New Reality Check: The Paycheck-To-Paycheck Report, a PYMNTS and LendingClub collaboration, seeks to provide a full and accurate picture of consumer finances in the U.S. today. The report is part of a monthly series based on surveys of more than 36,000 U.S. consumers conducted between March 2020 and October 2021.
Pandemic-induced job losses are on the rebound, and the current economic environment has grown more complicated as the global health crisis continues. While the United States economy seems to have stabilized, those living paycheck to paycheck still find themselves in precarious financial situations. Inflation, which rose 7% in December 2021 from one year earlier, is making it increasingly difficult for many to make ends meet.¹

PYMNTS’ research finds that 61% of consumers were living paycheck to paycheck in December 2021. Although this is four percentage points less than a year earlier, this share has been on the rise since May 2021 and now is approaching pre-pandemic levels. In fact, the last two months of 2021 witnessed a sharp uptick in the number of consumers living paycheck to paycheck.

These are just some of the findings of New Reality Check: The Paycheck-To-Paycheck Report, a PYMNTS and LendingClub collaboration. This edition examines why consumers across different generations are living paycheck to paycheck and what they see as the most prominent stressors on their finances. The series draws on insights from a survey of 3,070 U.S. consumers conducted from Dec. 2 to Dec. 14, 2021, as well as an analysis of other economic data.

Here is what we learned.

New Reality Check: The Paycheck-To-Paycheck Report

FIGURE 1: Consumers' financial lifestyles
Share of consumers with different financial lifestyles compared over time

Source: PYMNTS | LendingClub

Do not live paycheck to paycheck
Live paycheck to paycheck but comfortable
Live paycheck to paycheck with difficulty
At the end of 2021, 61% of the U.S. population were living paycheck to paycheck, up seven percentage points since May 2021. Forty-two percent of U.S. consumers earning more than $100,000 annually live paycheck to paycheck as well, up three percentage points since May 2021.

While the portion of consumers living paycheck to paycheck has fluctuated since its peak of 65% in December 2020, it resided at 61% as of December 2021. PYMNTS’ data shows that the share of consumers living paycheck to paycheck stood at 54% in May 2021.

Of consumers who reported earning less than $50,000 per year, 77% lived paycheck to paycheck in December 2021, up slightly from 72% in May 2021. Meanwhile, 66% of those who reported earning between $50,000 and $100,000 now live paycheck to paycheck — a notable rise from 53% in May 2021.

More affluent consumers also reported living paycheck to paycheck. Among consumers who reported earning more than $100,000, 42% were living paycheck to paycheck in December 2021, up from 39% in May 2021.

Paycheck-to-paycheck consumers fall into two categories: those who are and those who are not able to pay their bills easily. Our research finds that 39% of paycheck-to-paycheck consumers are able to pay their bills, while 22% struggle to do so every month.

The share of consumers who do not live paycheck to paycheck declined from 46% to 39% from May 2021 to December 2021, while the share of consumers living paycheck to paycheck increased across the board during the same time period. The share of consumers living paycheck to paycheck without issues paying their monthly bills increased from 33% to 39, and the share with issues paying their monthly bills increased from 21% to 22%.

**FIGURE 2:**
Consumers in all income brackets live paycheck to paycheck
Share of consumers who live paycheck to paycheck, by annual income

- **More than $100K:** 42.3%
- **$50-$100K:** 65.7%
- **Less than $50K:** 76.6%
- **Less than $50K:** 71.7%

**SHARE OF CONSUMERS EARNING MORE THAN $100,000 LIVING PAYCHECK TO PAYCHECK IN DECEMBER 2021**

© 2022 PYMNTS.com All Rights Reserved
A deep dive into the generational demographics of consumers currently living paycheck to paycheck indicates that millennials are the most likely to fall into the category, but the greatest increase in consumers living paycheck to paycheck is among baby boomers and seniors. In December 2021, 54% of baby boomers and seniors were living paycheck to paycheck, a sharp increase from 40% in May 2021.

Research shows that 70% of both bridge millennials and millennials were living paycheck to paycheck in May and December 2021. Sixty-five percent of Generation Z consumers reported living paycheck to paycheck in December 2021, up from 55% in 2021. Sixty percent of Generation X consumers were living paycheck to paycheck in December 2021, up from 56% in May.

FIGURE 3:
Consumers who live paycheck to paycheck hail from all generations
Share of consumers who live paycheck to paycheck, by generation

<table>
<thead>
<tr>
<th>Generation</th>
<th>May 03, 2021</th>
<th>December 14, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby boomers and seniors</td>
<td>40.4%</td>
<td>54.1%</td>
</tr>
<tr>
<td>Generation X</td>
<td>55.9%</td>
<td>59.7%</td>
</tr>
<tr>
<td>Bridge millennials</td>
<td>70.2%</td>
<td>70.4%</td>
</tr>
<tr>
<td>Millennials</td>
<td>69.7%</td>
<td>69.6%</td>
</tr>
<tr>
<td>Generation Z</td>
<td>55.4%</td>
<td>65.4%</td>
</tr>
</tbody>
</table>
PART III: THE EFFECT ON SAVINGS

Savings levels are a key differentiator between those who live paycheck to paycheck and struggle to pay bills and those who do not struggle, and the gap widens with older generations.

It is not surprising that consumers living paycheck to paycheck with issues paying their monthly bills are the least likely to have significant savings, but what is striking is the gap in savings between this group and those who live paycheck to paycheck but do not struggle with their bills. The difference is even more stark among consumers who do not live paycheck to paycheck and those who do and have trouble paying their monthly bills. This chasm widens even further among older age groups.

Generation Z consumers who live paycheck to paycheck and have issues paying their monthly bills report the lowest average savings at just $1,158. Millennials living paycheck to paycheck with issues paying their monthly bills report the highest savings, with an average of $3,731. Savings amounts decrease and then level off as consumers grow older. Bridge millennials, Generation X consumers and baby boomers and seniors who live paycheck to paycheck and struggle to pay their bills report having $2,765, $1,236 and $1,277 in savings, respectively.

Savings balances for consumers who do not live paycheck to paycheck increase by generation. Baby boomers and seniors are the consumers with the highest average savings among those living paycheck to paycheck without issues paying bills ($7,961) and among those who do not live paycheck to paycheck ($22,866).

TABLE 1: How consumers’ average savings vary
Average savings reported by consumers of different financial lifestyles, by generation

<table>
<thead>
<tr>
<th></th>
<th>Generation Z (23 or younger)</th>
<th>Millennials (24 to 39)</th>
<th>Bridge millennials (30-41)</th>
<th>Generation X (40-55)</th>
<th>Baby boomers/seniors (+56)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live paycheck to paycheck with difficulty</td>
<td>$1,158</td>
<td>$3,731</td>
<td>$2,765</td>
<td>$1,236</td>
<td>$1,277</td>
</tr>
<tr>
<td>Live paycheck to paycheck but comfortable</td>
<td>$3,362</td>
<td>$6,841</td>
<td>$7,845</td>
<td>$7,668</td>
<td>$7,961</td>
</tr>
<tr>
<td>Do not live paycheck to paycheck</td>
<td>$6,469</td>
<td>$15,415</td>
<td>$17,618</td>
<td>$19,381</td>
<td>$22,866</td>
</tr>
</tbody>
</table>

Source: PYMNTS.com | LendingClub

SHARE OF GENERATION Z CONSUMERS LIVING PAYCHECK TO PAYCHECK WITH ISSUES PAYING MONTHLY BILLS WHO ARE UNABLE TO PAY A $400 EMERGENCY EXPENSE

59%
PART IV: FIELING AN EMERGENCY EXPENSE

Paying a $400 emergency expense is a challenge for close to half of consumers who live paycheck to paycheck and struggle to pay their bills.

Paycheck-to-paycheck consumers with issues paying their monthly bills not only tend to have less savings, but also find it difficult to pay emergency expenses. Our research finds that paying an emergency expense can be a significant challenge for all consumers living paycheck to paycheck, especially for those who struggle to pay their bills each month. When asked how they would handle an emergency expense of $400 based on their current financial situations, approximately half of consumers living paycheck to paycheck with issues paying their bills reported that they would be unable to pay such an expense.

At 59%, Generation Z consumers who live paycheck to paycheck and have issues paying their bills are the most likely to be unable to afford a $400 emergency expense. This is followed by Generation X consumers who live paycheck to paycheck and struggle to pay their bills at 51%. Forty-six percent of bridge millennials, 44% of millennials and 42% of baby boomers and seniors who live paycheck to paycheck with issues paying their bills report the same.

Our data also indicates that consumers who live paycheck to paycheck and struggle with their bills are more likely to sell something, borrow from family members or friends, or use a credit card to pay an emergency expense than they are to use money from a checking or savings account. Consumers who live paycheck to paycheck without issues paying bills and those who do not live paycheck to paycheck, however, are much more likely to use funds from their checking or savings accounts to pay an emergency expense of $400.

Among consumers who live paycheck to paycheck without issues paying bills, close to half of almost all generations would cover emergency expenses with money from their checking or savings accounts. Just 34% of Generation Z consumers who live paycheck to paycheck and do not have issues paying bills would use the money in their checking or savings accounts to pay an emergency expense, making them the least likely to do so.

TABLE 2:
Ways in which consumers pay emergency expenses
Share of consumers who would use select methods to pay emergency expenses, by financial lifestyle and generation

<table>
<thead>
<tr>
<th></th>
<th>Live paycheck to paycheck with difficulty</th>
<th>Live paycheck to paycheck but comfortable</th>
<th>Do not live paycheck to paycheck</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Generation Z 23 or younger</td>
<td>Millennials 24 to 39</td>
<td>Bridge millennials 40 to 49</td>
</tr>
<tr>
<td>Would be unable to pay</td>
<td>58.6%</td>
<td>44.1%</td>
<td>46.2%</td>
</tr>
<tr>
<td>Payday loan, deposit advance or overdraft</td>
<td>0.6%</td>
<td>8.1%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Money from a bank loan or line of credit</td>
<td>2.7%</td>
<td>7.2%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Selling something</td>
<td>5.5%</td>
<td>14.5%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Borrowing from a friend or family member</td>
<td>19.5%</td>
<td>17.0%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Credit card and pay it off over time</td>
<td>5.9%</td>
<td>17.8%</td>
<td>20.3%</td>
</tr>
<tr>
<td>Funds from checking/savings accounts</td>
<td>6.2%</td>
<td>18.4%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Credit card and pay it off in full</td>
<td>6.1%</td>
<td>12.6%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>
CONCLUSION

Consumers of all ages increasingly are living paycheck to paycheck, with growing numbers among baby boomer and senior populations across America. The current spike in inflation is making it more difficult for consumers across all demographic groups to save and have a financial plan for emergencies after covering essential expenses such as gas, food and rent. Younger consumers living paycheck to paycheck are more likely to have children, have less money in savings and be less able to pay for an emergency expense. With inflation likely becoming part of the economic picture for months to come, consumers who live paycheck to paycheck will need to review their financial plans and find ways to manage their spending.

NEW REALITY CHECK: THE PAYCHECK-TO-PAYCHECK REPORT

METHODOLOGY

New Reality Check: The Paycheck-To-Paycheck Report is based on a census-balanced survey of 3,070 U.S. consumers conducted from Dec. 2 to Dec. 14, 2021, as well as an analysis of other economic data.
LendingClub Corporation (NYSE: LC) is the parent company of LendingClub Bank, National Association, Member FDIC. It is the only digital marketplace bank and the first public U.S. neobank. Members can gain access to a broad range of financial products and services through a technology-driven platform, designed to help them pay less when borrowing and earn more when saving. Since 2007, more than 3 million members have joined the Club to help reach their financial goals. For more information about LendingClub, visit www.lendingclub.com.

PYMNTS.com is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

PYMNTS.com is where the best minds and the best content meet on the web to learn about “What’s Next” in payments and commerce. Our interactive platform is reinventing the way in which companies in payments share relevant information about the initiatives that shape the future of this dynamic sector and make news. Our data and analytics team includes economists, data scientists and industry analysts who work with companies to measure and quantify the innovation that is at the cutting edge of this new world.

The New Reality Check: The Paycheck-To-Paycheck Report may be updated periodically. While reasonable efforts are made to keep the content accurate and up to date, PYMNTS.COM: MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, REGARDING THE CORRECTNESS, ACCURACY, COMPLETENESS, ADEQUACY, OR RELIABILITY OF OR THE USE OF OR RESULTS THAT MAY BE GENERATED FROM THE USE OF THE INFORMATION OR THAT THE CONTENT WILL SATISFY YOUR REQUIREMENTS OR EXPECTATIONS. THE CONTENT IS PROVIDED “AS IS” AND ON AN “AS AVAILABLE” BASIS. YOU EXPRESSLY AGREE THAT YOUR USE OF THE CONTENT IS AT YOUR SOLE RISK. PYMNTS.COM SHALL HAVE NO LIABILITY FOR ANY INTERRUPTIONS IN THE CONTENT THAT IS PROVIDED AND DISCLAIMS ALL WARRANTIES WITH REGARD TO THE CONTENT, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AND NON-INFRINGEMENT AND TITLE. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES, AND, IN SUCH CASES, THE STATED EXCLUSIONS DO NOT APPLY. PYMNTS.COM RESERVES THE RIGHT AND SHOULD NOT BE LIABLE SHOULD IT EXERCISE ITS RIGHT TO MODIFY, INTERRUPT, OR DISCONTINUE THE AVAILABILITY OF THE CONTENT OR ANY COMPONENT OF IT WITH OR WITHOUT NOTICE.

PYMNTS.COM SHALL NOT BE LIABLE FOR ANY DAMAGES WHATSOEVER, AND, IN PARTICULAR, SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, OR DAMAGES FOR LOST PROFITS, LOSS OF REVENUE, OR LOSS OF USE, ARISING OUT OF OR RELATED TO THE CONTENT, WHETHER SUCH DAMAGES ARISE IN CONTRACT, NEGLIGENCE, TORT, UNDER STATUTE, IN EQUITY, AT LAW, OR OTHERWISE, EVEN IF PYMNTS.COM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

SOME JURISDICTIONS DO NOT ALLOW FOR THE LIMITATION OR EXCLUSION OF LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, AND IN SUCH CASES SOME OF THE ABOVE LIMITATIONS DO NOT APPLY. THE ABOVE DISCLAIMERS AND LIMITATIONS ARE PROVIDED BY PYMNTS.COM AND ITS PARENTS, AFFILIATED AND RELATED COMPANIES, CONTRACTORS, AND SPONSORS, AND EACH OF ITS RESPECTIVE DIRECTORS, OFFICERS, MEMBERS, EMPLOYEES, AGENTS, CONTENT COMPONENT PROVIDERS, LICENSORS, AND ADVISERS.

Components of the content original to and the compilation produced by PYMNTS.COM is the property of PYMNTS.COM and cannot be reproduced without its prior written permission.

We are interested in your feedback on this report. If you have questions, comments or would like to subscribe, please email us at feedback@pymnts.com.