

Consumer Sentiment in 2025: Strong Concerns Over Inflation, Tariffs, Government Cuts



By [Nick Pisano](#)

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😬 How are Americans feeling about the economy in 2025? 😬

Only 1 in 4 (26%) feel better off economically now than they were in September 2024, and just a third (34%) expect to be better off six months from now.

[Few Better Off, Most Worried About the Economy in 2025](#) | [Majority Cutting Back and Delaying 2025 Spending](#) | [Significant Tariff and Trade War Worries](#) | [Big Concerns Over Government Cuts](#) | [Strong Feelings on Other Government Policy](#) | [Methodology](#) | [FAQ](#)

The turnover from one year and one presidential administration to the next can often be a time of change. But even by historical standards, the beginning of 2025 has been notable for the upheaval that's played out across the economy and the federal government.

[President Trump's tariff plans and proposals](#) for Canada, Mexico, China, and other countries have sparked a growing trade war, one that the administration argues will give an advantage to American-made products and companies. Opponents point out that American consumers ultimately pay tariff costs, leading to an increase in prices, while retaliation from other countries has put U.S. exports from a wide variety of industries at risk.

Meanwhile, [Elon Musk's DOGE \(Department of Government Efficiency\) task force](#) has led the charge for deep cuts to nearly every federal department and agency, sending thousands of federal workers, contractors, and employees at companies supported by federal spending onto the unemployment rolls. Supporters say it's necessary to scale back the size of government, but critics point out that the dramatic changes could put the operation of popular programs like Social Security or Medicare at risk or jeopardize

key agencies like the Federal Aviation Administration or Department of Health and Human Services.

It's enough to seriously unsettle the stock market, where the S&P 500 index fell from a high of over 6,100 in December to a low near 5,500 in mid-March. Over the same period, the widely respected [University of Michigan consumer sentiment survey](#) declined from a December high of 74 to an initial reading of 57.9 in March, the lowest level since the peak of post-pandemic inflation in 2022.

In light of the uncertainty, Clever Real Estate surveyed 1,000 American adults about their economic and policy views in the post-2024 election era.

Barely 1 in 4 Americans (26%) feel better off economically now than they were in September 2024, and just a third (34%) expect to be better off in six months than they are now.

Meanwhile, a majority of Americans (58%) revealed they've reduced non-essential spending in anticipation of the 2025 economic climate, with a whopping 95% concerned about price increases in the year ahead.

Read on to learn more about how Americans are feeling about the economy, changes to the federal government, and the Trump administration's tariff plans.

2025 Consumer Sentiment Statistics

- Only 1 in 4 Americans (26%) feel better off economically now than they were in September 2024.
 - Meanwhile, just a third (34%) expect to be better off in six months than now.
- Nearly 2 in 3 Americans (63%) don't believe the U.S. government is taking the right actions to address economic concerns.
- Americans' top economic worries are rising insurance costs (95%), inflation (94%), and the general state of the economy (89%).
- Almost three-quarters (74%) believe inflation will get worse in the next year, and 70% are more worried about inflation now than last September.
 - Only 39% support President Trump's handling of inflation so far.

- Nearly three-quarters of Americans (70%) are concerned about a potential housing market crash in 2025, and 1 in 3 (32%) are worried they won't be able to afford their housing payments as a result of the 2025 economic climate.
- A majority of Americans (58%) say they've reduced non-essential spending in anticipation of the 2025 economic climate.
 - Almost a third of those who previously planned to make a major purchase in 2025 (32%) say they're now delaying it, while nearly 1 in 4 would-be homebuyers (22%) have delayed their plans to purchase a home.
- About 81% of Americans are worried about tariffs or a potential global trade war, including 49% who are extremely worried.
 - Almost three-quarters (72%) believe tariffs will have a negative impact on the U.S. economy.
- Almost half of Americans (46%) feel that people are underreacting to the Trump administration's potential impact on their finances, compared to just 30% who think people are overreacting.
- Although roughly three-quarters (78%) favor cutting government spending in general, only 46% support the current administration's handling of the issue.
- Just 44% of Americans support Elon Musk's Department of Government Efficiency (DOGE) task force, while only 35% support Musk's role in the federal government.
- Only 35% support the ongoing mass layoffs at many federal agencies, and 82% are worried about spending cuts.
 - Americans are most concerned about cuts at the Social Security Administration (68%), Department of Health and Human Services (49%), and the Food and Drug Administration (FDA) (44%).
- Three-quarters of respondents (75%) would feel an impact on themselves or their families if government funding cuts led to reductions in government assistance programs such as Social Security, Medicare, food stamps, and veterans' benefits.
 - About 1 in 10 (11%) fear they could become homeless as a result of the cuts.

- More than half of Americans (57%) say they support diversity, equity, and inclusion (DEI) efforts.
 - About 39% have decreased their spending at businesses whose policies don't align with their political views.

Only 1 in 4 Americans Feel Better Off Than September; Nearly All Worried About Inflation, the Economy

For many Americans, 2025 is off to a rough start from a financial perspective.

Only 1 in 4 Americans (26%) feel better off economically now than they were in September 2024. Meanwhile, just a third (34%) expect to be better off six months from now. That's likely due to the fact that nearly 2 in 3 (63%) don't believe the current U.S. government is taking the right actions to address economic concerns.

Topping the list of worries is rising insurance costs, whether they be for a home, health care, or cars. A whopping 95% of respondents revealed concerns about the topic, the highest among any issue surveyed. About 59% go as far as saying they're extremely worried about these unpredictable expenses, which have [spiraled out of control in some states](#) in recent years due to natural disasters, climate change, and other factors.

Just a percentage point behind in the concerns of Americans is inflation, which 94% are worried about, including 63% who are extremely worried.

At the same time, 89% are worried about the state of the U.S. economy overall, three points higher than the global economy (86%), despite [several years of America outperforming](#) much of the rest of the world.

One of the starkest numbers is the 85% of Americans who say they're worried about their own personal finances. Almost three-quarters of Americans (72%) say they're worried about the job market, with over half of those who currently have a full-time job (54%) expressing concern over their own job security.

As might be expected, there's also a gargantuan generational split: 62% of working-age, family-raising millennials are worried about their jobs personally, almost 3x the number of retired or late-career boomers who say the same (21%).

For many, a job loss could spark a life-changing crisis. **Almost half of Americans (49%) indicate they couldn't maintain their current lifestyle for six months if they lost their income, including almost 1 in 5 (19%) who couldn't maintain it for even a month.**

The concerns are also future-focused: 81% are worried about their retirement savings and investments, and 74% about the stock market in general.

Americans' Top Economic Worries for 2025

Data includes responses from 1,000 Americans.

Source: Clever Real Estate — Consumer Sentiment Survey, March 2025

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Americans' Concerns Worsened Across the Board in Past Six Months

Broadly speaking, Americans' concerns about every issue surveyed worsened over the past six months.

Roughly 70% are more concerned about inflation than they were in September 2024, 69% apiece are more concerned about tariffs or rising insurance costs, and 65% apiece are more concerned about Medicare, Medicaid, or Social Security changes.

On a more personal level, 50% are more concerned about their personal finances than six months ago, and 52% say the same about the potential loss of rights or equality.

How has your level of worry on these issues changed over the past six months?

Data includes responses from 1,000 Americans.

Source: Clever Real Estate – Consumer Sentiment Survey, March 2025

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Price Increases Remain a Top Concern

Despite data showing inflation has come off its post-COVID highs and [even approached typical levels in late 2024](#), Americans don't seem convinced their days of price hikes are over.

Almost three-quarters of Americans (74%) believe inflation will get worse in the next year, and 95% have concerns about price increases over the same time period.

The top categories for inflation concerns are:

- Grocery and food prices: 84%
- Gasoline and energy costs: 69%
- Car prices: 65%
- Household good costs: 63%
- Restaurant and dining costs: 63%
- Health care and medical expenses: 60%

Which prices are you concerned will increase in the next year as a result of tariffs or inflation?

Data includes responses from 1,000 Americans.

Source: Clever Real Estate – Consumer Sentiment Survey, March 2025

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This all comes at a precarious time for many Americans. Although over half (54%) are concerned enough about potential price hikes that they'd prefer to make major purchases now rather than wait and risk paying more, another 1 in 4 (26%) say they struggle to afford basic necessities, including a whopping 44% of millennials.

The struggle to afford necessities contributes to a meager 39% support for President Trump's handling of inflation so far. More Americans strongly oppose how he's handled inflation (47%) than strongly support (22%) and somewhat support it (17%) combined.

This feeling is held relatively consistently across the board, ranging from 43% approval among millennials to 36% approval among Gen Xers. Boomers fall in between, with 40% supporting Trump's handling of inflation.

1 in 3 Worried About Missing Rent or Mortgage Payments in 2025

There's no more critical line on the budget of many households than the rent or mortgage, and it's causing a notable amount of stress this year.

Almost 1 in 3 Americans (32%) are worried they won't be able to afford their housing payments as a result of the 2025 economic climate. This includes 41% of millennials, compared to just 26% of boomers, who have had decades longer to find a stable living situation and build their savings.

Many expect continued inflation and the Trump administration's tariffs to make a years-long housing crisis even worse, with 42% expecting these factors to cause home prices to rise and 37% saying the same for rent.

Even those who already own homes seem to be stressing, with 89% of Americans saying they're worried about the rising costs of home maintenance and repairs, such as the costs of lumber or new appliances. Another 88% are concerned about rising property taxes. Near majorities of each (47% and 49%, respectively) say they are *extremely* worried about these expenses.

Years of rapidly rising home prices have led many to fear an abrupt landing. Roughly 70% are concerned about a potential housing market crash. There's a massive 17-percentage-point split between men and women on this issue, with 77% of women worrying compared to just 60% of men. There's a similar 16-point gap on worries about rising mortgage rates, 72% of women vs. 56% of men.

Percentage of Americans who...

Data includes responses from 1,000 Americans.

Source: Clever Real Estate — Consumer Sentiment Survey, March 2025

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Despite strong numbers on economic issues in his first term, only 40% of Americans support President Trump's handling of the housing market.

Data shows he could potentially win some back to his side by addressing top concerns, such as expanding first-time homebuyer assistance programs (which 79% of Americans support) or regulating the housing market to prevent another affordability crisis (75% support).

Most Americans Cutting Back and Delaying 2025 Spending

When it comes to the economy, feelings and perceptions often matter almost as much as hard numbers.

As concerns grow over the potential for an economic slowdown or recession, the 2025 economic climate has worried Americans enough that a majority (58%) revealed they've reduced their non-essential spending in anticipation of what's ahead.

Along these same lines, roughly 1 in 3 (31%) are also saving more because of concerns about the economy.

Over the past six months, Americans have cut back spending on:

- Dining out (58%)
- Egg purchases (50%)
- Non-essential personal items, such as makeup, haircare, or jewelry (48%)
- Groceries (47%)
- Clothing (45%)
- Entertainment (40%)
- Fuel/gas (34%)
- Electronics (29%)
- Travel (28%)

Have you intentionally cut back your spending to save money in any of the following areas over the past six months?

Data includes responses from 1,000 Americans.

Source: Clever Real Estate — Consumer Sentiment Survey, March 2025

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Almost a third of those who previously planned to make a major purchase in 2025 (32%) say they're now delaying it. Another near-third of those who planned to remodel or renovate a home (30%) are also putting it off, as are 26% of those who expected to make home repairs in 2025.

In a troubling sign for the real estate market, almost 1 in 4 of those who planned on buying a home this year (22%) are now delaying those plans just because of their expectations about the 2025 economy.

Similarly, more than 1 in 8 (13%) of those who had considered selling a home in 2025 are now delaying those plans, compared to 8% who are [speeding up their home-selling plans](#), including using options like [cash buying companies](#).

Americans are also putting off more personal and non-financial plans in anticipation of the 2025 economy.

More than a quarter of those planning to travel in 2025 (28%) say they're delaying those plans, while nearly 2x as many people who expected to date this year are saying they're slowing things down compared to those speeding things up (12% vs. 7%, respectively).

Have you delayed your plans on any of the following in anticipation of the 2025 economic climate?

It's an equally concerning picture when it comes to what Americans are speeding up.

Roughly a third (32%) say they're stockpiling resources such as canned food or first aid supplies because of concerns about availability or prices. About 30% have sped up those plans in anticipation of the 2025 economy. That's 10x the number of people who have slowed down their stocking up (3%).

More than 1 in 4 (29%) are moving faster in their efforts to create an emergency preparedness plan, and 3x as many people are speeding up their plans to learn useful skills, such as sewing or gardening, as slowing them down (15% vs. 5%, respectively).

Have you sped up your plans on any of the following in anticipation of the 2025 economic climate?

Roughly Three-Quarters of Americans Concerned Tariffs Will Hurt U.S. Economy

One of President Trump's highest priorities on the campaign trail and now in the White House involved placing tariffs on a variety of nations and goods.

Just over two months into his second term, however, **81% of Americans are worried about tariffs or a potential global trade war, including 49% who are extremely worried.** Women are 12 percentage points more likely to express worry than men, 86% vs. 74%.

Almost three-quarters (72%) believe tariffs will have a negative impact on the U.S. economy.

An even higher amount, 82%, believe that tariffs placed on goods from foreign countries will cause an increase in the price of products they purchase. **Economists generally agree** this is the case with typical tariffs. This likelihood was understood relatively consistently across all generations and between men and women.

Despite this, a majority (55%) support placing tariffs on Chinese products. There's notably less support for tariffs on Mexican items (42%), and roughly 2x as many people oppose Canadian tariffs (66%) than support them (34%).

Men support tariffs more than women on all three countries, with the most significant gap for China (62% vs. 51%).

Concerns over tariff impacts are likely among the reasons just 41% currently support President Trump's economic policies, and only 39% support his handling of international relations.

Americans Support Government Spending Cuts in Theory – But Not the Current Cuts

Government spending has long been a topic of debate in Washington, and making cuts has been among the Trump administration's first tasks since returning to office. But, as with many issues, the details make all the difference to many Americans.

Although over three-quarters (78%) favor cutting government spending in general, only 46% support the current administration's handling of the issue. The opposition seems

particularly fierce, with 41% saying they *strongly* oppose the Trump administration's cuts.

The approval for the administration's efforts is closely linked to the controversial Department of Government Efficiency (DOGE) taskforce, which just 44% of Americans support. That's the same number who strongly oppose it, which makes up the vast majority of the 56% opposition.

Still, it's nonetheless higher than the 35% who support DOGE head Elon Musk's role in the federal government. About 55% strongly oppose him. Musk's presence is particularly unpopular among women, with just 29% supporting his influence on the government.

In general, only 35% support the ongoing mass layoffs at many federal agencies, and 82% are worried about spending cuts there.

Cuts at the Social Security Administration are the source of biggest concern to Americans, with 85% saying they're worried about benefit changes and over two-thirds (68%) concerned about the agency overall.

Unsurprisingly, boomers were most likely to worry about Social Security. The 73% who are worried is 18 percentage points more than millennials (55%).

However, significant numbers of respondents expressed concern about a wide variety of government agencies and departments:

- Social Security Administration: 68%
- Health and Human Services: 49%
- Food and Drug Administration (FDA): 44%
- Centers for Disease Control and Prevention (CDC): 43%
- Department of Veterans Affairs: 40%

Women are as worried or more worried than men about cuts at every single agency included. The biggest gaps were the FDA and Health and Human Services, both of which women were 14 percentage points more concerned than men.

Overall, almost half of respondents (46%) feel that people are *underreacting* to the Trump administration's potential impact on their finances, compared to just 30% who

think people are overreacting.

Three-Quarters of Americans Would Feel Impacts of Government Program Cuts

These cuts aren't just a theoretical or political concern to many. Over half of respondents (52%) say they get some sort of government assistance program, ranging from Social Security to Medicaid and more.

That still pales in comparison to the 75% of respondents who would feel an impact on themselves or their family if government funding cuts led to reductions in Social Security, Medicare, food stamps, disability benefits, veterans' benefits, or other government assistance programs.

Such a move would cause a significant number of respondents to struggle with affording basic necessities, either immediately (29%) or over the long term (33%). Nearly a third (31%) say they would have to significantly cut back on nonessential spending.

Some other troubling consequences of government cuts include:

- More than 1 in 4 (28%) would have to cut back on groceries or eat less.
- Nearly 1 in 4 boomers (22%) would have to go back to work, and 20% of millennials would have to take a second job or side hustle.
- More than 1 in 7 Americans (15%) would need to use charity services such as a food pantry.
- Around 1 in 9 (11%) fear they could end up homeless.

Americans seem significantly more in favor of tax hikes on the wealthy than cuts to large programs as a method to shrink the federal budget deficit.

The vast majority of Americans (80%) support raising federal income taxes on high earners, including 53% who strongly support the idea. It's the only one of 20 policies, ideas, and proposals surveyed that earned a majority of strong support.

On the flip side, over a third (35%) support *eliminating* federal income taxes, even if it adds to the budget deficit. Approximately 41% of millennials (likely in their prime earning years) back this idea, compared to 33% of mostly retired boomers.

Policy Concerns Go Beyond Just Economics

Beyond these headline issues and plans, there are signs of a significant gap between the Trump administration and Republican-led Congress' positions and those of the Americans Clever surveyed.

Clearly, many see the stakes as high — and not just from a financial perspective. **More than two-thirds of Americans (68%) worry about a loss of rights or equality, including things like reproductive rights, voting rights, marriage equality, and more.** Women (73%) are 13 percentage points more concerned about this issue than men (60%).

Meanwhile, it's hard to miss the controversy over diversity, equity, and inclusion (DEI) programs aimed at providing more opportunities for minorities, women, and other groups, both within the government and private businesses.

Still, despite high-profile attacks from Republicans, 57% of Americans say they support DEI efforts. Millennials (63%) and women (61%) are most likely to back DEI programs and policies. However, the overall support also includes half of men (50%) and over half of boomers (52%).

DEI is just one of the high-profile political issues many companies have had to deal with in recent years, and Americans are taking notice. **About 39% have decreased their spending at businesses whose policies don't align with their views.**

Another notable change from the Biden to Trump administrations came on the subject of student loan forgiveness. A combination of [court orders and Trump administration policy changes](#) has rolled back or threatened many of the Biden-era programs.

Americans are about evenly split on the issue of student loan forgiveness, with 48% in favor and 52% opposed. **Perhaps contrary to some expectations, there's little difference in support or opposition to loan forgiveness programs based on a respondent's own educational background, with all expressing roughly 45% to 50% support.**

However, there's a massive 24-percentage-point gap between support of student loan forgiveness among boomers (40%) and millennials (64%). Women (54%) are also significantly more likely to back loan forgiveness than men (39%), the largest approval gap among any policy, proposal, or person surveyed about.

Finally, an overwhelming 85% support raising the [federal minimum wage](#) from \$7.25 per hour (barely \$15,000 annually), where it's been since 2009. Just to keep pace with inflation over the past 16 years, it would need to be raised to \$10.74 an hour. Though relatively few Americans still make the federal minimum, President Trump has [expressed skepticism in recent months](#) over any increases.

Methodology

Clever Real Estate surveyed 1,000 American adults on their views on consumer issues in the post-2024 election era in America. The survey was conducted from March 5 to 9, 2025.

About Clever

Since 2017, [Clever Real Estate](#) has been on a mission to make selling or buying a home easier and more affordable for everyone. Twelve million annual readers rely on Clever's library of educational content and data-driven research to make smarter real estate decisions—and to date, Clever has helped consumers save more than \$180 million on realtor fees. Clever's research has been featured in *The New York Times*, *Business Insider*, *Inman*, *Housing Wire*, and many more.

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FAQs

How are Americans feeling financially compared to six months ago?

+

How are Americans changing their behavior because of the 2025 economy? +

What do Americans think of the Trump administration's tariffs? +

What do Americans think of DOGE cuts to federal agencies? +

How are Americans feeling about the housing market in 2025? +

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