

# The Principal Financial Well Being Index<sup>SM</sup>: Employees

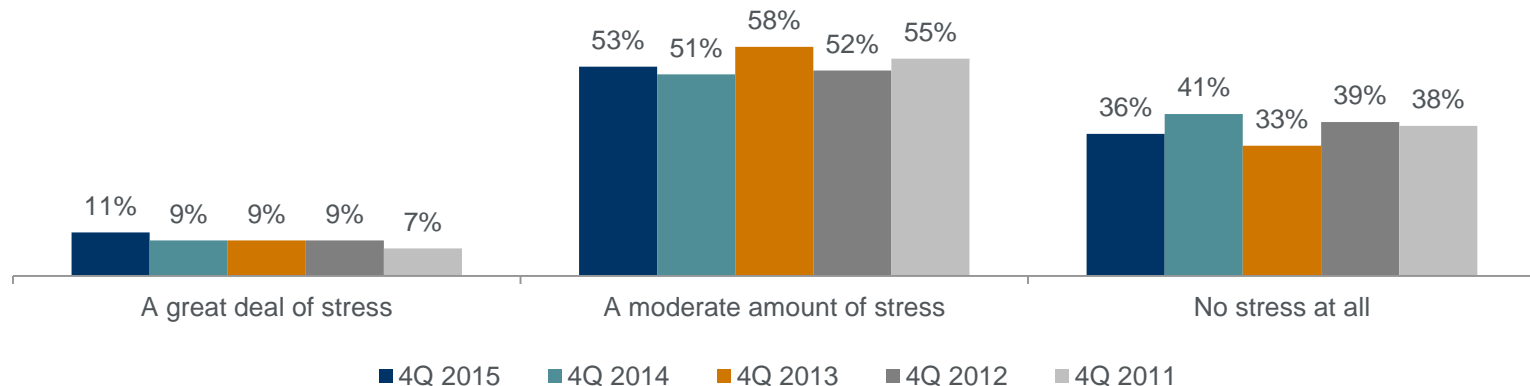
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4<sup>th</sup> Quarter 2015

# Holiday Spending Stress

- For about half of employees (53%), holiday spending will put a moderate amount of stress on their personal financial situation.
- Only eleven percent of employees think their holiday spending will put a great deal of stress on their financial situation.
- Just over a third (36%) indicated that holiday spending will put no stress at all on their personal financial situation.
  - Men (40%) are more likely than women (30%) to say the holiday will put no stress at all on their personal financial situation.

**How much stress do you expect holiday expenditures will put on your personal financial situation?**



"How much stress do you expect holiday expenditures will put on your personal financial situation?"  
Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Feelings About Current Financial Situation

- Four in ten employees (40%) are happy with their current financial situation.
  - Men (46%) are more likely than women (32%) to report they are happy with their current financial situation.
- Over half (54%) feel stressed about their current financial situation (up from 39% in 1Q 2015).
- Over half of employees (58%) say they usually feel in control of their personal financial situation.
  - Men (63%) are more likely than women (32%) to say they feel in control of their personal financial situation.

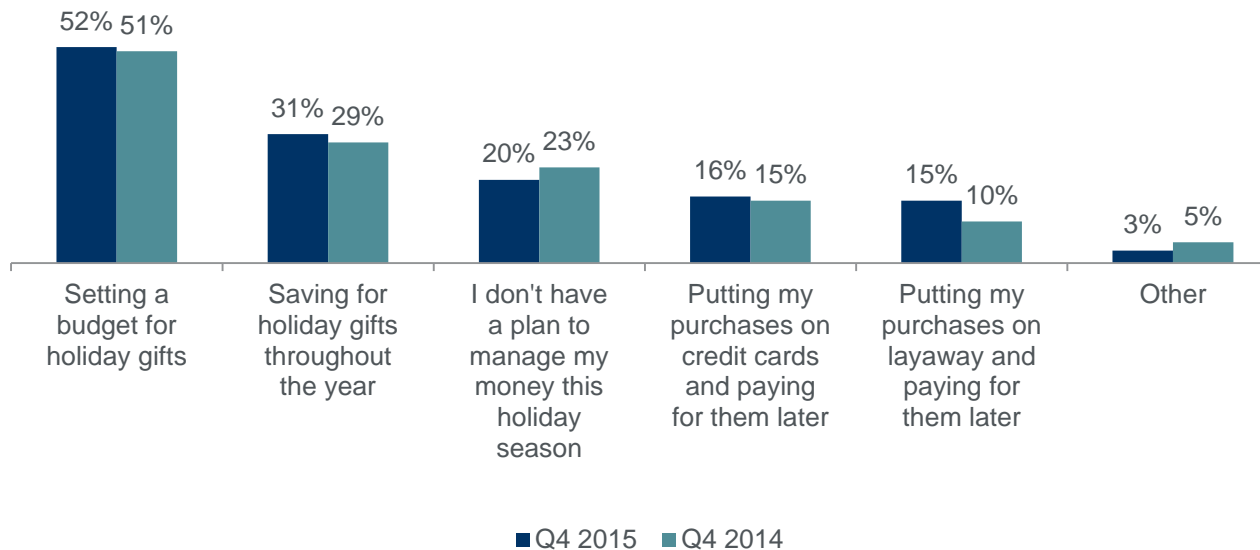
Percent Agreeing Completely or Somewhat (Top 2 Box)	4Q 2015	1Q 2015	4Q 2014	3Q 2014	2Q 2014
"I am happy with my current financial situation."	<b>40%</b>	36%	36%	34%	41%
"I feel stressed about my current financial situation."	<b>54%*</b>	39%	47%	45%	41%
"I usually feel in control of my personal financial situation."	<b>58%</b>	58%	56%	52%	56%

\*Varies significantly (95% confidence level) from previous result  
 "To what extent do you agree with each of the following statements?"  
 Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Money Management Plans for Upcoming Holidays

- Half of employees (52%) plan to set a budget for holiday gifts this year in order to manage their money during the upcoming holiday season.
- Three in ten (31%) plan to save for holiday gifts throughout the year, while one in five give (20%) don't have a plan to manage their money this holiday season.
- Men (20%) are more likely than women (11%) to say they will manage their money this holiday season by putting purchases on credit cards and paying for them later.

How do you plan to manage your money this upcoming holiday season?



**85%**

*of employees who plan to set a budget to pay for gifts this upcoming holiday season say they are very or somewhat likely to stick with their budget.*

"How do you plan to manage your money this upcoming holiday season?"

Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

"How likely are you to stick to your budget this upcoming holiday season?"

Base: 578 employed U.S. adults in firms of 10-1,000 employees that plan to set a budget to pay for gifts this holiday season

# Areas of Budget Blown in 2015

- Dining out (24%), food/groceries (19%), and entertainment (15%) are top areas that employees indicate they blew their budget in 2015.
  - Gen Y (34%) and Gen X (25%) employees are more likely than Baby Boomer employees (14%) to say they blew their budget on dining out.
- Three in ten employees (30%) said they didn't blow their budget in 2015 in any of the areas offered.
  - Gen X (27%) and Baby Boomer (47%) employees are more likely than Gen Y (16%) employees to say they did not blow their budget in 2015.

In which of the following areas did you blow your budget in 2015?	4Q 2015	4Q 2014	4Q 2013
Dining out	24%	22%	22%
Food / Groceries	19%	18%	21%
Entertainment	15%	15%	15%
Other consumer goods	15%	9%	13%
Travel	14%	12%	14%
Housing / Home improvements	14%*	10%	11%
Clothing / Apparel / Shoes	11%	10%	15%
Gas	9%*	13%	20%
Coffee	6%*	3%	5%
Other	10%	11%	9%
None of the above	30%	34%	29%

\*Varies significantly (95% confidence level) from previous result  
 "In which of the following areas did you blow your budget in 2015?"  
 Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Paying for Holiday Gifts

- Over one in three employees (38%) plan to pay for their holiday gifts this season via credit card.
  - Men (41%) are more likely than women (33%) to say they plan to pay for their holiday gifts with credit cards.
- Just over a quarter of employees (27%) will pay for their gifts with cash while nearly as many will use a debit card (24%).

How are you primarily planning to pay for your holiday gifts this year?	4Q 2015	4Q 2014	4Q 2013	4Q 2012	4Q 2011
Credit cards – will pay off	27%	29%	30%	26%	31%
Cash	27%	26%	27%	28%	29%
Debit card	24%	23%	23%	26%	22%
Credit cards – will not pay off	11%	8%	10%	10%	6%
Layaway	4%*	2%	2%	2%	1%
Pre-paid card	1%*	3%	1%	1%	0%
Holiday savings club / plan	1%	2%	2%	2%	3%
Personal loan	1%	1%	0%	0%	0%
Other	1%	1%	1%	2%	0%
Not sure	3%	3%	2%	2%	6%
None of the above	1%	2%	2%	1%	1%

“How are you primarily planning to pay for your holiday gifts this year? Please select one response.”

Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# New Year's Resolutions

- Saving a set amount on a monthly basis (31%), paying off credit card debt (28%) and reducing monthly spending (19%) are common New Year's financial resolutions for employees in 2016.
  - Men (12%) are more likely than women (6%) to say they intend to work with a financial planner/advisor this upcoming year.
- About a third (32%) do not intend to make a financial resolution for 2016.
  - Baby Boomer employees (53%) are more likely than Gen Y (15%) and Gen X (30%) employees to say they do not intend to make a New Year's resolution for 2016.

Which of the following, if any, do you intend to make as New Year's resolutions in 2016?	4Q 2015	4Q 2014	4Q 2013	4Q 2012	4Q 2011
Put a set amount of money into savings each month	<b>31%*</b>	24%	34%	29%	26%
Pay off credit card debt	<b>28%</b>	28%	28%	27%	26%
Reduce spending by a specific amount each month	<b>19%</b>	20%	23%	21%	21%
Stop using my credit cards	<b>12%</b>	13%	13%	14%	12%
Defer more in my DC plan	<b>11%</b>	11%	11%	10%	10%
Work with a financial planner/advisor	<b>9%</b>	6%	8%	6%	5%
Other	<b>4%</b>	6%	6%	6%	6%
None of these	<b>9%</b>	10%	11%	11%	10%
I don't intend to make a resolution	<b>32%</b>	35%	28%	27%	34%

\*Varies significantly (95% confidence level) from previous result

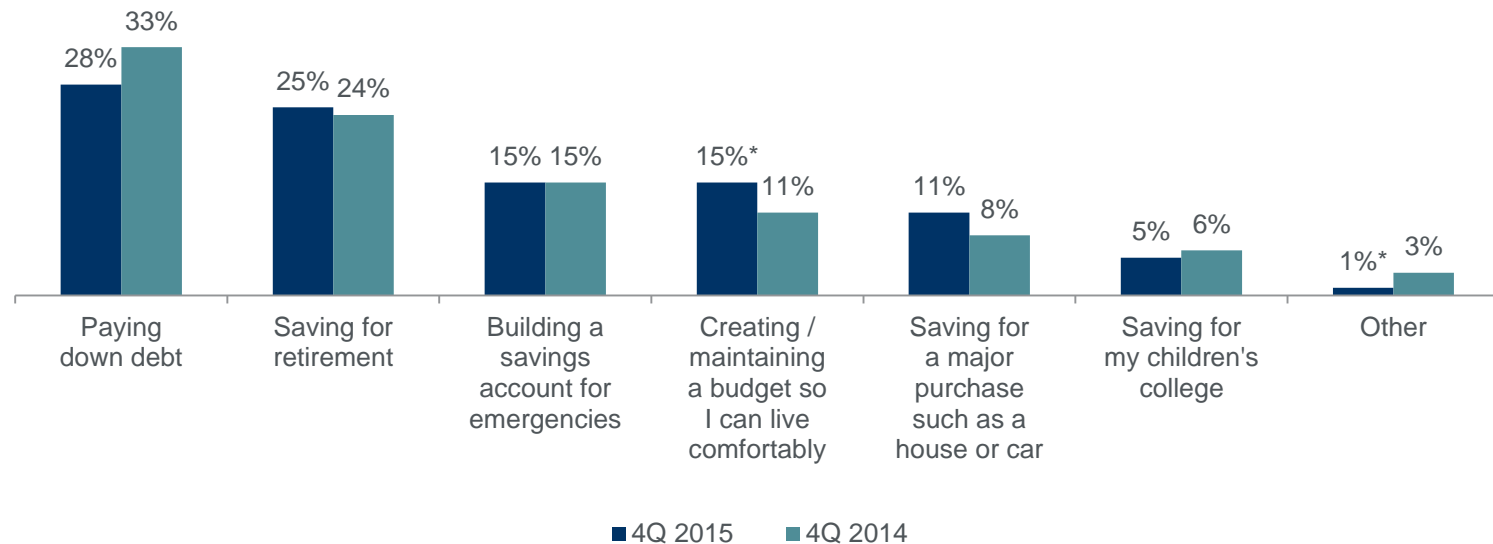
"Which of the following, if any, do you intend to make as New Year's resolutions in 2016? Please select all that apply."

Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Top Money Management Priority

- Paying down debt is the top money management priority for just over a quarter of employees (28%).
- A quarter (25%) say saving for retirement is their top money management priority.

Which of the following represents your top money management priority at this time?



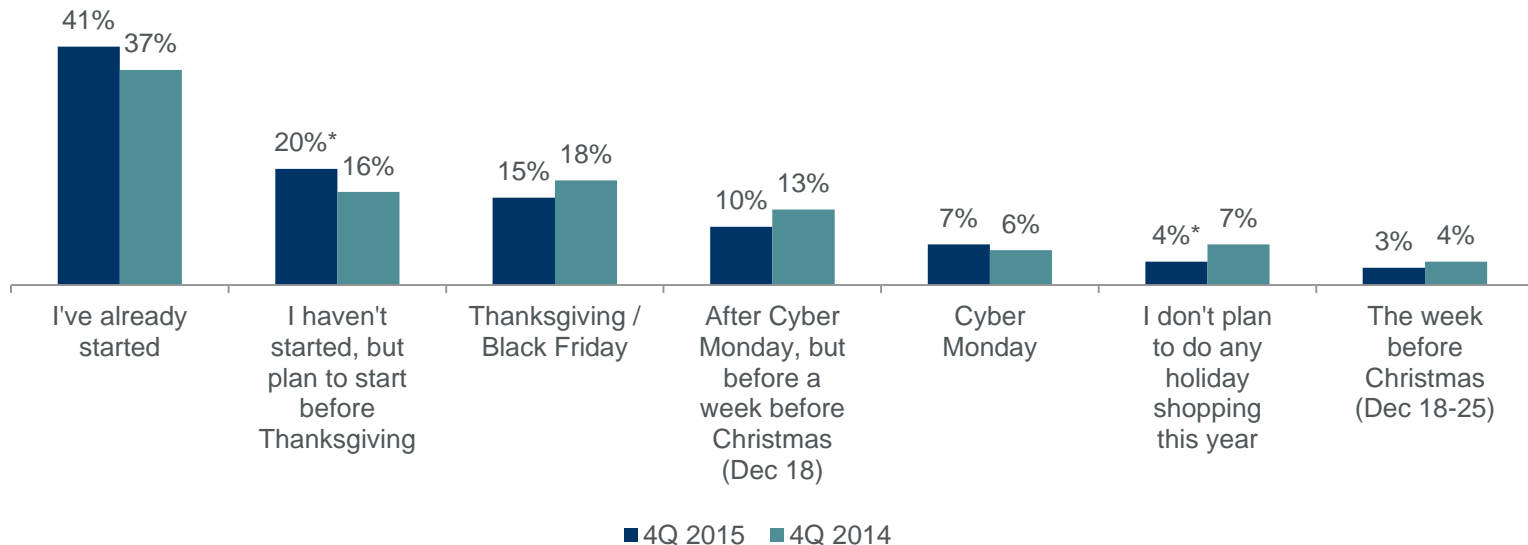
\*Varies significantly (95% confidence level) from previous result  
“Which of the following represents your top money management priority at this time?”  
Base: 1,122 employed U.S. adults in firms of 10-1,000 employees



# Plans for When to Begin Holiday Shopping

- Two in five (41%) employees have already started shopping for holiday gifts this year.
  - Women (47%) are more likely than men (36%) to say they have already started shopping for holiday gifts.
- One in five (20%) plan to start holiday shopping before Thanksgiving while fifteen percent plan to start on Thanksgiving/Black Friday.

When do you plan to start shopping for holiday gifts this year?

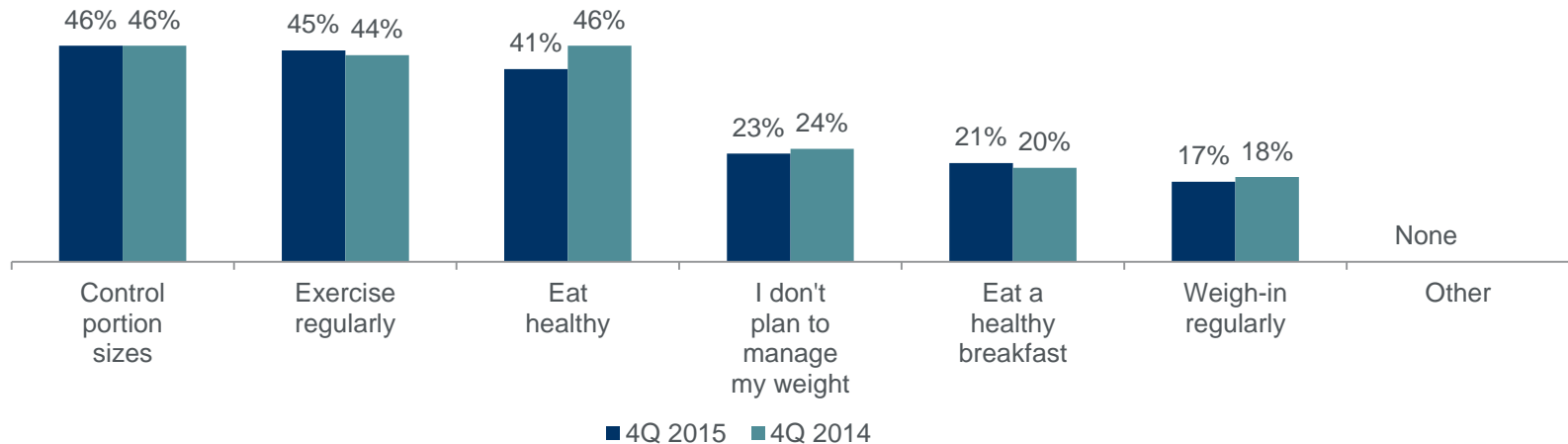


"When do you plan to start shopping for holiday gifts this year?"  
Base: 1122 employed U.S. adults in firms of 10-1,000 employees

# Weight Management During Holiday Season

- Over two in five (46%) employees plan to control portion sizes in order to manage their weight during the upcoming holiday season, while a similar percentage (45%) plan to exercise regularly.
- Women (57%) are more likely than men (37%) to say they plan to control their portion sizes in order to manage their weight during the upcoming holiday season.
- Over two in five (41%) plan eat healthy in order to manage their weight, while about a quarter (23%) don't plan to manage their weight during the upcoming holiday season.

How do you plan to manage your weight during the upcoming holiday season?



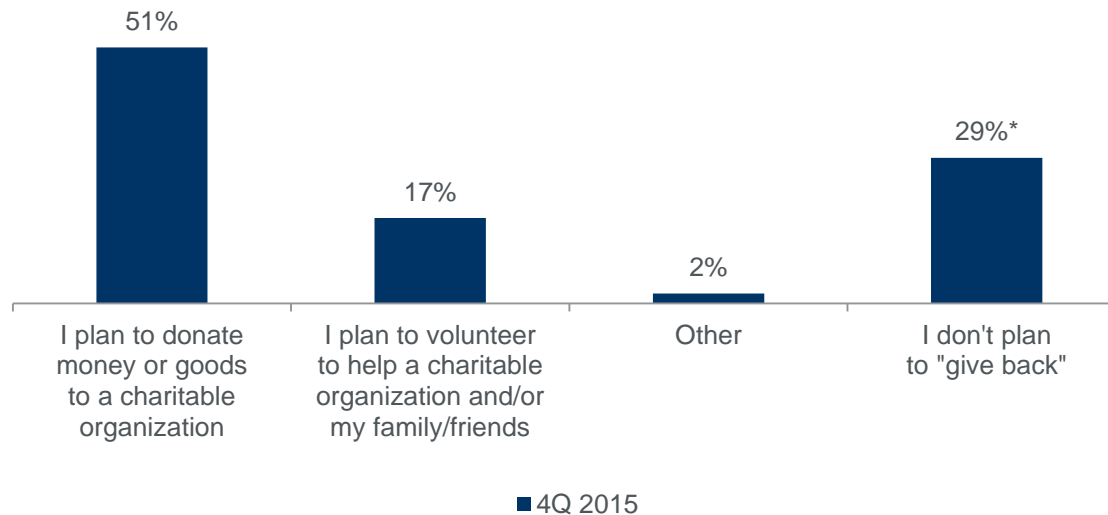
"How do you plan to manage your weight during the upcoming holiday season? Please select all that apply."

Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Giving Back

- The majority of employees (71%) plan to “give back” in some way this holiday season.
  - Half of employees (51%) plan to donate money or goods to a charitable organization while seventeen percent plan to volunteer to help a charitable organization and/or family and friends.
    - Baby Boomer employees (59%) are more likely than Gen Y (43%) employees to say they plan to donate money or goods to a charitable organization.
    - Gen Y employees (28%) are more likely than Gen X (13%) and Baby Boomer (11%) employees to say they plan to volunteer to help a charitable organization and/or family/friends this holiday season.
- Just over a quarter (29%) do not plan to “give back” this holiday season.

## How do you plan to “give back” this holiday season?



“How do you plan to “give back” this holiday season?”  
Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Concerns for Next Year

- Health care costs (50%), food prices (46%) and economic uncertainty (45%) are top areas of concern for employees in 2016.
  - Women ( 55%) are more likely than men (39%) to say they are concerned about food prices, while men (24%) are more likely than women (15%) to report they are concerned over the stock market.
- Other concerns for employees in 2015 include tax increases (42%) and gas prices (34%).

In thinking ahead to the New Year, which of the following issues concern you most?	4Q 2015	4Q 2014	4Q 2013	4Q 2012	4Q 2011
Health care costs	50%	52%	58%	52%	55%
Food prices	46%	45%	52%	52%	49%
Economic uncertainty	45%	42%	53%	53%	62%
Tax increases	42%	38%	49%	47%	45%
Gas prices	34%*	40%	58%	59%	58%
Political uncertainty	32%*	26%	35%	29%	40%
Rising inflation	31%	32%	36%	33%	41%
Terrorism	29%*	36%	NA	NA	NA
Unemployment	25%	22%	28%	36%	35%
Stock market	20%	17%	16%	18%	29%
Housing market	18%	15%	21%	19%	26%
Other	4%	5%	4%	4%	2%
None of the above	6%	4%	3%	1%	3%
Not sure	3%	4%	3%	1%	3%

\*Varies significantly (95% confidence level) from previous result

"In thinking ahead to the New Year, which of the following issues concern you most? Please select all that apply."

Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Expectations for Economy in the Next Year

- Generally, employees' views on what they think will happen with the economy in the next year are divided.
- About a third (34%) think the economy will worsen to some extent in the next year.
- Similarly, a third (33%) think the economy will improve in the next year.
  - Gen Y (47%) employees are more likely than Gen X (27%) and Baby Boomer (25%) employees to say the economy will improve in the next year.
  - Men (37%) are more likely than women (29%) to say the economy will improve in the next year.
- Another third (33%) think the economy will stay the same (down from 40% and the end of 2014).

What do you think will happen with the economy in the next year?	4Q 2015	4Q 2014	4Q 2013	4Q 2012	3Q 2012
Improve significantly	3%	3%	2%	6%	2%
Improve somewhat	30%	27%	30%	37%	30%
Stay the same	33%*	40%	28%	31%	36%
Worsen somewhat	26%	22%	27%	19%	22%
Worsen significantly	8%	8%	13%	7%	10%

\*Varies significantly (95% confidence level) from previous result  
"What do you think will happen with the economy in the next year? Please select one."  
Base: 1,122 employed U.S. adults in firms of 10-1,000 employees

# Methodology

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**This Principal Financial Well-Being Index<sup>SM</sup>: American Workers** was conducted online within the United States by Harris Poll on behalf of the Principal Financial Group<sup>®</sup> between October 26 and November 3, 2015 among 1,122 employees. This is one in a series of quarterly studies to identify and track changes in the workplace of small and mid-sized (growing) businesses. The first Principal Financial Well-Being Index<sup>SM</sup> survey was conducted in the United States in 2000.

Employees consisted of adults 18+ who work at small and mid-sized (SMB) U.S. businesses (firm size 10-1,000 employees). Results were weighted as needed for age by gender, education, race/ethnicity, region and household income. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Poll avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Poll surveys. The data have been weighted to reflect the composition of the entire population of adult employees working for small to mid-sized U.S. businesses. Because the sample is based on those who agreed to be invited to participate in the Harris Poll online research panel, no estimates of theoretical sampling error can be calculated.