



NEWS RELEASE

National Survey Finds 83% of Consumers are Cutting Back on Personal Spending, Travel Due to Inflation

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Findings show that Americans are spending hundreds of dollars more per month on gasoline and groceries ISELIN, N.J., June 28, 2022 (GLOBE NEWSWIRE) -- **Provident Bank**, a leading New Jersey-based financial institution, has released the results of its recent consumer inflation survey of 600 adults, aged 18+ that shows how people are adjusting their routine spending and travel habits due to inflation.

According to the survey results, more than 10% (10.5%) reported eliminating all non-essential purchases and more than 70% (71.67%) said they have made at least some changes to personal travel habits.

While some consumers have cut back on some non-essential spending, like dining out and unnecessary travel, others reported much more drastic changes such as skipping meals, conserving water, and eliminating meat from their diets. People are feeling an immense amount of financial pressure right now. Unfortunately, this is not surprising after the Labor Department reported earlier this month that the United States Consumer Price Index (CPI) hit a 40-year high in May.

When asked which price increases on regularly purchased products or services have hurt consumers the most, gasoline, groceries, and clothing were among the most frequently mentioned items. More than 50% (53.33%) said they now spend between \$101 - \$500 more per month on groceries.

With the average price of gasoline in the U.S. surpassing \$5 per gallon for the first time, reports of cancelled vacations and a decline in leisure travel have begun to make headlines. According to the survey results, 32% of

drivers are now spending between \$101 - \$250 more per month on gasoline, with 13.5% reporting a monthly increase in fuel costs between \$251 - \$500.

In addition to gasoline, groceries, and clothing, respondents named baby products, meat, utilities, household goods, milk, and alcohol as adding the most to their monthly bills.

“As bankers, it’s important that we uncover these financial pain points for consumers as it relates to inflation,” said Anthony Labozzetta, President and CEO, Provident Bank. “Similar to the pandemic, it’s a time for financial institutions to step up and work with their customers on how best to help them navigate through these challenging times.”

When asked what adjustments they have made to travel plans and driving habits due to the rising cost of gasoline, many reported either reducing or eliminating unnecessary travel by cancelling annual vacations, visiting family less frequently, or combining necessary outings like grocery shopping and doctor’s appointments into one trip. Common themes among the responses included ditching their vehicles in favor of walking or riding bikes, increasing their use of public transportation, and trading in older vehicles for more fuel-efficient ones.

Additional Survey Findings:

- Nearly half (46.33%) of the survey’s respondents reported using credit cards slightly more or much more frequently on routine purchases compared to last year.
- Of the 600 adults who completed the survey, approximately 41% (41.17%) said they are contributing less to their savings. Of that group, approximately 38% (38.46%) reported having less than \$1,000 in a personal savings account.
- Despite the current struggles, more than half (57.83%) said they believe they will be better off this time next year.
- On how consumers are saving on personal spending:
 - Quitting smoking cigarettes.
 - Shopping at discount stores and switching to generic/store brand items.
 - Taking on “odd jobs” for extra income.
 - Spreading out visits to the salon.
 - Preparing their coffee at home.
- On how consumers are saving on personal travel:
 - Avoiding travel to expensive areas.
 - Video conferencing family rather than in-person visits.
 - Postponed or delayed travel until gasoline prices go down.

- Remain within a 10-minute driving distance.
- Mapping out gasoline usage before travel.

For the full survey results, please contact Lauren Stralo below.

About Client

Provident Bank, a community-oriented financial institution offering “Commitment you can count on” since 1839, is the wholly owned subsidiary of Provident Financial Services, Inc. (NYSE:PFS), which reported assets of \$13.62 billion as of March 31, 2022. With \$11.37 billion in deposits, Provident Bank provides a comprehensive suite of financial products and services through its network of branches throughout northern and central New Jersey, as well as Bucks, Lehigh and Northampton counties in Pennsylvania and Nassau and Queens counties in New York. The Bank also provides fiduciary and wealth management services through its wholly owned subsidiary, Beacon Trust Company and insurance services through its wholly owned subsidiary, SB One Insurance Agency, Inc. For more information about Provident Bank, visit www.provident.bank or join the conversations on Facebook (ProvidentBank) and Twitter (@ProvidentBank).

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A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/32ef63b4-a095-4f53-b497-26d9d8a7a775>

Inflation Word Cloud

When survey respondents were asked which price increases on regularly purchased products or services have hurt consumers the most, gasoline, groceries, and clothing were among the most frequently mentioned items.

Source: Provident Bank