

APRIL 2018

# FIDELITY FINANCIAL PROCRASTINATION STUDY

## PROCRASTINATION & DEADLINE PRESSURE: THE EMOTIONAL AND FINANCIAL COST OF "PUTTING IT OFF"

Procrastination: It's a behavior everyone succumbs to now and then, especially at tax time. Yet when it comes to making financial decisions, it seems many need to feel the sense of urgency only a deadline can provide in order to take action and get started.

Fidelity wanted to learn more about the mindset of procrastinators in order to help break the habit. Fidelity's Financial Procrastination Study examined why people procrastinate, and the impact it has on them emotionally and financially. It also sought to uncover whether deadlines are a necessary motivator to getting things done.

### **What's the cost of "putting it off" and what's it take to go from "Procrastinator to Planner?"**

Here are some of the key findings from our study...



## LET'S BE HONEST

Everyone's a little procrastination-prone sometimes

**72%** of those surveyed admit to **procrastinating at least sometime**



**23%** say they **rarely** procrastinate

**Just 5%** say they **never** procrastinate

## ALL GENERATIONS & GENDERS ARE SUSCEPTIBLE TO PROCRASTINATING, THOUGH FOR DIFFERENT REASONS:



**IN GENERAL, MANY PEOPLE ARE SIMPLY OVER-OPTIMISTIC** about how much time they have and lose track (**39%**).

**45%**

of Boomers



**51%**

of people over 72

say they procrastinate because they believe they have **PLENTY OF TIME LATER TO GET THINGS DONE.**



**MILLENNIALS SEEMS TO PROCRASTINATE MORE OUT OF ANXIETY**

**39% OF MILLENNIALS**

either **panic, worry they won't succeed at the task, or get overwhelmed about not doing it perfectly.**

**JUST 30%** of older generations feel the same way.



**20% OF WOMEN**

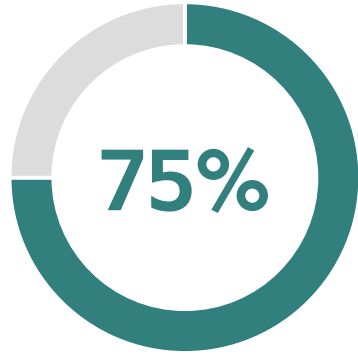
say they procrastinate because they're **perfectionists** versus just **14%** of men.



**47% OF WOMEN**

tend to put off **big, overwhelming tasks** compared to men (**38%**).

# AND WHEN IT COMES TO MONEY AND SAVING FOR RETIREMENT, PROCRASTINATORS MAKE NO EXCEPTIONS



**HAVE PUT OFF  
FINANCIAL ACTIVITIES  
AT SOME POINT**

## TOP ACTIVITIES AVOIDED



**30%**  
Creating a budget



**30%**  
Creating/updating estate plan/will



**27%**  
Setting up an emergency fund



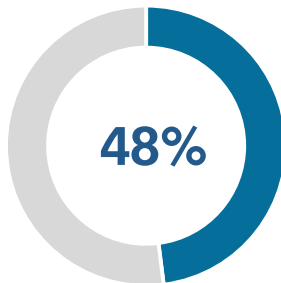
**26%**  
Paying down debt



**25%**  
Saving for retirement

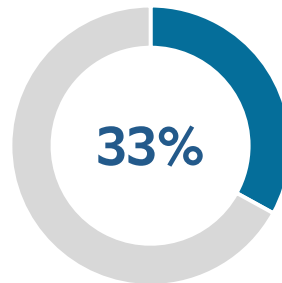
## TOP REASONS FOR PUTTING OFF RETIREMENT SAVINGS

When asked, "What are some of the reasons why you have been procrastinating about saving and/or planning for retirement?"



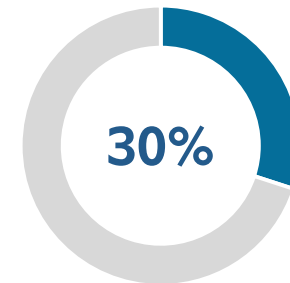
### LACK OF MONEY

I do not have any money to save



### LACK OF TIME

Other competing priorities are taking precedent



### LACK OF CONFIDENCE

No matter what I do, I won't be able to save enough

## THE COST OF "PUTTING IT OFF" IS WELL-RECOGNIZED BY PROCRASTINATORS

**63%** estimate procrastination has cost them a median loss of **\$300** in the last year.

Here's what an annual investment of \$300 could be worth over time after 10, 20, 30 years.



Hypothetical example assumes one annual \$300 investment made on January 1 of the first year earning an average annual rate of return of 7%. The ending value does not reflect taxes, fees or inflation. If it did, the amount would be lower. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 7% annual rate of return also come with risk of loss.

## THE IMPACT IS NOT JUST FINANCIAL

Procrastination is strongly linked to feelings of stress and shame.



When asked, "How does procrastination make you feel?"

**41%**  
said they feel  
stressed out

**33%**  
believe "procrastination  
is just part of life."

**24%**  
felt ashamed

## AND, IT SEEMS PROCRASTINATORS BELIEVE DEADLINES ARE A NECESSARY MOTIVATOR TO GETTING THINGS DONE



When asked if they perform better under pressure...

**60%**  
answered  
**YES**



**40%**  
answered  
**NO**

# HOW CAN ONE KICK THE PROCRASTINATION HABIT AND BECOME A BETTER PLANNER?

We asked the procrastinators in our survey what works best for them....

## HERE'S HOW TO GO FROM PROCRASTINATOR TO PLANNER IN 3 EASY STEPS

### STEP 1

Just TAKE the first step!

47%

**After taking the first step procrastinators realized it's not as hard as it seemed.**

The first step can be something as easy as setting a simple financial goal. Fidelity believes making and meeting financial goals shouldn't require exhaustive prep time.

### STEP 2

Break it into smaller tasks and write it down

40%

**Procrastinators say breaking down big overwhelming tasks into smaller steps, like creating a plan or checklist, helps motivate them to stay on track.**

Fidelity believes saving for big goals does not have to feel overwhelming. Start by writing down small, achievable financial goals. Achieving small wins can be a huge motivator toward bigger, longer-term goals, like saving and investing for retirement.

### STEP 3

Set deadlines

36%

**According to procrastinators, deadlines are indeed an important motivator and can be helpful in overcoming the tendency to put things off.**

Fidelity believes investors should stay on top of important financial deadlines to help avoid paying unnecessary penalties or taxes. We also believe that setting up automatic investments and withdrawals can help meet these deadlines, and can be an effective way to 'pay yourself first.'

Fidelity's Financial Procrastination Study was conducted among a sample of 2,052 adults comprising 1,020 men and 1,032 women 18 years of age and older. Responses were collected December 7-13, 2017 by independent research firm ORC International. Responses were weighted based on US Census data to reflect accurate representation of the total U.S. population 18 years of age and older.

Investing involves risk including the risk of loss.

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