

2022 MassMutual Spending & Saving Quarterly Index: Ukraine Conflict and COVID Anniversary

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 outlooks and attitudes being tapped to navigate the financial impacts of the pandemic and the changing state of the economy. Commissioned by [MassMutual](#), the [research](#) was conducted online by PSB from February 18-22, among a nationally representative sample of 1,000 U.S. adults ages 18+. Following the outbreak conflict in Ukraine, PSB conducted a follow-up survey from March 4-7 among a nationally representative sample of 500 U.S. adults ages 18+ to measure updated sentiment.

Results

The current conflict in Ukraine has generated a renewed anxiety among American consumers who are taking a "wait'n see" approach before spending their money. Some Americans have been helped by the development of positive financial habits during the pandemic, especially Millennials. However, many Americans—especially women—are still struggling to save. Regardless of where Americans may stand post-pandemic, the pause created by the current conflict, along with the spike in inflation, creates additional risks to the resurgence of the U.S. economy.

Americans thought the worst was behind them. People were more financially optimistic since the beginning of the COVID-19 pandemic but concerns about the conflict in Ukraine and rising inflation threaten an optimistic financial outlook.

- Optimism about personal finances has increased since the beginning of the pandemic (April 2020), with 31% of Americans saying they are optimistic that things will bounce back, up from 25% in April 2020.
- Overall, 67% of participants were optimistic about their current financial outlook.
- However, most Americans (73%) say they believe the current conflict in Ukraine will have a negative impact on the US economy.
- 2 in 3 Americans (66%) are concerned the conflict will have a negative impact on their day-to-day finances.
- Almost half (45%) of Americans say they think the current geopolitical environment will impact their spending and lifestyle in the coming months.
- Meanwhile, only 22% of Americans say they are stressed about their finances going downhill—down 9% since April 2020.
- And Americans are ready to move on from the pandemic: 24% respondents declared, "It's time to move on whether the pandemic is over or not," and 33% noted, "The pandemic is on its way to being an endemic like the flu."

There's a new conflict with a real impact on their finances. The conflict in Ukraine is also impacting Americans' investments, purchases, and views on inflation.

- Almost half of Americans are saving more cash (46%) and 42% are delaying investments in response to the crisis.
- The majority (71%) of Americans expect the conflict in Ukraine to have a negative impact on inflation.
- Of the total population, 88% say they've seen a rise in the price of groceries and 80% for fuel for vehicles.

Americans' finances have run headlong into inflation. While many Americans have made positive decisions during the pandemic, many still struggle to save. Thirty percent of Americans saved nothing in January.

- More Americans are saying their income has increased since the beginning of the pandemic (8% in 2020 vs. 15% in 2022). And fewer Americans are saying that their income has decreased (40% in 2020 vs. 19% in 2022).
- Saving and paying down debt took a priority: Men (across all tracked demographics) and Millennials (compared to older generations) were significantly more likely to start saving money and paying down debt during the pandemic.
- Regardless, Americans are still struggling to save in the face of inflation. In the past three months, 30% of respondents were not able to save any money. Most women have saved less than \$500, if anything (57% vs 34% of men). Of those who saved less than \$500, almost half said living pay-check to pay-check was the reason. Only 12% saved between \$1000 - \$1500 in the past three months.
- Around 40% of respondents have recently dipped into savings. Top reasons included paying bills (48%), medical expenses (29%), helping friends (26%), paying off debt (25%), and mortgage (22%). About half do not expect to dip into their savings over the next 3 months.
- Within the next 3 months, Baby Boomers (37%) expect their spending to be higher than before compared to all other generations (27% Gen X, 18% Millennials and 13% Gen Z), citing rising costs due to inflation as the reason. Gen Z (28%) and Millennials (18%) are much more likely than Gen X (9%) and Boomers (2%) to cite higher expenses related to returning to work as the reason for expected higher spending.

“Wait’n see” is the financial approach. Americans have shown some initial hesitancy to spend, but many have yet to act on these concerns when it comes to their investment and personal finance strategies.

- Looking across generations, 67% of Millennials and Gen X are delaying important purchases due to inflation compared to 52% of Gen Z and 44% of Baby Boomers. Of those delaying such purchases, Gen Z are more likely to be delaying the purchase of gifts for others (49% vs 31% Millennials, 30% Gen X and 32% Baby Boomers).
- Few (14%) have changed their savings and investment strategy since Russia invaded Ukraine, but men (17%) are more likely than women (10%) to say they have made changes.
- Men (18%) are significantly more likely than women (9%) to say that the current conflict has made them more likely to invest in cryptocurrencies.

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