

LEVELS OF TRUST IN FINANCIAL INSTITUTIONS: A COMPARISON

FEBRUARY 16-20, 2023
MARCH 30-APRIL 3, 2023

Background

In March 2023, global banking was in crisis as a series of bank collapses and failures hit the United States and Switzerland and was consistently reported on by mainstream news outlets around the world. We wanted to understand the possible impact the widespread coverage of these bank collapses and failures had on the general U.S. population's trust in financial institutions. Therefore, we fielded questions measuring levels of trust in financial institutions twice—the first conducted February 16-20 (before the collapses and failures in March 2023) and the second conducted March 30-April 3 (following weeks of news coverage on the issue).

Key Findings

I am confident that existing policies and regulations protect customers of financial services institutions.

Overall, there is no change between U.S. adults' confidence that existing policies and regulations protect customers of financial services institutions before and after the banking crises in March 2023. Four in ten (42%) U.S. adults *agreed* with the statement. Around one-third (33% before; 32% after) *disagreed* with the statement, and one-quarter (25%) "neither agreed nor disagreed."

- Adults ages 60 and over (60+) are the most likely age group to have *agreed* with the statement both before and after the banking crises. However, the percentage of 60+ adults who *agreed* decreased after the banking crises (before: 54%; after: 47%). Adults ages 18-29 years old were the only age group that increased in percentage of *agreement* with the statement, from 31% to 43% (30-44: 36% to 36%; 45-59: 41% to 40%).
- Adults with a bachelor's degree or higher (46%; no change) are more likely to have *agreed* with the statement than adults with other educational attainment levels (no high school degree, high school degree and associate degree), and this percentage remained unchanged before and after the banking crises. In contrast, the percentage of adults with no high school diploma who *agreed* with the statement decreased most drastically from 38% to 27%, and the percentage of adults with a high school diploma who *agreed* increased from 36% to 44%.

- Adults with a household income of <\$30K showed the highest change in response to the statement out of all income groups (*agreed*: 30% to 43%; *disagreed*: 38% to 25%).
- Hispanic adults and non-Hispanic adults who identify as other or two or more races showed a considerable change before and after the banking crises. Hispanic adults who *agreed* with the statement decreased from 37% to 35%; 33% who “neither agreed nor disagreed” decreased to 22%, and 29% who *disagreed* increased to 38%. Adults who identify with two or more races and *agreed* with the statement decreased from 61% to 52%, those who “neither agreed nor disagreed” decreased from 14% to 13%, and those who *disagreed* with the statement increased from 25% to 35%.

I have faith and confidence in the financial system.

Overall, fewer U.S. adults *agreed* with the statement after the banking crises, falling from 45% to 39%. Adults who “neither agreed nor disagreed” increased from 20% to 22% and those who *disagreed* increased from 35% to 38%.

- Adults ages 30-44 years old and 60+ increased most considerably in the percentage of those who *disagreed* with the statement (18-29: 33% to 33%; 30-44: 42% to 48%; 45-59: 36% to 34%; 60+: 30% to 35%).
- The percentage of male adults who *agreed* with the statement fell drastically from 51% to 39%. The percentage of those who “neither agreed nor disagreed” increased from 18% to 24% and those who *disagreed* increased from 31% to 37%. In contrast, the opinions of female adults changed marginally after the banking crises (*agreed*: 39% to 39%; “neither agreed nor disagreed”: 22% to 20%; *disagreed*: 39% to 39%).
- Across all levels of educational attainment, the percentage of adults who *agree* with the statement fell. This is especially true for adults with no high school diploma, where the percentage fell from 54% to 25% (high school diploma: 37% to 36%; associate degree: 41% to 34%; bachelor’s degree or higher: 53% to 49%).
- Black adults and Hispanic adults showed a large fall in percentage of who *agreed* with the statement (Black: 43% to 31%; Hispanic: 48% to 35%) and increased considerably in percentage who *disagreed* with the statement (Black: 37% to 42%; Hispanic: 30% to 39%).
- Adults with a household income of \$60K- <\$100K show the largest change in responses after the banking crises, compared to the other household income categories. The percentage of these adults who *agreed* with the statement fell from 46% to 42%, those who “neither agreed nor disagreed” decreased from 23% to 15%, and those who *disagreed* increased from 31% to 43%.

I generally trust financial institutions to act honestly and ethically.

Before the banking crises, half (50%) of U.S. adults generally trusted financial institutions to act honestly and ethically. This fell to 46% after the banking crises. In addition, there was an increase in those who chose “neither agree nor disagree” from 18% to 22% while the percentage of adults who *disagree* with the statement fell from 32% to 31%.

- Adults ages 45-59 years old show the largest fall in percentage of those who *agreed* with the statement out of all age groups. In contrast, adults ages 18-29 years old are the only age group that increased in percentage of those *agreeing* with the statement (18-29: 36% to 44%, 30-44: 39% to 32%; 45-59: 54% to 42%; 60+: 65% to 61%).
- Adults ages 18-29 years old have the largest decrease in percentage of those who *disagreed* with the statement—compared to all other age groups—going from 37% to 29% (30-44: 42% to 38%; 45-59: 27% to 34%; 60+: 23% to 23%).
- Among adults with different levels of educational attainment, adults with a high school diploma were the only group who showed an increase (43% to 48%) in *agreement* with the statement. Adults from all other educational attainment groups showed a decrease in *agreement* with the statement (no high school: 45% to 29%; associate degree: 51% to 40%; bachelor’s degree and above: 56% to 53%).
- Black adults (45% to 31%), Hispanic adults (50% to 36%) and adults who identify as another race or two or more races (62% to 56%) all showed a decrease in whether they agreed with the statement. In contrast, their White counterparts showed a slight increase (49% to 50%).

I trust all financial institutions to ensure that their employees are well trained and professional.

Before the banking crises, four out of ten U.S. adults trusted financial institutions to ensure its employees are well-trained and professional. This percentage fell after the banking crises to 38%. The percentage of U.S. adults who “neither agreed nor disagreed” increased from 22% to 24%, while those who *disagreed* decreased from 36% to 35%.

- Adults ages 45-59 years old showed the largest fall in percentage of those who *agreed* with the statement (44% to 35%), compared to other age groups. Adults from this age group increased in percentage who “neither agreed nor disagreed” (25% to 30%) and *disagreed* (31% to 35%) with the statement.
- The responses of female adults remain largely unchanged, but male adults showed a considerable change in their responses. The percentage of male adults who *agreed* with the statement decreased from 42% to 35%. In contrast, male adults who “neither agreed nor

disagreed” increased from 23% to 27% and those who *disagreed* increased from 35% to 37%.

- The percentage of adults who *agreed* with the statement decreased across all educational attainment groups, except for adults with a high school diploma or equivalent (no high school: 32% to 22%; high school diploma: 36% to 38%; associate degree: 42% to 39%; bachelor’s degree or above: 48% to 42%). The only group that increased in the percentage who *disagreed* with the statement are those with a bachelor's degree or above (33% to 37%).
- Black adults, Hispanic adults, and adults with two or more races all showed a large decrease in percentage *agreeing* with the statement, while their White counterparts showed an increase in percentage. (Black: 43% to 32%; Hispanic: 43% to 33%; Other/2+races: 60% to 46%; White: 38% to 40%).
- There were mixed changes in *agreement* to the statement across adults of different household income levels. Adults with a household income of \$30K- <\$60K and \$100K+ decreased in *agreeing* to the statement, while adults with a household income of <\$30K and \$60K- <\$100K increased in *agreeing* to the statement (<\$30K: 32% to 37%; \$30K- <\$60K: 40% to 30%; \$60K- <\$100K: 40% to 44%; \$100K+: 50% to 42%).

Full Methodology

Both surveys were conducted using the AmeriSpeak Omnibus Panel on behalf of NEFE. The first survey was conducted from February 16-20, 2023 with a nationally representative sample that included 1,001 adults ages 18 and older. The second survey was conducted from March 30 to April 3 with a nationally representative sample that included 1,002 adults ages 18 and older. Funded and operated by the National Opinion Research Center (NORC) at the University of Chicago, AmeriSpeak® is a probability-based panel designed to be representative of the U.S. household population. Randomly selected U.S. households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by U.S. mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the U.S. Postal Service Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak households participate in surveys by web, non-internet households can participate in AmeriSpeak surveys by telephone. Households without conventional internet access but having web access via smartphones are allowed to participate in AmeriSpeak surveys by web. AmeriSpeak panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.



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A Note about Reading the Report and Data Supplement

The percentage of respondents has been included for each item. Percentages may not always add up to 100% because of computer rounding or the acceptance of multiple responses.