

An Exploration
of Worth
2020



Foreword by Des McDaid

We all make hundreds of decisions every day. Whether to pay by cash or card. To cycle or drive. To make a coffee at home or buy one while out. Some decisions are tougher than others of course, but many of them are influenced by our concept of worth: the value of one thing over another. Or the value of one action relative to an alternative. Is it worth having to go to the cash machine? Is driving worth the time saved? Is the café worth the queue?

At Marcus, we help customers who have decided to save money for the future. They choose not to spend it now in order to obtain something that may be worth more to them later - whether it's a new car, their children's future, or to have some money just in case. This got us thinking about what people value in their lives and how they decide what's worthwhile.

We surveyed over 8,000 people in the UK about their attitudes to their finances and careers, as well as what they think it's worth spending their money on. The results, compiled in this report, provide a fascinating insight into the nation's priorities and what we value most in 2020, from physical or digital money, to an enjoyable job or a well-paid one.

An Exploration of Worth captures the UK's attitudes, behaviours and opinions in a year of significant change for many. At a time when many are taking stock and re-evaluating their priorities, the report provides a snapshot of what we as a nation perceive to be most worthwhile in our financial and working lives, and raises interesting questions about what that might mean for the future. I hope you enjoy reading it.

Des McDaid

Des McDaid
Managing Director

Contents

Methodology	4
1. The role of our finances	6
2. Cash: is it worth it?	11
3. The worth of work	14
4. Will our priorities change?	21
Summary	26
About us	28

Methodology

Information in this report is based on research that was conducted in the summer of 2020 by YouGov on behalf of Marcus by Goldman Sachs. To produce a robust and thorough study of the topic, both qualitative and quantitative research techniques were used.

Qualitative focus groups

Qualitative research comprised two 90-minute online text-based focus groups, conducted in July 2020, with 21 respondents in total.

Groups were conducted with adult (18+) respondents from a range of regions in the United Kingdom and were split by social group. Each group comprised a mix of age, gender, ethnicity, religion, sexuality, and health status. Participants were recruited to form groups that represented a mix of work status, residence in urban or rural locations as defined by the Office for National Statistics, household income, household composition, and home ownership. Respondents' financial situations were recorded by YouGov, including types of financial products owned, overall debt and savings, along with attitudes towards finance and the impact of the COVID-19 lockdown.

Respondents completed a short pre-task ahead of participation, exploring their aspirations and values in order to introduce the topic. The focus groups took part in a number of projective and reflective exercises to explore their views on worth, their understanding of the topic, and how this manifests across different areas of life.

Unless otherwise stated, all quotes in this report are by focus group participants.

Quantitative survey

A sample of 8,459 nationally representative UK adults, aged 18+, were invited to complete a 20-minute online survey between 21 August and 1 September 2020. The sample was controlled and weighted to ensure that the findings are representative of all GB adults based on age, gender, region and social grade (aged 18+).

The 20-minute survey included a wide range of closed and open questions, as well as a specially-designed 'max diff' choice-based experiment to reveal what respondents valued most when it came to their feelings of self-worth. The 'max diff' experiment asked respondents to select the most and least important factors from different lists of variables. It then revealed the relative importance of each factor for the total population surveyed, and subsets of that population, based on the extent to which the factor was selected on a scale of most to least important within the overall study. Further detail on this methodology is available on request (see contact details on page 33).

Report published November 2020.

1 The role of our finances

What role does money play in how we lead our lives?

In this chapter, we explore how much we value financial wealth, and which money management habits are considered most worthwhile.

How much does money matter?

It's safe to say that there are things worth more to us in life than money: when we asked what is most important when it comes to our sense of self-worth, for example, most participants chose factors relating to their close personal relationships rather than their material wealth. Indeed, money appears not to be a high priority for many of those surveyed:

- Only 1% chose 'being rich' (i.e. having lots of money) as the top factor that influences their sense of self-worth.
- Just under half of those we surveyed (48%) say that being able to afford luxury items is 'not important'.
- How much we earn is less important to us than how enjoyable our job is. While 28% think pay is more important, more than double (63%) say enjoyment of a job is more important. Read more about this in chapter three.

And money doesn't play the greatest role when it comes to our overall sense of wellbeing either. Participants selected their homes and their romantic relationships as factors that influence their wellbeing (either positively or negatively) more often than they selected their possessions and how much they earn, perhaps suggesting it's the things money can't buy that have the greatest worth.

Perhaps it's the things money can't buy that have the greatest worth.



But this isn't to say that finances don't matter at all. Although money isn't everything, it still plays a significant role in our lives, as 59% of those surveyed say that the amount they earn influences their overall sense of wellbeing - positively for 43% of people, negatively for 16%. And the more money we earn, the more positive an influence it has: 68% of those with a household income greater than £70,000 agree that what they earn has a positive influence on their wellbeing, versus 25% of those whose household income is less than £15,000.

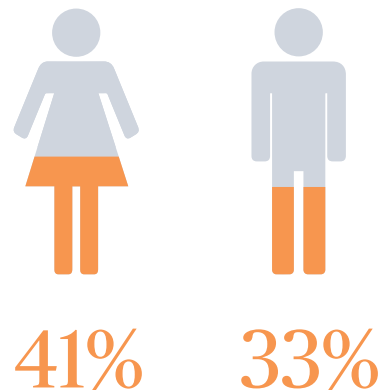
But those participants with higher household incomes are still more likely to say it's intangible things like their home, romantic and family relationships that positively influence their wellbeing, rather than how much they earn.

Money can also be a source of tension. Younger people are more concerned in this respect, as 54% of 18 to 24 year olds agreed that they are stressed thinking about money, compared with 20% of those aged over 55. Women are also more likely to be stressed out thinking about money, with 41% of women agreeing that thinking about money stresses them out versus 33% of men.

The financial responsibilities of raising children seem to play a part in money worries too. Those with children under 18 are significantly more likely to be stressed thinking about money than those with adult children (49% versus 25% respectively). And while one in five people say that money is often the cause of arguments among family members and friends, this proportion increases to almost one in three among those who have children under 18.

Our research shows that we're an altruistic bunch as a nation too: 69% of those we surveyed say that spending money on others makes them feel happy, and this increases to 76% amongst women.

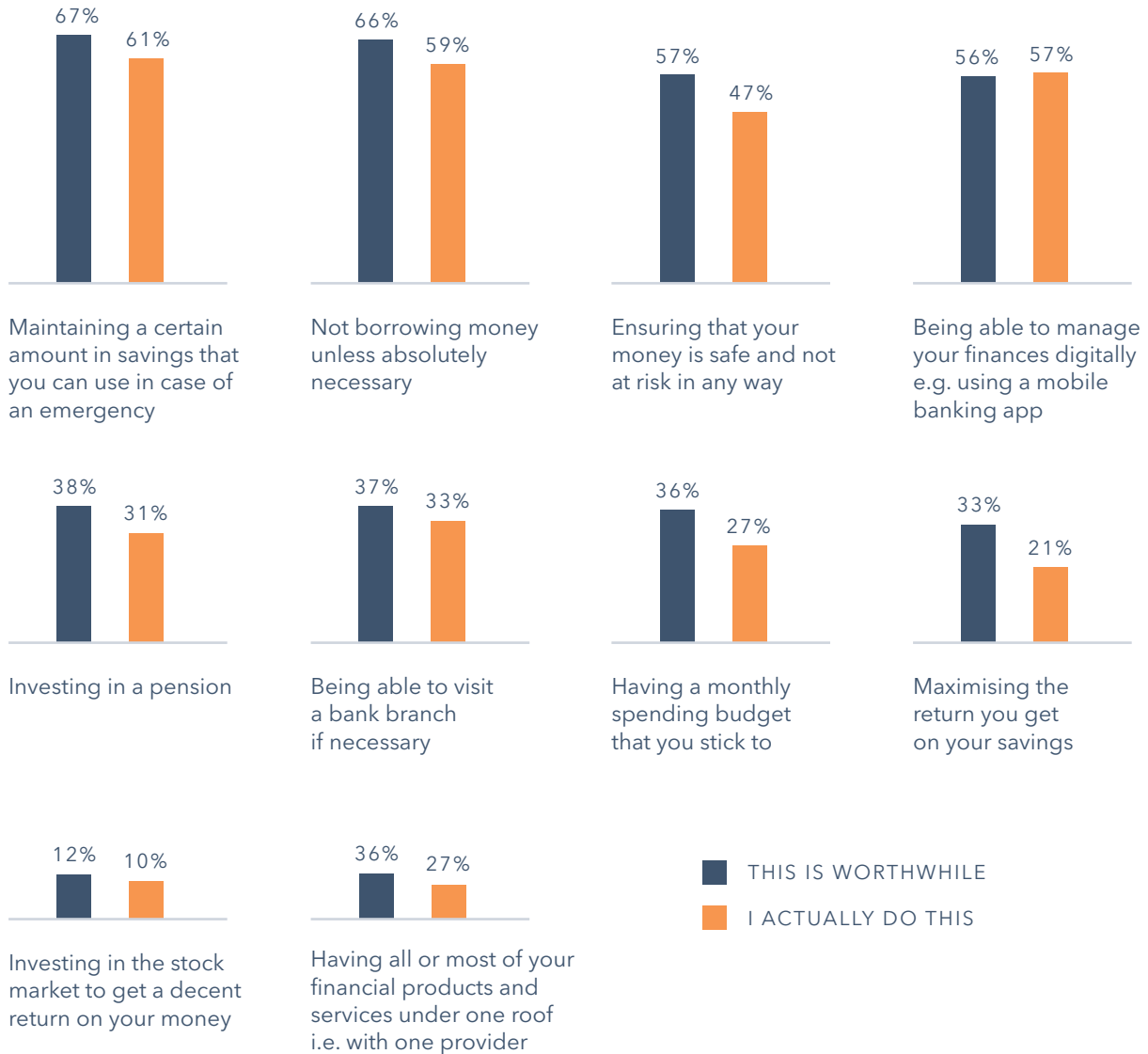
'Thinking about money stresses me out'



But while money can put a strain on us, it can also improve how we feel. Over one in three participants say they will often buy themselves something to help cheer themselves up, and this increases to half of 18 to 24 year olds. Retail therapy isn't reserved for the wealthy either: the proportion of those who say they cheer themselves up by treating themselves at the shops is largely consistent across household incomes (ranging from 36% to 40%).

Which financial habits do we consider worthwhile?

Managing money can at times feel complex, stressful and time-consuming. While we consider some financial behaviours worth it, others clearly aren't a priority.



Two in three people we surveyed agree that having emergency savings is a worthwhile financial behaviour, making it the most commonly selected of all 10 options we presented. It's also the most common practice of all the options among our survey respondents (61% have an emergency fund), suggesting that saving for an unknown event is not only considered worthwhile, it's also something that the majority of people commit to doing.

The financial behaviours commonly considered worthwhile illustrate a mostly cautious approach to finances, with people preferring to stay out of the red and avoid taking risks with their money. Maintaining a certain amount in savings in case of an emergency, not borrowing money unless absolutely necessary, and ensuring that our money is safe and not at risk are the financial behaviours that those surveyed most commonly selected as worthwhile. Given the context in which this research was carried out, perhaps this is also partly influenced by uncertainty about the future economic environment.

Although two in three people say that going into debt must be avoided, our research shows that a quarter feel that it's inevitable. But despite a general aversion to debt, those surveyed are more likely to agree that it's worthwhile borrowing money in certain circumstances, such as to buy their own home (64%), to buy a car (41%), to undertake home improvements (36%), or pay for their education (28%). On the other hand, very few agree that borrowing money to pay for clothing (3%), going out or socialising, cosmetic surgery or romantic gifts (all 2%) is a worthwhile endeavour.

68%

agreed that getting a bargain or saving money is 'one of the best feelings'.

55%

said realising that they had wasted money made them 'feel sick'.

Key findings of our research:

- Wealth might not define those surveyed, but their earnings do impact their wellbeing.
- Having an emergency savings fund is considered one of the most worthwhile financial behaviours.
- We take a cautious approach to our finances, with two in three of us saying that we must steer clear of debt.

2 Cash: is it worth it?

While bank branches and cash points are on the decline, the rise of digital and card payments have called the future of cash into question.

The coronavirus pandemic has likely impacted our use of cash further in 2020, as 51% of people we surveyed agree that they are much less likely to use cash as a result of the pandemic. In addition, one in three (32%) say they worry about hygiene when it comes to carrying cash, which we assume is partly due to participants' concerns about the pandemic.

Of course, the rise of financial technology provides us with more options to manage our money, and, overall, the UK public is embracing it: 61% of people agree that technology is making it easier to manage our money (though this drops to 51% of those aged 55 and above). And 56% agree that being able to manage our finances digitally is worthwhile, whereas only 37% say the same about being able to visit a bank branch if necessary.

The average amount of cash we're currently carrying is around

£36

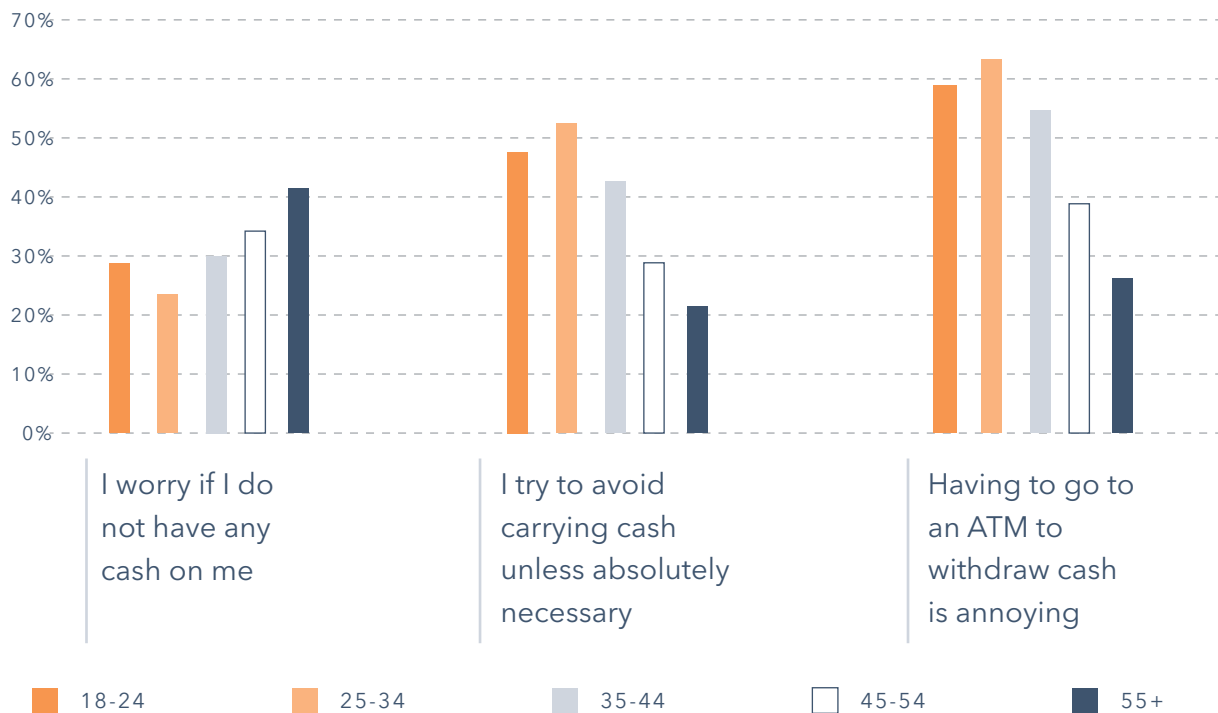
Two sides of the coin

Tech-savvy as we may be, our research shows that the nation is divided when it comes to our opinions about using cash. While 34% of the people we surveyed say they worry if they don't have any cash on them, another 34% say that they try to avoid carrying cash unless absolutely necessary. Cash appears to be valued more by older people, as only 16% of those surveyed aged 55 and over agree that you shouldn't need to carry cash in this day and age, compared to 43% of those aged 18 to 34. Older people tend to carry more cash too: those participants aged 55 and over carry more than twice as much as those aged 18 to 24, on average.

Average amount of cash currently carried per person, by region



Percentage of participants who agree with the following statements, by age



Whereas age is a clear factor in different attitudes to cash, our research shows little variation in opinions by geography. Those in rural areas are almost as likely as those in urban areas to try to avoid carrying cash unless necessary (32% and 35% respectively). And those in urban and rural areas are similarly likely to agree that there are still lots of places that don't accept card payments where they live (23% and 24% respectively).

Carrying cash seems to help some of us budget better too. One in three people (32%) say that physical money helps them to budget and manage their spending more effectively, and over half (52%) agree that using physical cash reminds them of the real value of money, suggesting that it might not be time to do away with our coin purses just yet.

Key findings of our research:

- More than half of us say the coronavirus pandemic has made us much less likely to use cash.
- Most people surveyed say technology makes managing their money easier, but cash still clearly has its place for some people.
- Using physical cash helps remind the majority of people of the real value of money.

3 The worth of work

The working world has been in sharp focus in 2020. While it remains unclear how different the workplace will be in the future, we explore the role work plays in our lives, and the value we ascribe to it.

Job satisfaction is worth more to us than how much we earn

Given the choice, most UK workers we surveyed (63%) say that having a job that's enjoyable is worth more to them than how much money they earn, suggesting work isn't necessarily only worth what's written on our pay cheque. What's more, most people who are working like their jobs: just under two in three (63%) say that they enjoy what they do for a living (only one in 10 'hate' their job).

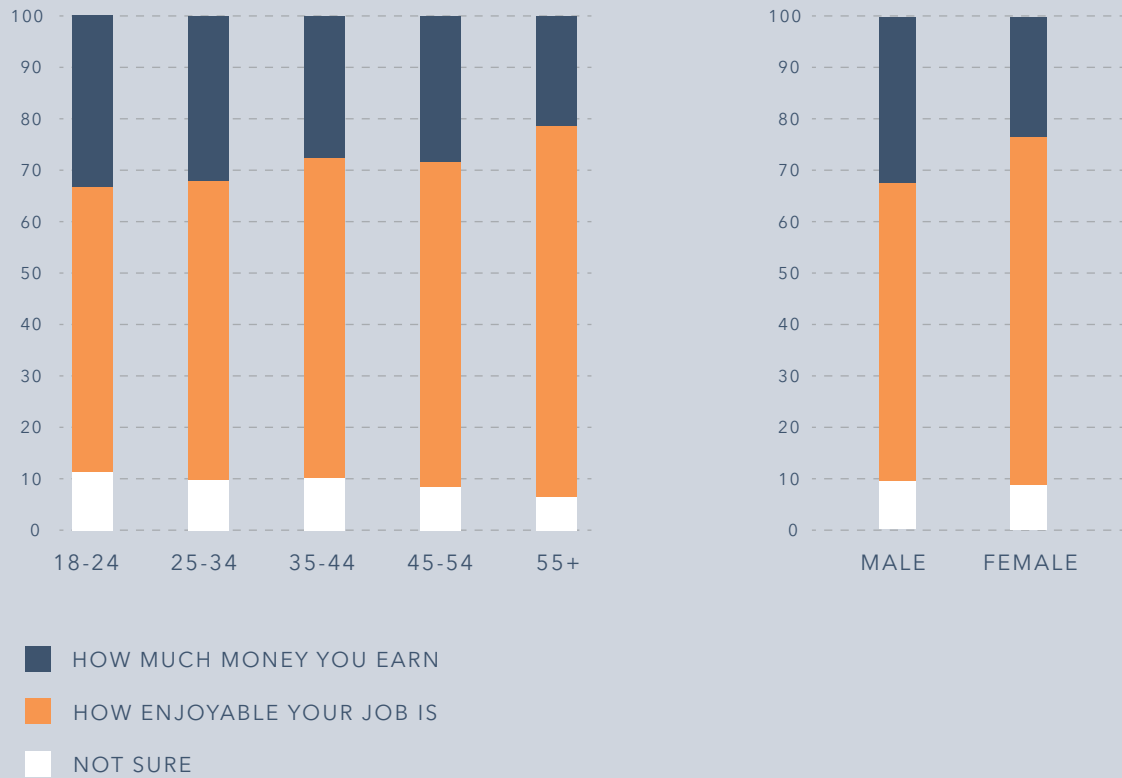
63%

say that having a job that's enjoyable is worth more to them than how much money they earn.

63%

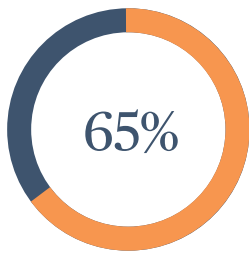
say that they enjoy what they do for a living.

Which is more important: how enjoyable your job is, or how much you earn?



'I had to re-evaluate my career for my family, and am now always skint but wouldn't change it.'

Female, 47, Scotland



65%
of UK workers would
give up their job if
they won the lottery

Although most people enjoy what they do for a living, the majority of UK workers (65%) would give up their job if they won the lottery, with 56% describing work as 'a means to an end'.

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as 'a means to an end'

Sectors most likely to enjoy their job:



80% Arts, entertainment and recreation



77% Engineering, design or architecture



74% Education

A healthy work/life balance is our top priority

If we had to choose a new job tomorrow, maintaining a good work/life balance (including flexible working and working from home) would be the top priority for many people, with 28% of those surveyed selecting this as most important. In fact, maintaining a good work/life balance was the most popular choice of all options, showing that for some, there are intangible aspects of our working lives that are more important than money.

**'I think career and
financial security
needs to be balanced
with time off, holidays
and friends and family.'**

Male, 35, East Midlands

If you were looking for a new job or career, which of the following would be the most important to you?

1

Work/life balance
e.g. flexible
working/working
from home

28%

2

How much money
is on offer

21%

3

The overall package
i.e. pension,
healthcare etc.

9%

4

Working hours

9%

5

Career trajectory

8%

6

Your work
environment

6%

7

The people you will
be working with

6%

8

Who you will be
working for

5%

9

The commute

5%

10

The amount of
annual holiday
you get

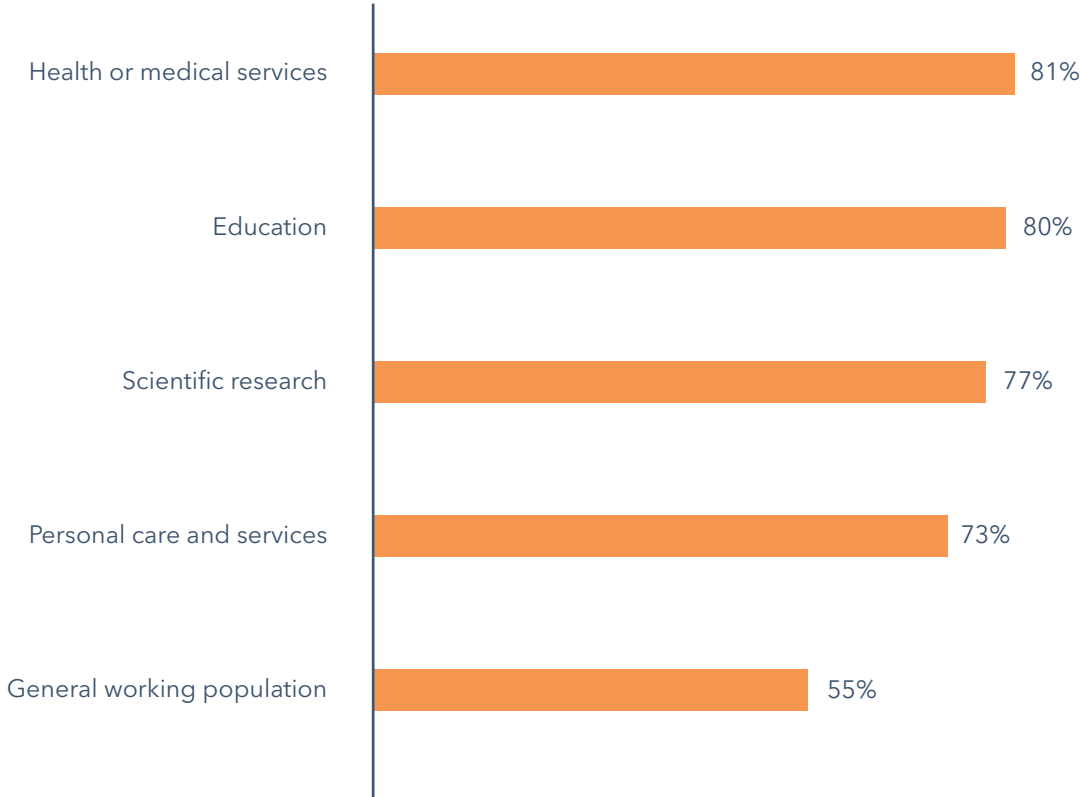
2%

Key workers recognise their work as worthwhile

Key workers in the coronavirus pandemic are particularly likely to recognise the worth of their work for broader society. Of those we surveyed, those who work in health and medicine, education, personal care and services, and in scientific research are the most likely of all sectors to agree that what they do is adding value to society.

Sectors most likely to agree

'I am adding value to society through my work'



We look forward to retirement

Work is important to us, but our retirement prospects are too. Our research shows that being able to retire as soon as possible is one of the UK's top five financial priorities, and being able to retire when we want is a 'must have' for one in five. Perhaps this is with good reason: those who are retired are far more likely to say they have a strong sense of self-worth (a nine or 10 out of 10) compared to those who are working. One in four people (24%) who are retired rate their feelings about themselves as a nine or 10 out of 10, in comparison to around 13% of people who are working and 14% of the general population.

Key findings of our research:

- More than half of us would give up work if we could, even though we tend to enjoy our jobs.
- Having a job that's enjoyable is worth more than how much we earn.
- Those who are retired are more likely to have a greater sense of self-worth than those who are working.

'Time is a barrier when you have a family and work full time: you want to spend quality time with the family, but work demands and the need to work to financially support the family puts huge pressures on.'

Female, Retired,
Northern Ireland

4 Will our priorities change?

We asked over 8,000 survey participants in August and September 2020 whether they would spend more, less or the same amount on various things in the next 12 months. The results paint a picture of what UK adults think it's worth spending their money on in the future.

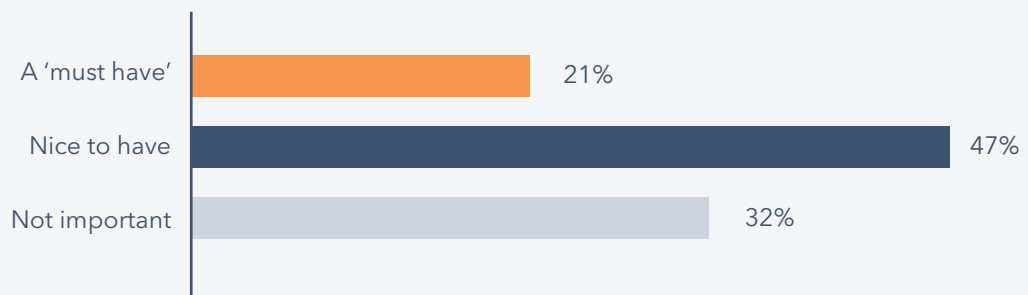
Holidays

One in five people we surveyed (22%) plan to spend more money on travel and holidays in the future, with a similar percentage (20%) planning to spend less. This roughly even split shows how we may be divided in our opinions about the possibility of future travel.

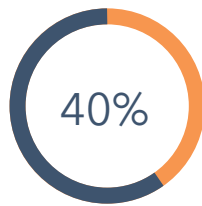
18-24

year olds were more likely than other age groups to be planning on spending more on holidays, with 32% of this age group expecting higher travel-related outgoings in the future.

Being able to go on holiday every year is:



Our home



40% of UK homeowners said that they were planning to spend more money on their home in the future - perhaps inspired to do so by the extra time we've all been spending at home this year.

Takeaways & eating out

One in three UK adults (31%) are planning to spend less on takeaways in the future.

One in three UK adults (28%) are planning to spend less on eating out in the future.



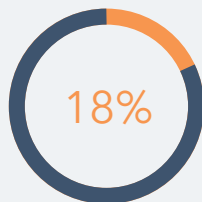
Technology & online entertainment



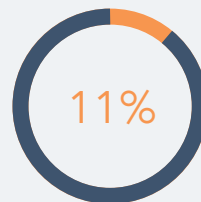
One in five (21%) said that they were planning to spend less money on technology in the future, compared with just 8% planning to spend more.

Despite having to amuse ourselves at home in 2020, only 3% of people were planning to increase their spending on on-demand entertainment services in future, with 16% planning to cut back.

Our appearance



18% said they plan to spend less on their appearance in the future...



...versus 11% who plan to spend more.

Younger people (18 to 24) are significantly more likely than the rest of the population to spend more money on their appearance, with 26% indicating that they will spend more on this in the future.

What do we plan to spend more and less on in the next 12 months?



These rankings show whether survey participants are more likely to spend more than they are to spend less on each item. We calculated this by working out the difference between the number of people who said they plan to spend more compared to those who said they plan to spend less. Those who do not plan to change how much they spend on an item are not included.

Worthwhile ways to shop

When it comes to what we put in our shopping baskets, what matters more to us: price or sustainability? How many of us are willing to pay more to support a local business? And do we find it easy to shop ethically? We asked our 8,000+ research participants about conscious consumerism, and here's what we found.

69%

of those surveyed say they would stop buying something if they knew that it was being produced unethically.

37%

say that they find shopping ethically too difficult.

34%

say that they feel bad about not shopping more ethically.

33%

say that they are not sure how to shop more ethically.

24%

say that they don't care where something is made or comes from, as long as they're getting the best price.

54%

say that they would pay more for sustainably produced goods (i.e. produced in a way that did not damage the environment).

56%

would be prepared to pay more for something if it meant they were supporting their local community.

62%

of 18 to 24 year olds agree that it's worthwhile spending more on items that are produced ethically, compared to 49% of the general population.

Key findings of our research:

- When it comes to what we'll spend more on in future, it's more likely to be our homes, less likely to be eating out, and we're divided in our opinions on holidays. We would expect that these findings are influenced by the coronavirus pandemic.
- The majority of us would stop buying something if we knew it was being produced unethically. Young people are particularly likely to think it's worth buying ethically produced goods. But more than one in three people say they find shopping ethically too difficult.

In summary

In exploring the topics of finance, cash, work and future priorities through the lens of 'worth', this report shines a light on the differing attitudes of the British public - and what we consider most worthwhile.

Wealth and wellbeing

Our research demonstrates that money isn't what most commonly impacts people's overall sense of wellbeing. According to our survey, relationships with partners, friends and family influence more of us than our possessions or how much we earn do.

That doesn't go to say our finances don't matter at all. Having an emergency savings fund is one of the financial behaviours most commonly identified as worthwhile according to our research, and we're selective about what we say is worth getting into debt over.

Cash and its future

While the UK is split in its attitudes to the importance of carrying cash, our research reveals that there's still a place for it in society. Despite bank branches and cash points closing as card and digital payments gain popularity, more than half of those surveyed believe that handling physical money helps to remind them of its real worth.

Job satisfaction above all else

When it comes to jobs, our research has uncovered that money isn't everything. In fact, the majority of respondents deemed job satisfaction more valuable than the amount of money they earn. Retiring is within the top five financial goals for our respondents - perhaps this is no surprise when we consider that those who are retired say they have a higher sense of self-worth than those still in work.

Our future priorities

Our research into the nation's future spending plans reveals that we're more likely to spend more on our homes in the next 12 months, and less likely to be increasing the budget for eating out and takeaways. Perhaps these findings reflect the way in which our lives and spending priorities have been impacted by the coronavirus pandemic. Whatever we're spending our money on, sustainably produced goods are worth the additional price for more than half of our respondents - with the majority of the 18 to 24 year olds surveyed also aiming to shop more ethically in the future.

By uncovering both short-term changes in our financial priorities and longer-term trends from our research, we have a better idea of what's likely to become more valuable and worthwhile to us all in the future.

An Exploration of Worth represents a snapshot of the current attitudes of UK consumers and what they value in their lives. It also provides a benchmark during an important moment in time as we continue to experience a challenging global crisis together.

About Marcus by Goldman Sachs

Marcus by Goldman Sachs is an online bank that offers a range of savings accounts. Built on the expertise of Goldman Sachs, Marcus combines the firm's 150 years of experience with the innovation and approach of a cutting-edge tech company. It's been operating in the US since 2016, with the UK marking its first international expansion. Since it launched here in 2018, Marcus has grown to serve over 500,000 customers in the UK.

An Exploration of Worth from Marcus by Goldman Sachs outlines the findings of an in-depth piece of qualitative and quantitative research carried out with YouGov, a data and analytics company. The report provides a snapshot of what we as a nation perceive to be most worthwhile in our financial and working lives.

For more information about Marcus by Goldman Sachs or this report, please contact the Marcus team at 3 Monkeys Zeno at marcus@3monkeyszeno.com, or call 020 7009 3100.



marcus.co.uk



Marcus by Goldman Sachs - UK



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About YouGov



YouGov is a data and analytics company that collects consumer opinion and behavioural data across the globe every day. The company is highly focused on bringing innovation and technology into the space of consumer data and research analytics.

YouGov has a proprietary panel of over nine million people globally and operations in the UK, North America, mainland Europe, the Nordics, the Middle East and Asia Pacific.

All surveys and focus groups conducted as part of this research study were sourced from YouGov's UK panel of 1.5 million UK adults, with the main quantitative sample controlled and weighted to ensure that the findings are representative of the UK population.

YouGov is registered with the Information Commissioner and is a member of the British Polling Council.