



SURVEY RESULTS: GENERATIONAL IMPACT OF COVID-19 PANDEMIC IN THE US

MAY 2020

aQity Research & Insights
Evanston, IL

The COVID-19 pandemic in early 2020 has caused more change and disruption to the daily lives of US households than most can remember. The impact is widespread, affecting everything from global economies and investment markets down to personal decisions and behaviors like wearing face masks in public and washing one’s hands more often.

Many recent surveys have captured American’s attitudes toward these changes in terms of how it has impacted their household emotionally and financially. This survey, commissioned by aQity Research & Insights, probes further into some of the difficult financial decisions the US households have made and expect to make because of the pandemic’s impact on the economy, jobs, and stock market.

The survey also provides insight into Americans’ outlook for the future, their expected personal lifestyle changes in a post-COVID-19 world, and highlights critical differences in experiences, attitudes, and behaviors between the Millennial, GenX, Baby Boomer, and Silent Generations:

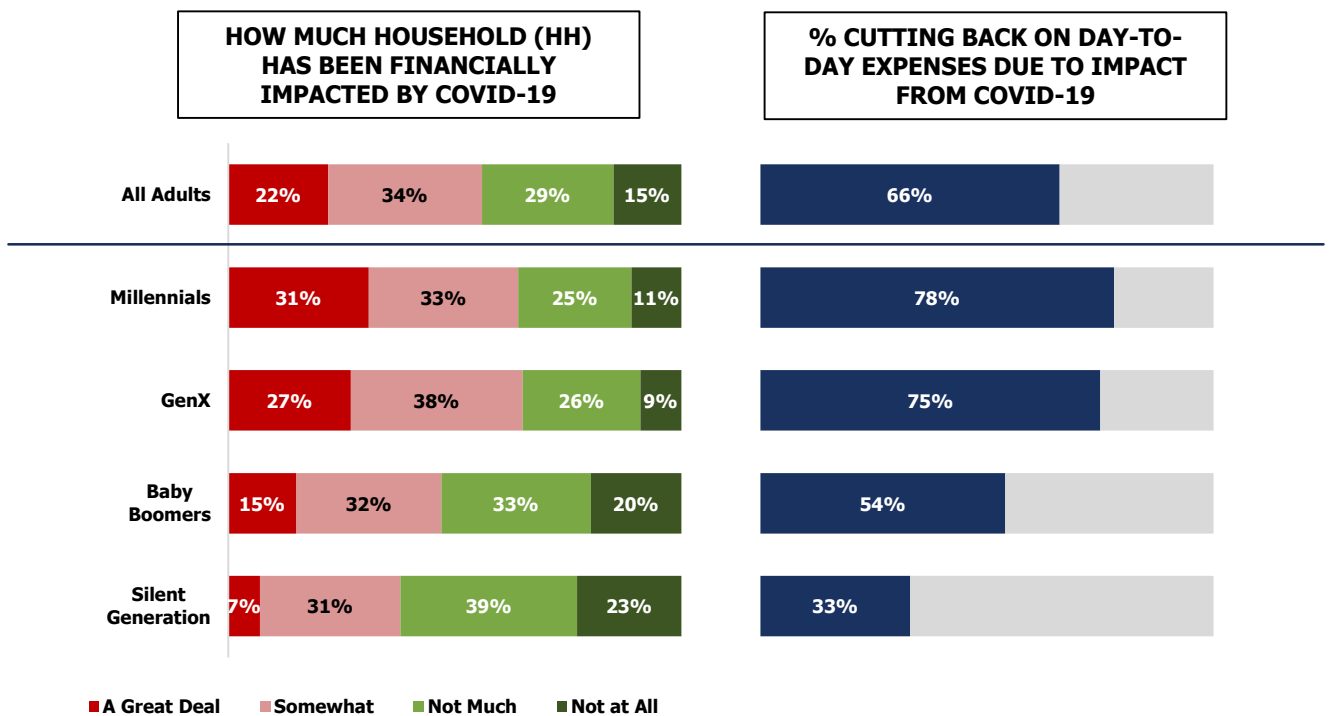
	Unweighted n (financial decision- maker for household)	Weighted Distribution
Millennials (born 1981-1995)	345	27%
GenX (born 1965-1980)	569	33%
Baby Boomers (born 1946-1964)	881	32%
Silent Generation (born before 1946)	207	8%
All Respondents	2,002	100%

The survey results are based on a nationwide sample of n=2,002 adults ages 25 and older who are 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 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.

A month after the first shelter-in-place orders took effect, US adults are divided on how much COVID-19 has impacted their households financially. Just over half (56%) report at least some financial impact, but 44% report little or no change.

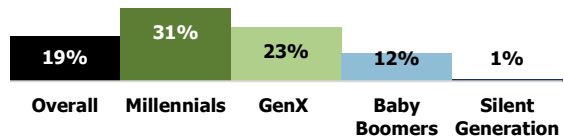
- The younger GenX and Millennial adults are most likely to feel they have experienced a financial hit.
- Similarly, nearly two thirds (66%) of all US households have cut back on expenses because of the pandemic. At least three in four GenX and Millennial adults have down so, more than twice as often as those in the Silent Generation.



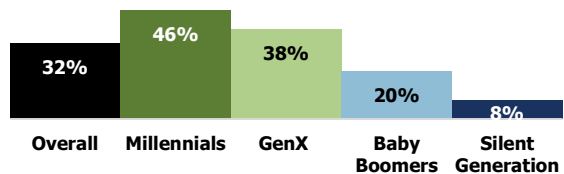
The economic impact of COVID-19 has been especially hard on younger generations.

- Nearly a third of Millennials have personally lost their job or been furloughed since shelter-in-place orders started, and nearly half (46%) report a job loss or furlough in their household (either their job or a spouse/partner's). GenXers are not far behind.
- Business owners and self-employed adults have especially been hit hard, with Millennials again reporting most of the brunt.
- As a result, nearly half of Millennials and over a third of GenXers are now reporting lower monthly income due to COVID-19.

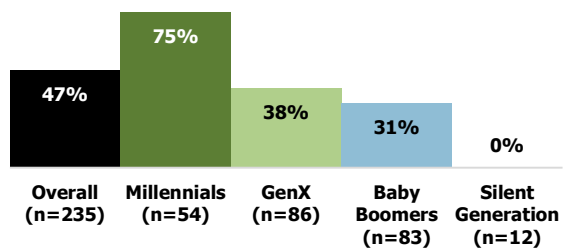
PERSONALLY LOST JOB/ FURLOUGHED DUE TO IMPACT FROM COVID-19



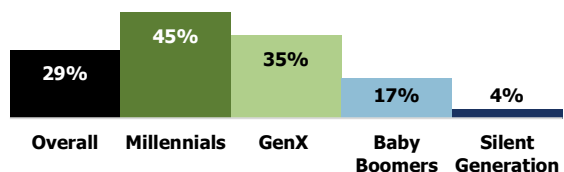
SOMEONE IN HH LOST JOB/FURLOUGHED DUE TO IMPACT FROM COVID-19



BUSINESS OWNER* WHO CLOSED/ CUT BACK ON BUSINESS DUE TO IMPACT FROM COVID-19



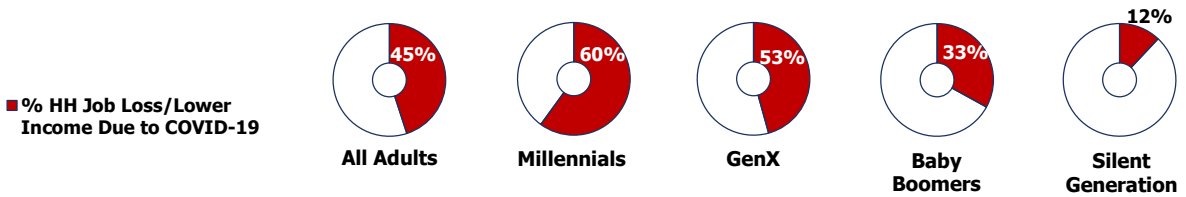
HH INCOME FROM PAY/SALARY REDUCED DUE TO IMPACT FROM COVID-19



Overall, just under half (45%) of all households report a job loss and/or reduced income due to COVID-19, including a majority of Millennials and at least a third of GenXers and Baby Boomers.

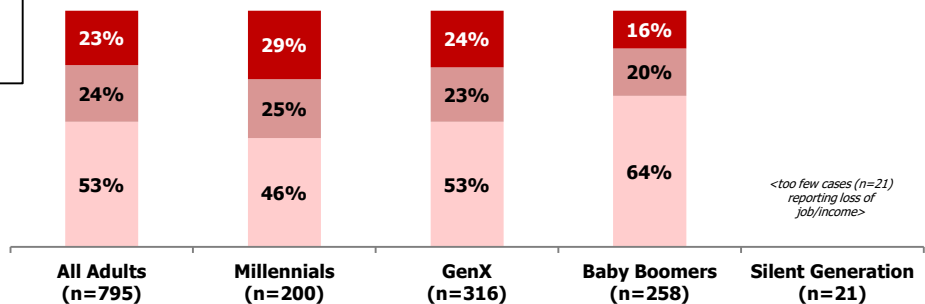
- Among those reporting job loss or reduced pay, Millennials and GenXers are again hit the hardest, with at least one in four recently losing most of their monthly income due to the pandemic.
- By comparison, the vast majority of Baby Boomers (64%) have lost less than 25% of their monthly household income.

% EXPERIENCING HH JOB LOSS/FURLOUGH/LESS PAY DUE TO COVID-19



DROP IN MONTHLY HH INCOME DUE TO JOB LOSS/FURLOUGH/REDUCED PAY

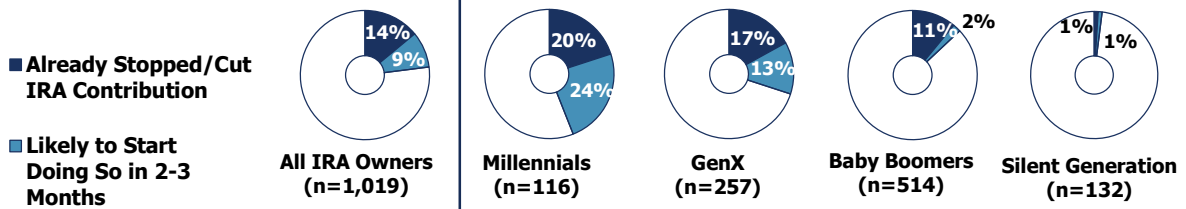
- 50%+ (most or all income lost)
- 25%-49% Lower
- 1%-24% Lower



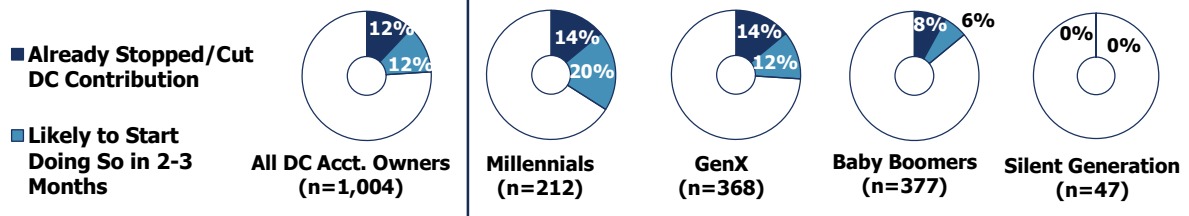
The financial impact resulting from the COVID-19 is or will force some to make difficult decisions and behavior changes with retirement savings.

- Between 12% and 14% of households with an IRA or a DC plan have already cut back or stopped contributing to these accounts because of the recent financial impacts felt from the COVID-19 pandemic.
- Looking ahead, another 9% and 12% of IRA and DC account holders (respectively) are likely to start reducing these contributions in the next two to three months if their financial situation doesn't improve.
 - At least a third of Millennials with these qualified retirement accounts have already or are likely to cut back or stop contributing to these accounts. This includes nearly half (44%) of Millennials with DC assets.
 - Even among Baby Boomers, at least one in ten have already or will likely cut back on these retirement contributions.

HH STOPPING/CUTTING IRA CONTRIBUTIONS DUE TO COVID-19



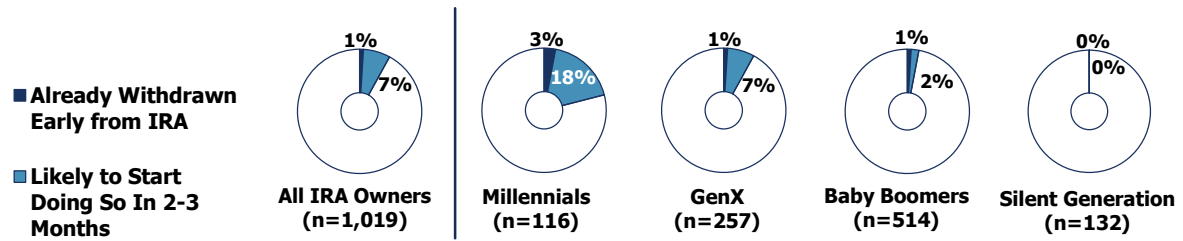
HH STOPPING/CUTTING DC CONTRIBUTIONS DUE TO COVID-19



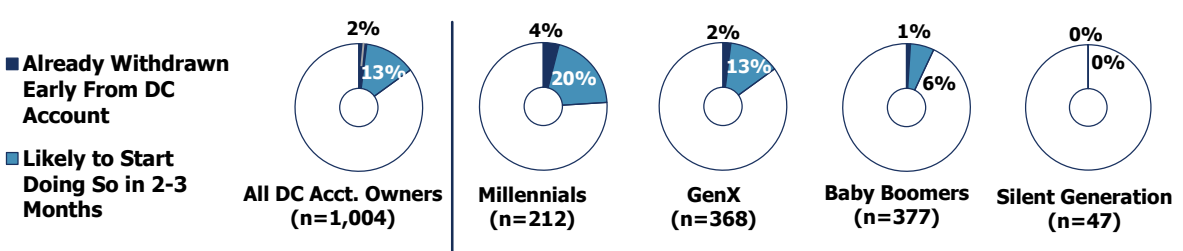
Fortunately, very few have made early withdrawals from qualified retirement accounts, knowing that doing so means paying taxes and maybe penalties.

However, nearly one in five Millennials with IRAs are likely to start withdrawing those assets if their financial situation does not improve within the next three months. Likewise, one in four Millennials with DC assets plan to do likewise if things don't turn around.

HH TAKING EARLY WITHDRAWALS FROM IRA DUE TO COVID-19



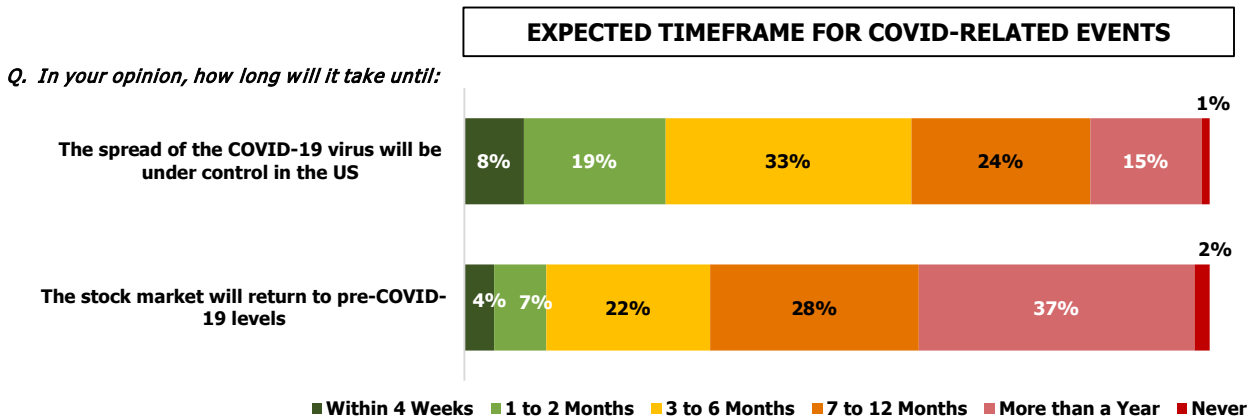
HH TAKING EARLY WITHDRAWALS FROM DC PLAN DUE TO COVID-19



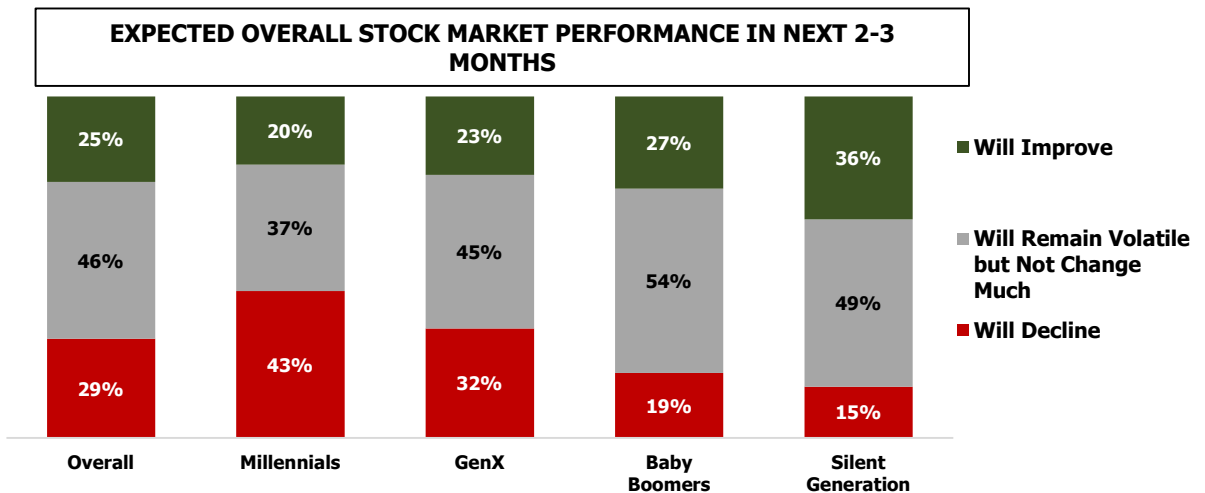
NOTE: The survey was conducted about three weeks after the CARES Act was signed, which (in part) waived some penalties for early withdrawals allowed from qualified IRAs and DC plans.

Overall, most Americans feel that the COVID-19 pandemic will be under control within the next six months. However, the stock market is expected to require more time to recover from the declines caused by the virus and it's on the economy and jobs.

➤ These expectations are generally consistent across all generations.



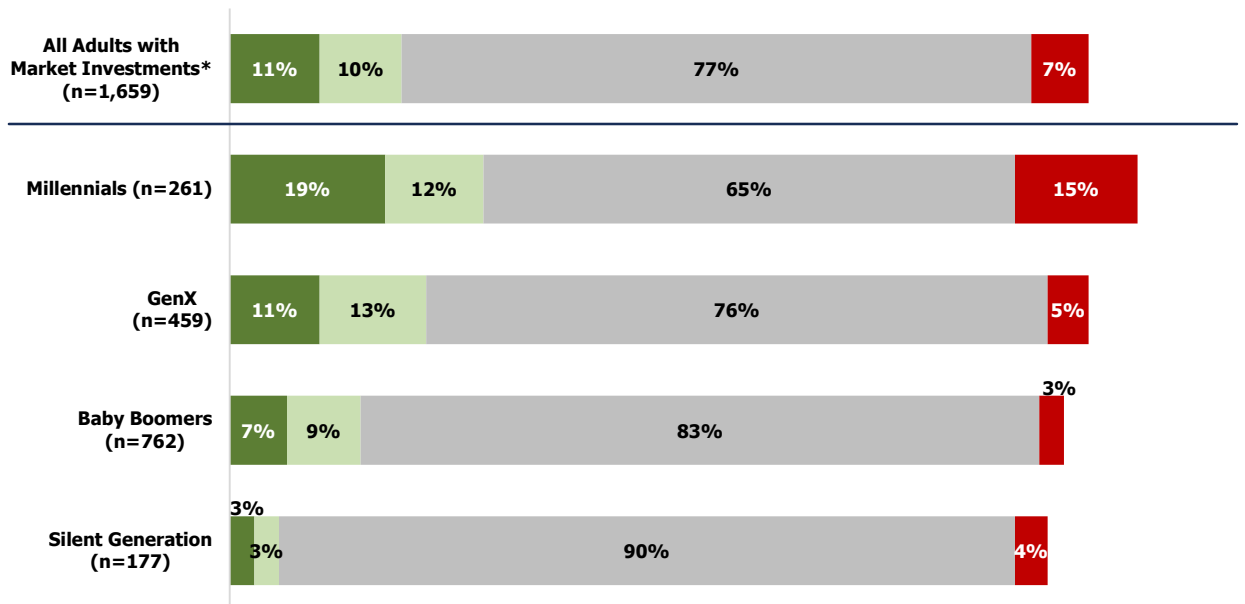
In the short-term (next 2-3 months), Millennials take a much more bearish outlook on expectations for the stock market, compared to Baby Boomers and Silent Majority adults.



Among households with market investments*, nearly one in four (23%) have adjusted their strategy due to the market downturn during the COVID-19 outbreak.

- Overall, most of these shifts went to cash or more conservative strategies, while only 7% of all investors moved to more aggressive solutions.
- As age decreases, shifts in allocation strategies increase. Over a third (35%) of Millennials report making a change recently, usually moving to both more aggressive strategies and/or cash products.
- Conversely, Baby Boomers and Silent Majority investors are least likely to have made recent adjustments.

**SHIFTS IN INVESTMENT STRATEGY SPECIFICALLY BECAUSE OF COVID-19
IMPACT ON INVESTMENT MARKETS (multiple responses)**



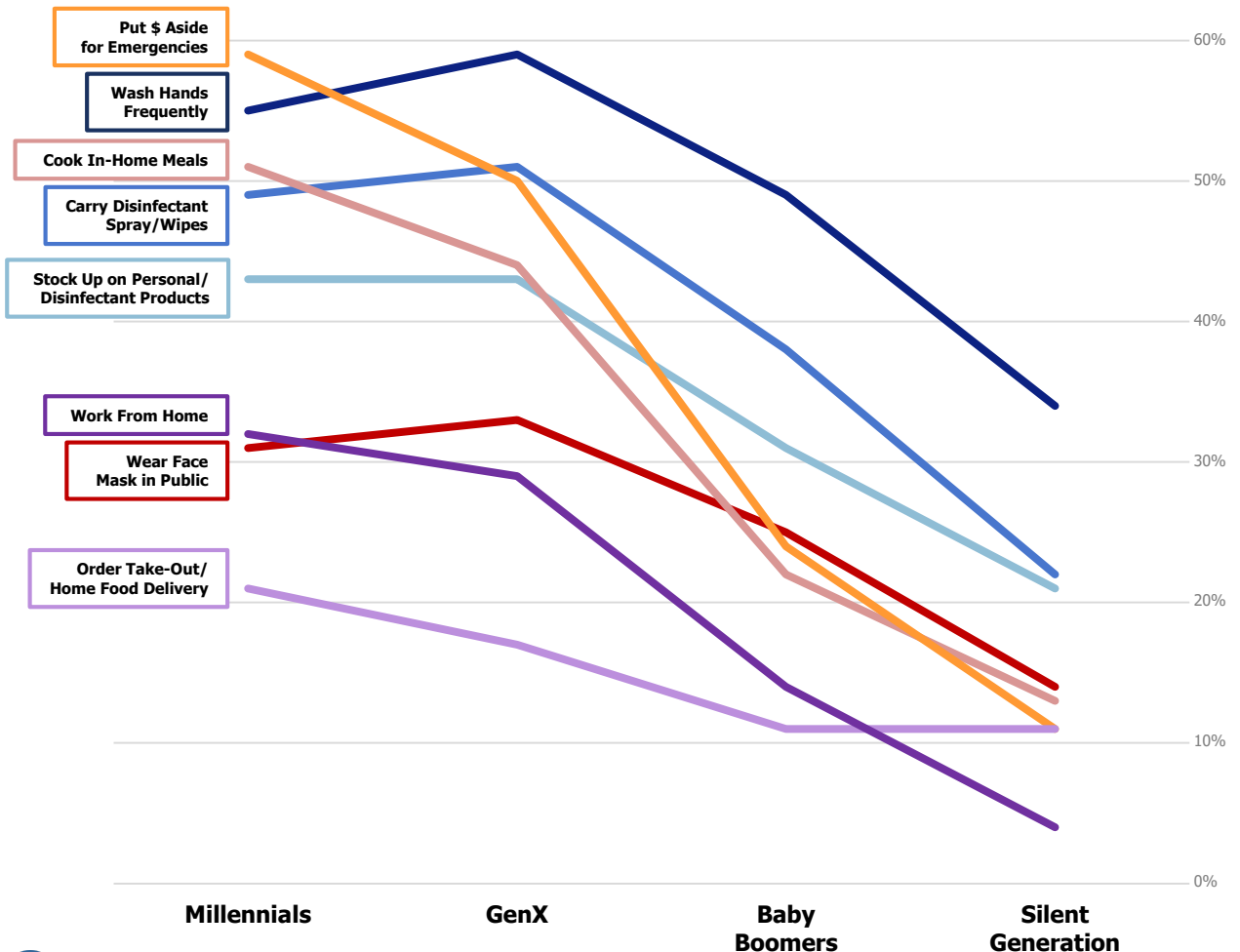
- % Shifted to Cash Position
- % Shifted to More Conservative/Less Aggressive Strategies
- % No Change/Investing for Long-Term
- % Shifted to More Aggressive/Less Conservative Strategies

In a post-COVID-19 world, younger generations (especially GenXers) are more likely to continue personal health behaviors than older (and more "at-risk") generations.

- Millennials are the most likely to plan on building up emergency savings going forward, far more than any other age group. They also plan on cooking meals at home more than before.
- By comparison, GenXers are the most likely to continue personal hygiene precautions post-COVID-19, especially washing their hands more regularly, carrying disinfectant with them, and wearing face masks in public.
- Across all of these behaviors, the oldest adults (especially those in the Silent Generation) are least likely to continue these practices and will go back to their pre-COVID-19 lifestyles.

% MORE LIKELY TO CONTINUE CURRENT BEHAVIORS

Q. **After** the COVID-19 pandemic is behind us, will you do each of the following more often, as often, or less often as you did **before the COVID-19 outbreak?** (% "more" shown below)



Likewise, GenXers are by far the most likely to continue social distancing behaviors post-COVID-19.

- Close to half of GenX adults are less likely to hug a friend or attend large gatherings after the pandemic is behind us. And two-thirds expect to be less inclined to shake hands with colleagues or new contacts in a post-COVID-19 setting.
- Millennials are more likely to resume these behaviors.

**% LESS LIKELY TO STOP CURRENT COVID-19 BEHAVIORS
AFTER COVID-19 PANDEMIC IS BEHIND US**

% LESS LIKELY TO...	Overall	Millennials	GenX	Baby Boomers	Silent Generation
...Shake hands with colleague/ someone you just met	60%	48%	67%	62%	61%
...Hug a friend	38%	32%	43%	38%	35%
...Attend large events with 50+ people*	45%	39%	50%	46%	46%

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

aQity specializes in customized research on a wide range of investment and financial topics, including:

- Quantitative studies, especially thought leadership (both B2C and B2B), brand tracking and client satisfaction programs, and segmentation research;
- Qualitative research (phone and web-enabled IDIs, focus groups, etc.), especially win-loss research (mostly B2B), concept and message testing, and lost client research.
 - For qualitative interviews, aQity has an experienced in-house team of executive interviewers with years of experience engaging hard-to-reach decision-makers on a variety of topics. They are professional, articulate, and flexible, which translates into higher response rates and reflects well on our clients.

RESEARCH TOPICS WE COVER	
Client Satisfaction and Loyalty (NPS)	Win-Loss Research
Attrition/Lost Client Surveys	New Product and Concept Testing
Brand Equity and Image	Thought Leadership Studies
Savings Attitudes, Behaviors and Barriers	Segmentation Research
Message Testing	Employee Surveys

POPULATIONS WE SURVEY			
B2B		B2C	
Retirement Plan Sponsors, Third-Party Consultants and Advisors	Third-party Administrators (TPAs)	General Population and Investors	High Net Worth, Affluent and Mass Affluent
RIAs and Wealth Managers	Broker/Dealer Firms	Generational Segments MILLENNIAL GEN X BABY BOOMER, SILENT	Ethnic and Diverse Populations
Portfolio Managers and Investment Analysts	Equity Compensation Plan Sponsors/Administrators	Spouses and Partners	Live Stage Segments RECENT COLLEGE GRADS; NEAR RETIREES, RECENT RETIREES
C-Suite Decision-makers	Insurance Agents and Reps	Diverse Lifestyle Groups	National and DMA-specific Markets
Structured Settlement Brokers	Family Practice Advisors	Self-employed Adults	Parents and Grandparents

METHODS WE USE	
In-depth Phone Interviews (IDIs)	Online Quantitative Surveys
Mail Surveys	Focus Groups
Web-based Discussion Boards	Key Driver Analysis
Cluster and Factor Analysis	CHAID and DecisionTrees
Multiple Regression Solutions	Discriminant Analysis

For questions about the survey findings in this report or other topics, please contact:

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