

Bankrate

Roughly 3 in 4 say inflation is hurting them financially, are worried about further price increases

Concerns highest among older Americans and those with lower household income

New York -- March 9, 2022 – In a new survey from Bankrate, roughly 3 in 4 (74%) U.S. adults who have experienced higher prices in the past year report that higher prices are hurting them financially.

<https://www.bankrate.com/finance/credit-cards/higher-prices-poll/>

93% of U.S. adults have experienced higher prices over the past year. The most common spending categories are groceries (81%), gas (73%), restaurants (57%) and consumer products (42%, including furniture, electronics, clothes and more).

The older you are, the more likely you are to have noticed higher prices. Higher prices were experienced by 98% of boomers (ages 58- 76), 95% of Gen Xers (age 42-57), 89% of millennials (age 26-41) and 83% of Gen Zers (age 18- 25). This really stands out in certain categories, for example:

- Groceries: 94% of boomers, 89% of Gen Xers, 72% of millennials and 52% of Gen Zers have experienced higher prices.
- Gas: 88% of boomers, 79% of Gen Xers, 62% of millennials and 47% of Gen Zers have experienced higher prices.
- Restaurants: 66% of boomers, 64% of Gen Xers, 49% of millennials and 39% of Gen Zers have experienced higher prices.

“Older Americans are being hit hardest by the rapid inflation we are experiencing for two main reasons,” says Bankrate Senior Industry Analyst Ted Rossman. “One is that they’re more likely to be in retirement, or close to it, and are focused on drawing down their savings and investments rather than building them up. The other is more psychological, as they have bad memories of the rampant inflation that dominated much of the 1970s and early 80s. It’s clear that inflation – not higher interest rates – is the dominant kitchen table economics concern right now. This has major ramifications for consumers, the economy, politics and more.”

Among those who have experienced higher prices, 74% say their personal financial situation has been negatively affected (43% somewhat negative + 31% very negative).

37% of those with annual household incomes under \$50,000 said their personal finances have been very negatively affected by higher prices, compared with 31% who have annual household incomes between \$50,000 and \$99,999 and 22% with annual household incomes of \$100,000 or more.

84% who have experienced higher prices have taken at least one action as a result. The most common are cutting back in some areas to afford higher prices elsewhere (58%) and making special efforts to find discounts (47%). Also, 29% dipped into savings, 25% actively tried to increase their income (for example, by asking for a raise, taking on a side hustle, getting a new job, or working more hours) and 23% took on more debt.

- 61% of baby boomers and Gen Xers who have noticed higher prices cut back in some areas so they could spend more in others, versus 55% of millennials and 46% of Gen Zers.
- 39% of millennials, 35% of Gen Zers, 23% of Gen Xers and 13% of boomers sought to up their income.

73% of U.S. adults are worried that new and/or continued price increases on everyday essentials will impact their finances over the next year and 33% are worried about higher interest rates making credit cards and other debts more expensive. 82% are worried about at least one of those things.

- 81% of boomers, 80% of Gen Xers, 67% of millennials and 54% of Gen Zers are worried about price increases.
- Concerns about higher interest rates are less common and more consistent across the generations (35% of Gen Xers, 34% of millennials and 32% of boomers and Gen Zers).

Methodology: Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2386 adults. Fieldwork was undertaken between 9th - 11th February 2022. 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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