



Digital Influence on Financial Services Among Multicultural Audiences

Methodology

IAB conducted a custom analysis of syndicated Prosper Insight data to look at consumer and media behaviors of investors, defined as US adults 18 or over who answered the question ‘Which of the following investments do you currently have?’ with ‘Annuities’, ‘Bonds’, ‘Company sponsored 401k’, ‘Mutual fund investments’, ‘Stocks in companies’ or ‘Treasury Bills.’ Investors were compared to the general Adult 18 and over population in the US. The report was supplemented with the media influence of investors. The study compared the purchase plans and influence of various media types on US Adults 18 and older and compared them to Hispanic Americans, African Americans and Asian Americans 18 and older.

The report is derived from the Prosper Insights & Analytics Monthly Consumer Study (May 2017) of 7,335 respondents surveyed online which focused on the 4,839 respondents who invest and the annual 2017 Media Behaviors & Influence™ (MBI) Study of 16,644 respondents surveyed online, focusing on the 6878 respondents who invest. This is supplemented by data from the annual 2017 Media Behaviors & Influence™ (MBI) Study of 16,644 US adult respondents surveyed online with a focus on media influence and behaviors among the general adult US population (16,664 respondents), Hispanic Americans (2574 respondents), African Americans (2405 respondents) and Asian Americans (471 respondents). The studies have a margin of error of 1%, at a 99% confidence level.

Sample Sizes

- **Prosper Insights & Analytics Annual Media Behaviors & Influence™ (MBI) Study**
 - **16,644 Adults 18+** representative of the general US population
- **Prosper Insights & Analytics Monthly Consumer Survey** conducted online in May 2017
 - **7,335 Adults 18+** representative of the general US 18+ population

About Prosper Insight™

Prosper Insight delivers customized timely market intelligence from various sources through its cloud-based technology-driven Integrated Solutions Platform. Solutions are delivered on multiple devices (PC/Tablet/Smartphone) through the InsightCenter™ tool using diverse information sources relevant to clients’ business needs. www.GoProsper.com.

Summary

Who Are Investors and What Are They Invested In?

- › Over half (52%) of US adults are invested in the stock market via stocks, 401ks, IRAs or other investments. They tend to be 35 and older and earn over \$75k.
- › Roughly half of investors have a 401k (55%) or IRA (46%). 40% own stocks directly and 35% invest in mutual funds. These numbers are higher for multicultural groups. IRAs and Stocks are among the top 3 consumer investment properties and African Americans are more likely to own stocks than IRAs. Also, bonds are more popular than annuities among multicultural investors.
- › Investors are saving more, providing investment opportunities.
- › Consumer confidence is up, particularly among investors, with July showing the highest rating this decade.
- › Over two-thirds of investors (69%) would invest in the stock market.
- › Investors are financially secure: They report that they are saving enough, financially better off and financially stable. Multicultural investors are more likely to report being better off than a year ago but less likely to feel financially stable.

What Are Their Financial Plans?

- › Investors have immediate financial plans: In the next 3 months, one-third plan to increase savings or pay down debt, 12% plan to buy stocks and 5% plan to refinance.
- › Financial plans vary by multicultural group: Paying down debt is most important among Asian and African American investors. Hispanic and African American investors are 3x more likely than the general population to refinance their home.
- › Investors, especially among multicultural groups, are more likely than the general population both to own credit cards and to open new accounts whether credit cards, savings, brokerage accounts or trading.
- › While all multicultural groups are more likely to do any of these activities, Hispanic and Asian investors are much more likely to open a new credit card account

Summary

What Financial Services Do Investors Use? Are They Planning to Buy or Switch Insurance?

- › Multicultural consumer investors are more likely to use a variety of financial services.
- › Asian American investors are nearly twice as likely as the general population to open a new bank account and Hispanic investors are twice as likely to open a new broker/trading account.
- › African American investors are more likely than the general population to use a Credit Union and less likely to use a bank. Asian and Hispanic investors are more likely to use insurance services.
- › Investors are more likely to buy or switch insurance (41%), especially auto (28%). This is especially true of multicultural consumer investors. Nearly two-thirds of Asian and Hispanic investors plan to buy or switch insurance. Asian Americans are more likely to buy or switch any type of insurance.

What Media Has Influence on Consumers' Financial Services Purchases?

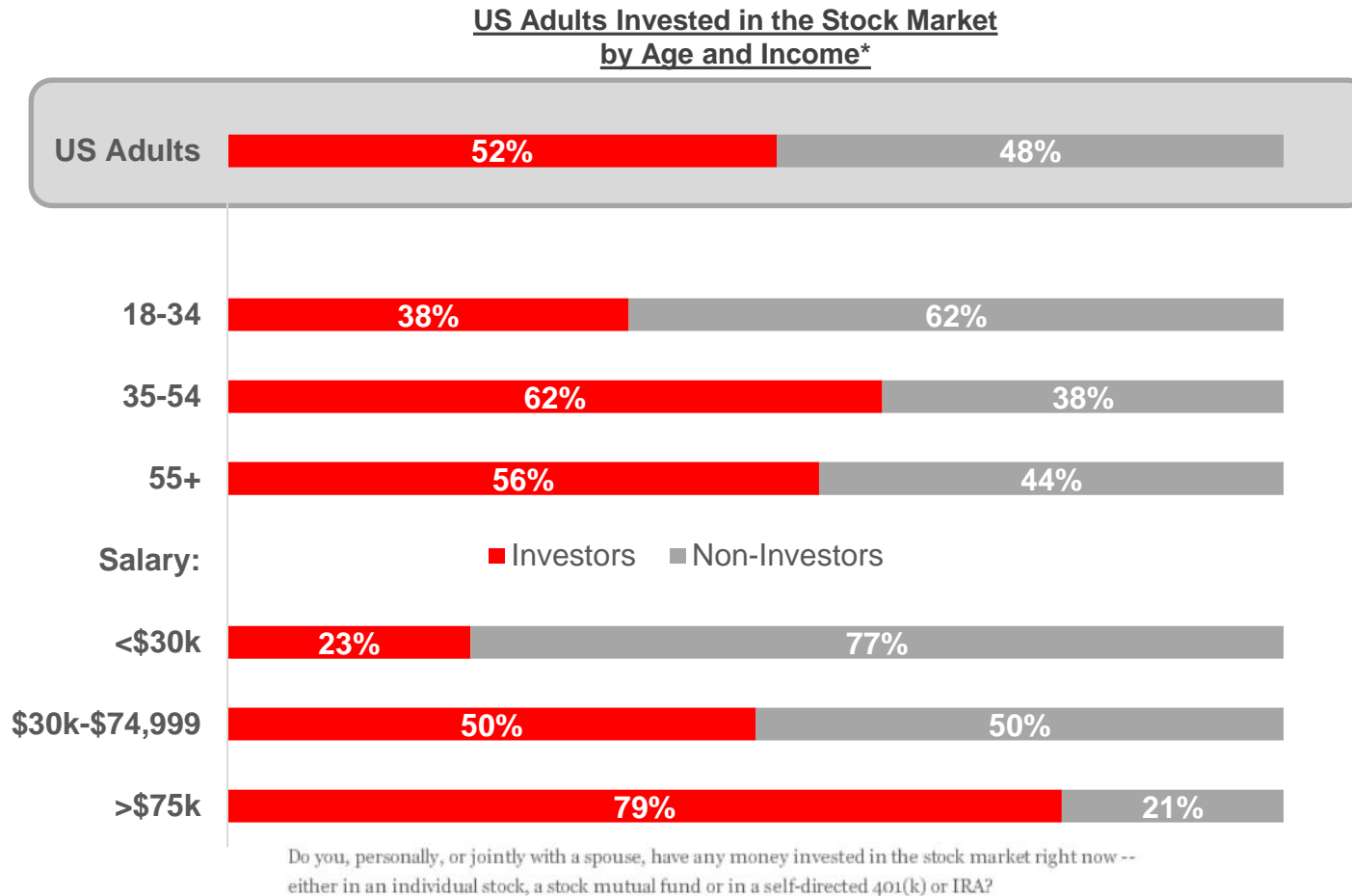
- › Word of mouth, internet, TV and articles have the most influence on consumers' financial services and insurance purchases, especially among multicultural consumers.
- › The internet has more influence than TV for financial services and insurance and is the #1 influence among Hispanic and Asian Americans.
- › All digital media formats influence financial/insurance purchases are more influential among multicultural consumer investors.
- › Search is also important in consumers' financial services and insurance Decisions: Roughly two-thirds of investors (64%) and half (53%) of all consumers search online for financial info or services. These numbers are even higher for multicultural consumers, especially Asian Americans.

**Financial Services and
Digital Influence**

Who Are Investors and What Are They Invested In?

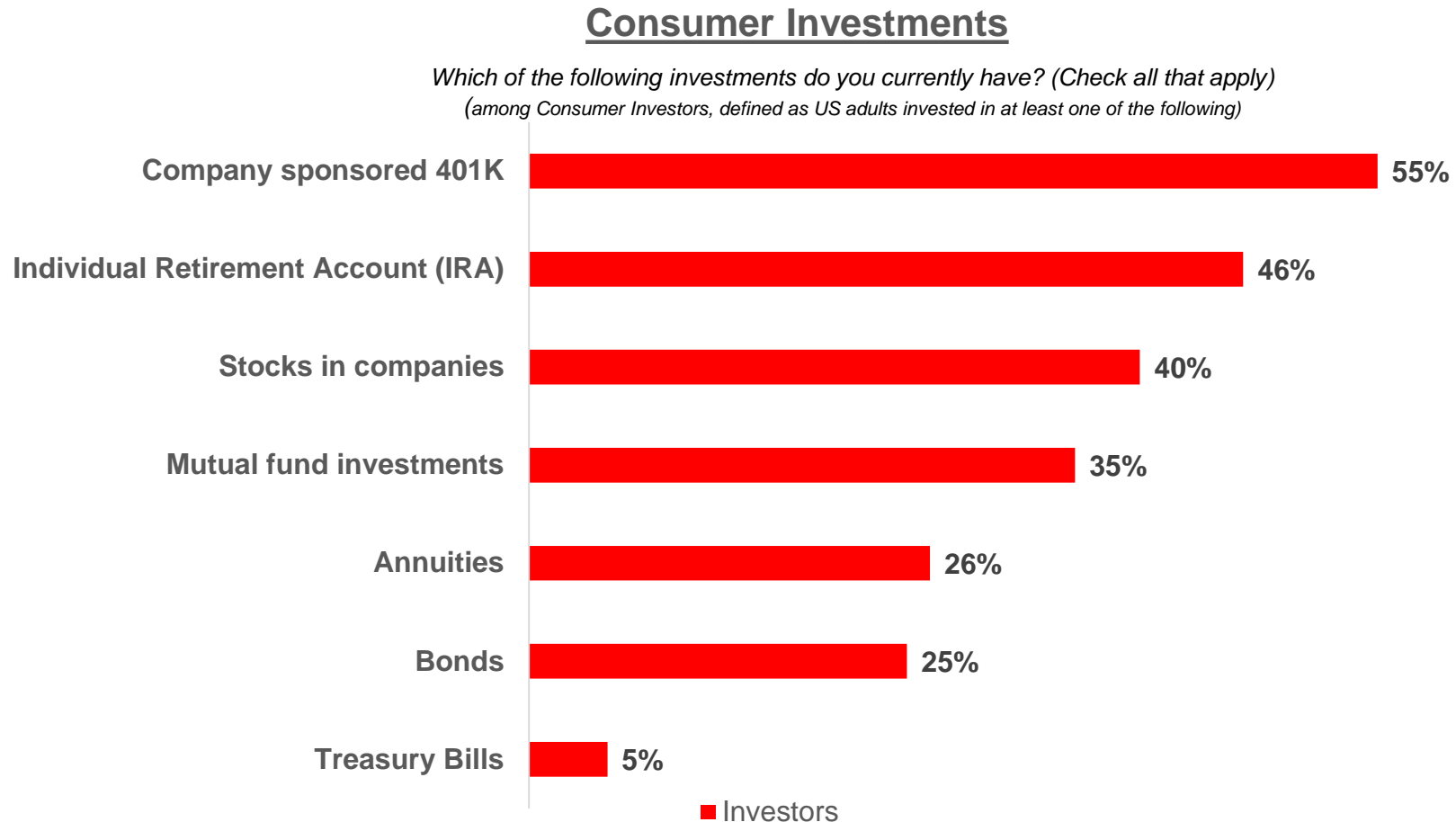
Over Half of US Adults Own Stocks

- 52% of the US population is invested in the stock market
- US adults 35 and older and those who earn over \$75k are more likely to invest



Among Consumer Investors, Roughly Half Have a 401k or IRA

- 40% own stocks directly and 35% invest in mutual funds



Investments Vary Among Multicultural Groups

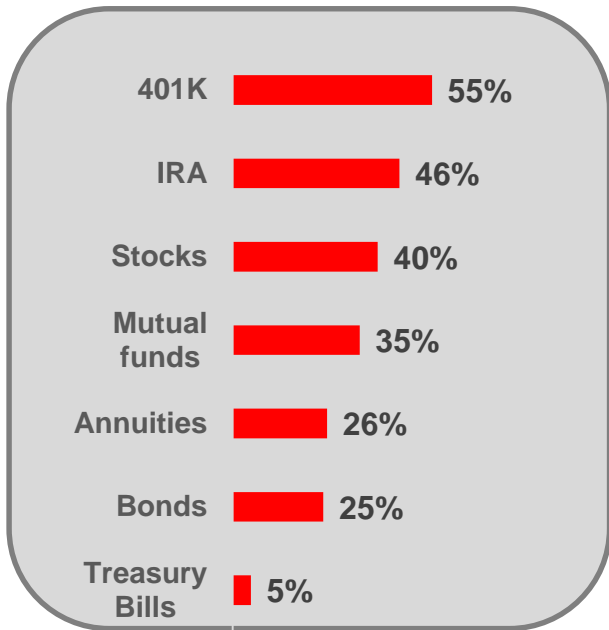
- The most popular consumer investment is the 401k, especially among multicultural groups.
- IRAs and Stocks are among the top 3 consumer investment properties with African Americans more likely to own stocks than IRAs.
- Bonds are more popular than annuities among multicultural investors.

Consumer Investments

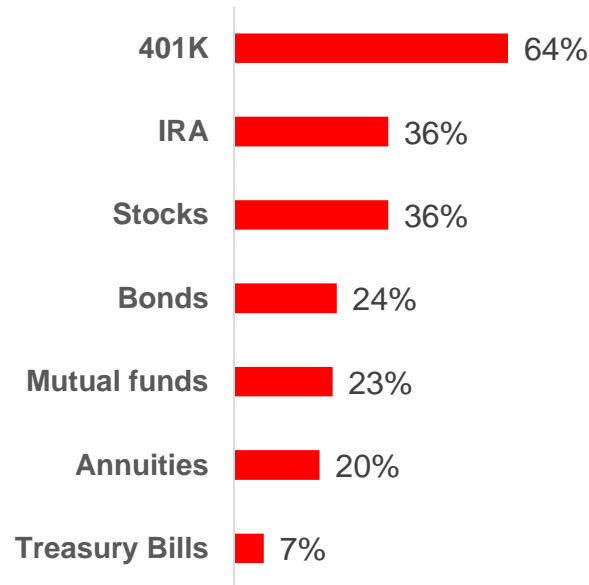
■ US Investors ■ US Adults

Which of the following investments do you currently have? (Check all that apply)
 (among Consumer Investors, defined as US adults invested in at least one of the following)

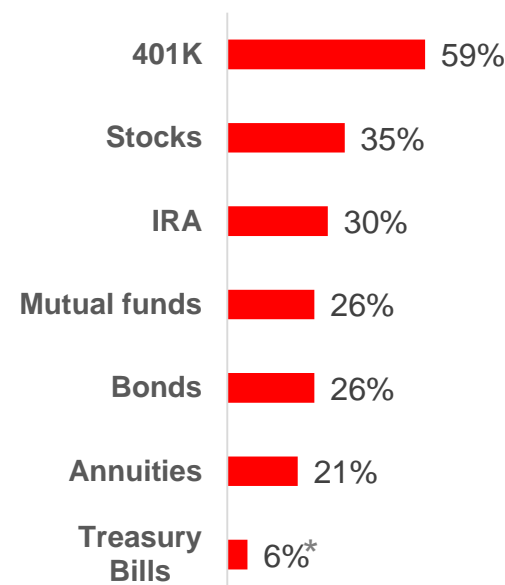
Adults 18+



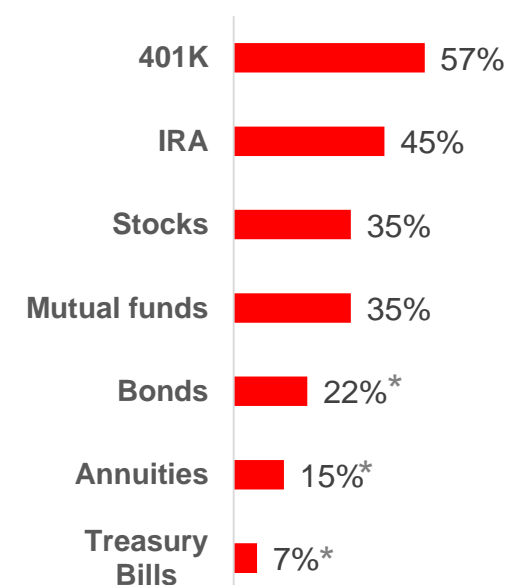
Hispanic



African American



Asian



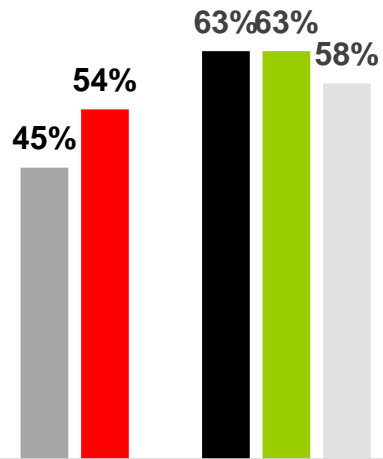
Consumer Investors are Saving Enough and are Financially Better Off

- Multicultural investors are more likely to report being better off than a year ago but less likely to feel financially stable.

Investors are...

Saving Enough

How do you feel about the following statement?
"I am saving enough to meet my future needs."



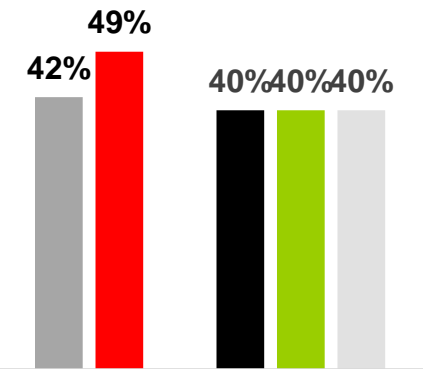
Financially Better Off

Regarding your personal financial situation, compared to this time last year, are you...



Financially Stable

How do you feel about your overall financial security?
Please tell us using a scale of 1 ("Very insecure/financially vulnerable") to 5 ("Very secure/financially stable").



Agree/Completely Agree

Same/Better Off

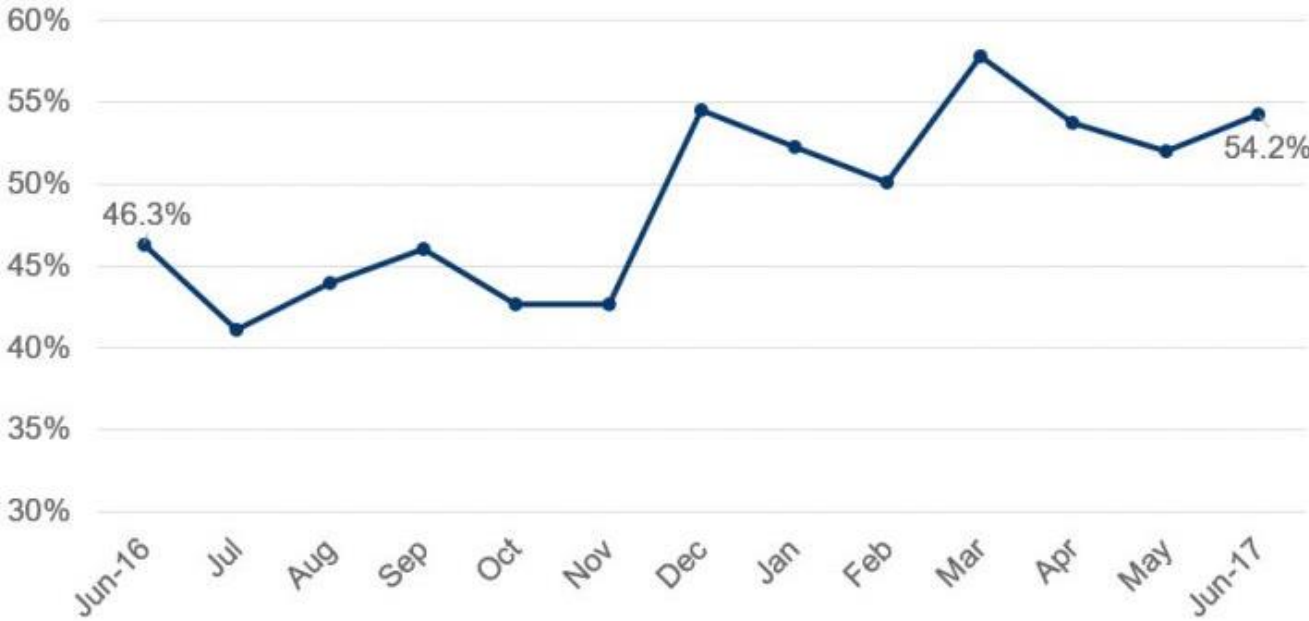
Somewhat/Very Financially Stable

■ Adults ■ Investors ■ Hispanic Investors ■ African Am. Investors ■ Asian Investors

Consumer Confidence is Up From a Year Ago

Consumer Confidence

Which one of the following best describes your feelings about chances for a strong economy during the next 6 months? (Confident/Very Confident)



Adults 18+
June 2017



Year Over Year, Consumer Confidence in July was the Highest this Decade

Consumer Confidence July 2007 – July 2017

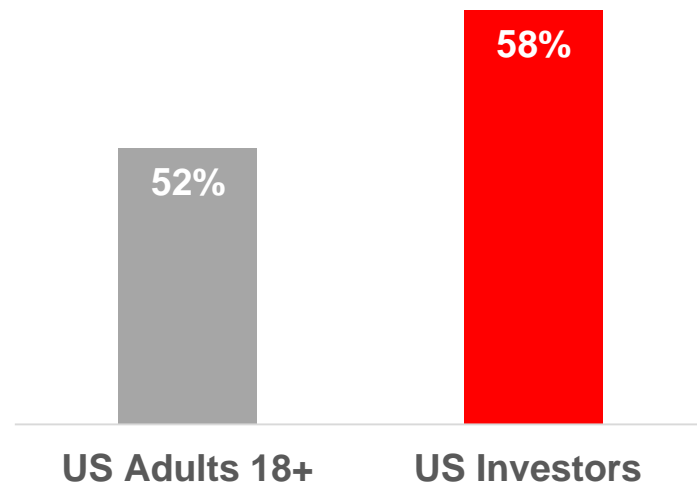
Which one of the following best describes your feelings about chances for a strong economy during the next 6 months? (Confident/Very Confident)



Consumer Investors are More Confident in the Economy, Especially Multicultural Investors

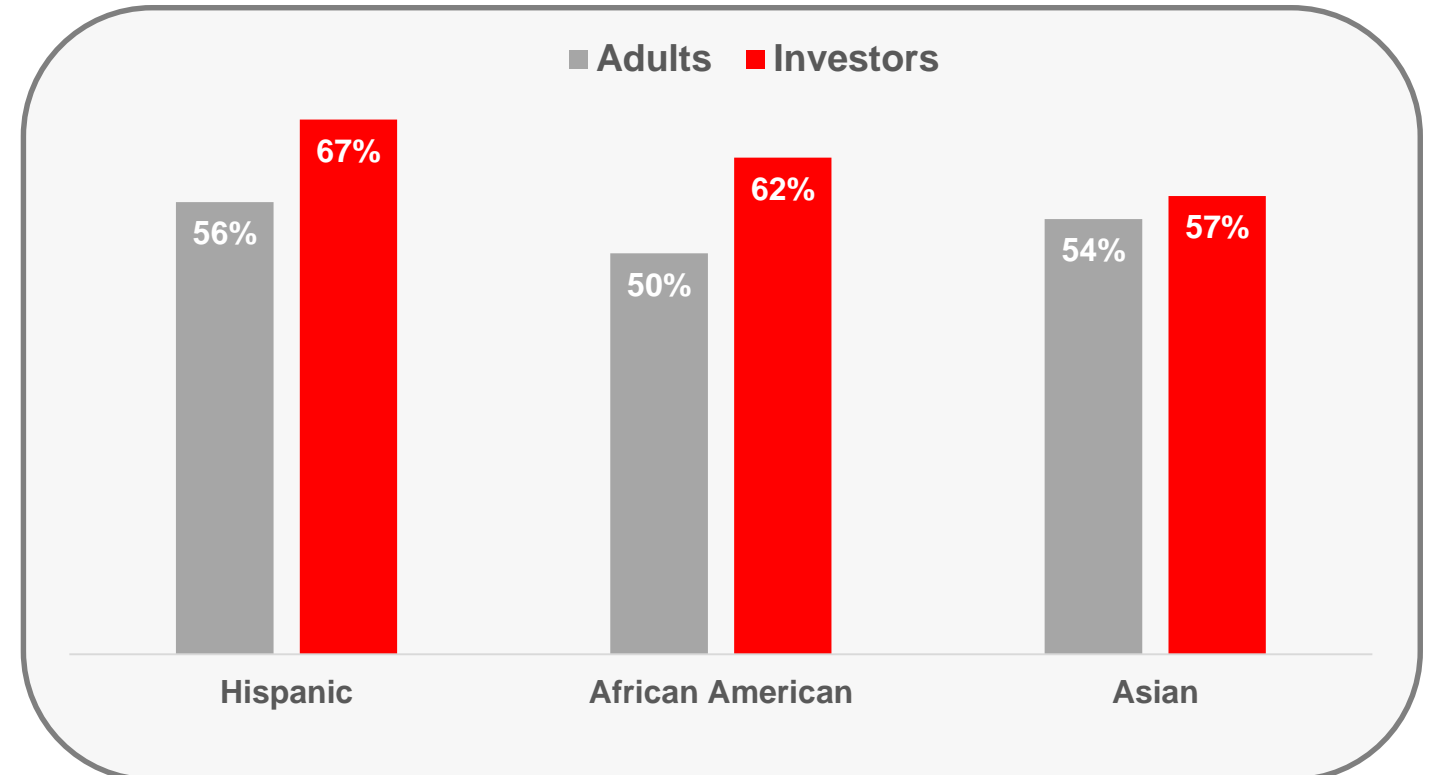
Which one of the following best describes your feelings about chances for a strong economy during the next 6 months? (Confident/Very Confident)

Consumer Confidence in Economy



May 2017

Consumer Confidence in Economy

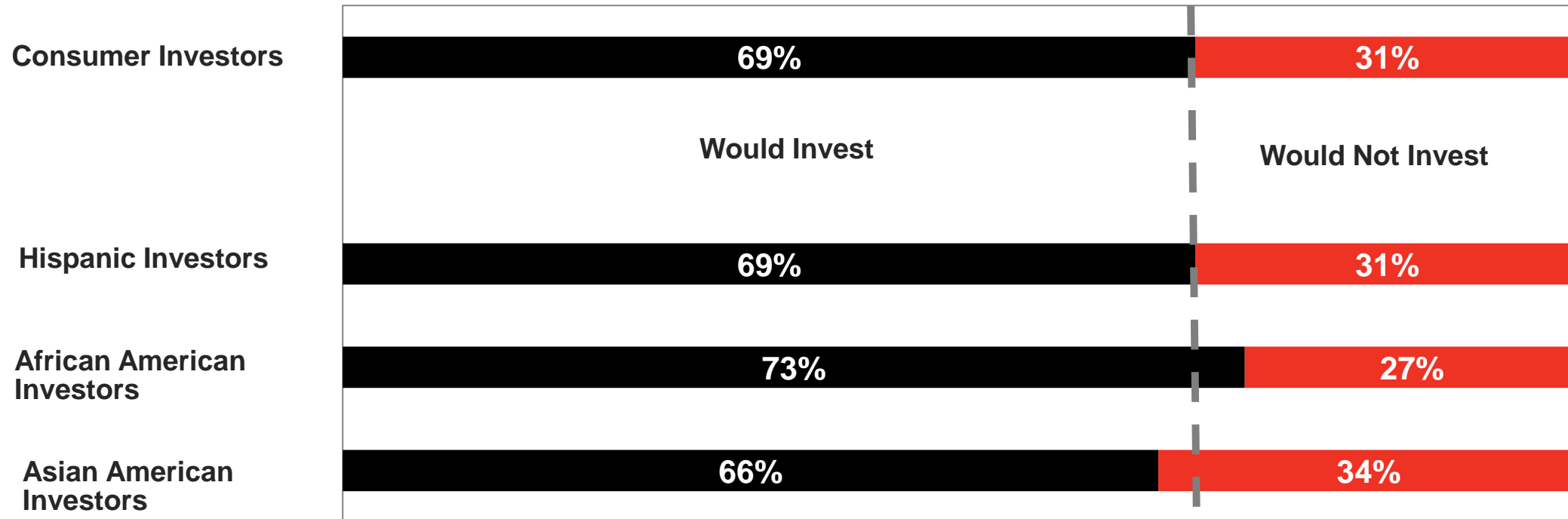


Over Two-Thirds of Investors Would Invest in the Stock Market

- Nearly three-quarters of African American Investors are confident in the market
- Slightly fewer Asian American Investors are confident in the stock market

Please tell us your feelings towards investing in the stock market? (Confident/Very Confident, Would Probably/Definitely Invest)

Investor Confidence in the Stock Market



■ Would definitely/probably invest (You are Confident)
■ Would definitely/probably not invest (You are not confident)

**Financial Services and
Digital Influence**

What Are Their Financial Plans?

Financial Plans Vary Among Multicultural Groups

- › Multicultural groups are more likely to take financial steps in the next 3 months.
- › Paying down debt is most important among Asian and African American investors.
- › Hispanic and African American investors are 3x more likely than the general population to refinance their home.

Financial Plans by Age Group

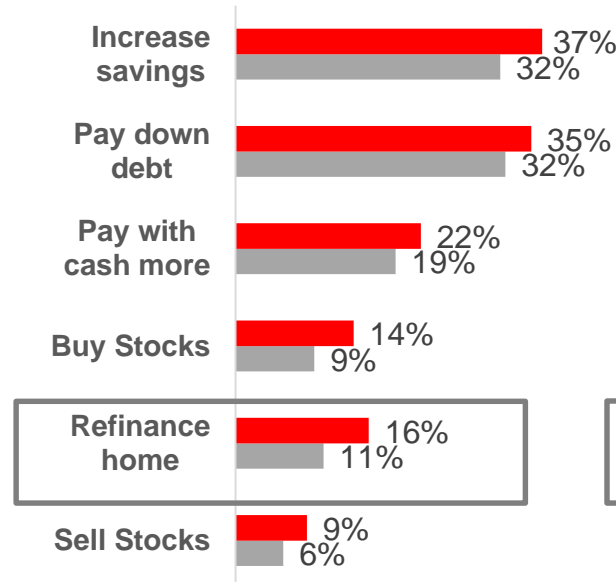
■ US Investors ■ US Adults

Which of the following financial steps are you planning to take in the next 3 months? (Check all that apply)

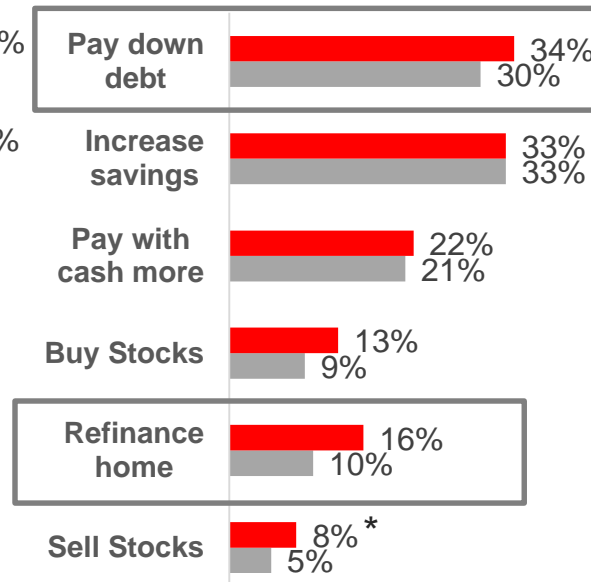
Adults 18+



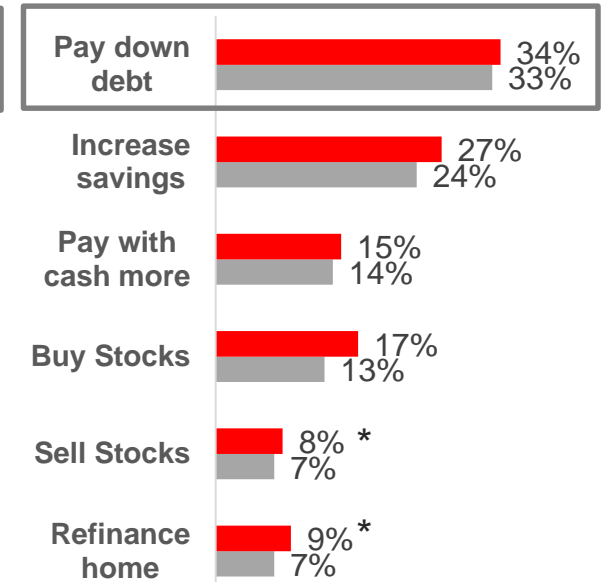
Hispanic



African American



Asian



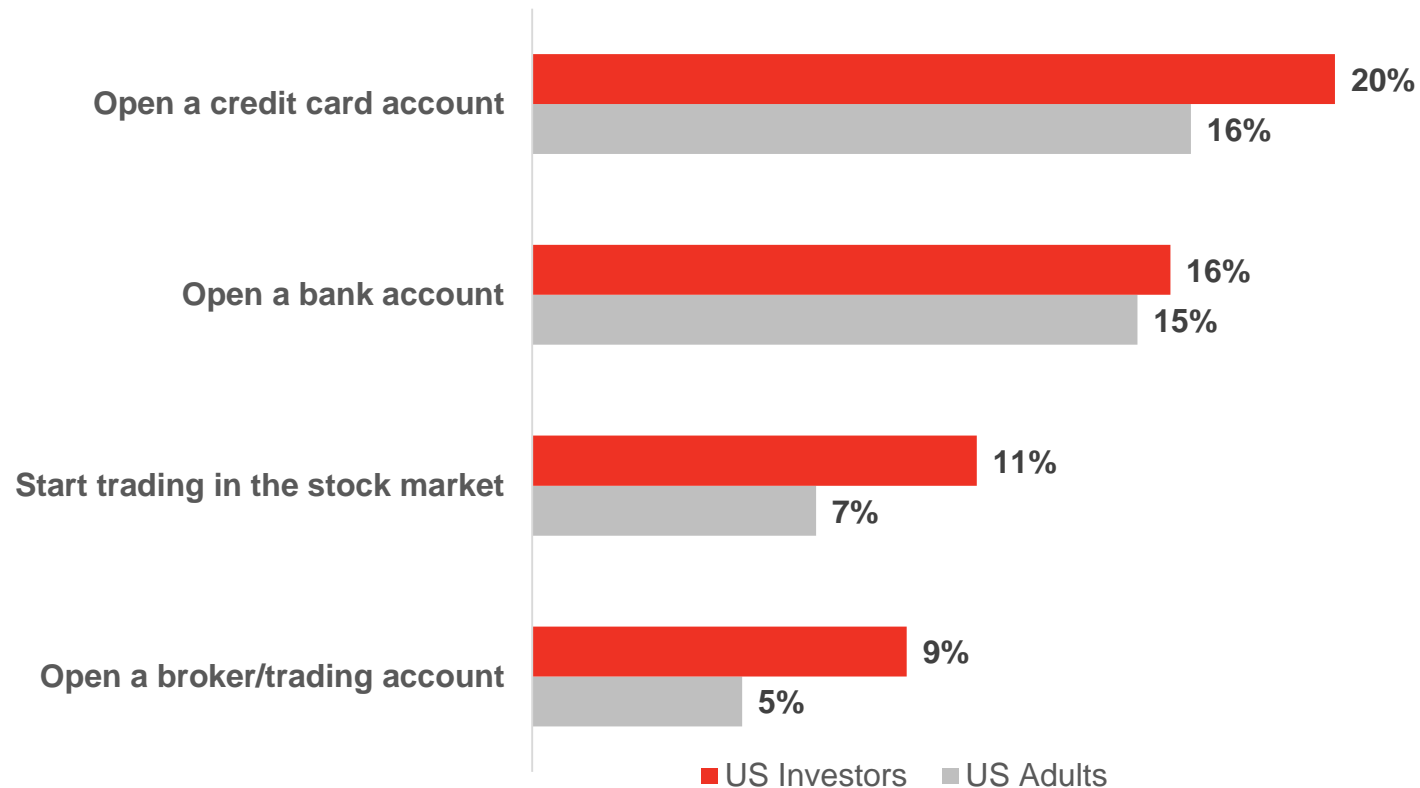
**Financial Services and
Digital Influence**

**What Financial Services Do Investors
Use? Do They Plan to Switch
Insurance?**

Investors are Planning to Open New Accounts

- 1 in 5 is planning to open a new credit card account
- Roughly 1 in 10 is planning to start trading or open a trading account

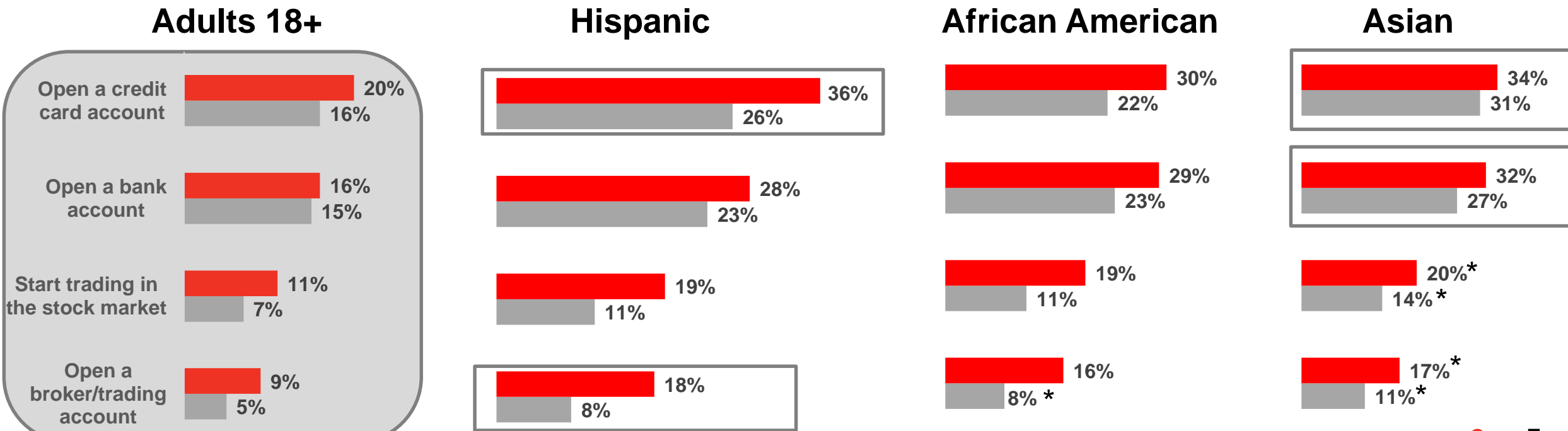
Are you planning on doing any of the following financial activities in the next 12 months? (Check all that apply)



Multicultural Consumer Investors are Much More Likely to Open New Accounts

- While all multicultural groups are more likely to do any of these activities, Hispanic and Asian investors are much more likely to open a new credit card account
- Asian American investors are nearly twice as likely as the general population to open a new bank account
- Hispanic investors are twice as likely as the general population to open a new broker/trading account

Financial Plans
 ■ US Investors ■ US Adults
 Are you planning on doing any of the following financial activities in the next 12 months? (Check all that apply)



*Low sample size. Use directionally.

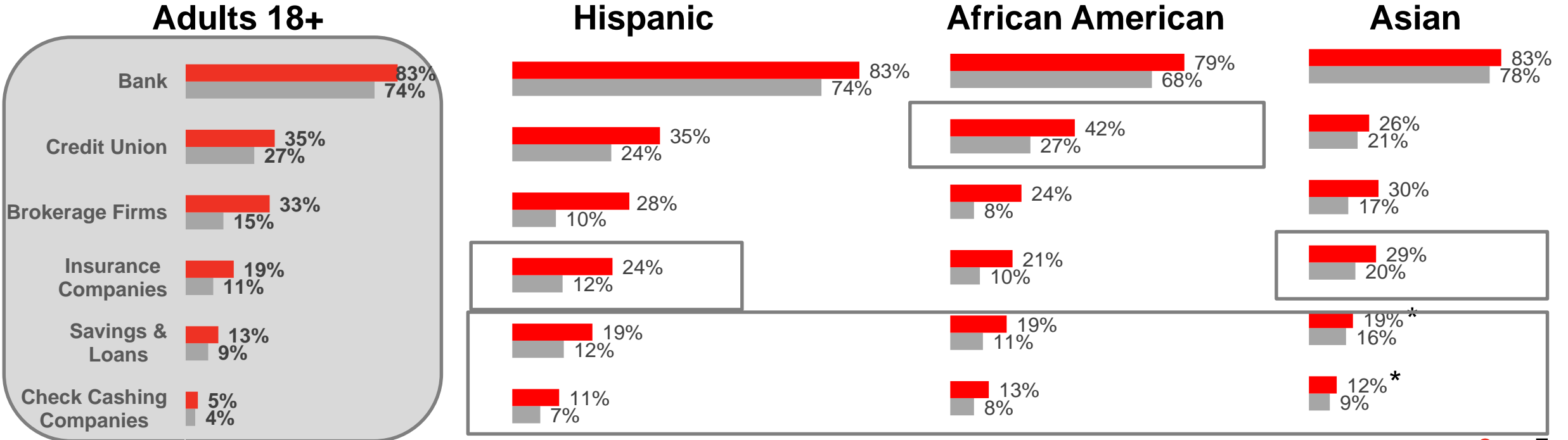
Use of Financial Services Varies Among Multicultural Groups

- African American investors are more likely than the general population to use a Credit Union and less likely to use a bank
- Asian and Hispanic investors are more likely to use insurance services
- Multicultural groups are more likely to use S&Ls and check cashing companies

Financial Services Used

Which of the following do you use for banking & financial services? (Check all that apply)

■ US Investors ■ US Adults



*Low sample size. Use directionally.

Multicultural Groups are More Likely to Buy or Switch Insurance, especially Auto

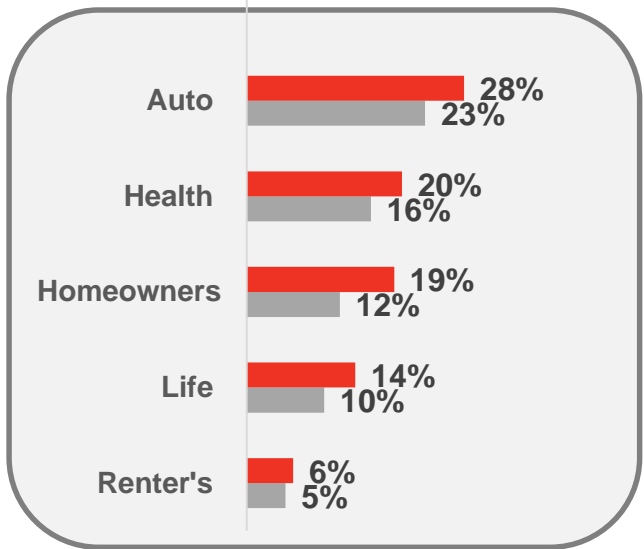
- Nearly two-thirds of Asian and Hispanic investors plan to buy or switch insurance
- Asian Americans most likely to buy any type of insurance.

Insurance Purchases Planned by Age Group

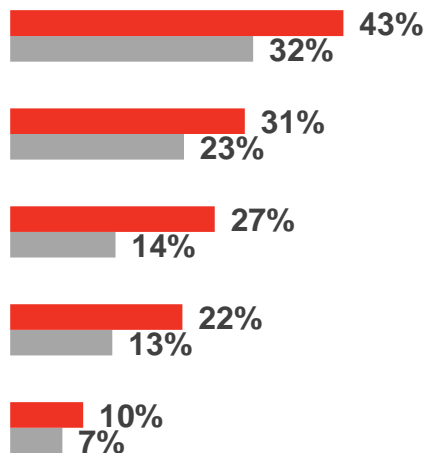
■ US Investors ■ US Adults

Are you planning on buying or switching any of the following types of insurance in the next 12 months? (Check all that apply)

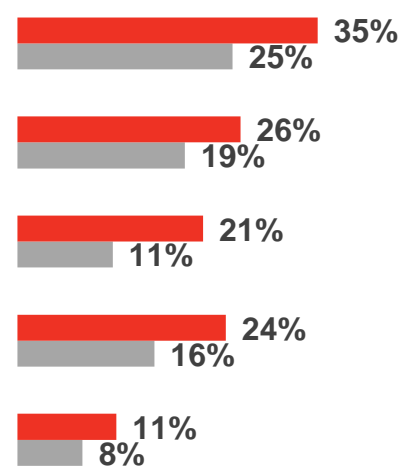
Adults 18+



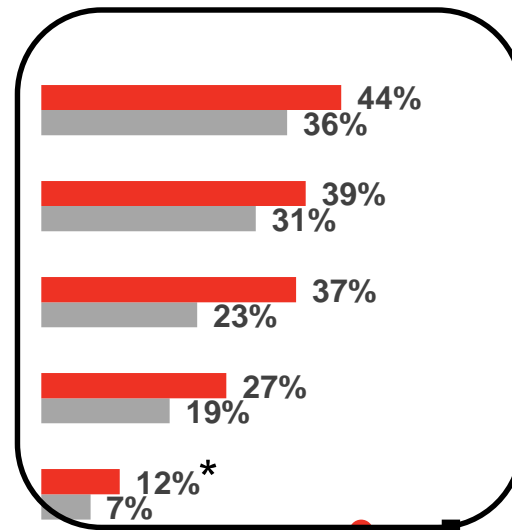
Hispanic



African American



Asian



**Financial Services and
Digital Influence**

Which Media Influence Consumers' Financial Services Purchases?

Word of Mouth, Internet, TV Have More Influence on Multicultural Consumers' Financial Services Purchases

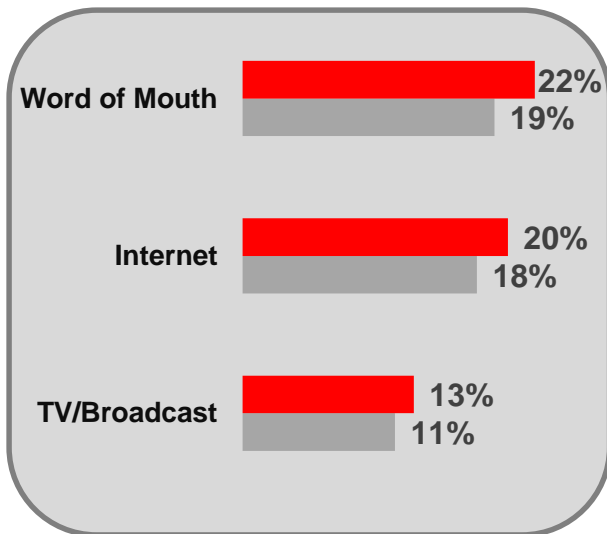
- The internet is the #1 influence on Hispanic and Asian Americans for Financial Services and Insurance Purchases

Top Media Influences on Financial Services/Insurance Purchases by Age Group

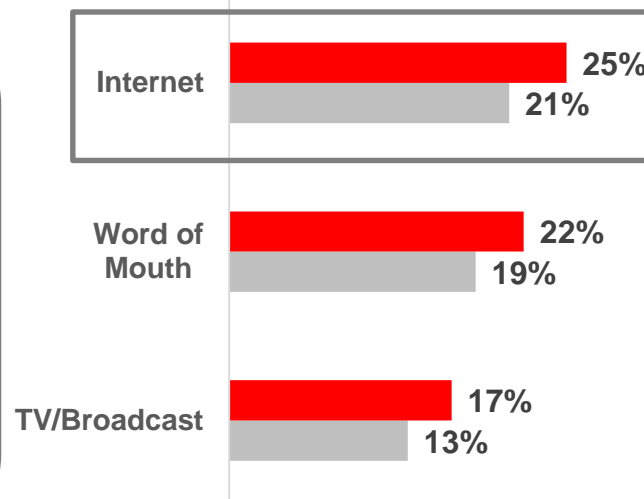
Please tell us which of the following media influences your Financial Services/Insurance purchases:

■ US Investors ■ US Adults

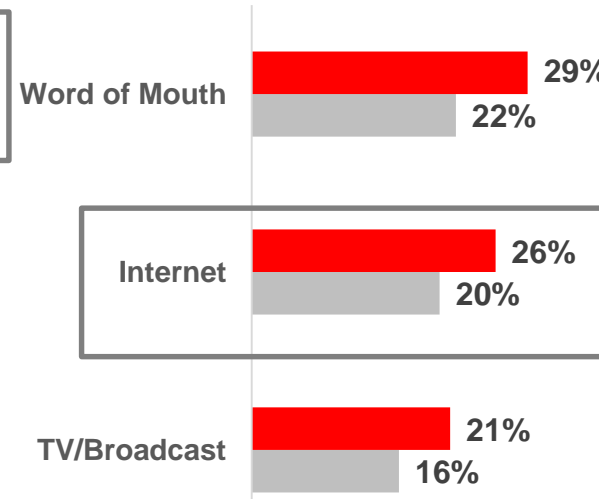
Adults 18+



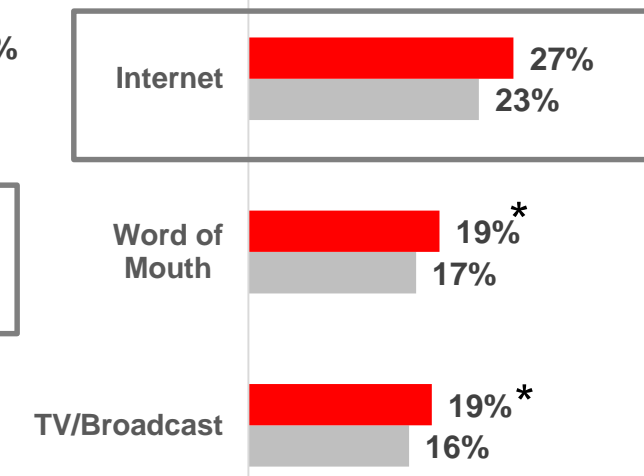
Hispanic



African American



Asian



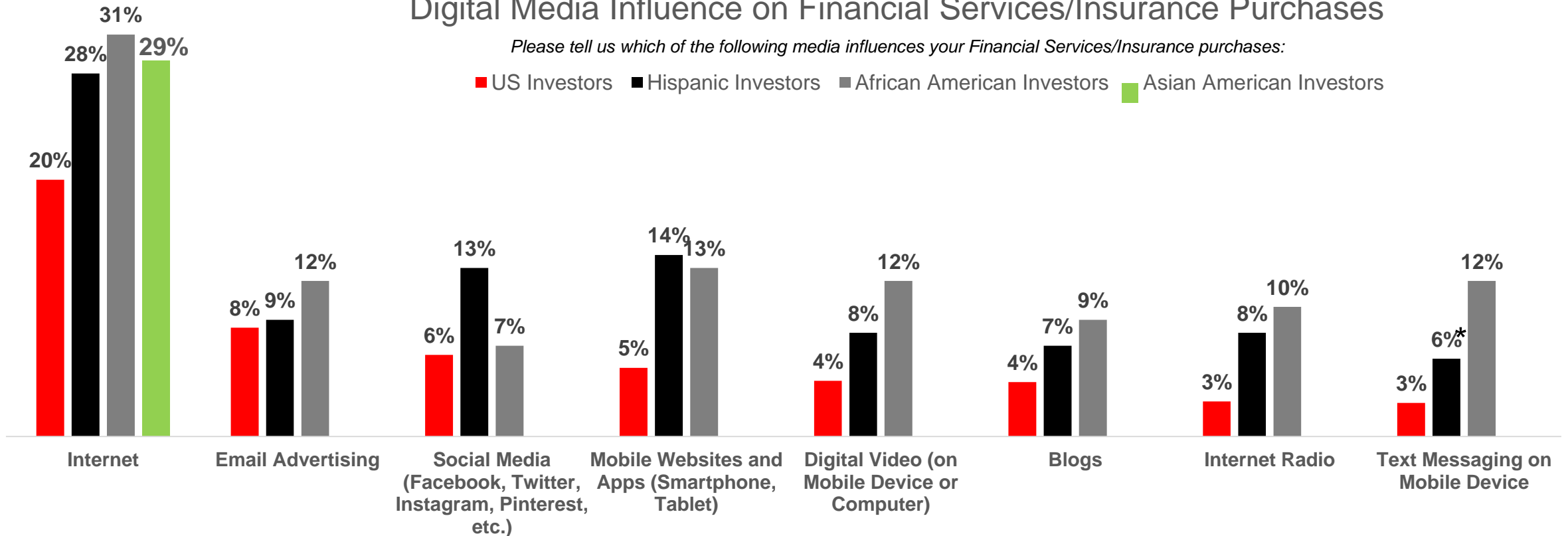
Digital Media Influence Financial/Insurance Purchases, Especially Among Multicultural Consumer Investors

- African American investors are more likely to be influenced by digital media
- Hispanic American investors are more likely than any other group to be influenced by social media in these purchase decisions

Digital Media Influence on Financial Services/Insurance Purchases

Please tell us which of the following media influences your Financial Services/Insurance purchases:

■ US Investors ■ Hispanic Investors ■ African American Investors ■ Asian American Investors



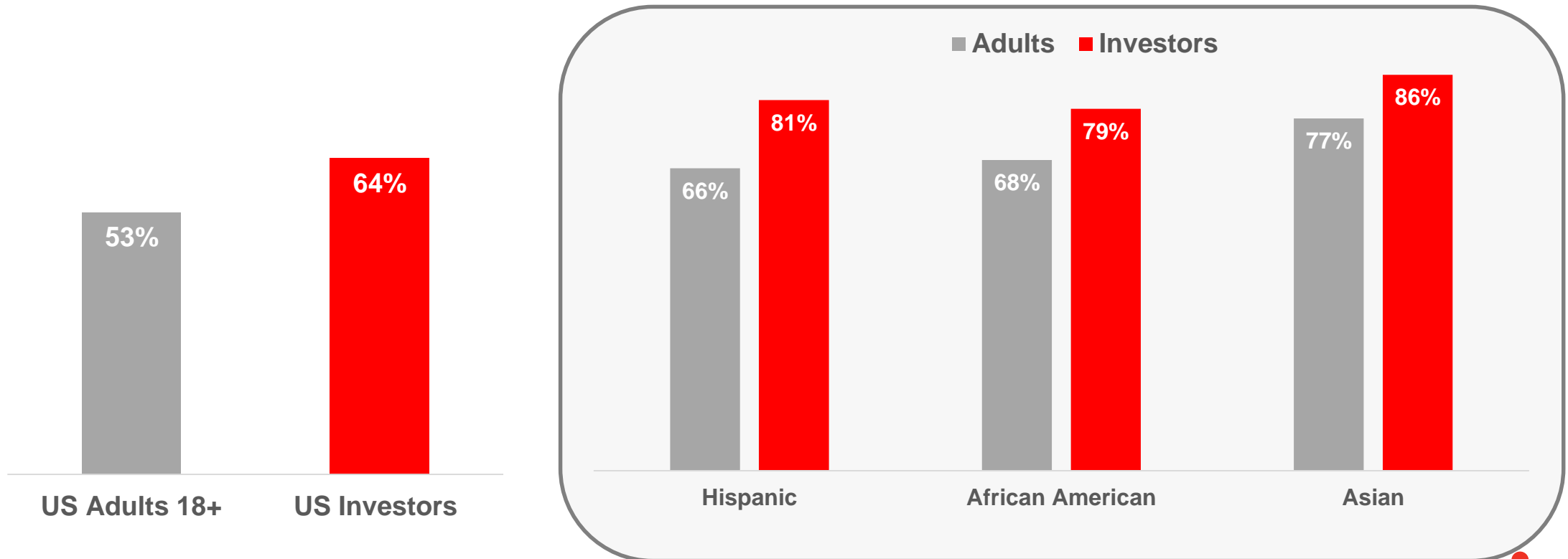
*Low sample size. Use directionally.
Media Influence on Asian American Investors for some media not shown due to low sample size.

Multicultural Consumers are More Likely to Search for Financial Services

- Asian Americans even more likely to search

Please tell us how often you search online for the following (Regularly/Occasionally).
Regularly means routinely, as a set pattern; Occasionally means no set pattern, as mood suits):

Financial Information/Services Search for Financial Info/Services



Implications

Implications

- **Consumer confidence is up and more and more consumers, particularly multicultural consumers, are investing in the market in some way: Stocks, 401ks, IRAs, bonds or mutual funds. These investors are likely to use a variety of financial services. Moreover, they are planning to open new accounts and to buy or switch insurance. In short, they provide a lucrative opportunity for financial service and insurance advertisers seeking to reach their target audience.**
- **US consumers, especially those invested in the stock market, say that the internet is their top influence after word of mouth in financial service or insurance purchases. In fact, the internet holds more sway than TV over their financial service purchase decisions. Multicultural investors are even more influenced by digital media, saying the internet outweighs word of mouth as their #1 influence in insurance and financial service purchases. Other digital media formats also have greater influence on multicultural consumer investors' finance purchases.**
- **Most investors, particularly multicultural investors, say that they're likely to do online searches about financial and insurance companies. They also report that a variety of media types, both online and traditional, influence their online searches. This emphasizes the importance of including digital media in cross media ad campaigns. While both traditional and digital media inspire online searches, the internet is most likely to influence their financial services purchases, particularly among multicultural audiences.**



Digital Influence on Financial Services Among Multicultural Audiences

Questions?

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