

# uncovering the nation's money types

the money types report  
January 2021



Foreword

# In 2020, the world changed dramatically – in ways no one could have predicted.

As a nation, this had a significant impact on all aspects of our lives, including our finances – and in turn, there was a knock-on effect on our emotional wellbeing.

Over the last few years, many of us have been spending an increasing amount of time focusing on our mental and physical wellbeing, working to understand the factors that affect them. However, the impact of our finances on our overall wellbeing remains less understood – despite the fact that 34% of adults say they often worry about money (Money Wellness Index, 2020).

With the uncertainty of the pandemic, we're feeling the impact of our finances on our wellbeing more acutely. And with our Money Wellness Index revealing that levels of stress and anxiety connected to money have risen, it's never been more important to take steps to address this impact.

Building on our Money Wellness Index, we're continuing to ensure we are doing everything we can to support the financial wellbeing of both our customers and the nation more broadly. And a key step towards facilitating a positive shift in the nation's attitude to money, is this money types research.

By identifying some typical behaviours around how people manage their money, we hope we can empower everyone to reflect on what motivates their financial decisions. From here, they can start to address their financial wellbeing, with positive actions that help them gain a greater sense of control and confidence in their personal finances.

**Chris Pitt, CEO of first direct**

Introduction

# In our Money Wellness Index, we identified that the nation has an appetite for change when it comes to addressing their financial wellbeing.

Anxiety about money is high right now, but we are committed to breaking down the barriers that prevent people across the UK from having a healthy relationship with their money.

Our next step towards facilitating a national change in financial attitudes and actions is our money types research.

Once people understand how they manage their money and what motivates their spending and saving habits, they are better placed to work out what actions they can take to improve their money confidence.

Partnering with YouGov and Dr Oliver Robinson, Associate Professor in Psychology at the University of Greenwich, the aim of our research was to create this sense of understanding – by shining a light on some of the most common attitudinal groups people commonly fall into, regarding the way they think and feel about money.

We've called these groups our six money types. And while everyone's attitudes to money are constantly being shaped, most people can identify with at least one of these six money types.

**We know there's no single right way to manage money.**

But understanding what motivates people's financial decisions can help everyone think about their approach towards personal finance and empower them to make the changes they need to have a more positive money mindset, now and in the future.

## Our partners

**We've partnered with research and psychology experts to conduct the study and help us understand the nation's spending habits and financial behaviours. Through this, we were able to identify any common themes, and articulate the differences, in people's approaches and attitudes towards financial matters.**

### YouGov

The globally renowned and widely recognised public opinion research company, recognised as the most accurate research agency by Pew Research Centre. YouGov data is regularly referenced by the press worldwide and it is the most quoted market research source in the UK.

### Dr Oliver Robinson

An Associate Professor in Psychology, and author of *Development through Adulthood and Paths Between Head and Heart*. His research specialises in how wellbeing and values change with age and across major life transitions. Dr Oliver decided to work with **first direct**, as the team has a genuine interest in integrating cutting-edge psychological research into their work, particularly in how they develop a meaningful and nuanced understanding of their customers.

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## Our methodology

**The study began by drawing on audience segment research of 9,000 representative UK adults in 2016 by YouGov, with a further 5,000 people surveyed in 2020. Dr Oliver Robinson then discussed financial wellness with a group of 16 adults.**

This group of 16 were purposely selected to capture varied approaches to life, money and wellbeing. They were distributed across all six money types – demonstrating different personalities and traits.

In discussion with Dr Oliver, the group provided in-depth responses to what it means to have a balanced relationship with money, and what helps to ensure they feel positive about their financial situation.

Key findings

**We found that there are six distinct typologies that people tend to fall into, in terms of how they think, feel and act with their money.**

Through discussions with our group of 16 adults, combined with Dr Oliver's prior knowledge of the subject, we have created well-rounded and complete descriptions of six unique money types.

Each money type has deeply rooted attitudinal traits that help to explain what motivates financial decisions, how personal finances are managed, who influences spending and what products they tend to prefer.

These attitudinal traits are deeply rooted in the psyche and are unlikely to change over time. Being aware of how decisions are made is therefore a great starting point for identifying positive actions that work for each money type, subsequently helping the nation feel more money confident in the future.



# the juggling one

the type that keeps  
up with the Jones'



The juggling one

**They're the type to buy the things they want there and then, so lots of their purchasing decisions are made with their heart.**

They don't like to wait, or save for that matter, and they know they can borrow money if they need to. They love the thrill of owning the latest must have item, however they may suffer from buyers remorse the day after, when faced with the financial consequences.

Whether they're tapping for a morning latte, a lunchtime sandwich, a ticket for their commute, or an evening gym class, their phone is always in their hand. They've got lots of apps to help them keep track of their spending, debt and budget – but they don't always stick to the rules they set themselves.

Right now, they don't have enough time to master pension planning or long-term savings goals, but they would like to do it someday soon.



### Financial mindset:

1

A fan of brands and known to make impulse purchases

2

Regularly use their phone to manage finances,  
or do some online shopping

3

Might have a loan or a long-term credit card balance

# the living in the moment one

the type that racks up life  
experiences by the dozen



The living in the moment one

**They work hard, so they can play hard. Because they're living in the moment, they need access to their money in an instant, even if that means borrowing a little extra here and there. They're no stranger to doing things 'on a whim' because to them, life is for living.**

They do have a tendency to focus on the short-term, and they know they'll get around to long-term financial planning one day – but that day is always tomorrow.

They love to be out and about, trying something new. They are first to try the newest restaurant or see the latest film. They enjoy a holiday, and with all the activities they can pack into a weekend away, they've got a long list of people all queuing up to come with them...



## Financial mindset:

1

Often the one to have an idea for a new start-up business, or always eager to try something new

2

It's fun first, finances second

3

Don't really have a long-term financial plan yet, so might not always make the best money decisions

# the driven one

the type that seems to  
have their life together



The driven one

**To most people, they seem to have life ‘sorted’. They might be managing multiple ISAs, pension pots and investments – but they’re only just getting started...**

They love a challenge, and they like to have goals. It gives them something to aim for – because if they don’t know where they’re going, it’s often harder to feel motivated.

They’re naturally financially confident, and long-term plans excite them. They don’t need any hand-holding with their money, but they’re always open to advice or information that could help them along the way.

Money has always been a huge factor in achieving their goals. But sometimes they can feel as though they’re so focused on their goals that they might be missing out on other experiences that life has to offer.



### Financial mindset:

1

Optimistic about the future of their career and finances

2

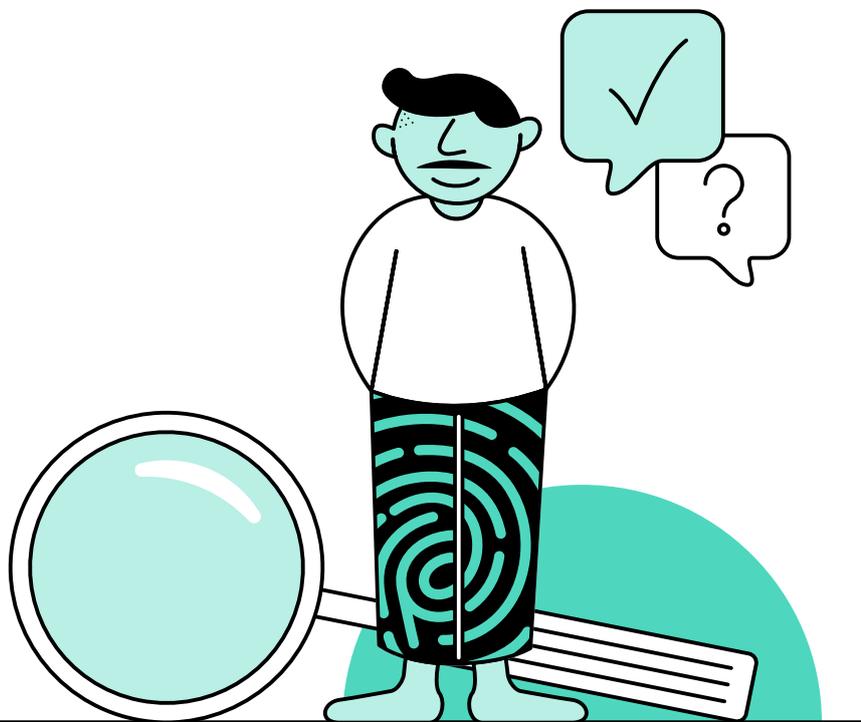
Not afraid to make long-term plans  
(it’s good to have goals to aim for)

3

A calculated risk-taker, and enjoy investing in things

# the level-headed one

the type that's  
unashamedly old school

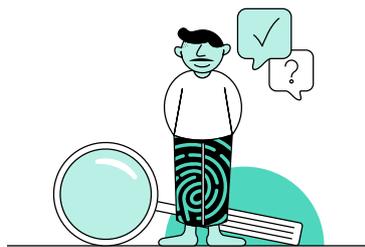


The level-headed one

**They're traditional, loyal and principled. Friends and family trust them for financial advice – because they always have everyone's best interests at heart.**

They'll avoid borrowing money if possible, the feeling of owing someone makes them a bit uneasy. They don't like wasting money, but they'll always pay more for a quality item that lasts. For big expenses, they'd rather use savings, however long it takes to reach the amount they need.

They're naturally responsible and cautious when it comes to money and it's important to consider financial decisions thoroughly before doing anything at all. Preferably, they'll do their own research and talk things through with someone, so they can be sure they're making the right move for their money, and getting the very best deal.



## Financial mindset:

1

Owning the latest luxury brands is not for them, instead it's more important to buy quality products that last

2

Spend within their means and save regularly – it's what they've always known

3

Prefer not to borrow money if they can help it

# the self-sufficient one

the type that knows how  
to sniff out a bargain



The self-sufficient one

**Their independence means a lot to them, so they manage their money to make sure they can keep living their life, their way.**

If that means taking out cash for the week ahead, so they don't spend beyond their budget, they're happy to do it. Family and friends are important too – you can't put a price on how it feels to spend quality time together.

They're not materialistic, and love nothing more than getting a bargain, be that through rummaging around a good vintage store (or charity shop), or looking out for a high street discount. Life can get pretty busy, so they're always looking for the most convenient way to do things, including managing finances.

They're practical and creative, thrifty and resourceful. They'd rather spend hours creating a home-cooked meal for everyone, than go out to an overpriced, 'must-try' restaurant.

When it comes to savings, they're prepared for unexpected bumps in the road. Day-to-day they've learnt to make their money stretch like an elastic band – which means they've managed to build up enough of a 'buffer' to take a break if they need it.



**Financial mindset:**

1

Not very materialistic, they don't have to buy expensive things to feel good

2

A strict budgeter, but happy to spend money on friends and family

3

Thrifty and resourceful (known to 'make do and mend')

# the balanced one

the type that takes life  
at their own pace



The balanced one

**They're a realist with their money. They know what they've got and how to manage it, but would like the opportunity to review their financial situation with someone in the know. The reassurance is important, because they want to get it right and they don't feel completely confident making long-term financial plans.**

They're happiest at home, doing their own thing. They'll happily spend whatever it takes to make their home the perfect, relaxing space – where they can enjoy their hobbies, too.

They don't mind missing out on a night out or skipping the latest must-do exercise class. However, they won't shy away from going to cafés and restaurants they know and like – so long as it's within their budget.

They don't like to bother people, so if a sudden cost arrives out of the blue, they'll try to sort it out on their own.



## Financial mindset:

1

Reluctant to try new brands (prefer to stick to what they know)

2

Don't have a lot of money to play with, but confident with what they've got

3

Happy to take out a loan for home improvements

## Conclusion

**Our money types research is just one of the steps we are taking as part of our mission to understand and meaningfully enhance the nation's financial wellness – so people can all think, feel and act more confidently with their money.**

Knowing that there is an appetite, across the nation, for understanding the link between our finances and our overall wellbeing – this research aimed to address the impact our attitudes and actions with money has on us, emotionally. It reflects the fact that everyone's approach to their money is different, and everyone has different goals they'd like to achieve. As a result, it's important that people recognise **there is no one-size-fits-all approach** to achieving those financial goals.

Our Money Wellness Index revealed an increase in people's anxiety about money. To ease this anxiety, in a meaningful way, our six money types can be used to help the nation identify their financial habits and the reasons behind them.

They can then take this information and look at positive, realistic changes they can make (however small), so that they can start to see real progress and feel increasingly more confident in their financial decisions.

Ultimately, we hope this research helps people gain the understanding they need to get where they want to be with their money – whether that's buying a new house, being able to regularly pay their credit card bill, or planning a huge birthday party.





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