



Elevate

Center for the  
New Middle Class

# **Financial Education and Attitudes: Non-Prime Millennials**

June 2017



# Introduction

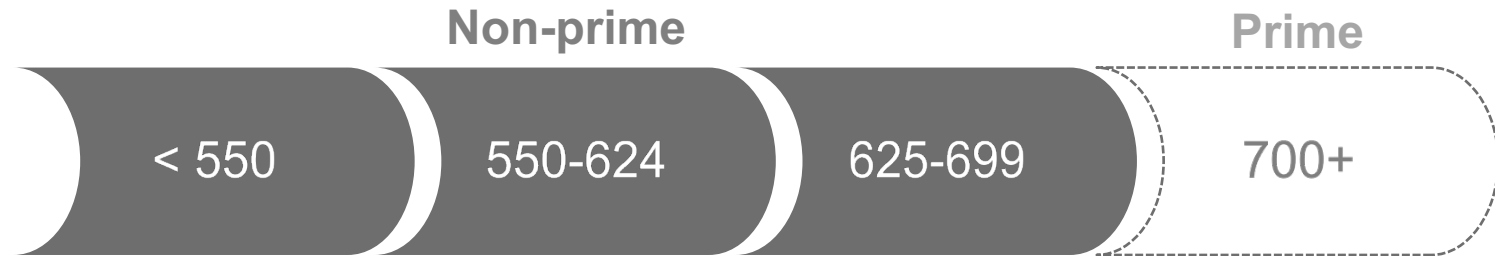
The broad discussion in many circles about the plight of the non-prime consumer often uses assumptions about how these consumers think, what matters to them, and even what would be good for them. However, there is limited data that really explains their circumstances.

Elevate's Center for the New Middle Class set out to understand the differences in attitudes, experiences and behavior between consumers with prime credit and those with non-prime credit.

This study represents results from the survey of 1,217 Americans, using interviews conducted December 6-14, 2016.

For more details on the study, [click here](#).

# Non-prime Americans



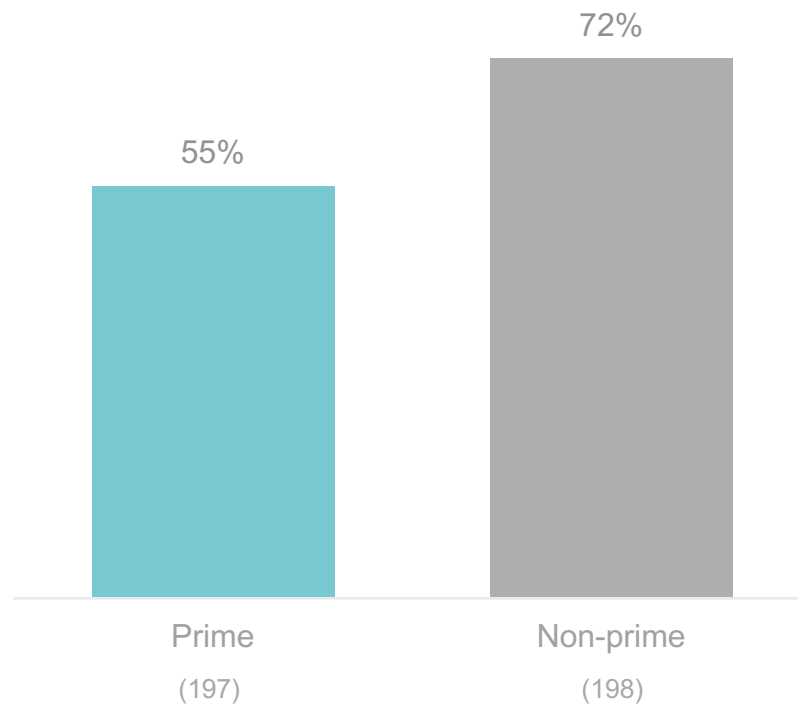
“Non-prime Americans” represent the New Middle Class. These are Americans with a credit score below 700, meaning that their access to credit is limited or curtailed. It is the Center’s objective to better understand their experiences, attitudes, and behavior.

# Executive Summary

- How non-prime Millennials learned how to manage their finances:
  - Trial and error = 72%
  - Parents of prime Millennials did a better job helping their children
  - 44% conduct personal research
- How non-prime Millennials feel about their finances:
  - Half feel their finances cause them significant stress
  - Only 22% are highly satisfied with their present financial condition
  - Are more optimistic about their long-term financial prospects than Gen-X or Baby Boomers
  - Prime and non-prime Millennials are equally confident in their ability to meet the needs of a future job market
  - 1 in 4 non-prime Millennials feel they have little control over the things that happen to them; higher than for non-primers of other generations

# Learning to manage finances on their own

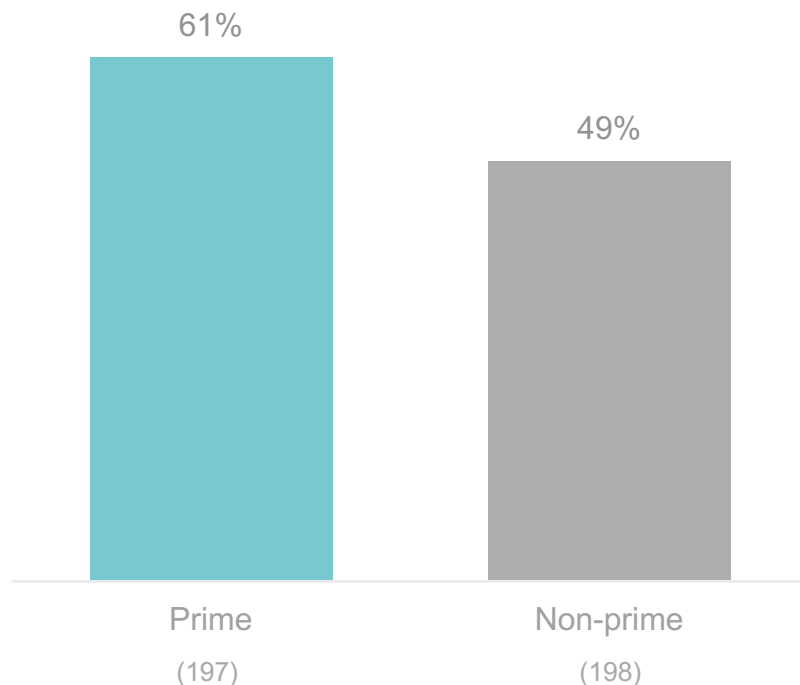
Learned how to manage finances: trial and error



31% more non-prime Millennials admitted to learning how to manage their finances through the school of hard knocks.

# A parent's example

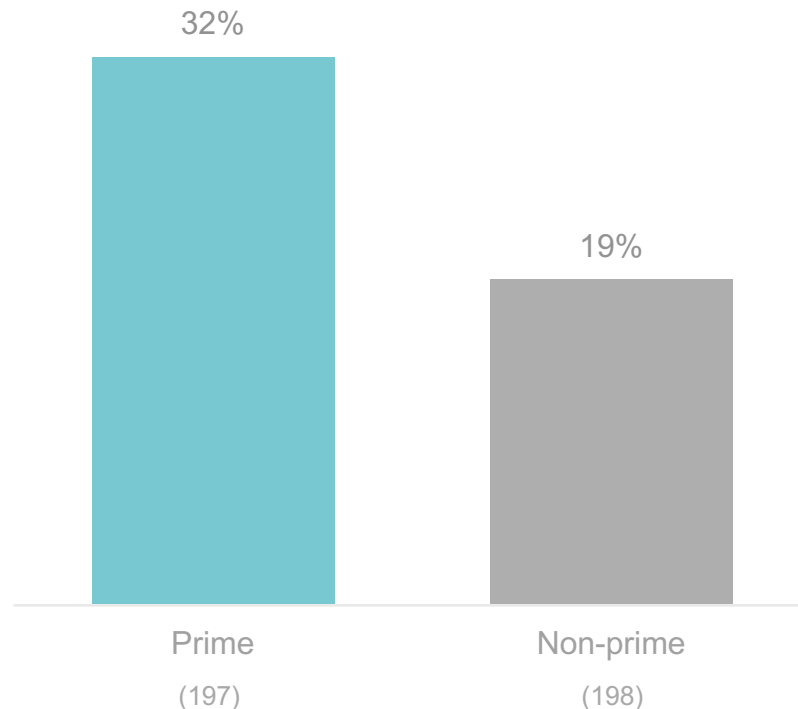
Learned how to manage finances: parent's example



Non-prime Millennials didn't benefit as widely as their prime counterparts from seeing how their parents managed their finances.

# Personal finance home schooling

Learned how to manage finances: parent's instruction

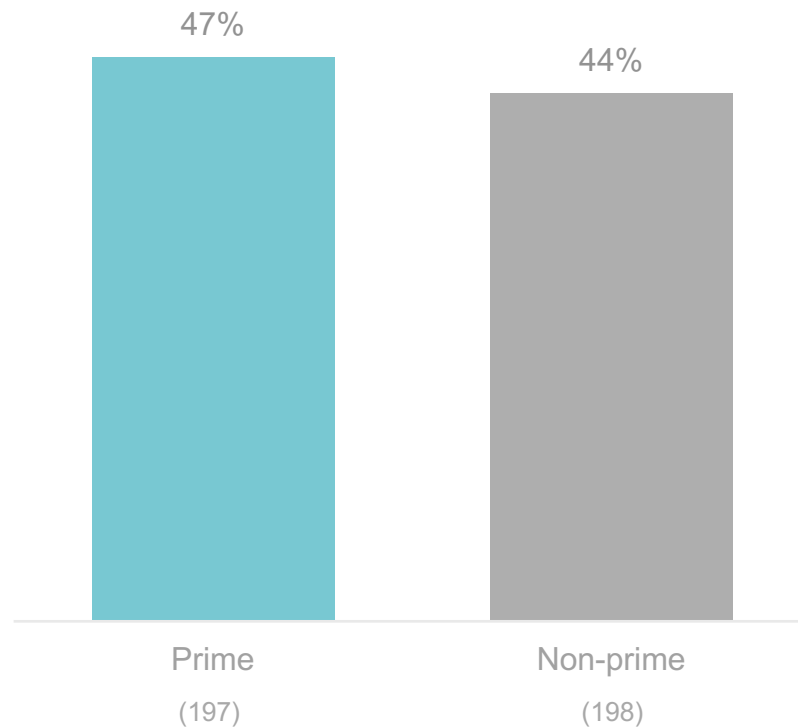


A third of prime Millennials were actively taught financial management skills from their parents.

Only 1 in 5 of their non-prime counterparts received instruction at home.

# Hitting the books

Learned how to manage finances: personal research

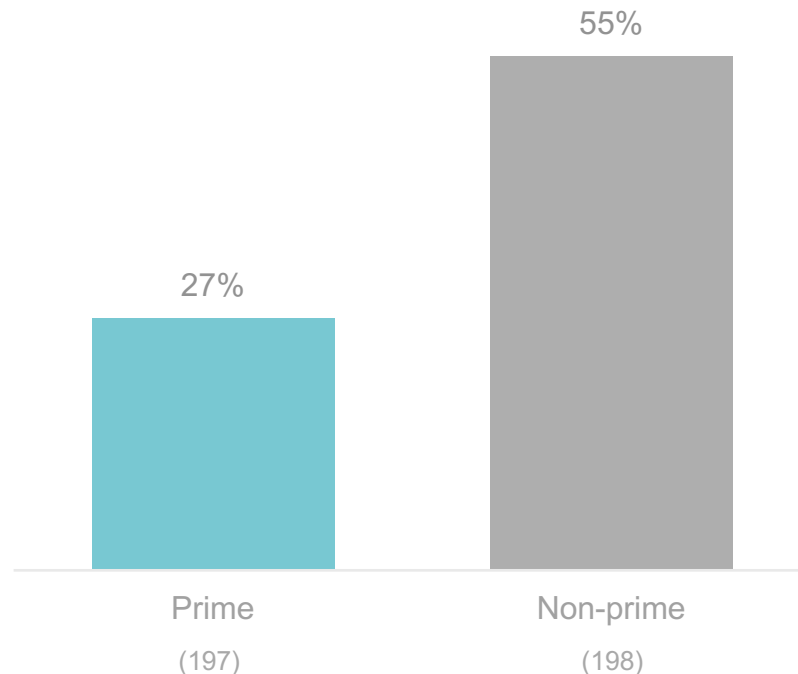


Nearly half of all non-prime Millennials have engaged in personal research to learn how to manage their finances.



# Finance-induced stress

“My finances cause me significant stress”  
(top-2 box)



Non-prime Millennials are twice as likely as their prime counterparts to say that their finances cause them significant stress.

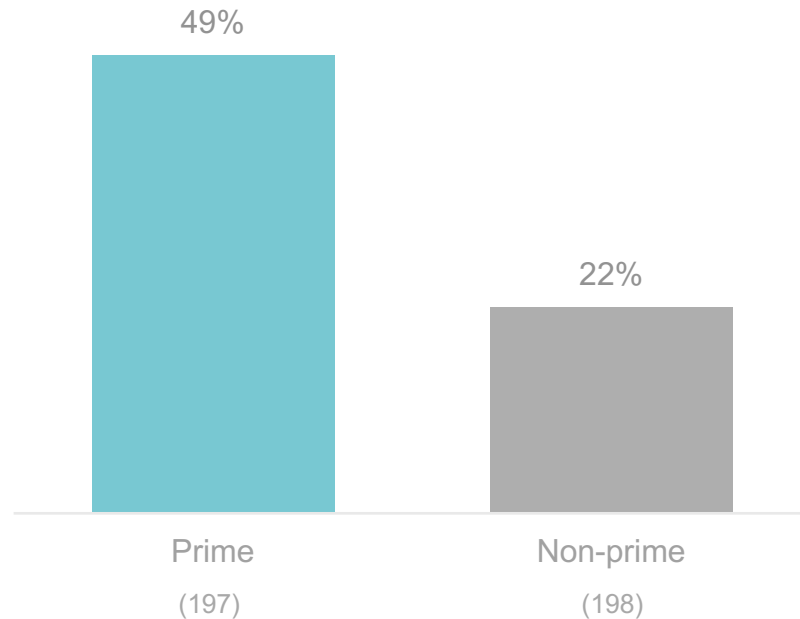
More than half of them live with the meaningful drone of financially-induced stress in their lives.

Q27. On a scale of 1 to 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', how much do you agree or disagree with the following statements?

Source: Financial Life, Dec. 2016

# It's all good

“I am highly satisfied with my present financial condition”  
(top-2 box)

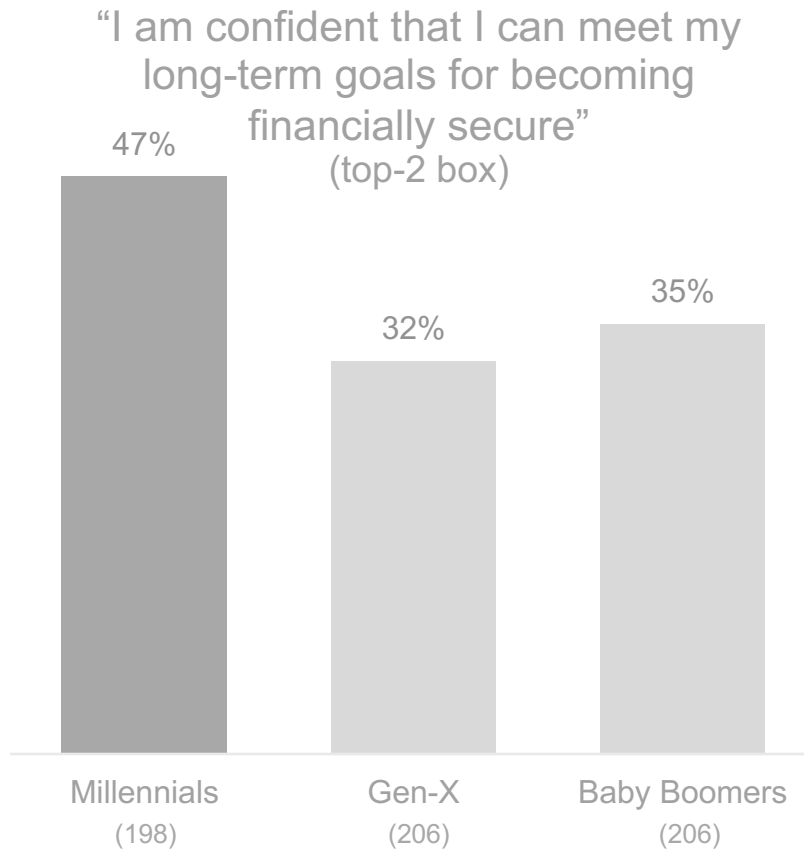


Only 1 in 5 non-prime Millennials are satisfied with their present financial situation.

Q27. On a scale of 1 to 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', how much do you agree or disagree with the following statements?

Source: Financial Life, Dec. 2016

# Confidence in the future



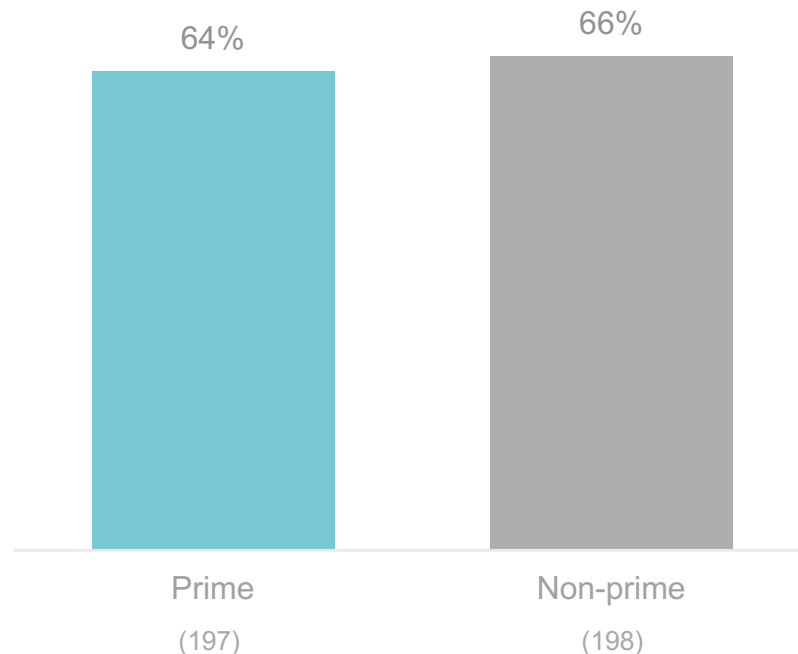
Non-prime Millennials are more optimistic than Gen-X or Baby Boomers that they can attain their goals for financial security.

Q27. On a scale of 1 to 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', how much do you agree or disagree with the following statements?

Source: Financial Life, Dec. 2016

# Confidence in job skills for the future

“I am confident that I will have the skills that I will need for the kinds of jobs I want in ten years”  
(top-2 box)



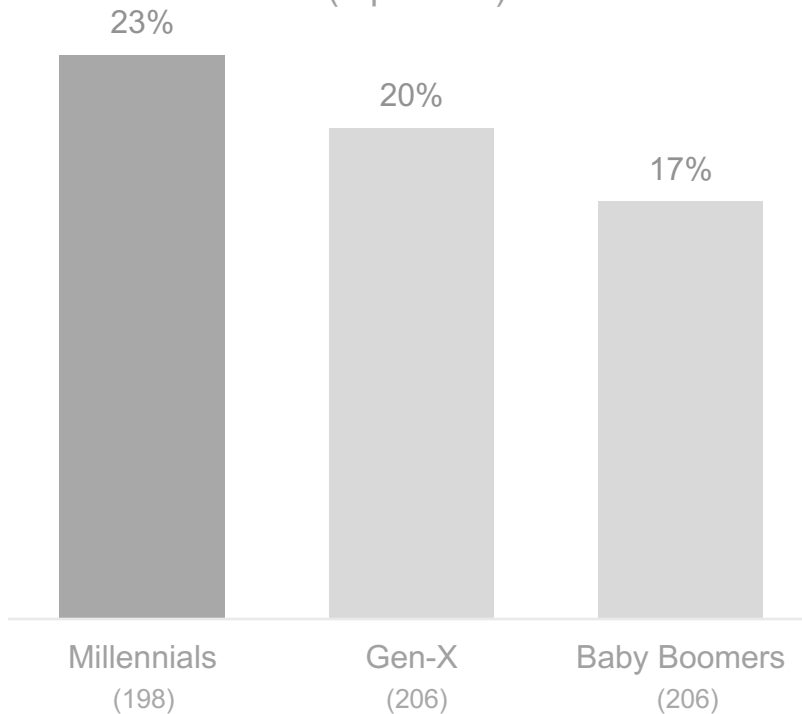
Both prime and non-prime Millennials believe in their ability to meet the needs of a future jobs market.

Q27. On a scale of 1 to 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', how much do you agree or disagree with the following statements?

Source: Financial Life, Dec. 2016

# At the whim of fate

“I have little control over the things that happen to me”  
(top-2 box)



Almost 1 in 4 non-prime Millennials feel that they have little control over what happens to them.

They are 23% more likely to feel they are at the whim of fate compared to non-Millennial non-prime Americans.

Q27. On a scale of 1 to 5, where 1 is 'strongly disagree' and 5 is 'strongly agree', how much do you agree or disagree with the following statements?

Source: Financial Life, Dec. 2016

# Methodology

The primary purpose of this study was to determine how non-prime Americans were similar or different from those with prime credit on a range of behaviors and attitudes.

**Interview Dates:** December 6-14, 2016

## **Sample Specs:**

- Total Respondents = 1,217
- Sample Source: Research Now Consumer Panel

## **Qualification Criteria:**

- Ages 18-64
- Personal income: Any
- Geography – U.S. Rep
- Has primary or shared responsibility managing HH finances
- Employment: No students or unemployed
- Has a checking or savings account

**Survey Instrument:** 15 minute online questionnaire

↑ Arrows indicate statistical significance at 90%, over prime/unprimed cohort

# About

## About Elevate's Center for the New Middle Class

Elevate's Center for the New Middle Class conducts research, engages in dialogue, and builds cooperation to generate understanding of the behaviors, attitudes, and challenges of America's growing "New Middle Class."

For more information, visit: [www.NewMiddleClass.org](http://www.NewMiddleClass.org)

## Contact

 [NewMiddleClass@elevate.com](mailto:NewMiddleClass@elevate.com)

 [@NewMidClass](https://twitter.com/NewMidClass)

 [Facebook.com/NewMiddleClass](https://Facebook.com/NewMiddleClass)