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Majority of Americans Delaying Financial Milestones, Opting Out of Activities or Events Due to State of the Economy

Nearly 6 in 10 say their quality of life was negatively impacted by the state of the economy in the past 12 months

NEW YORK – November 17, 2022 – More than half of U.S. adults (53%) have delayed a major financial milestone due to the state of the economy, including things like home improvements or renovations (25%) and buying or leasing a car (21%), according to a new Bankrate.com report. And it isn't just major financial milestones that are being delayed – 58% of Americans have opted out of certain activities or events in the past year due to concerns about the economy like taking a vacation (37%) and dining out with friends or family (28%). For more information click [here](https://www.bankrate.com/personal-finance/delayed-financial-milestones-survey/):

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Some of the other financial milestones being postponed due to economic concerns include purchasing a home (15%), furthering education (10%), retiring (9%), getting married (7%), having children (7%), pursuing career advancement (7%), or something else (3%). Additional activities that Americans are opting out of include going to an amusement park, zoo, aquarium, or similar attraction (22%), going to a movie theater (21%), attending a live arts event (21%), attending a professional sports event (17%), or something else (2%). Respondents could select more than one financial milestone and activity/event, if applicable.

An overwhelming number of Americans (57%) say that their quality of life has been negatively impacted by the state of the economy. This includes 34% that feel the economy has had a “somewhat negative” impact on their quality of life in the past year and 22% indicating a “very negative” effect. Just 12% feel quality of life has been impacted positively by the state of the economy, and 31% say their quality of life has been unaffected.

“Whether it be inflation, rising interest rates, recession fears, market volatility, or something similar, concerns about the economy are high,” said chief financial analyst Greg McBride, CFA, “with the majority of Americans delaying financial milestones and opting out of certain activities or events because of it. The overwhelming sentiment is that the state of the economy has had a negative impact on Americans’ quality of life over the past year, with just 1 in 8 saying the impact has been positive.”

Americans whose quality of life has been negatively impacted are much more likely to have delayed a major financial milestone (62%) than those who were either positively or not impacted (43%). One third (33%) of those negatively impacted have delayed making home improvements/renovations, and nearly 3 in 10 (27%) have put off buying/leasing a car. That’s compared to just 15% of those either positively or neutrally impacted who put off home improvements/renovations and 14% who delayed buying/leasing a car.

Millennials (ages 26-41) are the most likely of all generations (64%) to have delayed one or more financial milestones, compared to 46% of baby boomers (ages 58-76). Among millennials, buying a home (26%), home improvements/renovations (24%), and buying/leasing a car (24%) were the financial milestones most often delayed. Among Gen Zers (ages 18-25), buying a home and buying/leasing a car (both at 21%) were the most delayed financial milestones. Baby boomers led all generations in delaying home improvements/renovations (29%), compared to 26% of Gen Xers (ages 42-57), 24% of millennials, and 14% of Gen Zers.

When it comes to opting out of activities or events due to the state of the economy, millennials (66%) and Gen Zers (64%) were the most impacted, compared to 59% of Gen Xers and 50% of baby boomers, respectively. Forgoing a vacation and dining out with family/friends were the most and second most cited events by every generation, respectively.

“Revenge spending in travel has been particularly robust, with full flights and sold-out hotels,” McBride said. “But just how much stronger could it have been? Over 1 in 3 (37%) Americans have skipped taking a vacation in the past year due to the state of the economy. This tends to be the first discretionary expense to get cut when households are queasy about the economic path ahead.”

Interestingly, the highest income households (annual income of \$100,000 or more) were slightly more likely (58%) to have delayed one or more financial milestones than households earning \$50,000-\$99,999 (55%) and those earning less than \$50,000 annually (54%). When it came to opting out of activities or events, the opposite was true, with households earning less than \$50,000 annually the most likely to have done so (61%), compared to 58% among households with annual earnings of \$50,000-\$99,999 and 55% of those earning \$100,000 or more.

Women (60%) were more likely than men (53%) to say the state of the economy has had a negative impact on quality of life in the past year. In terms of income groups, middle income households (\$50,000-\$99,999) were the most likely to say the economy has had a negative impact (62%), compared to 55% of both those earning less than \$50,000 and households with earnings of \$100,000 or more.

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,442 adults. Fieldwork was undertaken between October 19-21, 2022. The survey was carried out online and meets rigorous quality standards. It employed a nonprobability-based sample using 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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For More Information:

Richard Springer

Publicist, Bankrate

(917) 368-8608

richard.springer@bankrate.com