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2-in-3 U.S. Adults Do Not Expect Personal Finances to Improve in 2022

Inflation cited by majority as the factor inhibiting improvement

New York – December 20, 2021 -- Just one-third of U.S. adults (33%) expect their financial situation to improve in 2022, including 9% saying their finances will get significantly better and 23% that say they will get somewhat better, according to a new consumer survey commissioned by Bankrate.

<https://www.bankrate.com/surveys/personal-financial-outlook-survey-2022/>

26% of Americans say their financial situation will get worse in 2022, including 18% saying their financial situation will get somewhat worse while 8% say it will get significantly worse. 42% say their financial situation will stay about the same in 2022.

Of the reasons why the 33% who expect their financial situations to get better, making more money at work (46%) and having less debt (36%) lead the way, with making more money on savings and investments (27%), change in life circumstances such as health or family (24%) and the continued resolution or end of the pandemic (20%) following. Just 14% point to the work being done by political leaders in Washington and 6% view changing interest rates as a positive. 9% said some other reason and 4% didn't know.

The single biggest barrier to better finances in 2022 is inflation, cited by 54% that do not expect their finances to improve, including 70% among those expecting their financial situation to get worse and 44% of those expecting their financial situation to stay the same.

“Inflation worries have dragged consumer confidence to a decade low and is the top reason Americans don't expect their finances to improve, and particularly to get worse,” says Greg McBride, CFA, Chief Financial Analyst at Bankrate. “This feeling goes far beyond gas prices, as inflation has broadened out and consumers see higher prices at every turn.”

While just 14% of those expecting their finances to improve in 2022 credit the political leaders in Washington, 57% of those expecting their finances to get worse and 25% of those expecting their finances to remain the same lay the blame on political leaders in Washington.

The ongoing pandemic was cited by one-third (33%) of those not expecting financial improvement, including 37% of those expecting worse finances and 31% expecting the same financial situation.

Other reasons cited by those expecting their finances to get worse include life circumstances (23%), stagnant or declining wages (23%), the amount of debt (18%), changing interest rates (17%), the amount of money made on savings and investments (15%). 11% cited something else and 7% didn't know.

When asked about their main financial goal is for the new year, paying down debt (20%) was the most cited financial goal for 2022. Other goals cited were saving for emergencies (14%), budget spending better (13%), save more for retirement (10%), invest more money (8%), get a higher paying job (8%) and buying a home (4%). 5% said it was something else, 17% said they have no financial goals for 2022.

“Paying down debt before interest rates begin to rise is a prudent move and the most cited financial goal for 2022,” adds McBride. Saving more for emergencies, budgeting spending better, and saving more for retirement are all markings that also appear on the pathway to financial security.”

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Methodology: Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,450 adults. Fieldwork was undertaken November 29th – December 1st, 2021. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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