



The COVID-19 Pandemic's Financial Impact on U.S. Consumers

The COVID-19 pandemic is creating a new reality as its impact has stretched to consumers of all generations and income levels.

TransUnion is tracking the changes of this data weekly and will be sharing it with all of you.

WEEK

4

Data collected week of
April 6

BACKGROUND

The current global COVID-19 pandemic is creating major economic and financial distress for consumers. Millions of jobs in the U.S. economy are being impacted or are at risk due to drastic demand shifts. We've conducted research to better understand consumers' perceptions about how this rapidly evolving situation is impacting their finances and subsequent ability to pay their bills. The insights in this report aim to help you make informed decisions at a time when information on consumer impact is still emerging. We are providing this report and additional resources to everyone so we can come together to support people during this trying time.

Key Takeaways

- TransUnion's fourth weekly study to look at the impact of COVID-19 on consumer finances revealed that Gen X is increasingly feeling the pain. This is in contrast to four weeks ago when Millennials and Gen Z initially reported the most financial impact due to COVID-19.
- Two-thirds of Gen X consumers report financial impact which is on par with Millennials. This number has grown at a faster rate than other generations with a 10 percentage point increase from four weeks ago (57% in week 1 to 67% this week). Of those unable to pay their bills, Gen X consumers report a shortfall of \$1,144.80 on average – the highest of all four generational groups.
- While there has been a significant increase in Americans who are being impacted financially by COVID-19 (61% today vs. 53% four weeks ago), consumers are becoming more resourceful, finding ways to hold out a bit longer financially. The average time until consumers report that they will not be able to pay their bills has grown to more than 6 weeks from 4.5 weeks on average, which is the baseline from the start of the study. The diversity of options that consumers are exploring, including partnering with their financial services providers and others has increased significantly since week one.

RESEARCH METHODOLOGY

This online survey of 3,035 adults was conducted April 7, 2020, by TransUnion in partnership with 3rd party research provider Qualtrics® Research-Services. Adults 18 years of age and older residing in the United States were surveyed using an online research panel method across a combination of computer, mobile, and tablet devices. Survey questions were administered in English. All states are represented in the study survey responses. To ensure general population sample representativeness across United States resident demographics, the survey included quotas to balance responses to the census statistics on the dimensions of age, gender, household income, race, and region. These research results are unweighted and statistically significant at a 95% confidence level within ±1.78 percentage points based on calculated error margin.

FINANCIAL IMPACT

WHAT IS THE SCALE AND TYPE OF IMPACT?

61% of Americans are currently being impacted financially by COVID-19, which is a significant increase over last week (58%) and the highest level since the weekly hardship study began. Financial distress now impacts the majority of each generation with 63% of Gen Z, 67% of Millennials, 67% of Gen X and 51% of Boomers reporting financial impact.

Of the Gen Xers who report being negatively impacted, 18% report higher levels of unemployment (vs. 11% two weeks ago). Out of those who are employed, 41% report that their work hours are being reduced. Millennial job loss also increased from 21% in week three to 23% in week four. Gen Z continues to report a reduction in their working hours with 44% reporting impact, up from 38% last week.

Figure 1. Perceived impact

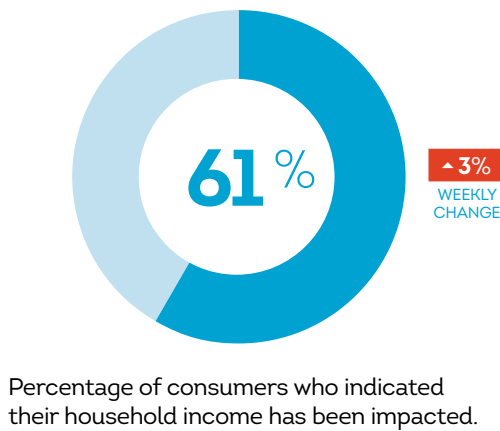


Figure 2. Are you expecting to be impacted in the future?

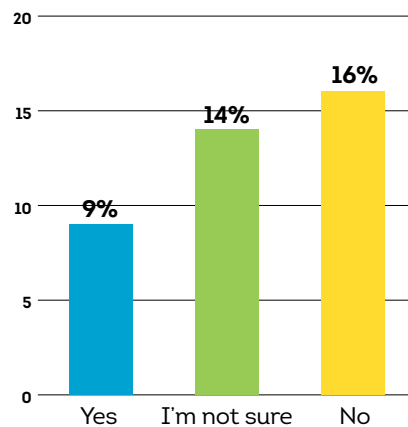
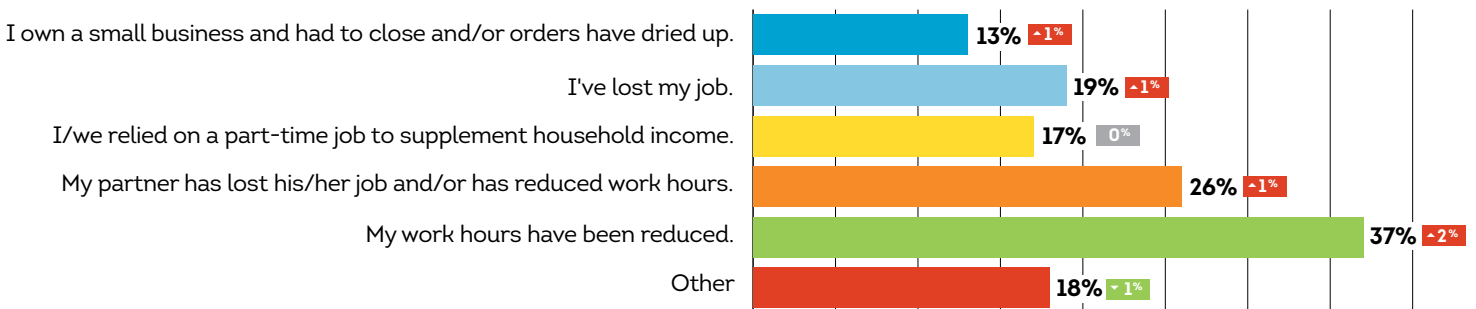


Figure 3. How is your current household income being impacted?



BILLS AND LOANS

HOW MUCH OF AN IMPACT WILL THIS HAVE ON BILLS AND LOANS?

While there is no change this week from last week in the proportion of impacted consumers who are concerned about their ability to pay bills and loans, and the amount that consumers expect to be short reduced slightly from \$1,060 to \$1,017.50. Of those unable to pay their bills, Gen X consumers report an average shortfall of \$1,144.80 – the highest of all four generational groups. Credit Cards are the number one bill that Gen X, Millennials and Boomers are most concerned about paying with utilities second. For Gen Z, they are most concerned about paying their rent, followed by their mobile phone.

Figure 4. How much is your budget shortfall?

On average, amount consumers who were impacted expect they will be short by the following amount when paying bills or loans.



How soon will you not be able to pay?

Consumers who were impacted expect they will not be able to pay their bills or loans in **6.1 weeks.**

Figure 5. Are you concerned about your ability to pay your current bills and loans?

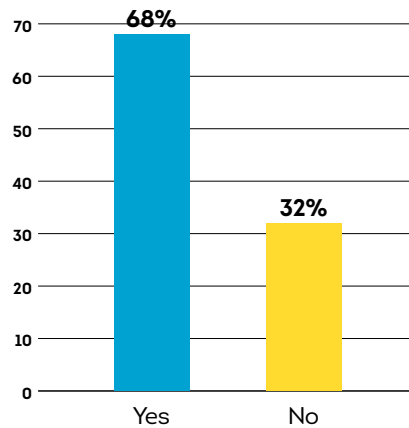


Figure 6. Regional level of concern regarding ability to pay bill(s)/loan(s)

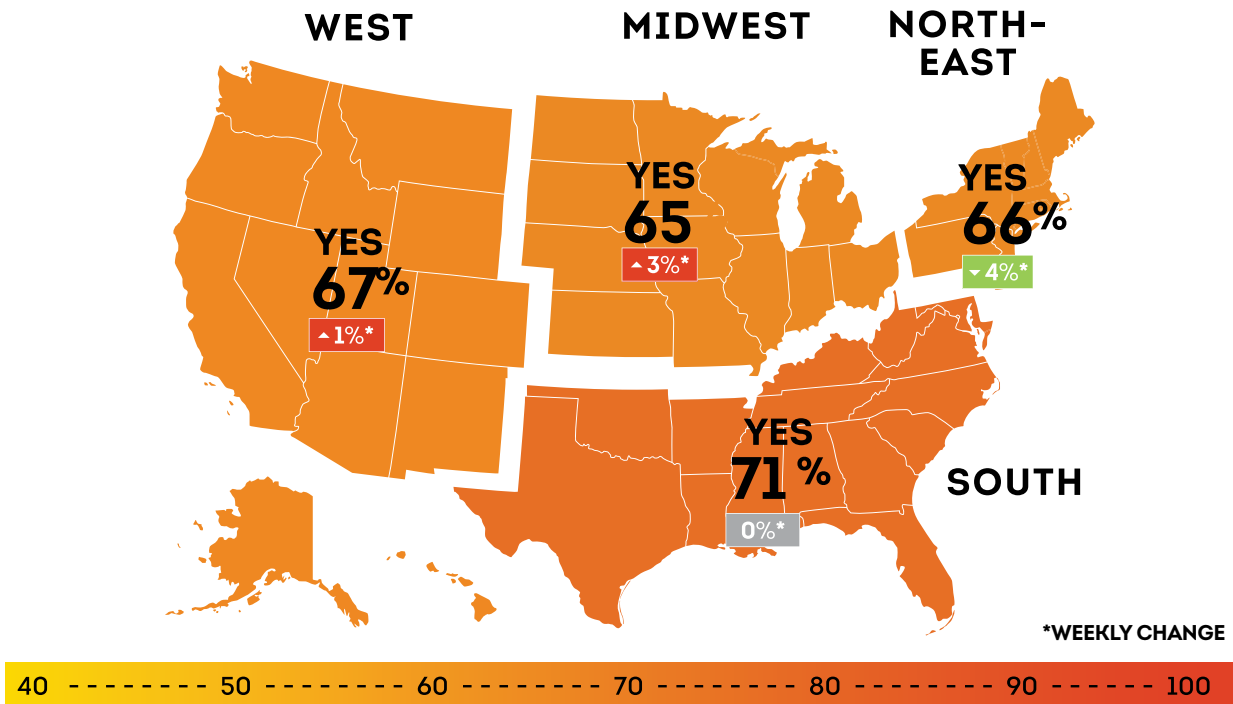
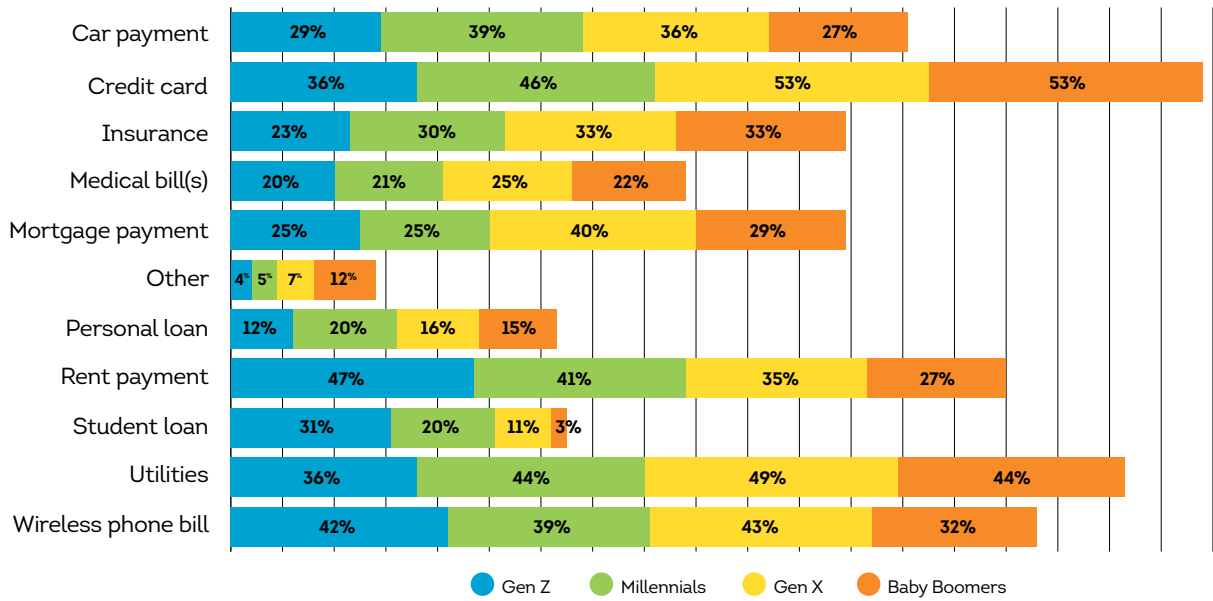


Figure 7. What bills and loans?



NEXT ACTION

WHAT IS YOUR GAME PLAN?

In week one of our study, nearly 1 in 4 (24%) impacted consumers stated that they didn't know how to pay their bills. This week, that number is down to 14%. This may be due in part to the fact that more consumers are reaching out and working with their lenders on alternative payment options. According to the study, almost half of consumers (46%) report that they are reaching out to discuss payment options with their lenders. Another, 67% of consumers report that their lenders are providing guidance and payment options.

This could also be attributed in part to the recent CARES Act. The study found that 45% of consumers plan to use an anticipated stimulus check to help pay their bills. Other ways that consumers are planning to pay their shortfalls include credit cards (24% are planning to use existing or open new credit cards), refinancing or renegotiating rates with lenders (12%), personal loans with lenders (9%), pay a partial amount (33% up from 29% in week one), and help from family and friends (17%). Notably, 20% of Gen X consumers reported a shortfall plan to use credit cards or balance transfers, up from 13% the previous week.

Figure 8. What is your plan to help pay your current bill(s) or loans?

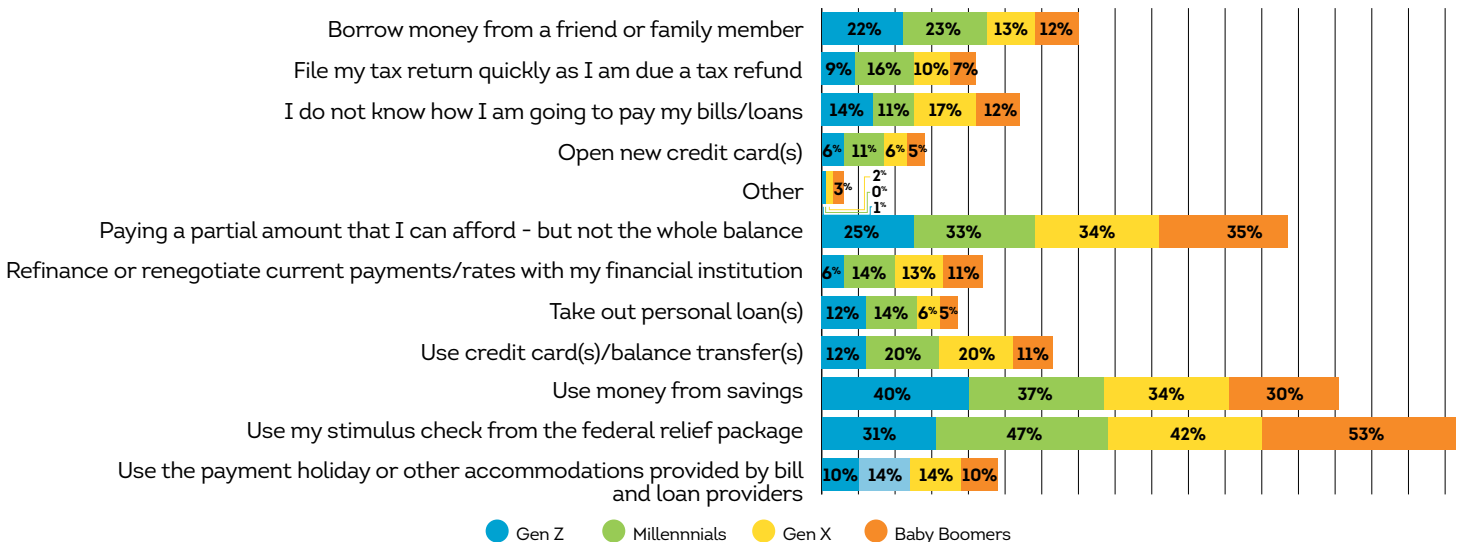


Figure 9. Have you reached out to companies you have accounts with to discuss payment options?

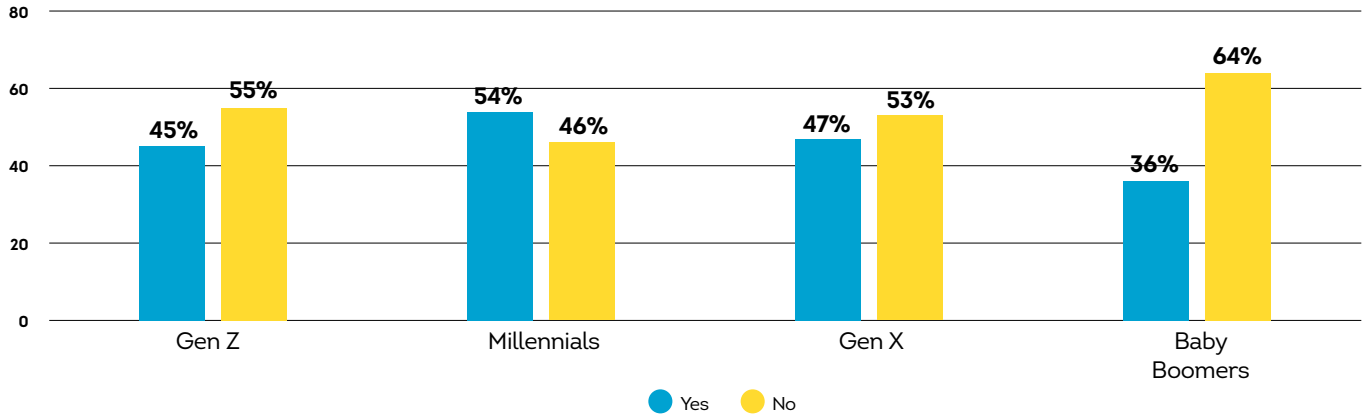
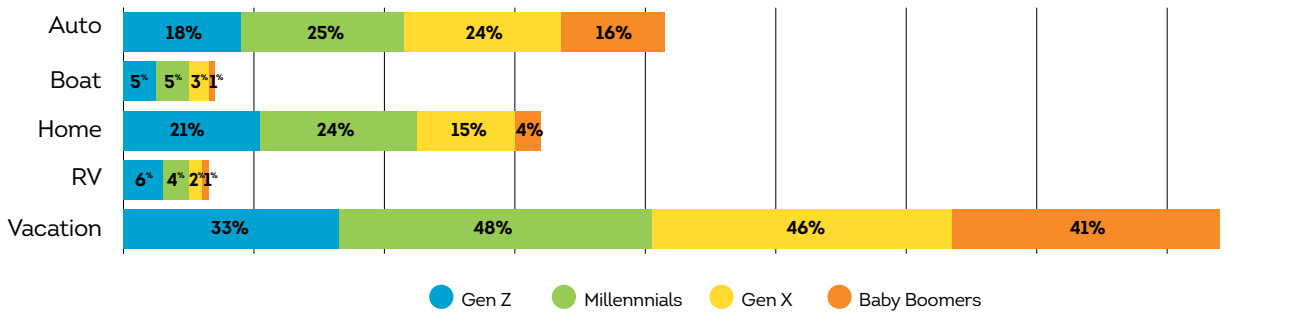


Figure 10. Are you delaying any of the following major purchases?



Other Key Insights

→ Significantly more consumers have been targeted by a fraud scheme (23% in week 3 up to 28% in week 4). Gen Z is the most aware of being targeted with COVID-19 related digital fraud, with 38% reporting an attack, up from 33% in week one. Only 1 in 5 Boomers report any fraud attempts, the lowest of all generations, but this has increased 10 percentage points since week one.

Figure 11. How important is cost to you when evaluating potential COVID-19 screening or treatment?

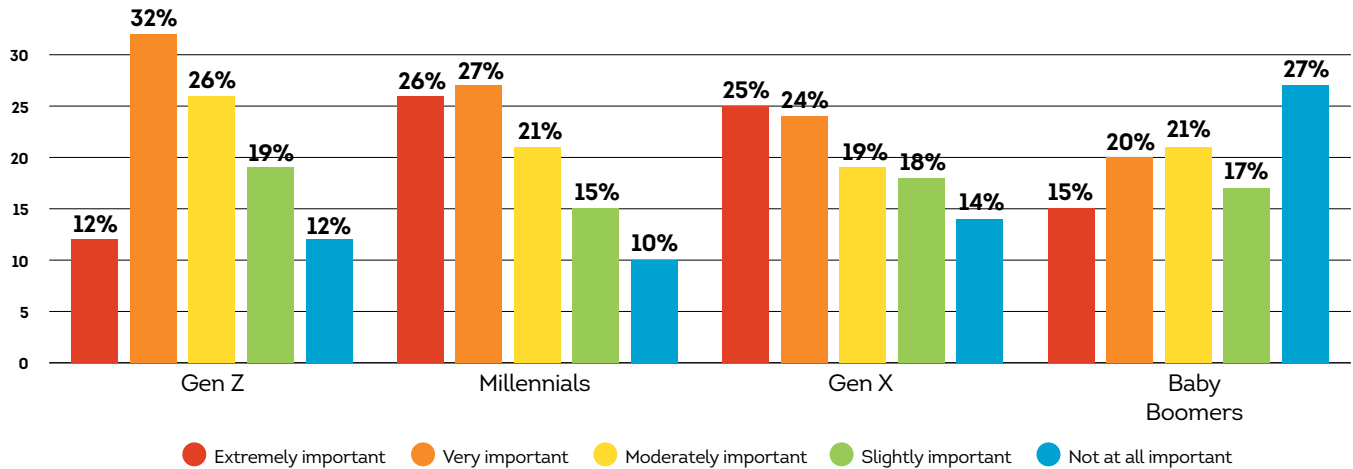
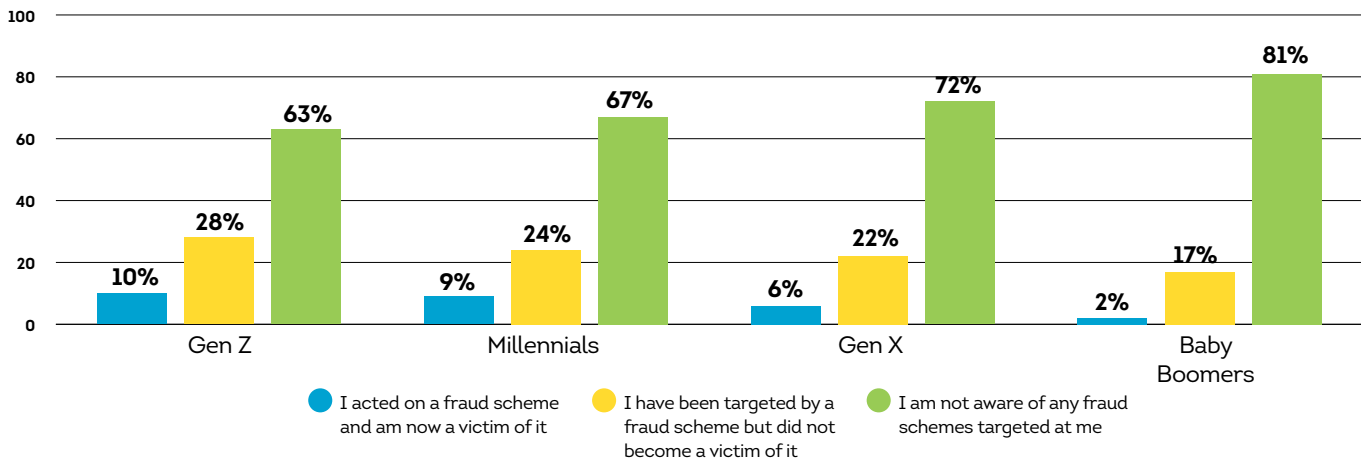


Figure 12. Which statement best describes your personal experience with any digital fraud attempts related to COVID-19?



CALL TO ACTION

If you, like many others, are concerned about your ability to pay your bills and loans in the coming weeks, we've created a [COVID-19 support center](#), which can help you learn how to manage your credit during this time. And during this uncertain time, as always, we at TransUnion are committed to continuing to provide you the updates, tools and resources you need to help you stay in control of your credit health.

If you would like more information about this report, please contact your TransUnion representative or complete the Contact Us form at transunion.com/business.

If you are a member of the media and would like to learn more, please contact:

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