

# The Impact of COVID-19 on the Consumer Relationship with Financial Services - US - June 2020

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## This report looks at the following areas:

One of the most major and immediate effects is the need for digital and contactless services. Younger generations will continue to embrace these technologies, and older consumers may be more willing to adopt them as they look for more convenient and safer ways of transacting. The financial services industry has an opportunity to become a better, more supportive partner to both consumers and businesses. This is especially true for financial services institutions, as they look to maintain and build trust with consumers moving forward.



“The impact of COVID-19 has shaken quite a few industries to their very core. Some will be fundamentally changed going forward, while others will, in the longer term, eventually return to normal working order. Similar to the effect on ecommerce in 2003 with the SARS outbreak, this pandemic has had an immediate impact on the financial services industry.”

- Jennifer White Boehm,  
Associate Director, US

reports

Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

## Table of Contents

### OVERVIEW

- Scope
- Definition
- Economic assumptions
- COVID-19: US context

### EXECUTIVE SUMMARY

- **Key takeaways**  
Figure 1: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, July 2020
- **Key trends and innovations**
- **US economic performance**
- **After slow and steady recovery from 2008, US economy falters during pandemic**
- **Market performance**
- **Short-term effects were mainly behavioral**
- **Medium term heavily dependent on health recovery**
- **Longer term will be driven by economic recovery and a shift to digital**
- **Looking to the future**  
Figure 2: Mintel Trend Drivers – shifts for the financial services industry, July 2020

### THE IMPACT OF COVID-19 ON CONSUMERS

- **Majority of consumers are worried about their exposure**  
Figure 3: COVID-19 exposure and life disruption concern, March 4, 2020 – July 7, 2020
- **Consumer concerns reflect a grudging recognition of the next normal**
- **Following advice of medical professionals, consumers have adjusted their lifestyles**
- **US consumers still optimistic about their own financial health, but not of the country as a whole**
- **Mintel's Global Consumer Trend Drivers**  
Figure 4: Mintel Trend Drivers

### OPPORTUNITIES

- **This is the time to be bold**
- **Remind consumers that the financial industry is sound and can offer support**
- **Stop making it so difficult for consumers to like you**
- **What it means**

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

## HOW A COVID-19 RECESSION AFFECTS THE US ECONOMY

- **US sees massive layoffs and furloughs due to shutdown**  
Figure 5: Unemployment and underemployment, January 2007-June 2020
- **Consumer confidence craters as the pandemic rages on**  
Figure 6: Consumer Sentiment Index, January 2007-June 2020
- **DPI increased over 13% due to government stimulus package**  
Figure 7: Disposable Personal Income change from previous period, January 2007-June 2020
- **GDP drops by nearly 4%**  
Figure 8: GDP change from previous period, Q1 2007 – Q2020

## STATE OF THE MARKET BEFORE COVID-19

- **Financial services industry strong in pre-COVID-19 landscape, though signs pointed to a recession**
- **Account ownership was high**  
Figure 9: Financial product ownership rates, October 2019
- **Trust in the industry was low**  
Figure 10: Trust in financial service providers, October 2018

## SHORT-TERM IMPACT ON THE INDUSTRY

- Figure 11: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, June 2020
- **Banks were quick to close brick-and-mortar locations, pushing customers to digital and mobile channels**  
Figure 12: First American Bank email, June 2020  
Figure 13: Banking activities in the past three months, November 2018
- **Credit usage focused on using fewer cards to limit exposure**  
Figure 14: Card favoritism versus card indifference, by generation, July 2019  
Figure 15: Citibank email encouraging contactless payments, March 2020  
Figure 16: Wells Fargo card and Apple Pay, March 2020
- **Lenders begin to offer assistance for those struggling through the pandemic**  
Figure 17: Attitudes toward debt, by generation September 2019  
Figure 18: Patriot Federal Credit Union direct mail piece, May 2020
- **Insurance steps into its role as a health and wellness provider**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

|          |                      |
|----------|----------------------|
| Visit    | store.mintel.com     |
| EMEA     | +44 (0) 20 7606 4533 |
| Brazil   | 0800 095 9094        |
| Americas | +1 (312) 943 5250    |
| China    | +86 (21) 6032 7300   |
| APAC     | +61 (0) 2 8284 8100  |

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Health insurers educated the public about the coronavirus**

Figure 19: United Healthcare direct mail piece, April 2020

- **Property & casualty insurance offered refunds to those driving fewer miles**

Figure 20: GEICO Facebook post, April 2020

- **Investment into fintech contracts, but consumers will appreciate the innovation brought about by new technologies**

Figure 21: Simple email, April 2020

## MEDIUM-TERM IMPACT ON THE INDUSTRY

Figure 22: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, June 2020

- **Consumers will be watching their finances more closely as the recession takes a stronger hold**
- **Meeting consumer needs:**
- **As the recession takes a stronger hold, card issuers have the chance to step up as consumer advocates**
- **Meeting consumer needs:**
- **Need for loans will remain high, and financially secure consumers might be convinced to make larger purchases**
- **Meeting consumer needs:**
- **COVID-19's first wave continues across the US, and health insurers need to put priority on transparency**
- **Meeting consumer needs:**
- **Investment in fintech will slowly return as consumers become even more reliant on digital channels**
- **Meeting consumer needs:**

## LONGER-TERM IMPACT ON THE INDUSTRY

Figure 23: Short-, medium- and longer-term impact of COVID-19 on the financial services industry, June 2020

- **Traditional banking behaviors will return, but consumers will expect more transparency from the industry**
- **Meeting consumer needs:**
- **US card customers will thoroughly embrace contactless**
- **Meeting consumer needs:**
- **Consumers will return to loans for large purchases**
- **Meeting consumer needs:**
- **Technological holdouts in insurance will embrace digital channels**
- **Meeting consumer needs:**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

Report Price: £3695 | \$4995 | €4400

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- Interest in fintech will continue to grow, and new partnerships will emerge
- Meeting consumer needs:

## APPENDIX – DATA SOURCES AND ABBREVIATIONS

- Data sources
- Consumer survey data
- Direct marketing creative
- Abbreviations and terms
- Abbreviations

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

This report is part of a series of reports, produced to provide you with a more holistic view of this market.

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.