

Summer 2021 MassMutual Consumer Spending & Saving Quarterly Index

Commissioned by Massachusetts Mutual Life Insurance Company ([MassMutual](#)), the MassMutual Consumer Spending & Saving Index was conducted online by PSB Insights from July 21-28, 2021, among a nationally representative sample of 1,000 U.S. adults ages 18+. PSB additionally conducted an oversample of 250 office workers and a separate oversample of 500 adults statewide in Massachusetts.

Results

With summer in full swing, Americans are increasing their spending from last summer and preparing for new financial realities. Among those experiencing financial impacts from the rise in social gatherings and being out and about, they are spending, on average, \$765 more per month compared to the summer of 2020. At the same time, 41% of office workers, including half of Millennials (52%), are worried about the financial costs associated with return to office when the time occurs.

The Return of FOMO: As social gatherings become more frequent, over half of Americans (51%) say they have been experiencing FOMO, or “fear of missing out,” this summer, and 39% say they feel influenced to spend more when they see others doing so on social media.

- FOMO is particularly rearing its head for younger generations. Of those financially impacted by the rise in gatherings, Millennials and Gen Z report spending, on average, \$1,016 more per month than they did last summer.
- Nearly all Gen Zers (90%) are influenced by social media to go out and spend more, and nearly all (85%) say they have been experiencing FOMO this summer.
- The top experience Americans spent money on this summer that they did not last summer is dining out (36%), closely followed by travel or vacation (35%).

Or is JOMO the New FOMO? Interestingly, an even higher percentage of Americans (66%) also admit that they experience JOMO, or “joy of missing out,” defined by feeling content with their own pursuits and activities, indicating JOMO may be outpacing FOMO as the sentiment more likely to guide our financial decisions

- Eighty-nine percent of Gen Zers say they also experience JOMO, slightly more than experiencing FOMO (85%).
- One-quarter (26%) of Americans plan to be more financially selective about social events, and this percentage nearly doubles when looking at Gen Zers alone (48%).
- Another sign that pandemic behaviors may be here to stay: 45% of Americans plan to cook at home more in their post-pandemic life, and 40% plan to stay at home more.

Financial Implications of Return to Office: As Americans start to think about the return to in-person work, many are preparing for more expenses. When given a list of stressors related to returning to the office, nearly a quarter (23%) of office workers cite an increase in expenses.

- One-third of office workers, and 43% of Millennials, expect to spend more when they return to in-person or hybrid work settings compared to what they spend today. More than one quarter (28%) expect to spend more when they return to the office compared to before the COVID-19 pandemic.
- Commuting costs are the top expense office workers believe will contribute to their increased spending (62%), followed by expenses related to people's presentation of themselves – personal appearance costs (39%) and professional work clothing (38%).
- A majority of office workers (58%) want a flexible working schedule, as it saves them time and money. Millennials are significantly more likely than all other generations to agree (68%).
- One-third (32%) of Americans also expect to see increased expenses from living costs (e.g., higher rent or moving). During the pandemic, Millennials were much more likely than older populations to have relocated to a new city (16% vs. 4%), purchased a home (16% vs. 3%), or refinanced an existing home (17% vs. 6%).

- By contrast, 36% of people feel that returning to the office will help them control their spending – a sentiment much more likely to be felt by men (46%) than women (27%).

Rising Expectations for Workplace Benefits: In reflecting on their needs during the pandemic, 58% of office workers believe it is important that their employer support their financial wellness needs, and nearly two-thirds (64%) say it is important that their employer support their mental health and wellness needs.

- Millennial office workers are even more likely to value having their employer address their financial wellness and mental health needs (68% and 72%, respectively).
- Interestingly, in considering their expectations for their employer, men were much more likely to rate childcare benefits as important to them than women (41% vs. 27%).

Preparing for Back-to-School: Nearly half (46%) of parents of children K-12 expect to spend more this back-to-school season compared to 2020, and a similar percentage (44%) expects to spend more on back-to-school than they did before the pandemic.

- The top contributor to increased spending is new clothing (69%), followed closely by school supplies (67%).
- Moms of children K-12 (78%) are significantly more likely than dads (57%) to say school supplies will contribute to increased back-to-school spending.

Spending Patterns and Priorities: Americans' number-one spending priority today is home expenses (34%), followed by debt repayment (31%) and travel/vacation (29%). Gen Zers are more likely than older generations to prioritize shopping, such as clothing or material purchases (43%).

- Gen Xers (44%) and Baby Boomers (54%) were more likely than Millennials (26%) and Gen Z (21%) to stick to their budget in the last three months. Gen Zers and Millennials were also more likely to exceed their budget on restaurants, social events and mental health and wellness.
- Men spent more this summer on experiences like vacation, hotel stays, and live events compared to women, and were more likely than women (22% vs. 13%) to dip into their savings to spend on experiences such as vacation or weddings.
- Looking ahead, one-third (32%) of Americans expect their spending to increase over the next three months.

Savings for the Future on the Decline: Nearly half (48%) of Americans reported saving less than \$500 in the last three months, far more than the percentage who reporting saving less than \$500 in April (36%).

- The main reason Americans saved less than \$500 in the last three months is because they are living paycheck-to-paycheck (38%), followed by debt repayment (22%), or just not typically saving (22%).
- At the same time, Americans are becoming better about protecting their savings. Thirty-five percent needed to dip into their savings account in the last three months, a steady decrease compared to February (51%) and April (45%).
- Another sign of good news: 61% of Gen Zers and half of Millennials say that they plan to save more, notably more than older generations (38% Gen X; 18% Boomers).

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