Research Findings

Most Parents Are Optimistic About Their Financial Situation for 2019

Seven in Ten Agree They Will Reduce Debt in 2019 and Nearly as Many Believe They Will Save More Money in the Year Ahead

Washington, DC, February 12, 2019 —According to a recent online survey conducted by Ipsos on behalf of New York Life, nearly six in ten parents over the age of 18 believe that their financial situation for 2019 will improve (58%) – on par with results from a 2017 survey where 57% of parents said this of their outlook for 2018. Another three in ten (29%) believe that their financial situation will stay the same, while only 13% believe that it will worsen (down from 17% in 2017). When asked how the 2018 midterm elections have impacted their personal financial outlook for 2019, 17% say that the elections improved their outlook versus 15% who say that they worsened it. The large majority of parents (68%), however, say that the 2018 midterm elections did not change their financial outlook for the year ahead.

- Parents under the age of 30 (72% vs. 56% of those age 30+) and those with no college degree (64% vs. 51% of those with a college degree) are among those most likely to believe their financial situation for 2019 will improve at least somewhat.
- Parents under the age of 30 (26% vs. 16% of those age 30+) are also much more likely to say the 2018 midterm elections have improved their personal financial outlook for 2019, along with men (23% vs. 12% of women) and the more affluent (21% of those earning $75,000+ vs. 12% of those earning less).

Seven in ten are confident that they will reduce debt in 2019 (72%) and 67% agree that they will save more in the year ahead. Most parents surveyed further believe that their family will be more financially secure and better prepared for the unexpected (61%) and that they will be in better financial shape for retirement (52%). Nearly half will manage their money on their own (45%) - with only three in ten saying they plan to seek professional help managing their finances (30%). The proportion who plan to seek professional help drops by eight percentage points compared to results seen in 2017 (38%).

- Young parents (ages 18-29) are significantly more likely to agree that they will reduce debt, save more, be better prepared for the unexpected, and be in better financial shape for retirement compared to parents over the age of 30. They are also much more likely to say they intend to work with a professional to help manage their finances (38% vs. 29%). Men and those earning at least $75,000 mirror these trends.

In terms of their professional outlook, just over half anticipate more opportunities for career growth and/or advancement (52%) – and this is especially true for men (57% vs. 49% of women) and parents under the age of 30 (76% vs. 49% of those age 30+). Two in five believe they will play a greater caregiver role for their parents in the year ahead (40%, down from 46% in 2017).

When it comes to different expenses, parents are more likely to spend money on important purchases in 2019 – with 46% saying that they will increase spending on important purchases (e.g., home improvements, appliances, professional wardrobe, etc.) versus 35% who say that they will increase spending on "fun" purchases (e.g., dining out, vacations, movies, sporting events, etc.). While spending on important purchases remains on par with results seen in 2017 (46% in 2018 vs. 49% in 2017), significantly fewer are planning to increase spending on fun purchases in the year ahead (35% in 2018 vs. 43% in 2017).

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Research Findings

- Men, the more affluent ($75,000+), and parents under the age of 30 are significantly more likely to anticipate increasing their spending in 2019 compared to their respective demographic counterparts – whether spending for “important” or “fun” purchases.

If they were to win a $5 million lottery jackpot in 2019, the majority of parents would use the money to pay off debts (58%). At least a third would also use some of the money to set up a college fund for their child(ren) (37%), purchase a home (36%), and/or save for retirement (33%). One in four would share the money with their loved ones (26%). Not quite one in five would use the money to set up an emergency fund (18%) or donate to charity (17%), while fewer would invest in the stock market (13%), start their own business (13%), provide their parent(s) with a better standard of living (13%), and/or put the money in the bank and quit their job (12%). One in ten would take some of this money to go on a lavish trip (10%), while other responses fall below this threshold.

Financial Preparedness for Future Generations

Most parents believe that when their own child(ren) become adults, they will have a better standard of living than they currently do (61%). In comparison, the proportion who feel this way about the future standard of living for children in the United States in general drops to 44%. Men and parents under the age of 30 are significantly more likely to be optimistic about the future of their own children and that of children in the U.S. in general, compared to women and parents over the age of 30.

- Fewer parents today believe that their own children will have a better standard of living than they currently do (61% in 2018 vs. 67% in 2017). Similarly, there is a 10-percentage point drop when it comes to the proportion of parents who believe that children in the U.S., generally, will be better off as adults compared to their parents (44% in 2018 vs. 54% in 2017).

When it comes to actions parents can take to help their children thrive in the future, respondents are most likely to believe that teaching financial responsibility by giving an allowance, a piggybank, a savings account and advice regarding smart spending is among the most important things they can do (62%). Encouraging their child(ren) to work toward a well-paying career choice (45%) is ranked second, while more than a quarter believe that making sure they have a financial plan to take care of their child(ren) in case something happens to them (28%), putting money aside for college education (27%), and talking openly about their own personal or family finances (27%) are among the most important things they can do to help their children succeed in the future. Parents are least likely to believe that leaving a financial legacy for their child(ren) is helpful (11%), though one in ten nevertheless feel this way.

- Compared to last year, parents are significantly more likely to emphasize the importance of teaching financial responsibility (62% in 2018 vs. 54% in 2017) and encouraging children to work toward a well-paying career choice (45% vs. 38%). On the other hand, they are much less likely to think putting money aside for college (27% in 2018 vs. 31% in 2017) or leaving a financial legacy (11% vs. 19%) are important actions to take the help their children succeed in the future.

About the Study

These are the findings from an Ipsos poll conducted November 15 - 19, 2018 on behalf of New York Life. For the survey, a sample of 1,102 adults ages 18 and over from the continental U.S., Alaska and Hawaii was interviewed online, in English. In order to qualify for the survey, respondents had to have at least one child under the age of 18 living at home. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of ±3.4 percentage points for all respondents.

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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 nonprobability sampling 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. 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=1,102, DEFF=1.5, adjusted Confidence Interval=4.9).

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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About Ipsos

Ipsos is an independent market research company controlled and managed by research professionals. Founded in France in 1975, Ipsos has grown into a worldwide research group with a strong presence in all key markets. Ipsos ranks fourth in the global research industry.

With offices in 89 countries, Ipsos delivers insightful expertise across five research specializations: brand, advertising and media; customer loyalty; marketing; public affairs research; and survey management.

Ipsos researchers assess market potential and interpret market trends. They develop and build brands. They help clients build long-term relationships with their customers. They test advertising and study audience responses to various media and they measure public opinion around the globe.

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Ipsos has been listed on the Paris Stock Exchange since 1999 and generated global revenues of €1,780.5 million in 2017.

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