

Q1 2024 MassMutual Consumer Spending & Saving Index

Commissioned by [MassMutual](#), this research was conducted online by PSB Insights from February 8 to 20, 2024 among a nationally representative sample of 1,000 U.S. adults (ages 18+) as well as an additional sample of 500 adult Massachusetts residents from February 8 to 26, 2024.

CURRENT ECONOMIC OUTLOOK

Americans entered 2024 with less concerns over their day-to-day finances, though optimism differs across generations.

- Americans are less concerned about the impact of most issues on their day-to-day finances, such as inflation (84% Q1 2024 vs 89% Q4 2023) and global economic issues (72% Q1 2024 vs 80% Q4 2023) than they were in the previous quarter.
- 25% are feeling more optimistic about their personal finances, up from 19% in the previous quarter. This change is led by Baby Boomers (27% Q1 2024 vs 16% Q4 2023) and the Silent Generation (34% Q1 2024 vs 16% Q4 2023) feeling more optimistic. Gen Z, however, sees a rise in stress about their personal finances from last quarter (43% Q1 2024 vs 31% Q4 2023).
- 50% are optimistic about their financial outlook in Q1 2024, up from 42% in the previous quarter. This increase in optimism is led primarily by Gen X (52% Q1 2024 vs 40% Q4 2023) and Baby Boomers (56% Q1 2024 vs 43% Q4 2023). Gen Z is again the outlier, expressing less optimism about their financial outlook in Q1 2024 compared to the previous quarter (37% Q1 2024 vs 54% Q4 2023).

Recession fears are subsiding with fewer Americans concerned about the impact of a recession, and fewer believing we are in or headed towards one.

- Concern over a recession impacting day-to-day finances falls to 68%, down significantly from 82% in the previous quarter. More people also believe the U.S. is not currently in a recession compared to last quarter (38% Q1 2024 vs 29% Q4 2023).
- Among those who do not think the U.S. is currently in a recession, less are likely to think we are headed towards a recession in 2025 compared to those who felt like we were headed towards a recession in 2024 (37% Q1 2024 vs 52% Q1 2023).

Americans continue to believe that inflation will have the greatest impact on their personal finances, with more noticing an increase in grocery prices compared to the previous quarter, and more adopting a conservative approach to their retirement savings.

- Compared to other issues, 37% still think inflation will have the greatest impact on their personal finances.
- 62% are keeping their retirement contributions the same, up significantly from 53% the previous quarter. Only 18% say they will increase their retirement contributions in Q1 2024, down from 24% the previous quarter.
- More people have noticed rising prices in groceries (91% Q1 2024 vs 85% Q4 2023) compared to the previous quarter.
- 55% are delaying important purchases because prices are too high due to inflation, down significantly from 60% last quarter.

U.S. PRESIDENTIAL ELECTION

As the 2024 U.S. presidential election nears, Americans' concerns over how the outcome will affect personal finances remains high, though Gen Z is less concerned about the outcome compared to the last quarter.

- 74% are concerned how the outcome of the election will impact their long-term personal finances, relatively unchanged from 75% last quarter. 62% of Gen Z is 'somewhat or 'very' concerned about the outcome, down significantly from 76% in Q4 2023.
- An increasing number say their feelings on their personal finances will not affect who they will vote for, up to 35% in Q1 2024 from 27% in the previous quarter. This change is led by more Gen Z (32% Q1 2024 vs 13% Q4 2023) and Gen X (36% Q1 2024 vs 21% Q4 2023) stating their feelings on their personal finances will not impact who they decide to vote for.

LOOKING AHEAD TO SUMMER 2024

Parents are forgoing their own summer fun to afford their children's summer activities, in line with a near majority of parents needing to adjust their upcoming travel plans due to financial concerns.

- 68% of parents 'probably' or 'definitely' will hold off on their own summer plans to pay for their children's summer activities, with mothers (42%) are more likely to say they 'definitely will' hold off on their own fun compared to fathers (31%).
- 45% of parents have had to adjust their upcoming travel plans due to financial concerns, with half (50%) of those adjusting their plans opting to cancel their trip altogether.
- 41% of parents find cost to be a major factor when deciding on summer activities for their children.
- Only 22% of parents are contributing to a DCFSA plan that can help them save money towards their children's summer activities.

COSTS OF PARENTING

Most parents are contributing to retirement plans and far fewer are contributing to 529 plans.

- 80% of non-retired parents are making contributions to a retirement plan and 63% of those making contributions are contributing at least the minimum amount matched by an employer.
- 28% of parents are contributing to a 529 plan to help save for a child's college expenses.

Mothers who handle their family's day-to-day finances, often at the expense of their own self-care, are less likely to feel very appreciated compared to fathers who handle their family's day-to-day finances.

- 57% of mothers feel like they handle all or most of their family's day-to-day finances, while 60% of fathers say same. 33% of mothers say they handle some of their family's day-to-day finances.
- 42% of mothers who have a role in handing family day-to-day finances say they feel 'very appreciated' for doing so, which is lower than the 54% of fathers handling day-to-day finances saying the same.
- 56% of mothers say they "usually" postpone self-care in order to address their family's financial priorities, compared to 31% of fathers who say the same.

SUBSCRIPTION SPENDING

Older generations are more in tune with how much they are spending on subscriptions, and younger generations are spending more on subscriptions without necessarily keeping track of what they are subscribed to.

- 71% have at least a general idea on how much they spend on subscription services every month. 40% know exactly what they are spending. This is led by nearly half of Gen X (47%) and Baby Boomers (48%) knowing exactly how much they spend. However, fewer Gen Z (19%), Millennials (37%) and Silent Generation (34%) know exactly how much they are spending on subscription services every month.
- Millennials (41%) are more likely to spend \$100 or more on subscription services per month, more than Gen Z (30%) and Baby Boomers (22%).
- 18% with monthly subscriptions are spending money on subscription services they have not used in a while. This scales up and down with age, as more Gen Z (26%) and Millennials (27%) with monthly subscriptions are spending money on subscription services they haven't used in a while compared to Gen X (16%), Baby Boomers (9%) and The Silent Generation (5%).
- 53% with monthly subscriptions save up to \$50 when cancelling subscription services they were no longer using. Baby Boomers (34%) and The Silent Generation (38%) with subscription services are more likely to have never canceled a service before compared to Gen Z (11%), Millennials (9%), and Gen X (18%).

2024 FINANCIAL RESOLUTIONS

While many Americans did not execute on their plans for a financial resolution for 2024, those who did are likely taking steps towards following through with their resolution.

- While 41% reported they planned to make a financial resolution for 2024, only 29% ended up making such a resolution. These gaps largely stem from Gen Z (46% Q1 2024 vs 67% Q4 2023), Millennials (41% Q1 2024 vs 52% Q4 2023) and Gen X (27% Q1 2024 vs 48% Q4 2023) not following through on their plans to make a resolution for 2024.
- 68% who made a financial resolution for 2024 have taken steps towards their resolution, while 28% have not taken steps yet but are planning to. Gen Z (49%) is less likely to have taken steps towards their 2024 financial resolution compared to Millennials (72%), Gen X (69%) and Baby Boomers (78%).