



Personal Finance Contributes to Mental Health Struggles for 55% of Adults; Has the Biggest Impact on Women & Gen Z

5.24.2023

As economic uncertainty continues, personal finances have a more significant impact on mental health than climate change, social or geo-political issues

The U.S. has been experiencing a lot of economic turmoil in the past 12 months. Interest rates are up, inflation is rising, and companies are cutting costs by laying workers off. Given all Americans are dealing with, it's no surprise that personal finances are top of mind for them. As May is Mental Health Awareness Month, a new study from Point looks at how fear around personal finances impacts Americans' mental health.

Concerns over personal finances weigh heavy across every generation and gender. More than half (55.1 percent) of people said worries about personal finances had negatively impacted their mental health, compared to less than one-third who cited climate change, social issues, or geopolitical issues. And well over one-third (36.5 percent) said the issue was causing them to lose sleep.

With a reputation for caring and activism, Gen Z says their worries about personal finances eclipse those about other issues. While they are the generation that says social issues impact their mental health the most (47.4 percent said “a great deal” or “quite a bit”), even more (64.7 percent) cited personal finance as having an impact on their mental health.

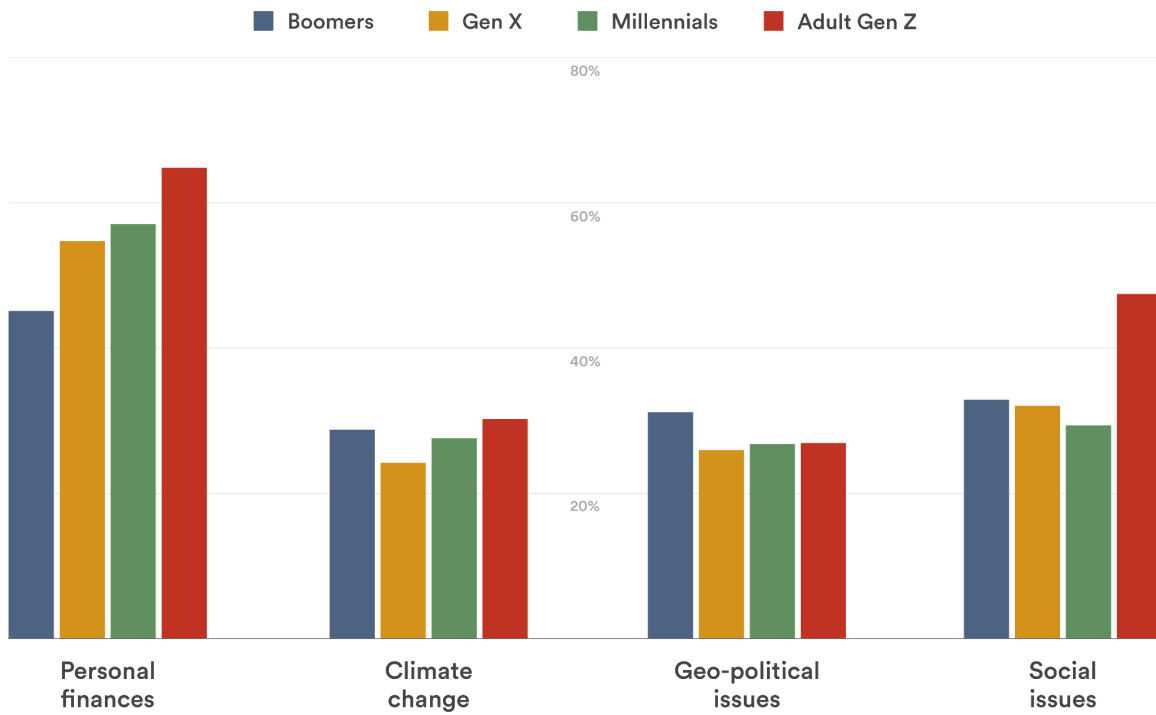
Women¹, overall, carry a bigger burden when it comes to stress about personal finances than men². Nearly 60 percent of women said personal finances impact their mental health “a great deal” or “quite a bit,” compared with about 45 percent of men.

In many ways, how people across generations and genders respond to financial stress is similar — everyone cuts down on nonessential expenses and tries to exercise more — but when it comes to improving finances, Gen Z offers unique approaches. They're more likely than other generations to get a side hustle, with 37.7 percent saying they've done that, or seeking financial advice on TikTok (15.8 percent).

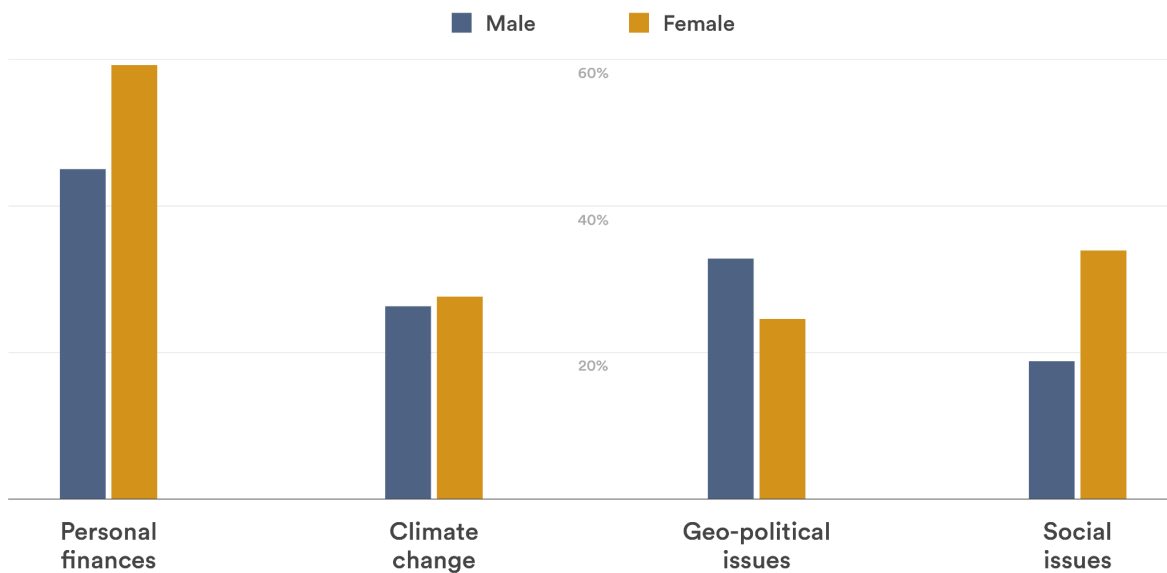
¹ defined here as people who answered “female” when asked about gender

² people who answered “male” when asked about gender

Percent of each generation that said the below issues impact their mental health “a great deal” or “quite a bit.”

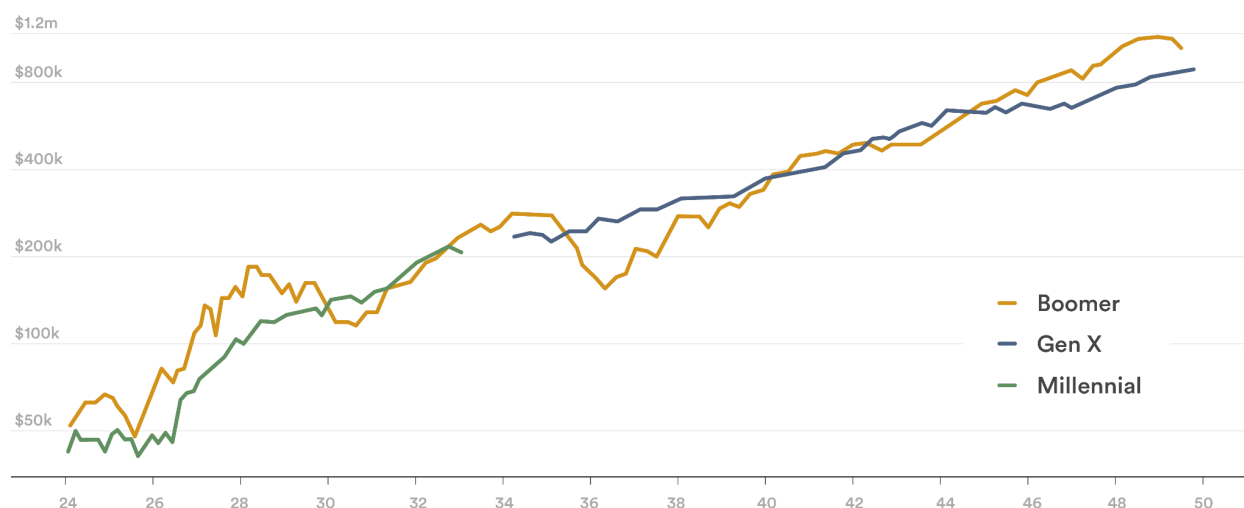


Percent of each gender that said the below issues impact their mental health “a great deal” or “quite a bit.”



While concern about personal finances may hit the generations differently, it's interesting that the three working, measurable generations (Boomers, Gen X, and Millennials) follow [the same path](#) to building wealth — one is not better off than another, comparatively.

Average real wealth by generational age



Household Wealth in 2021 Dollars, Log Scale

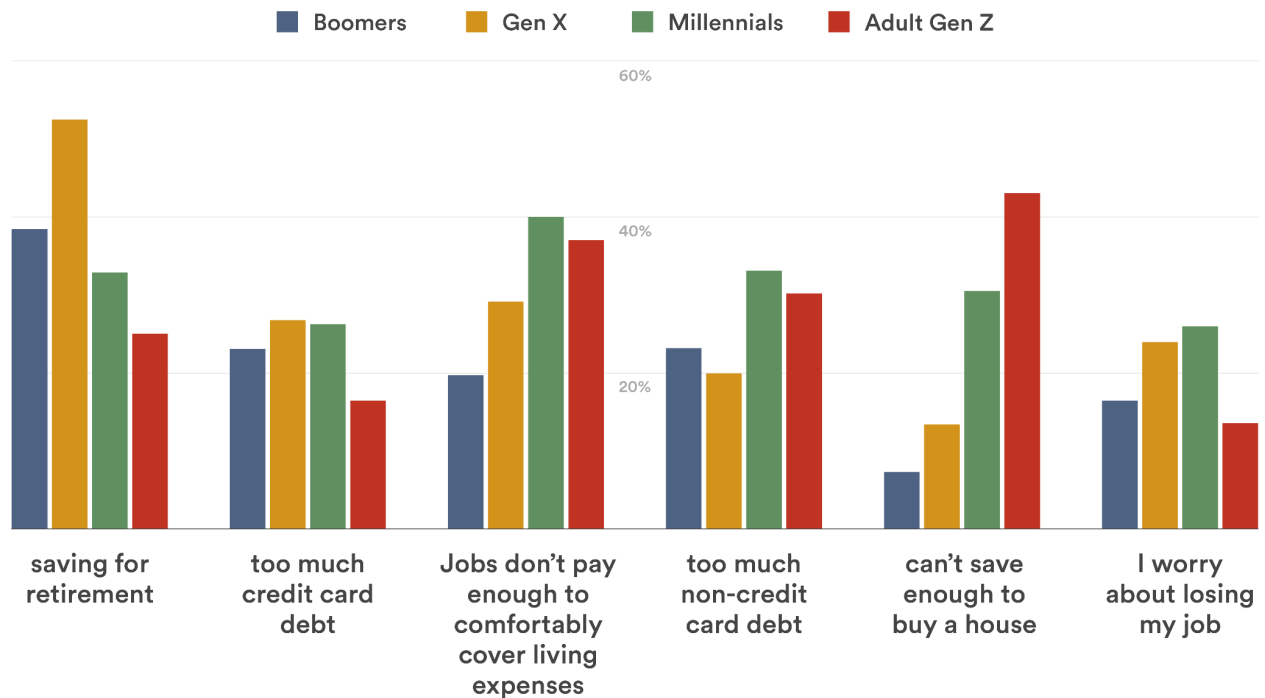
Source: Federal Reserve Bank of St. Louis

Why so stressed?

Despite the agreement among generations that personal finances impact mental health, the stressors' drivers differed. For example, Gen X is worried about saving for retirement (52.5 percent), while Gen Z can't save enough to buy a home. All the generations were worried about debt, with Boomers and Gen X more likely to worry about credit card debt, while about one-third of Millennials and Gen Z said they have too much non-credit card debt.

Gen X (23.9 percent) and Millennials (26.1 percent) were much more worried about losing their jobs than other generations.

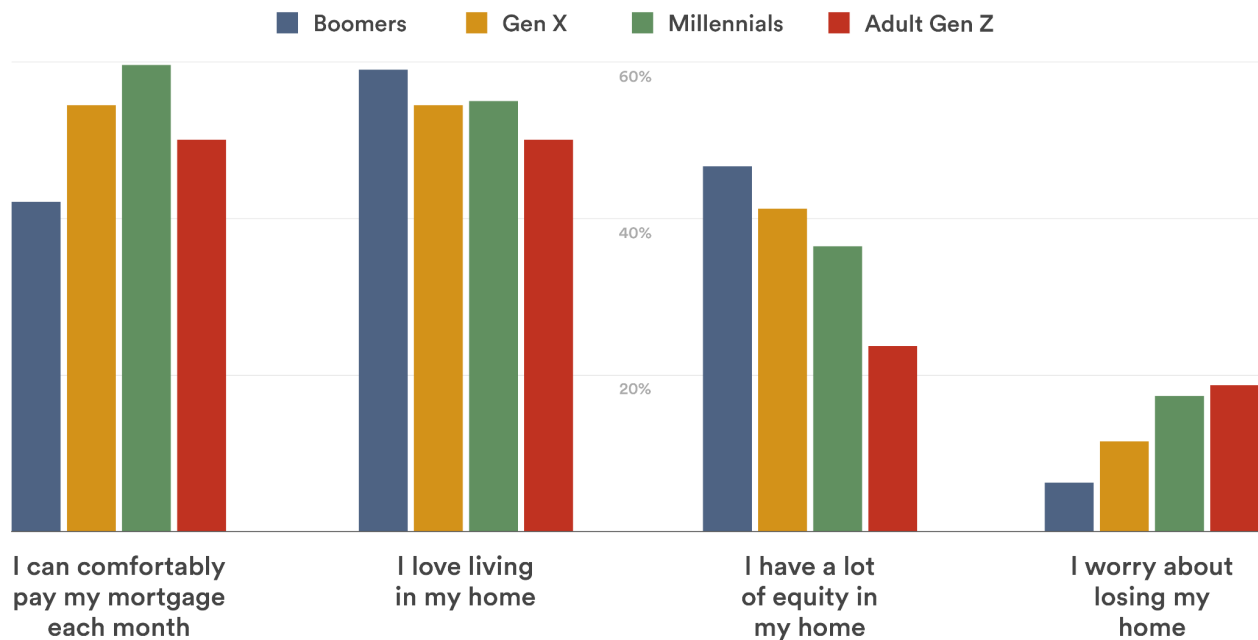
We asked those who cited personal finances as a sort of stress about why they worry about finances. These are the top-cited reasons, by generation:



Homeowners are carrying an additional burden, and surprisingly only roughly half of people across generations said they could easily pay their mortgage each month — hovering only around 54 across all generations.

Nonetheless, homeowners overall were less likely to say personal finances had “a great deal” or “quite a bit” of an impact on their mental health, with 37.9 percent saying personal finances impacted their mental health “a great deal” or “quite a bit.” More than half (51.5 percent) of non-homeowners said the same.

We asked homeowners which of these were true. They were able to select multiple answers.



The impact of financial stress

Well over one-third of people said they were losing sleep because of financial stress, and every generation reported strained relationships with family and friends or arguments with spouses/partners. Gen Z is the most likely to neglect their health with more than one-quarter saying they ignore health concerns and self-care activities, as well as foregoing healthy food to save money.

Gen Z

1997-2003

Millennials

1981-1996

Gen X

1965-1980

Boomers

1946-1964

Most common answers when asked about the impact of financial stress on wellbeing.

40.5% Lose sleep	39.8% Lose sleep	36.4% Lose sleep	27.3% Lose sleep
34.5% Strain relationships with family and friends	32.6% Argue with spouse/partner	29.4% Argue with spouse/partner	21.6% Ignore self-care activities like exercise
26.7% Ignore health concerns	32.0% Opt out of social engagements	24.8% Ignore self-care activities like exercise	19.9% Overeat
26.7% Ignore self-care activities like exercise	29.3% Strain relationships with family and friends	24.0% Overeat	19.3% Argue with spouse/partner
24.1% forgo healthy foods due to cost & opt out of social engagements	28.2% Ignore self-care activities like exercise	23.8% Ignore health concerns	24.1% Opt out of social engagements

Most common answers when asked about what people have done to improve their finances.

41.2% Cut out non-essential spending	43.9% Cut out non-essential spending	49.2% Cut out non-essential spending	46.0% Cut out non-essential spending
37.7% Gotten a side hustle	36.2% Formalized a personal budget	29.4% Gotten a side hustle	26.1% Gotten a side hustle
35.1% Formalized a personal budget	30.4% Gotten a side hustle	27.3% Formalized a personal budget	22.7% Formalized a personal budget
15.8% Sought out financial advice on TikTok	16.3% Sought out financial advice from a pro	13.9% Sought out financial advice from a pro	14.2% Sought out financial advice from a pro
14.9% Borrowed money from family/friends	14.6% Borrowed money from family/friends	12.2% Borrowed money from family/friends	6.8% Borrowed money from family/friends

Gen Z
1997-2003

Millennials
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Gen X
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Most common answers about other ways people have improved their stress and wellbeing.

38.6% Began working out	32.1% Began working out	29% Began working out	22.2% Began working out
30.7% Spent more time with friends/family	31.0% Spent more time with friends/family	27.3% Spent more time with friends/family	17.1% Spent more time with friends/family
29.8% Picked up a new hobby	28.2% Picked up a new hobby	23.8% Picked up a new hobby	14.8% Started meditating
17.5% Got a pet	16.8% Got a pet	18.1% Started meditating	13.7% Got a pet
14.9% Started meditating	16.2% Started seeing a mental health pro	16.6% Got a pet	10.2% Picked up a new hobby

Generations' Solutions to Financial Stress

Cutting out non-essential spending was the solution for everyone concerned about finances, with almost half of all respondents saying they've done that. While younger generations were most likely to seek a side hustle, more than a quarter (26.1%) of Baby Boomers cited that as a solution.

Overall, only 6.4 percent of all respondents said they sought financial advice on TikTok — but among Gen Zers, 15.8% have.

Of course, the road to financial well-being is long, so we asked people what they do to manage that stress. Working out is the most popular way to alleviate stress. A surprising percentage of people got a pet to help manage that stress — 16.2 percent overall.

For this survey, we asked 1,085 people ages 21–80 who were working full- or part-time, or looking for work, about the impact different stressors had on their mental health. We defined the generations according to [Pew Research's definitions](#), and used Survey Monkey's online panel. The survey was conducted from April 28, 2023–April 30, 2023.