

Report on the Economic Well-Being of U.S. Households in 2016

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ANNA ALVAREZ BOYD. The Federal Reserve Board's Report on the Economic Well-Being of U.S. Households is based on the annual Survey of Household Economics and Decisionmaking, also known as the SHED. 2016 marked the Board's fourth year of the survey. We invite you to read the latest report. It highlights some of the financial and economic issues that are currently affecting the well-being of U.S. households.

JEFF LARRIMORE. The SHED gives us an opportunity to understand from the individuals surveyed what they think about on a range of activities in their financial lives. In 2016, financial well-being continued to exhibit modest improvements. Seventy percent of adults report that they're either living comfortably or doing okay, compared to 62% when the same question was first asked in 2013. However, 30%, or approximately 73 million adults, still report some difficulty getting by financially. Some parts of the report focus specifically on individuals with low or moderate incomes, providing insight on how people with less means are faring.

ANNA ALVAREZ BOYD. The report contains rich data that can be analyzed from multiple angles, including gender, race, ethnicity, and education of survey respondents. In the SHED, black and Hispanic respondents express elevated levels of financial challenges across many dimensions. For example, when looking at eviction by race and ethnicity, the percent of people who had moved recently because they were evicted or faced the threat of eviction is twice as much among Hispanics than whites.

JEFF LARRIMORE. We also compare work scheduling by education levels. For workers with a high-school degree or less, we noted two important findings. First, they're more than twice as likely to have a variable work schedule as those with a bachelor's degree--24% versus 11%.

Second, they also often have less advanced notice of their schedules, typically receiving their schedules no more than three days in advance. Additionally, when looking at trends of one's perceptions of well-being, we see that those with less education are the least likely to feel that their financial situation has improved in the past year. This is particularly true among whites who have no more than a high-school degree.

ANNA ALVAREZ BOYD. In monitoring financial outcomes and considering how financial decisions are formed, the results of this survey help establish a more informed picture of the financial status of American families. This view offers a wide perspective on a range of topics, including employment experiences, income and savings behaviors, economic preparedness, education and human capital, and student loans and retirement planning. Across these areas, we find from the survey results that more people have at least some retirement savings and fewer people are ill-prepared for modest emergencies that may arise when compared to last year. There also has been a continued increase in the share of adults who feel that credit is available to them, should they desire it. Although not all adults improved financially relative to 2015, in general, the results do reflect a continuation of the positive trend observed in recent years.