Overview .......................................................... 3

Vacations, Vehicles & Homes
Top Consumers’ Big-Ticket Purchase Priorities .......................................................... 4

How Consumers are Making Ends Meet .......................................................... 5

Outlook for Financial Security & Wellness .......................................................... 6

The Limited Reach of Pandemic Stimulus .......................................................... 7

/ Methodology

Data in this study was collected in spring 2022 via an online survey of 1,002 U.S. consumers age 18 or older, and is representative of the U.S. population for age, gender, race and geographic location.
From spending on vacations and upgraded living arrangements to concerns about inflation and financial wellness, consumers are eager to embrace a new sense of normalcy, even as many are still recovering from the financial strains of the COVID-19 pandemic, according to the findings of a study conducted by Freedom Financial Network.
Vacations, Vehicles & Homes Top Consumers’ Big-Ticket Purchase Priorities

After spending so much time at home the past two years, consumers are eager to take advantage of easing travel restrictions by booking much-needed vacations. Meanwhile, making upgrades to housing and transportation accommodations are also top priorities, even as automotive supply constraints and a tumultuous housing market continue to put a strain on affordability.

The most common large expenditures that U.S. consumers plan to make within the next 12 months are...

- Vacation (30%)
- Vehicle (27%)
- Furniture (23%)

42% of consumers who are planning a vacation in the next 12 months say they will pay for it with a credit card.

Of those planning a vacation in the next 12 months, 38% say they will pay for it using cash on hand or money from a checking or savings account.

35% of respondents in the market for furniture in the next year say they will also use cash on hand or money from a checking/savings account.

More than half of homeowners plan on making large home-related expenditures in the next year, including buying a home, making renovations and purchasing furniture, large appliances, smart home systems/home automation.

- Plan to spend on necessary or elective medical procedures: 12%
- Engagement or wedding: 5%
- Plan to divorce: 2%
- Said they have no large expenditures planned for the next year: 15%
From food delivery apps and remote mortgage closings to DIY stock trading and NFTs, the pandemic accelerated consumer adoption of mobile commerce and other digital transactions. But traditional forms of debt, like credit cards, remain a crucial backstop for consumers teetering on the edge of financial security.

The top three digital financial products consumers have used within the last 3 months are payment apps such as...

- Payment app like CashApp and PayPal (49%)
- Mobile banking apps (43%)
- Delivery services like UberEats and Doordash (25%)

Consumers expect to continue using...

- Payment apps (49%)
- Mobile banking apps (42%)
- Delivery services (24%)

...within the next 3 months – more so than any other digital finance products and services.

42% of Americans that typically pay for large purchases using buy now, pay later or lease-to-own financing have used services like Affirm and Klarna in the past 3 months, but more often report using digital services such as...

- Payment apps (57%)
- Mobile banking apps (47%)

Half of Americans say they have experienced a large, unexpected expense within the last six months, if not more recently.

The most common ways consumers say they would pay for an unexpected $1,000 expense are using...

- A credit card (32%)
- Cash from an emergency savings account (28%)
- By borrowing money from friends and family (18%)
Outlook for Financial Security & Wellness

Despite expectations that the cost of household necessities will continue to rise, Americans’ perception of their financial security and future financial wellness is generally optimistic. Surprisingly, many consumers report various aspects of their lives have largely remained the same since the start of the pandemic and expect this to continue over the next year.

38% of lower income respondents – those making less than $25,000 a year – say that their total household income has decreased since the pandemic began.

26% anticipate it will continue to decrease throughout the next 12 months.

48% of respondents say that their spending each month on household necessities such as bills and groceries has increased since the pandemic.

While 38% say spending on entertainment and eating out has decreased.

Spending on household necessities like bills and groceries is predicted to increase for 46% of participants.

Respondents for the most part anticipate that aspects of their life will stay about the same over the next 12 months – including their household’s total...

- 55% Their physical and mental health, along with their immediate family’s
- 52% Overall household financial and job security
- 49% Unsecured debt
- 42% Household income
- 46% Household spending on entertainment/eating out

...while roughly 1 in 4 consumers believe their household’s total, unsecured debt, income, financial and job security, and physical and mental health will decrease in the next year:

- ▼ 22% Unsecured debt
- ▼ 20% Income
- ▼ 19% Financial and job security
- ▼ 17% Physical and mental health
The Limited Reach of Pandemic Stimulus

While consumers who receive various forms of stimulus say the assistance provided at least moderate short-term relief, few said the assistance was long lasting. There were mixed results on a long-term basis and signs that many consumers did not receive the types of stimulus funds that would’ve had the greatest impact on their financial situation.

Despite student loan conversations often centering around Millennials, Gen Z stood out as the generation that received the most relief from student loan forbearance since the pandemic:

- 52% Gen Z
- 37% Millennials

Forms of financial assistance that are most likely to be cited as providing consumers short or long-term relief since the COVID-19 pandemic began:

- **34%** Supplemental Nutrition Assistance Program (SNAP)
- **31%** Food distributions from a food bank or pantry
- **30%** Expanded childcare tax credits

The financial assistance programs received since the COVID-19 pandemic began that people most frequently indicate they did not receive or had no impact on their finances:

- **78%** The Paycheck Protection Program or other loans for business
- **78%** Mortgage forbearance
- **75%** Rental housing assistance

Respondents who only received student loan forbearance were most likely to plan on purchasing a home-related expense in the next 12 months - ranging from purchasing a house, home renovations, furniture, large home appliances, or smart home systems/home automation (83%).

Renters were statistically more likely than homeowners to rate their financial situation at the beginning of the pandemic as somewhat or very bad (23% compared to 13%).

- **48%** Nearly half of this subset of renters say that rental housing assistance had a short or long-term impact on their overall financial situation despite their bad financial state – did not receive this kind of assistance