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Many Americans Plan for Less Discretionary Spending as Areas Reopen

73% have done, or plan to do, something nice for their local businesses

New York – July 8, 2020 – As businesses that were closed due to Covid-19 reopen, significant percentages of Americans are planning to spend less than they did before the pandemic, according to a new study from CreditCards.com. Top areas people who spent on these items before the pandemic expect to cut back include movie tickets (45%) sports/concert/theater tickets (45%), bars (44%) and restaurants (38%), For more information, go to:

<https://www.creditcards.com/credit-card-news/supporting-local-economy-poll/>

Post-Reopening Spending Plans		
	Plan to spend less	Plan to spend more
Movie tickets	45%	12%
Sports/concerts/theater	45%	14%
Bars	44%	16%
Dining out	37%	19%
Gym memberships	31%	18%
Childcare	28%	32%
Haircuts/coloring	24%	17%
Housekeeping	24%	26%
Charity	14%	28%

* Based on Americans who spent money in each category pre-pandemic.

“It seems that social distancing mandates won’t be the only thing keeping crowds down at businesses moving forward. A significant number of Americans plan to stay away on their own accord,” said Ted Rossman, industry analyst at CreditCards.com. “Perhaps that’s because they’re struggling financially, they learned to live without this activity during the quarantine or they worry it won’t be safe even after restrictions are lifted.”

Many of the spending cuts will be deep. Americans who used to spend at the movies and sports/concerts/theaters say they will be spending much less in the future (30%, respectively). Many also expect to make major cutbacks on spending at bars (28%), dining out (21%), and gyms (20%).

Surprisingly, millennials are more likely than older adults (ages 40+) to cut back in some capacity at restaurants (41% vs. 35%).

“Businesses will have to hope that customers change their minds and become more comfortable spending in these areas after all. They can also rely on the generosity of the many people who plan to spend more and tip better.”

Noting that American businesses are struggling due to mandatory Covid-19 closures, 73% of U.S. adults have done, or plan to do, something nice for small businesses that are facing hard times.

Nearly 6 in 10 (59%) have already done something nice like tipping service providers more generously than usual (37%), patronizing small businesses more frequently (34%), paying out-of-home service providers (like hair stylists) even though they were unable to perform their duties for a time (9%) and paying in-home service providers (like housekeepers) even though they were unable to perform their duties for a time (8%).

Tipping increases by age and income. Boomers (43%) are more likely to be tipping more than Gen Xers (39%) and millennials (33%). Those with an annual household income of \$80K+ are more likely to be tipping more (54%) than those earning between \$40K-\$80K (42%) and earners making under \$40K per year (26%).

Millennials were three times as likely as older adults (ages 40+) to pay service providers even if they were unable to perform duties (15% vs 5%).

In addition to those who have already acted on doing something nice for a provider, 68% say they plan to do something nice as business activities resume. Top acts of kindness include patronizing small businesses more frequently (49%), tipping service providers more generously than usual (42%) and paying extra for services/back paying for unused services to compensate for lost business (11%).

CreditCards.com commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,332 adults. Fieldwork was undertaken on June 17-19, 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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