

FINANCIAL DECISIONS AND LEVELS OF CONFIDENCE

SEPTEMBER 21-24, 2022

Key Findings

Think of any personal finance-related decision that you made over the past year (12 months). What is the context of the decision?

Overall, 83% of respondents indicated they made at least one personal finance-related decision over the past 12 months¹. In general, the decisions U.S. adults faced most were about saving with a specific goal in mind (40%), deciding on insurance plans (27%), opening or closing a credit card or line of credit (26%), managing taxes independently (25%), making a significant purchase (21%), and withdrawing from saving, investment, or retirement accounts to cover expenses or for another unexpected reason (20%).

- Adult males (87%) were significantly more likely to make a personal finance-related decision over the past 12 months than adult females (79%). Additionally, males (25%) are significantly more likely to have decided on making a significant purchase than females (17%).
- Adults age 18-29 years old (49%) were significantly more likely to indicate that they made a personal finance decision on saving money with a specific goal over the past year, compared to adults age 45-59 years old (33%) and 60+ years old (37%). Those age 18-29 years old

¹ Respondents selected all response options that applied to them. The options provided in the survey instrument are “Taking out a traditional loan (auto, mortgage, personal, home equity, installment, second mortgage, etc.)”, “Taking out a non-traditional loan (ARM, interest-only, balloon, payday, cash advance, pawn shop, etc.)”, “Making a significant purchase (house, car, technology, etc.)”, “Signing a lease (house, car, etc.)”, “Investing in education or training for a family member, or friend (paying tuition or saving for education/college, taking out education loan, etc.)”, “Opening or closing a credit card or line of credit”, “Selecting a retirement plan or specific investments for retirement or non-retirement accounts (stocks, mutual funds, bonds, other securities, cryptocurrency, IRA, Roth, 401(k), etc.)”, “Saving money with a specific goal in mind (emergency savings, big purchase, etc.)”, “Withdrawing from saving, investment, or retirement accounts to cover expenses or for another unexpected reason (hardship withdrawal, early withdrawal, etc.)”, “Deciding on insurance plans (health, car, etc.)”, “Paying off a significant debt (credit cards, early payment on loan, etc.)”, “Taking on fees or overdraft charges for an account”, “Filing for bankruptcy”, “Managing taxes independently (filing return, making quarterly estimated payments, etc.)”, “Hiring an expert to manage financial decisions for (financial planner, accountant, investment manager, etc.)”.



(33%) were also more likely to have decided on opening or closing a credit card or line of credit, compared to those 30-44 years old (21%).

- Adults with a bachelor's degree or higher (BA+) (34%) were significantly more likely to indicate that they decided on insurance plans over the past year, compared to all other education levels (no high school diploma: 20%; high school graduate or equivalent: 21%; some college/associate degree: 26%). BA+ adults (35%) were significantly more likely to have managed their taxes independently than adults with a high school diploma or equivalent (17%) and adults with some college education or an associate degree (21%).
- Adults with minors (under age 18 years old) in their household (22%) were significantly less likely to have decided on insurance plans than those with no minors in their household (30%). Additionally, those with minors in their household (18%) were significantly more likely to invest in education or training for themselves, a family member or a friend, compared to those without minors in their household (7%).
- White non-Hispanic adults were significantly more likely than Black non-Hispanic adults to have made a decision on insurance plans (30% vs. 18%) and managing taxes independently (29% vs. 17%).
- Adults with an annual income between \$30K-<\$60K (30%) were significantly more likely to decide to pay off a significant debt over the past 12 months, compared to adults with an annual income of <\$30K (20%) or those with an annual income of >\$100K (21%). Adults with an annual income of >\$100K (32%) were significantly more likely than all other income groups to decide to manage their taxes independently (<\$30K: 20%; \$30K-<\$60K: 27%; \$60K-<\$100K: 19%).



Of the financial decisions you chose in the previous question, which did you feel most confident making? Select up to three options².

In general, the decisions U.S. adults felt most confident making were about saving with a specific goal in mind (35%), paying off a significant debt (21%), opening or closing a credit card or line of credit (20%), managing taxes independently (17%), deciding on insurance plans (13%), and making a significant purchase (12%).

- Adults age 45-59 years old (89%) were significantly less likely to be confident in making financial decisions compared to other age groups (18-29: 97%; 30-44: 97%; 60+: 97%). Additionally, adults age 18-29 years old (45%) were significantly more likely to feel most confident in saving money with a specific goal in mind, compared to those age 60+ years old (28%). Conversely, those age 18-29 years old (4%) are significantly less likely to feel confident deciding on insurance plans, compared to other age groups (30-44: 13%; 45-59: 15%; 60+: 18%).
- Adult females (19%) were significantly more likely than adult males (8%) to indicate that deciding on insurance was a financial decision they felt most confident making.
- Respondents with an annual income of >\$100K (24%) were significantly more likely than those with an annual income of <\$30K (11%) to have felt most confident in managing taxes independently. Those with an annual income between \$30K-<\$60K (29%) were significantly more likely to feel confident paying off a significant debt, compared to those with annual income of <\$30K (15%) or >\$100K (17%).

² The options provided in the survey instrument are “Taking out a traditional loan (auto, mortgage, personal, home equity, installment, second mortgage, etc.)”, “Taking out a non-traditional loan (ARM, interest-only, balloon, payday, cash advance, pawn shop, etc.)”, “Making a significant purchase (house, car, technology, etc.)”, “Signing a lease (house, car, etc.)”, “Investing in education or training for a family member, or friend (paying tuition or saving for education/college, taking out education loan, etc.)”, “Opening or closing a credit card or line of credit”, “Selecting a retirement plan or specific investments for retirement or non-retirement accounts (stocks, mutual funds, bonds, other securities, cryptocurrency, IRA, Roth, 401(k), etc.)”, “Saving money with a specific goal in mind (emergency savings, big purchase, etc.)”, “Withdrawing from saving, investment, or retirement accounts to cover expenses or for another unexpected reason (hardship withdrawal, early withdrawal, etc.)”, “Deciding on insurance plans (health, car, etc.)”, “Paying off a significant debt (credit cards, early payment on loan, etc.)”, “Taking on fees or overdraft charges for an account”, “Filing for bankruptcy”, “Managing taxes independently (filing return, making quarterly estimated payments, etc.)”, “Hiring an expert to manage financial decisions for (financial planner, accountant, investment manager, etc.)”.



Of the financial decisions you chose in the previous question, which did you feel least confident making? Select up to three options.

In general, U.S. adults felt least confident in making personal finance-related decisions about withdrawing from savings, investment or retirement accounts to cover expenses or for another unexpected reason (14%), deciding on insurance plans (14%), saving money with a specific goal in mind (12%), and selecting a retirement plan or specific investments for retirement or non-retirement accounts (11%).

- Adults age 18-29 years old (89%) and 30-45 years old (83%) were more likely to indicate that there was at least one personal finance decision in which they felt least confident in making, compared to respondents age 60+ years old (65%).
- Adults with minors in their household (82%) were more likely than adults without minors in their household (74%) to indicate that there was at least one personal finance decision in which they felt least confident in making.
- Adults with minors in their household (9%) were significantly less likely than adults without minors in their household (18%) to select deciding on insurance plans as a financial decision they are least confident in making.
- Adults with a BA+ (11%) were significantly less likely than adults with some college degree or an associate degree (20%) to say that they are least confident in withdrawing from saving, investment, or retirements accounts to cover expenses or for another unexpected reason.

Full Methodology

This survey is conducted September 21-25, 2022, on behalf of NEFE, using the AmeriSpeak Omnibus Panel. The nationally representative sample included 1,003 adults age 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.

For more information, email AmeriSpeak-BD@norc.org or visit AmeriSpeak.norc.org.

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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.