



Affirm research reveals generational divide in Americans' response to inflation

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Younger Americans more likely to change spending habits in light of rising costs compared to Gen X and Baby Boomers

SAN FRANCISCO – April 14, 2022 –As prices continue to rise amid inflation, so too does financial stress, according to new research from [Affirm](#), the payment network that empowers consumers. The research found that 73% of Millennials / Gen Z consumers - and 66% of U.S. consumers overall - are concerned that rising costs will prevent them from being able to pay for the things and experiences they want to achieve this year.

The study asked 1,740 consumers about how inflation is affecting their spending habits and revealed three key trends around how Americans are responding to the pressure on their wallets.

A night out is off the table - instead, consumers are prioritizing the home as their happy place

- Purchases for the home are the top category Americans plan to prioritize as costs rise (38%).
- Going out to restaurants (53%), entertainment (47%), and beauty (34%) are the top categories consumers plan to deprioritize.

Younger generation, in particular, are feeling the strain on their wallets and are reacting in kind

- More than half (53%) of Millennials and Gen Z plan to spend less in reaction to rising costs, and 21% intend to invest their tax refund this year.
- By contrast, 81% of Gen X and Boomers plan to spend the same or more during inflation, and only 14% plan to invest their tax refund.

Consumers are turning to flexible payment solutions to better budget

- Nearly one in four (23%) U.S. consumers are likely to use a "buy now, pay later" option like Affirm over the next month as a result of rising prices. Millennials / Gen Z are nearly twice as likely (41%).

"Whether they are shopping around for the best price on a new kitchen appliance, or taking what's left to save for a rainy day, one thing is unmistakable - Americans are feeling the impact of inflation as prices continue to increase," said Silvija Martincevic, Chief Commercial Officer at Affirm. "At a time when many things are out of our control, Affirm's products are designed to bring some of that control back, by enabling consumers to pay over time responsibly and thereby increase their purchasing power. In doing so, we help consumers get the items that they need, in a way that fits their budget."

Affirm gives eligible consumers the flexibility to buy the things they want and need while spreading out the cost over biweekly or monthly payment terms and time frames ranging from six weeks to 60 months. With Affirm, consumers never owe more than they agree to upfront and have access to a flexible, transparent, and convenient way to pay over time.

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About the Research

This research was conducted by YouGov on behalf of Affirm between March 22-24, 2022. Percentages are based on the 87% of Americans who know what inflation means.

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 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](#) | [Twitter](#).

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