Early Warning Quarterly PR Pulse

Q2 2022 Consumer Finances and Scam Awareness
METHODOLOGY

• Ten-minute online survey
• Quarterly tracking
• Sample via EWS Online Research Panel

POPULATION

• 450 interviews per quarter
• Mobile Majority ages 18-75, determined by U.S. Census data

QUALIFYING CRITERIA

• Ages 18 – 75 | Mix of race, gender, age, employment | Not employed in a sensitive industry
• Must have a checking or savings account
KEY FINDINGS

- One-quarter of caregivers are concerned about their elderly loved ones’ finances, including management and scam vulnerability.
- Digital payment via P2P services is the most common method for sending money to college students.
  - While 69% of consumers don’t send money to college students at all, 27% send money to college students via P2P.
  - The biggest perceived advantage of P2P is fast transaction speed (49%).
- Consumers prioritize budget and necessities when spending money. In addition, money and finances are reported to have a big influence on mental health (64% Top 2-Box).
  - Forty-two percent of consumers review their budgets to check for proper allocated amounts.
  - Another 40% of consumers pay for necessities first, prior to any other purchases/spending.
- Consumers consider themselves to be educated on most scam trends (78% Top 2-Box) but are not confident in their loved ones’ financial education or ability to identify a scam (40% Top 2-Box).
  - Of note, imposter (73%) and romance (62%) scams are the most recognized scam trends.
- Newsletters are the most preferred financial institution/bank source for scam education.
  - Sixty-one percent of consumers would reference a weekly or monthly newsletter from their financial institution/bank to learn about scams.
  - 90% of consumers would leverage scam education resources from their financial institution/bank.
- Successful trickery from a fraudulent website is uncommon.
  - Ninety-four percent of consumers have never or have rarely been tricked by a fraudulent website.
CAREGIVER HABITS

A small proportion of consumers (17%) are caregivers for an elderly loved one. Among these respondents, the most common concern for their loved one is their physical health and wellness (39%).

Are you currently a caregiver for an elderly loved one?

- Yes: 83%
- No: 17%

Total (n=450)

As a caregiver, which of the following are you most concerned about for your loved one?

- Physical health/wellness: 39%
- Mental health/wellness: 17%
- Physical activity/exercise: 6%
- Financial management: 10%
- Financial scam vulnerability: 14%
- Driving ability/safety: 6%
- Social life/loneliness: 5%
- Other: 1%

Total (n=77)

Source: Q1A. Are you currently a caregiver for an elderly loved one? | Q1B. As a caregiver, which of the following are you most concerned about for your loved one?
PAYMENT AND GIFTING HABITS

Among all consumers, 27% send money to college students via P2P services. In addition, 19% of consumers identify sending money via P2P services as their gift of choice for special occasions and celebrations.

How do you typically send money to college students for books, food, and/or other related expenses?

- Digital payment via P2P service (Zelle®, Venmo, PayPal, etc.) (27%)
- Cash/check (2%)
- Transfer money via University card (1%)
- Other (1%)
- I do not send money to college students (69%)

Which of the following are you most likely to gift to someone for a special occasion/celebration (such as Birthday, Anniversary, Mother’s Day, Father’s Day)?

- Money via P2P service (Zelle®, Venmo, PayPal, etc.) (19%)
- Something meaningful/personal (a handwritten card) (19%)
- An experience (massage, travel, etc.) (5%)
- A tangible gift (24%)
- A gift card (24%)
- Other (3%)
- Do not send gifts/money (5%)

Source: Q9. How do you typically send money to college students for books, food, and/or other related expenses? | Q10. Which of the following are you most likely to gift to someone for a special occasion/celebration (such as Birthday, Anniversary, Mother’s Day, Father’s Day)?
SPENDING HABITS

Forty-two percent of consumers consult a budget when spending, while 40% prioritize paying for necessities. Ten percent of consumers spend as they please and then settle their accounts, and only 8% spend on family prior to checking their accounts.

Please select the statement that best describes how you spend money:
When spending money, I always make sure to __________.

Source: Q17. Please select the statement that best describes how you spend money. When spending money, I always make sure to __________.
FINANCIAL SCAM PERCEPTIONS

Most consumers (78% Top 2-Box) consider themselves educated on most trending scams, but only 40% (Top 2-Box) are confident that their loved ones could identify scams.

Please rate your level of agreement with the following statement: I consider myself to be educated on most of the trending scams that are currently out there.

Please rate your level of agreement with the following statement: I’m not confident that my loved ones have enough financial education to spot a scam before they become a victim.

Source: Q1. Please rate your level of agreement with the following statement. I consider myself to be educated on most of the trending scams that are currently out there. | Q4. Please rate your level of agreement with the following statement. I’m not confident that my loved ones have enough financial education to spot a scam before they become a victim.
FINANCIAL SCAM PREVENTION AND ENCOUNTERS

Most consumers (61%) are likely to use newsletters as a resource for educating themselves on scams. Fifty-eight percent of consumers report that they have never been tricked by a fraudulent website.

If your financial institution/bank offered the following to educate you about scams, which would you use?

- Educational games or quizzes: 34%
- Online courses: 36%
- PSA videos on social media: 40%
- Weekly or monthly newsletters: 61%
- Other: 2%
- I would not use a resource from my financial institution/bank to learn about scams: 10%

When online shopping, how often have you encountered or been tricked by a fraudulent website pretending to be a legitimate company/brand?

- Never: 29%
- Rarely: 48%
- Often: 36%
- Always: 5%

▲ Denotes significantly greater than comparison at 95% Confidence Interval | Source: Q2 If your financial institution/bank offered the following to educate you about scams, which would you use? Q3 When online shopping, how often have you encountered or been tricked by a fraudulent website pretending to be a legitimate company/brand?
The Effects of Finance on Mental Health

Sixty-four percent (Top 2-Box) of consumers admit that money and finances are a big influence on their mental health.

Please select the statement that best describes how you spend money. Money and my finances are a big influence on my mental health.

- 3% Strongly Disagree
- 8% Disagree
- 26% Neutral
- 40% Agree
- 24% Strongly Agree

Source: Q5. Please rate your level of agreement with the following statement. Money and my finances are a big influence on my mental health.
Almost half of consumers (49%) identify fast transaction speed as the biggest advantage of using P2P services.

Which of the following is the **biggest advantage** to using digital payments via P2P service (Zelle®, Venmo, PayPal, etc.)?

- I no longer need to carry a wallet: 5%
- The money is received in minutes: 49%
- I don’t have to write checks: 16%
- I don’t have to keep cash on me: 23%
- Other: 7%

Total (n=450)

Source: Q6 Which of the following is the **biggest advantage** to using digital payments via P2P service (Zelle®, Venmo, PayPal, etc.)?
SCAM AWARENESS

Most consumers are familiar with imposter scams (73%), romance scams (62%), and utility (52%) and renting scams (52%).

Source: Q7 Which of the following scams are you familiar with?
Appendix: Demographics
DEMOGRAPHIC PROFILE

**Age**
- Gen Z: 7%
- Millennial: 40%
- Gen X: 30%
- Boomer: 23%

**Gender**
- Male: 54%
- Female: 44%
- Non-Binary: 2%

**Employment**
- Employed full-time: 55%
- Employed part-time: 15%
- Full-time homemaker: 7%
- Retired: 10%
- A full/part-time student: 4%
- Disabled/Unable to work: 4%
- Unemployed: 6%

**Education**
- Graduate: 41%
- Bachelor's: 23%
- Associate: 17%
- Some College: 14%
- High School: 8%
- No High School: 1%

**Income**
- Less than $50,000: 31%
- $50,000 to $74,999: 21%
- $75,000 to $99,999: 18%
- $100,000 to $149,999: 19%
- $150,000 or more: 11%

**Ethnicity**
- Asian or Pacific Islander: 17%
- Black or African American: 16%
- Hispanic: 18%
- Native American or Other: 1%
- White or Caucasian: 31%
- Mixed Race: 10%
- Prefer not to answer: 4%

**Marital Status**
- Single, never married: 31%
- Married: 49%
- Separated/divorced/widowed: 15%
- Domestic Partnership: 5%

**Consumer Segmentation**
- Always on Socializers: 18%
- Connected Conductors: 31%
- Pragmatic Introverts: 23%
- Savvy Empty Nesters: 26%
- Segment 5: 13%
- Segment 6: 21%

**Consumer Segmentation by Region**
- Midwest: 23%
- Northeast: 17%
- Southeast: 17%
- Southwest: 26%
- West: 10%