New Ally Bank Survey Reveals the Hidden Financial Cost of Friendships

Financial pressures are putting a strain on social connections – with 44% of Gen Z and millennials reporting they've skipped major social events because of cost

Only 18% of Gen Z and millennials budget for activities with friends – while 59% say their financial goals are impacted by this spending

CHARLOTTE, N.C., July 30, 2025 /PRNewswire/ -- In an era where financial pressures are mounting, new research released today by Ally Bank reveals younger generations are paying a price to stay connected, and it's impacting their overall financial health and wellness.

Released ahead of International Friendship Day, ***The Friendship Tab*** survey shows that while three out of five young adults admit social spending affects their financial goals, 69% still prioritize in-person connection with friends at least weekly. Ally's findings highlight the balancing act many young adults face between nurturing friendships and working toward big financial milestones like paying off student debt or buying a home.

"I absolutely believe you can have both – meaningful friendships and healthy finances – it just takes a little planning," said Lindsay Sacknoff, Head of Consumer Banking at Ally. "Using tools like our savings or spending buckets to set up a 'friendship fund' can make it easier to say yes to plans without stress. Tracking your spending and planning ahead for things that bring you joy, from weekly brunch to birthday trips, will help you stay financially grounded while making lasting memories."

Notably, nearly a quarter say they fear missing out on social connections due to financial constraints, with 42% reporting to overspend on activities with friends a few months out of the year and 18% overspending every other month.

"FOMO is real and can lead to overspending that harms our financial well-being," said Jack Howard, Head of Money Wellness at Ally. "Be open with your friends if you can't swing that brunch or birthday trip. You might be surprised to learn they're in the same boat. Discussing money openly with friends can help dismantle the shame around financial struggles and is a great way to explore affordable ways to spend time together. Plus, the ultimate BFF is someone who respects your relationship with money."

The Financial Strain of Friendship

For Gen Z and millennials, the joy of friendship often comes with a financial cost that can be challenging to manage:

- 44% of Gen Z/millennials have skipped major social events because of the cost, with 1 in 4 saying their social spending make building savings difficult.
- On average, people spend $250 every month on activities with friends.
    - While the median for the total costs of activities with friends in 6 months is $750 for both men and women, the average for men is higher than for women ($1,775 vs. $1,250)

Yet the desire to stay connected is strong:

- 52% of Gen Z/millennials have 1 to 3 friends they see regularly, with some of the most popular activities including going to a restaurant or bar (72%), spending time outdoors (56%), or going to a birthday celebration (50%).
    - In fact, 32% of Gen Z/millennials go to a restaurant or bar with friends weekly or more often.
- Friendship remains a priority, with 23% of Gen Z and millennials finding ways to spend time together without spending money like through "no spend hangs."

Overspending is the Norm, Not the Exception

Most young adults aren't budgeting effectively for social life, and they know it:

- Only 18% of respondents have a strict budget for activities with friends, and 59% say their financial goals are impacted by spending on activities with friends.
- 42% are overspending on their social budgets several months out of the year. Nearly a quarter (24%) of Gen Z and millennials admit they'd feel left out if they had to decline social activities due to financial constraints.

Social Pressure, Lifestyle Gaps and Emotional Fallout

From anxiety to conflict, financial differences between friends affect more than just your wallet – it creates emotional weight and turmoil:

- 1 in 5 (20%) say financial or lifestyle differences contributed to the falling out of a friendship.
- Nearly a quarter (24%) report feeling anxious about financial and/or lifestyle differences with their friends and 22% report often having anxiety when they're not sure they can afford a social activity.
- Nearly 1 in 5 (17%) say there have been times when they felt they couldn't be honest with friends about their finances.
- Nearly a quarter (or 1 in 4) feel that tariffs and inflation have made it more difficult to do things with their friends and intend to cut costs.

Women Are Feeling the Strain More Intensely

From birthday brunches to bachelorette weekends, social spending adds up fast, and for many women, it's getting in the way of financial peace of mind, unlike men who report more positive feelings about financial differences with friends:

- Nearly 1 in 3 (30%) of women Gen Z/millennials say social budgeting makes building up savings difficult (vs 22% of men)
- 27% of women say their social spending makes it difficult to save for emergencies (vs 20% for men) and a quarter of women say social spending makes it challenging to pay off their credit card bill each month (vs 16% of men).

Being a good friend starts with understanding your own money story to ultimately encourage mutual financial support. Last year, Ally introduced Money Roots™, a free financial wellness program to help people uncover how their money mindset impacts their spending, saving and investing decisions – and vice versa. The program offers four free, one-hour workshops for customers and non-customers alike. For more information on how Ally is meeting people where they are to improve money habits and financial futures for all, visit ally.com/moneyroots.

Press Kit: Full survey results available here.

Savings Buckets are a feature of Ally Bank's Savings Account. Spending Buckets are a feature of Ally Bank's Interest Checking Account. Ally Bank, Member FDIC.

Survey Methodology: Surveyed 1,000 consumers who represent the Gen Z (37%) and millennial (63%) populations in June 2025 to better understand the financial consequences of friendship.

About Ally Financial
Ally Financial Inc. (NYSE: ALLY) is a financial services company with the nation's largest all-digital bank and an industry-leading auto financing business, driven by a mission to "Do It Right" and be a relentless ally for customers and communities. The company serves customers with deposits and securities brokerage and investment advisory services as well as auto financing and insurance offerings. The company also includes a seasoned corporate finance business that offers capital for equity sponsors and middle-market companies. For more information, please visit www.ally.com.

For more information and disclosures about Ally, visit https://www.ally.com/#disclosures.

For further images and news on Ally, please visit http://media.ally.com.

CONTACT
Megan Rivers
Ally Communications
Megan.Rivers@Ally.com

SOURCE Ally Financial

---

https://media.ally.com/2025-07-30-New-Ally-Bank-Survey-Reveals-the-Hidden-Financial-Cost-of-Friendships