

As the Pandemic Widens Economic Inequality, Upper-Income Groups Aren't Unscathed

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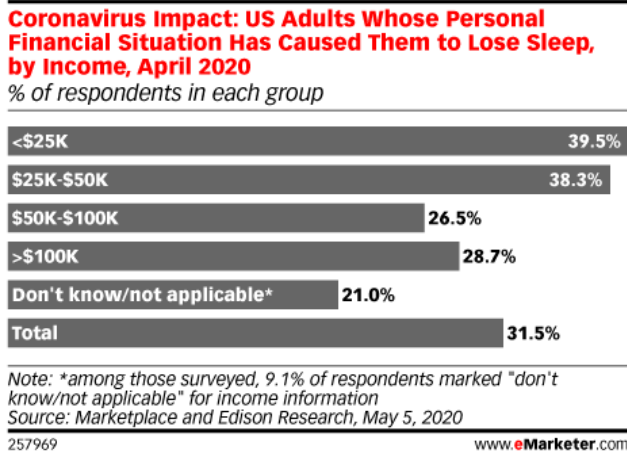
Mark Dolliver

While the pandemic has exacerbated economic inequality, it's also had a leveling effect in pushing more financial anxiety up the income scale. With wide disparities in consumers' balance sheets, many in high brackets fret about their finances, even as significant numbers in the lower-income brackets voice confidence about their prospects. And this matters for marketers, since what's in consumers' heads shapes their behavior right along with what's in their bank accounts.

Pre-pandemic, financial anxiety was more prevalent among those in lower-income brackets, but there was still plenty of concern among those with six-figure incomes. A 2020 Kantar Financial Services report makes the observation that "higher income doesn't mean less money worries." While 42% of respondents making less than \$100,000 reported being stressed about money, the same percentage of those making \$100,000 or more did so, according to Kantar Financial Services polling in November–December 2019. It's partly a matter of not feeling rich. "Three-quarters of the people who make \$250,000 or more a year consider themselves upper-middle-class," said Tony

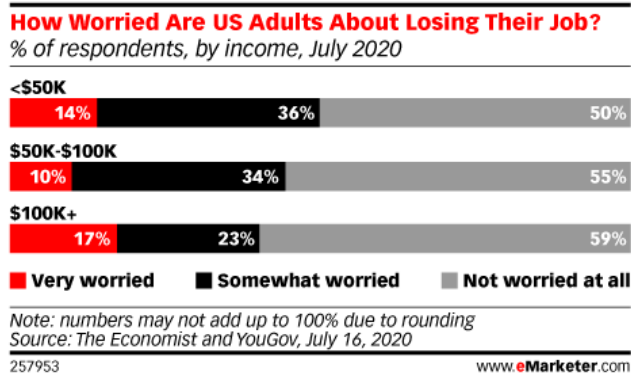
Incalcaterra, senior vice president of business and research operations at Ipsos Connect.

Inevitably, the pandemic has added new stress atop the old stress. April 2020 polling by Marketplace (known for its public radio show of that name) and Edison Research got a measure of how quickly financial anxiety gripped consumers. About four in 10 in the bottom income bracket said they were losing sleep due to worry about their finances, as did nearly three in 10 in the top bracket.



Few people felt in great shape for weathering an economic storm, though fewest of all in lower-income brackets. Morning Consult polling in March 2020 asked respondents how prepared they were for the next recession. The “very prepared” figures peaked (if one can call it a peak) at 25% in the \$100,000-plus bracket, versus 12% for the \$50,000–\$99,999s, and 6% for the under-\$50,000s.

With headlines blaring news of unemployment, fear of losing one’s job quickly spread. Across income groups, this fear has not gone away amid subsequent ups and downs in the pandemic. That’s clear in a Harris Poll survey from August 2020, where 30% in the \$100,000-plus bracket said they were “very concerned” about losing their job, along with 22% of the \$50,000–\$99,999s, and 27% of the under-\$50,000s. In July 2020 polling by The Economist and YouGov, respondents in the \$100,000-plus bracket were the most likely to say they were “very worried” about losing their job.



There's less variation than one might expect in the incidence of financial anxiety, which has percolated up the income scale. In this bizarre year, marketers must be especially sensitive to such counterintuitive twists as they seek to keep their own incomes intact.

To learn more about how different income brackets are faring amid the pandemic, eMarketer PRO subscribers can read our recent report:

Report by Mark Dolliver Sep 10, 2020
Gauging Consumers Across Income Brackets

