



April 2023

Nationwide Economic Impact Survey Report: Consumers Findings



Nationwide
is on your side

1000 Yard Street

SURVEY METHODOLOGY



Audiences

U.S. General Population Consumers

Age 18+, nationally representative by age, gender, race, region

Many datapoints in this report are tracked versus two previous Nationwide studies among the same audience:

- Economic Pressures Survey (September 2022)
- Inflation Flash Poll (March 2022)



Sample Size

N=2,000



Methodology

**15-Minute
Online Survey**



Timing

**Survey Fielded
March 30th – April 13th,
2023**

KEY FINDINGS

1

Consumer economic sentiment has deteriorated since late 2022

Less than 4 in 10 (39%) give a positive rating of their personal finances, down 8-points since September. And when it comes to perceptions of the US economy overall, consumers are even more pessimistic – just 16% rate the US economy as good or excellent today, representing an 8-point decline since the Fall.

2

Inflation continues to squeeze consumers' finances

82% say they are concerned about inflation and rising living costs today, up 5-points since September. 57% report dipping into their savings to pay for everyday expenses within the past 12 months, and there is evidence many are pulling back on household spending in response: 54% report eating out less often, 37% say they are driving less, and 32% have delayed a major purchase (such as a car or house).

3

Concerns about rising interest rates increase

While consumers are clearly worried about inflation, concern about interest rate hikes has also increased since September. 70% say they are concerned about rising interest rates (up from 61%) and there are signs many are uneasy with the Federal Reserve's current policies. A plurality – 38% – say the Fed should cut interest rates to ease pressure on the US economy.

4

Recession fears remain elevated, with consumers planning for the worst

More than two-thirds (68%) expect the country will enter a recession within the next six months, virtually the same share as in September. Among those who expect a recession, 78% believe it will be severe. Many consumers are already planning for one, with 57% saying they have a plan for adjusting their personal finances in the event of a recession.

Detailed Findings

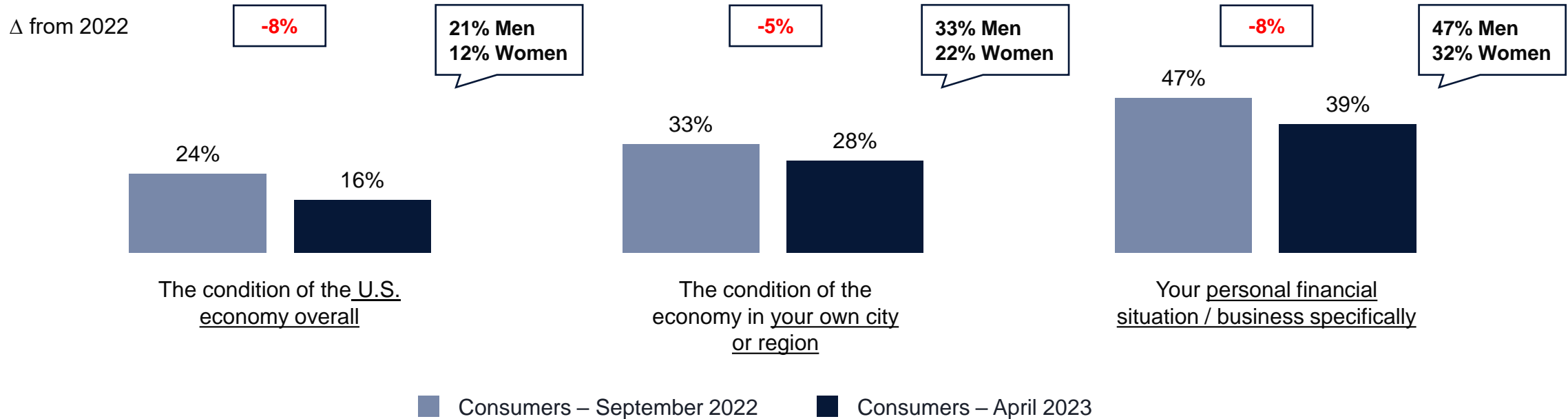


Consumer sentiment has deteriorated since September, with just 4 in 10 giving a positive rating of their own personal finances

Men have a slightly more positive outlook than women on the current state of the economy, with 21% rating the U.S. economy overall good or excellent, 33% in their region, and 47% for their personal financial situation.

Positive Rating of Current Economic Conditions

(Shown % Select Top 2 Box 'Good/Excellent' on a 4-point scale)

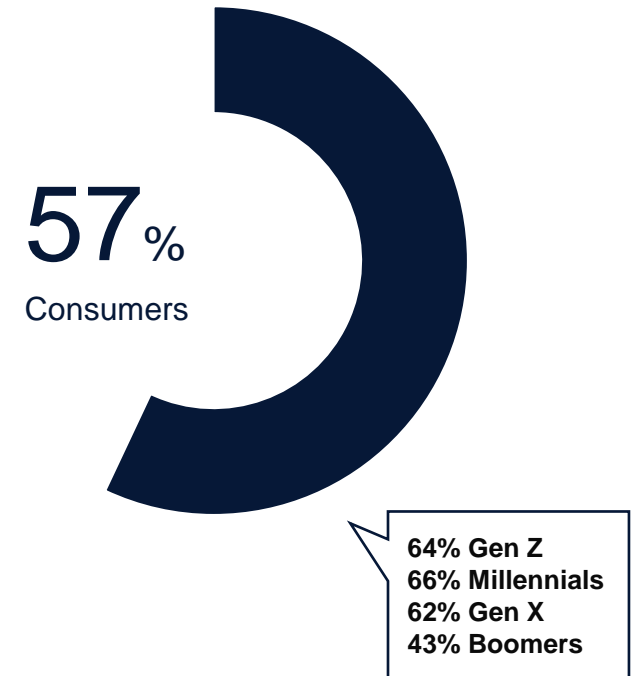


Consumers are feeling the squeeze from inflation: almost 6 in 10 have dipped into savings to pay for everyday expenses in the past year

Managing debt and job loss are second tier concerns, but they have risen significantly since September.

Top Financial Concerns <i>(Shown: % Select Among Top 5)</i>	Consumers	Δ from 2022	
Inflation or rising living costs	59%	-1	51% Gen Z (2023)
Cost of rent or housing	34%	+2	49% Gen Z (2023)
Lack of savings for unexpected or emergency expenses	32%	+3	
Managing debt	31%	+9	
Healthcare expenses	28%	-2	19% Gen Z (2023)
Paying for gas	27%	-15	
Sticking to my budget	25%	-	
Ability to travel for leisure	24%	+2	17% Gen Z (2023)
Unemployment or job loss	21%	+6	31% Millennials (2023)
Inability to financially support family	20%	+3	28% Millennials (2023)
Not being on track for retirement	18%	+1	9% Gen Z (2023)
Cost of my insurance	17%	n/a	10% Gen Z (2023)
Poor purchasing or investment decisions	10%	-	15% Gen Z (2023)
Repaying student loans	8%	+1	15% Gen Z (2023)
Education expenses	7%	-1	20% Gen Z (2023)
Tax compliance	7%	-4	
Childcare expenses	6%	-2	14% Millennials (2023)

Used Savings in the Past 12 Months for Everyday Expenses *(Shown % Select 'Yes')*

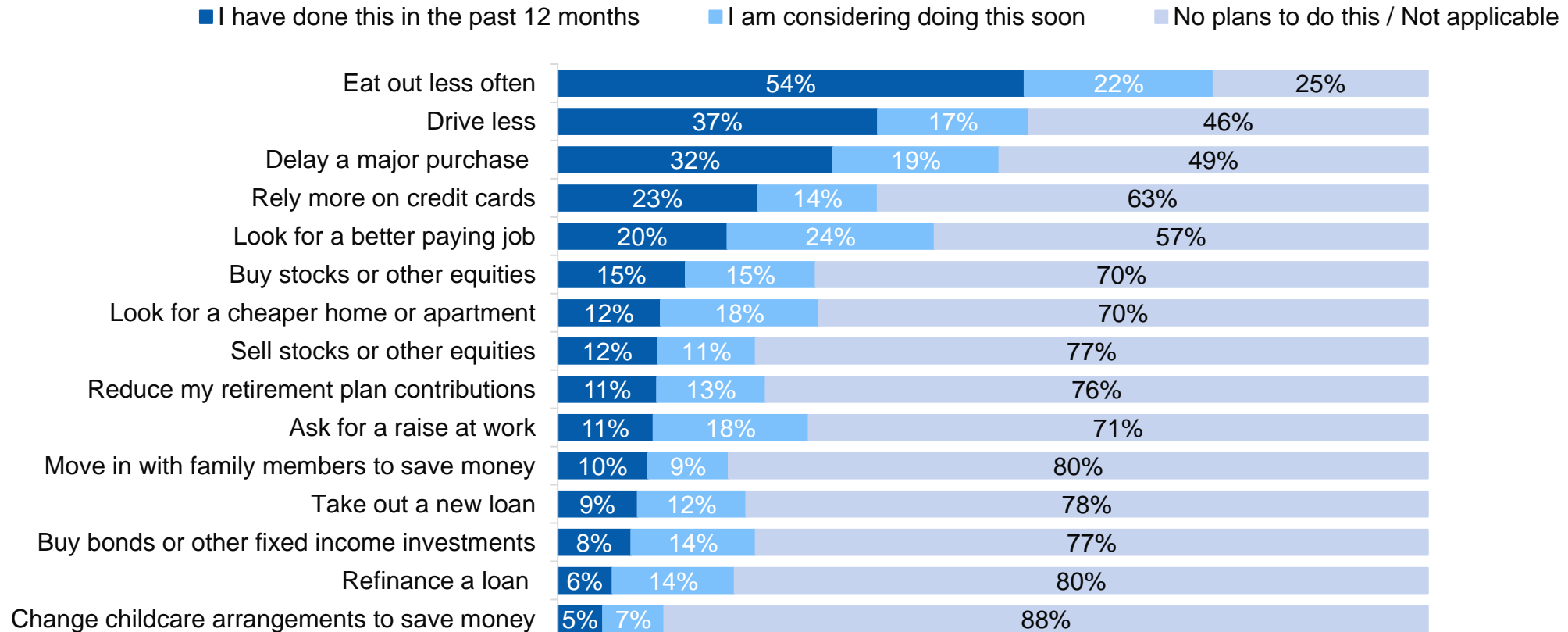


Q11. Which of the following best describe your top financial concerns? Please select up to five concerns from the list below. Q12: In the past 12 months have you dipped into your savings to pay for everyday expenses (for example, groceries, gas, housing expenses, etc.)? Base: Gen Pop Consumers (n=2,000) Tracked Data from P&C Economic Pressure September 2022 Survey

Consumers are cutting back on spending, reporting eating out less often, driving less, and delaying major purchases

Behavior Changes in Past 12 Months Due to Rising Inflation

(Shown % Select 'Yes')



Most expect a recession within the next 6 months

Consumers are preparing for the worst: almost 8 in 10 consumers expect the coming recession to be severe, and 1 in 3 think it will be worse than the Great Recession. 57% have a plan in place for adjusting their finances when the time comes.

Recession Expected in Next 6 Months (Shown % Select 'Yes')



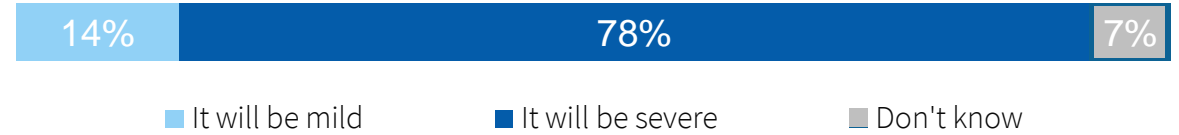
67%
Consumers – Sept. 2022

68%
Consumers – April 2023

Δ from 2022 **+1**

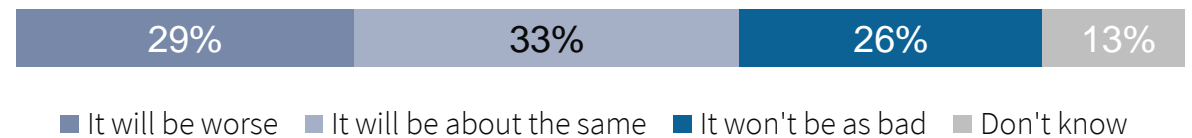
17% Women
12% Men

Recession Expected Severity (Shown % Select, of those expecting a recession)



■ It will be mild ■ It will be severe ■ Don't know

Comparison to the Great Recession of 2007-2009 (Shown % Select, of those expecting a recession)



■ It will be worse ■ It will be about the same ■ It won't be as bad ■ Don't know

31% Men
21% Women

Do you have a plan for adjusting your personal finances? (Shown % Select, of those expecting a recession)



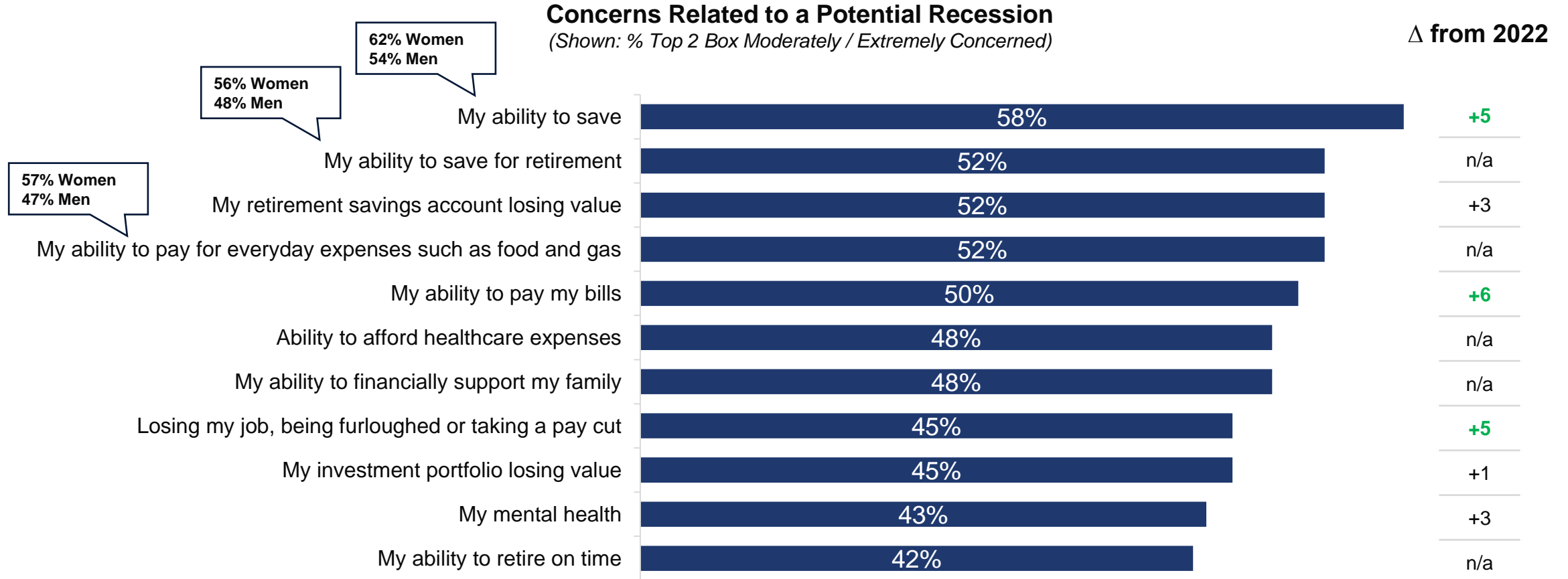
■ Yes ■ No

60% Men
54% Women

Q4. Do you expect the US economy will be in recession within the next six months? Base: Gen Pop Consumers (n=2,000) Q5: If there is a recession in the next six months, how severe do you expect it will be? Base: Gen Pop who expect a recession (n=1,353) Q6: If there is a recession, how do you expect it will compare to the Great Recession of 2007-2009? Base: Gen Pop who expect a recession (n=1,353) Base: Gen Pop who expect a recession (n=1,353) Q7: If there is a recession, do you have a plan for adjusting your personal finances? Tracked Data from P&C Economic Pressure September 2022 Survey

Ability to save remains the top concern in the event of a recession

Women are significantly more likely than men to be concerned about each category except for their retirement account or investment portfolio losing value, and their ability to retire on time. Women are most concerned about their ability to save (62%), pay for everyday expenses (57%), and ability to save for retirement (56%).



Inflation, interest rates, living expenses, and unemployment are all expected to increase over the next 12 months

Expected Changes: Next 12 Months (Shown % T2B 'Go up'; B2B 'Go down')

Consumers				
	<i>Expect an Increase</i> ↑	Δ from Spring 2022	<i>Expect a Decrease</i> ↓	Δ from Spring 2022
Inflation	73%	-2	13%	-
Interest rates	72%	+3	11%	-1
Gas prices	71%	-5	13%	-1
Housing costs/rent	70%	-5	10%	-
Income tax rates	56%	+1	7%	-4
Unemployment	56%	+10	15%	-12
The stock market	22%	-8	44%	+5

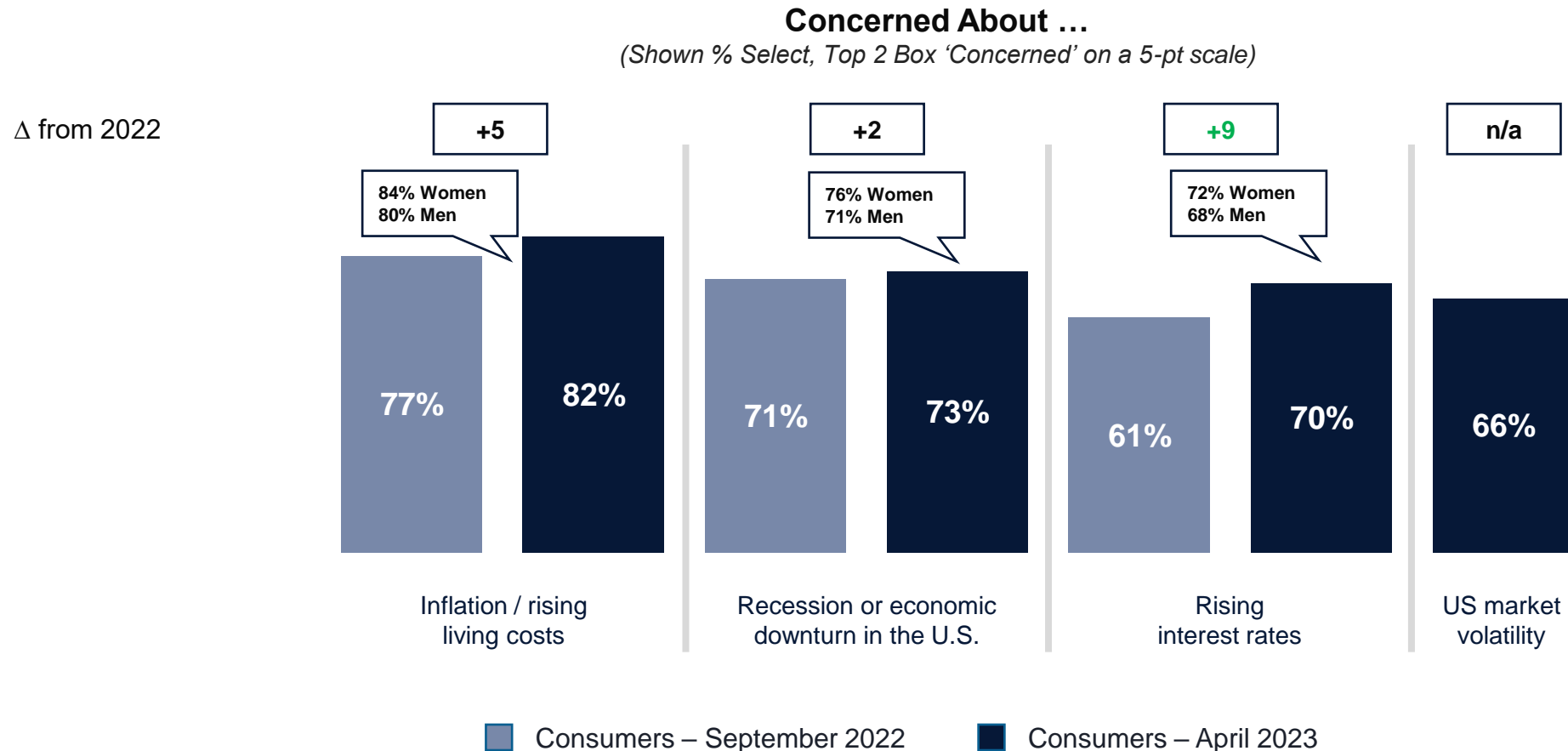
16% Men
11% Women

55% Men
53% Women

27% Men
18% Women

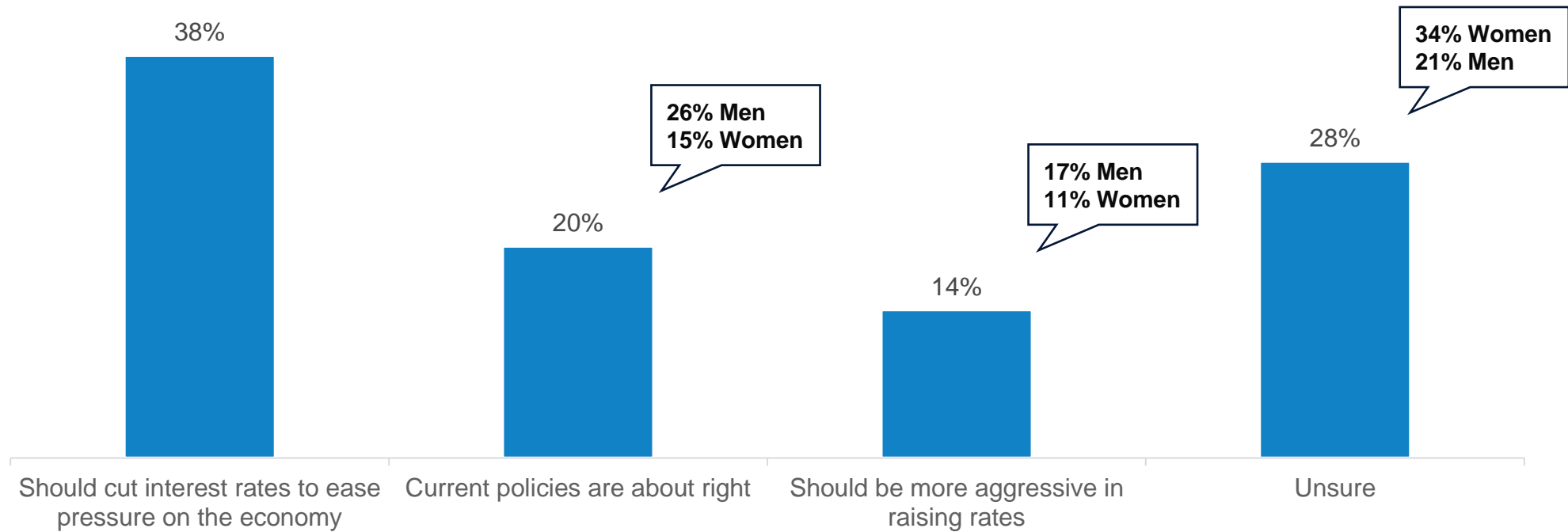
Concern about the impact of rising interest rates has increased significantly since September

Women are significantly more concerned than men about how economic issues will affect their personal finances, with 84% being concerned about inflation, 76% about a recession, and 72% about rising interest rates.



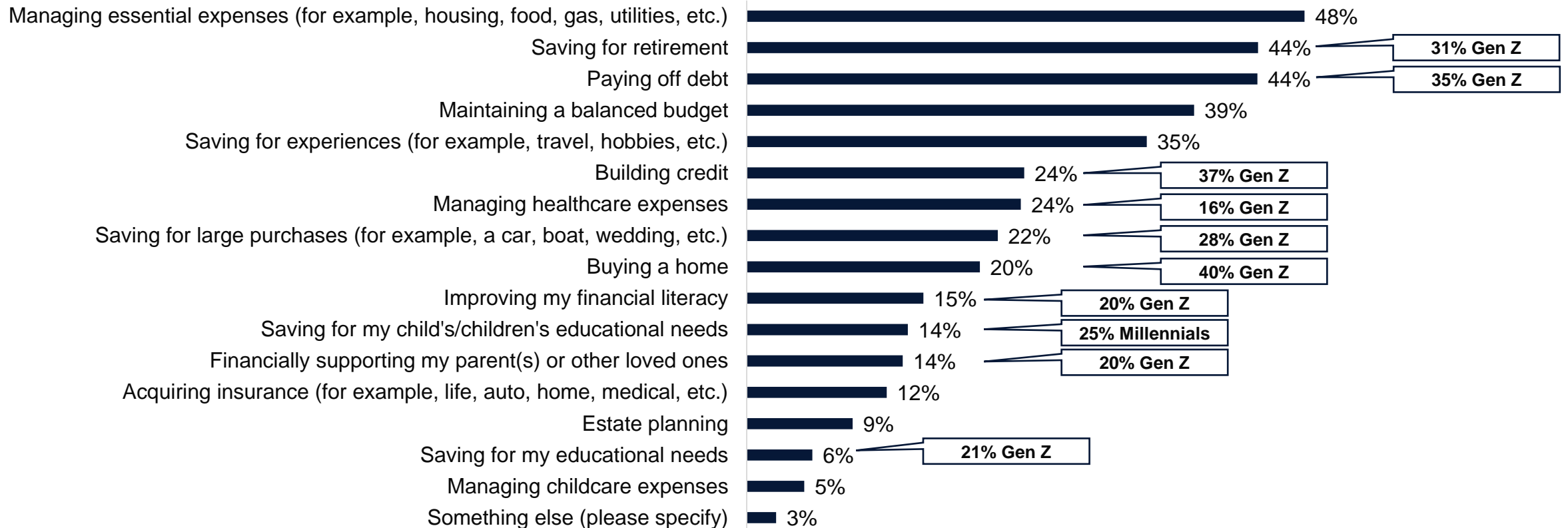
A plurality of consumers want the Fed to begin cutting interest rates to ease pressure on the economy

Perceptions of Federal Reserve Interest Rate Policy
(Shown % Select)



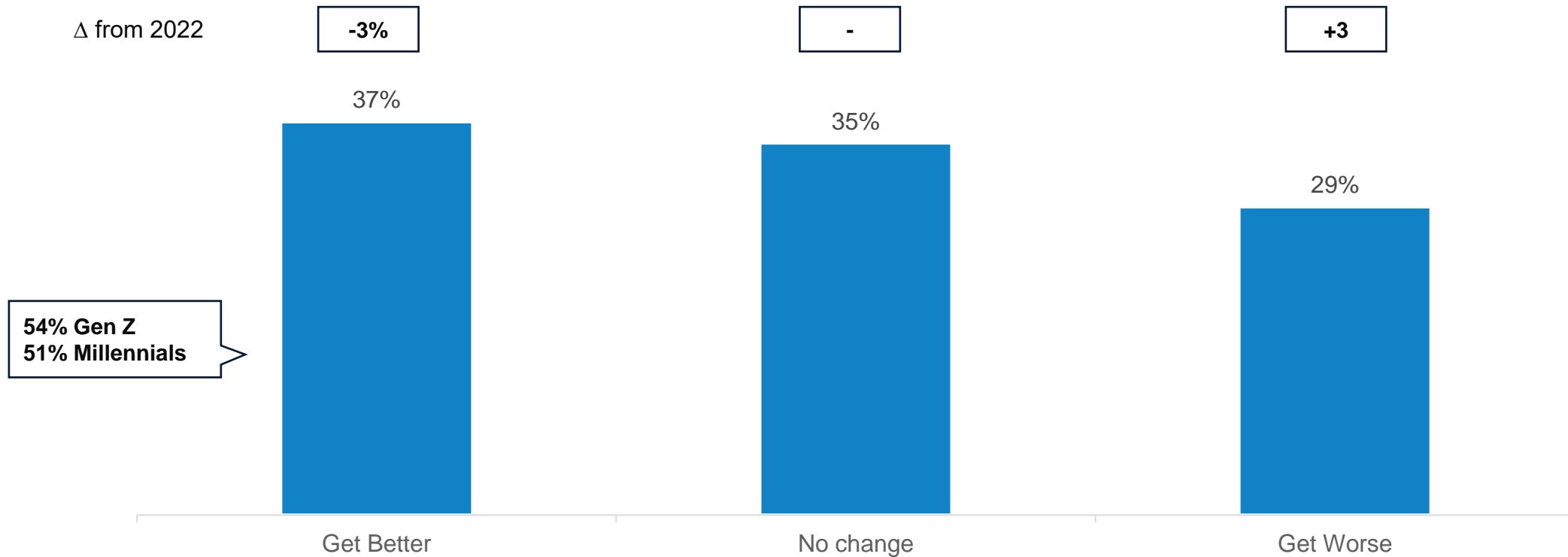
Beyond managing basic living costs, top financial goals include saving for retirement, paying off debt and managing a balanced budget

Top Financial Goals
(Shown: % Select Among Top 5)



Looking ahead to the next 6 months, more see their personal finances improving than getting worse

Expectations for Personal Finances: Next 6 Months
(Shown % Select)

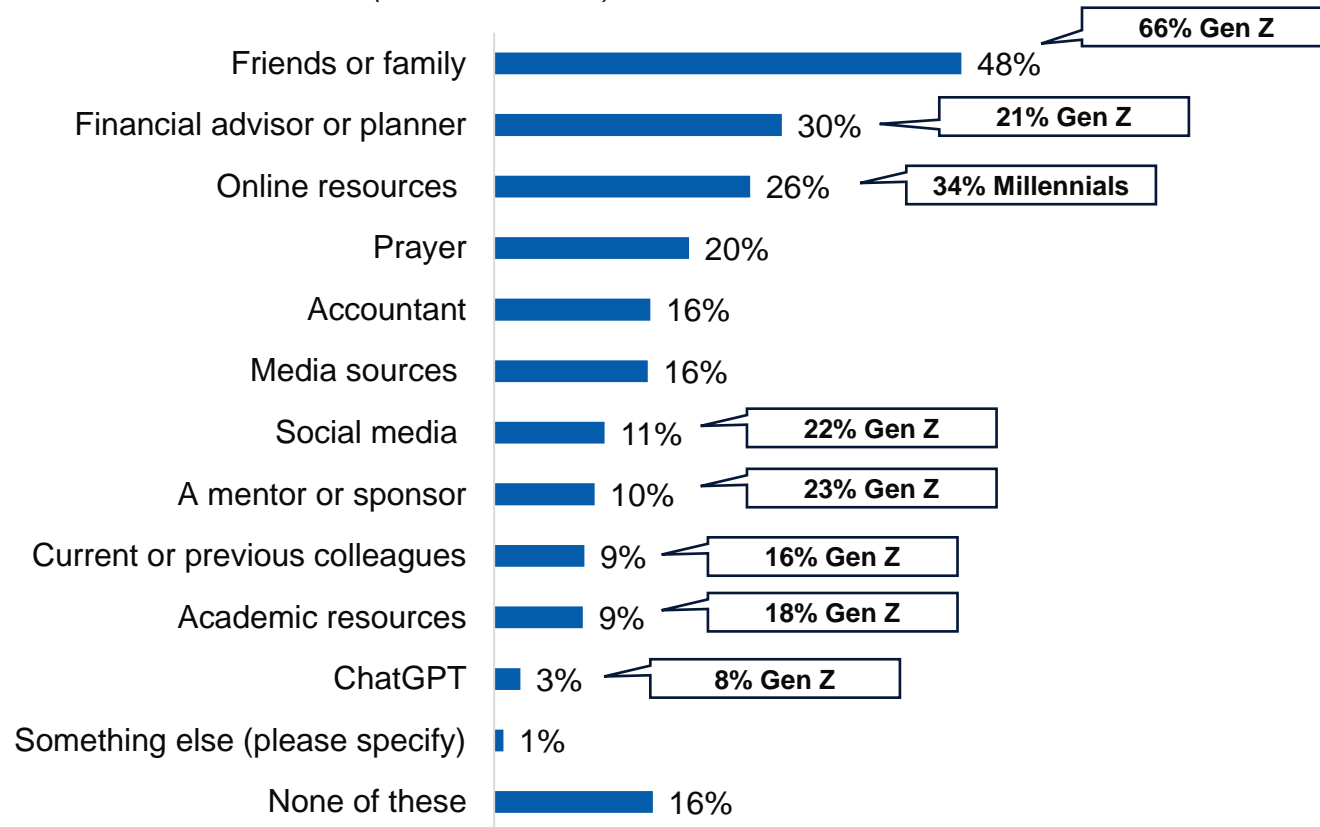


Top sources of financial advice include friends and family, financial advisors, online resources, and prayer

Cost and lack of assets are the most common perceived barriers to working with a financial advisor.

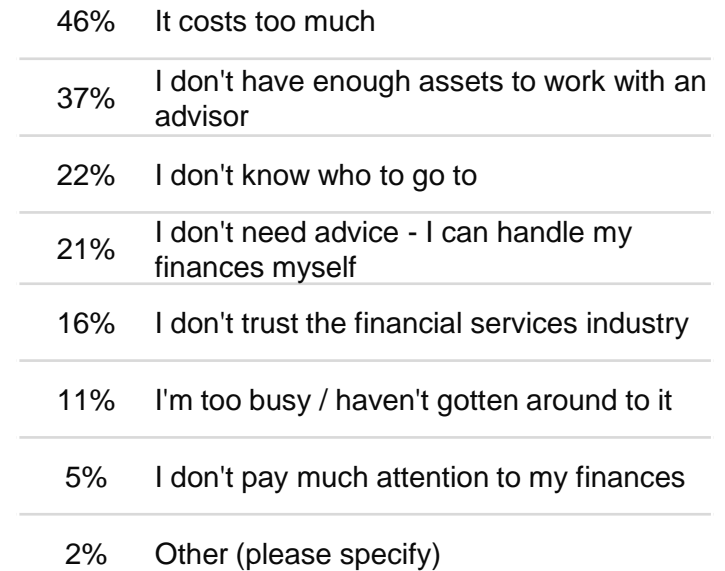
Advice and Support on Personal Finances

(Shown: % Select)



Why do you not use a financial advisor?

(Shown: % Select)



As consumers evaluate personal finances, half are looking for ways to save money on their existing insurance policies

71% of Consumers Have reviewed current insurance policies or plan to in the next six months

66% Gen Z

Δ from Fall 2022
-7%

Actions Taken / Planned to Take in Response to Current Economic Conditions to Meet Financial Needs

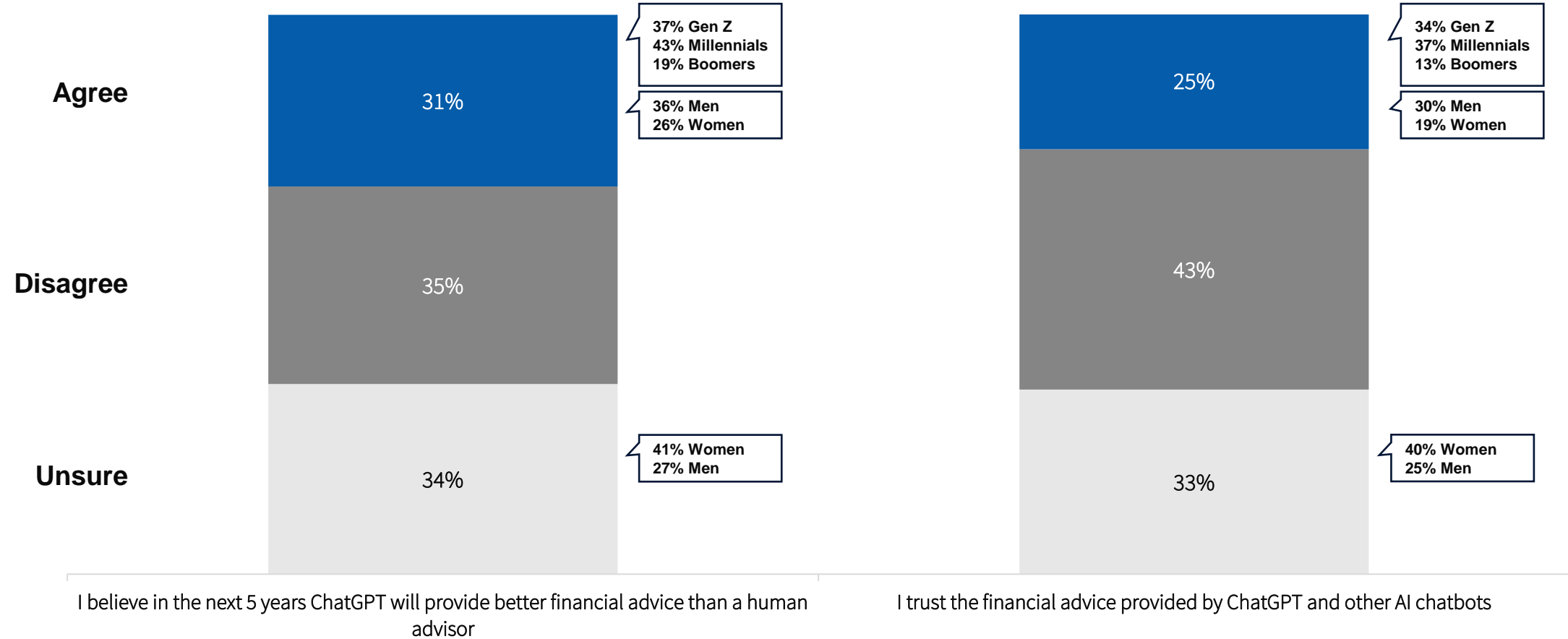
(Shown: % Selected)

	NET Done/Plan to Do		Done in Past 6 Months		Plan to Do in Next 6 Months	
	Gen Pop	Δ from 2022	Gen Pop	Δ from 2022	Gen Pop	Δ from 2022
Check my insurance policies online	51%	-5	30%	-	20%	-4
Look for ways to save money on my premiums with my existing policies	51%	-4	23%	+1	27%	-7
Contact my insurance agent to discuss my coverage	45%	-12	20%	-10	25%	-7
Decrease coverage/limits on my existing policies	26%	-	10%	+2	16%	-2
Switch to a new insurance agent	23%	-1	7%	-	16%	-2
Increase coverage/limits on my existing policies	22%	-3	8%	-1	14%	-3
Remove a policy from my coverage	20%	-3	8%	-1	12%	-1
Add another type of policy to my coverage	20%	-3	7%	-3	13%	+1

Consumers are largely doubtful of the financial advice provided by ChatGPT and other AI chatbots

Perceptions of AI and ChatGPT

(Shown % T2B Agree, B2B Disagree, Unsure)



Q20: Thinking about artificial intelligence (AI) chatbots, like ChatGPT and Bing Chat, how much do you agree or disagree with the following? Base: Gen Pop Consumers (n=2,000)

The economic and market forecasts reflect our opinion as of the date of this report and are subject to change without notice. These forecasts show a broad range of possible outcomes. Because they are subject to high levels of uncertainty, they will not reflect actual performance. We obtained certain information from sources deemed reliable, but we do not guarantee its accuracy, completeness or fairness.

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