

## **Most Americans Expect to Spend the Same or Less This Holiday Season**

*Concerns about the economy and personal finances drive behavior, especially for Younger Millennials*

New York – November 25, 2019 – 74% of U.S. adults will not increase their holiday spending this year according to a new survey by Bankrate.com. This includes 22% who plan to spend less than they did last year. Just under a three in ten (27%) of those who won't increase their spending say it's because they are concerned about the state of their finances and/or the economy. Younger millennials (23-29) are the most concerned (33%) when compared to older generations.

For the full story: <https://www.bankrate.com/surveys/holiday-spending-november-2019/>

U.S. adults report the specific reasons why they will not spend more:

- 28% say they are focused on saving money
- 27% are concerned about the state of their finances and/or the economy
- 26% don't have as much money as they did last year
- 22% say they are focused on paying back debt

Of those who plan to spend any amount of money this holiday season, 56% say they will pay for all their purchases with money they already have. Another 37% will use a credit card to pay for some portion of their holiday expenses. 6% are still unsure how they will finance their holiday expenses.

“It is heartening to see that so many Americans plan to avoid going into debt for holiday purchases, helping to avert a financial hangover in the new year,” says Bankrate Senior Economic Analyst Mark Hamrick. “Still, of those planning to spend, more than one-third do plan to use credit. For these individuals, we recommend paying the debt or balance off within the billing cycle before costly interest charges hit.”

### **Spending Expectations Vary by Demographic**

While 46% of those living in the lowest income households will spend about the same as last year, they are the most conservative group when it comes to holiday spending, with 24% of those earning under \$30,000/year reporting they will spend less this year than last year vs. 18% of those earning \$80,000/year or more saying the same.

Their need to do so is clear: 37% of the lowest earners (under \$30,000/year) report not having as much money to spend as they did last year while only 13% of the highest earners (\$80,000/year or more) say the same. They are also more concerned with the state of their finances and/or the economy at large: 31% of the lowest earners claim this is their reason to spend less while only 20% of the highest earners feel the same way.

While being more cautious with the money they do spend, the lowest earners are not as prepared to pay for their holiday expenses as the highest earners are. 61% of higher earners will pay for their holiday purchases with money they already have while just 53% of those earning \$30,000k/year or less are able to do the same. 10% of lower earners still don't know how they will pay for their holiday purchases (vs. just 2% of the highest earners).

With their financial lives more settled, baby boomers are most likely to pay for their holiday expenses entirely with money they've saved vs. using a credit card for some portion of their purchases (61% vs. 53% of millennials).

**Methodology:** Bankrate.com commissioned YouGov Plc to conduct a consumer survey. Total sample size was 2,686 adults. Fieldwork was undertaken on October 23-25, 2019. 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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