

Gen Z and the Challenges/ Opportunities Driving Their Financial Mindsets

2016 M.O.O.D. of America

Measuring Optimism, Outlook and Direction



August 11, 2016

Methodology

Results for the 2016 M.O.O.D. (Measuring Optimism, Outlook and Direction) of America poll are based on two national surveys conducted by Whitman Insight Strategies on behalf of Lincoln Financial Group from March 22 – April 4, 2016.



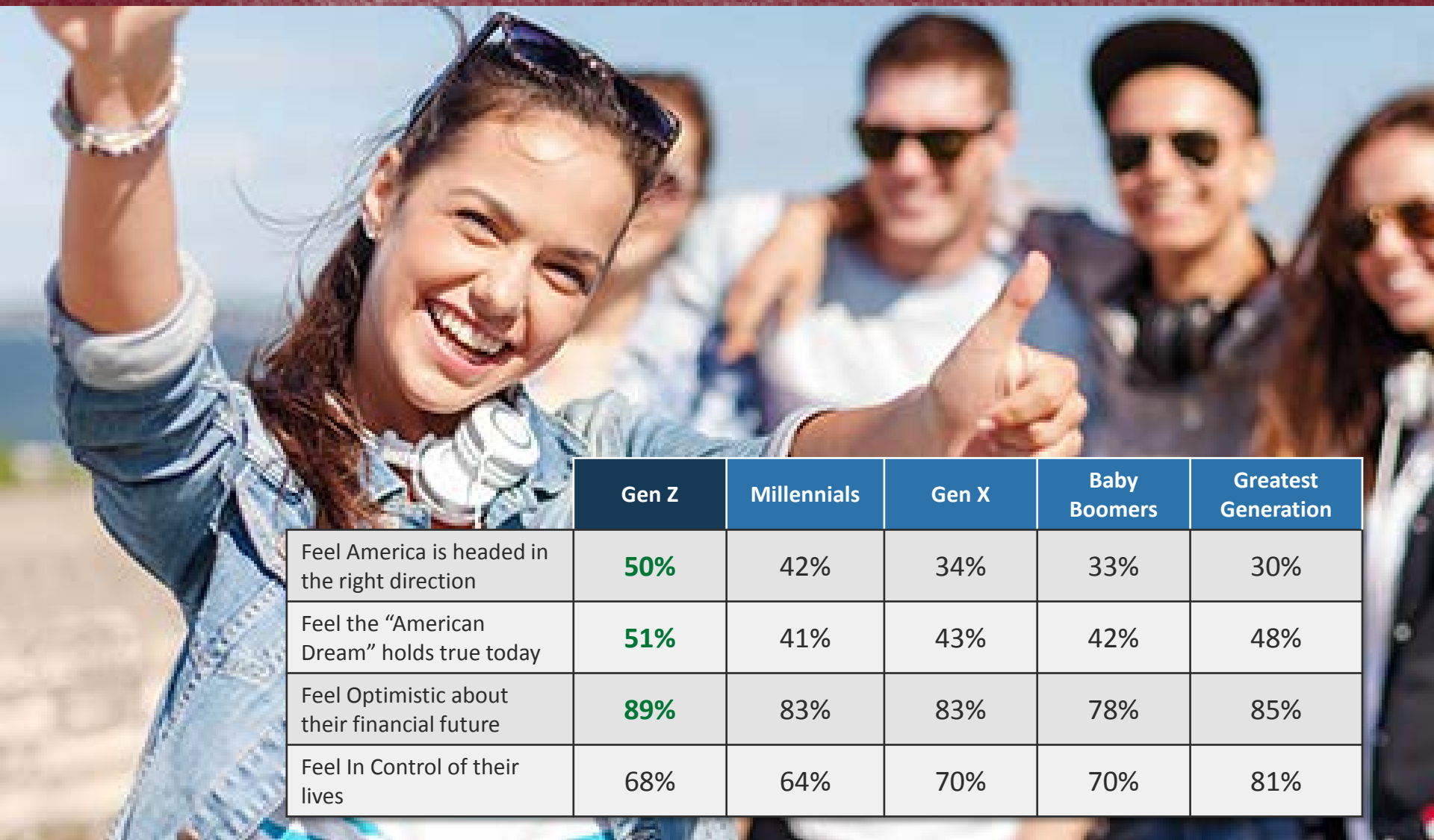
The M.O.O.D. of America survey was conducted among 2,267 adults 18 years of age and older across the United States, and included a sample of the General Population as well as over-samples to ensure data cuts by key demographic sub-groups that are of particular interest for this research. The final sample includes 405 African Americans, 402 Asian Americans, 402 Latino Americans, and 418 LGBT Americans.



The M.O.O.D. of Gen Z survey was conducted among 400 members of Generation Z (ages 15-19) across the United States.

Both samples were weighted to reflect the proportion of these audiences by gender, age, region, race and Hispanic/Latino ethnicity based on data from the U.S. Census Bureau. The margin of error is $\pm 1.9\%$ at the 95% confidence interval for U.S. Adults 18+, and $\pm 4.8\%$ for Generation Z.

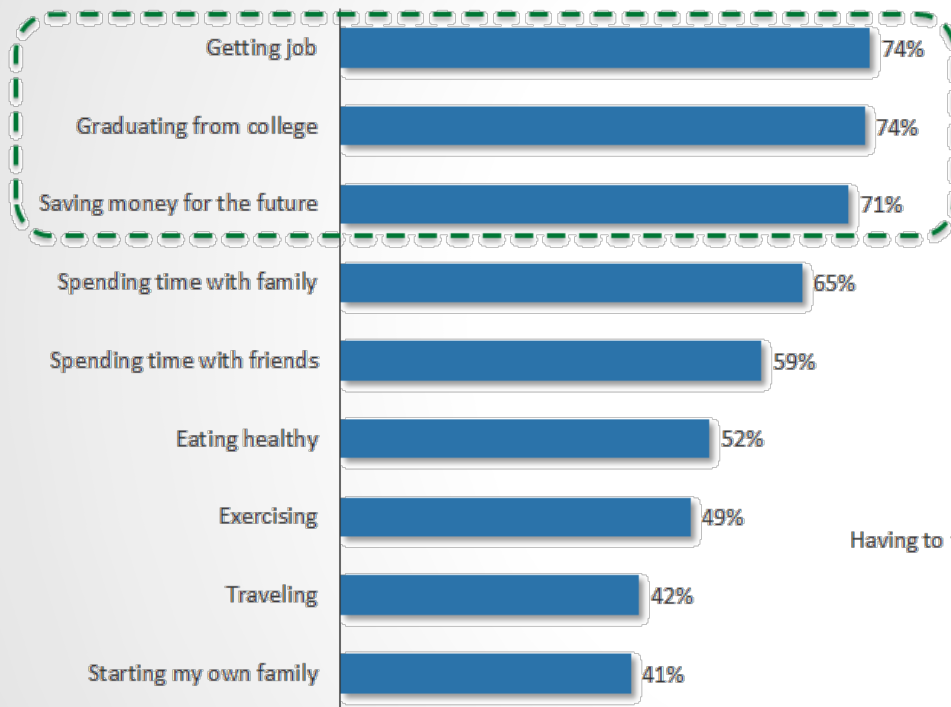
Gen Z is more optimistic than older generations, and as in control of their lives as Millennials, Gen X, and Baby Boomers



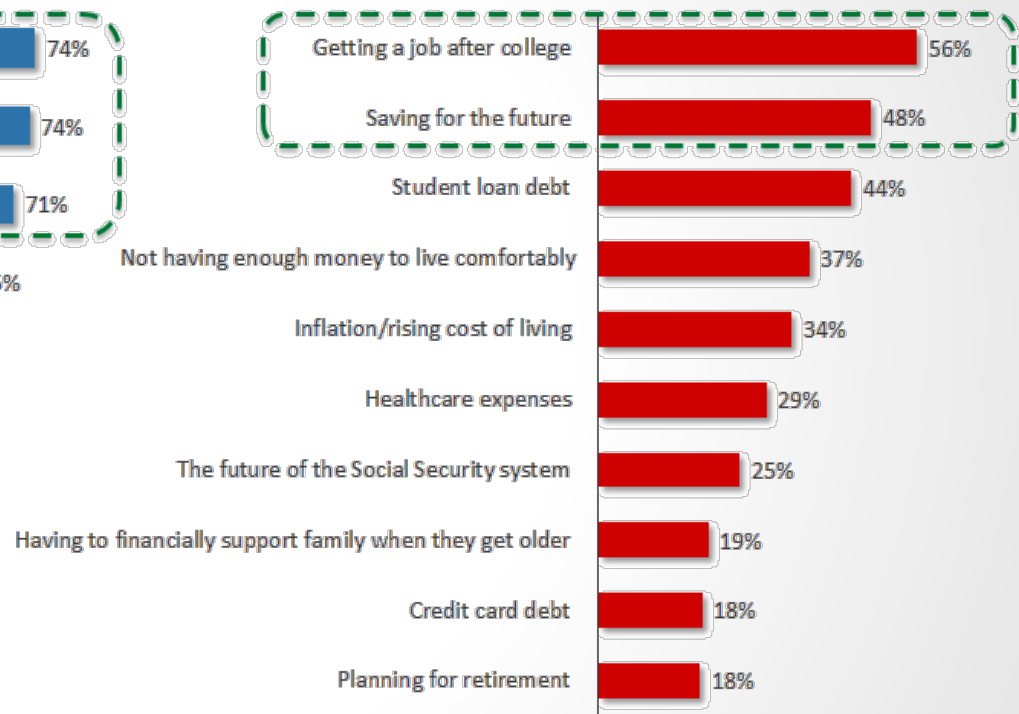
	Gen Z	Millennials	Gen X	Baby Boomers	Greatest Generation
Feel America is headed in the right direction	50%	42%	34%	33%	30%
Feel the “American Dream” holds true today	51%	41%	43%	42%	48%
Feel Optimistic about their financial future	89%	83%	83%	78%	85%
Feel In Control of their lives	68%	64%	70%	70%	81%

Gen Z is highly focused on the future

Gen Z Priorities



Gen Z Financial Concerns

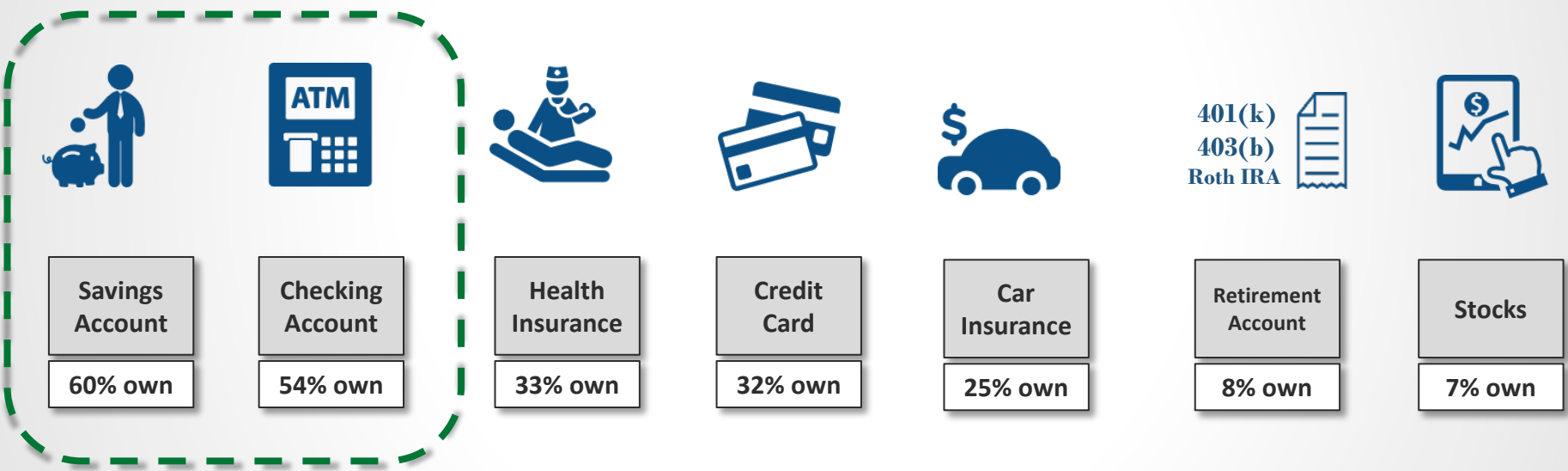


Q. How important are each of the following to you? (% Very Important)

Q. Thinking about your personal financial situation, which of the following are you most concerned about?

Over half currently own a Savings or Checking Account

Gen Z Product Ownership



Gen Z has already begun preparing for their financial futures



64% have already begun researching on their own or talking to others about financial planning

53% say they're not too young to start preparing for their financial future, and those in college are more likely than high school students to agree (61% vs. 48%)

13 is the average age they began researching or talking to others about financial planning

Beginning to plan has an empowering effect

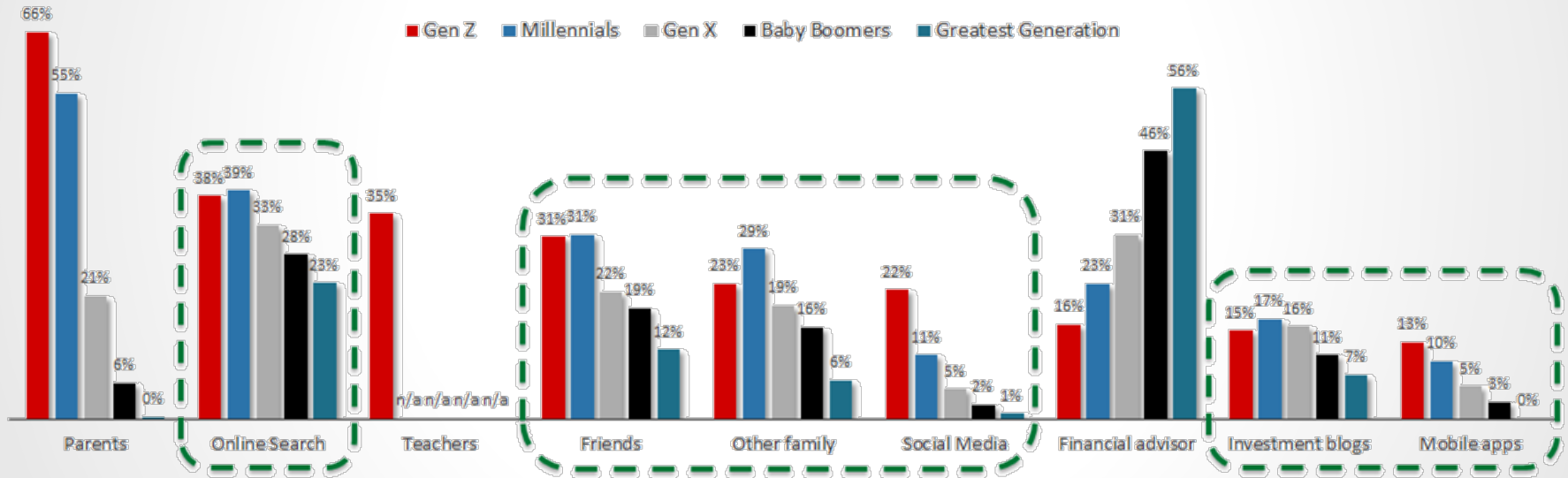


	Gen Z Planners (64% of Gen Z)	Gen Z Non-Planners (36% of Gen Z)
Feel Optimistic about their personal future	95%	86%
Feel Optimistic about their financial future	92%	85%
Feel their life is headed in the right direction	89%	80%
Feel In Control of their lives	74%	58%
Own a Savings Account	64%	51%
Own a Checking Account	55%	52%
Own a Credit Card	40%	17%
Own Car Insurance	30%	14%
Own Stocks	10%	2%

Those less likely to have started researching or talking about saving for the future include Young Women, (60% vs. 68% of Young Men), Midwesterners (54%), and Gen Z who don't have loans now but expect to in the future (58%)

Gen Z rely on parents most for financial advice, and are also highly likely to use digital channels and talk with others

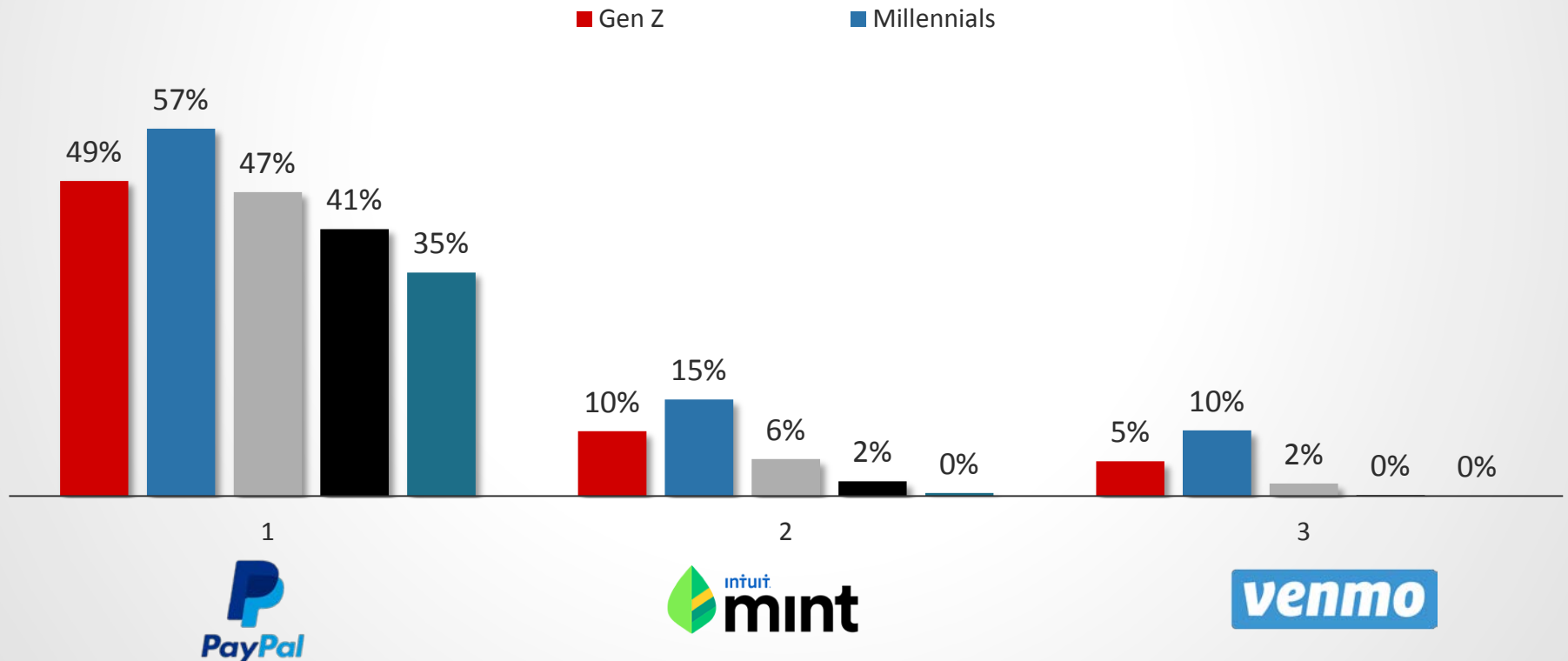
Sources of Advice for Financial Planning Across Generations



College is a major transitional touchpoint, as College Students are less likely than High Schoolers to rely on their parents, and more likely to use online search and other channels where financial services companies can directly engage with them (investment blogs, newspapers)

Gen Z are already using financial management and payment tools at nearly the same pace as Millennials

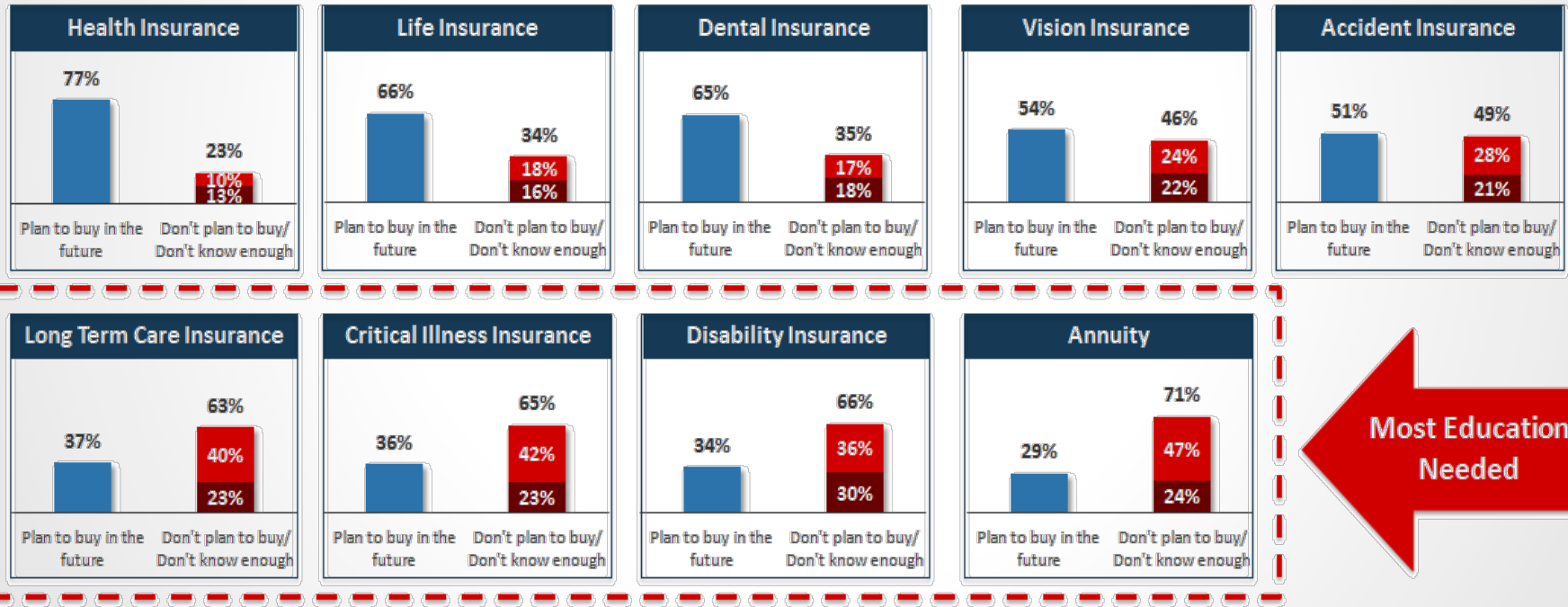
Use of Financial Management/Payment Tools Across Generations



But they do not know enough right now about the benefits that many of Lincoln's products can provide

Here is a list of several financial products. For each, please indicate if you plan to buy this in the future, if you don't plan to buy it in the future, or if you don't know enough right now to say.

- Plan to buy one day
- Don't plan to buy
- Don't know enough about it



Most Education Needed

For Gen Z, confusion over the category as well as impending student loan debt pose barriers to securing their financial futures



70% believe student loan debt will make it hard to put money towards the future

***7 in 10 High Schoolers and 7 in 10 "Planners" we identified also agree*

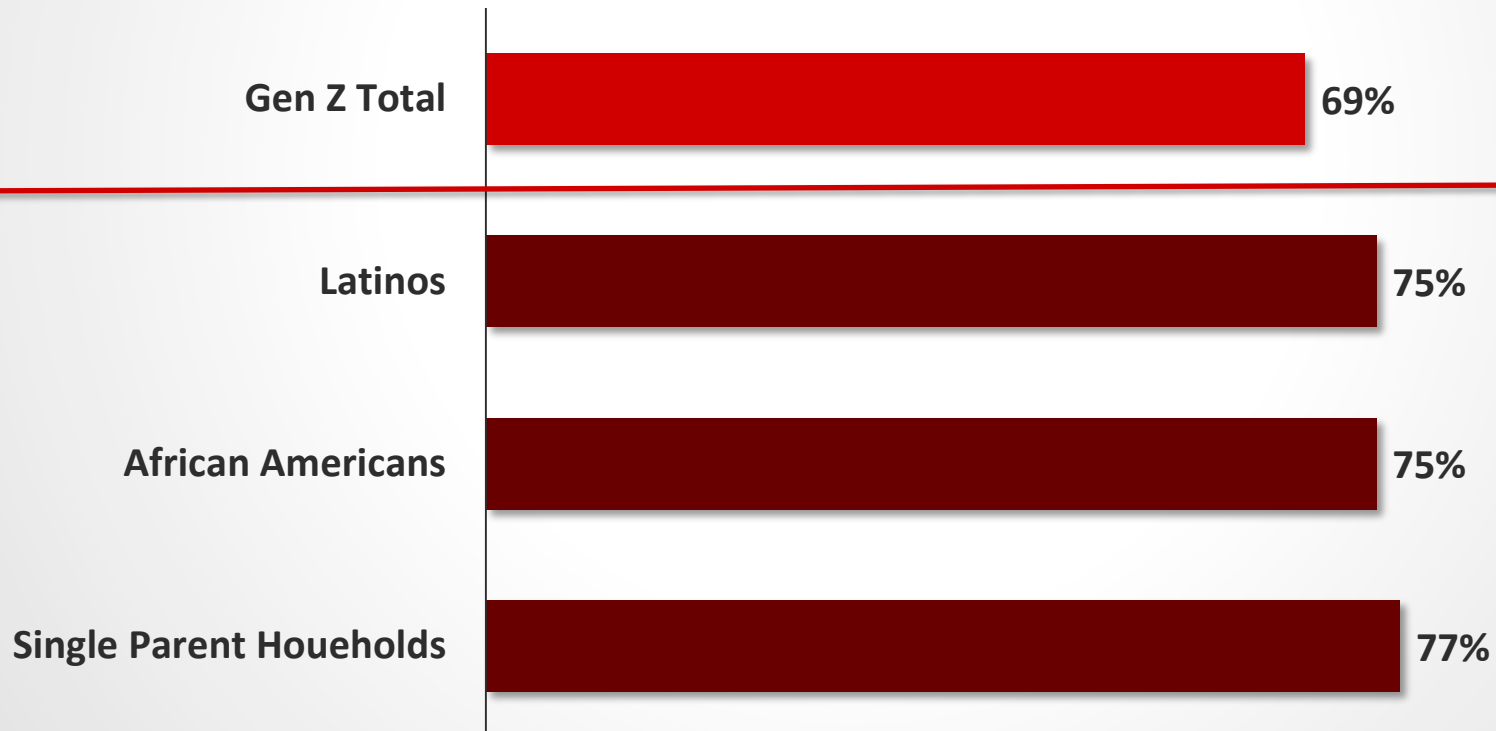
69% feel that figuring out how to start planning for their financial future is too confusing

66% say they don't know enough to start planning for the future

Among older generations we continue to see that the top barriers related to financial planning include confusion about understanding insurance and retirement options, along with prioritizing near-term expenses

Latinos, African Americans, and those from Single-Parent households are more likely to say the category is confusing

“Figuring out how to start planning for my financial future is too confusing”
(% Strongly/Somewhat Agree)



Most Gen Zers are considering undergraduate and graduate education degrees that will come with a price tag

33% of Gen Z are currently in college



95% of Gen Z High Schoolers are considering pursuing an undergrad degree



82% of total Gen Z are considering pursuing an advanced degree (e.g., Master's, P.h.D., etc.)



Many who proceed with their plans to complete undergrad and advanced degrees will need to take out student loans



Student loans are a major inhibitor to Gen Z's financial planning

3 in 4 either have student loans today or expect to in the future



49% of those teens expect to take out at least **\$30,000** in student loans



They believe they should start saving for retirement at **27**, but those who currently have loans or expect to are pushing their starting age all the way to **31**



Overall, Gen Z are forward-thinking and driven to plan for the future

96% want to save enough so they can live comfortably in retirement



95% want to plan for their financial future so their family will be taken care of



94% want to save enough so they will be able to retire



89% say planning for their financial future makes them feel empowered



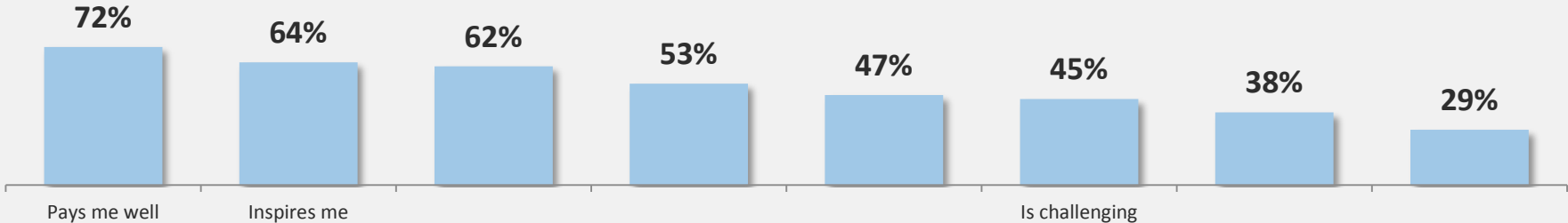
When they enter the workforce in a few years, they will be seeking well paying jobs that inspire them and offer good benefits

Top 3 Things Gen Z are Looking for in a Job



How important is it for you to have a job that...

(% Very Important)



We can learn a lot from Generation Z



Take Steps to Plan for the Future

Nearly 2 in 3 Gen Zers are already thinking about and planning for what's ahead, which will help them so they don't fall behind later on. In 2016, Lincoln's M.O.O.D. study finds that adults are underprepared for many financial scenarios, including retirement, and protecting themselves from an income disruption. So if you haven't already, start putting a plan in place to get your future on track.



Do The Work to Overcome Barriers

Gen Z aren't the only ones who face major barriers (e.g. student loan debt), or believe that financial planning is confusing. Adults are also confused, and they face other financial concerns like healthcare expenses, debt, paying their bills, retirement planning, and taxes. Overcoming these barriers requires a game plan, dedication, and not being afraid to ask for help.



Seek Advice from Trusted Sources

You don't have to do it alone. Gen Z is actively seeking advice from others, whether it's talking with their parents or friends, Googling, or even reading financial blogs. Make sure you're taking advantage of any resources that can help – friends and family, yes, but also a financial advisor to help you create a plan and help you prepare for your financial future.

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