

The US Maru Household Outlook Index (MHOI)

With monthly tracking of American citizen-consumers and their 60-day outlook about the US economy and their personal finances

January 2024



The January 2024 American Maru Household Outlook Index (MHOI) is at **82** (negative/pessimistic) up two points from **80** last month and is the highest the index has been since September 2023.

Of the sixteen measures in the MHOI calculation, the **two key drivers** that have had the greatest influence this month are:

- **Less Americans indicated the propensity to likely declare bankruptcy** (9% down from 12% last month). This returns to findings back in October 2023, which was the lowest since December 2022.
- **More Americans say they are worried about their personal/family day-to-day finances** (50% up from 49% last month). Those who are very worried rose (20% to 21%). This overall sentiment is a nominal influence on the MHOI this month, noting that in each month since August 2023 (five months) the topline metrics have traded in the same range.

Reflecting on the course of the MHOI over the past year, **October 2023 was the worst month** (79—last witnessed in July 2022) and **this is the first month that lagging weighted influences created at that time have stopped reverberating**. If you strip that away, the data collected on all measures is relatively flat this month.

We enter 2024 with a potentially positive trend for the MHOI but also in the early days of a year that will witness a **race for the American presidency that could be the most tumultuous and consequential in its history**. Like each of these contests, there will be a range of issues put to the test for votes, but this time it comes with an **unprecedented gap between the performance of the economy and public sentiment**.

With a potential “soft landing” for the economy and much speculated interest rate cuts by the Fed by the end of the year or sooner, inflation down from 9.1% in mid-2021 to 3.4%, an employment market adding 216,000 workers to the roles in December and 2.7 million on the year, hourly wages up 4.1%, a roaring stock market, and supply chains finally unclogged with supplies that have fed undernourished industries and cause costs to fall, **there should be a lot to be thankful for in this post-pandemic recovery phase and optimism for the year ahead**.

But that’s simply not the case as the toll it has taken on pocketbooks and household finances to get there has **whipsawed most Americans**. They went from flush savings accounts during the pandemic to the highest amount of debt per capita in history while their unrestrained spending torqued the GDP, interest rates that have risen eleven times in the past two years and denied or forfeited Americans their homes with soaring mortgage costs, and pocketbook prices on seemingly everything—from gas at the pumps to groceries at the local store to cars on the sales lot—**17% higher than was the case before COVID arrived**.

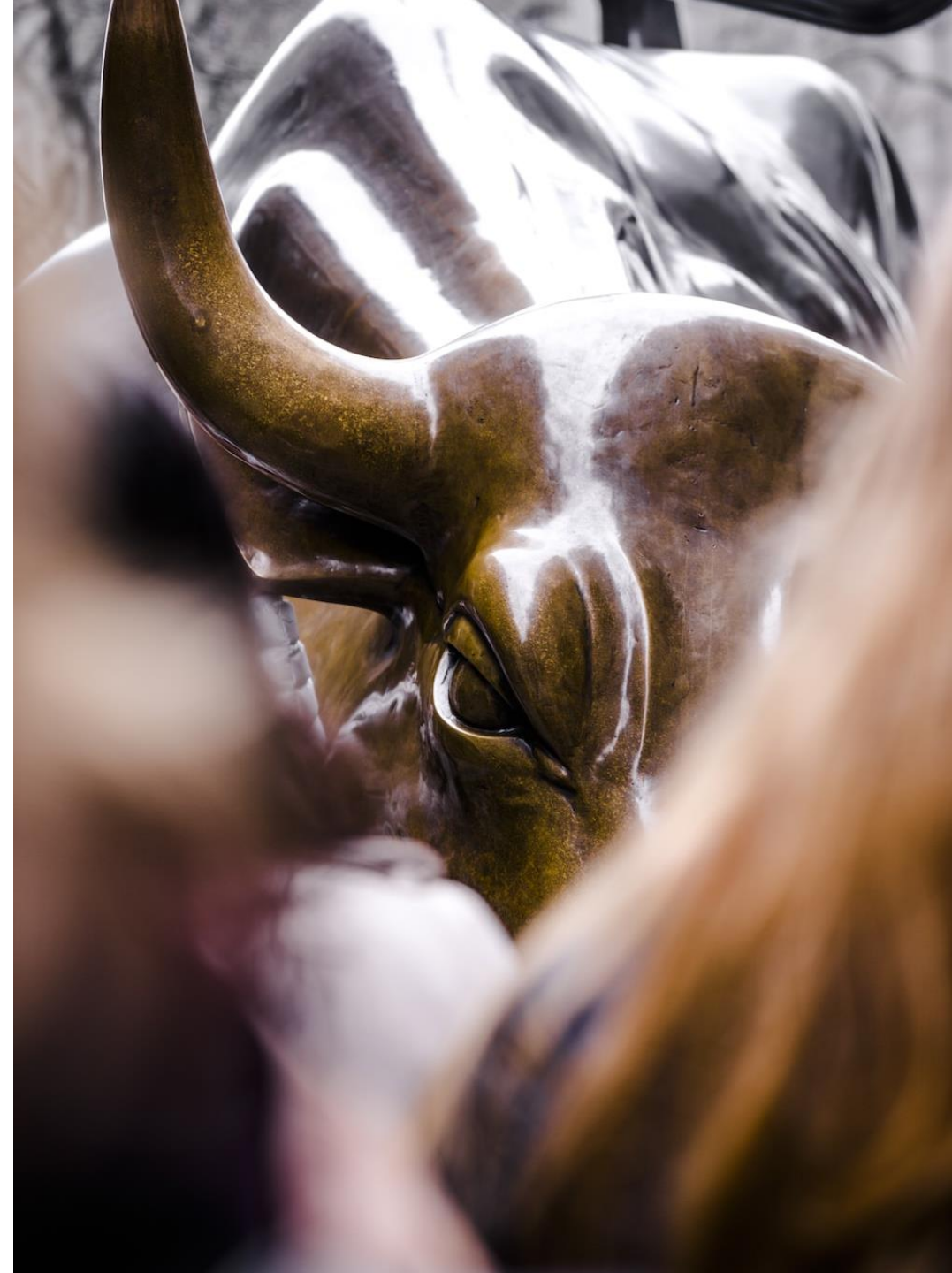
Add to that list, **the debt ceiling and how to manage the \$34 trillion the United States owes its creditors**. The two Congressional confrontations last summer caused optimism for the **national economy to plummet** (from 52% in July to 37% in October) **and it has still not recovered** (six percentage points shy at 46%). House leaders may have found a new stop gap plan to keep the government funded and open, but it just kicks the political football down the road for a few more months where the impact on public opinion, especially during this election year, **should not be underestimated**.



In retrospect, the **takeaway** from comparing the yearly average MHOI findings and underlying data to previous years is this: **despite some roller coaster journeys in 2023 and 2022, the two years were the same on sentiment, propensity, and outlook but lower than in 2021.** And **while more felt worse off financially** (28% in 2023 versus 2022 24%) it was offset by **more who saw improvement** (18% versus 13%) for a **relative Gap score tie** (-10 in 2023 versus -11 in 2022). From home purchasing decisions to wages and livability, the differences between 2022 and 2023 were **basically flat**. The following selective year over year averages tell the tale:

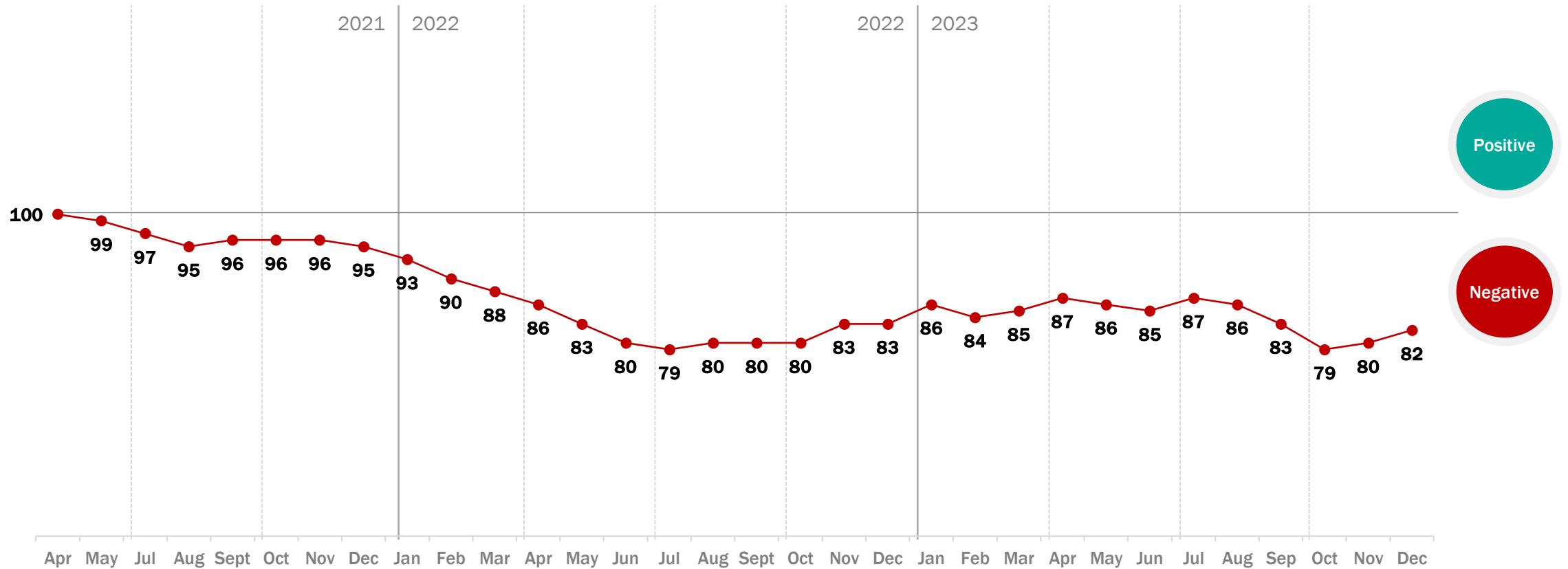
- **The Maru Household Outlook Index (MHOI) – has the same yearly average in 2023 as it did in 2022 at 84 (negative/pessimistic):** 2022 began better (93) than in 2023 (86) but 2022 spent more time in a summer in a trough (averaging 80) while 2023 was more stable with only one drop and rebound during the mid-summer Congressional debt ceiling drama. Both years witnessed drops to the lowest levels achieved in the index (79).
- **The state of the US economy – a marginal change from last year +4 percentage points:** the majority (61% down from 65% in 2022) believed the economy was on the wrong track versus far less (39% up from 35% 2022) who said it was moving in the right direction.
- **The national economy will improve – a nominal change from last year +2 percentage points and directly opposite to where it was in 2021:** the majority (56% down from 58% in 2022 and up from 44% in 2021) don't believe the national economy will improve anytime soon is contrasted with a minority (44% up from 42% in 2022 but down from 56% in 2021) say the national economy will improve soon. In total, from 2021 there is a 12 point +/- difference.
- **Those worried about their personal day-to-day finances – no real change from last year at +1 percentage point but +5 from 2021** (42% compared with 46% in 2022 and 47% in 2023).
- **Those who struggle to make ends meet – a nominal change from last year +2 percentage points but +4 from 2021:** 2023 at 36% compared with 34% in 2022 and 32% in 2021.
- **Slightly more worried about job loss in 2023 than in 2022 – a relatively marginal change from last year at +2 percentage points:** the propensity for losing their job or being laid off was at 14% in 2023 versus 12% in 2022.
- **For those who said that they would put away money for their retirement/old-age security – the same over three years:** despite roller coaster rides in each year, the average in 2023 was 58% compared with 58% in 2022 and 60% in 2021.
- **Less Americans said they'd invest in the financial markets– down from last year -4 percentage points, rejoining 2021 prospects:** while the financial markets roared near the end of the year, less Americans felt it was a good time to invest in 2023 (37%) compared to those in 2022 (41%) but were similar in number in 2021 (38%).

With the New Hampshire **first-in-the-nation primary** to be held on Tuesday, January 23, 2024, we'll not only get our first real taste of how the battle for voters will be focused on their wallets, but how it could help shape the ballot question for America at a crossroads, **so stay tuned.**



The American Maru Household Outlook Index (MHOI)

82 (negative/pessimistic)



The Appendix reveals the questions and formula used to calculate the monthly index.



What's Driving the Index this Month?

The January 2024 American Maru Household Outlook Index (MHOI) is at **82** (negative/pessimistic) up two points from **80** last month and is the highest the index has been since September 2023. The following are the two elements having the *most* influence on the index this month:

- **Less Americans indicated the propensity to likely declare bankruptcy** (9% down from 12% last month). This returns to findings back in October 2023, which was the lowest since December 2022. Those most likely to be concerned about declaring bankruptcy are the youngest Americans (aged 18-34 20% down from 26%), those with the least amount of income (<\$25K 15% down from 36%), men (11% down from 15% versus women at 7% down from 8%), and those living in both the South (10% down from 12%) and the Northeast (9% down from 11%).
 - It's noted that those who believe they will default on making payments on major loans or a mortgage (17%) have remained at the same level since October 2023 – however there is a slight rise among those who are more definitive that this could be the case (8% up from 6% in October).
- **More Americans say they are worried about their personal/family day-to-day finances** (50% up from 51% last month). Those who are very worried rose (20% to 21%). This overall sentiment is a nominal influence on the MHOI this month, noting that in each month since August 2023 (five months) the topline metrics have traded in the same range. Those most likely to be worried about their finances are those who are the lowest earning Americans (<\$25K 69%)/\$25-\$49K 55%), the youngest (aged 18-34 60%), women (52% versus men 48%), and those living in the Northeast (53%).
- While not a primary driver of the MHOI this month, an overarching contributor is that **more Americans believe the national economy will likely improve** (46% up from 44%)—up nine percentage points since October 2023 (from 37% to 46%). This is part of a rebound from the impact of the debt ceiling debate which witnessed a plummet of fifteen percentage points in July to October 2023 (from 52% to 37%). Those most likely to believe that the national economy will improve are those with the highest income (\$100K+ 53%), the youngest Americans (aged 18-34 51%), men (50% versus women 43%), and those living in both the West (50%) and the Northeast (48%).



By the Numbers

Thinking of the state of the economy, would you say it is...?

- Moving in the right direction **38% -1**
- On the wrong track **62%**

Specifically focused on your financial position, would you say it has...?

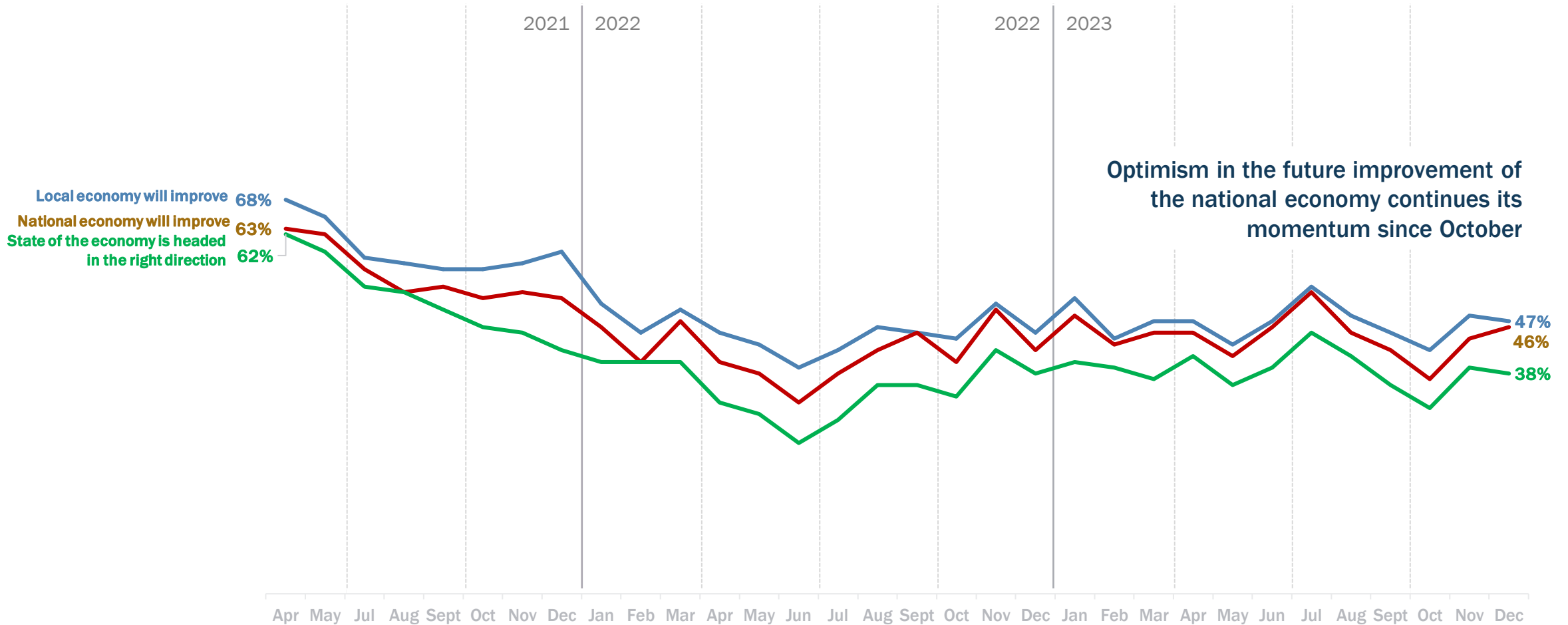
- Improved since last month **17% +1**
- Remain the same over the last month **62% -2**
- Become worse since last month **21% +1**

Over the next sixty (60) days is it **very/somewhat/not very/not at all** likely that...?

- The national economy will improve **46% +2 54%**
- The local economy where I live will improve **47% -1 53%**
- I will have more than two months of savings to cover any unexpected costs or needs **61% -1 39%**
- I will put away money for my retirement/old age security **57% -1 43%**
- I will have enough personal/family investments and savings for the future **57% +1 43%**
- I will be worried about my personal/family day-to-day finances **50% +1 50%**
- I will have the ability to purchase the products needed for me/our family **86% +2 14%**
- I will invest in the financial markets because now is a good time to do so **36% N/C 64%**
- I will purchase big ticket items like a car or furniture **22% N/C 78%**
- I will buy a house **13% -3 87%**
- I will struggle to make ends meet **39% -1 61%**
- I will default on making payments on major loans or a mortgage **17% N/C 83%**
- I will lose or be laid off from my job because of lack of business/work **12% -2 88%**
- I will likely declare bankruptcy **9% -3 91%**
- I will earn a livable wage **67% +1 33%**
- I will have enough food for myself/family **90% +2 20%**
- I will be able to afford to keep a roof over my/my family's head **79% N/C 21%**
- I will rely on government programs to make ends meet **28% N/C 72%**
- I will move to a smaller residence because I need to save money **16% -2 84%**
- I will take a learning course to upgrade my skills/education **32% +3 68%**

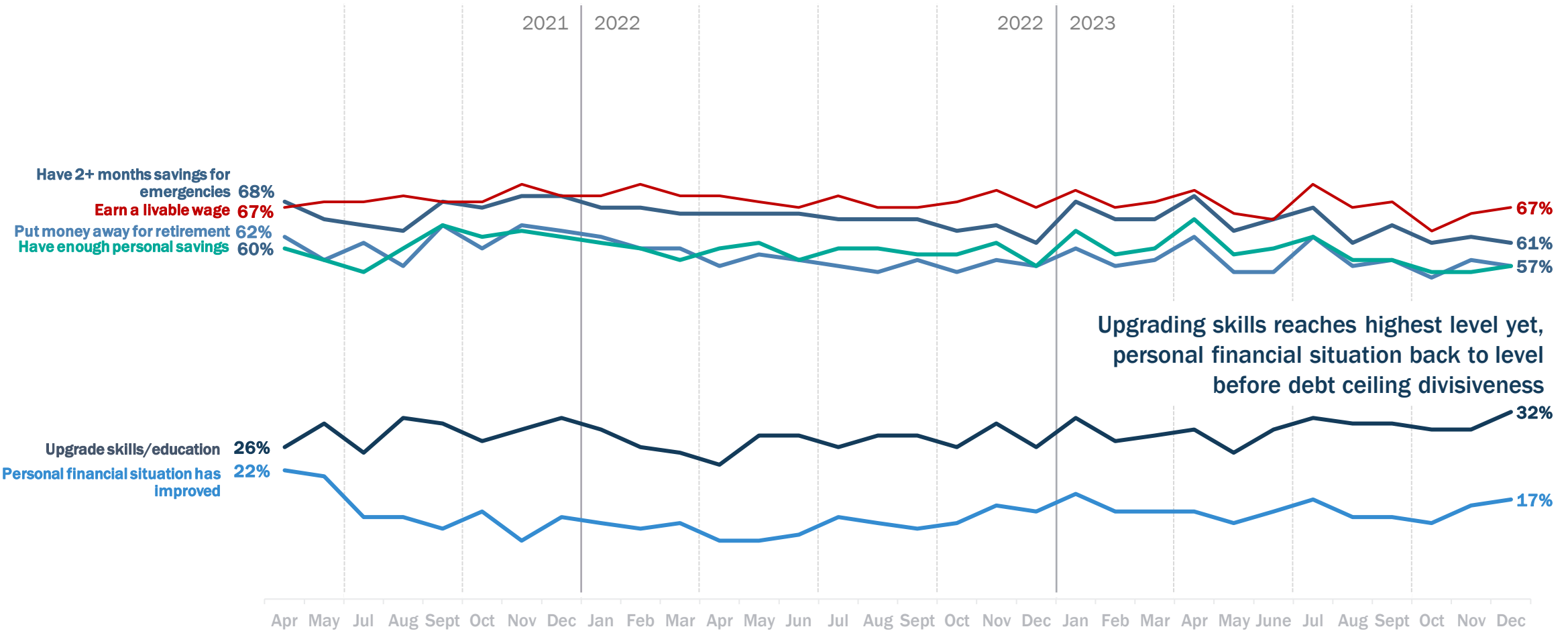
The American Maru Household Outlook Index (MHOI): Economic Outlook

Over the next 60 days, likely to...



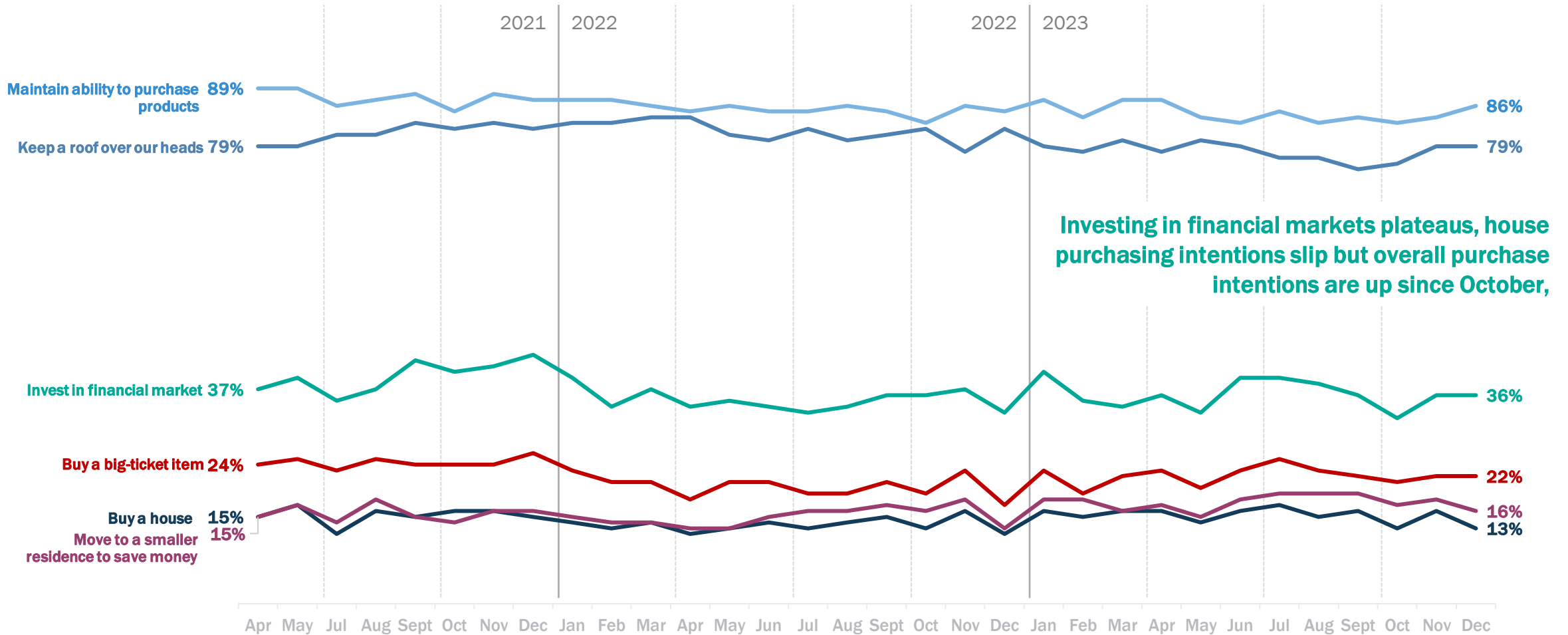
The American Maru Household Outlook Index (MHOI): Personal Finances

Over the next 60 days, likely to...



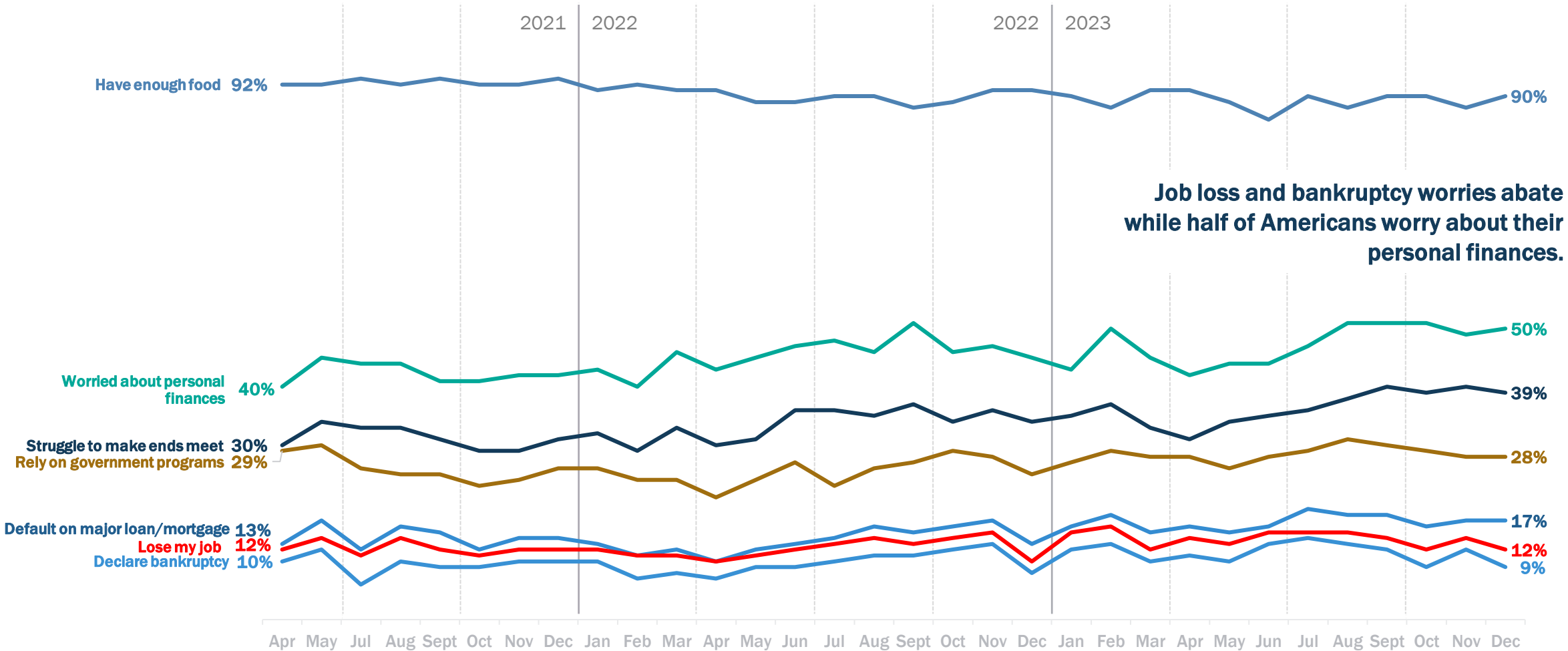
The American Maru Household Outlook Index (MHOI): Purchasing Power

Over the next 60 days, likely to...



The American Maru Household Outlook Index (MHOI): Challenges

Over the next 60 days, likely to...





Data Collection Methodology for this Month's Wave

These are some of the findings from a study released by [Maru Public Opinion](#) undertaken by its sample and data collection experts at [Maru/Blue](#) on December 27-28, 2023, among a random selection of 1,533 American adults are [Maru Springboard America](#) online panelists. For comparison purposes, a probability sample of this size has an estimated margin of error (which measures sampling variability) of +/- 2.5%, 19 times out of 20.

The results have been weighted by education, age, gender, and region to match the population according to census data which ensures the sample is representative of the entire adult population of the United States. Discrepancies in or between totals when compared to the data tables are due to rounding.

Panel and data services provider [Maru/Blue](#) is deeply rooted in the Maru/HUB technology platform and offers on-demand, high-quality, highly scalable online community samples of deeply engaged, known respondents. Maru Public Opinion is a professional research services channel dedicated to improving its clients' business outcomes. It delivers its services through teams of sector-specific research consultants specializing in the use of Insight Community and Voice of Market technology. [Maru Public Opinion](#) publicly released American polls with supporting detailed tables are found here: [Maru Public Opinion US Polls](#). Corporate information can be accessed here: [Maru Group](#). Excerpts from this release of findings should be properly attributed, with interpretation subject to clarification or correction. Maru Public Opinion does not do any work for any political party.

The methodology and questions used for the calculation of the monthly Maru Household Outlook Index (MHOI) can be found in the Appendix. Detailed tables are simultaneously posted with the public release of this document at [Maru Public Opinion US Polls](#) or are available upon request. Presentations and/or media interviews about these and subsequent results can be provided, and individuals may be added to a distribution list, upon request to john.wright@marublue.com.

Appendix

Index Calculation

The MHOI is derived from a sixteen-item summated rating scale, fourteen of which are on a four-point scale, with each level having a different weight. A fifteenth item has a binary response, and only the proportion of positive responses is used. The sixteenth item asks respondents to describe how their financial position had changed in the past month wherein the proportion of respondents whose situation has improved or remained constant is kept, with both top options having the same weight in the Index. Each statement score is multiplied by either 1 or -1 depending on whether the attribute is optimistic or pessimistic.

The Index scores are added, multiplied by 100, and finally divided by the total for the baseline month (April 2021) to give us the weighted index. Any Index output below a composite score of 100 is considered to be negative/pessimistic, and any above a composite score of 100 is considered to be positive/optimistic. The resulting measure is both valid and reliable.

The MHOI Index number reported in any given month is based on a “rolling average” formula that combines the incumbent data from that month plus the two previous monthly waves (which triples the usual monthly sample size wave of ~1,500 completed interviews for a total of ~4,500). In order to heighten the freshness of the Index number reported, the incumbent month is given a weight of 45%, the data from the previous month is given a lesser weight of 35%, and the data from the earliest of the three months is given an even lesser weight of 20%. The output from this formula produces the MHOI Index number reported and charted for comparison with previous iterations.

Index Questions

Thinking of the state of the economy, would you say it is...? (Tracking began in April 2021)

- Moving in the right direction
- On the wrong track

Specifically focused on your financial position, would you say it has...? (Tracking began in April 2021)

- Improved since last month
- Remain the same over the last month
- Become worse since last month

Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that... (Tracking began in July 2020)

- The national economy will improve
- The local economy where I live will improve
- I will have more than two months of savings to cover any unexpected costs or needs
- I will put away money for my retirement/old age security
- I will have enough personal/family investments and savings for the future
- I will be worried about my personal/family day-to-day finances
- I will have the ability to purchase the products needed for me/our family
- I will invest in the financial markets because now is a good time to do so
- I will purchase big ticket items like a car or furniture
- I will buy a house
- I will struggle to make ends meet
- I will default on making payments on major loans or a mortgage
- I will lose or be laid off from my job because of lack of business/work
- I will likely declare bankruptcy

Additional Questions (Tracking began in July 2020)

Over the next sixty (60) days is it very likely/somewhat likely/not very likely/not likely at all that...

- I will earn a livable wage
- I will have enough food for myself/family
- I will be able to afford to keep a roof over my/my family's head
- I will rely on government programs to make ends meet
- I will move to a smaller residence because I need to save money
- I will take a learning course to upgrade my skills/education



Maru is a world leading CX and Insights Software & Advisory Services company.

Maru was founded to disrupt the data and insight delivery industry with a combination of Software & Advisory Services delivering data in real-time via a unique service model. Maru helps its clients make informed decisions in near real-time by combining proprietorial software, deep industry experience and access to the best minds in research. Maru's flexible service model means our clients can choose to self-serve our Software directly to create, launch and analyze projects; or choose to utilize our Software with knowledgeable support from insights experts. Maru successfully delivers major national and international CX and CEM programs for Enterprise organizations.

Maru Public Opinion is a research and insight channel of the [Maru Group](#). The division operates a polling division for clients and collaborative media partners. A full description of the channel and access to polls released into the public domain can be found at [Maru Public Opinion US Polls](#)

[Maru Public Opinion](#) does not carry out any polling for any political party.

For more information contact:

John Wright

Executive Vice President

Maru Public Opinion

102 Madison Avenue New York, NY, 10016, US

D: 1-332-282-1610

john.wright@marublue.com



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