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Six New, Revealing, Even Shocking, Polls about COVID-19 and Americans' Finances

There are very few Americans who have not been impacted financially by the economic downturn caused by COVID-19. From small business owners to people who previously intended to retire soon, the coronavirus pandemic has thrown countless life plans into a tailspin, at least temporarily.

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1. Nearly half of Americans worry more than they used to about their financial future

Back in December 2019, Americans were "financially on the upswing," but now many lack confidence in their financial future, according to a new study from Prudential Financial. Prudential's 2020 Financial Wellness Census.

The percentage of respondents who felt financially confident last year (40%) dipped to 36% while the number of Americans who worry about their financial future jumped from 38% in December 2019 to 48%, according to the same study.

2. Americans are more worried about retirement due to COVID-19

Around 62% of Americans are more concerned about retirement today, up from 56% in May 2019, according to the new SimplyWise Retirement Confidence Index.

Of those surveyed by financial services provider SimplyWise, 70% of those nearest to retirement – people in their 50s – are more concerned about retirement today than they were in the past. In fact, 1in 5 Americans said they now plan to delay claiming social security retirement benefits and plan to continue working after claiming social security, the survey found.

"The rise in delaying retirement may be attributed to the fact that only 58% of workers surveyed are making what they made prior to COVID-19," says the study.

3. Many plan to tap retirement accounts due to COVID-19

Nearly a quarter (24%) of those surveyed by SimplyWise said in July that they plan to tap their 401(k) retirement accounts earlier than age 59½. That number is up from 20% who planned to take early 401(k) withdrawals in May.

Along with financial constraints, another big reason more people are taking early retirement account withdrawals may be that the usual 10% penalty for early withdrawal before 59½ is waived through the end of 2020 by the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress in March.

4. Baby Boomers adjusting spending to meet post-pandemic retirement goals

Around 48% of Boomers reduced spending by $125 or more each month due to the COVID-19 crisis, according to a recent survey of 1,000 Americans by retirement planning app creator Silvur. Nearly half (47%) have found they can live with fewer luxuries and plan to keep it that way post-COVID-19.

Boomers are looking at post-COVID as a time to re-establish their path to retirement and redefine their goals, said Rhian Horgan, CEO of Silvur, according to news service Businesswire: “They’re eager to pick up on their bucket list items like travel and are willing to adjust their budgets to make these dreams happen.”

5. Millennial homeownership expected to grow despite COVID-19

Millennials could be poised to fuel a ‘roaring 20s’ of homeownership demand once the pandemic is over, according to data from the First American Home Ownership Progress Index from First American Financial Corporation.

That is because the largest group of millennials will turn 30 this year, entering their prime homeownership years, and their lifestyle decisions will continue to reflect that goal, according to Mark Fleming, chief economist at First American.

6. COVID-19 erased years of financial gain for many

The coronavirus pandemic largely “wiped out” three years of financial gains for U.S. households surveyed, with more than half of Americans now reporting compromised financial health, according to the Prudential study

People of color, women, small business owners and younger generations were all disproportionately affected. “This crisis exposed deep fissures in our public health and economic systems, pervasive racial and social inequity, and how weak our collective immunity is to financial disruption,” said John Kalamarides, president of Prudential, in a press release about the survey.

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