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Prosperity Index Study

January 2023

EDELMAN DXI

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Survey Methodology

15-minute online survey of N2000 US general population and N1500 Canada general population

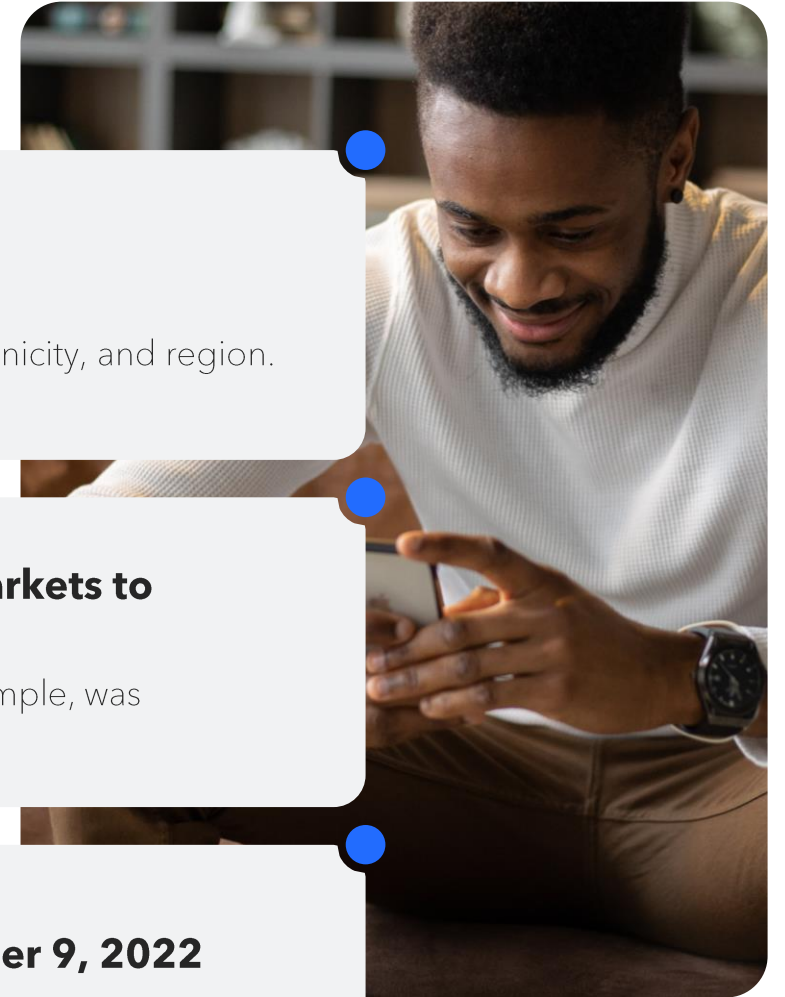
Survey samples are nationally representative within each market by age, gender, race/ethnicity, and region.

Additional oversample of Gen Z (ages 18-25) was collected in both markets to ensure a statistically valid subset of findings

Final Gen Z sample size, including respondents from the general population and oversample, was N782 US and N360 CA.

Interviewing for this study was conducted from December 2 - December 9, 2022

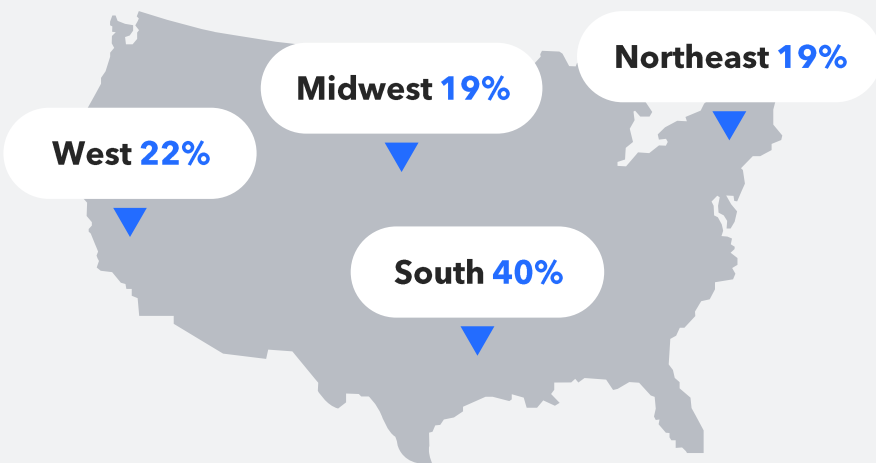
The margin of error for this study is $\pm 3.1\%$ for the US general population, $\pm 2.5\%$ for CA general population, $\pm 4.4\%$ for US Gen Z, and $\pm 6.2\%$ for CA Gen Z.



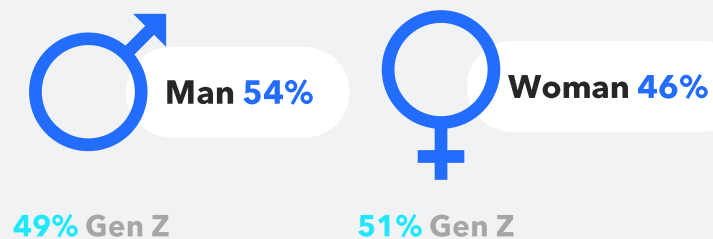
DEMOGRAPHICS

General Population

Region



Gender Identity



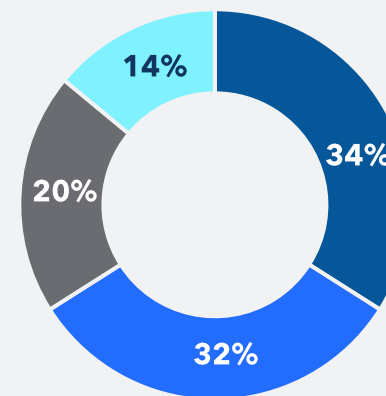
Household Income

Less than \$24,999	19%
\$25,000-\$49,999	21%
\$50,000-\$74,999	17%
\$75,000-\$99,999	10%
\$100,000+	29%

Race/Identity

White	48%
Hispanic	19%
Black	14%
Asian	7%
Other	10%

Generation



- Gen Z (18-25)
- Millennial (26-41)
- Gen X (42-57)
- Boomer+ (58+)

Key Findings

#FilterFreeFinance is the Latest Call for Transparency

Social media contributes to feelings of inadequacy not just about our bodies, families or love lives, **but also about our money.**

Inspired by the recent movements promoting transparency around beauty, motherhood and infertility, **there is room to open up discussions around another traditionally taboo topic: personal finance.**

Gen Z is more impacted by these comparisons and **feel like they are lagging behind the curated highlight reels they see online.** Despite the digital native tendency to share openly, they still see talking about financial challenges, especially debt, as taboo.

Soft Saving is the Soft Life's Answer to Finances

Soft Saving is Gen Z's response to F.I.R.E., hustle culture and the girl boss era.

Our data shows that the latest generation to dive into the world of personal finance **is not looking to retire early and may not be planning to retire at all.**

Though Gen Z is interested in exploring and learning about saving and investing, the approach is much softer than in previous decades – it's all about **personal growth and mental wellbeing in the now**, and they would rather feel more fulfilled now than save for a future that is unknown.

How Gen Z Thinks About Money is Changing the Future of Finance

From financial tips on TikTok to Reddit forums on investing, **the personal finance industry is currently experiencing a wave of democratization** and Gen Z is leading the charge.

More information is easily accessible than ever before and **Gen Z is willing to take financial risks that older generations shy away from**, causing a dramatic shift in the industry.

With so much information at consumers' fingertips, the largest barrier to financial health is no longer informational, it's behavioral. There's now **an urgent need to translate financial literacy into financial capability.**

Note: Gen Z included respondents between the ages of 18-25

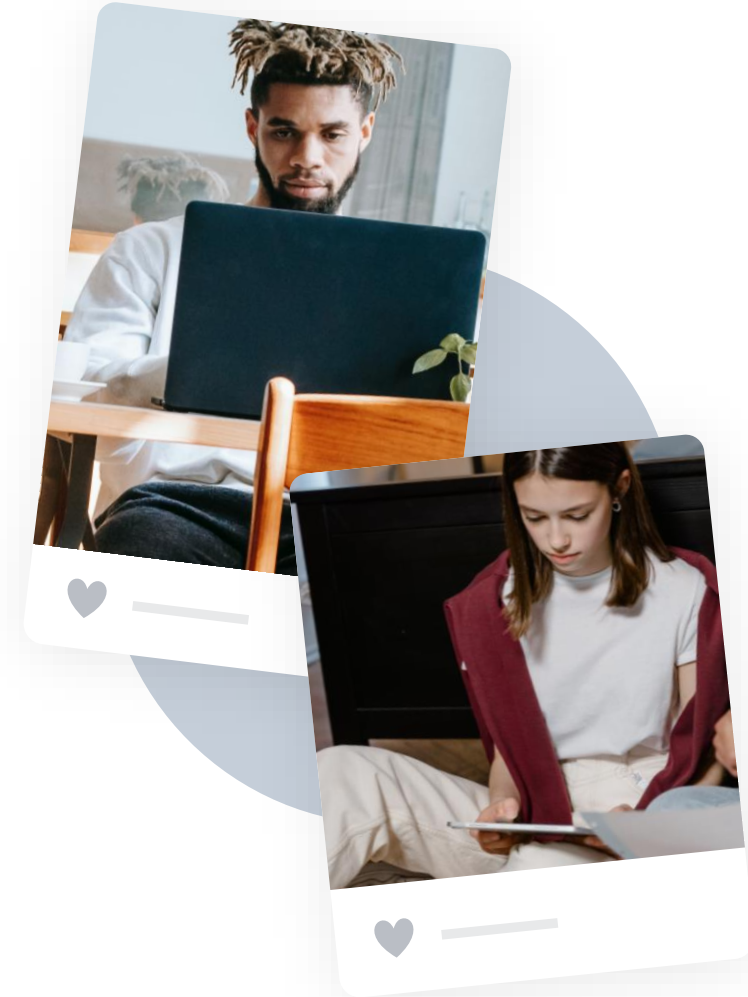
#FilterFreeFinance
is the Latest Call
for Transparency



Social media contributes to feelings of inadequacy not just about our bodies, families, or love lives, but also about our money.

Inspired by the recent movements promoting transparency around beauty, motherhood, and infertility, **there is room to open up discussions around another traditionally taboo topic: personal finance.**

Gen Z is more impacted by these comparisons and **feel like they are lagging behind the curated highlight reels they see online.** Despite the digital native tendency to share openly, they still see talking about financial challenges, especially debt, as taboo.



SHARING IS SCARING:

Social comparisons are making Americans feel **less** prosperous, not more



OVER

1 in 2

say they feel **less prosperous** when they compare themselves to others

58% Gen Pop vs. 67% Gen Z



OVER

1 in 2

say it makes them feel like **they're falling behind in their life goals** when there are so many people around them who are succeeding so easily

55% Gen Pop vs. 73% Gen Z

Q8: How much do you agree or disagree with each of the following statements about reaching your life goals? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000; US Gen Z n=782

Social media is exacerbating feelings of inadequacy, especially among Gen Z



1 in 3

of Gen Z are **comparing themselves to people they see on social media**

32% Gen Z vs. 14% Gen Pop



AND WHEN THEY DO...

7 in 10

of Gen Z feel they are **behind the people they're seeing on social media**

70% Gen Z vs. 50% Gen Pop

Q3: When thinking about your own prosperity, who, if anyone, do you compare yourself to? This can include using others' achievements or milestones to set up goals for yourself or measuring your own progress against someone else's.

Q4: And, how would you compare your own prosperity against each of the following groups of people?

Base: US Gen Pop n=2000; US Gen Z n=782; US Gen Pop Who Compare on Social Media n=282; US Gen Z Who Compare on Social Media n=247

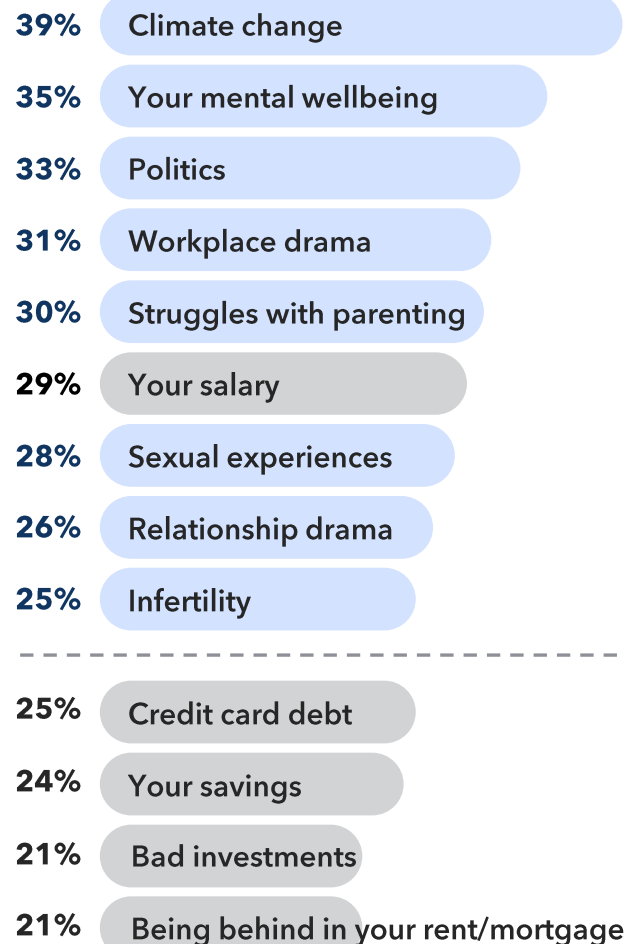
FINANCE AS THE LAST TABOO TOPIC:

Americans are more comfortable speaking about anything **other** than finances

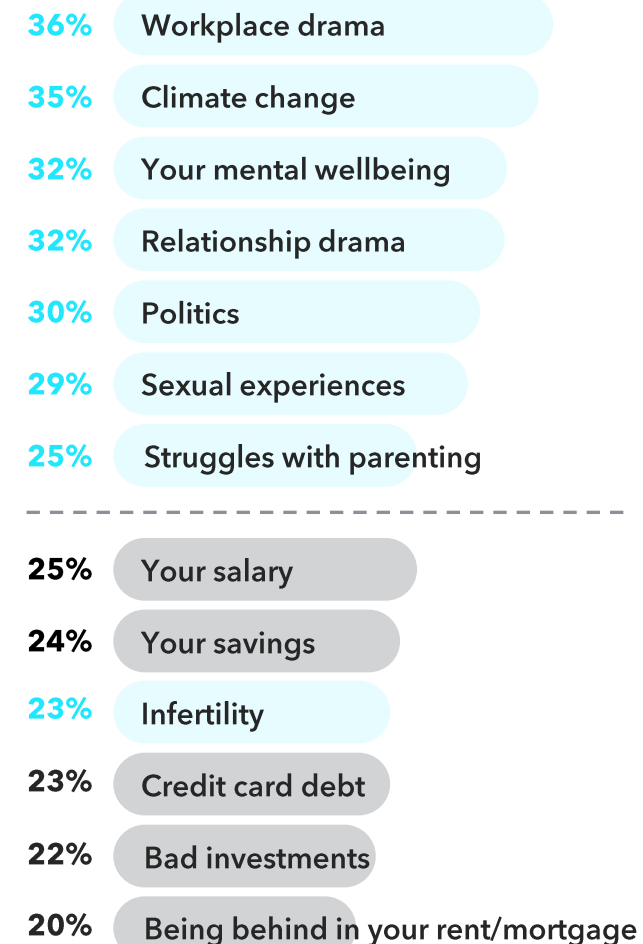
How comfortable do you feel talking about the following topics with your friends?

(Showing % very comfortable)

GEN POP



GEN Z

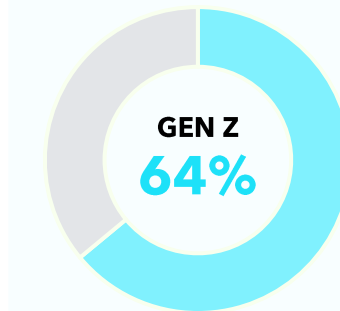
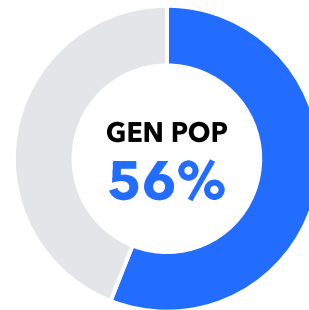


Q12: How comfortable do you feel talking about the following topics with your friends? <Showing Net Top 1 Box Very Comfortable>
Base: US Gen Pop n=2000; US Gen Z n=782

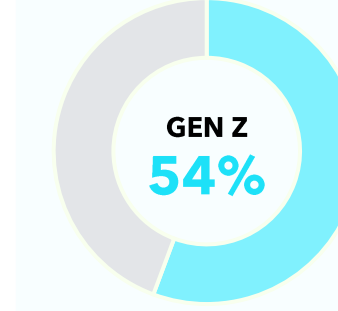
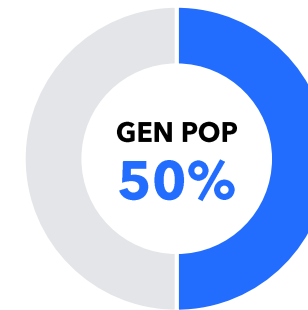
Half of Americans would rather talk about sex and dating than they would about their debts and money

How much do you agree with each of the following statements about your finances? ►
(Showing % somewhat/strongly agree)

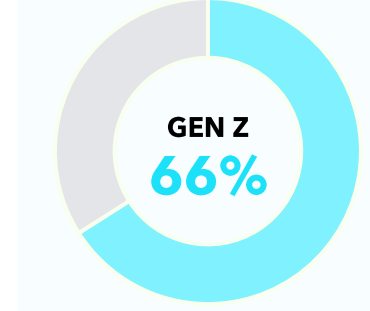
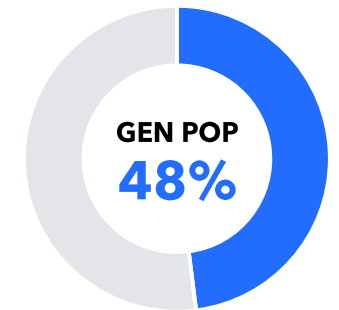
"I would rather talk to my family about my dating life than about how much debt I have"



"I would rather give my children 'the talk' instead of talking to them about money"

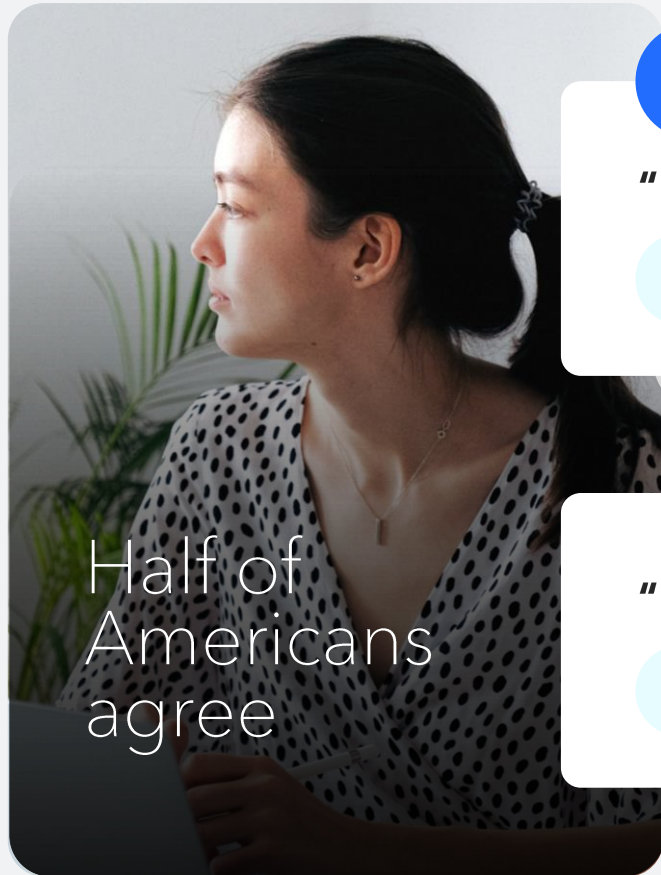


"My friends know more about my sexual experiences than they do about my debt"



Q13: How much do you agree or disagree with each of the following statements? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000; US Gen Z n=782

Instead of being honest about their struggles, many resort to lying



"I have lied before when asked about how much money I make"

48% Gen Pop vs. 54% Gen Z



"If I were asked about how much debt I have, I wouldn't tell the truth"

51% Gen Pop vs. 58% Gen Z

Q13: How much do you agree or disagree with each of the following statements? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000; US Gen Z n=782

When, in reality, transparency around personal finances can build community



OVER

1 in 2

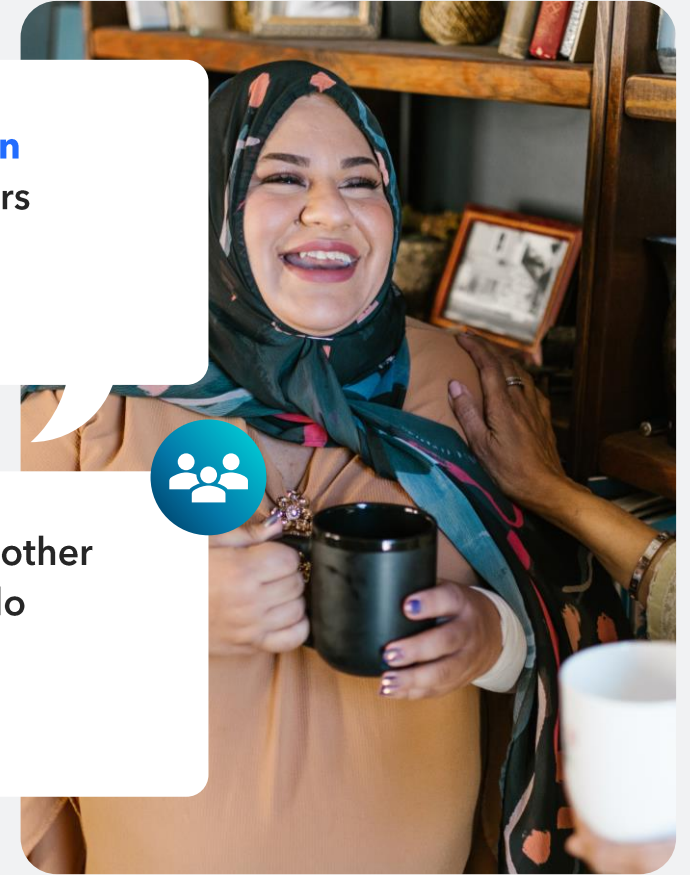
of Americans say they wish people **were more open to talking about their personal finances** with others

57% Gen Pop vs. 69% Gen Z

7 in 10

say they **feel a sense of community** in talking with other people who have the same financial goals as they do

71% Gen Pop vs. 73% Gen Z



Q13: How much do you agree or disagree with each of the following statements? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000; US Gen Z n=782

Soft Saving is the Soft Life's Answer to Finances



Soft Saving is Gen Z's response to F.I.R.E., hustle culture, and the girl boss era.

Our data shows that the latest generation to dive into the world of personal finance **is not looking to retire early and may not be planning to retire at all.**

Though Gen Z is interested in exploring and learning about saving and investing, the approach is much softer than in previous decades - it's all about personal growth and mental wellbeing in the now, and they would rather feel more fulfilled now than save for a future that is unknown.



The far-away future feels like too much of a risk for Gen Z



NEARLY

3 in 4

of Gen Z say the current economy makes them **hesitant to set up long-term goals**

73% Gen Z vs. 63% Gen Pop



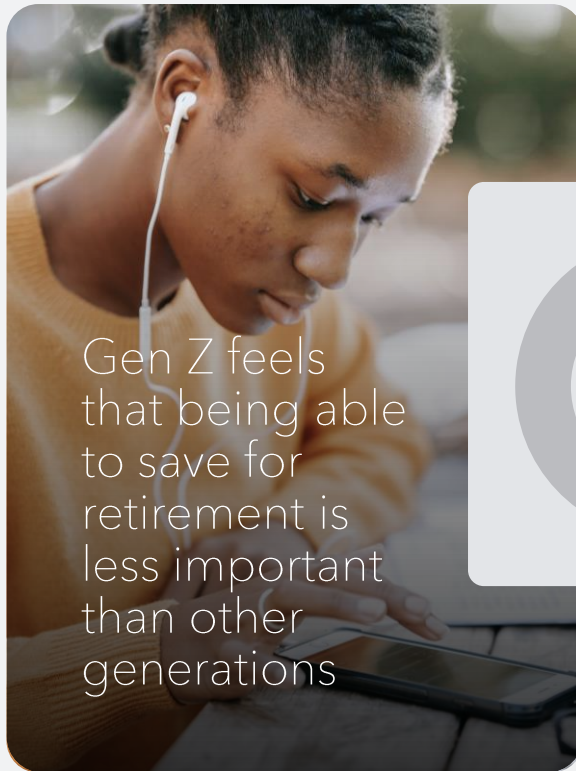
2 in 3

of Gen Z say **they're not sure they'll ever have enough money to be able to retire**

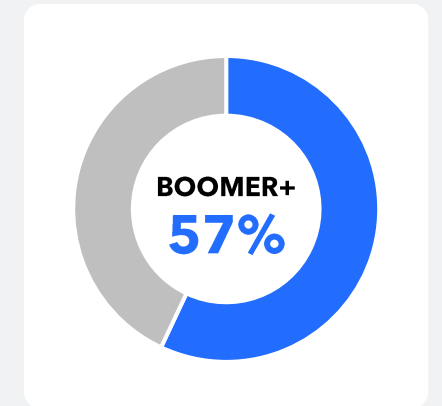
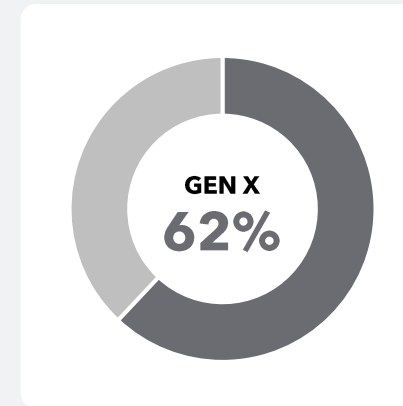
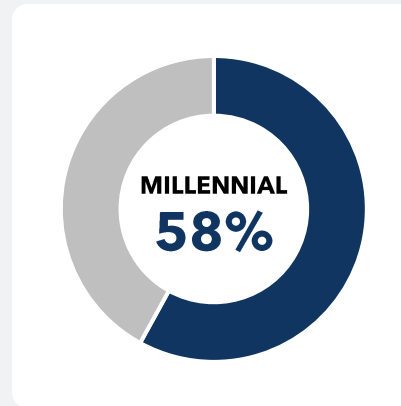
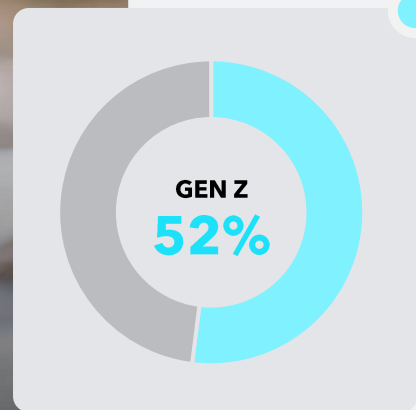
66% Gen Z vs. 58% Gen Pop

Q8: How much do you agree or disagree with each of the following statements about reaching your life goals? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Q10: How much do you agree or disagree with each of the following statements about your current financial situation? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000; US Gen Z n=782

Gen Z has very different goals than previous generations and different ideas of what it means to prosper



Gen Z feels that being able to save for retirement is less important than other generations



Being Able to Save for Retirement
(% need to have)

Q9: Please think about financial security and what that means to you. How necessary are each of the following for you to feel financially secure?
Base: US Gen Z n=782; US Millennial n=680; US Gen X n=397; US Boomer+ n=641

Younger generations are more interested in priorities such as having money to pursue a passion or hobby

Being Able to Pursue a Passion or Hobby

(% need to have)

40%

Gen Z

47%

Millennial

32%

Gen X

20%

Boomer+

Being Able to Make Non-Essential Purchases

(% need to have)

37%

Gen Z

45%

Millennial

31%

Gen X

25%

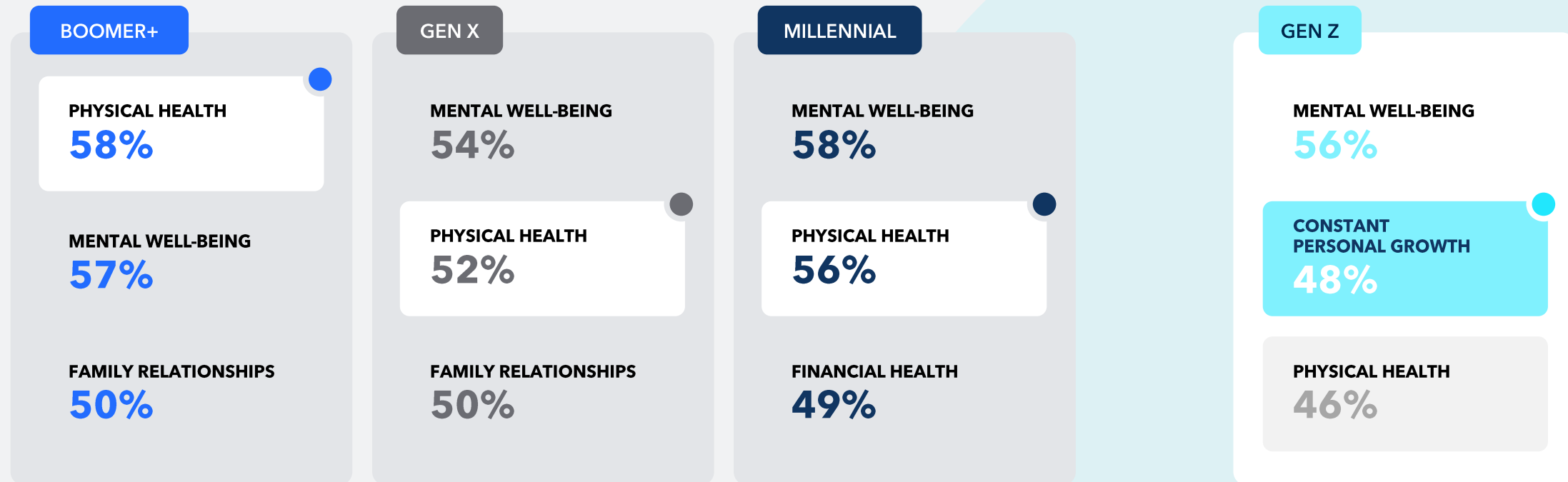
Boomer+

Q9: Please think about financial security and what that means to you. How necessary are each of the following for you to feel financially secure?
Base: US Gen Z n=782; US Millennial n=680; US Gen X n=397; US Boomer+ n=641

Constant personal growth is more important to Gen Z than any other generation

How important is each to you in your daily life?

(showing top 3 most important)

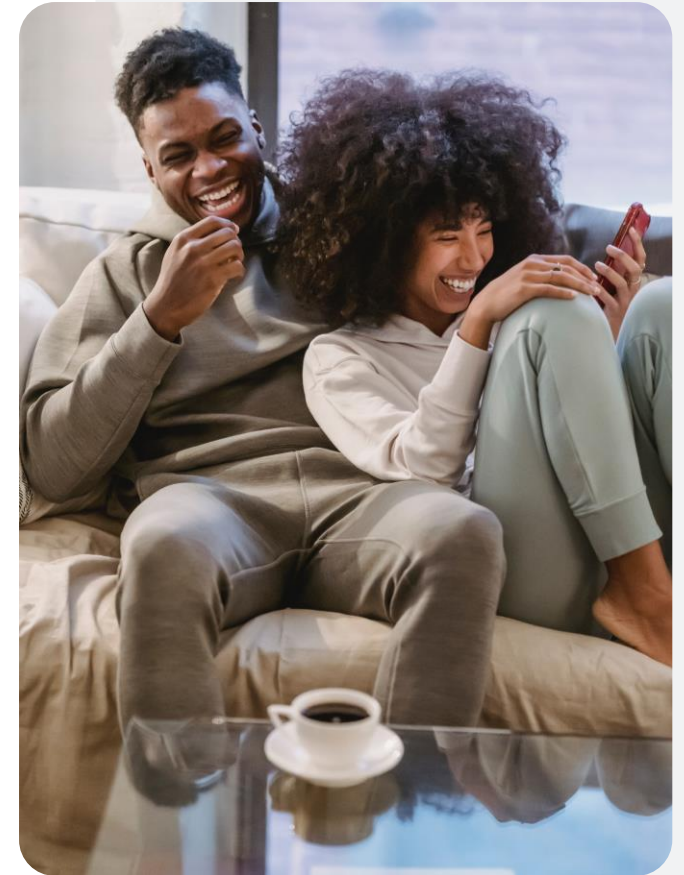


Q5: When thinking about whether you feel prosperous or not, how important would you say each of the following is to you in your daily life? <Showing Net Top 1 Box Extremely Important>
Base: US Gen Z n=782; US Millennial n=680; US Gen X n=397; US Boomer+ n=641

Quality of life is key for Gen Z, even more than financial or physical health

Top Drivers of Prosperity for Gen Z

- 1 Work-life balance
 - 2 Ability to pursue hobbies or passions
 - 3 Ability to give back
 - 4 Romantic relationships
 - 5 Mental well-being
 - 6 Community or social life
 - 7 Spiritual wellness
 - 8 Constant personal growth
 - 9 Career
-
- 10 Financial health
 - 11 Physical health
 - 12 Family relationships



Q1: To start off, think about the word 'prosperity' and what it means to you. Using the scale below, how would you rate your own life based on your definition of prosperity?

Q6: In general, how would you rate the following for yourself?

[To better understand the impacts of each attribute on Prosperity, a regression analysis was conducted to evaluate the degree to which each of the evaluated attributes 'drives' respondents' Net Prosperity Scores (defined as Top 3 Box minus Bottom 4 Box). Attributes in green are considered significant drivers of Prosperity at the 95% confidence level.]

Base: US Gen Z n=782

Gen Z has a different relationship to money—they want it to work for them, not the other way around

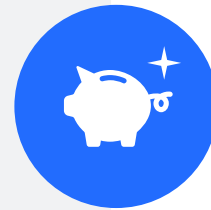


NEARLY

3 in 4

of Gen Z say they would **rather have a better quality of life** than extra money in the bank

73% Gen Z vs. 70% Gen Pop



2 in 3

of Gen Z say they are only interested in finances **as a way to support their other interests in life**

66% Gen Z vs. 61% Gen Pop

Q10: How much do you agree or disagree with each of the following statements about your current financial situation? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Q13: How much do you agree or disagree with each of the following statements? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000; US Gen Z n=782

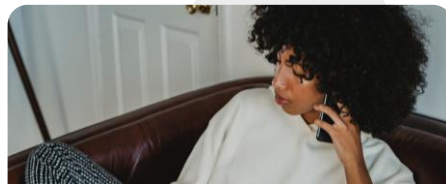
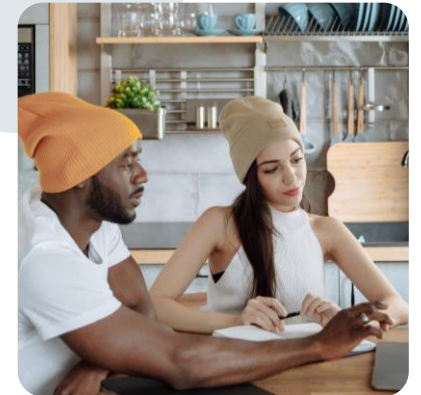
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From financial tips on TikTok to Reddit forums on investing, the personal finance industry is currently experiencing a wave of democratization and Gen Z is leading the charge.

More information is easily accessible than ever before and Gen Z is willing to take financial risks that older generations shy away from, causing a dramatic shift in the industry.

With so much information at consumers' fingertips, the largest barrier to financial health is no longer informational, it's behavioral. There's now an urgent need to translate financial literacy into financial capability.



Currently, Gen Z is nearly twice as likely as the general population to **not** feel confident managing their money



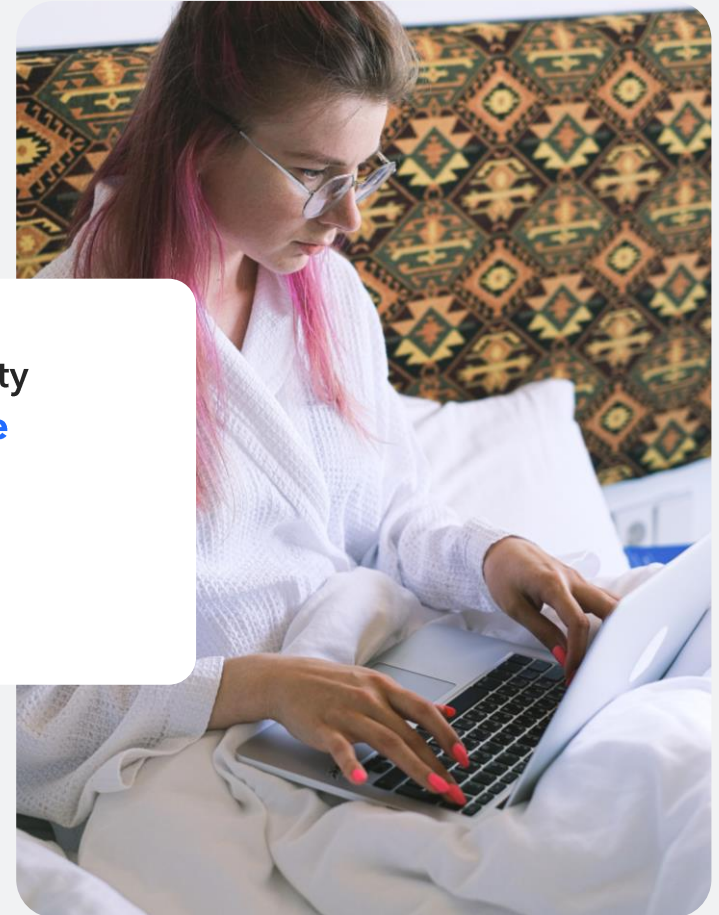
NEARLY

1 in 3

GEN Z

disagree that they are confident in their ability to manage their money, which is nearly **twice as high** as the general population

29% Gen Z vs. 16% Gen Pop



Q11: How much do you agree or disagree with each of the following statements about your finances? If you do not feel you can answer the statements because they do not apply to you, please select 'Not Applicable.' <Showing Net Bottom 2 Box Somewhat/Strongly Disagree>
Base: US Gen Pop n=2000; US Gen Z n=782

Gen Z is **not** where they want to be financially



8 in 10

of Gen Z say they are **not where they want to be in their life financially** right now

82% Gen Z vs. 71% Gen Pop

3 in 4

of Gen Z say they feel they **only have enough money to survive, but not thrive**

75% Gen Z vs. 62% Gen Pop

2 in 3

of Gen Z say they **only have enough money for their necessities**, with nothing set aside for their life goals

68% Gen Z vs. 55% Gen Pop

Q8: : How much do you agree or disagree with each of the following statements about reaching your life goals? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Q10: How much do you agree or disagree with each of the following statements about your current financial situation? <Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000 ; US Gen Z n=782

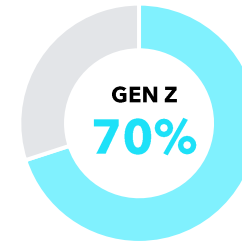
It's about **more**
than financial
literacy, it's
about **financial**
capability.

Gen Z say...

How much do you agree with each of the following statements about your finances?

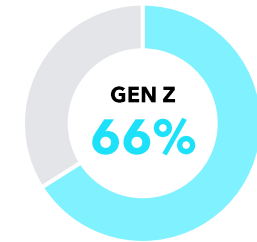
(Showing % somewhat / strongly agree)

"I know it is important to invest, **but I don't know how to invest**"



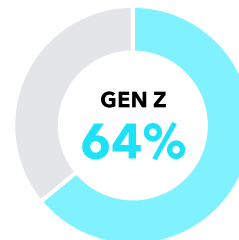
vs. 57% Gen Pop

"I know how to make a budget and track my income and expenses, **but I haven't done it**"



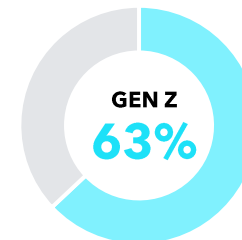
vs. 64% Gen Pop

"I know how interest accumulates, **but I still have a hard time paying it off**"



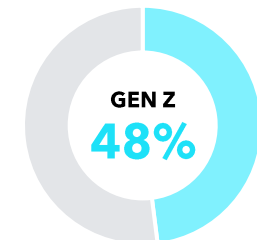
vs. 58% Gen Pop

"I have financial knowledge; I am just not sure **how to use it**"



vs. 57% Gen Pop

"I bought cryptocurrency even though I **do not fully understand blockchain**"



vs. 39% Gen Pop

Q11: How much do you agree or disagree with each of the following statements about your finances? If you do not feel you can answer the statements because they do not apply to you, please select 'Not Applicable'.
<Showing Net Top 2 Box Somewhat/Strongly Agree>
Base: US Gen Pop n=2000 ; US Gen Z n=782

INTUIT



turbotax



credit karma



quickbooks



mailchimp

Thank you

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