

# Lincoln's COVID-19 Sentiment Study

**A proprietary monthly tracker of consumer  
sentiment, attitudes and priorities**

Wave 3 – September 2020 Results

# Research Methodology

## Monthly COVID-19 Consumer Sentiment Tracker

The goal of this research is to gauge consumer sentiment on financial topics related to the COVID-19 pandemic. Responses were gathered July (7/1/20 – 7/14/20) August (8/3/20 – 8/7/20) and September (9/2/20 – 9/14/20) using the Qualtrics survey platform. Responses were collected from a total of 3,163 U.S. Adults, including Gen Z (n=371), Millennials (n=949), Gen X (n=889) and Boomers (n=934). The sample included quotas to be representative of the total U.S. adult population.

# Executive Summary

## Key Headlines

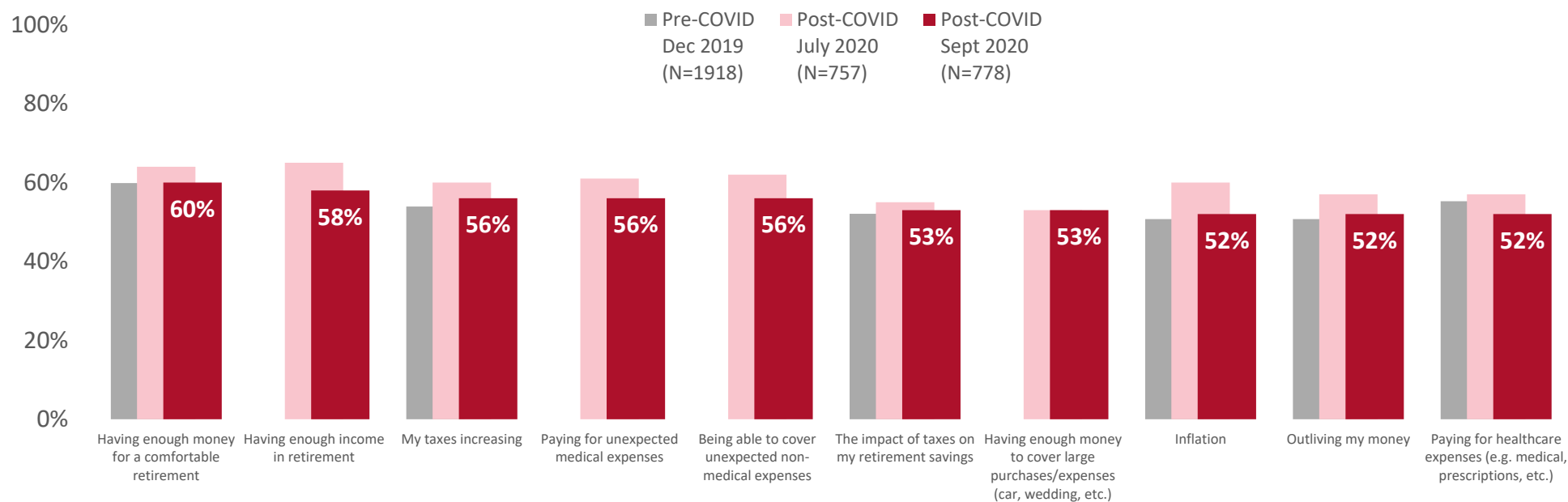
- Levels of concern appear to be **returning to pre-COVID levels for the most pervasive concerns** - retirement income, unexpected expenses and increasing taxes top the list.
- However, Americans remain **more concerned post-COVID over making ends meet**, potential for disability or pre-mature death, investment losses and volatility, long-term care needs, and education expenses.
- Younger Americans, Millennials in particular, are **more worried about making ends meet and not having enough “know-how”** to manage their finances.
- The pandemic is prompting younger Americans to **think more about planning for their financial future**.
- Younger Americans are expressing the **highest levels of stress and anxiety when it comes to financial planning** in the wave of COVID-19.
- The **Millennial mindset is most impacted** by the events of recent months – with more agreeing that they are thinking and planning for the future differently as a direct result of the pandemic.
- **Millennials and Gen X consumers are key targets for financial planning services**, with more expressing an appetite for planning support, information, education, and advice.
  - They are the **most concerned about a wide range of financial issues** – a function of market uncertainty, job and financial insecurity, as well as a lack of advice and financial planning.
- U.S. consumers agree that **now is a good time to focus on financial planning basics**--decreasing spending and increasing savings.
- The **pandemic shifted investors’ focus to making sure emergency savings accounts were well-funded** – drawing attention away from other investment priorities.
- Hard-hit Millennials are responding to job losses and insecurity with **nearly 9 in 10 indicating they have taken some financial action related to the impact of COVID-19**.
- As investors navigate the post-COVID19 financial landscape, professional advice and self-education go hand-in-hand—**financial professionals and websites are the top sources** for financial product information

# Financial Concerns

Levels of concern appear to be returning to pre-COVID levels for the most pervasive concerns - retirement income, unexpected expenses and increasing taxes top the list

## Top 10 Financial Concerns

% Concerned\*, Top 2 Box – rated 4 or 5



\*Audience = Financial Decision-Makers & at least slightly familiar with financial planning & investments

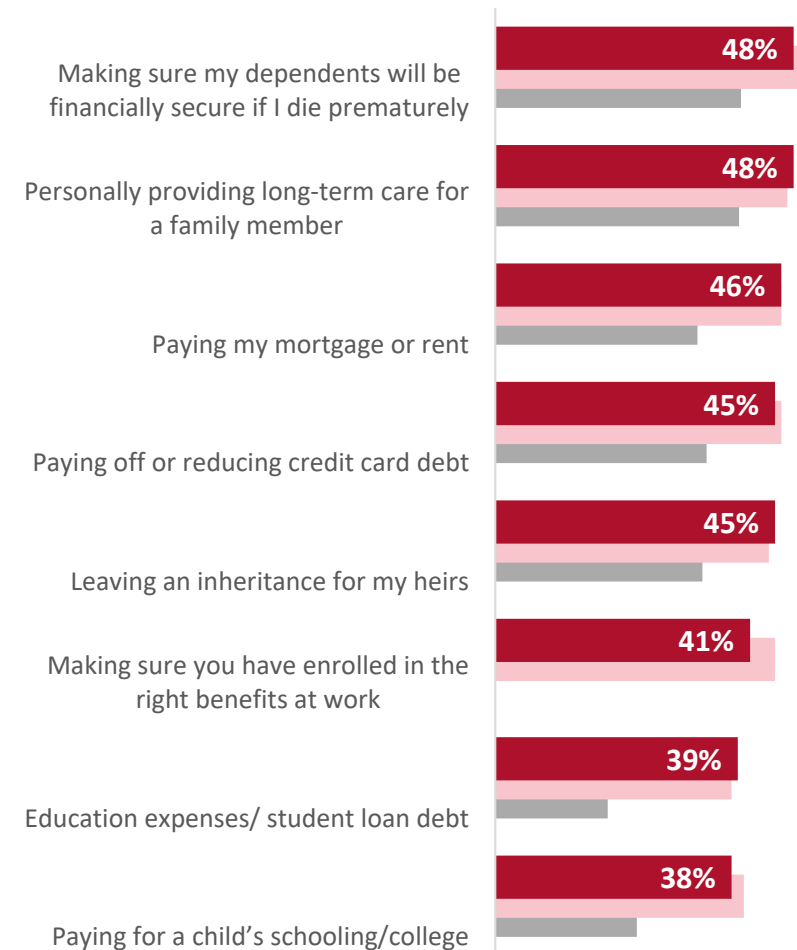
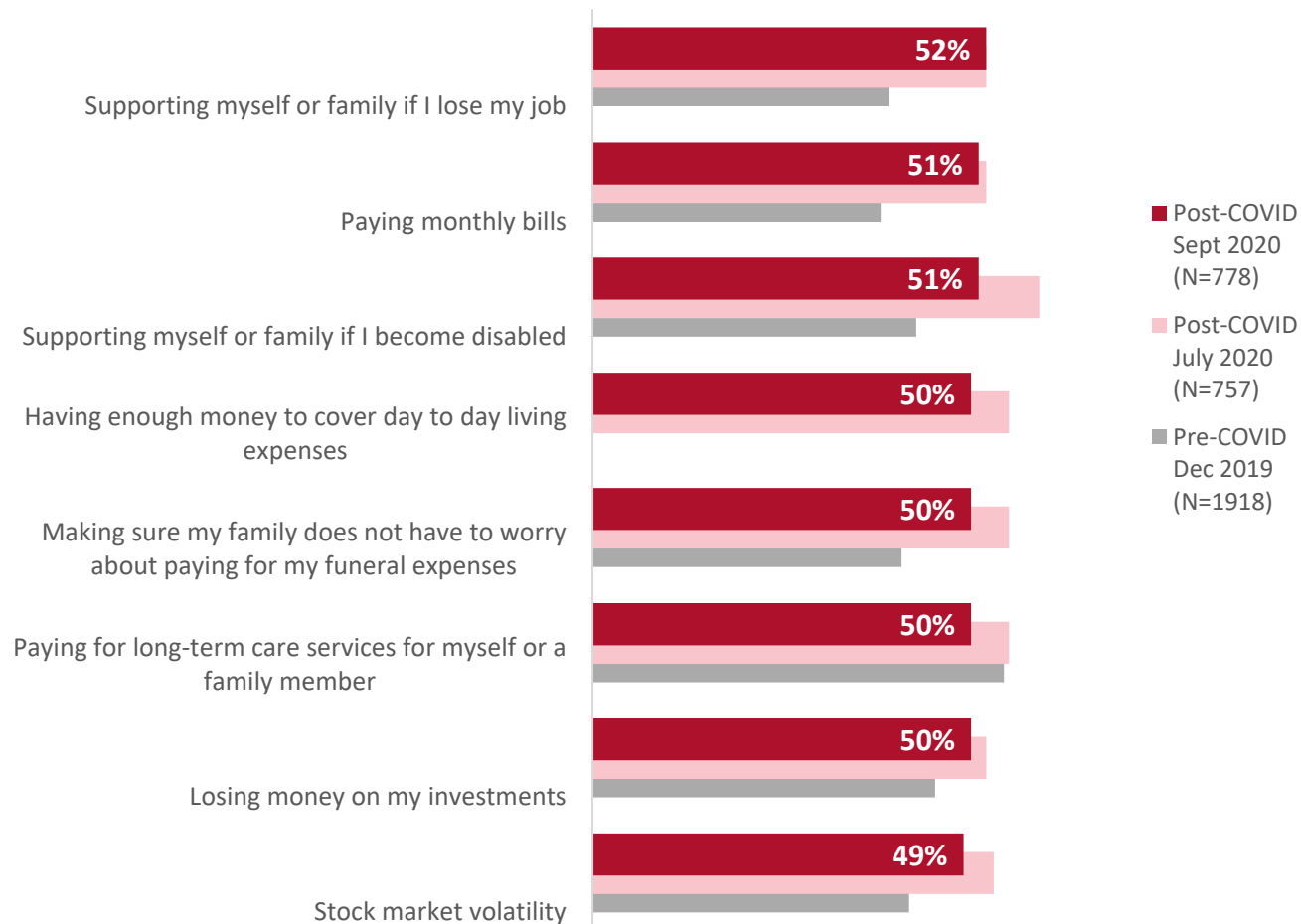
Source: Lincoln Financial, *Monthly COVID-19 Consumer Sentiment Tracker*, July 2020 and Sept. 2020.

Lincoln Financial and Hanover Research, *Value of Advice*, Dec. 2019.

# Financial Concerns

However, Americans remain more concerned post-COVID over making ends meet, potential for disability or pre-mature death, investment losses and volatility, long-term care needs, and education expenses.

% Concerned  
Top 2 Box – rated 4 or 5



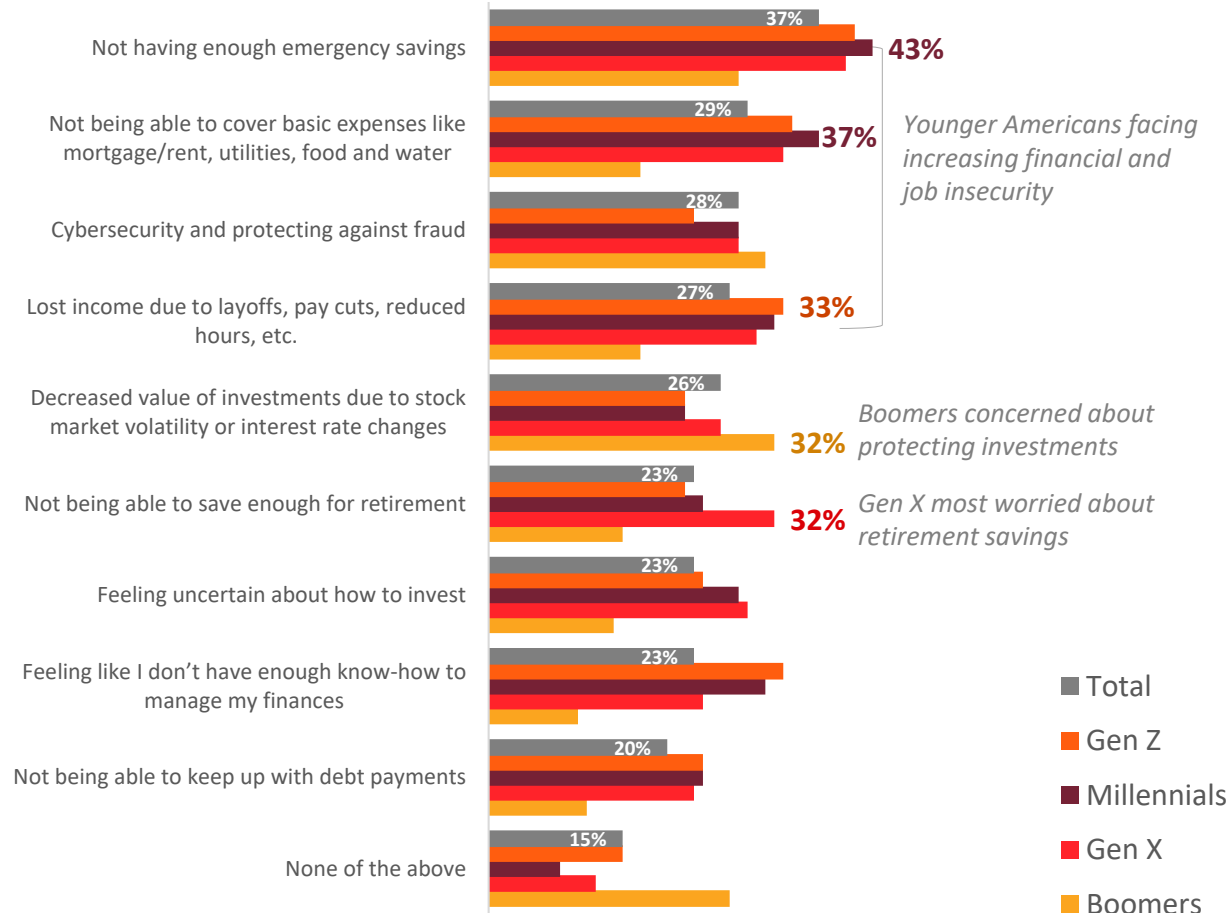


# COVID19: Impacts Across Generations

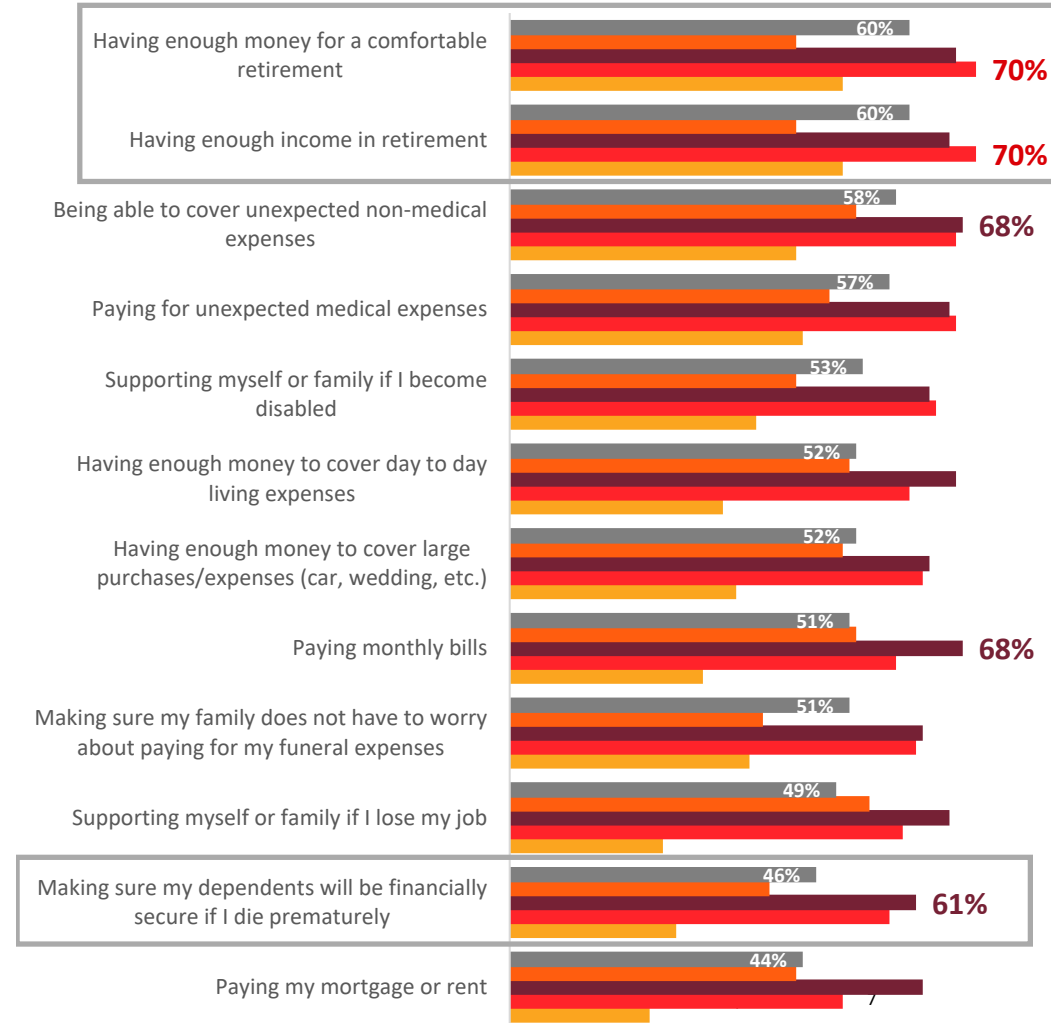
# Younger Americans More Impacted by the Financial Toll

Millennials, in particular, are more worried about making ends meet and not having enough “know-how” to manage their finances.

**Concerns as a Result of COVID-19**  
(% respondents)



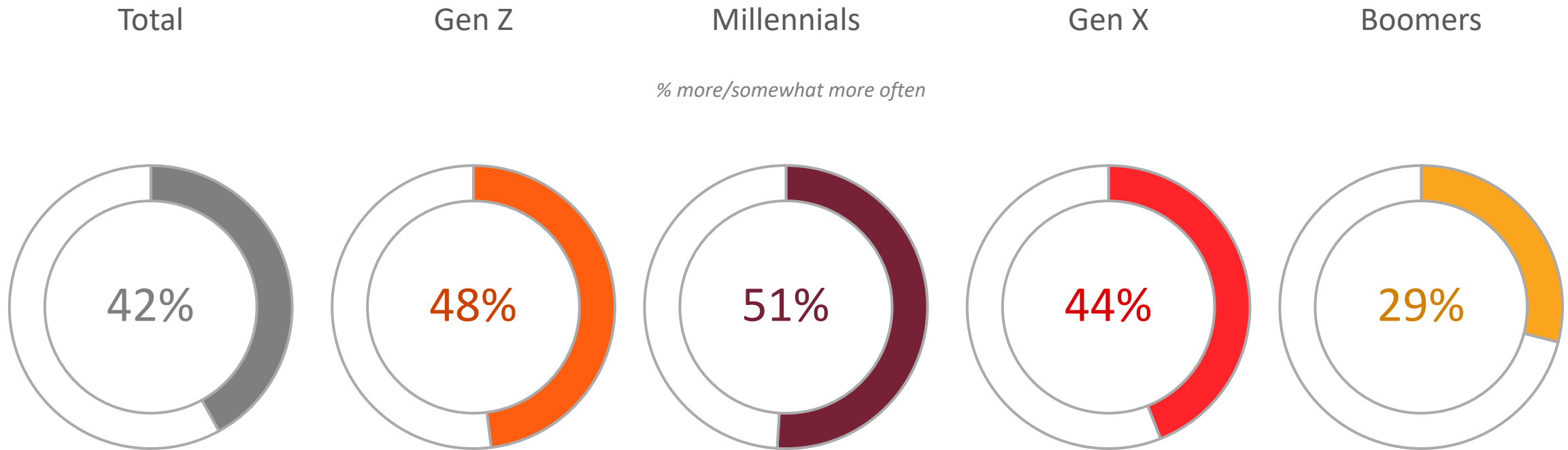
**Top Financial Concerns**  
(% top 2 box, )



Source: Lincoln Financial, *Monthly COVID-19 Consumer Sentiment Tracker*, July-Sept 2020.

# Planning for the Future

The pandemic is prompting younger Americans to think more about planning for their financial future



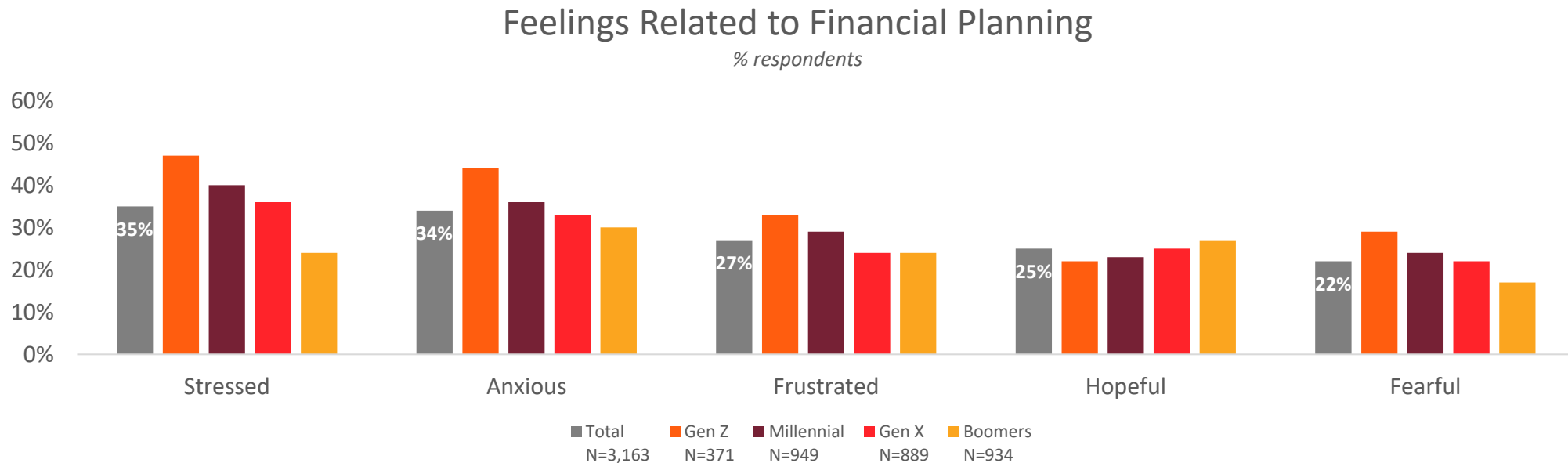
Roughly half of Gen Z and Millennials say they are thinking more often about financial planning compared to only 29% of Boomers.



# Stress & Anxiety Levels Remain High

Younger Americans are expressing the highest levels of stress and anxiety when it comes to financial planning in the wave of COVID-19.

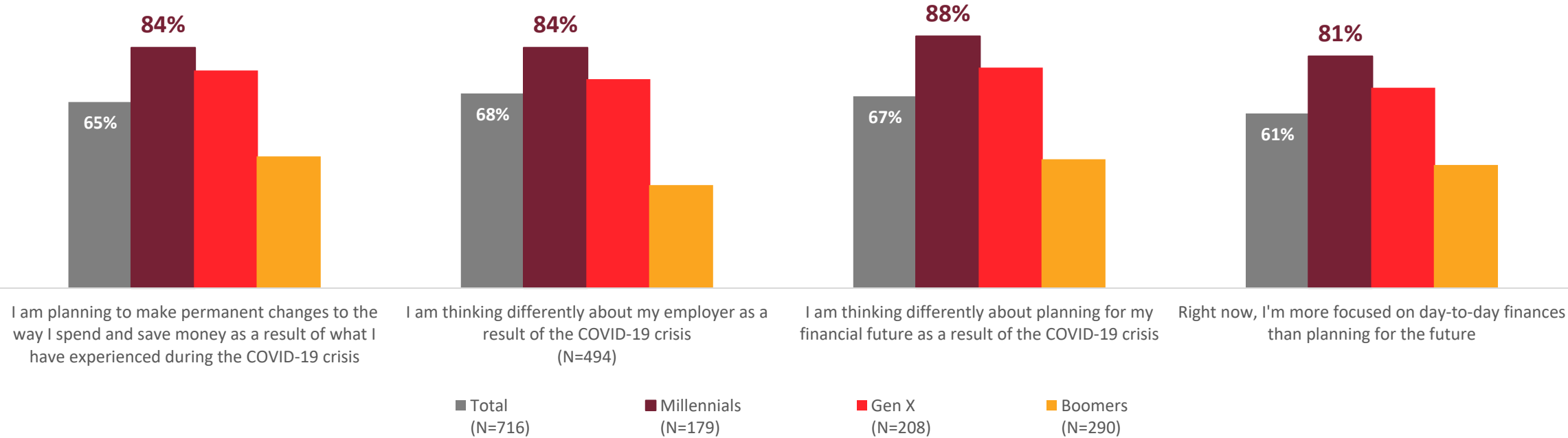
- Positive feelings like hopefulness remain steady as we head into fall.
- While negative emotions like stress, hopelessness, frustration, and fear are down compared to mid-Summer, they are ticking up after declining in August. We expect uncertain/negative emotions to continue ramping up as we get closer to the presidential election in November.



# A Shift in Mindset

The Millennial mindset is most impacted by the events of recent months – with more agreeing that they are thinking and planning for the future differently as a direct result of the pandemic.

Financial Attitudes  
 (% Agree, Investable Assets > \$100K)

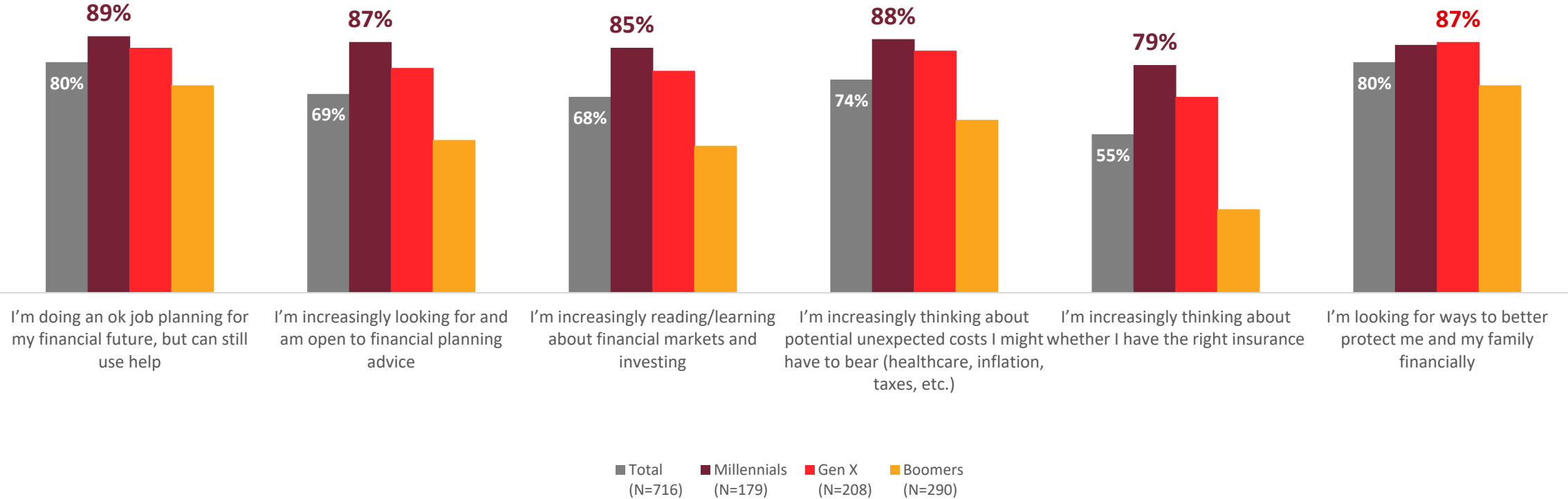


# A Growing Appetite for Financial Planning

Millennials and Gen X consumers are key targets for financial planning services, with more expressing an appetite for planning support, information, education, and advice.

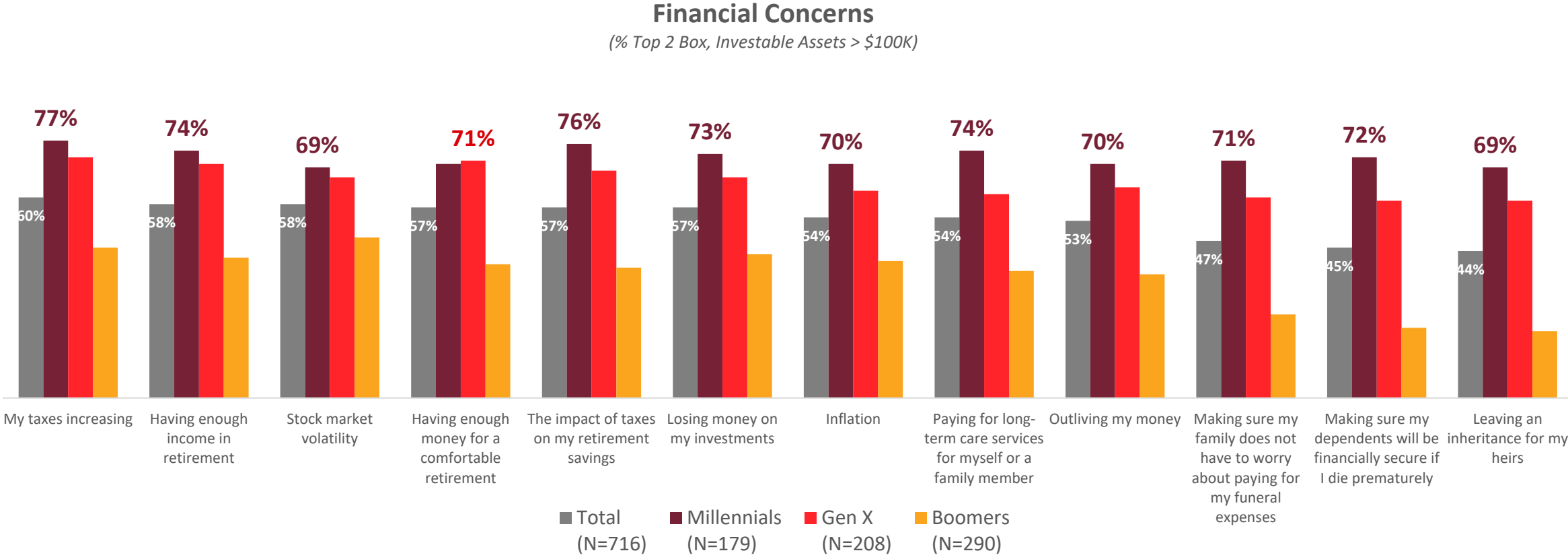
## Financial Attitudes

(% Agree, Investable Assets > \$100K)



# The Topics that Matter

Gen X and Millennials are the most concerned about a wide range of financial issues – a function of market uncertainty, job and financial insecurity, as well as a lack of advice and financial planning.



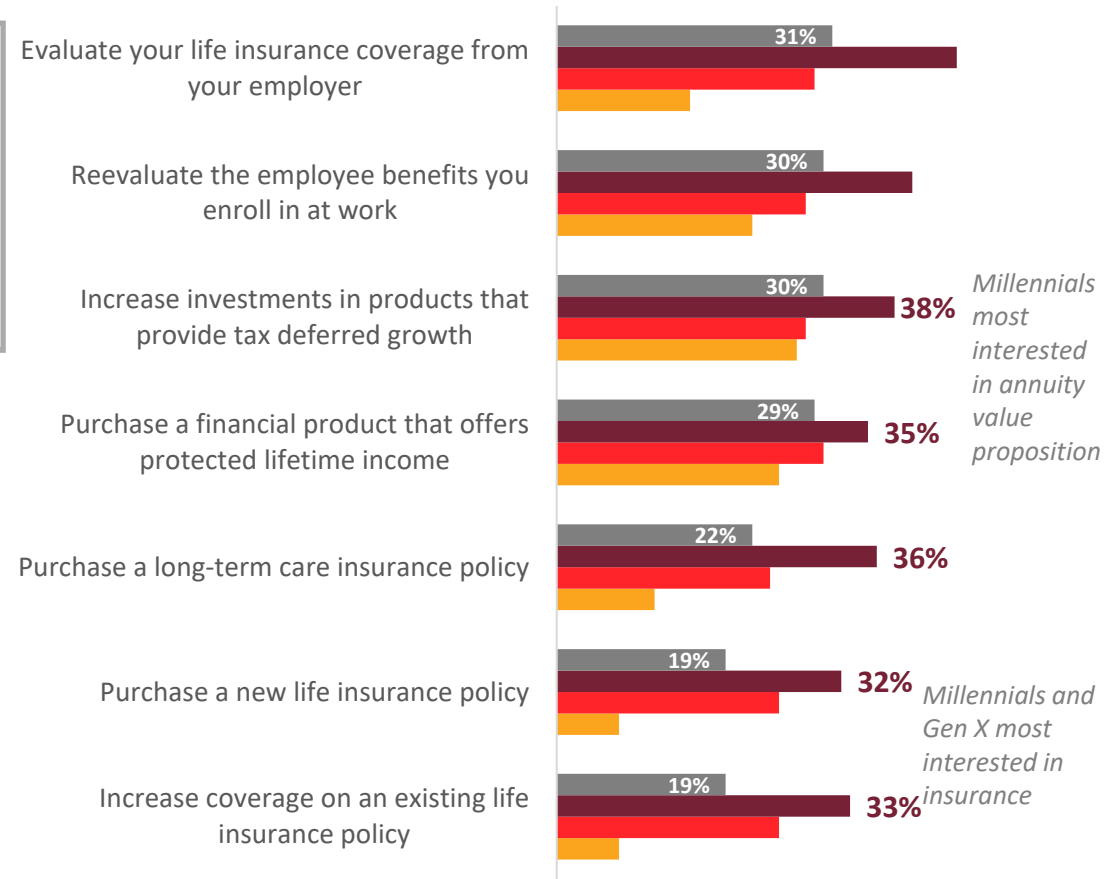
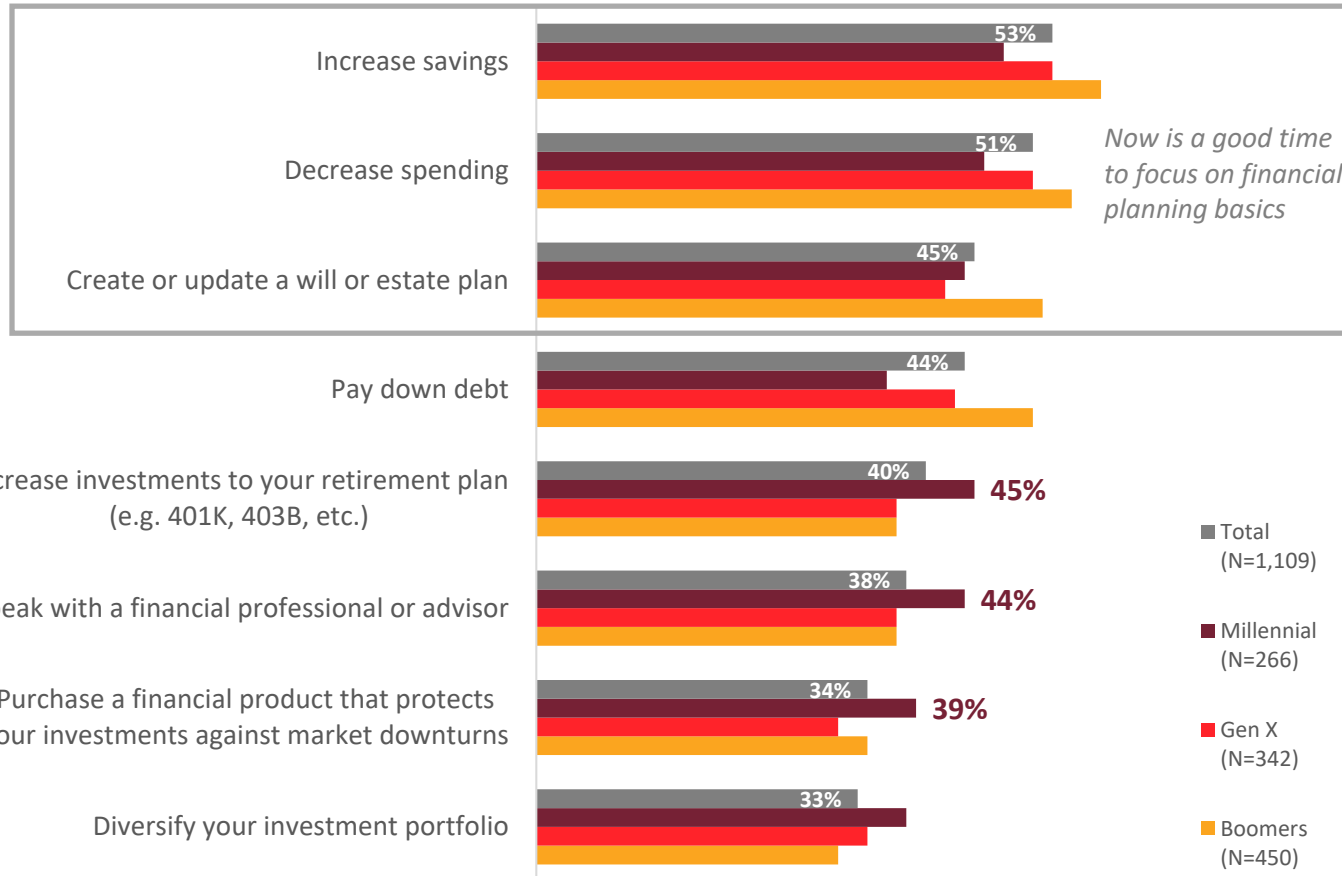
Source: Lincoln Financial, *Monthly COVID-19 Consumer Sentiment Tracker*, July-Sept 2020.

# Back to Basics

U.S. consumers agree that now is a good time to focus on financial planning basics-- decreasing spending and increasing savings.

Roughly 4 in 10 consumers with more than \$100K investable assets indicate that paying down debt, increasing retirement savings, and speaking to a financial advisor also make a lot of sense given the current state of the economy.

Given the current state of the economy, is now a good or bad time for you to...?  
 (% selected, Investable Assets >\$100K)

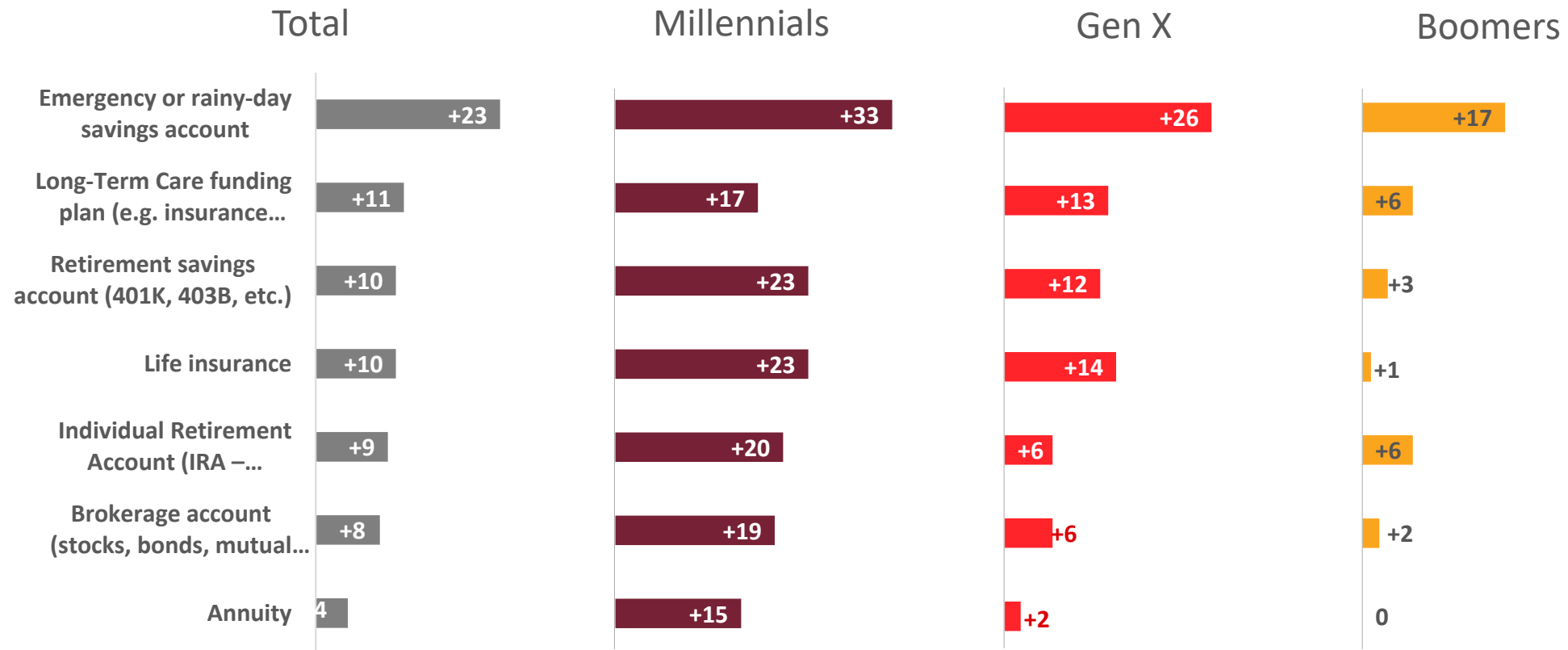


# First Things First - A Focus on Emergency Savings

The pandemic shifted investors' focus to making sure emergency savings accounts were well-funded – drawing attention away from other investment priorities.

## Post-COVID 19 – The Importance of Funding

Net Increase = % Increased - % Decreased, IA > \$100K



# Millennials are Taking Action

Hard-hit Millennials are responding to job losses and insecurity with nearly 9 in 10 indicating they have taken some financial action related to the impact of COVID-19.

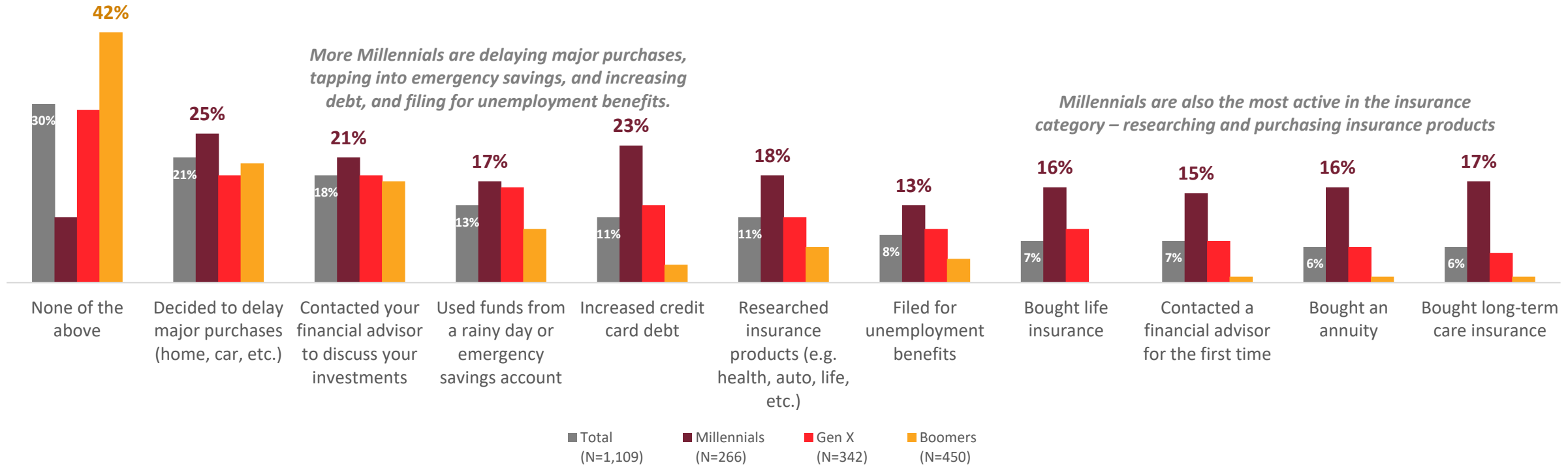
Overall, Boomers are the least likely to have taken any financial actions.

## Post-COVID 19 Financial Actions Taken

(% Selected, Investable Assets > \$100K)

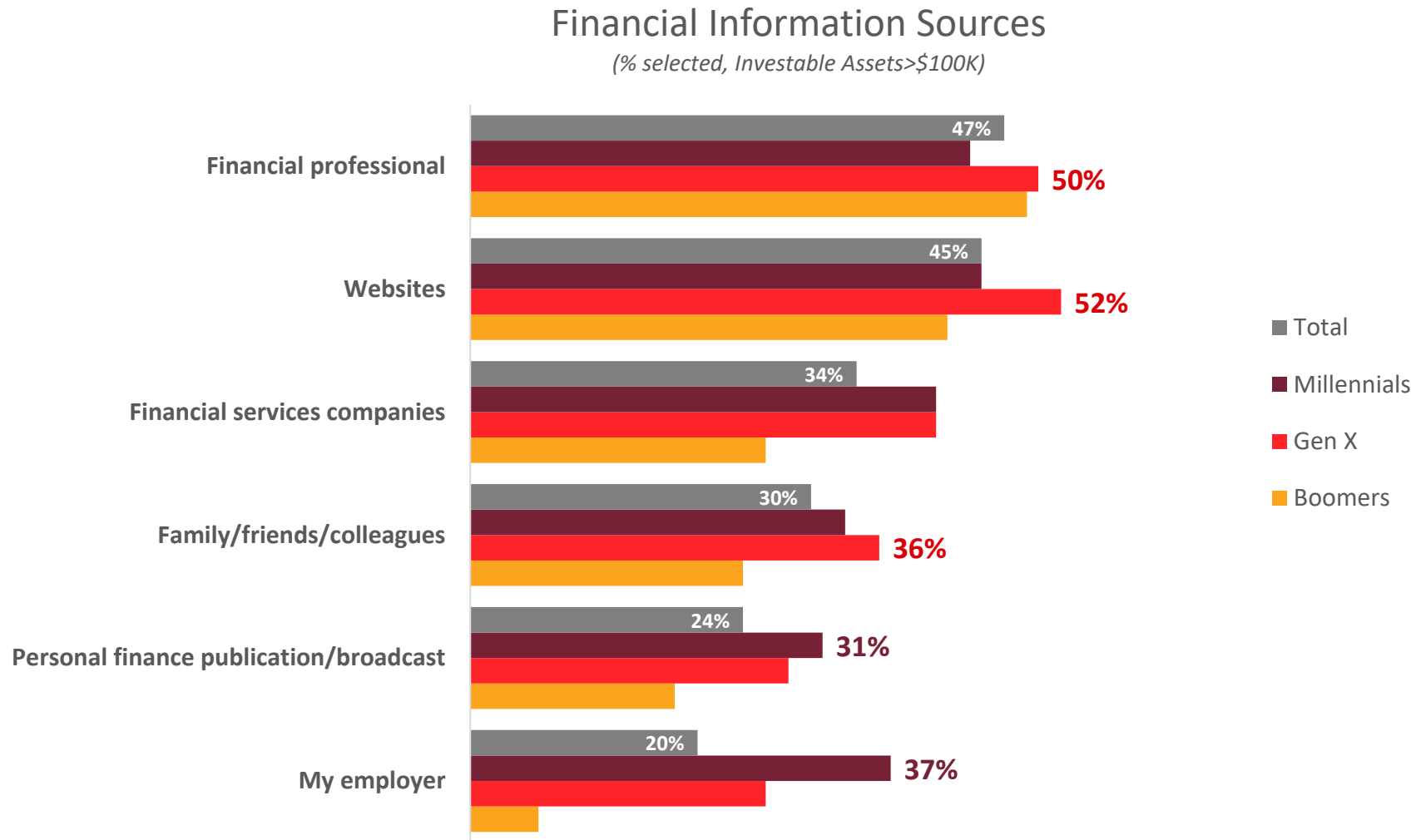
More Millennials are delaying major purchases, tapping into emergency savings, and increasing debt, and filing for unemployment benefits.

Millennials are also the most active in the insurance category – researching and purchasing insurance products



# Professional advice and self-education go hand-in-hand

## Financial professionals and websites are the top sources for financial product information





# For more information

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