

GOALS SURVEY SUMMARY

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1. INTRODUCTION

Generating relevant objectives based on values, information, and knowledge is a necessary part of any decision. While it is common for financial planners to assist their clients in meeting their objectives, people are empirically deficient at identifying what their objectives are. [Bond, Carlson, and Keeney \(2008\)](#) find in three empirical studies that participants consistently omit nearly half of the objectives that they later identify as personally relevant, and the omitted objectives are perceived to be almost as important as those initially identified by the participants. Their findings suggest that decision makers are deficient in using personal knowledge and values to form objectives for the decisions they face.

This creates an important impediment to the provision of financial advice; good advice that achieves only a subset of relevant objectives may not, in fact, be good advice at all. This is particularly salient given the interdependent nature of financial planning decisions – nearly all decisions require trade-offs which may affect other goals. [Bond, Carlson, and Keeney \(2010\)](#) identify not thinking broadly enough about the range of relevant objectives, and not thinking deeply enough to articulate every objective within the range that is considered as the main impediments to the generation of comprehensive objectives. They offer several potential interventions to increase the probability of generating relevant objectives by helping people to think more broadly and deeply.

1. Independently generate a list of objectives without outside help.
2. Approximately double the number of objectives that were initially generated.
3. Consult categories that objectives for the decision may fall into.
4. If it exists, consult a “master list” of objectives for the decision; this should only be done after completing the first three steps.

A master list for financial goals was created in a 2018 Morningstar study, [Mining for Goals: How Behavioral Nudges Can Help Investors Discover More-Meaningful Goals](#). The study replicates the usefulness of a master list in goal setting; they find that, on average, 26% of participants changed their top goal after seeing the master list, and 73% changed at least one of their top three goals. The study authors conclude that master lists may help investors identify their goals, refine and focus their goals, and uncover meaningful emotional connections to their goals. While useful, we find the resulting master list generated from their study to be insufficient. Based on this we have conducted our own goals survey with more comprehensive questions. Our objective is creating a more comprehensive master list.

2. GOALS SURVEY

We conducted a survey where we collected responses from listeners of the Rational Reminder podcast, clients of PWL Capital, and the public for the period March through August 2022. Like the previously mentioned steps, we asked respondents three questions which were answered sequentially. The first question asked “Imagine the life that you want to live and create a list of the financial goals that will get you there. These can be short-term goals and long-term goals. Effective goals are statements of a desirable state, not the means to get there, and they are abstract. For example, saving up a \$10,000 emergency fund is a means, not a goal. The corresponding abstract goal would be feeling financially secure.” The second question challenged the respondent to double their list, and the third question presented goal categories based on the PERMA-V model (explained in detail in [Finding and Funding a Good Life](#)) to elicit further objectives.

3. SURVEY RESULTS

Respondents took, on average, 49 minutes to complete the survey and we collected 310 full responses. 76% of respondents were men, 23% were women, and the remainder were non-binary/non-conforming or did not disclose their gender. The majority of respondents were aged 25-34 (138) and 35-44 (96). In total, we collected 2,394 individual objectives. We parsed all written objectives and attempted to create an overarching list that captures most stated objectives. The result is a “master list” of 28 objectives. The first question yielded an average of 2.74 objectives, the second question added 1.92 objectives, and the third question produced an additional 1.42 objectives. In total, respondents individually identified an average of 6.08 objectives across the three questions. These figures are based on the number of unique objectives mapped to our master list, as many respondents had multiple overlapping objectives.

The single most common objective, shared by 70.3% of respondents, is being financially independent or in a financial position where work is optional. This objective occurs more frequently for men (71.7%) than for women (66.7%). The second most common objective, which is related to, but distinct from, the previous objective, is feeling financially secure. Interestingly, this response sees one of the largest differences between men (57.9%), who seem less concerned with financial security than women (68.1%). Women in our sample are also more focused on having the means to afford travel and other experiences with their families (59.7%) compared to men (46.4%). The other big gender difference is in being generous with loved ones, where 33.3% of women identified objectives related to this compared to 23.2% of men. Due to low sample size, we have omitted non-binary/non-conforming respondents, and those who preferred not to disclose their gender from our summary table. Those data are however captured in the aggregate data.

Like gender differences, we see differences in objectives by age group. An interesting example is home ownership which is most important for the 25-34 age group (50.0%) and decreases through each group to a low of 12.1% for the 55-64 group. We did not control for current home ownership so this may reflect the fact that people are more likely to already own a home as they age, decreasing its importance as an objective. Within the home ownership objective many responses were focused on upgrading or building a dream home rather than moving from renting to owning.

We also observe a jump in importance of having the ability to be generous with loved ones between the 25-34 group (16.7%) and the 35-44 group (29.7%). Due to concerns about small sample sizes, we have left age breakdowns out of our summary table.

An interesting observation is the effect of survey questions on the type of goals identified. Prompted by the initial question, the most common responses are related to financial independence and financial security. When asked to double the list, the prevalence of finding and affording engaging hobbies, financially supporting community or causes important to them, and maintaining physical health increased. Almost as many respondents reported affording travel and leisure time with family in response to the doubling challenge as did in the first question, indicating that this is an important objective that a lot of people just needed to think a little harder to identify. After the PERMA-V categories were presented, many more respondents articulated goals related to finding and affording engaging hobbies, maintaining physical health, strengthening close relationships, and giving time to causes important to them. Based on the distribution of objectives across the three questions, it appears that the suggested approach in [Bond, Carlson, and Keeney \(2010\)](#) does have an impact on generating objectives, and seems to confirm that on a first pass people are deficient at identifying the objectives that are important to them.

4. LIMITATIONS

This analysis has been conducted by people with expertise in financial planning, not conducting surveys and analyzing survey data. We made a best effort to capture broad themes across many objectives, but our categorization may have been imperfect. There may be bias in the questions and the way that the data were analyzed. Our sample is not representative. We collected data primarily from listeners of the Rational Reminder podcast, which is a sample that will tend to be wealthier, male, younger, and more financially literate than the average individual. We hope that this is a useful tool but emphasize that it is not an academic study.

5. NEXT STEPS

The purpose of this research is to provide financial planners and investors with a master list of objectives as a reference when generating their own objectives. Our intention is to use the current master list as a tool when working with the clients of PWL Capital. We view the master list as an iterative tool which we will update as we identify common objectives that are not currently on the list.

Goals Survey Summary Table ("Master List")

| Goals and Response Frequency | Total (n=310) | Woman (n=72) | Man (n=233) |
|--|---------------|--------------|-------------|
| Being financially independent - work is optional | 70.3% | 66.7% | 71.7% |
| Feeling financially secure | 61.0% | 68.1% | 57.9% |
| Affording travel / leisure time / experiences with family | 49.4% | 59.7% | 46.4% |
| Maintaining physical health through sleep, diet, and exercise | 43.9% | 50.0% | 42.5% |
| Financially supporting my community or causes that are important to me | 38.7% | 45.8% | 36.1% |
| Finding and affording engaging hobbies | 36.1% | 41.7% | 34.8% |
| Assisting children with education costs / early adulthood setup | 27.1% | 23.6% | 28.8% |
| Owning a home and affording its operating costs | 25.8% | 30.6% | 24.0% |
| Having the ability to be generous with loved ones | 25.5% | 33.3% | 23.2% |
| Avoiding the hedonic treadmill, but not over-saving ("enough") | 21.9% | 18.1% | 23.6% |
| Strengthening and maintaining close relationships | 19.0% | 13.9% | 21.0% |
| Giving time to community and causes that are important to me | 18.1% | 16.7% | 18.0% |
| Financially supporting and protecting my family | 17.4% | 12.5% | 18.5% |
| Finding engaging work and being in a financial position to pursue it | 17.1% | 12.5% | 18.0% |
| Comfortably affording indulgences / luxury goods | 16.5% | 22.2% | 15.0% |
| Having ownership of my time | 14.5% | 9.7% | 16.3% |
| Leaving a legacy | 14.5% | 8.3% | 16.7% |
| Gaining knowledge and learning | 13.2% | 19.4% | 11.2% |
| Accomplishing personal successes | 11.9% | 8.3% | 12.9% |
| Having time to spend with loved ones | 11.6% | 9.7% | 12.4% |
| Paying off debt | 11.0% | 6.9% | 12.4% |
| Owning a cottage, vacation property, or land | 8.4% | 4.2% | 9.9% |
| Spending / savoring time in nature | 7.1% | 6.9% | 6.9% |
| Starting a business | 6.5% | 4.2% | 7.3% |
| Outsourcing unpleasant tasks | 6.1% | 6.9% | 6.0% |
| Raising financially literate and responsible children | 6.1% | 2.8% | 7.3% |
| Gaining or maintaining financial literacy | 4.5% | 4.2% | 4.7% |
| Maintaining balance between work and other aspects of life | 4.5% | 4.2% | 4.3% |

Data source: PWL Capital

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Benjamin Felix is the Head of Research at PWL Capital, a Canadian wealth management firm known for its publicly available thought leadership. PWL creates resources for Canadian investors including white papers, model portfolios, and research content. Benjamin co-hosts a podcast, the [Rational Reminder](#), and is the host of a [YouTube channel](#) which together reach hundreds of thousands of people in Canada and around the world. Benjamin joined PWL Capital in 2013 after completing a degree in mechanical engineering and an MBA in financial management. He is a CFA charterholder and a CFP professional.



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