

OHIO INVESTOR EDUCATION SURVEY

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Sponsored by:

Association for Financial Counseling & Planning Education

Investor Protection Trust

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When I'm 65

Detroit Public Television

Ohio Dept. of Commerce – Division of Securities



A survey of 738 Ohio adults conducted March 20-22 2017 for the Association for Financial Counseling & Planning Education (AFCPE) by Public Policy Polling (PPP) shows:

- Few Ohio adults would use a windfall to save or invest for retirement. Only 24 percent of Ohio residents who got a “million-dollar windfall” would use most of the money to save or invest for retirement. Nearly a third (32 percent) would instead pay off debts and another three in 10 would share much of the money with family members.
- Under half of Ohio adults have financial plans. Only about two in five (41 percent) of Ohio adults have a financial plan they are following. Of the balance, 14 percent have not plan, 12 percent are just starting to plan for retirement, and about a quarter (23 percent) started but “had to stop because money was needed for other reasons.” Women in Ohio are more likely than men to have not started planning for retirement by a margin of 18 percent to 10 percent. African Americans are far more likely than white not to have started planning for retirement by a margin of 29 percent to 12 percent.
- For those Ohio adults without a financial plan, lack of money, knowledge and trust are major factors. Of those in Ohio without a financial plan, one third (34 percent) think they don’t have enough money to save or invest for retirement (this is true of 27 percent of 18-29 year olds and 49 percent of 45-60 year olds), 23 percent don’t know enough “to feel comfortable” saving and investing or retirement (the gap here between African Americans and whites is 34 percent versus 16 percent), and 25 percent plan to live on Social Security or other resources. Men are far more likely than women to cite distrust of the markets and financial professionals as their No. 1 reason not to have a plan by a margin of 14 percent versus 3 percent.
- Ohio residents rely more on word of mouth than checking out the background of a financial professional. Of those Ohio adults using a financial professional to help with their investments, 61 percent made their decision based on a recommendation from a relative, friend, co-worker or neighbor versus 24 percent who did their own research into the professionals’ background and services. While a large share (76 percent) said they checked to see if the person was licensed to do business in Ohio, only 17 actually contacted the Ohio Department of Commerce - Securities Division, which is where they would be most likely to verify proper licensing.
- Younger investors in Ohio may be more inclined than their elders to check out financial professionals. Over half (54 percent) of 18-29 year olds said they contacted the Ohio Department of Commerce - Securities Division, versus just 8 percent of 46-65 year olds. Fewer than one in three (32 percent) of all Ohio adults with financial professionals said they used the FINRA BrokerCheck system to see background information on their financial professional. Another age gap was evident here: 66 percent of 18-29 year olds said they used BrokerCheck versus just 27 percent of 46-65 year olds.
- Bad information and lack of knowledge may keep Ohioans from seeking financial help. Nearly six in 10 Ohio residents (57 percent) thinks it “costs a lot” of use a financial counselor planner. Two in five do not understand the difference between a “financial planner” and a “financial counselor”.



Ohio Survey Results

Q1 How far along would you say you are in planning for your retirement finances – have you not started at all; are you just starting now; did you start and then had to stop because money was needed for other reasons; or do you have a financial plan in place and are following it?

<i>You have not started planning for retirement at all.....</i>	14%
<i>You are just starting to plan for retirement now.....</i>	12%
<i>You did start planning for retirement and then had to stop because money was needed for other reasons.....</i>	23%
<i>You have a financial plan in place for retirement and are following it.....</i>	41%
<i>Not sure / Don't care to say</i>	9%

Q2 (Among those who have not yet started planning for retirement) What would you say is the number one reason for why you do not have a financial plan for retirement – you plan to live only on Social Security or other financial resources; you don't know enough about saving and investing to feel comfortable doing it; you don't have enough money to save or invest so you don't need a plan; you have some money to put aside for retirement but can't afford a financial planner or financial counselor; or do you not trust the financial markets and/or financial professionals?

<i>You plan to live only on Social Security or other financial resources.....</i>	25%
<i>You don't know enough about saving and investing to feel comfortable doing it.....</i>	23%
<i>You don't have enough money to save or invest so you don't need a plan.....</i>	34%
<i>You have some money to put aside for retirement but can't afford a financial planner or financial counselor.....</i>	1%
<i>You do not trust the financial markets and/or financial professionals.....</i>	7%
<i>Not sure / Don't care to say</i>	10%

Q3 I'm going to read you a series of true/false statements, and after each one, ask you whether you think the statement is true or false. Here's the first one: True or false: It costs a lot to use a financial counselor or financial planner.

<i>True.....</i>	57%
<i>False.....</i>	43%

Q4 Here's the next one: True or false: Financial counselors and financial planners are only for rich people.

<i>True.....</i>	26%
<i>False.....</i>	74%

Q5 True or false: I am so far behind on saving or investing for retirement that it would be embarrassing to meet with a financial counselor or financial planner.

<i>True.....</i>	27%
<i>False.....</i>	73%

Q6 Do you understand the difference between a financial counselor and a financial planner, or not?

<i>Do understand the difference between a financial counselor and a financial planner</i>	52%
<i>Do not understand the difference between a financial counselor and a financial planner</i>	40%
<i>Not sure</i>	8%

Q7 Do you use someone to help you with your investments, or not?

<i>Yes.....</i>	36%
<i>No.....</i>	61%
<i>Not sure.....</i>	4%





Q8 (Among those who use someone for investments) What type of financial professional do you use to help you with your investments – a stockbroker, a financial planner, an insurance agent, a financial counselor, or do you use a combination of financial professionals?

<i>Stockbroker</i>	11%
<i>Financial planner</i>	43%
<i>Insurance agent</i>	5%
<i>Financial counselor</i>	10%
<i>Combination of professionals</i>	28%
<i>Not sure</i>	3%

Q9 (Among those who use someone for investments) How did you select the financial professional or professionals you are using to help you with your investments – did you select them based on a recommendation from a relative, friend, co-worker or neighbor; based on advertisements on TV, radio, or print; based on online research; based on a response from a solicitation by phone, e-mail, or mailing; or based on your own research into the professional’s background and services?

<i>Recommendation from a relative, friend, co-worker or neighbor</i>	61%
<i>Advertisements on TV, radio, or print</i>	5%
<i>Online research</i>	3%
<i>Response from a solicitation by phone, e-mail, or mailing</i>	2%
<i>Your own research into the professional's background and services</i>	24%
<i>None of the above</i>	4%
<i>Not sure</i>	1%

Q10 (Among those who use someone for investments) When using a financial professional, have you verified that they are licensed to do business in Ohio, or not?

<i>Yes</i>	76%
<i>No</i>	20%
<i>Not sure</i>	5%

Q11 (Among those who use someone for investments) When using a financial professional, have you checked to see if the investment products they are selling are registered with the state of Ohio, or not?

<i>Yes</i>	57%
<i>No</i>	34%
<i>Not sure</i>	9%

Q12 (Among those who use someone for investments) When using a financial professional, have you contacted the Ohio Department of Commerce - Securities Division, or not?

<i>Yes</i>	17%
<i>No</i>	79%
<i>Not sure</i>	4%

Q13 (Among those who use someone for investments) When using a financial professional, have you checked the background of the financial professional through FINRA’s BrokerCheck website, or not?

<i>Yes</i>	32%
<i>No</i>	64%
<i>Not sure</i>	4%





Q14 What would you do with a million-dollar windfall that you received as the result of an inheritance, insurance settlement, or winning the lottery – would you take a dream vacation and buy a number of things you have always wanted to have; would you pay off debts and make a major purchase, such as a house; would you share much of the money with your children or other family members; or would you save and invest all or most of the money for your retirement?

- Would take a dream vacation and buy a number of things you have always wanted to have* 7%
- Would pay off debts and make a major purchase, such as a house* 32%
- Would share much of the money with your children or other family members*..... 30%
- Would save and invest all or most of the money for your retirement*..... 24%
- Not sure* 7%

Q15 If you are a woman, press 1. If a man, press 2.

- Woman* 53%
- Man*..... 47%

Q16 If you are a Democrat, press 1. If a Republican, press 2. If an independent or a member of another party, press 3.

- Democrat* 43%
- Republican*..... 38%
- Independent / Other*..... 19%

Q17 If you are white, press 1. If African American, press 2. If other, press 3.

- White* 80%
- African-American* 12%
- Other*..... 7%

Q18 If you are 18-29 years old, press 1. If 30-45, press 2. If 46-65, press 3. If older than 65, press 4.

- 18 to 29*..... 12%
- 30 to 45*..... 26%
- 46 to 65*..... 38%
- Older than 65*..... 24%

Q19 What is your annual household income – less than \$20,000; between \$20,000 and \$35,000; between \$35,000 and \$50,000; between \$50,000 and \$75,000; between \$75,000 and \$125,000; or more than \$125,000?

- Less than \$20,000* 21%
- \$20,000 to \$35,000*..... 22%
- \$35,000 to \$50,000*..... 17%
- \$50,000 to \$75,000*..... 14%
- \$75,000 to \$125,000*..... 11%
- More than \$125,000*..... 9%
- Don't care to say*..... 6%

Q20 Do you own or rent your home?

- Own* 66%
- Rent*..... 34%





Q21 (Among homeowners) Roughly how much equity do you have in your home – nothing so far; less than \$5,000; between \$5,000 and \$25,000; between \$25,000 and \$50,000; between \$50,000 and \$100,000; between \$100,000 and \$250,000; between \$250,000 and \$500,000; more than \$500,000; or are you not a homeowner?

<i>Nothing</i>	8%
<i>Less than \$5,000</i>	10%
<i>\$5,000 to \$25,000</i>	16%
<i>\$25,000 to \$50,000</i>	10%
<i>\$50,000 to \$100,000</i>	16%
<i>\$100,000 to \$250,000</i>	21%
<i>\$250,000 to \$500,000</i>	3%
<i>More than \$500,000</i>	2%
<i>Not a homeowner</i>	0%
<i>Don't care to say</i>	14%

Q22 Including your mortgage, if you are homeowner, how much debt are you carrying today – less than \$5,000; between \$5,000 and \$25,000; between \$25,000 and \$50,000; between \$50,000 and \$100,000; between \$100,000 and \$250,000; between \$250,000 and \$500,000; more than \$500,000; or are you not carrying any debt at all?

<i>Less than \$5,000</i>	26%
<i>\$5,000 to \$25,000</i>	20%
<i>\$25,000 to \$50,000</i>	11%
<i>\$50,000 to \$100,000</i>	9%
<i>\$100,000 to \$250,000</i>	5%
<i>\$250,000 to \$500,000</i>	2%
<i>More than \$500,000</i>	0%
<i>Not carrying any debt at all</i>	11%
<i>Don't care to say</i>	15%

Q23 Not counting the value of your home, if you are a homeowner, roughly how much have you saved or invested for retirement in any other way – nothing so far; less than \$5,000; between \$5,000 and \$25,000; between \$25,000 and \$50,000; between \$50,000 and \$100,000; between \$100,000 and \$250,000; between \$250,000 and \$500,000; or more than \$500,000?

<i>Nothing</i>	20%
<i>Less than \$5,000</i>	12%
<i>\$5,000 to \$25,000</i>	8%
<i>\$25,000 to \$50,000</i>	8%
<i>\$50,000 to \$100,000</i>	8%
<i>\$100,000 to \$250,000</i>	10%
<i>\$250,000 to \$500,000</i>	4%
<i>More than \$500,000</i>	5%
<i>Don't care to say</i>	25%

Q24 Which of the following best describes the highest level of education you have received: some high school but did not finish, high school graduate, some college but did not finish, 2-year college degree, 4-year college degree, or post-graduate degree?

<i>Some high school</i>	7%
<i>High school graduate</i>	25%
<i>Some college</i>	15%
<i>2-year college degree</i>	10%
<i>4-year college degree</i>	14%
<i>Post-graduate degree</i>	7%
<i>Don't care to say</i>	22%

Q25 Mode

<i>Phone</i>	80%
<i>Internet</i>	20%

