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**Nearly 2 in 3 Americans Do Not Expect Personal Finances to Improve in 2023**

*Inflation cited as the most common barrier to improvement*

NEW YORK – December 19, 2022 – Just more than one-third of Americans (34%) expect their personal financial situation to improve in 2023, including only 10% who expect their finances to get "significantly better" and 24% who expect their finances to get "somewhat better," according to a new Bankrate.com report.

https://www.bankrate.com/personal-finance/personal-finances-outlook-survey/

Overall, about two-thirds of Americans (66%) do not expect their personal finances to improve in 2023. That group consists of 29% who believe their personal financial situation will get worse next year (including 18% who say it will get "somewhat worse" and 11% who say it will get "significantly worse") and 36% who expect their finances to stay about the same.

For those who do not expect their personal finances to improve next year, continuing high inflation (63%) is overwhelmingly the reason why, far ahead of the work done by elected representatives (29%), stagnant wages or reduced income (27%), and changing interest rates (25%). Other reasons for a lack of financial improvement include the amount of outstanding debt (18%), the amount made from savings and investments (18%), change in life circumstances (16%), or something else (8%), while an additional 12% say they don't know why their finances will not improve in 2023.

While continued high inflation is the most common perceived barrier to personal financial improvement, only 19% of those expecting better days ahead say that lower levels of inflation will be the means for improved personal finances next year, coming in behind making more money at work (41%), having less debt (30%), a change in life circumstances such as health or family (25%), and making more money on savings and investments (24%). Other reasons for improved finances cited are the work done by elected representatives (15%), changing interest rates (10%), and something else (9%). An additional 5% say they don't know why they expect their finances to improve next year.

"Roughly 2-in-3 Americans don't expect their personal financial situation to improve in 2023 and inflation is the runaway reason people feel that way, by more than a 2-to-1 margin over any other factor," said Bankrate's Chief Financial Analyst Greg McBride, CFA. "Inflation is high and there isn't a lot of optimism that it will come down in a meaningful way. Even among those expecting their finances to improve in 2023, just 19% felt that would be due to lower inflation."

Yet, younger generations are more upbeat about their financial prospects in 2023, as 48% of both Gen Z (ages 18-25) and millennials (ages 26-41) expect their finances to improve, compared to just 20% of Gen Zers and 19% of millennials who expect their finances to get worse. Older generations, however, are more pessimistic, as both Gen Xers (ages 42-57) and baby boomers (ages 58-76) are more likely to expect their finances to get worse in 2023 (32% and 39% respectively) rather than get better (28% and 22% respectively).

When asked about their main financial goal for 2023, Americans are most inclined to pay down debt (19%), budget their spending better (16%), and save more for emergencies (13%). Other financial goals include: to save more for retirement (9%), get a higher paying job (8%), save for a non-essential purchase such as vacation, home renovation, or big-ticket item (7%), invest more money (5%), buy a new home (5%), or something else (3%). While 15% say they do not have any financial goals for next year, this group was twice as likely to say their financial situations will get worse (33%) rather than better (16%) in 2023.

Across all income levels, paying down debt is the top financial goal for 2023, while budget my spending better is the second-most common goal for all but the highest income households (earning $100,000+/year), where saving more for retirement took the second-place spot.

"Americans' financial goals reflect an expectation of tougher times to come," McBride added, "with households focused on paying down debt, budgeting better, and saving more for emergencies in 2023. High inflation and rising interest rates are squeezing budgets while the additional savings compiled during the pandemic are depleting, highlighting the course corrections Americans are looking to make with their finances."

**Methodology:**

Bankrate.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 3,656 U.S. adults. Fieldwork was undertaken on November 15-18, 2022. 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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