Country Financial Security Index Report, May 2023

Conducted by Ipsos using the probability-based KnowledgePanel®
A survey of the American general population (ages 18+)

Interview dates: May 5 – 7, 2022
Number of interviews, adults: 1,022

Margin of error for the total sample: +/- 3.2 percentage points at the 95% confidence level

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Americans are less confident in a comfortable retirement in Q2 2023

In Q2 2023, Americans feeling of financial security continues on a downward trend. Since Q4 2022, there has been a 5-point decrease in the amount of Americans who rate their financial security as excellent or good (59% vs 54%) and a 7-point decrease from Q4 2021. Recent increases in interest rates and other financial turmoil have caused Americans to set aside less money for savings or investments (53%) and feel less confident in their ability to enjoy a comfortable retirement when the time comes (56%) compared to even Q1 2023 (55% and 60%, respectively). In fact, Americans' confidence in their ability to retire comfortably is at the lowest level observed in the past two years (56%); 7-points lower than when measured in late 2022 (63%) and 8-points lower than at the end of 2021 (64%). Americans are also slightly less confident in their ability to pay back debts (77%) than when asked in early 2023 (79%).

How Americans are trying to adapt to the new economy

With all of the uncertainty and concern over the current state of the economy, many Americans are thinking about their financial decisions. When asked which financial decisions they will likely make in the current economic climate, the top action Americans say they are most likely to do is to keep cash on hand (70%). This is followed by putting money into savings accounts (58%) and putting money into "safer" investment options like CDs and bonds (39%). One-third of Americans say they will likely invest in the stock market (33%), work with a financial advisor (32%), or take on a side gig to earn more money (32%).

Three in four Americans say they are looking for ways to save money (77%). Half of Americans say they are taking steps to minimize monthly bills (51%) or eating out/at restaurants less often (50%) as a way to save money. Other popular tactics for saving money include buying generic brand groceries (41%), shopping for clothes less (39%), and using less gas or driving less (34%). About one in four Americans say they are switching to cheaper service providers for services like insurance, cable, internet, and phone (24%). Gen X are the most likely to say they are switching service providers (30%) when compared to Gen Z (20%). About one in five Americans say they are canceling their streaming subscriptions (19%). Millennials are the most likely to say they are canceling their subscriptions (24%), while Baby Boomers are the least likely to agree (15%).

Investing in the future despite economic uncertainty

Two in five Americans say they currently have a 401k (41%), making it the most popular investment option. Gen Z were the least likely to say they currently have a 401k (17%) when compared to Millennials (44%), Gen X (52%), and Baby Boomers (40%). Other investments that Americans are currently using are IRAs (34%), stocks (27%), money market accounts (21%), managed investment accounts (15%), and bonds (14%). Some of the less-used investment tools include annuities (11%), real estate investments (9%), and crypto (5%).

When asked what they thought was the best place to put their money to achieve financial goals, one in three say savings accounts (33%) or 401k's (32%) are the best option. Americans who rated their financial security as poor/fair are more likely than their counterpart to say that cash/piggy banks are the best place to put their money to achieve their goals (12% vs 7%).

Homeownership – One of the biggest investments Americans will make in their life

A majority of Americans say that owning a home is a better financial decision (62%) than renting (11%) in today's economy, but about one in four don't know which is better (26%). Those who rate their financial security as excellent or good are significantly more likely to say owning a home is a better financial decision than those who rate their financial security as fair or poor (72% and 53%, respectively). While those who rate their financial security as fair or poor are more likely to say renting is the better choice (16%) or that they don't know which is better (31%) than their more financially secure counterparts (8% and 20%, respectively).

- LatinX and Black Americans are more likely to say renting is a better financial decision (19% and 16%, respectively) than White Americans (8%).
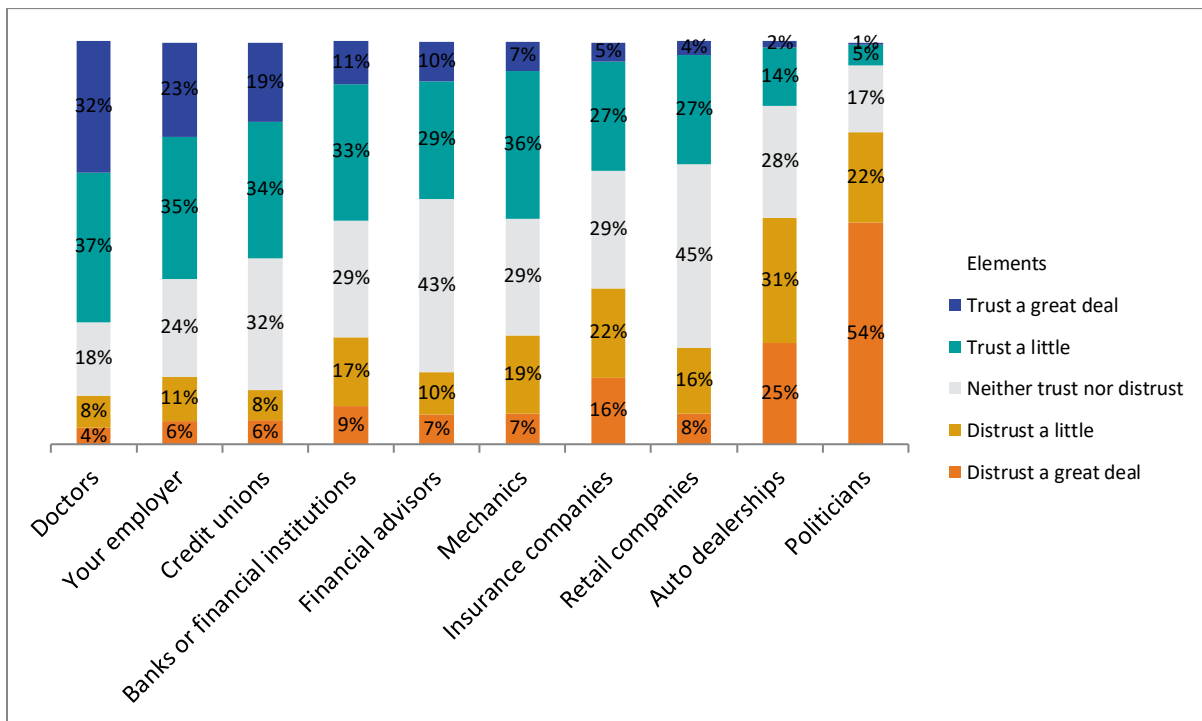- Gen Z are more likely to say they don't know which is the better financial decision (34%).

Though a majority of Americans agree owning is a better financial decision in today's economy, the majority of homeowners have been surprised by some of the expenses that come with owning a home. When asked which expense was the most surprising, one in five homeowners say the amount of property taxes (21%), followed by home repair costs (13%), home improvement costs (11%), and insurance costs (9%).

The amount of property tax is more often a surprise in the Northeast (27%) and Midwest (25%) than in the South (19%) or West (15%). While those in the South are three times more likely to be surprised by their cost of insurance (16%) compared to those in the Northeast (5%), Midwest (5%), or West (4%).

Trust is built through honesty, transparency, and experience

Trust is hard to earn and easy to lose. So who can you trust and what makes them trustworthy? Americans are more likely to trust doctors (69%), their employer (58%), credit unions (53%), banks/financial institutions (44%), mechanics (44%), and financial advisors (38%). Americans are less likely to trust insurance companies (32%), retail companies (30%), auto dealerships (16%), and politicians (6%). While financial advisors fall in the middle of the pact of trusted groups, Americans who work with a financial advisor are significantly more likely to trust financial advisors (79%) than Americans without one (27%).

Baby boomers are more likely than all other generations to trust any of the listed professions and institutions, except politicians. Baby Boomers are more likely to trust financial advisors a great deal (15%) when compared to Gen Z (4%), Millennials (7%), and Gen X (7%).

When asked which trait made them more likely to trust someone with their money, Americans say that honesty/transparency (48%) and experience (30%) are the most influential. Gen Z are more likely to say that reliability (13%) is the top trait while Baby Boomers (7%) were the least likely to indicate the same.

Annotated Questionnaire:

NOTE: All results show percentages among all respondents unless otherwise labeled. Reduced bases are unweighted values

NOTE: * = less than 0.5%, - = no respondents

Q1. How would you rate your overall level of financial security? Please select only one response.

	Q3 2020 (n=1330)	Q4 2020 (n=1015)	Q2 2021 (n=1015)	Q4 2021 (n=1031)	Q1 2022 (n=1023)	Q3 2022 (n=1000)	Q4 2022 (n=1028)	Q1 2023 (n=1029)	**Q2 2023 (n=1022)**
Excellent	13%	15%	20%	15%	15%	16%	15%	15%	**15%**
Good	40%	40%	42%	46%	42%	36%	44%	40%	**40%**
Fair	31%	29%	23%	28%	26%	27%	25%	27%	**26%**
Poor	68%	13%	12%	10%	14%	16%	13%	15%	**14%**
Don't know	13%	3%	3%	1%	3%	4%	2%	3%	**5%**
Refused	10%	6%	1%	1%	1%	*	1%	1%	**1%**
Excellent/ Good (net)	*52%*	*55%*	*62%*	*61%*	*56%*	*53%*	*59%*	*55%*	***54%***
Fair/ Poor (net)	*44%*	*42%*	*34%*	*37%*	*40%*	*43%*	*38%*	*41%*	***40%***

Q2. Over the past two months, have you been able to set aside any money for savings or investments?

	Q3 2020	Q4 2020	Q2 2021	Q4 2021	Q1 2022	Q3 2022	Q4 2022	Q1 2023	**Q2 2023**
Yes	51%	54%	66%	58%	57%	56%	55%	55%	**53%**
No	44%	42%	28%	38%	37%	39%	38%	40%	**39%**
Not sure	4%	3%	5%	3%	4%	5%	6%	4%	**7%**
Refused	7%	1%	1%	1%	2%	1%	1%	1%	**1%**

Q3. And, when it comes time to retire, how likely do you feel it will be that you will have enough money to enjoy a comfortable retirement?

	Q4 2021	Q1 2022	Q3 2022	Q4 2022	Q1 2023	**Q2 2023**
Very likely	29%	31%	30%	29%	27%	**23%**
Somewhat likely	35%	28%	28%	34%	33%	**33%**
Not very likely	14%	15%	15%	15%	15%	**17%**
Not at all likely	12%	12%	13%	13%	15%	**16%**
Not sure	8%	12%	13%	9%	8%	**10%**
Refused	1%	2%	1%	1%	2%	**1%**
Likely (net)	*64%*	*59%*	*58%*	*63%*	*60%*	***56%***
Not likely (net)	*26%*	*27%*	*28%*	*28%*	*30%*	***33%***

Q4. Thinking for a moment about the money you may owe to others including mortgages, car loans, credit cards and other debt, how confident are you in your ability to pay all of these debts as they come due?

	Q4 2020	Q2 2021	Q4 2021	Q1 2022	Q3 2022	Q4 2022	Q1 2023	**Q2 2023**
Very confident	51%	59%	54%	56%	52%	53%	50%	**49%**
Somewhat confident	32%	26%	28%	25%	27%	27%	29%	**28%**
Not very confident	7%	5%	8%	6%	7%	8%	8%	**9%**
Not at all confident	5%	4%	6%	6%	7%	6%	7%	**6%**
Not sure	5%	6%	3%	5%	6%	5%	5%	**7%**
Refused	3%	1%	1%	2%	1%	1%	1%	**1%**
Confident (net)	*83%*	*84%*	*83%*	*81%*	*79%*	*80%*	*79%*	**77%**
Not confident (net)	*12%*	*9%*	*14%*	*12%*	*14%*	*14%*	*15%*	**15%**

Q5. And, how confident are you that your home, car and possessions are adequately insured if they are badly damaged or destroyed?

	Q1 2023	**Q2 2023**
Very confident	44%	**44%**
Somewhat confident	35%	**34%**
Not very confident	9%	**9%**
Not at all confident	6%	**6%**
Not sure	6%	**7%**
Refused	1%	**1%**
Confident (net)	*79%*	**77%**
Not confident (net)	*15%*	**15%**

Q6. In the past three months, have you had any damage to your home or property, including things like a car, as a result of the weather where you live or, if not, are you worried about the risk of future damage caused by weather?

	Q2 2023
Have not had it happen, nor am I worried about damage to my home/property	46%
Have not had it happen, but I worry about damage to my home/property	35%
I have had damage to my home/property	11%
Don't know	8%
Refused	1%

Q7. Do you currently have a financial planner/advisor?

	Q1 2022	Q3 2022	Q4 2022	Q1 2023	**Q2 2023**
Yes	23%	22%	23%	22%	22%
No	76%	77%	77%	78%	77%
Refused	1%	1%	1%	1%	1%

Q8. How much, if at all, do you trust each of the following?

Trust Summary Table

	Q2 2023
Doctors	69%
[IF EMPLOYED] Your employer **(N=610)**	58%
Credit unions	53%
Mechanics	44%
Banks or financial institutions	44%
Financial advisors	38%
Insurance companies	32%
Retail companies	30%
Auto dealerships	16%
Politicians	5%

a. Insurance companies

	Q2 2023
Trust a great deal	5%
Trust a little	27%
Neither trust nor distrust	29%
Distrust a little	22%
Distrust a great deal	16%
Trust (Net)	*32%*
Distrust (Net)	*38%*

b. Financial advisors

	Q2 2023
Trust a great deal	10%
Trust a little	29%
Neither trust nor distrust	43%
Distrust a little	10%
Distrust a great deal	7%
Trust (Net)	*38%*
Distrust (Net)	*18%*

c. Banks or financial institutions

	Q2 2023
Trust a great deal	11%
Trust a little	34%
Neither trust nor distrust	29%
Distrust a little	17%
Distrust a great deal	9%
Trust (Net)	*44%*
Distrust (Net)	*26%*

Q8. How much, if at all, do you trust each of the following? *(Continued)*

    d.   Credit unions

	Q2 2023
Trust a great deal	19%
Trust a little	34%
Neither trust nor distrust	32%
Distrust a little	8%
Distrust a great deal	6%
Trust (Net)	*53%*
Distrust (Net)	*13%*

    e.   **[IF EMPLOYED]** Your employer

	Q2 2023 (N=610)
Trust a great deal	23%
Trust a little	35%
Neither trust nor distrust	24%
Distrust a little	11%
Distrust a great deal	6%
Trust (Net)	*58%*
Distrust (Net)	*17%*

    f.   Retail companies

	Q2 2023
Trust a great deal	4%
Trust a little	27%
Neither trust nor distrust	45%
Distrust a little	16%
Distrust a great deal	8%
Trust (Net)	*30%*
Distrust (Net)	*24%*

    g.   Politicians

	Q2 2023
Trust a great deal	1%
Trust a little	5%
Neither trust nor distrust	17%
Distrust a little	22%
Distrust a great deal	54%
Trust (Net)	*6%*
Distrust (Net)	*77%*

Q8. How much, if at all, do you trust each of the following? *(Continued)*

h. Doctors

	Q2 2023
Trust a great deal	32%
Trust a little	37%
Neither trust nor distrust	18%
Distrust a little	8%
Distrust a great deal	4%
Trust (Net)	*69%*
Distrust (Net)	*12%*

i. Auto dealerships

	Q2 2023
Trust a great deal	2%
Trust a little	14%
Neither trust nor distrust	28%
Distrust a little	31%
Distrust a great deal	25%
Trust (Net)	*16%*
Distrust (Net)	*56%*

j. Mechanics

	Q2 2023
Trust a great deal	7%
Trust a little	36%
Neither trust nor distrust	29%
Distrust a little	19%
Distrust a great deal	8%
Trust (Net)	*44%*
Distrust (Net)	*27%*

Q9. What is the top trait that makes you more likely to trust someone with your money?

	Q2 2023
Honesty/transparency	48%
Experience/proven track record	30%
Reliability	8%
Respect	5%
Empowers me to make choices	5%
Responsive/availability	3%

Q10. Given the current state of the economy, how likely are you to make the following financial decisions?

Likely Summary Table

	Q2 2023
Keep cash on-hand	70%
Put more money into a savings account at a bank	58%
Put money into traditionally "safer" options like CDs and bonds	39%
Invest or increase investment in the stock market	33%
Work with a financial advisor to manage my money	32%
Take on a side gig to earn more money (e.g., driving for a rideshare company, food delivery service, freelancing, etc.)	32%
Purchase a car	27%
Change jobs	19%
Buy a home	18%
Invest in cryptocurrency	8%

a. Work with a financial advisor to manage my money

	Q2 2023
Very likely	14%
Somewhat likely	18%
Not very likely	26%
Not at all likely	34%
Not sure	8%
Likely (Net)	*32%*
Not likely (Net)	*59%*

b. Invest or increase investment in the stock market

	Q2 2023
Very likely	9%
Somewhat likely	25%
Not very likely	26%
Not at all likely	31%
Not sure	9%
Likely (Net)	*33%*
Not likely (Net)	*56%*

c. Put money into traditionally "safer" options like CDs and bonds

	Q2 2023
Very likely	12%
Somewhat likely	28%
Not very likely	22%
Not at all likely	26%
Not sure	11%
Likely (Net)	*39%*
Not likely (Net)	*48%*

Q10. Given the current state of the economy, how likely are you to make the following financial decisions? *(Continued)*

d. Put more money into a savings account at a bank

	Q2 2023
Very likely	19%
Somewhat likely	39%
Not very likely	19%
Not at all likely	13%
Not sure	9%
Likely (Net)	*58%*
Not likely (Net)	*32%*

e. Keep cash on-hand

	Q2 2023
Very likely	31%
Somewhat likely	39%
Not very likely	15%
Not at all likely	7%
Not sure	6%
Likely (Net)	*70%*
Not likely (Net)	*23%*

f. Invest in cryptocurrency

	Q2 2023
Very likely	2%
Somewhat likely	5%
Not very likely	15%
Not at all likely	69%
Not sure	7%
Likely (Net)	*8%*
Not likely (Net)	*84%*

g. Purchase a car

	Q2 2023
Very likely	8%
Somewhat likely	18%
Not very likely	31%
Not at all likely	34%
Not sure	7%
Likely (Net)	*27%*
Not likely (Net)	*65%*

Q10. Given the current state of the economy, how likely are you to make the following financial decisions? *(Continued)*

h. Buy a home

	Q2 2023
Very likely	6%
Somewhat likely	12%
Not very likely	22%
Not at all likely	51%
Not sure	8%
Likely (Net)	*18%*
Not likely (Net)	*72%*

i. Take on a side gig to earn more money (e.g., driving for a rideshare company, food delivery service, freelancing, etc.)

	Q2 2023
Very likely	12%
Somewhat likely	20%
Not very likely	22%
Not at all likely	39%
Not sure	6%
Likely (Net)	*32%*
Not likely (Net)	*61%*

j. Change jobs

	Q2 2023
Very likely	6%
Somewhat likely	14%
Not very likely	23%
Not at all likely	48%
Not sure	8%
Likely (Net)	*19%*
Not likely (Net)	*70%*

Q11. Which of the following financial vehicles are you currently using?

	Q2 2023
Checking accounts	78%
Savings accounts	66%
401k retirement account	41%
IRA (Traditional or Roth)	34%
Cash or a piggy bank	30%
Stocks	27%
Money market accounts	21%
Managed investment accounts	15%
Bonds	14%
Annuities	11%
Real estate investments	9%
529 college savings fund	7%
Cryptocurrency	5%
Other	2%
None of these	10%

Q12. Which, if any, of the following are you currently doing to save money?

	Q2 2023
Taking steps to minimize monthly bills (e.g., turning lights off, using less water, etc.)	51%
Eating out/at restaurants less often	50%
Buying generic brand groceries	41%
Shopping for clothes less	39%
Using less gas/driving less	34%
Switching service providers to lower costs (e.g., insurance providers, cell phone providers, cable/internet providers, etc.)	24%
Cancelling streaming subscriptions	19%
Cancelling gym/fitness memberships	7%
Other	1%
None of these	23%

Q13. Where do you think are the best places to put your money to help you achieve your financial goals? Please select up to three.

	Q2 2023
Savings accounts	33%
401k retirement account	32%
IRA (Traditional or Roth)	24%
Stocks	16%
Real estate	13%
Managed investment accounts	13%
Checking accounts	13%
Money market accounts	10%
Cash or a piggy bank	9%
Bonds	6%
Annuities	5%
Life experience (i.e., travel, entertainment, etc.)	5%
529 college savings fund	2%
Cryptocurrency	1%
Other	3%
None of these	13%

Q14. In today's economy, is it a better financial decision to rent or own a home?

	Q2 2023
Rent	11%
Own	62%
Don't know	26%

Q15. Since you bought your home, which of the following expenses were you the most surprised by?

	Q2 2023
Amount of property taxes	21%
Home repair costs (natural wear and tear over time)	13%
Home improvement costs	11%
Insurance costs	9%
Utility bills	6%
Cost of home maintenance and upkeep (i.e., lawn care, cleaning, etc.)	5%
Cost of repairing home damage caused by weather or other unexpected events	4%
Cost of HOA or community fees	4%
Mortgage payment	3%
Cost of appliances	1%
Other	1%
None	21%

About the Study

This Country Financial/Ipsos Poll was conducted May 5 - 7, 2023, by Ipsos using the probability-based KnowledgePanel®. This poll is based on a nationally representative probability sample of 1,022 general population adults aged 18 or older.

The margin of sampling error is plus or minus 3.2 percentage points at the 95% confidence level, for results based on the entire sample of adults. The margin of sampling error takes into account the design effect, which was 1.12. The margin of sampling error is higher and varies for results based on other sub-samples. In our reporting of the findings, percentage points are rounded off to the nearest whole number. As a result, percentages in a given table column may total slightly higher or lower than 100%. In questions that permit multiple responses, columns may total substantially more than 100%, depending on the number of different responses offered by each respondent.

The survey was conducted using KnowledgePanel, the largest and most well-established online probability-based panel that is representative of the adult US population. Our recruitment process employs a scientifically developed addressed-based sampling methodology using the latest Delivery Sequence File of the USPS – a database with full coverage of all delivery points in the US. Households invited to join the panel are randomly selected from all available households in the U.S. Persons in the sampled households are invited to join and participate in the panel. Those selected who do not already have internet access are provided a tablet and internet connection at no cost to the panel member. Those who join the panel and who are selected to participate in a survey are sent a unique password-protected log-in used to complete surveys online. As a result of our recruitment and sampling methodologies, samples from KnowledgePanel cover all households regardless of their phone or internet status, and findings can be reported with a margin of sampling error and projected to the general population.

The data were weighted to adjust for gender by age, race/ethnicity, education, Census region, metropolitan status, household income, race/ethnicity by gender, race/ethnicity by age, and race/ethnicity by education. The demographic benchmarks came from the 2019 March supplement of the U.S. Census Bureau's Current Population Survey (CPS). The weighting categories were as follows:

- Gender (Male, Female) by Age (18–29, 30–44, 45–59, and 60+)
- Race/Hispanic Ethnicity (White Non-Hispanic, Black Non-Hispanic, Other or 2+ Races Non-Hispanic, Hispanic)
- Education (High School graduate or less, Some College, Bachelor's and beyond)
- Census Region (Northeast, Midwest, South, West)
- Metropolitan status (Metro, non-Metro)
- Household Income (Under $25,000, $25,000-$49,999, $50,000-$74,999, $75,000-$99,999, $100,000-$149,999, $150,000+)
- Race/ethnicity (White/Other Non-Hispanic, Black Non-Hispanic, Hispanic) by Gender (Male, Female)
- Race/ethnicity (White/Other Non-Hispanic, Black Non-Hispanic, Hispanic) by Age (18-44, 45+)
- Race/ethnicity (White/Other Non-Hispanic, Black Non-Hispanic, Hispanic) by Education (Some College or less, Bachelor and beyond)

About Ipsos

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