



42% of Households Say Income is Below Pre-Pandemic Levels Because of COVID-19 Impact

Only 17% of households who have suffered a decline in income due to coronavirus have seen a rebound to pre-pandemic levels

NEW YORK – December 9, 2020 – As the COVID-19 pandemic worsens and state governments implement more restrictions, 42% of U.S. households say their household income is still below pre-pandemic levels as a direct result of the outbreak. While half of U.S. households (50%) have seen a negative impact to their income at some point during the pandemic, only 1 in 6 (17%) of those have seen their income return to normal, or pre-pandemic, levels. With hope for a relief package by the end of the year waning, 85% of U.S. adults are worried about a negative impact to their household income due to COVID-19 in the coming months, up from June. Click here for more information:

<https://www.bankrate.com/surveys/coronavirus-income-reduction/>

Half of U.S. households (50%) have experienced a negative impact to their income level at some point since the COVID-19 outbreak, including 21% by layoff or furlough, 19% through reduced hours, and 16% because they couldn't operate a business as usual. In addition, 10% said they had taken a pay cut and 12% said their income had been negatively impacted in some other way. Households may have cited more than one negative impact to their income.

“Forty-two percent of households say their income is still below pre-pandemic levels, speaking to the widespread financial impact that remains,” said Bankrate.com chief financial analyst, Greg McBride, CFA. “Even as Americans are returning to work, many say their households are earning less than they were before COVID-19.”

Of those households that saw their income negatively impacted due to the pandemic, 51% think it will take at least 6 months for their income to recover, up significantly from 37% in a previous [June 2020 poll](#). Additionally, 6% think their income will never recover.

Those most likely to have experienced a decline in income due to the pandemic skewed towards younger households. 63% of both Gen Z (ages 18-23) and millennial households (ages 24-39) and more than half (54%) of Gen Xer households (ages 40-55) reported a negative impact to their overall income, compared to just 37% of baby boomers (ages 56-74).

While likelihood of a negative impact on household income varied amongst age groups, there was little difference among income levels, with 49-55% of all income levels being affected. The probability of a rebound, however, decreases with income level; 30% of households earning \$80,000 or more annually who reported a decline in their income due to the pandemic say their household income is already back to normal, compared to just 9% of households earning less than \$30,000 annually.

While nearly all households (95%) that have already suffered a decline in income due to the pandemic are worried about another hit in the coming months (including 40% very worried), concern about income stability is on the rise overall. 75% of U.S. households that did not experience any negative impact to their income to date are also worried about a negative impact in the coming months, up from 62% in June.

“The vast majority of Americans, 85%, are worried about a hit to their household income in the coming months due to the pandemic,” McBride added. “This widespread worry and hesitancy to spend will weigh on the pace of economic recovery.”

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,750 adults. Fieldwork was undertaken on November 11-13, 2020. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

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