

Q3 2023 MassMutual Consumer Spending & Saving Index U.S. Oversample

Commissioned by Massachusetts Mutual Life Insurance Company ([MassMutual](#)), this research was conducted online by PSB Insights from August 5- 21, 2023, 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 August 5-28, 2023.

Current Economic Outlook

Americans continue to worry about the impact recent and looming changes in the financial world will have on their day-to-day finances – particularly inflation. However, Americans have become slightly less concerned about the recession, bringing it level with other issues like the American political climate and the 2024 Presidential Elections.

- Consistent with the previous quarter, inflation (87%) remains the topic Americans are most concerned about having an impact on their day-to-day finances.
- Americans are slightly less concerned about a recession than they were last quarter (77% Q3 2023 vs 81% Q2 2023). Recession concern falls into a clear second tier of concerns that also includes the fall American political climate, for which concern is comparable to last quarter (78% Q3 2023 vs 76% Q2 2023).
- 75% of Americans are concerned how the 2024 Presidential Election will impact their finances, with 32% believing it will have a negative impact on their finances.

Younger generations show greater concern for how economic issues like inflation and recessions will affect their day-to-day finances, while Baby Boomers are more worried about the impact of the U.S. political climate and the upcoming 2024 presidential election.

- Baby Boomers (84%) are more likely to be somewhat or very concerned about the impact of the American political climate on their day-to-day finances than Millennials (75%) and Gen Z (74%).
- Baby Boomers (82%) are more likely to be somewhat or very concerned about the impact of the 2024 Presidential Elections on their day-to-day finances than Millennials (69%) or Gen Z (69%).
- Millennials (92%) and Gen X (91%) are more likely to be somewhat or very concerned about the impact of inflation on their day-to-day finances than Baby Boomers (84%) and The Silent Generation (76%).
- Millennials (86%) and Gen X (84%) are more likely to be somewhat or very concerned about the impact of the recession on their day-to-day finances than Baby Boomers (67%) or the Silent Generation (60%).

Although the number of Americans who feel that the economy is on the mend has increased, a strong majority still feel like the economy will either stay the same or get worse in the next three months.

- 19% of Americans said that the American economy will get better in the next three months, up from 14% last quarter. This increase is largely driven by the Silent Generation (31% Q3 2023 vs 14% Q2 2023) and Baby Boomers (19% Q3 2023 vs 11% Q2 2023).
- The number of Americans who say the economy will stay the same (25% Q3 2023 vs 24% Q2 2023) or get worse (48% Q3 2023 vs 52% Q3 2023) in the next three months has fallen slightly.

Student Loan Debt

For Americans who have student loan debt, the Supreme Court's ruling overturning the Biden Student Debt Relief plan is expected to hurt, with almost four-fifths saying that it will have a negative impact on their finances.

- 80% of Americans with student loan debt said that they are somewhat or very concerned about the impact of the resumption of federal student loan payments on

their finances, compared to just 41% of all Americans and 32% of Americans without student loan debt.

- 79% of Americans with student loan debt say that the resumption of student loan payments will have a negative impact on their finances, with 35% saying it will have a minor impact and 44% saying it will have a major impact.
- 74% of Americans with student loan debt say they plan to reduce spending when student loan payments resume, with 27% saying they plan to reduce spending on luxuries and 47% saying they plan to reduce spending on essentials.
- The plurality of Americans with student loan debt (34%) say that they expect their monthly student loan payment to be less than \$300. Half of Americans with student loan debt (50%) say their monthly payment will be under \$500. A fifth (21%) aren't sure what they'll pay.
- A little more than a third with student loans (36%) have used the funds originally meant for payments to buy consumer goods during the pause.

Election Implications

The economy and their personal finances will be on the minds of many Americans when considering who to vote for in the 2024 Presidential Election.

- 26% of Americans state that the economy is their most important issue for the 2024 Presidential Election, while 51% say they will consider the issue when deciding who to vote for.
- Among Americans who agree that a change in political leadership would have a positive effect on their personal finances, 47% say that the economy is their most important issue, while 40% say that their personal finances are their most important issue.
- 24% of Americans state that their personal finances are the most important issue in the 2024 Presidential Election, while a further 48% say they will consider the issue when deciding who to vote for.
- Among Americans who agree that a change in political leadership would have a negative effect on their personal finances, 20% say that the economy is their most important issue, while 24% say that their personal finances are their most important issue.

Anticipated Seasonal Spending

Whether they are sending a kid to school or going back to school themselves, Americans participating in this back-to-school/back-to-college season expect their spending to be the same or higher than it was in both 2022 and the pre-pandemic (2019) school years.

- Among Americans with children attending K-12 school, 41% expect their spending on this back-to-school season to be higher than 2022 and 36% expect their spending to be higher than pre-pandemic, but the plurality expect their back-to-school spending to be about the same compared to 2022 (46%) and pre-pandemic (47%).
- Among Americans who are sending a child to college, nearly a third expect their back-to-college spending to be higher than 2022 (29%) and pre-pandemic (28%). The majority expect their spending to be about the same as 2022 (50%) and pre-pandemic (53%).
- Among Americans who are going to college themselves or whose spouse/partner is going to college, about a third expect their back-to-college spending to be higher than 2022 (37%) and pre-pandemic (33%). About half expect their spending to be about the same as 2022 (50%) and pre-pandemic (49%).

Americans are expecting to tighten their budgets this holiday season, with most Americans planning to keep their spending equal or lower than it was last year.

- 80% of Americans are expecting to spend either the same amount or less than they did in last year's holiday season—unchanged from the 76% who said the same a year ago.
- Baby Boomers (56%) and the Silent Generation (63%) are more likely to say they are planning to spend the same as last year than Gen Z (35%), Millennials (30%), and Gen X (33%).

- Millennials (45%) and Gen X (49%) are more likely to be planning to reduce their spending this year compared to Baby Boomers (29%) and the Silent Generation (25%).
- 42% of Americans say that they plan to shop online and in-person equally this year, compared to 29% who say that they will shop mostly online and 29% who say they will shop mostly in person. There are no major generational divides between online and in-person shopping.
- When it comes to Halloween, 77% of Americans are expecting to spend either the same amount or less than they did last year. While only 8% of Americans plan to spend more on Halloween this year, they skew disproportionately young—21% of Gen Z and 14% of Millennials say they plan to spend more on Halloween this year.

Retirement

Most Americans say that the ideal retirement age is between 60 and 69, which is also when most Americans expect to retire, but many non-retired Americans are falling behind on the savings they would need to retire at their ideal age.

- 66% of Americans say the ideal retirement age is between 60 and 69, with 53% of non-retired Americans expecting to retire around that age.
- 20% of non-retired Americans don't ever plan to retire.
- About half (49%) of non-retired Americans who plan to retire say they are behind where they need to be to retire at their ideal retirement age.
- Of those that say they are behind...
 - 45% Gen Z, 53% Millennials, 53% Gen X, 32% Baby Boomers
 - 52% Male, 44% Female
- Among retired Americans, 43% say that their retirement savings are about what they need to be, while 21% say that they have more than they need and 29% say they have less than they need.

Younger Generations & Finance

Younger generations value their financial security more than their relationship security. Younger generations are more likely to say they would pick financial security over relationship security, and that that financial security has a bigger impact on personal happiness than who you marry.

- Gen Z (68%), Millennials (72%), and Gen X (68%) are more likely to say that they would pick financial security over relationship security than Baby Boomers (55%).
- Gen Z (65%), Millennials (62%), and Gen X (54%) are more likely to say that financial security has a bigger impact on personal happiness than who you marry than Baby Boomers (41%) and the Silent Generation (29%).

Younger generations are starting to turn to social media for financial advice. Millennials are as likely to have taken financial advice from social media in the last three months as they are to have ever met with a financial advisor.

- 31% of Millennials and 32% of Gen Z say they have followed financial advice from social media in the last three months, while 31% of Millennials say they have met with a financial advisor in the past.
- Among all Americans who say they have followed financial advice from social media in the last three months, the most common sources are Instagram (56%), YouTube (54%), Facebook (49%), and TikTok (46%).
- Social media platforms Twitter/X (22%), LinkedIn (21%), and Reddit (14%) are referenced less often.

Younger generations are trying to spend more time in public spaces to cut down on their expenses at home.

- Gen Z (39%), Millennials (38%), and Gen X (29%) are more likely to say that they have been trying to spend more time in public spaces compared to last year to cut down their expenses at home than Baby Boomers (13%) and the Silent Generation (12%).

Artificial Intelligence

While there has not been an increase in use for any generation, we do still see that Gen Z (35%) is more likely to have used AI programs compared to Gen X (12%), Baby Boomers (2%) and the Silent Generation (0%). The AI program Gen Z uses most often is ChatGPT (29%).