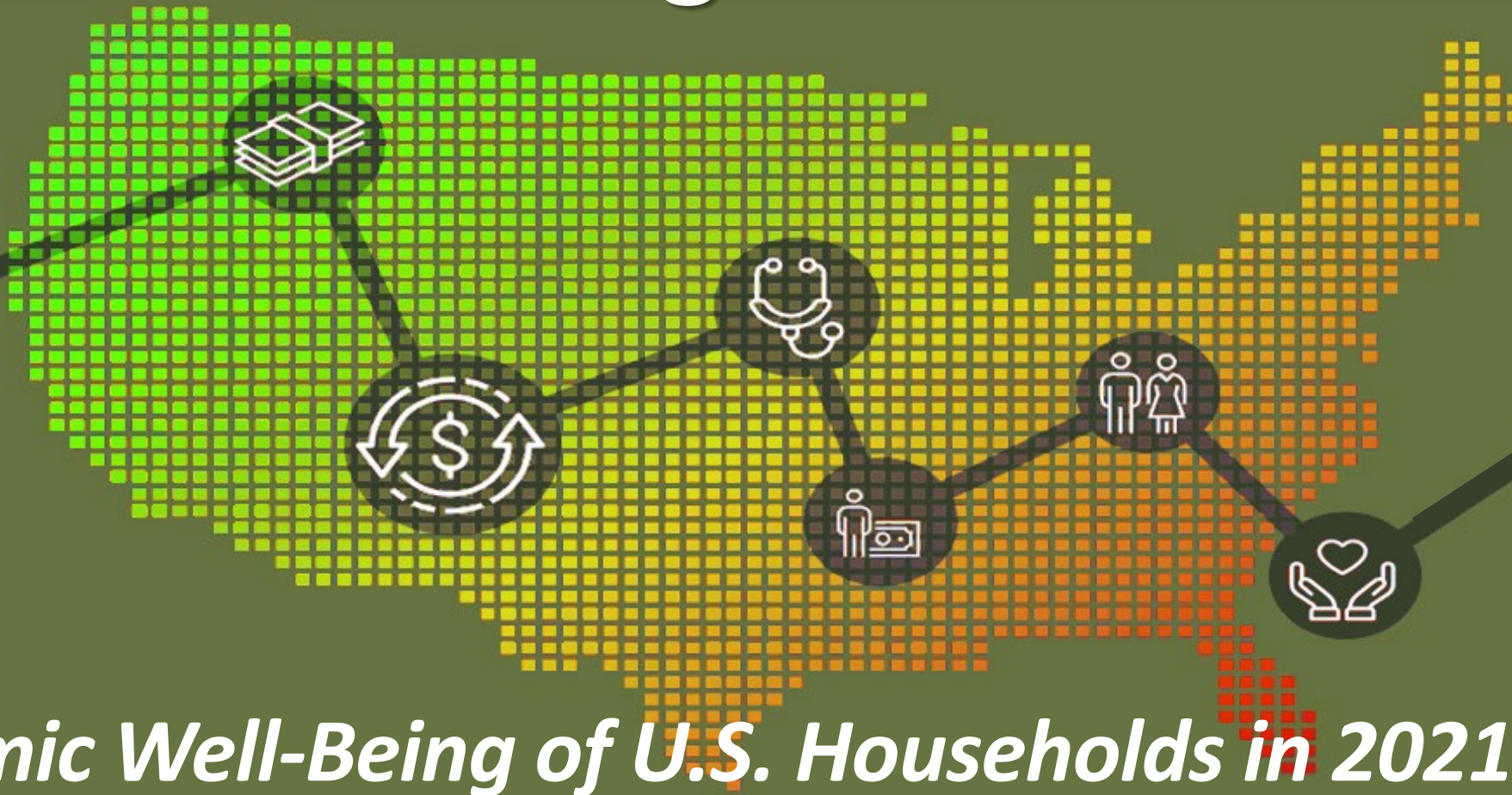


Connecting Communities



Economic Well-Being of U.S. Households in 2021 *Results from the Survey of Household Economics and Decisionmaking (SHED)*

May 24, 2022

Organized by the Federal Reserve Bank of St. Louis

Welcome



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Director, Community
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Louis (moderator)

Agenda for this webinar

Federal Reserve and
Connecting Communities
Webinar Information



2021 Survey of Household
Economics and
Decisionmaking (SHED)



Q&A

Join

- Call-in number: **888-625-5230**
- Conference code: **841 809 85#**
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/45398>

Questions

- Email us at: communities@stls.frb.org.
- Type your question into the chat box of the webinar.

Website

- Please visit <https://bsr.stlouisfed.org/connectingCommunities>.

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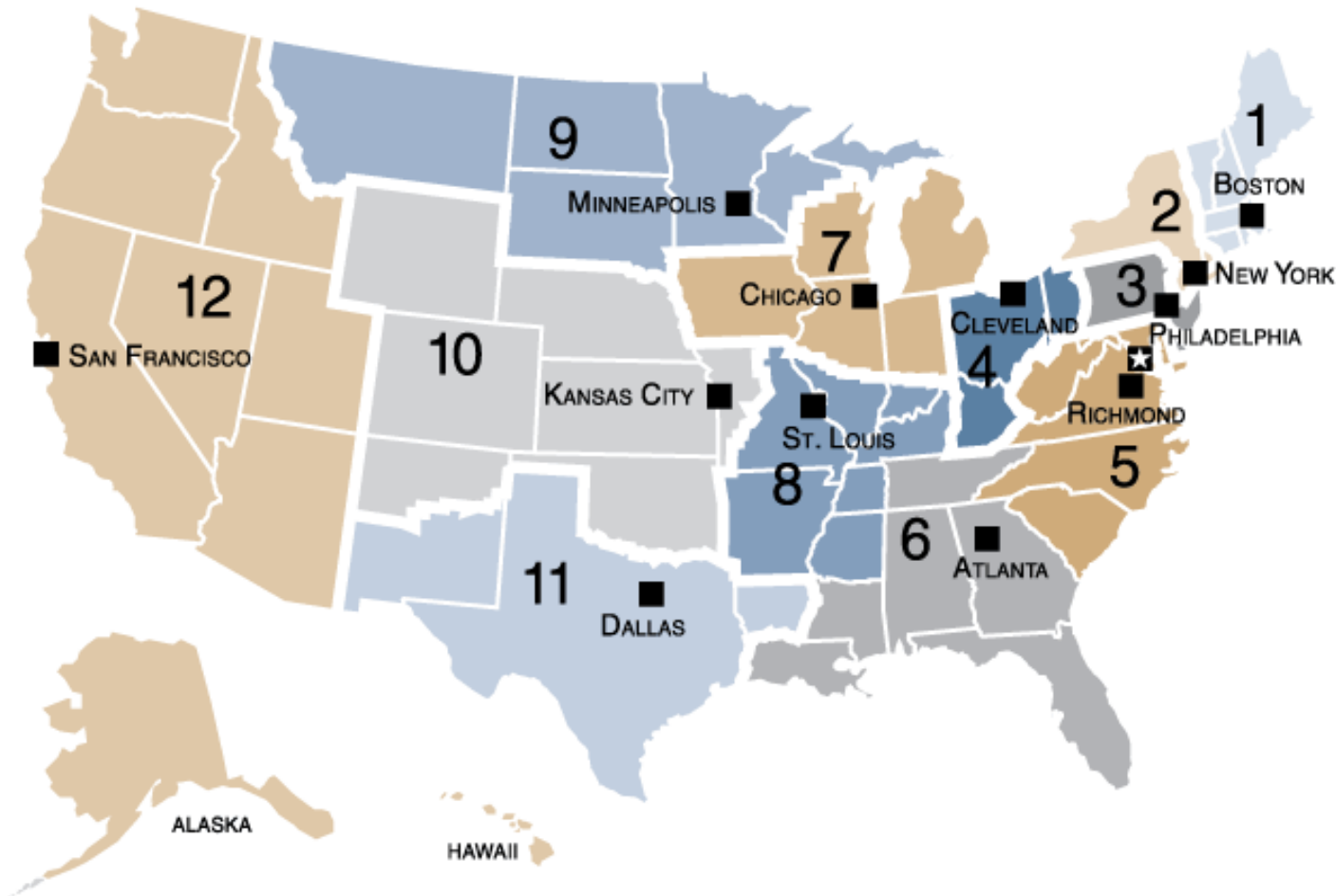
Legal Notices and Disclaimer



The information, analyses, and conclusion set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

Community Development

The mission of the Federal Reserve's community development function is to promote the economic resilience and mobility of low- to moderate-income and underserved individuals and communities.



Introduction



Jeff Larrimore
*Chief, Consumer and Community
Research Section*



SHED approach

- Ninth year conducting the survey
- Surveyed over 11,000 respondents in October/November 2021 (pre-Omicron)
- Responses weighted to be nationally representative of U.S. adults

Goals:

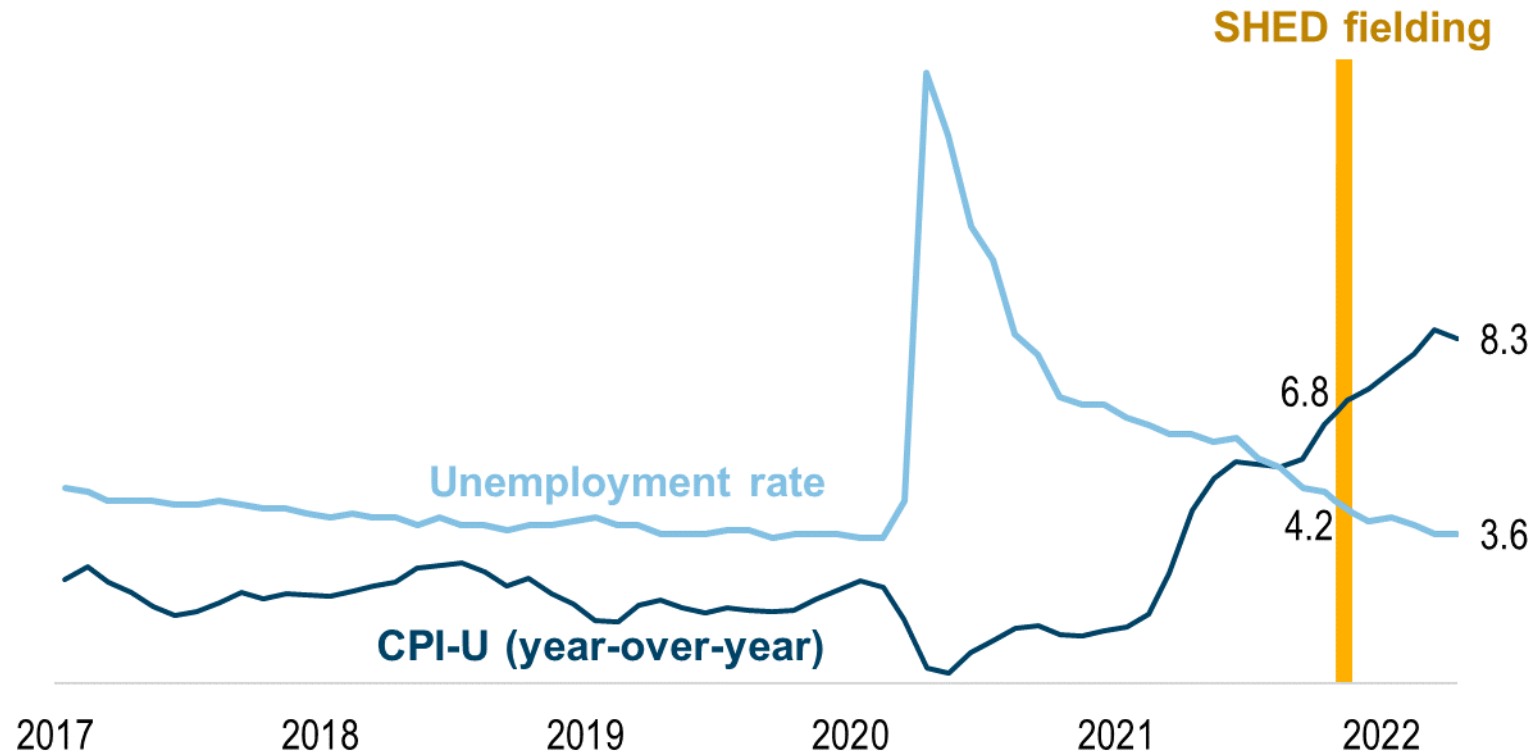
1. Use subjective self-assessments along with objective outcomes.
2. Ask individuals directly how they make financial decisions.
3. Offer flexibility to cover new and emerging issues.

Report: [*Economic Well-Being of U.S. Households in 2021*](#)

INTRODUCTION

Since the SHED was fielded in October/November, inflation has increased and unemployment has fallen

Economic indicators when the SHED was fielded



Note: Values are percentages. CPI-U is the Consumer Price Index for All Urban Consumers.

Overall Financial Well-Being



Alicia Lloro
*Senior Economist, Consumer and
Community Research Section*



Overall Financial Well-Being



TOP TAKEAWAYS

Highest share reported doing okay or living comfortably since survey began

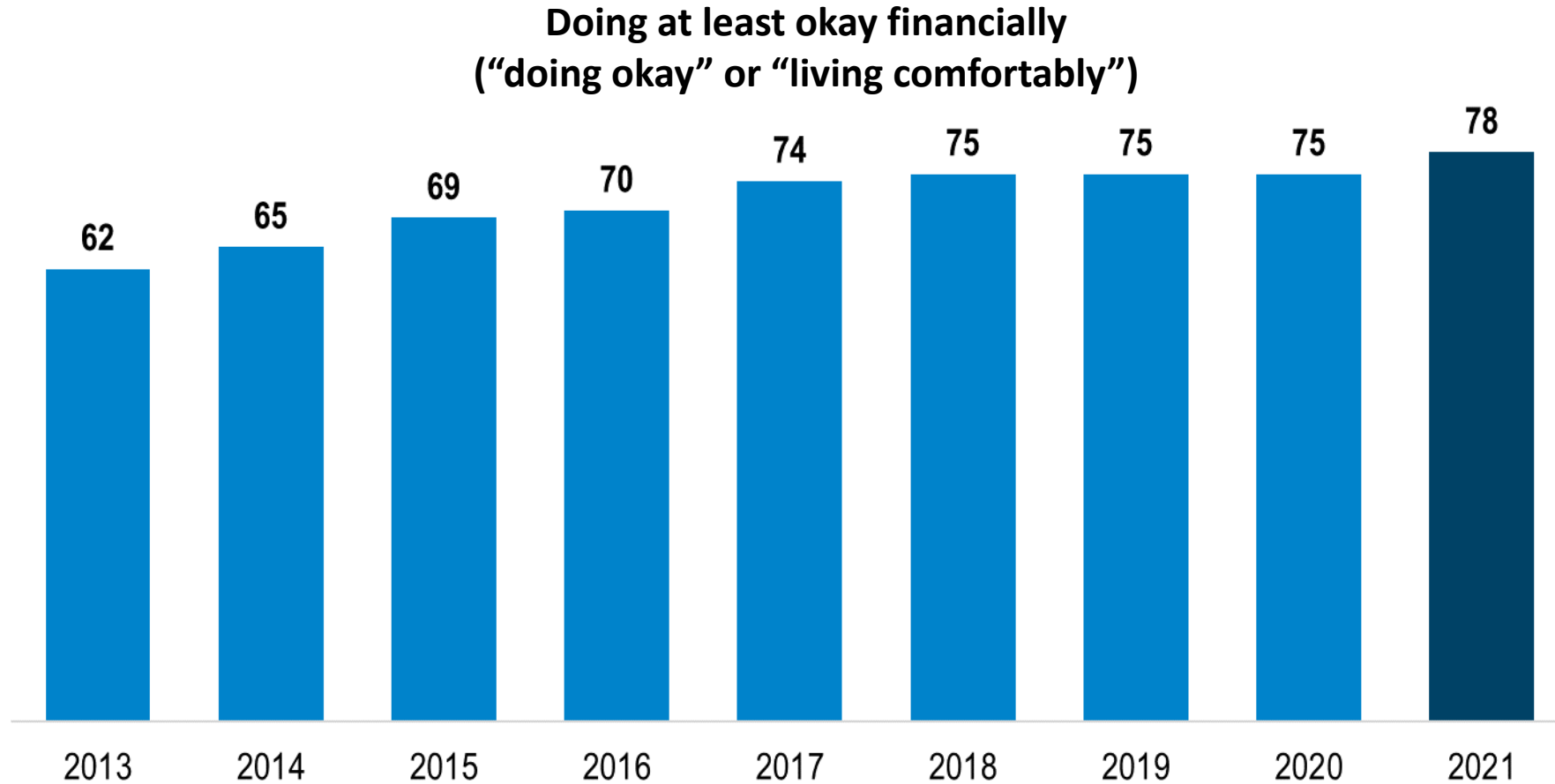
Gaps by education edged down yet remained large

Views on national economy dropped slightly, remaining low

Photo by Charles Deluvio on Unsplash

OVERALL FINANCIAL WELL-BEING

Highest share of adults reported “doing okay” or “living comfortably” since first survey in 2013

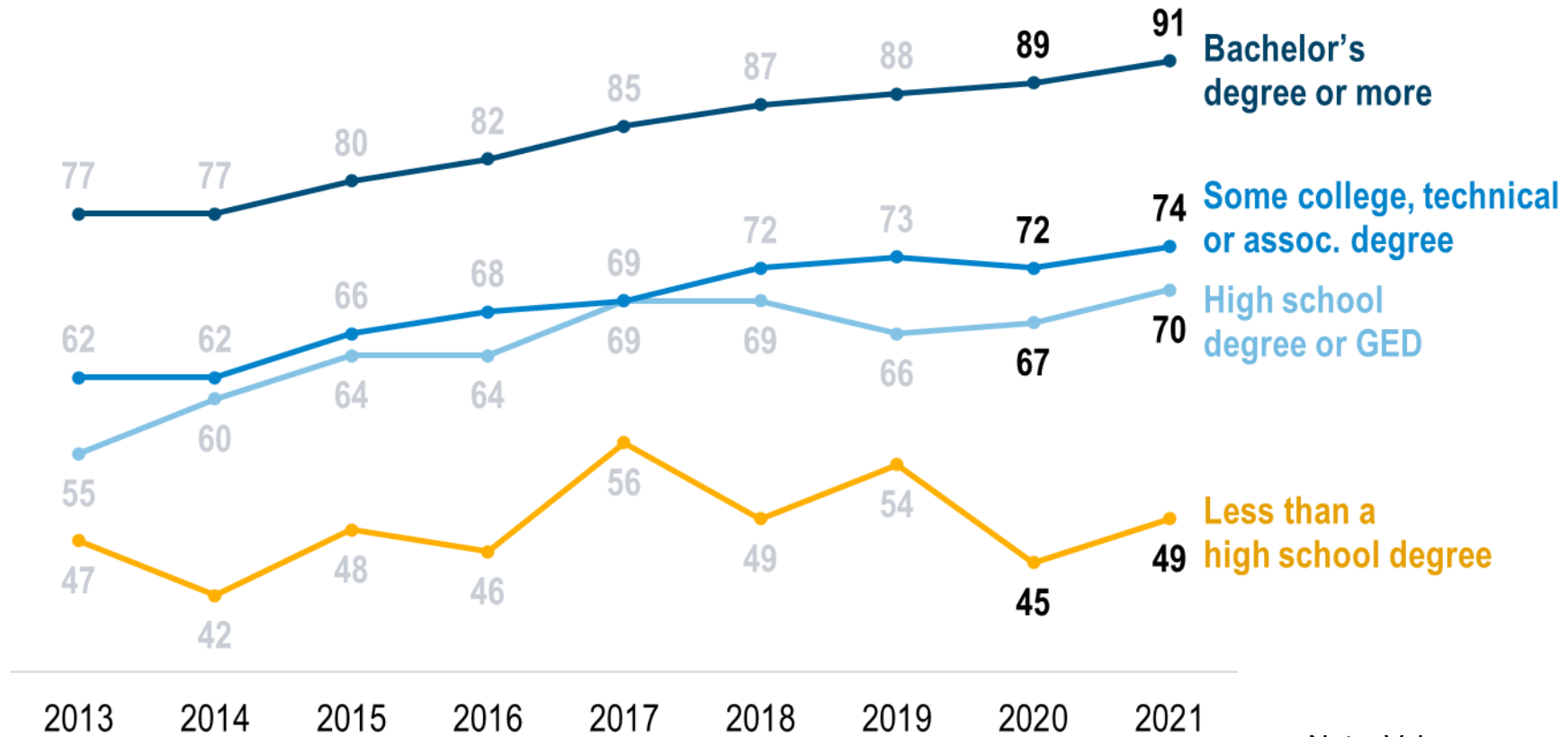


Note: Values are percentages. Among all adults. Respondents could also select “Just getting by” or “Finding it difficult to get by.”

OVERALL FINANCIAL WELL-BEING

Gaps in financial well-being by education persisted

Doing at least okay financially, by education

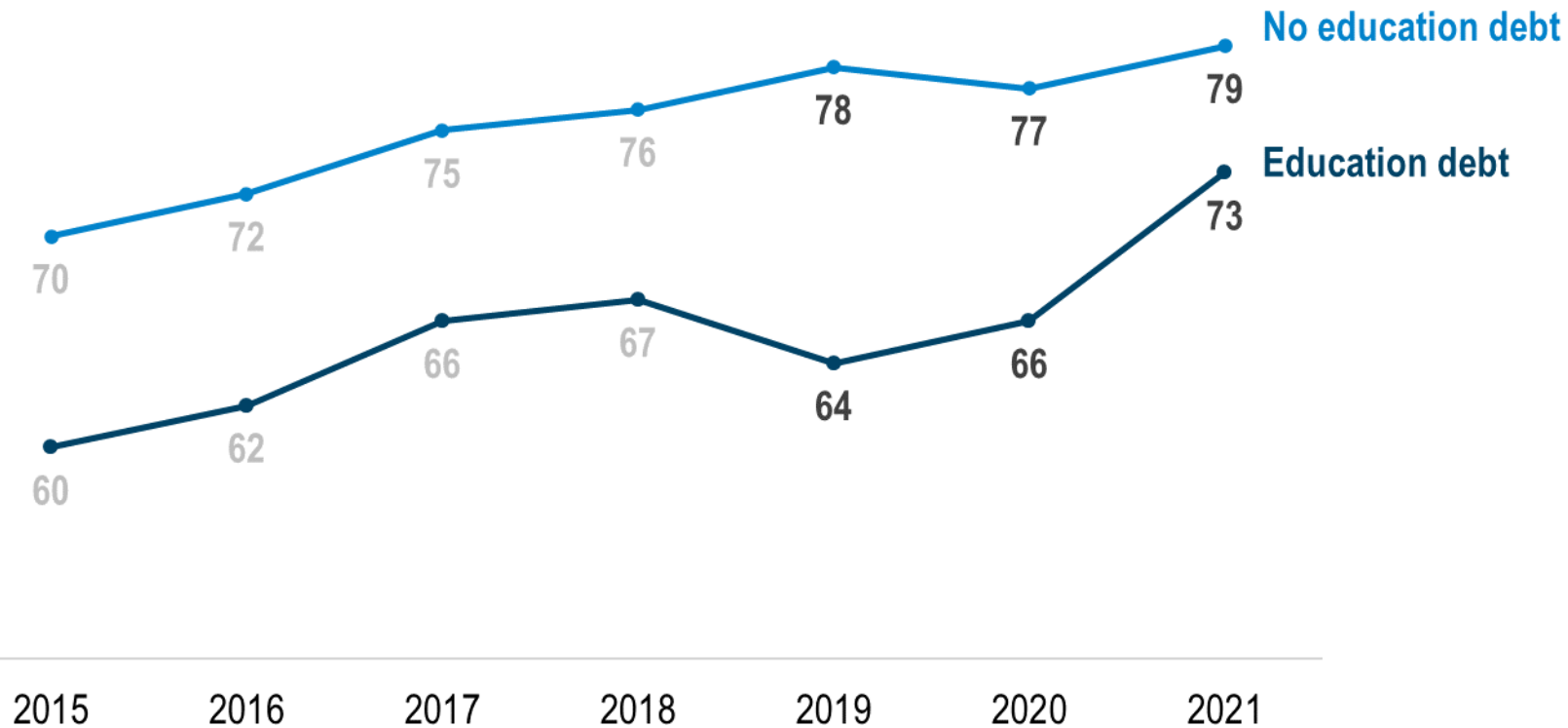


Note: Values are percentages. Among all adults.

OVERALL FINANCIAL WELL-BEING

Financial well-being increased over the pandemic among adults with outstanding education debt

Doing at least okay financially, by education debt for own education

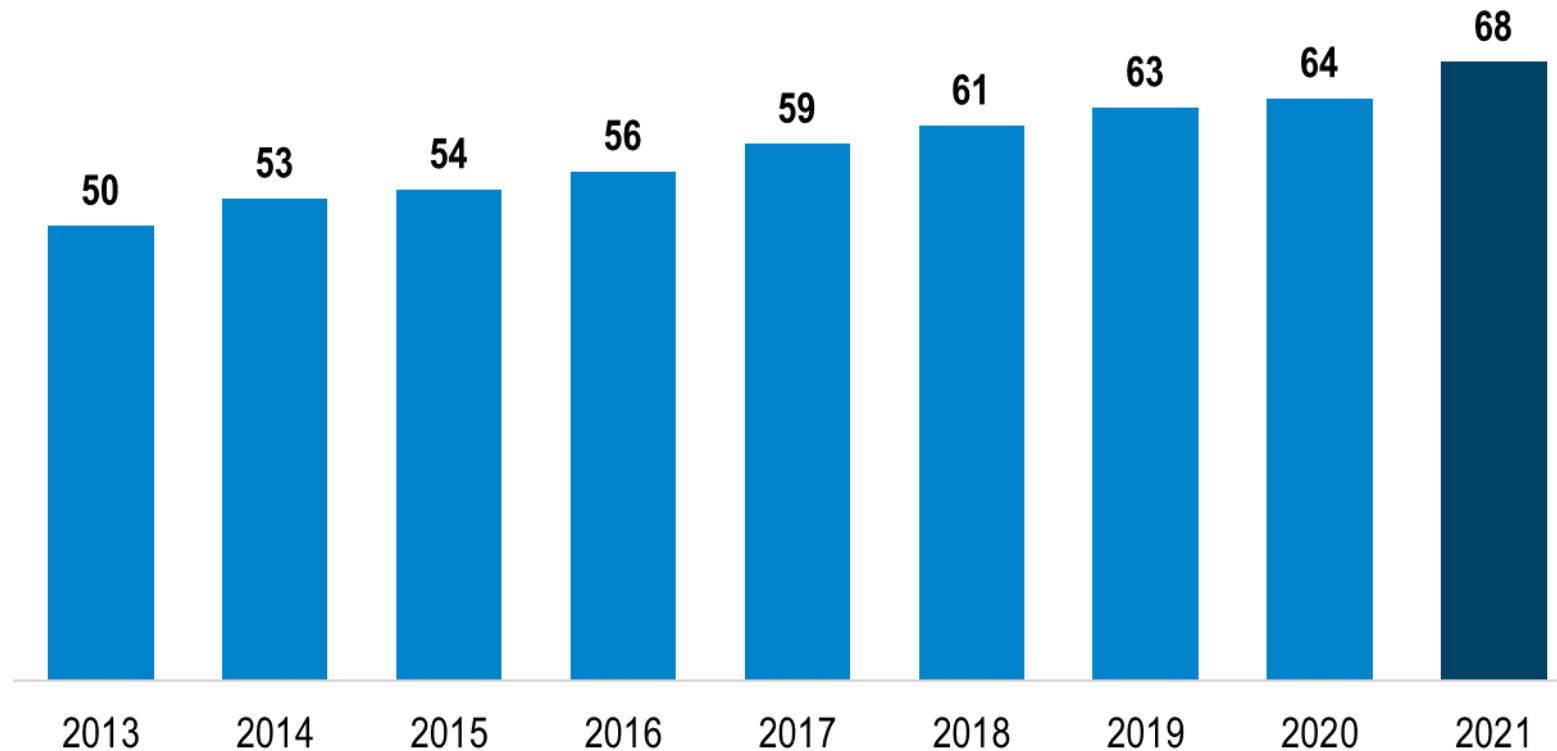


Note: Values are percentages. Among all adults.

OVERALL FINANCIAL WELL-BEING

Use of cash or its equivalent for small emergency expenses was highest since first survey in 2013

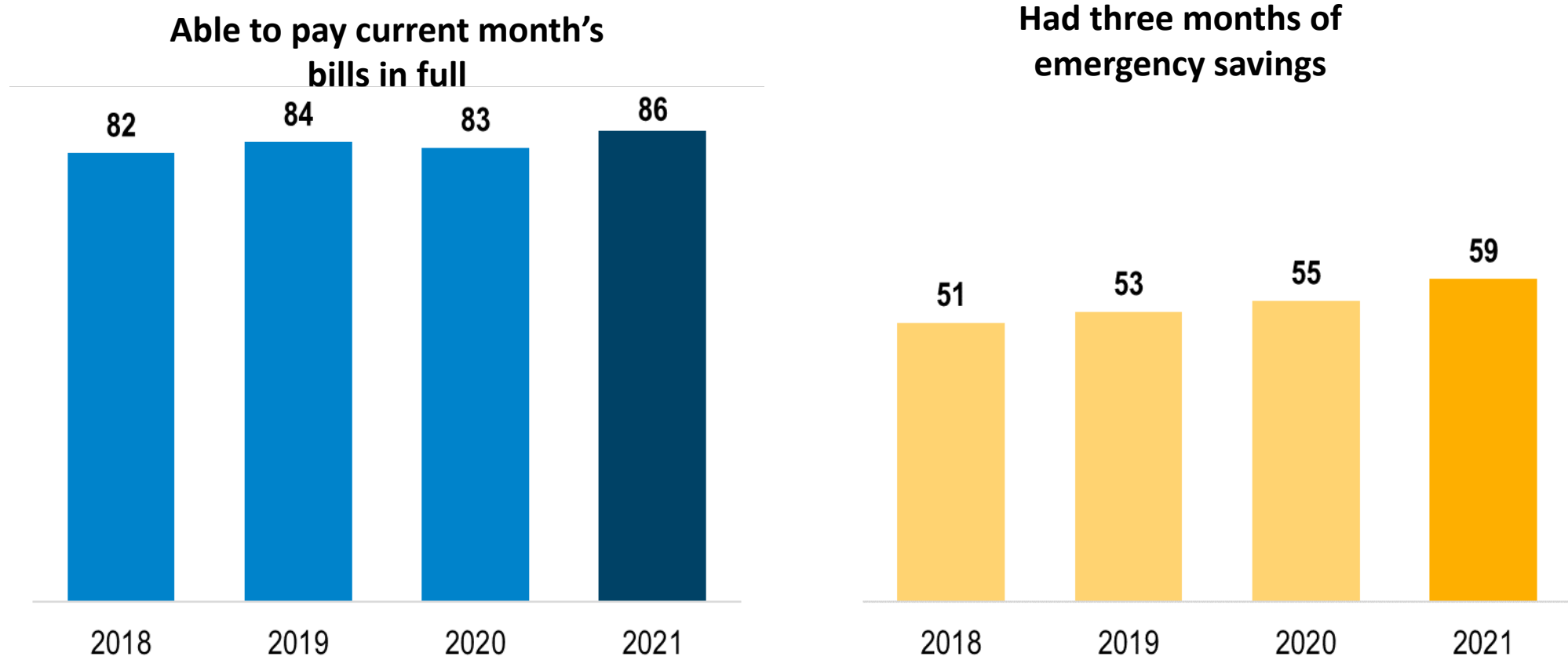
Would cover a \$400 emergency expense completely using cash or its equivalent



Note: Values are percentages. Among all adults.

OVERALL FINANCIAL WELL-BEING

Other measures of people's financial situations also showed improvement

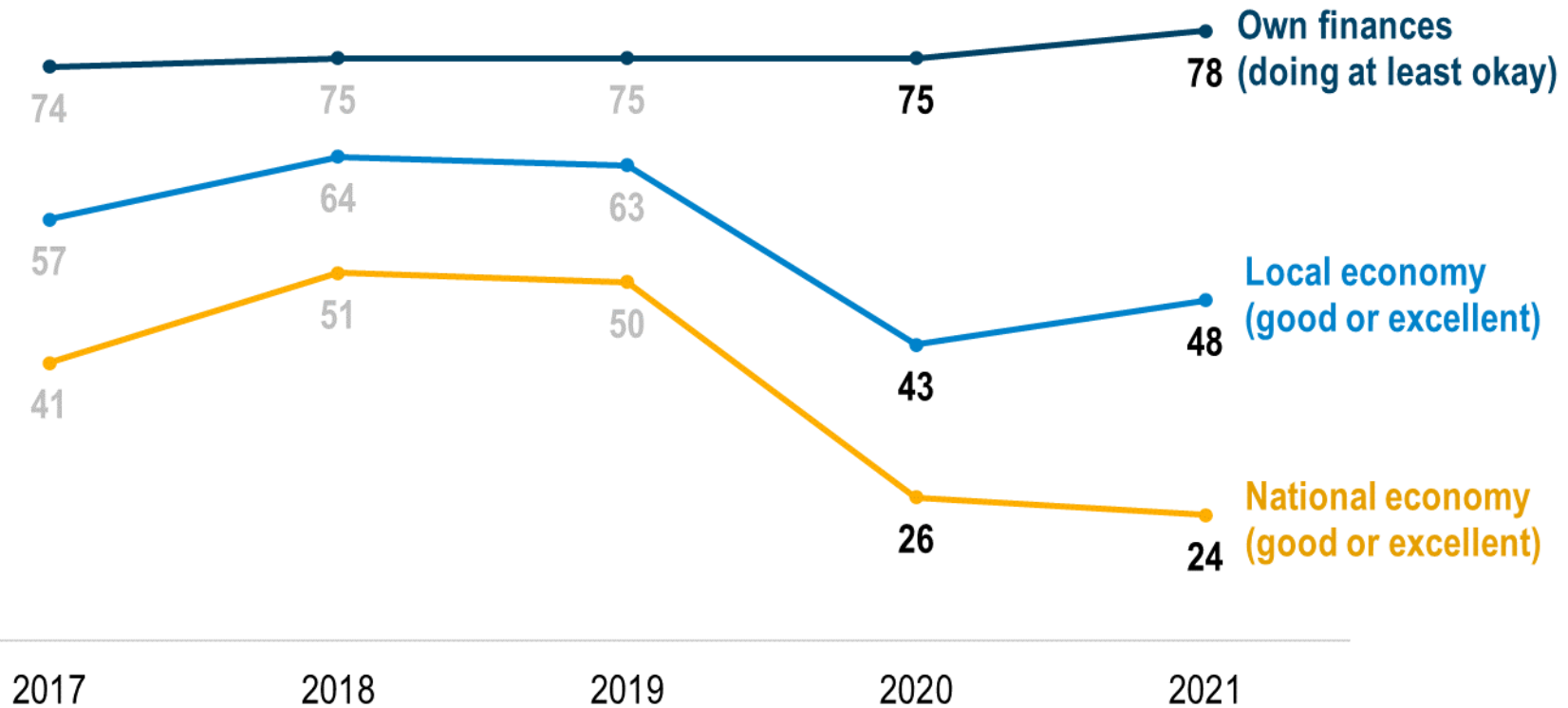


Note: Values are percentages. Among all adults.

OVERALL FINANCIAL WELL-BEING

While perceptions of own finances have improved, perceptions of the national economy have not

Doing at least okay financially
Assessment of the local/national economy as good or excellent



Note: Values are percentages. Among all adults. Responses reflect the top two out of four choices for each question.

Parents' Financial Well-Being



Photo by National Cancer Institute on Unsplash

TOP TAKEAWAYS

Parents saw sharp gains in financial well-being

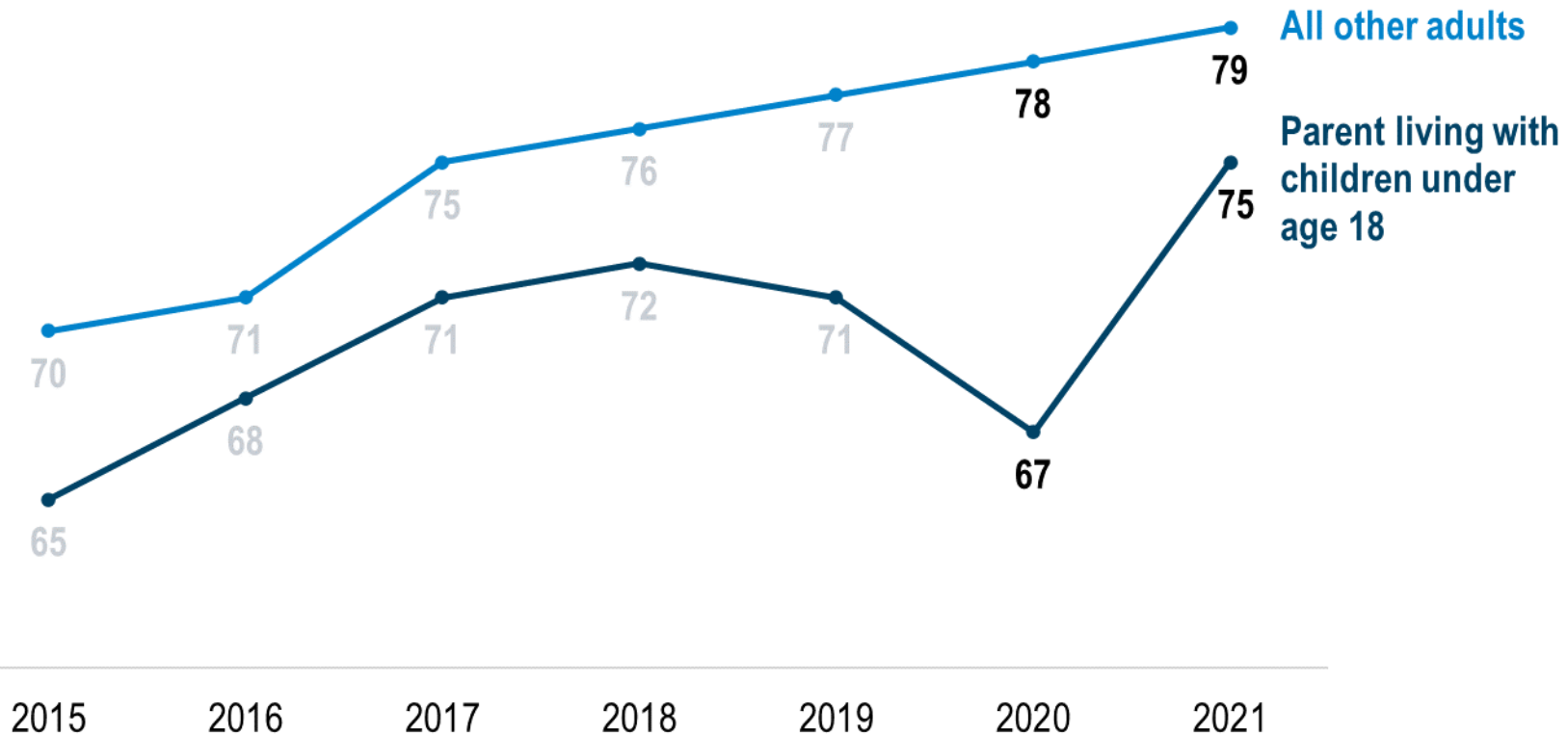
Most children had returned to in-person classes in 2021

Most parents said their child was doing better than a year ago

PARENTS' FINANCIAL WELL-BEING

Parents saw large gains in financial well-being

Doing at least okay financially, by parental status

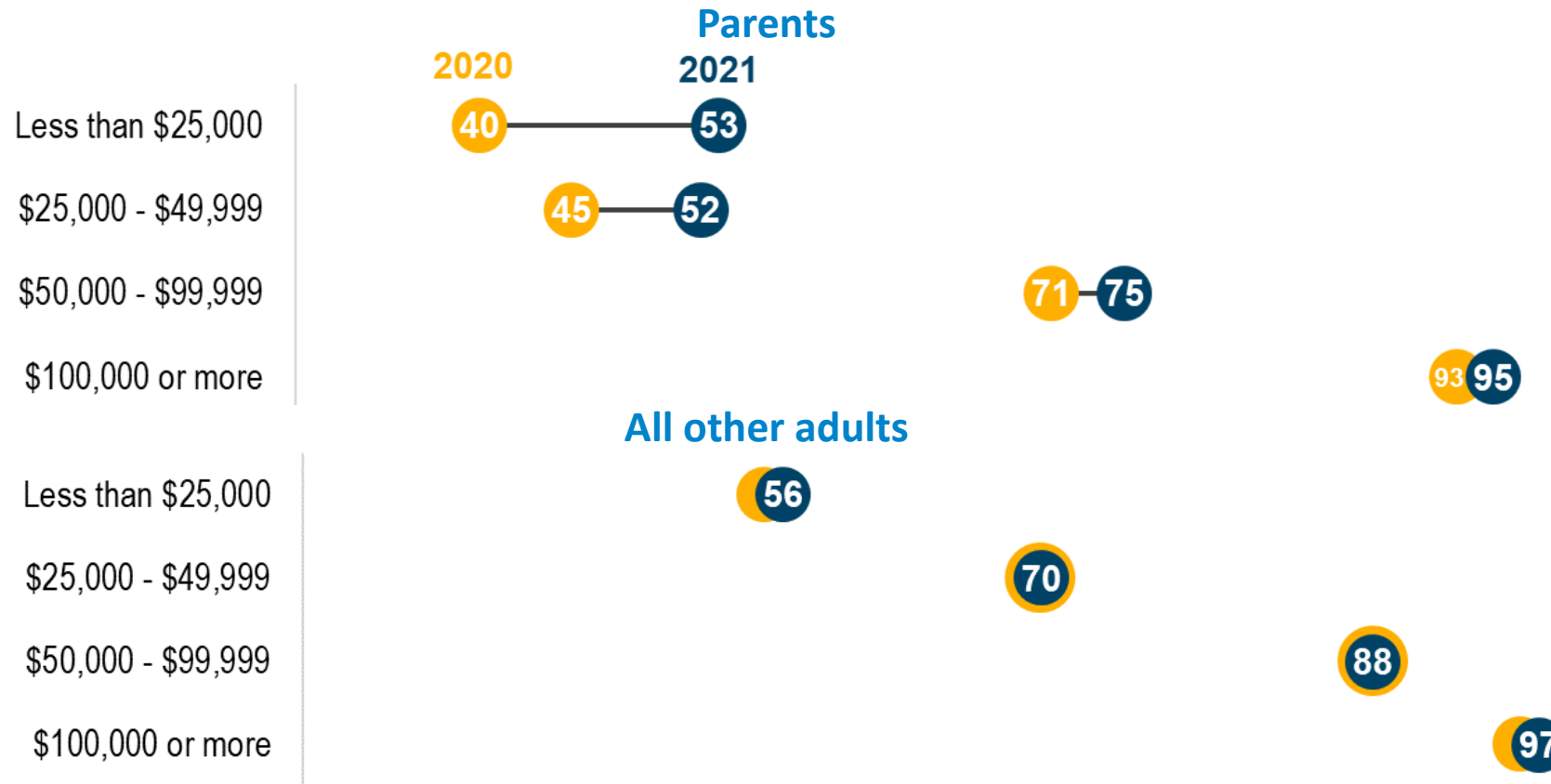


Note: Values are percentages. Among all adults. Parents are adults living with their own children under age 18.

PARENTS' FINANCIAL WELL-BEING

Gains were especially large among lower-income parents

Doing at least okay financially, by family income

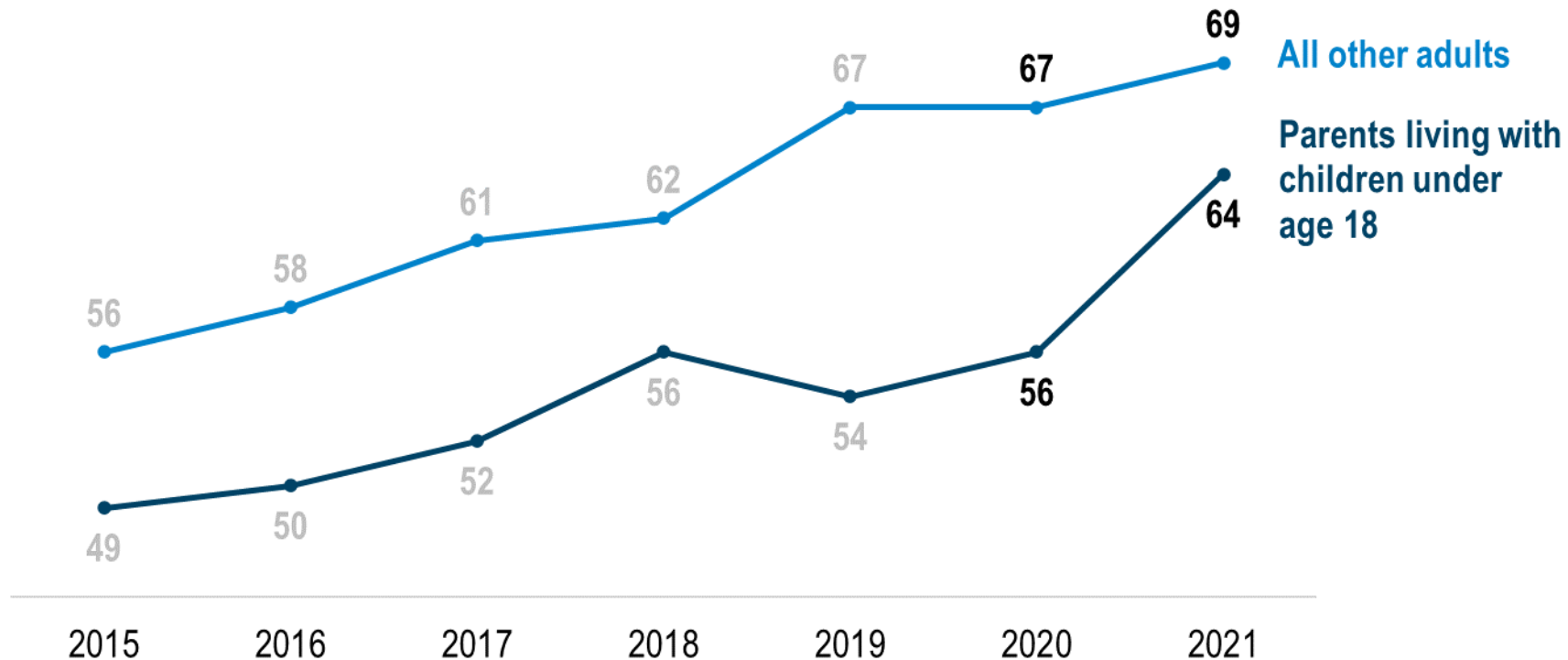


Note: Values are percentages. Among all adults. Parents are adults living with their own children under age 18.

PARENTS' FINANCIAL WELL-BEING

Other measures also reflected improvements in parents' financial circumstances

Would cover a \$400 emergency expense completely using cash or its equivalent, by parental status

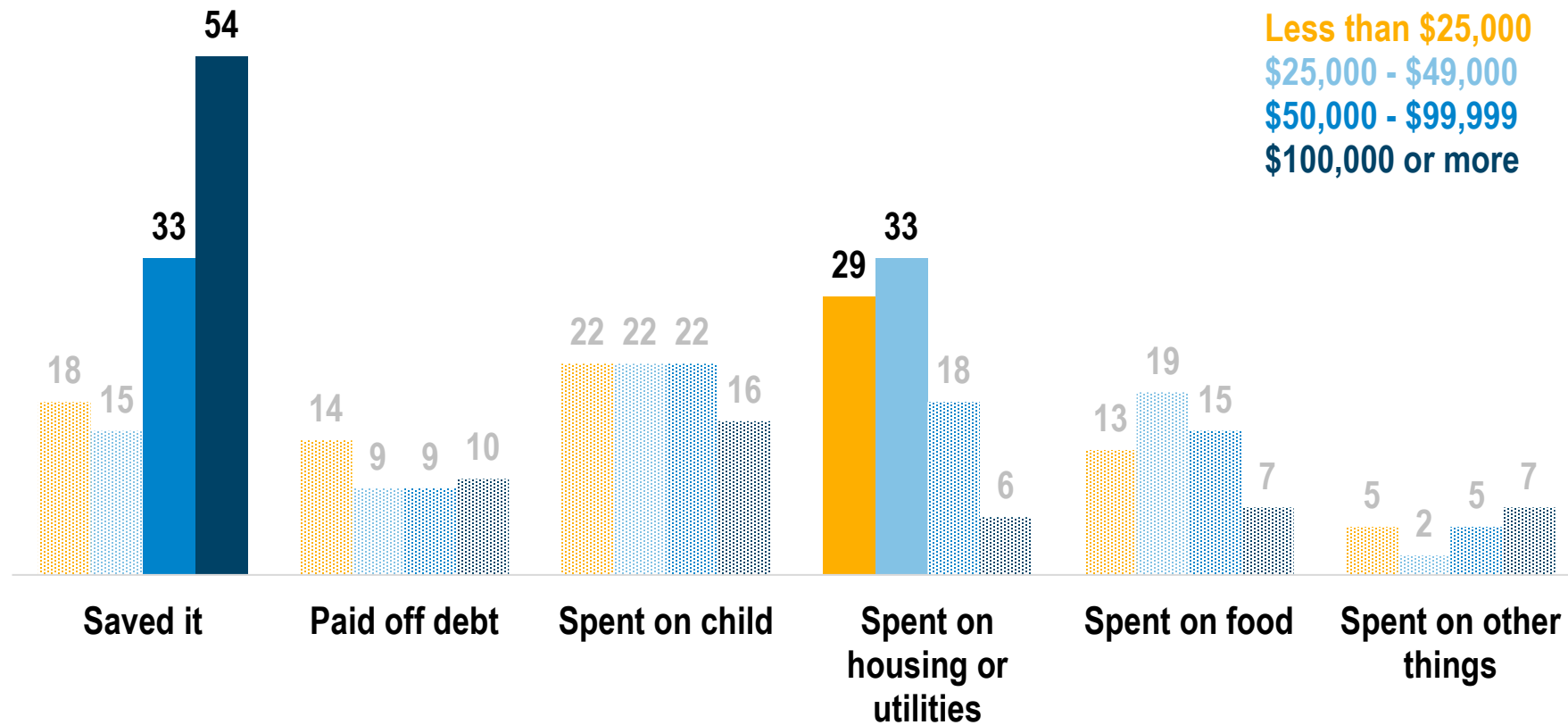


Note: Values are percentages. Among all adults. Parents are adults living with their own children under age 18.

PARENTS' FINANCIAL WELL-BEING

Lower-income parents were more likely to spend child tax credit on housing; higher-income parents saved it

Use of the largest portion of monthly child tax credit payments, by family income



Note: Values are percentages. Among child tax credit recipients.

Most children were going to school in person; a reversal of that was seen in 2020

Parents who said their youngest child enrolled in K-12 education was attending classes completely in person



Note: Values are percentages. Among parents with a child enrolled in public or private school. Based on the youngest child enrolled in public or private school living with parent.

Employment and Housing



Ellen Merry
*Principal Economist, Consumer and
Community Research Section*



Employment



Photo by ThisIsEngineering on Unsplash

TOP TAKEAWAYS

Concern about COVID-19 was a common reason for not working

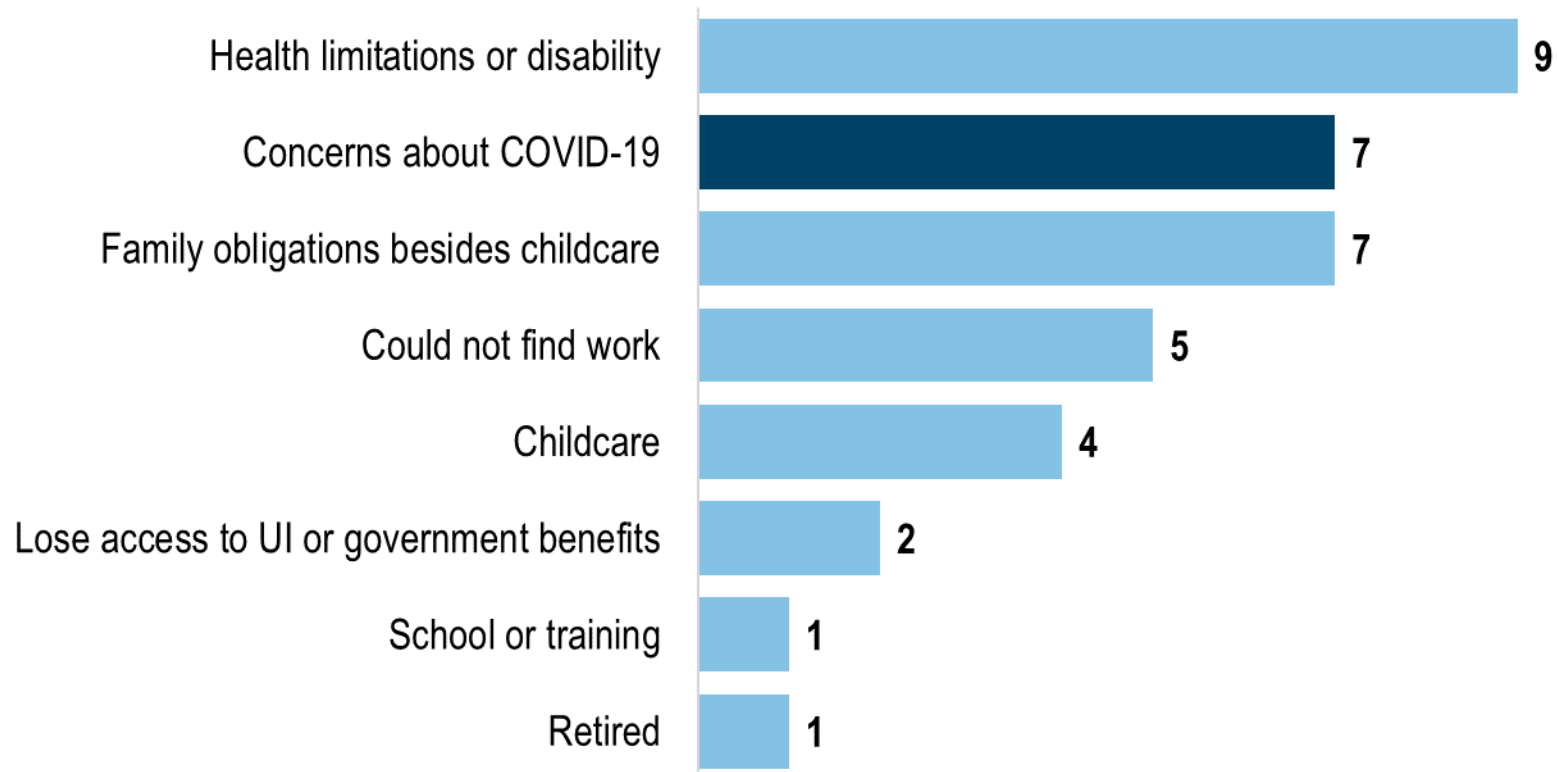
A required return to the office would have a similar effect on retention as a pay freeze

Fifteen percent of workers changed jobs, with most saying the new job was better

EMPLOYMENT

Concern about COVID-19 exposure was a common reason for not working

Reasons for not working among prime-age adults

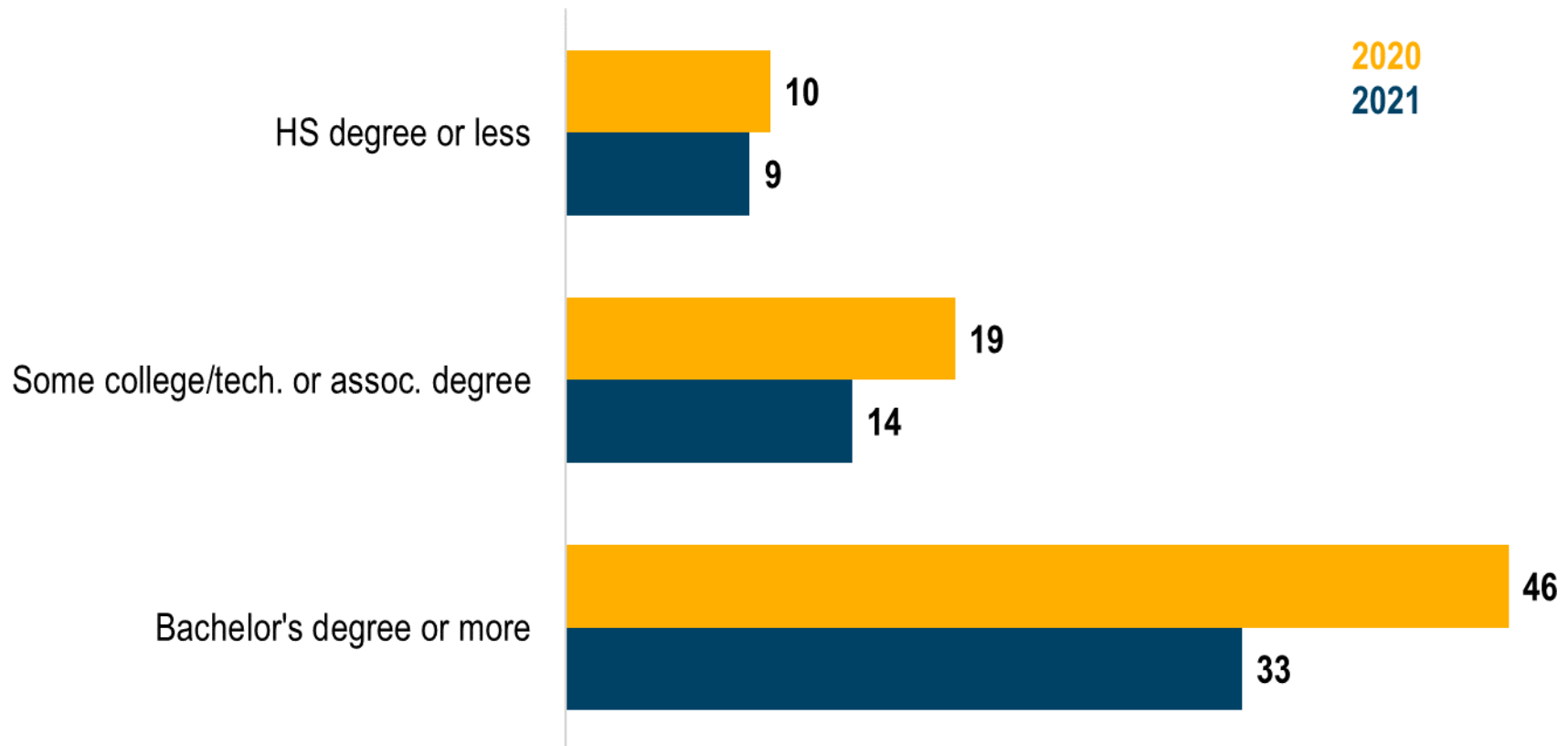


Note: Values are percentages. Among adults ages 25 to 54, including the 23% who were not working and the 77% who were working. Respondents could select multiple answers.

EMPLOYMENT

Working from home was more common among workers with a bachelor's degree, but less common than in 2020

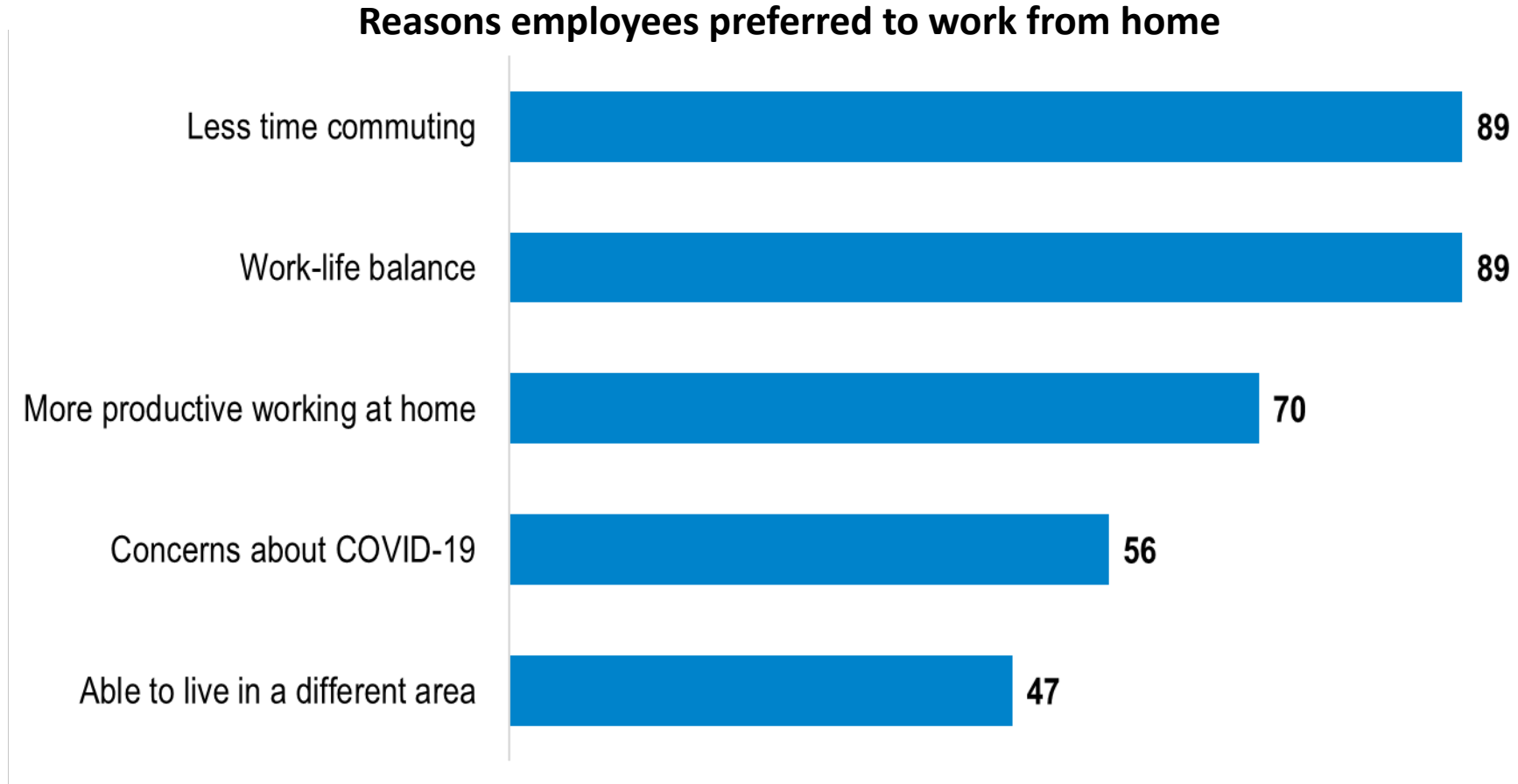
Worked from home all of the time, by education



Note: Values are percentages. Among adults who worked for someone else.

EMPLOYMENT

Less time commuting and work-life balance were the top reasons many preferred to work from home

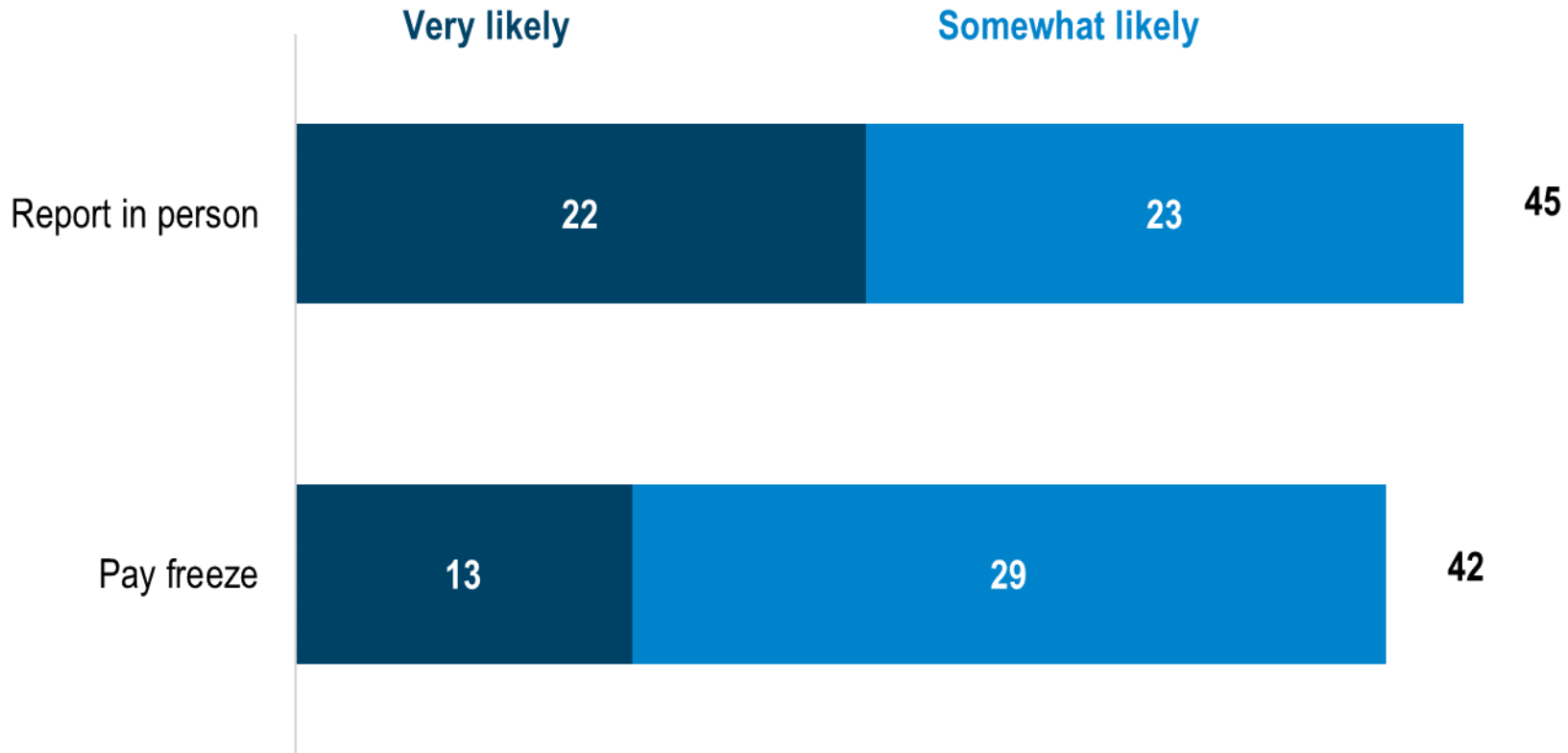


Note: Values are percentages. Among adults who could work from home and preferred working from home at least some of the time. Respondents could select multiple answers.

EMPLOYMENT

A requirement to return to the office would have a similar effect on retention as a pay freeze

Likelihood of looking for a new job among those working from home under various hypothetical circumstances

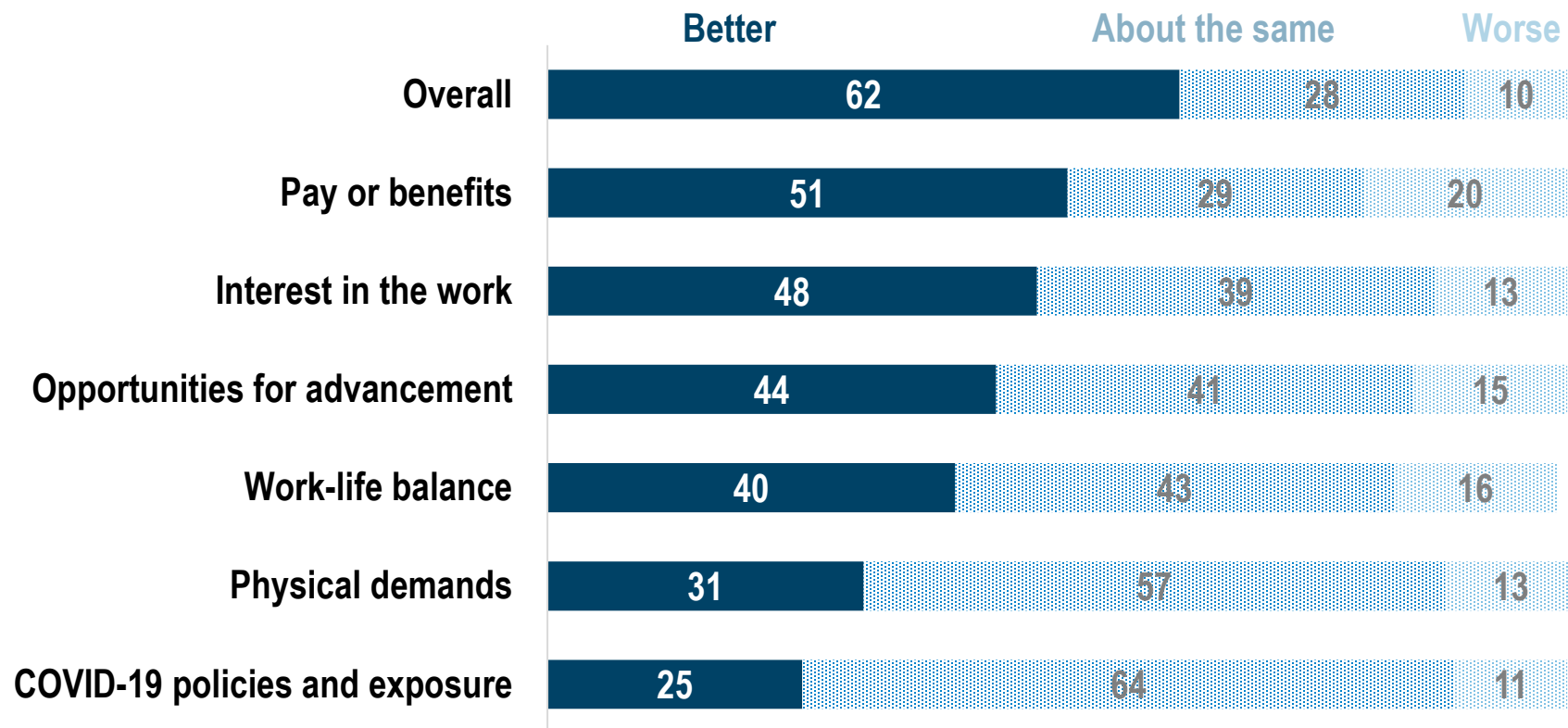


Note: Values are percentages. Percentages may not sum due to rounding. Among adults who worked for someone else and worked from home at least some of the time.

EMPLOYMENT

Fifteen percent of workers changed jobs, and most who did said their new job was better overall

Change in quality of job characteristics after job change

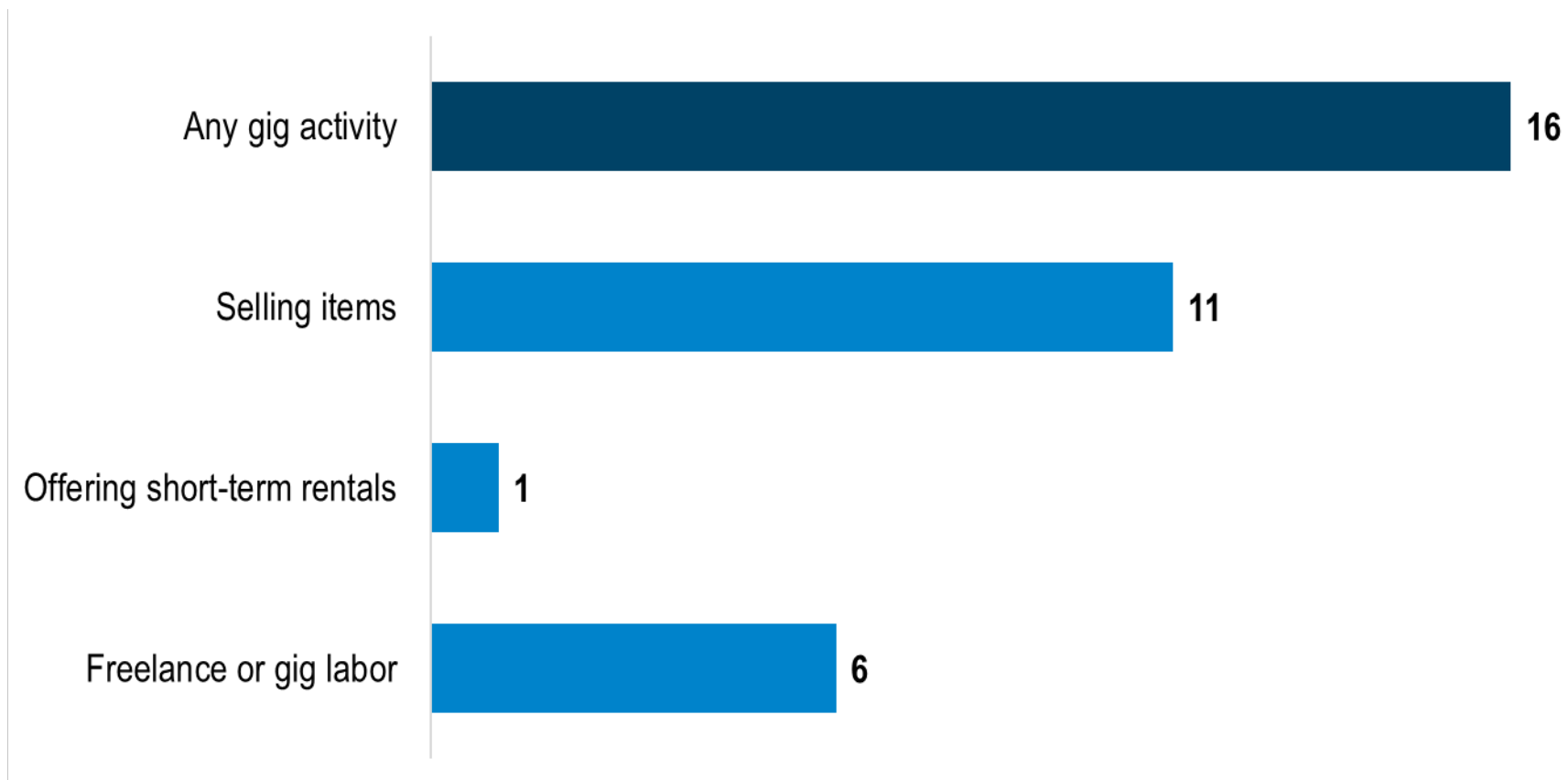


Note: Values are percentages. Among working adults whose main job is not the same as it was a year ago.

EMPLOYMENT

Sixteen percent of adults reported doing gig activities in the prior month

Gig activities performed

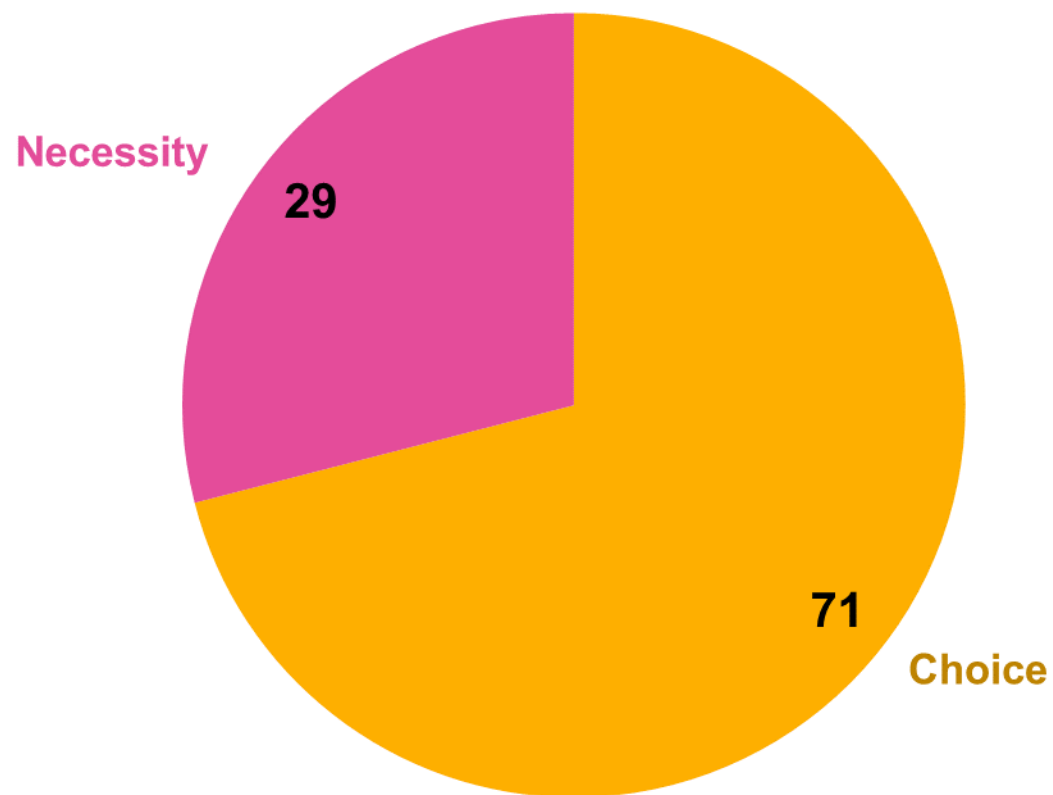


Note: Values are percentages. Among all adults. Respondents could select multiple answers.

EMPLOYMENT

Workers in the gig economy were largely doing so due to “choice” rather than “necessity”

Which of the following best describes the reason for doing gig activities?



Note: Values are percentages. Among people engaged in gig activities.

Housing

TOP TAKEAWAYS

Seventeen percent of renters were behind on rent at some point in 2021

Black and Hispanic renters were more likely to have been behind on rent

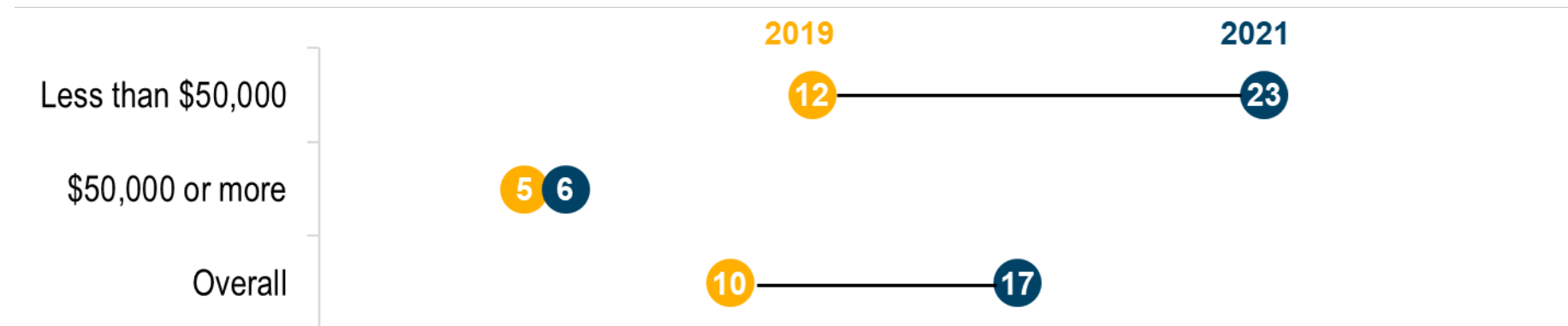
High-income borrowers were more likely to refinance in 2021

Photo by Paul Kapischka on Unsplash

More renters were behind on rent in 2021 than before the pandemic, particularly among low-income renters

- In fall 2021, 17 percent of renters had been behind on their rent in the prior 12 months—up from 10 percent who reported they had missed a payment in 2019.
- Renters with income below \$50,000 were hit hard by the pandemic recession.

Share of renters behind on rent during the year (by family income)

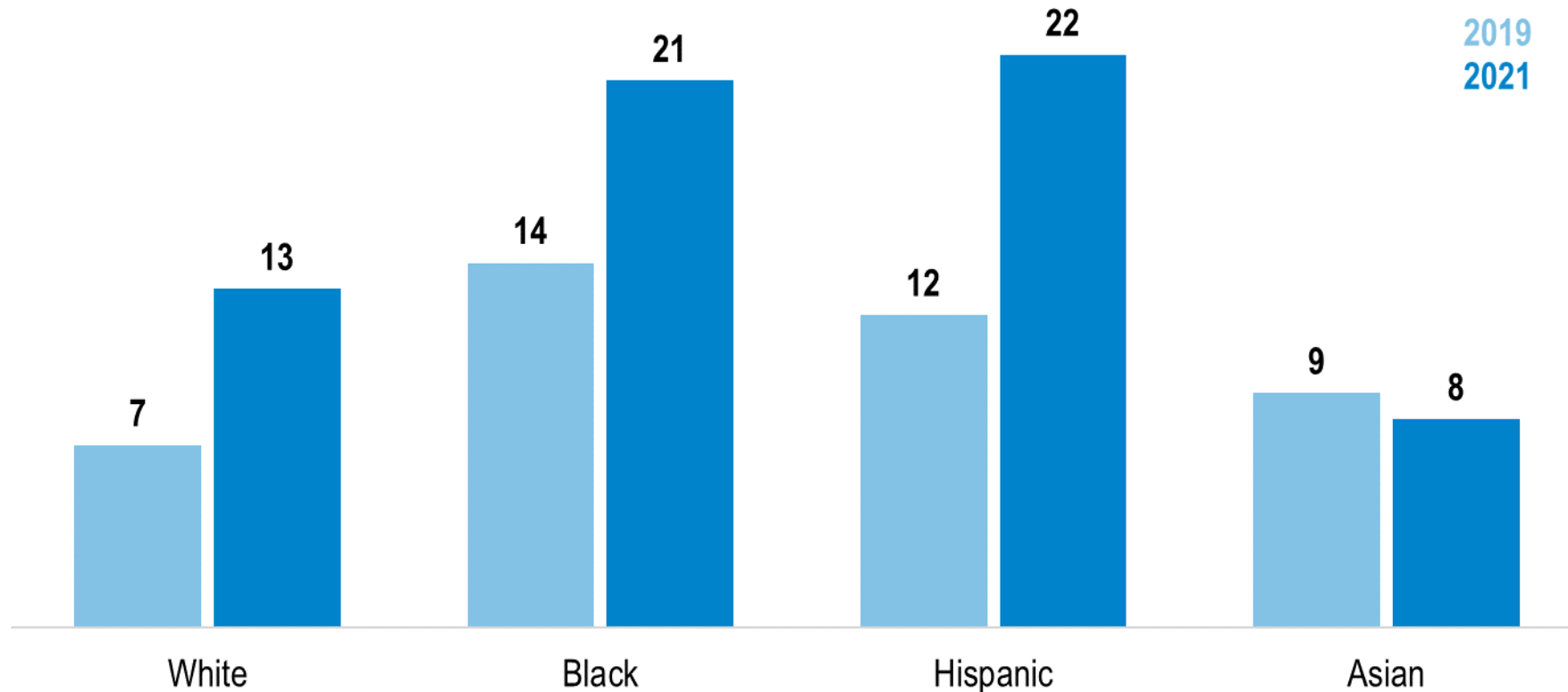


Note: Values are percentages. Among renters.

HOUSING

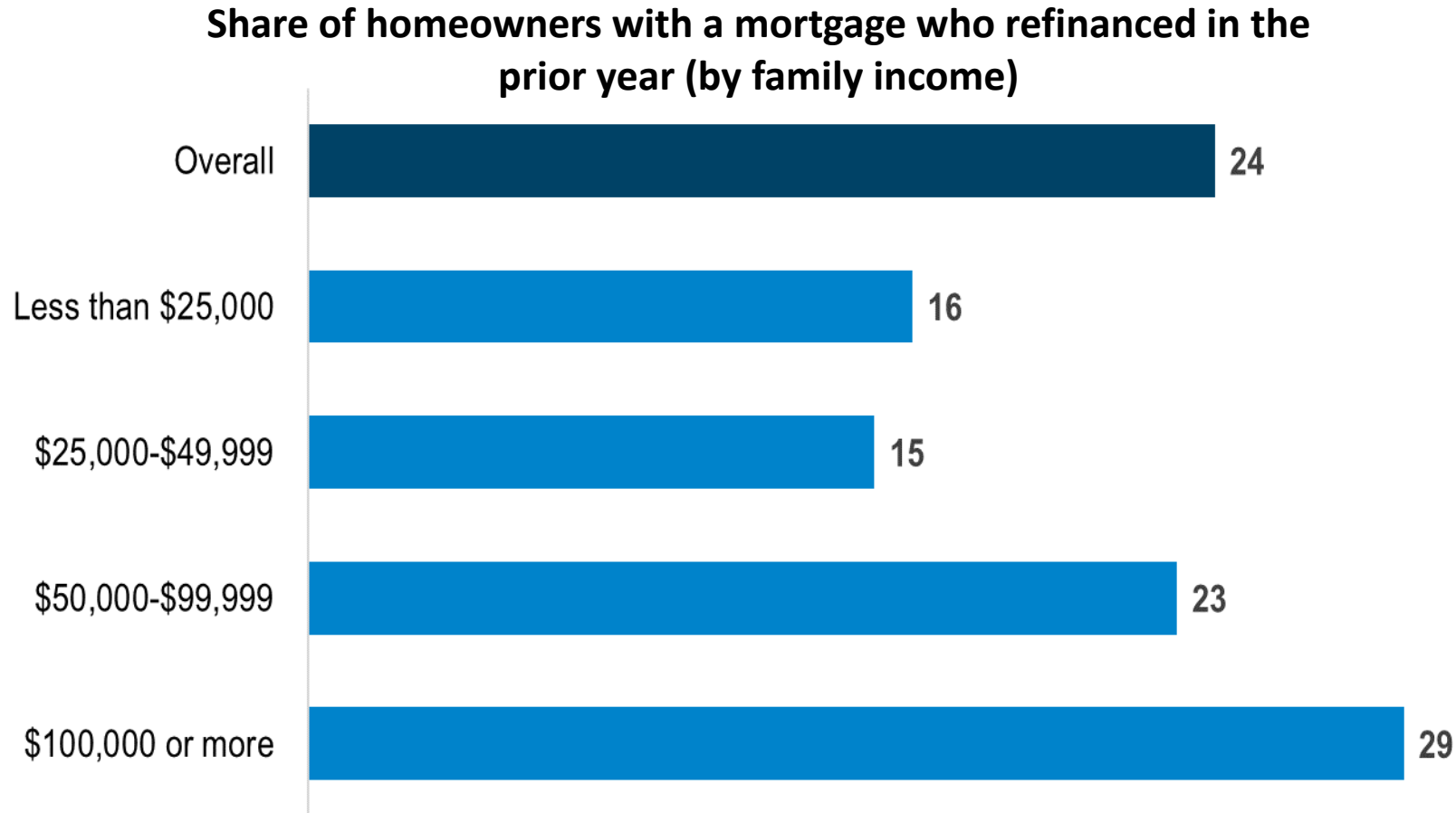
Black and Hispanic renters were more likely to have been behind on rent payments, compared to other renters

Share of renters behind on rent during the year
(by year and race/ethnicity)



Note: Values are percentages. Among renters.

Higher-income homeowners with a mortgage were more likely to refinance



Note: Values are percentages. Among homeowners with a mortgage.

Emerging Issues and New Topics



Jeff Larrimore
*Chief, Consumer and Community
Research Section*



Emerging Issues and New Topics



Photo by Kanchanara on Unsplash

TOP TAKEAWAYS

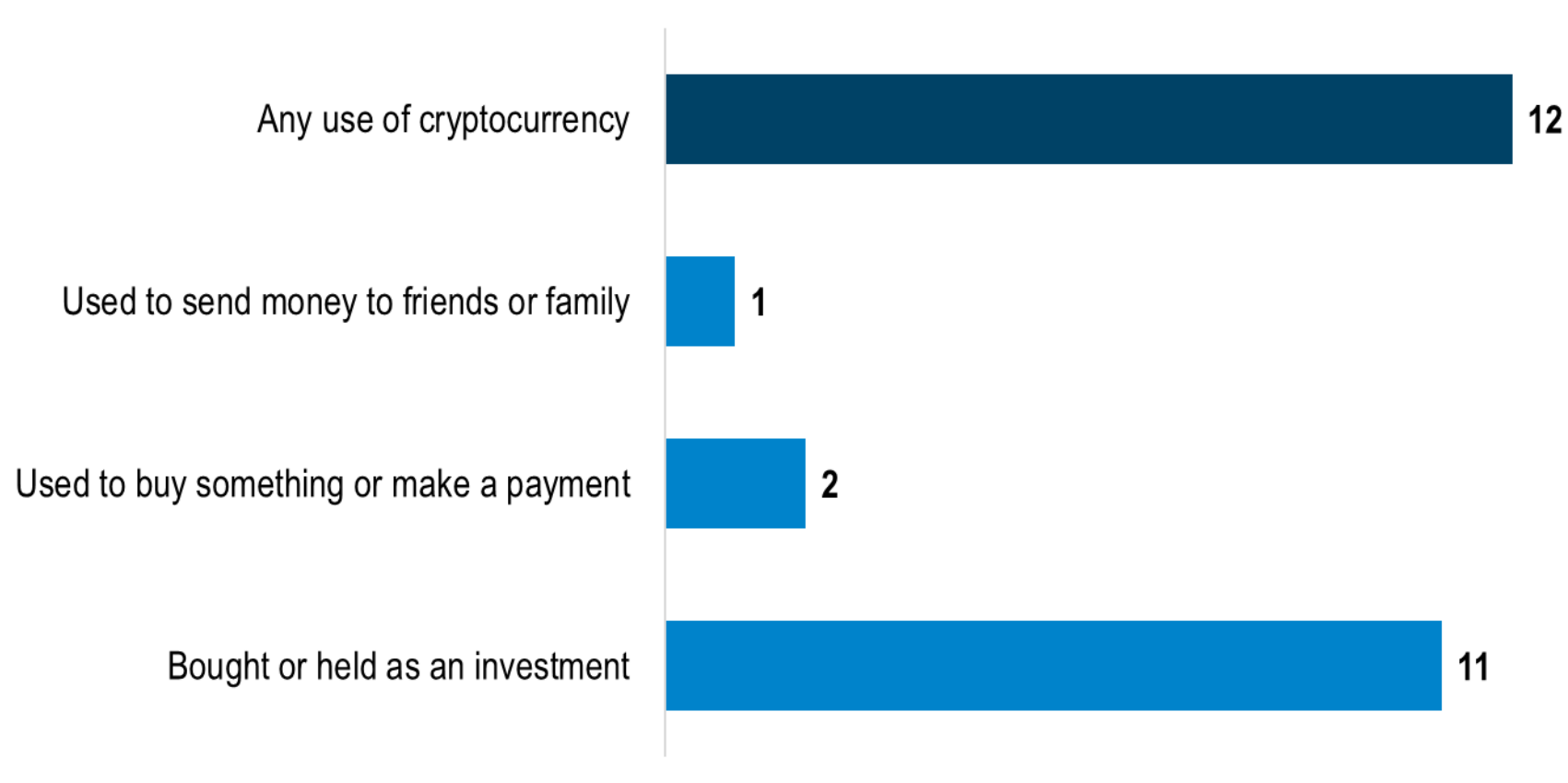
Twelve percent of adults used or held cryptocurrency in the prior year.

People using cryptocurrency for transactions were less likely to have a bank account.

Ten percent of adults used a Buy Now Pay Later (BNPL) service.

Of those using cryptocurrency, most held as investment rather than using for transactions

Uses of cryptocurrency in the prior year



Note: Values are percentages. Among all adults. Respondents could select multiple answers.

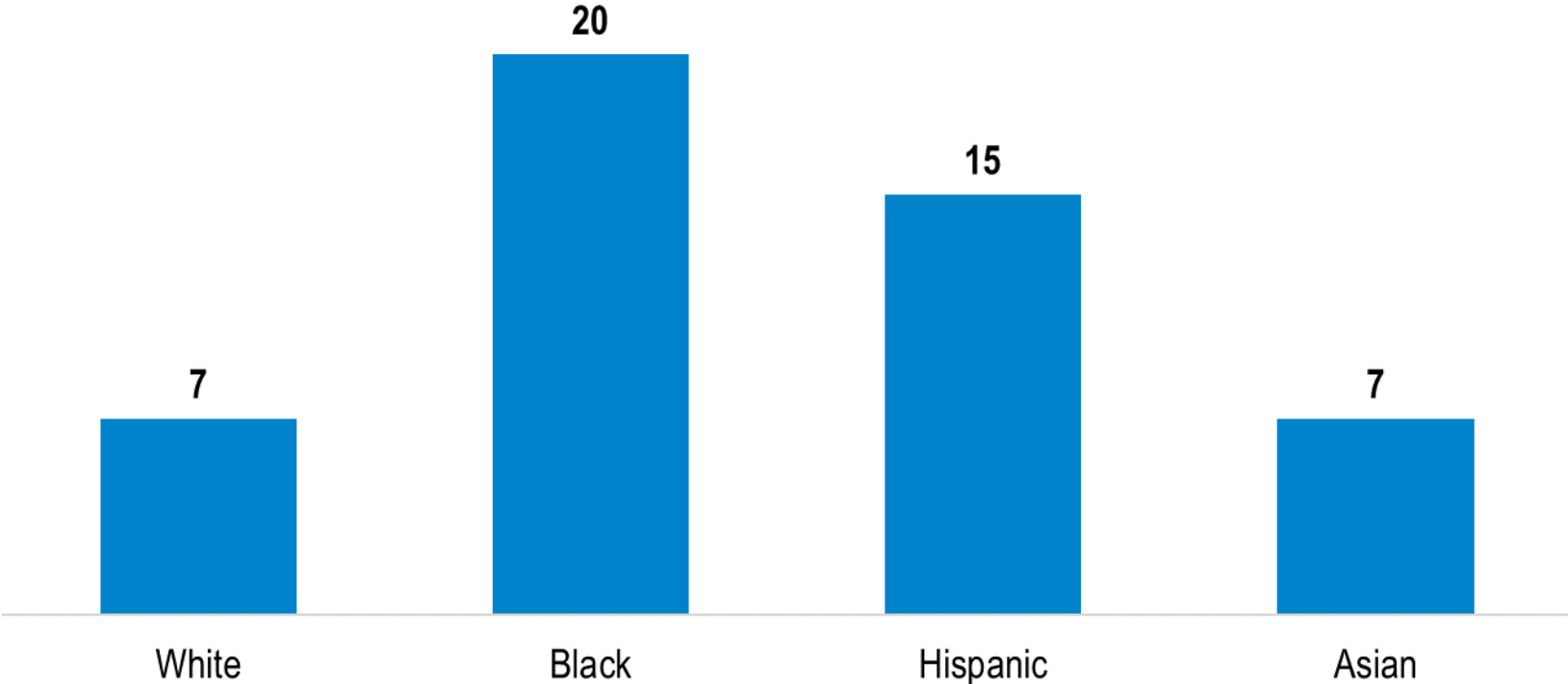
Transactional users of cryptocurrency were less likely to use a bank account or a credit card

- **Transactional cryptocurrency users:**
 - A majority had an income under \$50,000
 - Twice as likely as other adults to not have a traditional bank account
 - Less likely than other adults to not have a credit card
- **Cryptocurrency investors:**
 - Disproportionately higher income
 - Almost all had a traditional bank account
 - More likely than other adults to have a credit card

Note: Values are percentages. Among all adults.

Ten percent of adults used a BNPL service, with higher rates among Black and Hispanic adults

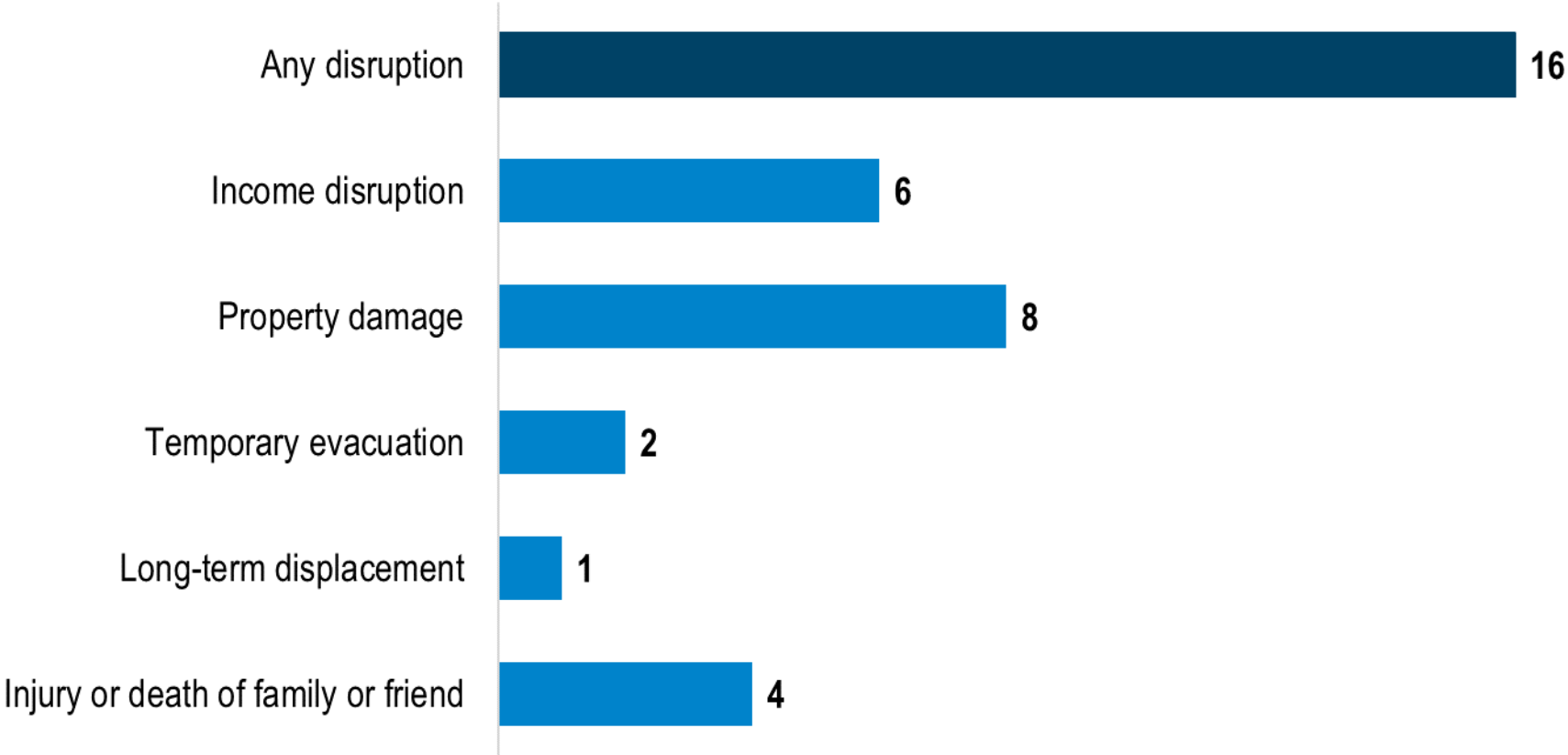
BNPL service use (by race/ethnicity)



Note: Values are percentages. Among all adults.

Sixteen percent of adults were affected by natural disasters or severe weather events in the prior year

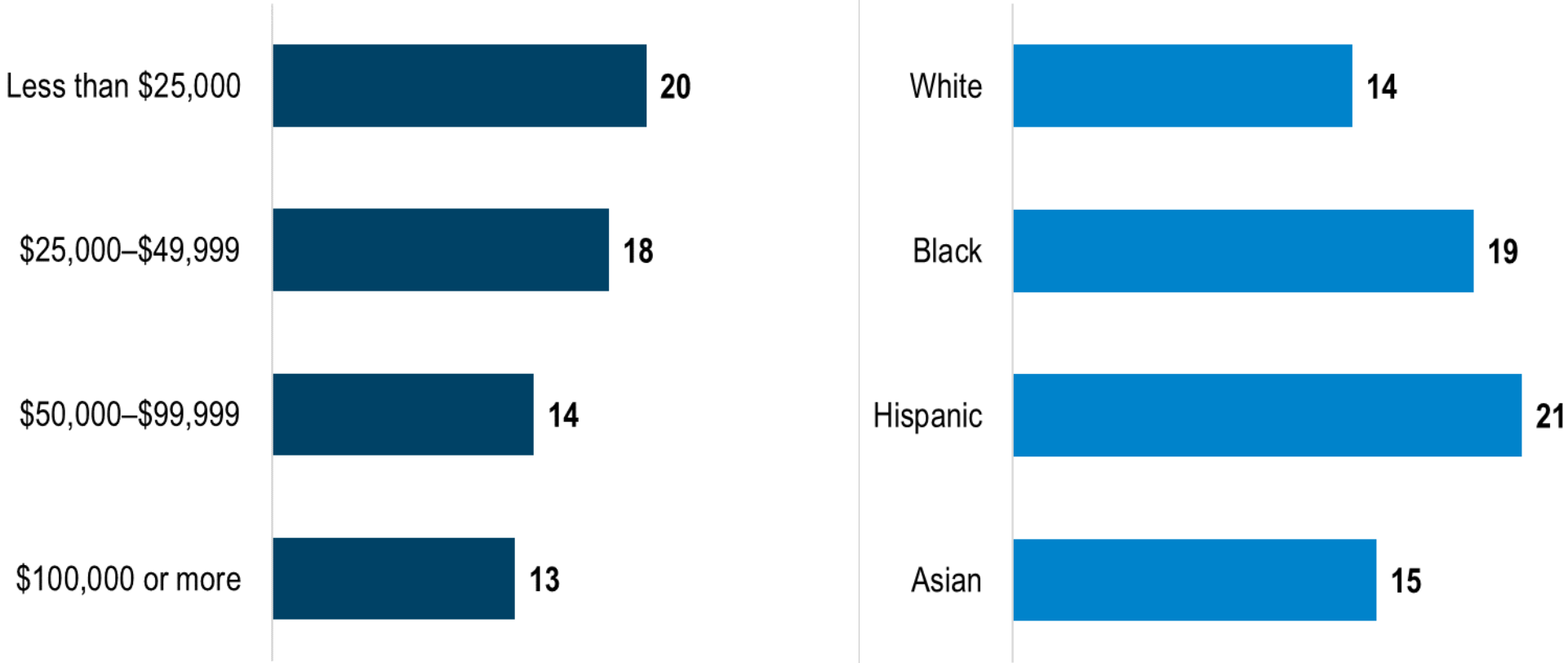
Disruptions from natural disasters in the prior 12 months



Note: Values are percentages. Among all adults.

Lower-income, Black, and Hispanic adults were more likely to have been affected by natural disasters

Disruptions from natural disasters in the prior 12 months

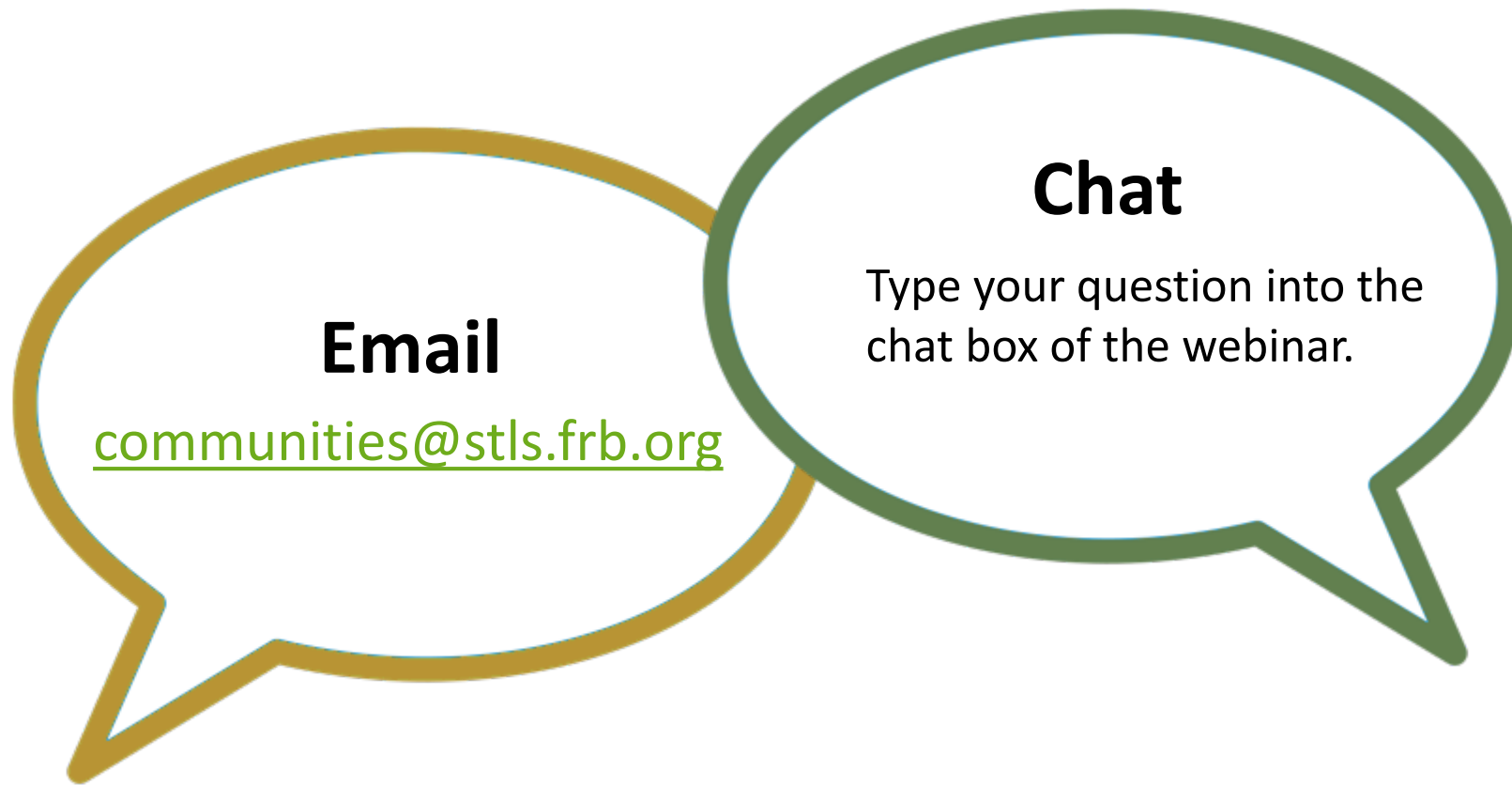


Note: Values are percentages. Among all adults.

Report and public-use data

- Full report on the findings is available on Federal Reserve website: [*Economic Well-Being of U.S. Households in 2021.*](#)
- Public-use data files are also available, with individual-level responses on the [SHED data page.](#)
- Using the public data, about 30 percent of respondents can be linked across survey years to follow the same respondents over time.

Questions



Next Steps

- All session materials are available on our website, and in the next few days, we will post an audio file of today's session.
- If you have topical suggestions for future sessions or any questions about this program, please feel free to contact us at communities@stls.frb.org.
- Information about future sessions will be posted on our website along with archived materials from past sessions:
<https://bsr.stlouisfed.org/connectingcommunities>.



Related Resources

- In connection with this session, you can find a variety of additional resources on this topic, available at www.fedcommunities.org.
- It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the policy and practice of community development, or small business development.