



Global COVID-19 Consumer Financial Hardship Study

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Closing the Financial Hardship Gap

The COVID-19 pandemic has impacted many around the world, both physically and financially. The collapse in commercial activity is far more severe than in previous recessions, and the effect is daunting. Consumers across the globe are experiencing serious financial hardship. Organizations and governments are rapidly trying to make sense of the evolving situation so they can proactively reach out to consumers and provide essential help.







As we look ahead, we all know that the exit path from lockdowns will be perilous, with anxious consumers, a stop-start rhythm that inhibits efficiency and taxing new health protocols. The ability for consumers to shape their financial future, especially in times of immense uncertainty, requires unity. We have seen that governments can take significant interventions. We have seen that the vast majority of people and

companies are willing to go above and beyond to support their fellow citizens.

TransUnion helps to make this trust possible by providing information and insights so people and businesses can move forward confidently. Closing the financial gap that so quickly has appeared requires at minimum that each person is reliably, yet safely represented in the marketplace and empowered to take the action required to change their financial standing.

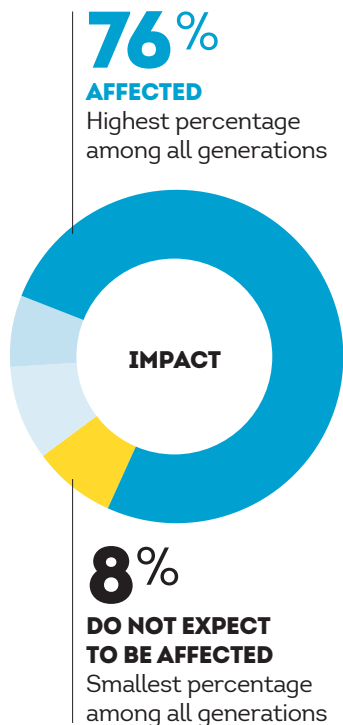
TransUnion, a global information and insights company, has studied the financial impact of the crisis across five continents to provide a global view of the economic hardship being endured by consumers. This report aims to provide important understanding at this crucial stage of the pandemic.

Key Global Insights

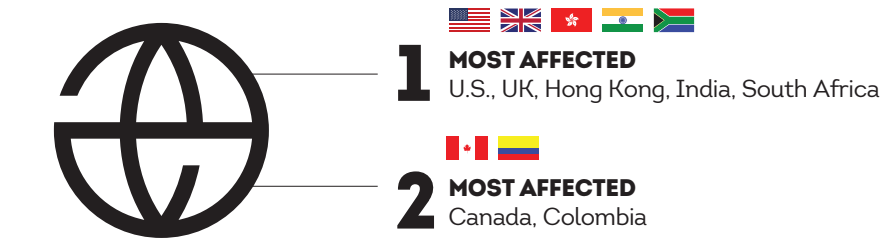
-  Millennials are the hardest hit of all generations across the globe
-  Consumers employed by small businesses across the globe are feeling the pain most
-  The pandemic is magnifying existing socioeconomic differences
-  Consumers, governments and companies are working together to close the gap
-  Financial impact has not yet spread to all consumer segments
-  Fraudsters are preying on the vulnerable

Millennials are the hardest hit of all generations across the globe

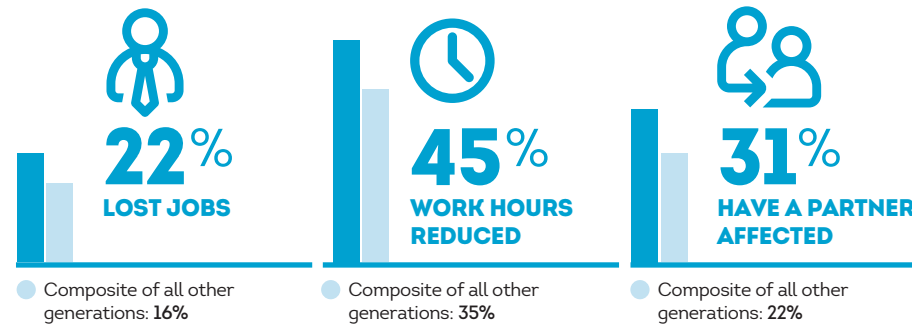
Millennial Impact



Global Impact

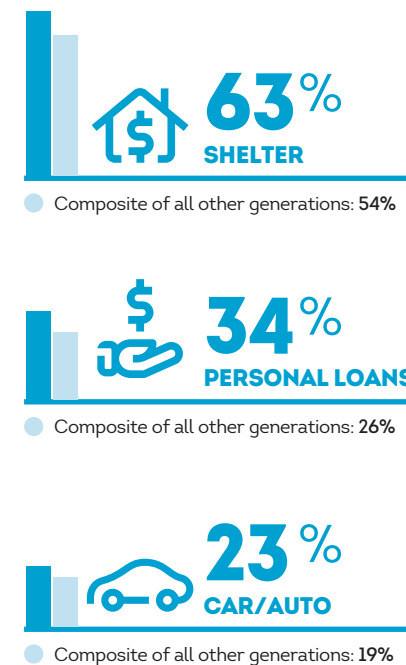


FOR THOSE IMPACTED, FINANCIAL HARDSHIP IS HIGHEST IN THESE CATEGORIES



Bills and Loans

Top payment concerns



Millennials are the most likely to say that they have children living at home.

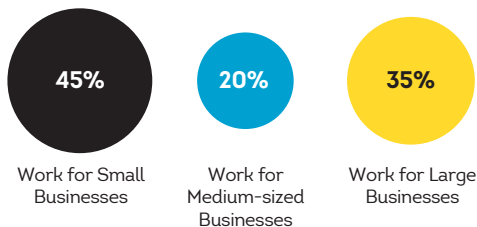
Millennials make up one-third of the world's labor force and their consumption habits greatly contribute to economic demand. They began working during the last global recession and compared to other generations, they entered this crisis with less income, assets and wealth – but more debt. COVID-19 hits Millennials during their peak earning years, when they were already on track to be the first generation in history to earn less than their parents.

“My top financial concern is that if the lockdown continues I won't have any means to pay rent and all the bills. The lockdown has literally changed our way of life emotionally, financially and mentally as we have to come up with an alternative way to have extra cash.”

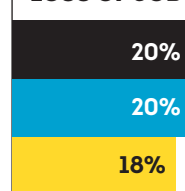
Consumers employed by small businesses across the globe are feeling the pain most

Impacted Consumers

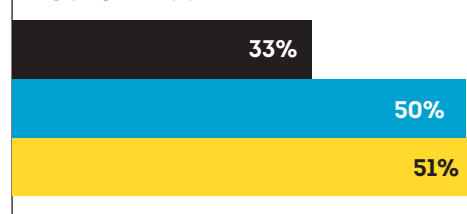
More impacted consumers work for small businesses and have experienced high rates of income reduction.



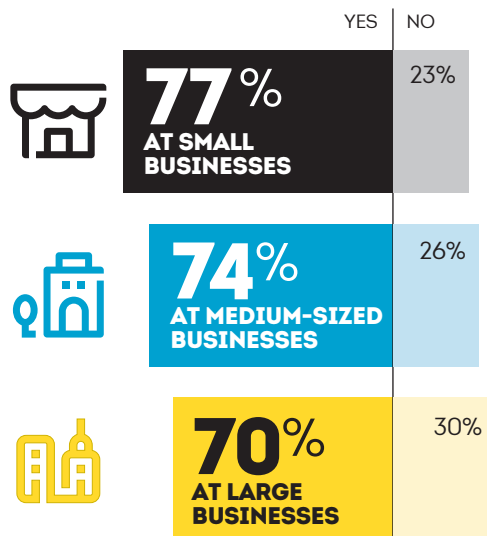
LOSS OF JOB



HOURS REDUCED



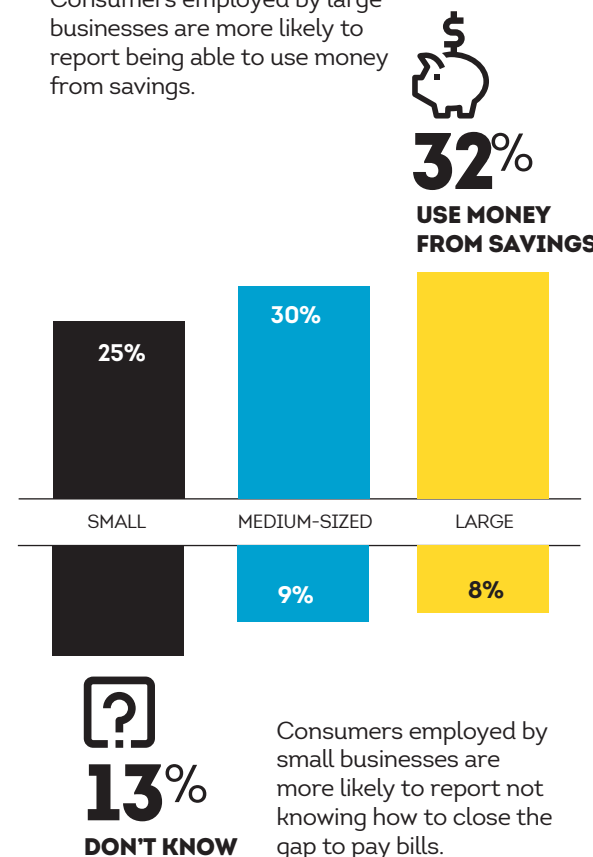
Small Business Employees are Most Impacted Financially



- Work for Small Businesses
- Work for Medium-sized Businesses
- Work for Large Businesses

Ability to Close the Gap

Consumers employed by large businesses are more likely to report being able to use money from savings.



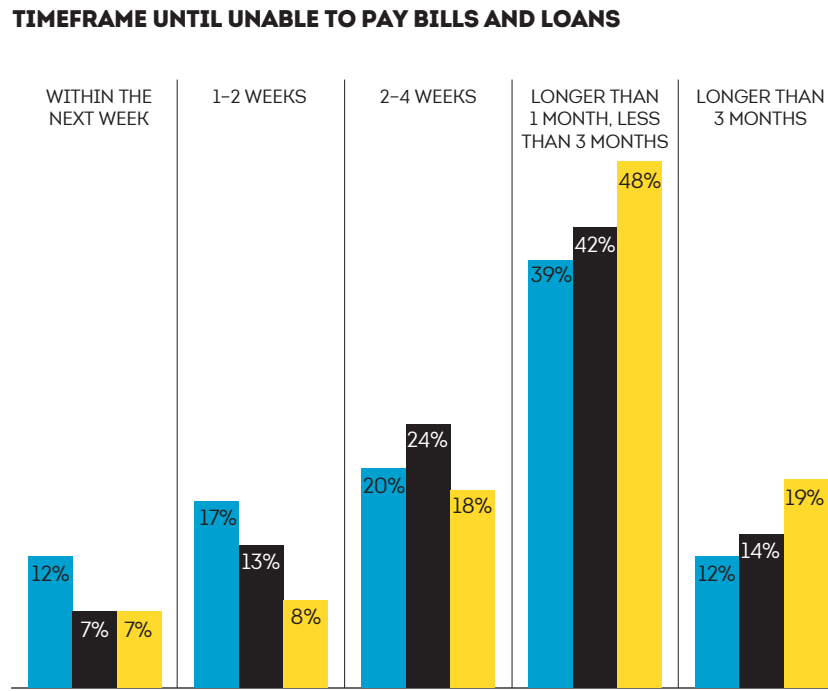
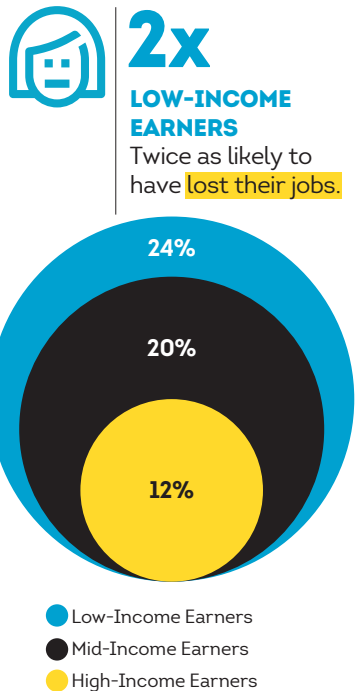
Consumers employed by small businesses are more likely to report not knowing how to close the gap to pay bills.

Small businesses supply and anchor economies around the world. When income grinds to a halt, debt, rent and other obligations continue. Compared to large enterprises, they have less access to resources to absorb the pandemic's shock, leaving them with far greater risk of shuttering for good.

"I've lost 100% of my expected work for the next 4 months, potentially longer if this persists. I'm a wedding videographer and have spent 7 years building my business. Now that all my work is gone, I have nothing to support myself – no savings, no way to pay off my existing debt and loans, no money for rent. It is horrible. I filed for unemployment but got rejected because I'm self-employed."

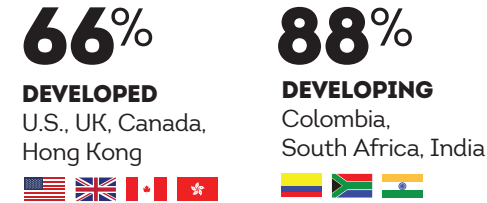
The pandemic is magnifying existing socioeconomic differences

Job Loss and Limited Resources Further Squeeze Low-Income Consumers



Reliable Social Infrastructure

ABILITY TO PAY BILLS AND LOANS



i There is a **wide gap** between developed and developing countries' concerns about their ability to pay bills and loans.

The crisis is magnifying existing inequalities in wealth, income and social stability across the globe. Government response and options vary by region, creating visible discrepancies in how consumers experience hardship.

"Don't have any income whatsoever and there is nothing I can do about it. Everybody still expects their monthly payments due and I can't make it. The little money I have is more important for basic needs and survival. Our debt is spiraling out of control and I can't see how this is ever going to end."

Consumers, governments and companies are working together to close the gap

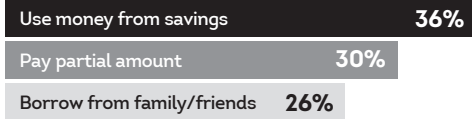
Resilience



85%
HAVE A PLAN
More than 5 out of 6 impacted consumers among all generations have a plan

15%
NO PLAN
1 in 6 impacted consumers have no plan

Top Global Instruments Used in Plans



Guidance

65% RECEIVED GUIDANCE

Percentage of consumers receiving guidance from companies where they have accounts.

Assistance

46% IMPACTED CONSUMERS

Percentage of impacted consumers in the U.S. who plan to use the stimulus as their primary method to close the gap.

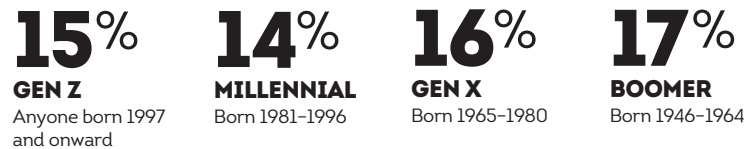
Millennial Differences



Percentage of Millennials who have reached out to companies where they have accounts.

56%
This is the highest of any generation.

No Plan is Still No Plan, Regardless of Generation



i For the markets we've been tracking for 3-4 weeks (U.S., UK, CAN), there was a **double-digit decline** in "don't have a plan."

The vast majority of consumers have stop-gap measures to close their immediate financial needs. There is much consistency across markets. In all markets, consumers are adopting the accommodations that companies are providing and in some, government stimuli is a lifeline.

"How long will the situation carry on for? I do not expect the government to pay furlough for more than a few months. Mortgages and bills still need to be paid even after delayed holiday payments."

Financial impact has not yet spread to all consumer segments

32% of Consumers Worldwide Not Impacted Financially

Characteristics of those not impacted

Developed Markets

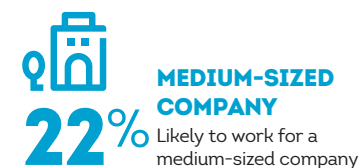
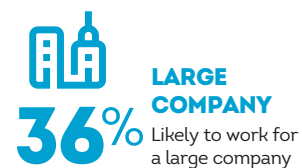
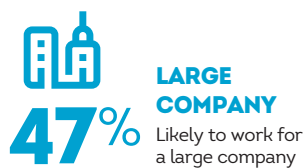
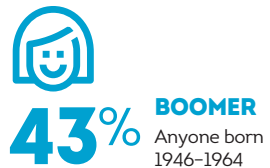


Developing Markets



THOSE **NOT** IMPACTED FINANCIALLY ARE MORE LIKELY TO BE:

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IN THESE EMPLOYMENT SECTORS



HEALTH CARE



EDUCATIONAL SERVICES



GOVERNMENT

IN THESE EMPLOYMENT SECTORS



FINANCE/INSURANCE



EDUCATIONAL SERVICES



PROFESSIONAL/TECH SERVICES



GOVERNMENT

i **Continuing** with major purchases

i **Halting** major purchases

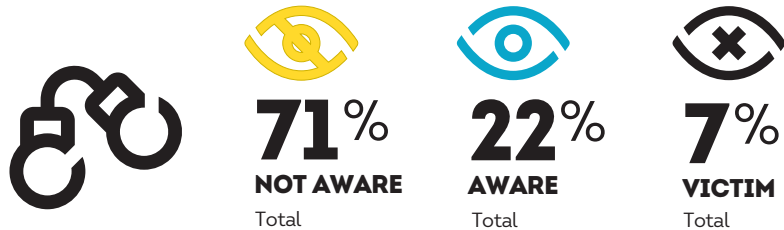
There is variance between those not impacted financially in developed and developing economies. However, like the spread of COVID-19, as time progresses, no single consumer segment appears to be immune from financial hardship. As economies emerge from lockdown, these less impacted segments will be critical to fuel growth.

"I've been fortunate so far not to feel the pinch. How long will my luck hold?"

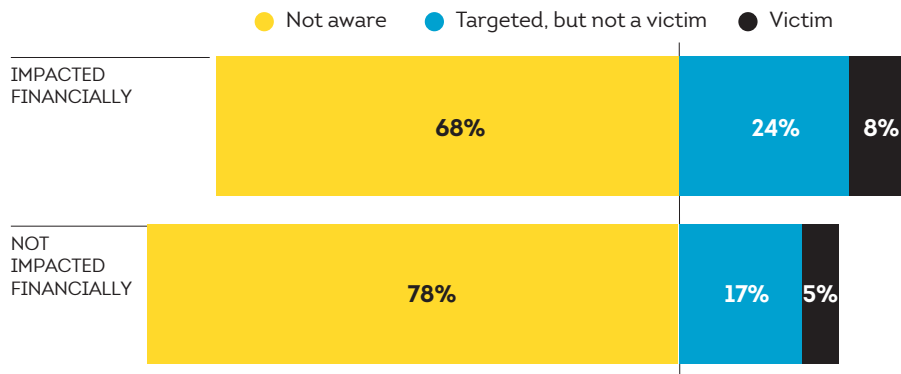
Fraudsters are preying on the vulnerable

Overall Digital Fraud

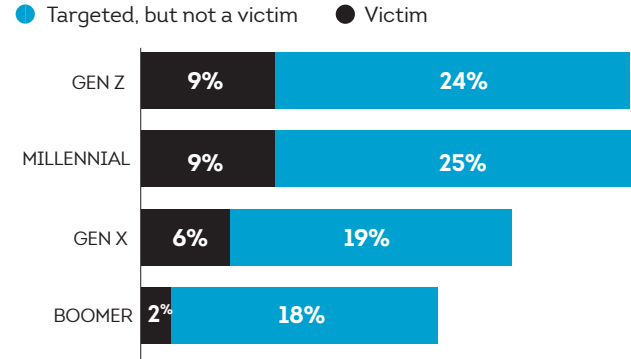
Consumers stating they are aware and/or victims of digital fraud related to COVID-19



Financially Impacted Consumers are More Likely to Experience Digital Fraud



Generational Impact



Younger generations report higher levels of awareness and impact from fraud.



9%

DIFFERENCE

Higher awareness of digital fraud by those who have been impacted financially



Over 100 million risky transactions from March 11 to April 27.

Those already experiencing financial hardship are more likely to be the target of digital fraud. As these consumers reach out for help, TransUnion is identifying, and our partners are preventing, an increase in risky transactions.

"My bank called saying there was a fraudulent account opened with my information. I also had fraudulent activity on my existing credit card. They have issued a new card."

Global Research Methodology

This online survey of 9,215 adults was conducted April 13-16, 2020 in Canada (n=1,012), Colombia (n=1,059), Hong Kong (n=1,047), India (n=1,003), South Africa (n=1,058), the United Kingdom (n=1,007) and the United States (n=3,029) by TransUnion in partnership with 3rd party research provider Qualtrics® Research-Services. Adults 18 years of age and older residing in these countries were surveyed using an online research panel method across a combination of computer, mobile and tablet devices. Survey questions were available in English in all countries and in French (Canada), Spanish (Colombia), Hindi (India) and Cantonese (Hong Kong). All major geographic regions within each country where fieldwork was conducted are represented in the study survey responses. These research results are unweighted and have the following calculated margin of error (at a 95% statistical significance confidence level) using \pm percentage points for each country: Canada (± 3.08), Colombia (± 3.01), Hong Kong (± 3.03), India (± 3.09), South Africa (± 3.01), the United Kingdom (± 3.09) and the United States (± 1.78). Global composite percentages are unweighted and calculated by combining all countries' same-sample criteria (e.g., Millennial generation) into a net sample group. To ensure general population sample representativeness across resident demographics, the survey included quotas for each country to balance responses to census statistics on the dimensions of age, gender, household income, region and race (U.S. only). The segmentation of small, medium and large employers within the analysis uses guidance from the Organization for Economic Co-operation and Development (OECD) to classify enterprises in different categories according to their size. Enterprises can be classified in different categories based on various criteria, but the OECD recommendation is to use the number of people employed. Small businesses are defined by less than 50 employees, medium-sized businesses by 50-249 employees, and large businesses by 250 or more employees.

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If you are a member of the media and would like to learn more, please contact:

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