2022 MassMutual Spending & Saving Quarterly Index

June 2022

The MassMutual Consumer Spending & Saving Index tracks financial outlooks and behaviors in a changing economic environment. It offers an in-depth snapshot of people's saving and spending behaviors and examines sentiment and attitudes toward navigating the financial impacts of the pandemic and the changing state of the economy with an emphasis on inflation, changes in interest rates and summer spending. Commissioned by MassMutual, the research was conducted online by PSB Insights from May 16-24, among a nationally representative sample of 1,000 U.S. adults (ages 18+) as well as additional samples of 500 U.S. LQBTQ+ adults, 500 U.S. BIPOC adults, and 500 adult Massachusetts residents.

Tracking Questions

Summary Insight: *Overall financial optimism has declined year-over-year, as many Americans continue to struggle with the rising costs of living expenses while their income remains flat.*

- On average, Americans have a less optimistic financial outlook than they did a year ago: 72% of Americans said their current financial outlook was optimistic in Q2 2021, compared to only 61% this quarter.
    - 61% of those in Massachusetts say they have an optimistic financial outlook, which is on par with the 63% who said the same in Q2 2021.
- The number of Americans who were not able to save in the last quarter has nearly tripled since last year, rising from 12% in Q2 2021 to 31% in Q2 2022.
    - Despite this, the number of Americans who had to dip into their savings in the last quarter has decreased from 45% to 36% over this same period, suggesting that Americans are reducing the amount they are saving, rather than dipping into their savings, to manage rising costs.
- 30% of Massachusetts residents say they have not been able to save any money over the last three months, up from just 13% in Q2 2021. Of those who haven't been able to save**,** 68% attribute it to the rising costs on everyday items while 37% say paying off other debt was a factor.
- Despite some news of increases in salaries, over half of Americans (58%) say their income has stayed the same through the pandemic, with 57% also saying they expect their finances to remain about the same through the next year, pointing to a continued struggle for many.
- Many Americans have exceeded their budgets in the last 3 months, particularly budgets for groceries (49%) and gas (43%), as inflation is hitting their wallets hard.
- Bills remain the top reason for Massachusetts residents to dip into savings (52% in Q2 2022 and in Q2 2021), versus just 42% for the general population.

Impact of Current Events

Summary Insight: *Inflation is by far the most important financial concern among Americans right now, driving a decrease in investment activity across many audience groups.*

- Over half of respondents (52%) said that inflation is their biggest concern when it comes to their day-to-day finances—more than five times the next highest item (recession) at 10%.
- 4 in 5 respondents (80%) have not changed their investment and savings strategy in the last quarter. Of those that have, about one third (34%) said they were investing less.

- Within the LGBTQ community 78% have *not* changed their savings and investment strategies while just 22% have changed their strategy in the last 3 months. Of those that have, men (40%) are significantly more likely to have begun investing more than women (12%).
- Nearly three out of four LGBTQ respondents (74%) that are investing less than before say it is largely due to having less money to put towards investments due to rising costs.
- Nearly twice as many Americans have increased their investments in cryptocurrency (27%) than have decreased their investment in cryptocurrency (15%) in the last 3 months. This is especially true for men, of which 37% have increased investment in cryptocurrency compared to just 15% of women.

<u>Summer Plans</u>

Summary Insight: *Rising fuel prices are top-of-mind for many Americans as they think about their summer plans.*

- On average, Americans plan to spend about $2,240 each month this summer. Of those that believe their spending will increase from last summer, the most common categories of new spending are gas (57%) and vacations (36%). Of those who believe their summer spending will decrease (14%), the most common categories for limiting spending are eating out (85%), travel (66%), and new clothes (64%).
- In determining whether to send their kids to camp this summer, inflation proved to be a significant factor with 68% of respondents indicating it impacted their decision.

<u>COVID Anniversary</u>

Summary Insight: *More than half of Americans remain actively concerned about the COVID-19 pandemic and as a result, it continues to have a negative impact on spending habits.*

- Overall, 60% are still somewhat or very concerned about COVID. This is slightly higher within the LGBTQ community at 69% and the BIPOC community at 76%.
- Some of the most developed habits across all audiences during the pandemic include reduced spending at restaurants, on travel and on entertainment.

<u>Inflation and Interest Rates</u>

Summary Insight: *Strong concerns regarding inflation are causing Americans to delay major purchases, curb spending, and develop a pessimistic outlook on the overall economy*.

- Inflation is the most important issue among Americans, with 86% of American adults saying they are "very" or "somewhat" concerned about inflation.
    - As a result, over half are delaying major purchases such as cars (42%) and major home repairs/improvements (38%).
- Overall, 61% say that the American economy will get worse in the next three months, with pessimism notably higher among older generations (69% Baby Boomers and 62% Gen X vs 51% Millennials and 40% Gen Z).
- In Massachusetts, 93% have noticed a rise in the price of groceries and 88% in the price of fuel for vehicles, slightly above the US general population for both.
- Those concerned about inflation are significantly more likely to have a pessimistic financial outlook than those not concerned (41% vs 25%). They were also significantly less likely to have exceeded their budget in the last 3 months (43% of those not concerned with inflation did not compared to just 26% who are concerned).
- Those not concerned with inflation are also significantly less likely to be concerned with recession, the stock market, political issues, or any other issue presented.
    - Massachusetts residents are more likely to be concerned about inflation.

- Those not concerned with inflation are also significantly less likely than those who are concerned with inflation to have developed the habits of lower spending on restaurants (20% vs 48%), lower spending on entertainment (16% vs 37%) and lower spending on travel (17% vs 38%). They are also significantly less likely to have noticed prices rising in any category.
- Those not concerned with inflation are significantly more likely to believe that the American economy will improve in the next 3 months (30% vs 13% concerned with inflation). Conversely, those concerned by inflation are much more likely to believe it will get worse (66% vs 30% not concerned with inflation).
- Both those concerned with inflation and those not concerned with inflation feel equally that today's financial tools meet their needs (57%).

LGBTQ and BIPOC Topics

Summary Insight: *Roughly two-thirds of LGBTQ and BIPOC respondents feel that the financial industry is helping address their specific concerns, though around half note that still more should be done by financial companies to help the BIPOC and LGBTQ communities.*

- Over half (52%) of LGBTQ Americans say today's tools meet their needs. However, LGBTQ men are significantly more likely to feel this way than LGBTQ women (66% vs 41%).
- 68% of LGBTQ respondents say that the financial industry has made strides in addressing their concerns about the LGBTQ community, but 52% say that more still needs to be done.
  - A full 70% of LGBTQ respondents also say it is important to them to work with financial institutions who support causes important to them and their community.
- 62% of BIPOC respondents agree that the financial industry has made strides in addressing their concerns about the BIPOC community, but 42% say that more needs to be done.
  - 7 in 10 BIPOC respondents also say it is important to them to work with financial institutions who support causes important to them and their community.
- Over a third (34%) of all Americans say it is somewhat or very important to purchase life insurance from/invest with an organization who supports certain causes and acknowledges certain events such as Pride Month and Juneteenth. However, this figure is much higher for BIPOC respondents (52%) and LGBTQ respondents (49%).

Additional Findings – US General Population

Tracking Questions

- 61% of Americans say they have an optimistic financial outlook.
  - College educated men are more likely to say they have an optimistic financial outlook than are non-college educated men (69% vs 56%)
  - Low-income men and women are more likely to have a pessimistic outlook than their higher income counterparts.
- Top spending priorities include healthcare (36%), home expenses (35%), and paying off credit card and other debt (31%).
  - Baby Boomers were more likely to call out travel as a top spending priority than younger generations (38% vs 20% for Gen Z, 17% for Millennials, and 20% for Gen X).
  - College educated respondents were more likely to identify travel as a top priority than non-college educated respondents.
- 29% of respondents expect their spending to increase over the next three months.
  - Younger generations are more likely to say their spending will increase than older generations.

- Among those who expect their spending to be higher, the most common cause cited is rising costs and inflation (62%).
- Among those who expect their spending to be lower, a plurality (40%) says their spending decreased due to concerns about the global economy.
- About half of respondents (49%) exceeded their budget for groceries, while over two-fifths (43%) exceeded their budget for gas.
    - Men were more likely than women to have exceeded their budget on home entertainment (12% vs 7%) and restaurants (22% vs 16%).
    - Younger generations were more likely to have exceeded their budget on clothing and social experiences than older generations.
- 54% of respondents saved under $500 last quarter. 31% of respondents were unable to save any money.
    - Non-college educated respondents were less likely to have saved money than college educated respondents.
- Among those who saved less than $500, the most cited reason was rising costs on everyday items (66%).
- Just under two-fifths of respondents (36%) had to dip into their savings last quarter.
    - Among those who dipped into savings, the most common causes were rising costs on everyday items (51%) and paying bills (42%)
- 30% of respondents plan to save more over the next three months.
- College educated respondents are more likely to say they plan to engage in lower risk investments than non-college educated respondents (39% of college educated men and 35% of college educated women vs 24% of non-college educated men and 26% of non-college educated women).
- Most respondents (58%) say that their income has stayed the same during the pandemic, with roughly the same number (57%) saying they expect their finances to stay about the same in the coming year.

Impact of Current Events

- 86% of respondents are very or somewhat concerned about the impact of inflation on their finances.
- 52% of respondents said that inflation is their biggest concern when it comes to their day-to-day finances—more than five times the next highest item (recession, with 10%). Inflation concerns are highest among Baby Boomers (60%).
- 80% of respondents have not changed their investment and savings strategy in the last quarter.
    - Of the 20% that have changed their investment and savings strategy, the most common change (with 34% of respondents) was investing less.

Summer Plans

- On average, respondents plan to spend about $2,240 each month this summer.
    - Almost three-fifths of respondents (58%) believe their summer spending will stay the same, while just over a quarter (28%) believe their summer spending will increase.
- Of those who believe their summer spending will increase, the most common categories of new spending are gas (57%) and vacations (36%).
- Of those who believe their summer spending will decrease, the most common categories for limiting spending are eating out (85%), travel (66%), and new clothes (64%).
- Just under two-fifths of respondents (39%) plan on traveling this summer.
    - College educated respondents are significantly more likely to have travel plans than non-college educated respondents.

    - Among the 45% who are not planning to travel, the most common reason for staying at home is that inflation has made travel too expensive (49%).
- About one quarter of respondents with children (27%) plan to send their kids to summer camp this year.
    - Millennial parents were much more likely to send their kids to camp than Gen X parents (35% vs 15%).
- 68% of respondents with children said that they somewhat or strongly agreed that inflation was a factor in deciding whether to send their kids to camp this summer.
    - Women were much more likely to disagree with this statement than men (36% vs 26%).
    - Of the parents who are not sending their kids to summer camp this year, 40% said it was too expensive due to inflation.

<u>COVID Anniversary</u>

- Three-fifths of respondents are very or somewhat concerned about the COVID pandemic.
- The most common financial habits developed during the pandemic are lower spending on restaurants (44%), lower spending on travel (35%), and lower spending on entertainment (34%).
- These are also the most common habits that people expect to keep post-pandemic (33%, 21%, and 27% respectively).
- The most common habits people have made permanent since the start of the pandemic are cooking more meals at home (41%) and spending more time with family (35%).
    - These habits are more common for women than for men (45% vs 35% and 39% vs 32%, respectively).

<u>Inflation and Interest Rates</u>

- 51% of respondents say they are delaying important purchases because prices are too high due to inflation.
    - Of those who are delaying purchases, 42% are delaying buying a car, while 38% are delaying major home repairs or improvements.
    - Millennials are more likely than older generations to be delaying buying a house or hosting large, expensive events like wedding receptions.
- Among the 34% who say they are not delaying major purchases, the most common reasons for not delaying purchases are that they expect prices to continue to climb (36%) or that the items are necessities they cannot avoid (31%).
- The most common areas for respondents to have noticed rising prices in are groceries (88%) and fuel for vehicles (84%).
    - Older generations are more likely than younger generations to say they have noticed rising prices in every category (except rent and housing costs, where there are no significant differences between generations).
- 45% of respondents say they will continue to spend money on healthcare related expenses regardless of inflation.
- Just over three-fifths of respondents (61%) say that the American economy will get worse in the next three months.
    - Younger generations are significantly more optimistic than older generations, with 40% of Gen Z and 22% of Millennials saying the economy will get better over the next three months compared to 13% of Gen X and 13% of Baby Boomers.
    - Likewise, older generations are much more pessimistic, with 69% of Baby Boomers and 62% of Gen X saying things will get worse (compared to 51% of Millennials and 40% of Gen Z).

LGBTQ and BIPOC Topics

- Women are significantly more likely than men to believe the financial industry has made strides in addressing the concerns of the LGBTQ community but that more still needs to be done (39% vs 31%) while men are more likely to say yes (unconditionally) that strides have been made (34% vs 26%). More than a third believe strides have not been made (35%).
- Women are significantly more likely than men to believe the financial industry has made strides in addressing the concerns of the BIPOC community but that more still needs to be done (40% vs 34%) while men are more likely to say yes (unconditionally) that strides have been made (35% vs 25%). More than a third believe strides have not been made (33%).
- 55% of Americans say it's important to them to work with financial institutions who support causes important to you and your community.
    - Baby Boomers are most likely to say it's not at all important (22% vs 15% Gen X, 11% Millennials and 6% Gen Z), as are men (22% for men vs 12% for women).
- 57% believe today's financial tools meet their needs.
    - Men are significantly more likely than women to say their needs are met (63% vs 53%).
    - Baby Boomers are significantly more likely than all younger generations to say their needs are met (67% vs 51% Gen X, 47% Millennials, 46% Gen Z).
    - Those that make less than $35,000 annually are significantly more likely than those who make over $50,000 annually to say their needs are met.
    - Men with a bachelor's degree or higher are significantly more likely than women with a bachelor's degree or those without a college education to say their needs are met (75% vs 63% of college educated women, 54% of non-college educated men and 47% of non-college educated women).
- Nearly half (47%) say the most meaningful type of commitment from financial organizations would be local community support and impact.
    - Baby Boomers cite this more than any other age group (59% vs 44% Gen X, 38% Millennials and 17% Gen Z). Gen Z however are significantly more likely to say support for BIPOC and/or LGBTQ employees is most meaningful than older generations (26% vs 11% Millennials and Gen X and 2% Baby Boomers).
- Over a third (34%) of Americans say it is somewhat or very important to purchase life insurance from/invest with an organization who supports certain causes and acknowledges certain events such as Pride Month and Juneteenth. However, this figure is much higher for BIPOC respondents (52%) and LGBTQ respondents (49%).

Additional Findings – Massachusetts Oversample

Tracking Questions

- Men are significantly more likely to have an optimistic financial outlook than women (71% vs 53%).
- Top spending priorities include paying off credit card and other debt (36%), healthcare (33%) and home expenses (32%). Baby Boomers were much more likely to cite travel as a top spending priority than all younger generations (42% vs 18% Gen Z, 24% Millennials, 29% Gen X).
    - Travel is also the top priority for those making $150,000-199,999 annually (61%) and those with a bachelor's degree or higher (41% vs 21% without a bachelor's degree).
- Exactly half expect their spending to change within the next 3 months, with women more likely to anticipate lower spending than men (28% vs 16%). Of those who expect their spending to be higher, 62% attribute it to inflation/rising costs.

- About half exceeded their budgets for groceries (52%) and gas (50%) over the last few months. Women are significantly more likely than men to have exceeded their budgets for groceries (57% vs 44%) and clothing (16% vs 8%) and Gen Z are more likely to have exceeded budgets for restaurants than all older generations (58% vs 30% Millennials, 19% Gen X and 18% Baby Boomers). Nearly a quarter of those with a college education—22%—exceeded their travel budgets compared to just 12% without a degree.
- 30% say they have not been able to save any money over the last three months, up from just 13% in Q2 2021.
    - Those with incomes below $50,000 were significantly more likely to say they have been unable to save at all compared to those with incomes above $75,000 who were significantly more likely to have been able to save upwards of $1,500.
    - 68% say rising costs on everyday items have kept them from saving while 37% say paying off other debt was a factor. One third of respondents attribute their lack of saving to living paycheck-to-paycheck, with women significantly more likely to cite this than men (39% vs 23%).
- Just over 4 in 10 have dipped into their savings in recent months (41%), slightly down from 45% in Q2 2021. Gen Z is most likely to have needed to dip into savings (58%) while Baby Boomers are least likely (37%). Of those that dipped into savings, over half did so because of bills (52%) and the rising costs on everyday items (51%).
- More than half (54%) have no plans to readjust their savings over the next 3 months.
    - Gen Z and Millennials are significantly more likely to plan to save more over the next 3 months than Gen X and Baby Boomers (64% Gen Z and 45% Millennials vs 31% Gen X and 19% Baby Boomers).
- Those with a college education are significantly more likely to engage in lower risk investment than those without a college degree (41% vs 27%) while those without a degree are much less likely to engage in high or low risk investment behavior (50% vs 30% of college educated said neither). Women are also much less likely to engage in any investing behaviors than men (49% vs 27%).
- The pandemic has had more of an adverse financial impact on women versus men in Massachusetts. Men are significantly less likely to have had their income impacted due to the pandemic, with 67% of men saying they weren't affected vs 56% of women.
- Gen Z (52%) and Millennials (37%) are significantly more likely to expect their finances to improve in the next year compared to Gen X (19%) and Baby Boomers (12%), likely driven by the hope for a rebound in earning power with younger audiences.

<u>Impact of Current Events</u>

- Over nine in ten Americans (91%) are very or somewhat concerned about inflation, and 79% are very/somewhat concerned about recession. Gen X (73%) and non-college educated (66%) are significantly more likely to be very concerned about inflation than their demographic cohorts.
    - 76% say inflation will have a negative impact on their personal finances, while 60% expect a negative impact due to a recession.
    - 48% cite inflation as their number one concern regarding their day-to-day finances and 43% also say inflation will have the biggest impact on their personal finances. Baby Boomers are much more likely to cite the stock market as their primary concern than all younger age groups (21% vs 0% Gen Z, 4% Millennials and 4% Gen X).
- Only 18% have changed their saving and investing strategy in the last few months. Of those that have, over one third are investing less (37%). This is especially true of men (49%) vs

women (27%). Of those investing less, over half (52%) say it is because the market is too volatile.

  - In the last 3 months, 39% have decreased investments in stocks while 33% have increased investment in 401Ks. Men are much more likely to have decreased investments in stocks (54%) compared to women (27%).

Summer Plans

- Average summer spending is $2,534 per month. Average spending is significantly higher for those with a college degree ($3,101 vs $ 1,971). More than twice as many Americans expect their spending to increase this summer than expect it to decrease (33% vs 15%).
  - Of those who expect their spending to increase, 57% say they will spend more on gas followed by Day Trips/Activities (39%) and Vacations (37%).
  - Of those who expect their spending to decrease, 79% say they will limit spending on eating out (which bodes poorly for the restaurant industry) followed by spending on travel (67%) and spending on new clothes (60%).
- Roughly half (48%) say they will travel this summer. Men and those with a college degree are significantly more likely to say they will travel than women and non-college educated (56% of men vs 42% of women and 60% of college educated vs 35% of non-college educated).
  - Of those not planning to travel, half attribute it to travel being too expensive due to inflation.
- About one third of those with kids will enroll their children in summer camp this year (34%). Those with a bachelor's degree are much more likely than those without one to say they will enroll their kids in summer camps (48% vs 20%).
  - Of those who will not send their children to summer camp, 36% say it is because their children are too old or too young and 33% say their children do not like camp and/or have never attended camp. Only 20% say camp is too expensive due to inflation.

COVID Anniversary

- Baby Boomers are most likely to have lowered spending on restaurants during the pandemic compared to all younger generations (56% vs 44% Gen X, 34% Millennials and 33% Gen Z). Women are significantly more likely than men to have lowered spending on travel (47% vs 38%).
  - About one quarter (26%) expect to continue spending less on entertainment and less at restaurants.
  - Those with a college degree are significantly more likely to say that their habits around saving money (retirement/emergency fund) haven't changed compared to those without a college degree (30% vs 20%).
- Gen Z and Millennials are significantly more likely than Gen X and Baby Boomers to have made a permanent habit of entertaining at home more during the pandemic (39% and 31% vs 17% and 14%). Women are also significantly more likely than men to have made a habit of spending more time catching up with friends (21% vs 13%), focusing on personal physical health/wellness (38% vs 23%), and cooking more meals (50% vs 40%).

Inflation and Interest Rates

- Roughly half (49%) of respondents say they are delaying important purchases due to prices being too high.

- Among those delaying purchases, the most common purchases delayed are cars (48%), major home repairs/improvements (37%), and major electronic purchases (32%).
    - Among those who are not delaying purchases, the most cited reasons are that they are necessities they can't avoid (40%) or that they expect prices to continue to climb (32%).
- 93% have noticed a rise in the price of groceries and 88% in the price of fuel for vehicles.

<u>LGBTQ and BIPOC Topics</u>

- 66% of respondents say the financial industry has made strides in addressing the concerns of the LGBTQ community, though 39% say that there is still work to be done.
- 65% of respondents say that the financial industry has made strides in addressing the concerns of the BIPOC community, though 37% say that there is still work to be done.
- 63% of respondents say that it is somewhat or very important for them to work with financial institutions who support causes important to them and their communities.
- 55% of respondents say that today's financial tools meet their needs.
    - Men are more likely than women to say that today's financial tools meet their needs (68% vs 45%).
    - College educated respondents are more likely than their non-college educated peers to say that today's tools meet their needs (62% vs 47%).
- Only 38% of respondents say that it is "somewhat" or "very" important to them to purchase life insurance or invest with organizations that support events like Juneteenth or Pride Month.

Additional Findings – LGBTQ Oversample

<u>Tracking Questions</u>

- Men are significantly more likely to have an optimistic financial outlook than women (68% vs 47%). Those with annual household incomes of less than $50,000 were also significantly more likely to have a pessimistic outlook than those with incomes of or greater than $50,000.
- Top spending priorities include paying off credit card and other debt (43%), healthcare (32%) and home expenses (31%). Baby Boomers were much more likely to cite travel as a top spending priority than all younger generations (31% vs 12% Gen Z, 14% Millennials, 20% Gen X).
- Nearly half expect their spending to remain the same over the next 3 months (47%). Of those that believe their spending will increase, nearly two thirds (63%) attribute the increase to inflation and rising costs.
- More than half (52%) say they exceeded their grocery budget in the last 3 months followed by gas and fuel (46%). Gen Z is significantly more likely to have exceeded their budget for home entertainment (29%) compared to Millennials (12%), Gen X (9%), and Baby Boomers (7%). Nearly one quarter did not exceed their budget in any category.
- Nearly 40% say they have been unable to save any money in the last 3 months, with women significantly more likely to have not saved than men.
    - Those with incomes below $75,000 were significantly more likely to say they have been unable to save at all compared to those with incomes above $75,000 who were significantly more likely to have been able to save more than $1,500.
    - Two thirds say rising costs on everyday items have kept them from saving and 49% say they live paycheck-to-paycheck.
- Over a third have dipped into savings in the last few months, with about half doing so because of bills (54%) and the rising cost of everyday items (50%).

- Those with an annual household income of less than $25,000 – as well as Baby Boomers – are significantly less likely to engage in both lower and higher risk investment behavior than those in other income ranges and generational groups (67% and 52% respectively said they would do "neither") given their need for stability.
- Just over half (55%) expect their finances to stay the same next year.
    - Gen X is significantly more likely to anticipate their finances to worsen over the next year (27%) compared with Gen Z (6%), Millennials (14%), and Baby Boomers (18%).

Impact of Current Events

- Respondents are significantly more likely to be very/somewhat concerned about the impact of inflation on their day-to-day finances (88%) than about any other issue (including COVID-19, Recession, Political issues, Increasing interest rates, etc.). 51% say inflation is their top concern and 75% say inflation will have a negative impact on their day-to-day finances.
- Just under a quarter (22%) have changed their savings and investing habits in the last 3 months. Of those that have, men (40%) are significantly more likely to have begun investing more than women (12%). Those that are investing less say it is largely due to having less money to put towards investments due to rising costs (74%).

Summer Plans

- Average monthly summer spending is $1,920, with men spending significantly more than women on average ($2,136 vs $1,756).
    - Of those that say their summer spending will increase this year, 59% say they will spend money on gas.
    - Of those that say their summer spending will decrease this year, most say they will limit their spending on eating out (80%), travel (69%), new clothes (65%) and day trips/activities (64%). Women are significantly more likely to be limiting spending on eating out compared to men (90% vs 67%).
- Only 37% say they will travel this summer. Of those who will not, nearly half say they will not travel due to inflation (49%).
    - Those with an annual household income of less than $75,000 as well as Baby Boomers are significantly more likely to have *no* plans to travel this summer than those in higher income ranges and different generational groups (45-60% under $75,000 vs 28-37% over $75,000 and 56% Baby Boomers vs 43% Gen X, 42% Millennials and 32% Gen Z).
- 64% of those with kids say they will not send their children to camp this summer. Roughly one third say they will not because it is too expensive due to inflation (34%) and safety concerns around the ongoing COVID pandemic (33%).

COVID Anniversary

- 45% say they lowered spending on restaurants during COVID-19. Gen Z (26%) and Millennials (27%) are more likely than Gen X (10%) and Baby Boomers (4%), and women (16%) are more likely than men (8%), to be delaying payment on debts because of the pandemic. Women are also more likely to have higher spending than men on delivery services during the pandemic (31% vs 18%).
- The financial habit that respondents most expect to maintain after the pandemic is lower spending on restaurants (34%), followed by entertainment (26%) and travel (26%). This is highest among Baby Boomers for both travel and entertainment.
- Since the start of the pandemic, some common lifestyle habits that have been made permanent include cooking more meals (47%), focusing on personal physical health/wellness (34%) and spending more time with family (32%).

    - Women are significantly more likely to have started and made permanent:
        - Spending more time with family (39% vs 22% of men)
        - Entertaining at home (21% vs 14% of men)
        - Pursuing a personal hobby (30% vs 18% of men)
        - Establishing more boundaries between work and personal life (21% vs 14% of men)
        - Practicing activities to improve emotional health/wellness (32% vs 22% of men)

Inflation and Interest Rates

- More than half are delaying important purchases because prices are too high (54%) and those without a bachelor's degree are significantly more likely to be delaying major purchases (58% vs 48% with a bachelor's degree).
    - Those delaying purchases are primarily waiting to purchase major home repairs/improvements (42%) and cars (39%).
    - Women are much more likely to delay the purchase of a house compared to men (28% vs 17%) while men are more likely to delay major electronic purchases (40% vs 26%).
    - Many of those *not* delaying major purchases say it's because those items are necessities they can't avoid (34%) or because they expect prices to continue to climb (31%).
- 90% have noticed an increase in the price of groceries followed by 85% for price of fuel. More than half have noticed increases in the cost of home supplies, energy utilities, and rent/housing costs.
    - Those with a bachelor's degree are more likely to have noticed climbing travel prices (53% vs 39% without a degree) and women are more likely than men to have noticed a rise in housing costs (54% vs 45%).
- Regardless of inflation over the next year or two, nearly half (47%) will spend money on healthcare related expenses. This is especially true for those with a bachelor's degree (60%) compared to those without (38%).
- Due to rising interest rates, nearly half are delaying large purchases since borrowing money will become more expensive (47%). 39% are delaying car purchases while 35% are delaying major home improvements/repairs.
- 58% say they believe the US economy will get worse in the next few months. Nearly half (49%) attribute the change to inflation.
    - Men are significantly more likely than women to say it will improve (21% vs 13%) and Baby Boomers are most likely to say it will stay the same (33% vs 12% Gen Z, 23% Millennials and 17% Gen X).

LGBTQ and BIPOC Topics

- More than half (52%) feel that the financial industry has made strides in addressing the concerns of the LGBTQ community but that more needs to be done while only 16% overall say that, unequivocally, strides have been made.
    - Those with a bachelor's degree or higher are more likely to say strides have not been made (36%) than those without a degree (28%).
- Nearly half (47%) feel that the financial industry has made strides in addressing the concerns of the BIPOC community but that more needs to be done.
    - Only 18% overall say fully yes, strides have been made.

- A full 70% say it is important to them to work with financial institutions who support causes important to them and their community. Those with a bachelor's degree are significantly more likely to say it is very important (39% vs 28% without a bachelor's degree).
- Men are significantly more likely to say that today's financial tools meet their needs than women (66% vs 41%). The same is true for those with a bachelor's degree (64% vs 43% of those without) and Baby Boomers (61% vs 26% Gen Z, 42% Millennials, 49% Gen X).
- Nearly one third (31%) say financial organizations committing to local community support and impact is the most meaningful kind of commitment.
    - Support for BIPOC and/or LGBTQ employees ranked second, with 28% citing it as the most meaningful form of commitment.
- Nearly half (49%) said it was somewhat or very important to them to purchase life insurance from/invest with an organization who supports certain causes and acknowledges certain events (such as Pride Month and Juneteenth).

Additional Findings – BIPOC Oversample

Tracking Questions

- Baby Boomers are more likely than other generations to have an optimistic financial outlook (77% of Boomers vs 62% of Gen X and 63% of Millennials).
- Those making less than $25,000 were the most likely to have a pessimistic financial outlook.
- Top spending priorities vary by generations:
    - For Gen Z, shopping is the top spending priority (49%), followed by home expenses (32%) and paying off credit card debt (22%).
    - For Millennials, the top priority is paying off credit card debt (42%), followed by shopping (36%) and family expenses (35%).
    - For Gen X, the top priority is paying off credit card debt (43%), followed by healthcare (31%) and shopping (31%)
    - For Baby Boomers, the highest priority is paying off credit card debt (50%), followed by healthcare (43%) and supporting family members and loved ones (32%).
- Men are more likely than women to believe their spending will increase in the next three months (34% vs 24%).
- Gen Z and Millennials are more likely than Boomers to think their spending will increase in the next three months (46% and 31% vs 21%)
- Lower income households ($50,000 and below) are more likely to believe their spending will decrease than higher income households.
- Over half of respondents exceeded their budgets in groceries (57%), with another 46% exceeding their budgets in gas, two categories where prices have increased sharply in the last quarter. Only 17% of respondents did not exceed their budget last quarter.
- 32% of respondents were unable to save anything in the last quarter, and 57% of respondents saved under $500.
    - Respondents with less than a Bachelor's degree were much less likely to have saved money in the last quarter than those with at least a Bachelor's degree (42% vs 17%).
- The top three causes contributing to savings of less than $500 were rising costs on everyday items (65%), paying off debts (40%), and living paycheck to paycheck (38%)
- Over half of respondents (58%) said they had not dipped into their savings last quarter.
    - Of the 42% who had dipped into their savings, 17% took out less than $1,000, while 25% took out more than $1,000.
    - For those who dipped into savings, the most common causes were bills (57%) and rising costs on everyday items (50%)

- Almost half of respondents (48%) say they plan to save more next quarter, while another 39% say they do not plan to increase or decrease their savings. Gen Z (70%) and Millennials (61%) are more likely than Gen X (41%) and Baby Boomers (41%) to save more.
- The overwhelming majority of respondents expect their finances to improve (44%) or stay the same (42%) in the coming year.
    - Gen Z and Millennials were much more likely than older generations to think their finances would improve (76% Gen Z and 55% Millennials vs 33% Gen X and 41% Baby Boomers), while Gen X and Baby Boomers were more likely than younger generations to think their finances would stay the same.

Impact of Current Events

- Inflation is top-of-mind for BIPOC in the United States. 43% of respondents said inflation is their greatest concern when it comes to their day-to-day finances—a share over three times larger than the next largest issue, COVID-19 (13%).
    - Women are more likely than men to be very concerned about inflation and interest rate increases.
- 71% of respondents have not changed their investment strategy in the last quarter.
    - Of the 29% who changed their investment strategy, the most common areas of increased investment were 401Ks (32%) and stocks (30%)—though stocks also had many respondents *decreasing* their investments (28%). The least common area for increased investments was bonds (17%).

Summer Plans

- On average, respondents planned to spend about $3,150 each month this summer. Men planned to spend more than women ($4,670 vs $2,015).
- Most respondents thought their summer spending would increase (35%) or stay the same (46%) relative to last summer.
    - Of those who thought their spending would increase, the most common areas of increased spending were gas (59%), day trips and activities (35%), eating out (35%), and vacations (35%).
    - Of those who thought their spending would decrease, the most common plans to reduce spending were limiting spending on eating out (75%), new clothes (67%), and travel (51%).
- 44% of respondents plan on traveling this summer.
    - Baby Boomers are the generation that is least likely to have plans to travel this summer: half of Boomers say they have no plans to travel.
    - The most common reasons cited among those not planning to travel are that travel is too expensive due to inflation (48%) and safety concerns regarding COVID (38%).
        - Over half (52%) of Boomers who do not plan to travel say it is because of safety concerns surrounding COVID.
- Among Millennials, there is a relatively even split between those who do plan to enroll their kids in summer camp (40%) and those who do not (45%).
    - 69% of Millennials "somewhat" or "strongly" agreed that inflation was a factor in deciding whether to send their kids to summer camp.

COVID Anniversary

- Just over three quarters of respondents (76%) say they are somewhat or very concerned about the COVID pandemic.

- The most common financial habits adopted during the pandemic are lower spending on restaurants (43%), lower spending on entertainment (37%), and lower spending on travel (33%).
    - Older generations were more likely to make cuts on restaurants and entertainment than younger generations
    - Younger generations were more likely to have increased their spending on delivery and streaming services than older generations.
- The most common financial habits respondents expect to maintain post-pandemic are lower spending on restaurants (31%), saving money (28%), and lower spending on entertainment (23%).
    - Older generations are more likely to say they will continue to spend less money on restaurants and entertainment than younger generations.
    - Gen Z are more likely than any other generation to say they will continue saving money.
- The most common lifestyle changes made during the pandemic are cooking more meals (51%), spending more time with family (41%), and focusing more on personal health and wellness (39%).
    - The three younger generations are more likely to have started entertaining at home than Baby Boomers.
    - Baby Boomers are more likely to have started focusing on their health and wellness (50%) than Millennials (32%) and Gen X (37%).

Inflation and Interest Rates

- 59% of respondents say they are delaying important purchases because of inflation.
    - The most common delayed purchases are cars (46%), electronics (36%), and home repairs (30%).
    - Among those who are not delaying purchases, the most cited reasons are that they are necessities they cannot avoid (38%) and that they expect prices to continue to rise (29%).
- 86% of respondents say they have noticed rising grocery prices, including 97% of Baby Boomers.
- 51% of Gen Z say they will buy a car in the next year or two regardless of inflation—more than any other generation.
- Gen Z (49%) and Millennials (33%) are more likely to expect to save more due to rising interest rates than Gen X (18%) and Baby Boomers (18%).
- 54% of respondents say they are delaying large purchases due to rising interest rates.
    - Among those delaying purchases, the most common delayed purchases were cars (51%) and major home repairs/improvements (34%).
- Over half of respondents (51%) think that the American economy will get worse in the next three months.

LGBTQ and BIPOC Topics

- 66% of respondents say that the financial industry has made strides in addressing the concerns of the LGBTQ community, though 39% say that more needs to be done.
    - People without a college degree are more likely to say that the financial industry has not made progress in addressing LGBTQ concerns (38% vs 28%).
- 62% of BIPOC respondents say that the financial industry has made strides in addressing their concerns about the BIPOC community, but 42% say that more still needs to be done.
- 70% of BIPOC respondents say that it is very or somewhat important to work with a financial institution that supports causes that are important to their community.

- 48% of respondents say that today's financial tools meet their needs while only 27% say they don't. Men and those with a college education are significantly more likely to feel their needs are met than women and non-college educated respondents respectfully (57% of men and 42% of women and 59% college educated vs 40% non-college educated).
- The forms of financial organization commitment cited as most meaningful were local community support and impact (35%) and providing public support for issues important to them (30%).
- Gen Z and Millennials were more likely than Gen X and Baby Boomers to say that support for BIPOC and/or LGBTQ employees is the most meaningful form of commitment from financial organizations.
- Over half of respondents (52%) said it was very or somewhat important for them to purchase life insurance or invest with an organization who supports LGBTQ and BIPOC-related causes and events (Pride Month, Juneteenth).