



provoke  
insights

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Finances & The Economy

Summer 2023



# Background & Objectives

## Overview

Provoke Insights, a leader in research for branding, advertising, media, and content marketing initiatives, conducts a bi-annual consumer trends study to keep a pulse on the market across multiple industries.

The extensive study allows Provoke Insights to stay ahead of the trends and understand consumer mindset in the current moment.

## Spring 2023 Wave

As economic uncertainty looms, American consumers are changing their buying habits. Brands need to understand when consumers consider quality over price, and what purchases they are not willing to compromise.

In the sixth wave of our bi-annual trends research, Provoke Insights probes into these behaviors to understand how the economic climate has affected shopping habits across multiple categories.



# Methodology

Provoke Insights conducted a 15-minute survey among 1,500 Americans between the ages of 21 and 65. The study was in-field in April 2023.

A random stratified sample methodology was used to ensure the sample represented the U.S. population (household income, age, gender, geography, ethnicity, and children in the household).<sup>1</sup>

Results based on this sample have a maximum margin of sampling error of  $\pm 2.5\%$  at a 95% confidence level.

# Overview

## **Economic Concerns**

While consumer optimism is the highest since the Fall of 2021, there are concerns about inflation and the economy. As a result, most Americans have changed their spending habits, with more people going to discount stores and couponing. In addition, more consumers are carrying credit card balances.

Those most fearful of the state of the economy are most likely to be pessimistic, republican, and living in rural areas.

## **Lack of Trust**

As financial institutions such as SVB and First Republic collapsed in 2023, trust in banks has decreased, and more people are keeping physical cash at home.

## **The Role of Technology**

However, the adoption rate of cryptocurrency and digital wallets has massively increased in the last three years. Millennial parents lead the way in using these two financial products.



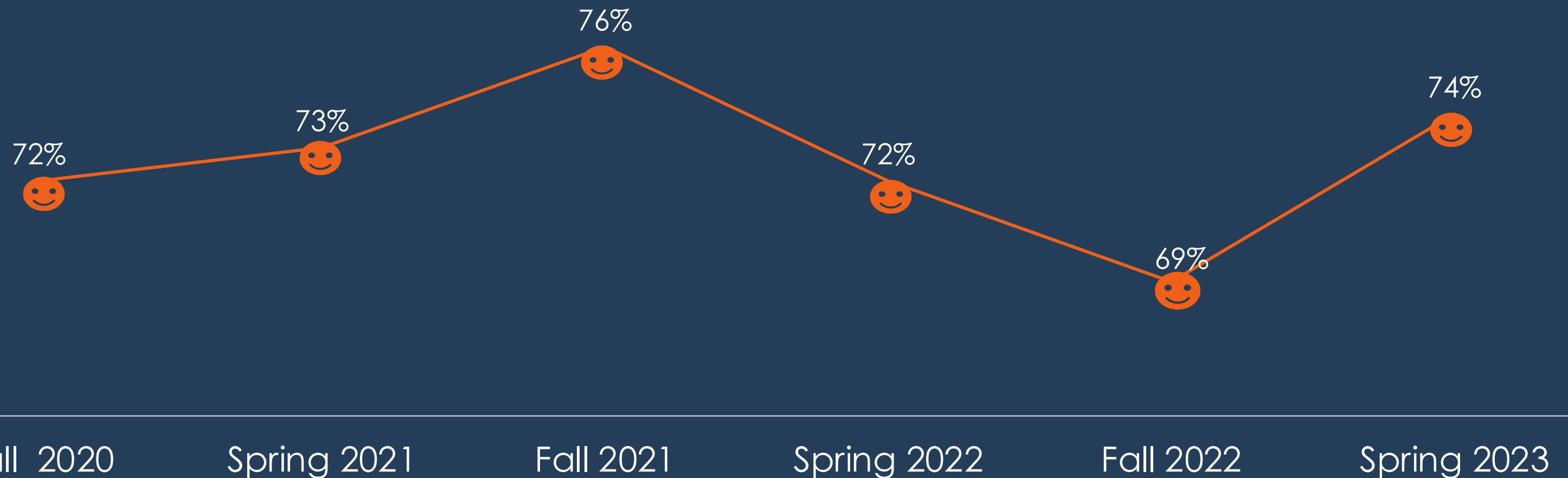
A man with a beard, wearing a light blue dress shirt and a dark tie, is sitting at a desk. He is looking down at a document he is holding, with his hand resting on his chin in a thoughtful pose. The background is slightly blurred, showing office equipment like a printer and a box. The overall lighting is soft and professional.

# Detailed Findings

# Consumer Optimism

Optimism levels are at the highest levels since Fall 2021.


Very/Moderately Optimistic






# Finding the Optimism in Everyday

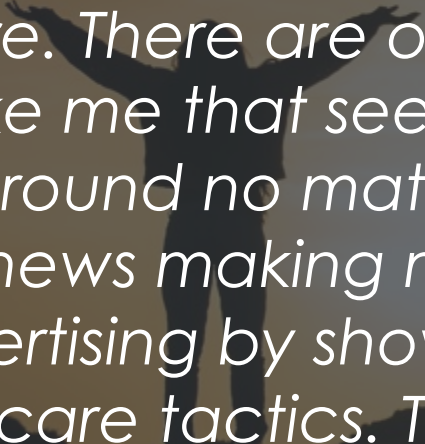
*"I am optimistic about the future because of the younger generation. Today's youth are growing up in a more inclusive, diverse, and progressive world than ever before. They are passionate, informed, and eager to make a positive impact. Young people are driving change through activism, innovation, and social entrepreneurship. They advocate for a better future, demand action on important issues, and challenge the status quo."*



*"I am generally optimistic and believe that "tomorrow is another day", meaning every day is an opportunity to improve upon the past and make a brighter future."*



*"There are humans in every generation from the beginning of time that decides the worst outlook and anticipate the worst future. There are other humans like me that see the good all around no matter the negative news making money off of advertising by showing fear and scare tactics. There are lots of good all around us people are shopping more, getting out more, seem happier, are buying more, are being nicer to each other, and are healthier."*





# Government & Inflation Fuel Lack of Optimism

## Divisive Government

*“If our country were less politically and economically divisive, I would feel more optimistic. People have lost the ability to disagree in a civil manner. Our healthcare system is a nightmare. We do not take care of our society's most vulnerable.”*

*“People stop hating each other over politics & race, opinions. Get rid of political parties only interested in themselves.”*

*“Government that works for the majority of the people not just the interests that give them money.”*

## Inflation

*“What would make me more optimistic about the future is an increase in personal finances and a decrease in the cost of everyday items and necessary products and services such as gas, clothing, utilities, and food”*

*“If inflation were to go down.”*

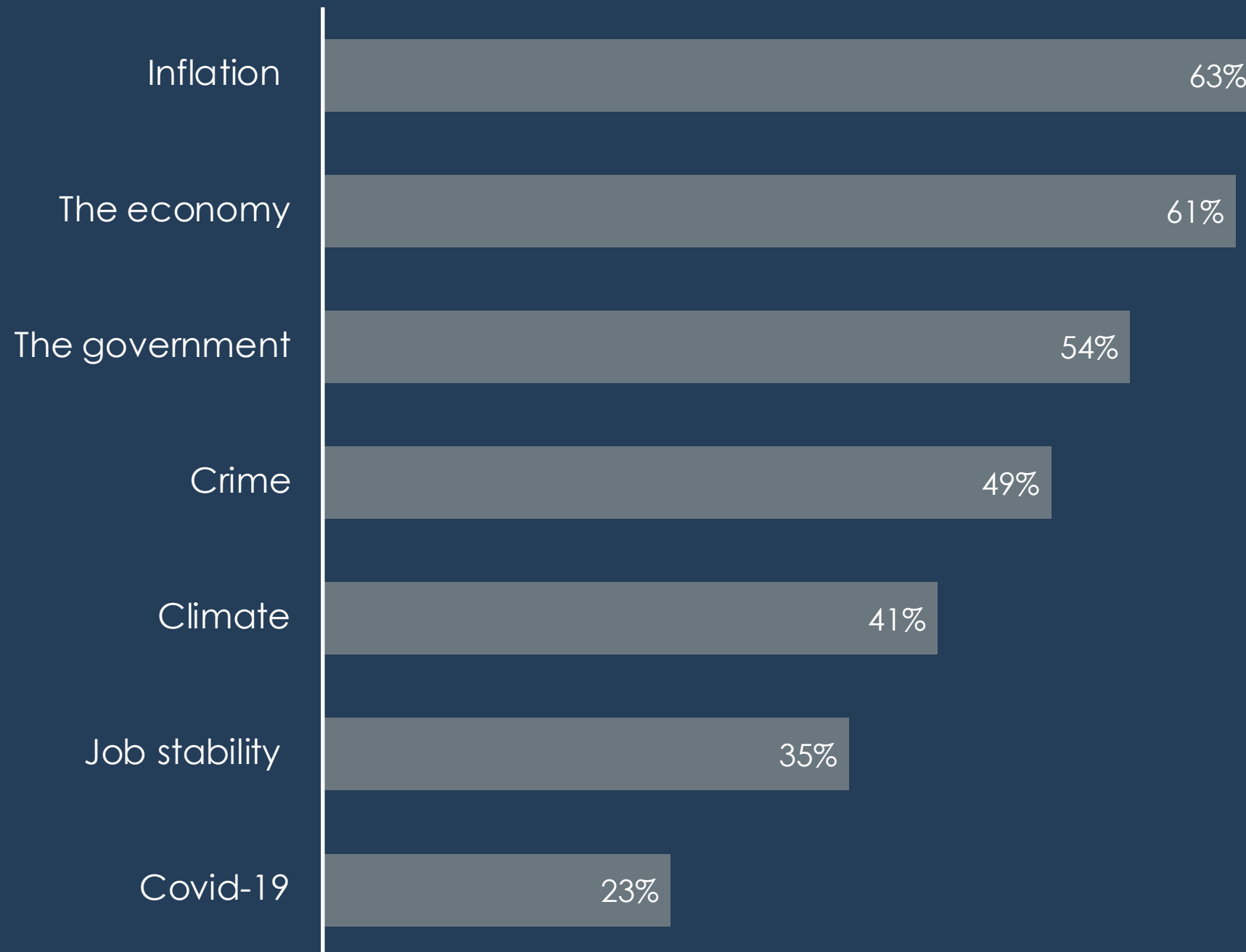
*“Making sure I am financially stable and have money for my son.”*



# Top Concerns Impacting Consumers

*Inflation and the economy are the leading issues impacting Americans.*

Extremely/Very Concerned  
(5-point scale)

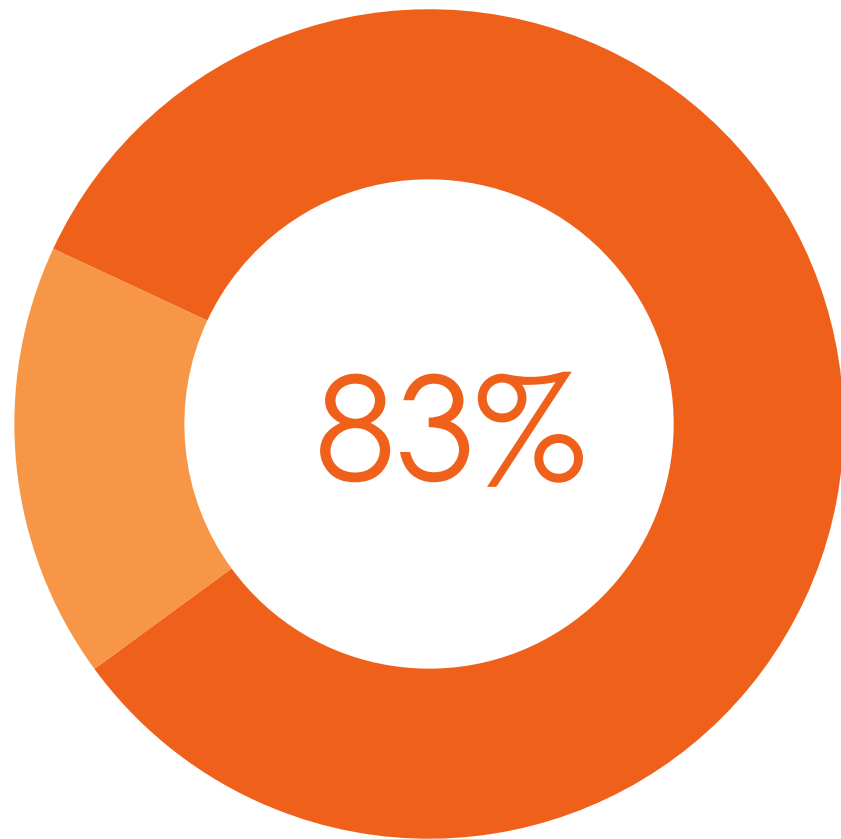




# Spending Behavior Changes

Consumers are couponing and shopping at discount stores more. ?

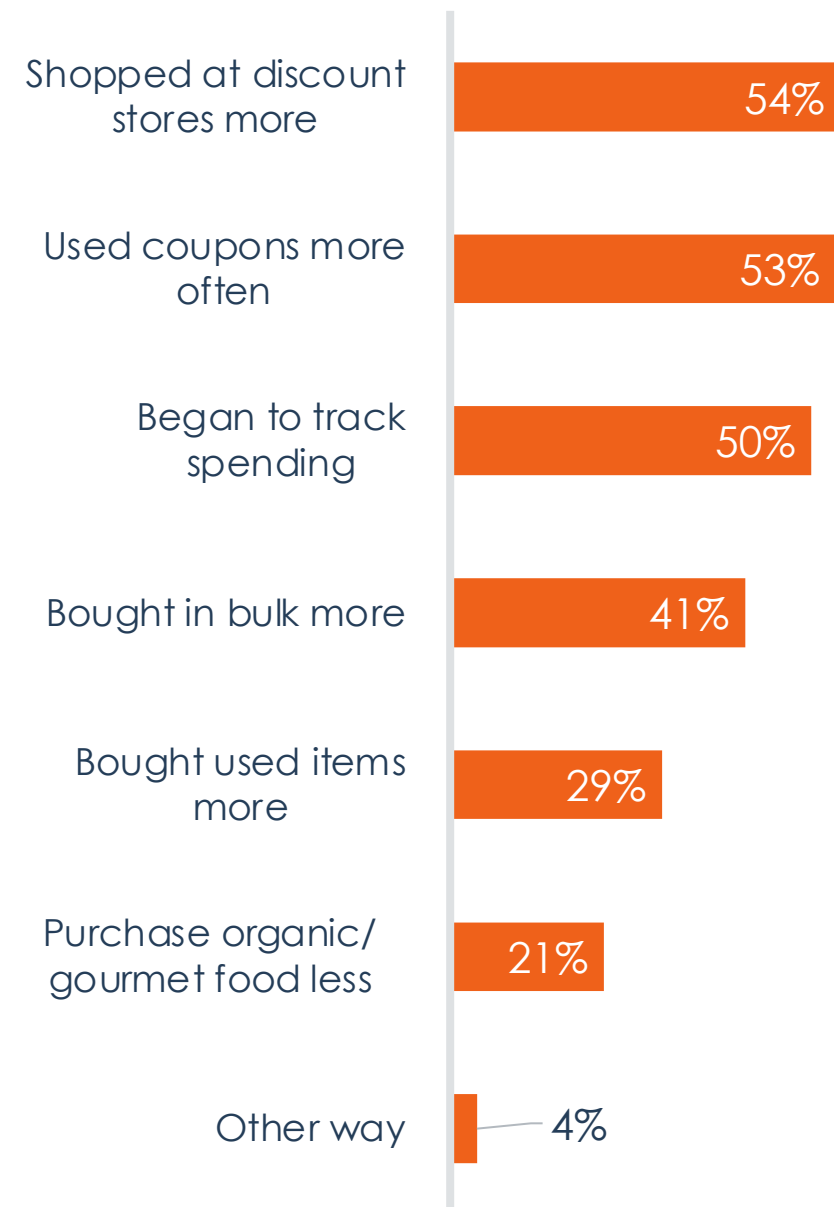
## Changed Spending Behavior in the Last 3 Months



Base: All Qualified Respondents (N=1,500)



## Ways Spending Behaviors Have Changed








Base: Spending behavior has changed (n=1,250)





61% of  
Americans are  
Concerned with the  
Economy

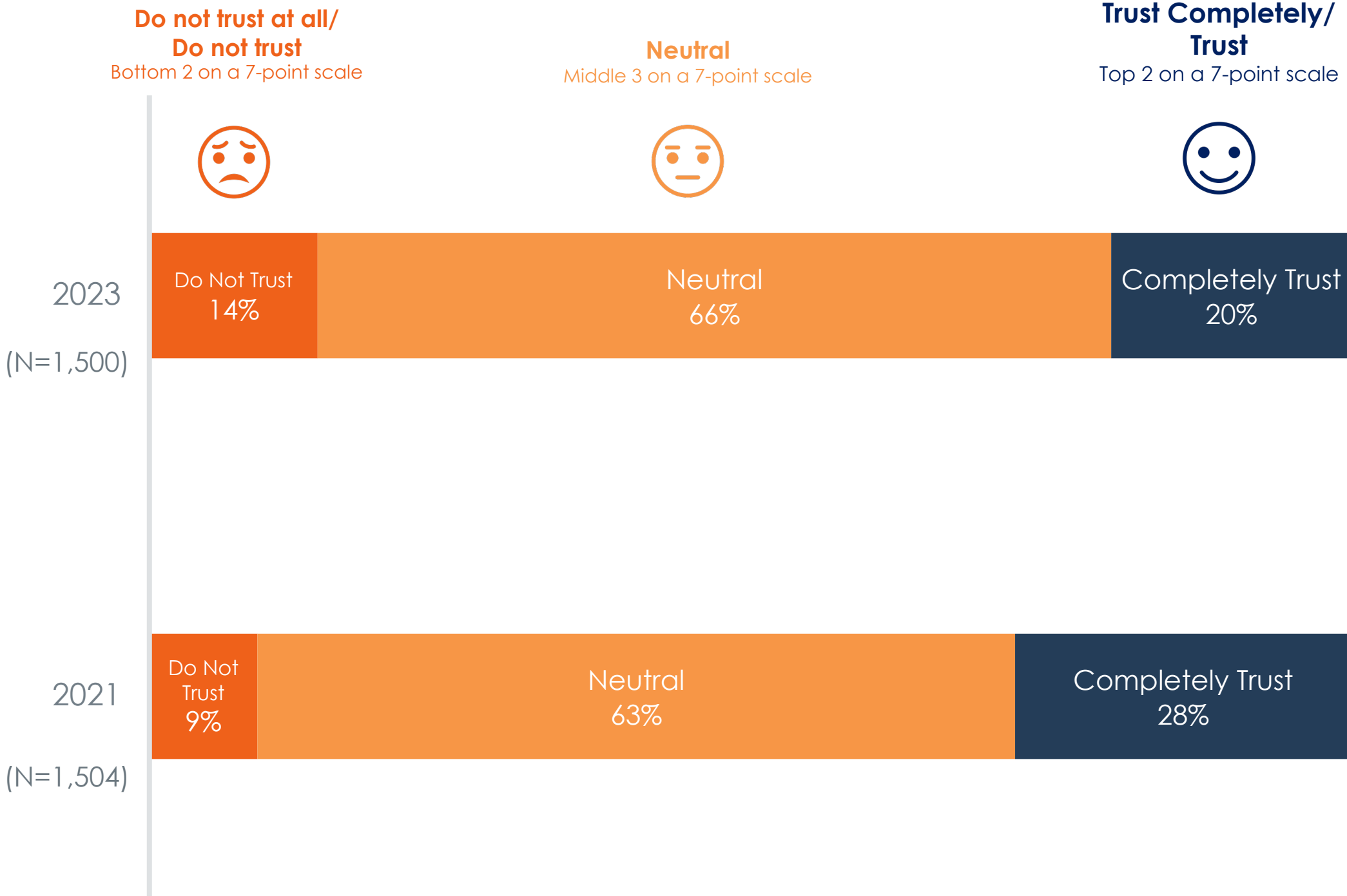
## Who is Significantly More Likely to Be Concerned About the Economy?

-  74% Not Optimistic
-  70% Republican
-  69% Budget Conscious
-  68% Live in Rural Areas
-  66% Live in the Northeast



# Trust in Financial Institutions

Not surprisingly, trust in financial institutions has decreased since 2021.



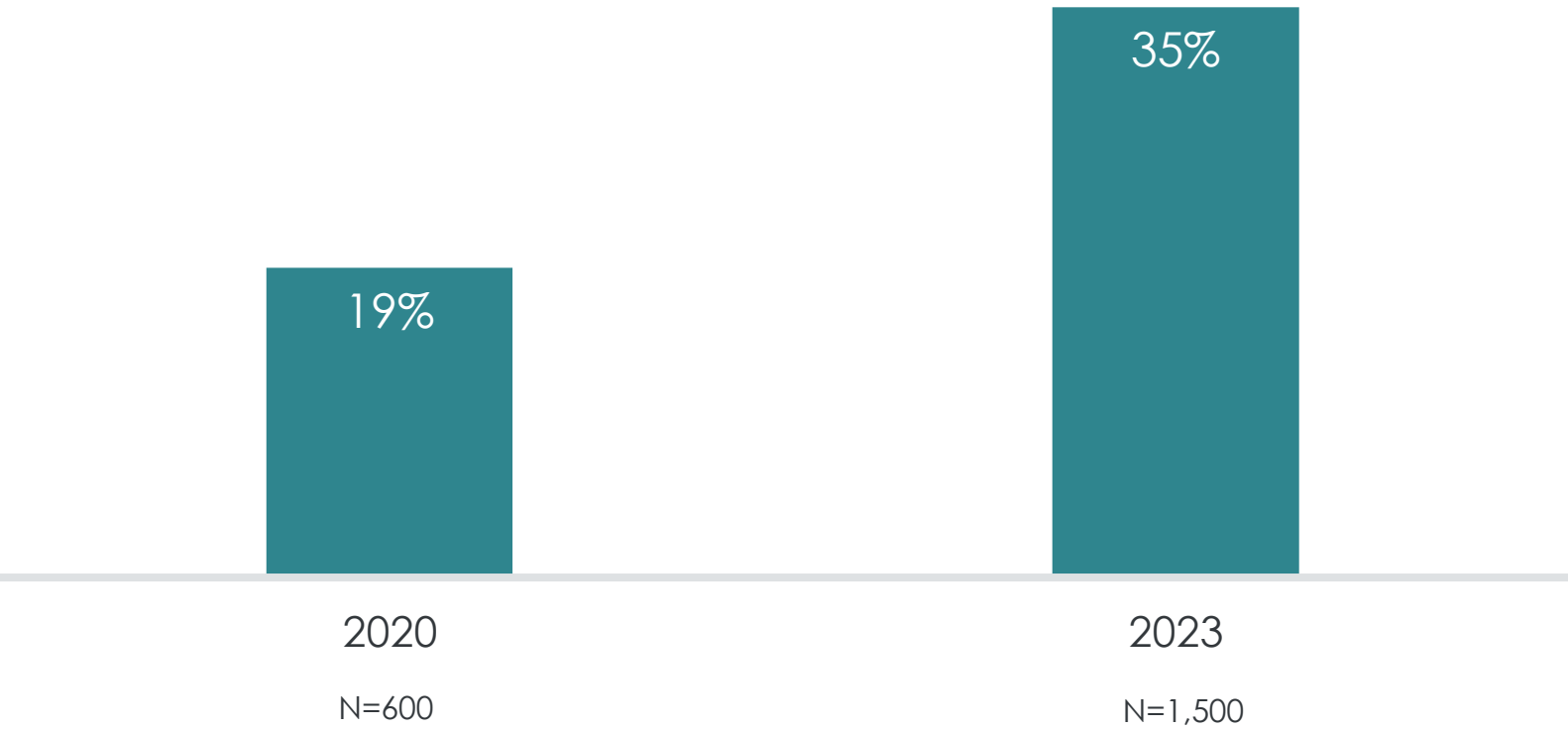








# More People are Carrying a Credit Card Balance

Since 2020, more Americans are not paying their credit cards off monthly. They are more likely Millennial parents living in the West.

## Who is Significantly More Likely to Carry a Credit Card Balance?

Plan to Carry a Credit Card Balance in the Next 6 Months



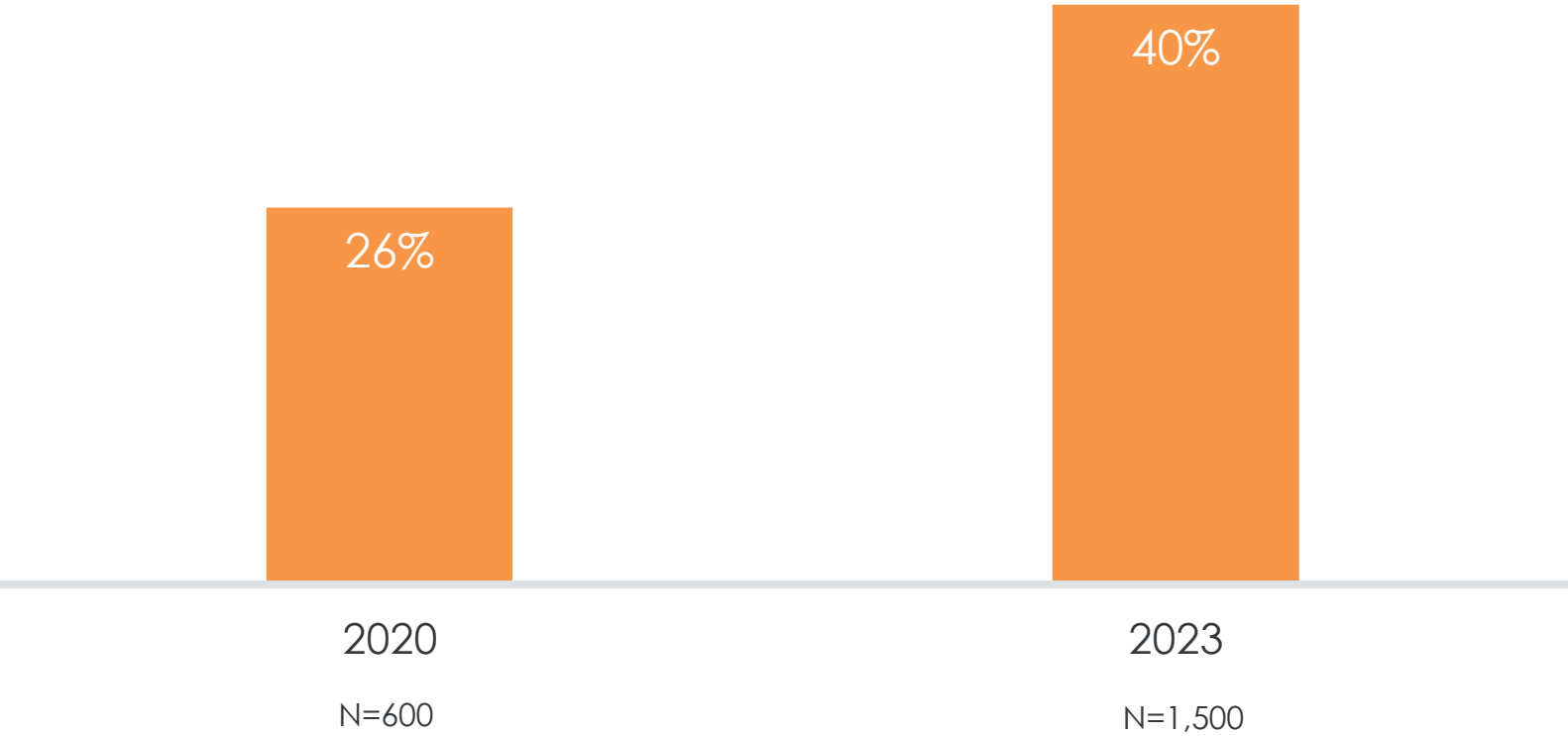
-  41% Parents
-  41% Live in the West
-  40% Millennials
-  39% Urban
-  38% Budget Conscious
-  38% Democrats



# Keeping More Physical Cash at Home


*As banks collapse, more Americans plan to keep money at home*

Plan to Keep More Money at Home



## Who is Significantly More Likely to Keep Money at Home?

**Z** 51% Gen Z

 47% Rural

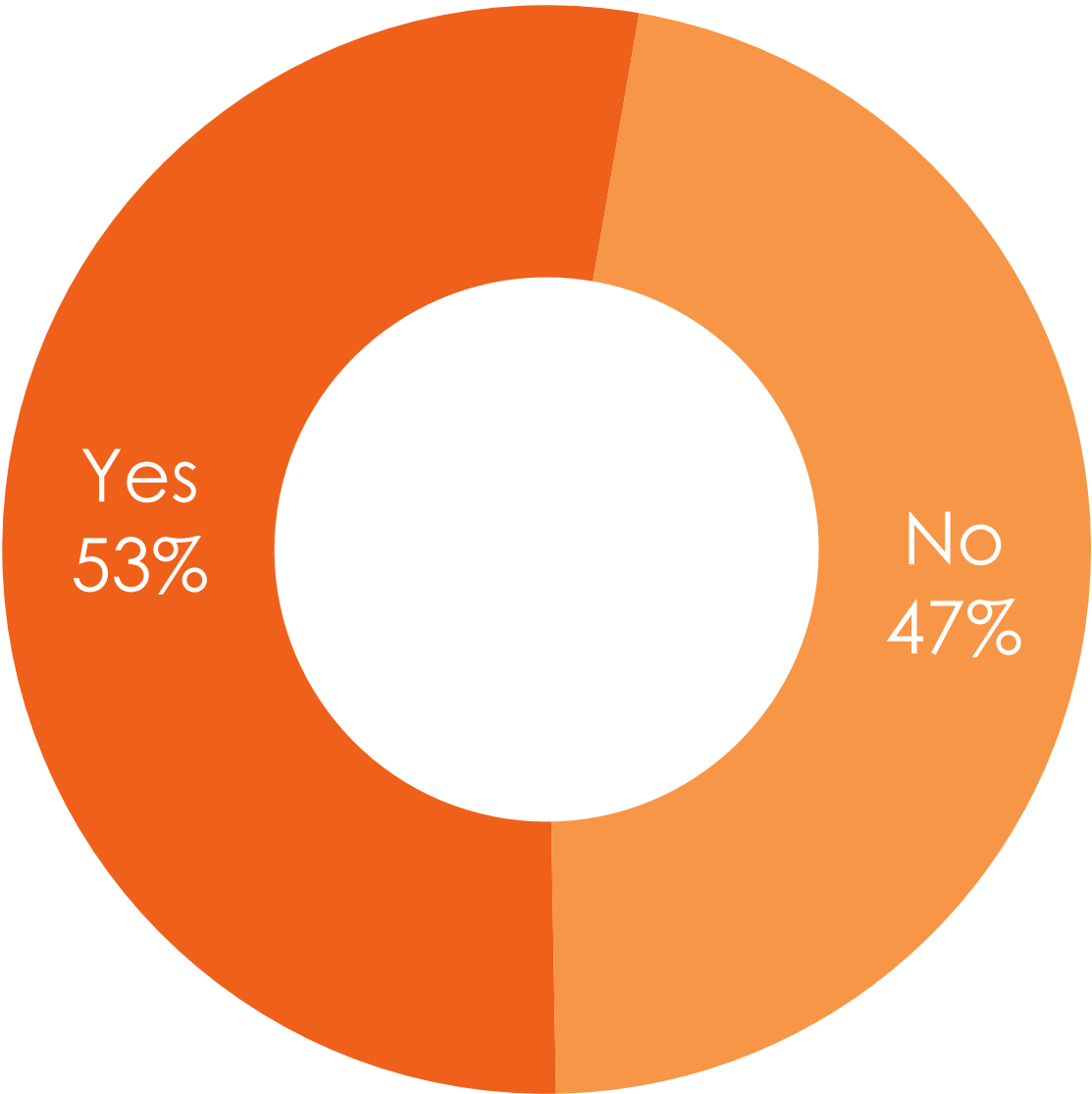
 45% Parents

**\$** 45% Under \$75K Household Income

# Retirement

Almost half of Americans are not saving for retirement. Gen Z and those who are less budget conscious are not in saving mode.

### Saving For Retirement



## Who is NOT Saving for Retirement?

- 62% Gen Z
- 59% Under \$75K
- 58% less budget conscious
- 55% Not optimistic
- 54% live in Rural Areas



# Stock Trading

*As the Pandemic is not top of mind, more Americans are planning to continue to trade stocks.*

**26%** Plan to Trade Stocks in the Next 6 Months. Up 6% from 2020.

## Who is Significantly More Likely to Trade Stocks?

**\$** 41% Household Income \$150K+

**♂** 36% Males

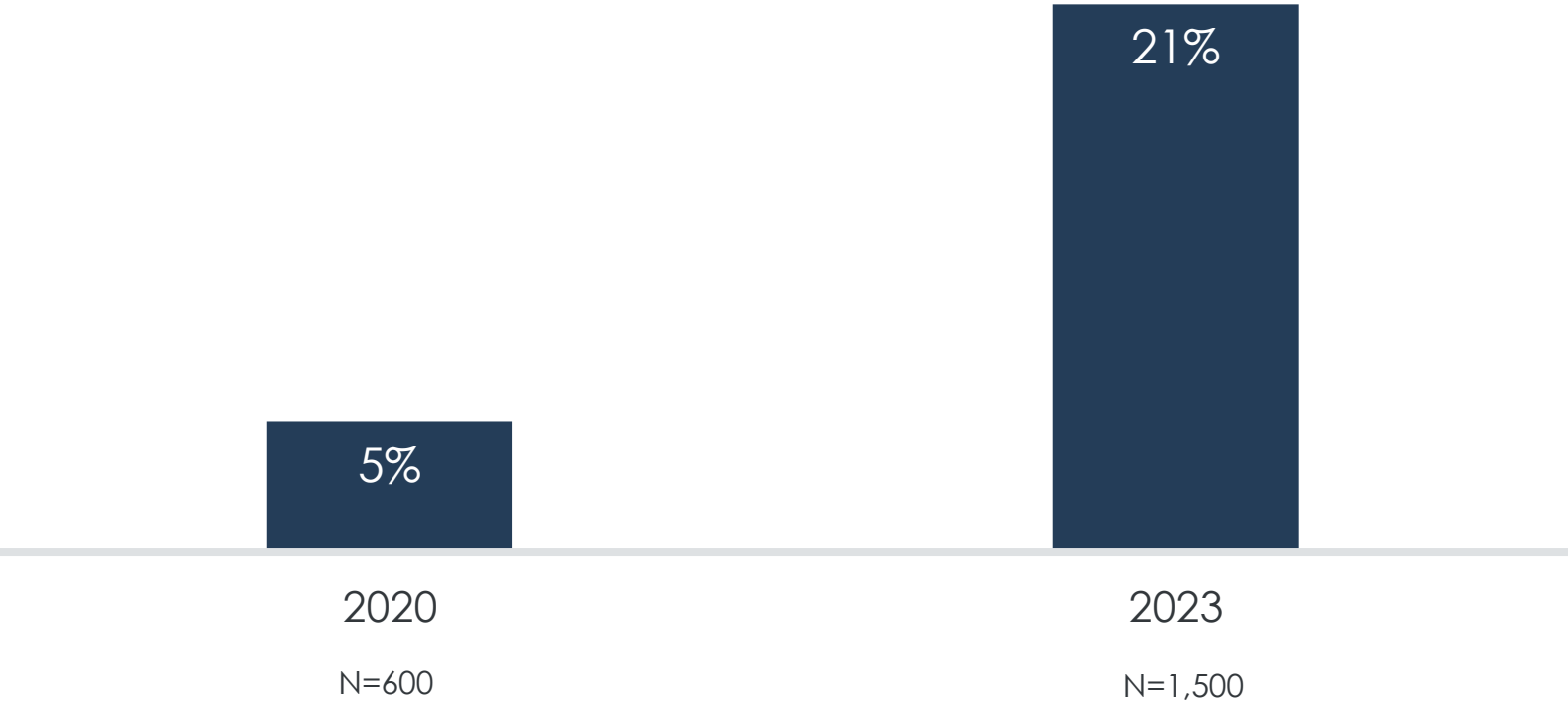
**M** 34% Millennials

**🏙️** 34% Urban

# Cryptocurrency Growth

Americas investing in the asset has quadrupled in the last three years. Wealthy millennial parents are more inclined to want cryptocurrency in their portfolio.

Plan to Invest in Cryptocurrency in the Next 6 Months



## Who is Significantly More Likely to Invest in Cryptocurrency?

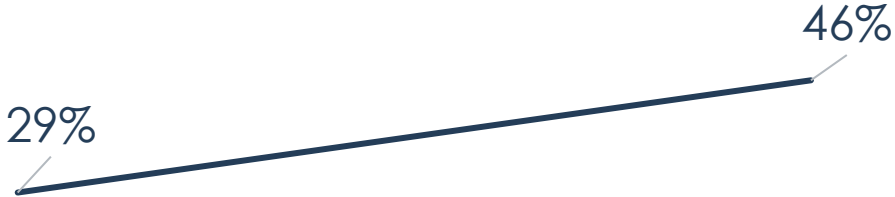
- M** 33% Millennials
- 🏙️** 31% Urban
- 👨👩👧** 30% Parents
- 💰** 30% Household Income \$150K+
- ♂️** 29% Males



# Digital Wallet Growth

Compared to 2023, more consumers are shopping with digital wallets. Millennial parents are most inclined to use this payment method.

Plan to Use a Digital Wallet in the Next 6 Months



2020

N=600

2023

N=1,500

## Who is Significantly More Likely to Use a Digital Wallet?

**M** 59% Millennials

 56% Parents

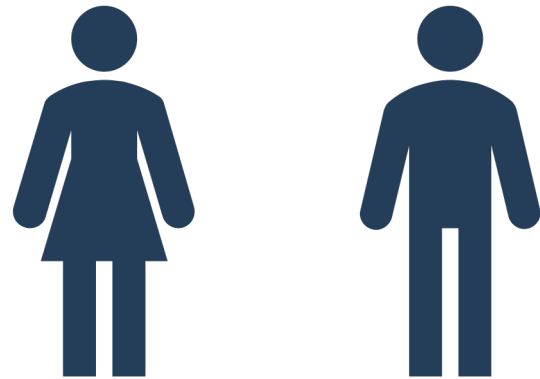
 52% Democrats

 51% Urban

 50% Optimistic

# Respondent Overview

## Gender



**51%**  
Female

**49%**  
Male

\*<1% other identity

## Generation

**42 years old**  
Median Age

**Z** 16% Gen Z

**X** 30% Gen X

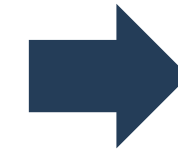
**M** 35% Millennials

**B** 18% Baby Boomers

## Parental Status



**40%**  
Have children

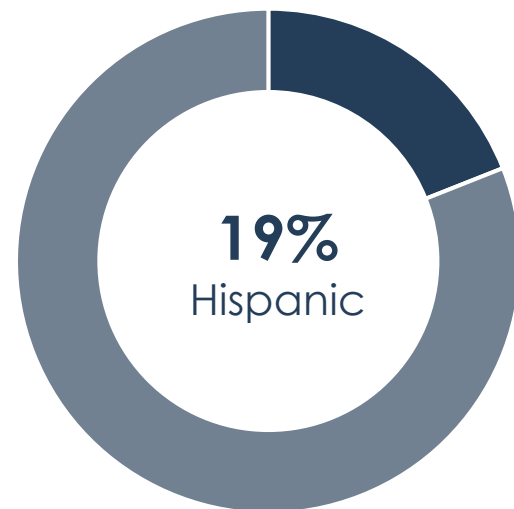


**57%**  
Moms

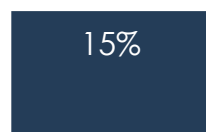


**43%**  
Dads

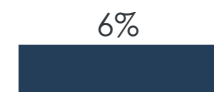
## Ethnicity



White



Black



Asian



Mixed/Other/Prefer not to say

## Household Income

