

# 2024 NextGen PSYCHOLOGY OF MONEY

Measuring psychological influences and behavioral approaches to money

By Kristin Messerli

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\*For informational purposes only



# INTRODUCTION

We often think of financial behavior as determined by logical, black-and-white decisions, and we give consumers financial advice that is similarly one-size-fits-all. However, we know that our financial behavior is determined by more than knowledge, including influence by our experiences, thought patterns, and emotions.

Every person has a unique relationship with money. If our goal is to reach more consumers, then we have to expand the way we think about financial education to be more inclusive of the variety of money personalities.

The aim of this study is to develop a quiz that aims to understand and compare the financial mindsets and behavior of Gen Z and Millennials, while also learning how to deliver advice based on differing money personality types. In doing so, we developed a personality quiz that makes learning about your financial proclivities a little more fun.

Take the quiz yourself at [firsthomeiq.com/moneypersonality](https://firsthomeiq.com/moneypersonality), and I'd love to know what you think! Share the quiz with your community, and help us make financial education more accessible.

Cheers,

**Kristin Messerli**

Executive Director, FirstHome IQ



# ABOUT THE STUDY

A study was conducted to validate the money personality quiz, designed to assess money personality across different dimensions and to explore generational differences in financial behavior between Gen Z and Millennials. We collected survey responses from 300 participants aged 18 to 55+ using a survey collection platform, ensuring a balanced representation of both Gen Z and Millennials. The survey employed a 5-point Likert scale\* to measure responses across six key personality dimensions: Money Security, Financial Confidence, Independence, Detail Orientation, Risk Tolerance, and Spending Impulsivity.

Participants rated their agreement with various statements that reflect their financial behaviors, attitudes, and decision-making processes. The survey data were then analyzed to categorize individuals into three main profiles: Money Mindset, Financial Planning, and Spending Behavior.

\*The Likert scale ranges from 1 to 5, from Strongly Disagree to Strongly Agree.

# STUDY DEMOGRAPHICS

The ongoing study of Millennial and Gen Z homebuyers currently includes a total of over 6,000 respondents over four years. This study is on the psychology of money and includes the following demographic data:

- 300 respondents
- Between the ages of 18-55+, including 100 respondents between the ages of 18-24, 100 respondents 25-44, and 100 respondents over 45
- Diverse sampling by race, income, and geography within the U.S., representing population demographics
- 48% male, 52% female
- Survey responses are collected through Pollfish, a market research software and survey tool
- Survey questions reviewed by FirstHome IQ mortgage advisors and students



# ABOUT THE ASSESSMENT TOOL

## **Personality Profiles**

Personality profiles are comprehensive categorizations that summarize different aspects of your financial relationship, including Money Mindset, Planning Style, and Behavior Profile. By evaluating specific dimensions, these profiles provide a holistic understanding of how you manage, plan, and feel about your finances. They offer insights into your risk tolerance, spending habits, planning style, and overall financial confidence and security, helping you identify strengths and areas for improvement in your financial life.

## **Personality Dimensions**

Personality dimensions are specific measurable aspects of your financial behavior and mindset that collectively define your money personality. These dimensions identify various tendencies, preferences, and attitudes toward financial decision-making, planning, and spending. Each dimension provides insights into different facets of financial behavior, and there is no “right” side of the dimension to be on. The goal is assessment for understanding. These dimensions include security, confidence, dependence, analytical thinking, spending impulsivity, and risk tolerance.

## **Assessment of Variables with the Matrix Structure**

The assessment of dimensions using a matrix involves mapping individuals' responses onto a two-dimensional space defined by two key dimensions. This method allows for a nuanced understanding of their financial behaviors and mindsets by positioning them within specific categories that reflect their tendencies across these dimensions.

# THE FINDINGS

The findings of this study provide strong support for the validity and reliability of the money personality assessment tool. The tool effectively categorizes individuals into meaningful profiles based on their financial behaviors and mindsets.

**Most notably, the analysis highlighted no significant generational differences**, with NextGen showing similar responses to other age groups. The only statistically significant demographic data in the findings came from differences across genders, as outlined in this report.

Overall, the validated assessment tool offers a valuable resource for understanding and improving financial behaviors, ultimately contributing to better financial well-being for individuals across different age groups.





# TAKE THE QUIZ

[firsthomeiq.com/moneypersonality](https://firsthomeiq.com/moneypersonality)



# Your Money Personality Profiles



## Mindset

Your emotional relationship with money ranges from feelings of security to anxiety, and confidence in your financial management abilities



## Planning

Your decision-making preferences, from independent to consultative in the way you like to involve others and your tendency to be more or less detail-oriented



## Behavior

Your approach to financial investments and decisions ranges from risk tolerance to impulsive spending or saving

Take the quiz: [firsthomeiq.com/moneypersonality](https://firsthomeiq.com/moneypersonality)

# Your Money **Personality Dimensions**



## **Mindset**



### **Security**

How secure you feel about your financial future

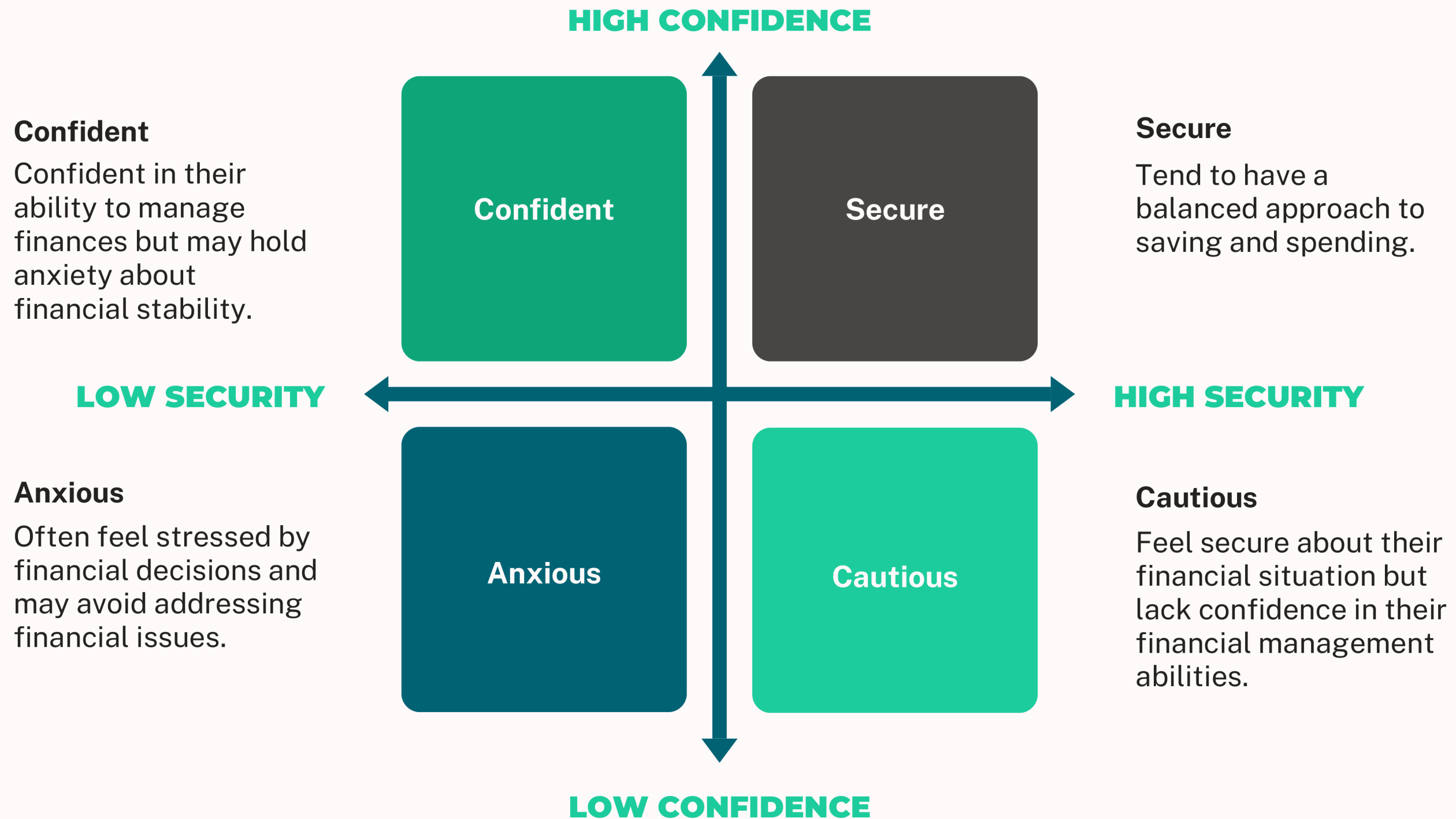


### **Confidence**

Your trust in your financial decisions and capability to overcome financial challenges

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# Money Mindset Profile



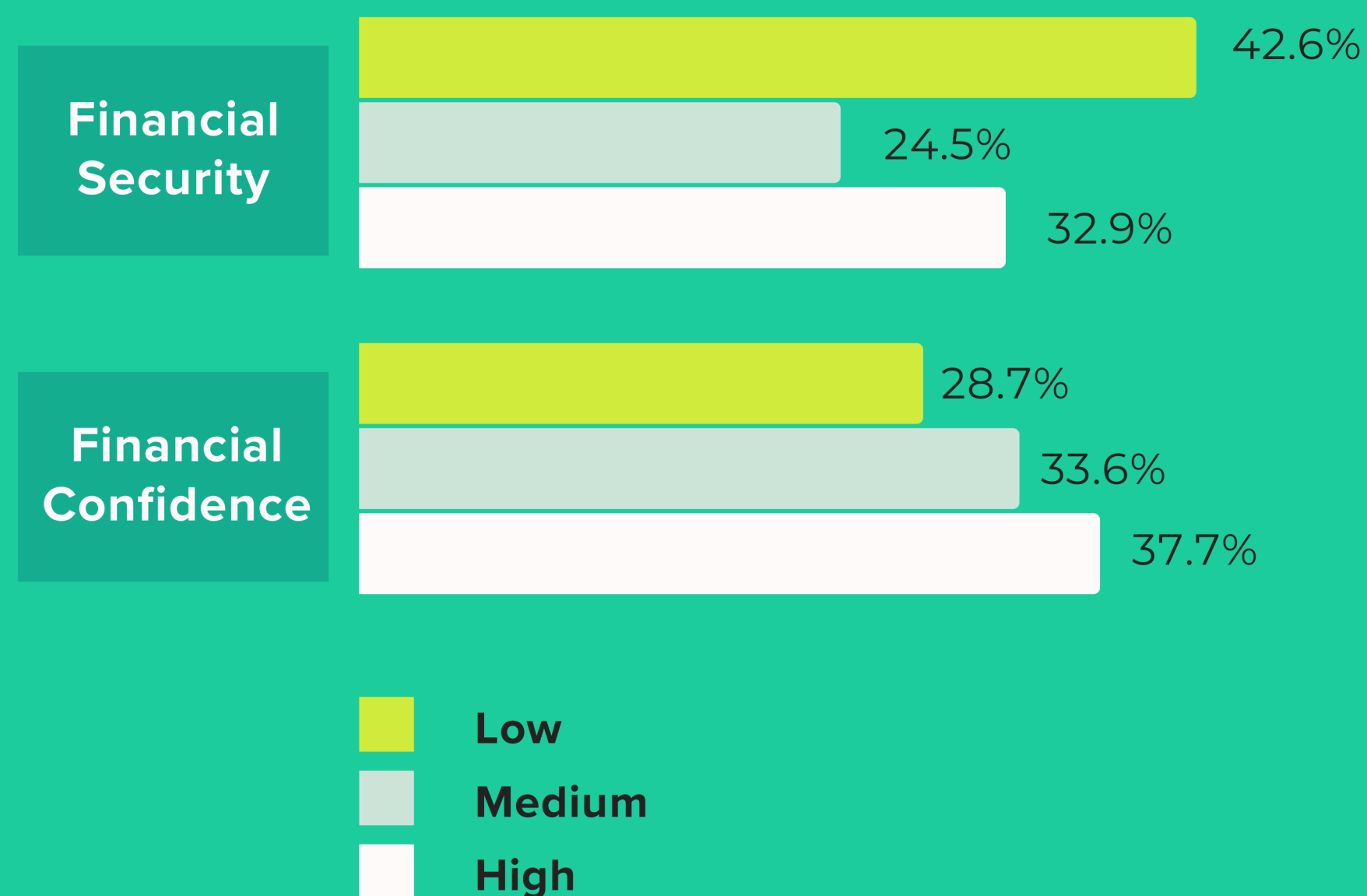
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# SECURITY & CONFIDENCE

**LOW CONFIDENCE:** Only 29% reported confidence in their ability to manage their finances



# Your Money **Personality Dimensions**



## Planning



### Analytical

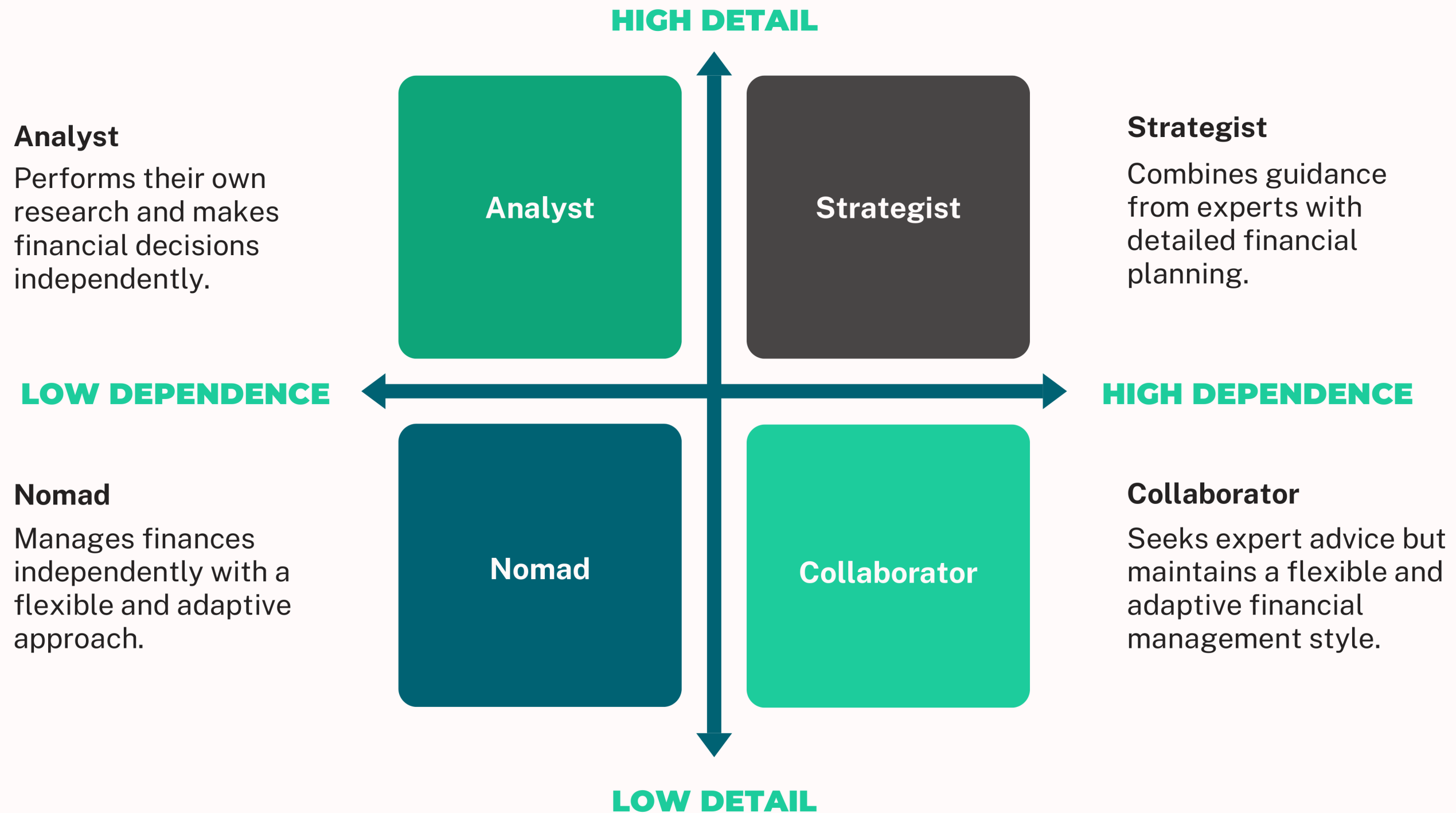
Your propensity for thoroughness and detail in financial planning



### Dependence

The extent to which you rely on your own judgment versus seeking external advice when making financial decisions

# Financial Planning Profile

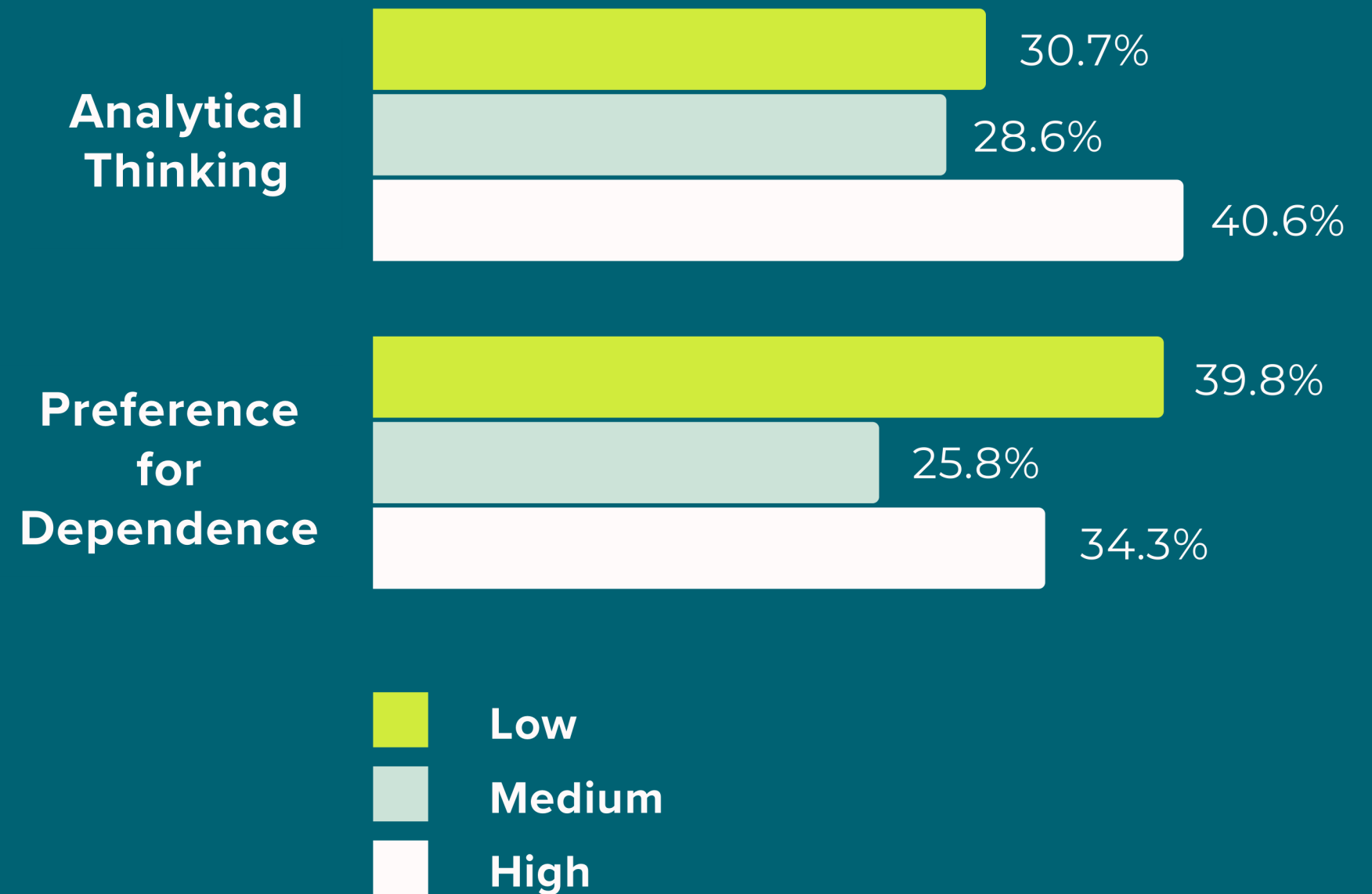


Take the quiz: [firsthomeiq.com/moneypersonality](https://firsthomeiq.com/moneypersonality)

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# ANALYTICAL THINKING & DEPENDENCE

**DEPENDENCE:** Over a third prefer a collaborative approach to financial planning



# Your Money **Personality Dimensions**



## **Behavior**



### **Spending Impulsivity**

Your tendency to make spontaneous purchases versus carefully planning and sticking to a budget

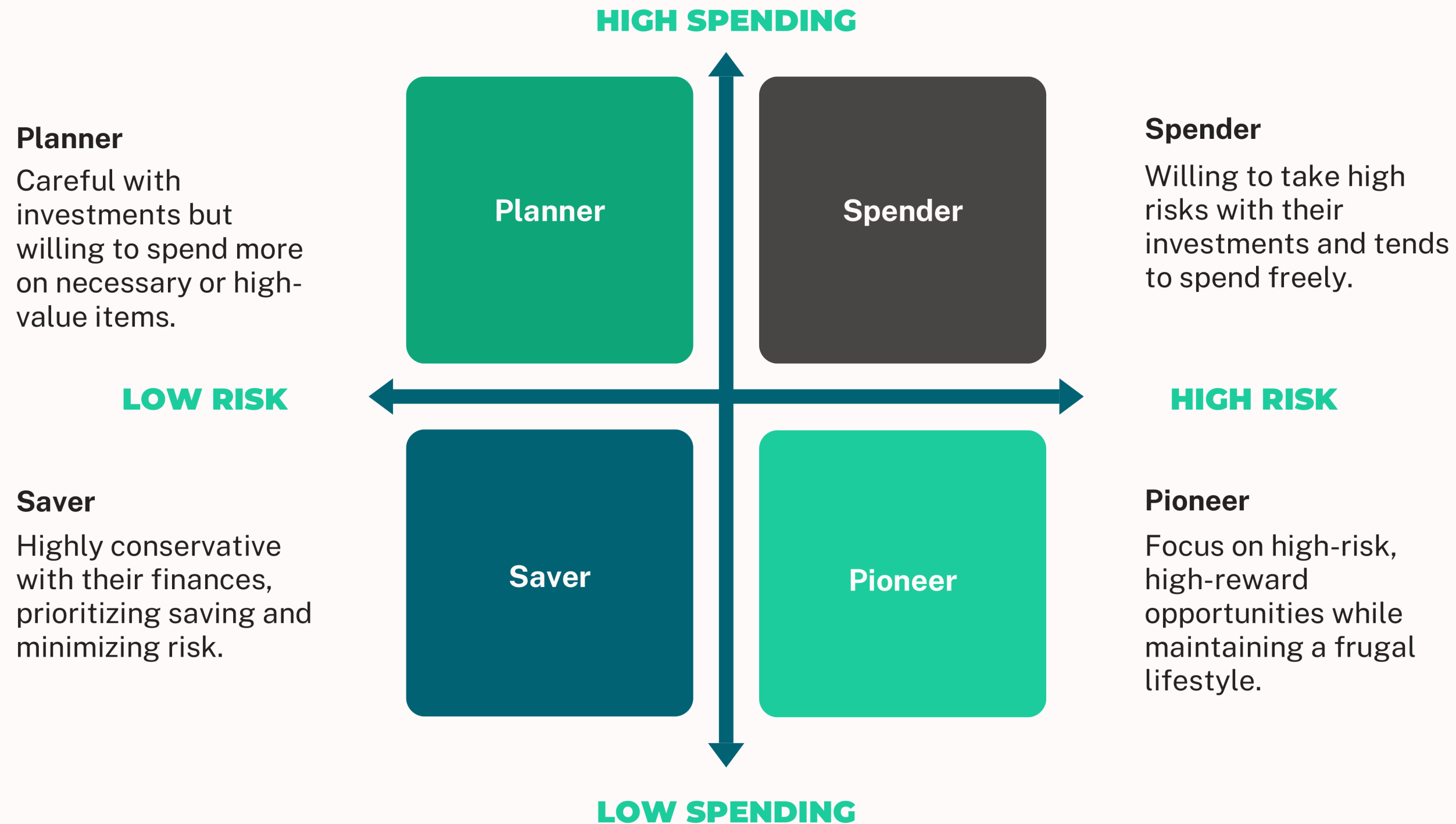


### **Risk Tolerance**

Your comfort level with taking financial risks

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# Spending Behavior Profile



Take the quiz: [firsthomeiq.com/moneypersonality](https://firsthomeiq.com/moneypersonality)

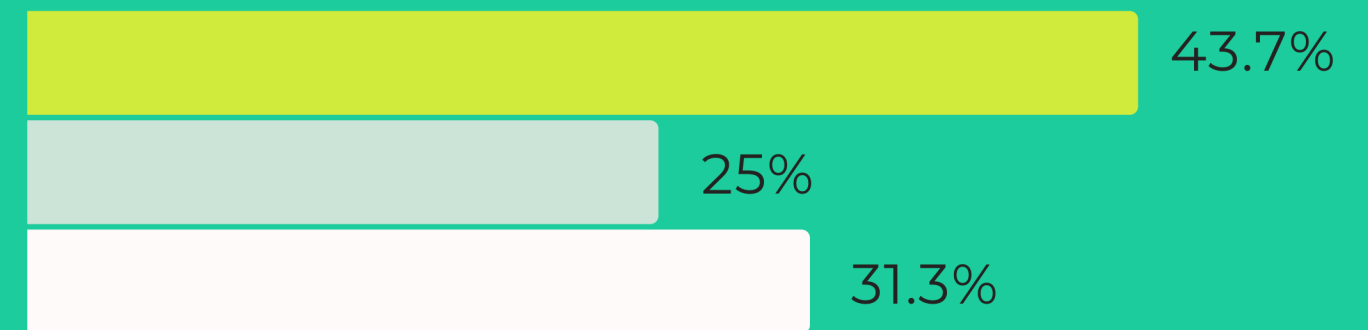


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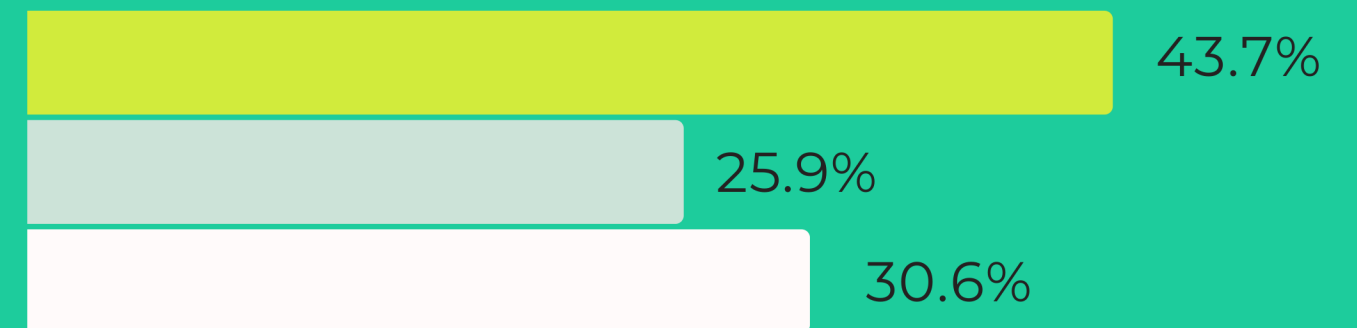
# SPENDING IMPULSIVITY & RISK TOLERANCE

**LOW RISK TOLERANCE:** 43% feel more comfortable with safer investments

Spending  
Impulsivity



Risk  
Tolerance



# GENDER DIFFERENCES IN FINANCIAL ATTITUDES

Percentage agreement by financial attitudes for men and women



# GENDER DIFFERENCES IN FINANCIAL OPTIMISM

## **Optimism about finances:**

Men are 63% more likely to be optimistic about finances compared to women.

## **Belief in Achieving Financial Goals:**

Men are 24% more likely to believe they can achieve their financial goals compared to women.



# ABOUT KRISTIN MESSERLI

Kristin Messerli is the Executive Director of FirstHome IQ, a nonprofit dedicated to educating the next generation about homeownership. Kristin is also a leading strategist and keynote speaker on housing and finance trends in young and diverse markets. Kristin has worked with hundreds of lenders, startups, and nonprofits to craft successful go-to-market strategies and build trust with their consumers.

Kristin founded and sold the digital marketing agency, Cultural Outreach, with the mission to promote sustainable homeownership in underserved communities. She was previously the VP of Sales and Strategy at Experience.com, and has consulted with numerous fintech startups across product design, marketing, and research. Kristin produced and authored the 2020-2024 NextGen Homebuyer Reports, highlighting key insights from over 6,000 NextGen homebuyers and she holds her Master in Public Administration from University of Oklahoma.

For more information about FirstHome IQ, visit [FirstHomeIQ.com](https://FirstHomeIQ.com), and for all speaking inquiries, visit [KristinMesserli.com](https://KristinMesserli.com).

# ABOUT NATIONAL MI

National Mortgage Insurance Corporation (National MI) is a U.S.-based, private mortgage insurance company established with a mission to enable low down payment borrowers to realize homeownership, while protecting lenders and investors against losses related to a borrower's default. We take a straightforward approach to both our products and practices to ensure lenders' confidence in the loans they place with us. We adhere to high standards in insurance underwriting and processing, and customer service. National MI is committed to delivering mortgage insurance solutions that provide a path to coverage certainty.

For more information on National MI, visit [NationalMI.com](https://NationalMI.com).

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# 2024 NextGen Homebuyer Report

From 2020-2024, we surveyed over **6,000** Millennial and Gen Z consumers

visit  
[NextGenHomebuyer.com](https://NextGenHomebuyer.com)  
for the latest report

or visit  
[NationalMI.com/NextGen-Resources](https://NationalMI.com/NextGen-Resources)





# Take the Quiz

Visit **NextGenHomebuyer.com** to view past reports  
or **FirstHomeIQ.com/moneypersonality** to take the quiz!



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