

Financial fears spike for young adults amid pandemic

With the COVID-19 pandemic upending so many aspects of life, it may come as no surprise that more than half of Americans (57%) have felt at least some stress over their financial situation since early 2020. Almost 90% of those who have experienced financial worries amid the pandemic say it has affected their daily lives.

That's according to a new survey from the AICPA, which shows that financial stress stemming from the pandemic has left many Americans frustrated, sad, and sleepless at times over the last year. The survey, conducted by Harris Poll on behalf of the AICPA, polled 2,040 U.S. adults online in January 2021.

"With the unemployment rate peaking at an unprecedented level, no one could truly feel safe — financially or otherwise — during those first few months where things were happening so quickly," said Michael Landsberg, CPA/PFS, a member of the AICPA National CPA Financial Literacy Commission.

With Americans worrying they might lose their jobs, not to mention whether their families would be safe, financial anxiety was bound to increase for many people, he said.

Certain groups have experienced financial worries at higher rates than others, according to the survey. For example, renters have felt more stress than homeowners. Nearly three-quarters of renters (72%) said they experienced at least some stress about their financial situation, compared with just over half of homeowners (52%).

Younger and middle-aged Americans have also worried about money more during the pandemic. Over the past year, 75% of 18- to 34-year-olds and 71% of 35- to 44-year-olds reported feeling at least some financial anxiety, compared with 65% of 45- to 54-year-olds, 46% of 55- to 64-year-olds, and 27% of those over 65.

"Young adults have lived through, to a certain extent, some of the more jarring financial catastrophes in recent memory," Landsberg said. "The Great Financial Crisis of 2007–2008 and then the COVID-19 pandemic of 2020 have left a very lasting impression on those that were either just entering the workforce or financially savvy enough to realize what was happening at the time."

Since many young people work in the hospitality and food service industries, they were also disproportionately affected by unemployment, Landsberg said.

According to survey data, 91% of Americans ages 18–34 who said they have felt financial anxiety during the pandemic said that it had a negative impact on their mental well-being, with 59% stating the impact was moderate to major.

As we emerge from the pandemic, Americans should learn from the past, Landsberg said.

“Take this experience as a learning opportunity to avoid being surprised again,” he said. “Shore up your finances, build an emergency fund, and have a contingency plan in place should a shock to the financial system of this magnitude occur again.”

In many cases, working with a financial professional can also help Americans ease their worries, he said.

“Whether you have \$1,000 or \$1 million doesn’t matter, as we’re all human beings that are subject to bouts of uncertainty and anxiety,” Landsberg said. “Whether you have a financial adviser on call or need to contact a credit counselor, there’s a plethora of resources out there to help work through the anxiety.”

— **By Megan Hart**

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