



## FACTUM

# Majority (84%) of Americans Concerned About Potential of Recession by Year's End

## Fewer Americans confident in their financial situation compared to last quarter

**Washington, DC, September 28<sup>th</sup>, 2022** —The latest BMO Real Financial Progress Index results finds that 84% of Americans said they are concerned about a recession occurring by the end of the year. Not only are Americans concerned, but three quarters (76%) have started to take precautionary steps to prepare for a potential recession.

- 34% are delaying major purchases, like buying a new home or car.
- 29% are paying down debt.
- 28% are planning to cut back on holiday spending.
- 24% are allocating more income to savings.
- 14% are staying in a job they don't enjoy.

A potential recession isn't the only financial worry Americans have on their minds. Nearly three quarters (74%) of Americans say their concerns about inflation have increased over the past three months. This may be due to the fact that Americans are feeling the day-to-day impact of inflation: 78% feel their financial momentum is being threatened by higher grocery bills, while 76% note the impact of the cost of gas. Concerns towards inflation do vary by generation: 82% of those aged 55-64 say their concerns about inflation have increased over the last three months, compared to 62% of those between aged 18-24 and 70% of those aged 25-34.

### Financial Confidence Declining

When asked, only 39% of Americans stated they are feeling more financially secure today than they were a year ago, a figure that has fallen 8 points since last quarter, and 11 points since last year. Accordingly, nearly three in ten (27%) now say they are feeling less financially secure today than they were a year ago.

Given the proportion of Americans who are feeling less financially secure, it may be unsurprising that perceptions of financial progress have also declined this quarter: 43% of Americans now say they are making financial progress, down 7-points from last year.

Could these bleak perceptions of financial progress and security be tied to a lack of budget or savings? While most Americans understand the importance of having a budget there remains room for improvement as the data show 26% of Americans do not track their financial progress. This is higher among women (30%) than men (21%). This lack of financial planning may be a part of the picture for the three in ten (30%) Americans who say they do not have enough savings to get through an unexpected emergency, a figure that rises to 45% for those under the age of 24. Should these savings strugglers want to start budgeting, the data suggests that utilize digital banking tools and apps may be the place to start as 50% of Americans said mobile banking tools have helped them make financial progress, a figure that rises to 65% for those aged 25-34.





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### About the Study

These are the findings from an Ipsos poll conducted from July 27 to August 29, 2022 on behalf of BMO Harris Bank. For the survey, a sample of 3,407 adults ages 18 and over from the continental U.S., Alaska and Hawaii was interviewed online in English (including n=300 oversamples in Chicago, Indianapolis and n=303 in Milwaukee). The sample for this study was randomly drawn from Ipsos' online panel (see [link](#) for more info on "Access Panels and Recruitment"), partner online panel sources, and "river" sampling (see [link](#) for more info on the Ipsos "Ampario Overview" sample method) and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to each study, in drawing a sample. After a sample has been obtained from the Ipsos panel, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking-ratio adjustments. The source of these population targets is U.S. Census 2018 American Community Survey data. The sample drawn for this study reflects fixed sample targets on demographics. Posthoc weights were made to the population characteristics on gender, age, race/ethnicity, and region. Statistical margins of error are not applicable to online non-probability polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of plus or minus 2.5 percentage points for all respondents.

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### About Ipsos

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