



RESEARCH & ANALYSIS

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

May 2024



BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM



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Executive Summary

Results from the 2023 Survey of Household Economics and Decisionmaking (SHED) indicate that people's overall financial well-being was nearly unchanged from the previous year but below the high reached in 2021.¹ Despite the moderating pace of inflation, many adults continued to indicate that higher prices were a challenge in managing their finances.

The survey, which was fielded in October 2023, showed similar patterns for other measures of financial resiliency as well. Both the share of adults who spent less than their income in the month before the survey and the share who would pay for an unexpected \$400 expenses with cash or the equivalent were nearly unchanged from 2022, yet both were down from 2021. Among adults who were not retired, the share who felt that their retirement savings plan was on track rose slightly from 2022, possibly reflecting stock market gains, but remained below the share who felt their retirement savings was on track in 2021.

The rates at which workers started new jobs and received pay raises were consistent with those seen in 2022. Reflecting the continued strength in the labor market, these measures remained above the levels seen in 2021. Relatedly, the share of prime-age adults (ages 25 to 54) not working because of difficulty finding work remained low.

Some groups continued to experience financial stress at higher rates than others. Lower-income adults were more likely to experience material hardships including not paying all bills, not always having enough to eat, and skipping medical care because of cost. Additionally, the gap in financial well-being between parents of children under age 18 and other adults widened, as parents saw a continued decline in well-being in 2023.

Some topics in this year's report were new to the survey in 2023, such as food sufficiency, caregiving, employment outcomes of those with a previous arrest or conviction, and homeowners insurance. The survey also continues to track other key topics related to financial outcomes, such as housing, value of education, and retirement. Key findings across each of the topics covered in the report include the following:

¹ The Federal Reserve has fielded the SHED annually in the fourth quarter of each year since 2013. The latest survey was fielded from October 20 until November 5, 2023. Since 99 percent of respondents completed the survey in October, this report describes the field period as October 2023. The anonymized data, as well as appendixes containing the SHED questionnaire and responses to questions in the order asked, are also available at <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

Overall Financial Well-Being

- The 72 percent of adults doing at least okay financially was similar to the 73 percent in 2022 yet remained well below the recent high of 78 percent in 2021.
- Financial well-being was generally unchanged from 2022 for most population segments. One notable exception was parents living with their children under age 18, where the share doing at least okay financially fell 5 percentage points from 2022.
- Inflation continued to be the top financial concern, despite the inflation rate falling over the prior year.

Income

- Many people experienced a change in their family's monthly income and spending from a year earlier. Thirty-four percent of adults said their family's monthly income increased in 2023 compared with the prior year, while a higher 38 percent said their monthly spending increased.
- Forty-eight percent of adults reported spending less than their income in the month before the survey. The share of adults who saved money in the month before the survey was similar to the share in 2022 but down from highs in 2020 and 2021, and below pre-pandemic levels.

Employment

- The rates at which workers started new jobs, applied for new jobs, and received pay raises were similar to 2022. For example, the share of adults who received a raise and the share who asked for a raise were unchanged at 33 percent and 13 percent, respectively. Yet, reflecting the continued strength of the labor market, rates of starting new jobs and pay raises remained above 2021 levels.
- About 4 in 10 single working parents of a younger child (under age 13) used paid childcare, as did a similar share of parents living with a spouse/partner where both parents worked.
- Childcare costs can be significant for parents. The median monthly amount that parents using paid care paid for childcare was \$800. For those who paid for 20 or more hours of childcare each week, the median cost was \$1,100.

Expenses

- Sixty-three percent of adults said they would cover a hypothetical \$400 emergency expense exclusively using cash or its equivalent, unchanged from 2022 but down from a high of 68 percent in 2021.
- Sixty-five percent of adults said that changes in the prices they paid compared with the prior year had made their financial situation worse, including 19 percent who said price changes had made their financial situation much worse. In contrast, 4 percent of adults said that price

changes compared with last year had made their financial situation better, while 31 percent said price changes had little to no effect on their financial situation.

Banking and Credit

- While 94 percent of adults had a bank account, notable differences remain by income, age, race, ethnicity, and disability status. For example, nearly all adults with incomes of at least \$100,000 had a bank account, compared with 77 percent among adults with incomes less than \$25,000.
- The share of adults who applied for credit has been nearly unchanged in recent years. Yet, among adults who applied for credit, the share who were denied credit or approved for less credit than they requested was up 2 percentage points from 2022 and up 5 percentage points from 2021.
- Fourteen percent of adults used Buy Now, Pay Later (BNPL) in the prior 12 months, up 2 percentage points from 2022. The top two reasons for using BNPL were wanting to spread out payments (87 percent) and for convenience (82 percent). Additionally, over half of BNPL users said it was the only way they could afford their purchase.

Housing

- Challenges paying rent increased in 2023. The median monthly rent payment was \$1,100 in 2023, up 10 percent from 2022. In addition, 19 percent of renters reported being behind on their rent at some point in the past year, up 2 percentage points from 2022.
- Nineteen percent of adults said they were affected financially by a natural disaster in the prior year, including 7 percent who were moderately or severely affected.
- At least 4 percent of homeowners did not have homeowners insurance. This share was much higher among certain populations. For example, more than 2 in 10 homeowners living in the South with an income less than \$50,000 did not have homeowners insurance.

Higher Education and Student Loans

- Education was largely seen as a path to higher income and greater financial well-being. Most adults who completed a bachelor's degree or higher said it was worth the cost, but few who started an educational degree program after high school and did not complete at least an associate degree thought the same.
- Following the restart of federal student loan payments in the fall of 2023, the share of student loan borrowers who were required to make payments returned back to pre-pandemic levels.

Retirement and Investments

- Progress toward retirement savings goals improved slightly in 2023. Thirty-four percent of non-retirees thought their retirement savings plan was on track, up from 31 percent in 2022, but down from 40 percent in 2021.
- Eighty percent of retirees said they were doing at least okay financially—a higher share than for U.S. adults overall.
- Forty-five percent of adults said they were mostly or very comfortable choosing and managing their investments, while 55 percent of adults said they were not comfortable or only slightly comfortable.

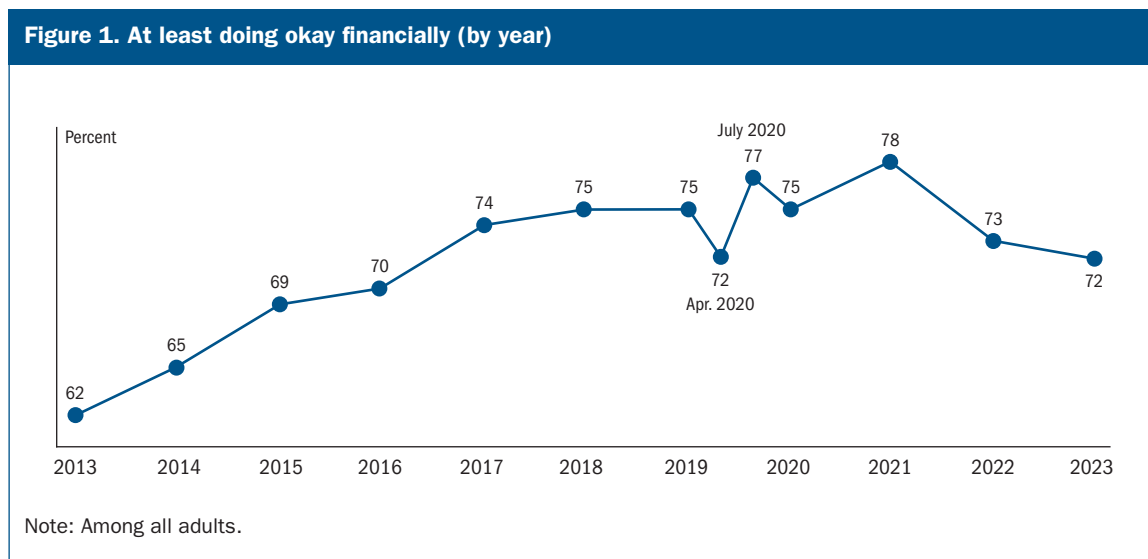
Overall Financial Well-Being

The share of adults doing at least okay financially was similar to 2022 yet remained well below the recent high in 2021.² Financial well-being was also generally unchanged from 2022 for most population segments. One notable exception was parents, who saw further large declines in the share doing at least okay. Inflation continued to be a top financial concern, despite the inflation rate falling over the prior year.

Current Financial Situation

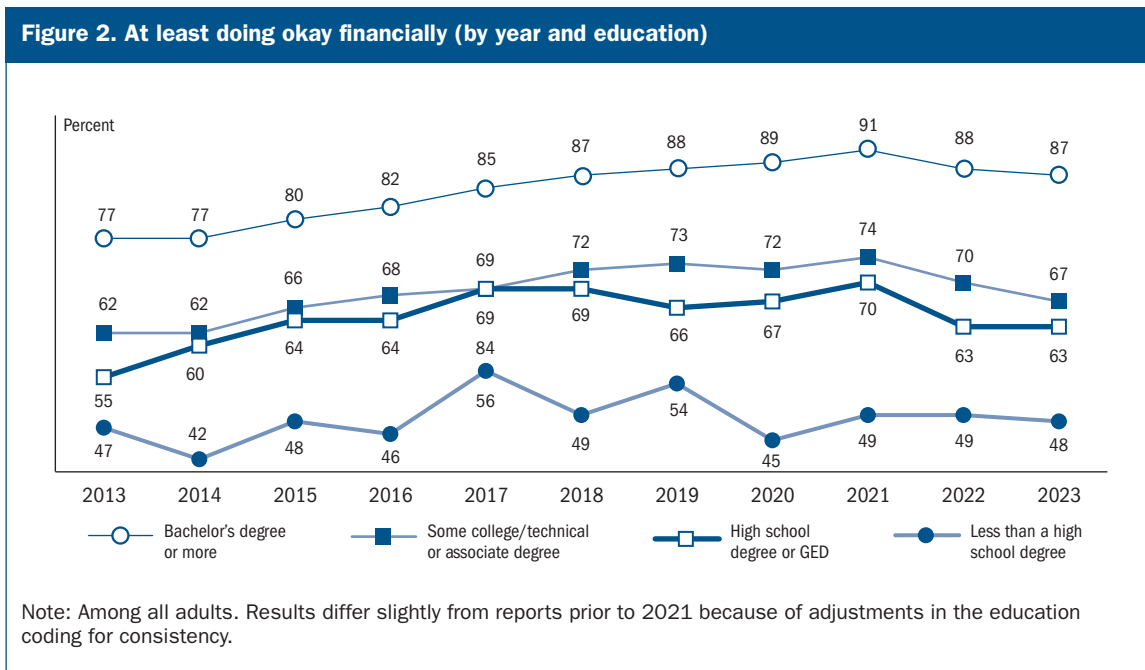
Near the end of 2023, 72 percent of adults were at least doing okay financially, meaning they reported either “doing okay” financially (39 percent) or “living comfortably” (33 percent). The rest reported either “just getting by” (19 percent) or “finding it difficult to get by” (9 percent).

The 72 percent of adults doing at least okay financially was essentially unchanged from 2022 yet was down 6 percentage points from the recent high of 78 percent in 2021 (figure 1).



As with previous surveys, adults with at least a bachelor’s degree continued to report higher financial well-being than did adults with lower levels of education. Eighty-seven percent of adults with at

² Unless otherwise specified, results in this report are from the Federal Reserve’s Survey of Household Economics and Decisionmaking. The survey was fielded in October 2023, and results reflect financial situations at that time. Results typically capture financial experiences at the time of the survey or in the 12-month period before the survey rather than the precise calendar year. Results discussing the period shortly after the onset of the pandemic are based on the two supplemental surveys that were fielded during the pandemic in April 2020 and July 2020.



least a bachelor's degree reported doing at least okay financially, compared with 48 percent of those with less than a high school degree (figure 2).

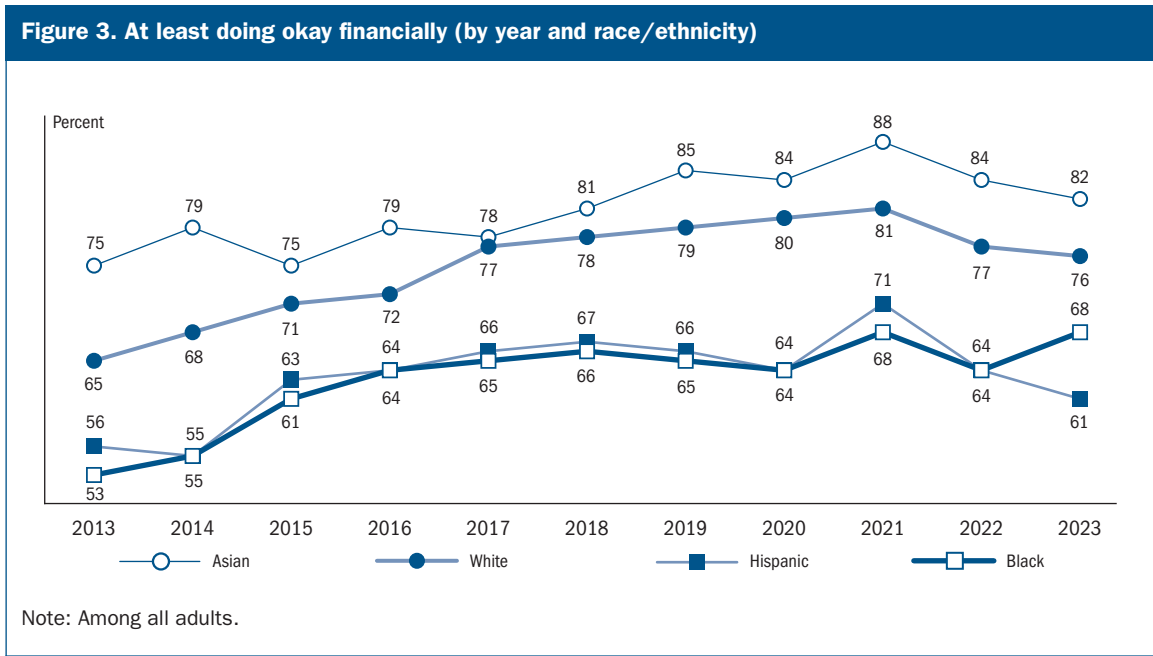
The gap in well-being by education has narrowed slightly in recent years. The share of adults with at least a bachelor's degree that reported doing at least okay financially declined 4 percentage points since 2021, while this same share among those with less than a high school degree has remained relatively flat.³ That said, taking a longer view reveals a widened gap in financial well-being by education. Since 2013, the share doing at least okay among adults with at least a bachelor's degree increased 10 percentage points, whereas those with less than a high school degree saw essentially no lasting gains (figure 2).

Differences in financial well-being across racial and ethnic groups persisted in 2023. Eighty-two percent of Asian adults were doing at least okay financially, followed by 76 percent of White adults, 68 percent of Black adults, and 61 percent of Hispanic adults (figure 3).⁴

Similar to the overall population, financial well-being among Asian, Hispanic, and White adults ticked down slightly from the prior year and was below the peak in 2021. In contrast, Black adults saw an increase in well-being, with the share doing at least okay climbing 4 percentage points to

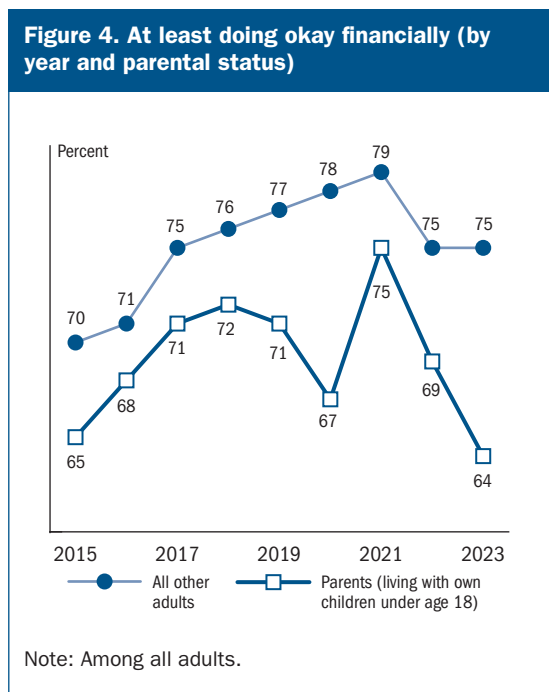
³ The recent declines in financial well-being among those with at least a bachelor's degree occurred for both those with student loans and those without. That said, those with student loans saw larger declines.

⁴ The reported categorizations reflect the largest statistical groupings but are neither exhaustive nor the only distinctions important to understand. Sample sizes for other racial and ethnic groups and subpopulations are not large enough to produce reliable estimates. Additionally, results for Asian adults are sometimes excluded when the sample size is insufficient to provide a reliable estimate.



68 percent, reaching the same level as in 2021. This increase was concentrated among Black adults with some college or a technical or associate degree.

Parents living with their children under age 18 (“parents”) are one group that has seen sizeable swings in well-being in recent years, falling sharply after the onset of the pandemic, rebounding in 2021, and falling sharply again since then. The share of parents doing at least okay financially fell to 64 percent in 2023, down 5 percentage points from the prior year and down 11 percentage points from 2021 (figure 4).⁵



⁵ Other measures in the survey have also shown evidence of decline in the financial circumstances of parents since 2021, but much of this decline occurred over the period from 2021 to 2022. For example, the share of parents who would cover a \$400 emergency expense exclusively using cash, savings, or a credit card paid off at the next statement reached a high of 64 percent in 2021, then fell to 57 percent in 2022 and 56 percent in 2023.

Table 1. At least doing okay financially (by demographic characteristics)
Percent

Characteristic	2023	1-year change (since 2022)	Change since pre-pandemic (2019)
Age			
18–29	66	–3	–2
30–44	66	–4	–6
45–59	72	1	–3
60+	82	1	–2
Disability status			
Disability	55	–1	n/a
No disability	76	–2	n/a
LGBTQ+ status			
Identifies as LGBTQ+	67	2	2
Does not identify as LGBTQ+	73	–1	–3
Metropolitan status			
Metro area	73	–1	–3
Non-metro area	68	1	–4
Neighborhood income			
Low or moderate income	60	–2	–3
Middle or upper income	77	0	–3
Overall	72	–1	–3

Note: Among all adults. Low- or moderate-income neighborhoods are defined here using the definition from the Community Reinvestment Act. Disability status was first identifiable in the 2021 survey. Here and in subsequent tables and figures, percentages may not sum to 100 because of rounding.
n/a Not applicable.

Financial well-being continued to differ by a range of other dimensions, including disability status, LGBTQ+ status, metropolitan status, and neighborhood income (table 1).⁶ For instance, 55 percent of adults with a disability were doing at least okay financially, markedly lower than that seen among adults without a disability.⁷

Adults identifying as LGBTQ+, and particularly those identifying as transgender or nonbinary, reported lower financial well-being than those not identifying as LGBTQ+. Two-thirds of adults identifying as LGBTQ+ were doing at least okay financially, compared with 73 percent of those not identifying as LGBTQ+.⁸ Moreover, 62 percent of transgender or nonbinary adults were doing at least okay financially.⁹

Financial well-being also varied according to where people lived. People living in non-metro areas had lower levels of financial well-being

⁶ Neighborhood income is defined using the Community Reinvestment Act definition. Under this definition, low- and moderate-income refers to communities that have a median family income of less than 80 percent of the area median income. For details on the definition, see Board of Governors of the Federal Reserve System, “Community Reinvestment Act (CRA) Resources,” https://www.federalreserve.gov/consumerscommunities/cra_resources.htm.

⁷ Disability status is defined based on a five-question functional limitation sequence that asks about hearing, vision, ambulatory, self-care, and independent living difficulties. This approach for determining disability status is similar to the six-question sequence used for the American Community Survey (see U.S. Census Bureau, “How Disability Data Are Collected from the American Community Survey,” <https://www.census.gov/topics/health/disability/guidance/data-collection-acs.html>).

⁸ Survey respondents could report their sexual orientation and gender identity on a demographic profile survey previously conducted by the survey vendor. Respondents are classified as LGBTQ+ based on responses to these questions.

⁹ Other research has also shown that LGBTQ+ adults were more likely to face economic insecurity. For example, see Thom File and Joey Marshall, “Household Pulse Survey Shows LGBT Adults More Likely to Report Living in Households with Food and Economic Insecurity than Non-LGBT Respondents,” America Counts: Stories Behind the Numbers (Suitland, MD: U.S. Census Bureau, August 11, 2021), <https://www.census.gov/library/stories/2021/08/lgbt-community-harder-hit-by-economic-impact-of-pandemic.html>. Also, see Ana Hernández Kent and Sophia Scott, “LGBTQ+ Adults Report Struggles with Food, Housing Costs and Mental Well-Being,” On the Economy Blog, Federal Reserve Bank of St. Louis, December 20, 2022, <https://www.stlouisfed.org/on-the-economy/2022/dec/lgbtq-adults-report-struggles-food-housing-mental-well-being>.

than those living in metro areas.¹⁰ Additionally, those living in low- or moderate-income communities were faring worse than those in middle- or upper-income communities.

Changes in Financial Situation over Time

The survey also measures overall financial well-being by asking respondents whether they are better or worse off financially than they were 12 months earlier. Measuring well-being in this way helps track changes in perceived well-being over time, as some individuals may have felt worse off financially than they were a year earlier, for instance, even if they felt they were still doing okay overall (or that their financial well-being was improving even if they were still struggling overall).

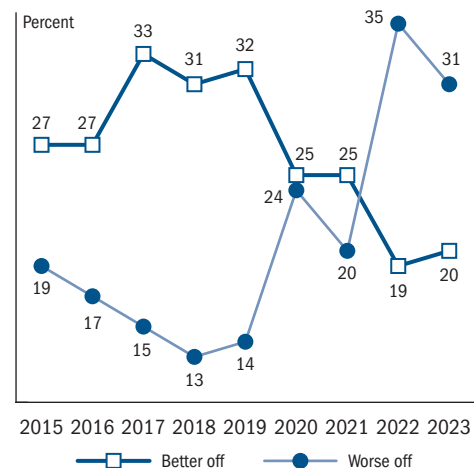
Thirty-one percent of adults said they were worse off financially than a year earlier, down from 35 percent in 2022 yet still well above the levels seen in prior years (figure 5). The share doing about the same as a year earlier rose 2 percentage points to 48 percent, while the share who said they were better off rose 1 percentage point to 20 percent.

Adults with lower levels of education continued to be the most likely to say they were doing worse off than a year prior. In 2023, 37 percent of adults with less than a high school degree reported doing worse off financially, compared with 27 percent of those with at least a bachelor's degree.

To get a longer-term perspective, individuals were also asked to compare their current financial circumstances to how they view their parents' financial situation at the same age. Looking across generations shows evidence of perceived economic progress over time, despite financial setbacks during the pandemic. A majority of adults (53 percent) thought they were better off financially than their parents had been. This share is similar to 2022 yet down from the 57 percent who thought so in 2019, before the onset of the pandemic. In 2023, one-fourth thought they were worse off than their parents were at the same age.

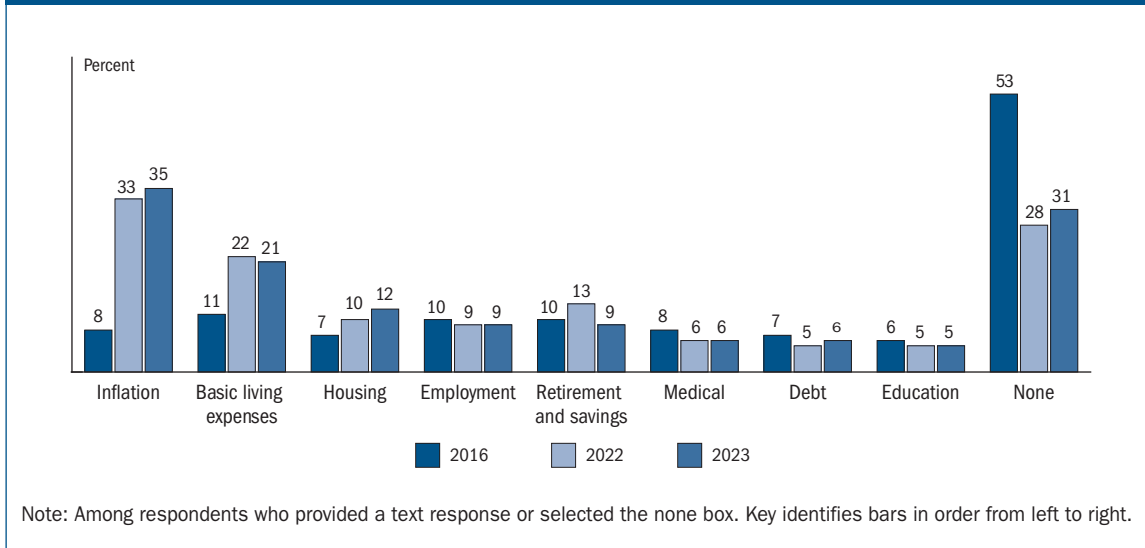
People holding at least a bachelor's degree were more likely to report that they were doing better off financially than their parents had been at the same age. This was particularly true among first-

Figure 5. Financial situation compared with 12 months prior (by year)



Note: Among all adults.

¹⁰ According to the U.S. Census Bureau, "The general concept of a metropolitan statistical area is that of a core area containing a substantial population nucleus, together with adjacent communities having a high degree of economic and social integration with that core." See U.S. Census Bureau website at <https://www.census.gov/programs-surveys/metro-micro/about.html>.

Figure 6. Categories of self-reported main financial challenges in 2016, 2022, and 2023

generation college graduates—those who completed a bachelor’s degree and whose parents did not—among whom nearly two-thirds thought they were better off financially than their parents had been.

Looking across different generations shows that older cohorts were the most likely to report being better off financially than their parents had been at the same age. Nearly 60 percent of adults age 60 and older thought they were better off financially than their parents had been, compared with about half of adults under age 60.

Main Financial Challenges

The survey further explored financial well-being by posing an open-ended question asking people about their main financial challenges or concerns.¹¹ The responses were classified into broad categories based on keywords or phrases.¹² Inflation was the most common challenge, with more than one-third classified into that category, followed by basic living expenses and housing (figure 6). Thirty-one percent said they did not have any financial challenges or concerns.

¹¹ The question text is as follows: “In a couple of words, please describe the main financial challenges or concerns facing you or your family. If none please click the “None” box.” Three percent of respondents did not provide a text response and did not check the “None” box. These respondents were excluded from the analysis.

¹² Text entries were categorized based on words or word stems included in the response. “Inflation” includes responses with inflat, cost, pay more, paying more, increas, expensive, price, pricing, higher, rising, skyrocket, sky rocket, going up, gone up. Those with bill, util, electric, heat, everything, necessities, basic needs, essential, can’t afford, not enough, get by, getting by, surviv, struggl, no money, challenge, living expense, or food were categorized as “basic living expenses;” those with retire, 401k, stock, market, portfolio, pension, old age, Medicare, SSI, IRA, 401(k), Social Security, save, saving, or fund were categorized as “retirement and savings;” those with hous, rent, home, or mortgage were categorized as “housing;” those that mentioned work, job, wage, employ, raise, paycheck, pay check, salary, laid off, part time, hours, full time, overtime, skills, or unemp were categorized as “employment;” those with medical, medicine, health, Medicaid, Medicare, dental, dentist, cancer, sick, ill, doctor, hospital, or prescription were categorized as “medical;” those with credit, loan, debt, or owe were categorized as “debt;” those that mentioned college, school, education, tuition, degree, university, or student were categorized as “education.” Responses may be included in multiple categories or no categories, as the categories are neither exhaustive nor mutually exclusive.

The share of people citing inflation as their main financial challenge was similar to 2022.¹³ The prevalence of other types of financial concerns, such as basic living expenses, housing, and employment, were also similar to 2022. Retirement was somewhat less of a concern in 2023, consistent with the increase in the share of people who thought their retirement savings were on track (see the “[Retirement and Investments](#)” section of this report).

When describing challenges related to inflation, many people mentioned the cost of food and groceries. For example, one respondent stated that “[the] increase in cost of food has significantly impacted [my] budget.” Another said, “...rising food prices hurt daily.” Those with incomes under \$100,000 were more likely to specifically mention the cost of food and groceries as a concern.

People also expressed concerns about housing affordability. For example, one respondent said, “rent costs keep rising and it is hard to save enough for a down payment to buy a house.” Indeed, when renters were later asked why they rent instead of own, the most cited reason was the inability to afford a down payment (see the “[Housing](#)” section of this report).

Concerns about housing were more prevalent among renters, younger adults, and those living in the West.¹⁴ For example, about 20 percent of renters mentioned housing-related challenges, nearly double the share in the overall population.

Local and National Economic Conditions

Along with questions about their own financial circumstances, people were asked to rate their local economy and the national economy as “excellent,” “good,” “only fair,” or “poor.” Forty-two percent of adults rated their local economy as “good” or “excellent” in 2023, up from 38 percent in 2022, yet well below the 63 percent of adults who rated their local economy as “good” or “excellent” in 2019, before the pandemic.

Looking across census regions and metropolitan status shows that the improvement in people’s perception of their local economy was widespread. The one exception was those living in a non-metro area, who rated their local economy similarly to 2022. Moreover, those living in a non-metro area continued to rate their local economy much less favorably than those living in a metro area, with just fewer than 3 in 10 rating their local economy as good or excellent ([table 2](#)).

¹³ The inflation rate fell from 7.8 percent in October 2022 (when the 2022 SHED was conducted) to 3.2 percent in October 2023 (when the 2023 SHED was conducted). These inflation rates are based on the non-seasonally adjusted Consumer Price Index for All Urban Consumers (CPI-U) as of the 2022 and 2023 surveys.

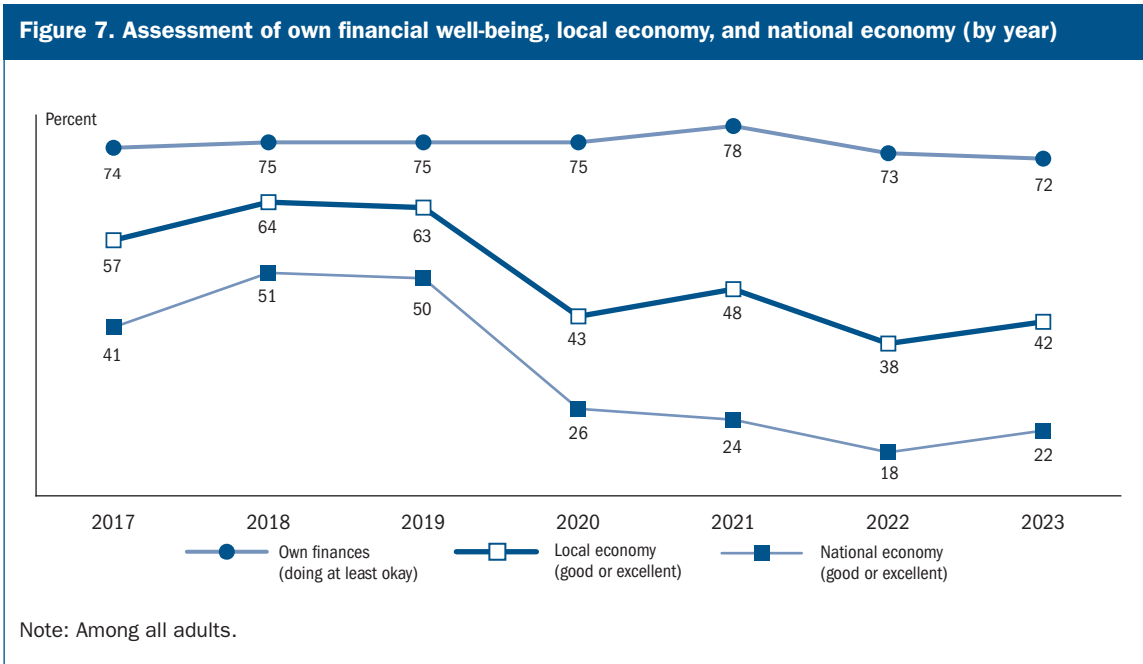
¹⁴ References to geographic regions in this report are based on the four census regions. For details on the states in each region, see the U.S. Census Bureau’s website at https://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf.

Table 2. Self-assessment of local economy as good or excellent (by census region and metropolitan status)
Percent

Characteristic	2023	1-year change (since 2022)	Change since pre-pandemic (2019)
Census region			
Northeast	42	4	-21
Midwest	43	3	-22
South	43	3	-21
West	41	6	-20
Metropolitan status			
Metro	44	5	-20
Non-metro	29	-1	-24
Overall	42	4	-21

Note: Among all adults.

People’s perception of the national economy also showed modest improvement. The share rating the national economy as “good” or “excellent” rose to 22 percent in 2023, up from a series low of 18 percent in the prior year. That said, perceptions of the national economy remained far more pessimistic than before the pandemic in 2019, when one-half of adults rated the national economy as “good” or “excellent.” Additionally, the gap between people’s perceptions of their own financial well-being and their perception of the national economy has nearly doubled since 2019 (figure 7).



Income

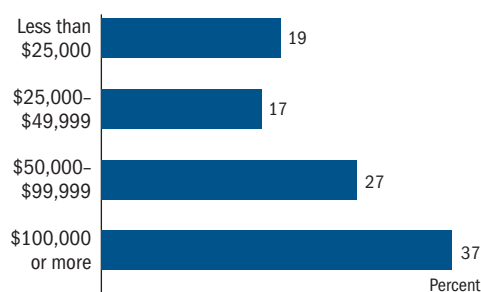
A sizeable share of adults said their family’s monthly income increased in 2023 compared with a year earlier. However, the share of adults who said their spending increased from the prior year was even greater. The share of adults who said they spent less than their income in the month before the survey remained lower than the level it had been before the pandemic, suggesting that fewer adults have margin in their family budgets.

Level and Source of Income

In this report, income is defined as the cash income from all sources that respondents and their spouse or partner received during the previous year (“family income”). Nineteen percent of adults had a family income below \$25,000, and 37 percent had a family income of \$100,000 or more (figure 8).¹⁵

Although labor earnings were the most common source of income, many people had other sources of income. Two-thirds of adults and their spouse or partner received wages, salaries, or self-employment income (collectively referred to here as “labor income”) (table 3). Fifty-five percent of all adults received non-labor income in 2023. (See table 3 for the full list of non-labor income

Figure 8. Family income



Note: Among all adults.

Table 3. Sources of income

Characteristic	Percent
Labor income	
Wages, salaries, or self-employment	67
Non-labor income	
Interest, dividends, or rental income	34
Social Security (including Old-Age and DI)	26
Pension	18
SSI, TANF, or cash assistance from welfare program	5
Unemployment income	2
Any non-labor income	55

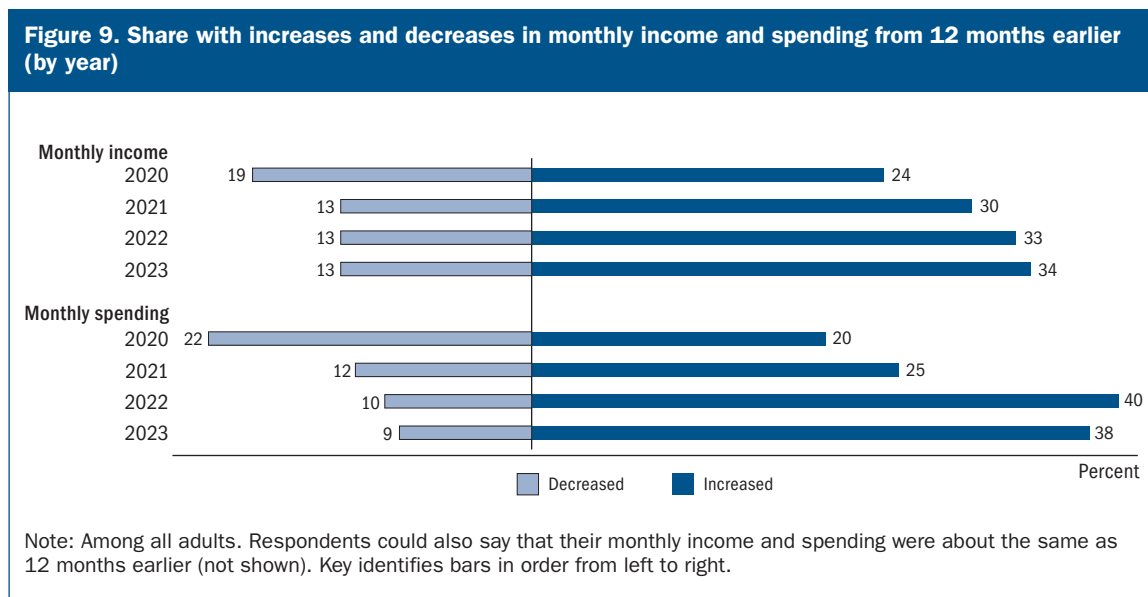
Note: Among all adults. Respondents could select multiple answers. Sources of income include the income of a spouse or partner. DI is Disability Insurance; SSI is Supplemental Security Income; and TANF is Temporary Assistance for Needy Families.

¹⁵ In the 2023 SHED, income is reported in dollar ranges rather than exact amounts. The income distribution in the 2023 SHED is largely similar to that from the 2023 March Current Population Survey. However, the SHED has a lower share with incomes less than \$50,000 and a higher share with incomes of \$50,000 or more. These deviations in the estimates may result from differences between the surveys in how income questions are asked.

sources considered).¹⁶ Some adults received both types of income: 50 percent of those with labor income also had some form of non-labor income. Additionally, as discussed in the “[Retirement and Investments](#)” section of the report, receipt of non-labor income was more common among retirees. While people received most forms of income at similar rates as in 2022, the share of adults who reported interest, dividends, or rental income was higher in 2023, up 3 percentage points from 31 percent in 2022.

Changes in Income and Spending

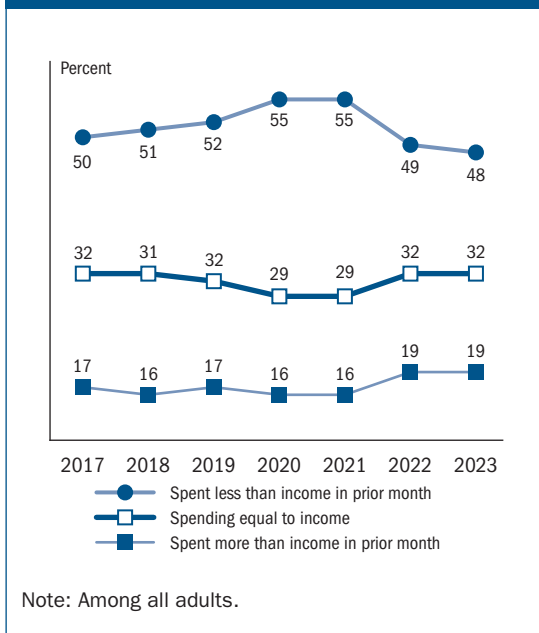
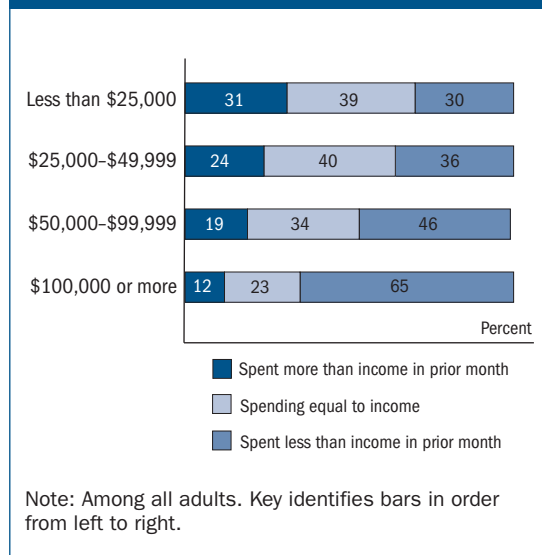
Many people experienced a change in their family’s monthly income and spending from a year earlier. Thirty-four percent of adults said their family’s monthly income increased in 2023, while a higher 38 percent increased their monthly spending ([figure 9](#)). The shares of adults who said that their monthly income increased was slightly higher than in 2022, while the share reporting their spending increased was lower than in 2022.¹⁷ Consistent with that seen in most recent years, increases in income and spending were more common than decreases in income and spending in 2023.



The relationship between spending and income can suggest how closely people may need to watch their budgets and whether they have margin to save. In October 2023, 48 percent of adults

¹⁶ Non-labor income does not include tax credits such as the Earned Income Tax Credit or in-kind benefits. It also does not include the small number of respondents who reported receiving income but did not specify the source.

¹⁷ The large share of adults who experienced increases in their income from year to year is consistent with findings based on Internal Revenue Service tax records data from Jeff Larrimore, Jacob Mortenson, and David Splinter, “Earnings Business Cycles: The Covid Recession, Recovery, and Policy Response,” *Journal of Public Economics* 225 (September 2023): 104983, who also note that this is not unique to recent years.

Figure 10. Monthly spending relative to income (by year)**Figure 11. Monthly spending relative to income (by family income)**

reported spending less than their income in the past month, similar to the share in 2022 but down from highs reached in 2020 and 2021. The share of adults spending less than their income was also below the pre-pandemic levels in 2018 and 2019 (figure 10). Similar to 2022, 19 percent of adults said their spending exceeded their income, while the remainder (32 percent) said their spending and income were about the same.

Reflecting that they have fewer financial resources, lower-income adults were less likely to say they spent less than their income in the past month, compared with those with higher incomes. Thirty percent of adults with family income less than \$25,000 said their spending was less than their income, compared with 65 percent of adults with income of \$100,000 or more (figure 11).

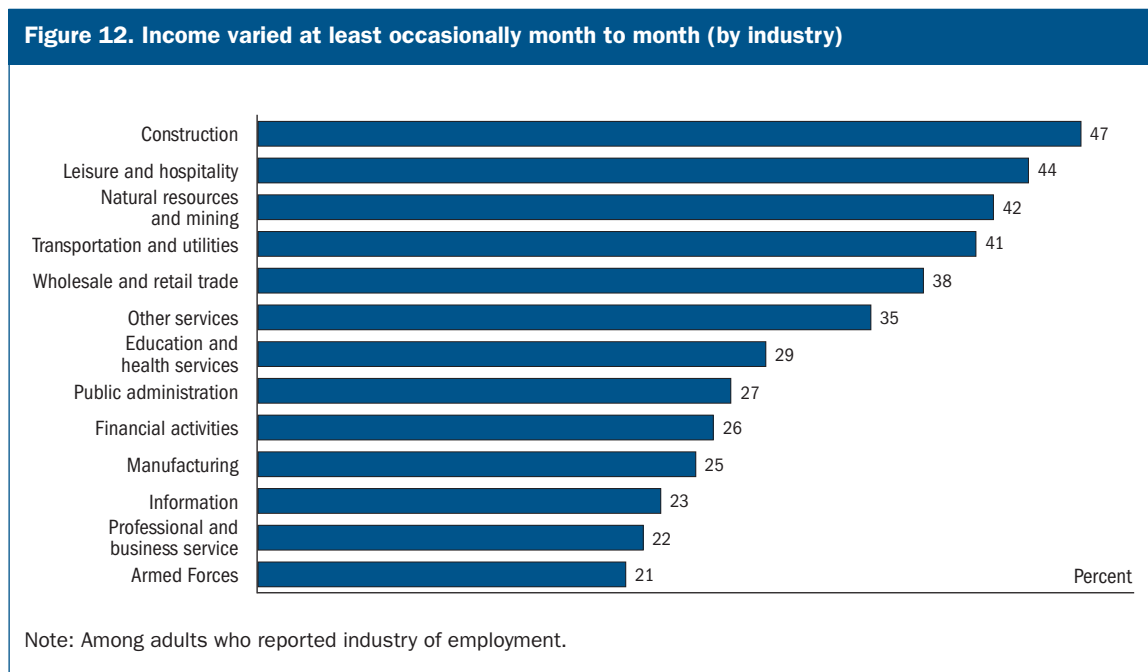
Income Variability

The total level of yearly income may mask changes in income from month to month, and mismatches between the timing of income and expenses can lead to financial challenges.¹⁸ In 2023, most adults had income that was roughly the same each month, but 28 percent had income that varied at least occasionally from month to month, similar to previous years.

¹⁸ For additional information on monthly income variability, see Jonathan Morduch and Julie Siwicky, "In and Out of Poverty: Episodic Poverty and Income Volatility in the U.S. Financial Diaries," *Social Service Review* 91, no. 3 (2017): 390-421.

Income variability was related to the type of income people received. Adults who received only wages or other labor income were more likely to report their income varied from month to month (33 percent), compared with those with only non-labor income (12 percent).

Income variability continued to differ greatly by industry in 2023.¹⁹ For example, 47 percent of those working in the construction industry had varying monthly income, compared to 21 percent of those in the Armed Forces (figure 12).



Monthly variations in income may cause financial hardship for some families. In 2023, 10 percent of adults reported they struggled to pay their bills in the prior 12 months because their income varied, similar to 2022.

The likelihood of experiencing income variability and related hardship differed by education, race, and ethnicity. Adults with less education were more likely to experience hardship from varying income. Eighteen percent of adults with less than a high school degree said they had difficulty paying bills in the past year because their income varied, compared with 4 percent of adults with a

¹⁹ This variability can come from any aspect of household income, however, and is not necessarily related to the person's income from the industry they work in.

bachelor's degree or more (table 4). Black and Hispanic adults also were more likely to experience income variability and related hardship, compared with White and Asian adults.

Table 4. Varying income and related hardship (by education and race/ethnicity)			
Percent			
Characteristic	Varying income, causes hardship	Varying income, no hard- ship	Varying income
Education			
Less than a high school degree	18	16	33
High school degree or GED	11	18	29
Some college/technical or associate degree	14	20	33
Bachelor's degree or more	4	18	22
Race/ethnicity			
White	8	18	26
Black	11	19	30
Hispanic	16	19	35
Asian	5	17	22
Overall	10	18	28
Note: Among all adults.			

Employment

The rates at which workers applied for new jobs, started new jobs, and received pay raises were similar to 2022. Reflecting the continued strength of the labor market, these measures remained above levels from 2021. Employees also continued to work from home at higher rates than before the COVID-19 pandemic.

For many families with children, childcare represented an additional factor to consider when making employment decisions, especially for women. Mothers frequently said that they were not working for childcare reasons, and many working parents indicated that they were paying for childcare.

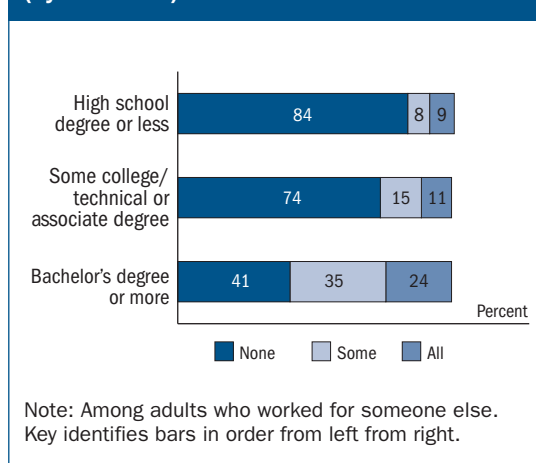
Working from Home

Remote work continued to be common in 2023. In the week before the survey, nearly 4 in 10 adults who worked for someone else (“employees”) worked from home at least some of the time—nearly unchanged from 2021 and 2022. In 2023, 16 percent of employees worked entirely from home and 23 percent did so some of the time.²⁰ This reflects a shift away from full-time remote work towards hybrid schedules, as the share working entirely from home was down from 22 percent in 2021, and 19 percent in 2022, but well above the 7 percent who worked mostly from home in 2019, before the pandemic.²¹

Employees who completed more education continued to be more likely to work from home. Twenty-four percent of employees with at least a bachelor’s degree worked entirely from home compared with 9 percent of those with a high school degree or less (figure 13).

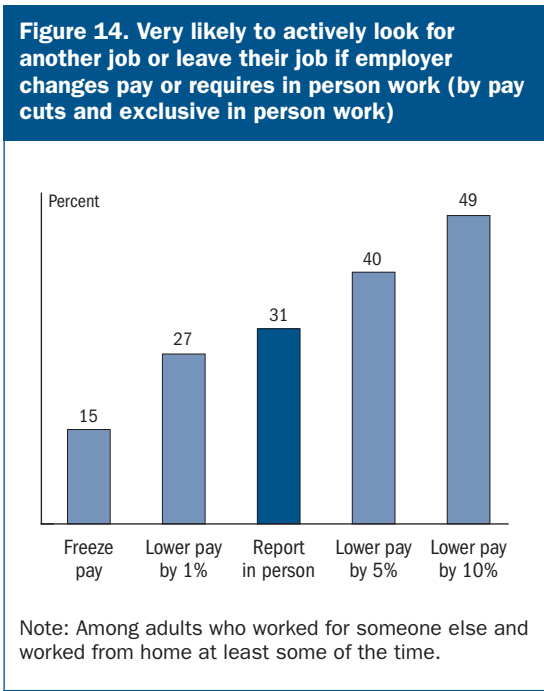
The survey also asked employees who worked from home about the likelihood of actively looking for another job or leaving their job if their employer required them to work in person each day. To provide context on these

Figure 13. Amount of work done from home (by education)



²⁰ Rates of working from home are higher among those who are self-employed. Among those who were self-employed, 32 percent worked from home all of the time as did 19 percent of those with other work arrangements.

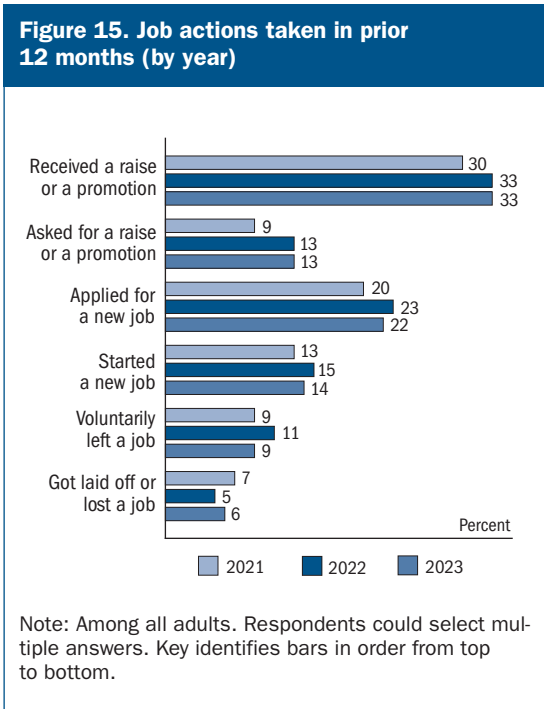
²¹ The question asked in 2019 was different from later years. The 2019 survey asked where people worked in their main jobs most of the time.



results, respondents were also asked if they would actively look for work if their employer froze their pay or cut their pay by different amounts.

Slightly more than 3 in 10 employees (31 percent) who worked from home at least some of the time said they would be very likely to actively look for another job if their employer required them to work in person each workday (figure 14). This share was a much higher 47 percent among employees who worked entirely from home.

Employees viewed a hypothetical in-person work requirement similarly to a hypothetical small decrease in pay (figure 14). Among employees currently working from home at least some of the time, slightly more were very likely to actively look for another job or leave their job if their employer required in-person work (31 percent) than if their employer imposed a 1 percent pay cut (27 percent).



Job Searching and Advancement

Indicators of opportunities for new positions—applying for a new job, starting a new job, and voluntarily leaving a job—all ticked down from 2022 (figure 15). That said, these measures mostly remained above 2021 levels, reflecting continued strength of the labor market. Additionally, the share of adults who received a raise and who asked for a raise were unchanged at 33 percent and 13 percent, respectively.²²

²² Restricting the sample to just those who are working, the likelihood of asking for or receiving a raise is higher. Among those who were working in the month of the survey, 21 percent asked for a raise and 55 percent received one.

Adults with more education were more likely to have applied for a new job, asked for a raise, or received a raise than those with less education. They also were more likely to have started a new job or voluntarily left a job in the prior year. For example, 43 percent of adults with at least a bachelor’s degree received a raise or promotion in the prior year, and 15 percent asked for one. Among adults with a high school degree, 24 percent received a raise or promotion, and 10 percent asked for one in the prior year.

Among individuals who asked for a raise, most received one. Of those who asked for a raise in 2023, 66 percent said that they received a raise, down 4 percentage points from 2022, but matching the share from before the COVID-19 pandemic in fall 2019.

Slightly less than half of those who searched for a job found new work. Among people who applied for a new job, 49 percent reported starting a new job in 2023, down 3 percentage points from 2022, but up 4 percentage points from 2019.

Work Arrangements and Autonomy at Work

Job schedules and autonomy are important dimensions of job quality that can affect job satisfaction and attachment to the labor force. Although many people have regular work schedules, this is not the case for all workers. More than one-fourth (27 percent) of employees had irregular work schedules in 2023. Sixteen percent had a work schedule that varied based on their employer’s needs, and 11 percent had a variable schedule at their own request.

To better understand workplace autonomy, employees were asked about how much choice they had to decide what tasks to work on and how to do those tasks. Fifty-six percent of employees said they often or always choose how to complete tasks, and 34 percent said they often or always choose which tasks to work on. Employees with at least a bachelor’s degree were more likely to have higher levels of autonomy at work than those with less education (table 5).

Table 5. Share of workers who often or always choose what tasks to work on and how to complete tasks (by education)

Percent

Education	What tasks to work on	How to complete tasks
Less than a high school degree	29	42
High school degree or GED	28	47
Some college/technical or associate degree	31	51
Bachelor’s degree or more	39	64

Note: Among adults who worked for someone else.

Reasons for Not Working

Twenty-five percent of prime-age adults (ages 25 to 54) in the survey were not working for pay in the month before the survey, matching the share who were not working for pay in 2022.²³ Health limitations or disability, family and personal obligations besides childcare, as well as an inability to find work were the most commonly cited reasons for not working for pay (table 6).

Reason	Male	Female	Overall
Health limitations or disability	8	8	8
Family and personal obligations besides caregiving	4	9	6
Could not find work	7	6	7
Childcare	1	7	4
Caregiving for an elderly, disabled, or sick adult	3	4	3
Would lose access to government benefits	3	3	3
School or training	1	2	2
Retired	2	1	2

Note: Among adults ages 25 to 54. Respondents could select multiple answers.

Notable differences in prime-age employment rates continued to exist by gender. Twenty-nine percent of prime-age women were not working for pay, compared with 21 percent of prime-age men.

The employment gender gap likely reflects greater family and childcare responsibilities held by women. Nearly 4 in 10 prime-age mothers who were not working for pay said that childcare responsibilities contributed to that choice. Additionally, among prime-age parents living with their children under age 18, slightly more than one-third of women were not working for pay, compared with 16 percent of men. In contrast, the share of prime-age men and women without children at home who were not working for pay was the same at 24 percent.

Care Work

Managing care for loved ones—be they children, a parent, other relative, or friend—often involves tradeoffs between time and cost that can affect people’s employment decisions. Reflecting these tradeoffs, while most parents of younger children did not use paid childcare, those who did were more likely to be higher income or working for pay. Similarly, prime-age adults who provided unpaid care for an adult relative or friend needing assistance because of aging, disability, or illness were less likely to be working for pay than those without caretaking responsibilities.

At the time of the survey, nearly 3 in 10 parents living with their children under age 13 (“parents of younger children”) used paid childcare. Perhaps reflecting the greater need for childcare among

²³ Despite differences in question wording that can affect the estimates of employment levels, this pattern over time is consistent with that observed by the Bureau of Labor Statistics, which reported 19 percent of prime-age adults not working in October 2023, similar to the 20 percent not working in October 2022. See U.S. Bureau of Labor Statistics, “(Seas) Employment-Population Ratio—25–54 yrs.,” <https://data.bls.gov/timeseries/LNS12300060>.

parents with non-school-age children, nearly 4 in 10 parents living with their children under the age of 6 used paid childcare.

Families with single working parents or with two working parents were more likely to use paid childcare. Among parents of younger children, about 4 in 10 who were single and working used paid childcare, as did a similar share of working parents living with a spouse or partner who also worked. This compares with 15 percent who used paid childcare among parents of younger children where one member of the couple did not work (table 7).

Use of paid childcare also varied by family income, with higher-income parents more likely to use paid childcare, and to use it more intensively. For example, among parents with younger children, those with higher income were about twice as likely as those with lower or middle income to use 20 or more hours of paid childcare per week (table 7).

Childcare costs made up a substantial share of the family budget for parents using paid childcare. The median monthly amount that parents paid for childcare was \$800, and \$1,100 for those who paid for 20 or more hours of childcare each week. For perspective, parents who used paid childcare typically spent about 50 to 70 percent as much per month on childcare costs as they did on their housing payment, most people’s single largest monthly expense (figure 16).

Even among parents who use paid childcare, children require care when they are home.

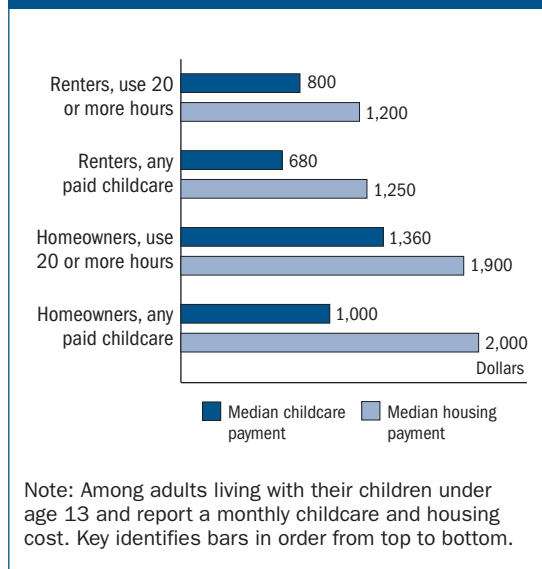
This care frequently falls to mothers. Among adults living with their spouse/partner and their younger children, nearly 6 in 10 mothers said they are usually the primary caretaker when their

Table 7. Hours of paid childcare used per week (by family income, family type, and employment status)

Percent			
Characteristic	1–19 hours	20 or more hours	Any paid childcare
Family income			
Less than \$50,000	12	12	24
\$50,000–\$99,999	10	14	24
\$100,000 or more	13	24	37
Family type and employment status			
Single parents, working	18	23	41
Two parents, both working	13	26	39
Two parents, only one working	8	7	15

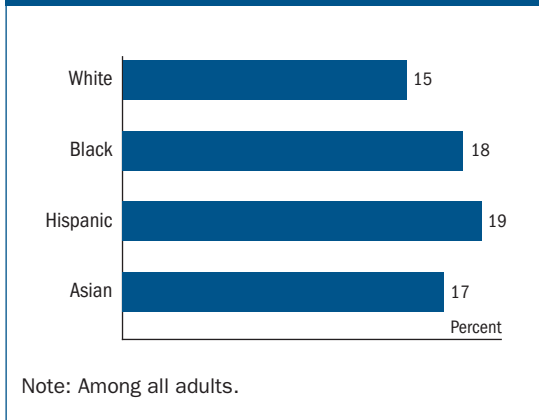
Note: Among adults living with their own children under age 13.

Figure 16. Median monthly childcare and housing payment (by homeownership status and hours of childcare used)



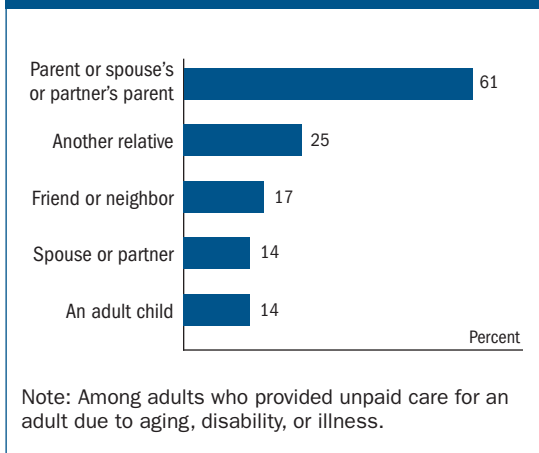
children are home, compared with 13 percent of fathers. Even when considering the responses of parents who worked, nearly half of mothers said they are usually the primary caregiver, compared with 10 percent of fathers.

Figure 17. Regularly provides unpaid care to an adult due to aging, disability, or illness (by race/ethnicity)



Another type of unpaid care work people may provide is for their aging parents, spouse or partner, or adult children who require assistance. Sixteen percent of adults regularly provided unpaid care for an adult relative or friend needing assistance due to aging, disability, or illness. Black and Hispanic adults were more likely than White adults to provide unpaid care for an adult relative or friend who needs assistance (figure 17). Similar shares of men (16 percent) and women (17 percent) provided unpaid care to other adults, contrary to the shares of men and women providing the majority of childcare in their homes.

Figure 18. Relationship to those you provide unpaid care for due to aging, disability, or illness



Sixty-one percent of those providing unpaid care did so for their parent or their spouse's or partner's parent (figure 18). Fourteen percent of adults (22 percent of those living with a spouse or partner) provided unpaid care do so to assist their own spouse or partner.

Individuals who provided care to another adult were also asked how often they did so. Thirty-five percent provided care daily, and just above 6 in 10 provided care at least weekly.

Like childcare, providing regular care for other adults can affect one's ability to do other work for pay. Among prime-age adults (ages 25 to

54), 32 percent who were caring for another adult did not have a paid job, compared with 24 percent of those who did not have these caretaking responsibilities.²⁴ Among those of prime working

²⁴ Among those working, adults with caretaking responsibilities for other adults were also more likely to work parttime rather than fulltime. Eighteen percent of prime-age workers who also had unpaid caretaking responsibilities for other adults worked part time, compared with 13 percent of prime-age workers without these responsibilities.

age with daily caretaking responsibilities for other adults, even fewer had paid employment—47 percent did not work for pay.

Employment Outcomes of Those with a Prior Arrest or Conviction

A prior arrest or conviction can be a major barrier to employment.²⁵ To understand the labor market outcomes of individuals who have previously been arrested along with other economic well-being characteristics, the 2023 survey incorporated new questions asking respondents about their past arrest and conviction records.

Among prime-age adults (ages 25 to 54), Black and Hispanic populations have higher shares of individuals with either an arrest or a conviction compared with other racial and ethnic groups. Specifically, 20 percent of Black prime-age adults and 19 percent of Hispanic prime-age adults had either an arrest or a conviction record, exceeding that seen among either White or Asian prime-age adults (table 8). Prime-age adults with an arrest or a conviction record were also more likely to come from families with less education and have lower incomes themselves.

Employers’ hiring decisions can rely on criminal background checks. However, employers’ access to applicants’ past criminal records depends on various state regulations. Among prime-age adults, the share of individuals working for someone else is higher for those who were never arrested or convicted than for those who have been (table 9). Some adults with a prior arrest or conviction appear to turn to self-employment or other work arrangements, which is higher for these groups.²⁶ Nevertheless, the share of prime-age adults

Table 8. Prior arrests and convictions among prime-age adults (by demographic characteristics)
Percent

Characteristic	Arrested only	Convicted	Arrested or convicted
Family income			
Less than \$50,000	10	14	24
\$50,000-\$99,999	6	9	15
\$100,000 or more	6	5	11
Race/ethnicity			
White	7	8	15
Black	9	10	20
Hispanic	10	9	19
Asian	2	4	6
Education			
High school or less	11	15	26
Some college, technical or associate degree	9	11	20
Bachelor’s degree or more	4	3	7
Highest education of any parent/guardian			
Less than a bachelor’s degree	8	11	19
Bachelor’s degree or more	5	5	11
Overall	7	9	16
Note: Among adults age 25 to 54.			

²⁵ Amanda Agan and Sonja Starr, “The Effect of Criminal Records on Access to Employment,” *American Economic Review* 107, no. 5 (May 2017): 560–64; Christopher Uggen, Mike Vuolo, Sarah Lageson, Ebony Ruhland, and Hilary K. Whitham, “The Edge of Stigma: An Experimental Audit of the Effects of Low-Level Criminal Records on Employment,” *Criminology* 52, no. 4 (2014): 627–54.

²⁶ It may also be the case that those with a prior arrest or conviction are also more inclined to be self-employed, independent of their criminal record.

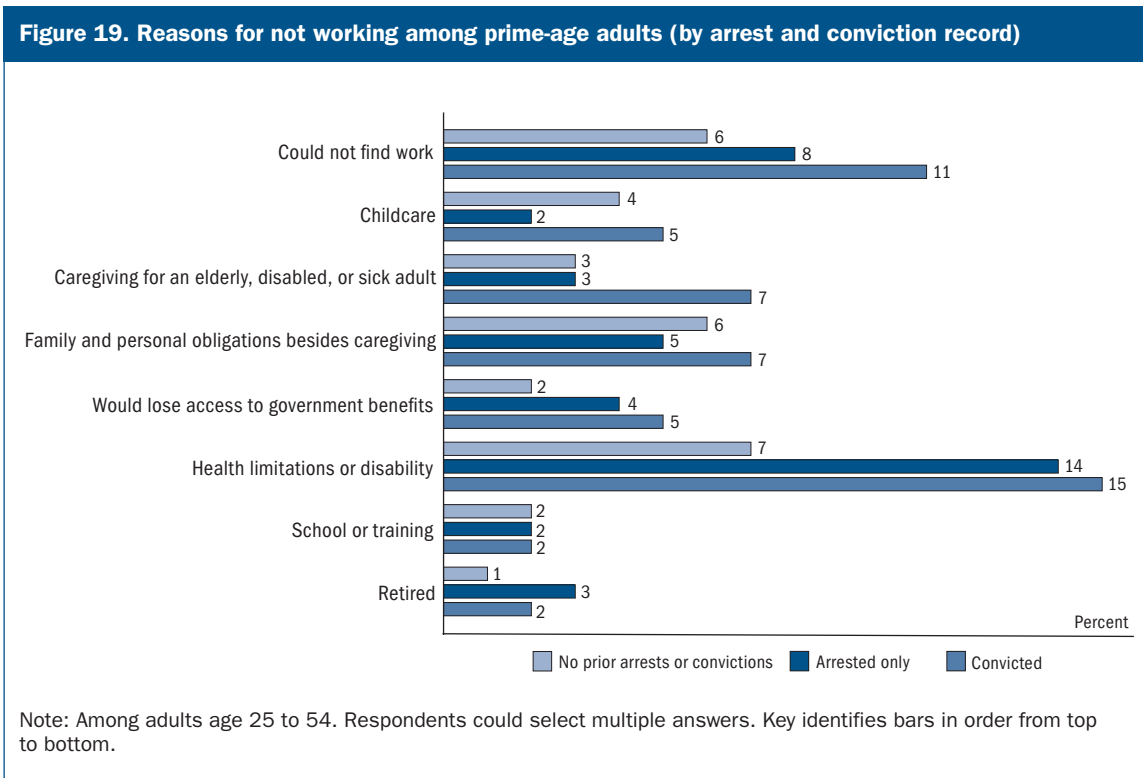
Table 9. Employment outcomes among prime-age adults (by arrest and conviction record)
Percent

Employment	No prior arrests or convictions	Arrested only	Convicted
Working for someone else	68	59	59
Self-employed or other work arrangement	8	12	14
Not working	24	29	27

Note: Among adults age 25 to 54.

with a prior arrest or conviction who were not working at all was 3 to 5 percentage points above that for other adults.

Prime-age adults with a conviction were also nearly twice as likely to say that an inability to find work was a contributing factor for not working. Eleven percent of prime-age adults with a conviction indicated that they were not working because they could not find work, compared with 6 percent of those with no arrest record (figure 19).²⁷



²⁷ These differences also hold after controlling for age, educational attainment, race, ethnicity, and state of residence.

Expenses

The share of adults who would cover a relatively small emergency expense using cash or its equivalent was unchanged from 2022 but down from 2021. Most adults said that changes in prices they paid compared with the prior year had made their finances worse, and a majority adjusted their spending in response to higher prices. Low-income adults were more likely to experience difficulties covering expenses. These difficulties included not paying all bills in full, sometimes or often not having enough to eat, and skipping medical care because of cost.

Bills and Regular Expenses

To understand how people were handling their regular household expenses, the survey asked about paying bills. Seventeen percent of adults said they did not pay all their bills in full in the month prior to the survey.²⁸

Lower-income adults were less likely to have paid all their bills in full. In the month prior to the survey, 36 percent of adults with a family income less than \$25,000 did not pay all their bills in full, compared with 6 percent of adults with a family income of \$100,000 or more (table 10). In addition, Black and Hispanic adults were less likely than White or Asian adults to have paid all their bills in full in the prior month.

Table 10. Did not pay all bills in full in prior month (by family income and race/ethnicity)

Characteristic	Percent
Family income	
Less than \$25,000	36
\$25,000–\$49,999	24
\$50,000–\$99,999	13
\$100,000 or more	6
Race/ethnicity	
White	11
Black	31
Hispanic	27
Asian	12
Overall	17

Note: Among all adults. For credit cards, “did not pay in full” is defined as paying less than the minimum payment.

²⁸ The question on bill payment was revised for the 2023 survey and the results are not directly comparable to prior years. In this report, adults who did not pay all their bills in full are those who (1) did not pay a credit card bill or made less than the minimum payment *last month* or (2) did not pay another type of bill in full *last month*. In earlier surveys, respondents were asked about their expected ability to pay all their bills in full *this month*, and the question did not specify what paying in full meant for credit card bills. Shifting to a retrospective question can affect results since expected ability to make a payment does not perfectly predict actually making the payments (Jeff Larrimore and Erin Troland, “Improving Housing Payment Projections during the COVID-19 Pandemic,” FEDS Notes (Washington: Board of Governors of the Federal Reserve System, October 20, 2020), <https://doi.org/10.17016/2380-7172.2772>).

Table 11. Types of bills not paid in full last month (by homeownership status)

Percent			
Bills	Home-owner	Renter	All adults
Water, gas, and electric bills	3	11	5
Phone, internet, and cable bills	2	8	4
Rent or mortgage	1	7	3
Car payment	1	6	3
Credit card (less than minimum payment)	2	4	3
Any bills not paid in full	11	27	17

Note: Among all adults. Respondents could select multiple answers. Respondents could also select that they did not pay all bills in full but that the unpaid bill was not one of these options.

Renters were more likely than homeowners to say they did not pay all their bills in the prior month (table 11). In part, this reflects that renters have lower incomes than homeowners, although even for those with similar incomes, the share of renters who did not pay at least one bill exceeded that for homeowners.

Those who did not pay at least one bill in full were asked about several specific bill types. Of these, the most common types of bills people did not pay in full were a water, gas, or electric bill (5 percent) or a phone, internet, or cable bill (4 percent). Across each of these bill types, renters also had higher rates of nonpayment.

Most adults said that price increases made their financial situation worse. Sixty-five percent of adults said that changes in the prices they paid compared with the prior year had made their financial situation worse, including 19 percent who said price changes had made their financial situation much worse. In contrast, 4 percent of adults said that price changes compared with the prior year had made their financial situation better. Thirty-one percent of adults said overall changes in the prices they paid had little to no effect on their financial situation in the last year.

Adults with income under \$100,000 were more likely to say that price changes had made their financial situation worse compared with responses from higher-income adults (table 12).²⁹ White and Hispanic adults, adults with a disability, and parents living with their children under age 18 were also more likely to say that changes in prices they paid compared with a year ago had made their financial situation worse.

Most people took some action in response to higher prices. The most common actions were spending changes, including switching to a cheaper product (62 percent of adults), using less of or stopping using a product (61 percent), or delaying a major purchase (48 percent) (table 13). Forty-five percent of adults reported they reduced savings. Increasing borrowing was less common, as were activities to generate additional income, such as working more or asking for a raise.³⁰

²⁹ This result could reflect both the limited financial buffers that low-income households have as well as differential rates of inflation for high- and low-income households. Recent research has observed that low-income households experience slightly higher rates of inflation than those with higher incomes (Joshua Klick and Anya Stockburger, "Inflation Experiences for Lower and Higher Income Households," Spotlight on Statistics, U.S. Bureau of Labor Statistics, December 2022, <https://www.bls.gov/spotlight/2022/inflation-experiences-for-lower-and-higher-income-households/home.htm>).

³⁰ These results reflect those who indicated that they asked for a raise specifically because of higher prices, which is lower than overall share who asked for a raise, as discussed in the "Employment" section of this report.

Table 12. Changes in prices paid compared with last year made financial situation worse (by demographic characteristics)

Percent		
Characteristic	Much worse	At least somewhat worse
Family income		
Less than \$25,000	29	67
\$25,000–\$49,999	24	70
\$50,000–\$99,999	20	68
\$100,000 or more	11	58
Race/ethnicity		
White	19	67
Black	16	54
Hispanic	24	66
Asian	9	54
Disability status		
Disability	27	71
No disability	17	63
Parental status		
Parents (living with own children under age 18)	23	69
All other adults	18	63
Overall	19	65
Note: Among all adults.		

Table 13. Actions taken in response to higher prices in the prior 12 months (by year)

Percent		
Action	2022	2023
Spending		
Switched to cheaper products	64	62
Used less or stopped using products	66	61
Delayed a major purchase	49	48
Saving/borrowing		
Reduced savings	51	45
Increased borrowing	15	15
Income		
Worked more or got another job	18	18
Asked for a raise	8	9
Took any action	83	79
Note: Among all adults. Respondents could select multiple answers.		

Compared with actions taken in 2022 in response to higher prices, people were less likely to report spending changes or reduced savings but slightly more likely to report asking for a raise.

Adults who had less margin between their spending and their income appeared more likely to take action in response to higher prices. Among adults who said their spending exceeded their income in the month before the survey, 92 percent took at least one action in response to higher prices. Among those whose spending was less than their income, a lower 71 percent took at least one action.

Food Sufficiency

Inability to afford food is a particularly severe hardship. To measure this type of material hardship, the 2023 survey included a new question about food in the household. Seven percent of adults said that members of their household sometimes or often did not have enough to eat in the prior month, referred to here as “food insufficiency.” An additional 26 percent of adults said that mem-

Table 14. Sometimes or often did not have enough to eat in the prior month (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	21
\$25,000–\$49,999	10
\$50,000–\$99,999	5
\$100,000 or more	1
Age	
18–29	11
30–44	10
45–59	7
60+	3
Race/ethnicity	
White	5
Black	10
Hispanic	13
Asian	4
Disability status	
Disability	15
No disability	6
Parental status	
Parents (living with own children under age 18)	11
All other adults	6
Overall	7
Note: Among all adults.	

bers of their household had enough to eat in the prior month but not always the kinds of food they wanted to eat.³¹

Twenty-one percent of adults with a family income less than \$25,000 said members of their household sometimes or often did not have enough to eat in the past month, as did 10 percent of those with a family income between \$25,000 and \$50,000 (table 14). Younger adults, Black and Hispanic adults, adults with a disability, and parents living with their children under age 18 were also more likely to report food insufficiency in their household in the prior month than other adults.

Health-Care Expenses

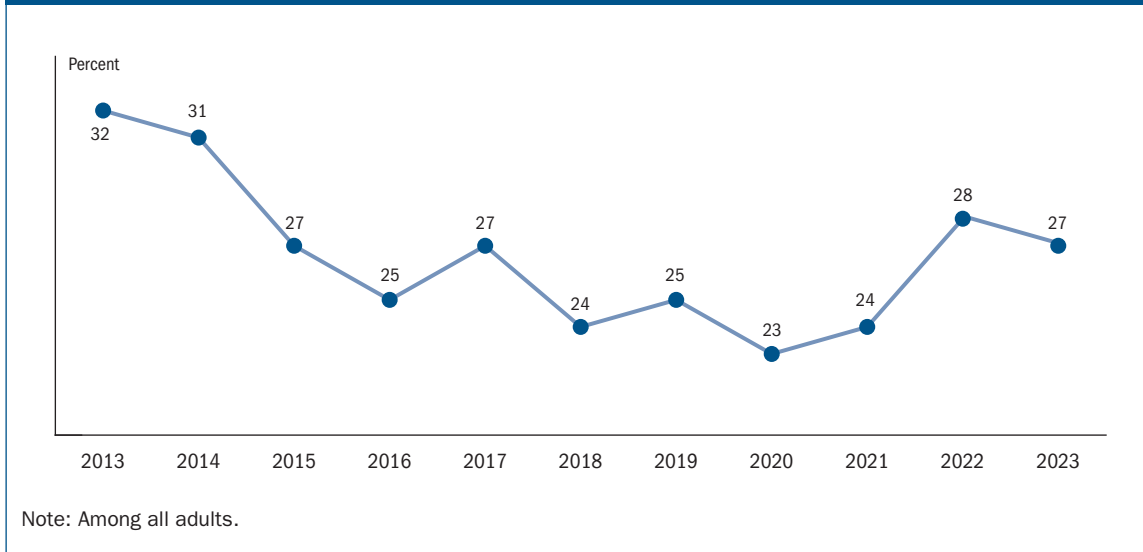
Forgoing medical treatment is another reflection of financial hardship. Twenty-seven percent of adults went without some form of medical care in 2023 because they could not afford it, similar to the share in 2022 but up from 24 percent in 2021 (figure 20). Dental care was the most frequently skipped, followed by visiting a doctor (table 15). Some

people also reported skipping prescription medicine, follow-up care, or mental health visits.

The likelihood of skipping medical care because of cost was strongly related to family income. Among those with family income less than \$25,000, 42 percent went without some medical care because they could not afford it, compared with 12 percent of adults making \$100,000 or more.

Unexpected or large medical expenses can be a particular financial hardship for families. Twenty-three percent of adults had major, unexpected medical expenses in the prior 12 months, with the

³¹ The U.S. Department of Agriculture (USDA) defines food insufficiency as sometimes or often not having enough to eat, and marginal food insufficiency as having enough to eat but not always the kinds of foods they wanted to eat. See the USDA Economic Research Service at <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/measurement/>. The SHED food insufficiency question is similar to questions fielded on the Census Household Pulse survey and the annual Current Population Survey Food Security Supplement (CPS-FSS), although the reference periods are different, which may contribute to differences in their estimates.

Figure 20. Skipped medical treatment because of cost (by year)

median amount between \$1,000 and \$1,999. Seventeen percent of adults had debt from their own medical care or that of a family member (not necessarily from the past year). The share with outstanding medical debt has ranged from 15 to 18 percent each year since the question was first asked in 2019.

Health insurance is one way that people can pay for routine medical expenses and protect against the financial burden of large, unexpected expenses. In 2023, 91 percent of adults had health insurance, similar to that seen each year since 2016, but up from the 85 percent who reported having health insurance in 2013 when the survey began.

Those without health insurance were more likely to forgo medical treatment because they could not afford it. Among the uninsured, 46 percent went without medical treatment because they could not afford it, compared with 25 percent among the insured.

Table 15. Forms of medical treatment skipped because of cost in the prior 12 months

Type	Percent
Dental care	19
Seeing a doctor or specialist	15
Prescription medicine	10
Follow-up care	9
Mental health care or counseling	9
Any treatment	27

Note: Among all adults. Respondents could select multiple answers.

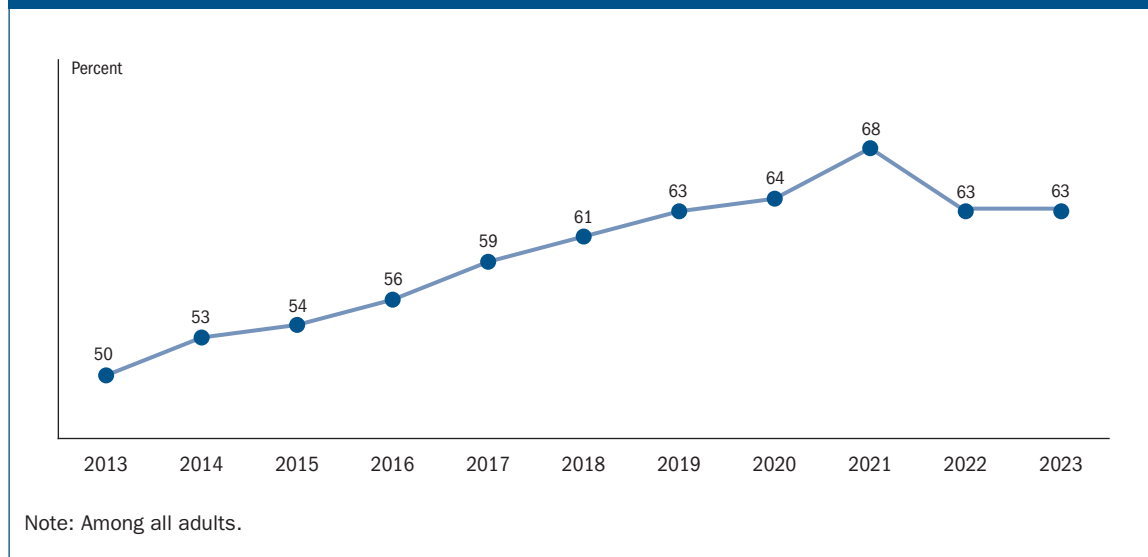
Unexpected Expenses and Emergency Savings

Relatively small, unexpected expenses, such as a car repair or a modest medical bill, can be a hardship for many families, especially those without a financial cushion. When faced with a hypothetical expense of \$400, 63 percent of all adults in 2023 said they would have covered it exclu-

sively using cash, savings, or a credit card paid off at the next statement (referred to, altogether, as “cash or its equivalent”). The remainder said they would have paid by borrowing or selling something or said they would not have been able to cover the expense.

The share who would pay using cash or its equivalent was unchanged from 2022 but down from a high of 68 percent in 2021, and around the levels in 2019 and 2020 (figure 21).³² The higher shares who said they would pay with cash or its equivalent in 2021 is consistent with other research showing that fiscal relief measures and a pullback in consumer spending boosted saving in the early part of the COVID-19 pandemic.³³

Figure 21. Would cover a \$400 emergency expense completely using cash or its equivalent (by year)



Among the 37 percent of adults who would not have covered a \$400 expense completely with cash or its equivalent, most would pay some other way, and some said that they would be unable to pay the expense at all. For these adults, the most common approach was to use a credit card and then carry a balance, although many indicated they would use multiple approaches. Thirteen percent of all adults said they would be unable to pay the expense by any means (table 16), unchanged from 2022 but up from 11 percent in 2021.

³² Since 2013, when this question was first asked, median household incomes increased as did consumer prices. To check how changes in price levels affect responses to this question, the 2022 survey asked one-fifth of respondents how they would handle a \$500 expense instead. Changing the threshold only altered the share who would pay in cash by 0.5 percentage points, suggesting that shifts in the price level have not materially affected the trend in this series.

³³ For details on the increase in savings during the pandemic, see Aditya Alandangady, David Cho, Laura Feiveson, and Eugenio Pinto, “Excess Savings during the COVID-19 Pandemic,” Finance and Economics Discussion Series Notes (Washington: Board of Governors of the Federal Reserve System, October 21, 2022), <https://doi.org/10.17016/2380-7172.3223>; and for details on the effects of relief measures on incomes through the pandemic, see Jeff Larrimore, Jacob Mortenson, and David Splinter, “Earnings Business Cycles: The Covid Recession, Recovery, and Policy Response,” *Journal of Public Economics* 225 (2023): 104983.

Some of those who would not have paid an unexpected \$400 expense with cash or its equivalent likely still had access to \$400 in cash. Instead of using that cash to pay for the expense, they may have chosen to preserve their cash as a buffer for other expenses.

To explore this potential difference between how people *would* pay for a small, unexpected expense and whether they *could* pay for it with cash or the equivalent, the survey included a question asking people what the largest emergency expense was that they could handle using only savings. Eighteen percent of adults said the largest emergency expense they could handle right now using only savings was under \$100, and 14 percent said they could handle an expense of \$100 to \$499 (table 17).

Sixty-eight percent of adults said they could pay an expense of at least \$500 using only their current savings (table 17), unchanged from 2022. This is a somewhat larger share than the 63 percent of adults who said they would pay an unexpected \$400 expense with cash or the equivalent, suggesting that some people do choose to pay with other methods, even if they have cash savings available to them.³⁴

Some financial challenges, such as a job loss, require more financial resources than would an unexpected \$400 expense. One common measure of financial resiliency is whether people have savings sufficient to cover three months of expenses if they lost their primary source of income. In 2023, 54 percent of adults said they had set aside money for three months of expenses in an emergency savings or “rainy day” fund—unchanged from 2022 but down from a high of 59 percent of adults in 2021.

Table 16. Other ways individuals would cover a \$400 emergency expense

Characteristic	Percent
Put it on a credit card and pay it off over time	16
Borrow from a friend or family member	10
Sell something	7
Use money from a bank loan or line of credit	3
Use a payday loan, deposit advance, or overdraft	2
Would not be able to pay for the expense right now	13
Note: Among all adults. Respondents could select multiple answers.	

Table 17. Largest emergency expense individuals could handle right now using only savings

Amount	Percent
Less than \$100	18
\$100–\$499	14
\$500–\$999	10
\$1,000–\$1,999	10
\$2,000 or more	48
Note: Among all adults.	

³⁴ The distinction between how people *would* or *could* pay small emergency expenses is discussed further in box 3 from Board of Governors of the Federal Reserve System, *Report on the Economic Well-Being of U.S. Households in 2019, Featuring Supplemental Data from April 2020* (Washington: Board of Governors, May 2020), <https://www.federalreserve.gov/publications/files/2019-report-economic-well-being-us-households-202005.pdf>.

For those who did not set aside money for this purpose, some would have dealt with a loss of their main source of income by borrowing, selling assets, or drawing on other savings.

Fifteen percent of all adults said that they could have covered three months of expenses in this way. Thirty-one percent of adults indicated they could not cover three months of expenses by any means.

Banking and Credit

Access to financial services from banks and credit unions can be important for people's financial well-being. Most adults had a bank account and were able to obtain credit in 2023, but notable gaps in access to financial services still exist, particularly among those with low income, Black and Hispanic adults, and those with a disability.

Use of relatively new financial services like cryptocurrency for transactions and Buy Now, Pay Later (BNPL) remained low compared with use of traditional payment and credit methods. That said, while still low overall, use of these newer products tended to be higher among lower-income adults and among Black and Hispanic adults.

Bank Account Ownership

Six percent of adults were “unbanked” in 2023, meaning neither they nor their spouse or partner had a checking, savings, or money market account. This share was unchanged from 2022.

Unbanked rates remained far higher among low-income adults. Twenty-three percent of adults with income below \$25,000 were unbanked compared with 1 percent of adults with income of \$100,000 or more. Unbanked rates were also higher among younger adults, Black and Hispanic adults, and adults with a disability ([table 18](#)).

Overall, 12 percent of adults with a bank account said they paid an overdraft fee in the prior 12 months, nearly unchanged from 2022. Among banked adults, higher shares of those with low or middle income, Black and Hispanic adults, and adults with a disability paid an overdraft fee in the prior 12 months ([table 19](#)).

Characteristic	Percent
Family income	
Less than \$25,000	23
\$25,000–\$49,999	8
\$50,000–\$99,999	2
\$100,000 or more	1
Age	
18–29	11
30–44	9
45–59	5
60+	2
Race/ethnicity	
White	4
Black	14
Hispanic	11
Asian	4
Disability status	
Disability	11
No disability	5
Overall	6
Note: Among all adults.	

Table 19. Paid an overdraft fee in the prior year (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	16
\$25,000–\$49,999	17
\$50,000–\$99,999	14
\$100,000 or more	7
Age	
18–29	15
30–44	16
45–59	12
60+	6
Race/ethnicity	
White	9
Black	19
Hispanic	17
Asian	6
Disability status	
Disability	16
No disability	10
Overall	12

Note: Among adults with a bank account.

Nonbank Check Cashing and Money Orders

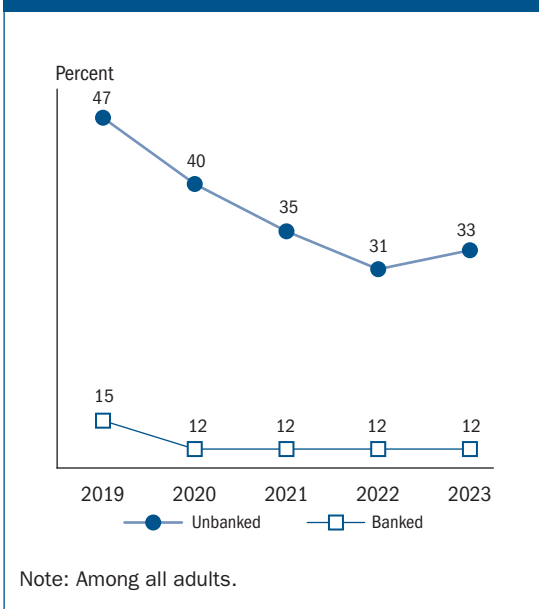
Some people go outside of traditional banks and credit unions for certain financial services. Fourteen percent of adults used nonbank check cashing or money orders in 2023. This share was similar to 2022 yet down 3 percentage points from 2019, before the pandemic.

Both banked and unbanked adults used nonbank providers to conduct financial transactions, but the unbanked were much more likely to have done so. Twelve percent of banked adults used a nonbank money order or check cashing service, compared with 33 percent of unbanked adults (figure 22).

Use of nonbank money orders and check cashing has fallen among both unbanked and banked adults since 2019, although use has flattened out over the past couple of years (figure 22). One reason for the decline since 2019 may be that people have substituted away from money orders and check cashing services to other nonbank products and services not asked about on the survey. The market for financial products and services continues to evolve, particularly in the digital space.

Similar to demographic patterns in bank account ownership, use of nonbank check cashing and money orders was more common among those with lower income, Black and Hispanic adults, and adults with a disability

Figure 22. Use of nonbank check cashing and money orders (by bank account ownership)



(table 20). Use among Black adults was particularly high at about 3 in 10.

Cryptocurrency

Cryptocurrencies are relatively new digital assets that may be held as an investment or used for making financial transactions.³⁵ Use of cryptocurrency for either purpose continued to fall in 2023. Overall, 7 percent of adults held or used cryptocurrency in 2023, down 3 percentage points from 2022 and down 5 percentage points from 2021 (table 21).

Buying or holding cryptocurrency as an investment remained more common than using it for financial transactions. Seven percent of adults bought or held cryptocurrency as an investment in the prior 12 months. In contrast, 2 percent of adults said they used cryptocurrency to make a financial transaction: 1 percent used cryptocurrency to buy something or make a payment, and 1 percent used it to send money to friends or family (table 21).³⁶

While only a small share of adults used cryptocurrency to send money to friends or family, the survey asked those who did if the recipient was outside of the United States. Over the past two years, one-fourth of adults who used cryptocurrency to send money to friends or family indicated that at least one transfer was made internationally.³⁷

Table 20. Use of nonbank check cashing or money order (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	25
\$25,000–\$49,999	20
\$50,000–\$99,999	13
\$100,000 or more	5
Age	
18–29	16
30–44	16
45–59	14
60+	9
Race/ethnicity	
White	9
Black	28
Hispanic	21
Asian	7
Disability status	
Disability	22
No disability	12
Overall	14
Note: Among all adults.	

Table 21. Cryptocurrency use

Type of use	2021	2022	2023
Bought cryptocurrency or held as an investment	11	8	7
Used cryptocurrency to buy something or make a payment	2	2	1
Used cryptocurrency to send money to friends or family	1	2	1
Any use of cryptocurrency	12	10	7
Note: Among all adults. Respondents could select multiple answers.			

³⁵ Cryptocurrencies are decentralized digital assets that have a distributed ledger and can be used for peer-to-peer payments. For additional information on cryptocurrencies, see Board of Governors of the Federal Reserve System, *Money and Payments: The U.S. Dollar in the Age of Digital Transformation* (Washington: Board of Governors, January 2022), <https://www.federalreserve.gov/publications/money-and-payments-discussion-paper.htm>.

³⁶ Because the survey is conducted online, the sample population may be more technologically connected than the overall population, which could increase the share of adults reporting use of emerging technologies such as cryptocurrencies.

³⁷ Data from both the 2022 and 2023 SHED are used here because of the small number of people who used cryptocurrency for this purpose in each individual year.

Table 22. Main reason people used cryptocurrency for financial transactions

Reason	Percent
Person or business receiving the money preferred cryptocurrency	29
To send the money faster	18
Privacy	16
Cheaper	13
Safer	7
Don't trust banks	4
Other	13

Note: Among adults who used cryptocurrency for financial transactions.

The survey asked those who used cryptocurrency to make financial transactions for the main reason they did so (table 22). At nearly 3 in 10, the most cited reason was that the person or business receiving the money preferred cryptocurrency, followed by ability to send the money faster and for privacy concerns. Relatively few transactional cryptocurrency users indicated that either safety (7 percent) or a lack of trust in banks (4 percent) contributed to this choice.

Table 23. Cryptocurrency use (by demographic)
Percent

Characteristic	Investment only	Transactions	Any
Family income			
Less than \$25,000	4	4	7
\$25,000–\$49,999	4	1	5
\$50,000–\$99,999	5	1	6
\$100,000 or more	8	1	9
Age			
18–29	7	3	10
30–44	8	3	11
45–59	6	2	8
60+	2	*	2
Race/ethnicity			
White	5	1	6
Black	5	3	8
Hispanic	7	3	9
Asian	9	2	11
Gender			
Male	8	2	11
Female	3	1	4

Note: Among all adults.
* Less than 1 percent.

Use of cryptocurrency differed across demographic and socioeconomic characteristics (table 23). Use was more common among younger-to-middle age adults and among men, both for investment and transactions.

In contrast with age and gender, patterns by income, race, and ethnicity differed by whether the cryptocurrency was used for investment purposes or to conduct financial transactions. Adults with income of \$100,000 or more were more likely than adults with lower incomes to hold cryptocurrency as an investment, whereas those with income less than \$25,000 were more likely than those with higher incomes to use cryptocurrency for financial transactions. Looking across race and ethnicity shows that holding cryptocurrency as an investment was most likely among Asian adults. In contrast, use of cryptocurrency for financial transactions was more common among Black and Hispanic adults than White adults.

Use of cryptocurrency for financial transactions was more common among the unbanked as well as those who used nonbank check cashing and money orders. Four percent of unbanked adults used cryptocurrency for financial transactions,

compared with 2 percent among banked adults. Regardless of bank account ownership, those who used nonbank check cashing or money orders had a greater propensity to use cryptocurrency for transactions—5 percent among those who used nonbank check cashing or money orders compared with 1 percent among those who did not. That said, use of cryptocurrency for financial transactions remained very low, even among groups who were more likely to use cryptocurrency in this way.

Credit Outcomes and Perceptions

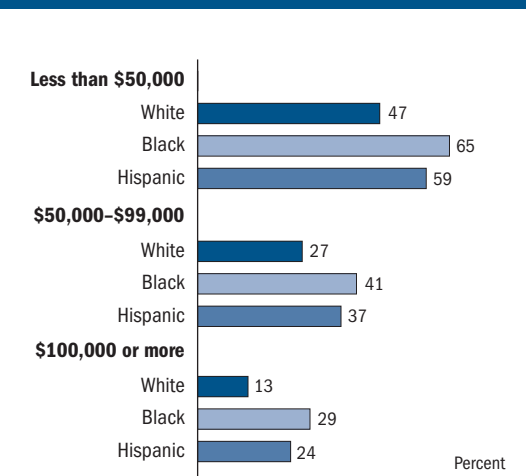
Thirty-six percent of adults applied for any type of credit in 2023, unchanged in recent years, yet down from 41 percent in 2019, before the pandemic. Among those who applied, just under one-third were either denied credit or approved for less credit than they requested, up 2 percentage points from 2022 and up 5 percentage points from 2021.

Despite the higher denial rates, consumer confidence about credit card applications remained unchanged from 2022. Sixty-three percent of adults were “very confident” that their application would be approved if they applied for a credit card, the same as in 2022. Similarly, the share of adults “not confident” that their application would be approved held steady at 14 percent.

Lower-income adults were far more likely to be denied credit or approved for less than requested. Fifty-three percent of credit applicants with income below \$50,000 experienced such actions, compared with 16 percent of those with income above \$100,000.

Denial rates also differed by race and ethnicity, with Black and Hispanic applicants being particularly likely to report a denial or an approval for less credit than requested. Moreover, Black and Hispanic adults saw higher denial rates regardless of income level (figure 23).

Figure 23. Denied credit or approved for less than was requested (by family income and race/ethnicity)



Note: Among adults who applied for some form of credit in the past 12 months.

Credit Cards

People use credit cards in different ways. Some use credit cards primarily to make payments, paying off their balances in full each month and avoiding interest charges. Others carry a balance and incur borrowing costs.

Eighty-two percent of adults had a credit card in 2023.³⁸ They were nearly evenly split between the people who paid off their balances in each of the previous 12 months and people who carried bal-

ances from month to month at least once in the prior year. Just about one-quarter said they carried a balance most of the time during the prior 12 months.

Table 24. Credit card access and usage (by demographic characteristics)
Percent

Characteristic	Has a credit card	Carried a balance (among credit card holders)	Carried a balance (among all adults)
Family income			
Less than \$25,000	46	56	26
\$25,000–\$49,999	75	60	45
\$50,000–\$99,999	89	52	46
\$100,000 or more	97	37	36
Age			
18–29	65	45	29
30–44	80	53	42
45–59	86	54	47
60+	91	39	35
Race/ethnicity			
White	86	42	36
Black	70	72	50
Hispanic	74	59	44
Asian	90	24	21
Disability status			
Disability	69	56	38
No disability	84	45	38
Overall	82	47	39

Note: Among all adults. Carried a balance reflects the share who carried a balance at least once in the past year.

Almost all adults with an income of at least \$100,000 had a credit card. At lower income levels, having a credit card was less common, though adults at these income levels who did have credit cards were more likely to use them to carry balances from month to month. Consequently, middle-income adults were the most likely to have a credit card that they used to finance purchases by carrying balances from one month to the next (table 24).

Credit card usage also differed by race and ethnicity, age, and disability status. Ninety percent of Asian adults had a credit card, followed by 86 percent of White adults, 74 percent of Hispanic adults, and 70 percent of Black adults. While credit card ownership was lower among Black and Hispanic adults, those who did have a credit card were more likely to carry a balance. Young adults and those with a disability were also less likely to have a credit card than were older adults or those without a disability.

³⁸ This share is higher than the 72 percent of households with a credit card in the Federal Deposit Insurance Corporation (FDIC) 2021 FDIC National Survey of Unbanked and Underbanked Households (Washington: FDIC, October 2022), <https://www.fdic.gov/analysis/household-survey/2021report.pdf>.

Buy Now, Pay Later

BNPL provides consumers the option to pay for a purchase with a small number of equal payments (usually four), often without being charged interest. For example, someone purchasing a \$100 item may be able to make one payment of \$25 at the time of purchase, then make three additional monthly payments of \$25.

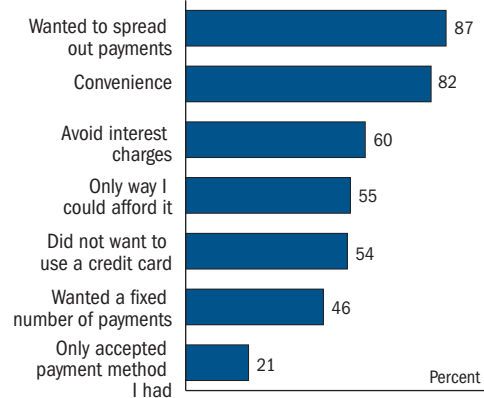
Fourteen percent of people used BNPL in the prior 12 months, up 2 percentage points from 2022.

The top two reasons for using BNPL were wanting to spread out payments (87 percent) and convenience (82 percent) (figure 24). Notably, over half (55 percent) of those who used BNPL—and an even higher 69 percent of those with incomes less than \$50,000 who used BNPL—said they used BNPL because it was the only way they could afford a purchase.

Use of BNPL was more common among low- and middle-income adults, Black and Hispanic adults, and women (table 25). Differences by race and ethnicity were large, with Black and Hispanic adults about twice as likely to use BNPL as White or Asian adults. Additionally, sizeable differences remain even after controlling for other factors like income, age, and self-perceived credit rating.

People also differed in their use of BNPL according to their self-reported credit rating (figure 25). Those who rated their credit as “poor” and “fair” were the most likely to use BNPL, followed by those rating their credit as

Figure 24. Reasons for using Buy Now, Pay Later (BNPL)

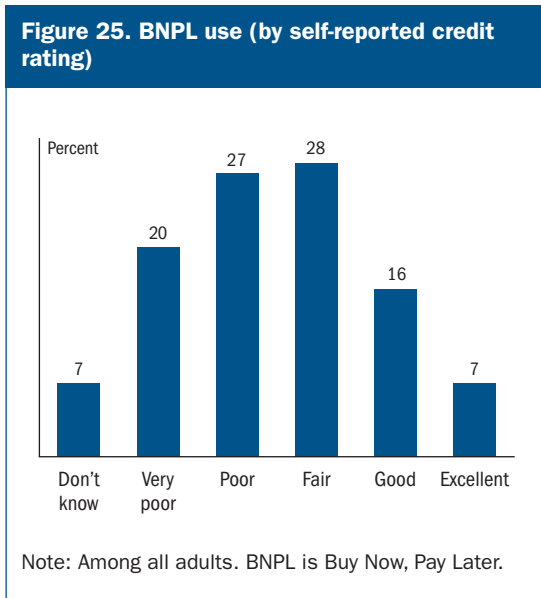


Note: Among adults who have used BNPL in the past year. Respondents could select multiple answers.

Table 25. Buy Now, Pay Later (BNPL) use (by demographic characteristics)

Characteristic	Used BNPL	Paid late (among users)
Family income		
Less than \$25,000	14	31
\$25,000–\$49,999	18	21
\$50,000–\$99,999	15	17
\$100,000 or more	10	9
Age		
18–29	17	23
30–44	17	20
45–59	15	19
60+	8	8
Race/ethnicity		
White	10	13
Black	20	18
Hispanic	21	26
Asian	10	n/a
Gender		
Male	12	16
Female	15	21
Overall	14	18

Note: Among all adults.
n/a Not applicable.



“very poor.” Moreover, among those who used BNPL, adults with lower self-reported credit ratings were also more likely to cite “only way I could afford it” or “only accepted payment method I had” as reasons for using BNPL than adults who rated their credit higher.

Most people who used BNPL made their payments on time. Overall, 18 percent of people who used BNPL in the prior 12 months were late making a payment, up 1 percentage point from 2022. However, late payments were more common among those with lower income, Hispanic adults, and younger adults (table 25). Nearly 6 in 10 of those late making a payment (11 percent of those who used BNPL) said they were charged extra for being late.

Nonbank Small Dollar Credit

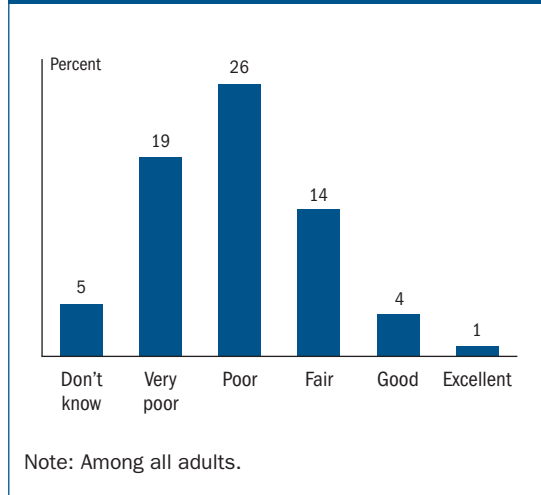
Consumers with negative credit histories, or no credit history, sometimes use nonbank credit products like payday or pawn loans when a small dollar credit need arises. These products typically have high borrowing costs.

In 2023, 6 percent of adults used a payday, pawn, auto title, or tax refund anticipation loan, up 1 percentage point from 2022. While overall use tends to be small, use is more likely among adults with lower income, Black and Hispanic adults, and adults with a disability (table 26). Notably, differences by race, ethnicity, and disability status were present even after controlling for other factors like income an age.

Similar to those who used BNPL, adults with lower self-reported credit ratings were more likely to use one of these products (figure 26). Just above one-fourth of those rating their credit as “poor” did so, compared with only 1 percent of those rating their credit as “excellent.” Unlike BNPL, however, use of these products was much higher among those who did not have a credit card (13 percent) than among those who did (4 percent).

Table 26. Use of payday, pawn, auto title, and refund anticipation loans (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	10
\$25,000–\$49,999	10
\$50,000–\$99,999	5
\$100,000 or more	2
Age	
18–29	7
30–44	9
45–59	6
60+	2
Race/ethnicity	
White	3
Black	10
Hispanic	11
Asian	3
Disability status	
Disability	9
No disability	4
Overall	6
Note: Among all adults.	

Figure 26. Use of payday, pawn, auto title, or refund anticipation loans (by self-reported credit rating)

Housing

Housing represents the largest expense for most families, and consequently, housing decisions have the potential to substantially affect economic outcomes. The majority of adults owned their homes in 2023, though homeownership was less common among lower-income adults. Those who rent their homes, rather than own, most often said they did so because of financial constraints. That said, many renters noted that renting was more convenient than owning.

Despite the risk of financial losses, some homeowners do not have homeowners insurance. Those with low incomes and those in regions with more people affected by natural disasters were more likely to say that they did not have homeowners insurance.

Homeowners

Sixty-four percent of adults owned their homes. Yet, the likelihood of owning varied substantially by income. Thirty-six percent of adults with less than \$50,000 of income own their home, compared with 87 percent of adults with a family income of \$100,000 or more. The income gap in homeownership is even greater among adults under age 60, as older adults frequently have higher wealth and may be less reliant on income for homeownership.³⁹ Among adults under age 60, just over one-fourth of adults with less than \$50,000 of income own, well below the 84 percent homeownership rate seen for similarly aged adults with over \$100,000 of income.

Gaps in homeownership rates were also apparent by other demographic characteristics. Black and Hispanic households were less likely to own than White and Asian households. Adults with a disability were also less likely to own ([table 27](#)).

About two-thirds of adults who owned their home had a mortgage in 2023. The median monthly mortgage payment was \$1,500.⁴⁰ Mortgage payment amounts differed by census regions and the years people moved into their home ([table 28](#)). Likely reflecting differences in home prices across the country, mortgage payments were higher in the Northeast and West, compared with the Midwest and South. Consistent with increases in mortgage rates that began in early 2022 that

³⁹ Older adults, even those with lower incomes, are much more likely to own their homes free and clear. For example, among adults with incomes less than \$50,000, nearly 40 percent of those age 60 or older own their home free and clear, compared with 6 percent of those under age 60.

⁴⁰ Owners with a mortgage were asked for the total mortgage payment that they send to their bank, which will typically include escrow payments for taxes and homeowners insurance but will not include utilities.

Table 27. Homeownership rate (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	26
\$25,000–\$49,999	48
\$50,000–\$99,999	69
\$100,000 or more	87
Age	
18–29	26
30–44	60
45–59	76
60+	83
Race/ethnicity	
White	71
Black	50
Hispanic	51
Asian	65
Disability status	
Disability	53
No disability	67
Overall	64
Note: Among all adults.	

Table 28. Median monthly mortgage payment (by census region and most recent move)

Census region	Moved before 2022	Moved in 2022 or 2023	Overall
Northeast	\$1,500	\$2,200	\$1,500
Midwest	\$1,200	\$1,500	\$1,200
South	\$1,385	\$2,000	\$1,422
West	\$1,700	\$2,800	\$1,745
Overall	\$1,400	\$2,100	\$1,500
Note: Among homeowners who reported a positive monthly mortgage payment. Owners with a mortgage were asked for the total mortgage payment that they send to their bank.			

increased housing payments for new purchases, mortgage payments were also larger among those who moved in 2022 or 2023 relative to those who moved into their homes in earlier years.⁴¹

Renters

Just above one-fourth of adults (27 percent) rented their home in 2023.⁴² Black and His-

panic adults and adults with a disability were disproportionately likely to rent. Additionally, lower-income adults as well as those who live in low- and moderate-income neighborhoods or who live in metro areas were more likely to rent (table 29).

Median reported rent was up about 10 percent in 2023 relative to that seen in the previous year. In 2023, the median rent payment reported in the survey was \$1,100. This compares with a median reported rent of \$1,000 in the 2022 survey.

Like homeowners with a mortgage, renters in the Northeast and West had higher monthly rent payments compared with the those in the Midwest and South, as measured by the median rental payment in the region (table 30). However, the median monthly rental payments were smaller than

⁴¹ For details on average mortgage rates over time, see Freddie Mac, “Current Mortgage Rate Data Since 1971,” <https://www.freddiemac.com/pmms>.

⁴² The share who own plus the share who rent does not sum to 100 percent because some people live rent free in a house that neither they nor their spouse or partner own.

Table 29. Share who rent (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	46
\$25,000–\$49,999	41
\$50,000–\$99,999	27
\$100,000 or more	12
Age	
18–29	45
30–44	34
45–59	21
60+	14
Race/ethnicity	
White	21
Black	41
Hispanic	37
Asian	25
Disability status	
Disability	37
No disability	25
MSA status	
Metro	28
Non-Metro	22
Neighborhood income	
LMI neighborhood	42
Non-LMI neighborhood	21
Overall	27
Note: Among all adults. MSA is metropolitan statistical area; LMI is low- and moderate-income.	

Table 30. Median monthly rent payment (by census region and most recent move)

Census region	Moved before 2022	Moved in 2022 or 2023	Overall
Northeast	\$1,200	\$1,600	\$1,200
Midwest	\$ 800	\$ 979	\$ 875
South	\$ 900	\$1,200	\$1,000
West	\$1,300	\$1,600	\$1,400
Overall	\$1,045	\$1,231	\$1,100
Note: Among renters who reported a positive monthly rental payment.			

monthly mortgage payments made by homeowners. Renters who moved in 2023 or 2022 also had higher rent payments compared with those who did not move in the prior two years.⁴³

Renter Experiences

Renters cited multiple reasons for renting their homes. Similar to reasons reported in 2022, financial constraints led many adults to rent their home instead of owning in 2023. The most cited reason for renting was an inability to afford a down payment—in 2023, nearly two-thirds of renters cited this as a reason. Four in 10 renters indicated that they rent because they cannot qualify for a home

mortgage, and 48 percent said they rent because they cannot afford the monthly mortgage payment (table 31).

Although many renters noted financial constraints, these were not the only reasons for renting. More than one-third of renters preferred to rent than to own. The majority of renters (57 percent) said that renting is more convenient, and 44 percent rent their homes because they perceive owning as a larger financial risk. Forty-two percent of renters found it cheaper to rent than own.

⁴³ In addition to reflecting changes in rent prices over time for new leases, the differences in rent prices for those who moved recently may reflect differences in who decides to move each year.

Table 31. Reasons for renting (by year)
Percent

Reason	2022	2023
Can't afford down payment	65	65
More convenient or flexible to rent	56	57
Can't afford mortgage monthly payment	44	48
Renting is less financially risky	42	44
Cheaper to rent	42	42
Can't qualify for home mortgage	40	40
Prefer to rent	36	36
Trying to buy	32	30
Note: Among renters. Respondents could select multiple answers.		

There was a slight uptick in the share of renters who faced challenges paying their rent in 2023. Nineteen percent of renters reported that they had been behind on their rent at some point in the past year, compared with 17 percent who said they were behind in 2022. Black and Hispanic renters were more likely to be behind on rent payments than White and Asian renters. In 2023, Black renters were more than twice as likely—and Hispanic renters were almost twice as likely—as White renters to report being behind on rent at some point in the past year.

The cost of housing can cause some people to move. However, relatively few renters said they moved primarily because of an increase in rent. Four percent of renters (24 percent of current renters who moved in 2023) said the main reason they moved was rent increased at their previous home.

Other renters move because of eviction or threat of eviction. Two percent of renters moved in the prior year because of eviction or threat of eviction. This represents 15 percent of renters who moved during 2023.

Neighborhood Satisfaction

The quality of people's neighborhoods, in addition to their housing, can affect well-being and opportunities for the future. Neighborhood quality and characteristics can also influence the decision of where to live.

Table 32. Satisfied with local neighborhood characteristics

Characteristic	Percent
Overall quality	76
Quality of your local schools (among parents of children under age 18)	66
Crime risk	61
Natural disaster and severe weather risk	65
Cost of housing	37
Note: Among all adults. Share satisfied includes those who were somewhat or very satisfied with the characteristic.	

Overall, 76 percent of adults were either somewhat or very satisfied with the overall quality of their neighborhood (table 32). Most adults were also satisfied with the level of crime risk, quality of local schools, and the risk from natural disasters. However, only 37 percent were satisfied with the cost of housing in their neighborhood.

People's satisfaction with their neighborhoods differed by homeownership status. Adults who

rent were less likely to be satisfied with their neighborhood overall, as well as less likely to be satisfied with the neighborhood characteristics (figure 27). For example, less than one in three renters were satisfied with the cost of housing in their neighborhood, compared with 42 percent of homeowners.

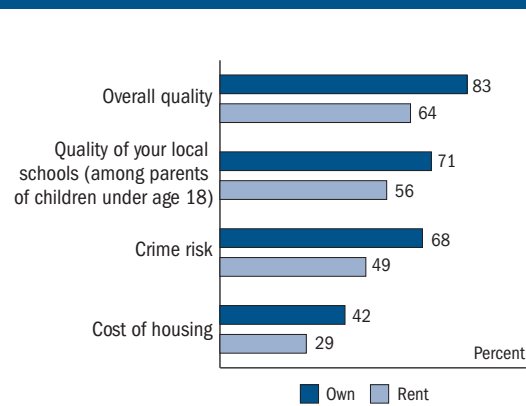
Natural Disaster Risks

People may face a variety of financial challenges in the event of natural disasters or severe weather events. Property damage or loss is one of the largest financial risks, particularly for homeowners without homeowners insurance. Natural disasters and extreme weather can cause other disruptions, such as missing work or higher bills for heating or cooling homes.

Nearly 2 in 10 adults reported being financially affected by natural disasters or severe weather events (such as flooding, hurricanes, wildfires, or extreme temperatures) during the prior 12 months. Most of these effects were modest, as 12 percent of adults said that they were slightly affected by natural disasters. Yet 5 percent of adults said that they were moderately affected, and 2 percent said that they were substantially affected financially by natural disasters. When asked about how they were affected, the most common way was property damage, with nearly 1 in 10 adults affected (figure 28).

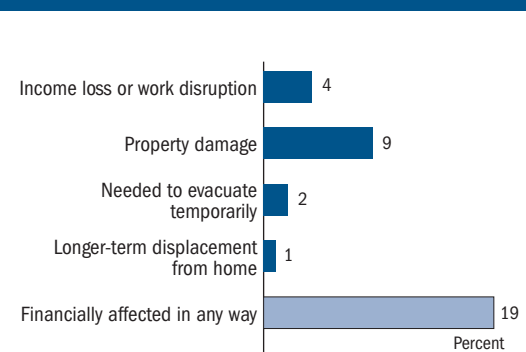
The effects of natural disasters were not experienced uniformly across demographic groups or geography. Adults with lower incomes and nonwhite adults were more likely to be financially affected by a natural disaster. Nearly one-fourth of adults living in the South were financially affected by a natural disaster, compared with 13 percent in the Northeast (table 33). Additionally, 10 percent of adults in the South were moderately or severely affected by natural disasters, exceeding that seen in other regions.

Figure 27. Satisfied with local neighborhood characteristics (by homeownership status)



Note: Among adults who rent or own their homes. Quality of local schools is among parents living with their own children under age 18. Key identifies bars in order from top to bottom.

Figure 28. Disruptions from natural disasters in the prior 12 months



Note: Among all adults. Respondents could select multiple answers or may have been affected in other ways.

Table 33. Financially affected by natural disaster or severe weather event (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	25
\$25,000–\$49,999	21
\$50,000–\$99,999	19
\$100,000 or more	16
Race/ethnicity	
White	17
Black	21
Hispanic	23
Asian	22
Census region	
Northeast	13
Midwest	15
South	24
West	19
Overall	19
Note: Among all adults.	

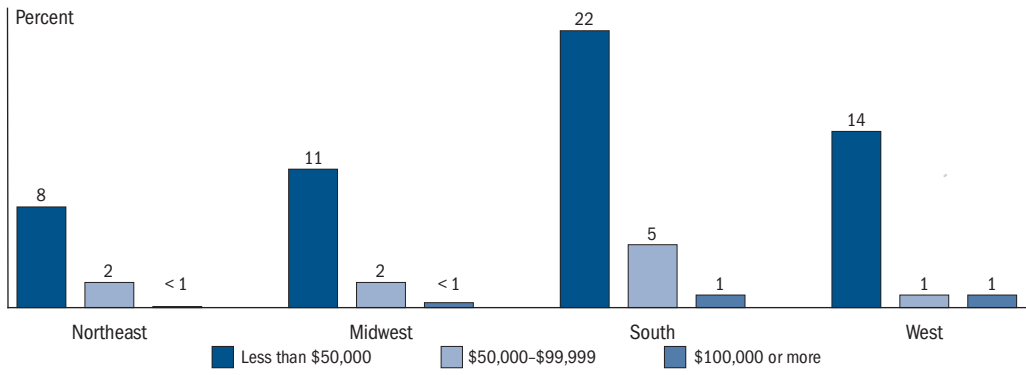
Some adults undertook mitigation activities, such as improving their property or purchasing additional insurance, to reduce their financial risks from natural disasters. Making improvements to one's property was the most common mitigation activity, with 18 percent of adults doing so, followed by investigating other places to live (13 percent) and purchasing additional insurance (5 percent). Those who had been financially affected by a natural disaster were more likely to undertake each of these mitigation activities: one-third made improvements to their property to reduce risk, and one-quarter investigated other places to live.

While some people purchased additional insurance to help mitigate financial risk from natural disasters, others had no homeowners insurance. At least 4 percent of homeowners (or 13 percent of owners who own their home free and clear) did not have homeowners insurance.⁴⁴

Homeowners who appear to have a higher risk of being financially affected by a natural disaster were also less likely to have homeowners insurance. Homeowners with lower income, those living in the South, and homeowners who had already been financially affected by a natural disaster were all less likely to have homeowners insurance. For example, more than 2 in 10 homeowners in the South with an income less than \$50,000 did not have homeowners insurance (figure 29). If limiting the former group to only those homeowners who own their home free and clear, the share of low- and moderate-income homeowners in the South without insurance is nearly 4 in 10.

⁴⁴ Homeowners with a mortgage generally are required to have homeowners insurance. Therefore, only those who own their home free and clear were asked if they have homeowners insurance. A small share of homeowners with a mortgage may not have insurance, although these individuals may have lender-placed insurance.

Figure 29. Share with no homeowners insurance (by census region and family income)



Note: Among homeowners. Homeowners with a mortgage are imputed as having insurance since insurance is generally required by the lender. Key identifies bars in order from left to right.

Higher Education and Student Loans

The self-assessed value of higher education, while generally positive, depends on several aspects of an individual's educational and personal experience, including the type of institution attended, use of student loans, and age. In 2023, rates of education and types of institutions attended continued to vary by different demographic characteristics such as parental education, age, and race and ethnicity. Finally, following the restart of federal student loan payments in the fall of 2023, the share of student loan borrowers who were required to make payments rose compared with 2022, returning to pre-pandemic levels.

Educational Attainment

Most adults have enrolled in some education after high school, although rates vary across demographic groups. Seventy percent of adults had ever attended an educational program after high school, whereas just over half had received at least a certificate or technical degree, and 37 percent had received at least a bachelor's degree. Consistent with increasing rates of college attendance over time, the share of adults who had ever enrolled in an educational program after high school was higher for younger adults than for older adults (table 34).⁴⁵ The share with education beyond high school also varied substantially by race and ethnicity, with Hispanic adults being much less likely than others to have ever attended college while Asian adults were more likely than others to have attended college.

The likelihood of obtaining a bachelor's degree or more was higher among those whose parents were college graduates. Among adults who have at least one parent with a bachelor's degree, 66 percent received at least a bachelor's degree themselves. In contrast, 25 percent of adults whose parents did not complete a bachelor's degree did not receive one themselves.

Table 34. Educational attainment (by age, race/ethnicity, and parental education)

Percent		
Characteristic	Ever enrolled in an educational program after high school	Received bachelor's degree or more
Age		
18–29	76	34
30–44	71	42
45–59	71	38
60+	66	33
Race/ethnicity		
White	73	41
Black	67	27
Hispanic	58	21
Asian	90	67
Highest education of any parent/guardian		
Less than a bachelor's degree	62	25
Bachelor's degree or more	92	66
Overall	70	37
Note: Among all adults.		

⁴⁵ Though college enrollment rates among recent high school completers peaked at about 70 percent in 2009 and have since stagnated or fallen, enrollment rates remain historically high, averaging more than two-thirds of recent high school completers from 2010–19 and more than 60 percent from 2020–22, compared with 45 percent in 1965 (see National Center for Educational Statistics, “Digest of Educational Statistics” at https://nces.ed.gov/programs/digest/d23/tables/dt23_302.20.asp).

The type of institution attended also varied with parental education and race. Most adults who attended an educational program beyond high school went to public institutions (70 percent), while less than one-fourth attended private not-for-profit schools and 7 percent attended private for-profit schools. Although private for-profit schools comprised a relatively small share of the higher education attendance for students of a range of backgrounds, adults whose parents did not have a bachelor's degree were more likely to attend a private for-profit institution than those who had a parent with a bachelor's degree—9 percent versus 3 percent, respectively. Additionally, 11 percent of Black adults and 13 percent of Hispanic adults who pursued education beyond high school attended for-profit schools—much higher than the shares of White and Asian adults who pursued postsecondary education who attended for-profit schools (5 percent and 4 percent, respectively).

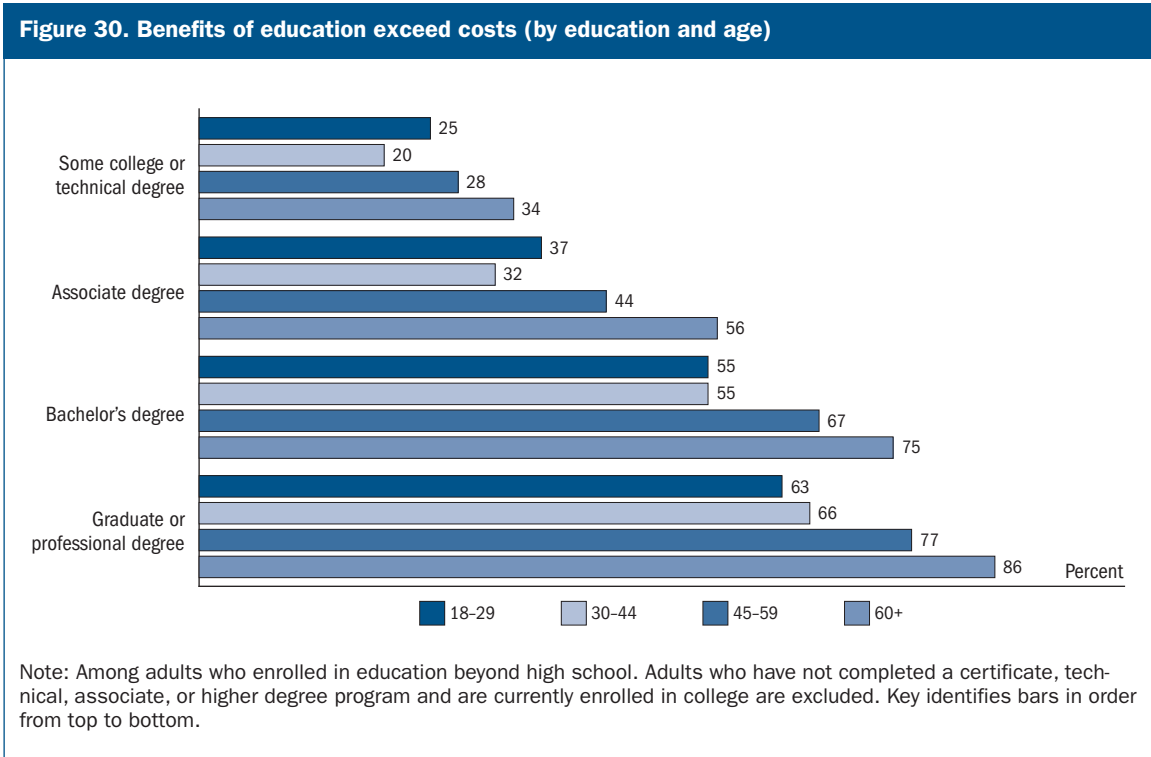
Overall Value of Higher Education

Consistent with higher rates of financial well-being among those who have more education, discussed in the “[Overall Financial Well-Being](#)” section of this report, more than one-half of adults who ever enrolled in an educational program beyond high school (and were not currently enrolled) said that the lifetime financial benefits of their higher education exceeded the financial costs.⁴⁶ Meanwhile, one in five said that the costs were higher. The rest saw the benefits as about the same as the costs. These self-assessments of the value of education have changed little in recent years.

The self-assessed value of higher education, while generally positive, depends on several aspects of a person's educational experience. In particular, those who completed their program and received at least an associate degree were far more likely to see net benefits than those who did not complete a degree. Among those who enrolled in education beyond high school but did not complete at least an associate degree, 28 percent said the benefits of their education exceeded the cost. This compares with 43 percent of those with an associate degree and 68 percent of those with at least a bachelor's degree.

The self-assessed value of higher education also increased with age. Among those who completed at least some college or a technical degree and were not currently enrolled, those who were age 45 and older had more positive assessments of the value of their education than those under age 45 who completed the same level of education ([figure 30](#)). These age differences may reflect that older adults have had a longer time to experience the benefit of their education than younger

⁴⁶ In the sections “[Overall Value of Higher Education](#)” and “[Look Back on Education Decisions](#),” the results on the benefits of education and changes to education reflect the answers of people who have ever enrolled in an educational program beyond high school and either completed a certificate, technical, associate, or higher degree program or were not enrolled at the time of the survey. Thus, those who were currently enrolled in college but did not have a degree are not included.



adults. This variation may also be driven by the rising costs of higher education and the increased use of student loans, which makes costs remain more salient into adulthood.⁴⁷

Reflecting that student loans may affect perceptions of higher education, 44 percent of those with student loans who completed at least an associate degree said the benefits of their education exceeded the costs. By comparison, 68 percent of adults with an associate degree or higher who had either completely paid off their student loans or never had debt said the benefits of their education exceeded the costs.

The type of institution attended was also associated with differences in how people viewed their education.⁴⁸ Among those with an associate degree or higher, 64 percent of those who attended public institutions saw their educational benefits as greater than their costs, as did 66 percent of

⁴⁷ From 1995 to 2015, net tuition, fees, room, and board rose 54 percent at public four-year institutions and 29 percent at private, nonprofit, four-year institutions in real terms. (Sandy Baum and Jennifer Ma, *Trends in College Pricing 2014*, (New York: The College Board, 2014), <https://research.collegeboard.org/pdf/trends-college-pricing-2014-full-report.pdf>). In the current school year, net tuition, housing, food, and fees at public and private nonprofit institutions are slightly lower in real terms than they were in the 2014–15 school year. (Jennifer Ma and Matea Pender, *Trends in College Pricing and Student Aid 2023*, (New York: The College Board, 2023), <https://research.collegeboard.org/media/pdf/Trends Report 2023 Updated.pdf>).

⁴⁸ Individuals do not self-report the type of institution in the survey. Instead, the institution type is assigned by matching the name and location of the college reported by the individual with data from the Center on Postsecondary Research at the Indiana University School of Education (<https://cpr.indiana.edu/>). For individuals who completed an associate or bachelor's degree, institution type is based on the school from which they received the degree. For other individuals, it is based on the last school attended.

those who attended private not-for-profit institutions. However, a far lower 38 percent of those who attended for-profit institutions felt their education's benefits were greater than its costs.

Look Back on Education Decisions

Another way to assess the value of education is to consider what people would have done differently if given the chance. Most people value the education they received, but with the benefit of hindsight and life experience, it was also common to think that different educational decisions could have been better.

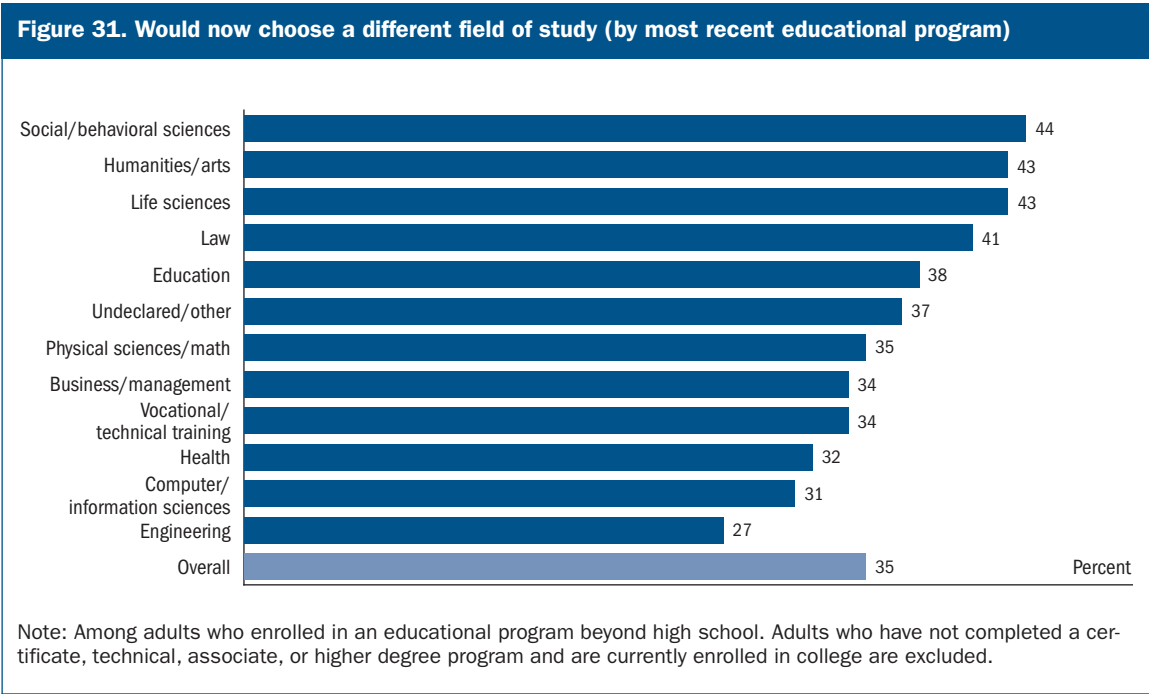
Completing more education was the most common change individuals would have made regarding their education. Forty-five percent of adults who attended an educational program beyond high school and were not currently enrolled said that they would complete more education in hindsight. This includes 61 percent of those with less than a bachelor's degree. In contrast, just 10 percent of people who pursued education beyond high school said that they would have completed less education or not gone to college if they could make their education decisions again.

Additionally, reassessments of educational decisions varied by the type of institution attended. Thirty-nine percent of those who received a bachelor's degree from a for-profit institution said they would have attended a different school in hindsight, compared with 25 percent of those who received their bachelor's degree from a private not-for-profit institution and 19 percent who received their bachelor's degree from a public institution.⁴⁹ This gap by institution type is smaller than in recent years, but it remains the case that those with a degree from for-profit institutions are far more likely to say that they would have changed the school attended. This difference remains even after accounting for the level of education completed, the parents' level of education, and demographic characteristics of the student.

Among adults who attended an educational program beyond high school and were not currently enrolled in an educational program, the changes they said they would now make to their educational decisions were also related to the type of educational program they completed most recently. Those whose most recent educational program was engineering, computer and information sciences, or health reported the lowest rates of saying they would choose a different field for their undergraduate degree (figure 31).⁵⁰ The share who would change their field of study across

⁴⁹ These results are similar if those who completed less than a bachelor's degree are included.

⁵⁰ Each category of educational programs may contain multiple fields of study, so it is possible that some respondents who said they would choose a different field of study in hindsight would not change their educational program. Additionally, respondents are asked to identify the educational program for their most recent degree, whereas the question about changing fields of study in hindsight asks respondents about undergraduate degrees. Because of this, these questions do not ask about the same degree program for people with more than a bachelor's degree. However, our findings do not change when people with more than a bachelor's degree are excluded: adults who studied humanities/arts, social/behavioral sciences, or life sciences remain the most likely to say they would change their field of study at 45, 45, and 50 percent respectively, while those who studied engineering remain the least likely to say this (28 percent).



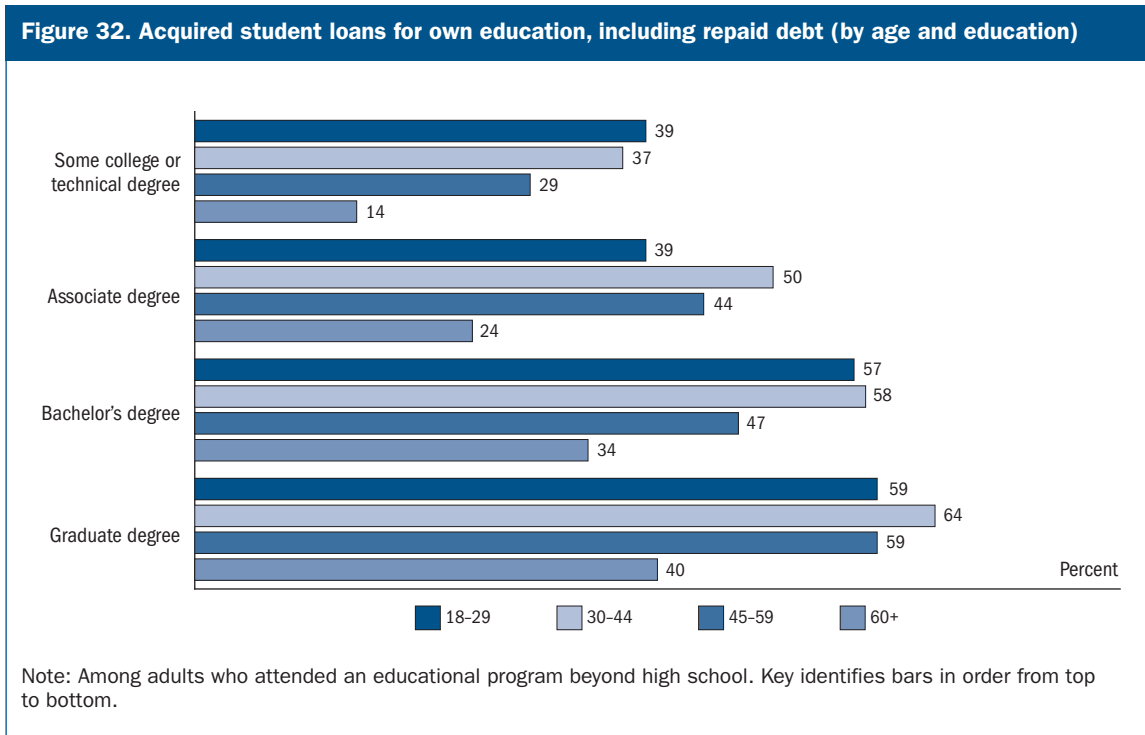
educational programs is broadly consistent with patterns for how people see the relative costs and benefits of their education. For example, 73 percent of those who studied engineering said the benefits of education exceeded the costs—the highest of any field of study. Nevertheless, in every educational program people were more likely to say that the benefits exceeded costs than to say that costs exceeded benefits.

Incidence and Types of Education Debt

It is common to use debt to finance higher education. Thirty percent of all adults—representing more than 4 in 10 people who pursued education beyond high school—said they took out student loans for their education. This includes 18 percent of those who still owed money on outstanding loans (“student loan borrowers”) and 24 percent who borrowed but fully repaid their education debts.

The share of adults who attended an educational program beyond high school and took out student loans for their education varied across age groups. Adults ages 30 to 44 were most likely to have taken out student loans for their education, while older adults were less likely to do so, consistent with the upward trend in educational borrowing over the past several decades (figure 32).⁵¹

⁵¹ Student loan borrowing has declined in real terms since its peak in 2010–11 but remains substantially above the levels from the mid-1990s. (Jennifer Ma and Matea Pender, *Trends in College Pricing and Student Aid 2023* (New York: The College Board, 2023), https://research.collegeboard.org/media/pdf/Trends_Report_2023_Updated.pdf).

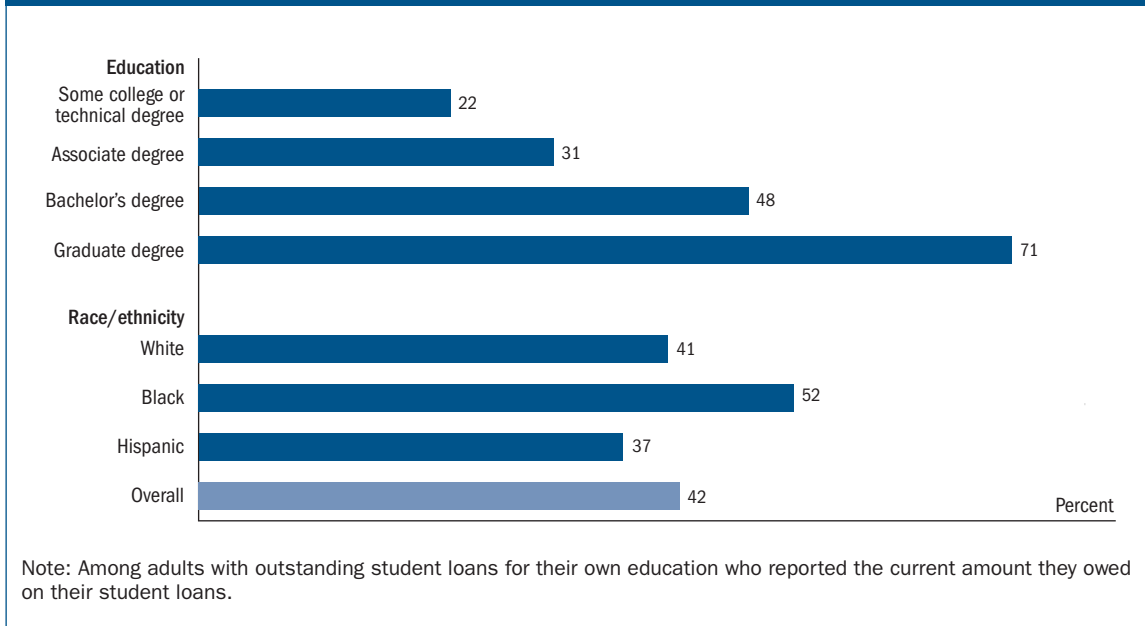


Additionally, adults who completed higher levels of education were more likely to have taken out student loans than those who completed lower levels of education.

Most student loan borrowers with outstanding debt owed less than \$25,000 on their loans.⁵² The median amount of education debt in 2023 among those with any outstanding debt for their own education was between \$20,000 and \$24,999. Twenty-eight percent of student loan borrowers had less than \$10,000 in outstanding student debt. Student debt balances also varied across different demographic groups. Borrowers with higher levels of education were more likely to carry higher balances of student loan debt (figure 33). Black borrowers were more likely than White and Hispanic borrowers to carry higher balances on student loan debt.

The incidence of education debt varied by the type of institution attended. Among those who attended public institutions, 40 percent either previously held debt or currently had debt as of October 2023, compared with 57 percent of those who attended private not-for-profit schools and 63 percent who attended private for-profit institutions. In 2023, people with outstanding student loan debt who attended private not-for-profit schools were more likely to hold higher balances of student loan debt (median amount between \$25,000 and \$29,999) than those who went to either private for-profit or public schools (median amount of debt between \$15,000 and \$19,999).

⁵² All amounts of student debt among adults with outstanding student loans for their own education are for those who reported the current amount they owed on these student loans.

Figure 33. Share of borrowers with at least \$25,000 of student loan debt from their own education (by education and race/ethnicity)

Some people also took out student loans to assist family members with their education through either a co-signed loan with the student or a loan taken out independently. Although this was less common than borrowing for one's own education, 5 percent of all adults had student loans that paid for a child's or grandchild's education. Among those who had outstanding debt for a child's or grandchild's education, the median amount of debt was between \$15,000 and \$19,999.⁵³

Student Loan Payment Status

The pause on federal student loan payments that had been in place since early in the pandemic ended in 2023. As a result, interest charges on federal student loans resumed in September 2023, and payments were required as of October 2023, just before the 2023 survey was fielded.⁵⁴

With the restart of federal student loan payments, the share of student loan borrowers making payments returned to pre-pandemic levels. As of October 2023, 65 percent of borrowers with stu-

⁵³ The median amount of student debt for adults with outstanding student loans for their child's or grandchild's education is among those who reported the current amount they owed on these student loans.

⁵⁴ The Coronavirus Aid, Relief, and Economic Security Act temporarily paused payments on federally held student loans beginning in March 2020, although borrowers with private student loans were still required to make payments during this time. This payment pause for federal student loan borrowers was extended multiple times and ended on September 1, 2023. (See U.S. Department of Education at <https://studentaid.gov/announcements-events/covid-19>.) As a part of the resumption of student loans payments, anyone who qualified for a payment pause was also automatically eligible for an "on-ramp transition period." While payments are still due and interest will still accrue during this period, accounts will not be considered delinquent, be reported to credit agencies, nor go into default until September 30, 2024. (See U.S. Department of Education at <https://studentaid.gov/manage-loans/repayment/prepare-payments-restart>.)

Table 35. Behind on student loan payments (by family income, education, and race/ethnicity)

Characteristic	Percent
Family income	
Less than \$25,000	24
\$25,000–\$49,999	24
\$50,000–\$99,999	15
\$100,000 or more	7
Education	
Some college or technical degree	28
Associate degree	22
Bachelor's degree	7
Graduate degree	7
Race/ethnicity	
White	10
Black	23
Hispanic	27
Asian	13
Overall	16
Note: Among adults with outstanding student loans for their own education.	

dent loans for their own education reported that they were currently required to make monthly payments on their student loans. This is well above the 37 percent of borrowers who reported they were required to make payments in 2022 and is similar to the 66 percent of borrowers who reported owing monthly payments in 2019.⁵⁵ Additionally, in 2023, 16 percent of borrowers reported being behind on payments or in collections for one or more of their student loans, up slightly from the 15 percent in 2022 but still slightly below the 17 percent from 2019.

Similar to findings in previous years, borrowers with less education or lower income were more likely to be behind on their student loan payments. Twenty-two percent of borrowers with loans outstanding who completed an associate degree reported being behind, compared with 7 percent of borrowers with a

bachelor's degree (table 35).⁵⁶ Similarly, nearly one-fourth of borrowers earning less than \$25,000 were behind on student loan payments, while 7 percent of borrowers earning \$100,000 or more were behind. In addition to these differences by income and education level, Hispanic and Black borrowers reported higher rates of being behind on student loan payments.

Difficulties with student loan payments also varied by the type of institution attended. Twenty-seven percent of borrowers with outstanding student loans for their own education who attended for-profit institutions were behind on student loan payments, versus 13 percent of those who attended public institutions and 11 percent who attended private not-for-profit institutions.

Although it is common to focus only on those with outstanding debt, many people who borrowed for their education had repaid their loans completely. Excluding people who have paid off their debt could overstate difficulties with repayment. Indeed, the share of adults who were behind on their

⁵⁵ In the 2022 and 2023 surveys, the question about borrowing for one's own education asked only about student loans, whereas the 2019 survey included other forms of debt used to pay for education. Nonetheless, 95 percent of those who had outstanding debt for their own education in 2019 had student loans.

⁵⁶ Currently enrolled students are frequently not required to make payments, so they are less likely to fall behind. Among those with less than an associate degree who are not currently enrolled and owe outstanding student loans on their own education, a larger 38 percent of borrowers are behind.

payments is much lower when accounting for all who ever borrowed, including those who had completely repaid that debt.

Among those who ever incurred debt for their education, 7 percent were behind on their payments at the time of the 2023 survey, and 36 percent had outstanding debt and were current on their payments. Fifty-seven percent had completely paid off their loans, up 7 percentage points from the prior survey. Nevertheless, the demographic and educational characteristics of those who were behind on payments remain similar when also incorporating those who have paid off their loans.

Retirement and Investments

Retirees generally report high levels of financial well-being, but those with income from employment, pensions, or investments were doing substantially better than those who relied solely on Social Security or other public income sources. Among non-retirees, the share who felt like their retirement savings were on track increased in 2023, although most still did not feel their retirement savings were on track.

Current Retirees

Retirees represent a sizeable portion of the adult population. Twenty-seven percent of adults in 2023 considered themselves to be retired, even though some were still working in some capacity.⁵⁷ Fifteen percent of retirees had done some work for pay or profit in the prior month. Consequently, 4 percent of all adults considered themselves retired but were still working. Part-time work was more common among retirees than full-time work (11 percent and 4 percent of retirees, respectively).

Retirees with less education and those with a disability were less likely to work in retirement. Twelve percent of retirees with a high school degree or less reported they were still working, compared with 17 percent of retirees with a bachelor's degree or more. Nine percent of retirees with a disability were working, while 16 percent of retirees without a disability were working.⁵⁸

In deciding when to retire, most retirees indicated that their preferences played a role, although life events contributed to the timing of retirement for a substantial share. Many indicated that multiple factors contributed to their timing. Fifty-one percent of retirees said a desire to do other things or to spend time with family was important for their decision of when to retire, and 47 percent said they retired because they reached a normal retirement age.

Nonetheless, 29 percent of retirees said that a health problem was a factor in their decision of when to retire, and 16 percent said they retired in part to care for family members. One in 10 said

⁵⁷ In this report, descriptions of current retirees include everyone who reported being retired, including those who also reported that they are working.

⁵⁸ Retirees with a high school degree or less were more than twice as likely as retirees with a bachelor's degree to have a disability, which may contribute to some of the differences in employment by education. Data from the Current Population Survey (CPS) show that a rising share of older adults are working compared with two decades ago. However, the share of older adults who report that health issues are the reason they are not working has also risen over this time, and most of this increase in older adults who are not working because of health issues has been among those without college degrees (David H. Montgomery, "Who's Not Working? Understanding the U.S.'s Aging Workforce" (Minneapolis: Federal Reserve Bank of Minneapolis, February 2023), <https://www.minneapolisfed.org/article/2023/whos-not-working-understanding-the-uss-aging-workforce>).

they were forced to retire or that work was not available. Collectively, health problems, caring for family, and lack of work contributed to the timing of retirement for 46 percent of retirees.

Retiring due to health problems, lack of work, or caring for family was far more common among those with less education. Fifty-three percent of retirees with a high school degree or less cited one of these reasons for the timing of their retirement, compared with 32 percent of those with at least a bachelor's degree.

Table 36. Sources of income among retirees (by age)		
Percent		
Income source	age 65+	Overall
Social Security (including Old-Age and DI)	92	77
Pension	64	56
Interest, dividends, or rental income	52	48
Wages, salaries, or self-employment	26	33
Cash transfers, other than Social Security	5	8
Note: Among retirees. Respondents could select multiple answers. Sources of income include the income of a spouse or partner. DI is disability insurance.		

Social Security remained the most common source of retirement income, but 80 percent of retirees had one or more sources of private income. This included 56 percent of retirees with income from a pension; 48 percent with interest, dividends, or rental income; and 33 percent with labor income (table 36).⁵⁹ Seventy-seven percent of retirees received income from Social Security in the prior 12 months, including 92 percent of retirees age 65 or older.

Retirees who reported that their family income included labor income (such as wages, salaries, or self-employment income) were generally younger than retirees overall, and many had a working spouse. The median age of retirees whose family income included labor income was 66, compared with a median age of 69 for all retirees. Moreover, while 38 percent of retirees whose family income included labor income said they worked for pay or profit in the month prior to the survey despite being retired, a larger 59 percent reported they had a spouse who worked for pay or profit in the prior month.

While retirees as a group had generally high levels of financial well-being, this varied depending on the individual's sources of income. In 2023, 80 percent of all retirees said they were doing at least okay financially. Among retirees whose family income included wages or other sources of labor income, a higher share (85 percent) reported they were doing at least okay financially.

Among retirees who did not have labor income, those who had pensions or income from interest, dividends, or rents were doing better financially than those who were reliant solely on Social Security and cash transfers from other government programs or reported no income sources in

⁵⁹ The type of pension was not specified, so pension income may include income from defined benefit plans, which pay a fixed monthly amount, and defined contribution plans, such as 401(k) and 403(b) plans.

2023.⁶⁰ Fifty-two percent of retirees who did not have private income said they were doing at least okay financially (table 37). This was far below the share of retirees who had income from private sources, such as pensions and investments, who were doing at least okay financially.

Retirement Savings and Investments

Most adults had tax-preferred retirement accounts, defined benefit pensions, or other assets that they may be able to tap to meet expenses in retirement. Sixty-seven percent of adults had assets that are specifically designated for producing income in retirement, including the 60 percent of adults who had a tax-preferred retirement account, such as a 401(k) plan through an employer, individual retirement account (IRA), or Roth IRA, and 29 percent who had a defined benefit pension through an employer (table 38).⁶¹ Outside of designated retirement assets, other assets, such as home equity and savings in a taxable investment account, can also be important sources of financial security in retirement.⁶²

Retirees are more likely than non-retirees to have most types of assets (table 38). Focusing on assets that are specifically designed to provide income for retirement, retirees are more likely than non-retirees to have a defined benefit pension from an employer. However, non-retirees are more likely than retirees to have a tax-preferred retirement savings accounts like an employer-sponsored defined contribution retirement plan, such as a 401(k) plan, or an IRA. This difference in types of

Table 37. Financial well-being among retirees without labor income (by other sources of private income in the prior 12 months)

Percent	
Income sources	At least okay financially
No private income	52
Pension	78
Interest, dividends, or rents	88
Pension + interest, dividends, or rents	95

Note: Among retirees without labor income. Sources of income include the income of a spouse or partner. Categories are mutually exclusive, so "Pension," for example, indicates the retiree had income from a pension but not interest, dividends, or rents. Retirees may have received income from public sources as well.

⁶⁰ For context on the income sources highlighted here, a "three-legged stool" has been used as a metaphor for a retirement savings strategy that includes Social Security, private pensions, and other savings and investments. For a history of this metaphor, see Larry DeWitt, "Origins of the Three-Legged Stool Metaphor for Social Security," Research Notes & Special Studies by the Historian's Office (Washington: Social Security Administration, May 1996), <https://www.ssa.gov/history/stool.html>.

⁶¹ Accounts like 401(k) plans and IRAs are tax preferred in that they receive some type of favorable treatment to incentivize retirement savings. In the case of traditional 401(k) and IRA accounts, contributions to the accounts and account income and appreciation are not taxed at the time they are received, but rather taxes are deferred until the money is withdrawn, typically in retirement. In contrast, contributions to Roth 401(k) and Roth IRA accounts do not receive a tax deduction, but the full balance of the account, including contributions, income, and appreciation, is not taxable when withdrawn in retirement.

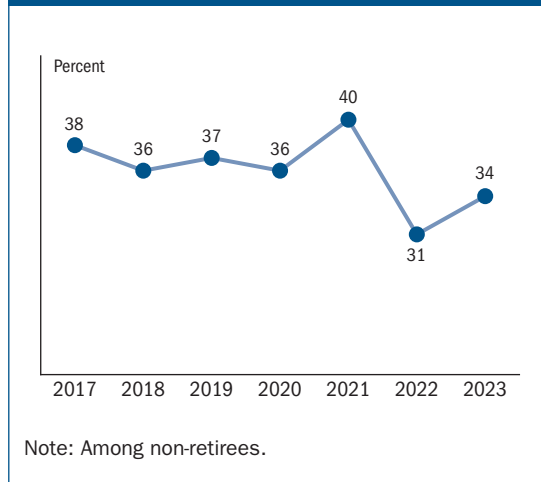
⁶² While the assets listed here include many sources that people could tap to generate income for retirement, they do not reflect all types of assets people may hold. In particular, many adults have an automobile, and as discussed in the "Banking and Credit" section of this report, most adults have a checking or other transaction account. The triennial Survey of Consumer Finances (SCF) provides detailed estimates of the types of assets and liabilities held by U.S. households and the value of their holdings. For the most recent estimates from the SCF, see Aditya Aladangady, Jesse Bricker, Andrew C. Chang, Sarena Goodman, Jacob Krimmel, Kevin B. Moore, Sarah Reber, Alice Henriques Volz, and Richard A. Windle, Changes in U.S. Family Finances from 2019 to 2022: Evidence from the Survey of Consumer Finances (Washington: Board of Governors of the Federal Reserve System, October 2023), <https://doi.org/10.17016/8799>.

Table 38. Types of assets (by retirement status)
Percent

Assets	Non-retirees	Retirees	Overall
Tax-preferred retirement accounts and pensions			
Tax-preferred retirement account, such as a 401(k) or IRA	61	57	60
Defined benefit pension through an employer	21	51	29
Have tax-preferred retirement account or pension	64	73	67
Other assets			
Own home	58	82	64
Savings or money market account or certificate of deposit (CD)	54	70	58
Stocks, bonds, ETFs, or mutual funds held outside a retirement account	31	45	35
Cash value in a life insurance policy	23	31	25
Business or real estate	9	16	11
Have tax-preferred retirement account, pension, or other assets listed above	84	92	86

Note: Among all adults. Respondent could select multiple answers. ETFs are exchange-traded funds.

Figure 34. View retirement savings plan as on track (by year)



designated retirement assets held by retirees and non-retirees likely reflects the declining prevalence of employer-sponsored defined benefit pensions and the wider use of tax-preferred retirement savings accounts in recent decades.⁶³

While most non-retired adults had some type of tax-preferred retirement account (such as a 401(k), IRA, or Roth IRA) or a defined benefit pension, 34 percent of non-retirees thought their retirement saving was on track.⁶⁴ The share of non-retirees who thought their retirement saving was on track was up from 31 percent in 2022 but below the shares who thought their saving was on track in 2017 through 2021 (figure 34).

Retirement savings and perceived preparedness differed across demographic groups. Younger non-retirees were less likely to have tax-preferred retirement accounts and defined benefit pensions and less likely to view their retirement savings plan as on track than older non-retirees. Compared with all non-retirees, Black and Hispanic non-retirees were less likely to have these types of designated retirement assets and to view their retirement savings as on track, while White and Asian non-retirees were more likely to have such assets and say they were on track. Men were

⁶³ For history on IRAs, see Congressional Research Service, Individual Retirement Account (IRA) Ownership: Data and Policy Issues, December 9, 2020, <https://crsreports.congress.gov/product/pdf/R/R46635/3>. For recent context on employer-sponsored retirement plans, see Congressional Research Service, A Visual Depiction of the Shift from Defined Benefit (DB) to Defined Contribution (DC) Pension Plans in the Private Sector, December 27, 2021, <https://crsreports.congress.gov/product/pdf/IF/IF12007>.

⁶⁴ The question did not prompt respondents to consider any particular type of assets or level of income in their answer, and so survey respondents could determine for themselves what they considered on track.

slightly more likely than women to have designated retirement assets and to say their retirement savings plan was on track (table 39).

Non-retirees with a disability were also less likely to have designated retirement assets and to view their savings as on track. Among non-retirees with a disability, just 33 percent had tax-preferred retirement savings accounts, 13 percent had a defined benefit pension, and 11 percent viewed their savings as on track. Adults with a disability have a lower rate of employment compared with adults without a disability. In addition, adults with a disability who receive means-tested benefits may face asset limits that would deter holding any savings they may have accrued.⁶⁵

Although money in retirement accounts is intended to be preserved for retirement, occasionally these savings can also act as a source of emergency funds for non-retirees who face economic hardships. Overall, 10 percent of non-retired adults tapped their retirement savings by borrowing from or cashing out funds from their retirement accounts in the prior 12 months.⁶⁶

Non-retirees who are contributing to tax-preferred retirement accounts may do so through a payroll deduction or other regular contribution. Reducing the amount of these regular contributions is another way that non-retirees can increase their disposable income to help make ends meet. Nine percent of non-retirees said that they reduced their regular contributions to their retirement accounts in the prior 12 months. Some people tapped their retirement accounts by borrowing from or cashing out funds and also said they reduced regular contributions to their accounts. Overall,

Table 39. Non-retirees with a tax-preferred retirement account, defined benefit pension and view retirement savings plan as on track (by demographic characteristics)

Percent			
Characteristic	Tax-preferred retirement account	Defined benefit pension	Retirement savings on track
Age			
18–29	43	8	26
30–44	63	19	34
45–59	72	32	38
60+	75	36	45
Race/ethnicity			
White	68	23	40
Black	51	21	25
Hispanic	45	16	21
Asian	75	26	46
Disability status			
No disability	65	22	37
Disability	33	13	11
Gender			
Male	63	22	36
Female	60	20	32
Overall	61	21	34
Note: Among non-retirees.			

⁶⁵ SSI and Social Security Disability Insurance (SSDI) are federal programs to support adults with a disability who meet medical and other requirements. SSI recipients must have limited income and resources, but SSDI recipients do not have to meet income and resource limits to qualify for benefits. See Social Security Administration, Red Book: A Guide to Work Incentives and Employment Supports for Persons with Who Have a Disability Under the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) Programs, SSA Publication No. 64-030, August 2023, <https://www.ssa.gov/redbook/>.

⁶⁶ The question on borrowing from or cashing out retirement savings was changed on the 2023 survey, so is not directly comparable with earlier years.

Table 40. Non-retirees who borrowed or cashed out money from a retirement account or reduced regular retirement account contributions in the prior 12 months (by economic hardship)

Percent		
Hardship	Borrowed or cashed out money	Reduced regular contributions
Had unexpected, out-of-pocket major medical expenses		
Yes	15	13
No	9	7
Laid off from a job		
Yes	21	18
No	10	8
Overall	10	9
Note: Among non-retirees.		

16 percent of non-retirees took any of these three actions with their retirement accounts in the prior 12 months.

Non-retirees who had a major unexpected medical expense or who experienced a layoff were more likely to have tapped the funds in their retirement accounts, compared with other adults (table 40). They also were more likely to have reduced their regular contributions to retirement accounts.⁶⁷

Tapping retirement accounts and reducing regular contributions can help people handle economic hardships or other changes to income or expenses, but this may come at a cost to their longer-term financial security.

While 34 percent of non-retirees overall said their retirement savings plan was on track, only 28 percent of retirees who had reduced their regular contributions to retirement accounts in the prior 12 months thought their retirement savings plan was on track. Among non-retirees who had borrowed from or cashed out funds from their retirement accounts in the prior year, the share who said they were on track was lower, at 20 percent.

Comfort Managing Investments

Given the importance of retirement savings accounts and other self-directed investments, individuals need to have the skills and knowledge required to manage their own investments or to select a paid professional to do so. People varied in their comfort with choosing and managing their investments.⁶⁸ Forty-five percent of adults said they were mostly or very comfortable choosing and managing their investments, while 55 percent of adults said they were not comfortable or only slightly comfortable.

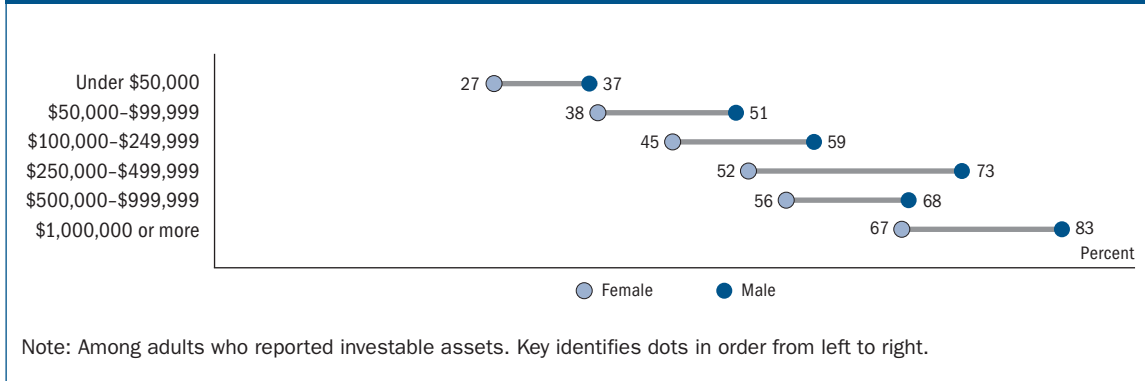
A higher share of men expressed comfort about managing their investments than women. Fifty-two percent of men said they were mostly or very comfortable choosing and managing their invest-

⁶⁷ For more on early withdrawals and the relationship with economic shocks and income, see Robert Argento, Victoria L. Bryant, and John Sabelhaus, "Early Withdrawals from Retirement Accounts during the Great Recession," *Contemporary Economic Policy* 33, no. 1 (2015), 1–16.

⁶⁸ The question asked about choosing and managing investments but did not specify a type of investment, so people could answer according to the assets they considered to be investments. In prior years of the survey, a similar question was asked of non-retirees with self-directed retirement accounts. This question was changed in the 2023 survey and asked of all respondents.

ments, while 38 percent of women gave these responses. For both men and women, the share of adults who were comfortable managing their investments generally rose along with the value of investable assets (figure 35). Nonetheless, a higher share of men was comfortable managing their investments, compared with women with the same level of investable assets.⁶⁹

Figure 35. Mostly or very comfortable choosing and managing investments (by investable assets and gender)



⁶⁹ Comfort managing investments also rises with education, but differences by gender and investable assets persist even when controlling for education.

Description of the Survey

The Survey of Household Economics and Decisionmaking was fielded from October 20 through November 5, 2023. This was the 11th year of the survey, conducted annually in the fourth quarter of each year since 2013.⁷⁰ Staff of the Federal Reserve Board wrote the survey questions in consultation with other Federal Reserve System staff, outside academics, and professional survey experts.

Ipsos, a private consumer research firm, administered the survey using its KnowledgePanel, a nationally representative probability-based online panel. Since 2009, Ipsos has selected respondents for KnowledgePanel based on address-based sampling (ABS). SHED respondents were then selected from this panel.

Survey Participation

Participation in the 2023 SHED depended on several separate decisions made by respondents. First, they agreed to participate in Ipsos's KnowledgePanel. According to Ipsos, 9.7 percent of individuals contacted to join KnowledgePanel agreed to join (study-specific recruitment rate). Next, they completed an initial demographic profile survey. Among those who agreed to join the panel, 61.0 percent completed the initial profile survey and became a panel member (study-specific profile rate). Finally, selected panel members agreed to complete the 2023 SHED.

Of the 16,656 panel members contacted to take the 2023 SHED, 11,488 participated and completed the survey, yielding a final-stage completion rate of 69.0 percent.⁷¹ Taking all the stages of recruitment together, the cumulative response rate was 4.1 percent.⁷² After removing a small number of respondents because of high refusal rates or completing the survey too quickly, the final sample used in the report included 11,400 respondents.⁷³

⁷⁰ Data and reports of survey findings from all past years are available at <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

⁷¹ Three hundred seventy-five respondents were not included in the analysis because they started, but did not complete, the survey (known as break-offs). The study break-off rate for the SHED was 3.2 percent.

⁷² The cumulative response rate for the SHED is comparable with the response rates for telephone surveys. According to the Pew Research Center, telephone survey response rates in 2018 were around 6 percent (see Courtney Kennedy and Hannah Hartig, "Response Rates in Telephone Surveys Have Resumed Their Decline," Pew Research Center (PRC) Report (Washington: PRC, February 27, 2019), <https://www.pewresearch.org/short-reads/2019/02/27/response-rates-in-telephone-surveys-have-resumed-their-decline/>).

⁷³ Of the 11,488 respondents who completed the survey, 88 were excluded from the analysis in this report because of either leaving responses to a large number of questions missing, completing the survey too quickly, or both.

Targeted Outreach and Incentives

To increase survey participation and completion among hard-to-reach demographic groups, Board staff and Ipsos used a targeted communication plan with monetary incentives. The target groups—young adults ages 18 to 29; adults with less than a high school degree; adults with household income under \$50,000 who are under age 60; and those who are a race or ethnicity other than White, non-Hispanic—received additional email reminders during the field period, as well as additional monetary incentives.

All survey respondents not in a target group received a \$5 incentive payment after survey completion. Respondents in the target groups received a \$15 incentive. These targeted individuals also received an additional follow-up email during the field period to encourage completion.⁷⁴

Survey Questionnaire

The 2023 survey took respondents 20.5 minutes (median time) to complete.

A priority in designing the survey questions was to understand how individuals and families—particularly those with low- to moderate-income—were faring financially. The questions were intended to complement and augment the base of knowledge from other data sources, including the Board’s Survey of Consumer Finances. In addition, some questions from other surveys were included to allow direct comparisons across datasets.⁷⁵ The full survey questionnaire can be found in appendix A of this report.

Survey Mode

While the sample was drawn using probability-based sampling methods, the SHED was administered to respondents entirely online. Online interviews are less costly than telephone or in-person interviews and can be an effective way to interview a representative population.⁷⁶ Ipsos’s online panel offers some additional benefits. Their panel allows the same respondents to be re-interviewed in subsequent surveys with relative ease, as they can be easily contacted for several years.

⁷⁴ All participants received a pre-notification email before the survey launch. They also received a reminder on the third day of the field period in addition to the initial survey invitation. Targeted respondents received one additional email reminder on day seven of fielding.

⁷⁵ For a comparison of results to select overlapping questions from the SHED and Census Bureau surveys, see Jeff Larrimore, Maximilian Schmeiser, and Sebastian Devlin-Foltz, “Should You Trust Things You Hear Online? Comparing SHED and Census Bureau Survey Results,” Finance and Economics Discussion Series Notes (Washington: Board of Governors of the Federal Reserve System, October 15, 2015), <https://doi.org/10.17016/2380-7172.1619>.

⁷⁶ David S. Yeager, et al., “Comparing the Accuracy of RDD Telephone Surveys and Internet Surveys Conducted with Probability and Non-Probability Samples,” *Public Opinion Quarterly* 75, no. 4 (2011): 709–47.

Furthermore, internet panel surveys have numerous existing data points on respondents from previously administered surveys, including detailed demographic and economic information. This allows for the inclusion of additional information on respondents without increasing respondent burden.⁷⁷ The respondent burdens are further reduced by automatically skipping irrelevant questions based on responses to previous questions.

The “digital divide” and other differences in internet usage could bias participation in online surveys, so recruited panel members who did not have a computer or internet access were provided with a laptop and access to the internet to complete the surveys. Even so, individuals who complete an online survey may have greater comfort or familiarity with the internet and technology than the overall adult population, which has the potential to introduce bias in the characteristics of who responds.

Sampling and Weighting

The SHED sample was designed to be representative of adults age 18 and older living in the United States.

The Ipsos methodology for selecting a general population sample from KnowledgePanel ensured that the resulting sample behaved as an equal probability of selection method (EPSEM) sample. This methodology started by weighting the entire KnowledgePanel to the benchmarks in the latest March supplement of the Current Population Survey (CPS) along several geo-demographic dimensions. This way, the weighted distribution of the KnowledgePanel matched that of U.S. adults. The geo-demographic dimensions used for weighting the entire KnowledgePanel included gender, age, race, ethnicity, education, census region, household income, homeownership status, and metropolitan area status.

Using the above weights as the measure of size (MOS) for each panel member, in the next step a probability proportional to size (PPS) procedure was used to select study specific samples. This methodology was designed to produce a sample with weights close to one, thereby reducing the reliance on post-stratification weights for obtaining a representative sample.

After the survey collection was complete, statisticians at Ipsos adjusted weights in a post-stratification process that corrected for any survey non-response as well as any non-coverage or under- and oversampling in the study design. The following variables were used for the adjustment of weights for this study: age, gender, race, ethnicity, census region, residence in a metropolitan area, education, and household income. These weighting variables are consistent with those used

⁷⁷ This approach also may allow for the retroactive linking of information learned about respondents from other data, as was done in 2022 to identify Asian respondents in earlier years of the survey.

in earlier waves of the survey. Demographic and geographic distributions for the noninstitutionalized, civilian population age 18 and older from the March CPS were the benchmarks in this adjustment. Household income benchmarks were obtained from the March 2023 CPS. The weighted sample for the 2023 SHED is representative of the estimated 258 million U.S. adults age 18 and older from the March 2023 CPS.

One feature of the SHED is that a subset of respondents also participated in prior waves of the survey. In 2023, about one-third of respondents had participated in the fall 2022 survey. Prior year case identifiers for these repeat respondents are available in the publicly available dataset, along with weights for this subset of respondents. These weights use a similar procedure as described above to ensure estimates based on the repeated sample are representative of the U.S. population.

Although weights allow the sample population to match the U.S. population (excluding those in the military or in institutions, such as prisons or nursing homes) based on observable characteristics, similar to all survey methods, it remains possible that non-coverage, non-response, or occasional disparities among recruited panel members result in differences between the sample population and the U.S. population. For example, address-based sampling likely misses homeless populations, and non-English speakers may not participate in surveys conducted in English.⁷⁸

Despite an effort to select the sample such that the unweighted distribution of the sample more closely mirrored that of the U.S. adult population, the results indicate that weights remain necessary to accurately reflect the composition of the U.S. population. Consequently, all results presented in this report use the post-stratification weights produced by Ipsos for use with the survey.

Item Non-response and Imputation

Item non-response in the 2023 SHED was handled by imputation. Typically, less than 1 percent of observations were missing for each question, although non-response was higher for some questions.⁷⁹ As a result, population estimates were not sensitive to the imputation procedure and a

⁷⁸ For example, while the survey was weighted to match the race and ethnicity of the entire U.S. adult population, there is evidence that the Hispanic population in the survey were somewhat more likely to speak English at home than the overall Hispanic population in the United States. In the 2023 SHED, the percent of Hispanic adults who speak Spanish at home is below estimates from the 2022 American Community Survey. See table B16006 at <https://data.census.gov>. For a comparison of results to select questions administered in Spanish and English, see Board of Governors of the Federal Reserve System, *Report on the Economic Well-Being of U.S. Households in 2017* (Washington: Board of Governors, May 2018), <https://www.federalreserve.gov/publications/files/2017-report-economic-well-being-us-households-201805.pdf>.

⁷⁹ Because item non-response is very low in the SHED, 2023 estimates are comparable with earlier years of the survey where item non-response was handled differently.

simple regression approach was used.⁸⁰ For continuous variables such as rent and mortgage payment amounts, a hot deck approach was used.⁸¹

The imputation procedure was carried out as follows:

1. Impute questions, like income and education, to be used in the imputation models throughout.
2. Continue at the beginning of the survey and impute missing values sequentially, question by question.

In some cases, the imputation for one question affected later questions by switching an observation from out-of-universe to in-universe or vice versa. These cases were handled by imputing the missing “downstream” question response or recoding it to missing, where appropriate.

Each variable in the publicly available SHED dataset has a corresponding imputation flag, ‘var’_iflag, which is set to 1 if the observation was imputed and 0 otherwise.⁸² For example, the first question of the survey about whether the respondent lived with their spouse or partner, LO_a, has a corresponding imputation flag of LO_a_iflag. This question had 42 missing values that were imputed, accounting for 0.37 percent of all observations.

⁸⁰ A logit regression was used for binary variables, a multinomial logit for categorical variables, an ordinal logit for ordered values, and a linear regression for continuous values. Typical predictors included income, education, race and ethnicity, age, gender, and metropolitan status but varied depending on how well they predicted the variable of interest and item non-response. Additional predictors were included as appropriate.

⁸¹ This approach involved assigning values to non-responses by copying responses from demographically similar respondents. To do this, we first grouped respondents by characteristics such as education, age, and income, and we then arranged respondents within groups by the time of their survey completion. Each non-response was matched with the nearest neighbor within their group based on survey completion time, and values were imputed for each non-response by drawing from their nearest neighbor’s response.

⁸² The survey data can be downloaded from the Federal Reserve website at https://www.federalreserve.gov/consumerscommunities/shed_data.htm.

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