

# Bankrate

## Roughly 7 in 10 are Worried About Possible Recession, Taking Steps to Prepare

*Women, minorities, lower earners most likely to feel unprepared for economic downturn*

NEW YORK – August 24, 2022 – With recession fears mounting, nearly 7 in 10 (69%) U.S. adults admit that they are worried about the possibility of a recession before the end of next year, according to a new Bankrate.com report. This includes nearly 3 in 10 (29%) who are very worried. Moreover, 74% are actively taking steps with their personal finances in anticipation of an economic downturn. Click here for more information:

<https://www.bankrate.com/banking/federal-reserve/recession-preparedness-survey-august-2022/>

More than 2 in 5 (41%) feel unprepared to weather a recession if one were to strike before the end of next year, including 24% who are not too prepared and 17% who are not at all prepared. The remaining 59% consider themselves prepared for the possibility, although just 17% say they are very prepared (42% somewhat prepared).

While most U.S. adults are taking steps to prepare for a recession, including spending less on discretionary purchases (47%), saving more for emergencies (35%), paying down credit card debt (30%), looking for additional/more stable income (24%), saving more for retirement (19%) or something else (4%), that still leaves 26% who are doing nothing in anticipation of/to better prepare for an economic recession. Worryingly, 31% who consider themselves unprepared for a recession are currently doing nothing to improve their situations, including 42% who are not at all prepared. For comparison, just 22% who consider themselves prepared are taking no action.

“While some Americans indicate they believe the economy is already in a recession, it is perhaps more important that so many are already taking actions based on their fears or beliefs that one is inevitable over the next year or so,” said Bankrate.com senior economic analyst Mark Hamrick. “With about half of consumers saying they’re cutting back on discretionary purchases, that alone weighs on economic activity, making a contraction more likely. Fortunately, we’re seeing some constructive developments including saving more for retirement and for emergencies and paying down credit card debt.”

Some groups are more likely to feel unprepared:

- **Women:** 48% of women vs. 34% of men
- **Minorities:** 45% of nonwhite adults vs. 38% of white adults
- **Less Educated:** 46% of those with less than a four-year college degree vs. 29% with at least a four-year degree
- **Gen Z:** 51% of those ages 18-25 vs. 44% of millennials (ages 25-41) and Gen X (ages 42-57) and 35% of baby boomers (ages 58-76)

- **Lower Earners:** 53% who make less than \$50,000 annually vs. 32% making \$50,000-\$79,999, 21% earning \$80,000-\$99,999 and 24% making \$100,000+

Meanwhile, groups that are more inclined to worry about the possibility of a recession before the end of 2023 include women (74% vs. 65% of men), Republicans and independents (74% each vs. 65% of Democrats) and millennials and Gen Xers (73% and 72%, respectively, vs. 66% of Gen Zers and 67% of boomers).

Looking ahead to a year from now, 7 in 10 U.S. adults believe that inflation will not have gotten any better, including 51% who think it will be worse and 20% who think it will be about the same as it is now. Just 16% believe inflation will let up over the next year, and 14% don't know.

Politically, and of note heading into the mid-term elections this fall, 65% of Republicans believe inflation will be higher by this time next year, compared to 39% of Democrats and 53% of independents. 23% of Democrats believe inflation will be lower, compared to just 8% of Republicans and 14% of independents.

### **Methodology:**

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,390 adults. Fieldwork was undertaken between July 27-29, 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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