Research Findings

Parents in the U.S. Are Optimistic About Their Financial Situation for 2018, With Nearly Six in Ten Expecting it to Improve

Seven in Ten Say They Will Reduce Debt and/or Save More, While More Than Half Believe They Will Be in Better Financial Shape for Retirement

Washington, DC, December 27, 2017 — When thinking about their financial situation for 2018, most American parents (ages 18 and over) are expecting some improvement in the year ahead (57%), including nearly a quarter who believe that their financial situation will improve *significantly* (22%). On the other hand, 26% don't anticipate any change in their financial situation, while not quite one in five (17%) believe their financial situation will worsen, according to a recent online survey conducted by Ipsos on behalf of New York Life.

- Young parents (adults ages 18-34) are especially optimistic, with 68% expecting their financial situation to improve in 2018 compared to 54% of parents ages 35 and over who say the same.

Parents are hopeful when it comes to different aspects of their 2018 financial outlook, with seven in ten saying that they will reduce debt (71%) and/or save more (70%) in the new year – and nearly two in five (38%) saying that they will seek help managing their finances. Another six in ten believe that they will be in better financial shape for retirement (57%) and that their families will be more financially secure and better prepared for the unexpected (62%). A similar proportion also anticipate having more opportunities for career growth and/or advancement when thinking about their outlook for 2018 (56%).

- A significantly greater proportion of men and parents between the ages of 18-34 are expecting to save more, be in better financial shape for retirement, and have their families be more financially secure/better prepared in the year ahead. They are also among the most likely to anticipate opportunities for career growth and/or advancement. However, similar proportions across age and gender agree they will reduce debt in 2018.
- Dads (52%) and young parents (47% of adults ages 18 – 34) are also among those most likely to say they will seek professional help managing their finances compared to women (26%) and parents ages 35 and over (34%), respectively.
- Compared to those with no college degree, parents that are more educated are more likely to agree with all statements listed, including greater proportions who will save more and reduce debt in 2018.

While reducing debt and saving money are top of mind, nearly half also agree they will increase spending on important purchases (49%, e.g., home improvements, appliances, professional wardrobe, etc.) and another two in five say the same of spending on "fun" purchases (43%, e.g., dining out, vacations, movies, sporting events, etc.). Plans to increase spending on both important and fun purchases are much more prevalent among men, younger parents (ages 18-34), the more affluent, and those with a college degree.

For nearly half of all parents surveyed, 2018 also means having to play a greater caregiver role for their own parent(s) (46%), with men (54% vs. 40% of women), young parents (58% of adults ages 18-34 vs. 39% of adults 55+), the more affluent (50% vs. 44% earning less than $75,000 annually), those with a college degree (54% vs. 36% of adults with no college degree), and those currently working full- or part-time (53% vs. 30% of unemployed adults) among the most likely to anticipate being increasingly responsible for looking after their own parents.

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When asked to select a Star Wars character that best describes how they address financial planning for their family, parents are most likely to see themselves in Yoda (23%), who is patient and uses experience to guide future decisions (while passing on wisdom and knowledge to future generations). Nearly as many believe they are instead most like Luke Skywalker (19%), in that they are family oriented, building financial goals around the needs of their family and relying on the expertise of others (though at times reluctantly) to find the way to navigate through the ups and downs. Chewbacca (14%, loyal and committed, will consult partner when making financial decisions and is ready to take on any task for the good their family), Princess Leia (13%, somewhat adventurous, will seek balance between enjoying achieved successes and continuing to work hard for continued growth/success toward financial goals), and Obi-Wan Kenobi (12%, wise and experienced, actively willing to take on big obstacles, working solo or with others, for the greater good) are each selected by just over one in ten, while fewer see themselves in C3PO (9%, fretful, will often wind up in a financial bind, sometimes needing help from others but other times surprising even themselves in working out a solution) or Han Solo (9%, independent and willing to take risks, has/will experience some financial setbacks but perseveres towards a positive financial goal for self and/or family).

- Across gender, dads tend to identify more with Han Solo (12% vs. 7% of women) and Obi-Wan Kenobi (16% vs. 9%), while moms are more likely to say Princess Leia (18% vs. 8% of men), C3PO (11% vs. 7%), or Chewbacca (16% vs. 11%) best describe how they address financial planning for their family.
- Very few differences emerge across age groups, though a greater proportion of older parents identify with the wise and patient Yoda (25% of parents ages 35+) compared to parents ages 35 and under (18%).

Financial Outlook for Future Generations

Most parents today are also optimistic when thinking about future generations – especially their own children - with two thirds in agreement that their child/children will have a better standard of living as adults than they currently do (67%), and another 54% saying the same thing about children in the United States in general today. Men, younger parents (ages 18-34), the more affluent (adults earning $75,000 annually or more), and those with a college degree are particularly hopeful when it comes to both their own children and children in general attaining a better standard of living than they currently do.

- Compared to a similar parent survey conducted in 2011, parents today are significantly more likely to agree that both their own children (67% in 2017 vs. 54% in 2011) and children in the U.S. in general (54% vs. 41%) will have a better standard of living than they/their parents currently do when they become adults.

Thinking about the different things parents can do to help their children thrive in the future, teaching financial responsibility by giving an allowance, piggybank, savings acct, and/or smart spending advice is rated as being most important when it comes to helping children succeed, selected by 54% of parents surveyed – with older parents (67% of adults ages 55+ vs. 45% of parents ages 18-34) particularly likely to feel this way. Encouraging children to work toward a well-paying career choice ranks second, with nearly one in five (38%) rating this as being most important in helping children succeed. Another three in ten say the same thing of putting money aside for college education (31%), making sure there is a financial plan to take care of children in case something happens (29%), and talking openly about personal or family finances (29%). Parents are least likely to think leaving a financial legacy for their child(ren) (19%) is important when it comes to helping children succeed in the future, though one in five nevertheless rate this option as such.

- While teaching financial responsibility by giving an allowance, a piggybank, or opening a savings acct was also rated as being the most important thing parents can do to help their children in 2011 (63%), parents do not feel as strongly about this today (54%). Instead, a greater proportion of parents in 2017 emphasize the importance of leaving a financial legacy for their children (19%) compared to those who said the same thing in 2011 (6%).

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Research Findings – continued –

About the Study

These are the findings from an Ipsos poll conducted December 6 - 11, 2017 on behalf of New York Life. For the survey, a sample of 1,002 parents (ages 18 and over) from the continental U.S., Alaska and Hawaii was interviewed online, in English. To qualify for the survey, respondents had to be the parent/guardian of at least one child under the age of 18 that is currently living in their household. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of ± 3.5 percentage points for all respondents surveyed.

The sample for this study was randomly drawn from Ipsos's online panel (see link below for more info on "Access Panels and Recruitment"), partner online panel sources, and "river" sampling (see link below for more info on the Ipsos "Ampario Overview" sample method) and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to each study, in drawing sample. After a sample has been obtained from the Ipsos panel, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking-ratio adjustments. The source of these population targets is U.S. Census 2016 American Community Survey data. The sample drawn for this study reflects fixed sample targets on demographics. Post-hoc weights were made to the population characteristics on gender, age, region, race/ethnicity and income.

Statistical margins of error are not applicable to online polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of ± 3.5 percentage points for all respondents (see link below for more info on Ipsos online polling "Credibility Intervals"). Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=1,002, DEFF=1.5, adjusted Confidence Interval=5.0).

For more information about conducting research intended for public release or Ipsos' online polling methodology, please visit our Public Opinion Polling and Communication page where you can download our brochure, see our public release protocol, or contact us.

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Research Findings – continued –

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Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,782.7 million in 2016.

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