

Facing an enduring physical and financial health crisis, social unrest, caregiving challenges, and uneven hardships, Americans' confidence and perceived control over their financial destiny is fading, according to new research by Prudential. One year into the pandemic, the findings paint an especially stark picture that shifts profoundly across demographics. As the pandemic and economic fallout persist, optimism about a bedrock ethos of opportunity and progress will surely remain one measure of our nation's resilience in 2021.



Nearly half (46%) of Americans describe themselves as financially struggling, up from 22% in May 2020.

Household incomes are plummeting

36% are below \$30k compared to 19% in May and nearly 1/5 (17%) of respondents report their HHI has been cut in half. 42% of women and 52% of Black Americans have an annual HHI under \$30k

24% say they have fallen behind in paying bills versus 11% in May, and 9% have missed a mortgage or rent payment

18% of people are taking on debt, and many are borrowing or withdrawing from their 401(k) (11%), IRA (6%) and life insurance (6%) as a result of the pandemic. Groups reporting the highest levels of increased debt include Latino Americans (23%), millennials (23%), and women (20%)

44% cite a decreased confidence in meeting their financial goals, and 31% say their ability to achieve those goals is out of their control. Confidence has especially decreased among women (49% vs. 39% men) and millennials (53% vs. Gen X 49% vs. boomers 31%)

Mental and physical health are suffering in the wake of the COVID-19 crisis, sharply declining from early on in the pandemic.



14% of respondents have sought support for mental health as a result of the pandemic

19% report their household has medical debt, and for those without emergency savings, this rises to 26%

15% have indicated a reduction or complete stop of spending on health and medical expenses for themselves/their family following an income disruption due to the pandemic

51% of people say they would like to see more affordable health care as a result of the pandemic

Work demands are rising, while compensation is dropping.



15% of respondents report increased work hours, with 8% saying they are uncompensated for the time and evolving demands

15% of workers have seen their compensation reduced since the pandemic hit

27% of those with an income disruption or job loss have had to utilize a food bank, and 10% received assistance from a charitable organization

61% agree they are finding it "increasingly difficult to keep up with my financial obligations, despite having a job"

Unemployment is higher among people of color

29% of Latino Americans and 26% of Black Americans say they are unemployed versus 19% of White Americans

Money worries are on the rise and many Americans are gripped by immediate needs, making it difficult to seek protections for the future.

Has the COVID-19 pandemic caused you to do any of the following?

NOW

For people with an income disruption:

35% have sold items they own

33% have taken money from savings

31% have applied for/used government benefits

31% have borrowed money from family or friends

31% have cut service/reduced monthly bills

19% have taken on some temp/gig work

TOMORROW

For all respondents:

2% start working with a financial planner

3% purchase guaranteed income products or annuities

4% create a health care proxy, living will, or power of attorney

4% start a new business

5% write a will, estate plan, or trust

5% take part in professional development or education (new certifications, degrees, or training courses)

6% create a formal financial plan



Caregiving is an essential need, and Americans are calling for government support on this and other issues.

26% of those not working say they left the workplace due to increased caregiving needs

38% of respondents who are working say they're struggling to keep up with caregiving needs. For working parents, this rises to 49% agreement

71% agree the pandemic has highlighted big gaps in the social safety net in times of crisis



78% agree the government needs to prioritize more solutions for child care and caregiving in this country

87% wish the government moved more quickly to address the financial needs of individuals

78% agree the government has not done enough to address the financial needs of individuals

80% agree the government needs to step in to allow more employees access to paid family leave

Resiliency: Are we there yet? The answer is decidedly no.

40% anticipate financial strain for the long haul, saying it'll take years to recover financially

82% of Americans do not feel the pandemic has caused them to realize their own resiliency

21% of Americans say they do not anticipate feeling any financial impact from COVID-19. Just 5% say their finances are in better shape than ever

47% say they have emergency savings (down from 61% in Oct. 2017), and 20% have reduced or exhausted emergency savings

