



The Impact of the Covid-19 Pandemic on the Trajectories of Key Life Milestones

Gopi Shah Goda and Jialu Liu Streeter¹

Key Takeaways

- A new nationally representative survey provides evidence that a significant number of respondents are delaying key life milestones, such as marriage, homeownership, and retirement as a result of the Covid-19 pandemic.
- About 68 percent of people not in a committed relationship expect to delay getting married or entering into a long-term relationship; 40 percent of people who already planned to have children before the pandemic hit expected to delay childbearing.
- About 30 percent of non-homeowners expect to delay home purchases. Racial minorities were less likely to own homes before the pandemic and are now even more likely to delay home purchases, suggesting the pandemic is widening the racial gap in homeownership.
- About 22 percent of non-retirees expected that they would retire later than they had previously planned.

1. Introduction

The Covid-19 pandemic has disrupted the way we live our lives, including where we work, how we interact with strangers, and how we plan for the future. People at all stages of life face different challenges. For young children, school closures have meant that millions of kids are learning to read on Zoom. For single adults, social distancing requirements have created an environment where many are largely cut off from human interactions, causing rampant social isolation, loneliness, and depression (Ettman et al. 2020; Killgore et al. 2020). Disruptions in dating mean that a sequence of life events are being postponed. Amid layoffs and financial uncertainties, people are also reconsidering their homeownership and retirement plans.

¹Dr. Gopi Shah Goda is the Deputy Director and Senior Fellow at the Stanford Institute for Economic Policy Research. Dr. Jialu Streeter is a research scientist at the Stanford Center on Longevity. For questions and comments, please contact Jialu at jialu.streeter@stanford.edu

Prior research has demonstrated that many of these life events carry significant implications for wealth accumulation in the long-term (Goda and Streeter 2021), suggesting that delays in these life milestones could have consequences for financial stability. In this brief, we present evidence from a new nationally representative survey, conducted by the Stanford Center on Longevity at the end of 2020, which investigated the implications of the pandemic on key life milestones, including dating, entering a long-term relationship, getting married, starting a family, homeownership, and retirement.

Our survey results show that the combination of the public health and economic crises resulting from the pandemic has prompted people to change plans for many life events. In particular, people who were not in a committed relationship responded that the pandemic severely impacted their dating activities. About 68 percent of them expected to enter marriage and long-term relationships later than they had previously planned. Among people who, before the pandemic, were planning to have children within two years, 43 percent of them said they would put off their childbearing plans due to the pandemic. By contrast, 6.5 percent of those not in a committed relationship expected to enter marriage earlier than planned and 14 percent said they would accelerate their plans to start a family.

Plans to buy homes and to retire are also being put off. In our survey, nearly 30 percent of non-homeowners said they would delay their plans to buy homes, and 22 percent of workers said they would postpone retirement, in comparison to 7.6 and 5 percent who said they would accelerate plans for homeownership and retirement, respectively. The delaying effect of the pandemic is unevenly felt across the population. Racial minorities were less likely to own homes before the pandemic, and are also more likely to expect a delay in their future home purchases, suggesting that the pandemic is widening the racial gaps in homeownership. In retirement, older workers and lower income earners are

2. The Sightlines 2020 Survey

In December 2020, the Stanford Center on Longevity deployed a survey to 1700 American adults to assess their experiences during the Covid-19 pandemic. The data collection was stratified by age group, race/ethnicity, gender, and work status. We excluded responses from participants who entered their responses twice (caused by time-out and re-entry), who didn't finish the survey, and whose age was below 25 or above 74. Our final sample size is 1,648. Demographic composition data from the American Community Survey was used to weigh the final sample to be nationally representative of American adults aged 25 to 74 years old. See the appendix for more information about the survey administration, survey questions, and summary statistics.

The survey participants were 49 percent male and were on average 47 years old. About 63% reported being non-Hispanic White, 13% non-Hispanic Black, 17% Hispanic, and 6% non-Hispanic Asian. Approximately two-thirds of the participants had a Bachelor's degree or above. Just over half of the sample reported being married. About 72% of participants work (53% full-time, 8% part-time, and 11% self-employed). During the Covid-19 pandemic, about three-fourths of survey participants who had worked during the six months before the interview stated that they were able to work from home either completely or partly. The median family income is \$75,000.

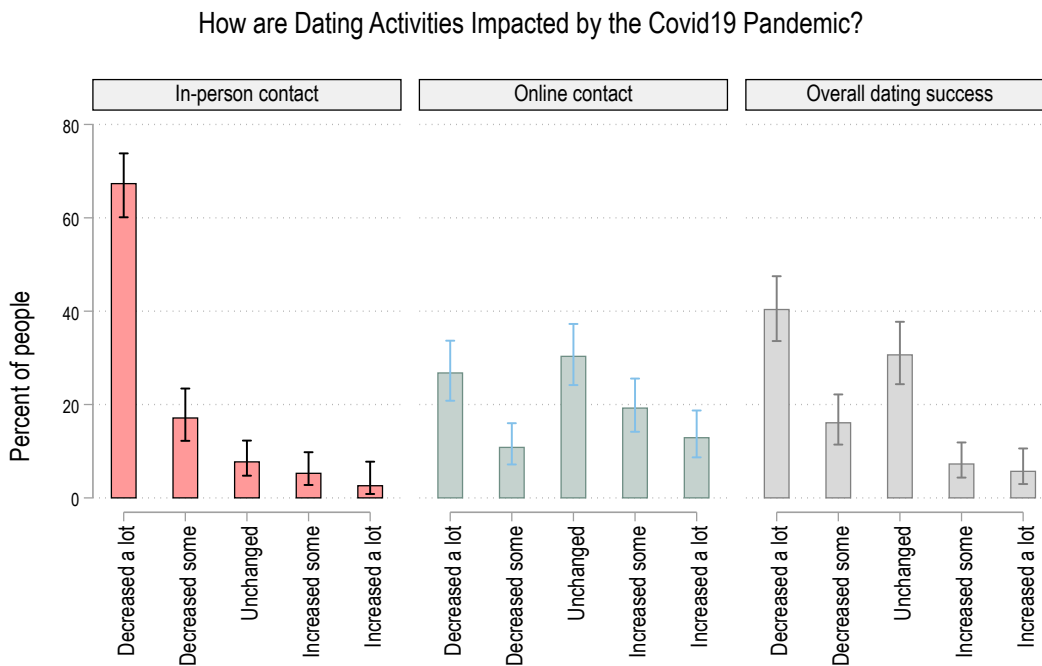
3. The impact of the Covid-19 pandemic on key life milestones

(3.1) Dating, marriage, and family formation

About 13 percent of the survey participants responded that they were actively looking to date someone before the pandemic. We asked this group about their dating experience and how the pandemic has impacted their dating activities. As shown in Figure (1), close to 85 percent said their in-person dating activities decreased somewhat (17 percent) or a lot (67 percent). However, there was not a commensurate increase in online dating activities. About one-third of people considered that their online contacts decreased, another third unchanged, and one third increased. As online dating services failed to make up for the loss in in-person meetings, 56 percent of participants stated that their overall dating successes had decreased, compared to 13 percent who said their overall dating successes had increased. Although online dating websites provide a useful platform for people to meet and connect, their ultimate goal is to connect people in person. The findings of the survey suggest that technology cannot yet replace in-person interactions with virtual meetings.

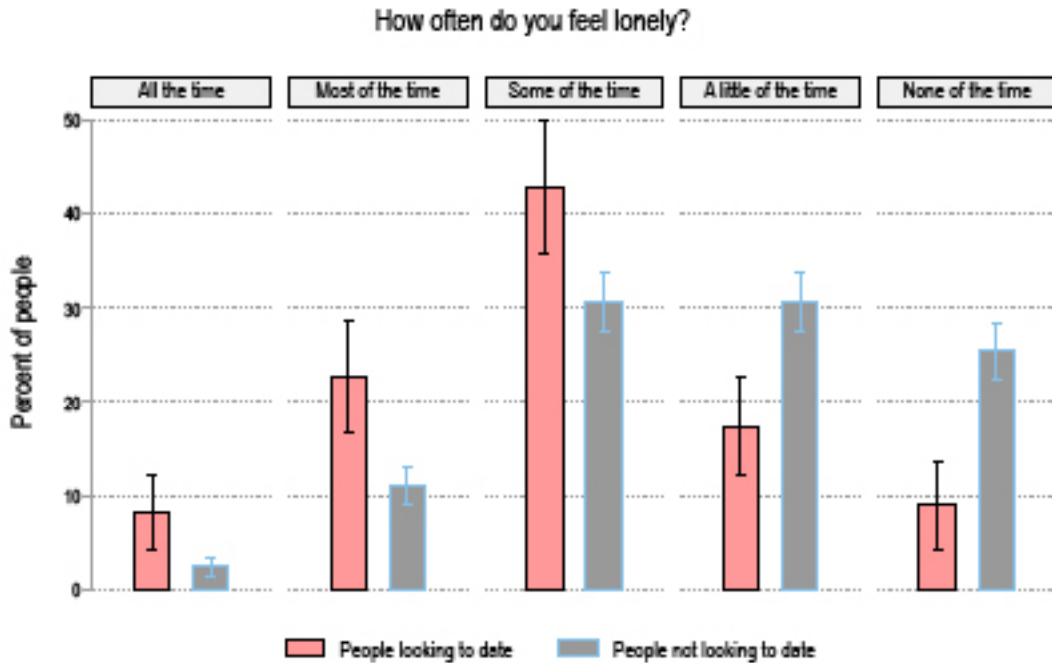
While Covid-19 imposes a heightened mortality risk that increases with age, the pandemic presents young people, especially those on the dating market, with more feelings of isolation and loneliness. Over 30 percent of people actively seeking to date expressed that they feel lonely “all of the time” (8 percent) or “most of the time” (23 percent). In comparison, only 2 percent of people not on the dating market feel lonely all of the time and 11 percent most of the time (Figure 2).

Figure 1: The impact of the Covid-19 pandemic on dating.



Source: Stanford Center on Longevity, Sightlines Survey, 2021

Figure 2: People active on the dating market were more likely to feel lonely during the Covid-19 pandemic

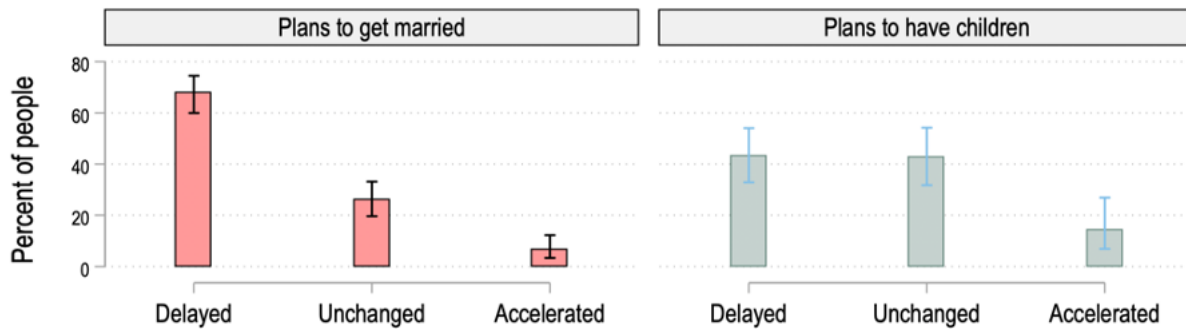


Source: The Stanford Center on Longevity, Sightlines Survey, 2021

Over the life span, dating, marriage, childbearing, and homeownership often happen sequentially or in clusters. Will the pandemic put a pause button on life milestones like marriage and family formation? First, we asked people who were actively looking to date someone about their prospects for marriage or entering into a long-term relationship (about 13 percent of the sample). As shown in Figure (3), about 68 percent of the respondents on the dating market expected a delay in their plans to get married due to the pandemic. About 6.5 percent experienced an acceleration, while the remainder was unchanged.

Second, for people who, before the pandemic, were planning to have children within two years (about 7.6 percent of the sample), we asked them whether their plans to have children have changed due to the pandemic. About 43 percent of them responded that they expected that the pandemic would delay their plans, while 14 percent said their plans had accelerated while the remainder was unchanged. Across developed countries, birthrates have already declined significantly since the beginning of the pandemic (Kearney and Levine 2020; Stancati 2021). While the observed decline in birth rates may reflect people's concerns over the safety of giving birth in the middle of a pandemic, our results signify that the chain of events – dating, marriage, and family formation – have all been disrupted. It may take some time for people who have lost the dating and marital opportunities during the lockdown to resume their personal life. If the decline in dating activity leads to delays in marriage and childbearing, the pandemic may have longer-lasting impacts on family formation and demographics.

Figure 3: Survey responses to the question on how the Covid-19 pandemic has impacted the timing of marriage and family formation

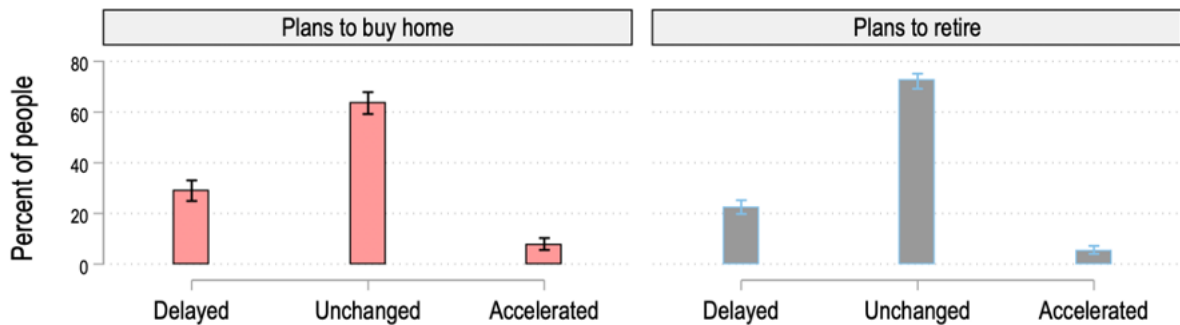


Source: The Stanford Center on Longevity, Sightlines Survey, 2021

(3.2) Homeownership and retirement

Homeownership and retirement are two life milestones that have significant implications for long-term financial wellbeing (Goda and Streeeter 2021). In the survey, we asked all non-homeowners (about 42 percent of the sample) about how their home prospects changed after the pandemic. We asked all non-retirees (about 12 percent of the sample) whether they will retire earlier or later than when they had previously planned.

Figure 4: Survey responses to the question on how the Covid-19 pandemic has impacted the timing of homeownership and retirement



Source: The Stanford Center on Longevity, Sightlines Survey, 2021

Nearly 30 percent of non-homeowners believed that the pandemic would delay their home purchasing plans in the future (Figure 4), while 7.6 percent believed that the pandemic accelerated their plans and the remainder were unchanged. We explored several factors that may explain a delay in home purchases, including age, race/ethnicity, education, marital status, family size, and family income level. We found that racial background is the strongest predictor for a delay in homeownership. Compared to non-Hispanic whites, non-whites had a 15-20 percentage points higher likelihood to expect a delay in their future homeownership. Because these racial minorities were less likely to own a home prior to the pandemic, with 65 percent of non-Hispanic whites in our sample owning homes compared to 43 percent of non-Hispanic blacks and Hispanics, our results suggest that the pandemic may result in widening racial gaps in homeownership.

Twenty two percent of respondents reported that they had delayed their plans to retire, while five percent reported that their plans had accelerated and the remainder said they were unchanged. When we explored the characteristics that predict delays in retirement, we find that people with lower income and at respondents at older ages are significantly more likely to expect a delay in retirement as a result of the pandemic. Older workers are more likely to anticipate an adverse effect of the pandemic on their future retirement decisions. Compared to those under 35, workers aged 55-64 have a 10 percentage point higher likelihood of expecting a delayed retirement, and workers aged 65-74 have a 16 percentage point higher likelihood. These results are reasonable if older workers have less time to make adjustments in response to negative shocks. In addition, lower income earners are more likely to state that their retirement would be delayed due to the pandemic. Compared to individuals from the top income quartile, those in the bottom income quartile have a 20 percentage points higher likelihood of delaying retirement.

During the Covid-19 pandemic, many older adults had stopped working and retired in 2020 earlier than planned, either due to the economic downturn or concerns over health risks (AARP 2021). For those able to continue working, regardless of age, the expected retirement dates are being pushed later, as our results have shown. This finding is consistent with previous studies that have found that the subjective probabilities of working longer increase due to financial pressure. After the Great Recession, the steep drop in asset prices increased the self-reported probability of working longer among older adults (Goda, Shoven, and Slavov 2011).

4. Concluding remarks

The Covid-19 pandemic has brought unprecedented impacts on American families. Amid the outbreaks, economic shutdowns have helped curb the further spreading of the virus; but they also created substantial challenges to people's economic, social, and personal lives.

The Stanford Center on Longevity survey results offer several insights about future trends in those life milestones. First, a high percentage of people not in a committed relationship expected that their timing of marriage would be delayed by the pandemic. These individuals expressed that their dating activities were severely impacted. Even with the help of online dating, their overall dating activities and successes declined. Nearly 70 percent of this group anticipated a delay in their timing of entering marriage or a long-term relationship.

Second, our results suggest that many people are postponing having children. In particular, over 40 percent of individuals who were already planning to have children within two years before the pandemic started acknowledged that the pandemic has made them put off the plans. Combined with the reduction in dating and marriage expectations, our results help explain why we have seen sharp declines in birth rates since the start of the pandemic.

We also find evidence that a substantial share of individuals report that the pandemic has delayed home purchases and retirement; however, these delays are not uniform across groups. Individuals from racial and ethnic minorities were more likely to report delays in homeownership, compounding the large differences in homeownership across race, which prior research indicates is a large factor in disparities in wealth accumulation. Those that report delayed plans for retirement are more likely to be closer to retirement and lower-income, indicating the difficulties that older workers have in responding to negative shocks and the unequal job losses felt in lower-income groups.

These findings indicate the importance of future research on the ongoing effects of the Covid-19 pandemic on life milestones and their financial consequences, including whether these delayed plans are realized, revert back to pre-pandemic levels, or are permanently shifted.

References

- AARP. 2021. "Pandemic Forced Millions of Workers to Retire Early." Retrieved March 12, 2021 (<https://www.aarp.org/work/working-at-50-plus/info-2021/pandemic-workers-early-retirement.html>).
- Ettman, Catherine K., Salma M. Abdalla, Gregory H. Cohen, Laura Sampson, Patrick M. Vivier, and Sandro Galea. 2020. "Prevalence of Depression Symptoms in US Adults Before and During the COVID-19 Pandemic." *JAMA Network Open* 3(9):e2019686. doi: 10.1001/jamanetworkopen.2020.19686.
- Goda, Gopi Shah, John B. Shoven, and Sita Nataraj Slavov. 2011. "What Explains Changes in Retirement Plans during the Great Recession?" *American Economic Review* 101(3):29–34. doi: 10.1257/aer.101.3.29.
- Goda, Gopi Shah, and Jialu Liu Streeter. 2021. *Wealth Trajectories Across Key Milestones: Longitudinal Evidence from Life-Course Transitions*. w28329. National Bureau of Economic Research.
- Kearney, Melissa, and Phillip Levine. 2020. "The Coming COVID-19 Baby Bust: Update."
- Killgore, William D. S., Sara A. Cloonan, Emily C. Taylor, and Natalie S. Dailey. 2020. "Loneliness: A Signature Mental Health Concern in the Era of COVID-19." *Psychiatry Research* 290:113117. doi: 10.1016/j.psychres.2020.113117.
- Stancati, Margherita. 2021. "The Covid-19 Baby Bust Is Here." *Wall Street Journal*, March 4.

Appendix

Table A.1: Survey question texts and choices of responses

We recruited 1700 individuals who were living in the United States. The data collection was conducted over 120 strata, constructed by age, race/ethnicity, gender, and employment status. Participants were invited to complete a study entitled “Sightlines Survey: Assess the Impact of Covid-19.” Data from all participants were collected using Qualtrics survey software between December 12, 2020, and January 4, 2021. After excluding responses from people not meeting the age requirement (25-74), or had duplicated entries, or not finishing the survey, the final sample size is 1648.

Relevant groups for analysis	Question Text	Choice of responses
If answered “Yes” on “Before the pandemic, were you actively looking to date someone?”	<i>Since the beginning of the pandemic, how have your dating activities changed?</i> <i>(1) Meeting people in-person</i> <i>(2) Meeting people online</i> <i>(3) Overall dating success</i>	<ul style="list-style-type: none"> Decreased a lot Decreased somewhat Unchanged Increased somewhat Increased a lot
If answered “Yes” on “Before the pandemic, were you actively looking to date someone?”	<i>How do you think the pandemic will affect your plans for marriage or long-term relationships?</i>	<ul style="list-style-type: none"> My plans are delayed by a lot. My plans are delayed somewhat. My plans are not affected. My plans are accelerated somewhat. My plans are accelerated by a lot. I don't plan to ever enter marriage/ long-term relationships.
If answered “Yes” on “Before the pandemic, were you planning to have (more) children within two years, either by birth or through adoption or surrogacy?”	<i>How has the pandemic changed your plans to have (more) children?</i>	<ul style="list-style-type: none"> The pandemic has made me postpone plans to have (more) children. No effect. The pandemic has made me accelerate plans to have (more) children.
If answered “No” on “Did you own your home on December 1, 2020? The home can be either under your name or under the name of your spouse/domestic partner.”	<i>How has the pandemic changed your plans for buying a home?</i>	<ul style="list-style-type: none"> The pandemic has made me postpone plans to buy a home. No change. The pandemic has made me accelerate plans to buy a home.
If not already retired	<i>Has COVID-19 changed the age that you plan to retire in the future?</i>	<ul style="list-style-type: none"> Yes, I now plan to retire later than I had planned before COVID-19. No, I still plan to retire at the same age. Yes, I now plan to retire earlier than I had planned before COVID-19.

Table A.2.: Summary statistics of demographic and socioeconomic variables

	mean	sd
Age	47.35	13.84
Male	0.49	0.50
Non-hispanic White	0.63	0.48
Non-hispanic Black	0.13	0.33
Hispanic	0.17	0.37
Non-hispanic Asian	0.06	0.24
Non-hispanic Others	0.01	0.11
High school or less	0.07	0.25
Some college or Associate Degree	0.28	0.45
Bachelor's degree	0.39	0.49
Graduate degrees	0.27	0.44
Health, Poor	0.04	0.19
Health, Fair	0.21	0.40
Health, Good	0.41	0.49
Health, Very good	0.26	0.44
Health, Excellent	0.09	0.29
Married	0.54	0.50
Widowed	0.02	0.12
Separated/divorced	0.11	0.31
Never married	0.22	0.42
Cohabiting	0.12	0.32
Full time employee	0.53	0.50
Part time employee	0.08	0.27
Self employed	0.11	0.32
Students or in training	0.01	0.10
Retired	0.12	0.32
Not working (incl. unemployed, homemaker, disabled, etc.)	0.15	0.35
Can work from home 100 percent of time during Covid19	0.50	0.50
Can work from home sometimes during Covid19	0.23	0.42
Cannot work from home at all during Covid19	0.27	0.44
Northwest	0.20	0.40
Midwest	0.17	0.38
West	0.39	0.49
South	0.24	0.43
Including you, how many people live in your household full-time?	2.70	1.50
Mean family income (USD), 2020	100,220	95,425
Median family income (USD), 2020	75,000	
Observations	1648	

Figure A.1.: Regression results for whether to delay milestones due to Covid-19
(Marginal effects from logit model)

