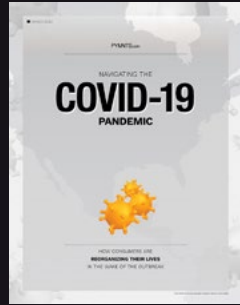
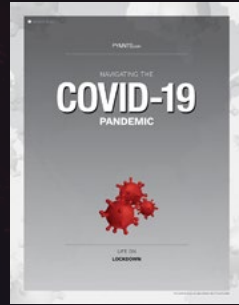


NAVIGATING THE COVID-19 PANDEMIC



MARCH 18
How Consumers Are Reorganizing Their Lives In The Wake Of The Outbreak



MARCH 26
Life On Lockdown



APRIL 9
How The Paycheck-To-Paycheck Economy Is Beginning To Buckle

MAIN STREET ON LOCKDOWN



APRIL 2
How SMBs Are Coping With The Economic Fallout Of COVID-19



APRIL 16
The COVID-19 Cash Chasm

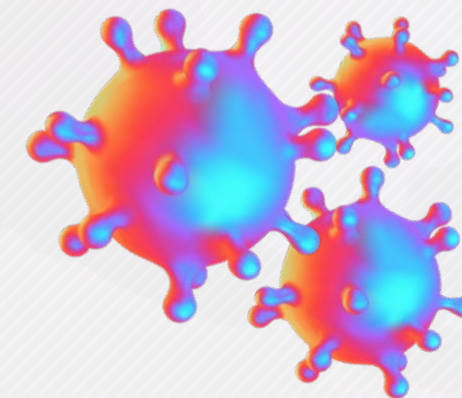
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■ APRIL 2020

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NAVIGATING THE
COVID-19
PANDEMIC



THE POST-PANDEMIC
RESET

TABLE OF CONTENTS

02

INTRODUCTION

03

PART I
PRIORITIES

11

PART II
ACTIVE AT HOME

23

PART III
UNEMPLOYMENT ANXIETIES

29

CONCLUSION

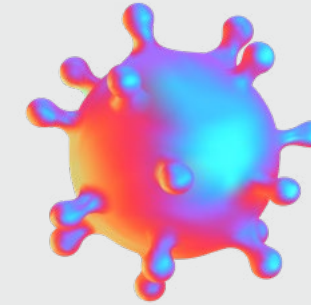
30

METHODOLOGY

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INTRODUCTION



California Gov. Gavin Newsom issued the first statewide stay-at-home order in the United States on March 19, 15 days after he declared a state of emergency in response to the COVID-19 pandemic.¹ Other states quickly followed suit, with all 50 of them issuing some guidelines on social distancing and working from home as well as discouraging all nonessential activity by April 20. Life in America remains on lockdown, but questions are mounting regarding when the pandemic will end, when consumers will finally be free to leave their homes and when the economy can be safely reopened.

Our research suggests that COVID-19's impacts will likely be felt long after the threat of infection subsides and the economy has been reopened. Just half of consumers say

they intend to return to their pre-pandemic routines once the outbreak has passed, with most others saying they plan to more frequently work from home, spend less time visiting restaurants and shop online more often. With this many consumers hesitant to go back to business as usual, what would a post-pandemic world look like?

PYMNTS began conducting a series of surveys on March 6 to track the pandemic's impacts on U.S. consumers, and we have gathered responses from more than 8,000 individuals to date. The Navigating The COVID-19 Pandemic: The Post-Pandemic Reset edition focuses on the responses of a census-balanced panel of 2,000 U.S. consumers on April 11 to learn how fears, priorities and spending habits have shifted as the pandemic progresses.

THIS IS WHAT WE LEARNED.

¹ Mervosh, S.; Lu, D.; Swales, V. See which states and cities have told residents to stay at home. The New York Times. 2020. <https://www.nytimes.com/interactive/2020/us/coronavirus-stay-at-home-order.html>. Accessed April 2020.

PRIORITIES

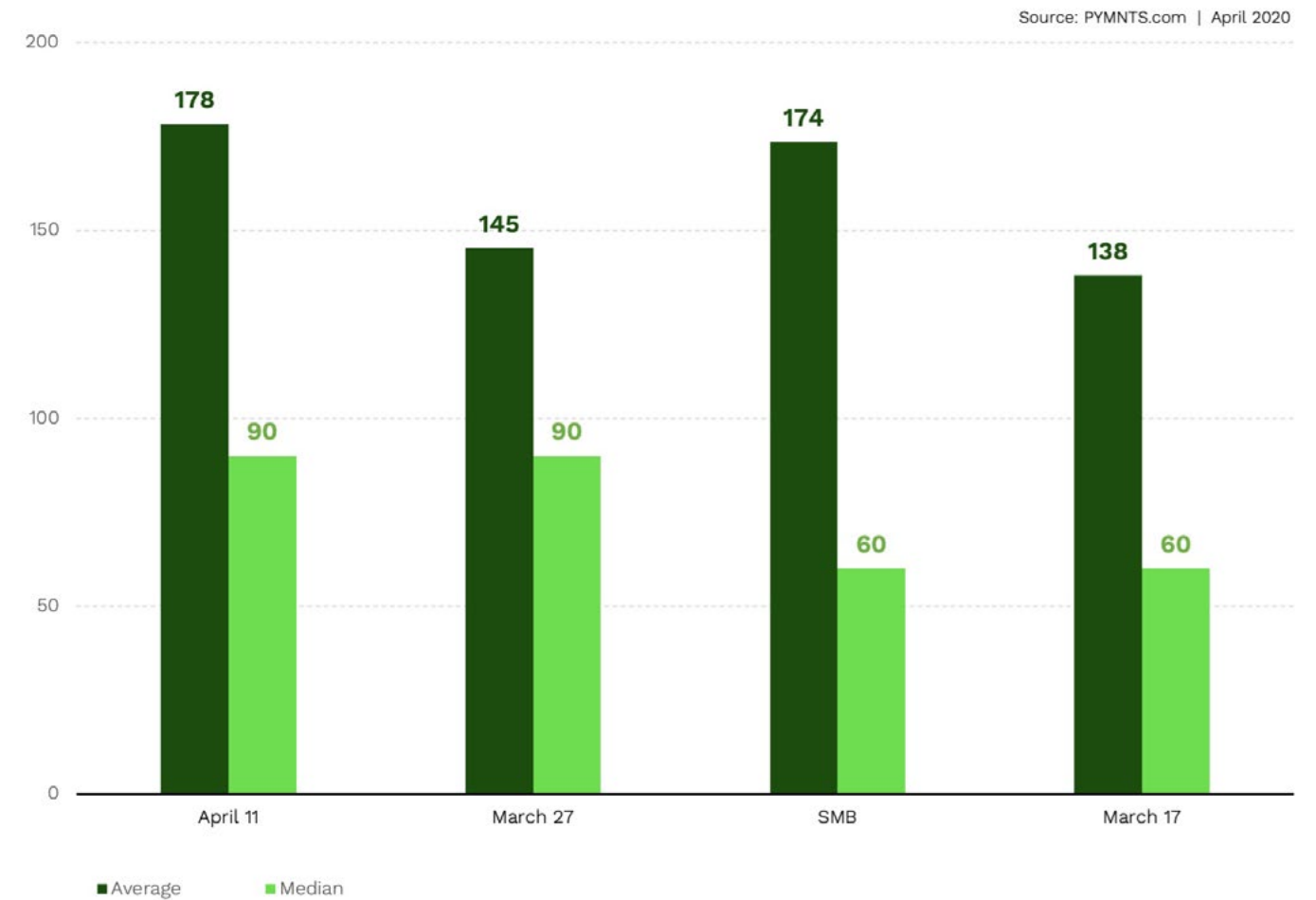
THE AVERAGE CONSUMER EXPECTS THE PANDEMIC TO LAST UNTIL OCTOBER.

It has been five weeks since the World Health Organization (WHO) declared COVID-19 a pandemic, but consumers now feel the end is even further away. Our research shows that 44.7 percent of all consumers expected the pandemic to last six months or longer on April 11. This compares to 32.9 percent who believed it would last six months or longer on March 27 and 30.6 percent who believed the same on March 17.

This increase is even more apparent when we look at how long consumers believed the pandemic would last. The average consumer now expects the pandemic to last for another 178 days — almost six months — until Oct. 6. This is up from the 145 days and 138 days they believed it would last on March 27 and March 17, respectively, underscoring consumers' increasing pessimism about how long the crisis will continue to affect their daily lives.



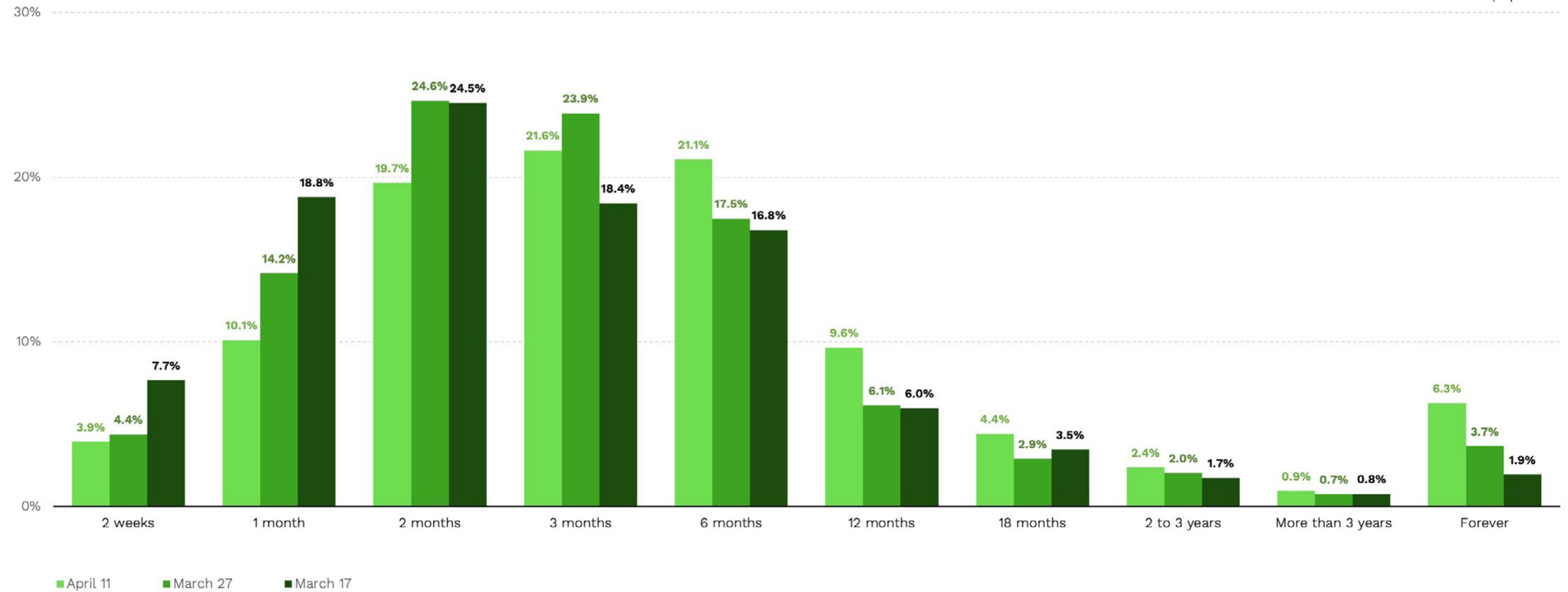
FIGURE 1: HOW LONG CONSUMERS BELIEVE THE PANDEMIC WILL LAST
Number of days they expect the pandemic to last, average versus median



PRIORITIES

FIGURE 2: HOW LONG CONSUMERS BELIEVE THE PANDEMIC WILL LAST
Share who believe the pandemic will last for a select amount of time

Source: PYMNTS.com | April 2020



PRIORITIES

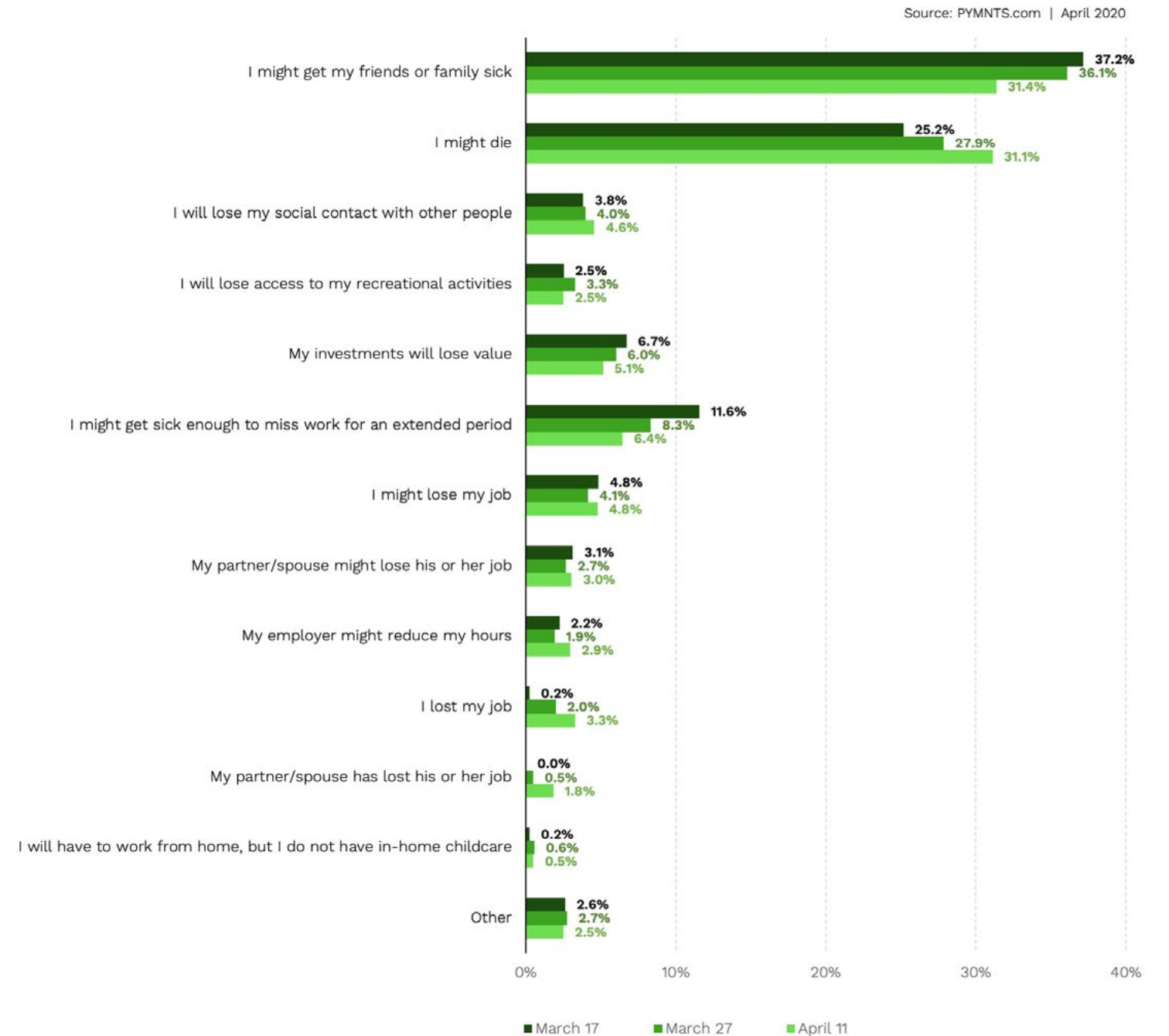
CONSUMERS ARE OVER SIX TIMES MORE CONCERNED ABOUT THEIR HEALTH THAN THEY ARE ABOUT LOSING THEIR JOBS.

Consumers are growing less concerned that they might infect others and more concerned that they might die. The share of consumers who cite infecting others as their primary concern has decreased steadily from 37.2 percent on March 17 to 31.4 percent on April 11. Meanwhile, an increased portion cited a fear of dying, with the share who reported this as their main concern increasing from 25.2 percent on March 17 to 31.1 percent on April 11.

Consumers are also growing less concerned about missing work due to illness and watching their investments decrease in value. Our research reveals that only 6.4 percent of consumers cited missing work because of illness as their top concern on April 11, down from the 11.6 percent who said it was on March 17. The share of consumers who feared their investments would lose value also continued to drop, falling from 6.7 percent on March 17 to just 5.1 percent on April 11.



FIGURE 3: CONSUMERS' BIGGEST CONCERNS ABOUT THE COVID-19 PANDEMIC
Share who cited select factors as their primary concerns, by date



PRIORITIES

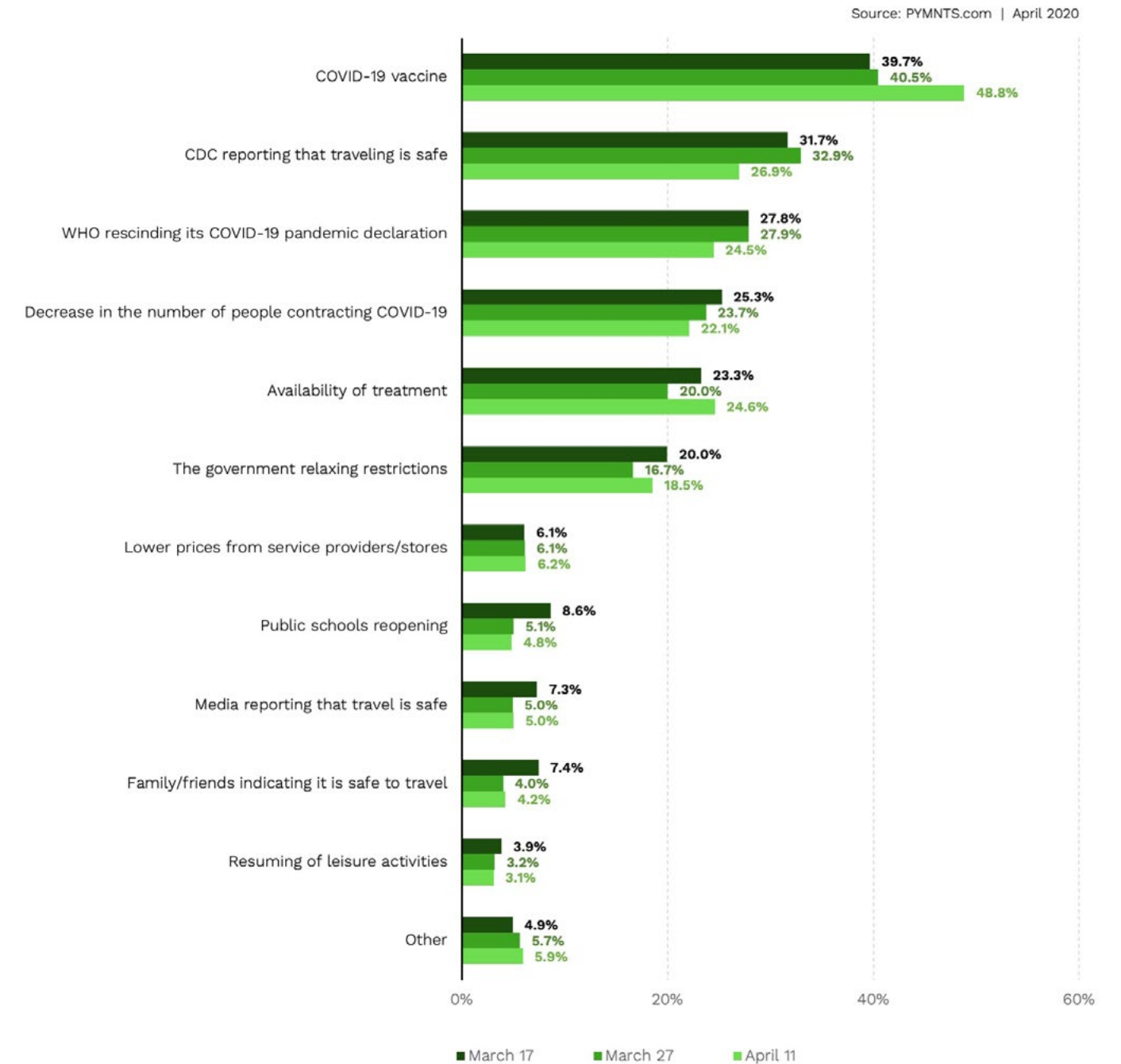
**ALMOST HALF OF ALL CONSUMERS SAY
A COVID-19 VACCINE WOULD NEED
TO BE AVAILABLE BEFORE THEY WOULD
FEEL SAFE RETURNING TO THEIR ROUTINES.**

More consumers now say they would want a vaccine to be available before they would feel comfortable resuming their normal lives. Our analysis shows that 48.8 percent of consumers required a vaccine to be available before they would return to their routines, up from 40.5 percent on March 27 and 39.7 percent on March 17.

Consumers were also less inclined to say they needed the WHO to rescind its pandemic declaration than they were in previous surveys. PYMNTS' research revealed that just 24.5 percent of consumers would want the WHO to rescind its COVID-19 pandemic declaration before they would feel comfortable returning to their normal activities. The share reporting this was down from 27.9 percent on March 27 and from 27.8 percent on March 17.



FIGURE 4: WHAT CONSUMERS NEED TO FEEL COMFORTABLE RETURNING TO THEIR ROUTINES
Share who said select events needed to occur before they would feel comfortable returning to their normal lives



ACTIVE AT HOME

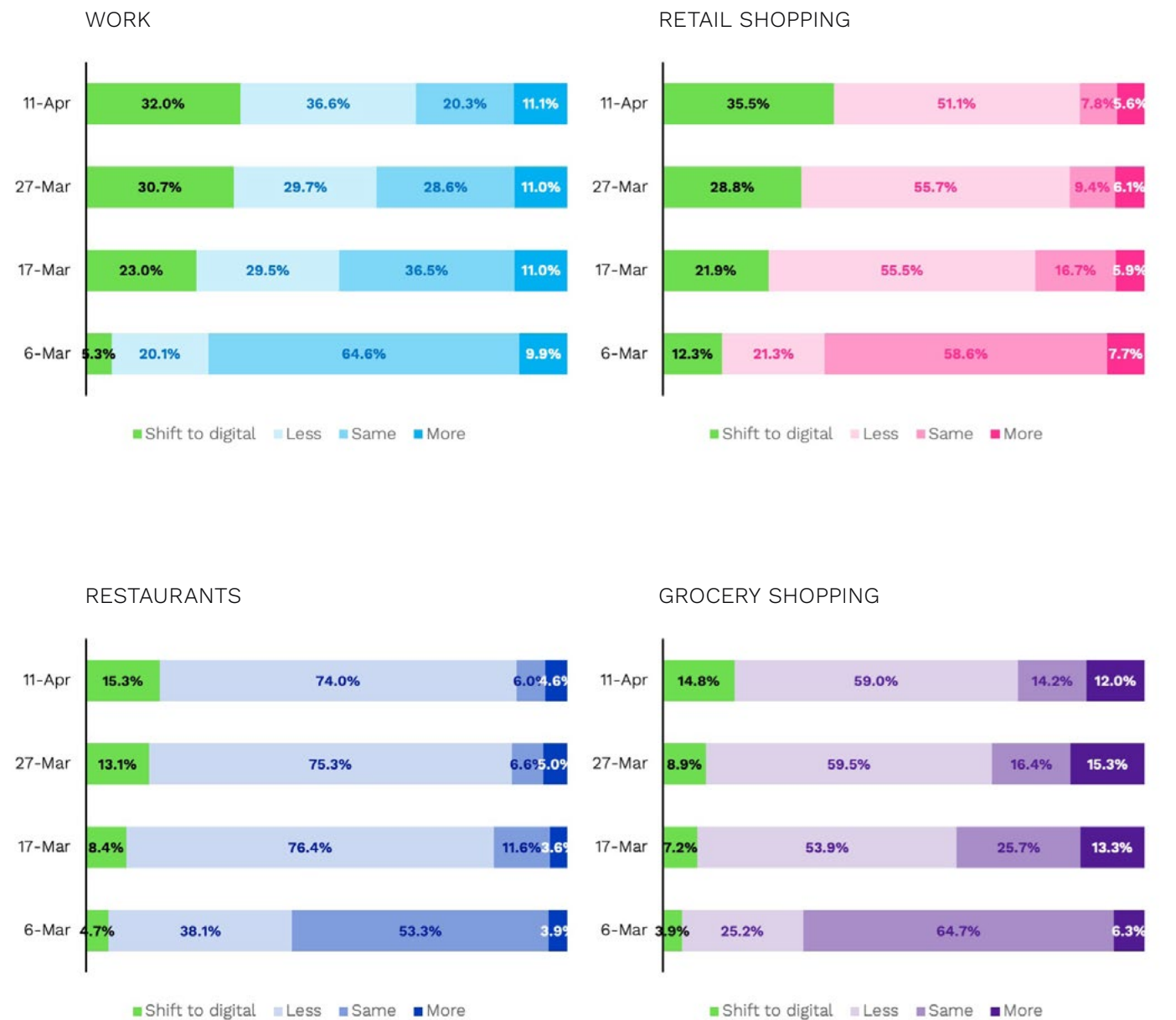
CONSUMERS ARE TURNING TO ONLINE SERVICES TO MANAGE THEIR LIVES FROM HOME.

The ongoing COVID-19 pandemic is affecting how often consumers take part in routine activities as well as their approaches to such events. Our research shows that 36.6 percent of consumers who were still working on April 11 reported that they were doing so less often than they did before the pandemic. This was an increase from our findings from March 27, March 17 and March 6: 29.7 percent, 29.5 percent and 20.1 percent, respectively. Consumers were also working online more than before, as 32 percent of those who were working as of April 11 said they did so remotely. We found that 30.7 percent were working at home on March 27, 23 percent said they were doing so on March 17 and 5.3 percent reported doing so on March 6.

The activity consumers curtailed the most was ordering food from restaurants. PYMNTS found that 74 percent of consumers who were still purchasing food from restaurants as of April 11 were doing so less often than they had on March 6. Another 15.3 percent reported buying just as much from restaurants on April 11 as they did on March 6, but they had been ordering online rather than dining on-site.

FIGURE 5: HOW CONSUMERS' ROUTINES HAVE CHANGED SINCE THE PANDEMIC BEGAN
Share who have changed how they engage in activities in select ways since the outbreak

Source: PYMNTS.com | April 2020



ACTIVE AT HOME

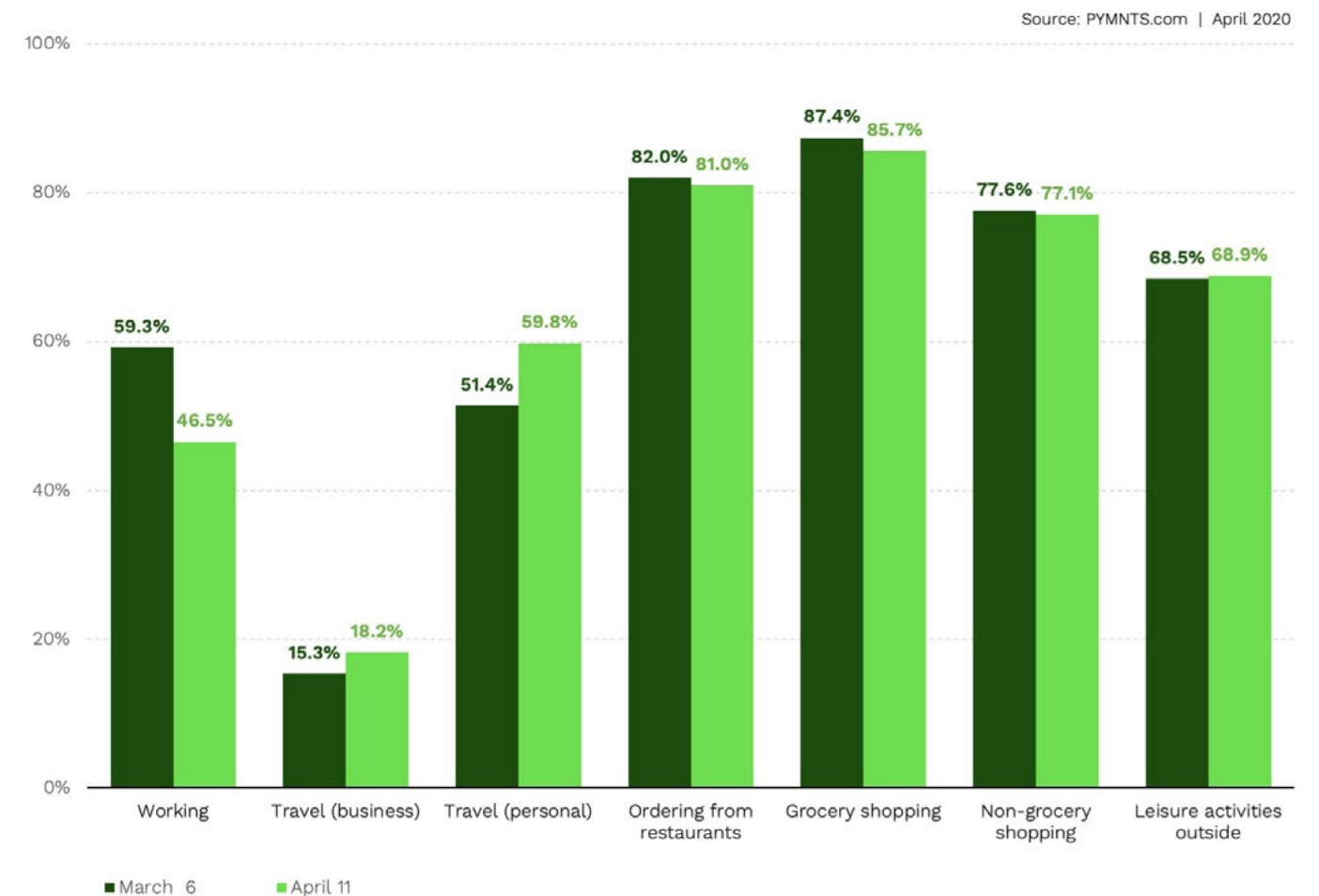
CONSUMERS ARE ENGAGING IN ALL OF THEIR ROUTINE ACTIVITIES — ESPECIALLY WORK — LESS THAN THEY DID BEFORE THE PANDEMIC.

Consumers are engaging in their routine activities less frequently than they did a month ago. What is remarkable is not necessarily how much consumers have cut back on such activities, but how consistently they have done so. Our survey reveals that 85.7 percent of consumers reported shopping for groceries on April 11, for example, compared to 87.4 percent who did so on March 6. We also found that 81 percent of consumers were ordering from restaurants as of April 11, down from 82 percent on March 6. These differences may not appear large, but they translate to 4.5 million fewer people shopping for groceries and 2.5 million fewer ordering food from restaurants.

Consumers' work routines seem to have experience the most drastic changes since the pandemic began, however. Our research shows that only 46.5 percent of consumers — about 118.2 million people — were working or earning incomes on April 11. That figure was down from March 6, when 59.3 percent — 158.1 million people — were working.¹ This means that 39.9 million people had lost their jobs in the span of just over one month.

² Author unknown. Employment situation news release. United States Bureau Of Labor Statistics. 2020. https://www.bls.gov/news.release/archives/empst_03062020.htm. Accessed April 2020.

FIGURE 6: CONSUMERS' ACTIVITIES BEFORE AND AFTER THE PANDEMIC BEGAN
Share engaging in select activities, by date



ACTIVE AT HOME

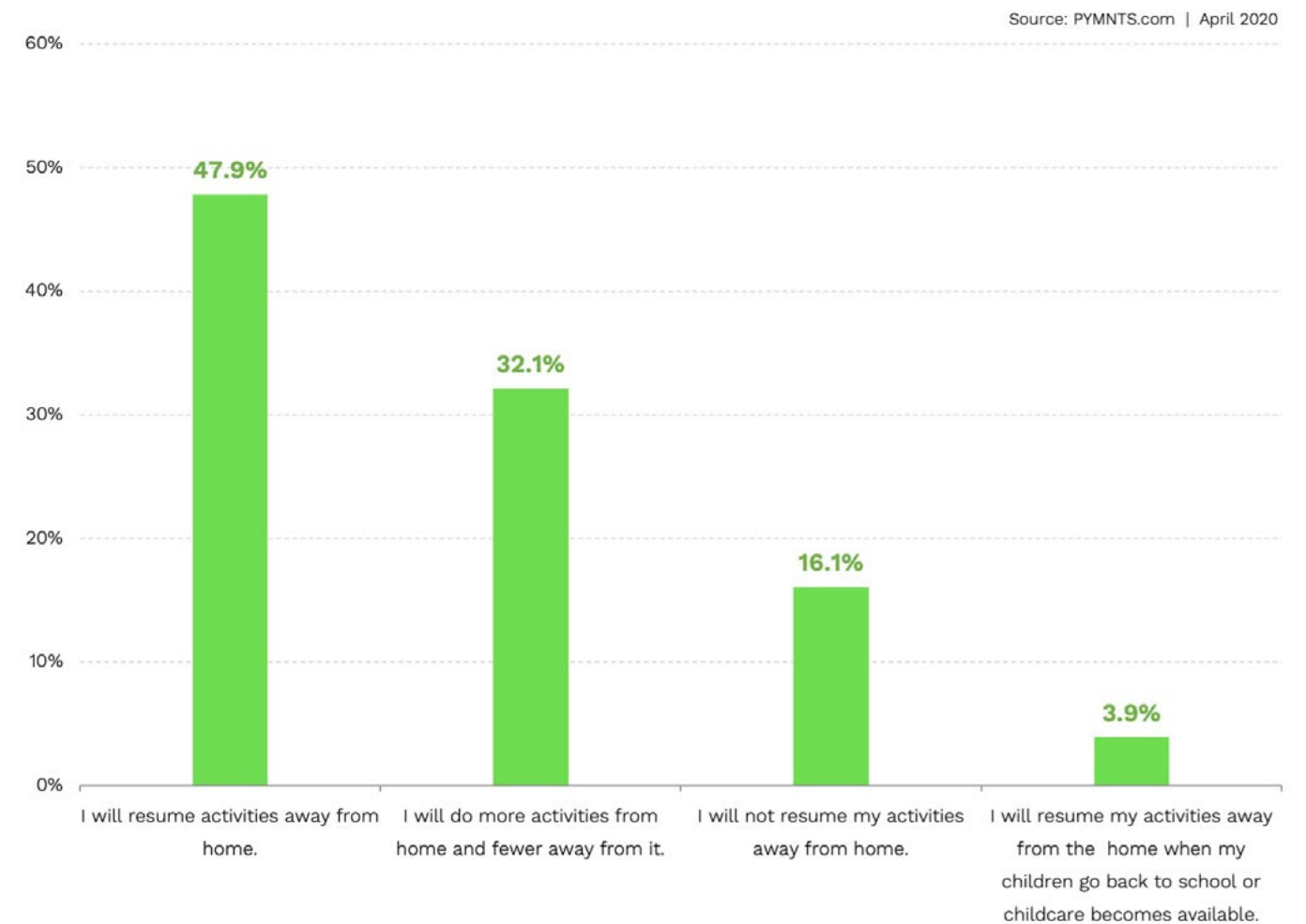
HALF OF CONSUMERS DO NOT BELIEVE THEIR LIVES WILL RETURN TO NORMAL AFTER THE PANDEMIC.

Many consumers believe the pandemic has forever altered their daily lives, with 47.9 percent of them expecting to resume their normal activities once it is over. Another 32.1 percent say they will perform more activities at home and fewer activities away from home than before, and 16.1 percent say they will not resume any of their pre-outbreak activities once the pandemic has passed.

Consumers' likelihood of returning to their routines also varies by generation. Millennials are the most likely to plan to resume their normal routines after the pandemic ends, with 53.1 percent reporting an intention to do so. The second-most and third-most likely groups to say this were Generation Z consumers and bridge millennials, with 49.8 percent and 49.2 percent doing so, respectively.

Baby boomers and seniors are the least likely demographic say they planned to go back to their routines after the pandemic ends, reporting they would prefer to do more activities from home.

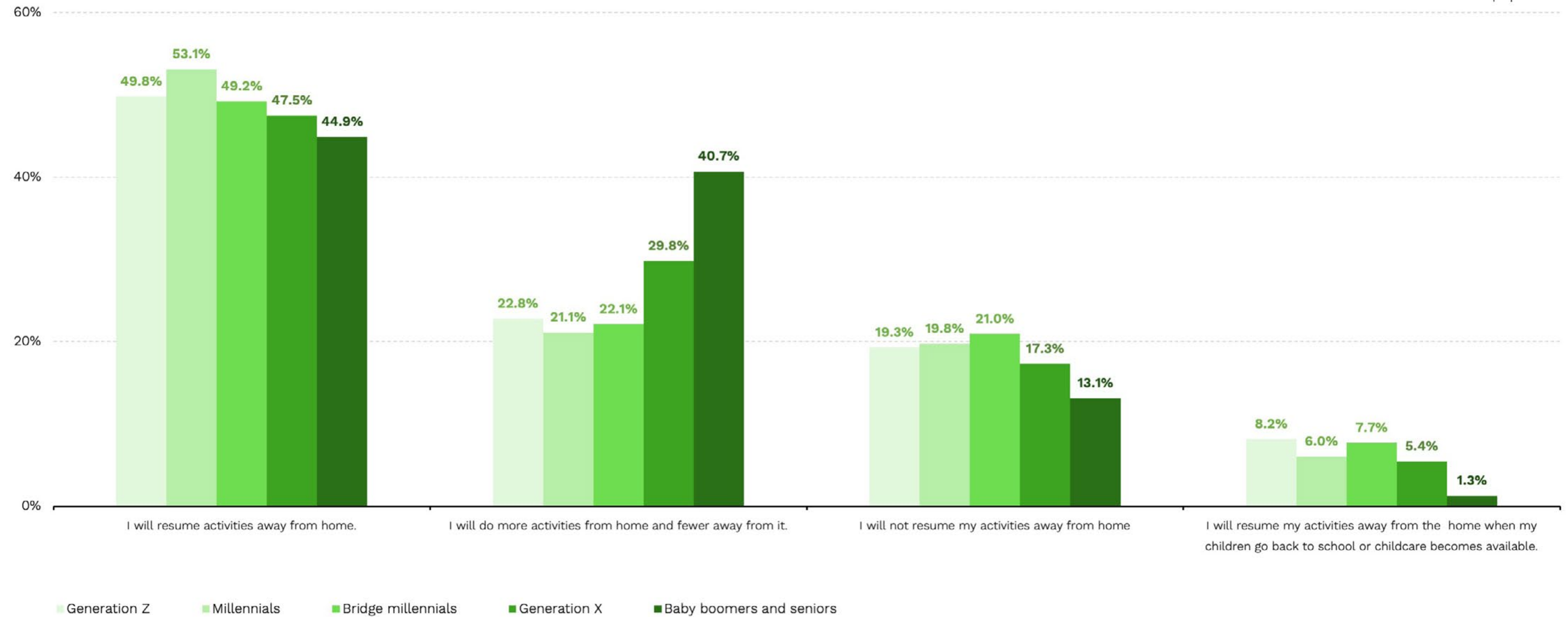
FIGURE 7: CONSUMERS' WILLINGNESS TO RETURN TO PRE-PANDEMIC ACTIVITIES IN A POST-PANDEMIC WORLD
Share who plan to return to their normal activities when the pandemic ends



ACTIVE AT HOME

FIGURE 8: CONSUMERS' WILLINGNESS TO RETURN TO PRE-PANDEMIC ACTIVITIES IN A POST-PANDEMIC WORLD
Share who plan to return to their normal activities when the pandemic ends, by generation

Source: PYMNTS.com | April 2020





ACTIVE AT HOME

MILLIONS OF CONSUMERS PLAN TO CONTINUE WORKING AND SHOPPING ONLINE EVEN AFTER THE PANDEMIC ENDS.

Many consumers who have gone online to work and shop since they began life on lockdown find digital work and eCommerce to be acceptable substitutes for face-to-face interactions – and they intend to keep their activities online after stay-at-home measures are lifted. Estimates based on PYMNTS’ research reveal that roughly 66.5 million consumers have switched from working in offices to working remotely, as 43.6 million intend to go back to the office when the pandemic ends, while 22.9 million plan to use digital channels to work remotely. We also estimate that 35.8 million consumers who have begun working less since the pandemic began will return to their normal employment schedules, 19.4 million will work more from home when it is over and another 10.1 million will not go back to work away from home.

Social distancing is affecting consumers’ personal lives as well as their work habits. Projections based on our research find that 53.6 million of the 156.6 million consumers who were eating at restaurants less often than before the pandemic planned to place restaurant orders from home more often and that 24.7 million will simply not dine at restaurants at all once the pandemic ends. This means that the restaurant industry’s struggle to recover could last far longer than the pandemic.

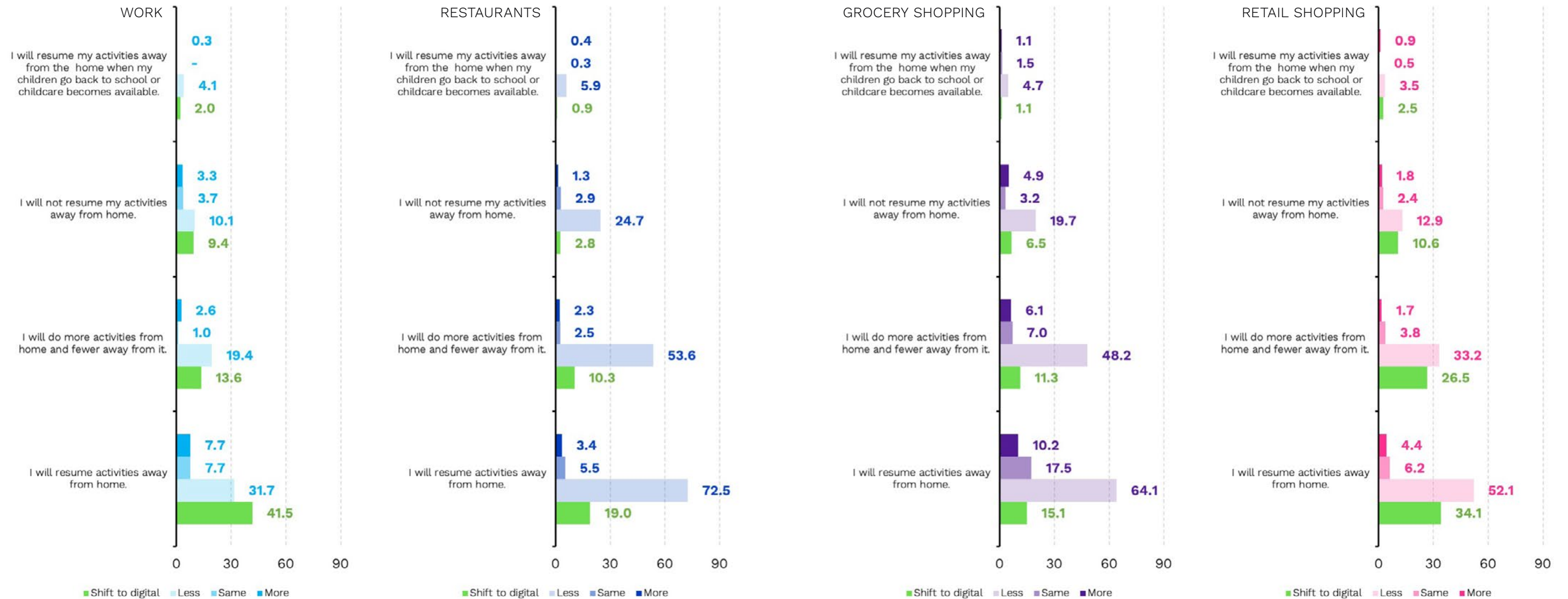
Even consumers’ grocery shopping routines could change significantly. Our research shows that 136.6 million consumers reported on April 11 that they shopped less often than they did before the outbreak, and 48.2 million of these shoppers planned to go grocery shopping less often than they had in the past once the pandemic is over. Another 19.7 million said they would simply not go back to shopping for groceries in stores.

We see a similar pattern when it comes to nongrocery shopping, though consumers are more likely to shop online once the pandemic ends. Our research shows that 33.2 million consumers who had been shopping for retail products less often and 26.5 million who had moved their retail shopping online since the pandemic began said they would go out to shop less frequently once the outbreak finally comes to a close.

ACTIVE AT HOME

FIGURE 9: HOW CONSUMERS' BEHAVIORS MAY CHANGE IN THE AFTERMATH OF THE PANDEMIC
 Number who would take select actions regarding their activity routines after the pandemic, in millions

Source: PYMNTS.com | April 2020



UNEMPLOYMENT ANXIETIES

EMPLOYMENT RATES FELL IN ALL INDUSTRIES EXCEPT THE INFORMATION SECTOR.

The Bureau Of Labor Statistics reports that 159 million people were employed in the U.S. in February 2020, representing approximately 63 percent of the country's adult population.² Our research suggests that the employment rate dropped to 59.3 percent by March 6 and to 51.7 percent by March 27. Only 40.9 percent of consumers reported having jobs or earning incomes by April 11.

Many workers who have kept their jobs have received pay cuts. PYMNTS' research shows that 29.2 percent of consumers who were still employed as of April 11 had experienced an income decrease since the pandemic began. Consumers in lower income brackets saw the largest pay cuts on average, with 42.1 percent of those earning less than \$10,000 per year and 41 percent of those earning between \$10,000 and \$24,999 annually earning less pay since the pandemic began. Even consumers earning more than \$150,000 per year were likelier to see pay cuts than salary increases, with 24.6 percent of respondents in that income bracket saying their income had decreased since the pandemic's onset.

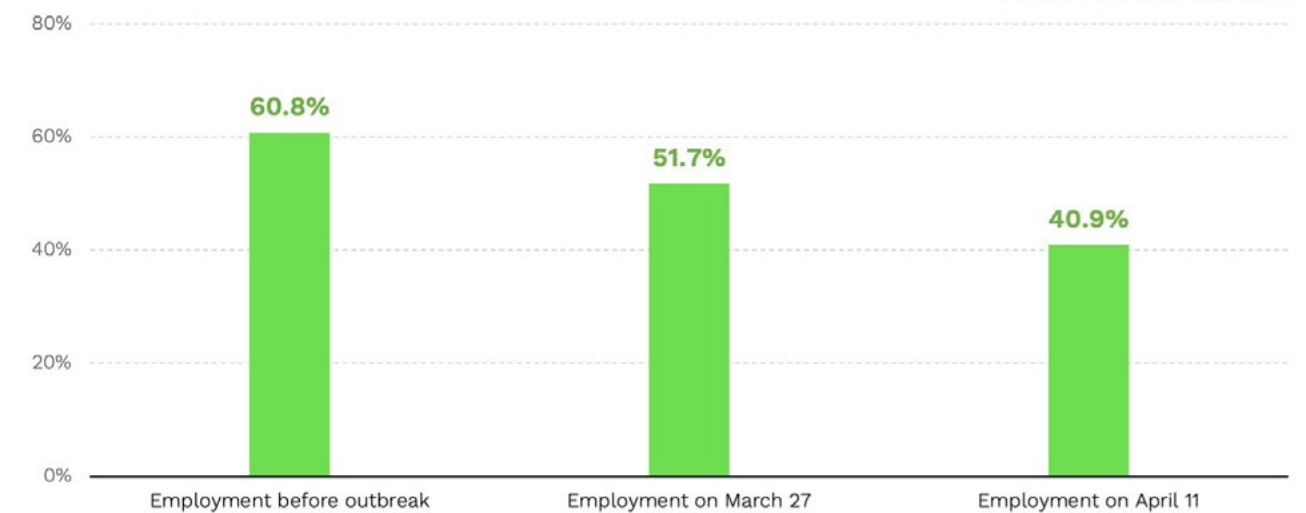
² Author unknown. Employment situation news release. United States Bureau Of Labor Statistics. 2020. https://www.bls.gov/news.release/archives/empst_03062020.htm. Accessed April 2020.



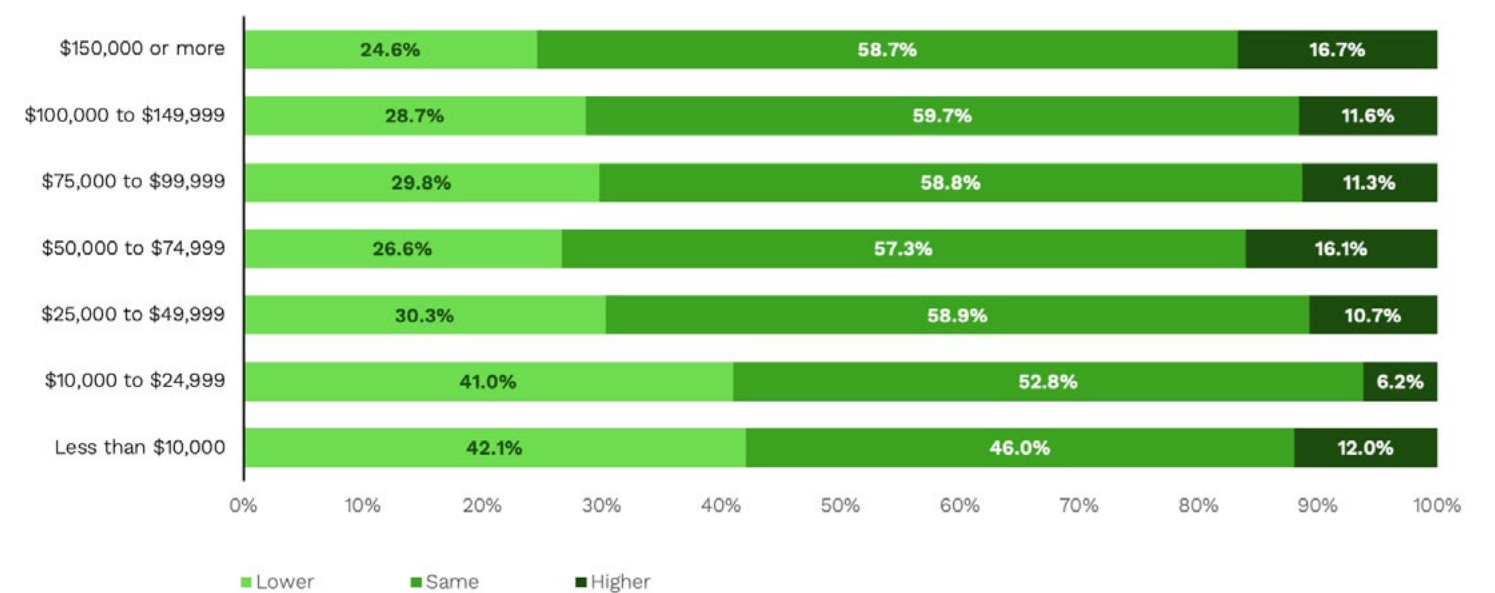
FIGURE 10: HOW EMPLOYMENT RATES AND INCOME LEVELS HAVE CHANGED OVER TIME

Share of consumers who reported being employed before and after the pandemic, by date

Source: PYMNTS.com | April 2020



Share of consumers whose incomes had increased or decreased since the pandemic began, by income level



UNEMPLOYMENT ANXIETIES

THE EMPLOYMENT RATE IS DROPPING THE FASTEST IN THE FOOD SERVICES INDUSTRY AND SLOWEST IN THE REAL ESTATE SECTOR.

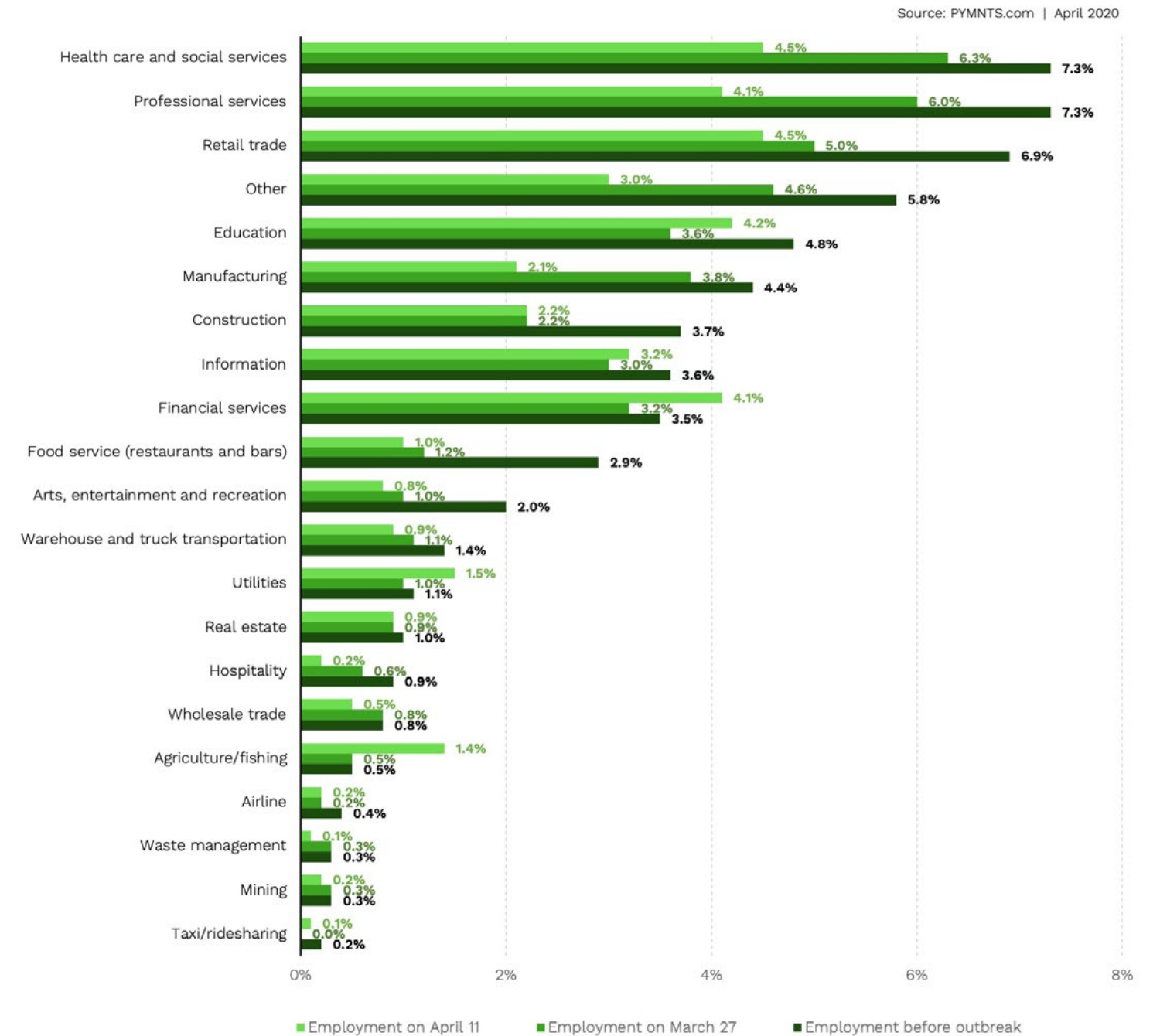
Consumers who work in the food services sector are losing their jobs faster than those in any other industry. Our research shows that 2.9 percent of consumers who were employed before the pandemic worked in the food services industry. This compares to 1.2 percent who worked in the sector as of March 27 and just 1 percent who did so by April 11 – meaning the food services industry has seen a 64.5 percent drop in employment since the pandemic began.

We saw the opposite trend developing in the real estate sector. Our research showed that the share of employed consumers working in the real estate sector went unchanged between March 27 and April 11, holding steady at 0.9 percent. This compared to 1 percent who had worked in the industry before the pandemic began, meaning that the real estate industry had seen a roughly 10 percent dip in employment in the wake of the pandemic.

Not all industries are facing decreased employment rates, however. There are several – including the agricultural and fishing sectors, as well as the financial services sphere – that employed more workers on April 11 than on either March 27 or March 17.



FIGURE 11: EMPLOYMENT RATES ACROSS ALL SECTORS OVER TIME
Share of consumers who had worked in select sectors, by date



UNEMPLOYMENT ANXIETIES

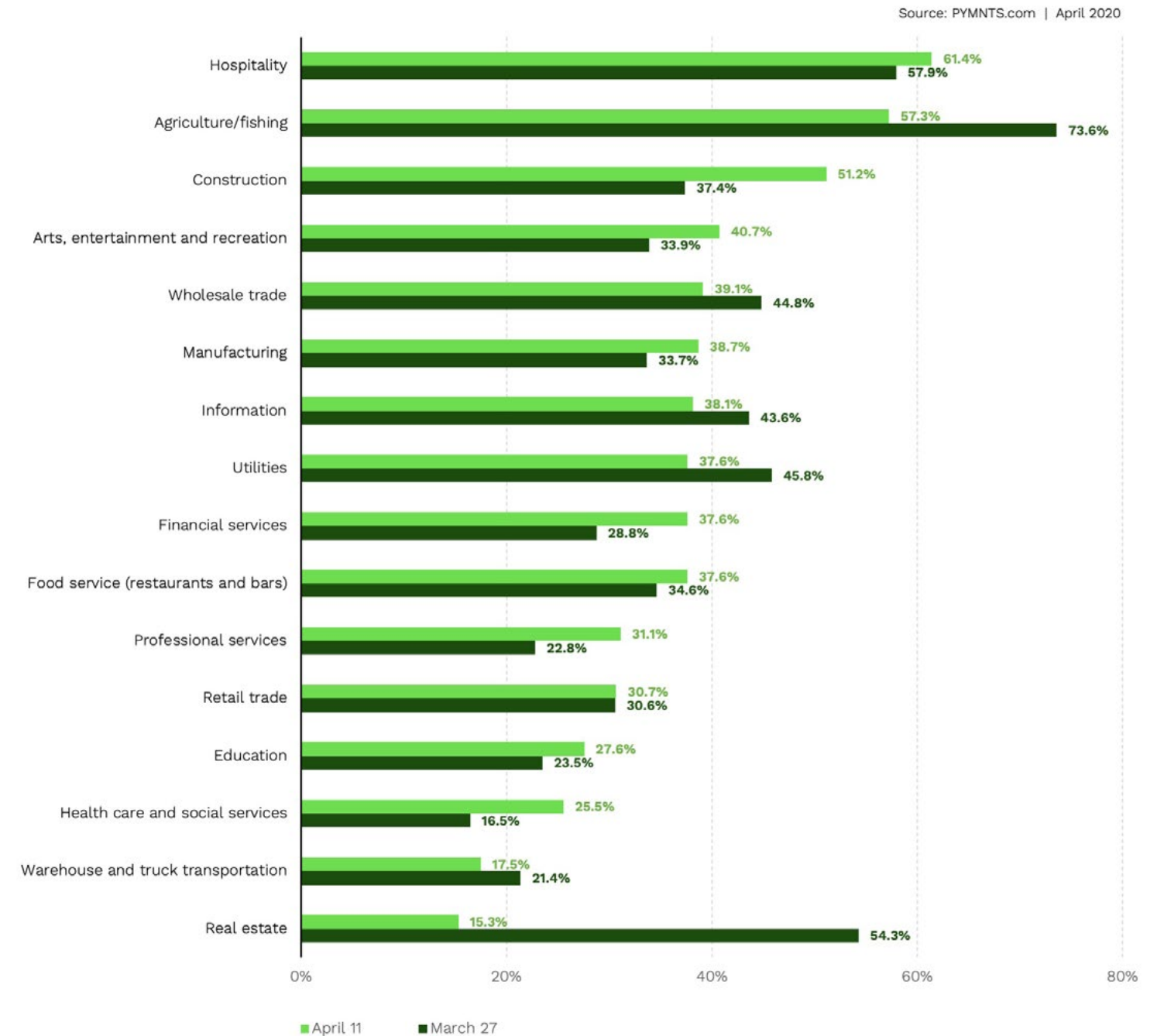
WORKERS IN EVERY INDUSTRY FEAR THEIR JOBS MAY BE AT RISK.

Consumers are becoming increasingly anxious about losing their jobs as employment rates continue to drop. Work-related anxiety was highest among hospitality workers, with 61.4 percent stating they were worried about losing their jobs. Workers in the agricultural and fishing industries were the second-most likely to report being worried about job loss, with 57.3 percent saying so.

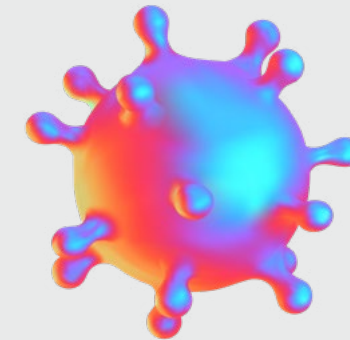
Warehouse and truck transportation workers were among the least concerned about losing their jobs on both March 27 and April 11. Our research shows that the share of warehouse and truck transportation industry workers who were worried about losing their jobs decreased from 21.4 percent to just 17.5 percent between March 27 and April 11, meaning they felt 18.2 percent more secure in their jobs than they did just two weeks earlier.



FIGURE 12: CONSUMERS' CONCERNS ABOUT PANDEMIC-RELATED JOB LOSS
Share in select industries who were worried about losing work, by date



METHODOLOGY



CONCLUSION

Consumers' priorities are rapidly changing amid the ongoing COVID-19 pandemic, and they now expect it to last longer than they previously did. The outbreak's risks are also growing less abstract and more personal, as consumers show more concern about their own health and job loss and less about their chances of infecting others. These findings underscore individuals' growing anxieties regarding their health and financial stability and helps explain why millions plan to continue their stay-at-home routines long after the pandemic ends. It is therefore increasingly clear that COVID-19 will have long-lasting effects on both the broader U.S. economy and on consumers' psyches.

PYMNTS issued a survey to a census-balanced panel of 2,277 U.S. residents on April 11 as a follow-up to its March 6, March 17 and March 27 surveys, which examined consumers' behavioral changes following the COVID-19 outbreak. Respondents were 48.4 years old on average. We found that 54.3 percent were female, and 22.8 percent held college degrees. We also collected data from inhabitants of every type of residential environment: 18.6 percent of respondents hailed from large, urban areas, 15.1 percent lived in large cities, 20.2 percent were from small towns and 18.2 percent resided in rural areas.

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