

2022 MassMutual Consumer Spending & Saving Quarterly Index

Commissioned by Massachusetts Mutual Life Insurance Company (MassMutual), this research was conducted online by PSB from August 16-22, 2022 among a nationally representative sample of 1,000 U.S. adults (ages 18+) as well as an additional sample of 500 adult Massachusetts residents.

Inflation and recession continue to dominate Americans' financial concerns, with recession worries growing.

- 88% of Americans are concerned about inflation this quarter, compared to 87% last quarter.
- 80% of Americans are concerned about a recession, compared to 77% of Americans last quarter.

Most Americans already think the US is in a recession, with almost half believing the economy is getting worse. The consensus among respondents is that the US is currently in a recession or is about to enter one. Even among those who do not believe the US is currently in a recession, about half think there will be a recession in the next year. Most believe the American economy will get worse or stay the same in the next three months.

- 56% of Americans think the US is currently in a recession. Among those who do not believe so, 49% of Americans believe the US is likely to enter a recession in the next year.
- 42% of Americans think the American economy will get worse in the next three months, while 33% of Americans think it will stay the same.

Inflation is continuing to wreak havoc on American finances. Cost of living and inflation are expected to be the areas most negatively impacted by a recession, with inflation having the greatest impact on personal finances over the near future.

- 65% of Americans identified cost of living increases and inflation as the area that will be most negatively impacted by a recession.
- 49% of Americans said that inflation would have the greatest impact on their personal finances.

Americans' spending cutbacks will extend into the holiday season. The majority of Americans—especially those without college degrees—are already changing their spending habits in reaction to a potential recession. The most common change is cutting back on everyday spending like groceries and gas, but many also plan to cut back on seasonal spending for the holidays.

- 57% of Americans have changed their spending habits in reaction to a potential recession.
- 60% of Americans without college degrees have made changes to their spending, compared to only 53% of Americans with college degrees.
- Among those who have made changes to their spending, 67% of Americans have cut back on everyday spending.
- 38% of Americans plan to spend less this holiday season than they did last year. 38% of Americans plan to spend the same amount.

Yet, despite all these concerns surrounding inflation and recession, American optimism is resilient. Americans are feeling more optimistic about their financial outlook than they did in the previous quarter.

- 67% of Americans had an optimistic financial outlook in Q3, compared to only 61% in the second quarter.

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