Perceived COVID-19 Financial Threat Declining

MOSAIC Data Brief

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measuring online social attitudes and information collaborative

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MOSAIC Data Brief Series

MOSAIC (Measuring Online Social Attitudes and Information Collaborative) is a collaboration between SSRS, Georgetown University, and the University of Michigan. This collaboration will focus on understanding how to leverage survey data and social media data to better capture public opinion in reliable, valid, and scientifically rigorous ways. This data brief series is intended to share public opinion results to inform researchers and decision makers with information about attitudes in the United States related to different aspects of the COVID-19 pandemic. Data briefs will utilize open-ended survey responses, social media posts, and/or both in order to gain different perspectives on public attitudes.

Given the ever-changing dynamics of the pandemic and its impact on the economy, we find that the public's perceptions of financial threats are also changing. We conducted and analyzed two waves of survey responses to compare the financial impact of COVID-19. While the overall threat of COVID-19 declined across this period, concern about inflation increased as its national rate did. These concerns were greatest among the youngest members of the population.
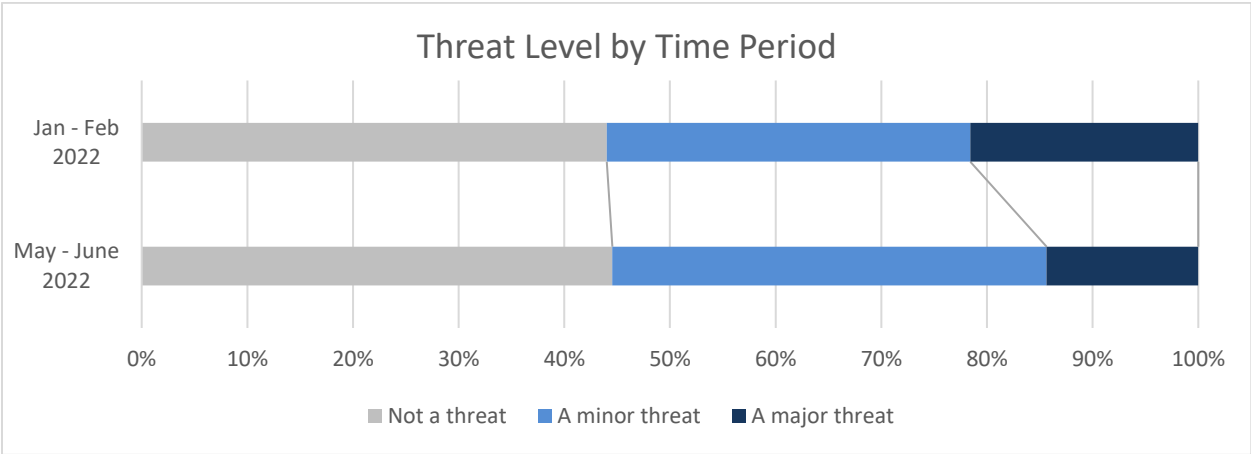
Threat Level by Time Period

Figure 1: Self-reported Economic Threat Level by Time Period

Respondents were asked in January/February and May/June the following question, "How much of a threat, if any, is the coronavirus pandemic to your personal financial situation?" In May, 46% of respondents thought the pandemic was not a financial threat, 41% indicated that it was a minor threat, and 14% felt it was a major threat. This was a significant change from January/February when 22% felt it was a major threat (See Figure 1).
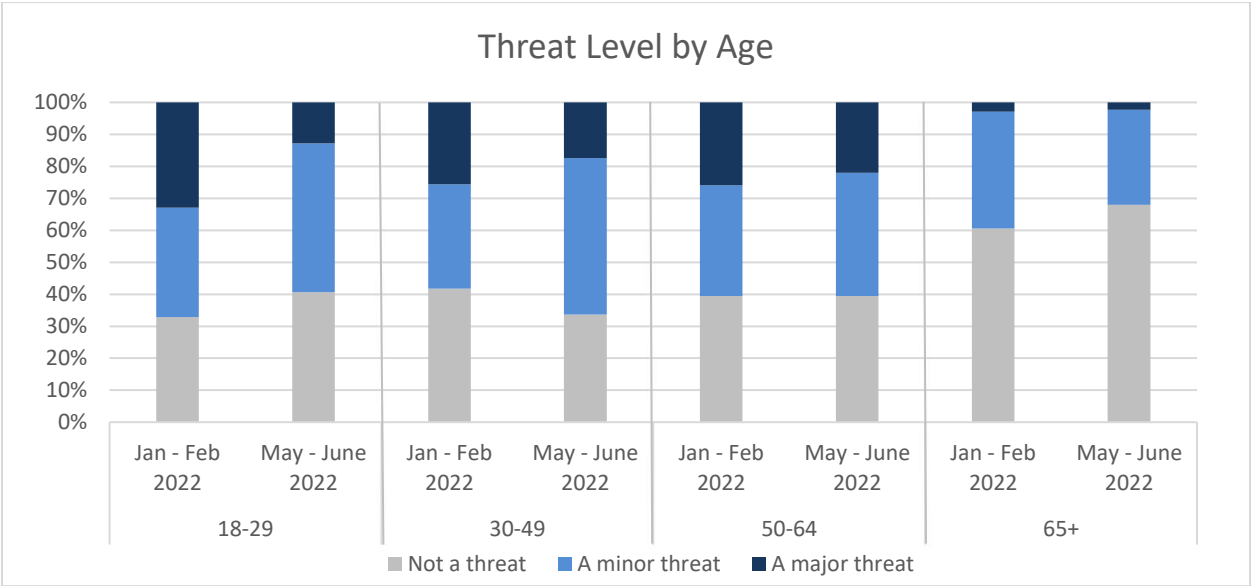
Threat Level by Age

Figure 2: Self-reported Economic Threat Level by Time Period by Age Group

We find that some of the largest changes are seen by those who are the youngest in our sample, with a 20-percentage point decrease in the perception of COVID-19 as a major threat for those between 18 and 29 (see Figure 2). This varying trend across age groups could be due to the different economic fears experienced by members of different age groups, especially as the economy improved during this period, particularly in terms of employment.

Future Concerns

For those who reported that coronavirus is not a threat to their personal finances, we also ask about what they consider future threats to their finances. In February, the top three themes were mentioned by about half of respondents. They were prices/inflation, government-related policies (including COVID-19 related ones), and loss of assets. By May, the top three themes were mentioned by over three quarters of the responses. Inflation and price concerns increased by 27 percentage points and assets decreased by 4 percentage points. At the same time, the Ukraine/Russia war emerged as a new future economic threat (see Figure 3). As inflation increased in the time between surveys, we find that such concerns increased across all income levels, but the largest increase occurs for those in the lowest income bracket (< 50K). By May 2022, the seasonally adjusted Consumer Price Index for Urban Consumers (CPI-U) had increased 2.6% from February 2022, while Average Hourly Earnings increased by less than 1% in that same time period (Bureau of Labor Statistics)[1]. Our findings are consistent with these trends as many respondents were facing higher costs of living without wage increases, hurting the lowest wage earners the most.
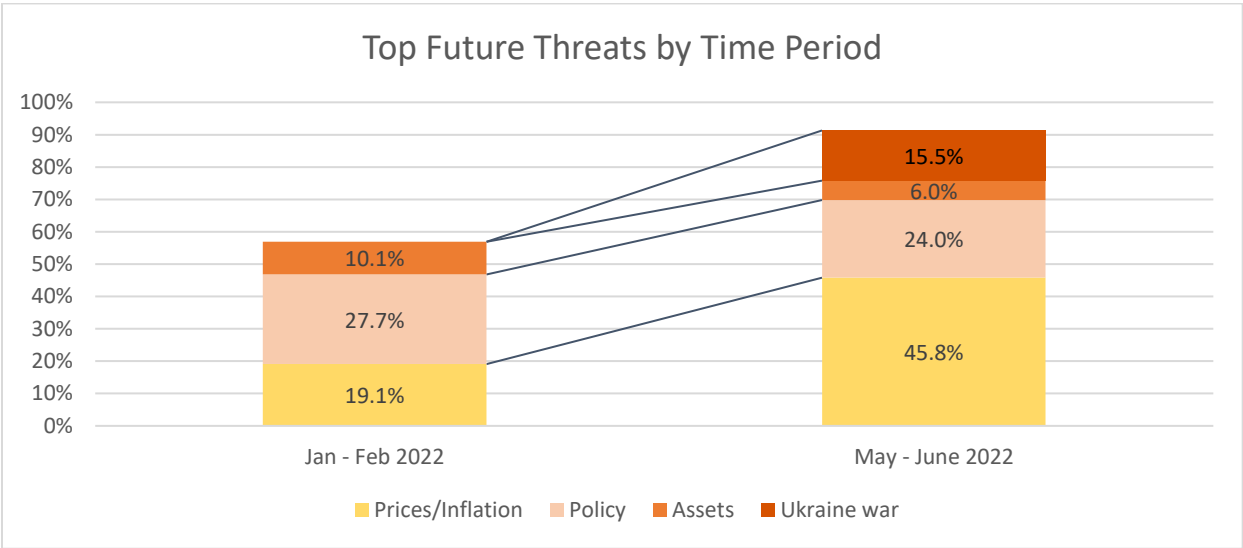

Top Future Threats by Time Period

Jan - Feb 2022:
- Prices/Inflation: 19.1%
- Policy: 27.7%
- Assets: 10.1%

May - June 2022:
- Prices/Inflation: 45.8%
- Policy: 24.0%
- Assets: 6.0%
- Ukraine war: 15.5%

Legend: Prices/Inflation, Policy, Assets, Ukraine war

Figure 3: Top Future Threats by Time Period

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[1] Bureau of Labor Statistics (2022). *Economy at a Glance.* Accessed September 29, 2022. https://www.bls.gov/eag/eag.us.htm

Methodology

Survey & Social Media Data Collection. The MOSAIC recruitment survey was conducted via the SSRS Opinion Panel and invited U.S. adults aged 18 and older who use the internet to participate. The SSRS Opinion Panel is a probability-based web panel of U.S. adults (including Hawaii and Alaska) and is recruited randomly based on a nationally representative ABS (Address Based Sample) probability design. Full Panel data collection was conducted via the web from March 11 – June 13, 2021, resulting in a sample of 9,544 panelists in English (9,468) and Spanish (76). Data were weighted to represent the target U.S. adult population. A subset of the panel participated in new data collection via the web from January 27 - February 9, 2022, resulting in a sample of 1,000 participants. Another subset of the panel participated in new data collection via the web from May 26 – June 6, 2022, resulting in a sample of 1,039 participants. Data were weighted to represent the target U.S. adult population.

Topic Coding of Open-ended Responses. The exact responses to open-ended questions were transcribed by interviewers and coded using semi-supervised topic modeling. Preprocessing steps included capitalization standardization, punctuation removal, and stopword removal. Frequently occurring words and phrases were identified by identifying the frequency with which respondents used different unigrams, bigrams, and trigrams. Experts looked through the list of frequently occurring words and phrases, identifying ones that could be used to represent seed topics. These seed topics were inputs into a generative topic model and used to generate more complete topics and possibly new topics. This topic list was manually adjusted by experts. For some of the smaller subsamples, the full set of open-ended responses was double hand-coded.

Suggested Citation

Singh, L., Budak, C., Traugott, M., Vanarsdall, R., & Wang, Y. (2022*). Perceived COVID-19 Financial Threat Declining.* MOSAIC Data Brief: October 2022. *Measuring Online Social Attitudes and Information Collaborative.*

Acknowledgments