thrivent

Thrivent’s 2022 Consumer Financial Outlook Survey

Key findings reveal Americans face challenges in building savings and focusing on financial priorities.

According to a new Consumer Financial Outlook Survey* by Thrivent, inflation is pushing many Americans off track financially, getting in the way of saving and impacting their ability to focus on their financial priorities. This is leading many Americans to wish they had more breathing room in their finances.

Key findings:

- Many Americans currently feel like they are living paycheck to paycheck, leaving little to no room for building their savings.
- People are concentrating more on short-term financial goals versus long-term ones.
- While many Americans understand the behaviors that could improve their financial situation, current pressures may be preventing them from practicing those behaviors.

Of those surveyed:

78% Wish they had more breathing room in their finances.

63% Said inflation is pushing them off track financially.

60% Noted inflation is getting in the way of saving.

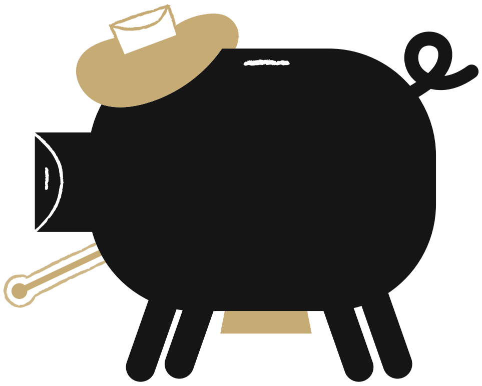
“We’re seeing financial stress across the board right now.

Due to inflation, many Americans don’t feel like they’re in a position to follow essential financial steps, like saving and budgeting. Having a financial strategy can give them the clarity they need when making important decisions about their money.”

Mary Jane Fortin, Executive Vice President, Chief Commercial Officer

Savings are taking a hit

Thrivent's survey found inflation is negatively impacting Americans' ability to save.



Higher prices are pinching the wallets of most Americans, regardless of income level. More than half of those surveyed (59%) feel like they are currently living paycheck to paycheck, leaving little to no room for building savings. What's especially worrisome is the lack of emergency savings to help cover unexpected expenses in the short term. Sixty percent of survey respondents said they would be concerned if faced with an unexpected $500 expense. That percentage increases sharply for those who feel financially off track (82%).

59%

Feel like they are currently living paycheck to paycheck.

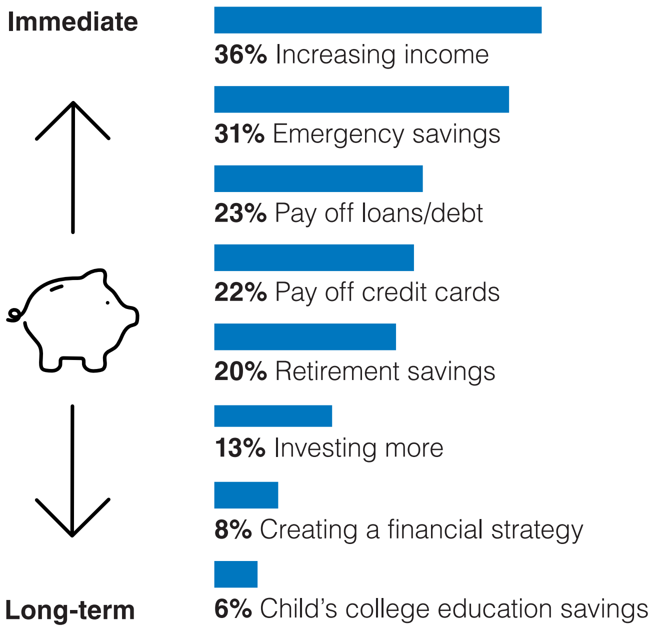
60%

Would be concerned if faced with an unexpected $500 expense.

28%

Only a small percentage are saving more than enough or a good amount right now.

Greater focus on short-term financial goals



Inflation also is causing a higher percentage of Americans to prioritize short-term financial goals that carry more immediate urgency, like increasing income, boosting emergency savings and paying off loans/debt. This may come at the expense of thinking about longer-term goals, like saving for retirement, investing or a child's college education. Achieving each of these goals requires a consistent approach to saving and intentional planning.

It's a challenging time to follow wise financial behaviors

While Americans have a good understanding of the healthy financial behaviors that could improve their financial well-being, few are putting those into practice.

Living within their means

Behavior	In practice
85% say this is very or somewhat effective	**68%** currently do it

Following a household budget

Behavior	In practice
82% say this is very or somewhat effective	**53%** currently do it

Establishing a financial strategy

Behavior	In practice
76% say this is very or somewhat effective	**43%** currently do it

Automating savings

Behavior	In practice
77% say this is very or somewhat effective	**41%** currently do it

Older generations are more likely to take steps to counter inflation

Interestingly, older generations are scaling back on some of their expenses relative to younger generations, with the biggest contrast emerging between Baby Boomers and Gen Z.

According to the survey, when compared to Gen Z, Baby Boomers are:

22% More likely to drive less

16% More likely to reduce utility costs

15% More likely to dine out less

14% More likely to shop at lower-cost retailers

13% More likely to buy cheaper/discount groceries

Actionable tips from Thrivent to help ease the effect of inflation on personal finances

1. Sort out emotions

Because money decisions can stir up strong emotions, it's important to get those out on the table first and ask: What is most concerning? When people identify their emotions and what they're concerned about, it can reduce the ultimate impact.

Second, people should ask themselves: What is in my control? For example, people can't control market volatility, but they can take steps to rebalance their investment mix to match their risk tolerance.

2. Get back to the basics

With inflation driving up prices, now is a great time for people to get a grasp on their expenses and overall financial picture.

First, they should outline how much money is coming in each month. From there, they can map out where that money is going and track how much is being directed to their savings, bills and everyday spending.

These initial insights can help people make more informed decisions about their money.

3. Find a support system

It's important for people to remember they don't have to do this alone. Talking to a trusted person about finances can help people wrestle with their emotions, discover their behavioral patterns, chart a clear path forward, and stay accountable to a strategy.

Financial advisors can be a sounding board for changing or competing financial goals. They can meet people where they're at today—whether it's starting from scratch or building more advanced financial strategies.

A support system, however, can come in many shapes and sizes, and not all cost money. There are plenty of free resources to help people get organized, like Thrivent's **Money Canvas™** coaching program. Participating in these programs can help people build a baseline understanding of their financial picture and create more breathing room in their finances.

4. Strengthen the financial foundation

People should consider three initial steps to help strengthen their financial foundation in the immediate term, including:

Modifying their budget—In light of inflation, people should reevaluate their budget and make spending tradeoffs to continue living within their means. Depending on what their priorities are, people can find ways to scale back, like shopping smarter at the grocery store or eliminating recurring subscriptions. Finding a way to cut back even $25 to $50 a week frees up an extra $100 to $200 a month that can be dedicated to other purposes.

Establishing an emergency fund—It's important people don't lose sight of their emergency savings during this time. A good rule of thumb is to save enough to cover three to six months of expenses. Due to inflation, people may want to increase the amount they're putting away every paycheck.

Managing debt—For those with debt, it's important to have a strategy for tackling it. Depending on the amount, people may want to prioritize paying smaller debts first and then work their way up to the largest amount. Or they can focus on paying the debt with the highest interest rate first. Consolidating debt may be a third option.

5. Revisit investments

To help minimize the long-term effect of inflation on the growth of assets, now is an ideal time for people to revisit their risk tolerance and compare that to their investment allocation. If needed, a financial advisor can help individuals diversify their portfolio to better match their current risk tolerance, investment objectives and time horizon.

About Thrivent

Thrivent is a diversified financial services organization that helps people achieve financial clarity, enabling lives full of meaning and gratitude. Thrivent and its subsidiary and affiliate companies serve more than 2.3 million clients, offering advice, insurance, investments, banking and generosity products and programs over the phone, online as well as through financial professionals and independent agents nationwide. Thrivent is a Fortune 500 company with $189 billion in assets under management/advisement (as of 12/31/21). Thrivent carries an A++ (Superior) rating from AM Best, a credit rating agency; this is the highest of the agency's 13 rating categories and was affirmed in June of 2022. Rating based on Thrivent's financial strength and claims-paying ability. Does not apply to investment product performance. For more information, visit thrivent.com. You can also find us on Facebook and Twitter.

Insurance products, securities and investment advisory services are provided by appropriately appointed and licensed financial advisors and professionals. Only individuals who are financial advisors are credentialed to provide investment advisory services. Visit **thrivent.com** or FINRA's BrokerCheck for more information about Thrivent's financial advisors.

About Morning Consult

Morning Consult is a global decision intelligence company changing how modern leaders make smarter, faster, better decisions. The company pairs its proprietary high-frequency data with applied artificial intelligence to better inform decisions on what people think and how they will act. For more information, please visit morningconsult.com.

***Methodology**

This general population research was conducted in partnership with data intelligence company Morning Consult and polled 2,221 adults across the country between May 9 and 17, 2022. The interviews were conducted online, and the data were weighted to approximate a target sample of nationally representative adults based on age, gender, ethnicity, income and geography. Results from the full survey have a margin of error of +/- 2 percentage points.

Contact:
Samantha Mehrotra, Public Relations Manager
samantha.mehrotra@thrivent.com

thrivent®