

KPMG American Perspectives Survey

San Francisco Bay Area

Our inaugural assessment

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Summer 2024

San Francisco Bay Area: Optimism and Trust in the Era of Compound Volatility

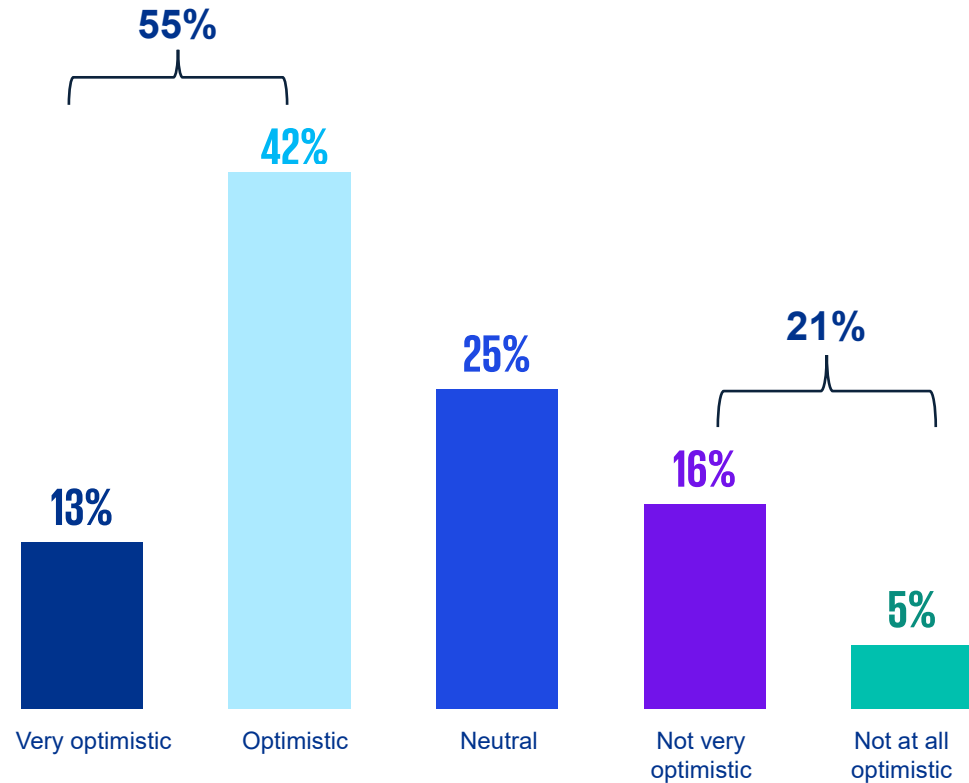
How Bay Area Residents Are Grappling with Evolving Economic Opportunities and Risks

- **Overall financial optimism in the Bay Area is higher than Americans nationwide.** Most people in San Francisco (55%) are optimistic about their personal financial situation in the coming year, but their optimism in the growth prospects of the U.S. economy (37%) is more tempered.
- **There is a trend toward more frugal behavior, with 62% of people planning to do more discount shopping.** However, almost three in ten (29%) are willing to pay higher for sustainable products – well above the national average of 20%.
- **People in the Bay Area are demanding that GenAI be integrated into their consumer experience, but security and privacy concerns remain.** Over one-third (37%) of people report that GenAI is having at least somewhat of an impact on their personal lives.
- **Over three-fourths of people in San Francisco (77%) are comfortable with renewable energy as a power source for their electricity, and they prioritize sustainable automobile options.** In fact, 73% would choose an electric vehicle or a hybrid over a gas-powered vehicle if all price points and features were equal.

This survey of over 400 adults in the San Francisco Bay Area is part of the inaugural KPMG American Perspectives Survey, which assessed the views of an additional 1,100 adults nationwide to understand their outlook on their personal financial situation and the U.S. economy, spending plans and preferences, as well as attitudes toward the forces shaping their experience in banking, energy, government, automobiles, healthcare and technology.

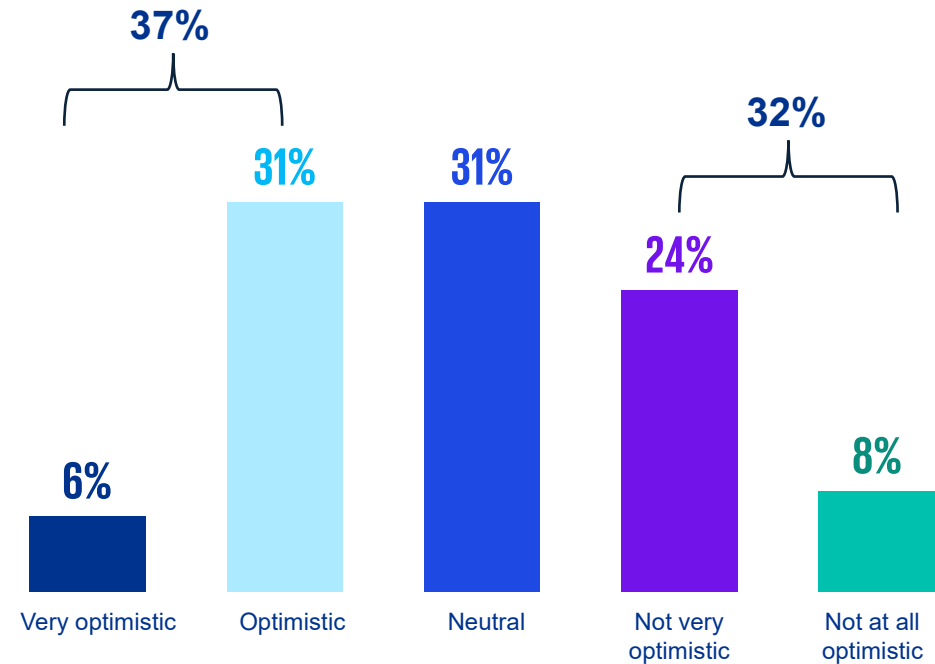
San Franciscans are optimistic about their personal finances and the growth prospects of the U.S. economy

Optimism about personal financial situation over next year



Personal financial situation - Please indicate your level of optimism for each of the following over the next year.

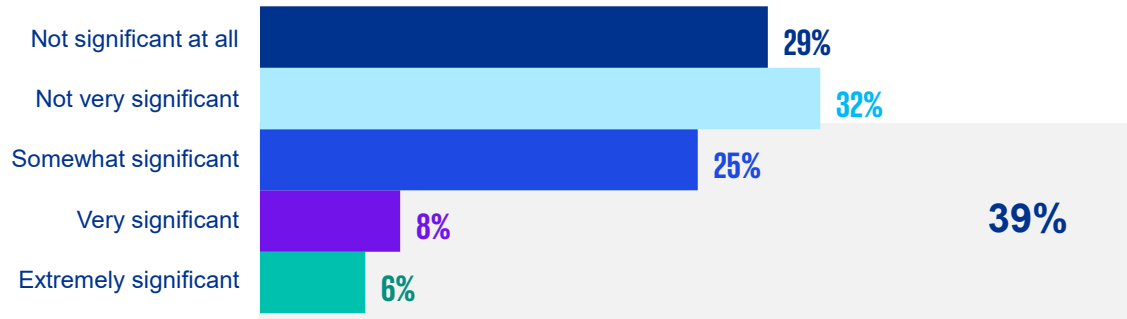
Optimism about growth prospects for U.S. economy over next year



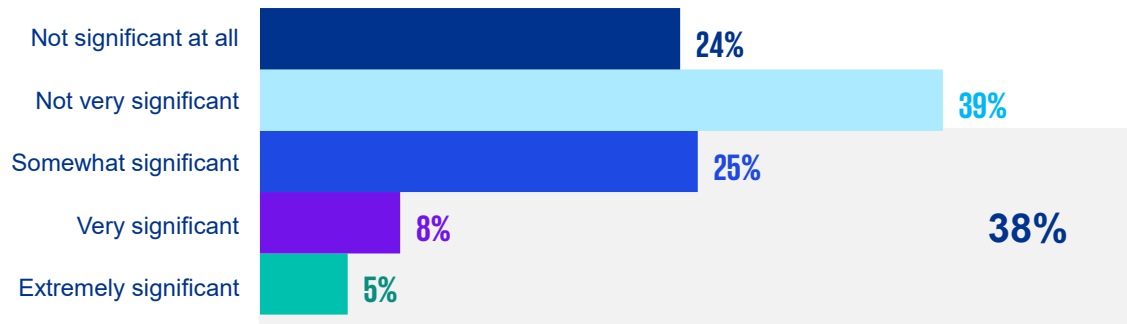
Growth prospects for the U.S. economy - Please indicate your level of optimism for each of the following over the next year.

People are increasingly using GenAI in their professional and personal lives, especially as a substitute for searches

GenAI impact on professional life



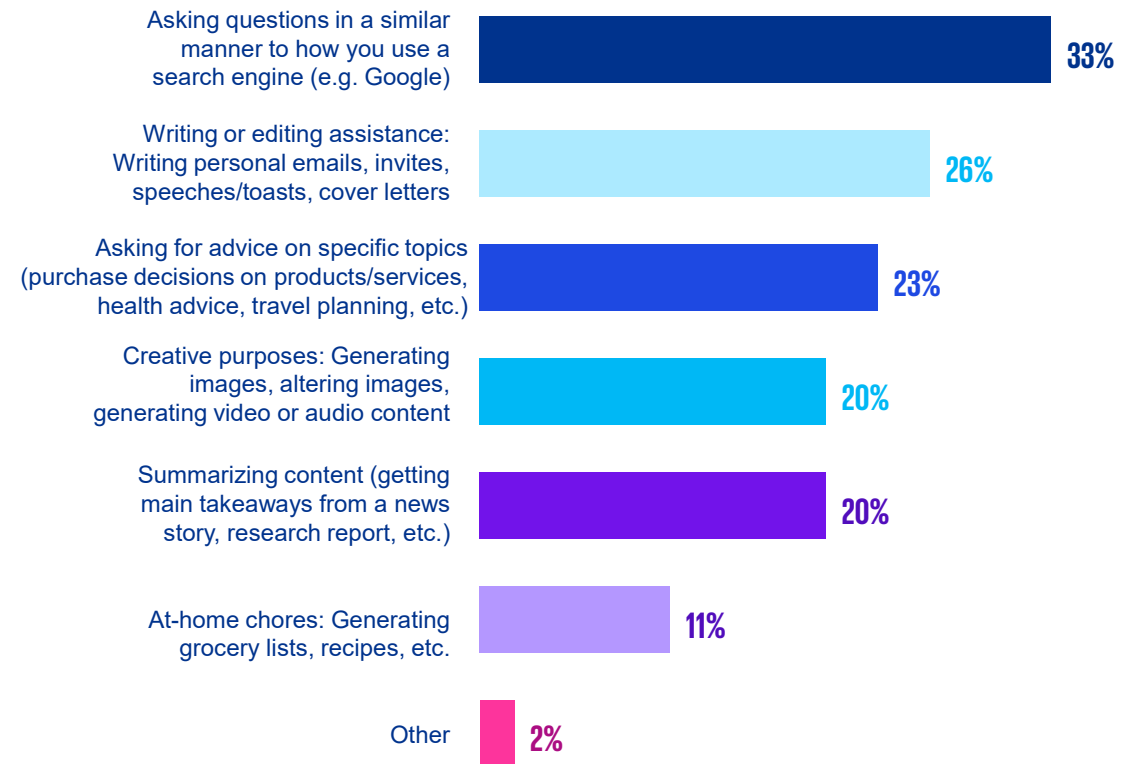
GenAI impact on personal life



In your professional life - How significant of an impact do you feel GenAI has on your day-to-day life right now?

In your personal life - How significant of an impact do you feel GenAI has on your day-to-day life right now?

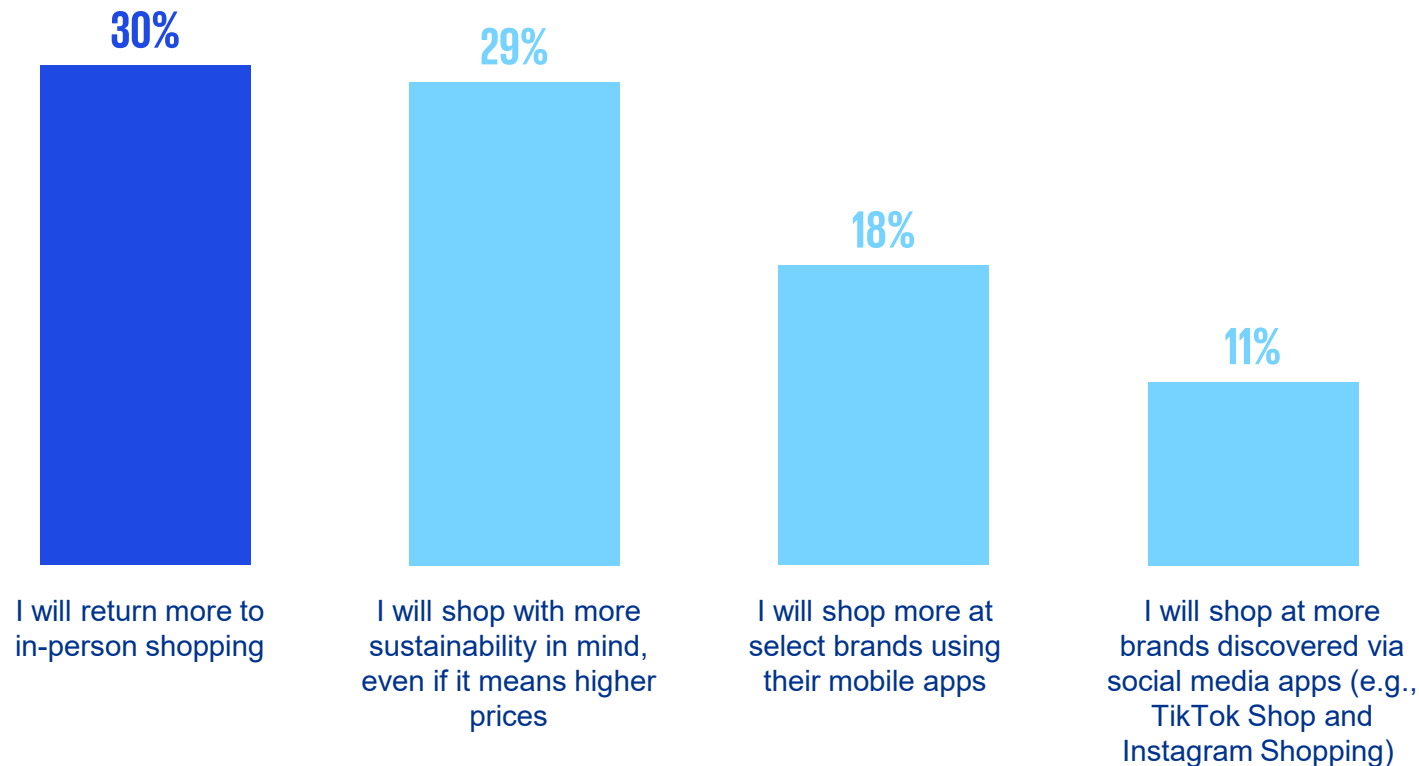
Most common personal uses of GenAI



Have you used GenAI for the following personal reasons?

People in the Bay Area plan to do more in-person shopping in the next year compared to other trends, while also hunting for more discounts

Percent of people adopting certain shopping trends this year



62%

expect to do more discount shopping

13%

will use more buy now, pay later services this year

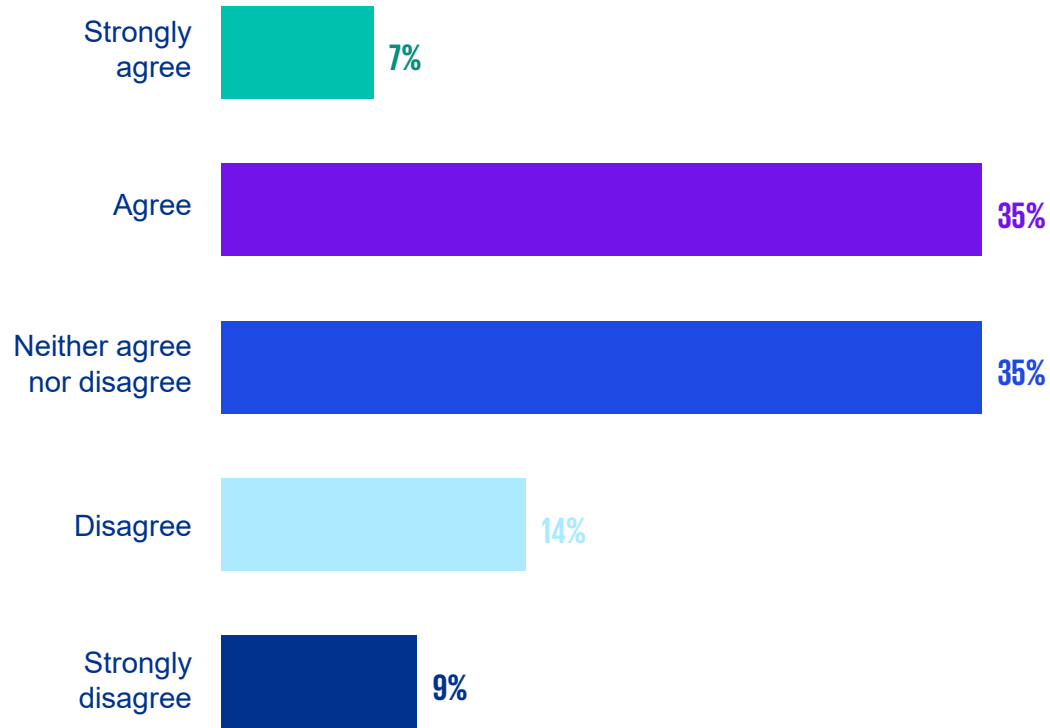
42%

of Gen Z and 31% of millennials will shop with sustainability in mind

Considering your shopping overall, what shopping trends apply to you this year?

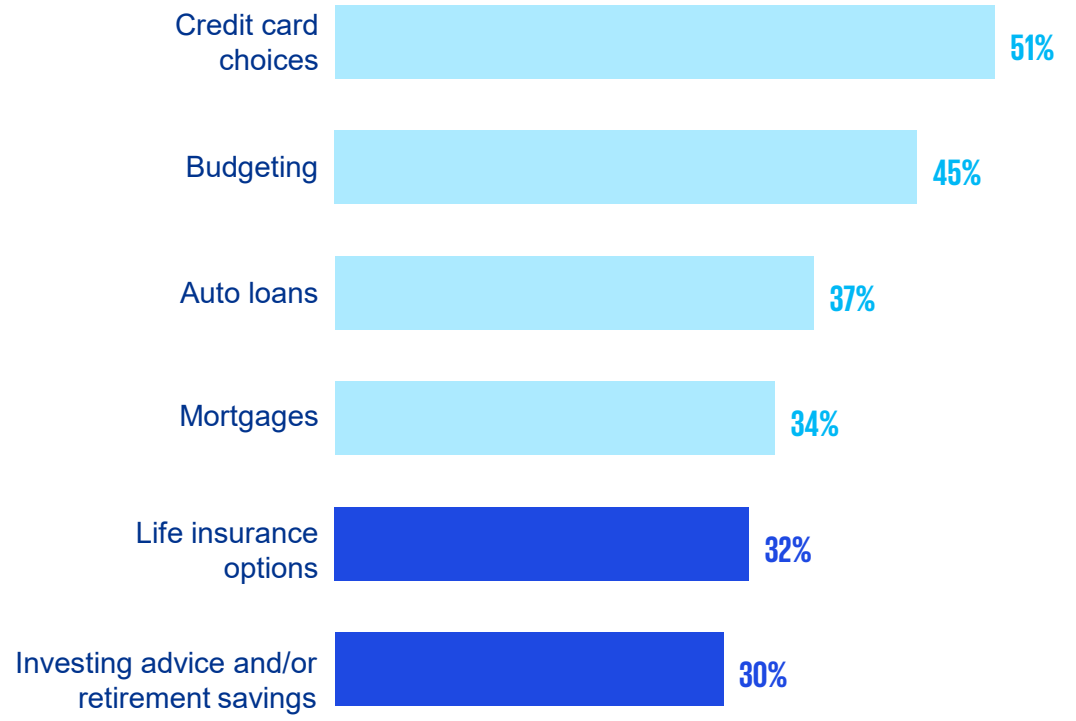
GenAI in financial services anticipated, but the human component is critical for investment advice

Expectations for banks to have a GenAI capability for banking decisions



To what extent do you agree/disagree with the following statement: I expect my bank to have a GenAI capability that allows me to quickly get info to make banking decisions (bank's current mortgage rates, auto loan info, CD rates...).

Percentage comfortable with GenAI advice in the following areas

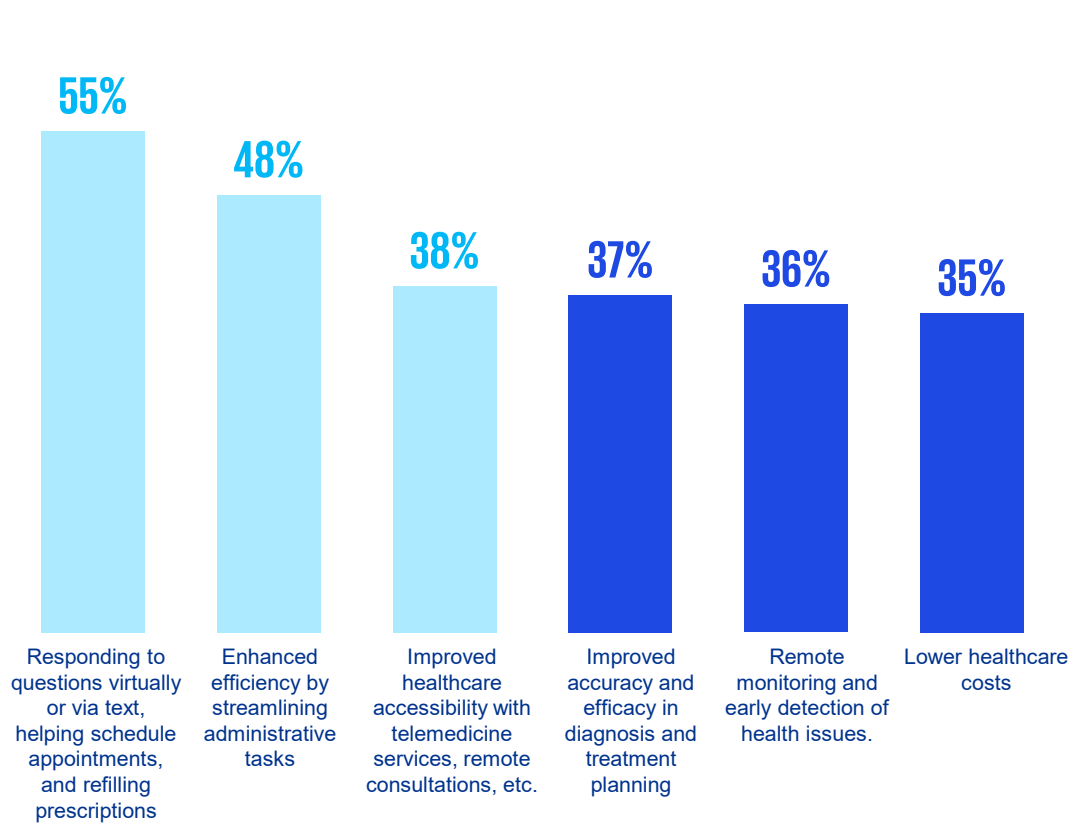


On a scale of 1 (not at all comfortable) to 5 (very comfortable), how comfortable would you be with GenAI-generated advice offered by your bank in each of the following areas.

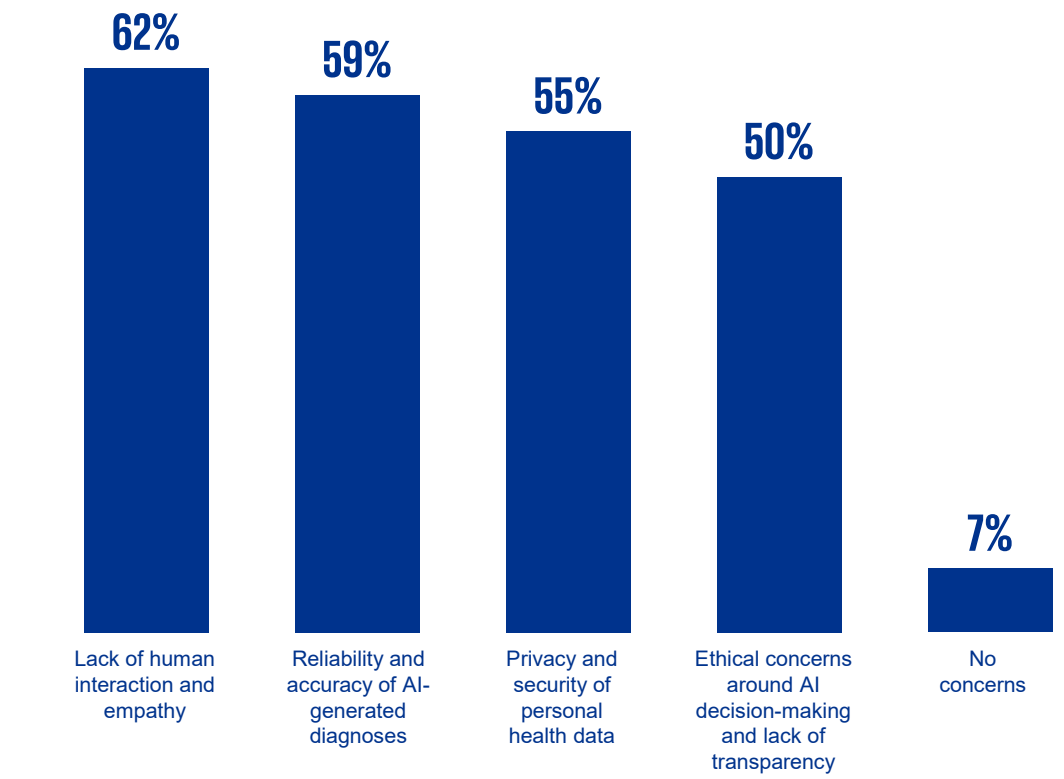
Chart includes those that selected 4 and 5.

In healthcare, people in the Bay Area believe GenAI will improve the accessibility and efficiency of their experiences, but concerns exist in some areas

Perceived Benefits of GenAI



Concerns about GenAI Usage



What do you perceive as the potential benefits of using GenAI in healthcare?

What concerns, if any, do you have about the use of GenAI in healthcare?

Government agencies have significant room to enhance their use of technology, especially GenAI, to meet people's expectations

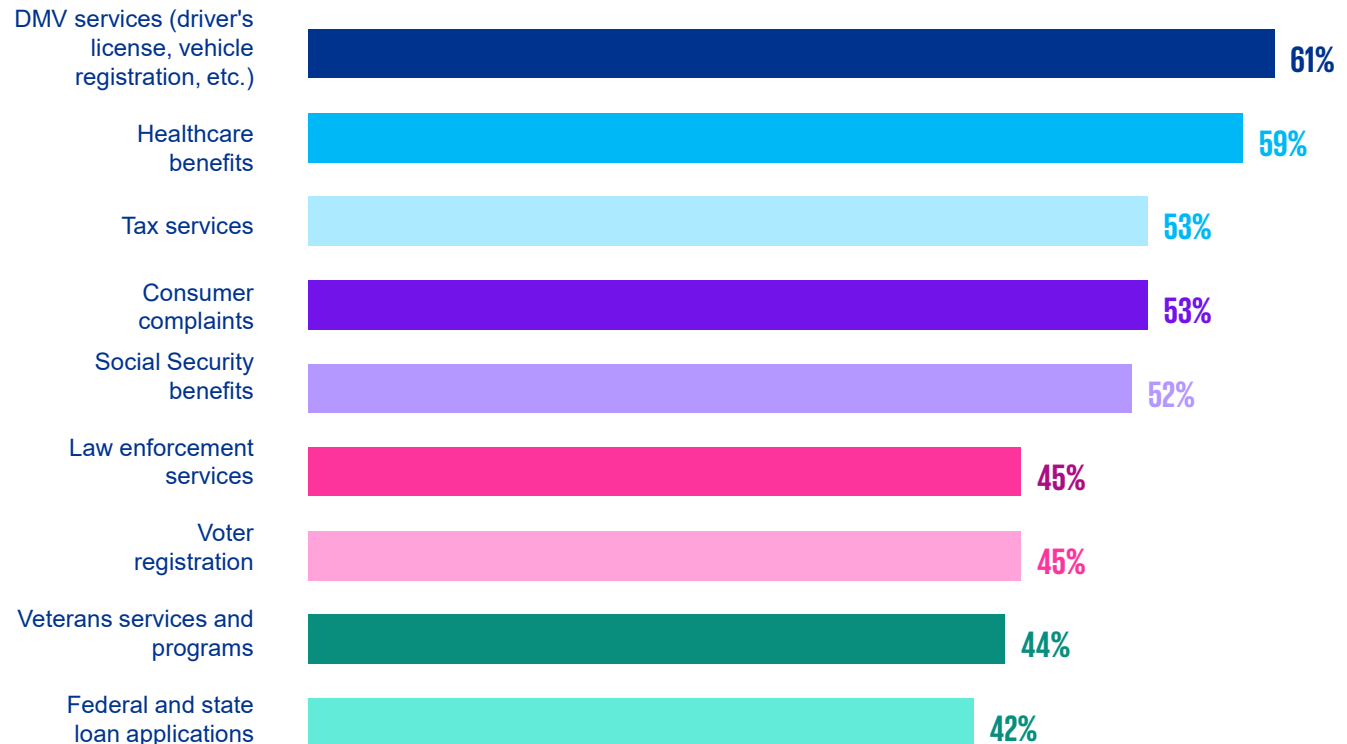
Only 23%

agree government agencies adequately use technology compared to 37% who disagree

52%

are more concerned about a cyber breach at a government agency than at a private sector company

Importance of government using GenAI in...



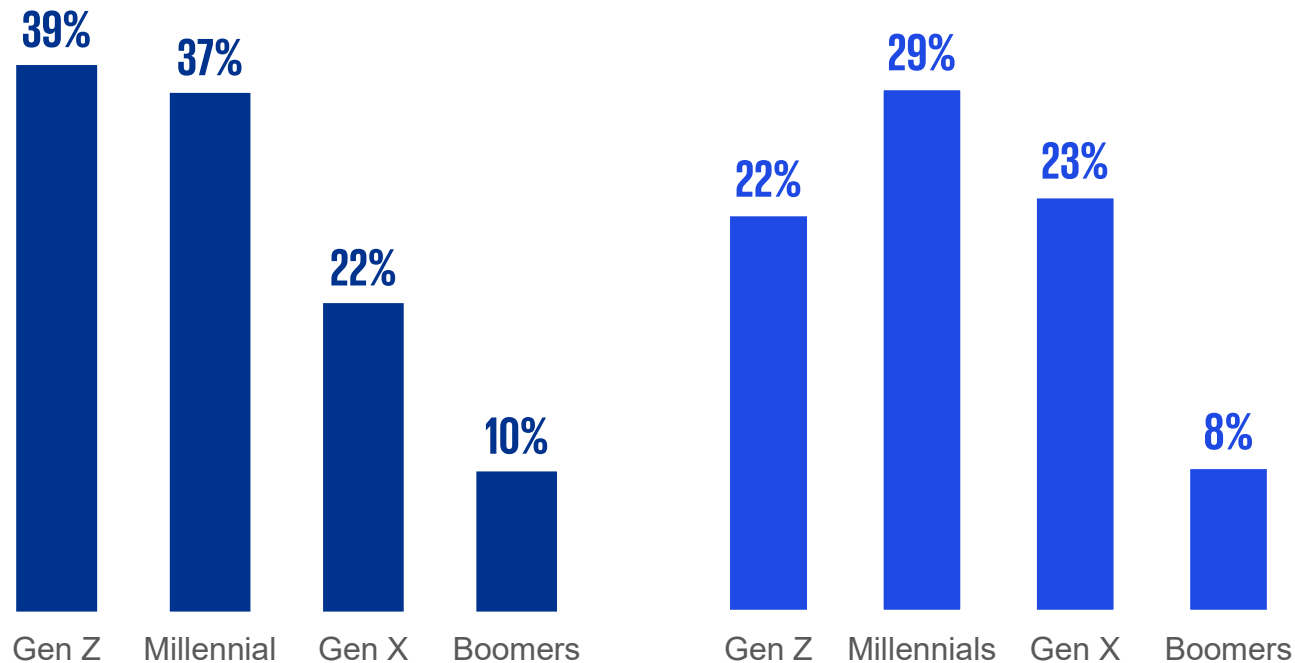
How important is it for the government to use GenAI for each of the below government services and programs if it improves your experience?
Total percentage of respondents saying important or very important.

People in San Francisco Bay have mixed views about banking alternatives and technology

Percentage of respondents who are considering or have already used alternative lending platforms, given high interest rate environment

National respondents

Bay Area respondents



44%

of people in the San Francisco Bay area would consider switching to a fully digital bank with comparable services, compared to 32% who would not

Only 27%

of people in the San Francisco Bay area find currently available chatbots helpful in addressing banking needs and questions

Given the high interest rate environment, I am considering or have used alt. lending platforms (peer-to-peer lending, microfinance inst...) to borrow money. To what extent do you agree/disagree with the following statements regarding your banking preferences.

Additional findings

- **While shoppers across all generations plan to do more discount shopping, generational differences exist.** Gen Z plans to do the most discount shopping (77%), followed by Gen X (67%), millennials (55%), and boomers (55%). More than half of Gen Z (53%) plan to do more in-person shopping.
- **When it comes to banking and GenAI, comfort levels vary among generations,** with 61% of Gen Z and 55% of millennials comfortable with GenAI budgeting advice from their bank, compared to just 46% of Gen X and 31% of boomers.
- **Nearly 40% of Bay Area residents believe GLP-1 weight loss medications are not important to them personally.** Among all others, 28% believe the drugs would improve their quality of life. 76% would not be willing to pay out of pocket for the drugs, and only 11% would pay higher insurance premiums for coverage.

Methodology

About the KPMG American Perspectives Survey

KPMG conducted an online survey of a representative sample of 1,100 U.S. adults, age 18+, similar to the 2020 U.S. Census Bureau demographics. In addition, the same survey was conducted of a representative sample of 400 U.S. adults, age 18+, in each of the Atlanta, Boston, Chicago, and New York City metro areas and the San Francisco Bay Area based on the 2022 American Community Survey demographics from the U.S. Census Bureau. The survey was conducted nationally and in the regional markets from April 9, 2024 to April 22, 2024.



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