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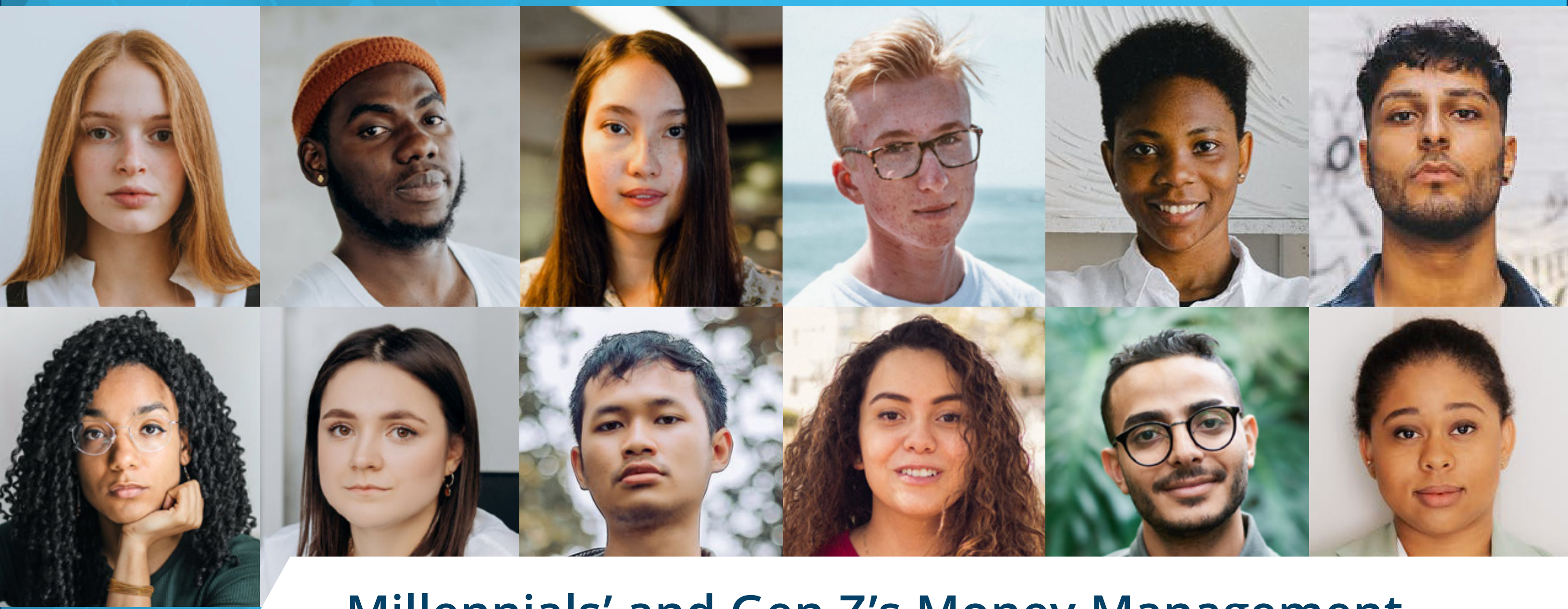

Millennials' and Gen Z's Money Management During COVID-19: Challenges and Opportunities

November 2021

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Abstract:

The economic consequences of the COVID-19 pandemic have not been felt equally among individuals, with millennials and Gen Z among those hit hardest. We examine responses to a novel survey conducted in May 2021 to understand how the pandemic has influenced personal finances of individuals 40 and under. We find that the pandemic has had a large impact on individuals' debt and financial anxiety. We also find that the main financial challenges and sources of anxiety differ by generation. Millennials are struggling with debt and debt management, whereas Gen Z struggles with uncertain income and unexpected expenses. While the pandemic has increased uncertainty and financial anxiety, it also provides an opportunity for financial education. Survey responses indicate that millennials and Gen Z are highly motivated to improve their financial literacy and savings.

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Introduction

Millennials have faced numerous financial challenges. They entered the labor market during economic instability that resulted from the Great Recession of 2008. Now established in their careers, they are struggling with the economic downturn caused by the COVID-19 pandemic. Between the ages of 25 and 40 in 2021, millennials have started families, bought homes, and have begun planning for retirement, yet they continue to face financial struggles that can leave them ill-equipped to prepare for the short and long run. Thus, millennials, who have already experienced an economic recession, face new challenges as they manage child care costs, student loan repayment, and debt.

The following generation, Gen Z (adults 18–24 in 2021), is entering higher education and the job market during a time of unprecedented uncertainty. This generation had been poised to inherit a strong market economy, but the COVID-19 pandemic has uprooted many financial plans. Many have had to change job plans or accept salary reductions due to the pandemic (Pew Research Center, 2020), causing them to fall behind on career and financial goals.

Individuals and households have not been equally impacted by the economic downturn caused by the pandemic. Individuals 40 and younger are among those hit hardest. Thus, as we look toward an economic recovery, it is important to understand how COVID-19 has impacted the personal finances of Gen Z and millennials so that programs and interventions can be tailored to their specific needs, thus more effectively improving their financial well-being.

In what follows, we examine the financial situation of Gen Z and millennials based on responses to a novel survey conducted in 2021, during the pandemic, and then we compare those 2021 responses to a nationally representative survey sample from 2018—pre-pandemic—to better understand how personal financial circumstances have evolved and the extent to which COVID-19 has influenced personal finances. We explore the role of student loans, financial anxiety, and primary sources of anxiety across different age groups. Finally, we examine how financial knowledge can help Gen Z and millennials improve their financial situation. We conclude by providing employers and financial service providers with recommendations that will help them help their employees and customers make better financial decisions and better prepare for future economic shocks.

Literature Review

The economic downturn caused by the COVID-19 pandemic has resulted in greater financial insecurity for many households. However, the negative impacts of the pandemic have not been felt equally; individuals categorized as millennials and Gen Z are among those hit hardest. Individuals born between 1981 and 1996 are considered millennials (also known as generation Y) and are between ages 25 and 40 in 2021. Millennials are the largest generation in the U.S. labor force and are starting to enter their prime earning years (Desilver, 2019). While this generation has long been the focus of research and study, increasing attention is being paid to adults in the youngest generation, Gen Z, born between 1997 and 2012. As of 2021, Gen Z adults are 18 to 24 and are beginning to enter the workforce. According to a Bankrate survey conducted in March 2021, 57% of adults between 18 and 40 said they had to delay a financial milestone because of the pandemic, compared to 26% of those over 40 (Ostrowski, 2021). Millennials and Gen Z are also more likely than older generations to report that COVID-19 had a negative impact on their financial security (Edward Jones, 2021). The economic downturn comes at a time when Gen Z adults are at junctures involving critical decisions about higher education and careers. Millennials are likely facing financial decisions around home purchases, student loan repayment, and career advancement. While the pandemic has impacted the financial security of both Gen Z and millennials, research indicates that millennials faced significant financial challenges even before the pandemic.

In 2019, before the pandemic, over half (56%) of millennials said they felt their financial challenges were greater than those of previous generations (Rappaport, 2019). Research indicates that many millennials have faced unique challenges, which have resulted in their financial vulnerability and fragility. Millennials entered the labor market and began their careers during the Great Recession of 2008, which forced many to delay or change their career plans and likely put them behind on achieving their financial goals (Rappaport, 2019). Millennials are a well-educated generation, but as a result of increased education costs, they struggle with student loans and student loan repayment. The number of millennials with a student loan increased from 34% in 2012 to 43% in 2018. Moreover, 51% of millennials with a student loan were concerned about their ability to fully repay the loan (Bolognesi, 2020). In addition to student loans, many millennials have engaged in and likely struggled as a result of expensive money management practices. According to the 2018 National Financial Capability Study (NFCS), 61% of millennials demonstrated at least one expensive credit card management behavior in the last 12 months, and 43% used an alternative financial service (AFS) in the last five years (Lusardi, 2019). Expensive credit card behavior includes being charged an over the limit or late fee, making minimum payments only, or using a cash advance. AFS are costly forms of short-term borrowing; examples include payday loans, pawnshops, and rent-to-own stores. These behaviors are strongly related to millennials' short-term financial security and ability to cope with unexpected expenses. Data from the NFCS also indicate that a meaningful percentage of millennials had taken a loan or hardship withdrawal from their retirement account, negatively impacting their long-term retirement security (Bolognesi, 2020). These results show that many millennials were ill-prepared for the financial challenges brought on by the pandemic.

It is important to note that while millennials share similar characteristics, the generation covers a 15-year age range. The financial decisions, experiences, and challenges of older millennials are distinct from those of younger millennials. There is no single definition of what constitutes an older versus younger millennial. However, older millennials are generally considered to be over 30 years old in 2021. Compared to younger millennials, older millennials are more likely to have been impacted by the 2008 Great Recession (Debevec, 2013) and are more likely to be struggling with debt management (Bolognesi, 2020). Older millennials are more likely to have steady incomes but face debt burdens and debt repayment obligations that limit their liquidity and ability to cover monthly expenses (Deevy et al., 2021). In addition to high debt burdens, many individuals in this age group cannot cope with an unexpected expense and lack emergency savings; therefore, they are likely to have lower financial resilience than individuals in older generations (Deevy et al., 2021). In comparison, younger millennials are still early in their careers. They have had less time in the labor market and have fewer accumulated assets than older millennials (Bolognesi, 2020). Additionally, research indicates that younger millennials are likely to have lower financial knowledge than their older counterparts (Yakoboski et al., 2018).

The youngest generation, Gen Z, is just starting to enter adulthood, complete higher education, and enter the workforce. This generation is on track to be the most racially and ethnically diverse as well as the most educated (Parker and Igielnik, 2020). However, these adults have only recently begun to make independent financial decisions, including decisions around their careers, paying down debt, and saving for emergencies. Prior to the pandemic, there was little research on the financial literacy and behaviors of Gen Z. However, current literature indicates that their personal finances have been negatively impacted by the pandemic, particularly regarding income and income security. According to a Pew Research Center survey conducted in March 2020, half of Gen Z adults said they or their household had lost jobs or had reduced pay because of the pandemic (Pew Research Center, 2020). Like older millennials did, Gen Z may be starting their careers during an economic downturn and facing an uncertain future.

While millennials and Gen Z face multiple financial challenges, its likely those with higher financial literacy levels were better prepared for and able to cope with the economic downturn resulting from COVID-19. Prior to the pandemic, individuals with higher levels of financial literacy were less likely to be financially vulnerable (Deevy et al., 2021; Yakoboski et al., 2020) and financially literate millennials were less likely to use expensive forms of borrowing and to be concerned about student loan repayment (Bolognesi, 2020). During the pandemic, financial literacy has also shown to be linked to better money management behaviors and lower financial distress. According to the TIAA Institute-GFLEC Personal Finance Index conducted in January 2021, financially literate individuals were less likely to feel their debt prevented them from addressing other financial needs and reported less difficulty making ends meet and paying all bills in full and on time (Yakoboski et al., 2021).

This paper builds on existing research that examines the financial situation and fragility of 18- to 40-year-old individuals. This research indicates that millennials were struggling with their personal finances before the economic downturn of the COVID-19 pandemic. However, little is known about how the pandemic has impacted their personal finances. Moreover, as Gen Z enters the workforce, it is important to understand how the pandemic has influenced their financial decisions and situation.

Data

This paper uses data from two surveys: the 2018 National Financial Capability Study (NFCS) and the GFLEC COVID-19 Survey (GFLEC), conducted in May 2021. The NFCS is a nationwide survey that includes a rich set of variables to measure individuals' financial situation, behavior, and literacy levels. The NFCS includes a large number of observations: approximately 27,000 adults, age 18 and over. It is supported by the FINRA Investor Education Foundation and has been conducted every three years since its inception in 2009. We use the 2018 wave as a comparison sample, helping us to understand individuals' financial situation and literacy before the onset of the pandemic. It also enables us to compare the demographics of the GFLEC COVID-19 sample to national averages.

The GFLEC COVID-19 Survey is a novel survey that was conducted in May 2021 using the online platform Amazon Mechanical Turk. The survey includes questions assessing individuals' current financial literacy and behaviors, changes to their personal finances since the pandemic, use of financial services, and demographics. To improve data quality and mitigate biases in survey responses, several verification mechanisms were included. Numerous pilots of the survey were conducted to verify question wording and survey responses. Additionally, several survey rounds with different age restrictions were conducted to ensure enough observations were collected for each age category: 18 to 24, 25 to 31, and 32 to 40. Respondents outside of these age ranges were removed from the analysis. Finally, quality control questions were included (for example, one question stated "please select strongly agree") to identify individuals who clicked through the survey without reading and who would bias the data. Respondents who incorrectly answered the quality control questions were excluded from the analysis. The sample initially included 3,358 observations, but when restricted to include only completed and verified responses of individuals between the ages of 18 and 40, we had 2,654 observations. In this analysis, we define Gen Z as individuals between the ages of 18 and 24, younger millennials between the ages of 25 and 31, and older millennials between the ages of 32 and 40.

Descriptive statistics from the 2018 NFCS and 2021 GFLEC Survey are reported in Table 1. There are several notable demographic differences between the two surveys. For example, there is a slightly lower representation of Gen Z (14%) in the GFLEC Survey than in the NFCS (27%). There is a higher representation of Asian non-Hispanic respondents in the GFLEC Survey (24%) than in the NFCS (7%). GFLEC Survey respondents are more educated and have higher levels of financial literacy. In the NFCS, 34% of respondents have attained a bachelor's degree or more compared to 69% in the GFLEC Survey. Only 18% of NFCS respondents could correctly answer all three financial literacy questions assessing basic financial knowledge (understanding of interest, inflation, and risk diversification) compared to 51% of GFLEC Survey respondents. However, since these surveys include different groups of individuals across two time periods, analysis cannot determine if differences are directly attributable to changes over time or sample selection. For example, the difference in education may result from increased educational attainment over the past several years and/or the GFLEC Survey's sample may include individuals with a higher-than-average educational attainment. Nonetheless, the high levels of educational attainment and financially literacy among GFLEC Survey respondents indicate that individuals in the sample are likely better financially positioned than the national average. Therefore, while this analysis provides insights into how the pandemic has impacted personal finances for millennials and Gen Z, some caution about the applicability of these findings on a national scale should be noted. The questions used in the GFLEC COVID-19 Survey are included in the appendix (Questionnaire Appendix).

Results

We find that the pandemic has negatively impacted millennials and Gen Z. While GFLEC COVID-19 Survey respondents may be better financially positioned than the national average, many still struggle with debt management. Moreover, COVID-19 has had differential effects. Gen Zers are more likely to struggle with job and income uncertainty and unexpected expenses. Millennials are more likely to face challenges around debt and debt management.

Financial Situation

To understand the pandemic's impact on personal finances, we examined the financial situation of millennials and Gen Z and compared GFLEC survey responses to the NFCS. Table 2 reports the savings, debt, financial behavior, satisfaction, and financial experiences of millennials and Gen Z. GFLEC Survey respondents are highly educated, so to better examine differences between 2018 and 2021, we constructed a more comparable sample by restricting the NFCS sample to individuals who have completed at least some college; this includes individuals who have completed some college but do not have a degree, those with an associate's degree, and those with a bachelor's degree or higher.

GFLEC Survey respondents are significantly more likely to have emergency savings compared to NFCS respondents, 58% and 45%, respectively. Moreover, we find that the percentage of respondents with emergency savings consistently increases with age among GFLEC Survey respondents, likely because older people have had more time to accumulate funds. GFLEC respondents were asked about their emergency savings prior to the start of the pandemic; thus, the higher percentage of GFLEC respondents with emergency savings compared to NFCS respondents indicates that the sample is likely better financially positioned than the national average. More than half (63%) of GFLEC respondents still had at least one month of savings at the time of the survey, perhaps due to the shutdown at the start of the pandemic that limited individuals' ability to spend money going out to eat and shopping and/or to government stimulus programs. There is also evidence that GFLEC Survey respondents are financially better positioned than the national average when examining home mortgages. The percentage of GFLEC Survey respondents with a mortgage is lower than the percentage of NFCS respondents. Since mortgages are generally long-term debt obligations, it is unlikely that mortgages decreased from 76% in 2018 to 43% in 2021. Instead, this difference is likely attributed to sampling differences.

Despite evidence that GFLEC Survey respondents are financially better positioned than the national average, a high percentage still struggle with debt management. Almost half (48%) said that debt prevents them from addressing other financial priorities, and 40% reported that they had an unmanageable level of debt. While there are only slight differences across age groups, these differences show a consistent pattern. GLFEC Survey respondents from the youngest age group are least likely to feel that debt prevents them from addressing other priorities and least likely to have an unmanageable debt level. Struggles with debt management then increases for the middle age group and slightly decreases for the oldest age group. This pattern indicates that respondents ages 25 to 31 are most negatively impacted by debt.

Additionally, about one in five GFLEC Survey respondents said they used at least one alternative financial service (AFS) since the start of the pandemic. AFS includes utilizing an auto title loan, short-term payday loan, pawnshop, and rent-to-own store. This result is concerning because although a larger percentage of NFCS respondents indicated using at least one AFS (35%), they were being asked about usage over the previous five years, whereas GFLEC Survey respondents were being asked about usage within the previous 15 months. This indicates that the pandemic contributed to increased AFS use. AFS may be used to cover urgent short-term needs, such as helping to make ends meet. However, servicing the costly debt that results from using AFS likely restricts individuals' ability to save and meet other financial priorities in the long run. Further evidence of the pandemic's negative impact on personal finances is apparent in survey responses about financial satisfaction and experiences. In 2018, only 28% of NFCS respondents said they were not satisfied with their current financial situation, but in 2021, 44% of GFLEC Survey respondents indicated dissatisfaction. This finding is remarkable given that GFLEC Survey respondents seem to be financially better off than the national average.

Besides impacting savings and debt, the pandemic seems to have increased fluctuations in cash inflow. Twenty-six percent of NFCS respondents said they had experienced an unexpected drop in their income within the last year compared to 45% of GFLEC Survey respondents. Additionally, 54% of NFCS respondents reported having difficulty covering expenses compared to 60% of GFLEC Survey respondents. It's worth noting that the 2021 figures might have been higher if not for the government-provided financial stimulus. Yet despite indications that the pandemic has negatively influenced personal finances, there is no meaningful difference in the financial fragility (i.e., inability to cope with an unexpected expense of $2,000 within 30 days) of NFCS and GFLEC Survey respondents. This suggests that financial difficulties that underpin financial fragility are deeply rooted and are an issue for many households even in times of economic expansion and record-low unemployment (as was the situation in 2018). The lack of observed differences in financial fragility may be due to GFLEC Survey respondents being more likely than NFCS respondents to have emergency savings. GFLEC Survey respondents might have been better positioned to cope with negative impacts to their personal finances due to a buffer stock of savings or the ability to access funds.

A higher percentage of GFLEC Survey respondents report AFS use, financial dissatisfaction, and difficulty covering expenses. Many GFLEC Survey respondents also report struggles with debt management and indicate that their debt prevents them from adequately addressing other financial priorities. However, as a percentage, more GFLEC Survey respondents have savings than do NFCS respondents and the percentage of financially fragile respondents is similar. Therefore, it appears that the negative effects of the pandemic on personal finances may have more to do with individuals' debt and ability to manage debt than with individuals' short-term savings. We further examine how the pandemic has affected personal finances by looking at Figure 1.

The Influence of COVID-19 on Personal Finances

Figure 1 reports how GFLEC Survey respondents felt their personal finances had changed since the start of the pandemic. Overall, about one-third of respondents said their finances have changed; 37% said their debt has increased, 36% said they are less satisfied with their current financial situation, and 38% said they have more difficulty covering their expenses and paying all of their bills. Additionally, 29% said they have saved less since the start of the pandemic. These results indicate that a substantial proportion of young adults have experienced immediate negative financial implications from the COVID-19 pandemic. It is also apparent that these changes have affected individuals' entire balance sheet, from day-to-day money management to debt and savings.

Examining the influence of COVID-19 on personal finances across the age groups we are considering, we find that younger millennials are most likely to say their debt has increased (40%) and to report difficulty covering expenses (39%). This age group has likely completed schooling and is in the process of student loan repayment and may have additional debt such as home mortgages and car loans. These debt obligations may limit their liquidity and ability to cover monthly expenses and bills. Older millennials are more likely to say they are less satisfied with their current financial condition (39%) and have saved less since the pandemic's start (31%). COVID-19 may have negatively influenced this age group's cash inflow and thus affected their savings. However, according to Table 2, 66% of individuals from this age group have at least one month of savings. Therefore, the decline in savings may refer to long-term (e.g., retirement) savings. Gen Z is just entering the labor market and likely has yet to accumulate assets. However, 37% report that their debt has increased since the start of the pandemic, and it is likely that this age group is becoming more indebted.

For individuals across the age groups we are examining, debt is a major challenge that has been exacerbated by the pandemic. In this analysis, we cannot determine how much individual's debt has increased or type of debt (e.g., credit card debt) that has increased during the pandemic, but because previous research identifies student loan debt as being the fastest growing and second-largest form of consumer debt in 2019 (with home mortgages the largest) (Federal Reserve, 2019), we examine student loans specifically and differences in loan repayment across our age groups to further explore how COVID-19 has influenced individuals' debt burden.

The Influence of Student Loans

In Table 3, we report the number of respondents who have student loans, types of student loans held, and respondents' repayment behavior. Among all respondents, 38% have a student loan. Consistent with our previous findings on debt, 25- to 31-year-olds (younger millennials) are more likely to carry student loan debt (44%) than Gen Z (37%) and older millennials (32%). Gen Z is more likely to have completed or to be working toward a graduate degree (40%) than younger millennials (32%) and older millennials (28%). This indicates that Gen Z is on track to be the most educated generation, but many are still considering schooling or still taking classes. Thirty percent of Gen Zers with a student loan are still taking classes, indicating that student loans will continue to increase for Gen Z as more enter higher education and complete their degrees. Additionally, about one-quarter (25%) have yet to start making payments on their student loans. Among younger millennials, 48% have been making payments for between one and five years, and 34% for at least six years. Despite having made payments for multiple years, 63% are still concerned about fully repaying their student loans. This age group is not alone, however; most respondents across all ages are concerned about their ability to repay even if they have not started making payments or have been making payments for many years. These results indicate that student loans continue to be a large debt burden for individuals age 40 and younger.

While previous results indicate that debt and student loans have significantly impacted individuals' personal finances, we find differences across ages. Gen Z is likely facing large student debt burdens given their educational path, but many are still in school or just starting to enter the workforce. Many Gen Zers may still be living at home and receiving support from their parents or guardians, helping to lessen the negative impact of COVID-19 on their personal finances. However, these individuals face an uncertain future as they aim to start their careers while the economy is still recovering. Younger millennials appear to be struggling with debt and debt management; COVID-19 has exacerbated challenges with debt as they struggle to manage student loan repayments, mortgages, and other obligations. Older millennials indicate that student loan debt continues to be a concern, however COVID-19 may be causing increased concern and anxiety about long-term saving and overall financial security.

Factors Contributing to Anxiety

In addition to directly impacting individuals' balance sheets, COVID-19 has created a large amount of uncertainty around public health, job security, and the economic recovery, among other things. Even before the pandemic, many individuals were concerned about their personal finances, so in addition to exploring how COVID-19 has impacted savings and debt, we explore COVID's influence on financial anxiety and consider particular sources of anxiety, as seen in Tables 4 and 5.

Thinking about personal finances makes more than half of GFLEC Survey respondents (59%) feel anxious. This is worrisome in the context of already high uncertainty, anxiety, and stress created by COVID-19 and experienced by all individuals since early spring 2020. Reports of anxiety are fairly consistent across the three age groups we examine, with 61% of Gen Z, 59% of young millennials, and 59% of older millennials reporting that they feel anxious when thinking about their finances (Table 4). Such financial anxiety may cut into time that could be spent on other activities, negatively impact productivity at work, and affect long-term financial security. About one-quarter (26%) of GFLEC Survey respondents who were financially anxious reported spending five hours or more each week (close to a full work day) thinking about and dealing with issues and problems related to their personal finance. Only 11% of non-anxious respondents spend a comparable amount of time dealing with their finances. In all age groups, financially anxious individuals were more likely to spend five hours or more on personal finance issues than those who were not anxious. For example, 27% of anxious older millennials spent five or more hours each week on personal finance issues compared to only 9% of those who were not financially anxious. While it is important to allocate time each week to personal finances, spending a substantial amount of time on personal finance issues can be detrimental, as it limits the time available for other activities and likely decreases productivity at work.

In addition, financial anxiety can influence long-term financial security. We find that GFLEC Survey respondents who were financially anxious were less likely to have tried to figure out how much they needed to save for retirement. Only 46% of GFLEC Survey respondents who were financially anxious said they had tried to plan for retirement compared to 55% of those who were not anxious. Similar and significant differences among financially anxious and non-anxious individuals are observed across our age groups. These results indicate that financial anxiety is negatively related to long-term financial planning.

The economic uncertainty caused by COVID-19 appears to have driven financial anxiety upward. In line with the findings about how COVID-19 has changed respondents' personal finances, about half (48%) of our respondents said that thinking about their personal finances has caused more anxiety since the pandemic started (Table 5). To get more details on the actual cause(s) of their increased anxiety levels, respondents were asked to identify the main source of their financial anxiety. Gen Z's most common responses were insufficient income or job uncertainty (23%), lack of emergency savings (15%), or debt burden (13%), indicating that uncertainty around economic recovery and potential inability to achieve a secure income are their main sources of anxiety. This matches nicely with their financial situation and reflects their life stage: They are entering the job market during a time of uncertainty, are starting to deal with high student debt burdens, and overall are yet lacking the time needed to accumulate wealth.

Younger millennials' primary sources of anxiety are debt burden (18%), insufficient income or job uncertainty (17%), and health care costs (16%). As shown in Figure 1, this age group was most likely to report that their debt has increased since the pandemic and to have a student loan. This age group may be more negatively impacted by debt than Gen Z and older millennials. Additionally, while this age group has more experience in the labor market than Gen Z, they have yet to enter their prime earning years and are likely still developing their careers. Therefore, job insecurity may not be the top concern but remains a notable source of anxiety. Moreover, this age group is likely no longer on their parent's or guardian's medical coverage, and in addition to facing student loan repayment and debt management, they are facing financial decisions around medical care and medical insurance, which adds to their financial anxiety levels.

The main sources of anxiety for older millennials are debt burden (22%), insufficient income or job uncertainty (19%), and lack of long-term savings (17%). Like younger millennials, older millennials are not only facing challenges with student loan repayment but likely have additional debt burdens, such as home mortgages, car loans, and credit card debt. While this age group is further along in their careers, their responses show that income and job uncertainty are still a major anxiety source, which is likely linked to the economic consequences of the pandemic. Additionally, as older millennials enter their prime earning years, COVID-19 may have negatively impacted their ability to start planning for retirement, creating concern about their long-term financial security.

Social factors may also influence financial anxiety. For half of the respondents (49%), comparing their financial situation to that of their peers makes them feel behind, indicating that these respondents believe that their friends, co-workers, or acquaintances of similar ages are closer to their financial goals, including accumulating assets and building wealth. We find that the percentage of respondents who feel behind in their financial situation is relatively similar across age groups. Among Gen Z, 47% of respondents reported feeling behind, while 51% of younger millennials and 48% of older millennials reported feeling behind. The social pressure that results from the desire to maintain the financial status of peers likely contributes to financial anxiety.

To assess long-term financial security and long-term outlook, we asked respondents if they felt confident about their ability to achieve long-term financial goals. Only 20% of respondents said they did not feel confident. Despite this, respondents noted numerous concerns that could make achieving their goals more difficult, with the main concern being insufficient income or job uncertainty. Consistent with previous findings, having a secure income that is sufficient to build wealth is one of the main sources of anxiety and concern. COVID-19 has likely exacerbated these concerns as many companies have laid off employees and the economic recovery remains uncertain.

The role of financial literacy

While the pandemic appears to have created more uncertainty and financial anxiety for many, it also presents financial education opportunities. Survey responses indicate that most respondents see financial literacy as something that will help improve their financial situation. Sixty-three percent of respondents agree that being financially knowledgeable about their personal finances would help lower their anxiety (see Table 6). Additionally, 58% agree that financial knowledge would help lower their debt, and 71% say it would help them achieve their financial goals. Examining responses across our age groups, we find a similar percentage of Gen Z, older millennial, and younger millennial respondents agree that being knowledgeable about their personal finances would help them lower their debt, reduce their anxiety, and achieve their financial goals. This result indicates that the majority of respondents perceive financial literacy as beneficial to improving their financial situation.

COVID-19 has also helped motivate respondents to improve their personal finances. Seventy percent of respondents agree that the economic uncertainty created by COVID-19 has motivated them to increase their savings (see Table 6). Additionally, 61% say they have become motivated to increase their financial literacy, and 68% are motivated to seek a higher income. Responses across age groups indicate that a higher percentage of Gen Z respondents are motivated to increase their financial literacy and savings compared to millennials. Among Gen Z, 71% are motivated to increase their financial literacy compared to 63% of younger and 56% of older millennials. Additionally, 78% of Gen Z are motivated to increase their savings, compared to 71% of younger and 66% of older millennials.

Moreover, our results show a strong link between financial outcomes and financial literacy. We find that respondents who have higher levels of financial literacy—those who are able to correctly answer the Big 3 financial literacy questions—are better able to manage their debt as well as day-to-day and emergency expenses. Table 7 provides multivariate regression results of the factors shaping debt behavior and money management. In all four models, we find that financial literacy is significant and negatively correlated to financial struggles (debt struggles and the inability to make ends meet and cover emergency expenses). Notably, individuals with higher levels of financial literacy are less likely to feel their debt prevents them from addressing other financial priorities, to have an unmanageable level of debt, and to have difficulty covering expenses. Additionally, financial literacy is negatively correlated to financial fragility, i.e., the inability to cover a $2,000 emergency expense within 30 days. These results provide proof of the positive impact that financial literacy has on money management behavior and financial outcomes.

The combination of respondents' motivation and financial literacy's effectiveness in improving financial behavior provides employers with an opportunity to promote workplace wellness programs. The majority of respondents understand the need for savings and financial literacy. It is likely that as Gen Z enters the workplace, they will be motivated to participate in programs that help them better understand their finances and create short- and long-term savings plans. Programs can provide tailored resources to employees of different ages. For example, responses indicate that Gen Z employees would benefit from programs that help them prepare for unexpected expenses or job loss and that millennials would benefit from programs assist them with debt management while still saving for the long term.

Financial service companies can also provide educational resources. The limitation or elimination of in-person activities during the pandemic forced individuals to move their activities, including their financial transactions, online. Seventy-six percent of GFLEC Survey respondents said they had used online financial services more frequently (Table Appendix) in the previous 12 months. This result is particularly true for Gen Z. Respondents are checking their account balances online more frequently and are using services to invest and trade, pay bills, and pay for products or services. However, this increased use of online financial services is also a source of concern. Among all respondents, 37% said they are concerned about the use of online financial services.

While online services allowed individuals to continue working and transacting during the pandemic, such services may have unintended negative consequences. Previous research has shown that millennials who used mobile payments were more likely to overdraw their checking accounts, use credit cards expensively, and borrow through alternative financial services than non-users (de Bassa Scheresberg, 2020). Financial service providers can offer financial education and educational resources alongside their services, and doing so can mitigate concerns about misuse and improve financial behaviors. Research has also shown that when financial technology is coupled with education, it can benefit financial attitudes and behavior more than education alone (Davis and Hasler, 2021). Therefore, financial service providers and employers have an opportunity. They can take advantage of individuals' awareness of their need for financial education and their motivation to seek it by providing financial education where people are—whether online or in the workplace—and ideally by creating programs that are customized to the needs of those who are seeking it.

Conclusion

This analysis reveals that COVID-19 has negatively impacted the personal finances of Gen Z and millennials. The economic consequences of COVID-19 have resulted in increased debt and greater difficulty covering expenses, and the related economic uncertainty has increased financial anxiety. For Gen Z, uncertainty around jobs, income, and unexpected expenses are primary source of anxiety. Millennials also indicate concerns about job and income uncertainty, though they further report concerns about their ability to manage debt and about the large debt burdens they carry.

Survey responses indicate that a large percentage of Gen Z and millennials believe that greater financial knowledge would improve their financial situation. The pandemic has motivated individuals' to increase their savings and financial knowledge. This increased awareness and motivation means that employers have an opportunity to reach people in need of education by implementing financial wellness programs targeted toward Gen Z and millennials. Thus, now is a particularly good time to implement and promote workplace financial wellness programs. Additionally, as online transactions become increasingly frequent, financial service providers can reach a greater number of people with virtual educational resources.

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Table 1: Demographics

	18-40		18-24		25-31		32-40	
	NFCS	GFLEC Survey	NFCS	GFLEC Survey	NFCS	GFLEC Survey	NFCS	GFLEC Survey
Age								
18-24	0.27	0.14						
25-31	0.30	0.43						
32-40	0.43	0.43						
Race/Ethnicity								
White non-Hispanic	0.63	0.58	0.60	0.58	0.59	0.57	0.67	0.59
Black non-Hispanic	0.13	0.07	0.14	0.07	0.14	0.07	0.12	0.08
Asian non-Hispanic	0.07	0.24	0.06	0.19	0.08	0.25	0.06	0.24
Hispanic (any race)	0.14	0.08	0.15	0.14	0.15	0.08	0.11	0.06
Native American	n/a	0.02	n/a	0.01	n/a	0.02	n/a	0.02
Other non-Hispanic	0.04	0.01	0.04	0.02	0.04	0.01	0.04	0.01
Education								
HS or lower	0.28	0.09	0.38	0.13	0.25	0.08	0.24	0.09
Some college	0.38	0.22	0.41	0.30	0.35	0.19	0.39	0.23
College or more	0.34	0.69	0.21	0.58	0.40	0.73	0.37	0.68
Marital Status								
Single	0.52	0.48	0.81	0.75	0.51	0.51	0.36	0.35
Married	0.42	0.50	0.17	0.24	0.46	0.47	0.56	0.60
Divorced/Separated/ Widowed	0.05	0.03	0.02	0.01	0.04	0.02	0.08	0.04
Financial Literacy								
Interest question correct	0.67	0.85	0.64	0.84	0.66	0.80	0.70	0.89
Inflation question correct	0.39	0.67	0.35	0.61	0.36	0.63	0.43	0.74
Risk question correct	0.33	0.66	0.29	0.63	0.32	0.60	0.37	0.73
Big Three questions correct (interest, inflation, risk)	0.18	0.51	0.13	0.41	0.16	0.45	0.23	0.60
Probability correct	n/a	0.58	n/a	0.58	n/a	0.54	n/a	0.63
Observations	10436	2654	2795	366	3125	1151	4516	1137

Note: Data in columns labeled NFCS are from the 2018 NFCS State-by-State dataset. Sample is restricted to individuals age 40 and younger. Columns labeled GFLEC Survey are from the 2021 GFLEC COVID-19 Survey. *College or more* includes respondents who have achieved at least a bachelor's degree. *Married* is a dummy variable taking the value of 1 if the respondent is married, but not divorced, separated, or widowed, and 0 otherwise. *Big Three questions correct* is a dummy variable with the value of 1 if the respondent correctly answered the three basic financial literacy questions (Big 3), which assess understanding of interest rate, inflation, and risk diversification.

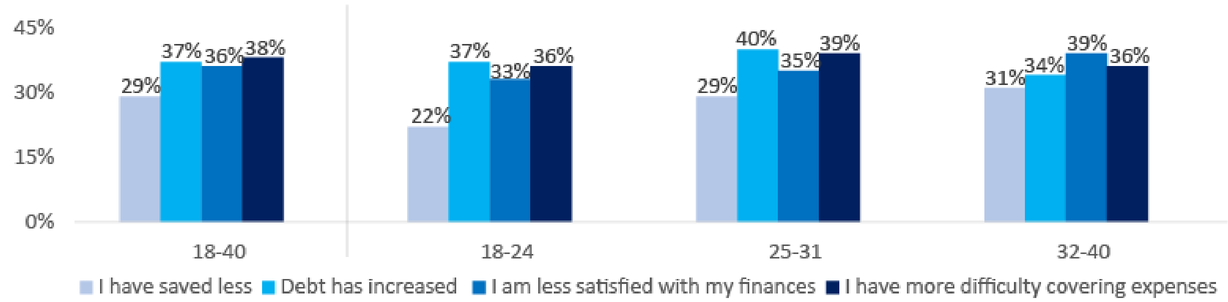
Table 2: Financial Situation

	18-40		18-24		25-31		32-40	
	NFCS[a]	GFLEC Survey	NFCS[a]	GFLEC Survey[b]	NFCS[a]	GFLEC Survey[c]	NFCS[a]	GFLEC Survey
Savings								
Set aside emergency funds [β]	0.45	0.58[a]	0.39	0.49[a]	0.47	0.59[ab]	0.46	0.60[ab]
Has one month of savings	n/a	0.63	n/a	0.60	n/a	0.61	n/a	0.66[bc]
Tried to figure out how much is needed for retirement	0.42	0.49[a]	0.27	0.48[a]	0.43	0.52[a]	0.48	0.48
Debt & Financial Behavior								
Mortgage/loan	0.76	0.43[a]	0.56	0.33[a]	0.77	0.44[ab]	0.80	0.47[ab]
Debt prevents ability to address other priorities	n/a	0.48	n/a	0.46	n/a	0.49	n/a	0.47
Has unmanageable level of debt	n/a	0.40	n/a	0.37	n/a	0.41	n/a	0.39
Used at least one form of AFS [β]	0.35	0.21[a]	0.32	0.20[a]	0.39	0.26[ab]	0.35	0.16[ac]
Satisfaction								
Not satisfied with current financial situation	0.28	0.44[a]	0.30	0.44[a]	0.27	0.41[a]	0.28	0.46[ac]
Financial Experience								
Experienced an unexpected drop in income	0.26	0.45[a]	0.24	0.45[a]	0.29	0.49[a]	0.26	0.40[ac]
Experienced difficulty covering expenses	0.54	0.60[a]	0.55	0.62[a]	0.55	0.64[a]	0.53	0.55[bc]
Financially fragile	0.33	0.31	0.40	0.40	0.31	0.31[b]	0.30	0.28[b]
Observations	**7481**	**2654**	**1721**	**366**	**2332**	**1151**	**3428**	**1137**

Note: Data in columns labeled NFCS are from the 2018 NFCS State-by-State dataset. The NFCS sample is restricted to individuals who have completed at least some college, including those who have completed some college but not attained a degree, those who have attained an associates degree, and those who have a bachelor's degree or higher. Data in columns labeled GFLEC Survey are from the 2021 GFLEC COVID-19 Survey. Data from the GFLEC and NFCS surveys are restricted to individuals ages 18-40. The proportion of *Used at least one form of AFS* represents the percentage of respondents that used one of the following alternative financial services at least once in the five years prior to the survey: (a) auto title loan; (b) payday loan; (c) pawn shop; and (d) rent-to-own store. Respondents are classified as *financially fragile* if they reported that they certainly or probably could not come up with $2,000, in response to the following question: "How confident are you that you could come up with $2,000 if an unexpected need arose within the next month?" [β] denotes a difference in the question wording between the NFCS and the GFLEC COVID-19

Survey. In the NFCS, respondents were asked if they currently had emergency savings, in the GLEC COVID-19 Survey, respondents were asked if they had emergency savings prior to the pandemic. For AFS, NFCS respondents were asked about their use of AFS in the last five years, in the GFLEC survey, respondents were asked about their use in the last 15 months. [a] donates statistically significant difference from the NFCS sample at the 0.05 level, [b] denotes statistically significant difference from GFLEC Survey sample of 18- to 24-year-olds at the 0.05 level, [c] denotes statistically significant difference from the GFLEC Survey sample of 25- to 31-year-olds at the 0.05 level.

Figure 1: Changes in Personal Finance Due to COVID-19



Note: Data are from GFLEC COVID-19 Survey; sample is restricted to individuals age 18-40. All questions are regarding changes in personal finances since March 2020 (the start of the pandemic). The total number of observations for respondents 18-40 is 2,654, observations for respondents 18-24 is 366, observations for respondents 25-31 is 1,151, and observations for respondents 34-40 is 1,137. The proportion of *I have saved less* represents the percentage of respondents who said they have saved less to the question "Since March 2020, has your savings changed?" The proportion of *Debt has increased* represents the percentage of respondents who said yes to the question "Since March 2020, has your debt increased?" The proportion of *I am less satisfied with my finances* represents the percentage of respondents who replied "less satisfied" or "much less satisfied" to the question "Compared to pre-COVID, are you more satisfied or less satisfied with your current financial situation?" The proportion of *I have more difficulty covering expenses* represents the percentage of respondents who replied "very difficult" or "somewhat difficult" to the question "Since March 2020, how difficult has it been for you to cover your expenses and pay all your bills?"

Table 3: Student Loans

	(1) Total 18-40	(2) 18-24	(3) 25-31	(4) 32-40
Has a student loan	0.38	0.37	0.44	0.32
Education*				
Two year or professional degree	0.22	0.19	0.20	0.26
Undergraduate	0.46	0.41	0.48	0.46
Graduate	0.32	0.40	0.32	0.28
Degree Completion*				
Completed	0.77	0.61	0.81	0.78
Did not complete	0.13	0.09	0.11	0.17
Still taking classes	0.10	0.30	0.08	0.05

Repayment*				
Not started or have not made payments	0.16	0.25	0.14	0.15
Has paid for 1-5 years	0.41	0.54	0.48	0.28
Has paid for 6-15 years	0.39	0.18	0.34	0.53
Has paid for 16-20 years	0.04	0.02	0.05	0.03
Has increased loan payments	0.33	0.37	0.40	0.22
Is concerned about loan repayment	0.63	0.65	0.63	0.62
Observations	2654	366	1151	1137

Note: All data are based on responses to the GFLEC COVID-19 Survey, sample restricted to individuals 18-40. The proportion of *has increased loan payments* represents the percentage of respondents who said they have increased their student loan payments since March 2020. * Denotes that responses are conditional on having a student loan.

Table 4: Financial Anxiety

	(1) Total 18-40		(2) 18-24		(3) 25-31		(4) 32-40	
Financially anxious	0.59		0.61		0.59		0.59	
	Anxious[a]	Not Anxious	Anxious[a]	Not Anxious	Anxious[a]	Not Anxious	Anxious[a]	Not Anxious
Time spent on personal finance issues								
Less than 5 hours	0.71	0.87[a]	0.75	0.90[a]	0.71	0.84[a]	0.70	0.89[a]
5 or more hours	0.26	0.11[a]	0.22	0.09[a]	0.27	0.14[a]	0.27	0.09[a]
Tried to plan for retirement	0.46	0.55[a]	0.43	0.57[a]	0.50	0.53	0.43	0.55[a]
Observations	1567	1087	222	144	677	474	668	469

Note: All data are based on responses to the GFLEC COVID-19 Survey; sample is restricted to individuals 18-40. Respondents are categorized as financially anxious if they responded “somewhat agree” or “strongly agree” to the question “Thinking about my personal finances can make me feel anxious.” *Tried to plan for retirement* is a dummy variable with the value of 1 if respondents said they had tried to figure out how much was needed for retirement, and 0 otherwise. [a] Denotes a statistically significant difference from individuals who are categorized as financially anxious at the 0.05 level.

Table 5: Sources of Anxiety and Concern

	(1) Total 18-40	(2) 18-24	(3) 25-31	(4) 32-40
Thinking about personal finances makes me more anxious since COVID	0.48	0.51	0.51	0.43
Which is your primary source of financial anxiety?				
Insufficient income and/or job uncertainty	0.18	0.23	0.17	0.19
Debt burden (e.g., credit card debt, student loans, or mortgages)	0.19	0.13	0.18	0.22
Lack of emergency savings	0.12	0.15	0.13	0.09
Lack of long-term savings	0.15	0.12	0.15	0.17
Health care costs	0.13	0.09	0.16	0.11
Inability to put food on the table	0.03	0.04	0.03	0.02
Outstanding bills	0.05	0.05	0.05	0.04
Risks we face	0.05	0.05	0.05	0.05
I don’t experience financial anxiety	0.07	0.12	0.05	0.07
I feel behind my peers in my financial situation	0.49	0.47	0.51	0.48
I am confident about achieving my longer-term financial goals				
Disagree	0.20	0.16	0.18	0.24
Primary source of concern that could prevent goals from being achieved				
Insufficient income and/or job uncertainty	0.29	0.34	0.29	0.28
Unexpected expenses	0.22	0.26	0.21	0.21
Current debt burden (e.g., credit card debt, student loans, or mortgages)	0.22	0.15	0.24	0.23
Not being able to save enough	0.18	0.15	0.19	0.18
I am not concerned	0.07	0.09	0.06	0.08
Observations	2654	366	1151	1137

Note: All data are based on responses to the GFLEC COVID-19 Survey, survey restricted to individuals 18-40. Percentages exclude “none of the above” and “don’t know” responses.

Table 6: Attitudes towards personal finance

	(1) Total 18-39	(2) 18-24	(3) 25-31	(4) 32-39
Agree that being knowledgeable about my personal finances would help…				
Lower anxiety	0.63	0.69	0.63	0.61
Lower debt	0.58	0.57	0.60	0.56
Help achieve financial goals	0.71	0.75	0.70	0.70
The economic uncertainty created by COVID-19 has motivated me to…				
Increase my savings	0.70	0.78	0.71	0.66
Increase my financial literacy	0.61	0.71	0.63	0.56
Seek a higher income	0.68	0.78	0.69	0.62
Observations	2586	366	1151	1137

Note: All data are based on responses to the GFLEC COVID-19 Survey; sample is restricted to individuals 18-40.

Table 7: Multivariate regression of debt behavior

	(1) Debt prevents me from addressing other financial priorities	(2) Debt is not manageable	(4) Has difficulty covering expenses	(5) Financially fragile
Age *(Omitted variable: 18-24)*				
25-31	0.0124	0.0270	0.00999	-0.0485*
	(0.0300)	(0.0291)	(0.0286)	(0.0275)
32-40	-0.00834	0.0200	-0.0685**	-0.0651**
	(0.0311)	(0.0301)	(0.0296)	(0.0284)
Race/ethnicity *(Omitted variable: White)*				
Hispanic/Asian/Black/ Other	0.102***	0.0524***	0.154***	0.0774***
	(0.0195)	(0.0189)	(0.0186)	(0.0178)
Education *(Omitted variable: High School or less)*				
Some college	0.0134	0.0967***	-0.0374	-0.0422
	(0.0380)	(0.0368)	(0.0362)	(0.0348)
College or more	0.0187	0.0284	-0.0673**	-0.168***
	(0.0348)	(0.0337)	(0.0331)	(0.0318)
Marital Status *(Omitted variable: single)*				
Married	0.0939***	0.105***	0.0922***	-0.0447**
	(0.0209)	(0.0202)	(0.0199)	(0.0191)
Divorced, Separated, or Widowed/Widower	0.137**	0.185***	0.241***	0.126**
	(0.0608)	(0.0589)	(0.0579)	(0.0556)
Financial Literacy				
Big 3	-0.0961***	-0.169***	-0.201***	-0.135***
	(0.0198)	(0.0191)	(0.0188)	(0.0181)
Constant	0.414***	0.342***	0.661***	0.539***
	(0.0406)	(0.0393)	(0.0386)	(0.0371)
Observations	2,654	2,654	2,654	2,654
R-squared	0.034	0.056	0.093	0.057

Note: All data are from GFLEC COVID-19 Survey. *College or more* includes respondents who have achieved at least a bachelor's degree. *Married* is a dummy variable taking the value of 1 if the respondent is married and 0 otherwise. The *Big Three questions correct* is a dummy variable with the value of 1 if the respondent correctly answered the three basic financial literacy questions (Big 3), which assess understanding of interest rate, inflation, and risk diversification. Standard errors are in parentheses *** $p<0.01$, ** $p<0.05$, * $p<0.10$

Table Appendix: Use of Online Financial Services

	(1) Total 18-39	(2) 18-24	(3) 25-31	(4) 32-39
In the past 12 months, have you used online financial services more frequently?	0.76	0.84	0.76	0.72
Pay for a product or service in person	0.74	0.81	0.75	0.72
Send or receive money	0.84	0.88	0.84	0.82
Track the amount you spend	0.83	0.86	0.82	0.84
Use an app/website to help with financial tasks	0.65	0.64	0.67	0.63
Check your credit score	0.74	0.71	0.73	0.75
Access your checking or savings account	0.90	0.89	0.88	0.93
Pay bills	0.88	0.84	0.87	0.91
Invest and trade via online	0.60	0.63	0.62	0.57
Take work assignments through a website or app	0.55	0.60	0.56	0.52
Concerned about the use of online financial services	0.37	0.40	0.41	0.32
Observations	2586	366	1151	1069

Questionnaire Appendix: GFLEC COVID-19 Survey Questions

Demographic and Financial Literacy Questions

1. What is your age? (NFCS)
   [Drop down menu; 18-39]

2. Which of the following best describes your race or ethnicity? Select all that apply.
   - White or Caucasian
   - Black or African American
   - Hispanic or Latino/a
   - Asian
   - Native Indian or Alaska Native
   - Other

3. What was the highest level of education that you completed?
   - Did not complete high school
   - High school graduate – regular high school diploma
   - High school graduate = GED or alternative credential
   - Some college, no degree

- Associate's degree
- Bachelor's degree
- Post graduate degree

4. What is your marital status?
   - Married
   - Single
   - Separated
   - Divorced
   - Widowed/widower

5. Suppose you had $100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?
   - More than $102
   - Exactly $102
   - Less than $102
   - Don't know

6. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, with the money in this account, would you be able to buy…
   - More than today
   - Exactly the same as today
   - Less than today
   - Don't know

7. Do you think the following statement is true or false?
   Buying a single company stock usually provides a safer return than a stock mutual fund.
   - True
   - False
   - Don't know

8. Which of the following indicates the highest probability of getting a particular disease?
   - There is a one-in-twenty change of getting the disease
   - 2% of the population will get the disease
   - 25 out of every 1,000 people will get the disease
   - Don't know

Financial Situation

9. Overall, how satisfied are you with your current financial situation?
    - Extremely satisfied
    - Very satisfied
    - Somewhat satisfied
    - Not very satisfied
    - Not at all satisfied
    - Don’t know

10. Do you and/or your household currently have a mortgage and/or loan on your home?
    - Yes
    - No
    - Don’t own a home
    - Don’t now

11. As of today, which of the following statements describes how manageable is your household debt?
    - Have a manageable amount of debt
    - Have a bit more debt than is manageable
    - Have much more debt than is manageable
    - Have no debt
    - Don’t know

12. <u>Prior to March 2020</u>, had you set aside emergency or rainy day funds that would cover your expenses for 3 months, in case of sickness, job loss, economic downturn, or other emergencies?
    - Yes
    - No
    - Don’t know

13. Do you have non-retirement savings sufficient to cover one month of living expenses if needed?
    - Yes
    - No
    - Don’t know

14. Since March 2020, have you and/or your household experienced a large drop in income which you did not expect?
    - Yes
    - No
    - Don't know

15. Have you (and your spouse/partner) ever tried to figure out how much you need to save for retirement?
    - Yes
    - No
    - Don't know

16. Since March 2020, have you been charged interest or a fee on your credit card(s)? Such as for missing or making a late payment, paying the minimum payment only, exceeding your credit line, or using the card(s) for a cash advance.
    - Yes
    - No
    - Don't have a credit card
    - Don't know

17. Since March 2020, have you used any of the following services?

Auto title loan (Auto title loans are loans where a car title is used to borrow money for a short period of time. They are NOT loans used to purchase an automobile.)
Short term "payday" loan
Pawn shop
Rent-to-own store

- Yes
- No
- Don't know

18. How confident are you that you could come up with $2,000 if an unexpected need arose within the next month?
    - I am certain I could come up with the full $2,000
    - I could probably come up with $2,000
    - I could probably not come up with $2,000
    - I am certain I could not come up with $2,000
    - Don't know

19. Do you agree or disagree with the following statement?

- Debt and debt payments prevent me (and my spouse/partner) from adequately addressing other financial priorities.
    - Strongly Agree
    - Somewhat Agree
    - Neither Agree nor Disagree
    - Somewhat disagree
    - Strongly Disagree
    - Don’t Know

Changes in Personal Finance Due to COVID-19

20. Compared to pre-COVID, are you more satisfied or less satisfied with your current financial situation?
    - Much more satisfied
    - More satisfied
    - About the same
    - Less satisfied
    - Much less satisfied
    - Don’t know

21. Since March 2020, has your debt increased?
    - Yes
    - No – it has decreased
    - No - my debt stayed the same
    - Don’t know

22. Since March 2020, has your savings changed?
    - I save more
    - I save the same amount
    - I save less
    - Don’t know

23. Since March 2020, how difficult has it been it for you to cover your expenses and pay all your bills?
    - Very difficult
    - Somewhat difficult
    - Not at all difficult
    - Don’t know

24. Compared to pre-COVID, has the level of difficulty in covering your expenses and paying all your bills changed? It's…
    - Much worse
    - Somewhat worse
    - About the same
    - Somewhat better
    - Much better
    - Don't know

Student Loans

25. Do you currently have any student loans? If so, for whose education was this/were these loan(s) taken out?
    - Yes, have student loan(s) for:
      - Yourself
      - Your spouse/partner
      - Your child(ren)
      - Other person
    - No, I do not currently have any student loans
    - Don't know

    a. [If yes] Think about the largest education loan you owe. Which kind of degree was this largest loan supposed to pay for?
    - 2-year college
    - Undergraduate degree
    - Graduate degree
    - Professional degree (e.g. Associate degree)

    b. [If yes] Did the person for whom this loan was taken out complete the degree?
    - Yes
    - No
    - No - Still actively taking classes

    c. [If yes] How long ago did you first start making payments on the loan(s) for your own education?
    - In the last 12 months
    - 1 to 5 years ago
    - 6 to 10 years ago
    - 11 to 15 years ago
    - 16 to 20 years ago

- I have not started making payments
- The student loans I have were not for my own education
- Don't know

d. [if yes] Since March 2020, have you changed the amount of money you pay towards your student loan debt each month?
   - Yes – I have increased the amount I pay towards my student loan
   - Yes – I have decreased the amount I pay towards my student loan
   - No
   - Don't know

e. [if yes] Are you concerned that you might not be able to pay off your student loans?
   - Yes
   - No
   - Don't know

Financial Anxiety

26. Do you agree or disagree with the following statement?
    - Thinking about my personal finances can make me feel anxious
      - Strongly Agree
      - Somewhat Agree
      - Neither Agree nor Disagree
      - Somewhat Disagree
      - Strongly Disagree
      - Don't know

27. How much time do you typically spend thinking about and dealing with issues and problems related to your personal finances? Please report approximate hours per week.
    - 0
    - 1 hour
    - 2 hours
    - 3 to 4 hours
    - 5 to 9 hours
    - 10 to 19 hours
    - 20+ hours
    - Don't know

Sources of Anxiety and Concern

28. Do you agree or disagree with the following statement?

	1 Strongly agree	2 Somewhat agree	3 Neither Agree nor Disagree	4 Somewhat disagree	5 Strongly disagree	Don't know
Thinking about my personal finances makes me feel more anxious now than it did prior to COVID						
If I compare my financial situation to that of my peers, I feel behind						

29. Which is your primary source of financial anxiety? Please choose the main source that applies

- Lack of emergency savings
- Lack of long-term savings (e.g., for retirement or child's education)
- Debt burden (e.g., credit card debt, student loans, or mortgages)
- Health care costs
- Inability to put food on the table
- Outstanding bills
- Insufficient income and/or job uncertainty
- Risks we face
- None of the above
- I don't experience financial anxiety

30. Do you agree or disagree with the following statement?

	1 Strongly agree	2 Somewhat agree	3 Neither Agree nor Disagree	4 Somewhat disagree	5 Strongly disagree	Don't know
I am confident about achieving my longer-term financial goals						

31. Which is a primary source of concern that may prevent you from achieving your longer-term financial goals? Please choose the main source that applies.
    - Unexpected expenses
    - Current debt burden (e.g., credit card debt, student loans, or mortgages)
    - Not being able to save enough
    - Insufficient income and/or job uncertainty
    - I am not concerned
    - Don't know

Attitudes Towards Personal Finance

32. How strongly do you agree or disagree with the following statements?
    Being knowledgeable about my personal finances would help…

	1 Strongly agree	2 Somewhat agree	3 Neither Agree nor Disagree	4 Somewhat disagree	5 Strongly disagree	Don't know	Doesn't apply
lower my anxiety							
get me out of debt							
me achieve my financial goals							

33. How strongly do you agree or disagree with the following statements?

    The economic uncertainty created by COVID-19 has motivated me to…

	1 Strongly agree	2 Somewhat agree	3 Neither Agree nor Disagree	4 Somewhat disagree	5 Strongly disagree	Don't know
Increase my savings						
Increase my financial literacy						
Seek a higher income						

Use of Online Financial Services

34. In the past 12 months, have you used online financial services more frequently? (i.e., online banking, mobile payments, etc.)
    - Yes
    - No
    - Don't know

35. How often do you use your smartphone or computer to do the following?

		Frequently	Sometimes	Never	DK	Prefer not to say
a.	Pay for a product or service in person at a store, restaurant, etc.	1	2	3	4	5
b.	Send or receive money from friends, family, and other individuals	1	2	3	4	5
c.	Track the amount you spend and what you spend it on	1	2	3	4	5
d.	Use an app/website to help with financial tasks, such as budgeting, saving, or credit management	1	2	3	4	5
e.	Check your credit score	1	2	3	4	5
g.	Access your checking or savings account	1	2	3	4	5
i.	Pay bills	1	2	3	4	5
j.	Invest and trade via online brokers and stock trading platforms	1	2	3	4	5
k.	Take work assignments through a website or app such as Uber, Task Rabbite, Care.com, etc.	1	2	3	4	5

36. Do you have concerns about the use of online financial services?

- Yes
- No
- Don’t know

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