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**FOR IMMEDIATE RELEASE**

**aQITY RESEARCH COVID-19 IMPACT SURVEY: 56% of US HOUSEHOLDS  
REPORT FINANCIAL IMPACT WITH HARDER HIT YOUNGER GENERATIONS  
MOST LIKELY TO CHANGE BEHAVIORS AND MAKE TOUGH DECISIONS**

**60% of Americans Optimistic that COVID-19 Pandemic Will Resolve within Six Months  
Though More Than Half Believe the Economy Will Take Over a Year to Recover**

Evanston, IL, May 8, 2020 – According to a late April survey conducted by aQity Research & Insights, while most Americans believe the COVID-19 pandemic will resolve soon, the impact of the crisis is widespread and is especially affecting younger generations who are most likely to make difficult and lasting personal finance decisions and adopt new everyday habits.

Conducted April 17-21, 2020, approximately one month after the first statewide shelter-in-place orders were put in place, the survey of 2,002 Americans with household income of \$35,000 or more probes into some of the difficult financial decisions US households have made and expect to make because of the pandemic's impact on the economy, jobs, and stock market.

“This survey was an opportunity to tap into consumer sentiment and understand how households are coping,” said Jeff Andreasen, president of aQity Research & Insights. “The research revealed that the COVID-19 crisis is touching almost everyone, regardless of income,

and delivering an especially hard blow to younger Americans during their asset accumulating years.”

### **Financial Impact Differs by Income and Generation**

The financial impact is felt across virtually all income levels. Most (59%) households earning under \$150K in 2019 are feeling at least some financial impact from the recent economic downturn, while only the highest income households (earning over \$150K) are mostly feeling little or no impact.

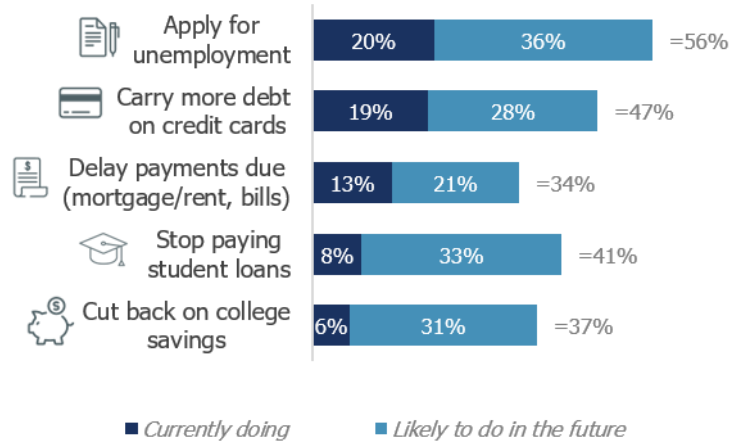
At the same time, nearly half (45%) of US households report a job loss, a closed business and/or reduced pay due to COVID-19. This number rises to 60% for the Millennial Generation and 53% for Generation X (GenX).

### **Difficult Financial Decisions to Meet Expenses**

The survey identified several of the difficult financial decisions that consumers started taking as of the end of April, and what they plan to do next if the economy does not rebound in the next two to three months. Many of these behaviors could have lasting impacts.

Overall, Americans are doing their best to cope financially, with most (66%) pulling back on daily expenses. One in five households has applied for unemployment and about the same percent are letting credit card debt pile up to preserve cash. If the crisis doesn't abate in two to three months, reliance on these methods will more than double. Likewise, while most Americans

have not yet cut back on their college savings or stopped college loan payments, these actions are reported as likely “next steps” to hold onto income.



### Retirement Savings at Risk

Nearly 9 in 10 Americans (86%+) with IRAs and/or workplace defined contribution (DC) accounts are staying the course with their retirement savings contributions so far, and no more than 2% have started early withdrawals these qualified savings accounts. However, if their financial situation does not change in the next two months, up to 24% will likely cut back on retirement contributions (including at least 34% of Millennials), and as many as 15% will likely take early withdrawals from a DC plan (including 24% of Millennials).

### Levels of Optimism for the Future

Most Americans (60%) believe the COVID-19 pandemic in the US will be under control within six months. Roughly half of those who lost a job or pay expect to be working again or fully paid within the next two months. However, at least 67% believe a full recovery to the

unemployment rate, stock market, and US economy overall will take much longer (more than six months or even over a year).

### **Stock Market Predictions and Asset Allocation**

Investors overall are divided in their predictions about the performance of the stock market in the next two to three months. Millennials expect further short-term losses instead of gains by a 2:1 margin, while Baby Boomers and Silent Generation adults are more optimistic, with more saying it will improve rather than decline.

This more pessimistic view among Millennials and the overall impact they've experienced are likely behind their recent reactivity to stock market volatility. During the first month of shelter-in-place orders, more than a third (35%) of Millennials reported making one or multiple shifts in their investment strategy with 31% moving to more conservative investments and cash and 15% moving to more aggressive strategies. By comparison, the majority of older generation households (76%) maintained a long-term investment strategy with no changes.

“While most households are finding ways to cope with the financial impact of the pandemic and are optimistic that the virus may be under control relatively soon, the long-term impact on investment markets and the overall economy will be felt much longer. As a result, Americans, especially the Millennial generation, are not likely to be out of the woods financially any time soon and may look for new ideas and guidance for recovering in the new normal,” said Andreasen.

### **Impact on Future Personal Behaviors**

The pandemic's impact on Americans will extend beyond the economic and financial difficulties, changing personal and everyday habits. Yet the extent of these changes again varies

between the younger and older generations, with Millennial and GenX adults prepared to make the most changes.

More than any other age group, GenX adults are most likely to continue preventative behaviors after the pandemic has passed; washing hands more frequently, wearing face masks, and having sanitizer on hand. They also are the most likely to avoid personal contact with 67% saying they will continue to avoid shaking hands and half saying they will pass on attending large events, even after the pandemic is behind us.

Millennials also report they will continue taking precautions, especially saving money for emergencies post-COVID-19, but they appear to be much more comfortable resuming social behaviors like shaking hands and attending large events.

**For more information and summaries of the survey, visit:**

<https://www.aqityresearch.com/our-covid-19-impact-study.html>

#### **About the Survey**

The aQity Research & Insights COVID-19 Impact Survey results are based on a nationwide sample of n=2,002 adults ages 25 and older that is part of the Lightspeed/Kantar® online survey panel. Dates of data collection were April 17-21, 2020, approximately one month after the first statewide shelter-in-place orders were put in place.

Only those reporting household incomes of \$35,000 or more in 2019 and who identify as the sole or a joint financial decision-maker for the household were included. The recruiting included quotas to reflect the population and the final respondent sample is weighted to reflect 2018 US Census data by region, age, gender, household income, as well as 2019 Gallup Survey data for political party identification.

#### **About aQity Research & Insights**

aQity Research & Insights (pronounced “acuity”) is a full-service research firm in Evanston, IL. The company brings 20+ years of experience providing critical market and opinion research insights to leading financial services organizations including global asset management firms, financial advisors and wealth managers, and industry consultants.

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