Study shows money might be killing the mood this Valentine's Day

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Affirm research reveals nearly one in four Americans celebrating the holiday say finances are a major consideration.

SAN FRANCISCO – February 8, 2019 – Affirm, Inc. which provides a fair and honest way for shoppers to spread the cost of a purchase out over time, today released the findings of a new survey showing how Americans will celebrate Valentine's Day this year, what gifts they plan to buy and how much they'll spend.

The survey of over 1,000 U.S. respondents found that while most Americans plan to celebrate the day, cost is a major factor. With Valentine's Day occurring a short time after the holidays, consumers are feeling fatigued and many say they are still recovering from the financial hangover of holiday spending.

Majority of consumers plan to celebrate Valentine's Day but are split on what to do.

Affirm's survey revealed that 64 percent of Americans are planning to celebrate Valentine's Day this year. While most of this group (73 percent) say they plan to spend the day with a current or potential romantic partner, others who plan to celebrate will do so with family, friends and even pets. When it comes to how they'll celebrate, respondents are split; 50 percent plan to go out while 41 percent say they'll opt to stay in. However, one thing's for certain – Americans still love giving gifts.

Holiday spending and credit card debt hinder romantic gifting.

With Americans expected to spend more than $20.7 billion on Valentine's Day this year (according to the National Retail Federation), 77 percent of Affirm survey respondents say they plan to give a gift that has an associated cost – but money is weighing heavily on their minds:

- 50 percent plan to spend under $100;
- 36 percent are sticking to a tighter budget due to holiday spending; and
- 68 percent say they are avoiding credit cards in favor of cash or a debit card

Further, 41 percent of Americans say they plan to forgo Valentine's gifts altogether this year because they can't afford them and the same amount are working to pay off credit card debt.

"Consumers tell us what they love most about Affirm is the ability to buy the things they need and want responsibly and spread out the cost over time in consistent, easy payments," said Max Levchin, CEO and co-founder of Affirm. "This is a time of year where we can help our customers treat themselves or a loved one without revolving on a credit card or parting with more cash than feels comfortable."

Americans don't spend a lot of time planning a gift purchase and rely on familiar stores.

Eighty-four percent of respondents who are celebrating Valentine's Day say they plan to give a gift to someone. Romantic partners are the most common recipient (52 percent), followed by family (18 percent) and friends (10 percent). While Americans are excited to celebrate the holiday, 83 percent have spent less than a month thinking about their gifts and most say they'll purchase items from stores they've shopped at before. The most popular gifts are perishable items (e.g., flowers and chocolate), followed by jewelry and apparel.

When it comes to what they're gifting, Americans are torn between material items and experiences (50 percent each) such as a cooking class, concert or vacation. Millennials are much more likely to gift experiences this year (61 percent). Baby Boomers who plan to celebrate Valentine's Day are sticking to more traditional gifts (63 percent); data also showed their enthusiasm for the holiday is dwindling, with a majority opting out of the holiday entirely.

"Based on how we're seeing Americans celebrate Valentine's Day, Affirm is a great partner to help introduce consumers to the perfect retailer no matter what they plan to give," said Pat Suh, Vice President of Customer Success at Affirm. "There's a real sense of a need to budget and manage cash flow, and we can help consumers do that regardless of whether they want to give someone a diamond bracelet, a weekend getaway or simply a new pair of great running shoes."

Celebrating is dependent on relationship status and many Americans are feeling the pressure.

While a lot of Americans are picking up gifts, cards and heart-shaped candies, 36 percent have chosen not to celebrate Valentine's day this year – and over half (53 percent) say it's because they don't have anyone to celebrate with. Additionally, 41 percent of respondents feel there's too much pressure around the holiday.

For enthusiasts looking forward to February 14th, the vast majority are celebrating in order to do something special for someone they care about or to simply spend more quality time with them (96 percent).

To learn more about Affirm and find the perfect gift for the special someone in your life visit affirm.com/valentines-day

About the Survey

The online survey was conducted by Qualtrics from January 30, 2019 to February 1, 2019, among a demographically representative sample of 1,050 Americans aged 18 to 72.

About Affirm

Affirm was founded with a goal to create honest financial products and services that empower consumers and improve lives. Our goal is to revolutionize the banking industry to be more accountable and accessible to consumers. Today, Affirm provides millions of shoppers an alternative to traditional credit cards at the point of sale, giving them the flexibility to buy now and make simple monthly payments for their purchases. Unlike payment options that have compounding interest and unexpected costs, Affirm shows customers upfront exactly what they'll pay each month — with no hidden fees and no surprises. Affirm partners with over 2,000 merchants to give shoppers the option to pay with Affirm at checkout including well-known brands across retail including home furnishings, travel, personal fitness, electronics, apparel and beauty, and more. Loans are made in partnership with Affirm's originating bank partner Cross River Bank, a New Jersey State Chartered Commercial Bank, Member FDIC.