

## Over 4 in 10 Employed US Adults Are Not Expecting a Pay Increase This Year

*More than three-fourths of working adults that are not expecting a pay increase but considering it important to get one claim they need one this year just to cover the cost of everyday expenses*

Jan 12, 2021 - According to a recent survey from The Simple Dollar, 70% of all US working adults claim a pay raise is important to their households' financial wellbeing in 2021, but over 4 in 10 (41%) of all employed US adults are not expecting one at all in 2021.

<https://www.thesimpledollar.com/make-money/70-percent-of-working-americans-need-pay-increase-this-year/>

Of those that are not expecting a pay increase this year, 62% say it is at least somewhat important to their financial wellbeing. More than three-fourths (76%) of working adults that are not expecting a pay increase but considering it important to get one claim they need one this year just to cover the cost of everyday expenses. Additionally, 59% cite a pay increase is necessary to save for emergencies and close to half (45%) need it to pay their mortgage or rent payments.

Covering the cost of everyday expenses is an important reason why a pay increase is important to all respondents, whether they are confident in getting a pay increase or not. See below for a breakdown of reasons why a pay increase is important this year among all employed U.S. adults.

### Reasons why a pay increase is important (Among all those who rate it important)

To cover the cost of everyday expenses	61%
Saving for emergencies	53%
Paying mortgage/rent payments	41%
Contributing to retirement savings	38%
Paying down credit card debt	33%
Paying for medical expenses	30%
Other	8%

“If possible, picking up gig work, creating passive income streams, learning in-demand skills via online classes, or looking for ways to downsize their lifestyle to live below their means are steps Americans can take to survive the lack of income increase. Unfortunately many people who truly need a pay raise likely don’t have the luxury and access for these kinds of ideas, in which case you can also look to local and government organizations and programs that may offer support,” says Danika Miller, The Simple Dollar’s financial analyst.

Those with household incomes of less than 40k a year are less confident in receiving a pay increase in 2021. 56% of those making 80k+ are expecting a pay increase compared to only 36% of those making under 40k.

80% of respondents in households earning under 40k a year say a pay increase is important to their financial wellbeing, of whom covering the cost of everyday expenses (66%) is most often cited as a key factor. Contributing to retirement savings (54%) and saving for emergencies (54%) were the top cited reasons for a pay increase for respondents in households earning more than 80k.

**Top reasons for why getting a pay increase is important by income level**

	Below 40k	40k-80k	80k+
To cover the cost of everyday expenses	66%	64%	53%
Contributing to retirement savings	29%	34%	54%
Saving for emergencies	52%	55%	54%

Women are less optimistic about getting a pay increase in 2021 - 39% of women expect a pay increase this year compared to 49% of men.

The younger generations are more optimistic about an increase in pay this year. Over half of Millennials (52%) are expecting a pay increase compared to only 39% of Gen X and 40% of younger boomers.

Of the US adults that typically get pay increases year over year, more than 1 in 4 (27%) are not expecting a pay increase this year and 13% expect it to be less than previous years.

**Methodology:**

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2605 adults (of whom 1056 qualified as “employed adults”). Fieldwork was undertaken between 11th - 14th December 2020. The survey was carried out online. The figures have been weighted and are representative of all US adults (aged 18+).

**About The Simple Dollar:**

Since 2006, The Simple Dollar has helped millions of people achieve their financial goals. The Simple Dollar’s experts use the latest evidence-based research to help consumers save money, buy a home, get out of debt, retire with confidence, and more. The Simple Dollar has a data-driven rating system, The SimpleScore to help consumers decide on the best financial products for their needs. The company’s mission is to provide well-researched, useful recommendations and advice that empowers readers to make smart financial decisions.

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