



# 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

7

Data collected week of  
**April 27**

## 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 have 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 all so we can come together to support people during this trying time.

## Key Takeaways

- Millennials are increasingly distressed financially. They suffered the biggest increase in job loss week-over-week (28% vs. 22%) and are the most concerned (77%) of all generations about paying bills and loans. This trend prevails outside the United States – [Millennials are the hardest hit generation across the globe.](#)
- Mortgage payments are a major worry for impacted Millennials, with 34% now indicating they will not be able to make payments, a 10 percentage-point increase week-over-week. They have also contacted companies they have accounts with to discuss payment options at a higher rate than other generations (61%), and they are the most likely not to have a plan to pay their bills and loans (13%).
- Millennials aside, the percentage of impacted consumers who do not know how they will pay their bills and loans is trending positively (10% vs. 24% week one). This improvement is partially driven by more than half (52%) of impacted consumers proactively contacting and discussing payment options with companies with whom they have accounts, up from 40% in week one. Those that have reached out are more likely to refinance or renegotiate, pay a partial amount or take a payment holiday.

## RESEARCH METHODOLOGY

This online survey of 2,057 adults was conducted April 27, 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 ±2.16 percentage points based on calculated error margin.

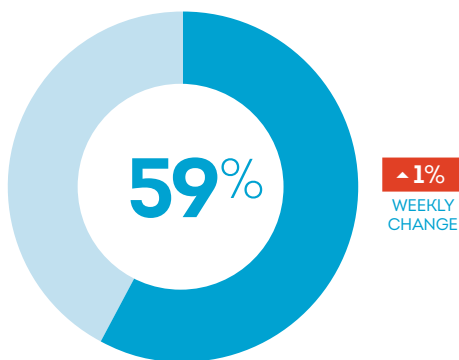
## FINANCIAL IMPACT

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

Consistent with previous weeks, 59% of Americans state they are impacted financially by the COVID-19 pandemic. Work hour reductions (40%) and job loss (20%) among impacted consumers both increased week-over-week, with job loss driven by the most significant increase among Millennials (28%).

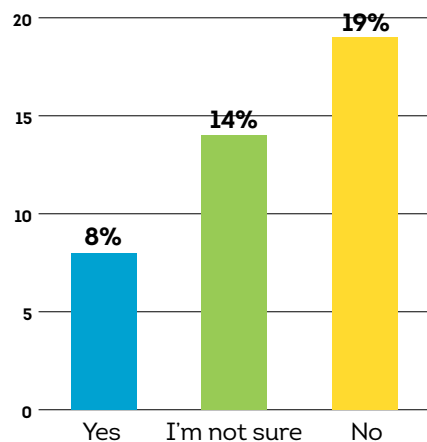
Regionally, the Midwest experienced the largest increase in job loss (17% vs. 13%), driven by Millennials losing their jobs, up to 27% from 14% last week. Midwesterners now report the highest rate of financial impact in the United States, and most significant change week-over-week (63% vs. 54%).

Figure 1. Perceived impact.

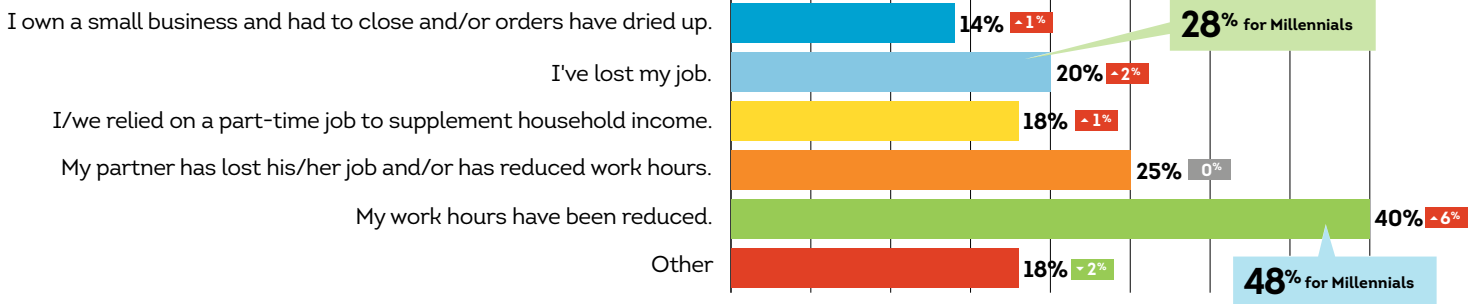


Percentage of consumers who indicated their household income has been impacted.

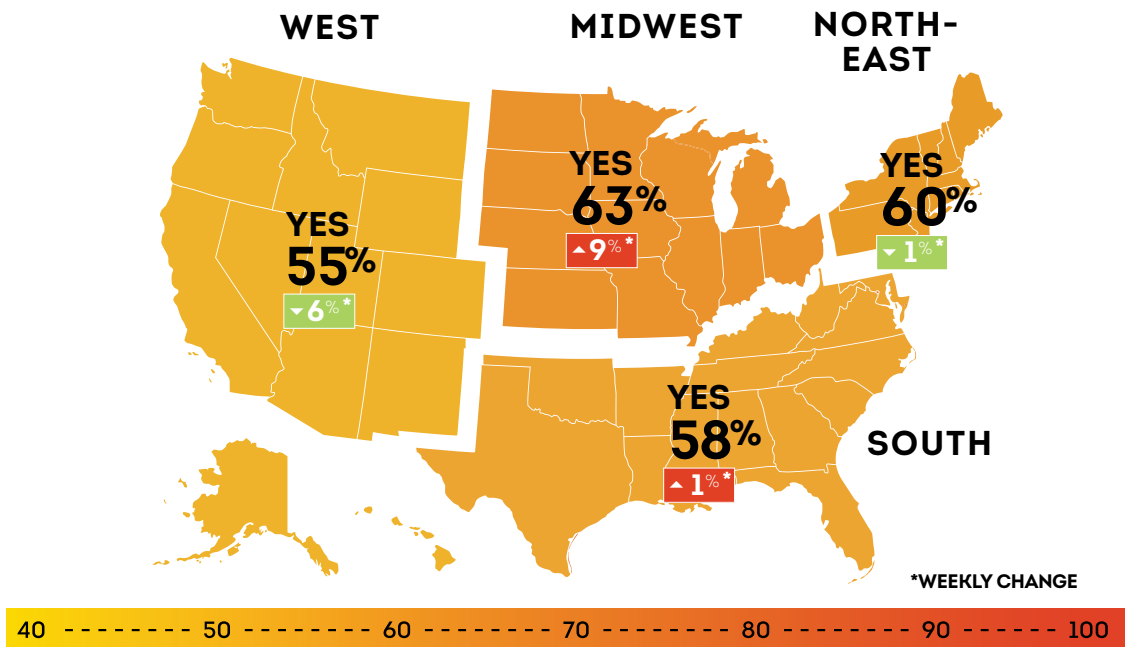
Figure 2. Are you expecting to be impacted in the future?



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



**Figure 4. Regional perceived financial impact.**



## BILLS AND LOANS

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

The estimated budget shortfall (\$1,034.50) among all impacted consumers is stable, though Millennials report having the largest deficit (\$1,127.20).

Overall, the timeframe until impacted consumers report they will not be able to pay their bills and loans shortened to 6.0 weeks. Younger generations will be affected sooner, with Millennials at 5.8 weeks and Gen Z significantly lower at 4.9 weeks.

Consistent with recent weeks, two-thirds (66%) of impacted consumers are concerned about how they will pay their bills and loans; concern is highest among Millennials (77%). There is week-over-week consistency across all bill payment types, except medical bills, where Baby Boomers reported an 11 percentage-point increase week-over-week (34% vs. 23%).

**Figure 5a. How much is your budget shortfall?**

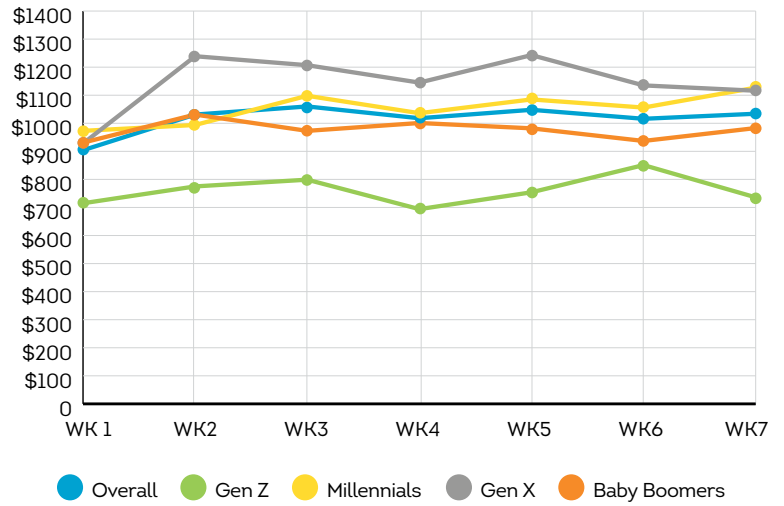
On average, amount consumers who are impacted expect they will be short when paying bills or loans.



**Are you concerned?**

**66%** of consumers who are impacted are concerned about their ability to pay current bills and loans.

**Figure 5b. Expected budget shortfall over time.**



**Figure 6a. What bills and loans are you concerned about your ability to pay?**

Overall WoW

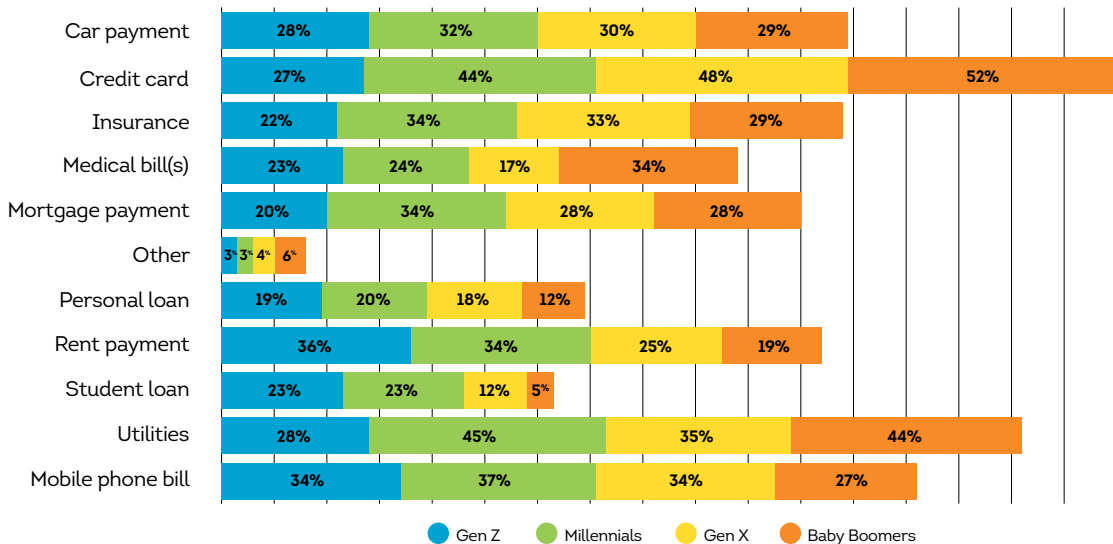
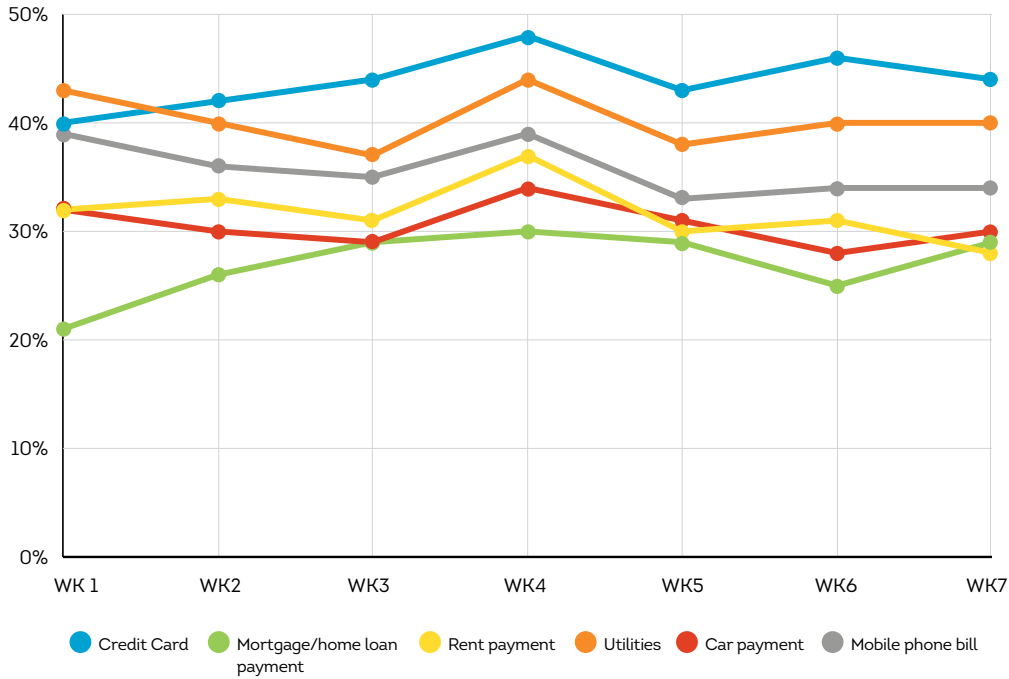


Figure 6b. Bills and loans consumers are concerned about their ability to pay over time.



## NEXT ACTION

### WHAT IS YOUR GAME PLAN?

Although the stimulus check remains the top option (42%) to make bill and loan payments among all impacted consumers, the percentage decreased for the second week in a row. Simultaneously, usage of several other approaches to close the shortfall gap has increased (See Figure 7).

Impacted consumers who have reached out to a company with whom they have an account are more likely to use financial accommodations. Of those who have reached out, one in five (20%) plan to refinance or renegotiate their payments or rates, while nearly two in five (37%) will pay a partial amount and 15% will take a payment holiday.

Figure 7. What is your plan to help pay your current bill(s) or loans?

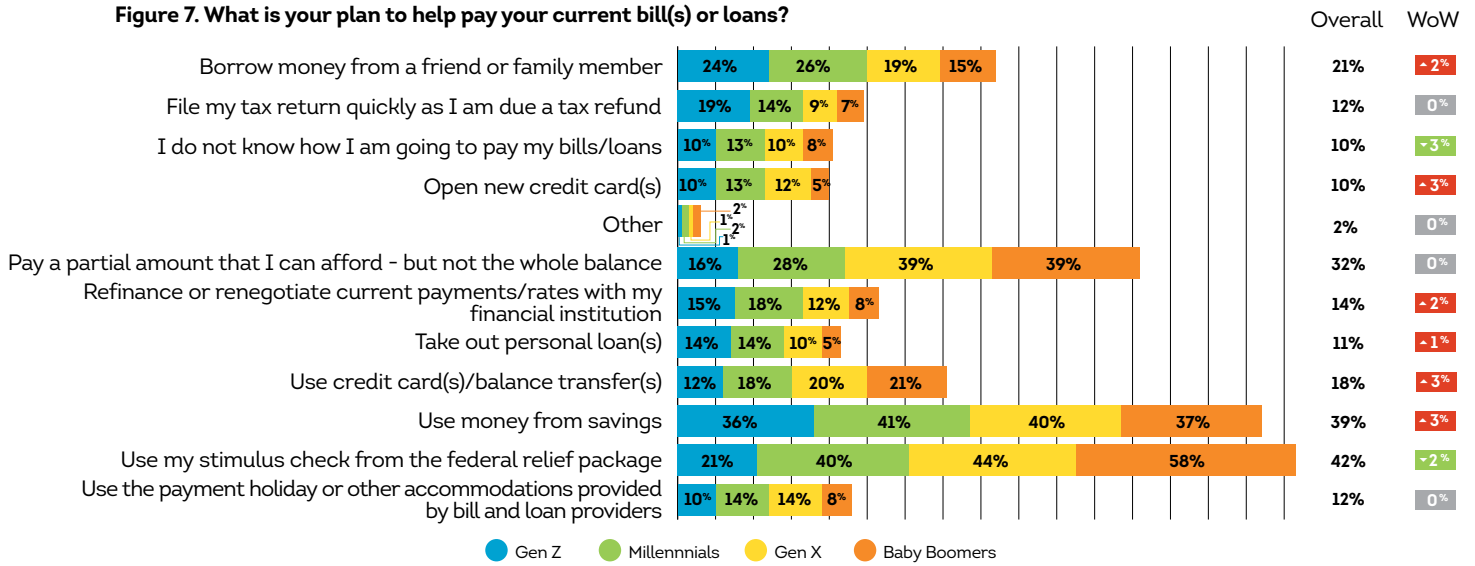


Figure 8. Have you reached out to companies you have accounts with to discuss payment options?

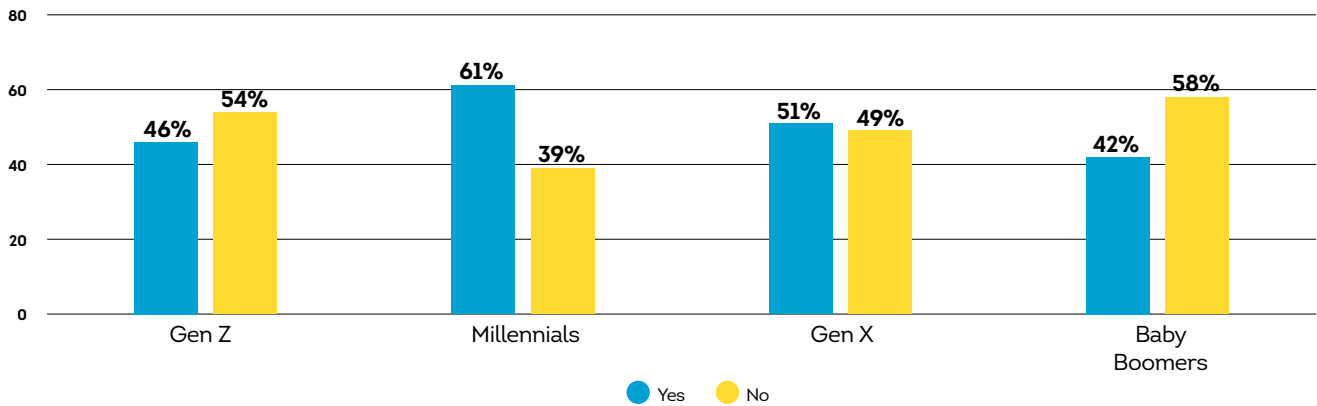
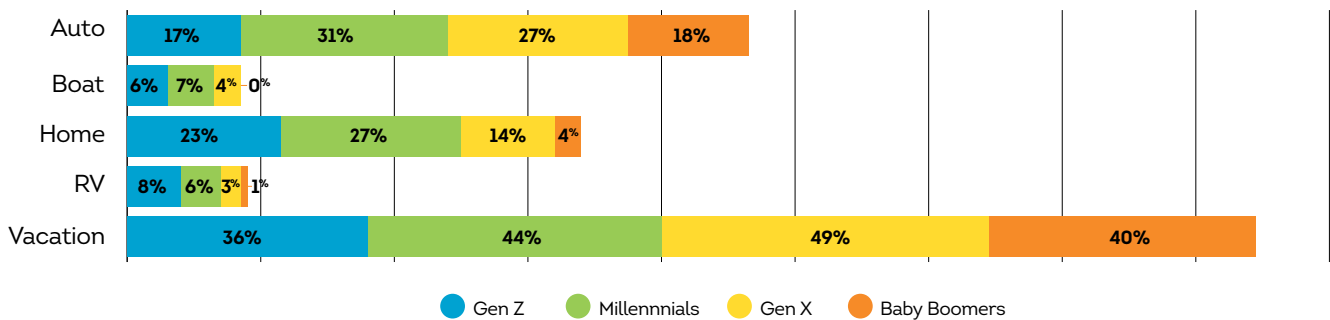


Figure 9. Are you delaying any of the following major purchases?



### Other Key Insights

- The importance of cost for consumers seeking screening or treatment for COVID-19 is up slightly (45% vs. 43%). Millennials are driving this increase, with cost as an important factor rising to 57% from 49% in week six.
- The proportion of consumers aware of being targeted by fraud schemes related to COVID-19 increased to 30% from 26% in week six. Younger generations are more likely to be aware of being targets of fraud (Gen Z: 41%, Millennials: 36%). [This is a global trend.](#)

Figure 10. How important is cost to you when evaluating potential screening or treatment?

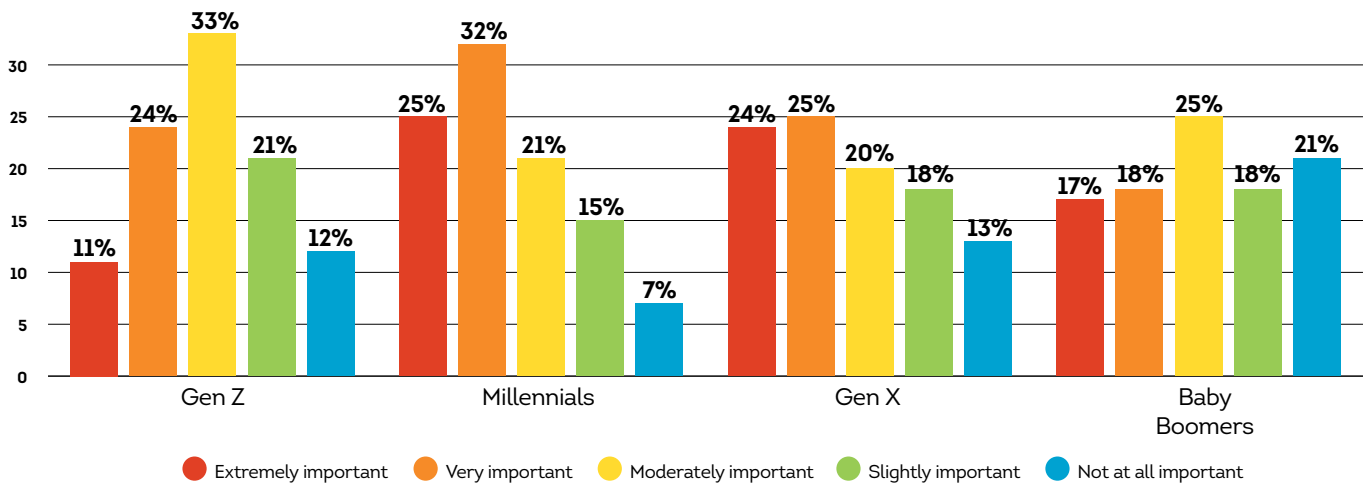
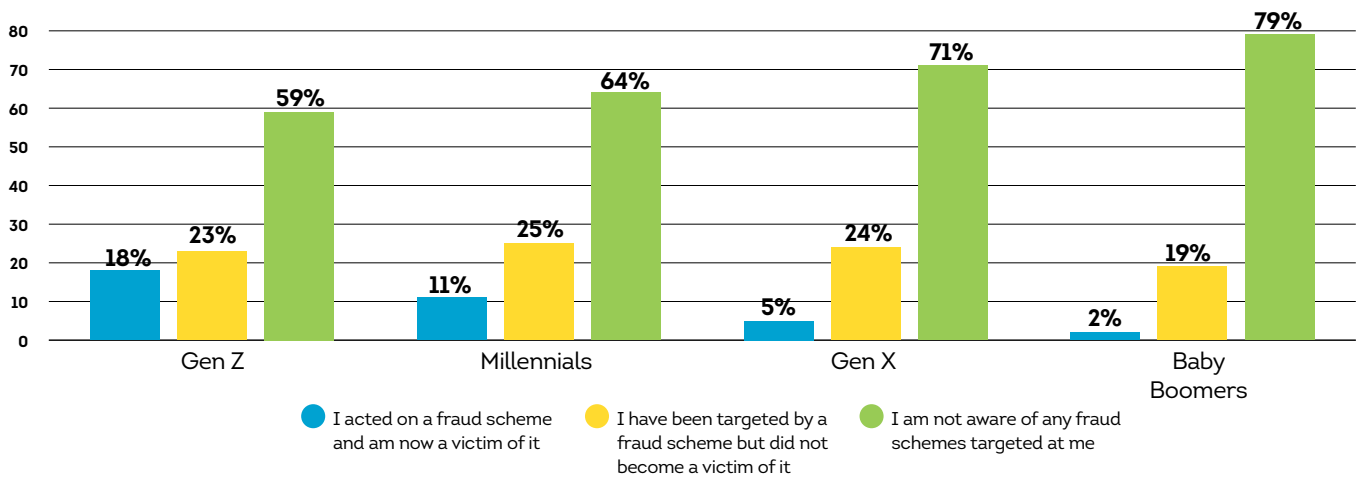


Figure 11. Which statement best describes your personal experience with any digital fraud attempts related to COVID-19?



## CALL TO ACTION

If you, like many others, are concerned about your ability to pay your bills and loans in the coming weeks, we have created a [COVID-19 support center](#), which can help you learn how to manage your credit during this uncertain 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:

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