



New research reveals why 3 in 5 Americans think the economy is in a recession

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Amidst economic uncertainty, Americans seek control and transparency via flexible payment options

SAN FRANCISCO--(BUSINESS WIRE)--Jul. 23, 2024-- Three in five people believe that the U.S. is currently in a recession, even though we're not in one officially, according to new research from [Affirm](#) (NASDAQ: AFRM), the payment network that empowers consumers and helps merchants drive growth.

The survey of 2,000 Americans explored what's driving this lack of consumer confidence in the economy. Inflation and the rising cost of living (68%) tops the list of reasons why respondents believe the U.S. is in a recession, followed by friends and family members complaining about money (50%).

Conducted by Talker Research on behalf of Affirm, the research found other reasons included noticing friends cutting back on spending (36%) and not being able to pay off credit card debt (20%).

On average, respondents who feel the U.S. is in a recession believe it started over 15 months ago, roughly in March of 2023. And they don't expect it to go anywhere quickly — they believe this feeling will last until around July of 2025. As a result, some Americans are questioning their own financial futures.

Nearly seven in 10 (68%) of Americans surveyed said the current inflation rate is negatively affecting their future plans, including their ability to save and afford upcoming purchases.

"With confidence in the U.S. economy at a low point, consumers are urgently seeking ways to feel in control of their finances," said Vishal Kapoor, SVP of Product at Affirm. "Amidst these levels of uncertainty and doubt, we believe that the antidote to the current 'vibecession' is greater choice and transparency in how people manage their finances."

People are adjusting to the current economic environment by turning to budgeting and flexible payment options. Almost all (89%) Americans surveyed said having a predictable monthly budget is a priority when managing their finances.

Transparency is also key, with six in 10 Americans (63%) preferring to see the total cost of a purchase upfront, including any interest charges.

To help them budget and remain in control, Americans are seeking more strategic ways to pay for their purchases. More than half (54%) of Americans surveyed have used or would use "buy now, pay later" options, while nearly half (45%) agree that these options make it easier to stick to a budget and manage their finances.

Additionally, almost one in two respondents (48%) said the availability of 0% APR pay-over-time offers — which allow people to spread out their purchases over the course of several months without paying any interest — affects their purchasing decisions.

"While conversations around money may contribute to the pessimistic outlook on the economy, it also means that people are discovering smarter ways to pay, including options to pay over time without any late or hidden fees," said Kapoor.

Survey methodology:

This random double-opt-in survey of 2,000 general population Americans was commissioned by Affirm between June 20 and June 24, 2024. It was conducted by market research company [Talker Research](#), whose team members are members of the Market Research Society ([MRS](#)) and the European Society for Opinion and Marketing Research ([ESOMAR](#)).

About Affirm

Affirm's mission is to deliver honest financial products that improve lives. By building a new kind of payment network — one based on trust, transparency and putting people first — we empower millions of consumers to spend and save responsibly, and give thousands of businesses the tools to fuel growth. Unlike most credit cards and other pay-over-time options, we show consumers exactly what they will pay up front, never increase that amount, and never charge any late or hidden fees. Follow Affirm on social media: [LinkedIn](#) | [Instagram](#) | [Facebook](#) | [X](#).

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