



# 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 consumer behavior changes and providing results to all to inform understanding and decision-making during this time of uncertainty.

**14****WAVE 14 REPORT**Data collected week of **October 26**

## KEY TAKEAWAYS

- After incremental improvements over the last few months, several key hardship indicators have reversed. Now, 54% of consumers state that they are impacted financially by COVID-19 (+3 pp), and their concern about being able to pay bills and loans (+7 pp to 77%) has returned to its highest level. Younger generations and Hispanic consumers, segments that have reported high levels of impact throughout our study, are driving these reversals.
- Faced with continued uncertainty, Americans state that they are actively taking steps to manage and shore up their finances. There is an uptick in consumers stating they plan to take out new credit products, and more consumers are saving additional money in emergency funds and using more of their available credit to meet their financial needs. This attention to liquidity is fueling an increase in consumers monitoring their credit at least monthly. Impacted consumers who are concerned about paying bills are reaching out to companies to discuss payment options at an all-time high (64%).
- Looking forward three months, half of all consumers indicate they plan to decrease discretionary spending, and 37% plan to spend less on retail purchases. Younger generations, Gen Z and Millennials, make up a disproportionate part of the restaurant and food services (70%) and retail (61%) workforce, so hardship among these consumer segments is thus expected to continue.

**Note:** Due to Thanksgiving holidays, Wave 15 of this report will be released on Tuesday, December 8 at noon Central Time.

## RESEARCH METHODOLOGY

This online survey of 3,100 adults was conducted October 28, 2020, by TransUnion in partnership with 3<sup>rd</sup> party research provider Qualtrics® Research-Services. The current wave data is compared to the previous wave, which was conducted September 30, 2020, among 3,102 adults. 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. Generations are defined as follows: Gen Z, born 1995 – 2002; Millennials, born 1980 – 1994; Gen X, born 1965 – 1979 and Baby Boomers, born 1944 – 1964. These research results are unweighted and statistically significant at a 95% confidence level within ±1.76 percentage points based on calculated error margin.

## FINANCIAL IMPACT

### WHAT IS THE SCALE AND TYPE OF IMPACT?

Overall financial impact has risen to its highest level since July's study, and remains highest among Millennials (+6 pp to 65%) and Hispanic consumers (60%). Americans working in retail (+5 pp to 64%) and restaurant and food services (+3 pp to 68%) also report increasingly high impact.

Significant increases in job loss are reported by impacted consumers working in restaurant and food services (+14 pp to 36%) and retail (+5 pp to 28%), though job loss among all consumers remained stable (19%). Overall work hour reductions among impacted consumers has increased 4 points to 42%, nearly back to the high of 45% reported when this study began in March. This increase is driven by Hispanic (+12 pp to 49%), Millennial (+3 pp to 47%) and Gen Z (+6 pp to 46%) consumers.

Small businesses also continue to struggle, with a high of 16% of small business owners reporting that they have closed. Increasing numbers of impacted Hispanic and white consumers have had to shut down their small business (+5 pp to 18% and +4 pp to 16%, respectively), while generationally, impacted Gen Zers and Millennials are most likely to have had to close their small businesses (21% and 18%, respectively).

Figure 1. Overall perceived financial impact.

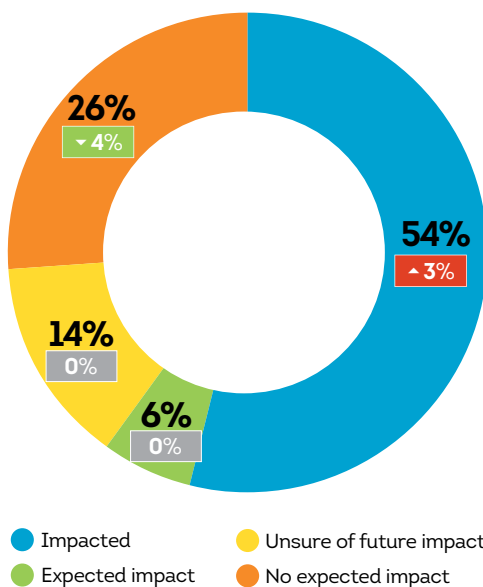
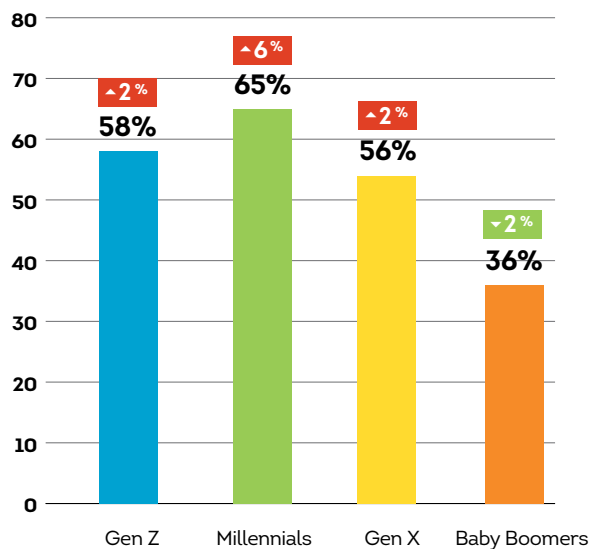
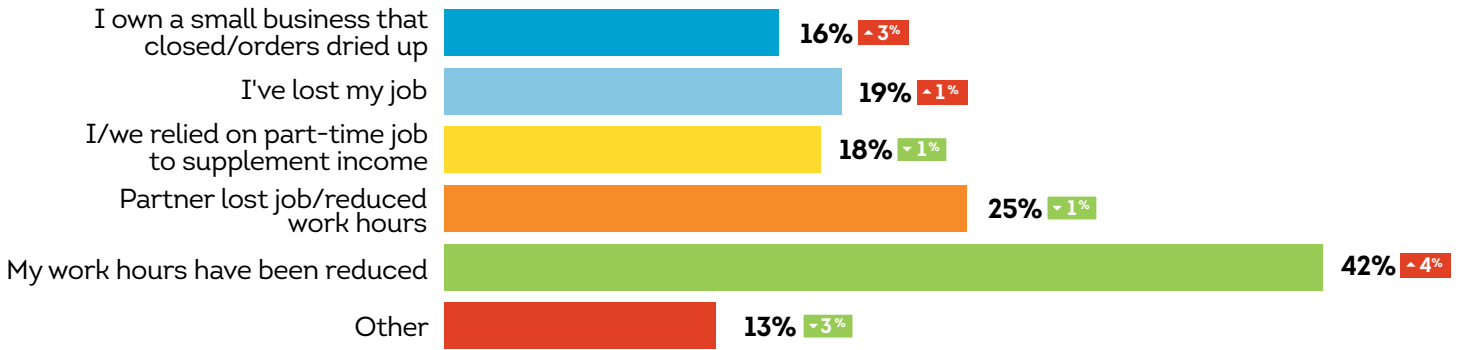


Figure 2. Segment perceived financial impact.



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



## MANAGING THE HOUSEHOLD BUDGET

### HOW ARE CONSUMERS CHANGING THEIR HOUSEHOLD BUDGET IN RESPONSE TO THE PANDEMIC?

Although concern about being able to pay bills and loans has returned to its highest level, ability to pay individual bills and loans remains stable among impacted consumers (see Figure 6). Hispanic consumers state a 17-point increase in concern to 86% and continue to have the highest level of concern among all ethnicities. Increasing numbers of impacted Hispanic consumers state they will be unable to pay a range of bills and loans, including utilities (+10 pp to 37%), Internet (+5 pp to 33%), insurance (+3 pp to 31%), medical bills (+4 pp to 26%) and student loans (+6 pp to 24%).

Generationally, Millennials remain the most concerned (+5 pp to 85%), and Gen Zers report an 8-point increase in concern to 78%, the highest level since March. Gen Zers are increasingly likely to say they will be unable to pay several types of bills: insurance (+10 pp to 30%), credit card (+5 pp to 32%), Internet (+5 pp to 32%) and car payment (+4 pp to 24%).

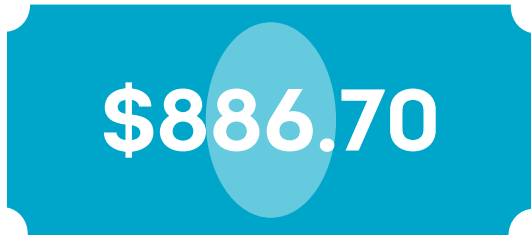
To manage household finances in an uncertain environment, all consumers are increasingly turning to saving extra in an emergency fund (+3 pp to 19%) and using more of their available credit (+4 pp to 15%). One in seven of all respondents are paying down their debt faster. Among impacted consumer segments, Millennials report the largest increases in saving more in an emergency fund (+5 pp to 21%) and paying down debt faster (+7 pp to 17%). Impacted Gen Zers report the largest jump in using more of their available credit to meet their needs (+7 pp to 16%), though impacted Millennials report a 6-point increase to 19%.

While consumers expect their spending on medical care and bills and loans to stay steady over the next three months, half of all Americans plan to decrease discretionary spending – eating out, travel and entertainment – in the same period. Additionally, 43% of consumers say they will spend less on holiday gifts this year as an important shopping season for many businesses approaches.

**Figure 4. How much is your budget shortfall?**

(among impacted)

On average, amount consumers who are impacted expect they will be short when paying bills or loans.



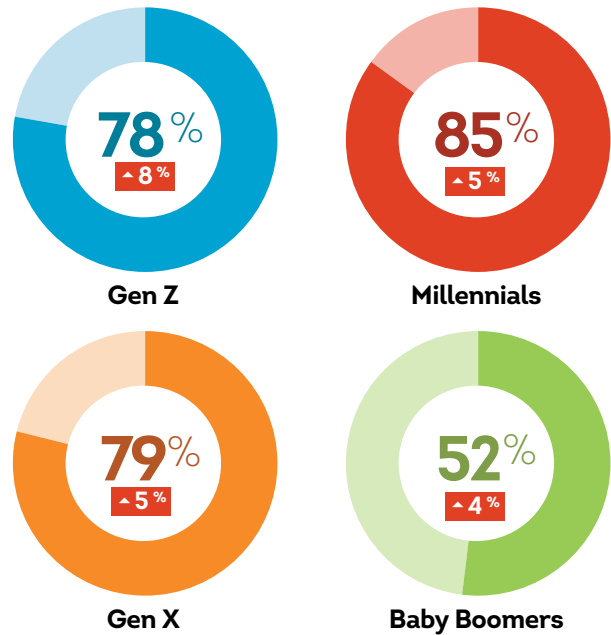
**How soon will you not be able to pay?**

Consumers who were impacted expect they will not be able to pay their bills or loans in **5.9 weeks**.

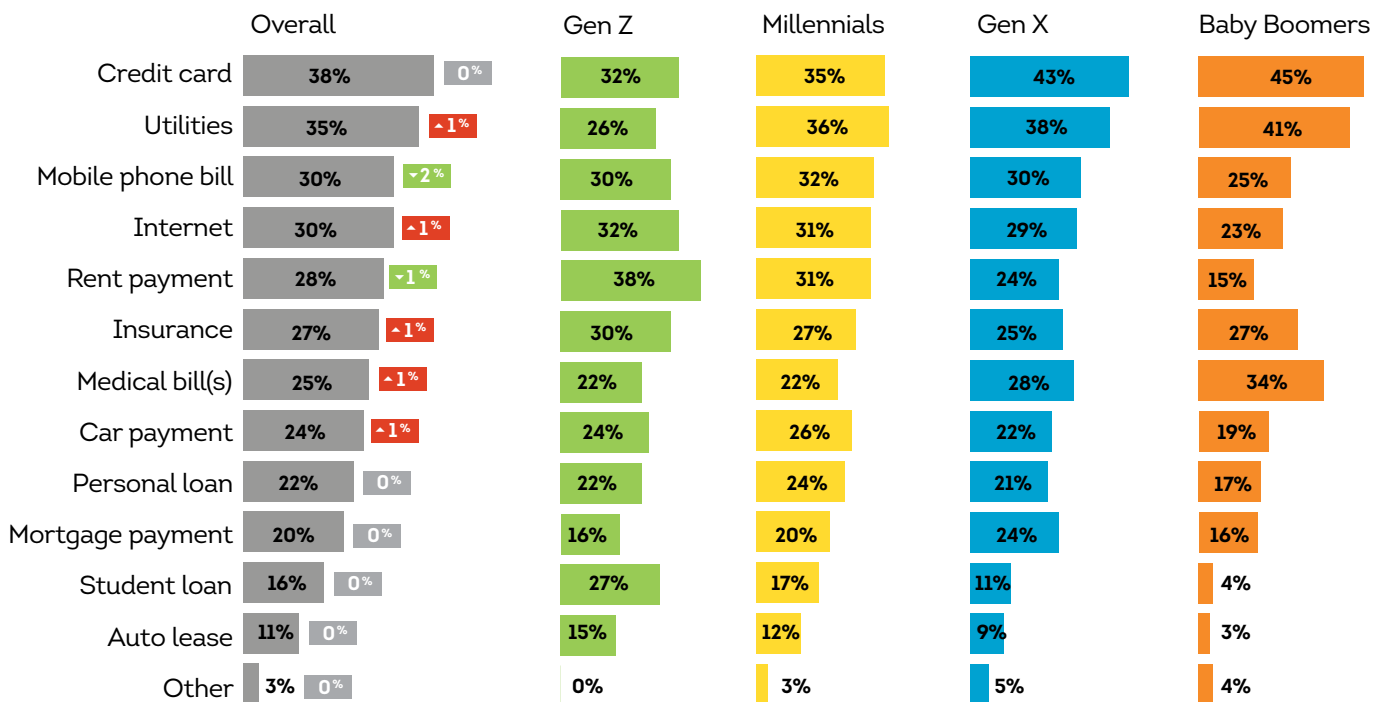
**Are you concerned?**

**77%** of consumers who are impacted are concerned about their ability to pay current bills and loans.

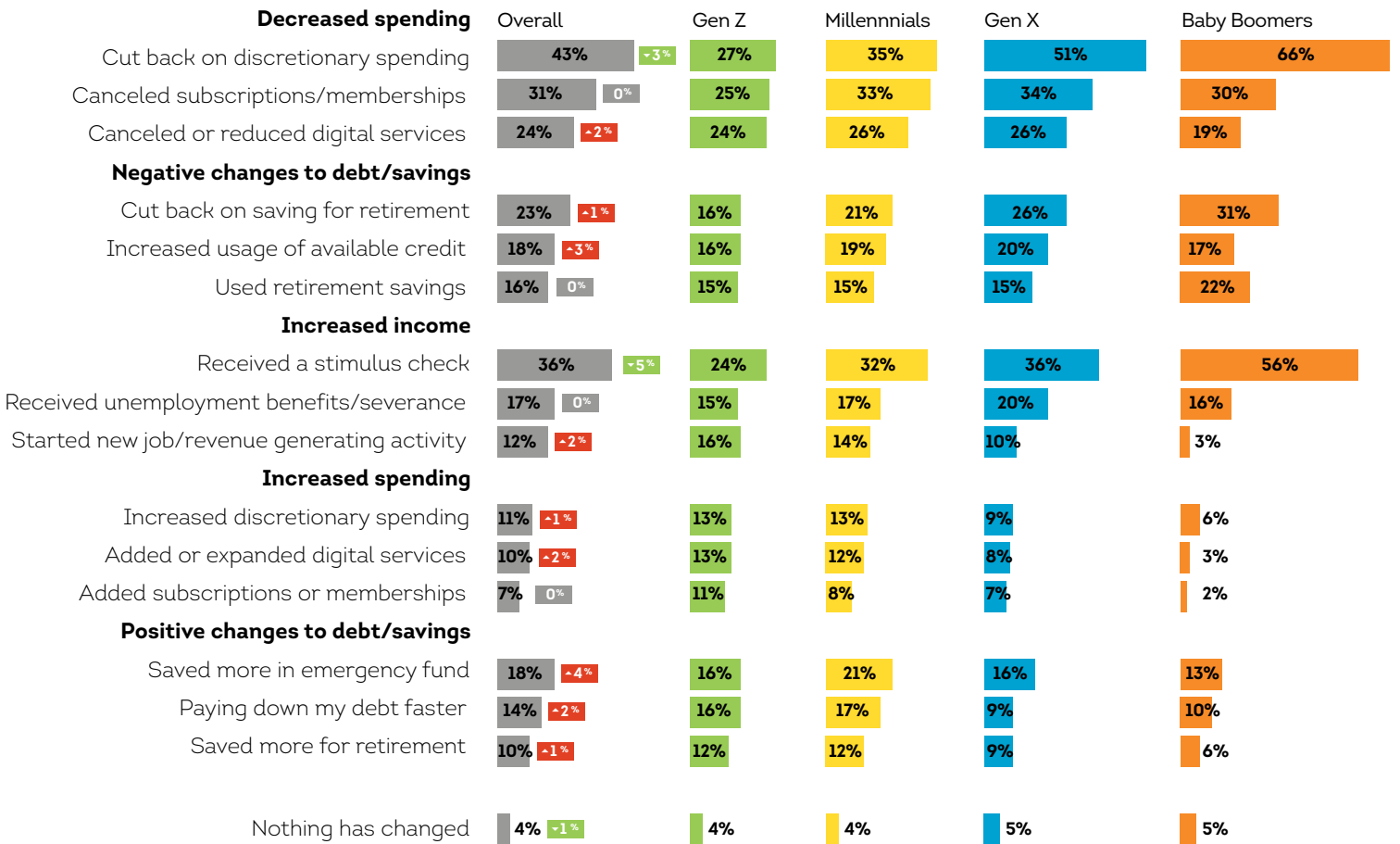
**Figure 5. Concern about paying bills and loans** (among impacted).



**Figure 6. Which bills and loans will you not be able to pay?** (among impacted)



**Figure 7. What has changed in your household budget during the COVID-19 pandemic?** (among impacted).



## RECOVERY PLANS

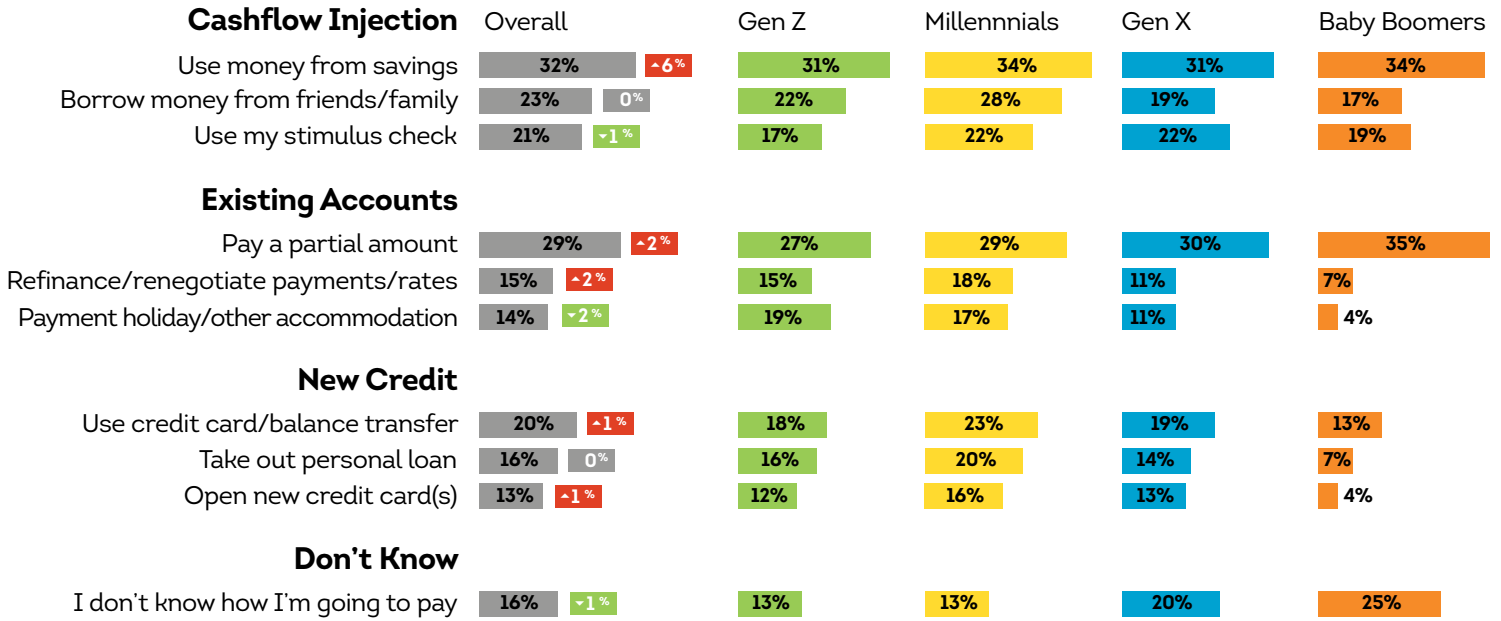
### WHAT DO CONSUMERS PLAN FOR THEIR PATH FORWARD?

Nearly a quarter of all Americans (22%) say they need a future stimulus check just to get by, with Gen Xers and Millennials indicating the highest level of need (28% and 26%, respectively). However, the percentage of impacted consumers who don't know how they will pay their bills and loans remains stable since late July (16%).

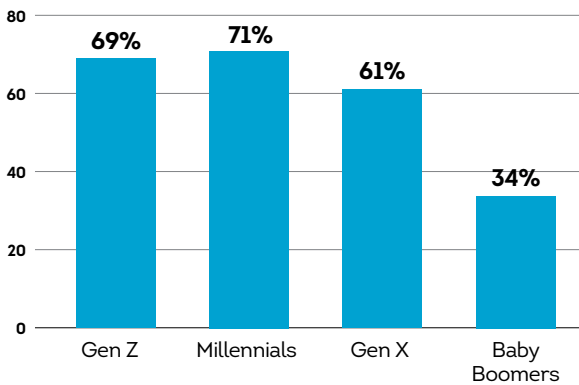
To pay bills and loans, 32% of impacted consumers state they plan to use money from savings (+6 pp). Borrowing money from family and friends remains flat at 23%. When further broken down, 53% plan to borrow from friends, 51% from parents, 44% from other family members and 22% from a crowdfunding site. Consumers continue to indicate they will rely on credit to pay their bills and loans at the highest levels of this study. One-fifth plan to use credit cards or balance transfers, 16% plan to take out personal loans and 13% intend to open new credit cards.

Also at the highest level yet, 27% of all consumers report they have received a financial accommodation (+3 pp). Significantly more Millennials than any other generation state they have received an accommodation (+10 pp to 42%). Consumers with an accommodation are more likely to be saving more in an emergency fund (23% vs. 18%), paying down debt faster (20% vs. 12%) and increasing use of available credit (26% vs. 11%) than consumers without an accommodation.

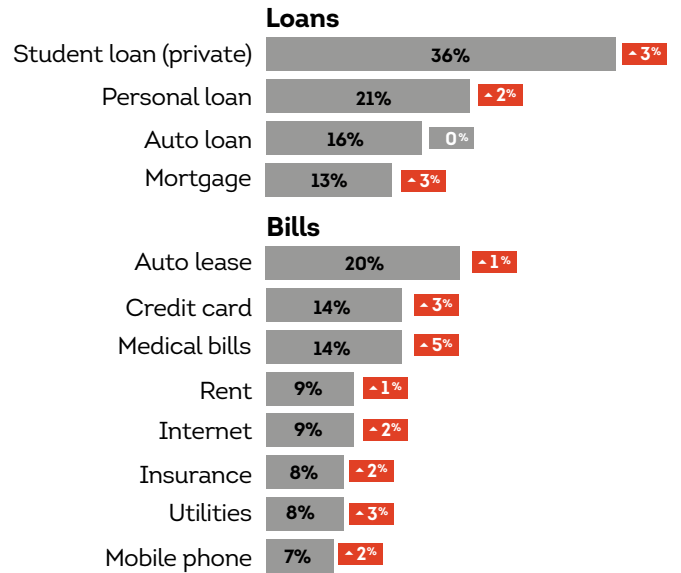
**Figure 8. What is your plan to help pay your current bill(s) or loans? (among impacted)**



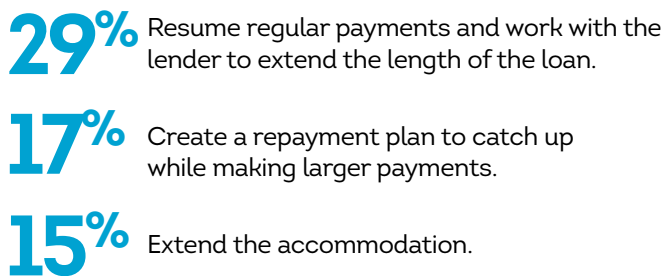
**Figure 9. Have you reached out to companies you have accounts with to discuss payment options? (among impacted)**



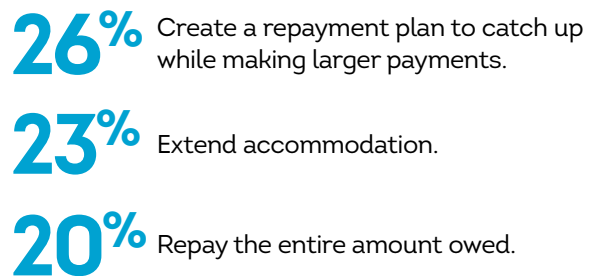
**Figure 10. Loans/bills enrolled in financial accommodation (among those with financial product).**



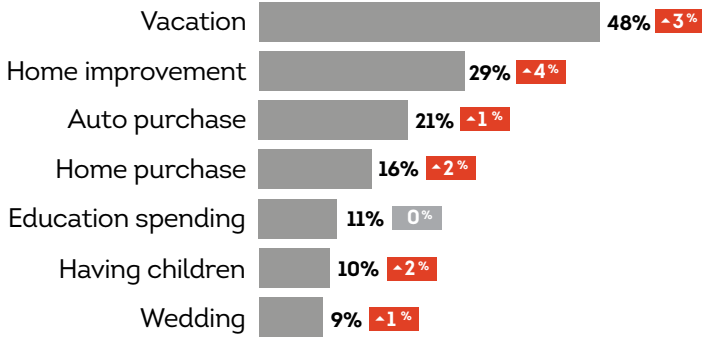
**Figure 11a. Repayment preference among those with accommodations on loans (top 3 preferences).**



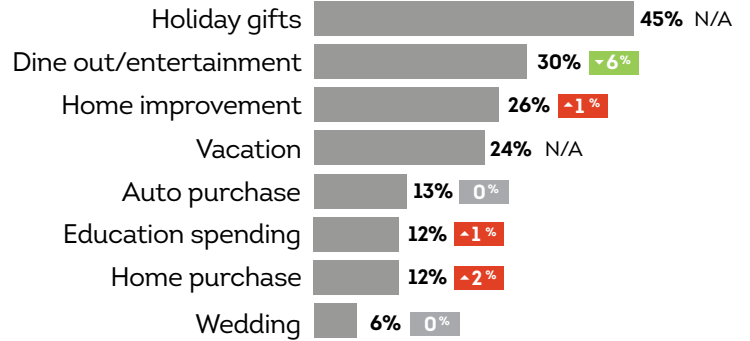
**Figure 11b. Repayment preference among those with accommodations on bills (top 3 preferences).**



**Figure 12a. Are you delaying any of the following major purchases or events?** (among total population)



**Figure 12b. Which of the following, if any, will you likely undertake in the next three months?** (among total population)



## TAKING CARE OF YOURSELF

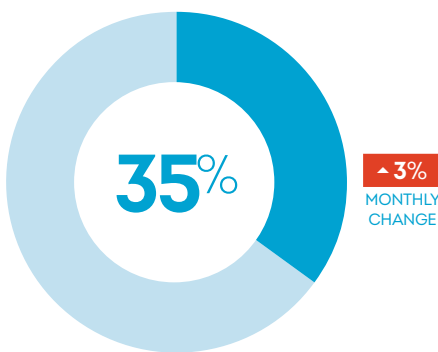
### HEALTHCARE, DIGITAL FRAUD AND CREDIT MONITORING

More than a third (35%) of consumers have delayed or canceled an elective medical appointment because of COVID-19, up 3 points to the highest level since we started tracking this in May. Millennials report a sharp increase in delayed or canceled procedures (+7 pp to 41%).

Consumers report becoming victims of digital fraud related to COVID-19 at the highest level in this study (+3 pp to 12%). Gen Z and Millennials are the most likely generations to have fallen victim to fraud, with both generations indicating a 4-point increase to 20% and 16%, respectively. Phishing remains the most common scam overall (26%).

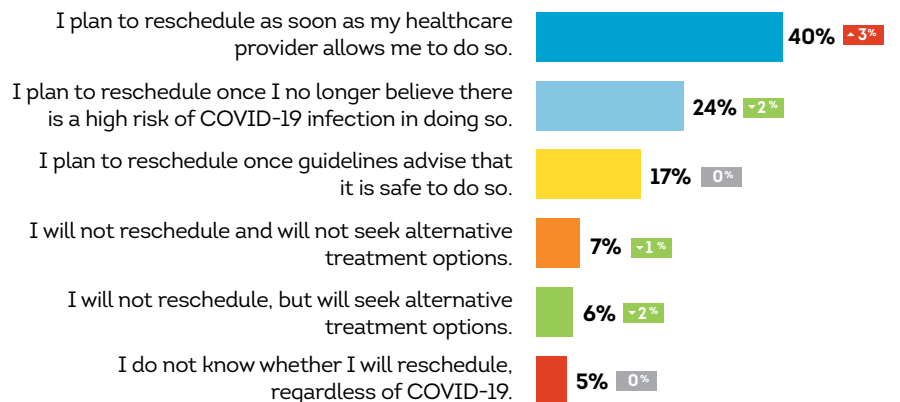
More consumers are checking their credit at least monthly (+8 pp to 64%) than at any time since the start of the pandemic. Significant increases among Millennials (+16 pp to 76%) and Gen Z (+13 pp to 68%) make these generations most likely to be checking their scores monthly or more often. The importance of credit monitoring has also risen to the highest level of this study. Forty-one percent of all consumers stating monitoring their credit is extremely or very important, and 46% of Millennials indicate the same.

**Figure 13a. Delayed medical procedures** (among total population).

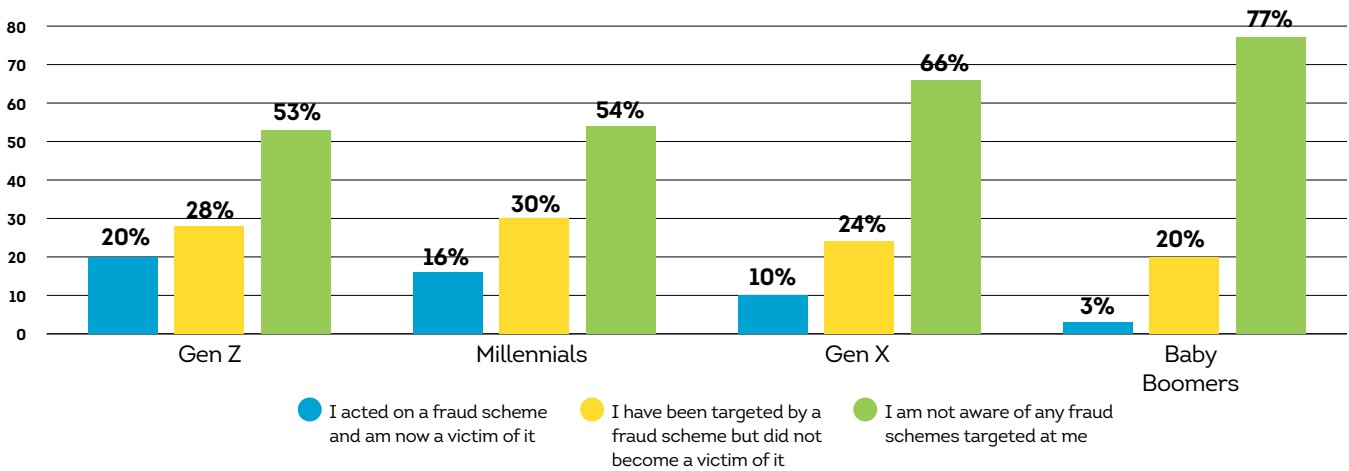


Percentage of consumers who have had an elective surgery, medical appointment or procedure delayed or canceled due to COVID-19.

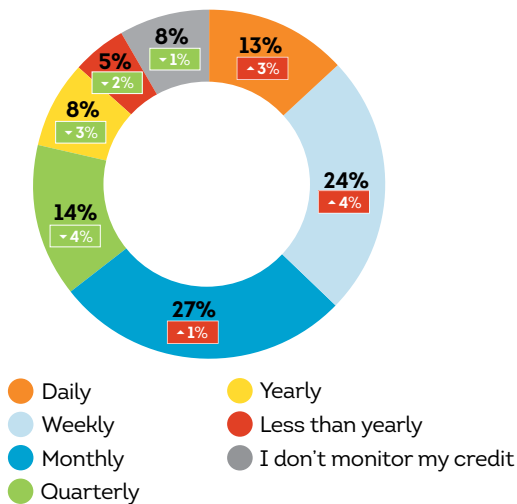
**Figure 13b. How urgently do you plan to reschedule your elective surgery, medical appointment or procedure?** (among those with delayed procedure)



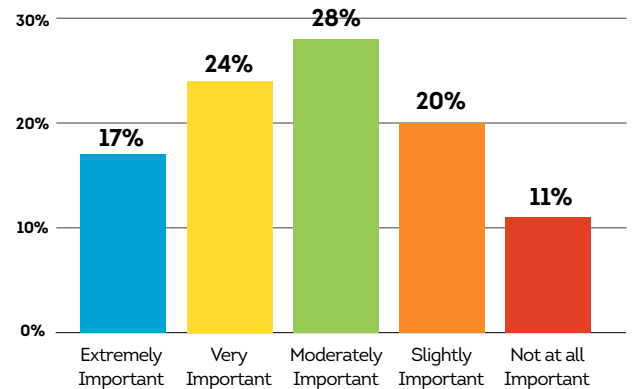
**Figure 14. Which statement best describes your personal experience with any digital fraud attempts related to COVID-19?**  
(among total population)



**Figure 15. Frequency of checking credit**  
(among total population).



**Figure 16. Importance of monitoring credit during COVID-19 pandemic**  
(among total population).



**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 and protect your credit during this time. And 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](https://transunion.com/business).

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

**Dave Blumberg**  
312-972-6646