

**CONSUMER FOCUS GROUP
NEW ORLEANS, LOUISIANA**

**FINANCE >>
FORWARD**

Purpose of the focus groups: *To understand the challenges that consumers face as a result of income and expense volatility. To explore how consumers cope / make ends meet, and discuss new ways to address the challenge.*

About the Participants

- 3 consumers who experience income and expense volatility
- Below 400 to 650: common credit score range
- Below \$1,000 - \$1,800: reported last month's household income
- \$100-\$400+: range of monthly income fluctuations
- All employed hourly in the hospitality industry

"I get paid a decent amount of money, but when its slow, you don't see any of it. It's just crazy how much it fluctuates."

REASONS FOR VOLATILITY

- Inconsistent work hours
- Seasonal – related to weather and tourism

COPING STRATEGIES

- Credit cards
- Side gigs
- Savings
- Alternative financial coping mechanisms

INNOVATIONS THEY THINK WOULD HELP

Financial Products / Bill Payments

1. Ways to help encourage savings
2. Insurance that pays you when financial emergencies happen (such as job loss or auto repair)

"I try to always save my ones and fives. Think about how much you save if you save all your ones and fives."

Employers / Paychecks

1. Ability to join a labor union
2. Guarantee to be paid at least some amount when you are scheduled to work but are sent home before starting your shift

CONSUMER QUOTES

On Income Volatility

“I work in hospitality, we have slow seasons, off seasons, you get sent home because its a little slow.”

“Right now I’m getting a 40 hour week, but when it gets slow I’m gonna be down to a 28 or 30 hours per week. That’s the minimum they can keep us there and keep us full-time, so that’s what I’m gonna get. That’s hospitality, that’s New Orleans.”

“I go from like 80 something hours to like 50, or sometimes even 40. You’re barely holding on to full time status.”

“If they say there is a hurricane in the Gulf of Mexico everybody pretty much cancels everything they had for everywhere they had plans, and they call it a day.”

“I’ll go to work and see what we have projected out for the week or a month or two. I’ll look at the books and be like “I know what they’re going to do”. So when the schedule comes out, it’s expected, like I knew this was going to happen, the hours are definitely shorter.

“We might be able to see the numbers of how many people will be at the hotel, but it can change a lot. People book, cancel, book, cancel. I could look at the numbers but I don’t go on them because to me they aren’t accurate yet. And now so many people book day of because they know they get a better rate.”

“They tell you that you’re going to be a part of the process of schedule making, but your manager is really going to make your schedule for you based on what’s going on.”

“They can’t FORCE you to go home.... but they’re like, what can we do to get them to leave. They’ll tell you to do something so stupid just so you’ll want to leave. Like, go wipe that wall in the corner, get that little itty spot. Or they’ll say ‘go clean the bathroom’. I left so fast.”

“My job, they make you go home. They’ll start cutting massage therapists if they don’t have people coming in.”

“I can look and see for the next month and see if we have some group coming into the spa, like we having a wedding that day or we’re doing a bachelorette party. So that’s helpful to a certain extent, but a fact of life is when the hours go down you’re still stuck with that dilemma of ‘my bills didn’t go down’”

“Normally I have savings to prepare for the holidays, but this year has been rough. This year, I’m probably just going to buy everything on a credit card that I have and pay it off. Like, just pay it off. Just pay...”

“Technically you’re supposed to have five or six months saved, but there has never been a person with that much saved. We live with these notions that today might be your last day living.”

“We also have times where stuff gets cancelled. So say I planned a trip, say I wanted to go on a cruise. If I planned on using those events to get the over time to get the extra money, and I don’t have it anymore. It’s like, ‘ok, trip cancelled’.”

“At the peaks, I make good money, but when you don’t make good money, if you didn’t budget and structure yourself, then you’re just forced with reality.”

CONSUMER QUOTES

On How Consumers Make Ends Meet

Side Gigs

“I know when our slow season is going to start and when the busy season is going to pick up, so I have like a heads up to start preparing myself “OK you’re going to get another job, well you’re going to do this on the side”

“I make clothes on the side. I see what events are going on, so I try to have clothes ready for those events”

Gaming the System

“I do this thing where I put money in a liquor bottle with a small spout, because you can’t get the money out unless you break the bottle. I take \$50 from each of my checks and I put it in Ciroc bottles because you can’t get it out unless you break the bottle. And I hate glass.”

“I don’t have my savings connected to my checking. It’s too convenient. I can just be on my phone and send myself money.”

Savings

“I have automatic savings out of my check, like \$150 going into savings. But when the season gets slow, the structure changes, that \$150 that’s going into savings? That’s coming right out ‘cause I need it! So the savings fluctuates too, I can’t just say ‘if I save enough for the rest of the year I’ll have X, because I need it throughout the year’.”

“I have my second job linked to a separate bank that I use as savings. I ripped up the card, I cut up the card so I can’t touch my savings unless I go to the bank. I work 9-4 everyday, I can’t go to the bank to get it out, so that works for me too. I can’t just go get it if I want to do something tonight or buy some clothes or something like that.”

Credit cards

“I try to get cards with 0 interest for a year or two years, and then I just transfer the balance before the card is up to a new card, and I get the points.”

Layaway

“I promised myself I would get my son a lot of stuff for Christmas. So if I see something that is like \$150, I would put like \$25 down for something, I would pay gradually for it until the balance is paid up, and then I’d get it. So I’ve got a lot of toys for him this Christmas.”