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43% Say Their Finances Are Worse Now Than When Biden Was Elected

Despite inflation and looming recession, an optimistic majority believe their finances will not worsen by 2024

New York – October 26, 2022 – Over 2 in 5 (43%) U.S. adults say their finances are worse now than when President Biden was elected two years ago, according to a new study from Bankrate.com. This is more than those who say their finances are the same (39%) or better (18%). For more information click here:

<http://bankrate.com/personal-finance/midterm-election-survey-2022/>

The tendency to say their finances are worse shows a clear divide among age and political party. Close to half of boomers, ages 58-76, (46%) and Gen X, ages 42-57, (47%) say their financial situation is worse compared to just 36% of Gen Zers (ages 18-25) and millennials (ages 26-41). Most notably, Republicans (56%) are far more likely to say their finances are worse since the last general election compared to Democrats (30%).

Among those who say their finances are worse, 69% place at least a moderate amount of blame on President Biden for their financial situation, including 48% who believe he deserves a great deal of the blame. Meanwhile, 71% place at least a moderate amount of blame on Democrats in Congress (including 45% who say a great deal), while 54% blame Republicans in Congress.

Older adults, men and Republicans whose finances have gotten worse over the past two years are more likely to place at least a moderate amount of blame on President Biden for the lack of improvement. 78% of boomers feel this way (including 64% who place a great deal of blame on the President) compared to just 68% of Gen Z (just 37% placing a great deal of blame). Men (75%) also lead women (63%) in placing at least moderate levels of blame on the President. Strikingly, Republicans (93%) are more than three times as likely as Democrats (30%) to blame President Biden for their lack of financial improvement. Roughly three-fourths of Independents (76%) share this sentiment.

“In our highly polarized political environment, and in the context of a complicated and highly dynamic economic situation, many people naturally gravitate toward assigning blame or credit to elected officials. The reality is much more complicated than that. The causes of high inflation are multifaceted, including forces stretching around the world, not confined to the U.S. or the nation’s capital,” said Mark Hamrick, senior economic analyst at Bankrate.

Despite higher interest rates, inflation and a looming recession, 57% say their finances have stayed the same or gotten better over the past two years, though less than 1 in 5 (18%) say they’re better off now. Younger generations and Democrats are more likely to say their finances are better than they were two years ago. 25% of Gen Z and 22% of millennials say this compared to just 16% of Gen Xers and 15% of boomers. Looking at the split along political lines,

Democrats (25%) are also far more likely to say they're in a better place financially than Republicans and Independents (15% each).

Among those who say their situation has improved, 55% give at least a moderate amount of credit to President Biden, 54% give at least a moderate amount of credit to Democrats in Congress and just 36% give a moderate amount of credit or more to Republicans in Congress for their improved financial situation. Democrats (74%) are more than twice as likely as Republicans (29%) to give Biden credit for their improved finances. Independents fall in the middle at 44%.

"The midterm elections will be important in terms of defining which party is or isn't in the political driver's seat in Congress over the next two years. If a recession does emerge as many fear and expect, it will again fall to elected officials to prescribe and vote on possible legislative responses. In turn, many of these factors may have impacts going into the next general/presidential election," Hamrick added.

When asked about the outlook for their own personal finances over the next two years leading to the next General/presidential election, about 1 in 3 (32%) believe they'll be worse off, and about 1 in 4 think they'll be better off (26%), while just over 4 in 10 (42%) envision being about the same.

The sense of optimism is highest among those who are younger and affiliated with the Democratic party. In fact, Gen Z and millennials (34% each) and Democrats (36%) are roughly twice as likely to have a positive outlook compared to boomers (17%) and Republicans (19%).

Hamrick notes, "With only about 1 in 4 Americans saying they believe their personal finances will be better two years from now, something of a bunker mentality may be emerging among consumers. It's understandable as they've been adjusting in response to inflation, which erodes buying power, and in anticipation of possible worsening of the job market."

Methodology:

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. The total sample size was 2,000 adults. Fieldwork was undertaken between October 16-18, 2022. The survey was carried out online and meets rigorous quality standards. It employed a nonprobability-based sample using 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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