

THE DEMOGRAPHICS OF
FINANCIAL SERVICES USAGE:

AN EXPLORATORY STUDY ON THE
RELATIONSHIPS BETWEEN AGE AND BEHAVIOR

BY

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ABSTRACT

Name: Thomas William Lanis

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Title of Study: The Demographics of Financial Services Usage: An Exploratory Study on the Relationships Between Age and Behavior

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Candidate for Degree in
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Major Field: Business Administration

Scope and Method of Study: This study explores the relationships between age and individuals' usage of various financial services. The data is developed from a mail survey sent to 1,000 bank customers in the Oklahoma City area. Nearly 30% responded to the questionnaire. Data is analyzed using cross tabulation and frequency tables of attitudes, usage behavior of different banking products, and age groupings. A performance score is used to measure and compare the behavior of the different age groups.

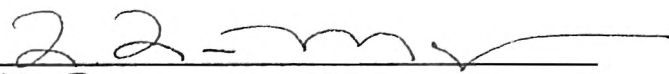
Findings and Conclusions: In both attitudes towards financial institutions and in actual product usage, there are differences between age groups. Consumers in the 25-44 age groups are generally not as positive as are the other age groups. Overall, there is greater differences in attitudes of consumers than the actual usage of financial services.

Advisor's Approval

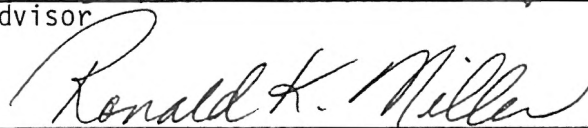
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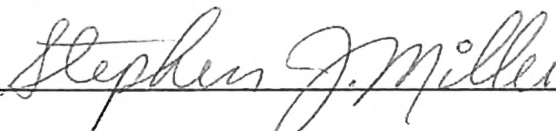
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CHAPTER I

INTRODUCTION

Bank management's need for information on which to base strategic planning decisions has never been greater than at the present time. Over the past decades the U.S. banking industry has exhibited more rapid and stable earnings growth than has the industrial sector. However, in recent years, volatility in the economic environment, accelerating changes in the regulatory and competitive environment and the changing composition and lifestyle of the American household have placed the industry in the most complex and uncertain situation it has ever faced.

Changing Demographic Trends

There is no longer a stereotypical American family. Some 27% of all households in 1983 were "nonfamilies," composed of persons living alone or sharing quarters with nonrelatives. And even married households are marked more by their differences than their similarities. Over 50% of all married women are in the work force, some as career professionals, with high incomes and few if any children to

care for, and many others in low paying jobs with several children.

On January 1, 1985, The Census Bureau reported that an estimated 237.2 million people were living in The United States. That figure represents a 4.7% increase over the number reported by the census count for 1980.

Our population's growth rate is slowing, meaning many markets will be shrinking and sales will decline. Bankers will, in the future, be forced to constantly rethink marketing strategies and redefine market segments. The eventual shrinking of the population, combined with the increasing competition, will result in a very crowded and competitive marketplace.

One of the most significant demographic trends to emerge in the latter half of this century and until recently had escaped the attention of most marketing executives, has been the graying of the population. For the most part, the median age of the population has been rising - from age 23 in 1900 to age 30 in 1980. This trend is likely to continue.

One reason why marketers have been late in noting the aging trend is because the trend has occurred at such a rapid rate. During the last two decades, the number of people age 65 and older grew twice as fast as the rest of the population, and as of 1982, the number of people age 55 and older accounted for one-fifth of the total American

population. The 55-plus group is expected to grow at a rate of 113% between 1982 and the year 2050, while the total population is expected to increase by only 33% during this period, according to a 1984 government study entitled "Aging America: Trends and Projections."

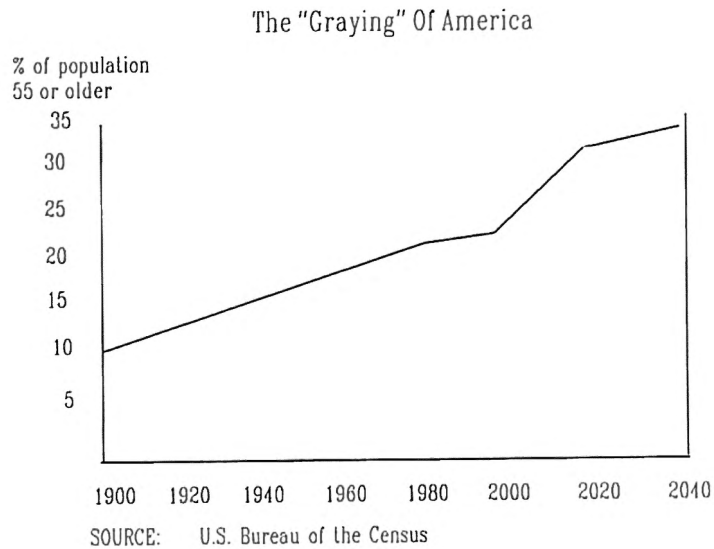


Figure 1

This trend has serious implications for bankers, as demand for many services will rise while other services may need to be eliminated. Unfortunately for most bankers, there is only minimal information, even from their own customer data, as to which services are utilized by differing age groups now and which services will see drastic demand changes in the future.

Purpose of the Study

The primary purpose of this study is to provide additional knowledge of the relationships between age and financial services usage and to recommend appropriate directions and actions to allow financial services managers to make successful strategic planning decisions (as it applies to retail banking).

Scope and Limitations of the Study

The study encompasses financial services usage information provided by customers and demographic and trend information primarily supplied by the U.S. Census Bureau. The effort to detail and analyze demographic data will help bankers identify and develop profitable market riches. But an infatuation with numbers can excuse executives to stumble into some dangerous pitfalls.

First, there is the danger of assuming that current projections based on past or emerging behavioral or statistical patterns will eventually materialize. Second, there is the danger of making gross generalizations. For example, contrary to popular opinion, many baby boomer men do not jog, drink diet soda, read Money magazine, earn at least \$30,000 per year, and regularly shop for groceries.

Third, there's the danger of exaggerating the value of well publicized market segments while ignoring other riches.

Simply because a market is declining or not growing like others, does not mean there are not growth and profit opportunities.

CHAPTER II

BACKGROUND AND RESEARCH DESIGN

Review of the Literature

There is no doubt in any banker's mind that their retail customers are changing. The editors of the ABA Banking Journal may have been going to the extreme exclaiming "Customers are changing before your eyes," but this is only one of many studies, articles and observations supporting the claims that consumers of financial services are not behaving as in the past.¹ Researching the International Consumer Banking environment, the Economist, in an unusually indepth review, credits the changing ages and incomes of Americans for the rapid behavioral changes and concluded that the consumer:

"...is less loyal (or less apathetic) and more apt to demand value for money."²

Many actually blame banks and other financial institutions for the changing situation, claiming that they have simply educated the consumer to be astute and knowledgable about financial services.

The cause for concern for banks and other financial organizations is that consumers are apparently shopping around more, and moving their business. In a recent study conducted by The American Banker newspaper, Laura Gross reported that one out of five consumers switched some of their financial services business during the past year, adding, "We're just dealing with a much smarter and demanding consumer who has much higher standards."³ Unfortunately the subsample was too small to point out exactly who was moving business.

What Gross failed to acknowledge and observe was the effects of the changing ages of the consumer market. For example, household income tends to increase with age up until retirement. More importantly, as noted earlier, more Americans are becoming affluent. As noted by The Research Institute of America:

To a large extent, the relative affluence of the baby boom generation can be attributed to its generally high level of education. Consider that nearly 24% of people age 25 to 34 have had at least four years of college while only 15% of Americans 35 and older have completed college. According to 1982 figures, as many as 46% of the boomers had completed at least a year of college while only 29% of the older population had achieved that level of education.⁴

In a special nationwide study conducted by Unidex Research, the effects of age and other demographic factors on behavior was investigated. Not surprisingly, they found

age to be strongly correlated to the number of years a customer has been a patron of a specific financial institution. On the other hand, an inverse relationship was found with a person's socioeconomic status, interpreted as less loyalty among those with higher income or higher status occupations.⁵ The conflict here is the generally accepted relationship between age and income. Unidex made two errors: First, loyalty and age cannot be considered on a continuous spectrum. Each distinct age group has its own particular needs. Secondly, Unidex wrongly assumed that the alternatives available to consumers are equal. Those with higher socioeconomic status are likely to have needs that cannot be satisfied by a single service.

Overall, however, the literature that specifically aims to evaluate age or age groups with is limited. Most tend to provide some summary data based on demographics of a research sample, but little work has been accomplished in really defining the specific financial services usage and needs as related to consumer ages.

Research Design

This study grew out of research designed to provide a detailed customer profile for a large Oklahoma bank. From the beginning, one question needing answered was "What relationships to the bank's customers have with competing financial institutions, and can the financial services usage

behavior of certain demographic groups be identified?" More specifically, are consumers in differing age groups more likely to use certain services and have account relationships with other financial institutions?

Population

In this study, the population is the total retail customer base of a large banking organization. Because of its size and geographic dispersement, it is assumed that the population accurately represents the consumer banking public in Oklahoma.

Sample

Approximately ten percent (10%) of the consumer customer base was selected. A random sample was achieved by selecting certain account numbers from a random field. Nearly 1,100 questionnaires were mailed over a three week time period. Three hundred and seventeen usable questionnaires were returned by the deadline date for inclusion in this study.

Tabulation and Analysis of the Data

The data tabulation was accomplished using a personal computer and two information management software packages. Cross tabulation is the primary method used, frequency

tables are used extensively for describing individual variables. Other techniques such as ANOVA and Multiple regression were looked at, but unfortunately did not provide any usable information.

CHAPTER III

ANALYSIS OF THE DATA

Introduction

The entire analysis focuses on associating respondent (bank consumer) age with attitudes towards and usage of their bank, other financial institutions, and their products and services. Two general areas of measurement data are used, attitudinal data and financial services usage data.

Attitude and Performance Measures

Overall Satisfaction

There is no doubt that in general the bank consumer is moderately to completely satisfied with their bank. As Table I indicates, nearly 90% are moderately to completely satisfied. However, it is primarily the youngest and oldest who responded most favorably. The age group 35-44 had the worst performance score (see explanation beneath Table I), and the least percentage of those completely satisfied. Ages 25-34 had the greatest percentage of those "not at all" satisfied.

Table I
Percent Indicating Satisfaction Level by Age

<u>Satisfaction</u>	<u>Age</u> <u>Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
Completely	63.2	35.5	23.7	37.3	61.6	44.4
Moderately	21.0	53.3	60.0	50.8	34.0	45.3
Not Very	15.8	4.4	13.2	10.2	2.7	7.7
Not At All	0	6.7	2.6	1.7	1.4	2.6
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Total	100%	100%	100%	100%	100%	100%
Performance Score*	152.6	182.1	193.7	176.3	143.3	168.5

* Performance Score: Essentially equivalent to the average response, the score is developed by weighting the response categories (Completely = 1, Moderately = 2, Not Very = 3, Not at All = 4) and multiplying the percent response in each category by the respective weight. In the resulting score, the higher the number, the lower the overall performance.

Rating of Personnel

Since a consumers perception of a bank is often affected by the representatives, or personnel, of the bank with which one deals, the measure of that perception is important. In this instance, respondents were asked if the personnel are courteous and helpful. Overall, the personnel received good marks. The oldest age category had the best rating for the personnel. The other four groupings had very

similar performance scores, with the youngest group giving the lowest ratings.

Table II

Percent Rating of Personnel by Age Group

Personnel are Courteous and Helpful	Age Under 25	25-34	35-44	45-59	60-69	Total
5 Describes Very Well	26.3	41.3	43.2	43.1	62.0	47.5
4	52.6	41.3	22.7	31.0	25.4	31.8
3	15.8	13.0	29.6	20.7	8.4	16.9
2	5.3	4.4	4.5	3.5	2.8	3.8
1 Does Not Describe At All	0	0	0	1.7	1.4	0.8
	100%	100%	100%	100%	100%	100%
Performance Score	200.10	180.5	195.4	189.7	156.2	181.0

Innovativeness

Do the bank's customers perceive the bank to be innovative and a leader in consumer banking? Responses to this question vividly point out the difference in perceptions of the different age groups.

While the older respondents generally perceive an innovative organization, the other groups provide a

different message, especially the two categories containing the baby-boom generation (25-34 and 35-44). As Table III indicates, these two age categories had performance scores nearly 100 points higher than the oldest group.

Table III

Percentage Rating of Innovativeness by Age Group

Innovative and a Leader in Consumer Banking		Age Under 25	25-34	35-44	45-59	60-69	Total
5	Describes Very Well	21.1	9.8	5.6	34.1	48.9	25.3
4		26.3	39.0	41.7	31.7	31.1	34.6
3		47.4	34.1	30.6	31.7	11.1	28.5
2		5.3	12.2	16.7	2.4	6.7	8.8
1	Does not Describe at All	0	4.9	5.6	0	2.2	2.7
Performance Score		237.1	263.4	275.6	202.2	182.2	228.7

Meeting Consumer Needs

Similar to the scores in the previous variable, the younger age groups again stand out in terms of the perception of their bank meeting their needs. As in all of the previous tables, the age group 35-44 gave the poorest score for meeting needs. The implications of these scores

to bankers is simply that these younger consumers will more and more look elsewhere for their needs to be met.

Table IV
Percentage Ratings of Meeting Needs By Age

<u>Best Meets My Needs</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
5 Describes Very Well	10.5	22.7	4.7	24.5	53.4	28.6
4	47.4	38.6	44.2	24.5	22.4	34.6
3	26.3	20.5	32.6	17.0	15.5	23.0
2	15.8	11.4	14.0	3.8	5.2	8.8
1 Does Not Describe At All	0	6.8	4.7	7.5	3.4	5.1
Performance Score	247.6	241.0	270.4	177.2	182.5	227.5

Providing Superior Service

As demonstrated in the other measures, the oldest age group rates the performance of their bank very high, and the middle groupings provide the poorest ratings. In this case, the 35-44 group gave a noticeably lower rating than the other age groups.

Table V

Percent Ratings of Providing Superior Customer Service

<u>Provides Superior Service</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
5	21.1	27.3	11.9	22.0	52.5	29.4
4	47.4	43.2	26.2	42.0	20.3	33.6
3	31.6	20.5	40.5	24.0	22.0	26.6
2	0	4.5	16.7	10.0	3.4	7.5
1	0	4.5	4.8	2.0	1.7	2.8
Performance Score	210.7	215.7	276.6	228	181.2	220.4

Fees

Overall, the respondents rating for their bank in terms of charging fair fees fell sharply compared to the previous variables, with the exception of the oldest age group. As before the 35-44 age group gave the lowest ratings, but in this case the others were not far behind.

Table VI

Percent Ratings of Charging Fair and Reasonable Fees

Charges fees that are fair and reasonable	Age <u>Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
5	16.7	11.6	9.5	22.4	56.4	26.1
4	33.3	30.2	21.4	24.5	23.6	25.6
3	33.3	34.9	45.2	28.6	12.7	29.5
2	5.6	9.3	16.7	16.3	3.6	10.6
1	11.1	14.0	7.1	8.2	3.6	8.2
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	100%	100%	100%	100%	100%	100%
Performance Score	261.1	283.9	290.2	263.4	174.1	249.2

Problem Solving

The lowest overall rating given by respondents was to their banks level of problem solving versus order taking. Even the older groups gave their bank poorer ratings than in previous measures. Again the Baby Boom groups gave the poorest ratings.

As banks begin to expand into other, non-traditional products such as insurance, investments and financial planning, this perceived lack of problem solving ability will have to be overcome.

Table VII
Percent Ratings of Problem Solving

<u>Shows how to solve problems instead of just taking orders</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
5	5.3	10.5	5.4	17.5	48.8	10.7
4	47.4	28.9	24.3	40.0	18.6	21.5
3	47.4	36.8	18.9	25.0	18.6	20.9
2	0	5.3	29.7	10.0	9.3	22.6
1	0	18.4	21.6	7.5	4.7	11.3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	100%	100%	100%	100%	100%	100%
Performance Score	242.3	291.9	337.5	250.0	202.5	263.3

Financial Services Usage

Number of Accounts

A first step in looking at financial services usage behavior, before looking at usage of specific products and services, is simply the number of products and services that is used. Typically, there is a linear relationship between a consumers financial resources and the number of products and services used, but many other factors can influence behavior. Income, education, level of knowledge about financial products, attitudes towards risk, investment

return requirements and even available alternatives all impact the bank consumer's behavior.

An important consideration is where the consumer has the accounts. In this case, measurements of the number of accounts at the primary bank and the number of accounts at all other financial institutions were made. The second provides an insight into the consumers likelihood to shop around and look elsewhere for products and services.

Number of Accounts at Primary Bank. There is a strong association of having an increased number of accounts as age increases. With the exception of the 60-69 age group, which includes retirees with generally lower incomes, there is a upward sloping linear relationship of the average number of accounts with age. The 45-59 age group (generally considered peak earning years) has by far the greatest number of accounts used. As the baby boom population enters these peak earning years, financial institutions will experience an overall increase in demand for services.

Table VIII
 Number of Accounts at Primary Bank
 By Age
 Percentage Distributions

<u>Number of Accounts</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
1	30.0	28.3	20.5	22.6	15.0	21.4
2	60.0	32.6	22.7	33.9	26.3	29.0
3	10.0	15.2	29.5	29.0	22.5	23.4
4	0	17.4	18.2	32.3	25.0	17.9
5 or More	0	6.5	9.1	14.5	11.3	8.3
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	100%	100%	100%	100%	100%	100%
 Usage Score*	180	241.2	272.7	379.1	291	262.7

* Usage Scoer: In order to determine a measure of account usage, the score is developed by multiplying the number of accounts by the percentage response in each category. In the resulting score, the higher the score, the more usage of accounts.

Number of Accounts Held Elsewhere. While the 45-59 age group tends to have the greatest number of accounts the 35-44 group has a greater percentage of their total accounts at financial institutions other than their primary bank. This has strong implications for bankers and bank marketers. First, it implies that even if an organization has a strong share of the baby boom market, they will have to work harder

to keep their business. Second, profits on many of the services is likely to move downward as competition for is not so loyal group increases.

Table IX
Number of Accounts Held Elsewhere
By Age
Percentage Distributions

<u>Number of Accounts</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
0	45	32.6	22.7	29	43.8	34.5
1	20	23.9	25.0	17.7	13.8	19.9
2	20	13.0	13.6	21.0	16.3	16.7
3	10	15.2	11.4	8.1	11.3	11.1
4	0	10.9	11.4	9.7	5.0	7.9
5 or More	5	4.3	15.9	14.5	10.0	10.7
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	100%	100%	100%	100%	100%	100%
Usage Score	115	160	211.5	195.3	150.3	170.8

Checking Account

Non-Interest Bearing Checking Accounts. Nearly all respondents had a checking account, with little variation among different ages. As with other tables presented here, more value could be gained if longitudinal data were

available.

Interest-Bearing Checking Accounts. Older bank customers are more likely to use interest bearing accounts. This is most likely the result of minimum opening and balance restrictions most financial institutions put on these accounts.

Table X
Usage of Non-Interest Checking Accounts
By Age Group
Percentage Distributions

<u>Checking Account At:</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
Primary Bank Only	88.9	63.6	85.2	70.6	62.9	72.1
Elsewhere Only	0	0	0	2.9	5.7	2.0
Both Primary and Elsewhere	5.6	27.3	14.8	17.6	17.1	17.7
None or No Answer	5.6	9.1	0	8.8	14.3	8.2

Table XI
Usage of Non-Interest Checking Accounts
By Age Group
Percentage Distributions

<u>Checking Account At:</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
Primary Bank Only	0	3.0	14.8	14.7	28.6	14.3
Elsewhere Only	5.6	6.1	14.8	14.7	17.1	12.2
Both Primary and Elsewhere	0	0	0	0	5.7	1.4
None or No Answer	94.4	90.9	70.4	70.6	48.6	72.8

Money Market Accounts

Like interest-bearing checking accounts, older bank customers are much more likely to possess a money market account. Again, these older individuals tend to earn and save more, explaining the association, but there are important implications for the future. As a greater number of people enter this higher income/higher savings age, financial institutions will see dramatic increases in money market account deposits. Also, the data suggests that those in the 25-34 and 35-44 age groups who do have money market accounts are more likely to have that account somewhere other than their primary bank.

Table XII
Usage of Money Market Accounts
By Age Group
Percentage Distributions

<u>Money Market Account At:</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
Primary Bank Only	11.1	3.0	3.7	17.6	27.8	13.5
Elsewhere Only	0	9.1	18.5	17.6	13.9	12.8
Both Primary and Elsewhere	0	3.0	0	0	2.8	1.4
None or No Answer	88.9	84.8	77.8	64.7	55.6	73.0

Savings Accounts

Savings accounts are not a product for the future for financial institution. While there will always be some demand for saving accounts, the potential for significant deposits is limited.

Table XIII
Usage of Savings Account
By Age Group
Percentage Distributions

<u>Savings Account At:</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
Primary Bank Only	22.2	36.4	29.6	11.8	28.6	25.9
Elsewhere Only	27.8	12.1	37.0	38.2	8.6	23.8
Both Primary and Elsewhere	5.6	6.1	7.4	14.7	5.7	8.2
None or No Answer	44.4	45.5	25.9	35.3	57.1	42.2

American Express Card

Bank customers generally do not have an American Express card. Overall, nearly 3 out of 4 respondents did not have one. Yet the age groups 25-34 and 35-44 were much more likely to have the card, especially the latter where nearly half indicated they had the card.

Table XIV
 Usage of American Express Cards
 By Age Group
 Percentage Distributions

<u>Do you have an American Express Card?</u>	<u>Age Under 25</u>	<u>25-34</u>	<u>35-44</u>	<u>45-59</u>	<u>60-69</u>	<u>Total</u>
Yes	11.1	30.3	44.4	20.6	8.6	23.1
No	77.8	66.7	55.6	79.4	85.7	73.5
No Answer	11.1	3.0	0	0	5.7	3.4

CHAPTER IV

SUMMARY AND CONCLUSIONS

Introduction

The need to analyze and utilize demographic data for business planning has never been greater than during these rapidly changing times. The aging of the population, along with related changes in households, income and occupations holds dire consequences for those businesses that fail to plan and act accordingly.

As the demographics of the populations change, the demand for financial services from banks also undergoes modification. Although simplistic in its approach, much can be gained from analyzing the relationships between age and financial services behavior. This study looks at the relationship between age attitudes and behavior in order to determine if bank consumers' attitudes and behavior do differ among age groups and to provide insight as to how banks (and other financial institutions) can prepare for future demand changes.

Summary of Findings

Attitudes

For overall satisfaction to perceptions towards problem solving ability, consumers in the age groups 25-34 and 35-44 are generally not as positive about their bank as are both older and younger consumers. The differences are especially evident in perceptions towards the bank providing superior service and being innovative.

Financial Services Usage

There is a near linear relationship between age and number of accounts held, with a slight drop in number of accounts around retirement age. There is also a greater likelihood for having more accounts with the primary bank, rather than other financial institutions, as age increases. There does not appear to be significantly greater tendencies for different age groups to have more accounts elsewhere than other groups, although the 35-44 group showed some indication to having a greater percentage of accounts elsewhere.

In terms of deposit accounts, with the exception of the basic checking account, the age groups 25-34, 35-44 and 45-59 who had accounts were just as likely or more likely to have an account at another financial institution as opposed to their primary bank. The differences was particularly

noticeable with the 35-44 group, who was five times as likely to have a money market account elsewhere.

Conclusions and Recommendations

Consumers of banking services are less satisfied with their bank, especially the younger age groups. This may be as much a result of simply having higher expectations as anything else. But the result is still a fragmented market, where consumers are giving some business to one financial institution, some business to another, and so on.

More importantly, banks are missing out on the most important market segment for the future. The baby boom generation. This group is entering the age which is typically most profitable to financial institutions, and in record numbers.

There is going to be significant growth in the market for many products and services, especially money market accounts and other investment services, as the population bulge reaches peak earning and savings years. In order to maintain share of this market financial institutions must begin now to:

1. Develop competitive investment products to meet the scrutinizing eye of the sophisticated customer.
2. Develop and train knowledgeable personnel that can present complex financial products and work with customers to solve financial problems.

3. Develop communication and advertising programs to let the consumers know that the products and people are in place to handle complex financial situations.

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Appendix A

Regional Demographic Data

Table A-I
Regional Demographic Comparisons
Percentage Distributions

	Okla. City SMSA	Tulsa SMSA	State of Oklahoma	West Southcentral Region	United States
Age:					
Less than 20	32.1	32.0	28.3	30.0	28.0
20-29	19.7	18.1	13.3	13.7	13.2
30-34	19.9	20.4	15.7	13.7	16.5
45-59	14.6	15.1	11.1	11.0	11.4
60-64	3.9	4.0	19.2	18.0	19.6
65 and over	9.9	10.4	12.4	10.3	11.3
Household Income:					
Less than 20,000	61.4	58.5	65.0	61.6	58.6
20,000-34,999	26.6	26.9	25.1	26.4	28.2
35,000-49,999	7.6	9.0	6.6	7.7	8.6
50,000 or greater	4.4	5.6	3.4	4.3	4.6
Education:					
High School	36.5	38.5	34.8	30.4	33.5
College 1-3 years	21.1	18.6	16.1	15.6	15.8
4 or more	18.6	15.0	15.1	15.5	17.5

Source: 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census

Table A-II
Oklahoma City Metro Area:
Demographic Profile of
Selected Cities in Oklahoma County
Percentage Distributions

	Nichols Hills	Edmond	The Village	Warr Acres	Bethany	Midwest City	Del City
Age:							
Less than 20	24.2	34.6	24.3	31.5	31.7	32.8	33.9
20-29	7.8	20.4	23.8	17.4	19.6	20.3	19.7
30-44	17.3	23.7	18.3	21.6	20.9	18.6	19.9
45-59	21.2	12.6	17.0	17.1	15.6	17.3	16.9
60-64	6.6	2.3	5.9	4.1	3.6	4.0	3.5
65 or older	22.9	6.4	10.7	8.2	8.6	7.1	6.0
Household Income:							
Less than 20,000	26.2	45.2	50.5	56.0	53.9	58.5	58.3
20,000-34,999	21.9	30.3	35.9	30.5	33.4	30.5	33.4
35,000-49,999	14.4	15.3	10.1	9.6	9.4	8.6	6.3
50,000 or greater	37.5	9.2	3.4	3.9	3.3	2.4	2.1
Education:							
Less than High School	5.3	12.3	14.8	18.3	21.8	23.3	24.5
High School	15.7	29.8	32.8	36.4	37.8	43.8	45.4

Table A-II (Continued)

Education: (Continued)

College							
1-3 years	25.8	28.2	26.2	22.5	25.3	21.2	21.6
4 or more	53.2	29.8	26.2	22.8	15.1	11.8	8.5

Sizes:

No.							
Households	1,749	11,846	4,618	3,848	8,039	18,315	10,294
Persons in Occupation	1,700	17,114	6,398	5,297	11,816	22,701	13,273
Persons 18 years or older	3,252	24,420	8,619	7,095	16,203	35,053	19,837
Population	4,171	34,637	11,049	9,940	22,132	49,559	28,414

Source: 1980 Census of Population, U.S. Department of Commerce, Bureau of the Census

Table A-III
Oklahoma City Metro Area:
Demographic Profile of
Selected Cities in Canadian and Cleveland Counties
Percentage Distributions

	<u>Cleveland County</u>		<u>Canadian County</u>	
	Norman	Moore	El Reno	Yukon
Age:				
Less than 20	30.7	40.7	31.1	37.7
20-29	29.9	19.6	17.3	18.1
30-34	18.4	24.8	18.1	25.2
45-59	11.0	10.3	14.2	11.2
60-64	2.8	1.4	4.7	2.0
65 or older	7.2	3.1	14.6	5.9
Household Income:				
Less than 20,000	61.6	46.5	64.2	43.6
20,000-34,999	26.1	43.2	28.3	42.1
35,000-49,999	7.7	8.0	5.6	11.1
50,000 or greater	4.6	2.2	1.8	3.2
Education:				
Less than High School	14.9	21.9	33.3	21.3
High School	24.7	45.3	43.4	40.2
College				
1-3 years	32.2	20.9	14.2	24.0
4 or more	28.2	12.0	9.0	14.6

Table A-III (Continued)

Sizes:

No. Households	24,798	10,922	5,459	5,713
Persons in Occupation	33,177	16,658	5,968	8,226
Persons 18 years or older	52,698	21,897	11,141	11,047
Population	67,996	35,063	15,434	17,112

Source: 1980 Census of Population, U.S. Department of Commerce, Bureau
of the Census

Table A-IV
Tulsa Metro Area
Demographic Profile of Selected Cities
Percentage Distributions

	<u>Creek County</u> Sapulpa	<u>Rogers County</u> Claremore	<u>Tulsa County</u>	
			Broken Arrow	Sand Springs
Age:				
Less than 20	31.8	31.9	37.5	34.1
20-29	15.2	17.4	20.8	16.3
30-34	18.1	17.4	25.5	21.1
45-59	15.3	15.5	10.1	14.1
60-64	4.6	3.6	1.9	3.8
65 or older	15.0	14.2	4.1	10.7
Household Income:				
Less than 20,000	67.2	66.0	39.8	56.7
20,000-34,999	25.9	24.5	44.1	30.9
35,000-49,999	5.0	6.7	11.9	9.8
50,000 or greater	1.9	2.8	4.2	2.7
Education:				
Less than High School	41.5	35.7	17.2	32.2
High School	37.8	37.3	39.0	41.8
College				
1-3 years	11.6	15.4	23.9	14.6
4 or more	9.1	11.6	19.9	11.3

Table A-IV (Continued)

Sizes:

No. Households	5,932	4,404	11,595	4,706
Persons in Occupation	6,530	5,163	17,193	5,957
Persons 18 years or older	11,260	8,726	23,136	9,150
Population	15,853	12,085	35,761	13,245

Appendix B

Respondent Demographic Profile

Table B-I
Demographic Profile of Respondents

		<u>Percent</u>
Age:	Under 25	7.8%
	25-34	18.0%
	35-44	17.3%
	45-59	24.3%
	60-69	31.4%
Income:	Up to 25,000	32.8%
	25,001 to 35,000	18.1%
	35,001 to 50,000	20.1%
	50,001 to 75,000	12.8%
	Over 75,000	8.2%
	No answer	8.0%
Gender:	Male	56.4%
	Female	43.6%
Education:	Some High School	9.0%
	High School	9.0%
	Some College	30.0%
	College Graduate	23.2%
	Post Graduate Studies	25.4%
	No answer	3.8%
Marital Status:	Single	12.0%
	Married	71.0%
	Divorced	9.0%
	Widowed	8.0%
Home Ownership:	Own	80%
	Rent	17%
	N/A	3%
Years of Residence—Average		12.2%

Appendix C

Questionnaire

1. How satisfied would you say your are, overall, with (Bank)?
Would you say you are:

_____ Completely satisfied

_____ Moderately satisfied

_____ Not very satisfied

_____ Not at all satisfied

2. A. The following is a list of accounts and services. Please check the accounts and services you have or use at (Bank) or any other financial institution.

	<u>(Bank)</u>	<u>Other Financial Institution (please print)</u>
Checking, regular	_____	_____
Checking, interest bearing	_____	_____
Savings Account	_____	_____
Money Market Account	_____	_____
Certificates of Deposit (CDs)	_____	_____
IRA or Keogh	_____	_____
Personal Loan or Auto Loan	_____	_____
Visa or Mastercard	_____	_____
Gold Mastercard	_____	_____
Line of Credit	_____	_____
Checking Plus	_____	_____
Investment Services	_____	_____
Trust Services	_____	_____
ATM Card	_____	_____

Other:

- B. If you indicated institutions other than (Bank); are there any particular reasons why you do business in places other than (Bank)?

3. Do you:

A. Have an American Express Card? _____ Yes _____ No

B. Have a brokerage account? _____ Yes _____ No

4. Tell us how much each of these statements describes (Bank). Using a scale from 1 to 5 with 1 meaning "does not describe the bank at all" to 5 meaning "describes the bank extremely well," please circle the number which best represents your answer.

	Describes the Bank extremely well			Does not describe the Bank at all	
	5	4	3	2	1
` Has courteous, helpful personnel	5	4	3	2	1
` Is innovative and a leader in consumer banking	5	4	3	2	1
` Best meets my needs	5	4	3	2	1
` Provides superior customer service	5	4	3	2	1
` Charges fees that are fair and reasonable	5	4	3	2	1
` Shows how to solve problems instead of just taking orders	5	4	3	2	1
` Will serve only a select group of customers	5	4	3	2	1

5. The following is a list of sources people use for advice on the management of their money and other personal financial matters: Please check the source or sources which you use:

_____ Bank
_____ Savings & Loan
_____ Stock Brokerage Firm
_____ Investment Advisory
_____ Newsletter
_____ Lawyer
_____ Accountant

_____ Newspaper
_____ Magazines
_____ Radio/Television
_____ Family
_____ Business Associates
_____ Other _____
_____ None

6. A. Do you:

_____ own your home
_____ rent (complete 6B then go to #11)

B. How long at current address: _____ years

7. A. If you own your home, do you have a mortgage? _____ yes _____ no

B. What was the original amount of your mortgage?

_____ \$ 0- 40,000	_____ \$120,001-150,000
_____ \$40,001- 60,000	_____ \$Over \$150,000
_____ \$60,001- 90,000	_____ Don't Know
_____ \$90,001-120,000	

8. Do you have a loan or credit line based on the equity value in your home?

_____ yes _____ no

9. What do you like best about (Bank)?

10. How can (Bank) better meet your financial services needs?

PLEASE ANSWER THESE LAST FEW QUESTIONS FOR CLASSIFICATION PURPOSES.

11. What is your age?

- ☐ a. Under 25 years
- ☐ b. 25-34
- ☐ c. 35-44
- ☐ d. 45-59
- ☐ e. 60-69
- ☐ f. 70 or over

12. What is your gender?

- ☐ Male
- ☐ Female

13. What is your combined family income range?

- ☐ a. Up to \$25,000
- ☐ b. \$25,001 to \$35,000
- ☐ c. \$35,001 to \$50,000
- ☐ d. \$50,001 to \$75,000
- ☐ e. \$Over \$75,000

14. What percent of your annual income do you put into savings and investment accounts?

- ☐ Under 10%
- ☐ 10% to 15%
- ☐ Over 20%

15. Last School Attended

- ☐ High School
- ☐ High School Graduate
- ☐ College
- ☐ College Graduate
- ☐ Post-Graduate Studies

16. A. Marital Status

- ☐ Single
- ☐ Married
- ☐ Divorced
- ☐ Widowed

B. Do you have any children? _____ yes _____ no

Ages: _____, _____, _____

Your occupation: _____

17. What are the last three digits of your zip code?

____ _

THANK YOU FOR YOUR PARTICIPATION IN THIS SURVEY
YOUR INPUT WILL HELP US BETTER SERVE YOU IN THE FUTURE

PLEASE RETURN THE COMPLETED SURVEY IN
THE POSTAGE PAID BUSINESS REPLY ENVELOPE.

VITA

THOMAS WILLIAM LANIS

Candidate for the Degree of
Master of Business Administration

REPORT: THE DEMOGRAPHICS OF FINANCIAL SERVICES USAGE:
AN EXPLANATORY STUDY ON THE RELATIONSHIPS
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