



# Consumer Sentiment in the Time of COVID-19

This May 2020 edition of LIMRA’s Consumer Sentiment Survey examines changes in Americans’ outlooks on the economy and personal finances as a result of the pandemic.

## Consumer COVID-19 concerns are decreasing.

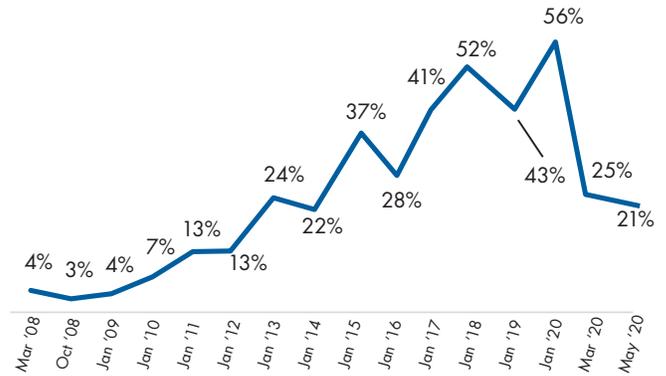
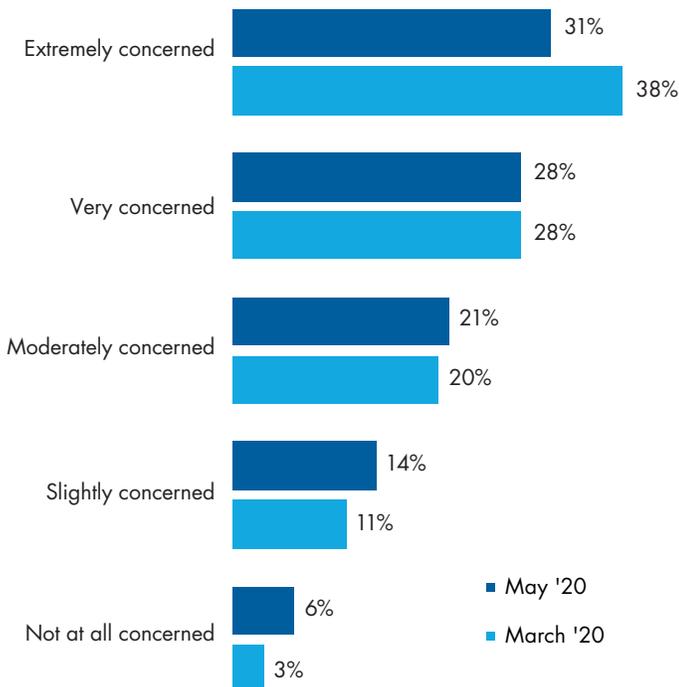
Americans feel that the worst may be behind us, and several LIMRA consumer trends reflect a desire to move forward, albeit it with caution. As states reopen and the COVID-19 curve flattens, concerns about COVID-19 are easing as consumers have a better sense of what our “new normal” looks like.

## Yet, perceptions of the economy continue to be low.

Sentiment surrounding the economy dropped another 4 percentage points since March. Still, sentiment remains well above the 2008 – 2009 Great Recession levels.

### Consumers With a “Very Favorable” or “Somewhat Favorable” Opinion of the Economy

COVID-19 Concerns



Base: Consumers involved in their household’s financial decisions.

## Stress levels vary by the impact of COVID-19 on personal employment.

Consumers whose employment was negatively impacted by the pandemic (a third of our respondents) are reporting higher levels of stress, though it’s not as high as one might expect. For all consumers, many sources of stress are at pre-pandemic levels, and stress related to household finances is down significantly despite consumers’ poor opinion of and outlook for the economy. It is likely that consumers’ fears of the unknown have turned into relief (or, at least, a sense of resiliency and capability) as they learn to live in a world of social distance and increased time at home. Decreased spending and the federal stimulus check are also helping many people manage their financial lives.

## Consumers With “Very High” or “Somewhat High” Levels of Stress

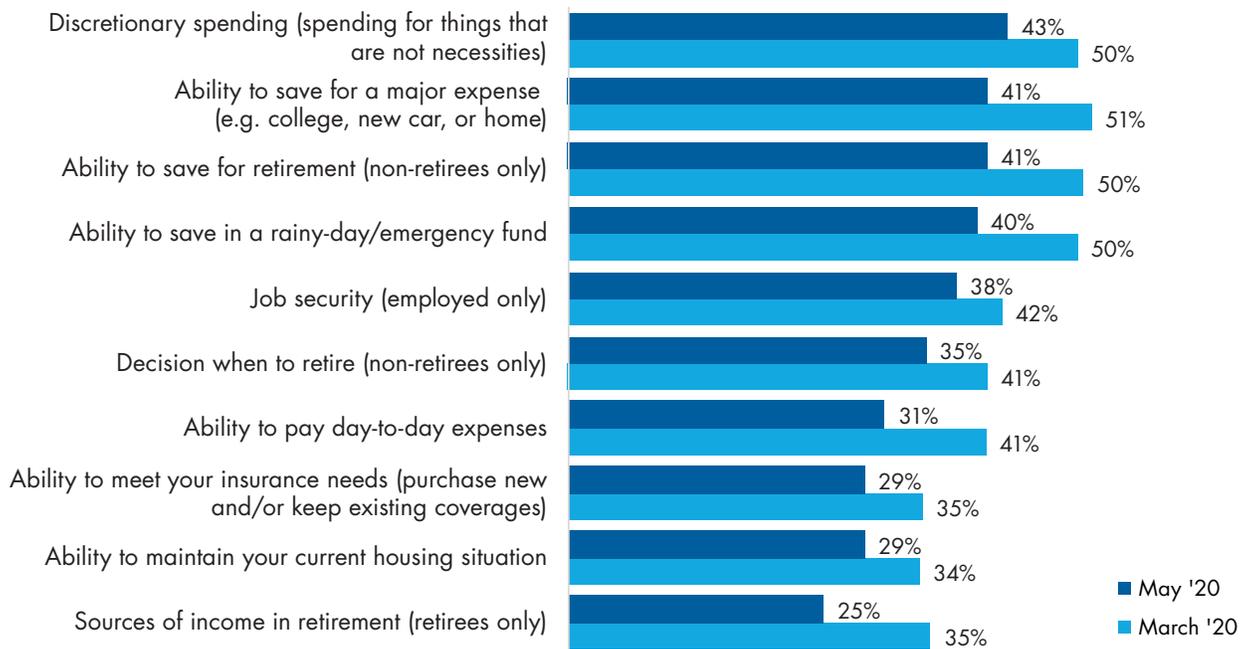
	Oct '14*	Jan '20*	May '20
Work/career issues (employed only)	46%	29%	32%
Health/well-being of family members	29%	23%	31%
Household finances	42%	36%	28%
Personal health/well-being	29%	27%	26%
Personal day-to-day demands	29%	23%	22%
Personal relationships	26%	20%	20%
Caregiving of children and/or older relatives	21%	17%	19%

\*LIMRA previously asked consumers about stress as part of financial wellness and financial literacy research projects. Those results are included here as points of reference.

## 2 in 3 consumers believe the U.S. economy is likely or extremely likely to enter a recession this year.\*

A smaller percentage of Americans think a recession is looming than in March (when 71 percent did), and the perceived impact of a recession appears smaller as well. Consumers are less likely to expect that a recession will have a strong/very strong impact on their financial activities.

### Impact of a Recession on Financial Activities

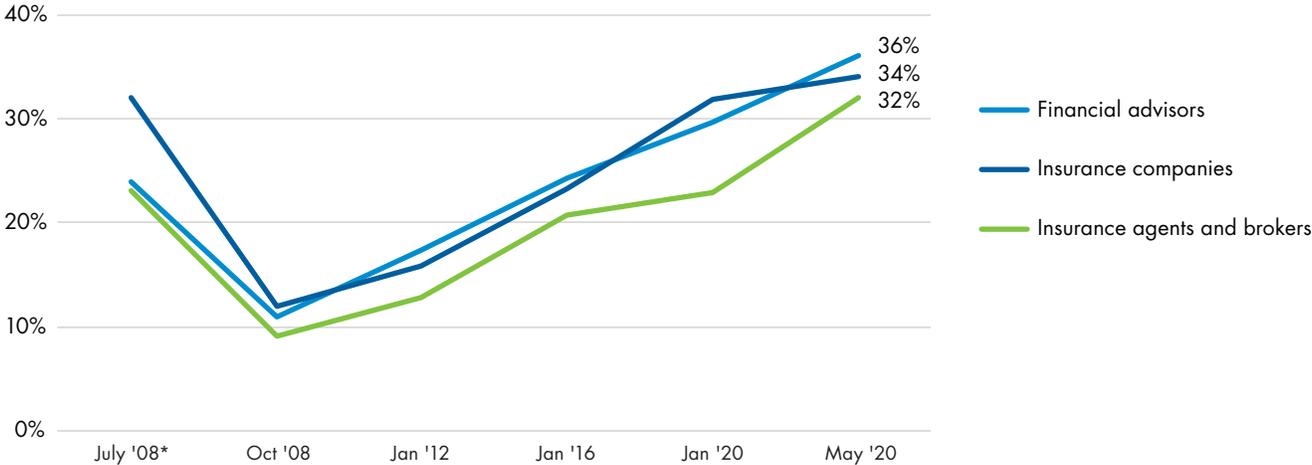


Percent expecting a very strong/strong impact

\*On June 8, 2020, the National Bureau of Economic Research announced that the U.S. economy entered a recession in February 2020.

Consumer confidence in many sectors of the financial services industry, including insurance companies and financial professionals, appear unaffected by the pandemic. Confidence continued to climb, reaching new highs in May 2020.

### Consumers With an “Extreme Amount” or “Quite a Bit” of Confidence



Base: Consumers involved in their household’s financial decisions.  
 \*July '08 represents October-surveyed consumer responses regarding “3 months ago.”

#### About the Research

First initiated in early 2008 to gauge consumer opinion of the economy and the financial services industry, LIMRA’s Consumer Sentiment Survey continues to monitor Americans’ confidence levels and perspectives on the economy.

Survey dates: May 19 and 20, 2020  
 Responses: 2,002 (aged 18 or older, weighted to the U.S. general population)

#### This Moment in History

*At the time this study was fielded, 1,158,341 cases of COVID-19 had been reported in the United States, and 95,847 Americans had died from the virus. Major U.S. headlines announced a promising COVID-19 vaccine trial, and Wall Street had the best performance of the previous 6 weeks, with the Dow Jones industrial average up 900 points. States had begun reopening, mostly in stages — stay-at-home orders were still in place for 15 states plus Washington DC and Puerto Rico. Schools were closed for the rest of the school year in most states, with thoughts turning towards summer plans and school’s “new normal” this fall. Masks became a point of contention for some, as the CDC advised people to stay home when possible and wear cloth face coverings when out in public, in addition to continued social distancing.*

