past year, with a large exodus of people leaving jobs and starting (or not starting) new ones.

In this Future of Money report, which is based on our Fall 2021 wave of the study, we are highlighting the consumer mindset around work and specifically around how Americans are thinking about the types of financial benefits they are looking for from employers. Our newest wave of insights on the future of money confirms that the way people make money continues to transform, extending into how they are making financial decisions for their future, including personal finances, investing and retirement.

# How Americans expect their employers to support their financial future

The findings show that Americans have a plan: they are deliberate in their financial moves, and they have clear expectations of how they want to be supported in those moves, both by their employers and by financial institutions. Younger generations are approaching their finances with a desire for knowledge and information. For example 84% of Millennials want their employer's help in managing finances, as a larger percentage of this cohort focuses on meeting savings goals (83%) and working toward an earlier target retirement age (age 60). Understanding the intricacies of these changes can help financial brands and companies better support their audiences now and in the future.

It's clear that the story of how we work is still being written, and many people are "in motion" when it comes to their employment. Our study reveals that half of all working people plan to change jobs in the next year, a number that is especially high among Millennials. This mass exodus should give employers pause, and drive them to find new ways to retain their workforce.





Our respondents indicate that they are looking to employers to support their financial lives, beyond compensation. In fact, 77% overall feel it is important that employers offer programs to manage finances. As employers look to what benefits they can offer to attract and retain talent, it will be critical to go beyond competitive compensation, health insurance and retirement plans to help with basic financial planning, budgeting, credit building, along with tools and support for long-term planning and wealth building. These help improve overall financial wellness, a need that was highlighted over the course of the pandemic.

*“If a vendor was presented through my employer I’d be more inclined to attend. If the company started talking about the hot topic items like new investments, crypto, and Google’s credit card, I’d be more inclined to dive in and participate. But it has to be in a way that’s engaging and relatable.”* –Millennial from Qualitative Interview

How important is it that employers offer programs to manage finances?





What people want from their employers varies by generation and falls naturally in line with their life stage. Gen Z wants support on the basics, like help in how to increase credit scores, meet basic financial goals and manage debt. While Gen Zers want this money management support, older generations want to know more about retirement. Millennials tend to want more help from employers across the board as they may have young families, mortgages and are looking to plan for retirement. Gen X is most focused on retirement, while Boomers need less help across the spectrum of financial advice.

### How generations want employers to help

	 GEN Z	 MILLENNIALS	 GEN X	 BOOMERS
Knowing when I can retire	72%	<b>84%</b>	<b>76%</b>	66%
How to make the most of my 401(k) or retirement account	73%	<b>84%</b>	<b>76%</b>	64%
Knowing how much to save to meet my goals	<b>82%</b>	<b>83%</b>	75%	61%
Choosing investments for my retirement account	79%	81%	<b>76%</b>	62%
Choosing investments outside of my retirement account	77%	79%	67%	51%
Knowing how to build my credit score	<b>82%</b>	79%	68%	39%
Selecting the right IRA	62%	76%	70%	54%
Knowing how to manage debt	<b>82%</b>	76%	64%	45%
Knowing how to use an HSA (Health Savings Account) or flex account as part of my investment strategy	65%	76%	65%	44%
Understanding how to make the most of my equity compensation (e.g., ESPP)	65%	72%	62%	31%
Knowing when to refinance my mortgage	57%	65%	51%	23%

➤ The top three for each generation are highlighted above

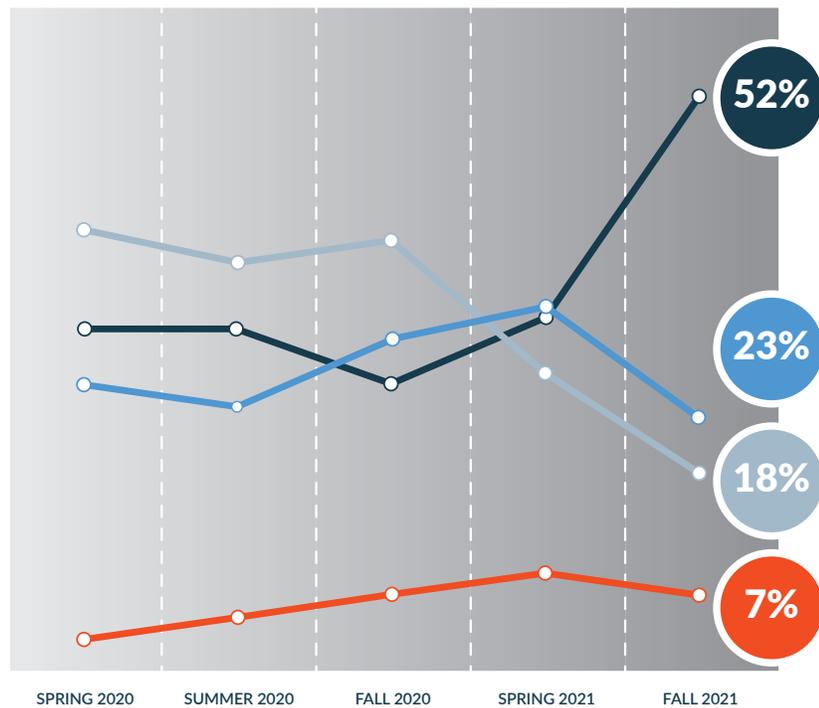
# How Americans are planning for their future retirement

Along with rapid changes in how people are thinking about their current work lives, they also have an eye on their retirement. During the height of the pandemic, we saw that a third of Americans were planning on postponing their retirement, compared to their plans before the onset of the pandemic. The latest findings in our Future of Money study indicate that fewer people are planning to put off retirement, and half of working Americans are planning to retire at the same time as before the pandemic.



TIMING OF RETIREMENT IS STABILIZING SINCE THE PANDEMIC

- Retiring same time as planned
- Postponing retirement
- Early Retirement
- Not Sure





As for those working Americans who are planning for retirement, there is tension between feeling like they can save enough and feeling like they will never be able to retire—or may never want to do so at all. For example, around half of respondents indicated that they feel they will have enough saved for retirement, while half feel this savings goal will not be attainable. Half can't wait to stop working, while half plan to continue working and not retire. About half are saving as much as they can now because they don't feel they can generate income in retirement, while about half are not saving now because they know they can.

These tensions show that there is an opportunity for employers and financial brands to work together to help employees have options to plan for their retirement and that many will be looking for ways to generate income in retirement.

### Retirement attitudes among working Americans





The majority (77%) of Americans plan to have some income-generating activities in retirement, which can help address this tension. For over half (59%), this will be a side hustle, though almost half also plan on part-time jobs. And, short-term investing is also at the top of the list of ways to generate income in retirement.

**77%**

FOR THOSE NOT RETIRED, 77% WILL  
CONTINUE INCOME-GENERATING  
ACTIVITIES AFTER RETIREMENT

### Planned activities to generate income after retiring from main career

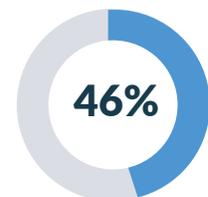
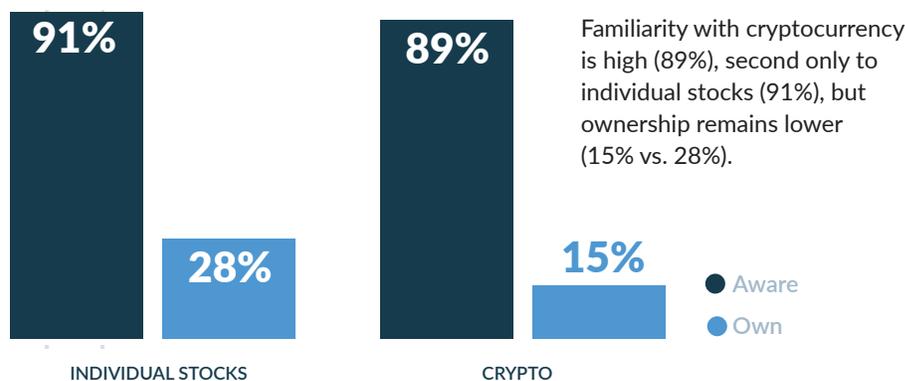
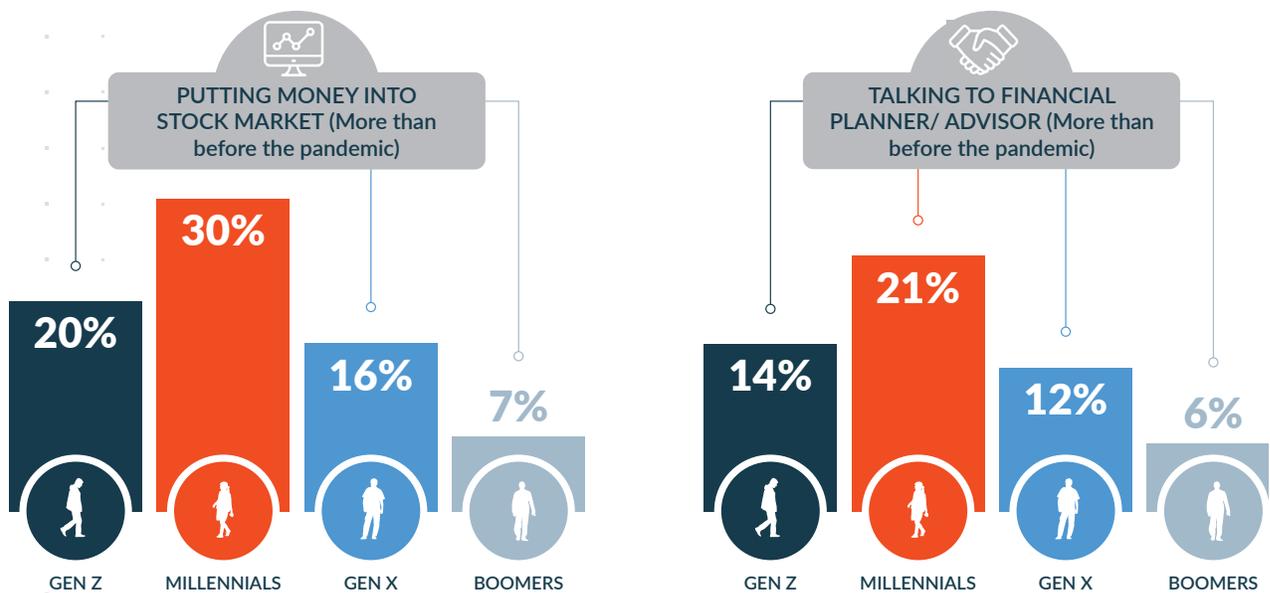


# How Americans are investing their money

The pandemic, bull market and changing employment patterns are also impacting how Americans are making investments. They are diversifying their portfolios, and are looking to employers to offer guidance beyond 401(k)s that includes customized, relevant and specific information to help them plan for their future.

They are also increasingly turning to financial advisors for help, when compared to Fall 2020 (up 4 percentage points). In lock step with this, we see Americans are investing slightly more money this year (up 8 percentage points).

While investing is a large piece of the financial puzzle for every generation we studied, Millennials definitely stand out as engaged investors. This generation is increasingly engaged in the stock market and are most likely to be putting money into the market more since the onset of the pandemic, compared to other generations. They are also turning more to financial advisors to help them make the best decisions (21%)—more often than any other age group.



Optimism about cryptocurrency remains high, with 46% planning to own it in the next five years.

# How Americans are engaging with financial brands

We know that Americans are investing more and turning to financial advisors and institutions for guidance (30%). There's a reason for this: people feel more confident about financial decisions and less stressed about their financial situation if they have a financial advisor.

## Financial Advisor Impact

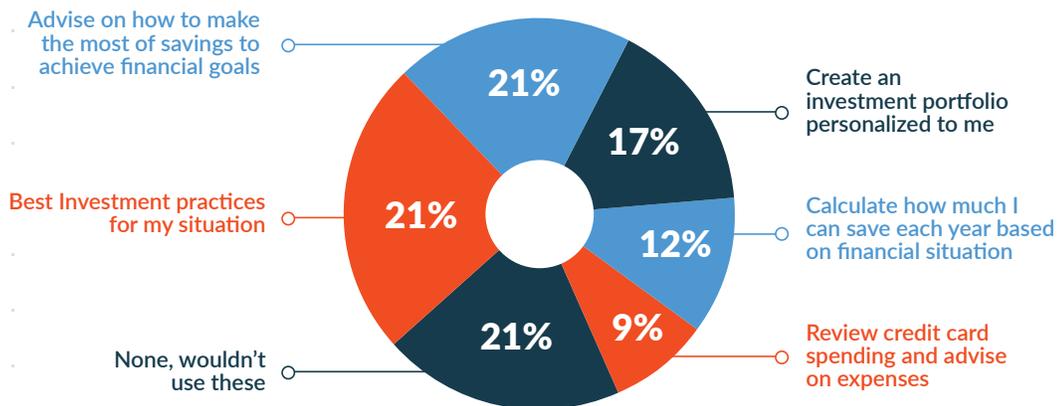




As for what they are looking for from their advisor, they want the basics. From best practices for investing, to a solid plan for meeting their individual financial goals, financial advisors have a large role to play in the financial planning and wellness of Americans.

There are many opportunities for financial brands and advisors to meet their audiences where they need it most. Americans continue to look to financial brands and advisors, and even their employers, for investment advice, so they can make the most of their money and plan for the future.

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



## What's next for the Future of Money?

The findings in the latest Future of Money report underscore the sea change that consumer finances and the American workforce are experiencing. The significant shifts in how people make, spend, save and invest money provide a compelling foundation for brands to provide the products and services that will meet customers where they are on their individual financial journeys. Employers can find ways to combat attrition trends by taking a more holistic approach to employee financial wellness, and providing people with the support and information they want to manage their financial lives.

Additional findings from the latest study include a close look at spending and how people are paying for purchases, as well as more in-depth data points on saving and investing activities by generation and qualitative insights from in-depth interviews. Reach out to the Logica Research team to learn more.

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### *About Logica Research*

Logica Research excels in creating customized marketing research solutions for complex business questions. Logica 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. Research that Logica® 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*.

### *About the Logica Future of Money Study*

The Logica Research Future of Money Study is an online study conducted among 1,000 U.S. adults and an augment of 200 older Gen Zers (16-24 years old) that has been conducted since 2017. The results were not weighted. The study was conducted October 7 to 14, 2021. In-depth interviews were conducted by KNow Research to give qualitative depth to the quantitative findings. The insights in this ongoing Logica® Future of Money Study will help financial brands and institutions develop strategies, products and communications to improve people's financial lives. The new Logica® Future of Money report covers specifics about how people are making, spending and managing their money, as well as the changing ways in which they are engaging with financial brands.