



provoke
insights

The State of the Economy & Financial Behaviors

Fall 2023 | Winter 2024

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.

Provoke Insights Fall 2023 | Winter 2024 Wave

Since 2020, several trends have impacted consumer behaviors, from COVID to inflation. As a result, it's important to track consumers brand loyalty as well as their preferences for shopping online vs. in-store. As consumers are becoming more budget conscious, it is essential to understand what products they are purchasing.

Provoke Insights developed 17 industry specific decks; this deck focuses on the finance and the economy.



Methodology

Provoke Insights conducted a 15-minute survey among 1,502 Americans between the ages of 21 and 65. The study was in-field in the Fall of 2023.

A random stratified sample was used to ensure a high degree of sample representation of the U.S. population (household income, age, gender, geography, ethnicity, and children in the household).¹

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

Statistical differences between subgroups indicated in this report were tested at a 95% confidence level.

Overview



Current State of the Market

Consumers fear their financial future as the economy and inflation are major concerns. They are experiencing price increases first-hand, particularly at supermarkets and restaurants. As a result, budgets are tightening.



Financial Health

Only half of Americans are actively saving money. A tenth are going further into debt. In fact, nearly double the amount of consumers plan to carry credit debt in 2023 vs. 2020. This will be especially true of millennial parents this year.



Changes in Financial Behavior

Nearly half of Americans are using digital wallets. This trend has grown significantly since 2020. Additionally, plans to invest in cryptocurrency has more than tripled in the past 3 years. This financial activity is particularly evident with younger males.

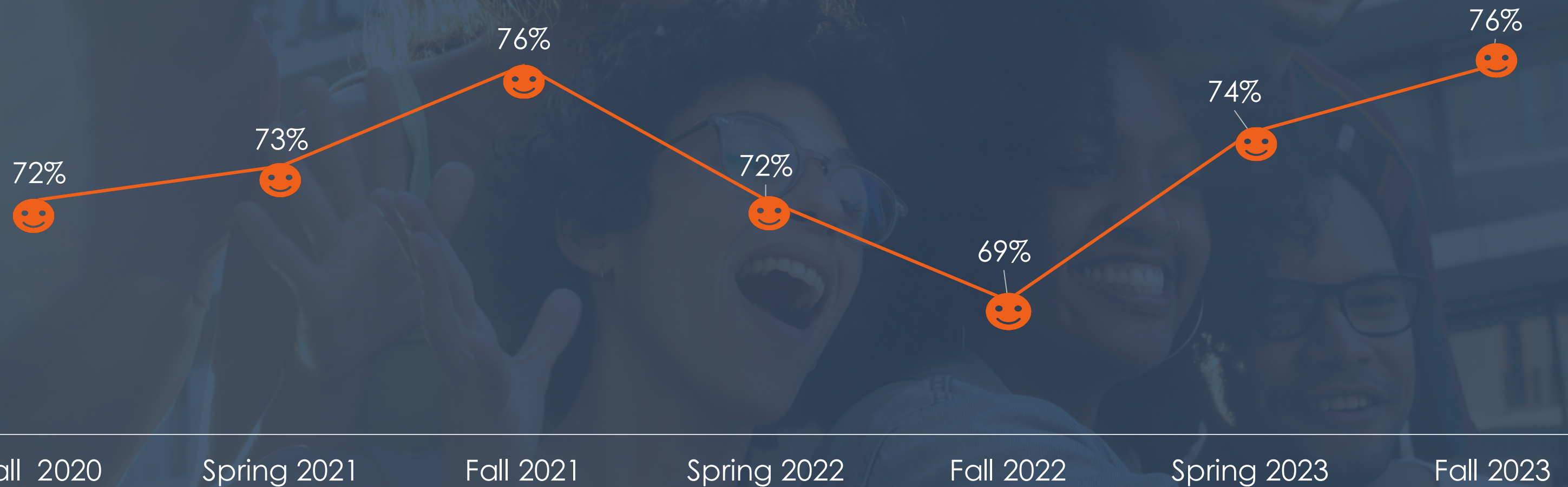


How is the Economy Impacting Consumers?

Consumer Optimism

Optimism levels are at the highest levels since Fall 2020.

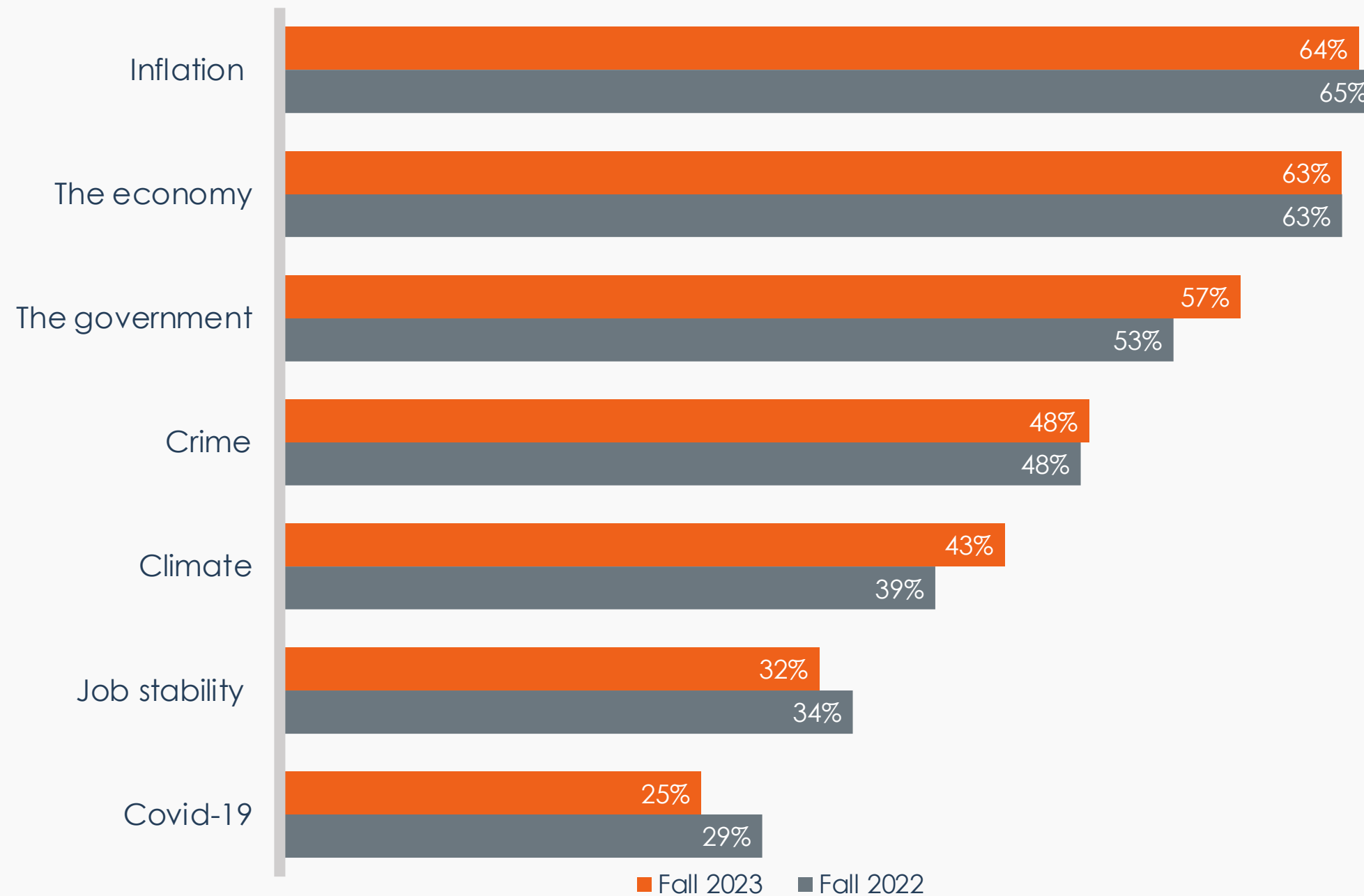
Optimism
Top 2 box on a 4-point scale



Top Concerns Impacting Consumers

Inflation and the economy are still the leading issues impacting Americans. Climate concerns and concerns about the government have increased in the past year.

Concern
(Top 2 box on a 5-point scale)



■ Fall 2023 ■ Fall 2022










64%

of Americans are concerned inflation will impact them personally

Groups Significantly More Likely to be Concerned with Inflation


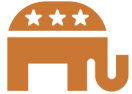





-  Going Further into debt (76%)
-  Republican (70%)
-  Budget conscious (70%)
-  HHI Under \$75K (70%)
-  Rural (69%)



63%

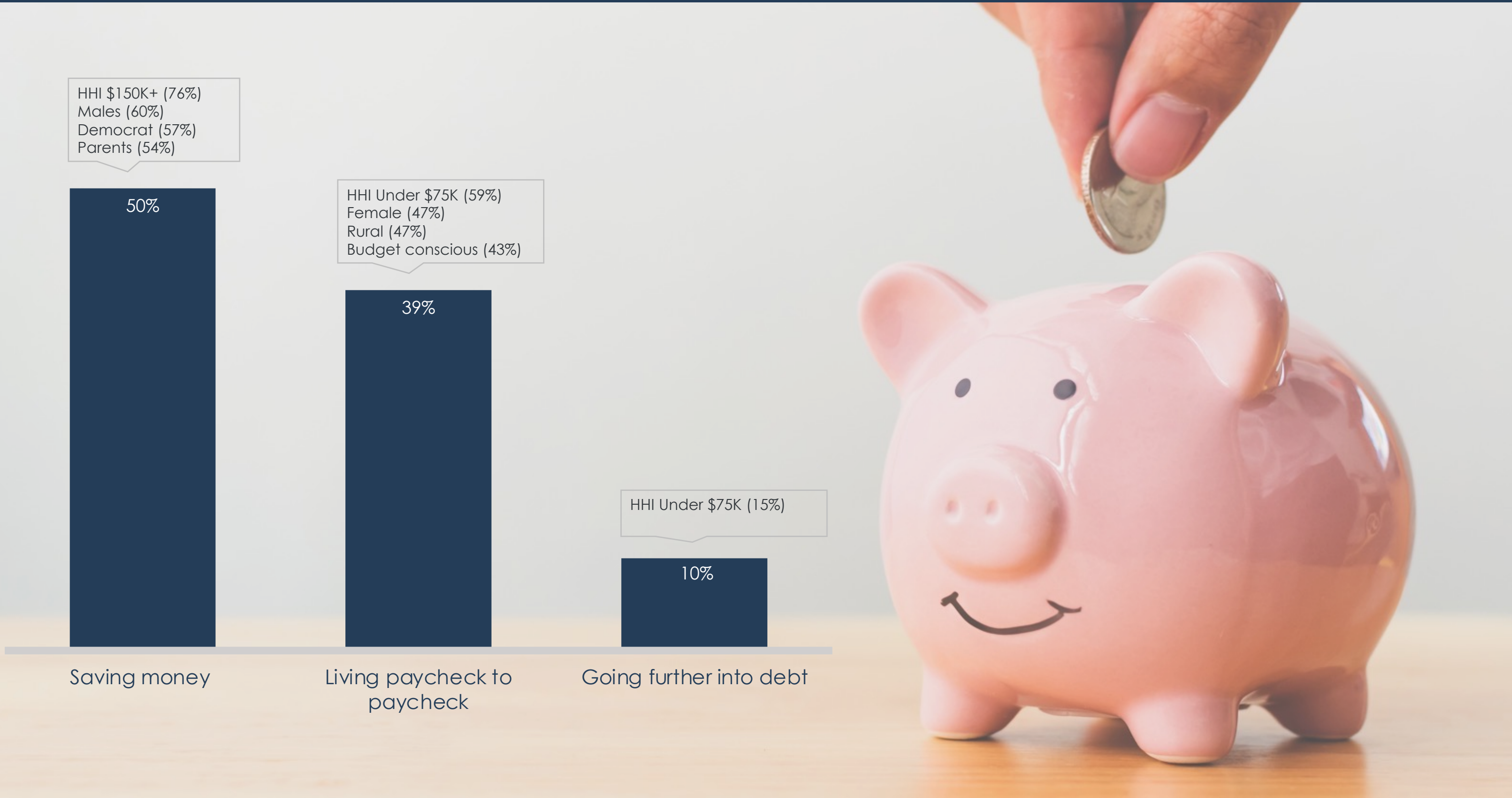
of Americans are concerned the economy will impact them personally

Groups Significantly More Likely to be Concerned with The Economy

-  Going Further into debt (73%)
-  Republican (71%)
-  HHI Under \$75K (69%)
-  Budget conscious (68%)
-  Rural (68%)
-  Female (68%)
-  Millennials (67%)

Saving Money is Difficult in this Economy

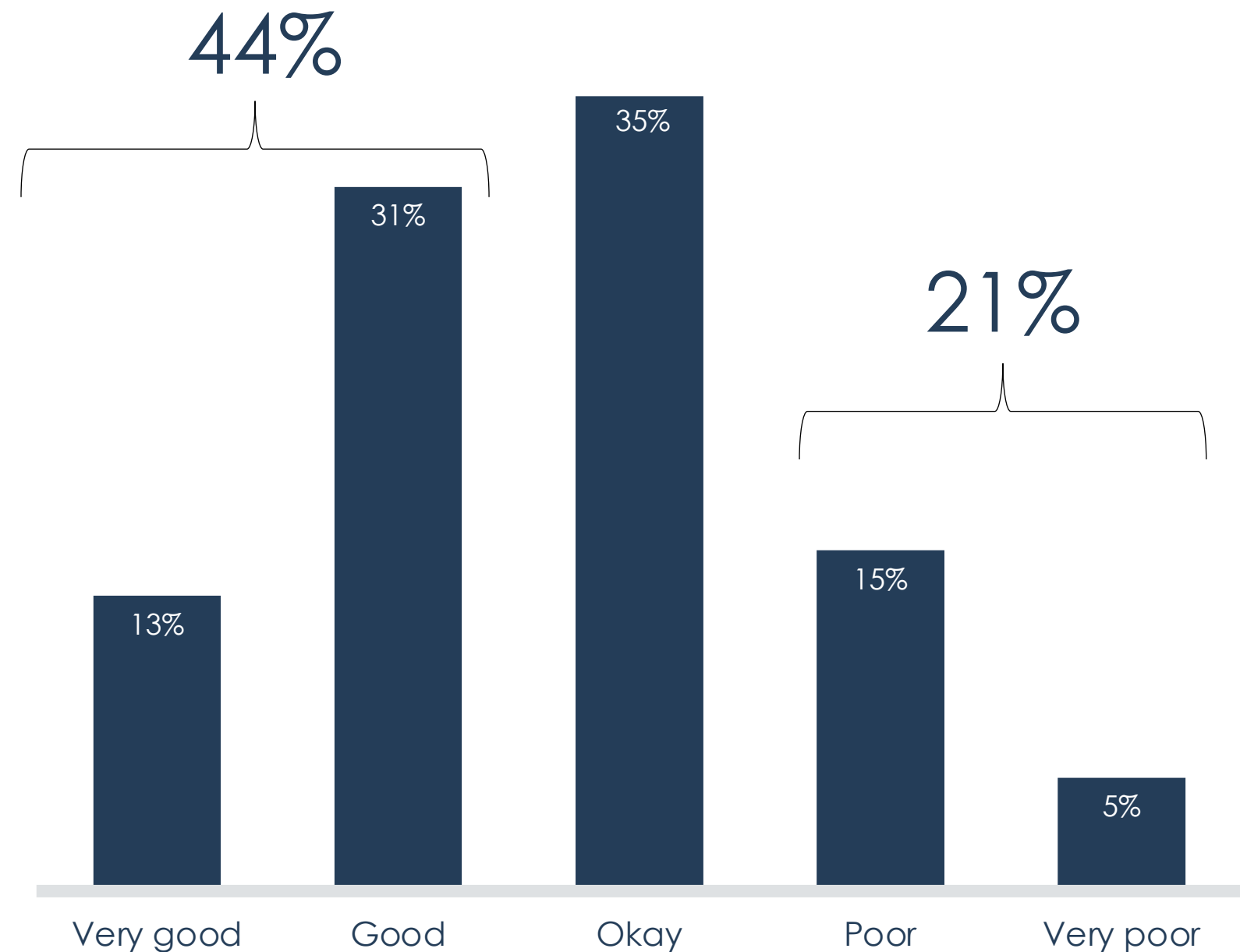
Only half of Americans are actively saving money. A tenth are going further into debt.



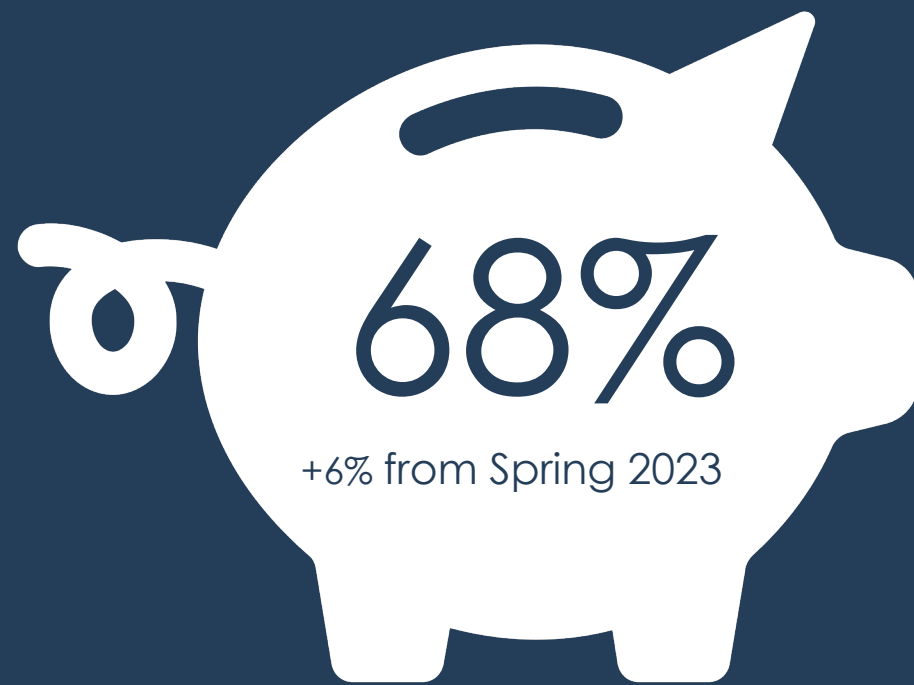


Most Consumers are Doing “Okay” Financially

Less than half see themselves in a financially good situation.

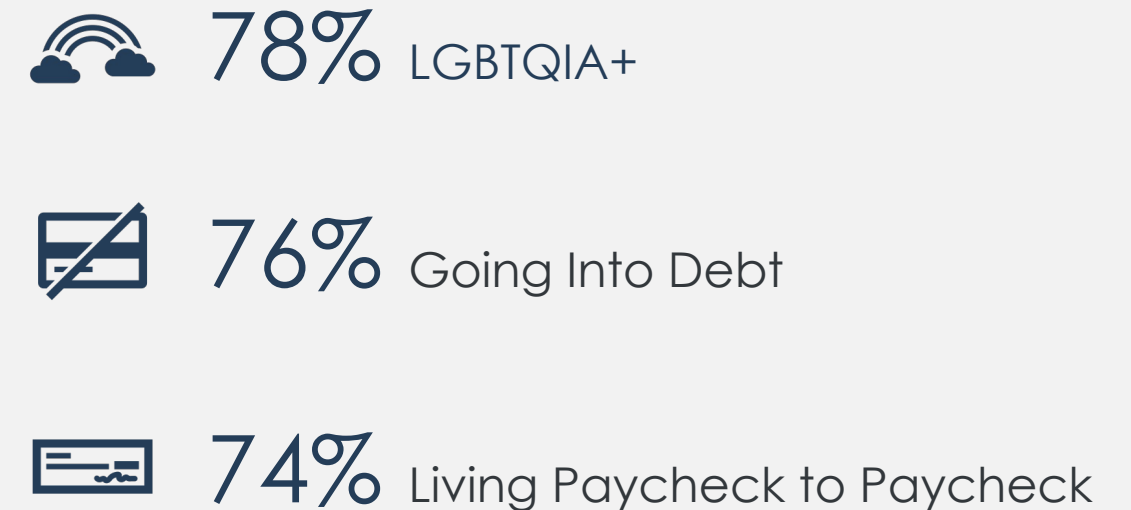


As Inflation and the Economy are a Top Concern, Consumers are Becoming More Budget Conscious



More Budget Conscious

Who is Significantly More Likely to Be Budget Conscious



Consumers Are in Budget Mode When It Comes to Spending

Spending Less To Save More

"I refuse to pay more than I must. This means I drive less, eat less, and am less likely to go to recreational activities."

"The only thing I consistently spend money on are bills, I put everything else towards my savings."

"I only spend a certain amount of my check each month and save the rest."

"I have been spending less because I want to increase my retirement savings."

Inflation Concerns

"I used to shop freely whenever I wanted too. Now I have to plan where I can go. Even then I have to watch prices. Sad world! "

"Even though my spending habits have stayed the same, I am still not happy about prices increasing time and time again."

"Inflation is on the rise again so therefore I'm spending much more than I was before on gas and groceries."

Avoiding Frivolous Spending

"My spending habits have become stricter. I've had to cut back on nonessential purchases like streaming subscriptions, Starbucks trips, etc."

"I use coupons and try to watch for sales and deals so I'm not buying full price."

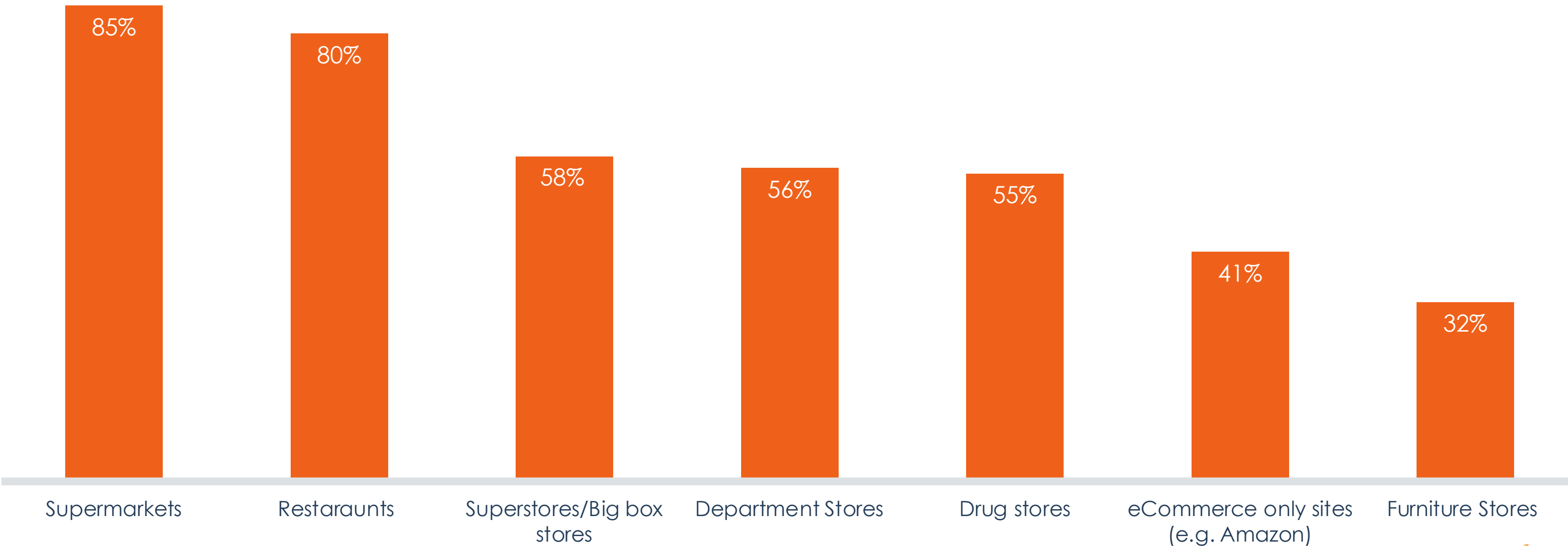
"I am shopping more wisely now, always looking for deals, discounts and price cuts."

"I am only buying essentials and generic brands to make ends meet."

Price Increases



Americans see the impact of inflation, especially at food establishments such as supermarkets and restaurants.

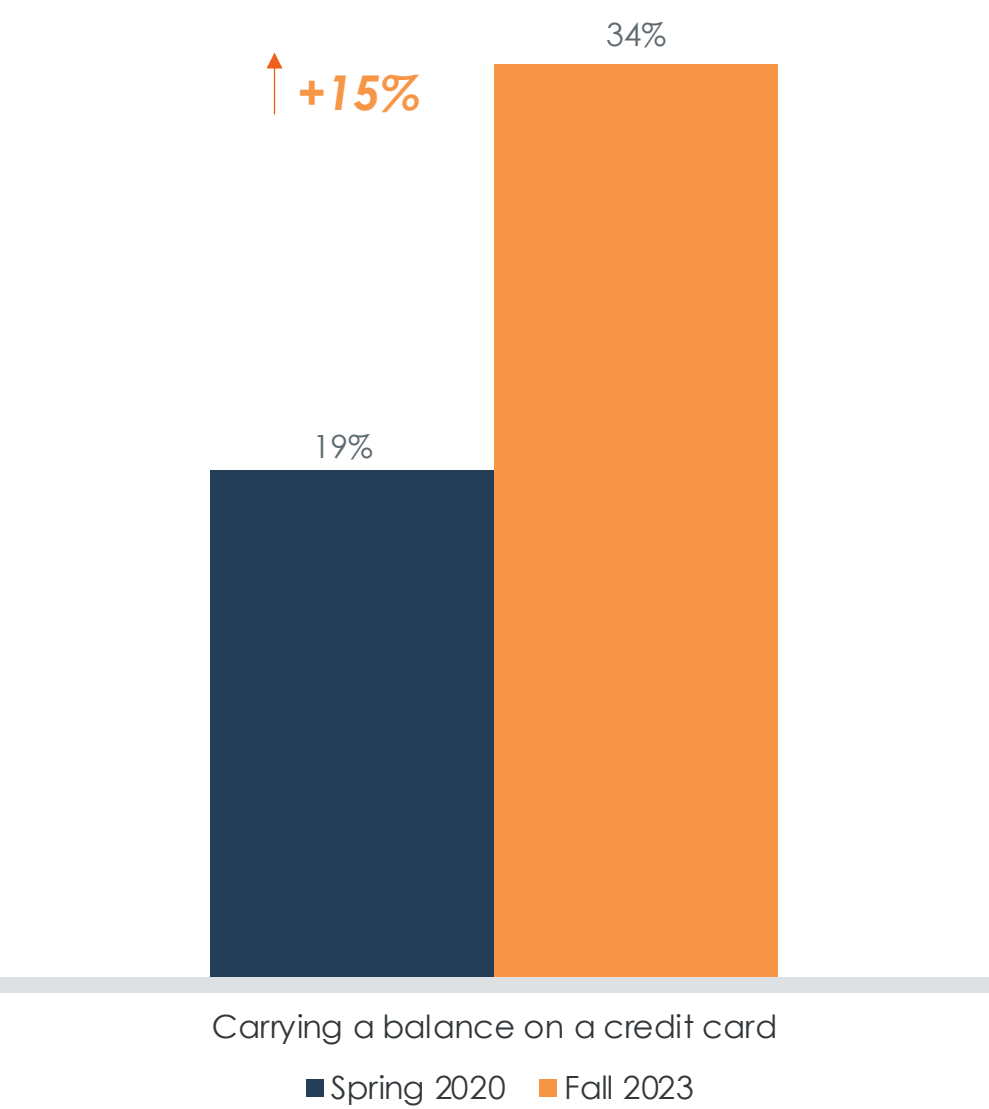


A person's hands are shown holding a smartphone in the left hand and a purple credit card in the right hand. The background is a blurred outdoor setting. Overlaid on the image is a complex, futuristic digital interface. This interface features concentric circles, a grid pattern, and various geometric shapes. Binary code (0s and 1s) is scattered throughout the overlay, particularly around the credit card and the person's hands. The overall aesthetic is high-tech and digital.








Financial Activities

Credit Card Balance

Nearly double the amount of consumers plan to carry credit debt in 2023 vs. 2020. This will be especially true of millennial parents this year.

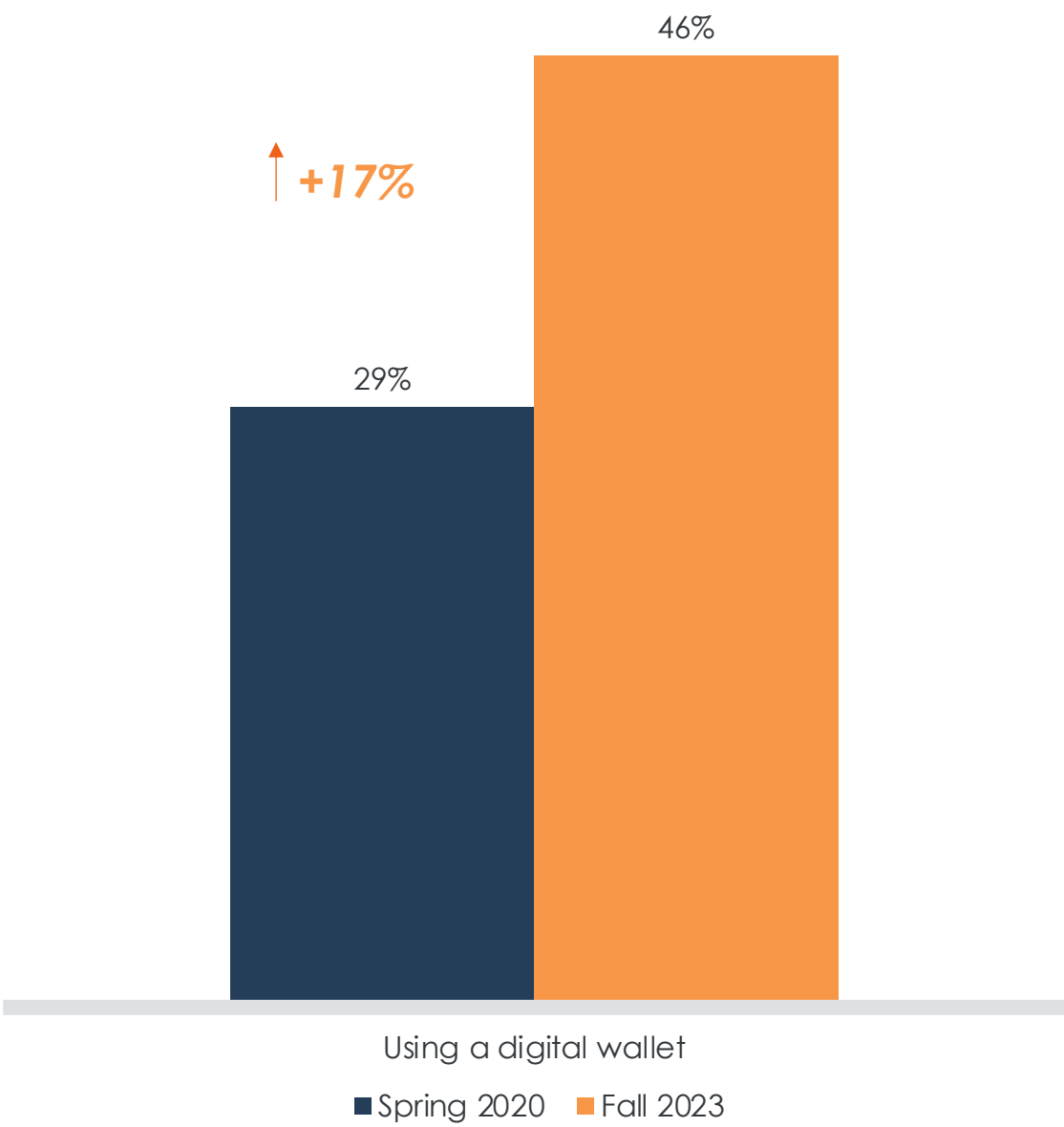


Groups Significantly More Likely to carry a credit card balance






-  LGBTQ (54%)
-  Going further into debt (53%)
-  Millennials (41%)
-  Parents (41%)
-  Democrats (39%)
-  Urban (38%)
-  Midwest (38%)

Digital Wallets

Nearly half of Americans are using digital wallets. This trend has grown significantly since 2020.

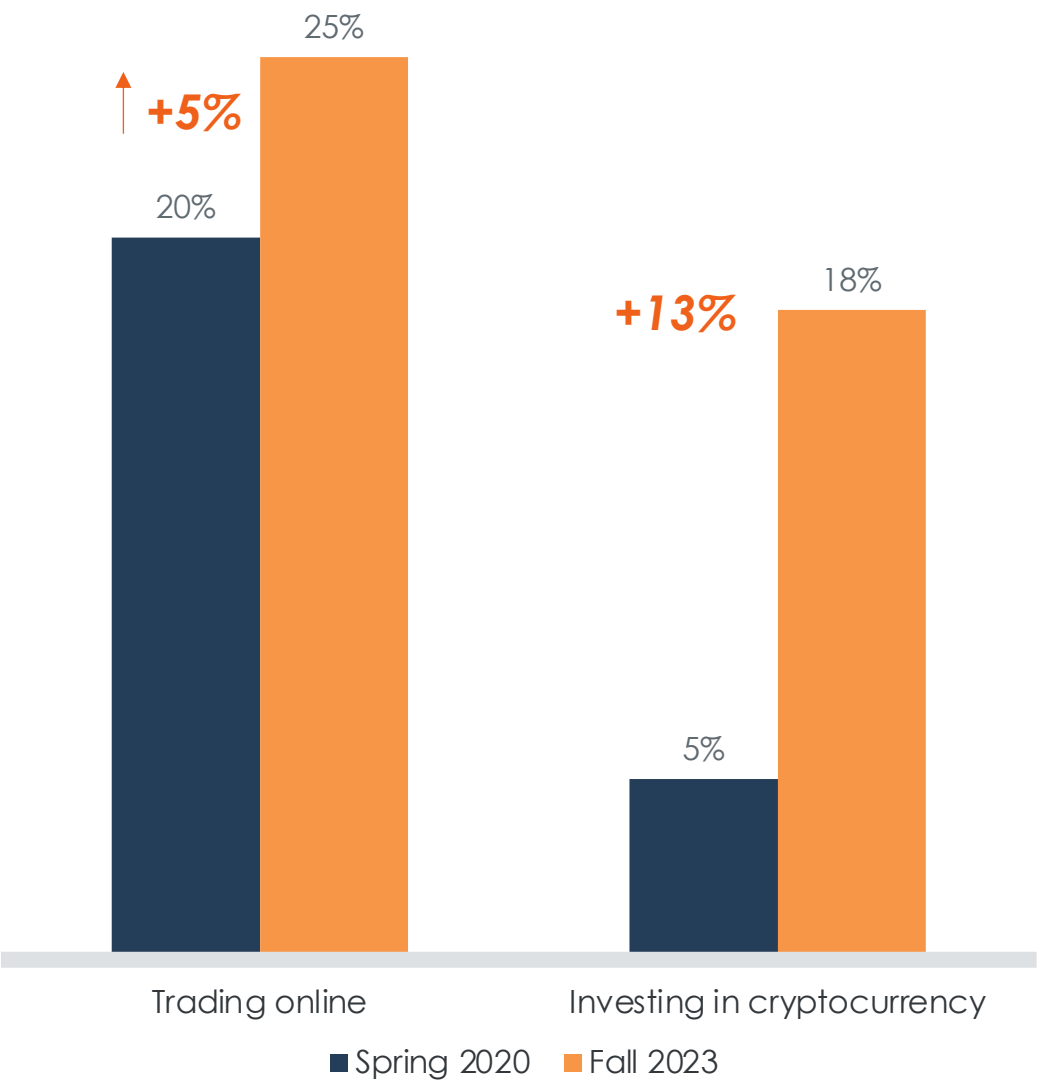


Groups Significantly More Likely to use digital wallets

-  Gen Z (60%)
-  Parents (58%)
-  Urban (52%)
-  HHI \$150K+ (52%)
-  Democrat (52%)

Online Investing

Plans to invest in cryptocurrency has more than tripled in the past 3 years.



Groups Significantly More Likely to invest in **cryptocurrency**



Urban (27%)

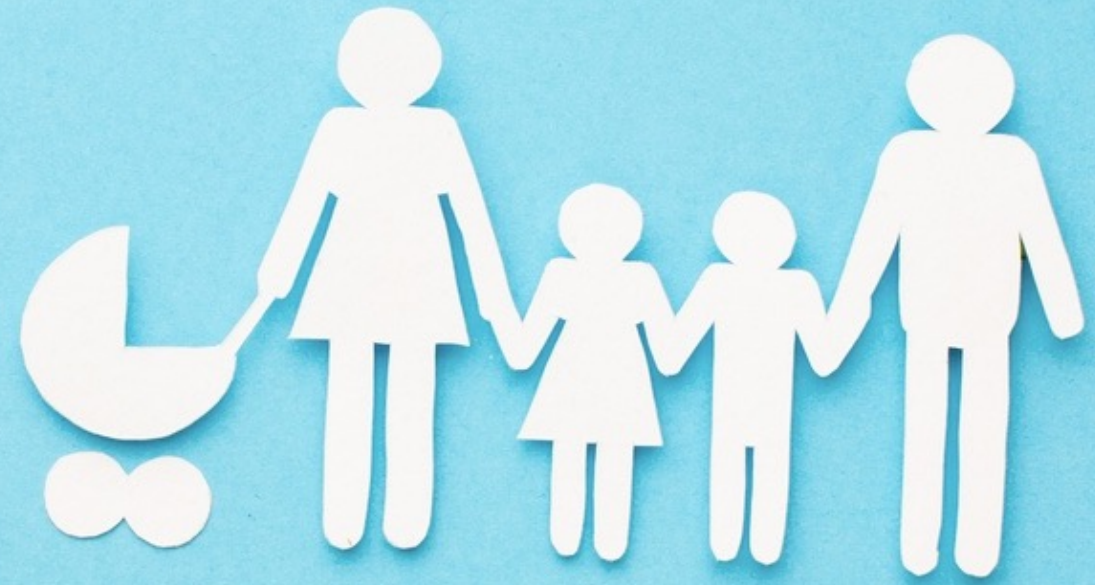


Gen Z (27%)



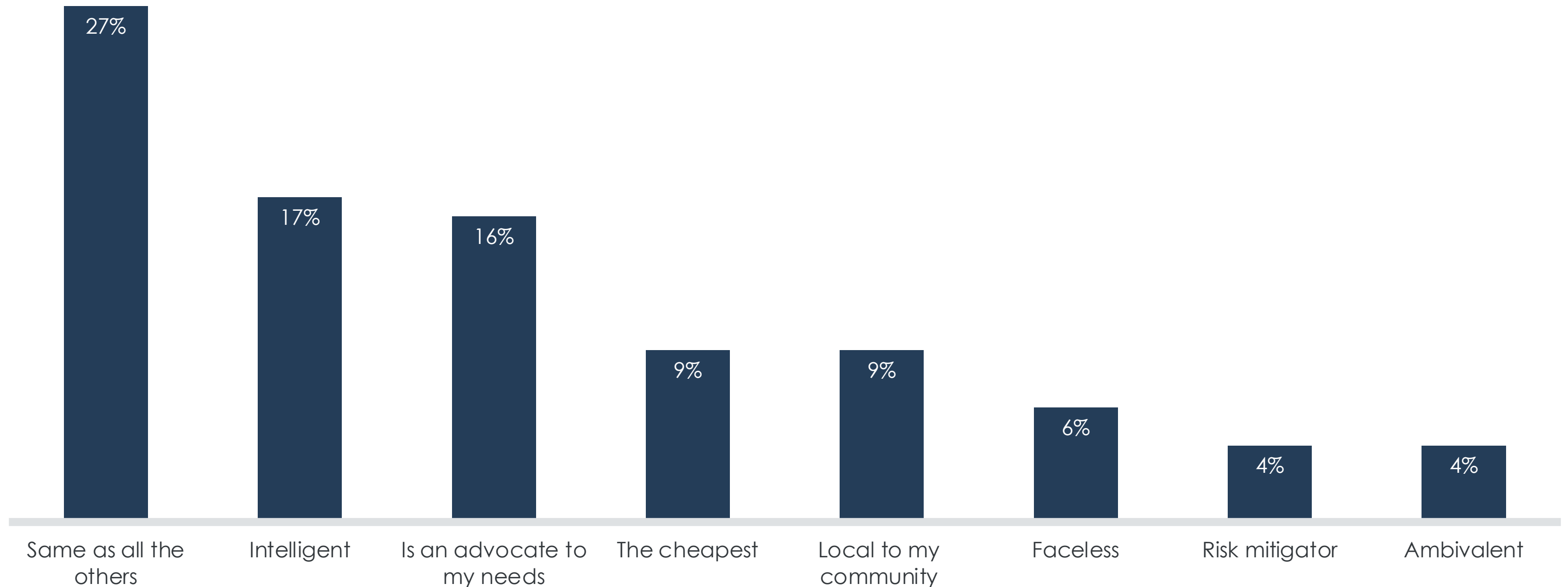
Male (25%)

Attitudes on Insurance



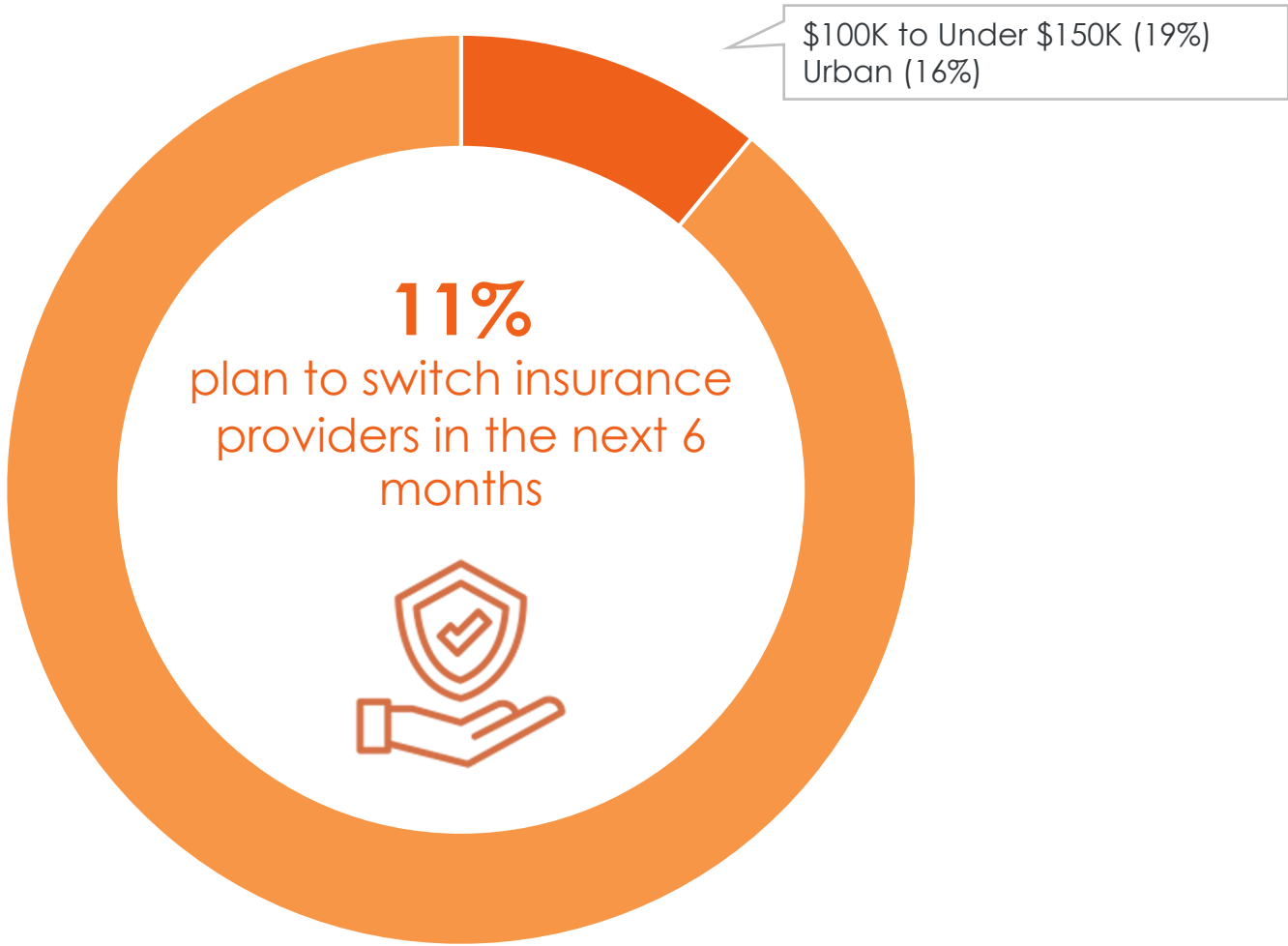
Perceptions of Insurance Providers

More than one-quarter of Americans feel that their insurance provider does not stand out. Few feel their carrier is advocating for their needs.



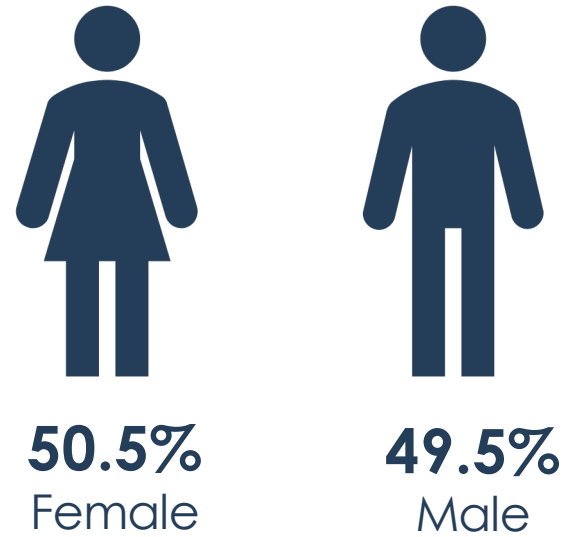
Switching Insurance Providers

One in ten Americans plan to switch insurance providers in the next 6 months. However, affluent consumers are more likely to consider making a change.



Respondent Profile

Gender



*<1% other identity

Generation

43 years old
Median Age

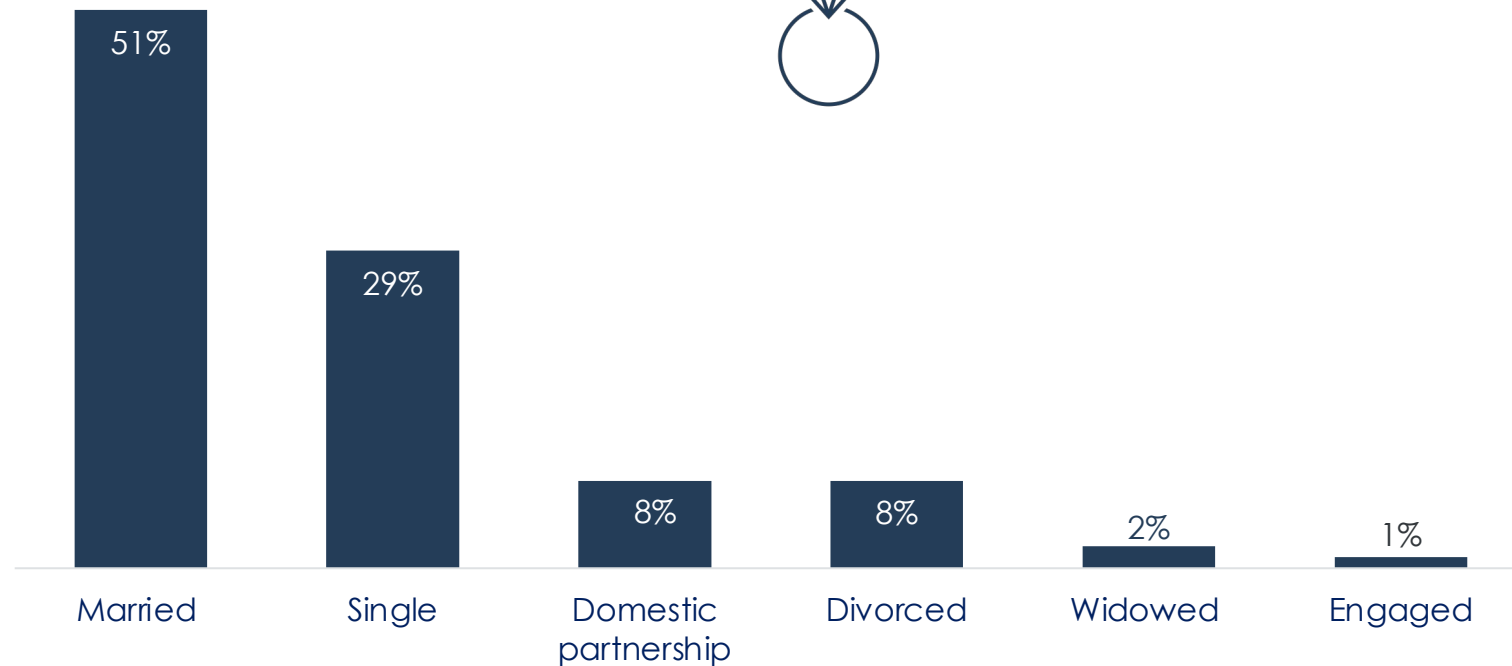


Parental Status

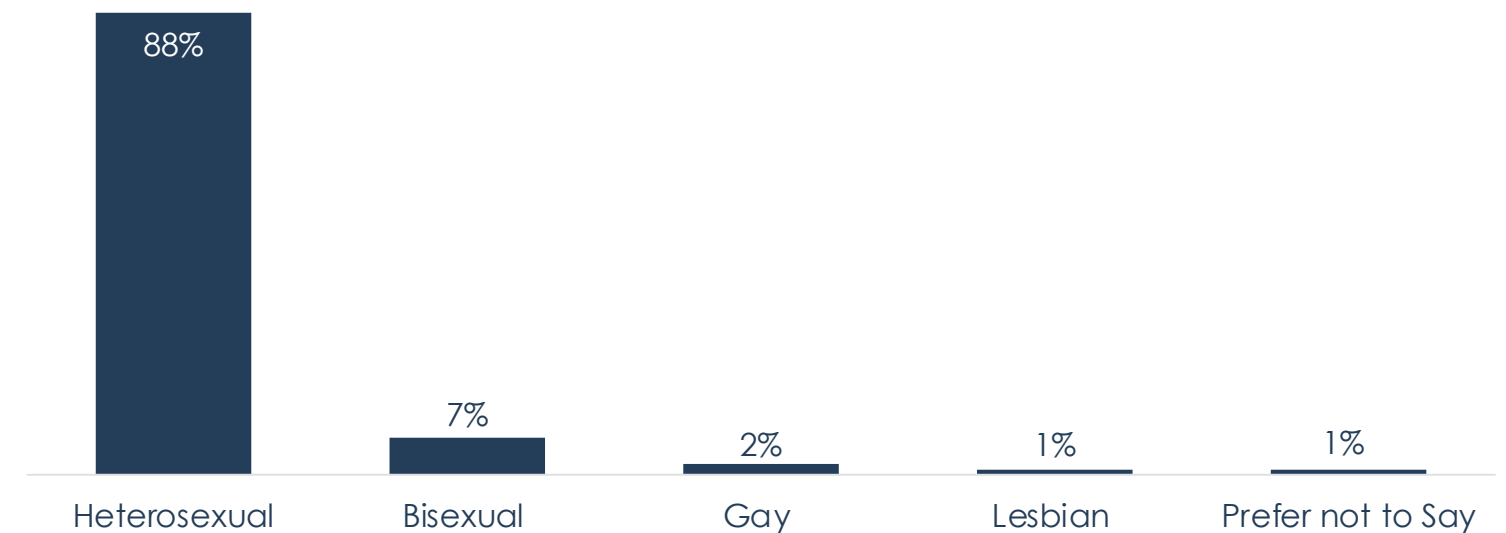


40%
Have children

Marriage Status

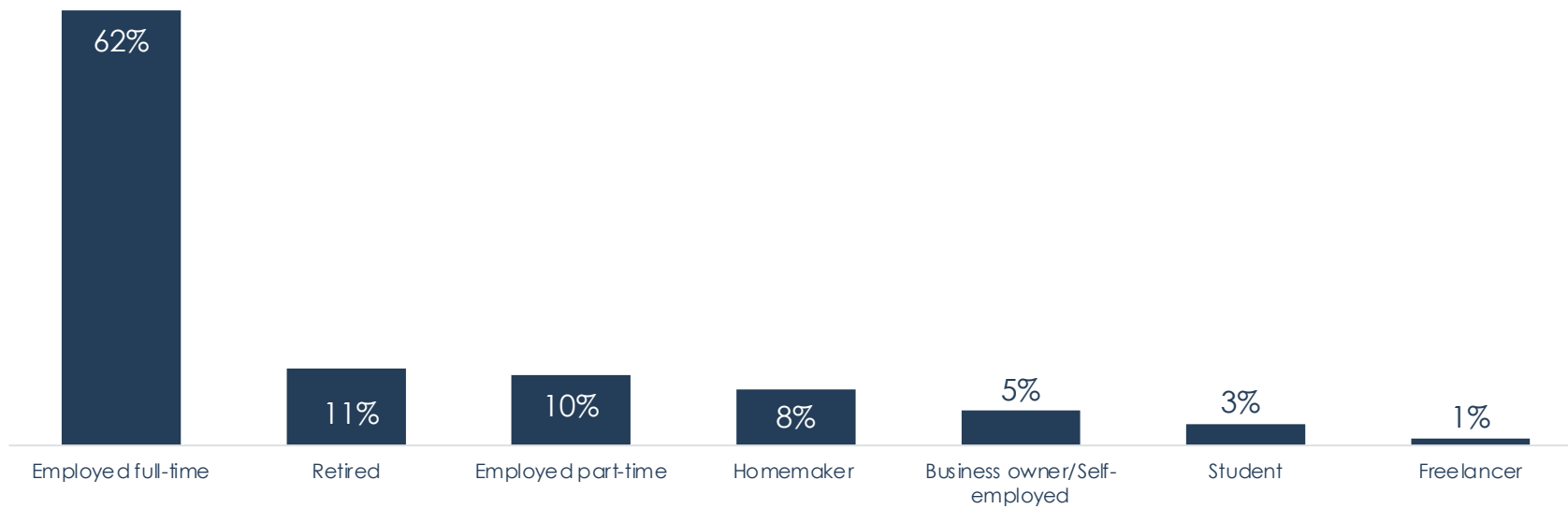


Sexual Orientation

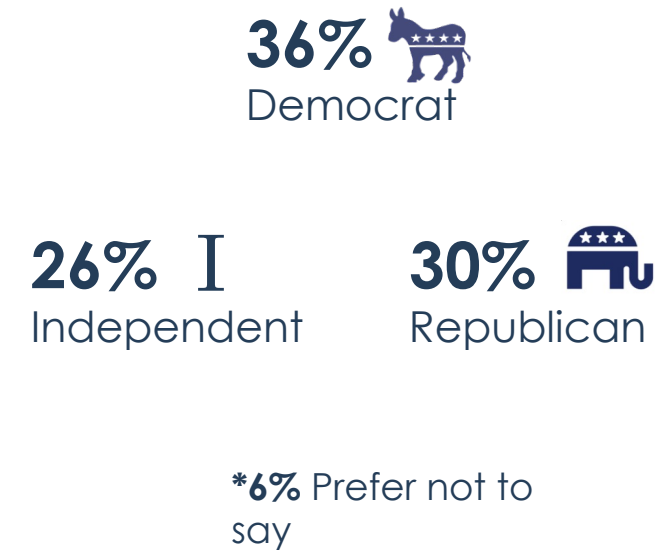


Respondent Profile

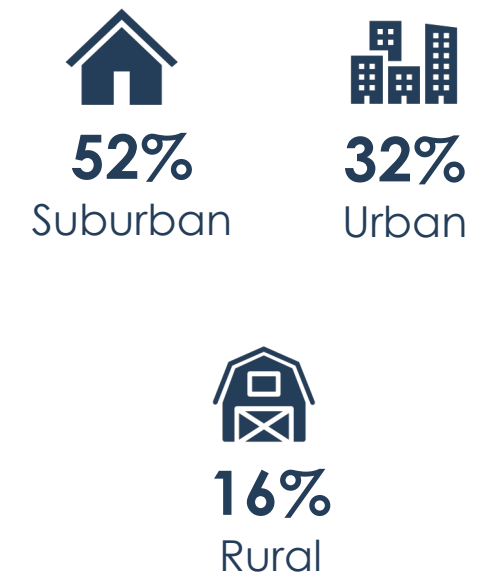
Employment Status



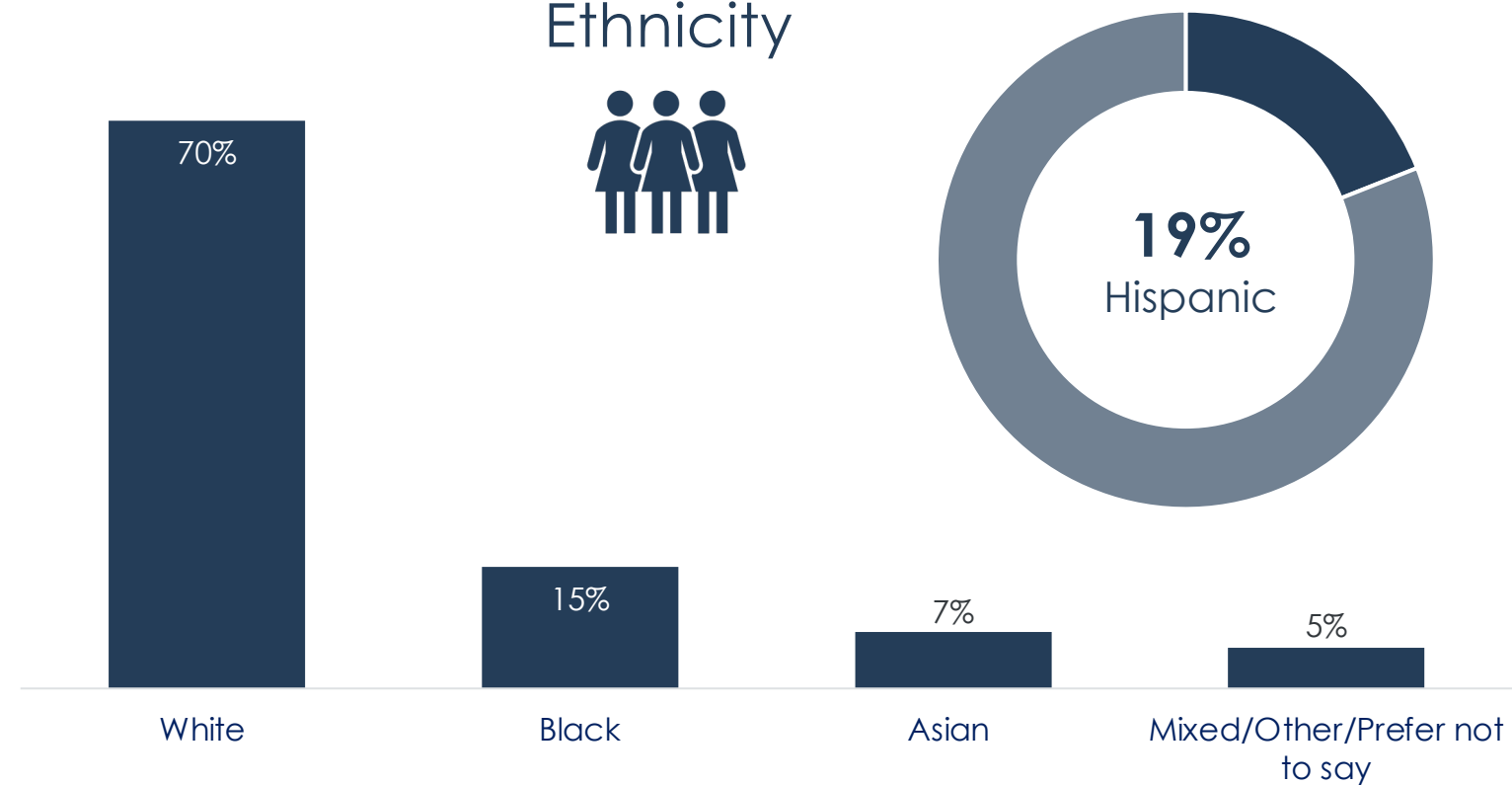
Political Party



Area



Ethnicity



Household Income

