

COVID-19 Relief Programs Have Helped Consumer Financial Well-Being

In response to the 2020 COVID-19 pandemic, the federal government set up a series of programs to help consumers. The first legislation was the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, followed by other packages throughout 2020, including December’s Coronavirus Response and Relief Supplemental Appropriations Act. That legislation provided stimulus checks, enhanced unemployment benefits, small business loans, rental assistance, and nutrition assistance. In March 2021, the American Rescue Plan Act of 2021 included enhancements to those five programs as well as an increased child tax credit and funding for schools that reopened their doors.

To gauge the impact of these programs on consumer well-being, the Consumer Finance Institute’s (CFI) *COVID-19 Survey of Consumers* included questions and detailed descriptions about the available on programs in its first two surveys of 2021 (one conducted on January 4–15, 2021, and the latest one through April 5–23, 2021). The surveys show that the larger package passed in March 2021 seems to have improved the financial outlook for about 5 percent of consumers, those who were on the edge of financial problems when the legislation was passed (**Figure 1**).

Figure 1

	Wave 7 (Jan. 4–15, 2021)	Wave 8 (April 5–23, 2021)
It won’t affect me at all – I’m currently financially stable and don’t need any of these programs.	30.0%	28.8%
It won’t affect me at all – I am having some issues, but I am not eligible for any of the programs.	9.6%	9.5%
It will help close some gaps – I’m doing OK, but some of these programs will make things easier for the next few months.	29.0%	34.3%
It will help, but not for long – I’m struggling right now, and these programs will only help for the next few months.	18.2%	13.8%
It won’t help me – I’m struggling so much that these programs will not make a difference, even for the next couple of months.	5.4%	5.3%
I don’t know enough about the programs to know if they will help me.	7.8%	8.3%

Source: CFI COVID-19 Survey of Consumers

The results at both extremes showed little change between January and April 2021. The share of consumers who said they were financially stable and did not need help stood at 30.0 percent in January versus 28.8 percent in April. High earners and older individuals were the groups least likely to need financial relief (**Figure 2**). This makes sense since, in general, these demographic groups were most able to work from home or were retired. Likewise, the percentage of respondents who indicated that they are not eligible for any of the assistance remained consistent between January (9.6 percent) and April (9.5 percent).

At the other end of the spectrum, the share of all consumers who felt the programs would not help them at all was also basically unchanged between January (5.4 percent) and April (5.3 percent). Lower-income respondents (6.6 percent of those earning less than \$40,000 annually) and younger consumers (8.6 percent of those between the ages of 18 and 35) were the most likely to report they were struggling so much that the programs would not help.

The greatest improvement in well-being was seen among people who are financially stable but at risk of falling behind. In April, one out of three respondents (34.3 percent) said they are doing OK, and the programs will help fill some gaps in the coming months. That share is up from 29.0 percent in January. In addition, the percentage of the population reporting that they are struggling and that the programs would “only help for the next few months” decreased from 18.2 percent to 13.8 percent, respectively, over the same period. The improvement was evident across all age, income, gender, and racial groups.

Notably, about one out of nine lower-income or non-White respondents said they did not know enough about the programs to determine whether the aid would help them. This suggests that greater outreach to these groups might enable them to tap into assistance programs that could ease the economic challenges caused by the pandemic.

Figure 2

	Most Likely to Say “Won’t Effect”		Most Likely to Say “Won’t Help” or “Don’t Know”
66+	59.2%	Hispanic	20.3%
56–65	52.6%	<\$40,000	18.2%
\$125,000+	52.4%	18–35	17.5%
\$75,000 – < \$125,000	46.0%	African American / Black	16.9%
White (Non-Hispanic)	42.5%	Female	14.8%
Male	42.3%	36–55	14.7%
Average (All Respondents)	38.3%	Average (All Respondents)	13.6%

Source: CFI COVID-19 Survey of Consumers