

## Q3 2024 MassMutual Consumer Spending & Saving Index

Commissioned by Massachusetts Mutual Life Insurance Company ([MassMutual](#)), this research was conducted online by PSB Insights from July 1 to 26, 2024, among a nationally representative sample of 1,000 U.S. adults (ages 18+) as well as an additional sample of 500 adult Massachusetts residents from July 1 to 26, 2024.

### CURRENT ECONOMIC OUTLOOK

**American concerns over their day-to-day finances remain unchanged from Q2 2024, but the 2024 election is now a close second. Despite this new and growing concern, Americans remain optimistic about their personal financial outlook.**

- Inflation remains the topic most concerned about, unchanged from last quarter (86% Q3 2024 vs 86% Q2 2024), while many are increasingly concerned about the impact of the 2024 Presidential election on their day-to-day finances (84% Q3 2024 vs 79% Q2 2024, 75% Q3 2023).
- 48% are optimistic about their current financial outlook, keeping steady with Q2 2024 (50%) and Q3 2023 (47%).

**As November draws nearer, more Americans, regardless of their political party, are concerned about the Presidential election's impact on their long-term finances.**

- 13% say that the election will have the largest impact on their personal finances—second only to inflation (40%), and up from last quarter (8% Q2 2024) and last year (6% Q3 2023). This view is held by similar proportions of Democrats (15%) and Republicans (13%).
- One quarter (26%) say that their personal finances are their most important issue when deciding who to vote for in the 2024 election, with no significant difference between Democrats (26%) and Republicans (31%). A further 38% say that they will consider the issue when deciding who to vote for.

**Americans are less concerned about a recession than they were last year. Fewer Americans believe that we are currently in a recession or that a recession is likely in the next year.**

- The number who say they are very or somewhat concerned about the impact of a recession on their day-to-day finances has decreased since last year (73% Q3 2024 vs 77% Q3 2023). This decrease is driven by reduced concern among Gen X (77% Q3 2024 vs 84% Q3 2023) and Millennials (78% Q3 2024 vs 86% Q3 2023).
- 42% think that the U.S. is currently in a recession, down from 48% last year.
- Among those who think that the U.S. is not currently in a recession, 43% think that it is very or somewhat likely that the U.S. will enter a recession next year, down from 48% last year. This shift is driven by changes among Gen Z (39% Q3 2024 vs 57% Q3 2023) and Millennials (51% Q3 2024 vs 61% Q3 2023).

**Americans sending kids to college this year expect to be spending significantly more in this year's back-to-college season than they did last year, driven by inflation and tuition increases.**

- Almost half who are sending kids to college expect their spending to be higher than last year (47% Q3 2024 vs 29% Q3 2023), driving by tuition (65%) and inflation (63%).

### RETIREMENT

**Americans with student loans are feeling slightly more optimistic about their future repayment prospects than last quarter.**

- Fewer are worried about defaulting than last quarter (43% Q3 2024 vs 53% Q2 2024)

- Three in five parents with student loans expect to pay off their loans before their oldest child turns 18, up from last quarter (63% Q3 2024 vs 43% Q2 2024), while almost three quarters (71%) expect to pay off their student loans before they retire.

**Almost half (48%) of non-retired Americans believe their retirement savings are behind where they need to be – with just over half (55%) saying that they contribute enough to their employer retirement plan to maximize their employer match. Three quarters (75%) who are planning to retire expect to pay off all of their debts before they retire.**

- Gen X is the generation that is most likely to say they are behind on their retirement savings (55%).
- Almost half of Gen Z does not contribute a fixed amount to a retirement plan every month. 25% of Gen Z contributes a variable amount from month to month, while a further 24% contributes nothing at all.

**Two-thirds (67%) of non-retired Americans are working a second job or side hustle or say they are likely to start one in the next six months. Among those working a second job, most say it has had a positive impact on their happiness and their wallet.**

- Having extra spending money (56%), saving extra money for the future (54%), or helping to make ends meet (47%) are the most common reasons cited for a second job.
- Gen Z (45%) and Millennials (36%) are more likely to be working a second job or side hustle than Gen X (29%).
- Most Americans working a second job say that it has had a positive impact on their finances (72%) and on their happiness (49%).
- Half who aren't already working a second job say they are very or somewhat likely to start one in the next six months. Gen Z (69%) and Millennials (59%) are more likely to say they are likely to start a second job than Gen X (40%).

## **PARENTING**

**Even though most parents took steps to prepare financially for parenthood, financial concerns are the greatest source of anxiety for parents of children under 18.**

- 73% of parents of children under 18 took steps to prepare for parenthood financially, such as increasing their savings (38%).
- The greatest sources of anxiety are not having enough money to support their family (51%), balancing family and career (38%), and the cost of raising a child (38%).
- The cost of raising a child was much more likely to cause anxiety in parents before they had kids (51%) than it does now (38%), but anxieties around family finances are still present, with 51% of parents saying that they suffer anxiety due to not having enough money to support their family.
- 38% of parents of children under 18 say that becoming a parent had a negative impact on their personal finances.
- The largest child-related expenses reported are food (57%) and clothes (51%).

**Almost a quarter (23%) of American Millennials and Gen Z without children say that they don't plan to become a parent in the future, largely due to financial reasons.**

- The most common motivations for remaining childfree are preferring the financial freedom that comes from not having children (43%) and the inability to afford children (43%).