The Economic Well-Being of U.S. Households in 2023

June 20, 2024
3:00 to 4:00 PM ET
Today’s panelists

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Views expressed during this session are those of the speakers and are intended for informational purposes. They do not necessarily represent the views of Fed Communities or the Federal Reserve System.
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INTRODUCTION

SHED approach

• 11th year conducting the survey
• Surveyed over 11,000 adults (ages 18+) in October 2023
• Responses are nationally representative of U.S. adults

Goals

• Use subjective self-assessments along with objective outcomes
• Ask individuals directly how they make financial decisions
• Flexibility to cover new and emerging issues

Key Takeaways

1. Financial well-being was similar to 2022 yet remained well below the recent high in 2021.

2. Inflation continued to be a major concern for many families, particularly the cost of food.

3. Low-income adults faced notably high rates of economic hardships, such as food insufficiency and skipping medical care because of cost.

4. Challenges paying rent—including being behind on rent at some point in the past year—were above levels seen in 2022.

5. Adults with caregiving responsibilities were less likely to be working for pay, and paid childcare was a substantial expenses for working parents.
Financial well-being and preparedness for emergency expenses were similar to 2022, but down from 2021

Note: Values are percentages. Among all adults.
The gap in well-being by education narrowed slightly in the last several years but remained large

Note: Values are percentages. Among all adults.
Inflation continued to be the most common financial challenge for U.S. adults

Main financial challenges mentioned in open-ended question

**Note:** Values are percentages. Among respondents who provided a text response or selected “none.”
Lower income, Hispanic, and White adults were more likely to say price changes hurt their finances

Changes in prices paid compared to last year made financial situation much worse (by family income and race/ethnicity)

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25,000</td>
<td>29</td>
</tr>
<tr>
<td>$25,000-$49,999</td>
<td>24</td>
</tr>
<tr>
<td>$50,000-$99,999</td>
<td>20</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>11</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>19</td>
</tr>
<tr>
<td>Black</td>
<td>16</td>
</tr>
<tr>
<td>Hispanic</td>
<td>24</td>
</tr>
<tr>
<td>Asian</td>
<td>9</td>
</tr>
</tbody>
</table>

Overall percentage: 19

Note: Values are percentages. Among all adults.
Spending changes were the most common response to higher prices

Actions taken in response to higher prices in the prior 12 months

- **Spending**
  - Switched to cheaper products: 64%
  - Used less or stopped using products: 66%
  - Delayed a major purchase: 61%

- **Savings/Borrowing**
  - Reduced savings: 51%
  - Increased borrowing: 15%

- **Income**
  - Worked more or got another job: 18%
  - Asked for a raise: 9% (2023)

Note: Values are percentages. Among all adults. Respondents could select multiple answers.
The share of adults who went without medical care due to cost was similar to 2022, but up from 2021

<table>
<thead>
<tr>
<th>Year</th>
<th>Skipped medical care because of cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>32</td>
</tr>
<tr>
<td>2014</td>
<td>31</td>
</tr>
<tr>
<td>2015</td>
<td>27</td>
</tr>
<tr>
<td>2016</td>
<td>25</td>
</tr>
<tr>
<td>2017</td>
<td>27</td>
</tr>
<tr>
<td>2018</td>
<td>24</td>
</tr>
<tr>
<td>2019</td>
<td>25</td>
</tr>
<tr>
<td>2020</td>
<td>23</td>
</tr>
<tr>
<td>2021</td>
<td>24</td>
</tr>
<tr>
<td>2022</td>
<td>28</td>
</tr>
<tr>
<td>2023</td>
<td>27</td>
</tr>
</tbody>
</table>

Note: Values are percentages. Among all adults.
Low-income adults faced notably high rates of economic hardships, including food insufficiency

<table>
<thead>
<tr>
<th>Economic hardships (by family income)</th>
<th>Sometimes or often not enough to eat (prior month)</th>
<th>Did not pay a bill in full (prior month)</th>
<th>Skipped medical care because of cost (prior 12 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $25,000</td>
<td>21</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>$25,000-$49,999</td>
<td>10</td>
<td>24</td>
<td>39</td>
</tr>
<tr>
<td>$50,000-$99,999</td>
<td>5</td>
<td>13</td>
<td>29</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>1</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Overall</td>
<td>7</td>
<td>17</td>
<td>27</td>
</tr>
</tbody>
</table>

Note: Values are percentages. Among all adults.
Housing
The share of renters who reported being behind on rent ticked up in 2023

- The median monthly rent payment was $1,100 in 2023, up 10 percent from 2022.
- Nineteen percent of renters reported being behind on their rent at some point in the past year, up 2 percentage points from 2022.
Renters were less likely than homeowners to pay all their bills in the prior month

Types of bills not paid in full last month (by homeownership status)

- **Homeowner**
- **Renter**
- **All adults**

<table>
<thead>
<tr>
<th>Bill Type</th>
<th>Homeowner</th>
<th>Renter</th>
<th>All adults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water, gas, and electric bills</td>
<td>3</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Phone, internet, and cable bills</td>
<td>2</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Rent or mortgage</td>
<td>1</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Car payment</td>
<td>1</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Credit card (less than minimum payment)</td>
<td>2</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Any bills not paid in full</td>
<td></td>
<td></td>
<td>17</td>
</tr>
</tbody>
</table>

Note: Values are percentages. Among all adults. Respondents could select multiple responses.
Renters who moved in 2022 or 2023 had higher rent payments than those who last moved before 2022

Median monthly rent payment (by census region and moving date)

<table>
<thead>
<tr>
<th>Region</th>
<th>Moved before 2022</th>
<th>Moved in 2022 or 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast</td>
<td>$1,200</td>
<td>$1,600</td>
</tr>
<tr>
<td>Midwest</td>
<td>$800</td>
<td>$979</td>
</tr>
<tr>
<td>South</td>
<td>$900</td>
<td>$1,200</td>
</tr>
<tr>
<td>West</td>
<td>$1,300</td>
<td>$1,600</td>
</tr>
<tr>
<td>Overall</td>
<td>$1,045</td>
<td>$1,231</td>
</tr>
</tbody>
</table>

Note: Values are dollars. Among renters who reported a positive monthly rental payment.
Most adults were satisfied with their neighborhood overall, but fewer were satisfied with housing costs.

Satisfied with local neighborhood characteristics (by homeownership status)

- Overall quality: 83% (Homeowners) vs. 64% (Renters)
- Quality of your local schools (among parents of children under age 18): 71% (Homeowners) vs. 56% (Renters)
- Crime risk: 68% (Homeowners) vs. 49% (Renters)
- Cost of housing: 42% (Homeowners) vs. 29% (Renters)

Note: Values are percentages. Among adults who rent or own their homes.
Going without homeowners insurance was most likely in the west-south-central division (AR, LA, OK, TX)

Share with no homeowners insurance on primary residence, among homeowners without a mortgage (by census division)

Note: Among homeowners without a mortgage.
Lower-income homeowners were less likely to have homeowners insurance

Share with no homeowners insurance on primary residence, among homeowners without a mortgage (by family income)

- Less than $25,000: 44%
- $25,000-$49,999: 22%
- $50,000-$99,999: 8%
- $100,000 or more: 2%

Note: Among homeowners without a mortgage.
Caregiving
The 19 percent of adults living with their children under age 13 likely require childcare of some kind.

### Overall adult population (by household type)

- **9%** Two parents, both working
- **6%** Two parents, one working
- **2%** Single parent, working
- **2%** No working parent
- **81%** All other adults

Note: Values are percentages. Among all adults.
Families with no stay-at-home parent and those with higher income were more likely to use paid childcare

Used paid childcare (by income, household type and working for pay)

<table>
<thead>
<tr>
<th>Family type and employment status</th>
<th>1-19 hours</th>
<th>20 or more hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single parents, working</td>
<td>18</td>
<td>23</td>
</tr>
<tr>
<td>Two parents, both working</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Two parents, only one working</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family income</th>
<th>1-19 hours</th>
<th>20 or more hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $50,000</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>$50,000-$99,999</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>$100,000 or more</td>
<td>13</td>
<td>24</td>
</tr>
</tbody>
</table>

Note: Values are percentages. Among adults living with their own children under age 13.
Childcare costs make up a sizable share of many families’ budgets

*Median monthly childcare cost and median housing payment (by homeownership status and hours of paid childcare)*

- **Homeowners, any paid childcare**: $1,000 (median childcare), $2,000 (median housing)
- **Homeowners, use 20 or more hours**: $1,360 (median childcare), $1,900 (median housing)
- **Renters, any paid childcare**: $680 (median childcare), $1,250 (median housing)
- **Renters, use 20 or more hours**: $800 (median childcare), $1,200 (median housing)

Note: Values are percentages. Among adults who used paid childcare and report a monthly childcare and housing costs.
Similar shares of men and women provided unpaid care to other adults due to aging, disability, or illness

Note: Values are percentages. Among all adults.
Unpaid caregivers – particularly those providing daily care – were less likely to be doing work for pay

• Among prime-age adults, 32 percent caring for another adult did not have a paid job, compared with 24 percent of those without caretaking responsibilities.

• About half (47 percent) of prime-age adults with daily caretaking responsibilities did no work for pay.
Chapters in the report

Overall Financial Well-Being

Expenses

Housing

Employment

Banking & Credit

Retirement & Investments

Higher Education & Student Loans

Income
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