



Financial Empowerment Research

October 2023

Background



- Webster Bank is a leading commercial bank with over \$70 billion in assets. The bank's mission is to deliver financial solutions to help businesses, individuals, families and partners achieve their financial goals. Responsible corporate citizenship is a key component of its culture.
- In 2022, Webster established the Office of Corporate Responsibility (OCR) to manage all community-facing activities across the company. OCR develops and supports programs that address financial empowerment, workforce development, community development and human services and basic needs.
- Webster has commissioned research on the topic of financial empowerment to understand financial challenges faced by consumers and the need/desire to build financial literacy. The results will be published to build awareness of the bank's initiatives and to further establish Webster as a leader in financial empowerment, overall and specifically for LMI households. Research results will initially be published and promoted during Financial Inclusion Week in October 2023.

Methodology



Method

Online, quantitative survey among 1,500 U.S. consumers

- Nationally representative sample of U.S. consumers: 1,000
- NY State low/middle income (LMI) consumers (<\$125K HH income): 250
- CT State low/middle income (LMI) consumers (<\$125K HH income): 250

Webster Bank was not identified as the sponsor of the research



Target Profile

- Age 21 – 79
 - Involved, at least to some degree, with household's decisions about money (e.g., budgeting, spending, borrowing, investing)
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Fieldwork

September 14 – September 25, 2023



Sample Source

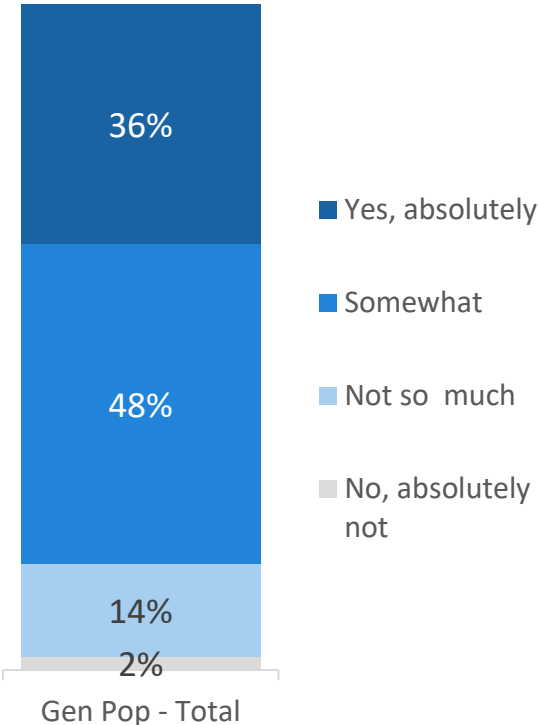
DISQO and Prodege online panels

Statistical testing was done at the 90% confidence level. Percentages shown in **bold** are statistically higher than underlined percentages. 8 Acre Perspective, an independent marketing research firm, conducted the research.

Fewer than 4 in 10 feel strongly they have the knowledge to make smart financial decisions, and just a third feel fully in control of their financial future

Have Knowledge Needed to Make Smart Financial Decisions

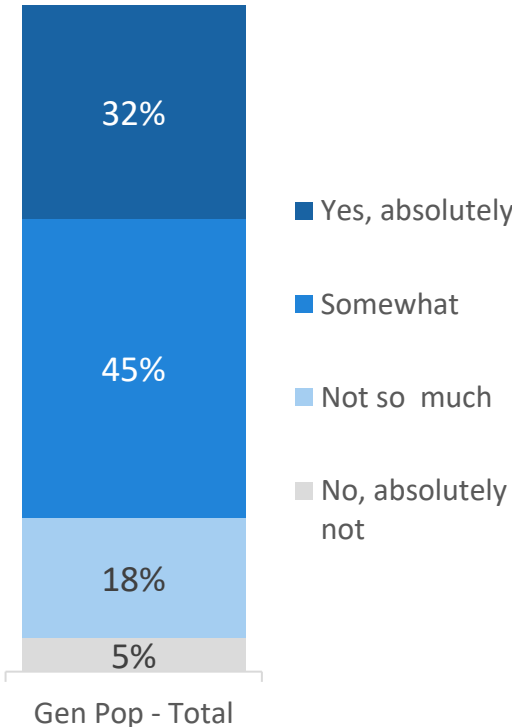
Base: Gen Pop – Total



Q2: Do you feel you have the knowledge you need to make smart financial decisions that support your long-term financial stability and well-being? (Gen Pop – Total n = 1,000)

Feeling in Control of Financial Future

Base: Gen Pop – Total



Q1: Do you feel in control of your financial future? (Gen Pop – Total n = 1,000)

Among the general population, financial challenges are pervasive

Financial Challenges

Base: Gen Pop – Total (% Agree)



Q3: Do you agree or disagree with each of the following statements? (Gen Pop – Total n = 1,000)

Financial challenges are more prevalent among younger generations

Financial Challenges by Generation (% Agree)

	Gen Pop (n = 1,000)	Gen Z & Millennials (n = 302)	Gen X (n = 298)	Boomers & Seniors (n = 400)
I feel I am not saving enough for retirement	<u>65%</u>	68%	73%	<u>56%</u>
I can't seem to save like I should	<u>63%</u>	67%	71%	<u>54%</u>
I worry a lot about my financial situation	<u>55%</u>	61%	60%	<u>46%</u>
I live paycheck to paycheck	<u>49%</u>	57%	53%	<u>41%</u>
I am uncomfortable with the amount of debt I have	<u>38%</u>	39%	45%	<u>33%</u>
When it comes to saving and investing, I just don't know where to start	<u>36%</u>	47%	39%	<u>26%</u>
Cite 1+ area of as a challenge	<u>83%</u>	89%	87%	<u>76%</u>

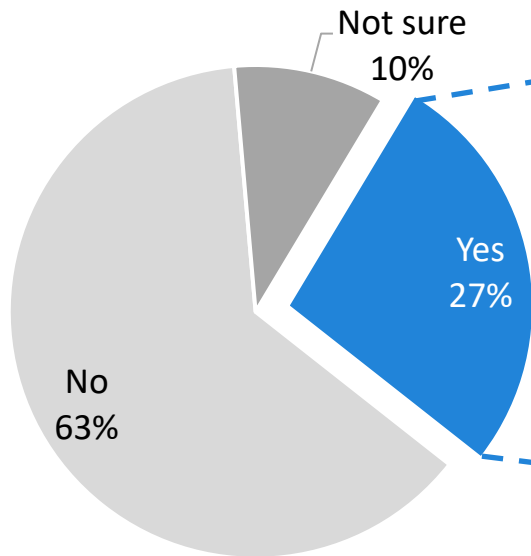
Q3: Do you agree or disagree with each of the following statements?

Most adults did not receive financial education in middle/high school, though most strongly believe such education is needed

- Among the minority of consumers who did receive financial education in middle/high school, most found it beneficial

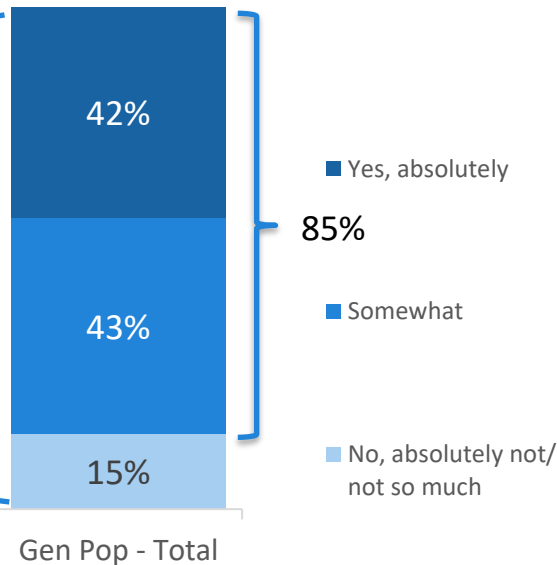
U.S. Adults Who Received Education on Managing Finances in Middle/High School

Base: Gen Pop – Total



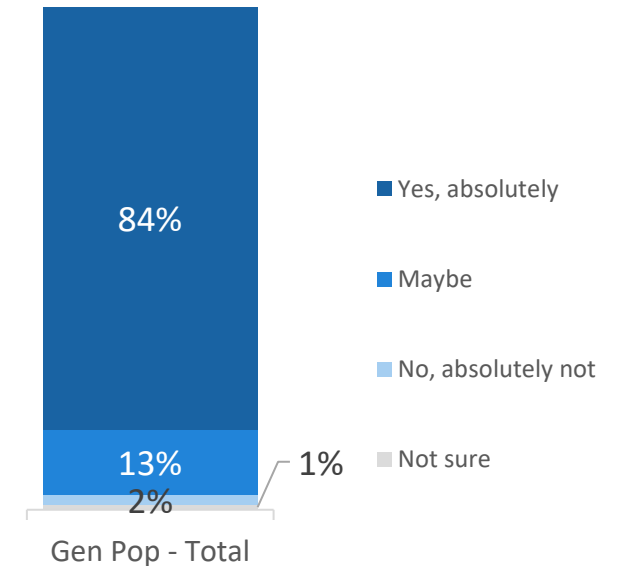
Middle/High School Education Successfully Prepared U.S. Adults to Manage Finances

Base: Gen Pop – Received Financial Education in Middle/ High School



Middle/High Schools Should Invest More Financial Education for Students

Base: Gen Pop – Total



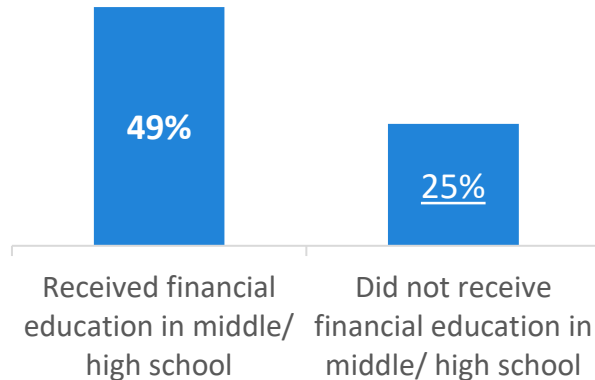
Q4: During your middle and high school years, did you receive any financial education on how to manage your personal finances (e.g., budgeting, saving, investing)? (Gen Pop – Total n = 1,000)
 Q5: Do you believe the financial education you received in middle and/or high school successfully prepared you to manage your finances? (Gen Pop – Total n = 274)
 Q6: Do you believe middle and high schools should invest more to provide students financial education (e.g., budgeting, saving, investing)? (Gen Pop – Total n = 1,000)

There are strong benefits to financial education in middle/ high school years, with those having received it feeling significantly better about their finances and financial futures

% Who Feel Fully in Control of Financial Future

Base: Gen Pop – Total

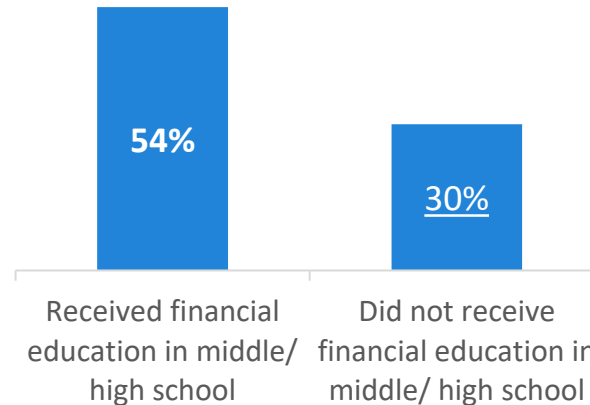
Those who did/did not receive financial advice in middle/ high school



% Who Feel Strongly They Have the Knowledge to Make Smart Financial Decisions

Base: Gen Pop – Total

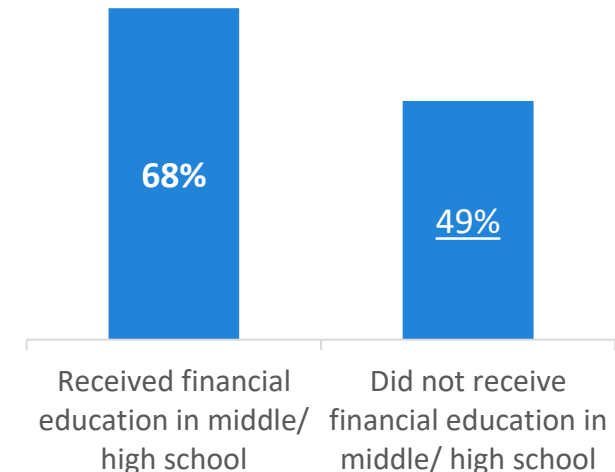
Those who did/did not receive financial advice in middle/ high school



% Who Feel Strongly They Have a Good Understanding of Their Expenses/ Spending

Base: Gen Pop – Total

Those who did/did not receive financial advice in middle/ high school

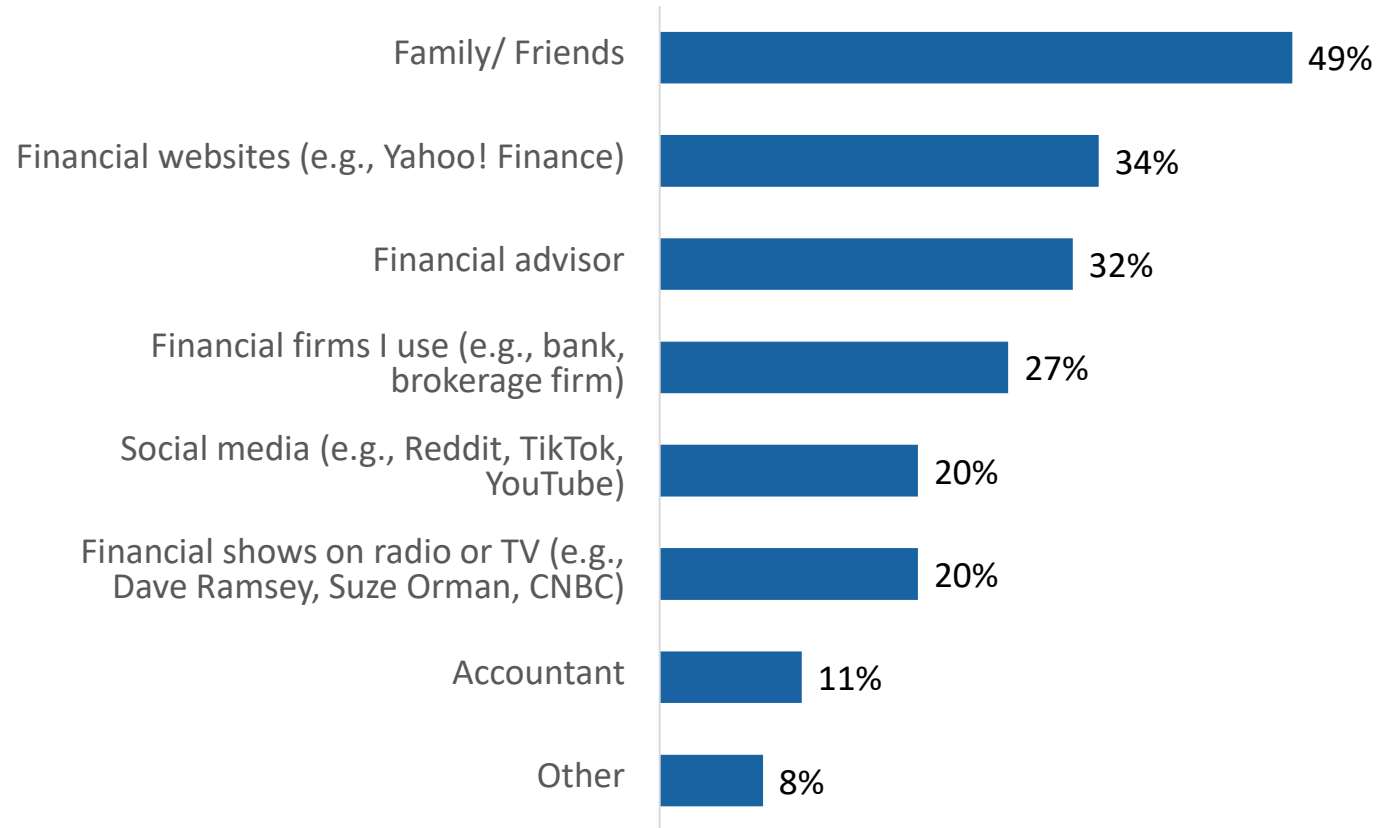


Q4: During your middle and high school years, did you receive any financial education on how to manager your personal finances (e.g., budgeting, saving, investing)? (Gen Pop – Total n = 1,000; Received financial education in middle/ high school n = 274; Did not receive financial education in middle/ high school n = 630)

“Family/ friends” is the most common resource for financial advice/ education

Sources of Financial Advice / Education

Base: Gen Pop – Total

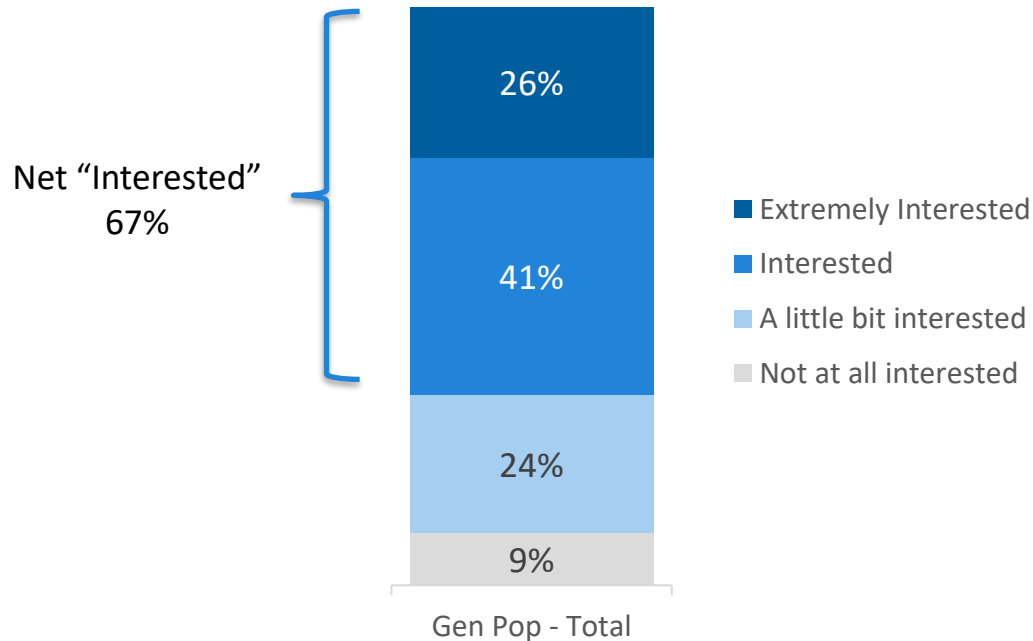


Q7: What sources do you use to access financial advice and/or build your financial knowledge? (Gen Pop – Total n = 1,000)

Most Americans are interested in tools and resources for financial education but are unsure or do not believe local community resources are available to them

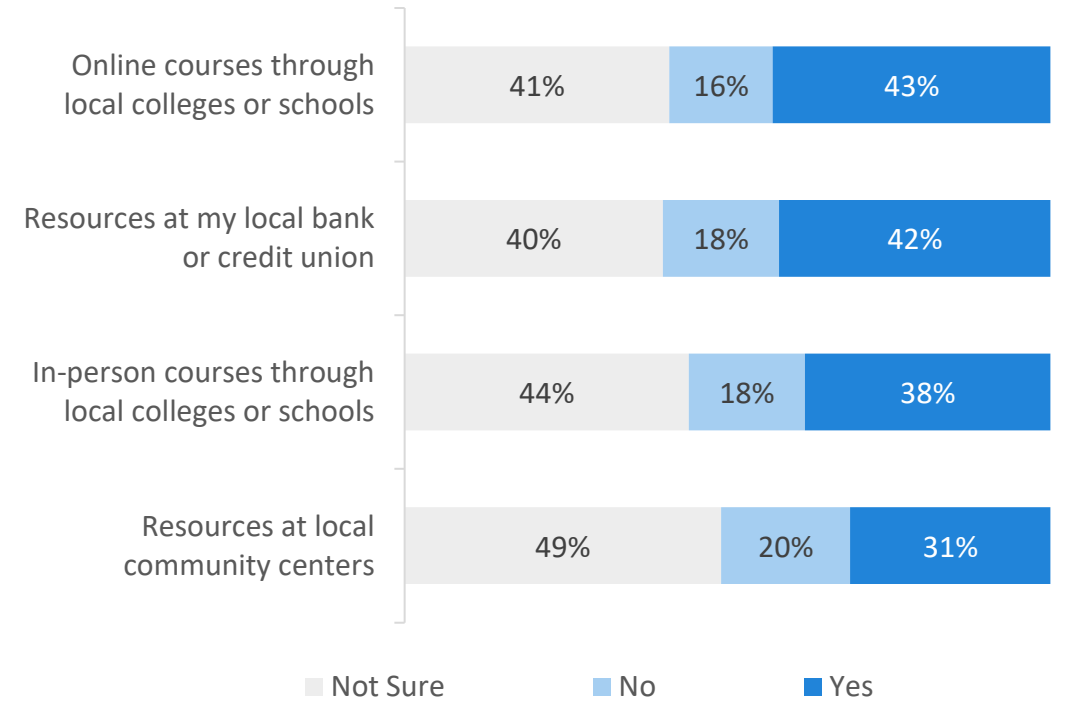
Interest in Tools/ Resources for Financial Education

Base: Gen Pop – Total



Availability of Financial Resources in Local Community

Base: Gen Pop – Total



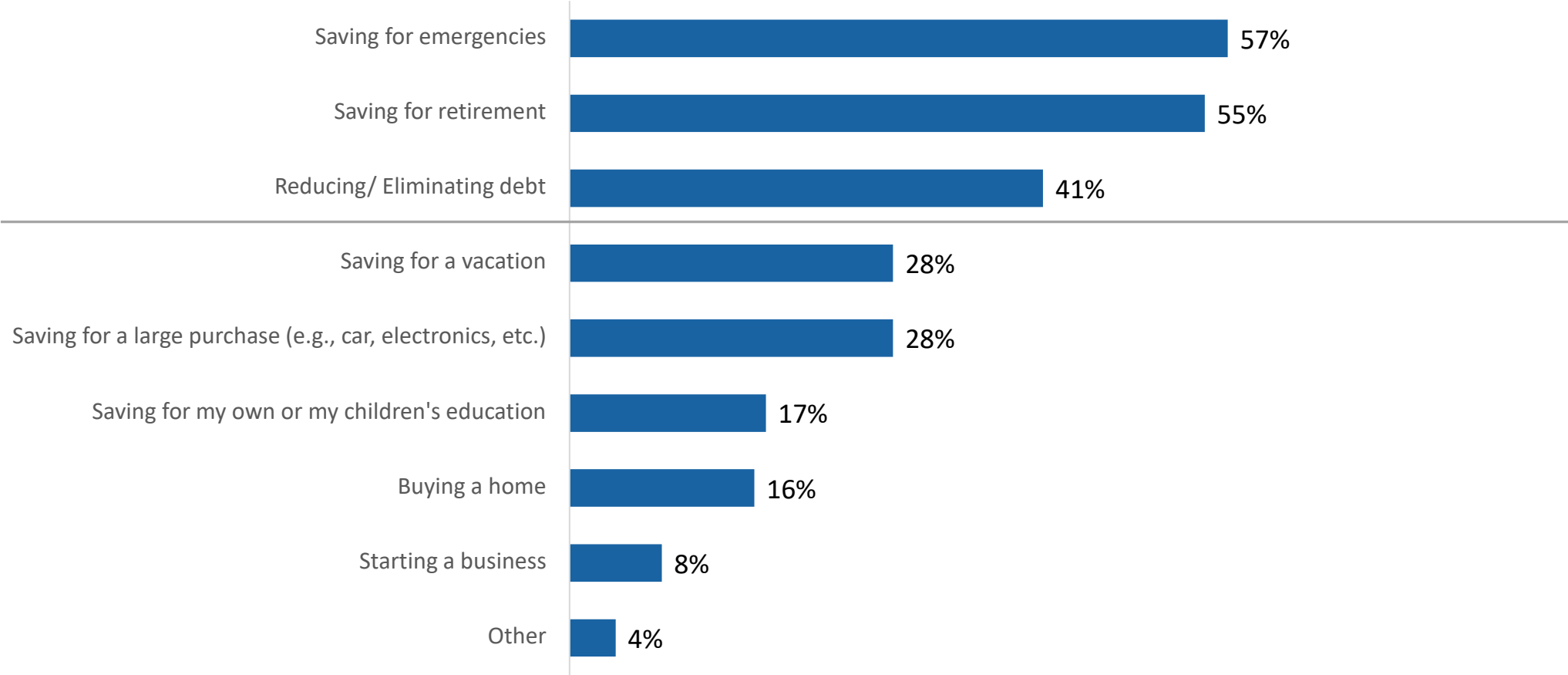
Q16: How interested are you in tools and resources to help you build your financial knowledge and/or more effectively manage your personal finances? (Gen Pop – Total n = 1,000)

Q14: Which of the following community resources are available to you for improving your financial knowledge and habits? (Gen Pop – Total n = 1,000)

Retirement, emergency savings and reducing debt are top financial priorities

Current Financial Priorities

Base: Gen Pop – Total



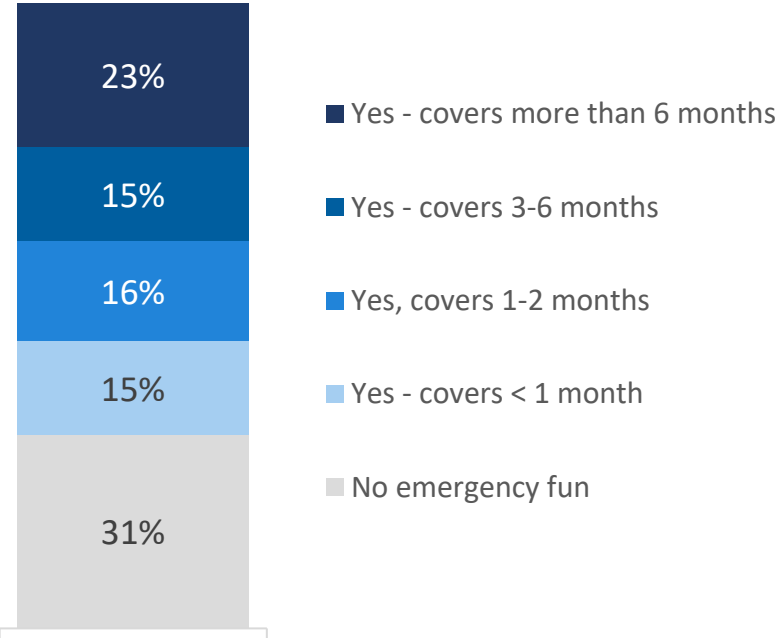
Q12: Which of the following are currently financial priorities for you? Select all that apply. (Gen Pop – Total n = 1,000)

31% of Americans have no emergency fund savings

Only 23% have a fund that could cover more than six months of expenses.

Has an Emergency Fund

Base: Gen Pop – Total



Q11: Do you have an emergency fund or savings that could be applied to emergencies or unforeseen expenses? Select one. (Gen Pop – Total n = 1,000)



Profile of Respondents

Generation	Gen Pop
Gen Z/Millennial (Age 21 - 42)	<u>30%</u>
Gen-X (Age 43-58)	30%
Boomer/ Senior (Age 59+)	40%

Gender	Gen Pop
Male	50%
Female	50%
Non-Binary/ Other	0%

Ethnicity*	Gen Pop
Asian/ South Asian	5%
Black/ African American	<u>11%</u>
Caucasian/ White	79%
Hispanic	<u>6%</u>
Other	2%
Prefer not to answer	1%

Region	Gen Pop
Northeast	<u>17%</u>
Midwest	<u>21%</u>
South	39%
West	23%

Education	Gen Pop
< College	<u>47%</u>
College +	53%

Household Income	Gen Pop
< \$50K	<u>36%</u>
\$50K -< \$100K	<u>28%</u>
\$100K+	36%

Household Investable Assets	Gen Pop
< \$25K	<u>30%</u>
\$25K - \$99K	<u>29%</u>
\$100K +	41%