



# 2022 SEASON OF SPENDING REPORT

**Achieve Center  
for Consumer Insights**

*Winter 2022*

 **achieve**

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## About Achieve

[Achieve](#) is the leader in digital personal finance. Our solutions help everyday people get on, and stay on, the path to a better financial future, with innovative technology and personalized support. By leveraging proprietary data and analytics, our solutions are tailored for each step of a consumer’s financial journey and include personal loans, home loans, help with debt and financial tools and education. Headquartered in San Mateo, California, Achieve has more than 2,700 dedicated employees across the country with hubs in California, Arizona and Texas and has regularly been recognized as a Best Place to Work.

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## About the Achieve Center for Consumer Insights

The Achieve Center for Consumer Insights is an ongoing initiative that leverages Achieve’s team of digital personal finance experts to provide a view into the state of consumer finances. In addition to sharing insights gleaned from Achieve’s proprietary data and analytics, the Achieve Center for Consumer Insights publishes in-depth research, bespoke data and thoughtful commentary in support of Achieve’s mission of helping everyday people get on, and stay on, the path to a better financial future.

# Overview

Americans are gearing up for the holiday season under the weight of growing economic uncertainty and the lingering effects of the COVID-19 pandemic. This study conducted by Achieve, the leader in digital personal finance, found that while most consumers are making simple plans with limited travel this year, it hasn't put a significant damper on the sense of anticipation and enthusiasm for the upcoming holiday season.



## Methodology

The data and findings in this survey are based on an online survey of 1,000 U.S. consumers age 18 to 65, and is representative of Census Bureau benchmarks of the U.S. population for age, gender, race and ethnicity.

# Americans Plan for Subdued Holiday Spending Amid Economic Uncertainty

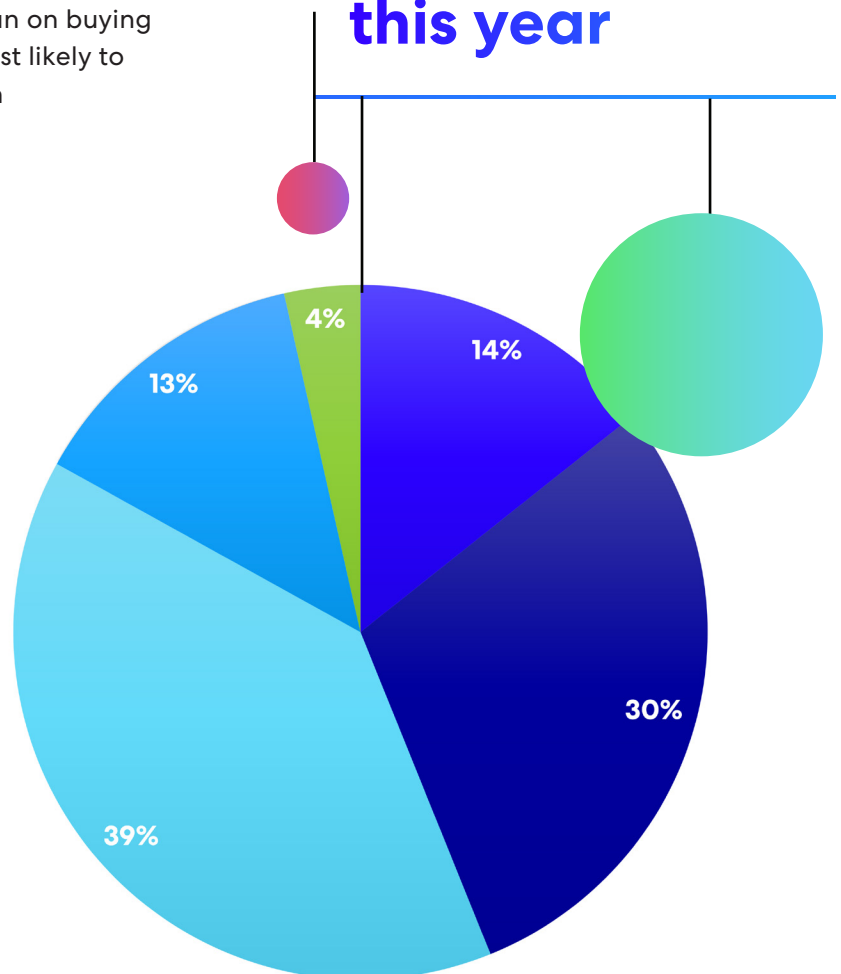
Americans plan on taking a restrained approach to gift giving and spending this holiday season, a sentiment spurred by economic concerns about inflation, rising interest rates, layoffs and the threat of a looming recession. What's more, few consumers say they have dedicated savings plans for their holiday expenses, even though many wish they did — a challenge that may portend further increases to already-soaring consumer debt loads.

## Spending on the Season

More than two-thirds of respondents say they'll cap their gift-giving spend at \$500 this year, while another 14% said they don't plan on buying any gifts this year. Gen Xers were most likely to say they plan on spending more than \$500 on gifts this holiday season.

*What amount do you plan on spending on gifts this year?*  
(Percent of respondents)

- None
- \$1 to \$100
- \$101 to \$500
- \$501 to \$1,000
- \$1,001+

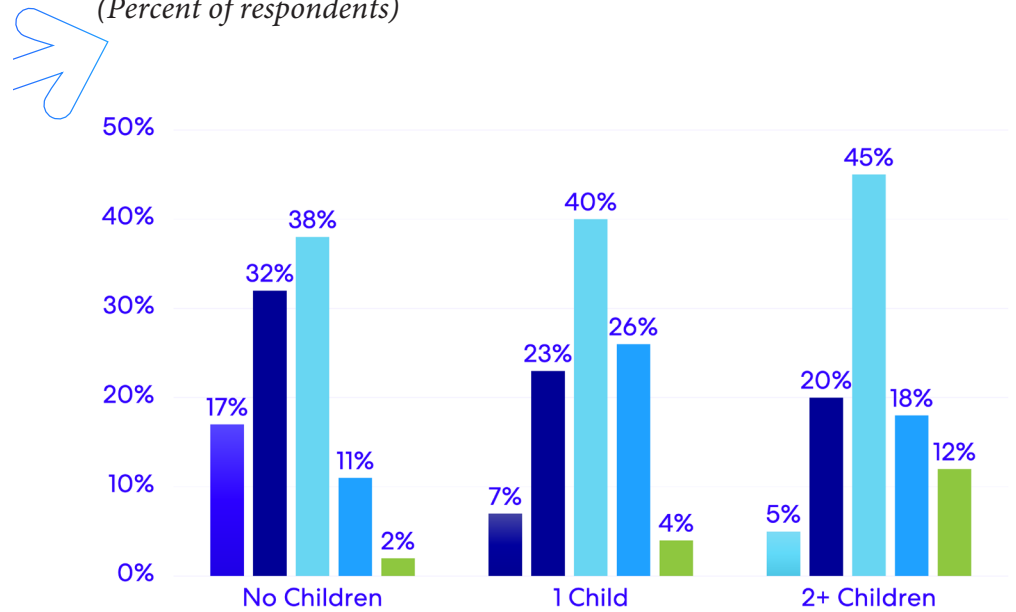


Source: Achieve Center for Consumer Insights

# Americans Plan for Subdued Holiday Spending Amid Economic Uncertainty

While most households with children plan on keeping gift buying below \$500, families with one child were slightly more likely to spend between \$501 and \$1,000 on gifts than families with two or more kids. However, those larger families were more likely to spend over \$1,000 on gifts than households with one or no children. Meanwhile, nearly half of households with no children plan on spending \$100 or less on gifts.

What amount do you plan on spending on gifts this year? (Percent of respondents)



Source: Achieve Center for Consumer Insights

## Few Americans Save Up for the Holidays

Only 14% of Americans say they have separate savings for holiday expenses, while one in five consumers wish they made a dedicated savings plan for the holidays. Not surprising, only 28% said they consider themselves a saver when it comes to giving gifts, with most (63%) saying their holiday gifting habits sit somewhere in between being a saver and spender.



# Americans Plan for Subdued Holiday Spending Amid Economic Uncertainty

## 5 Steps to Building a Holiday Budget

Many people resist making a budget because they think it only serves to restrict spending. Instead, treat your budget as a tool that helps guide spending on the things that are most important to you. Any good budget is built around setting priorities and making realistic goals.

1  
Determine the amount you can spend this year without incurring unnecessary debt.

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2  
Carefully consider and list everything, and everyone, you expect to spend money on during the holiday season. Include gifts, greeting cards, decorations, holiday meals, and year-end tips for service providers. Lastly, don't forget about any upcoming travel expenses, even if you're only traveling across town to visit loved ones.

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3  
Then start listing gift ideas, with prices. You may find you have to modify what gifts you want to buy to avoid going over your budget.

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4  
If the budget looks tight, but you do not want to take someone off your gift list, remember that the gift of time truly can mean much more than a packaged gift.

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5  
Remember what your holiday vision is, and that holidays really were never intended to create financial stress.

## Tips from Achieve

➤ Set expectations and goals for what you and your loved ones want to get out of the holiday season. For many, that means spending time (not money) with family and friends, relaxing and participating in faith traditions and customs.

➤ Focus your planning discussions on the holiday experience you want to create, rather than how you want to rein in spending or eliminate certain activities.

➤ Be ready, in conversations with family, to suggest types of gifts or activities you would like to replace more expensive gifts, parties, etc., with. The idea is not to have a bleak holiday, but a more meaningful and fun holiday.

➤ When it comes to kids, remember that actions speak louder than words. Consider the example you're setting by spending extravagantly and beyond your means, both from the standpoint of good money management habits and what the holidays mean to you and your family.

# How Consumers Will Pay for the Holidays

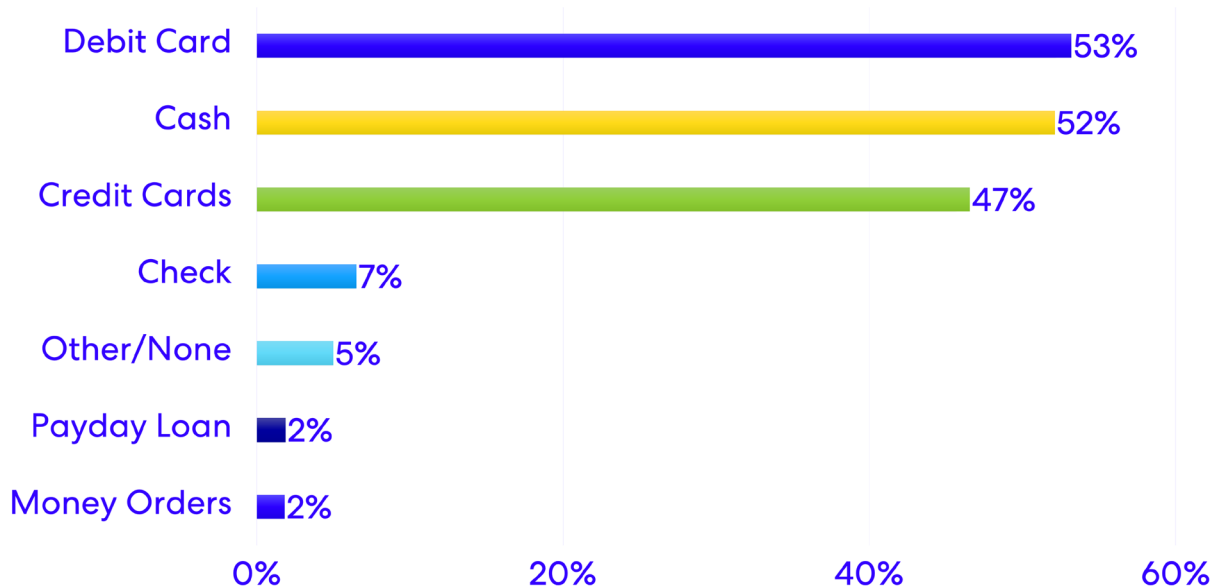
Americans will use a variety of payment methods to buy gifts and make other holiday purchases this year. While over half of respondents expressed a desire to use cash to buy their gifts, the enormous role of online commerce ensures that many consumers will use digital payments as well this holiday season. Most consumers expect to incur only a modest amount of debt during the holidays and believe it won't take long for their finances to recover.

## Payment Preferences

Consumers plan on using a combination of methods to pay for holiday spending on gifts, new outfits, food and entertainment. But most will rely on available funds accessed from their bank accounts, supplemented by spending on credit cards. Other payment methods, like payday loans and money orders, have a minimal role in most consumers' holiday purchases. While overall use of paper checks is minimal, a surprising 9% of Millennials expect to use them, compared to just 4% in both the Gen X and Baby Boomer generations.

**While overall use of paper checks is minimal, a surprising 9% of Millennials expect to use them, compared to just 4% in both the Gen X and Baby Boomer generations.**

*How will you pay for your holiday spending?  
(Percent of respondents)*



Source: Achieve Center for Consumer Insights

# How Consumers Will Pay for the Holidays

## When the Bills Come Due

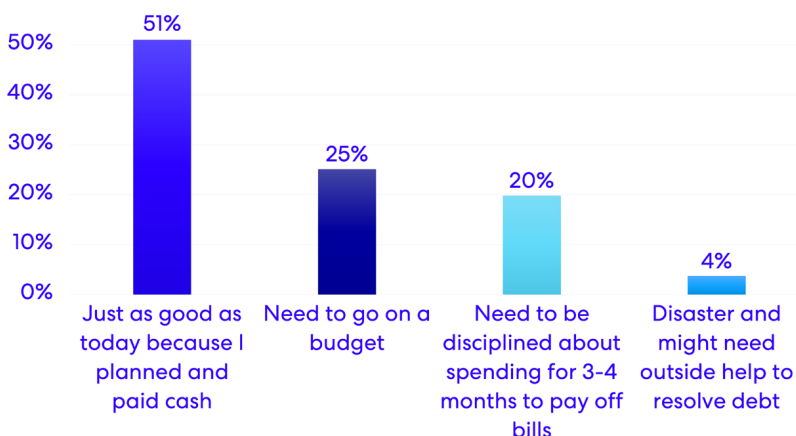
When it comes to covering their holiday expenses, about half of consumers say they will have to tighten the reins on household spending to pay off their holiday spending. However, very few said they think they'll reach the point of severe debt stress and need outside help to resolve their debt. About one in three consumers who expect to incur over \$500 in holiday credit card debt believe it will have a minimal impact on their ability to pay their bills. Not surprisingly, those who expect to rack up over \$5,000 in holiday credit card debt are the most at risk for needing help resolving their debt.

While gift-giving may be subdued, 20% of respondents said they expect their **credit card debt to increase by \$1,000 or more** during the holidays.

Gen Xers (5%) and Millennials (6%) expect that they'll **need help dealing with holiday debt**. Separately, 65% of Baby Boomers — the largest share of any generation — believe they'll keep their spending under control.

Among those who expect to rack up **over \$5,000 in holiday credit card debt**, 17% believe they'll need outside help addressing their debt. Conversely, **just 2% of consumers** who plan on putting less than \$500 on their credit cards believe they'll need the same assistance.

*When the holiday is over, what do you realistically believe your bills will look like?*  
(Percent of respondents)



Source: Achieve Center for Consumer Insights

## Tips from Achieve

➤ If and when you do shop for any gifts, plan your trip beforehand — whether your “trip” is online or off. Decide what stores to visit, what order, and what to shop for at each. For brick-and-mortar stores, shop at less-crowded hours when possible. If you don't feel rushed, you'll be less likely to grab the first item you see and risk overspending.

➤ If you do find yourself with a significant amount of debt after the holidays, changing your habits and lifestyle are likely going to be necessary to get out of debt. It will require reprioritization and belt-tightening and won't be as fun as the holiday shopping was. This may be especially challenging right now for consumers grappling with significant levels of inflation, but it's what is required to get out of debt.

➤ Holiday debt can sometimes be the “straw that broke the camel's back” and push your debt situation to the point where you can't handle paying it off yourself. Depending on your personal situation, your creditors may be willing to offer assistance. Likewise, balance transfers, personal loans and tapping into home equity can be helpful tools to help address debt. For people who are severely struggling, enrolling in a debt resolution program may be an appropriate strategy to overcome a severe financial hardship.



# How Consumers Will Pay for the Holidays

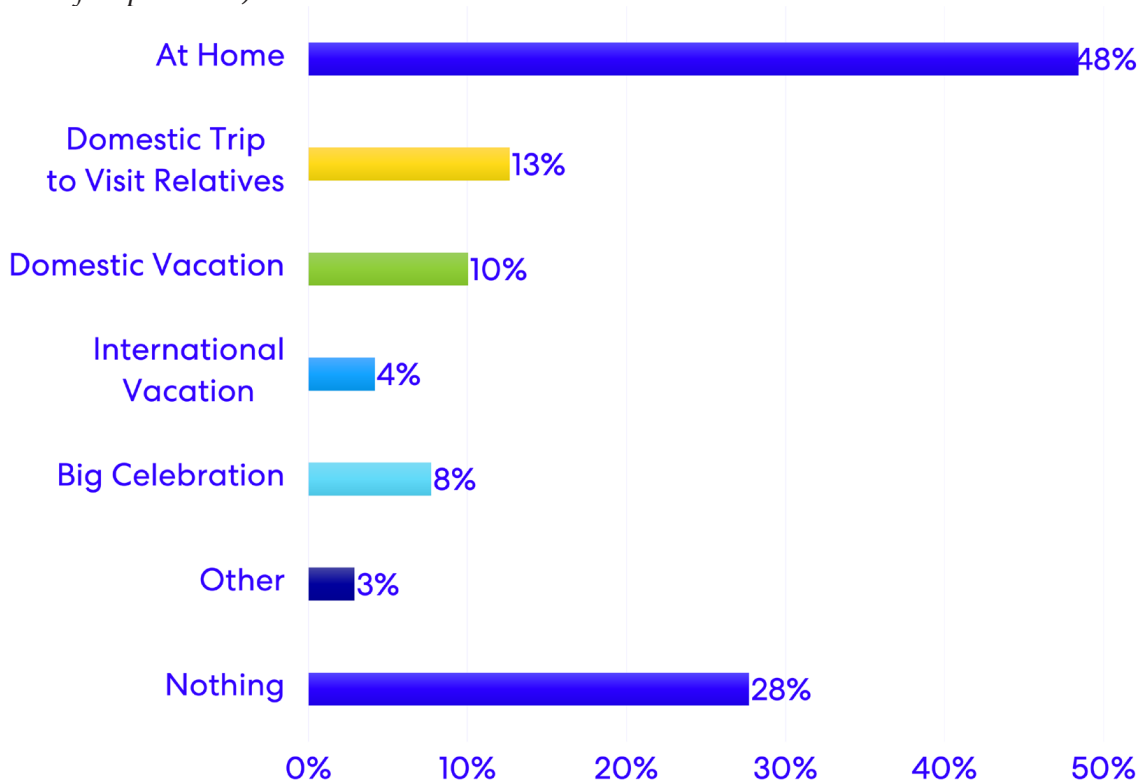
Most Americans are planning low-key holiday celebrations this year, with few going on big trips or taking part in large celebrations. The combination of high gas prices, jam-packed flights and lingering concerns about the potential for a “winter wave” of COVID infections (as was the case when the Omicron variant of the disease struck millions last winter) may all be factors contributing to these preferences. But that shouldn’t put a damper on holiday spirits, as most Americans are looking forward to giving gifts and celebrating with loved ones.

## Staying Local to Celebrate

Nearly half of respondents plan on celebrating at home for the holidays, along with another 28% who said they have no plans this year. Among those who plan to travel, most plan on staying in the United States, typically to visit family. Respondents whose annual household income is over \$100,000 are nearly three times as likely to take a domestic vacation this holiday season than those with incomes under \$100,000.

**Respondents whose annual household income is over \$100,000 are nearly three times as likely to take a domestic vacation this holiday season.**

*Which of the following are part of your plans for the holidays?  
(Percent of respondents)*



Source: Achieve Center for Consumer Insights

# Staying Home for the Holidays

## Who's Got the Most Holiday Spirit?

Americans' feelings toward gift-giving customs reflect a mixed bag of emotions. About one in three genuinely enjoy selecting and giving gifts to loved ones and friends, compared to one in 10 who said they don't like to spend on gifts. Meanwhile, 11% of respondents said they don't even like receiving gifts.

About one in four consumers who saw their household income increase over the past year plan on spending more than \$500 on holiday gifts, while those with no change to their household incomes were more likely to not buy gifts at all than those who saw a change in income.

## Feelings about gift giving vary by age, gender and relationship status

Baby Boomers were most likely to say they **don't enjoy giving gifts**, while Millennials and Gen Z were most likely to call themselves **generous and thoughtful**.

Women were about twice as likely as men to say they put significant effort into **picking out gifts**.

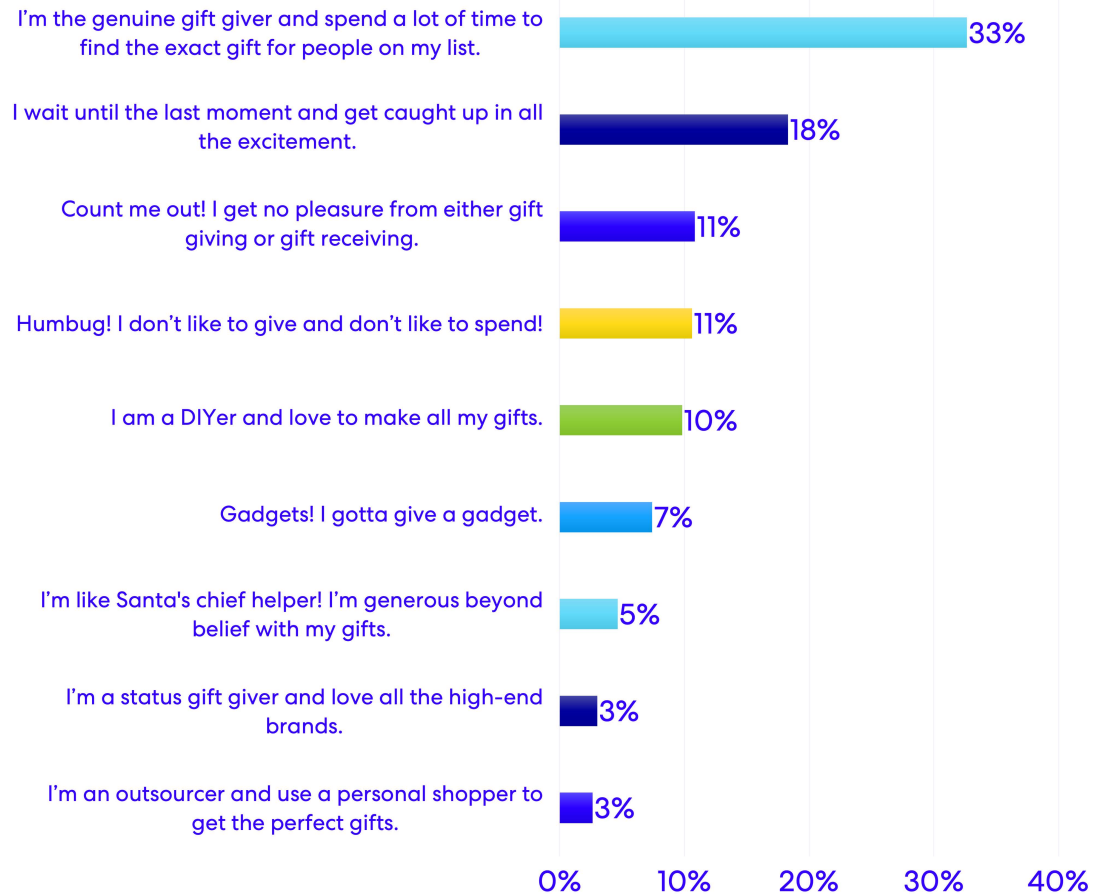
Men were nearly three times more likely to say they enjoy **giving tech gadgets** than women.

**Married respondents were more likely to consider themselves last-minute shoppers than consumers who are single; engaged/living with a partner; or divorced/widowed.**



# Staying Home for the Holidays

How much joy and excitement do you get from shopping for holiday gifts?  
(Percent of respondents)



Source: Achieve Center for Consumer Insights

## Tips from Achieve

- ⇒ Being at home for the holidays can also extend to your grocery shopping. Seasonal and local produce and other groceries can often be less expensive than out-of-season products shipped to stores from other regions. Plus, you'll be supporting local farmers in your community.
- ⇒ Plan out holiday meal routines and right-size recipes to ensure that you don't make so much food that it winds up going to waste. Also, think about how many days you and your family will *actually* want to eat leftovers and plan for that before heading to the grocery store.
- ⇒ Avoid getting caught up in giving gifts based on what other people think they should get. It's easy to get caught in the habit of giving what family members believe they deserve, a gift equal to what a friend gave you last year — all of which can easily spur you to overspend.
- ⇒ Holiday bonus tips are a great way to thank people for their service during the year, but only if you can afford to do so. It's perfectly acceptable to say thank you with a handwritten note. In fact, many service professionals are limited, or outright prohibited, from accepting gifts.