

A woman with long brown hair tied in a ponytail with a light blue polka-dot bow, wearing a dark blue shirt and white gloves, is painting a wall with a blue roller. The wall is partially painted blue, and the background is a light blue gradient.

Expectations & Experiences  
Our Quarterly Consumer Trends Research

# Borrowing and Wealth Management

# Improving the financial experience

Borrowing and investing continue to be pivotal activities in people's lives. And, most people are engaged in one way or another. Whether they're borrowing for school, business or a home, or investing for the future, the financial services experience can help people think through important financial decisions and build strong relationships with a financial organization.

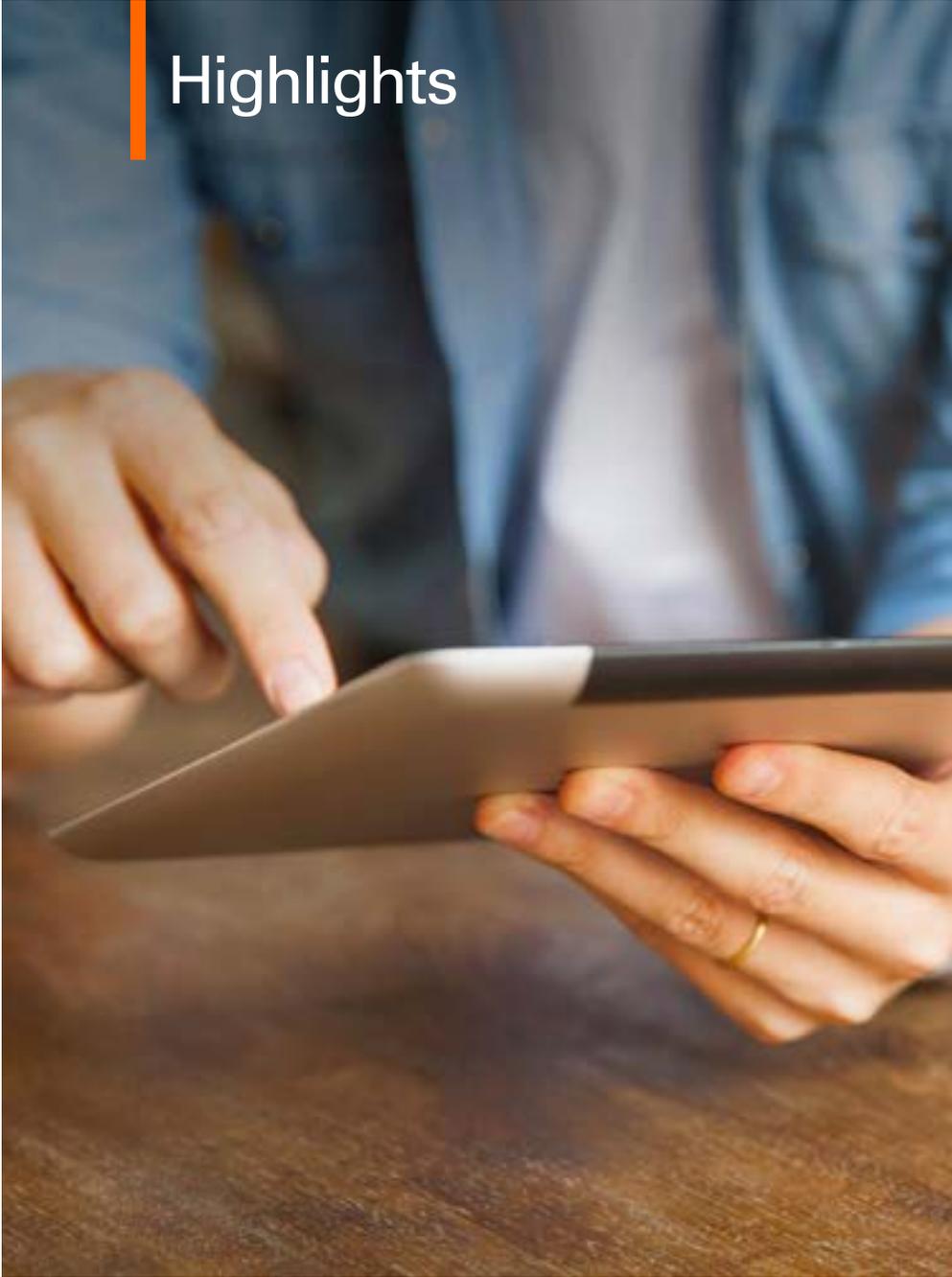
There are many opportunities to improve that experience. For example, even when people are doing things that should strengthen their financial health, such as saving for retirement, confidence and optimism are fairly low for many people and they typically aren't accessing the expertise of professionals. It's possible that education, advice and access to professional support could be welcome complements to the latest technology options.

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Expectations & Experiences is a quarterly U.S. consumer trends survey sponsored by Fiserv. One of the longest running surveys of its kind, Expectations & Experiences builds on years of consumer survey data. The survey provides insight into people's financial attitudes and needs, enabling organizations to design and drive adoption of services that improve consumer financial health, loyalty and satisfaction.

Each survey focuses on primary issues relevant to how people move and manage money. This paper summarizes results from a survey conducted May 21–June 6, 2018, of 3,050 U.S. adults who used their checking accounts to pay a bill or make a purchase in the 30 days prior to the survey. This survey looks at consumers' perceptions and use of borrowing and investing options, including their experiences with financial advisors. The survey was conducted by The Harris Poll on behalf of Fiserv. For full methodology, please see page 13.





# Highlights

- 1 Loans are the norm.** While millennials are the group most likely to have applied for loans in the past two years, a significant majority of all age groups under age 72 have active loans.
- 2 Comfort with online loan applications is high, but mobile has a way to go.** A majority of borrowers have completed aspects of the loan process via online or mobile. However, consumers are significantly more comfortable with desktop or laptop than they are with mobile options. Even so, if it means speeding up the process, people are willing to take loan-related actions via mobile and online.
- 3 Most are saving for retirement, but don't feel optimistic about saving enough.** Overall, people express a lack of optimism and confidence about their ability to save for retirement. A majority feel they are not saving enough and a sizable minority say they aren't getting the advice they need.
- 4 Investing is common, but people's experiences vary.** A significant share of consumers are investing for purposes other than retirement. In addition, consumers who use financial advisors are in the minority, with many people thinking they don't have enough money to invest. Those who use an advisor are the most confident in the advice they receive.

## Consumers' current loans



Survey questions to all qualified respondents: Which of the following loans, if any, do you currently have? Please select all that apply. / Did you apply for a loan in the last 2 years? / Survey question to those who applied for a loan in the past 2 years: For any loan(s) you applied for in the last 2 years, did you apply for any of these online, through a mobile app, or website?

## Most consumers have at least one loan

Two-thirds of consumers (65 percent) currently have at least one loan and a sizable percentage (35 percent) applied for a loan in the past two years. Seniors (47 percent), unmarried people (55 percent) and those who have household incomes below \$50,000 per year (53 percent) hold loans at lower rates than other U.S. banking consumers.

Of those who applied for loans in the past two years, 56 percent completed at least part of the loan process via online or mobile channels. Nearly four in 10 (38 percent) applied for at least one loan completely via online or mobile.

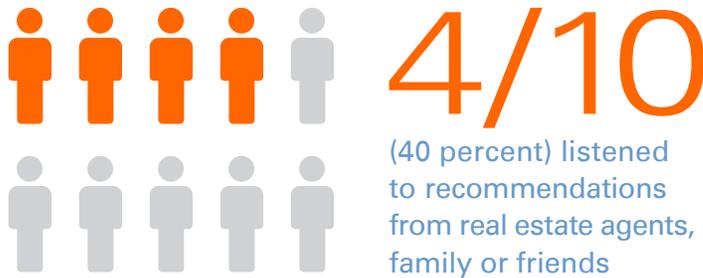
### Big ticket loans are common



Millennials are far more likely to have applied for a loan in the past two years (45 percent) than nonmillennial consumers (31 percent). Similarly, 69 percent of millennials completed at least part of the loan process via online or mobile while 48 percent completed the process entirely online.

# When looking for a lender, it's all about who you know

Among those who have applied for a mortgage or home equity line of credit (HELOC) in the past five years, inquiring with a primary financial organization and personal referrals are the most common ways for consumers to find a lender. In total, 46 percent of people relied on their primary financial organization, either by calling, looking online or asking at their local branch.



When selecting a lender, cost and service are key influencers for many consumers. Interest rate (50 percent), low fees (34 percent) and customer service (32 percent) rank highest among all factors that influence consumer decision making.

## How consumers search for a lender

(among those who have applied for a mortgage or HELOC in the past five years)



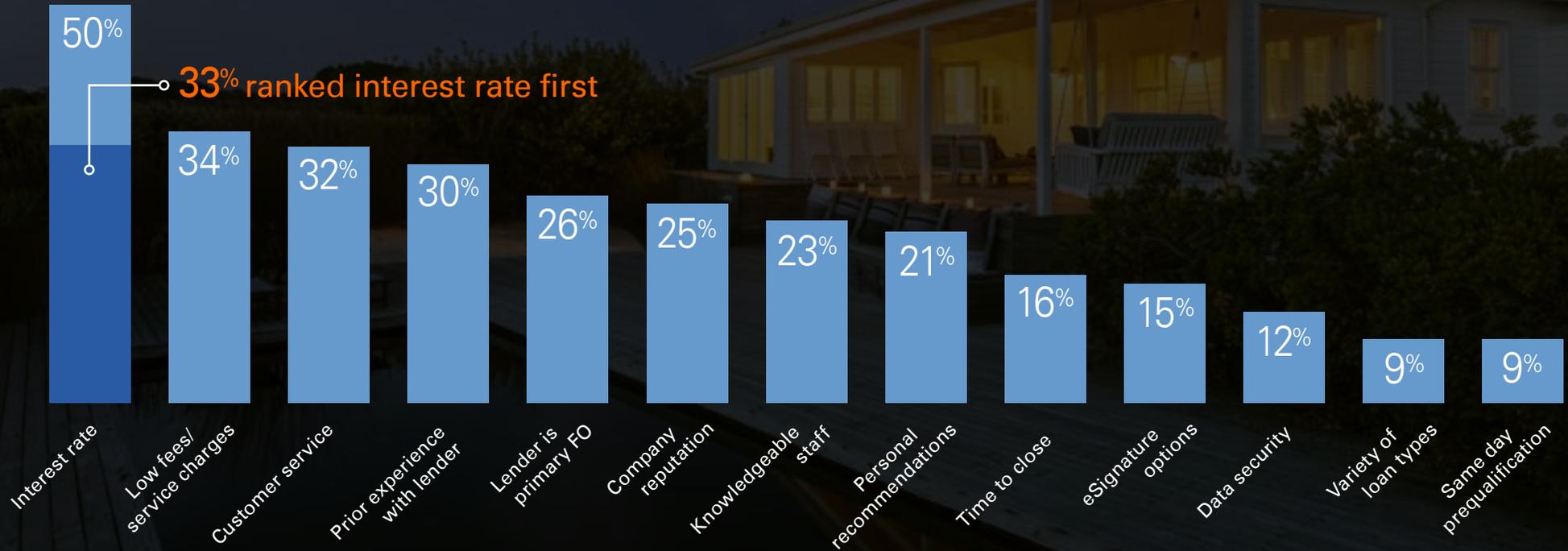
Note: 17 percent chose "none of these."

Survey question those who applied for a mortgage or HELOC loan within the last five years: How did you begin to search for a lender for your [INSERT LOAN TYPE]? Please select all that apply.

# Cost and service influence choice of lender

## Factors that played a role in lender selection

(among those who applied for a mortgage/HELOC in the past five years)



Survey question to those who applied for a mortgage or HELOC loan within the last five years: Which of the following factors played a role in your decision about which lender to choose when applying for this home loan? Please select all that apply.

# Barriers to mobile loans exist, but opportunities remain

Two-thirds of consumers (67 percent) say they are somewhat or very comfortable completing a home loan application via laptop or desktop. This compares to only 29 percent of consumers who are comfortable with the idea of using a smartphone or tablet, although nearly half of millennials (49 percent) are comfortable using these mobile devices.

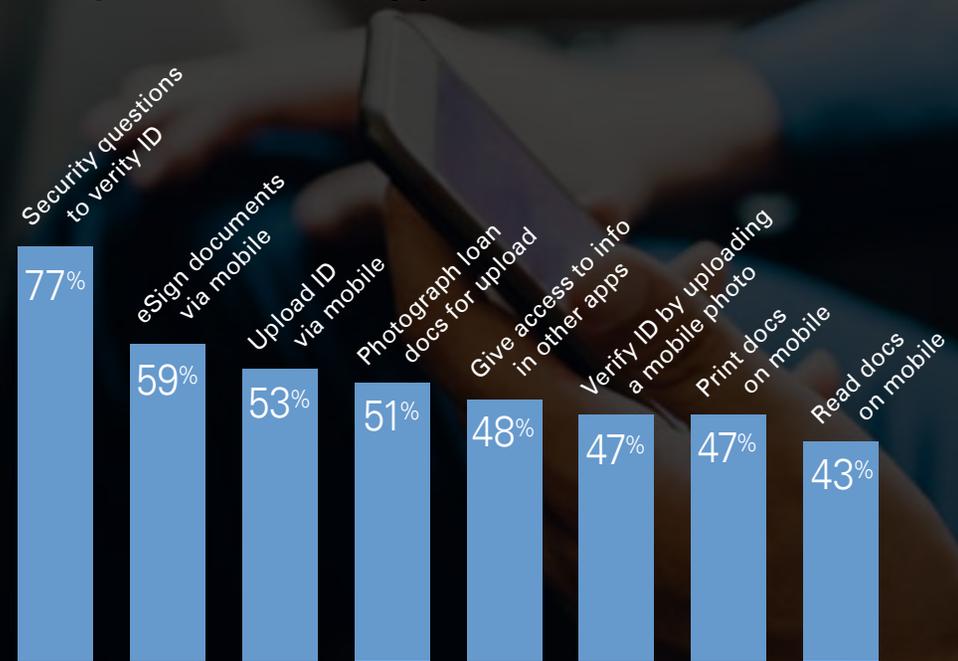
## Top barriers to mobile use

- 60%** Screen size too small
- 51%** Concerned about data security/privacy
- 35%** Concerned about unauthorized data use
- 34%** Prefer “personal touch”
- 22%** Confusing to complete via mobile

Despite some resistance to mobile, consumers appear to be very open to completing certain activities on their smartphones or tablets if it speeds up the loan process. For example, 59 percent are willing to eSign documents via mobile, while 53 percent are willing to take a picture of their driver’s license and upload via mobile.

## Tasks consumers will complete if it speeds up the loan process

(among those who have a mortgage/HELOC)



Survey question to those not at all or not very likely to complete loan application on smartphone or tablet: Which are reasons you do not feel comfortable completing the loan process via smartphone or tablet? Select all that apply. / Survey question to those with a mortgage or HELOC: How willing would you be to do each of the following when applying for a mortgage or home equity line of credit, if it would mean making the loan process faster to complete?

## Just over half save for retirement. One-third say it's enough.

A majority of consumers (57 percent) are currently saving for retirement. Gen Xers (71 percent) are the most likely to be saving, while seniors (22 percent) are the least likely – presumably because they have reached an age at which they are drawing on savings rather than adding to them.

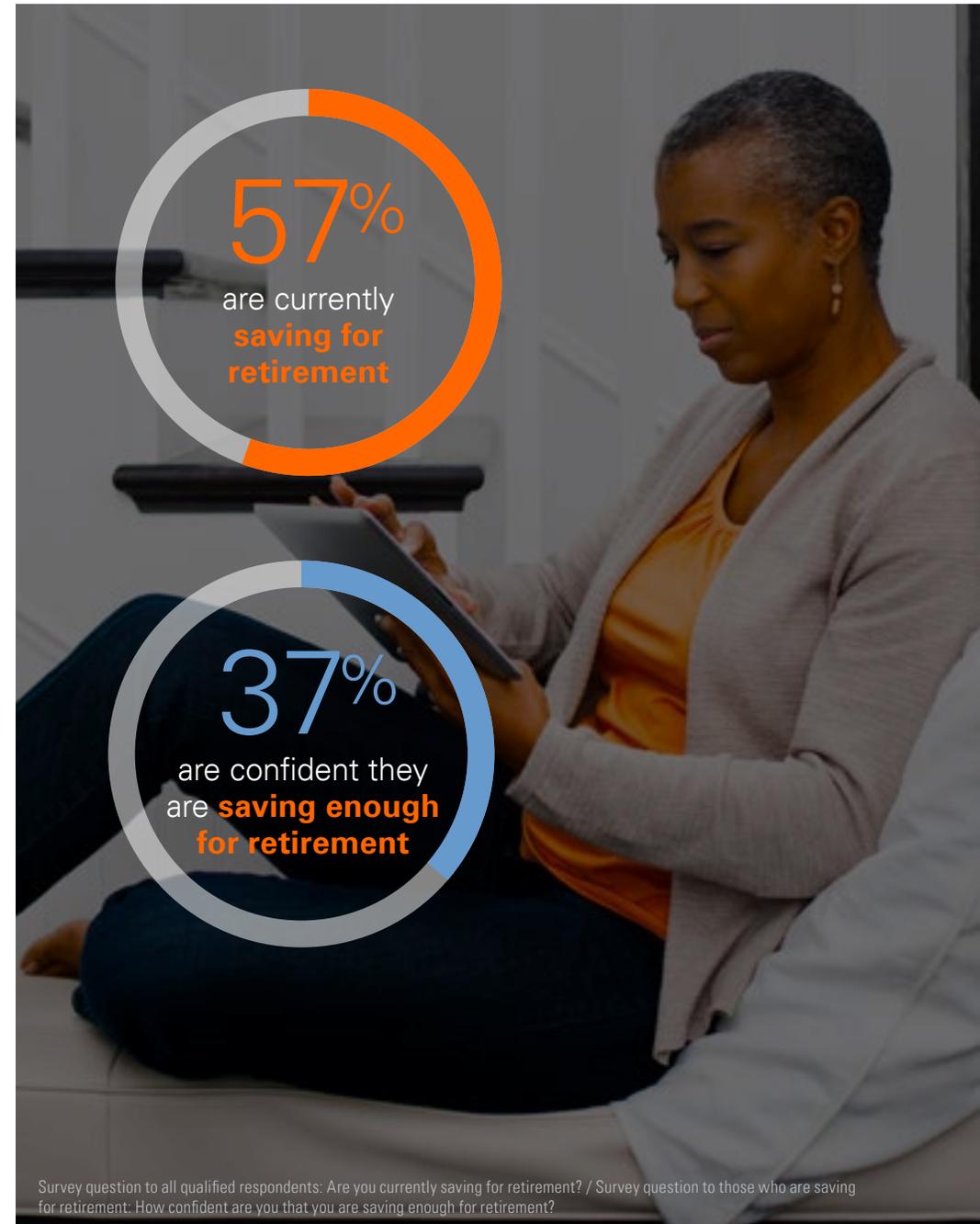
People with lower incomes (less than \$50,000 in household annual income) are also less likely to be saving for retirement, with 64 percent saying they do not currently save.

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Among those who do save, the majority are not confident that they are saving enough.

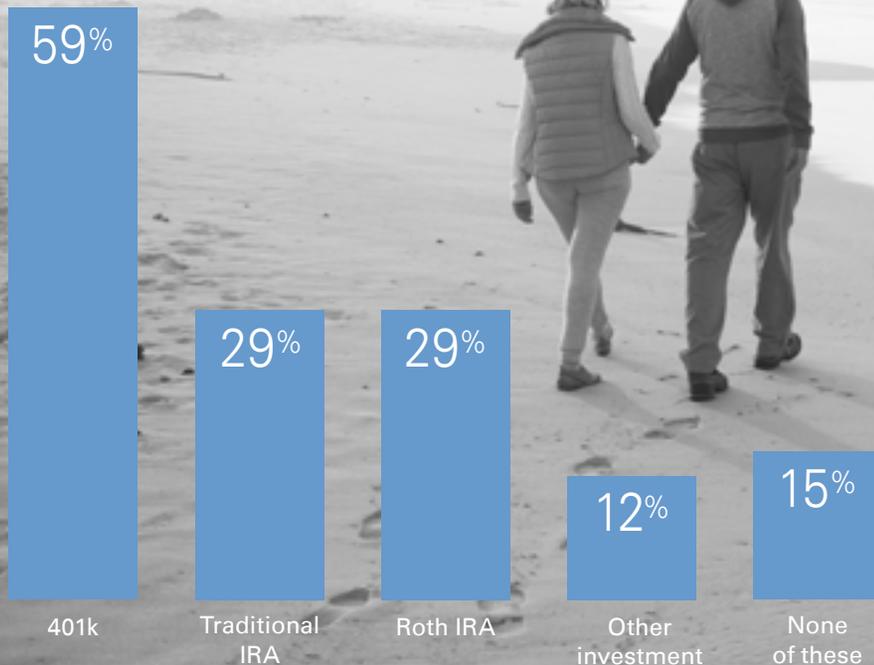
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Six in 10 savers (63 percent) rate their confidence at seven out of 10 or lower. This includes 38 percent who rank their confidence at five or below.



## Types of retirement accounts

(among those currently saving for retirement)



## For retirement vehicles, 401ks lead the way

The majority of retirement savers use traditional investment vehicles. For example, 59 percent have investment funds in a 401k, while equal numbers (29 percent) use a traditional or Roth IRA.



**85%** of retirement savers contribute to some sort of retirement account while **78 percent** contribute to a 401k and/or an IRA account

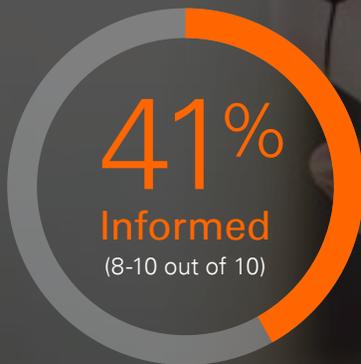
When it comes to monitoring and managing accounts, most people choose to do so online. Unlike online banking more generally, there are very few differences across generations. For example, 72 percent of millennials monitor their 401k accounts online, while 66 percent of all other age groups do the same.

Survey question to those currently saving for retirement: Are you currently actively contributing to any of the following...? Please select all that apply. / Survey question to those contributing to a 401k, traditional IRA, Roth IRA or other. Which of the following, if any, have you done in the past 12 months when managing your investment(s)? Please select all that apply within each column.

# People are feeling less than optimistic about their ability to save

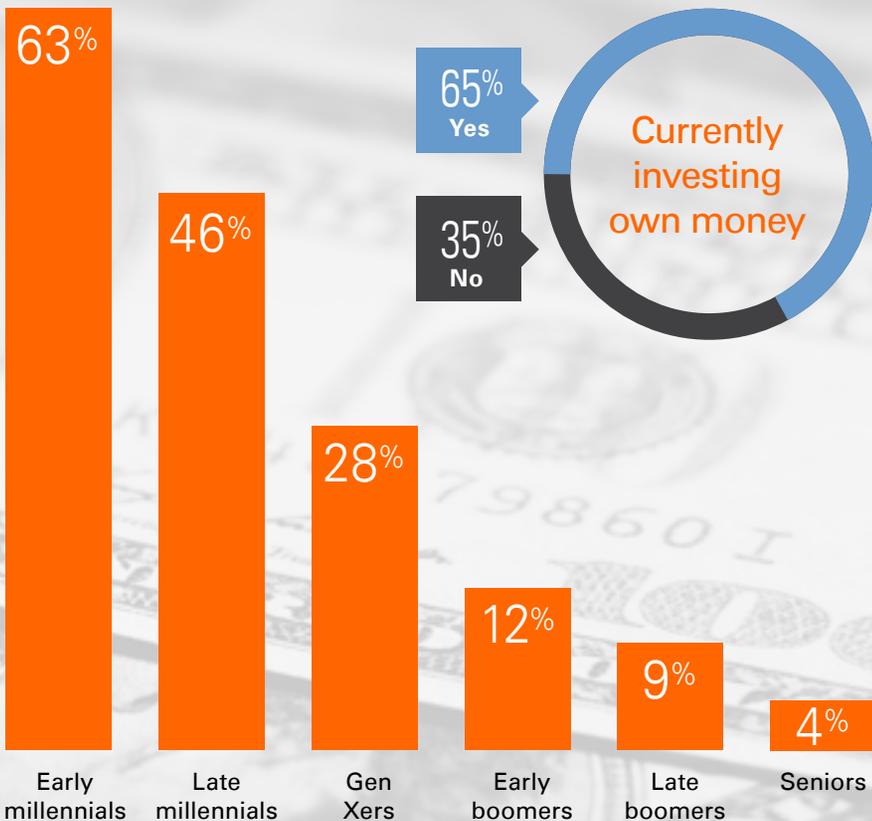
Feelings about ability to save for retirement

Millennials (18-37) are more likely to feel uninformed (16%) and sluggish (15%) than older groups



Survey question to all qualified respondents: Which of the following best describes how you feel about your ability to save for retirement?

## Investing for a reason other than retirement



## Investing is common, although the purpose varies

Two-thirds (65 percent) of consumers are currently investing their own money. Among wealthier consumers – defined as those with more than \$100,000 in investable assets – 88 percent are currently investing.

There is little difference by age group, with 62 percent of millennials investing as compared to 66 percent of all other age groups.

One quarter (25 percent) of consumers say they are investing for a specific goal other than retirement.

Investing for a purpose other than retirement is far more common among millennials (51 percent) than all other age groups (16 percent). The purpose varies, with consumers citing college, travel, home repairs and bitcoin among the many items to save for.

Survey question to all qualified respondents: Are you currently investing your own money? This includes in savings accounts, savings bonds, retirement accounts, stocks, bonds, funds, annuities, options, commodity or security futures. / Survey question to those who invest their money: Are you investing to attain a specific goal other than retirement? / Survey question to those who are investing for a reason other than retirement: Using the space below please explain what goal you are currently investing for.

# Use of financial advisors is low

Despite the frequency of investing, the vast majority of consumers do not use financial advisors. Only 28 percent say they are working with an advisor. Among those with more than \$100,000 in investable assets, 50 percent choose to work with an advisor.

People who don't currently work with an advisor aren't typically keen to do so. Only 11 percent of consumers rate their interest as eight out of 10 or higher.

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**28%** of consumers **currently work with** a financial advisor

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Among those who work with an advisor, 46 percent describe themselves as somewhat or completely "hands on" and 87 percent say they follow financial plans somewhat or very closely.

Consumers who don't use an advisor are most likely to say it is because they don't have enough money to invest (35 percent) or they feel like they can manage investments on their own (28 percent).

Survey question to all qualified respondents: Do you currently work with a professional financial advisor? / Survey questions to those who work with a financial advisor: Which of the following best describes your working relationship with your primary financial advisor? / How closely do you stick to the financial plans that the two of you develop? / Survey question to those who do not work with an advisor: Why don't you work with a professional financial advisor? Please select all that apply.

## Reasons for not using a financial advisor

(among those who don't use a financial advisor, top five shown)



## Financial advisors make a big difference in consumer confidence

Consumers often rely on people they know or online searches for financial advice. Four in 10 (39 percent) turn to family, friends and coworkers, while 29 percent use the internet in some form.

Confidence in financial advice – regardless of the source – is lackluster. More than half (56 percent) of consumers say they are getting all of the advice they need, while 44 percent say they are either unsure (27 percent) or they are not getting the advice they need (17 percent). Seniors are most likely to say they are getting the advice they need (75 percent), as are people with \$100,000 or more in investable assets (73 percent).

Those working with financial advisors are by far the most likely to be confident in the advice they receive.

The least confident investors are those with no source of advice – only 44 percent of these consumers are confident. People who are already working with advisors are most likely to say they are confident about the advice they are receiving (81 percent).



### Top sources of financial advice

- 1 Family (33%)
- 2 Online searches (26%)
- 3 Financial advisor/consultant (25%)
- 4 Friends (21%)
- 5 Financial products/services website (20%)

Survey questions to all qualified respondents: When it comes to financial advice, do you feel you are getting all the help you need? / What sources do you use for financial advice? Please select all that apply.

### About Fiserv

Fiserv, Inc. (NASDAQ:FISV) enables clients to achieve best-in-class results by driving quality and innovation in payments, processing services, risk and compliance, customer and channel management, and business insights and optimization. For more than 30 years, Fiserv has been a global leader in financial services technology. Fiserv is a FORTUNE 500 company and this year was honored to be named to the FORTUNE Magazine list of **World's Most Admired Companies**® for the sixth consecutive year. For more information, visit [fiserv.com](https://www.fiserv.com).

### About The Harris Poll

The Harris Poll is one of the longest running surveys in the U.S. tracking public opinion, motivations and social sentiment since 1963 that is now part of Harris Insights & Analytics, a global consulting and market research firm that delivers social intelligence for transformational times. We work with clients in three primary areas: building twenty-first-century corporate reputation, crafting brand strategy and performance tracking and earning organic media through public relations research. Our mission is to provide insights and advisory to help leaders make the best decisions possible. To learn more, visit [theharrispoll.com](https://www.theharrispoll.com).

### Methodology

The survey was conducted online within the U.S. by The Harris Poll from May 21–June 6, 2018. A total of 3,050 interviews were conducted among U.S. adults ages 18 and older who met the following criteria: Someone in the household currently has a checking account with a bank, credit union, brokerage firm or other financial organization and has used their checking account to pay a bill or make a purchase in the past 30 days. The data were weighted to ensure that relevant demographic characteristics of the sample matched those of the U.S. general population. All respondents (not only those who met the qualifying criteria) were weighted to U.S. Census Bureau demographic profiles for the U.S. population, age 18+ on education, age, gender, race, income, region, marital status, employment status, household size and number of hours spent on the internet (with targets for this variable coming from Nielsen Scarborough).

Notes: The reference questions and answer text provided here have in some cases been shortened due to space constraints. The complete text for any questions referenced in this report is available upon request. Age groups referenced in the survey are defined as follows: early millennials (18–26), late millennials (27–37), Gen X (38–52), early boomers (53–63), late boomers (64–71) and seniors (72+).

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