

LEVELS OF TRUST IN FINANCIAL INSTITUTIONS: A COMPARISON BASED ON PUBLIC AWARENESS

MARCH 30 – APRIL 3, 2023

Background

In March 2023, global banking was in crisis as a series of bank collapses and failures hit the United States and Switzerland, generating consistent and detailed reporting by mainstream news outlets around the world. We wanted to understand the possible impact widespread coverage of these bank collapses and failures had on the general U.S. population's trust in financial institutions. Therefore, we fielded questions to measure levels of trust in financial institutions—comparing adults who reported being “aware” of the banking crises in March 2023¹ and adults being “unaware” of the banking crises in March 2023—to understand whether this knowledge impacted perception. The poll was conducted from March 30 - April 3.

Key Findings

I am confident that existing policies and regulations protect customers of financial services institutions.

Overall, there was a noticeable difference in confidence that existing policies and regulations protect customers of financial institutions between those who were “aware” of the banking crises and those who were “unaware” of the banking crises. Nearly half (44%) who were “aware” *agreed* with the statement, compared to 34% who were “unaware”. There was a similar gap between those who *disagreed* with the statement (“aware”: 34%; “unaware”: 26%). Those who reported they “*neither agree nor disagree*” yielded the starkest difference (“aware”: 20%; “unaware”: 37%).

- Adults identifying as female and “aware” of the banking crises were more likely to *agree* with the statement (50%) compared to those who identified as male and “aware” (40%). However, for those who were “unaware”, there was little difference based on gender (males: 33%; females: 34%)². Those who *disagreed* with the statement by gender had slight differences,

¹ Defined as responding in the affirmative to the question, “Are you aware of the Silicon Valley Bank collapse in March 2023?”

² There was a much smaller base of males than females who reported being “unaware” (n = 85 vs. n = 159, respectively).

yielding 36% for males and 32% for females who were “aware”, and 29% for males and 24% for females who were “unaware”.

- Those with a high school degree or less were more likely to *agree* with the statement if they were “aware” of the banking crises than if they were “unaware” (46% vs. 30%). In contrast, adults with some college or above were less likely to *agree* with the statement if they were “aware”, compared to “unaware” (30% vs. 39%).
- The race with the highest percentage who *agreed* with the statement and were “aware” of the banking crises were Black, non-Hispanic adults (47%)³. Contrastingly, among those “unaware” of the crises, those identifying as “two or more races” had the highest percentage of *agreeing* with the statement (Hispanic: 19%; White: 31%; Black: 39%; “Two or more races”: 80%).
- Comparing racial groups who *disagreed* with the statement, there were various differences between those who were “aware” vs. “unaware” of the banking crises. Whites (“aware”: 33%; “unaware”: 23%); Blacks (“aware”: 30%; “unaware”: 22%); Hispanics (“aware”: 37%; “unaware”: 41%); and those identifying as two or more races (“aware”: 44%; “unaware”: 3%).

I have faith and confidence in the financial system.

Overall, significant differences on faith and confidence in the financial system existed between those who were “aware” and “unaware” of the banking crises. Adults who *agreed* with this statement responded differently (“aware”: 43%; “unaware”: 27%) as did those who “*neither agree nor disagree*” (“aware”: 18%; “unaware”: 34%) Those who *disagreed* had more similar responses (“aware”: 38%; “unaware”: 36%).

- There was no difference between males and females who were “aware” of the banking crises and *agreed* with the statement (43%) and little difference between those who were “aware” and responded, “*neither agree nor disagree*” (males: 19%; females: 17%). However, there was a stark contrast between those who were “unaware”. Males were less likely to *agree* than females (18% vs. 31%) but were more likely to “*neither agree nor disagree*” (46% vs 27%).
- There were differences among adults with a high school diploma or less. For example, those in that group who *agreed* with the statement (“aware”: 37%; “unaware”: 28%) and those who “*neither agree nor disagree*” (“aware”: 22%; “unaware”: 35%). Differences also existed with those who have attained some college and above. Those who *agreed* had a broad gap (“aware”: 46%; “unaware”: 25%) and those who “*neither agree nor disagree*” (“aware”: 16%; “unaware”: 32%).

³ White: 44%; Hispanic: 44%; Two or more races: 43%.

- Adults who identified as “two or more races” had the highest percentage of *agreement* when they were “aware” of the bank crises (53%), which was less than those who were “unaware” (47%). Other races who *agreed* with the statement differed considerably in percentages based on whether they were “aware” vs. “unaware” (White: 42% vs. 30%; Black: 31% vs. 30%; Hispanic: 47% vs. 13%). The largest differences for those who *disagreed* were also from those who identified as “two or more races”, yielding 31% (aware) and 41% (not aware). Waning faith and confidence had less variability with the remaining races.

I generally trust financial institutions to act honestly and ethically.

Overall, half (50%) of U.S. adults who were “aware” of the banking crises generally trusted financial institutions to act honestly and ethically, compared to 34% for those who were “unaware”. The percentage of adults who *disagreed* was slightly closer (33% vs. 25%). The largest difference was from those who responded “*neither agree nor disagree*” (“aware”: 17%; “unaware”: 37%).

- Males and females who were “aware” of the banking crises *agreed* at a higher rate (males: 47%; females: 53%) than those who were “unaware” (males: 31%; females: 35%). Differences in those who chose “*neither agree nor disagree*” were evident based on whether they were “aware” or “unaware for both males (“aware”: 16%; “unaware”: 42%) and females (“aware”: 18%; “unaware”: 34%).
- Among adults with different levels of educational attainment, all were more likely to *agree* if they were “aware” of the bank crises (High school level or less: 51% vs. 31%; Some college or above: 49% vs. 37%). Similarly, all were more likely to *disagree* if they were “aware” of the bank crises (High school level or less: 30% vs. 23%; Some college or above: 33% vs. 29%).
- When aggregated by race, most respondents were more likely to *agree* with the statement if they were “aware” about the bank crises (White: 52% vs. 38%; Black: 33% vs. 29%; Hispanic: 46% vs. 17%). However, those who identified as “two or more races” were less likely to *agree* if they were “aware” (50% vs. 77%).

I trust all financial institutions to ensure that their employees are well trained and professional.

For those who were “aware” of the banking crises, four out of ten U.S. adults trusted financial institutions to ensure its employees are well trained and professional, as opposed to 32% for those who were “unaware”. The percentage of U.S. adults who “*neither agree nor disagree*” was 22% for those who were “aware” and 32% for those “unaware”, while the gap between those who *disagreed* was closer (“aware”: 36%; “unaware”: 32%).

- For both genders who were “aware” of the banking crises, *agreement* with the statement was higher (males: 36%; females: 45%) than with those “unaware” (males: 30%; females: 33%).

In contrast, both genders were less likely to respond “*neither agree nor disagree*” if they were “aware” (males: 25% vs. 33%; females 18% vs. 31%). Furthermore, both genders were more likely to *disagree* if they were “aware” (males 38% vs. 36%; females 35% vs. 30%).

- Adults with a high school diploma or less were more likely to *agree* if they were “aware” of the bank crises (43% vs. 21%) while those with some college or above were less likely to *agree* if they were “aware” (39% vs. 49%). The percentage who *disagreed* with the statement was inverse for both these groups. Those high school diploma or less (“aware”: 32%; “unaware”: 39%) and for those with some college or above (“aware”: 38%; “unaware”: 22%).
- All racial groups were more likely to *agree* with the statement if they were “aware” of the bank crises (White: 41% vs. 37%; Black: 36% vs. 28%; Hispanic: 36% vs. 28%; “Two or more races”: 49% vs. 35%). Contrastingly, all racial groups were less likely to respond “*neither agree nor disagree*” if they were “aware” (White: 21% vs. 33%; Black: 29% vs. 42%; Hispanic: 22% vs. 27%) except for those who identified as “two or more races” (“aware”: 20%; “unaware”: 11%).

Full Methodology

This survey was conducted using the AmeriSpeak Omnibus Panel on behalf of NEFE. The second trust survey used for these results was conducted from March 30 - April 3 with a nationally representative sample that included 1,002 adults ages 18 and older. Funded and operated by the National Opinion Research Center (NORC) at the University of Chicago, AmeriSpeak® is a probability-based panel designed to be representative of the U.S. household population. Randomly selected U.S. households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by U.S. mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the U.S. Postal Service Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak households participate in surveys by web, non-internet households can participate in AmeriSpeak surveys by telephone. Households without conventional internet access but having web access via smartphones are allowed to participate in AmeriSpeak surveys by web. AmeriSpeak panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.

For more information, email AmeriSpeak-BD@norc.org or visit AmeriSpeak.norc.org.

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A Note about Reading the Report and Data Supplement

The percentage of respondents has been included for each item. Percentages may not always add up to 100% because of computer rounding or the acceptance of multiple responses. Additionally, the use of small bases were utilized when aggregating for these categories, making most comparisons ineligible for significance testing.