



 MORNING CONSULT

CFP Board

U.S. ECONOMIC RECESSION

September 27, 2019

Background

BACKGROUND:

The research conducted by Morning Consult among adults sought to understand American optimism of the U.S. economy and sense of preparedness should the U.S. enter an economic recession in the next 12 months. Research concluded that while adults are generally optimistic about their personal financial situation (59%), nearly two thirds are still concerned about the possibility of an economic recession (63%). However, those who are working with a financial advisor are more likely to say they feel optimistic about the U.S. economy (64%) and to say they feel prepared for a recession (67%).

METHODOLOGY:

This poll was conducted from September 17-18, 2019 among a national sample of 2196 Adults and from September 24-26, 2019 among a national sample of 2200 Adults. The interviews were conducted online and the data were weighted to approximate a target sample of Adults based on age, race/ethnicity, gender, educational attainment, and region. Results from the full survey have a margin of error of plus or minus 2 percentage points.

SPECIFIC AUDIENCES:

Investors: Adults who self-report having money invested in the stock market, mutual funds, including IRAs (Individual Retirement Account) and/or 401(K)s.

Working with a financial advisor: Adults who self report receiving advice from financial advisor. Adults working with a financial advisor is correlated with income, with 21% of those working with a financial advisor earning \$100k+ per year. Additional demographic breakouts include*:

Demographic	Adults	Working with Financial Advisor (n=423-432)
Income: under \$50k	58%	36%
Income: \$50k - \$100k	32%	42%
Income: \$100k+	10%	21%

*Breakouts shown from poll on September 17-18, 2019

Key Points

1 Half of adults say it is likely that the nation will face an economic recession sometime in the next 12 months (55%).

2 While adults are generally optimistic about their personal financial situation (59%), nearly two thirds are still concerned about the possibility of an economic recession (63%).

3 Three quarters of adults (76%) say a recession in the next 12 months would have an impact on their household, with a third (36%) saying it would have a major impact.

- However, high income earners (\$100k+) (25%) and adults working with a financial advisor (29%) are less likely to say a recession in the next 12 months would have a major impact on their household.
- Most adults say that if the U.S. were in a recession, they would take steps to try to spend less money. Adults also say they would save more money, utilize their investments and pray.

4 Less than half of adults (43%) say they would feel prepared if the U.S. fell into a recession in the next 12 months, with only 11% saying they would feel very prepared.

- Adults who feel prepared for a recession say it's because they have savings, secure jobs, and stable investments.
- Adults who feel unprepared for a recession say it's because they have a lack of savings, don't earn enough money, or are facing job insecurity.

5 Those who are working with a financial advisor are more likely to say they feel optimistic about the U.S. economy (64%) and to say they feel prepared for a recession (67%).

6 Confidence in and trust of financial advisors is high among those most familiar with the value they provide.

- Three quarters of those working with a financial advisor say they feel confident their financial advisor would successfully manage their finances through a recession (77%).
- And, of those who have worked with a financial advisor, three quarters say it would be beneficial to work with a financial advisor if faced with a recession (78%).

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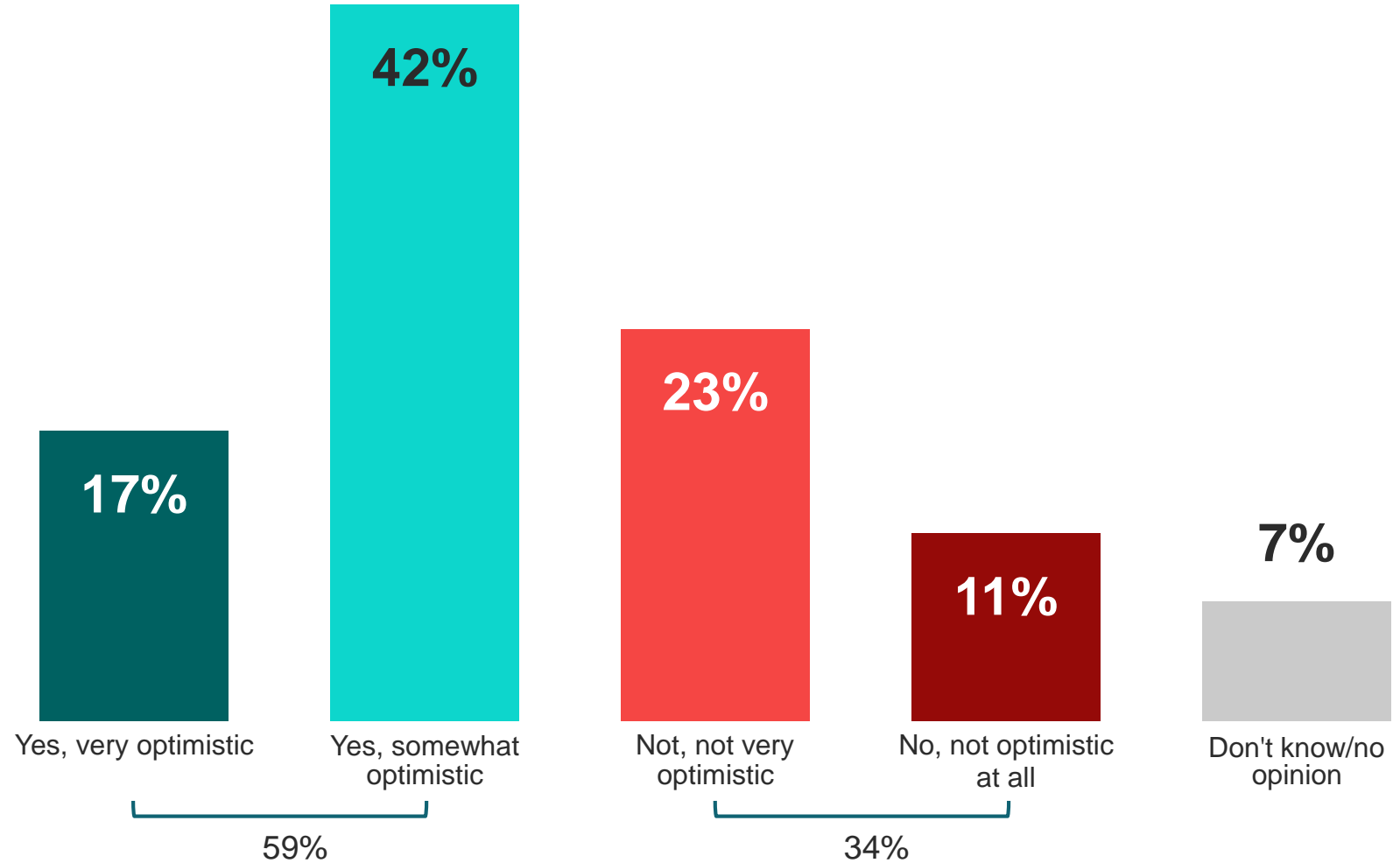


Looking Back to 2008

Over half of adults say they feel either very or somewhat optimistic about their personal or household financial situation (59%).

Do you generally feel optimistic about your personal or household financial situation?

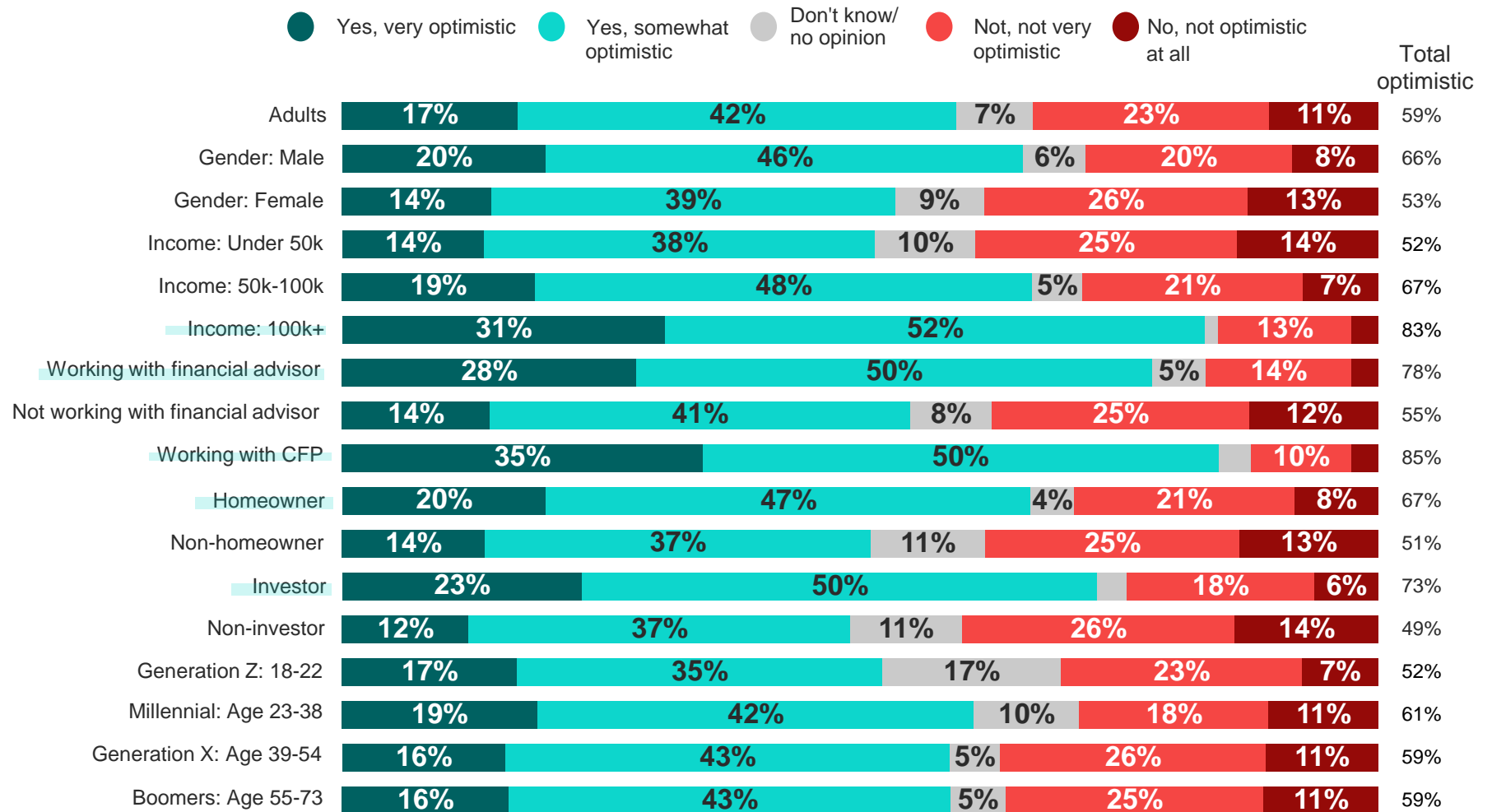
Economic Optimism



Economic Optimism

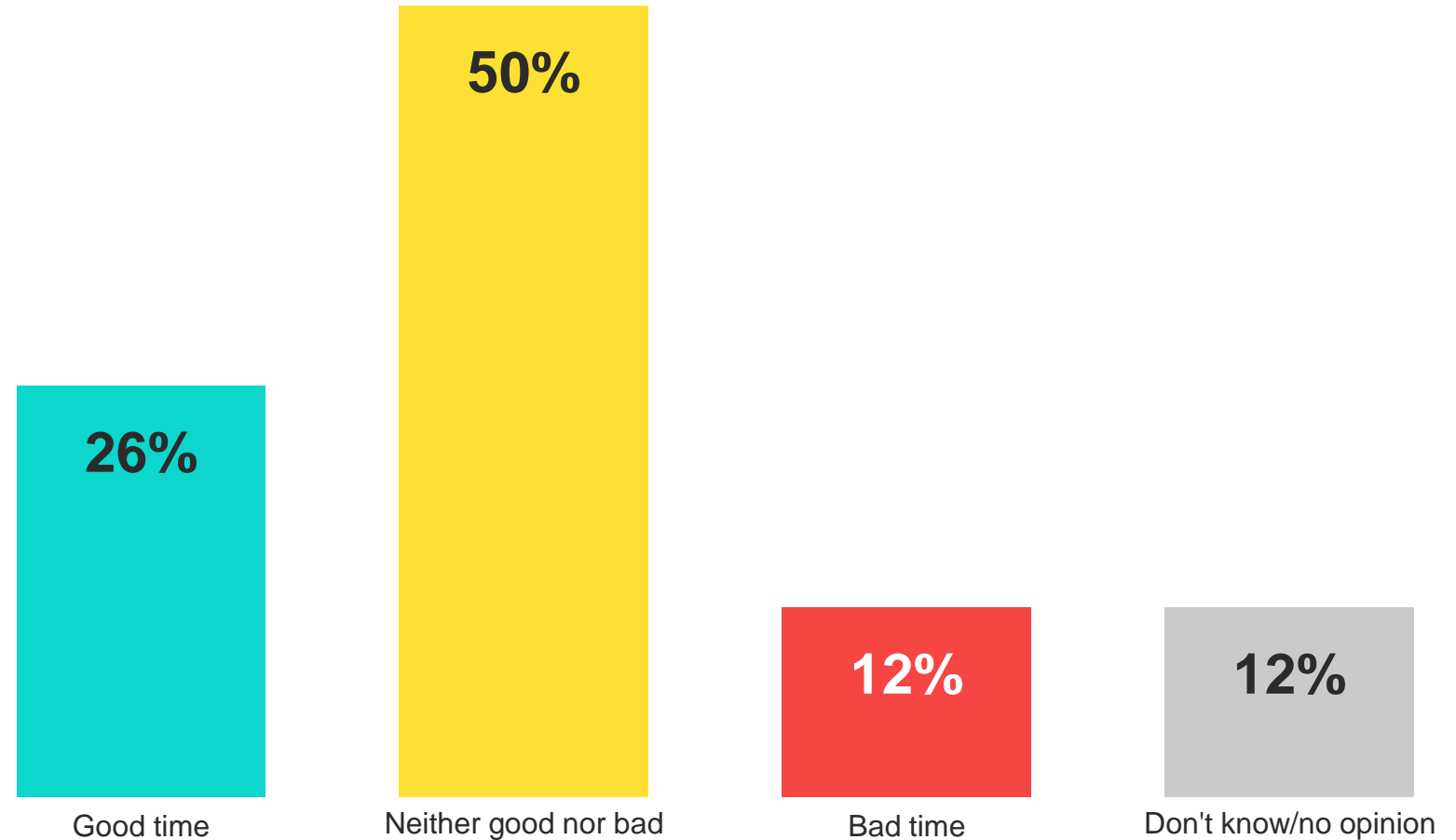
High-income (\$100k+) adults (83%), those working with a financial advisor (78%), and investors (73%) are more likely to say they feel optimistic about their personal or household financial situation.

Do you generally feel optimistic about your personal or household financial situation?



Adults are twice as likely to believe it is a good time to buy major household items than a bad time to buy major household items (26% vs. 12%).

Think about the big things people buy for their home – such as furniture, a refrigerator, stove, television and things like that. Generally speaking, do you think now is a good or bad time for people to buy major household items?

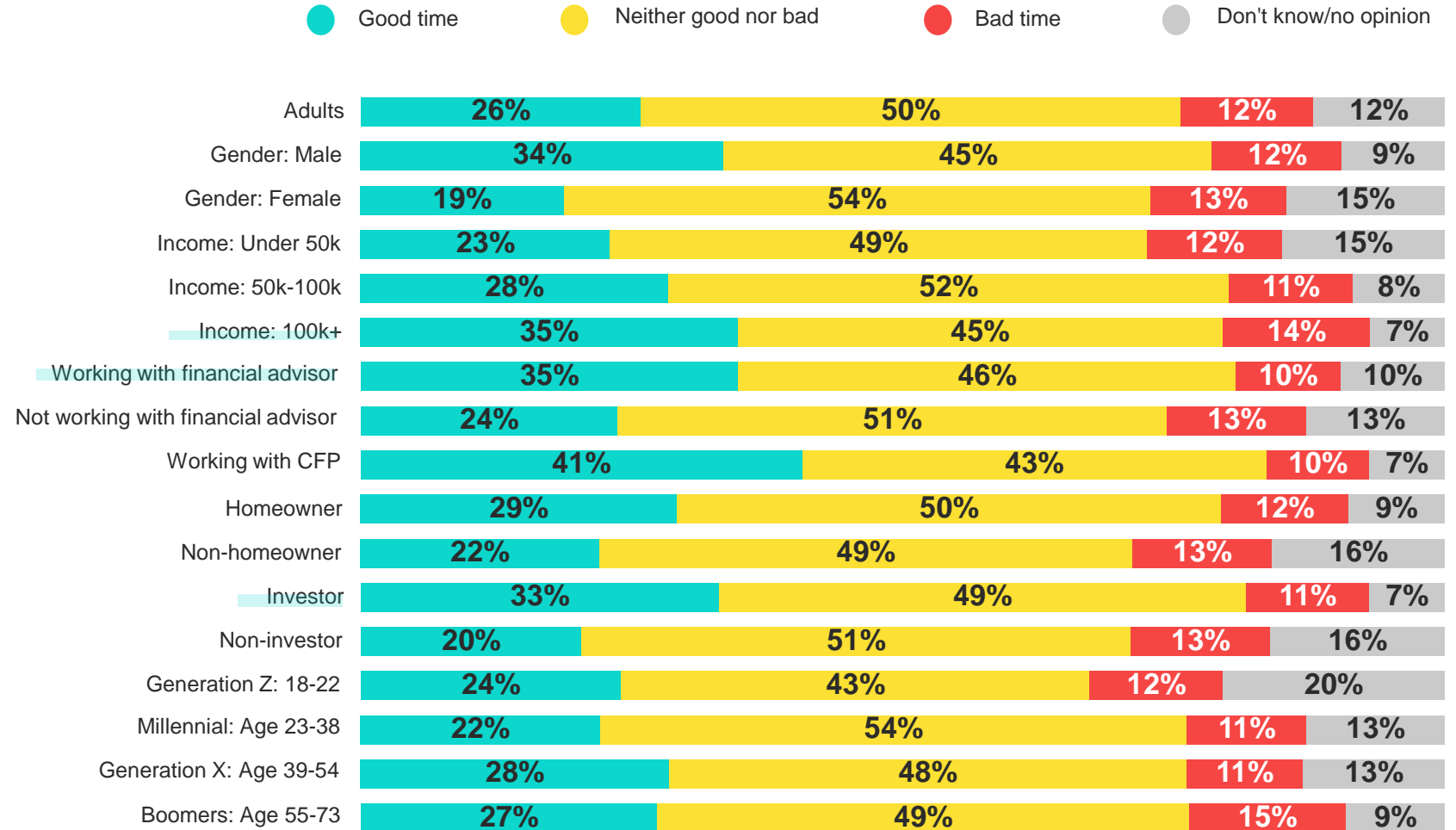


Economic Optimism

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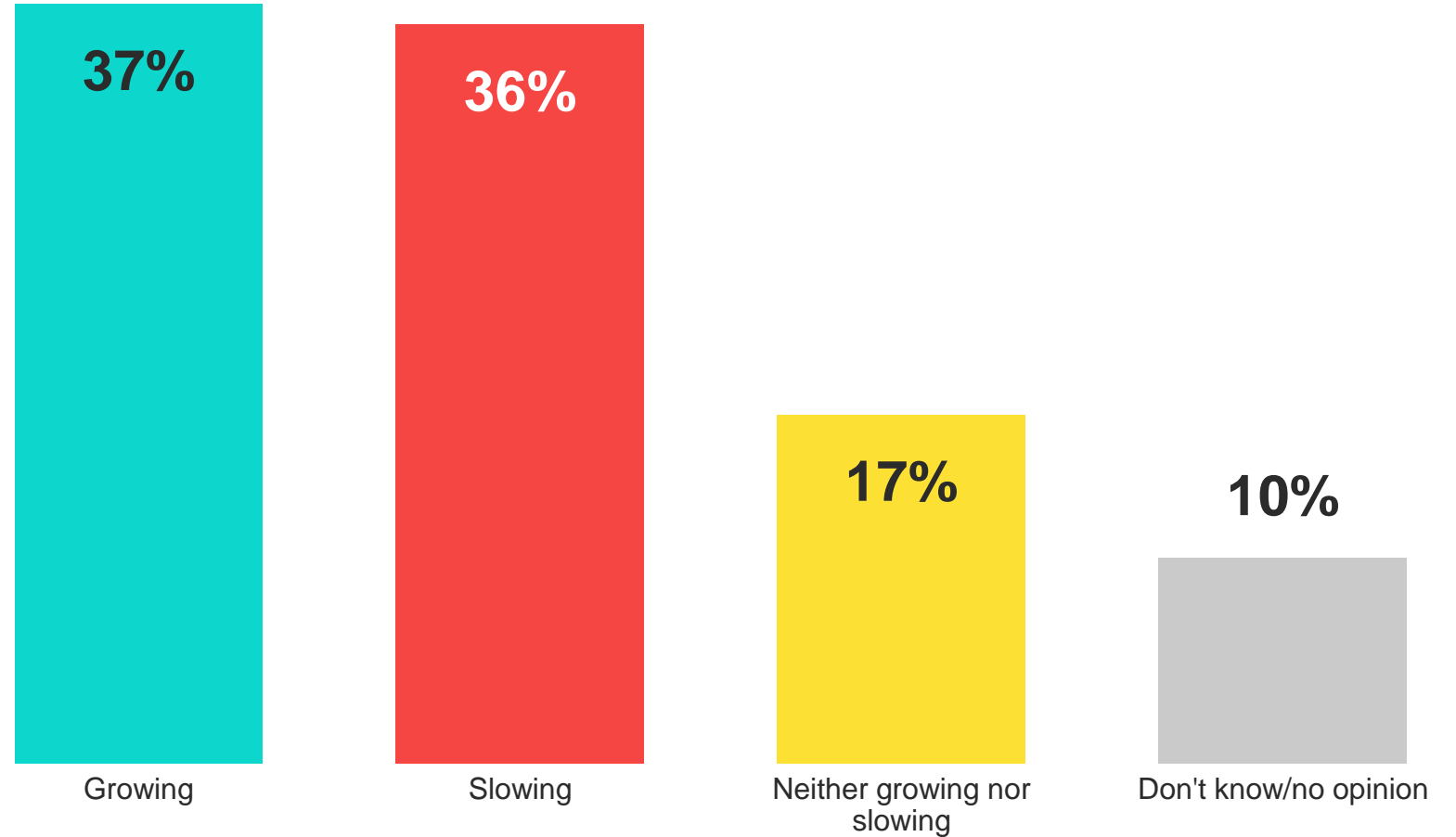
Similarly, high income (\$100k+) adults (35%), those working with a financial advisor (35%), and investors (33%) are more likely to think it is a good time for people to buy major household items.

Think about the big things people buy for their home – such as furniture, a refrigerator, stove, television and things like that. Generally speaking, do you think now is a good or bad time for people to buy major household items?



Adults are divided on whether they think the economy is currently 'growing' (37%) or 'slowing' (36%).

Based on what you know, do you believe the U.S. economy is currently growing or slowing?

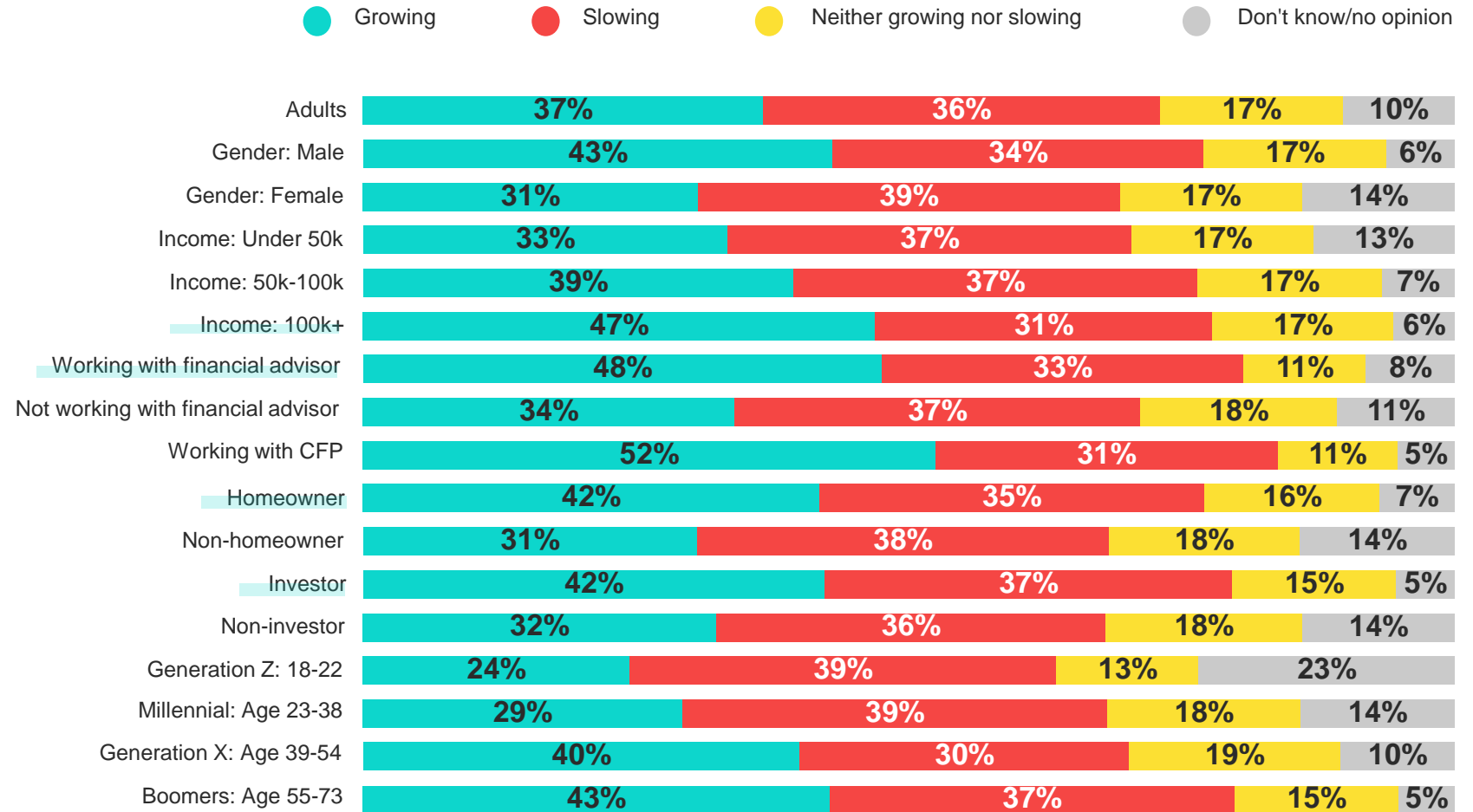


Economic Optimism

Economic Optimism

Those working with a financial advisor (48%) and high-income earners (47%) are more likely to say the economy is currently growing.

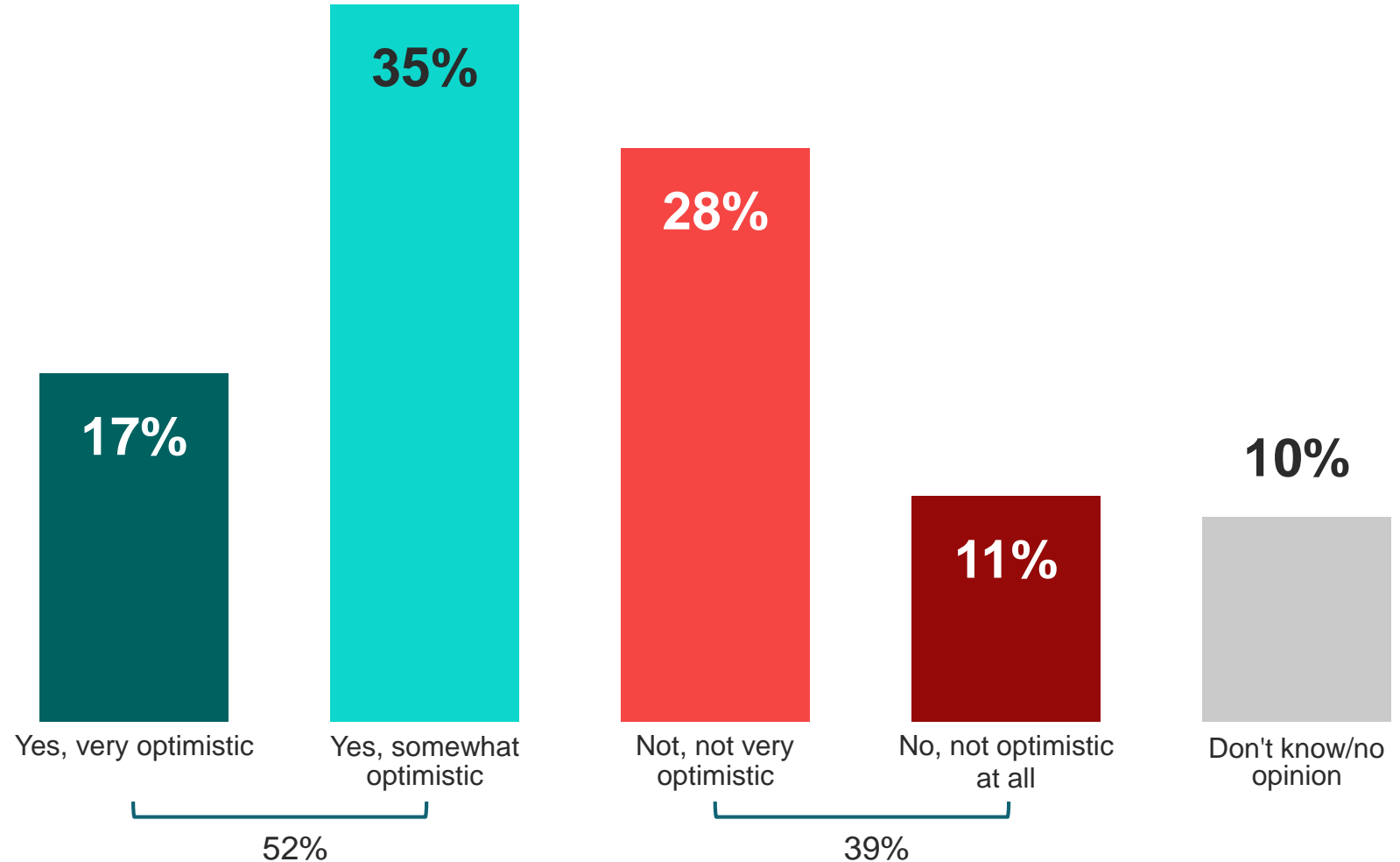
Based on what you know, do you believe the U.S. economy is currently growing or slowing?



While half of adults (52%) say they feel optimistic about the future of the U.S. economy, 2 in 5 (39%) say they don't feel optimistic.

Do you generally feel optimistic about the future of the U.S. economy?

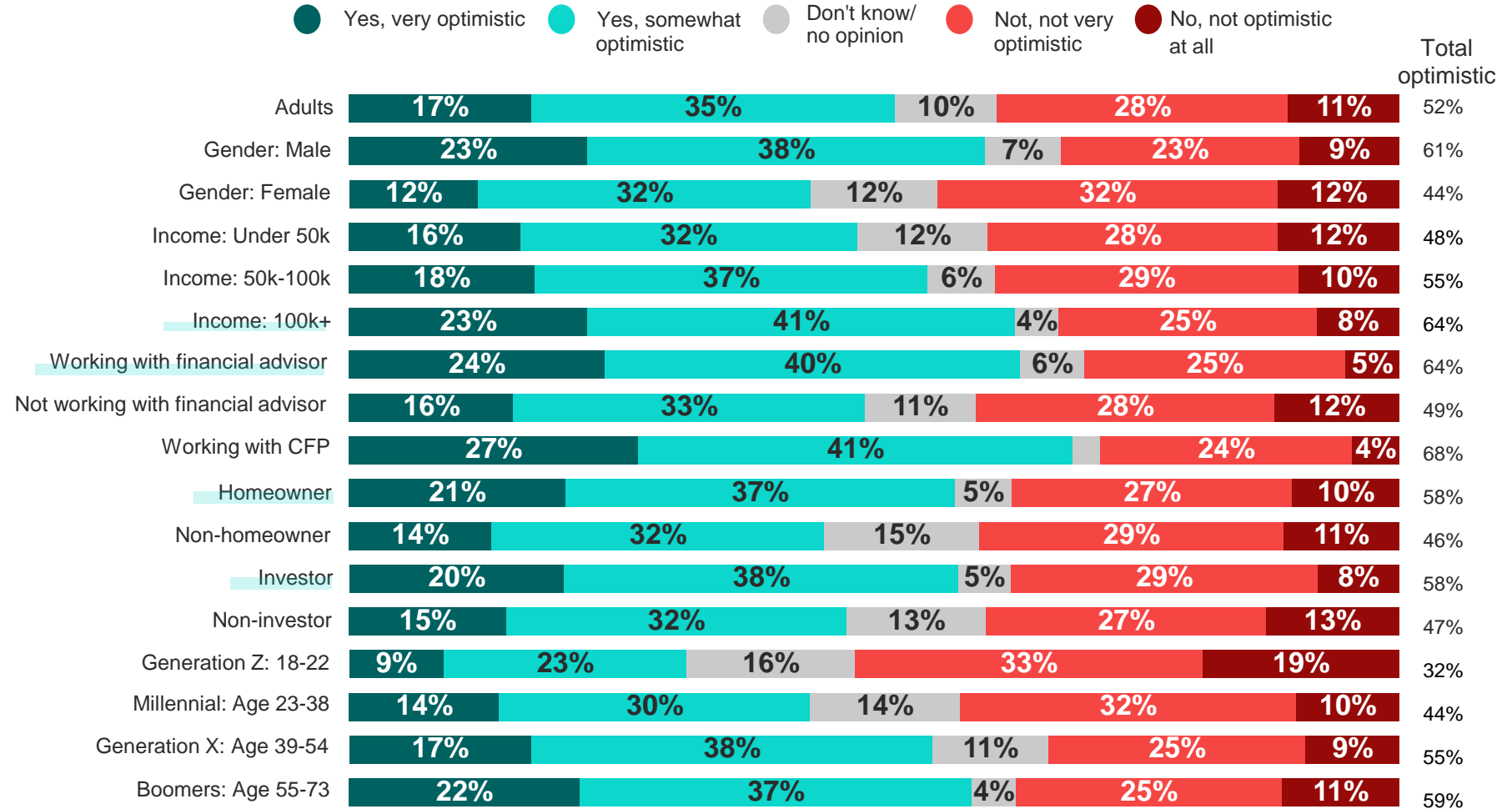
Economic Optimism



Economic Optimism

Homeowners (58%), investors (58%), and those working with a financial advisor (64%) are more likely to say they generally feel optimistic about the future of the U.S. economy.

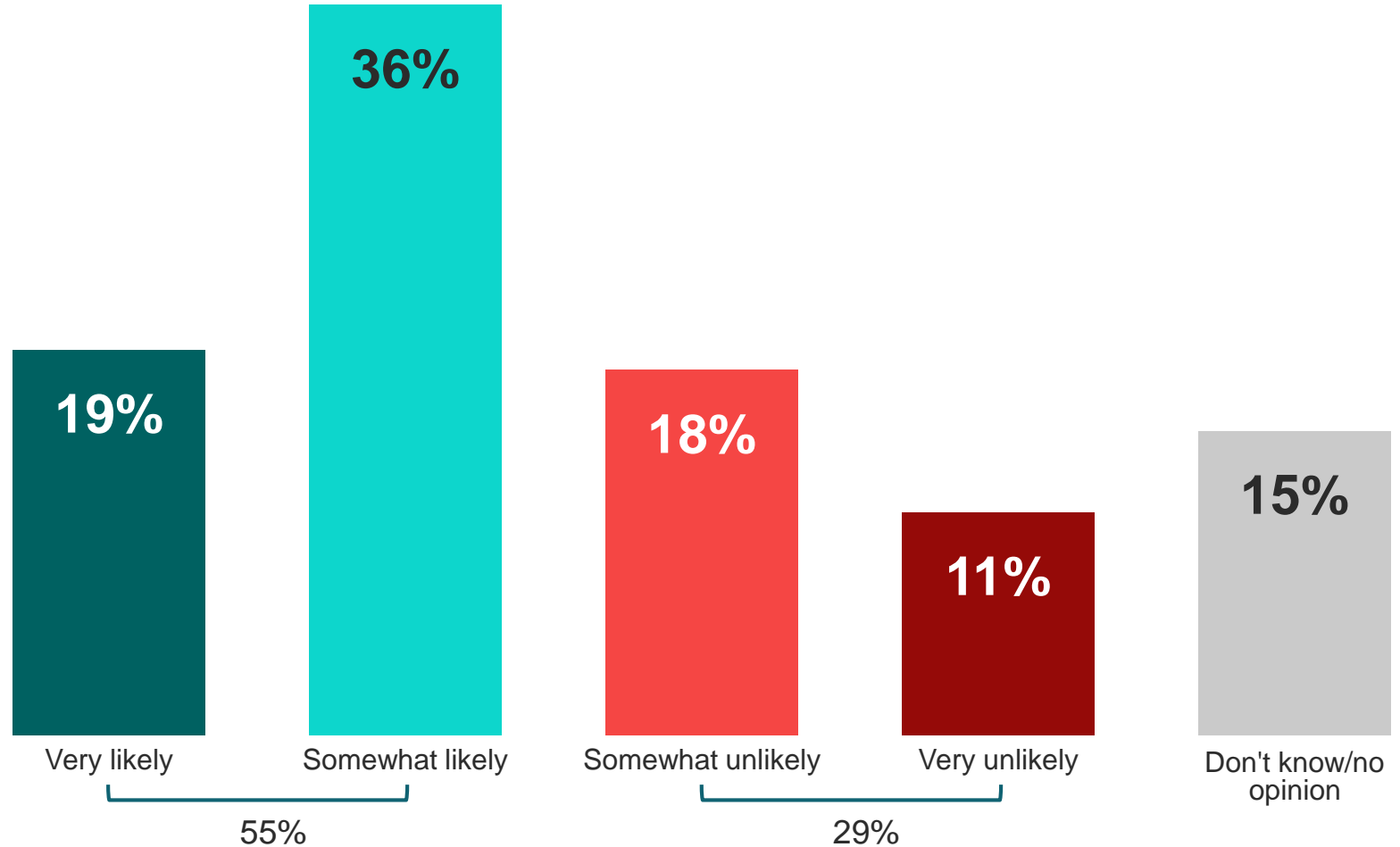
Do you generally feel optimistic about the future of the U.S. economy?



Half of adults say it is very or somewhat likely that the nation will face an economic recession sometime in the next 12 months (55%).

In your opinion, how likely or unlikely is it that the nation could face an economic recession sometime in the next 12 months?

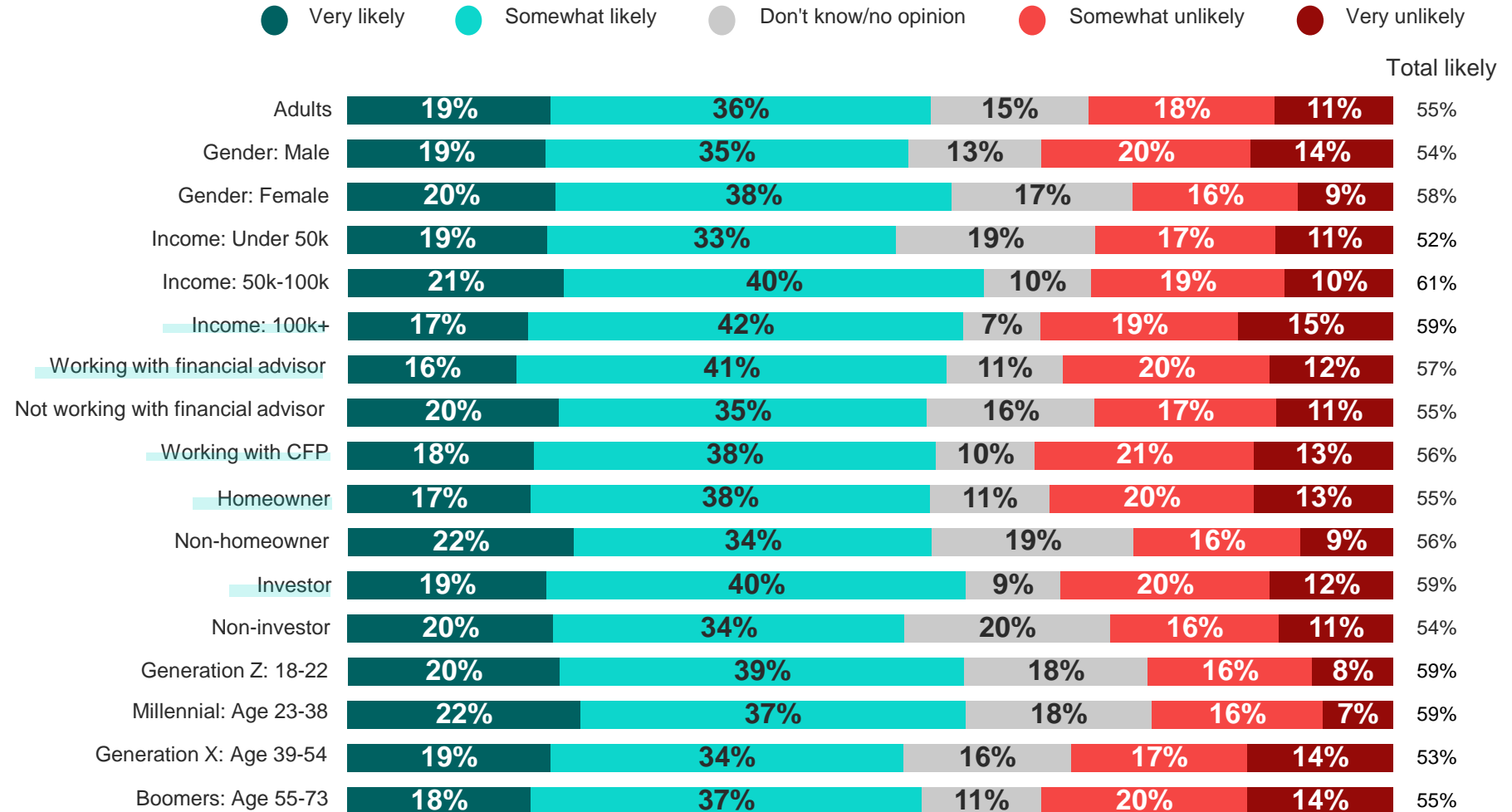
Economic Optimism



Economic Optimism

Over half of adults across key demographics say it like very or somewhat likely the U.S. will face an economic recession sometime in the next 12 months.

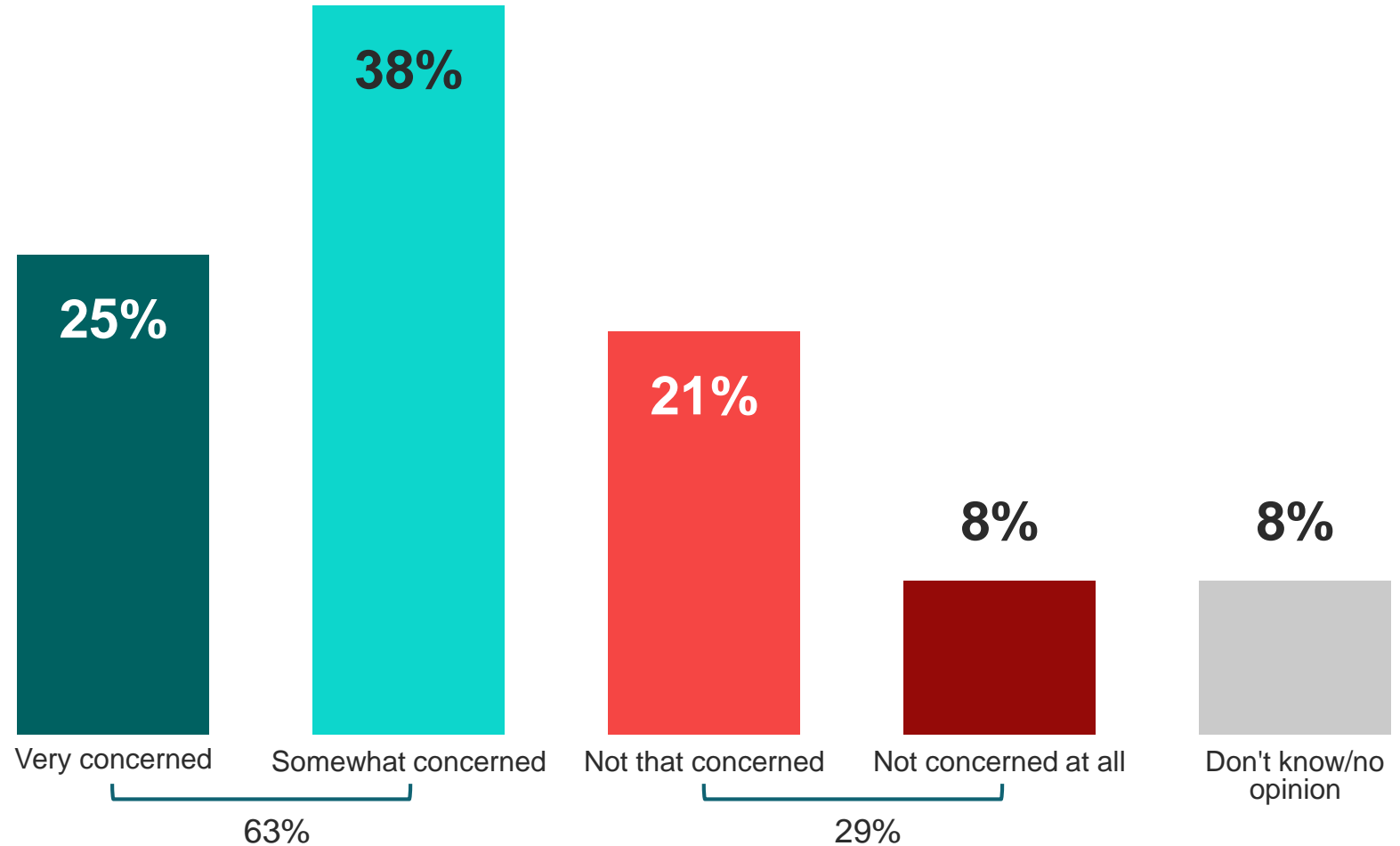
In your opinion, how likely or unlikely is it that the nation could face an economic recession sometime in the next 12 months?



Nearly two thirds (63%) of adults say they are concerned about the possibility of an economic recession in the U.S., with a quarter (25%) saying they are very concerned.

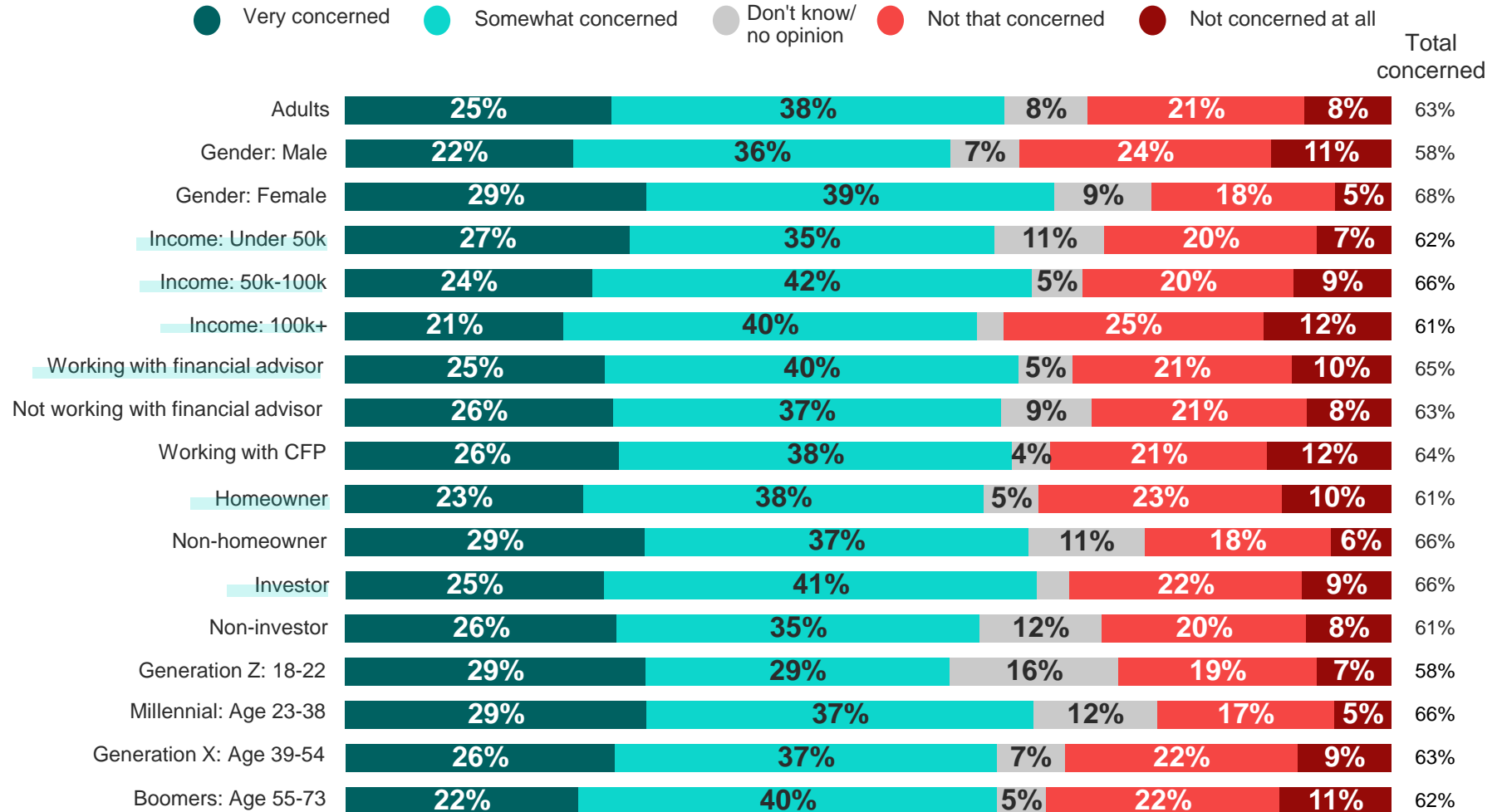
How concerned are you, if at all, about the possibility of an economic recession in the U.S.?

Economic Optimism



Concern about the possibility of an economic recession crosses economic lines. Over half of adults at all income levels, those working with a financial advisor, homeowners, and investors are concerned about the possibility of an economic recession in the U.S.

How concerned are you, if at all, about the possibility of an economic recession in the U.S.?



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Economic Preparedness



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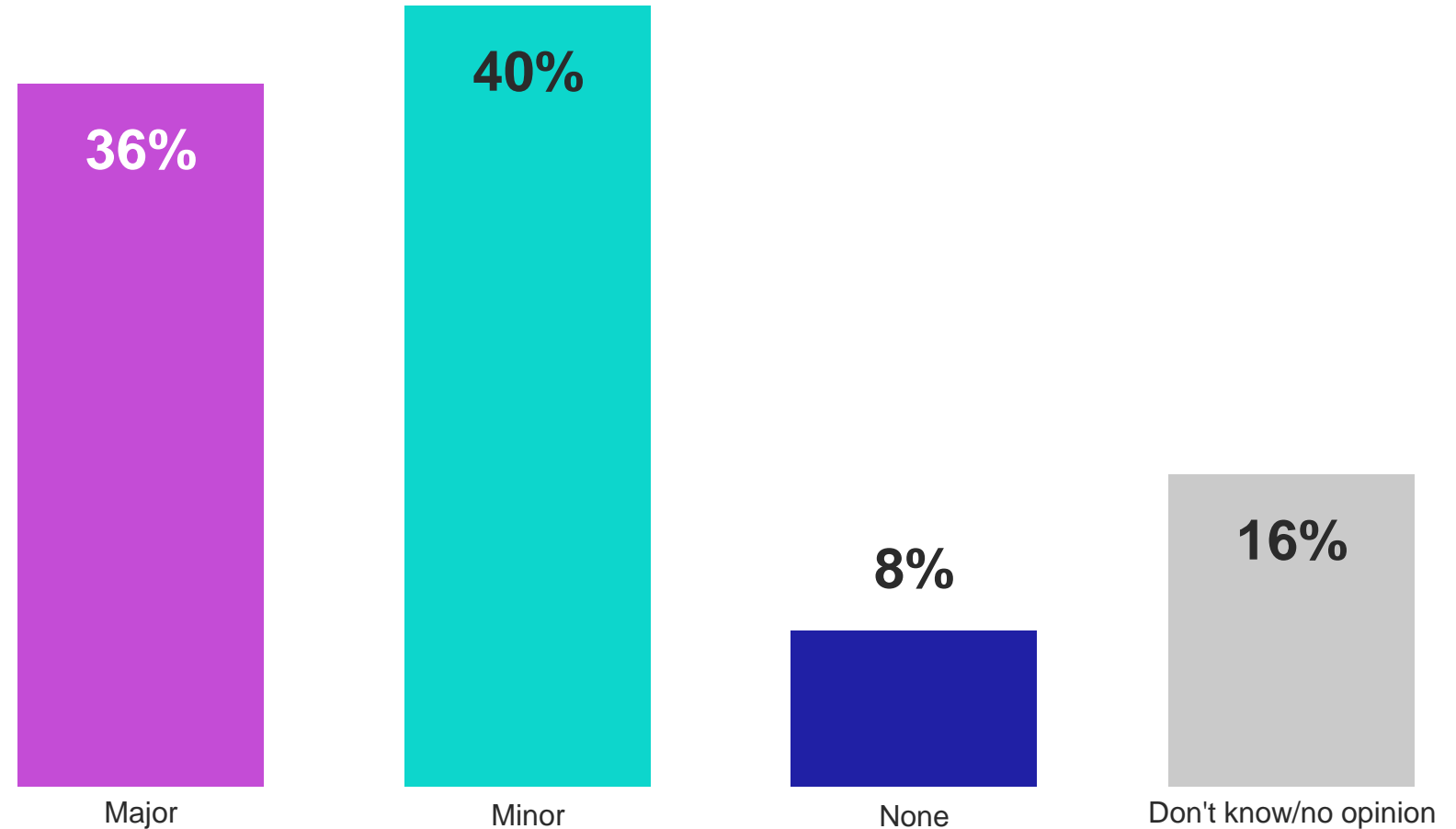
Current State of the Economy



Looking Back to 2008

Three quarters of adults (76%) say a recession in the next 12 months would have an impact on their household, with a third (36%) saying it would have a major impact.

If the U.S. were to fall into a recession in the next 12 months, how much of an impact do you believe it would have on you and your household?

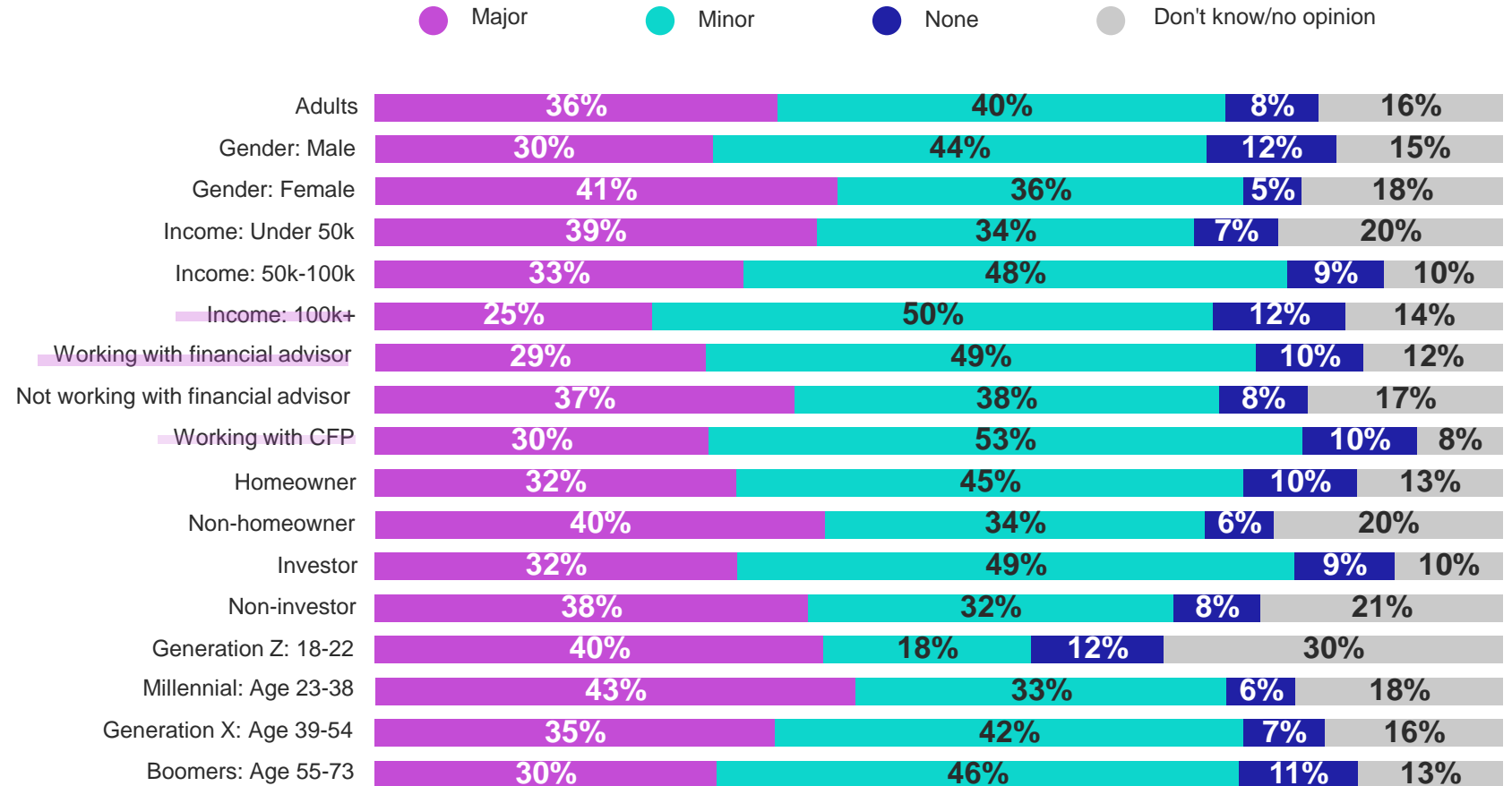


Economic Preparedness

Economic Preparedness

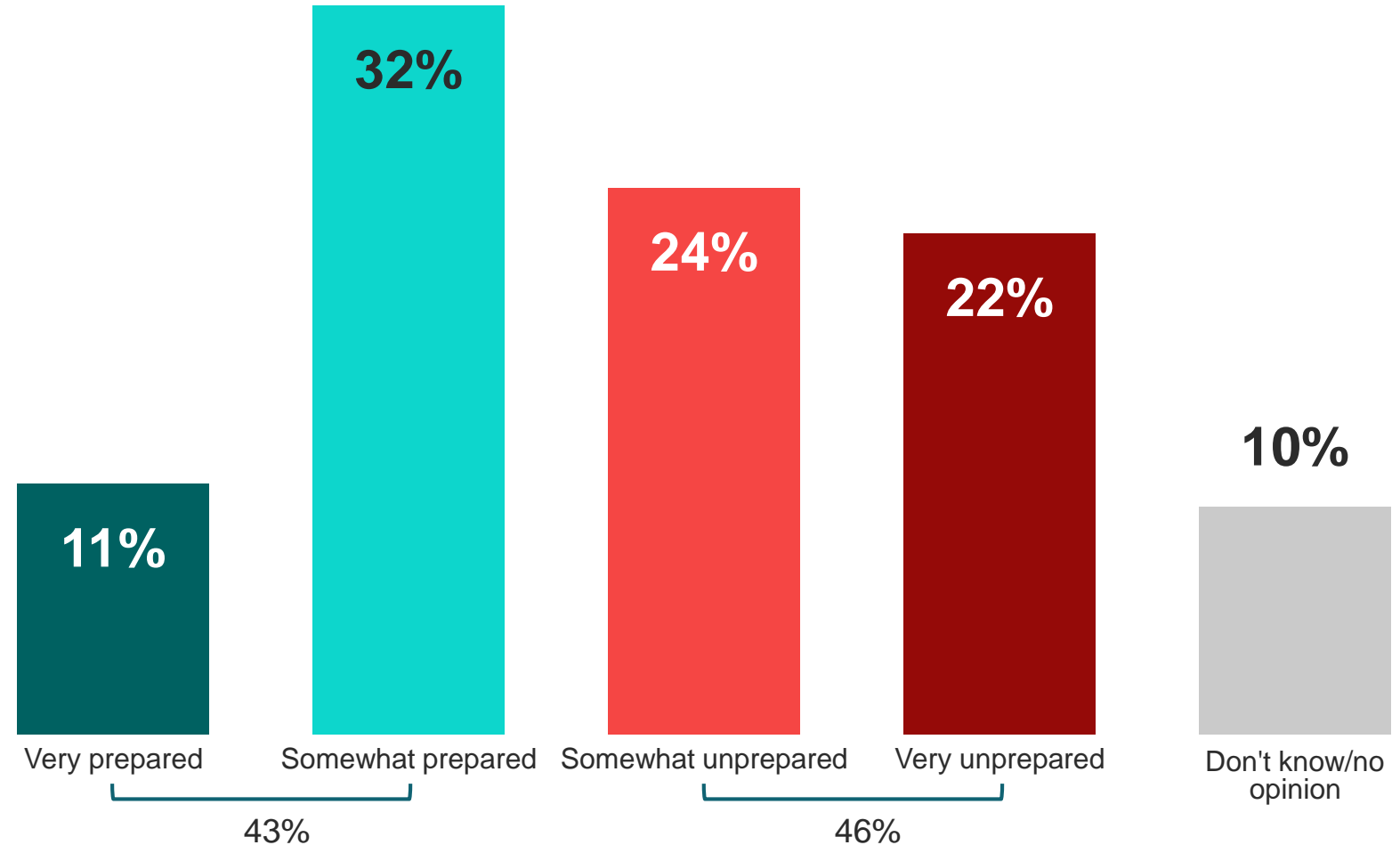
High income earners (\$100k+) (25%) and adults working with a financial advisor (29%) are less likely to say a recession in the next 12 months would have a major impact on their household.

If the U.S. were to fall into a recession in the next 12 months, how much of an impact do you believe it would have on you and your household?



Less than half of adults (43%) say they would feel prepared if the U.S. fell into a recession in the next 12 months, with only 11% saying they would feel very prepared.

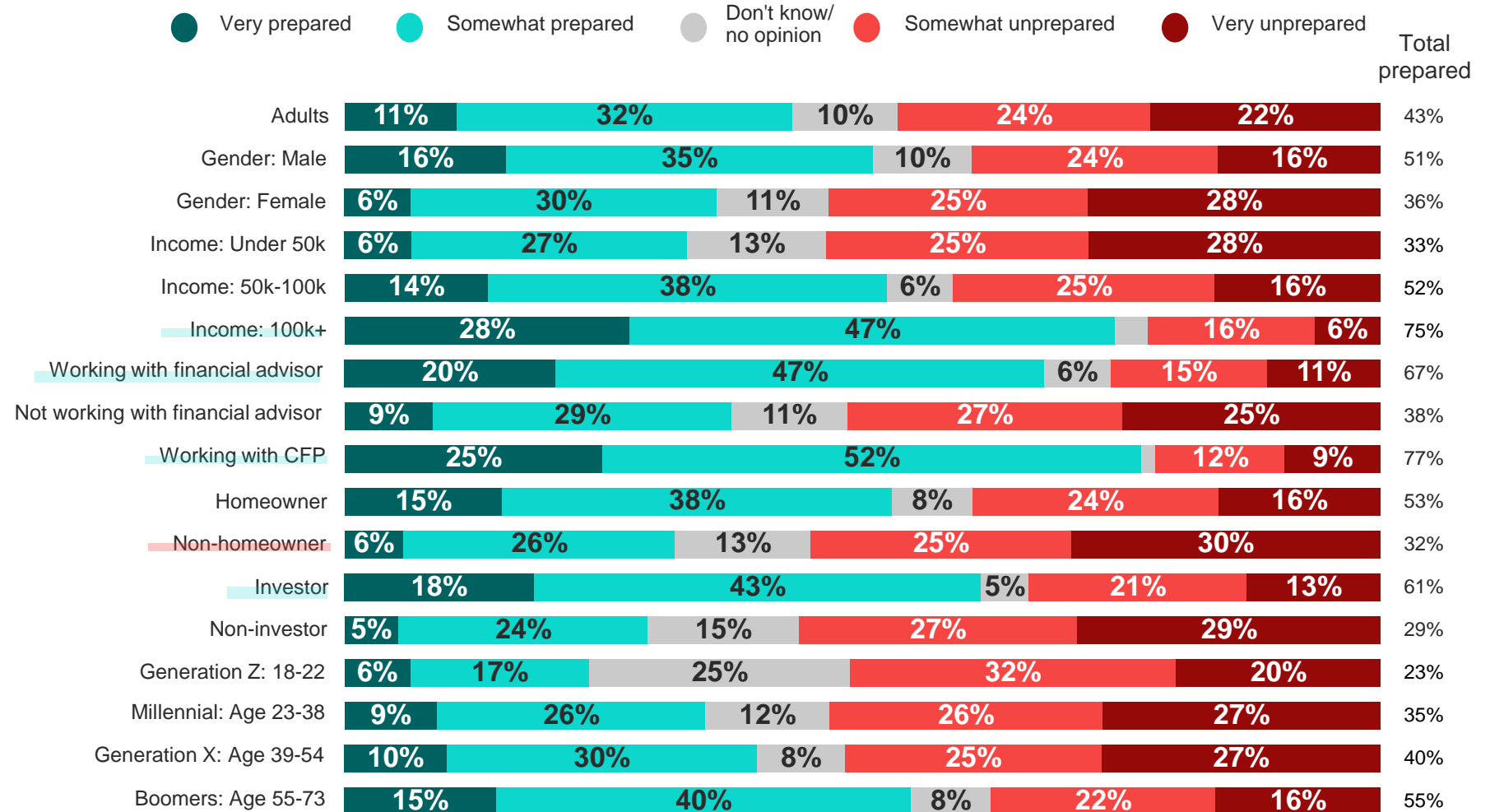
When thinking about your personal or household finances, how prepared do you think you would feel if the U.S. fell into a recession in the next 12 months?



Economic Preparedness

Adults working with a financial advisor (67%) are much more likely than those who are not (38%) to say they would feel prepared if the U.S. fell into a recession in the next 12 months.

When thinking about your personal or household finances, how prepared do you think you would feel if the U.S. fell into a recession in the next 12 months?



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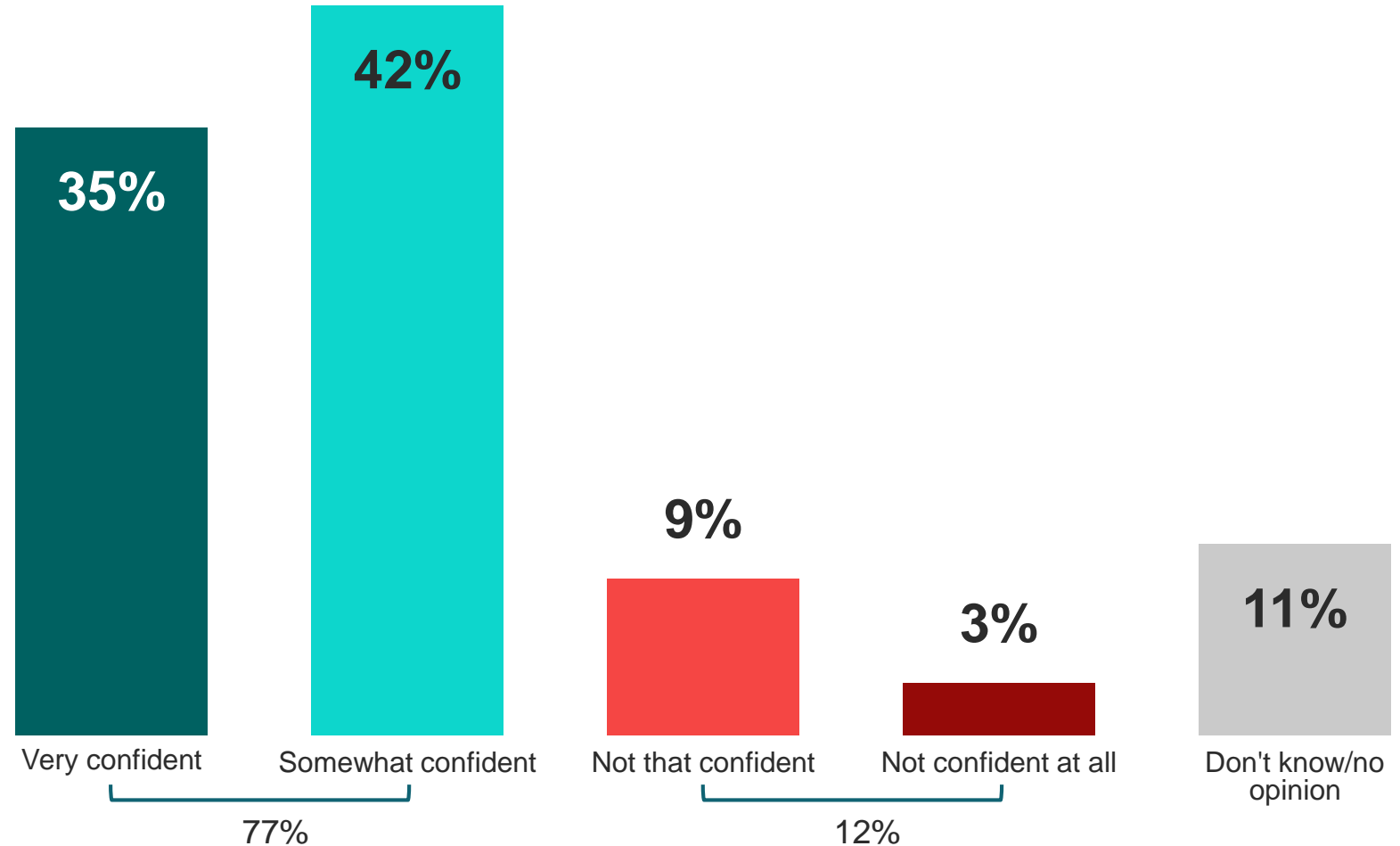


Looking Back to 2008

Impact of a Financial Advisor

Three quarters of those working with a financial advisor say they feel confident their financial advisor would successfully manage their finances through a recession (77%).

Faced with a U.S. economic recession, how confident are you that your financial advisor would successfully manage your finances, for example preparing you for a recession or minimizing your losses during a recession?

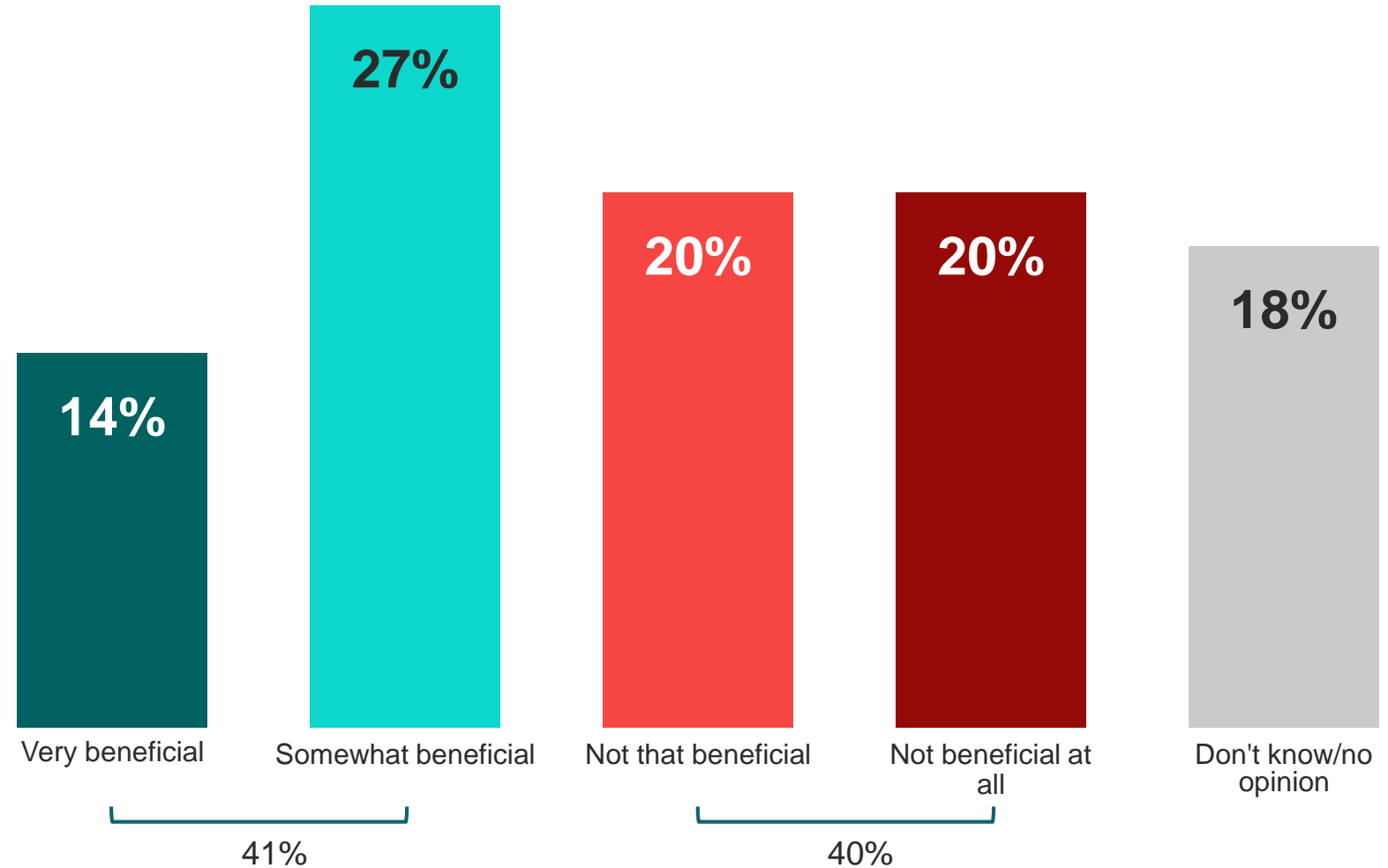


n = 423, margin of error = +/- 5%

2 in 5 adults believe it would be beneficial to work with a financial advisor if faced with a recession (41%).

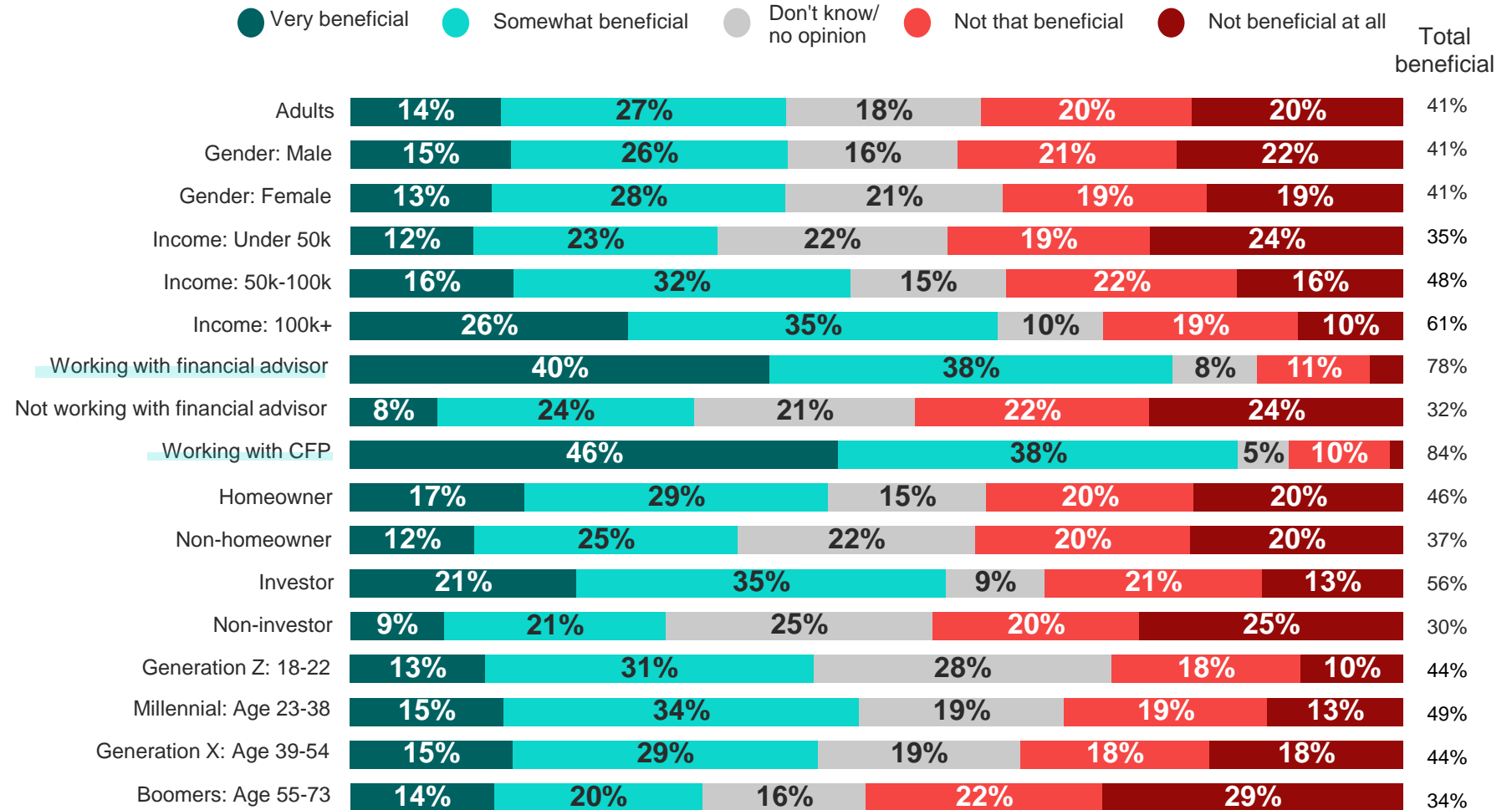
Faced with a U.S. economic recession, how beneficial, if at all, do you believe it would be to work with a financial advisor to manage your or your household's finances?

Impact of a Financial Advisor



However, of those currently working with a financial advisor, three quarters say it would be beneficial to work with a financial advisor if faced with a recession (78%).

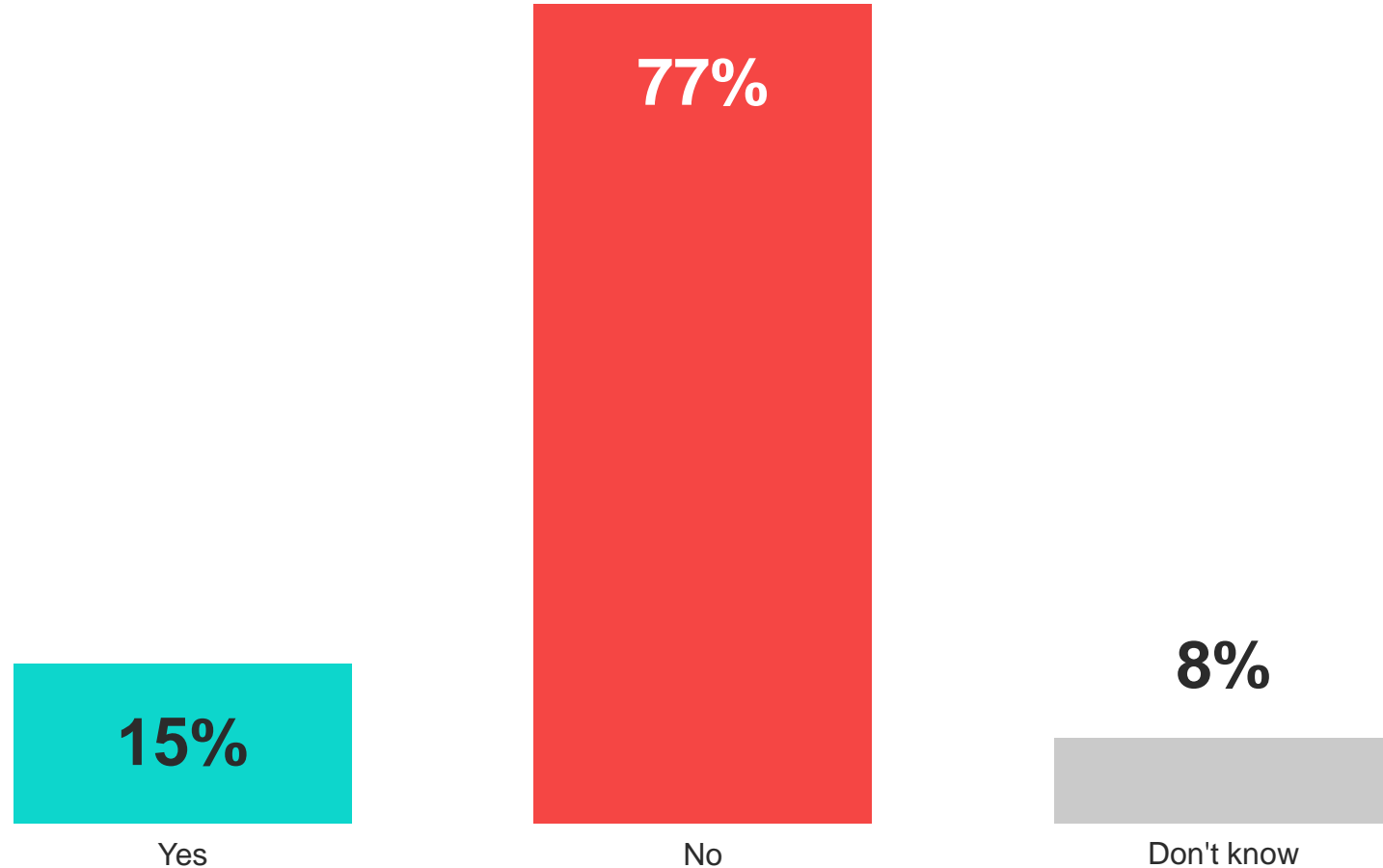
Faced with a U.S. economic recession, how beneficial, if at all, do you believe it would be to work with a financial advisor to manage your or your household's finances?



Impact of a Financial Advisor

15% of adults say they have completed a financial plan with a registered financial advisor within the last two years.

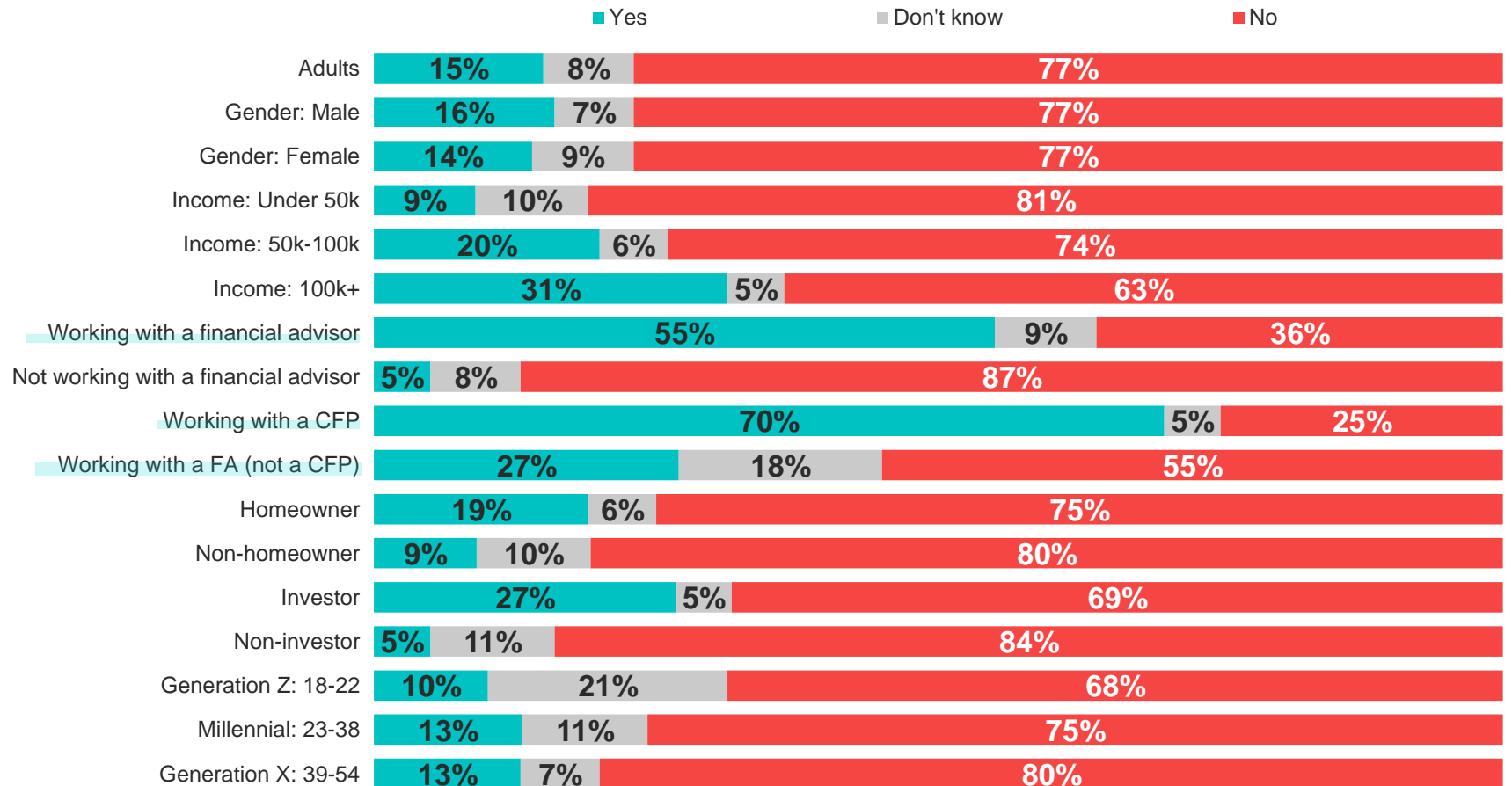
As a reminder, a financial advisor is a professional who provides clients with financial guidance and planning. Financial planning is an evaluation of a client's current finances to help reach their future financial goals. Have you completed, within the last two years, a financial plan with a registered financial advisor that covers at least three or more areas of your financial life (e.g. retirement, college planning, cash flow/spending, insurance, investments)?



Impact of a Financial Advisor

Over half of those working with a financial advisor say they have completed a financial plan with a registered financial advisor in the last two years (55%). Adults working with a CFP are more likely than adults working with a financial advisor generally to say they have completed a financial plan within the last two years.

As a reminder, a financial advisor is a professional who provides clients with financial guidance and planning. Financial planning is an evaluation of a client's current finances to help reach their future financial goals. Have you completed, within the last two years, a financial plan with a registered financial advisor that covers at least three or more areas of your financial life (e.g. retirement, college planning, cash flow/spending, insurance, investments)?



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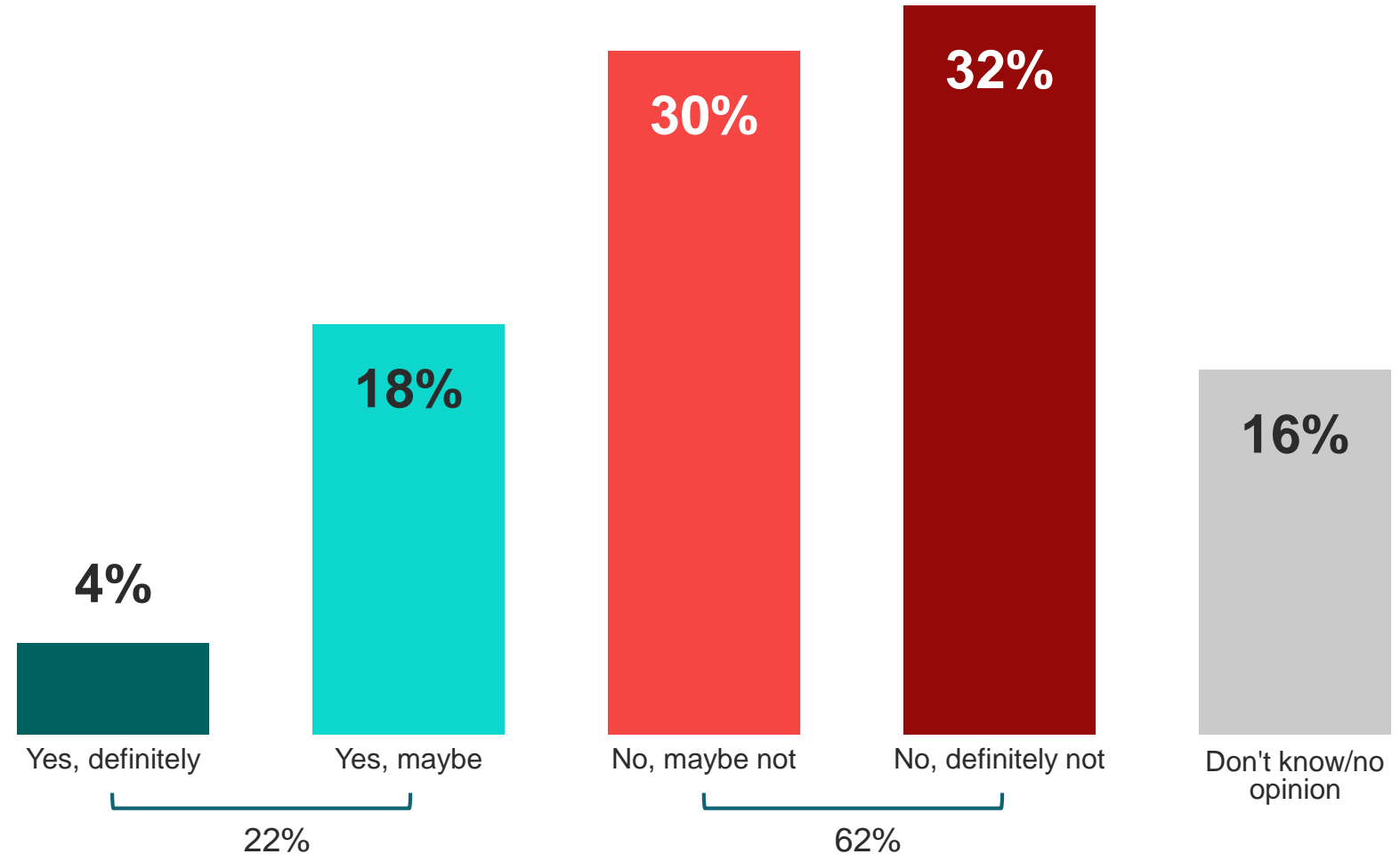
Current State of the Economy



Looking Back to 2008

1 in 5 adults (18%) believe the U.S. may currently be in a recession, though only 4% believe the U.S. economy is definitely in a recession.

As you may know, a recession refers to a notable decline in general economic activity in a specific region over a period of time. Based on what you know, would you say the U.S. economy is currently in a recession, or not?



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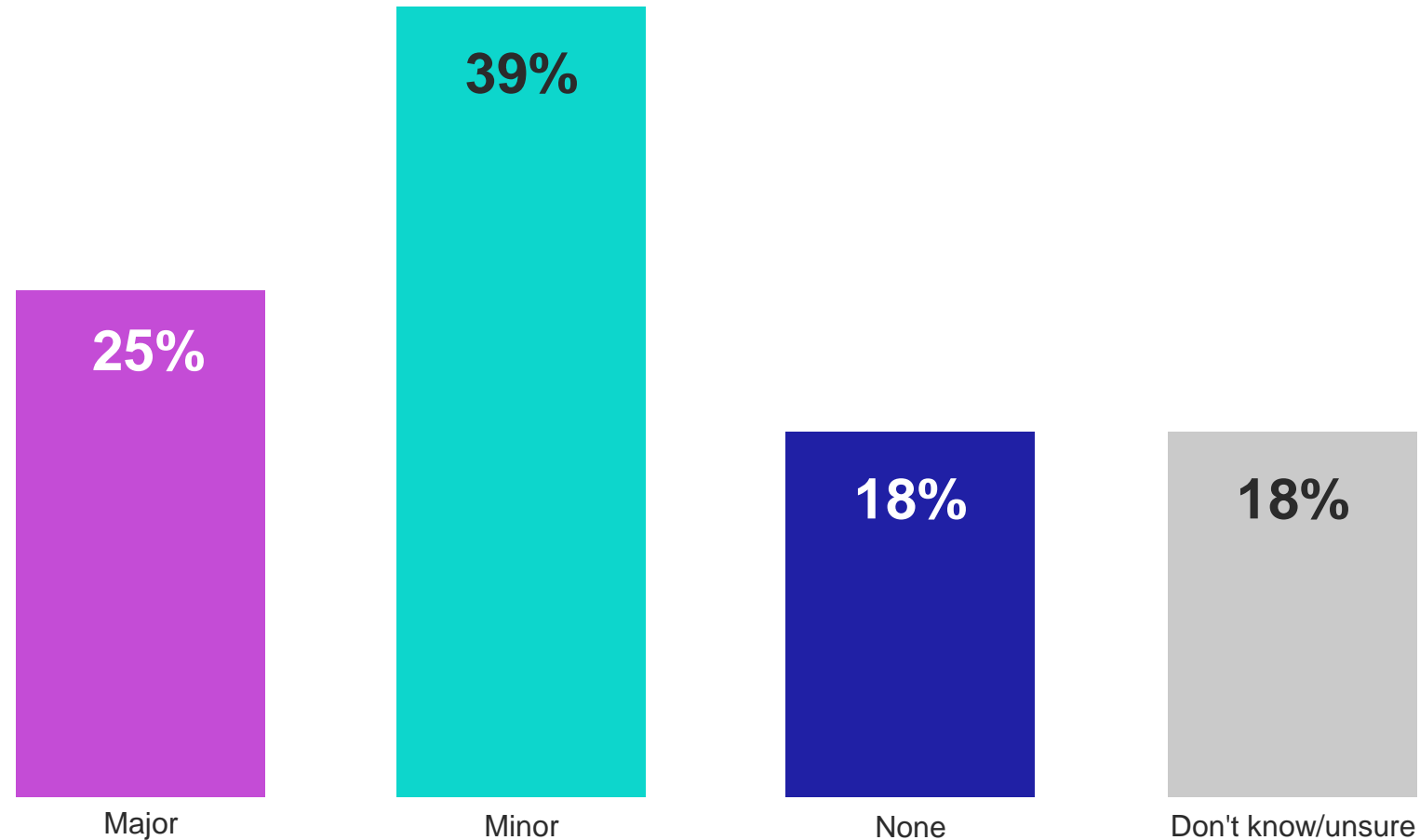
Current State of the Economy



Looking Back to 2008

Compared to the impact of the 2008 recession, adults predict a potential recession in the next 12 months will have a larger impact on their household. Almost two thirds of adults (64%) say the 2008 recession had an impact on their household compared to three quarters of adults (76%) who say a potential recession in the next 12 months would have an impact on their household.

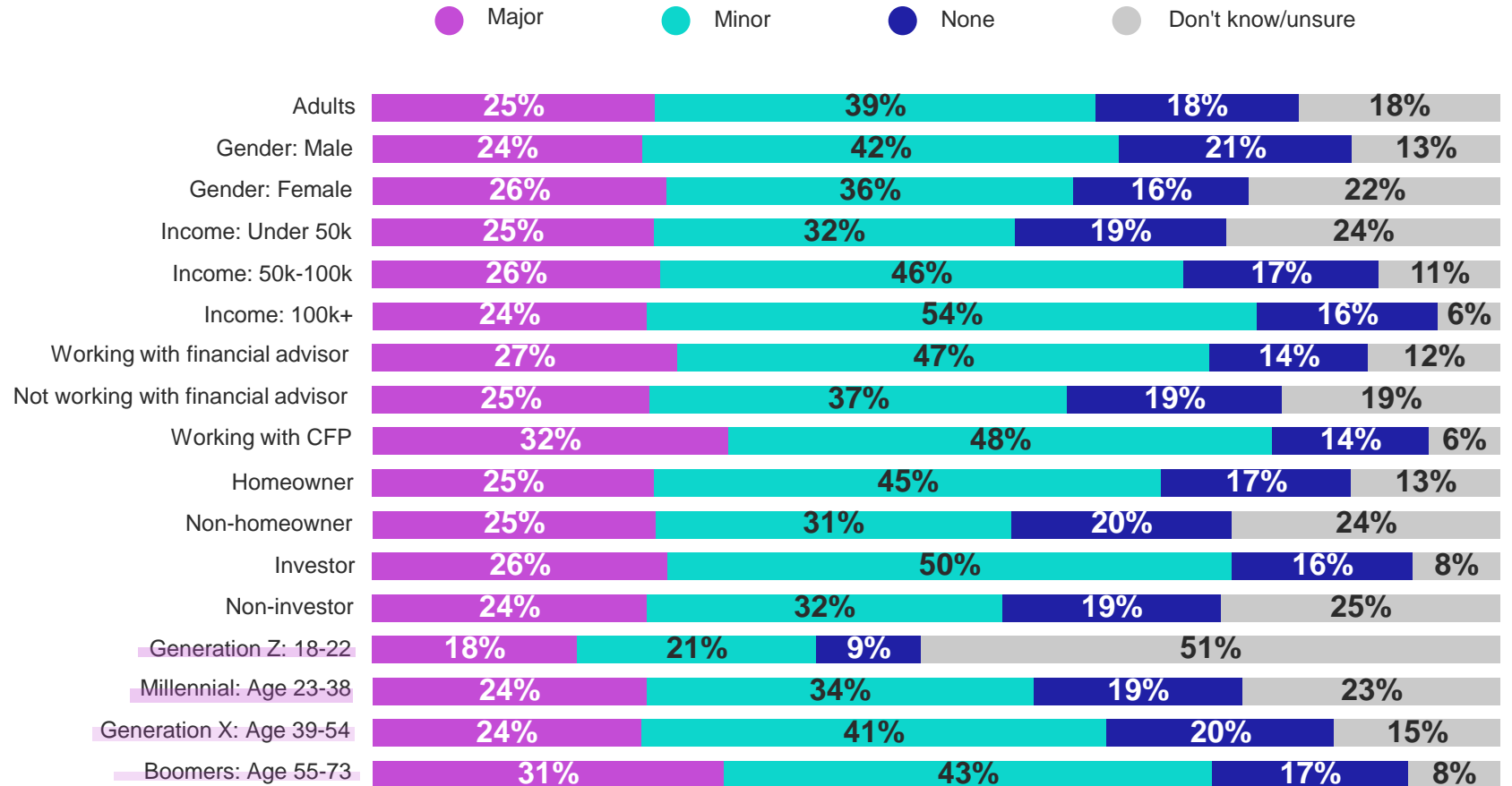
As you may know, a recession refers to a sharp decline in general economic activity in a specific region over a period of time. The U.S. experienced a recession between December 2007 to June 2009, sometimes referred to as the 2008 recession. How much of an impact did the 2008 recession have on you and your household?



Looking Back to 2008

Total impact increases with age, with 18% of Generation Z saying the 2008 recession had a major impact on their household compared to 31% of Boomers who say the same.

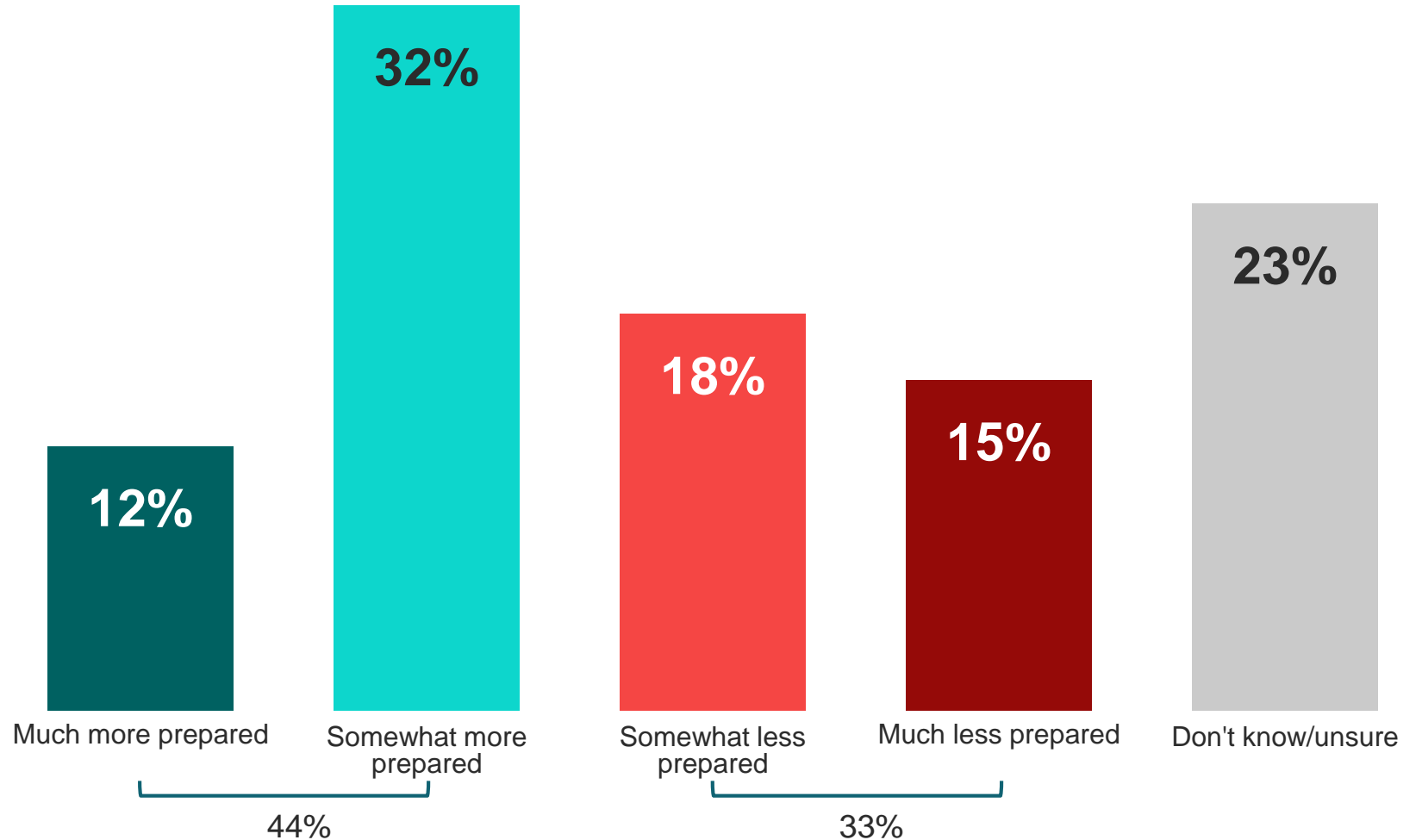
As you may know, a recession refers to a sharp decline in general economic activity in a specific region over a period of time. The U.S. experienced a recession between December 2007 to June 2009, sometimes referred to as the 2008 recession. How much of an impact did the 2008 recession have on you and your household?



Looking Back to 2008

However, 2 in 5 adults say they feel more financially prepared for a potential recession than they did in 2008 (44%).

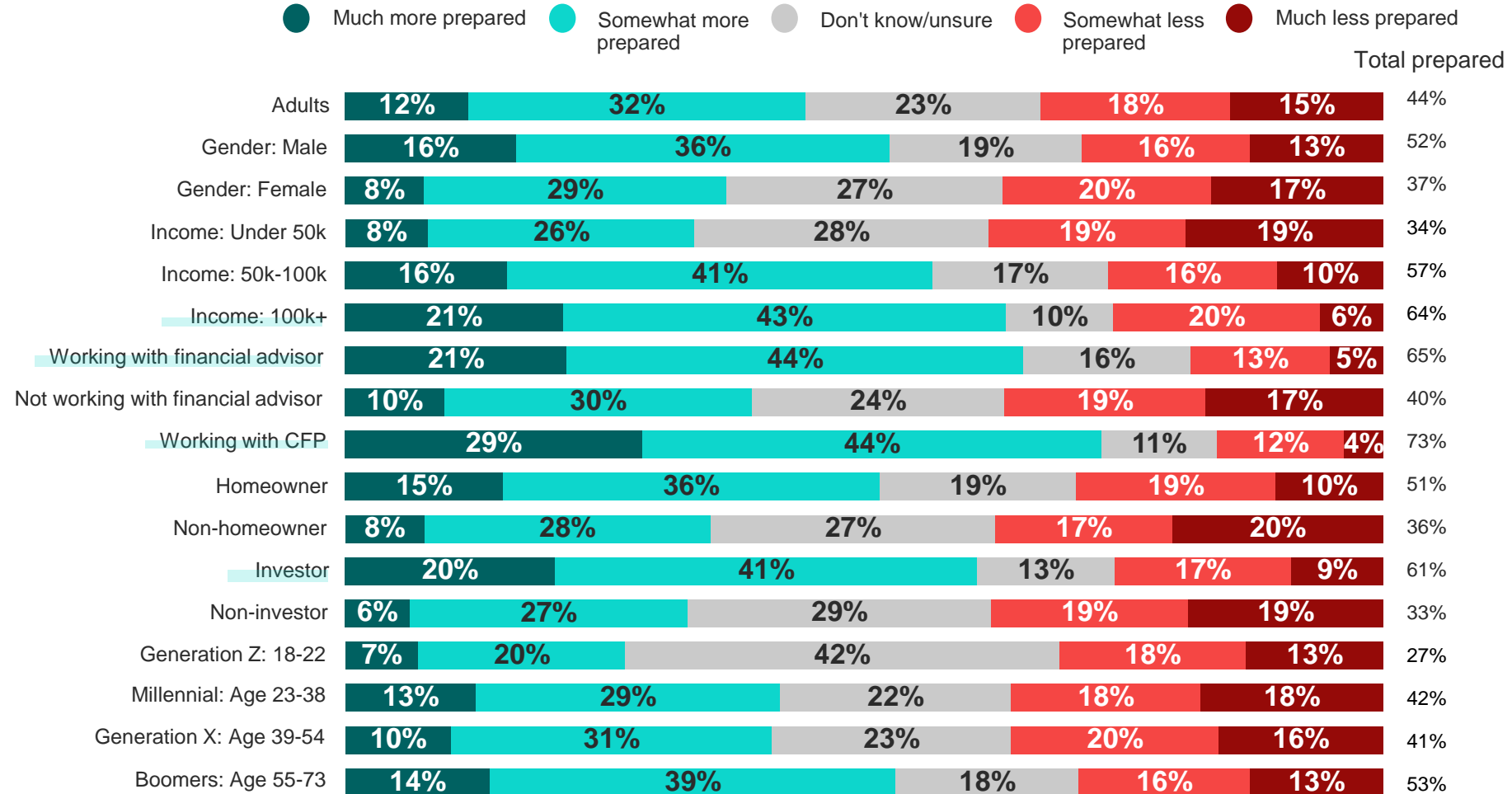
Do you think you would feel more financially prepared or less financially prepared if the U.S. fell into a recession in the next 12 months than you were during the 2008 recession?



Looking Back to 2008

A strong majority of those working with a financial advisor say they feel more prepared for a potential recession now than they did in 2008 (65%).

Do you think you would feel more financially prepared or less financially prepared if the U.S. fell into a recession in the next 12 months than you were during the 2008 recession?



Looking Back to 2008



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