



RESEARCH & ANALYSIS

Economic Well-Being of U.S. Households in 2025

May 2026



BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM



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Executive Summary

Results from the 2025 Survey of Household Economics and Decisionmaking (SHED), which was fielded in October, continued to show stability in financial well-being at a level slightly below that seen just before the coronavirus (COVID-19) pandemic.¹ Labor market indicators in the survey also remained solid, despite some softening. Additionally, the share of adults who said that price increases were a major concern declined. Nevertheless, prices remained the most common financial concern among U.S. adults.

Concerns about finding or keeping a job increased compared with the prior year. There was a small increase in layoffs, slightly fewer voluntary quits, and fewer people changing jobs than in 2024. Additionally, more adults under age 30 said that not being able to find a job kept them from working than in the prior year.

The adoption of generative artificial intelligence (AI) is also changing the workplace, with one-in-four workers saying that they used generative AI at work in the prior month. Users of generative AI were more likely to see potential benefits of the technology for their careers than to worry it will replace their jobs.

Despite some persistent financial concerns, measures of savings and credit use were similar to a year earlier. The share of adults who would pay for an unexpected \$400 expense with cash or the equivalent was unchanged, as was the share who could cover three months of expenses with a rainy day fund. The share of non-retirees saying that their retirement savings plan was on track was unchanged. Credit card ownership rates and repayment behaviors were also similar to prior years overall.

In addition to looking at the financial situation of adults overall, the survey continued to track financial well-being for demographic groups. Despite the generally stable financial situation for adults as a whole, financial well-being declined for young adults, low-income families, and Black adults.

The survey continues to cover a range of financial topics, such as credit access, housing affordability, childcare, student loans, economic hardships, and banking. Key findings across each of the sections 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 17 until October 28, 2025. 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

- At 73 percent, the share of adults “doing okay financially” or “living comfortably” held steady in 2025, though certain demographic groups, including low-income, young, and Black adults, saw meaningful declines.
- “Price increases” remained the most common financial concern. Just above 9 in 10 adults said “price increases” were a “minor” or “major concern,” unchanged from the prior year. That said, the share citing “price increases” as a major concern declined 3 percentage points.
- Concerns about “finding or keeping a job” became more common in 2025, consistent with other evidence of a solid but softening labor market. Forty-two percent of adults said “finding or keeping a job” was either a “minor” or “major concern,” up from 37 percent in 2024.
- In contrast to people’s perceptions of their own financial situation, consumer views on the national economy worsened over the prior year and remained much more pessimistic than before the pandemic. About one-fourth of adults rated the national economy as “good” or “excellent,” down 3 percentage points from 2024 and 24 percentage points from 2019, before the pandemic.

Employment and Job Quality

- There was a small increase in layoffs and slightly fewer voluntary quits in 2025, indicating additional challenges for workers and job seekers. Fifteen percent of adults under age 30 were not working and said that not being able to find work contributed to them not working.
- One-in-four workers had used generative AI in the prior month as a part of their job. Workers with a graduate degree were more than four times more likely to use AI than those with a high school degree or less.
- Eighty-one percent of people who used generative AI agreed that it saves them time. Users of generative AI were also more likely to expect it to improve their career than to expect it to replace their jobs.

Living Arrangements and Care Work

- The share of young adults who live with their parents has increased in recent years. In 2025, 49 percent of adults under age 30 lived with a parent. This share was up by 6 percentage points since 2022, and up 12 percentage points since 2019, just before the pandemic.
- One-in-four parents with children under age 13 used paid childcare. Most families who paid for both childcare and housing spent at least 50 percent as much on childcare as on housing.

Income and Expenses

- Forty-seven percent of adults ages 18 to 29 received help from someone outside their household to pay an expense in the prior 12 months. Money for a cell phone bill, for general

expenses, and for housing costs—such as rent, mortgage or utilities—were the most common forms of help that people received.

- A majority of adults (58 percent) said that changes in the prices they paid compared with the prior year had made their financial situation worse, but this share was down from 60 percent in 2024 and 65 percent in 2023.

Economic Hardships

- Sixteen percent of adults did not pay all of their bills in the prior month, and 8 percent said members of their family sometimes or often did not have enough to eat. Both measures were similar to 2024.
- Twenty-six percent of adults skipped medical expenses because of cost in the prior year, down from 28 percent in 2024.
- Fifty-nine percent of adults had at least one type of major, unexpected expense in the prior 12 months. The most common unexpected expenses were a major vehicle repair or replacement (30 percent of adults), followed by a major house or appliance repair and unexpected major medical expenses (22 percent and 21 percent, respectively).

Savings and Investments

- Sixty-three percent of adults said they would cover a hypothetical \$400 emergency expense exclusively using cash, savings, or a credit card paid off at the next statement (referred to, altogether, as “cash or its equivalent”). This share was unchanged from the previous three years, but down from a high of 68 percent in 2021.
- Progress toward retirement saving goals was unchanged from 2024. Thirty-five percent of non-retirees thought their retirement savings plan was on track, up from 2022 and 2023, but down from 40 percent in 2021.

Banking

- While 94 percent of adults had a bank account, differences by income remained large. Nearly all adults with income of at least \$100,000 had a bank account, compared with 77 percent among adults with income less than \$25,000.
- Twenty percent of adults said they experienced financial fraud or scams, similar to the prior year. Sixteen percent experienced fraud involving their credit card, while 8 percent experienced another type of financial fraud. Collectively, the total amount of non-credit-card fraud was an estimated \$100 billion in 2025, with \$56 billion borne directly by consumers.
- Low-income adults tended to lose smaller amounts of money from fraud, though those losses were meaningful. Among adults with income less than \$50,000, the median loss from fraud

was \$400. Yet, 4 in 10 adults with this level of income said they could not cover even a \$100 emergency expense with only their savings.

Credit

- Since 2023, total credit card balances increased more for individuals currently experiencing financial difficulty. Using merged credit bureau data, average balances increased by more than 35 percent among those who said they were “finding it difficult to get by.”
- Credit card ownership continues to be lower among Black and Hispanic adults; however, carrying a balance on a credit card was more common among these groups.
- Buy Now, Pay Later (BNPL) use edged up 1 percentage point to 16 percent of all adults. Eleven percent of BNPL users had a payment trigger an overdraft or non-sufficient funds (NSF) fee from their bank in the prior year.
- Twenty-three percent of adults with student loans had recent payment difficulty. Slightly more than three-quarters of those experiencing payment difficulty said it was due to reasons related to affordability.

Housing

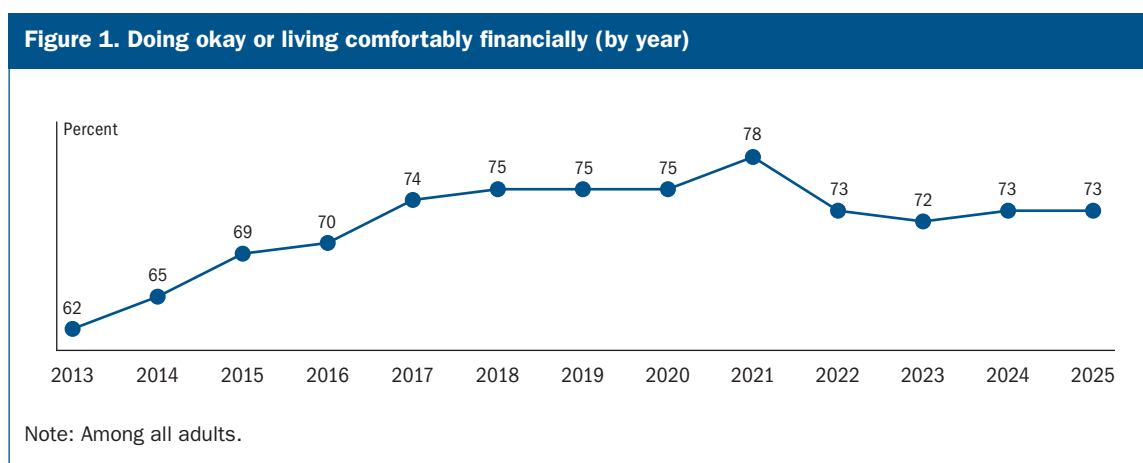
- Challenges paying rent increased compared with the prior year. Twenty-three percent of renters reported that they had been behind on their rent at some point in the past year, up 2 percentage points from 2024 and 6 percentage points since 2021.
- The cost of homeowners insurance affected homeowners in several ways, leaving some at increased financial risk. Six percent of homeowners went without homeowners insurance entirely, a majority because of cost. Among owners who had insurance, 20 percent said they could not afford as much coverage as they wanted, while 14 percent said they struggled to afford the premiums.

Overall Financial Well-Being

The share of adults doing okay financially or living comfortably held steady in 2025, though several demographic groups, including low-income, young, and Black adults, reported meaningful declines.² Price increases remained the most common financial concern. Concerns about finding or keeping a job were less common but increased compared with 2024. Favorable perceptions of people's local economy and the national economy declined over the prior year and remained much lower than in 2019, before the pandemic.

Current Financial Situation

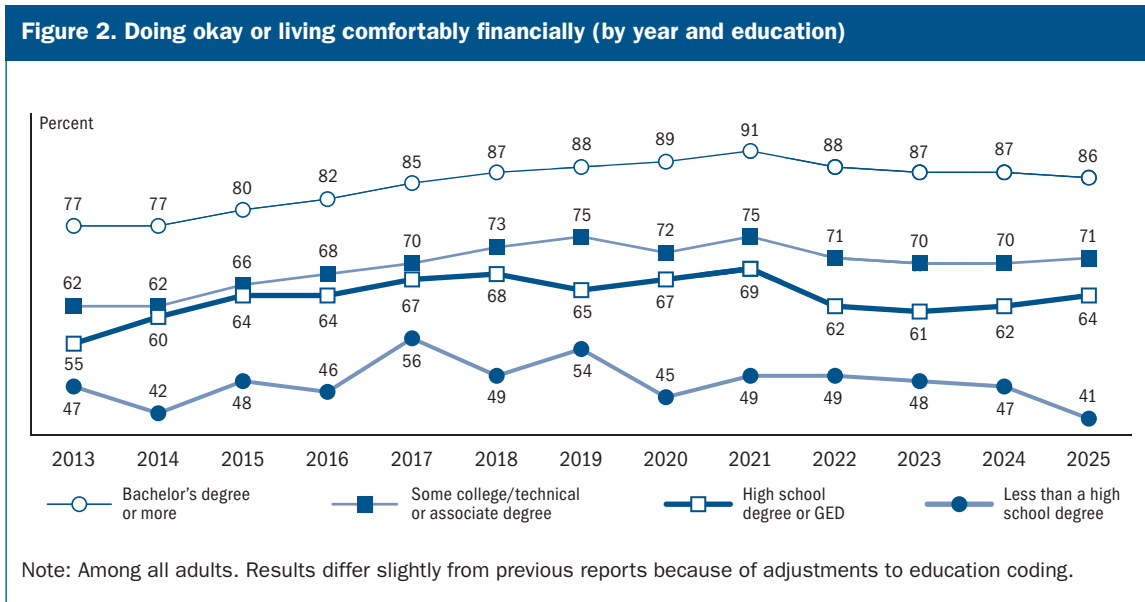
Near the end of 2025, 73 percent of adults reported “doing okay” financially (39 percent) or “living comfortably” (34 percent). The rest reported either “just getting by” (19 percent) or “finding it difficult to get by” (8 percent). The share of adults doing okay financially or living comfortably has remained at or near 73 percent since 2022, down from the previous plateau of 75 percent observed from 2018 to 2020 (figure 1).³



As in previous years, adults with at least a bachelor's degree continued to report higher financial well-being than did adults with lower levels of education. Eighty-six percent of adults with at least a bachelor's degree reported doing okay financially or living comfortably, compared with 41 percent of those with less than a high school degree.

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 2025, 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.

³ The share of adults “living comfortably” has also been stable since 2022 at around 34 percent each year.



The gap in well-being by education edged up, driven by a sharp decline among adults with less than a high school degree (figure 2).⁴ Further, well-being declined among both younger and older adults with less than a high school degree, indicating the decline for those with less than a high school degree was not driven solely by younger adults.

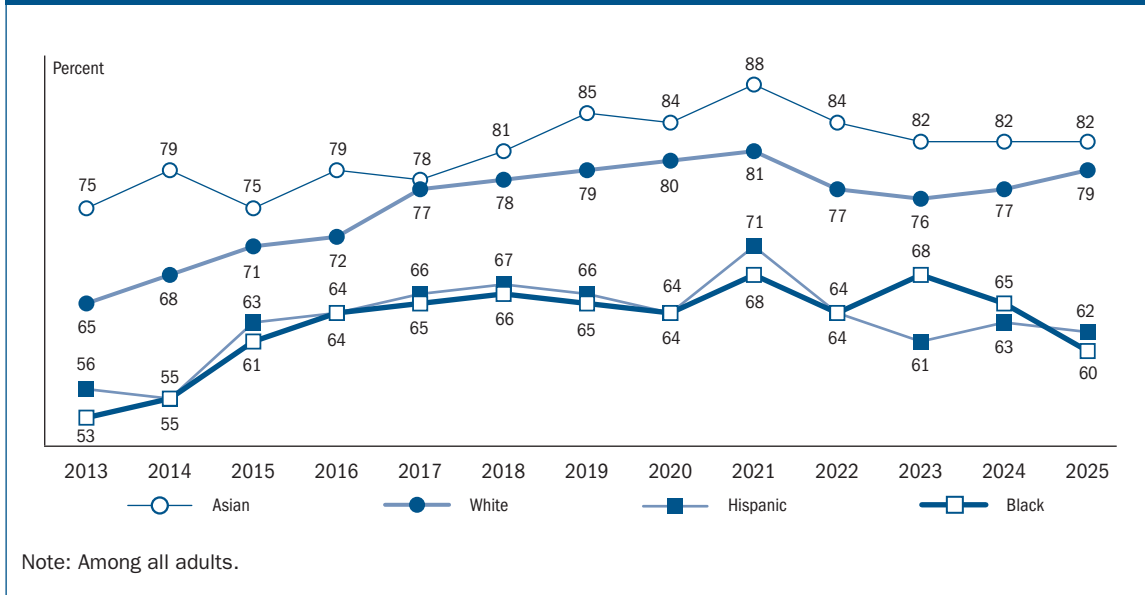
Differences in financial well-being across racial and ethnic groups also persisted in 2025. Eighty-two percent of Asian adults were doing okay or living comfortably, followed by 79 percent of White adults, 62 percent of Hispanic adults, and 60 percent of Black adults (figure 3).⁵

Black adults saw further declines in financial well-being, with the share doing okay or living comfortably down 5 percentage points from 2024.⁶ In contrast, the share doing okay or living comfortably was up among White adults and statistically indistinguishable from the prior year among Asian and Hispanic adults (figure 3).

⁴ The change from 2024 to 2025 in the share of adults doing okay or living comfortably was not statistically significant among the other three education groups: high school degree or GED, some college/technical or associate degree, and bachelor's degree or more.

⁵ 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.

⁶ Black adults also exhibited evidence of worsening financial circumstances across other measures in the survey. For example, as shown in the "Income and Expenses" and "Employment and Job Quality" sections of this report, the share whose finances were harmed by price increases and the share who experienced layoffs were up over the prior year.

Figure 3. Doing okay or living comfortably financially (by year and race/ethnicity)

Financial well-being continued to differ by several other dimensions, including income, age, disability status, metropolitan status, and neighborhood income designation (table 1).⁷ For instance, 63 percent of adults ages 18 to 29 reported doing okay or living comfortably, markedly lower than the 83 percent of adults age 60 or over who did so. This gap in well-being widened over the prior year, primarily driven by a decline in financial well-being among adults ages 18 to 24. This decline may reflect, at least in part, the more challenging job market facing young adults (see the “Employment and Job Quality” section of this report).

As a complement to the question asking how people are managing financially these days, the survey also asks respondents whether they are better or worse off financially than they were 12 months earlier. This question provides more insight into whether people’s financial situation improved or worsened over the prior year, 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 finding it difficult to get by overall).

⁷ Income includes all cash income from all sources that respondents and their spouse or partner received during the previous year (“family income”). Disability status is based on a five-question functional limitation sequence that asks about hearing, vision, ambulatory, self-care, and independent living difficulties and 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>). Metropolitan statistical area definitions follow the U.S. Census Bureau. For more details, see <https://www.census.gov/programs-surveys/metro-micro/about.html>. Neighborhood income uses the Community Reinvestment Act definition, where 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.

Table 1. Doing okay or living comfortably financially (by demographic characteristics)
Percent

Characteristic	2025	1-year change (since 2024)	Change since pre-pandemic (2019)
Family income			
Less than \$25,000	45	-4	n/a
\$25,000-\$49,999	55	-1	n/a
\$50,000-\$99,999	74	1	n/a
\$100,000 or more	91	0	n/a
Age			
18-29	63	-3	-4
30-44	68	1	-4
45-59	74	3	-1
60+	83	-1	-1
Disability status			
Disability	56	-2	n/a
No disability	78	1	n/a
Metropolitan status			
Metro area	74	0	-2
Non-metro area	67	1	-5
Neighborhood income			
Low or moderate income	59	-2	-4
Middle or upper income	79	1	-1
Overall	73	0	-2
Note: Among all adults. Income comparisons to 2019 are not shown because the income question changed in 2023. Disability status was first identifiable in the 2021 survey. Low- or moderate-income neighborhoods are defined here using the definition from the Community Reinvestment Act. Here and in subsequent tables and figures, percentages may not sum to 100 because of rounding. n/a Not applicable.			

Twenty-eight percent of adults said they were worse off financially than a year earlier, similar to the prior year and down from a series high of 35 percent in 2022. That said, the share doing worse off remains above the levels seen before the pandemic (figure 4). The share doing about the same as a year earlier ticked up to 49 percent, while the share who said they were better off held at 23 percent.

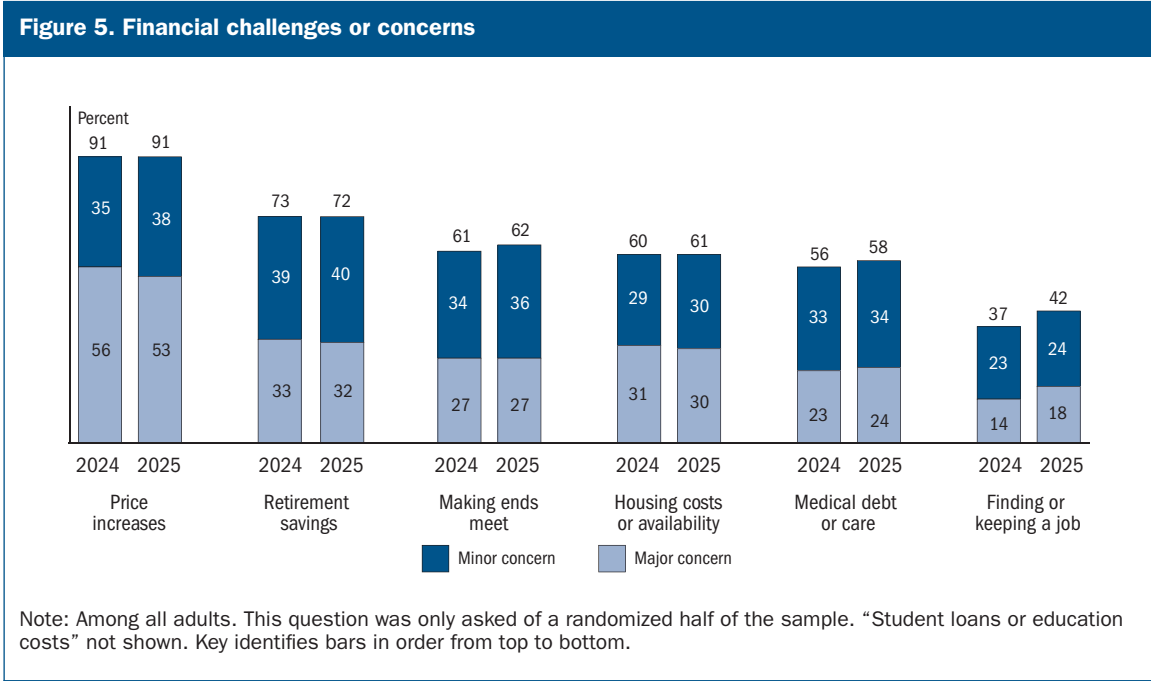
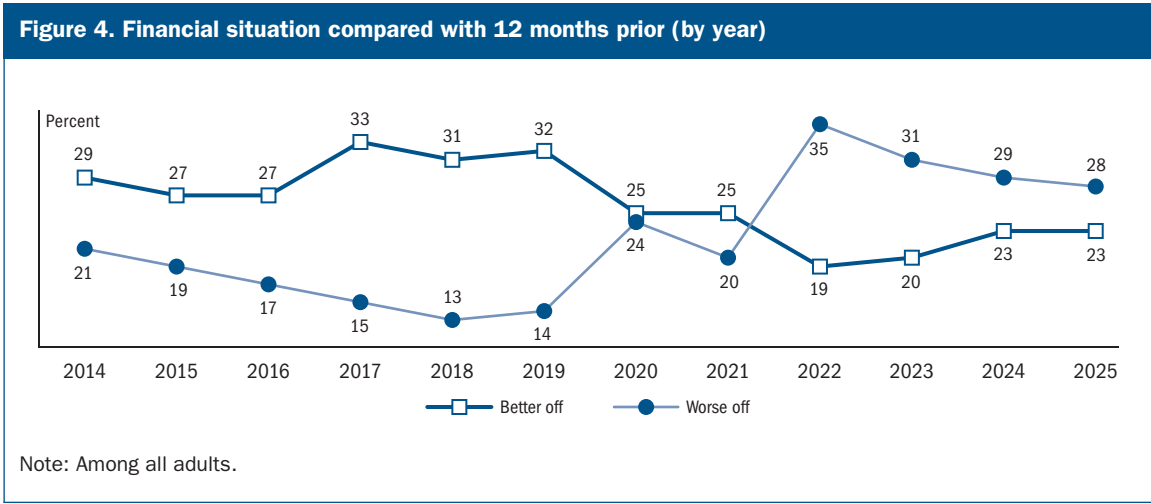
Financial Challenges

The survey further explored financial well-being by asking people about their financial challenges or concerns, including prices and jobs. “Price increases” remained the most common financial concern. Just above 9 in 10 adults said price increases were a “minor” or “major concern,” unchanged from 2024 (figure 5). Price increases as a major concern did decline over this period, though generally remained flat among lower-income and younger adults.⁸

Lower-income and younger adults were also more likely to be concerned about price increases overall. For example, 66 percent of adults with income under \$50,000 said that price increases were a major concern, compared with 42 percent among those with income over \$100,000.

People’s concerns about “finding or keeping a job” increased over the prior year, consistent with other indications of a solid but softening labor market (see the “[Employment and Job Quality](#)” section). Forty-two percent of adults said finding or keeping a job was either a minor or major concern,

⁸ One exception to these trends was among Black adults, where the 64 percent who said price increases were a major concern was up 6 percentage points from the prior year. These results on price increases as a main financial concern are broadly consistent with results from a separate question that asks people whether price changes had made their financial situation worse (see the “[Income and Expenses](#)” section of this report).



up from 37 percent in 2024 (figure 5). Increases in the share concerned about finding or keeping a job occurred among all income levels and ages.

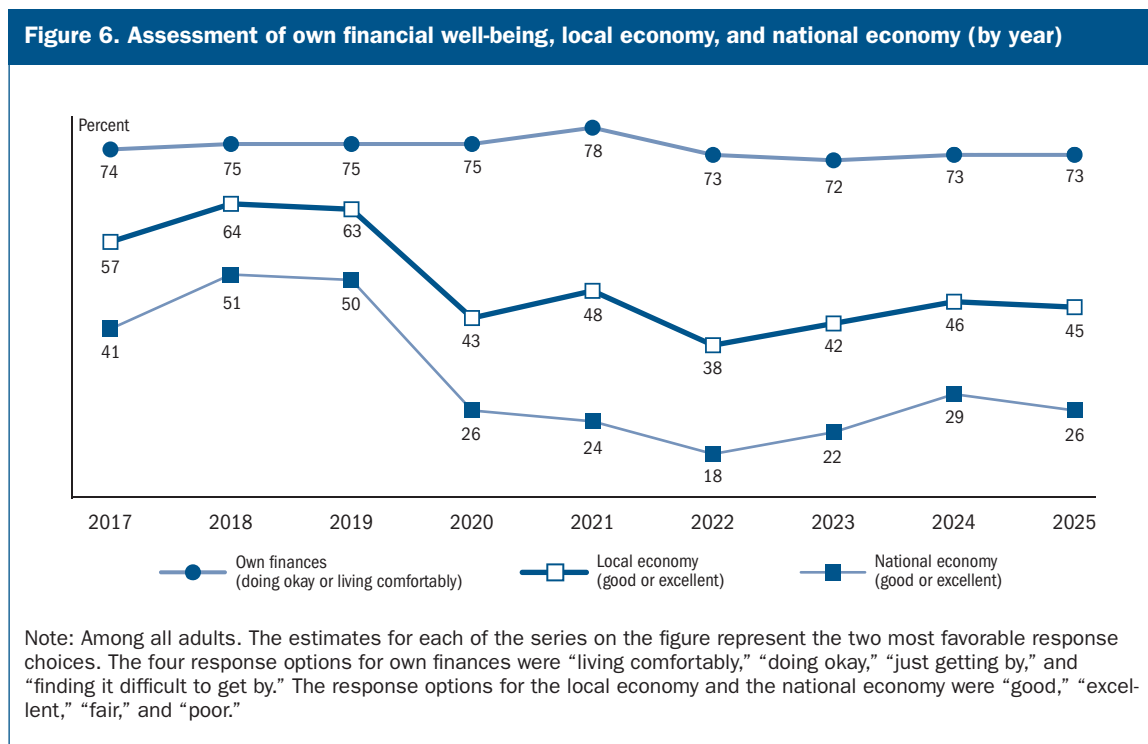
That said, similar to demographic patterns in concerns about price increases, lower-income and younger adults were more likely to have these concerns overall. In 2025, adults with income less than \$50,000 were nearly three times as likely as those with income of \$50,000 or more to say

finding or keeping a job was a major concern (30 percent versus 11 percent), and adults ages 18 to 29 were about twice as likely as those age 30 or older to say so (31 percent versus 14 percent).

Other concerns, like “retirement savings,” “housing costs or availability,” and “medical debt or care” generally remained at similar levels to 2024.

National and Local Economic Conditions

Along with questions about their own financial circumstances, people were asked to rate the national economy and their local economy as “excellent,” “good,” “only fair,” or “poor.” About one-fourth of adults rated the national economy good or excellent in 2025, down 3 percentage points over the prior year and well below the one-half of adults who did so in 2019, before the pandemic (figure 6).



Overall, people’s perceptions of their local economy were slightly less favorable in 2025. The 45 percent of people rating their local economy as good or excellent was down 1 percentage point from the prior year, yet still above the series low of 38 percent in 2022. However, changes in perceptions diverged sharply by metropolitan status. The share of adults rating their local economy as good or excellent fell 3 percentage points in metro areas yet rose 6 percentage points in

non-metro areas.⁹ As a result, while people living in metro areas continued to rate their local economy more favorably than those in non-metro areas, this gap shrank considerably in 2025 (table 2).

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

Percent

Characteristic	2025	1-year change (since 2024)	Change since pre-pandemic (2019)
Census region			
Northeast	46	-1	-17
Midwest	48	0	-16
South	44	-1	-20
West	41	-4	-20
Metropolitan status			
Metro area	46	-3	-19
Non-metro area	37	6	-16
Overall	45	-1	-18

Note: Among all adults.

⁹ The divergence in perceptions among adults living in metro and non-metro areas may reflect, at least in part, their differing experiences with prices. For example, the share of adults who said they were worse off because of higher prices declined sharply among those living non-metro areas, while ticking down only slightly among those in metro areas (see the “Income and Expenses” section of this report).

Employment and Job Quality

Labor market indicators remained solid despite some indications of additional challenges for workers and job seekers in 2025. There was a small increase in layoffs, slightly fewer voluntary quits, and fewer people changed jobs. More adults under age 30 also said that not being able to find work contributed to them not working.

One-in-four workers had used generative AI in the prior month as a part of their job, reflecting widespread adoption of this relatively new technology. Eighty-one percent of people who had used generative AI agreed that using it saves them time, and small majorities of users also agreed that it improved quality (52 percent) and that it enables new tasks (55 percent). Users of generative AI were also more likely to agree that having it available will improve their career relative to agreeing that they worry that it will replace their jobs. Non-users were less positive, however.

Finding Work, Promotions, and Raises

Just over three-fourths of prime-age adults (ages 25 to 54) were working for pay in the month before the survey in 2025, up 1 percentage point from 2024. A smaller 71 percent of prime-age women were working for pay, reflecting the greater family and childcare responsibilities held by women (table 3, also see the “Living Arrangements and Care Work” section of this report), among other factors. Overall, not being able to find work, health limitations or disability, family and personal obligations, and childcare were the most cited reasons for not working for pay.

Despite the increase in the share of prime-age adults who were working, some people struggled to find work. Eight percent of prime-age adults said that they were not working because they were unable to find work in 2025. Seven percent said they were not working for the same reason 2024.

Table 3. Reasons for not working among prime-age adults (by demographic characteristics)

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

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

Table 4. Difficulty finding work among young adults
Percent

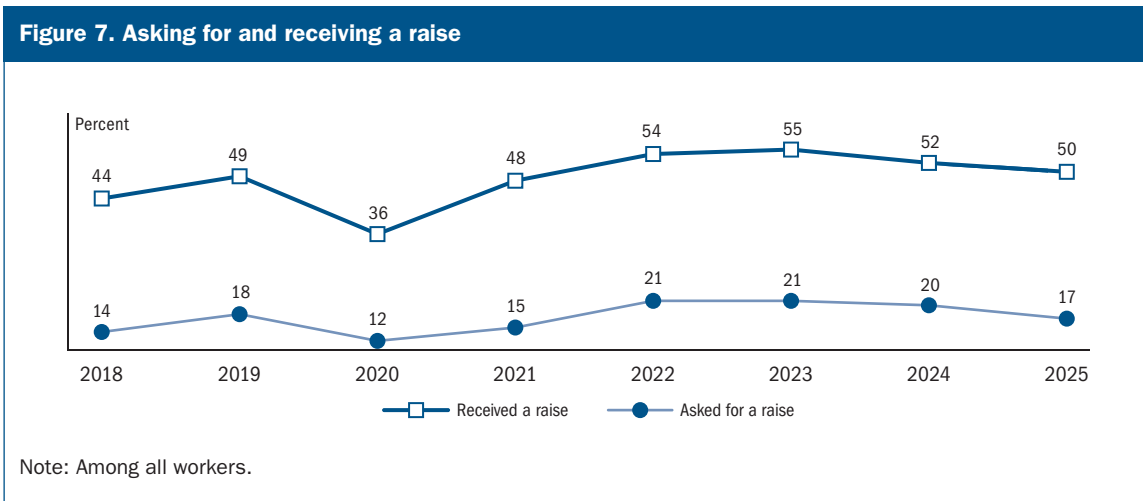
Reason	2023	2024	2025
Not working because could not find work	11	13	15
Working part time because could not find more work	6	8	10
Total	17	20	25

Note: Among adults ages 18 to 29.

The job market has been challenging for young adults. Fifteen percent of adults under age 30 were not working and said that not being able to find work contributed to them not working (table 4). This was up 2 percentage points from that seen in 2024 and 5 percentage points from 2023. Over this period, the share of young adults working part time because they could not find full-time employment also increased. The 15 percent of young adults not working because of an inability to find a job in

2025 was three times that seen among adults age 30 and above.

Raises and promotions also were down from levels seen during the “Great Resignation” in 2022 (figure 7). In 2025, 50 percent of workers said that they received a raise or a promotion, which was 3 percentage points lower than in 2022. Seventeen percent of workers said that they asked for a raise or a promotion, which may reflect perceptions of bargaining power and employer’s level of flexibility with wages. The share asking for a raise was also down 3 percentage points from 2022.¹⁰

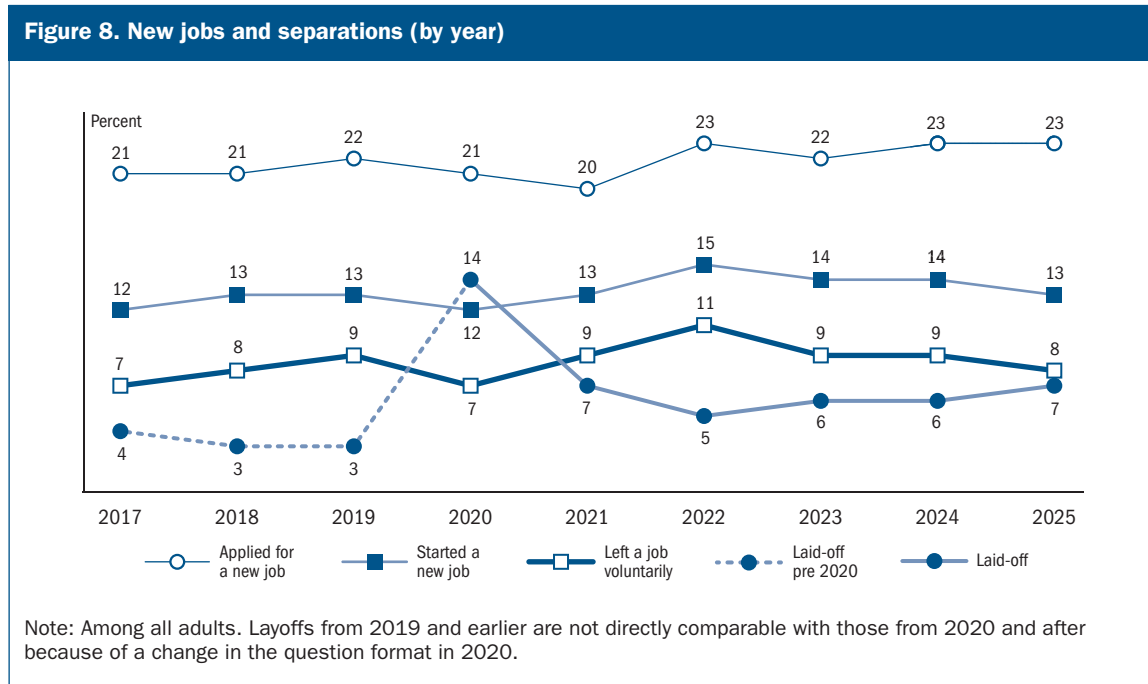


Moving to New and Better Jobs

Another way of understanding the health of the labor market is by looking at whether people are moving to new jobs, and particularly if those jobs are better than the last ones. These measures

¹⁰ The question asks workers if they received any raise, not the amount. It also does not adjust for inflation, meaning that workers who received raises could be earning less after adjusting for inflation. These differences between real and nominal earnings are particularly meaningful in years with high inflation, like 2022.

also indicated a solid but softening labor market in 2025 (figure 8). The shares starting a new job and leaving a job voluntarily were similar to those seen in 2018.

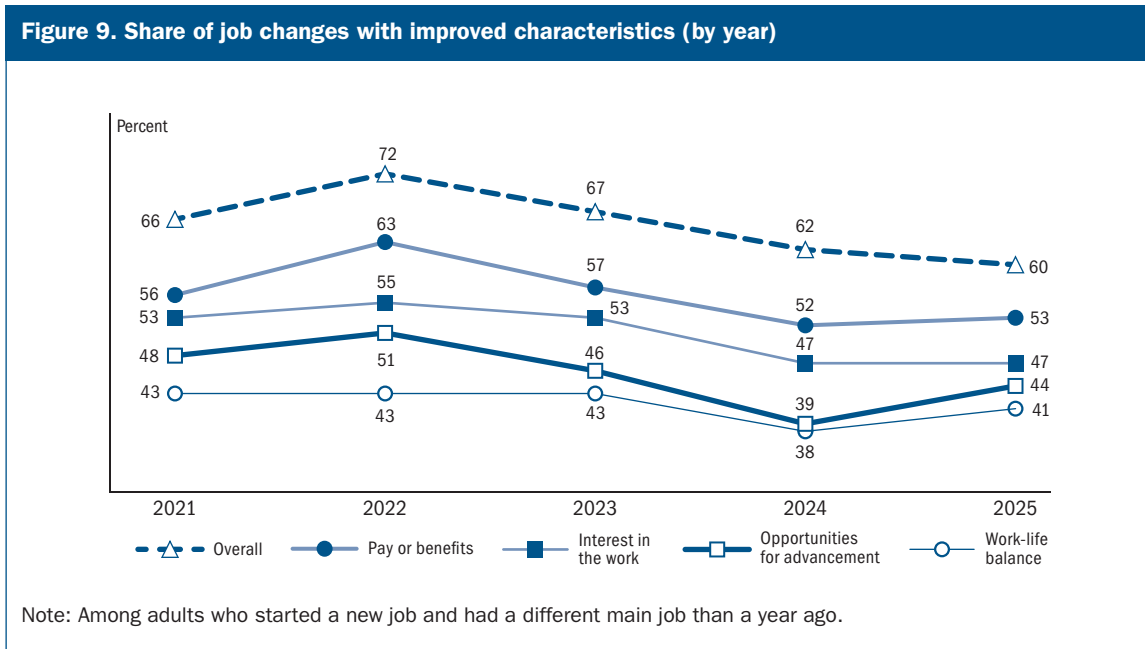


Yet, softening was apparent both in higher layoffs and in a lower share of people who left a job voluntarily. Seven percent of all adults said that they were laid off in 2025, up from 6 percent in 2024. Among Black adults, a higher 13 percent were laid off in 2025, up from 10 percent in 2024.¹¹ Additionally, the share of all adults who left a job voluntarily was lower in 2025 (8 percent) relative to 2024 (9 percent) and was down even more since 2022. The steady decline in the share voluntarily leaving a job could signal increasing difficulty finding new jobs.¹²

Another indication of softening is that the share of adults who started a new job was down to 13 percent in 2025 from a peak of 15 percent in 2022. Furthermore, the decline in the share starting a new job occurred despite no change in the share of adults applying for new jobs. Put together, the trends of stable applications and lower hiring suggest that it was more difficult for workers to move into new jobs in 2025.

¹¹ White adults saw a smaller increase in layoffs—up 1 percentage point to 5 percent in 2025.

¹² Seventy-one percent of people who voluntarily left a job started a new one. Additionally, workers may be more willing to temporarily leave the labor force if they have confidence that they will be able to find a job if they want one in the future. This link between the number of quits and people's expectations of their ability to find a job is illustrated by Kathrin Ellieroth and Amanda Michaud, "Quits, Layoffs, and Labor Supply," Opportunity and Inclusive Growth Working Paper No. 94 (Minneapolis: Federal Reserve Bank of Minneapolis, January 2026), <https://doi.org/10.21034/iwp.94>.



One reason why hiring and job changes are meaningful metrics is that typically people move into a better job than the one they had previously. However, the share of job changes that were into better jobs can vary over time. In 2025, 60 percent of people who changed jobs said that their new job was better (figure 9), which was down from a peak of 72 percent in 2022, but similar to 2024. The shares of job changers reporting improvements in several other characteristics were also similar in 2025 compared with 2024.

Working from Home and Working Irregular Schedules

Working from home (or teleworking) continued to be common in 2025. In the week before the survey, 39 percent of workers said they worked from home at least some of the time, similar to 2024. Seventeen percent of workers worked entirely from home, and 23 percent did so some of the time.¹³

People who completed more education continued to be more likely to work from home. Twenty-three percent of workers with at least a bachelor's degree worked entirely from home compared with 10 percent of those with a high school degree or less (figure 10). Rates of hybrid work also varied markedly by how much education workers had completed.

Despite their higher rates of working from home compared with other groups, fewer people with a bachelor's degree worked from home than in other recent years. The share of workers with at least

¹³ People who worked from home some of the time typically did so one or two days per week. Thirteen percent of all workers (59 percent of those working from home some of the time) were working from home one or two days per week.

a bachelor's degree who worked from home at least some of the time fell by 5 percentage points in 2025. In contrast, the share working from home at least some of the time was roughly unchanged for people with less than a bachelor's degree.

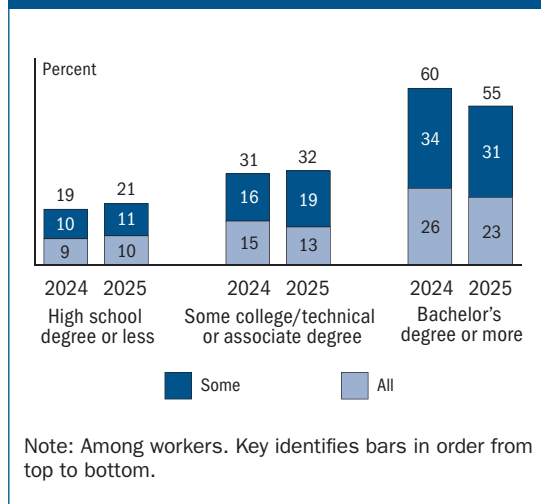
Self-employed workers also frequently work from home. Thirty percent of the self-employed worked entirely from home, including 22 percent of business owners with paid employees. Going from the pandemic in 2020 to the survey in 2025, the share of the self-employed who worked entirely from home also declined by a smaller 4 percentage points compared with the 14 percentage point decline among people who worked for someone else (“employees”).

In addition to working from home, many workers value scheduling that aligns with their lives outside of work.¹⁴ Most workers managed these various commitments through regular work schedules, and 10 percent had a schedule that varied at their own request. However, 16 percent had a work schedule that varied based on their employer's needs.

Generative AI and Methods for Doing Work

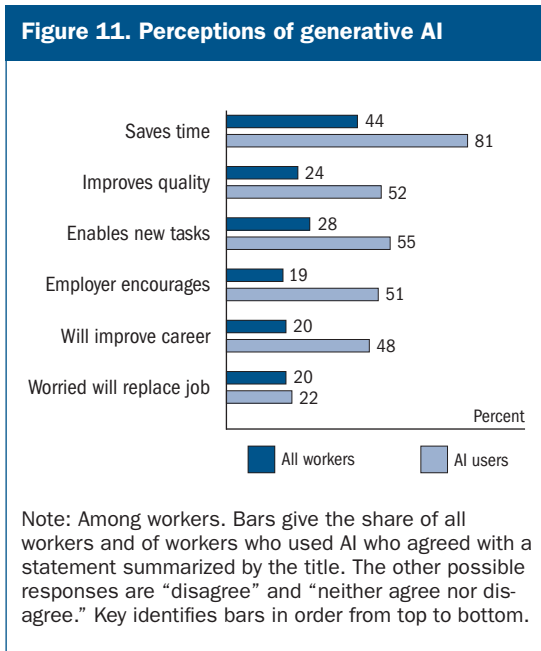
Generative AI has begun to affect many people's work lives, with one-fourth of workers using it in the prior month (figure 11).¹⁵ Generative AI can save workers time, improve the quality of their work, and enable them to do new things. It also could replace some workers altogether. To understand some of these tradeoffs from workers' perspectives, the SHED included questions asking if workers used AI in their jobs and assessing how much they agreed with a series of statements about generative AI.

Figure 10. Amount of work done from home (by education)



¹⁴ Surveys and experiments in some workplaces have shown that workers value schedule flexibility, among other job characteristics. These include Alexandre Mas and Amanda Pallais, “Valuing Alternative Work Arrangements,” *American Economic Review* 107, no. 12 (2017): 3722–59, <https://doi.org/10.1257/aer.20161500>; Matthew Wiswall and Basit Zafar, “Preference for the Workplace, Investment in Human Capital, and Gender,” *The Quarterly Journal of Economics* 133, no. 1 (2018): 457–507, <https://doi.org/10.1093/qje/qjx035>; and Nicole Maestas, Kathleen J. Mullen, David Powell, Till von Wachter, and Jeffrey B. Wenger, “The Value of Working Conditions in the United States and the Implications for the Structure of Wages,” *American Economic Review* 113, no. 7 (2023): 2007–47, <https://doi.org/10.1257/aer>.

¹⁵ The SHED question about use of generative AI defines it as a type of artificial intelligence that creates text, images, audio, or video in response to prompts. It gave the examples of AI platforms while instructing respondents to exclude seeing AI results from search engines. This question was based on one fielded in Alexander Bick, Adam Blandin, and David Deming, “The Rapid Adoption of Generative AI,” *Management Science*, forthcoming (2026), <https://doi.org/10.1287/mnsc.2025.02523>.



Saving time was the most cited benefit of AI, with 44 percent of all workers agreeing that generative AI would save time in their job. The 44 percent who agree that generative AI saves time is higher than the 25 percent of workers who said they used AI in their job in the prior month. Smaller shares of workers agreed that generative AI could improve quality and enable them to do new tasks.

Another pattern is that the workers who used generative AI are much more likely to agree that it has benefits and that having AI available will improve their career (figure 11). One cause of these more-positive perceptions could be that workers are more likely to use generative AI in jobs where it is particularly helpful to them. Another possibility is that workers who use AI are observing the specific ways it can increase productivity, leading them to have positive sentiments about how it can lead to career advancement.

Table 5. Use of and attitudes about generative AI (by education, age, and disability status)

Percent

Characteristic	Uses generative AI	Employer encourages AI	Will improve career	Worried will replace job
Education				
High school degree or less	10	8	12	17
Some college or technical degree	17	12	17	21
Associate degree	20	14	18	21
Bachelor's degree	34	27	25	23
Graduate degree	43	31	29	20
Age				
18-29	20	16	19	23
30-44	31	24	24	24
45-59	28	20	21	18
60+	13	11	12	14
Disability status				
Disability	19	15	18	24
No disability	25	19	20	20
Overall	25	19	20	20

Note: Among workers. The first column gives the share using generative AI and the others give the share who agree with the statement, regardless of their use of generative AI. The other options are “disagree” and “neither agree nor disagree.”

There are large differences in generative AI use by educational attainment (table 5). For example, 43 percent of workers with a graduate degree used AI in the prior month, compared with 10 percent of workers with a high school degree or less who used generative AI. Workers with more education were also more likely to agree that their employer encourages them to use AI.

Perhaps contrary to expectations that young adults are the primary users of AI, workers under age 30 were less likely to have used generative AI than workers ages 30 to 59 (table 5). Workers under age 30 also were 4 percentage points more likely to agree that

they worried about AI replacing their job than they were to say having AI available would improve their career.

Another group of workers for whom AI may be particularly meaningful are workers with a disability, since changes from AI could have implications for employers' ability and willingness to accommodate them. Workers with a disability were less likely than those without a disability to have used AI in the prior month and more likely to worry about AI replacing their job. They also were less likely to say that their employer encouraged them to use AI, possibly reflecting the different types of jobs held by people with disabilities.

Workers' levels of autonomy can also influence the adoption of new technologies, and this appears to also be the case with generative AI.¹⁶ Thirty percent of employees who often or always have control over how to complete tasks reported using generative AI at work. This compares with 20 percent of those with less control over their work who had adopted generative AI tools.

People with higher levels of education also have more autonomy in how they do their jobs, which may contribute to their higher use of generative AI. Sixty-two percent of employees with a bachelor's degree could often or always choose how they complete tasks compared with 55 percent of all employees (table 6).

Table 6. Often or always choosing tasks to work on and how to complete them (by education)
Percent

Education	What tasks to work on	How to complete tasks
High school degree or less	27	48
Some college or technical degree	28	46
Associate degree	32	56
Bachelor's degree or more	36	62
Overall	32	55
Note: Among employees.		

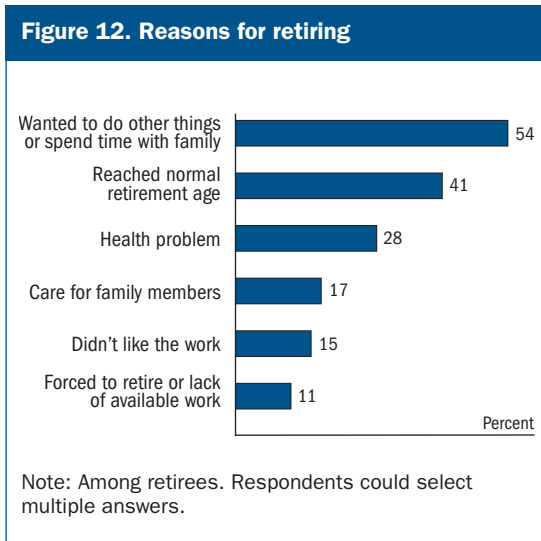
Retirement

Retirees represent a sizeable portion of the adult population. Twenty-seven percent of adults considered themselves to be retired, even though some were still working in some capacity.¹⁷

Frequently, multiple factors contributed to when people retired, though many said their decision was based on a preference to retire as opposed to an event that forced them to stop working

¹⁶ As an example of autonomy affecting the costs and benefits of adopting new technologies, previous research found that computerized "information technologies" are more productive in decentralized organizations with more dispersed decisionmaking (Lorin M. Prasanna Hitt and Erik Brynjolfsson, "The Extroverted Firm: How External Information Practices Affect Innovation and Productivity," *Management Science* 58, no. 5 (2012): 843–59, 2012, <https://doi.org/10.1287/mnsc.1110.1446>).

¹⁷ Retirees are defined here based on a question asking all respondents whether they are retired or not, regardless of their employment status. One reason people could consider themselves to be retired while still working is if they had worked in a field with a relatively young retirement age, like the military or air traffic controllers—18 percent of retirees working full time had served on active duty in the U.S. Armed Forces. Another related reason could be receiving a pension or Social Security—28 percent of full-time working retirees were receiving a pension, and 45 percent were receiving Social Security.



(figure 12). Fifty-four percent of retirees said a desire to do other things or to spend time with family was important for their decision to retire when they did, and 41 percent said they retired because they reached a normal retirement age.

Various challenges also affected when people retired. Health problems were a factor for 28 percent of retirees, and 17 percent said they retired in part to care for family members. Just over 1 in 10 said they were forced to retire or that they retired because 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 because of 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 at least one of these reasons for the timing of their retirement, compared with 37 percent of those with at least a bachelor's degree.

Table 7. Reasons for working in retirement

Percent

Reason	Working retirees	All retirees
Types of reasons		
Any financial reason	52	8
Any nonfinancial reason	67	10
Specific financial reasons		
Wanted extra spending money	38	6
Needed money to make ends meet	30	5
To save more money, make retirement savings last, or delay claiming Social Security	27	4
Enabled me to give financial support to family or friends	23	3
To keep health insurance	16	2

Note: Among retirees. Respondents are first asked if they worked for any financial reason and/or any nonfinancial reason. Respondents who said they worked for a financial reason could select one or more of the specific financial reasons.

Sixteen percent of retirees also said that they had done some work for pay or profit in the previous month. Part-time work was more common among retirees than full-time work (11 percent and 4 percent of retirees, respectively).

Those working in retirement were more likely to say that this was for nonfinancial reasons than for financial ones. Ten percent of retirees said they worked, at least in part, for nonfinancial reasons such as having a sense of purpose and enjoying social connections (table 7), whereas 8 percent gave financial reasons. Four percent said they were working for both financial and nonfinancial reasons.

The most common financial reasons also were consistent with working being more of a choice than a financial imperative. Six percent of retirees said they worked to have extra spending money, and 4 percent said they worked to save more money or make their savings last longer.

Some people, however, cited stronger financial imperatives. Five percent of retirees said that they worked because they needed money to make ends meet. Another 2 percent of retirees said that they worked to keep their health insurance. Retirees who said they worked to keep their health insurance were younger than retirees overall. Seventy-four percent of retirees who said they were working to keep their health insurance were under age 65 and likely ineligible for Medicare.

Living Arrangements and Care Work

Meeting childcare and eldercare needs can be a challenge for families' budgets. Paid childcare often costs more than half as much as a family's housing payment. In addition to childcare responsibilities, many households also provided care for an adult, such as an elderly parent.

Providing care for children and adults who need assistance disproportionately fell on women. Mothers of children under age 13 were much more likely than fathers to say they were their children's primary caretaker, even when both parents worked. Additionally, many mothers reported that they were not working at least in part because of their childcare responsibilities.

Living Arrangements

Households and living arrangements come in various forms. Most frequently, people lived with a spouse, partner, or children under age 18 (table 8). Yet, 33 percent of adults lived in households with at least two generations of adults. Specifically, 19 percent of adults lived with their adult children (age 18 or older), and 15 percent lived with a parent. Two percent of adults simultaneously lived with their parent and an adult child.

Table 8. Other people living in the household

Relationship	Percent
Spouse or partner	65
Children under age 18	26
Adult children	19
Parents	15
Brothers or sisters	7
Other relatives	5
Other non-relatives	6
Lives with someone else	87
Note: Among all adults. Respondents could select multiple answers.	

The share of young adults who live with their parents has increased in recent years. In 2025, 49 percent of adults under age 30 lived with a parent. This share was up by 6 percentage points since 2022, and up 12 percentage points since 2019, just before the pandemic.

Conversely, adults age 60 and older were more likely to live alone than were younger adults. Overall, 13 percent of people lived alone in 2025. Among those ages 60 and older, a higher 20 percent were living alone.

Living arrangements were also related to caregiving needs. Sixty-one percent of people who cared for an adult child also said that they lived with an adult child, which is more than three times the 19 percent of all adults who lived with an adult child overall. Similarly, 36 percent of people who

cared for a parent lived with a parent in the household, which is more than double the share of all adults who lived with a parent.

Childcare

Most parents of young children (under age 13) did not use paid childcare in 2025. Specifically, one-fourth of parents of young children used paid childcare in the week before the survey. Even among parents living with their children under age six, a modest 34 percent used paid childcare in the past week.

Use of paid childcare also varied substantially by family income, with higher-income parents being more likely to use paid childcare, and to use it more intensively (table 9). For example, 35 percent of parents of young children with an income of \$100,000 or more used paid childcare. Twenty-

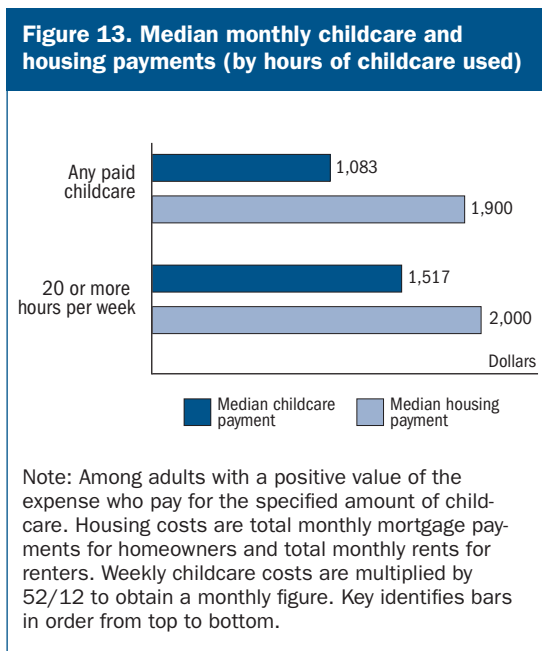
one percent of these higher-income families used 20 or more hours of childcare per week.

Table 9. Hours of paid childcare used in the past week (by family income)
Percent

Family income	1-19 hours	20 or more hours	Any paid childcare
Less than \$50,000	9	6	15
\$50,000-\$99,999	8	9	18
\$100,000 or more	13	21	35

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

Childcare costs can be substantial. The median weekly amount that parents paid for childcare was \$250, and \$350 among those who used paid childcare for at least 20 hours each week.



Comparing childcare costs to housing, most people’s single largest monthly expense, shows how meaningful these childcare costs can be (figure 13). Median monthly childcare payments were \$1,083, which is over half of the median housing payment (either a mortgage or rent) of \$1,900 among families who paid for both housing and childcare. Families who used at least 20 hours of childcare also paid substantially more, with a median of \$1,517 per month, which is more than three-quarters of the median housing payment of \$2,000 among families who paid for housing and who used at least 20 hours of childcare per week. Most families who paid for both childcare and housing spent at least 50 percent as much on childcare as on housing.

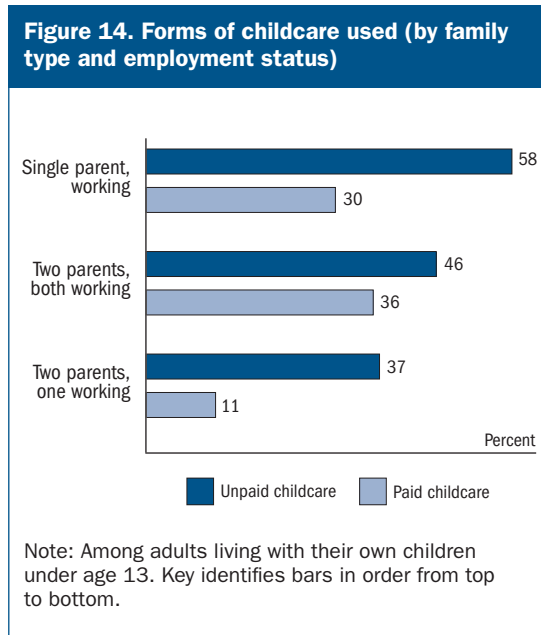
More parents used unpaid childcare than paid for childcare. Among those with children under age 13, 44 percent used some form of unpaid childcare. Among those with children under age six, half did so. However, most parents who used unpaid childcare did not use it very often. Fifty-seven percent of those who used unpaid childcare relied on it for less than 10 hours per week. Unpaid childcare was typically provided by a relative of the child—generally a grandparent (table 10).

Table 10. Providers of unpaid childcare

Provider	Percent
Child's grandparents	28
Child's sibling	8
Another relative other than the parents	10
A nonrelative such as a friend or neighbor	5
Headstart or another preschool that you don't pay for	3
Other provider	2
Any unpaid childcare	44

Note: Among adults living with their own children under age 13. Respondents could select multiple answers.

Managing childcare often involves tradeoffs between work, budgets, and children's needs that families solve in different ways. Fifty-eight percent of working single parents used unpaid childcare of some form (figure 14), above the average for all parents. Among two-working-parent households, 36 percent used paid childcare—similarly above the average for all parents. Households with one working and one non-working parent, in contrast, were less likely to use both types of childcare, at 37 percent for unpaid and 11 percent for paid childcare.



Mothers are the primary caretaker in many families. Among adults living with their spouse or partner and their young children, 58 percent of mothers said they are usually the primary caretaker when their children are home, compared with 12 percent of fathers.¹⁸ The same patterns also apply to dual-earner couples, where 49 percent of these working moms said they were the primary caretaker compared with 8 percent of working dads. Additionally, 78 percent of single parents of children under 13 were single mothers.

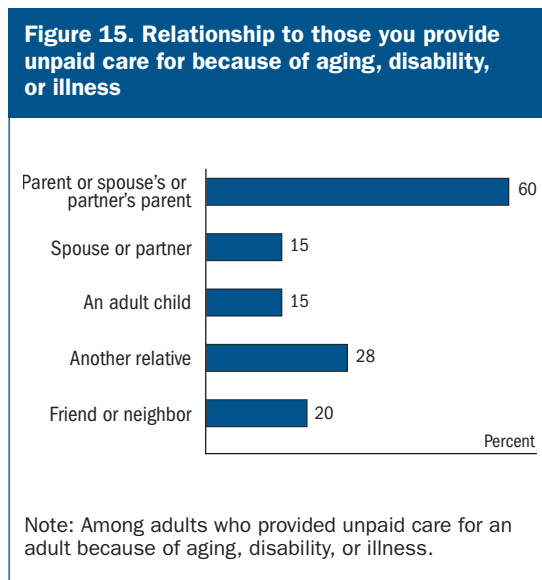
¹⁸ Respondents were asked whether they are the primary caretaker, their spouse is the primary caretaker, or if caregiving responsibilities are equally distributed. One disconnect in responses is that mothers are less likely to say that responsibilities are shared equally than are fathers, with 34 percent of mothers saying that they split responsibilities equally compared with 54 percent of fathers. Mothers are also more likely to say that they are the primary caretaker, at 58 percent, than fathers are to say that their partner is the primary caretaker, at 35 percent.

Women's higher likelihood of being primary caretakers, the cost of childcare, and women's typically lower earnings all contribute to lower rates of employment among women relative to men.¹⁹

Among parents living with their children under age 13, 37 percent of mothers were not working for pay, compared with 18 percent of fathers. Additionally, among these non-working parents of young children, women were more likely to say that childcare responsibilities contributed to that choice. Forty-one percent of mothers who were not working said that this was at least in part due to childcare, compared with 25 percent of non-working fathers.

Childcare responsibilities also contributed to parents working part time, particularly mothers. Sixteen percent of mothers of children under age 13 worked part time, which is higher than the 4 percent of fathers. Among these parents, 44 percent said childcare contributed to them working part time as opposed to full time.

Caring for Other Adults



Another type of unpaid care work is caring for an aging parent, spouse, partner, or adult child (age 18 or older) who requires assistance. Eighteen percent of adults regularly provided unpaid care for an adult relative or friend needing assistance because of aging, disability, or illness. Most frequently, this care was provided to a parent or a spouse's or partner's parent (figure 15).

Unpaid caregiving responsibilities varied by demographic characteristics. Women were more likely to provide unpaid care to other adults than men (table 11). Black, Hispanic, and Asian adults were more likely to provide unpaid care than White adults. Additionally,

adults ages 45 to 59 were the most likely age group to provide unpaid care, likely reflecting the age range when one's parents are most likely to need care.

¹⁹ For an overview of these and other factors likely influencing women's employment rates in a long-term, international perspective, see Claudia Goldin, "Nobel Prize Lecture," Nobel Prize Outreach (December 2025), <https://www.nobelprize.org/prizes/economic-sciences/2023/goldin/lecture/>.

Most of those who reported adult caregiving responsibilities provided care at least weekly, including the vast majority of those caring for their spouse or partner (figure 16).²⁰

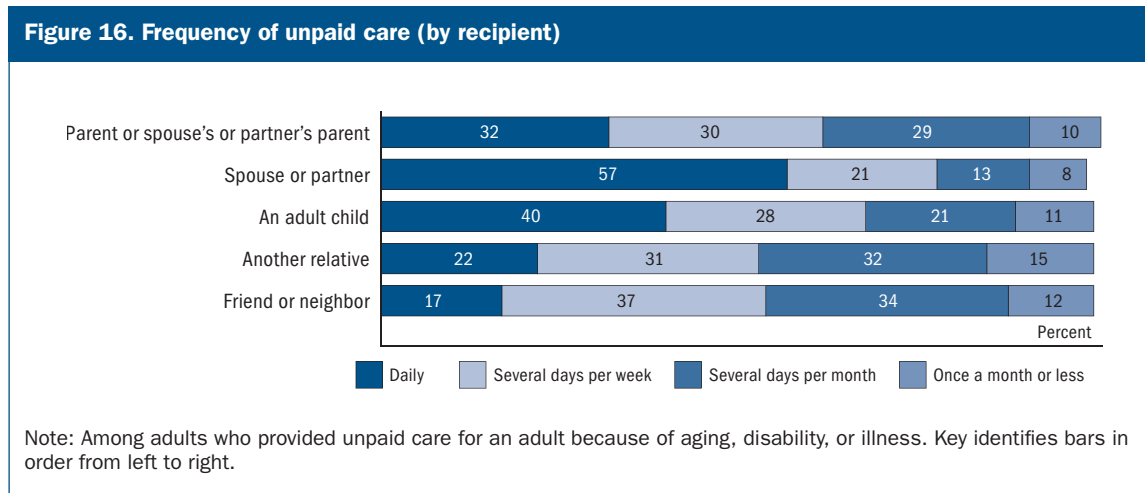
Thirty-two percent of all people who provided care to another adult provided care daily, and 60 percent provided care at least weekly. Providing care for a disabled adult child frequently has daily care responsibilities, as 40 percent of those who provided care for an adult child did so daily.

Like childcare, providing regular care for other adults can make it difficult to do other work for pay. Among prime-age adults, 32 percent who were caring for another adult did not have a paid job, compared with 23 percent of those who did not have these caretaking responsibilities. Fifteen percent of prime-age adults who care for another adult specifically said that caregiving for another adult contributed to them not working. Disruptions to one’s ability to do other work was even greater among those with daily caretaking responsibilities—44 percent did not work for pay and 29 percent said caregiving contributed to them not working for pay.

Table 11. Provides unpaid care to adults due to aging, disability, or illness (by demographics)

Characteristic	Percent
Age	
18-29	15
30-44	15
45-59	23
60+	18
Race/ethnicity	
White	16
Black	21
Hispanic	20
Asian	19
Male/female	
Male	16
Female	19
Overall	18

Note: Among all adults.



²⁰ The question asks if people regularly provide unpaid help or care, so people who provide care irregularly or at a very low frequency may have answered “no.” Including these irregular or infrequent caregivers would increase the number of people with adult caregiving responsibilities and decrease the average frequency that people provide care.

Income and Expenses

A majority of adults said that changes in prices they paid compared with the prior year had made their finances worse, but the share saying so declined compared with 2023 and 2024. The share of adults who said they always or often had money left over at the end of the month was essentially unchanged from 2024, suggesting that the share of adults who have margin in their family budgets has held steady over the past year.

Many young adults received help from someone outside their household to pay an expense in the prior 12 months. Money for a cell phone bill, for general expenses, and for housing costs—such as rent, mortgage, or utilities—were the most common forms of help that people received.

Sources of Income and Support

Although labor earnings were the most common source of income, many people had other sources of income as well. Sixty-eight percent of adults and their spouse or partner received wages, salaries, or self-employment income (collectively referred to here as “labor income”) during the previous year (table 12). Fifty-seven percent of all adults received non-labor income in 2025, including 37 percent who received interest, dividends, or rental income and 27 percent who received Social

Table 12. Sources of income (by age)					
Percent					
Source	18-29	30-44	45-59	60+	Overall
Labor income					
Wages, salaries, or self-employment	70	82	84	44	68
Non-labor income					
Interest, dividends, or rental income	24	32	37	50	37
Social Security	2	4	9	74	27
Pension	1	2	8	49	18
SSI, TANF, or cash assistance from a welfare program	5	6	6	5	5
Unemployment income	4	3	3	2	3
Any non-labor income	30	41	51	91	57

Note: Among all adults. Respondents could select multiple answers. Sources of income include the income of a spouse or partner. Social Security includes old age and disability insurance. SSI is Supplemental Security Income and TANF is Temporary Assistance for Needy Families.

Table 13. Received food or housing assistance from the government (by age)
Percent

Type of assistance	18–29	30–44	Overall
Housing assistance			
Housing assistance from government program	3	4	3
Food assistance			
Supplemental Nutrition Assistance (SNAP or food stamps)	16	16	12
Free or reduced price school lunch	5	15	6
Women, Infants, and Children (WIC) nutrition program benefits	7	5	3
Any of these forms of government food assistance	19	26	16
Note: Among all adults. Respondents could select multiple answers.			

Security benefits. (See [table 12](#) for the full list of non-labor income sources considered).²¹ Even among young adults under age 30, 3 in 10 had at least some non-labor income.

In addition to cash transfers like Supplemental Security Income (SSI) and Temporary Assistance for Needy Families (TANF) ([table 12](#)), government benefits for low-income families may include in-kind assistance for housing and food. Three percent of adults reported that their family received government housing assistance in the prior 12 months, and 16 percent received food assistance ([table 13](#)). Parents were more likely to receive food assistance. Just over one-third of parents (of children under age 18) received at least some food assistance, compared with 9 per-

cent of other adults who received support from these programs. Consistent with the majority of parents being ages 30 to 44, and with the majority of adults under age 30 having an income less than \$50,000, adults ages 30 to 44 were the most likely to report receiving food assistance (26 percent) followed by those under age 30 (19 percent).

Financial help from family and friends can be another important source of assistance in making ends meet. Twenty-three percent of adults reported that they received help from someone outside their household to pay an expense in the prior 12 months ([table 14](#)). Money for a cell phone bill, for general expenses, and for housing costs—such as rent, mortgage or utilities—were the most common forms of help that people received.²²

Young adults were much more likely to receive assistance with expenses. Forty-seven percent of adults ages 18 to 29 received help from someone outside their household with one of these

²¹ Non-labor income does not include in-kind benefits or tax credits such as the Earned Income Tax Credit. Details on these sources are available in [table 13](#) and in appendix B of this report. It also does not include respondents who reported receiving income but did not specify the source.

²² This question was new in 2025. While not directly comparable to the 2025 question, earlier surveys (2017–20) included different questions asking about the receipt of “regular financial support” from anyone living outside the household.

expenses (table 14). By comparison, just 26 percent of adults ages 30 to 44 and 13 percent of those age 45 and older said they received help with expenses.²³

Income Variability

The total level of yearly income may mask variability from month to month, and mismatches between the timing of income and expenses can lead to financial challenges.²⁴ In 2025, most adults had income that was roughly the same each month, but 30 percent had income that varied at least occasionally through the year. This is a similar level of variability to that seen in 2024, although up from 28 percent who reported at least occasional income variability in 2023.

Table 14. Received help from someone outside the household in paying an expense (by age)

Percent			
Expenses	18-29	30-44	Overall
Cell phone bill	30	13	13
Money for general expenses or anything else	26	15	13
Rent, mortgage, utilities, or housing costs	23	14	12
Car payment, insurance, or repairs	19	9	8
Medical expenses/debt or health insurance	14	6	6
Education expenses or student loans	12	3	4
Childcare or other expenses for children	2	4	2
Received help with any of these expenses	47	26	23

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

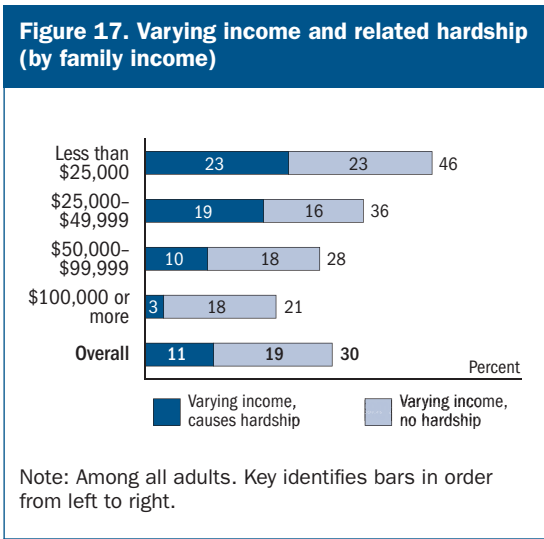
Monthly variations in income caused financial hardship for some families. In 2025, 11 percent of adults reported they struggled to pay their bills in the prior 12 months because their income varied, similar to 2024. Adults with lower family income were more likely to experience income variability and related hardships (figure 17).

Income variability and related hardship were associated with the ways people generated income. Those who were self-employed were more likely to experience income variability and its effects. Among self-employed adults, 58 percent said their income varied from month to month. Twenty-two percent struggled to pay their bills in the prior 12 months because their income varied. Among those who worked for someone else in the month before the survey, a far lower 28 percent reported income variability, and 10 percent struggled to pay bills as a result.²⁵

²³ Based on earlier years of the survey, parents are a likely source of assistance. In the 2018 SHED, 64 percent of those receiving regular financial support said their parents provided at least some of it. See appendix B of Board of Governors of the Federal Reserve System, *Report on the Economic Well-Being of U.S. Households in 2018* (Washington: Board of Governors, May 2019), <https://www.federalreserve.gov/publications/files/2018-supplement-economic-well-being-us-households-201905.pdf>.

²⁴ 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, <https://doi.org/10.1086/694180>.

²⁵ Self-employed adults were more likely to have lower incomes, compared with those who worked for someone else, which may contribute to the association between self-employment and difficulties paying bills because of varying income. Yet after controlling for income, self-employed adults still were more likely to experience hardships due to income variability than those who work for someone else.

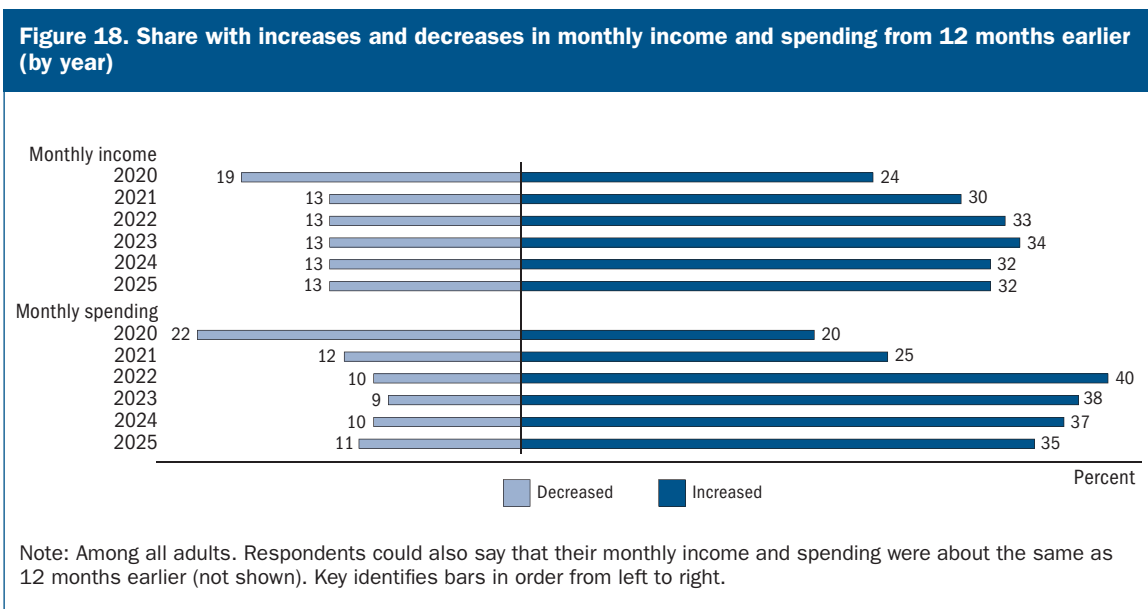


Income variability was much less common among current retirees. Seventeen percent of retirees said their income varied from month to month, whereas 34 percent of non-retirees said their income varied. A large share of retirees received income from Social Security, and many also had income from pensions and from interest, dividends, or rental income. All of these income sources are associated with less income variability.

Changes in Income, Spending, and Prices

In addition to short-term fluctuations from month-to-month, income and spending can shift substantially from one year to the next. In 2025, 32 percent of adults said their family’s monthly income increased from a year earlier, while a higher 35 percent increased their monthly spending (figure 18).

As has been the case for the past several years, the share of adults who said their monthly spending increased year-over-year was larger than the share who said their monthly income increased. That said, the share who said their monthly expenses had increased was down from a



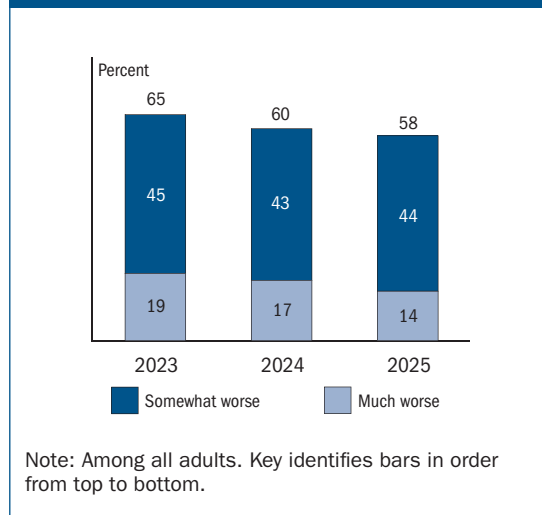
high in 2022 and also below the level in 2023 and 2024. The share of adults who said their monthly income increased in 2025 was unchanged from the prior year.²⁶

Rising prices can contribute to increases in spending, and most adults said that price increases in the past year made their financial situation at least somewhat worse. Fifty-eight percent said that changes in the prices they paid compared with the prior year had made their financial situation worse, including 14 percent who said price changes had made their financial situation much worse. This compares with 7 percent who said that price changes compared with the prior year had made their financial situation better. Thirty-six percent of adults said overall changes in the prices they paid had little to no effect on their financial situation in the last year. While a majority of adults continued to report that price changes have made their finances somewhat or much worse, the share saying so has declined by 7 percentage points since 2023 (figure 19).

The share who said that price changes made their financial situation worse was somewhat higher among adults with income under \$50,000 (table 15). Hispanic adults, adults with a disability, and middle-aged adults were also more likely to say that changes in prices they paid compared with a year ago had made their financial situation worse.

Demographic groups varied in how the share who said that price changes had made their finances worse compared with that seen in 2024 (table 15). For example, the share of adults living in non-metro areas who said that changes in prices had made their finances worse registered a sizeable decrease from the prior year—far larger than the decline observed among residents in metro areas.²⁷ This variation across groups in the one-year change

Figure 19. Changes in prices paid compared with last year made financial situation worse (by year)



²⁶ 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): 104,983, <https://doi.org/10.1016/j.jpubeco.2023.104983>. The authors also note that this is not unique to recent years.

²⁷ Analysis from the Federal Reserve Bank of New York looking at inflation rates for different demographic groups indicates inflation for people living in rural areas was lower than that experienced by people living in urban areas from the middle of 2023 through the middle of 2025. Transportation costs are a larger share of expenses for people living in rural areas, and transportation inflation hit recent highs in 2021 and 2022, declining in 2023. See Rajashri Chakrabarti, Natalia Emanuel, Thu Pham, Beck Pierce, and Maxim Pinkovski, *Economic Heterogeneity Indicators—National*, Federal Reserve Bank of New York, February 3, 2026, https://www.newyorkfed.org/medialibrary/research/interactives/data/economic-heterogeneity-indicators/downloads/12-2025_ehi_national_full.pdf?sc_lang=en&hash=9ED1DF9F83095FAE63BA1946341924C9.

Table 15. Changes in prices paid compared with last year made financial situation worse (by demographic characteristics)
Percent

Characteristic	2025	1-year change (since 2024)
Family income		
Less than \$25,000	62	2
\$25,000–\$49,999	64	–4
\$50,000–\$99,999	58	–6
\$100,000 or more	53	0
Age		
18–29	55	–1
30–44	64	2
45–59	60	–5
60+	52	–4
Race/ethnicity		
White	56	–5
Black	56	7
Hispanic	62	2
Asian	56	3
Disability status		
Disability	64	–1
No disability	56	–2
Metropolitan status		
Metro area	58	–1
Non-metro area	57	–9
Overall	58	–2

Note: Among all adults. Share saying financial situation was made worse includes those who said it was made somewhat or much worse.

included a new question asking whether people had made a major purchase earlier than planned because of expected price increases. Eighteen percent of adults indicated that in the prior 12 months they made a major purchase sooner than planned because they expected prices to increase. There was little variation in the timing of purchases by income for groups with income of less than \$100,000. However, expediting of a major purchase was slightly more common among those with an income of \$100,000 or more, compared with those in lower income groups (table 17).

in this measure is in contrast with 2024 when the share of adults who said that price changes made them worse off financially decreased across a broad range of demographic groups.²⁸

Most people adjusted behaviors 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 (60 percent), or delaying a major purchase (46 percent) (table 16). Forty-one 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.

Overall, 77 percent of adults took some action in response to higher prices—down slightly from 2024 and lower than in 2022 when the question was first asked. Compared with 2022, the actions that showed the largest declines were reducing savings and spending-related actions such as using less of a product or delaying a major purchase.

Expectations about future prices can also influence spending decisions. The 2025 SHED

²⁸ See table 15 in Board of Governors of the Federal Reserve System, *Economic Well-Being of U.S. Households in 2024* (Washington: Board of Governors, May 2025), <https://doi.org/10.17016/8960.1>.

Table 16. Actions taken in response to higher prices in prior 12 months			
Percent			
Action	2025	1-year change (since 2024)	3-year change (since 2022)
Spending			
Switched to cheaper products	62	-1	-1
Used less or stopped using products	60	-2	-7
Delayed a major purchase	46	-1	-4
Saving/borrowing			
Reduced saving	41	-2	-10
Increased borrowing	16	0	1
Income			
Worked more or got another job	17	-1	-1
Asked for a raise	7	-1	-1
Took any action of these actions	77	-2	-5
Note: Among all adults. Respondents could select multiple answers.			

Spending Relative to Income

Having money left over at the end of the month can be a sign that families have some margin in their budgets. In 2025, 41 percent of adults said they always or often had money left over at the end of the month, similar to 2024 (figure 20).²⁹

Having money left over at the end of the month was less common for lower-income adults, likely reflecting their more limited budgets. Nineteen percent of adults with income less than \$25,000 said they always or often had money left over at the end of the month, compared with 59 percent of adults with an income of \$100,000 or more (table 18).

Table 17. Made a major purchase earlier than planned because expected prices to increase (by family income)	
Family income	Percent
Less than \$25,000	16
\$25,000-\$49,999	17
\$50,000-\$99,999	17
\$100,000 or more	19
Overall	18
Note: Among all adults.	

²⁹ The question about money left over at the end of the month was used by the Consumer Financial Protection Bureau (CFPB) as part of their “financial well-being score.” The five-question version of the CFPB’s financial well-being scale was included on the SHED in 2017, 2020, 2024, and 2025. See *Financial Well-Being in America* (September 2017), www.consumerfinance.gov/documents/5606/201709_cfpb_financial-well-being-in-America.pdf, for details on the development of these questions and their relation to material hardships.

Figure 20. How often have money left over at end of month (by year)

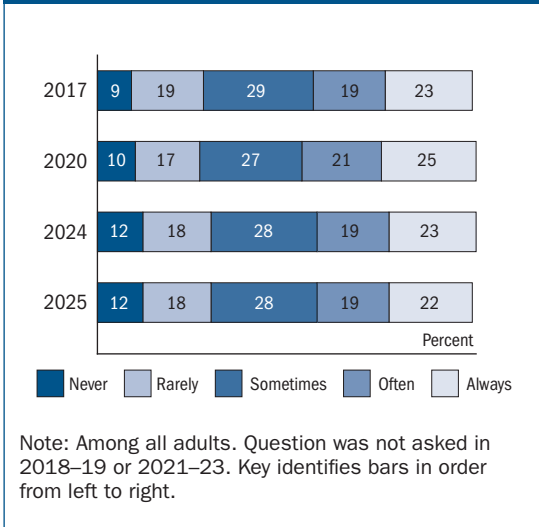


Table 18. How often have money left over at the end of the month (by family income)

Percent					
Family income	Never	Rarely	Sometimes	Often	Always
Less than \$25,000	29	25	27	10	10
\$25,000–\$49,999	19	25	31	13	13
\$50,000–\$99,999	9	20	33	20	18
\$100,000 or more	4	11	25	25	34
Overall	12	18	28	19	22

Note: Among all adults.

Economic Hardships

Measures of difficulties covering expenses—including not paying all bills and sometimes or often not having enough to eat—were similar to 2024, although the share who skipped medical expenses due to cost declined. Among those who struggled with paying bills in the prior month, the most common ways they coped were cutting back on other expenses and paying a bill late.

The majority of adults had at least one type of major, unexpected expense in the prior 12 months. The most common unexpected expenses were a major vehicle repair or replacement, followed by a major house or appliance repair and unexpected major medical expenses.

Bills and Regular Expenses

A key measure of a person's financial situation is whether they can afford to pay their regular bills. Sixteen percent of adults said they did not pay all their bills in full in the month prior to the survey, similar to 2024.³⁰

Low-income adults were particularly likely to struggle with monthly bills. In the month prior to the survey, 34 percent of adults with an income less than \$25,000 did not pay all their bills in full, compared with 7 percent of adults with an income of \$100,000 or more (table 19). Young adults, Black and Hispanic adults, and adults with a disability were also less likely to have paid all their bills in full in the prior month. However, the rate of bill payment for these demographic groups was generally unchanged from the prior year.

Table 19. Did not pay all bills in full in prior month (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	34
\$25,000-\$49,999	26
\$50,000-\$99,999	13
\$100,000 or more	7
Age	
18-29	24
30-44	20
45-59	16
60+	9
Race/ethnicity	
White	10
Black	32
Hispanic	25
Asian	12
Disability status	
Disability	24
No disability	14
Overall	16
Note: Among all adults. For credit cards, “did not pay in full” is defined as paying less than the minimum payment amount.	

³⁰ 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*. Before 2023, respondents were asked a different question 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.

Table 20. Actions taken by people who struggled to pay bills in the prior month

Actions	Percent
Manage cash flow	
Cut back on other expenses	48
Used money from savings or a retirement account	18
Increased income, such as by working overtime or taking an extra job	12
Any manage cash flow	59
Adjust timing of bill payment	
Paid a bill late	42
Negotiated a lower payment or more time to pay	16
Any adjust timing of bill payment	48
Borrow or sell something	
Used a credit card that I will pay over time	23
Borrowed or received money from friends or family	22
Sold or pawned something	12
Took out another type of loan, such as payday loan or personal loan	6
Any borrow or sell something	48
Other	11
Note: Among adults who did not pay all non-credit card bills in full or who had difficulty paying bills in the prior month. Respondents could select multiple answers.	

In addition to those who did not pay all of their bills last month, some people paid all their bills but had difficulty doing so. In 2025, the SHED included a new question asking people who paid all their non-credit card bills in the prior month if they had difficulty paying their bills. Including both those who missed a bill and those who had difficulty, 28 percent of adults struggled with paying bills in the prior month.

To understand more about how people cope with difficulties paying bills, the survey asked about some specific actions taken to alleviate these challenges. Fifty-nine percent of adults who struggled with bills in the prior month took steps to manage their cash-flow, most commonly by cutting back on other expenses (table 20).³¹ Adjusting the timing of bill payments—either with or without the permission of the payee—and borrowing or selling something were similarly common (48 percent). Over two-in-five people who struggled with bills (42 percent) paid one or more bills late, while over one-in-five used a credit card

to pay the bill over time (23 percent) or relied on money from friends or family (22 percent). Over half of adults who struggled with bills said that they used two or more of the approaches in table 20.

Managing financial constraints without a savings buffer may add another layer of difficulty for those who have problems paying bills. Among adults who struggled with paying bills in the prior month, those who could not cover a \$500 emergency using savings were much more likely to cope by adjusting the timing of bill payments (figure 21). They were also more likely to borrow or sell something. Those who could not cover \$500 using savings were particularly likely to borrow from friends and family. Eleven percent of those who could cover a \$500 expense using savings borrowed from friends or family compared with 27 percent among those who could not.

³¹ This question was asked of adults who did not pay all non-credit card bills in full or who had difficulty paying bills in the prior month. A small group of respondents who did not pay at least the minimum on a credit card but paid all other bills and did not report any other bill payment struggles were not asked this question about actions taken to alleviate bill payment challenges.

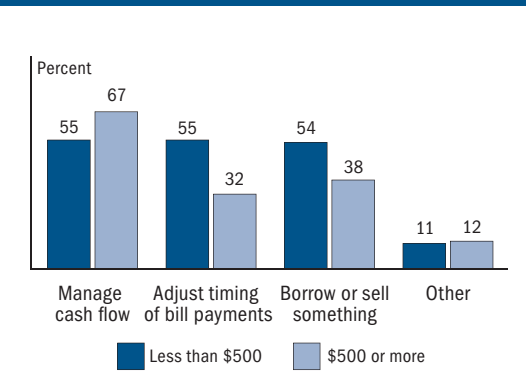
Those who could cover a \$500 expense using savings, on the other hand, were more likely to cope with bill payment struggles by managing their cash flow. In particular, they frequently used money from savings or a retirement account. Thirty-two percent of those who could cover a \$500 expense using savings used money from savings or a retirement account compared with 12 percent among those who could not.³²

Food Sufficiency

Inability to afford food is a particularly severe hardship. Eight percent of adults said that members of their household sometimes or often did not have enough to eat in the prior month, referred to in this report as “food insufficiency.”³³ The share of adults experiencing food insufficiency has remained essentially unchanged since the question was first asked in 2023.

Twenty-one percent of adults with an 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 14 percent of those with income between \$25,000 and \$50,000. Young 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. While the overall share of adults who experienced food insufficiency in the prior month was similar to 2024, a few groups saw changes (table 21).

Figure 21. Actions taken by people who struggled to pay bills in the prior month (by largest emergency expense could handle right now using only savings)



Note: Among adults who did not pay all non-credit card bills in full or who had difficulty paying bills in the prior month. Respondents could select multiple answers. As discussed in the “Savings and Investments” section, this new version of the question about the amount of savings was asked of a randomized half sample. Key identifies bars in order from left to right.

³² In some cases, people who struggled with paying bills may have limited savings because they depleted their savings to cover bills in the prior month. However, 68 percent of people who did not pay all non-credit card bills or who had difficulty paying bills in the prior month could not cover a \$500 emergency expense using savings, while only 18 percent said they used money from savings or a retirement account when they struggled paying bills. Thus, many who struggled with bill payments appear to have had limited savings before the prior month. (For a more detailed breakout of responses to this question on emergency savings, see table 26 in the “Savings and Investments” section of this report.)

³³ 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. This report focuses on food insufficiency, although the survey also asks about marginal food insufficiency, and an additional 26 percent of adults said that members of their household had enough food to eat but not always the kinds of food they wanted to eat. 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. For details on the definitions of food insufficiency, see the USDA Economic Research Service at <https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-u-s/measurement/>.

Table 21. Sometimes or often did not have enough to eat in the prior month (by demographic characteristics)
Percent

Characteristic	2025	1-year change (since 2024)
Family income		
Less than \$25,000	21	2
\$25,000-\$49,999	14	4
\$50,000-\$99,999	5	0
\$100,000 or more	1	-1
Age		
18-29	12	1
30-44	11	1
45-59	6	-1
60+	3	1
Race/ethnicity		
White	5	0
Black	15	3
Hispanic	13	1
Asian	2	-3
Disability status		
Disability	15	0
No disability	6	0
Parental status		
Parents (living with own children under age 18)	10	1
All other adults	7	0
Overall	8	0

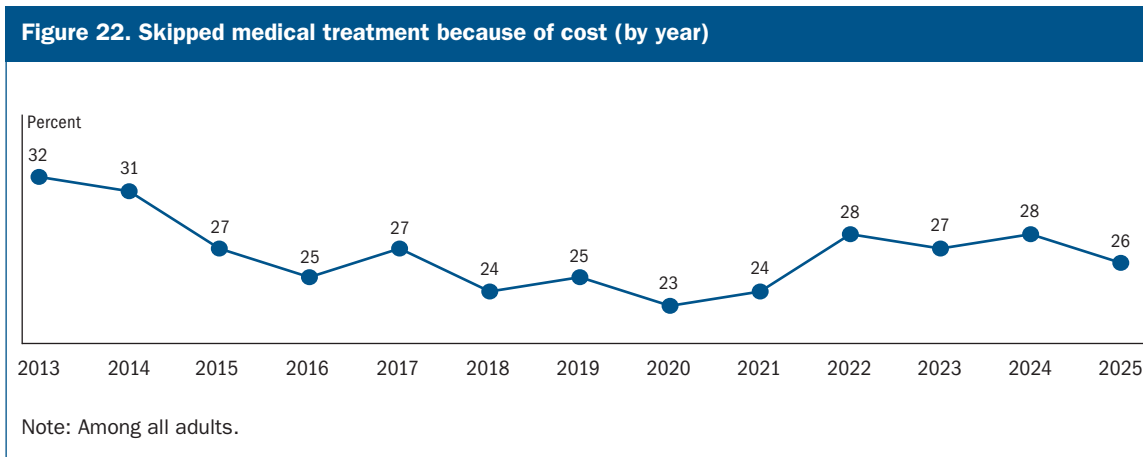
Note: Among all adults.

Health-Care Expenses

Forgoing medical treatment can be another reflection of financial hardship. Twenty-six percent of adults went without some form of medical care in 2025 because they could not afford it, down from 28 percent in 2024 (figure 22). Dental care was the most frequently skipped, followed by visiting a doctor (table 22). Some people also reported skipping follow-up care, mental health visits, or prescription medicine.

The likelihood of skipping medical care because of cost was strongly related to family income. Among those with income less than \$25,000, 38 percent went without some medical care because they could not afford it, compared with 13 percent of adults making \$100,000 or more.

Health insurance is one way that people can pay for routine medical expenses and protect against the financial burden of large, unexpected expenses. In 2025, 91 percent of adults had health insurance, down from 92 percent in 2024, 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, 45 percent went without medical treatment because they could not afford it, compared with 24 percent among the insured.

In addition to skipping medical care due to cost, some people incur debt to cover medical expenses. Eighteen 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.

Expense Shocks

Large, unexpected expenses can present a financial challenge, both for covering an unexpected expense and for keeping up with regular bills. The 2025 SHED included new questions on major unexpected expenses, and 59 percent of adults had at least one type of unexpected expense in the prior 12 months (table 23).³⁴ The most common expenses were a major vehicle repair or replacement (30 percent of adults), followed by a major house or appliance repair and unexpected major medical expenses (22 percent and 21 percent, respectively).

The amounts for the most common major unexpected expenses—vehicle repairs/replacement, house or appliance repairs, and major medical expenses—had similar distributions, with a median

Table 22. Forms of medical treatment skipped because of cost in the prior 12 months

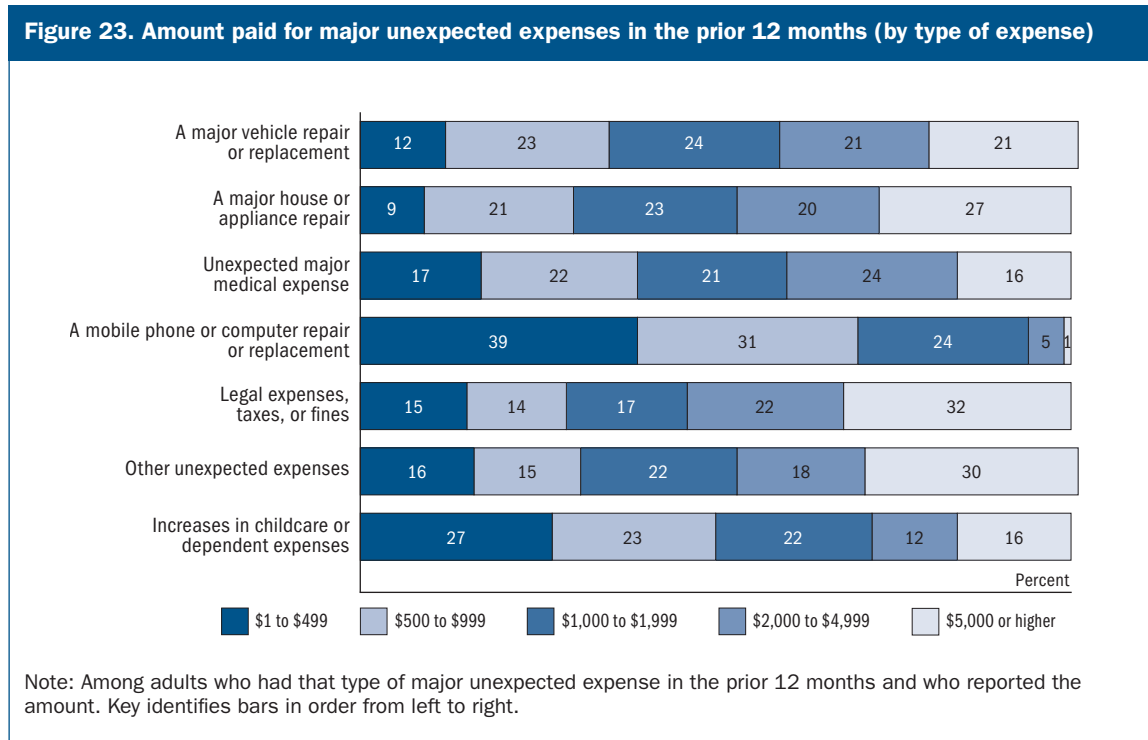
Type	Percent
Dental care	18
Seeing a doctor or specialist	15
Follow-up care	10
Mental health care or counseling	10
Prescription medicine	9
Any treatment	26
Note: Among all adults. Respondents could select multiple answers.	

Table 23. Major unexpected expenses in the prior 12 months

Type of expense	Percent
A major vehicle repair or replacement	30
A major house or appliance repair	22
Unexpected major medical expenses	21
A mobile phone or computer repair or replacement	18
Legal expenses, taxes, or fines	10
Other unexpected expenses	6
Increases in childcare or dependent care expenses	3
Any major unexpected expense	59
Note: Among all adults. Respondents could select multiple answers.	

³⁴ The question about unexpected major medical expenses was included on earlier SHED surveys, but the other questions on major unexpected expenses on the 2025 SHED were drawn from questions on the CFPB's Making Ends Meet survey. For data and reports on the results from Making Ends Meet, see <https://www.consumerfinance.gov/data-research/making-ends-meet-survey-data/>. For a more detailed discussion of expense shocks, see Scott L. Fulford and David Low, "Expense Shocks Matter," CFPB Office of Research Working Paper Series 2024-08, 2024, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5035531.

cost of \$1,000 to \$1,999 among those who knew the amount. Legal expenses, taxes, or fines tended to run higher (median of \$2,000 to \$4,999), while repairing or replacing a mobile phone or computer was typically less expensive (median of \$500 to \$999, [figure 23](#)).³⁵



Low-income adults and young adults were less likely to have experienced a major unexpected expense in the prior 12 months, while parents and adults with a disability were more likely to have reported one ([table 24](#)). Consistent with home and car repairs being some of the most common unexpected expenses, homeowners and adults who had access to a car were more likely to have had a major unexpected expense (63 percent and 60 percent, respectively).

Unexpected expenses can also contribute to difficulties covering regular bills and expenses. Collectively, 36 percent of adults reported at least one of the three hardships discussed earlier—being unable to pay bills, not having enough food to eat, or skipping medical treatments due to cost. Among adults who reported facing a major unexpected expense in the past year, a higher share (41 percent) experienced one or more of these hardships. By comparison, a lower 28 percent of adults who did not face a major unexpected expense experienced these hardships.

³⁵ Respondents could also answer that they didn't know the amount of the expense, and these responses are omitted from figure 23. The share answering "Don't know" varied by the type of expense, from 3 percent to 15 percent. For the shares including the don't know responses, see appendix B. In answering these questions, respondents determined for themselves whether something was a major expense. Variation across people in what may be considered "major" would affect reporting of the frequency of unexpected expenses and their dollar amounts.

Table 24. Had a major unexpected expense in the prior 12 months (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	47
\$25,000-\$49,999	61
\$50,000-\$99,999	62
\$100,000 or more	62
Age	
18-29	49
30-44	63
45-59	65
60+	60
Race/ethnicity	
White	61
Black	58
Hispanic	58
Asian	57
Disability status	
Disability	63
No disability	58
Parental status	
Parents (living with own children under age 18)	67
All other adults	57
Overall	59
Note: Among all adults.	

Savings and Investments

Having a buffer of savings for emergencies can help families cope with income fluctuations and with unexpected expenses. The share of adults who would pay for an unexpected \$400 expense with cash or the equivalent was unchanged from 2024, and the share who said they had rainy day funds to cover three months of expenses was unchanged from 2024 as well.

Saving and investing are also important for longer-run financial security, including in retirement. Among adults who were not retired, the share who felt that their retirement savings plan was on track was unchanged from 2024. That said, each of these three measures of preparedness—the share of adults who would pay for an unexpected \$400 expense with cash or the equivalent, the share who could cover three months of expenses with a rainy day fund, and the share of non-retirees saying that their retirement savings plan was on track—was down from 2021.

Emergency Savings and Unexpected Expenses

Relatively small, unexpected expenses, such as those discussed in the “[Economic Hardships](#)” section of this report, can be a challenge for families without a financial cushion. When faced with a hypothetical expense of \$400, 63 percent of all adults said they would have covered it exclusively using cash, savings, or a credit card paid off at the next statement (referred to, altogether, as “cash or its equivalent”).³⁶ 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 the past several years ([figure 24](#)).

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, although some said that they would be unable to pay the expense at all. For those who could cover the expenses another way, the most common approach was to use a credit card and then carry a balance, and many indicated they would use multiple approaches. However, 12 percent of all adults said they would be unable to pay the expense by any means ([table 25](#)), down slightly from 13 percent in 2024.

³⁶ Since 2013, when this question was first asked, median household income increased as did consumer prices. Between October 2013 and September 2025, price levels increased by 35 percent based on the Chained Consumer Price Index (<https://fred.stlouisfed.org/series/SUUR0000SA0>). Median household income from 2013 to 2024, the most recent year of data available, increased even faster—rising 56 percent in nominal terms (20 percent after adjusting for inflation) <https://fred.stlouisfed.org/series/MEHOINUSA646N> and <https://fred.stlouisfed.org/series/MEHOINUSA672N>). 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.

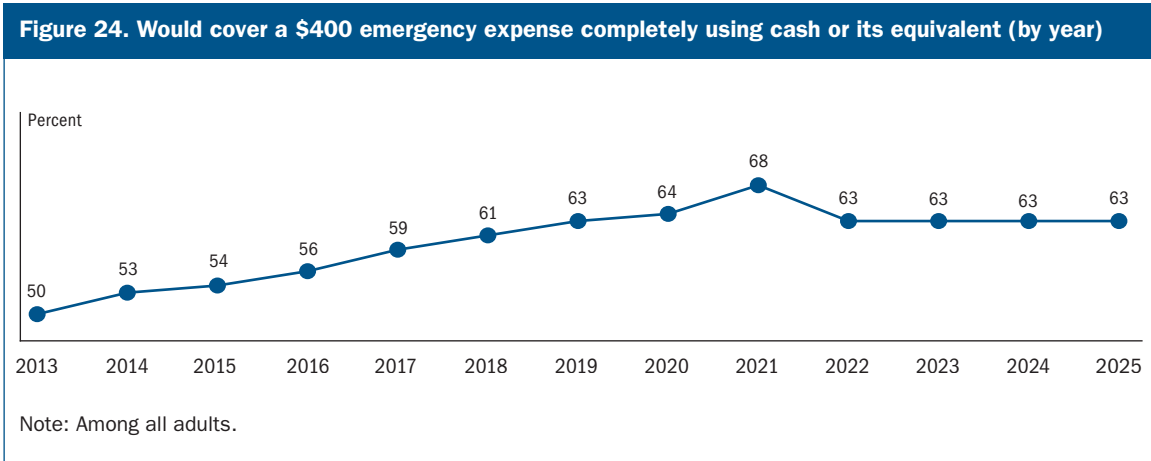


Table 25. Other ways individuals would cover a \$400 emergency expense

Approach	Percent
Put it on a credit card and pay it off over time	15
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	12

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

Some of those who would not have paid an unexpected \$400 expense completely 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.

Table 26. Largest emergency expense individuals could handle right now using only savings

Amount	Percent
Less than \$100	18
\$100-\$499	12
\$500-\$999	9
\$1,000-\$1,999	11
\$2,000-\$4,999	12
\$5,000 or more	38

Note: Among all adults.

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 12 percent said they could handle an expense of \$100 to \$499 (table 26).

Seventy percent of adults said they could pay an expense of at least \$500 using only their current savings (table 26).³⁷ This is a somewhat

³⁷ In the 2025 SHED, this question was changed slightly. In 2025, the survey included a randomized split sample where approximately 50 percent of the respondents received the question as fielded from 2022 to 2024 with the top category listed as \$2,000 or more. The remaining 50 percent received a version of the question where the \$2,000 or more

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 choose to pay with other methods, even if they have cash savings available to them.³⁸

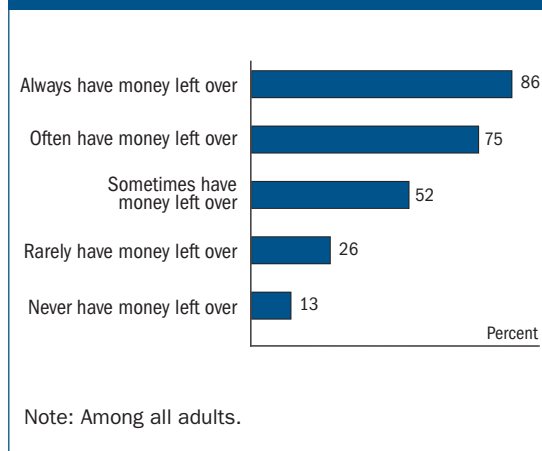
Some financial challenges, such as a job loss, require more financial resources than would an unexpected \$400 expense. One common measure of financial resiliency is whether people have savings sufficient to cover three months of expenses if they lost their primary source of income. In 2025, 55 percent of adults said they had set aside money for three months of expenses in an emergency savings or “rainy day” fund—unchanged from 2024 but down from a high of 59 percent in 2021.³⁹

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 percent of adults indicated they could not cover three months of expenses by any of these means.

Spending less than income on a regular basis is one way to build an emergency fund, and people who did so more frequently were more likely to report they had a rainy day fund.

Eighty-six percent of adults who said they always had money left over at the end of the month said they had savings to cover three months of expenses, while 13 percent of those who never had money left over at the end of the month had such savings (figure 25).

Figure 25. Have savings to cover three months of expenses (by how often have money left over at end of the month)



category was split into two categories: \$2,000–\$4,999 and \$5,000 or more to better align with questions on major unexpected expenses. Overall, the results of the new question are very similar to the original question. The share who could pay an expense of \$500 or more using only savings was 68 percent for the original version of the question versus 70 percent for the new version shown in the text, which is not a statistically significant difference. Tabulations of both versions of the question in the 2025 split sample are included in appendix B of this report.

³⁸ 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>.

³⁹ Fifty percent of adults said they could cover an expense of \$2,000 or more using savings. Yet, a higher 55 percent said they had rainy day savings to cover three months of expenses, which likely would require more than \$2,000 for many families. One possible explanation for this difference in the responses is that the framing of the question about the largest emergency expense people could handle with savings was “right now.” There may be assets, such as retirement funds, that some people would consider tapping in the event they went three months without a job that they would not consider tapping right now for an emergency.

Table 27. Have savings to cover three months of expenses (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	21
\$25,000–\$49,999	39
\$50,000–\$99,999	55
\$100,000 or more	75
Age	
18–29	37
30–44	49
45–59	55
60+	71
Race/ethnicity	
White	61
Black	38
Hispanic	43
Asian	68
Disability status	
Disability	40
No disability	60
Male/female	
Male	57
Female	53
Overall	55
Note: Among all adults.	

The share of adults who had emergency savings to cover three months of expenses varied across demographic groups. Older adults, those with higher incomes, Asian adults, and men were more likely than other adults to say they had this level of emergency savings (table 27).

Retirement Savings and Investments

Saving for retirement is important in preparing for expenses later in life. Most adults had at least some savings in a tax-preferred retirement account, defined benefit pension, or other asset that they may be able to tap to meet expenses in retirement.⁴⁰ Sixty-seven percent of adults had assets that are specifically designated for producing income in retirement. This share included the 61 percent of adults who had a tax-preferred retirement account, including employer-sponsored defined contribution plans such as 401(k)s, individual retirement accounts (IRA), or Roth IRAs. It also included 29 percent who had a defined benefit pension through an employer (table 28).⁴¹

Consistent with the declining prevalence of employer-sponsored defined benefit plans in recent decades and the greater likelihood of vesting with age and more years of service, younger adults

⁴⁰ 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. For example, as discussed in the “Banking” section of this report, most adults have a checking or other transaction account. The 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>.

⁴¹ Accounts such as 401(k) plans, IRAs, and Roth accounts are tax preferred in that they receive favorable tax treatment to incentivize retirement savings.

Table 28. Types of assets (by age)
Percent

Assets	18-24	25-54	55-64	65+	Overall
Tax-preferred retirement accounts and pensions					
Tax-preferred retirement account, such as a 401(k) or IRA	28	63	73	62	61
Defined benefit pension through an employer	5	20	39	52	29
Have tax-preferred retirement account or pension	29	66	79	78	67
Other assets					
Own home	19	57	82	84	63
Savings or money market account, or certificate of deposit (CD)	45	52	67	76	59
Stocks, bonds, ETFs, or mutual funds held outside a retirement account	18	33	45	48	37
Cash value in a life insurance policy	7	22	30	33	24
Business or real estate	2	9	18	16	11
Have tax-preferred retirement account, pension, or other assets listed above	66	82	93	95	85
Note: Among all adults. Respondents could select multiple answers. ETFs are exchange-traded funds.					

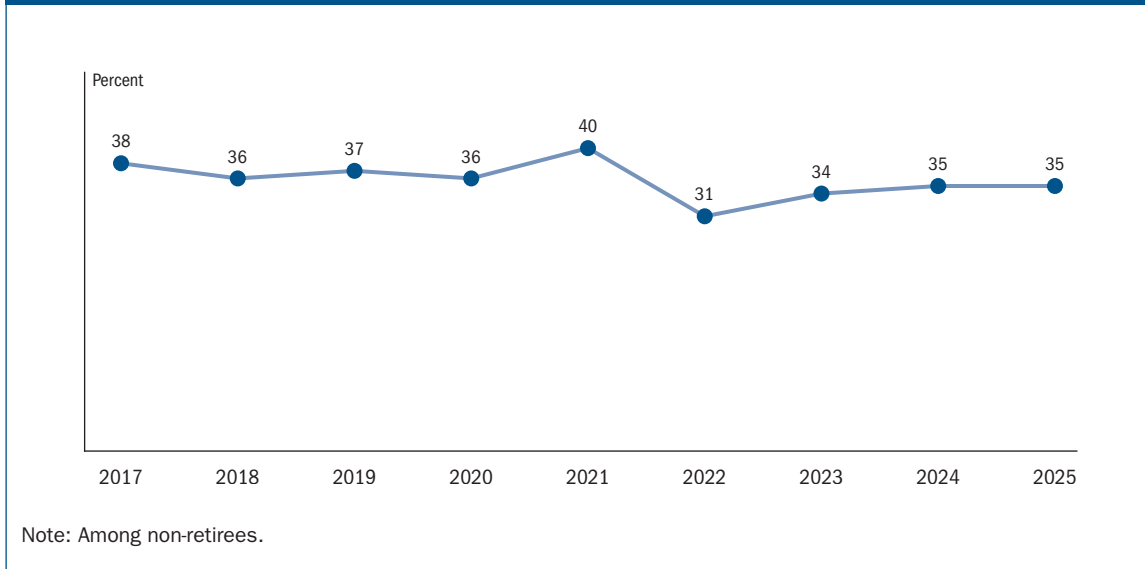
were much less likely to have defined benefit pensions.⁴² Among prime-age adults (ages 25 to 54), 20 percent had a defined benefit pension, compared with 39 percent of those ages 55 to 64 and 52 percent of those age 65 and older (table 28).

On the other hand, the growing prevalence of employer-sponsored defined contribution plans such as 401(k)s in recent decades is reflected in the substantial share of adults who had tax-preferred retirement accounts. Among those ages 55 to 64 who were nearing common retirement ages, 73 percent had tax-preferred retirement savings accounts—higher than shares of prime-age adults and those age 65 and older who had these accounts (63 percent and 62 percent, respectively).

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, a lower 35 percent of non-retirees thought their retirement saving was on track.⁴³ The share of non-retirees who thought their retirement saving was on track was unchanged compared with 2024 (figure 26).

⁴² For history on IRAs, see Congressional Research Service (CRS), *Individual Retirement Account (IRA) Ownership: Data and Policy Issues* (Washington: CRS, 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* (Washington: CRS, March 25, 2026), <https://crsreports.congress.gov/product/pdf/IF/IF12007>.

⁴³ As noted in the “Employment and Job Quality” section of this report, retirement status is based on a question asking all respondents whether they are retired or not, regardless of their employment status. The question asking non-retirees about whether their retirement savings plans was on track 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.

Figure 26. View retirement savings plan as on track (by year)

Retirement savings and perceived preparedness differed across demographic groups. Lower-income adults, younger adults, women, as well as Black and Hispanic adults, were less likely than others to have tax-preferred retirement accounts or defined benefit pensions (table 29). They also were less likely to view their retirement savings plan as on track.

Non-retirees with a disability were also less likely to have designated retirement assets and to view their savings as on track (table 29). Adults with a disability were less likely to be employed, and some means tested benefits received by those with disabilities have asset limits that deter the accumulation of savings.⁴⁴ These factors may contribute to the lower share of adults with a disability who have designated retirement assets.

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. Others may increase their disposable income by reducing regular contributions to retirement accounts. In the prior 12 months, 5 percent of non-retired adults borrowed money from their retirement accounts; 4 percent cashed out funds from their retirement accounts; and 8 percent reduced their regular contributions to their account. The shares of non-retirees taking these

⁴⁴ Among prime age adults, 49 percent of adults with a disability worked for pay in the prior month, compared with 80 percent of adults without a disability. As an example of means testing, SSI recipients must have limited income and resources to qualify for benefits. See Social Security Administration, *Red Book: A Guide to Work Incentives and Employment Supports for Persons 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/>.

actions were unchanged from 2024.⁴⁵ Collectively, 14 percent of non-retirees borrowed from, cashed out, or reduced contributions to their retirement accounts in the prior 12 months.

Non-retirees who had a major unexpected expense were more likely to have tapped the funds in their retirement accounts by borrowing or cashing out, and more likely to have reduced their regular contributions to retirement accounts, compared with other adults (table 30). Non-retirees who experienced a layoff also were more likely to have cashed out money from retirement accounts and to have reduced their regular contributions.⁴⁶ (For details on the types of major unexpected expenses that people experienced, see the “Economic Hardships” section of this report. For discussion of layoffs, see the “Employment and Job Quality” section.)

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 35 percent of non-retirees overall said their retirement savings plan was on track, the share who thought their plan was on track was slightly lower among non-retirees who had borrowed money from their accounts or reduced their regular contributions to retirement accounts in the prior 12 months (32 percent for each). Among non-retirees who had cashed out funds from their retirement accounts in the prior year, the share who said they were on track was notably lower, at 24 percent.

Table 29. Retirement preparedness among non-retirees (by demographic characteristics)

Percent			
Characteristic	Tax-preferred retirement account	Defined benefit pension	Retirement savings on track
Family income			
Less than \$25,000	15	3	7
\$25,000–\$49,999	38	9	16
\$50,000–\$99,999	65	21	29
\$100,000 or more	89	33	59
Age			
18–29	38	8	22
30–44	65	18	35
45–59	74	31	43
60+	76	36	53
Race/ethnicity			
White	69	23	43
Black	49	20	23
Hispanic	46	16	24
Asian	78	22	43
Disability status			
Disability	34	12	15
No disability	67	22	39
Male/female			
Male	63	22	39
Female	60	20	32
Overall	61	21	35
Note: Among non-retirees.			

⁴⁵ In some cases, these reductions in contributions may be due to job changes or job loss that prevent the individual from continuing to contribute at the same amount. The question on borrowing from or cashing out retirement savings was changed on the 2024 survey, so is not directly comparable with earlier years.

⁴⁶ 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.

Table 30. Non-retirees who borrowed from, cashed out, or reduced contributions to their retirement accounts in the prior 12 months (by economic hardship)

Percent

Hardship	Borrowed money	Cashed out money	Reduced regular contributions
Had a major unexpected expense			
Yes	7	5	10
No	3	2	4
Laid off from a job			
Yes	6	9	15
No	5	4	7
Overall	5	4	8
Note: Among non-retirees.			

were mostly or very comfortable choosing and managing their investments, while 39 percent of women gave these responses. Confidence also is related to having experience with investments. Among people with tax-preferred retirement accounts or who held stocks, bonds, ETFs, or mutual funds outside a retirement account, 54 percent expressed confidence, compared with 32 percent of those who did not have these accounts.

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.⁴⁷ Forty-seven percent of adults said they were mostly or very comfortable choosing and managing their investments, while 53 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-five percent of men said they

⁴⁷ 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. This question wording was changed in the 2023 survey and asked of all respondents rather than just non-retirees with self-directed accounts.

Banking

Most adults had a bank account in 2025, 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.

Adults of all incomes and ages reported experiencing financial fraud and scams, with many unable to recover all their money. Even relatively small dollar losses from fraud and scams were meaningful, especially for adults with limited financial resources to begin with.

Bank Account Ownership

Six percent of adults were “unbanked” in 2025, meaning neither they nor their spouse or partner had a checking, savings, or money market account (figure 27). The unbanked rate has held steady at its current level since 2021.

Unbanked rates remained far higher among low-income adults. Twenty-one percent of adults with income below \$25,000 were unbanked compared with 1 percent of adults with income of \$100,000 or more. As in prior years, unbanked rates were also higher among younger adults, Black and Hispanic adults, and adults with a disability (table 31).

Figure 27. Unbanked rate (by year)

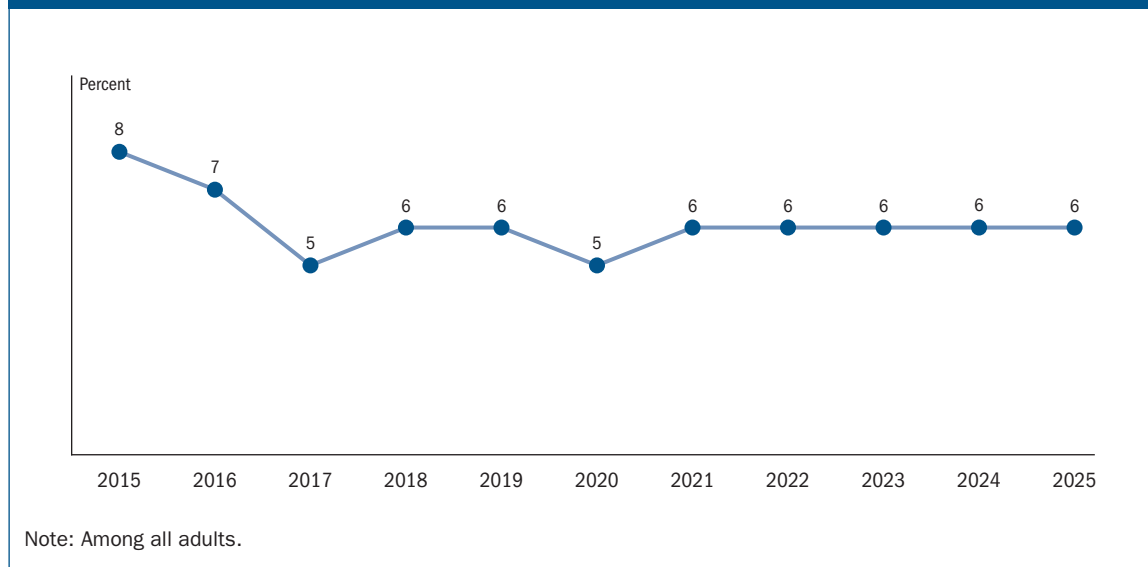


Table 31. Bank account ownership and overdraft (by demographic characteristics)
Percent

Characteristic	Unbanked rate	Paid overdraft fee in prior year (among adults with a bank account)
Family income		
Less than \$25,000	21	17
\$25,000–\$49,999	8	20
\$50,000–\$99,999	3	12
\$100,000 or more	1	6
Age		
18–29	12	15
30–44	8	16
45–59	4	13
60+	2	5
Race/ethnicity		
White	3	8
Black	13	25
Hispanic	12	17
Asian	3	5
Overall	6	12
Note: Among all adults.		

Since 2021, the survey has asked respondents with a bank account whether they paid an overdraft fee on their bank account. In 2025, 12 percent of adults with a bank account said they paid an overdraft fee in the prior 12 months, similar to the shares seen in recent years, but up 1 percentage point from 2021.

Certain demographic groups were more likely than others to incur an overdraft fee. Among banked adults, higher shares of low- and middle-income adults, Black and Hispanic adults, and adults under age 60 paid an overdraft fee in the prior 12 months (table 31).

Nonbank Check Cashing and Money Orders

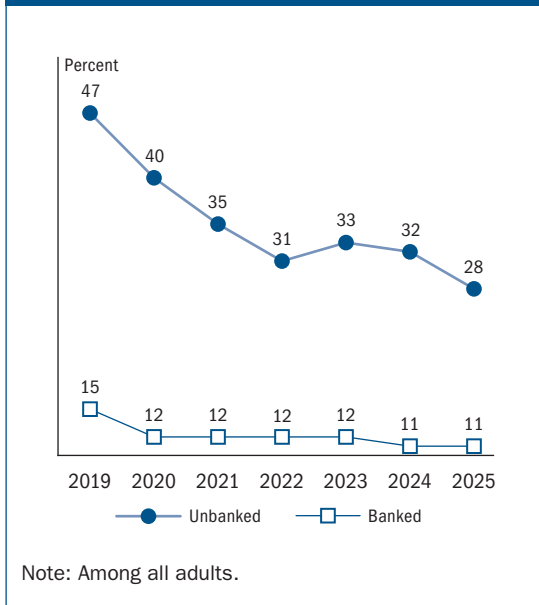
Some people go outside of traditional banks and credit unions for certain financial services. Twelve percent of adults used nonbank check cashing or money orders in 2025,

similar to recent years, yet down 4 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. Eleven percent of banked adults used a nonbank money order or check cashing service, compared with 28 percent of unbanked adults (figure 28).

Use of nonbank money orders and check cashing has fallen among both unbanked and banked adults since 2019. That said, use has flattened out in recent years (figure 28).

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 (table 32). Use among Black adults was particularly high at 28 percent.

Figure 28. Use of nonbank check cashing or money orders (by bank account ownership)**Table 32. Use of nonbank check cashing or money orders (by demographic characteristics)**

Characteristic	Percent
Family income	
Less than \$25,000	23
\$25,000-\$49,999	21
\$50,000-\$99,999	12
\$100,000 or more	5
Age	
18-29	17
30-44	15
45-59	11
60+	9
Race/ethnicity	
White	8
Black	28
Hispanic	18
Asian	7
Overall	12

Note: Among all adults.

Cryptocurrency

Cryptocurrencies are digital assets that may be held as an investment or used for making financial transactions.⁴⁸ The 10 percent of adults who used cryptocurrency for either purpose was up 2 percentage points from the prior year. However, this share remained down from 12 percent in 2021, the first time the survey asked about cryptocurrency (table 33).⁴⁹

Buying or holding cryptocurrency as an investment remained more common than using it for financial transactions. Nearly 1 in 10 adults bought or held cryptocurrency as an investment in the prior year. In contrast, 2 percent of adults said they used cryptocurrency to make a financial transaction, which includes using cryptocurrency to buy something, make a payment, or send money to friends or family (table 33).⁵⁰

⁴⁸ 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>.

⁴⁹ 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.

⁵⁰ 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. In 2025, one-third of adults who used cryptocurrency to send money to friends or family indicated that at least one transfer was made internationally.

Reason	2021	2022	2023	2024	2025
Bought cryptocurrency or held as an investment	11	8	7	7	9
Used cryptocurrency to buy something or make a payment	2	2	1	2	2
Used cryptocurrency to send money to friends or family	1	2	1	1	1
Any use of cryptocurrency	12	10	7	8	10

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

Reason	Percent
Person or business receiving the money preferred cryptocurrency	26
To send the money faster	19
Privacy	17
Cheaper	14
Safer	9
Don't trust banks	7
Other	8

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 34). At just over one-fourth, the most cited reason was that the person or business receiving the money preferred cryptocurrency, followed by the ability to send the money faster, privacy, and cost. Relatively few transactional cryptocurrency users indicated that either safety or a lack of trust in banks contributed to this choice.

Consistent with that seen in recent years, the use of cryptocurrency for financial transactions was more common among the unbanked as well as those who used nonbank check cashing and money orders. Six 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—8 percent among those who used nonbank check cashing or money orders compared with 2 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.

Financial Fraud and Scams

According to data from the Consumer Sentinel Network, the number and severity of financial fraud incidents and scams has spiked in recent years.⁵¹ Perpetrators of financial fraud or scams do so in a variety of ways, often involving consumers' credit cards, bank accounts, or investment accounts.⁵² Two in 10 adults reported that they experienced financial fraud or scams involving their money, with 16 percent reporting fraud related to their credit card, and 8 percent reporting another type of financial fraud. The levels of fraud seen in 2025 were similar to those seen in the prior year (figure 29).

Overall rates of fraud and scams were similar across incomes, though income patterns depended on the type of fraud. Reflecting their higher rates of credit card ownership, adults with higher incomes were more likely than those with lower incomes to experience credit card fraud.⁵³ In contrast, non-credit card fraud was more common among adults with lower income than those with higher income (table 35).

Like patterns by income, adults age 45 and older experienced financial fraud at higher rates, largely driven by credit card-related fraud. However, adults of all ages experienced non-credit card fraud at similar rates (table 35).

While credit card fraud was the most common type of financial fraud, consumers are typically not required to cover losses from credit card fraud directly. For this reason, the remainder of the section focuses on fraud *not* involving credit cards. Among adults experiencing non-credit card-related

Figure 29. Type of financial fraud

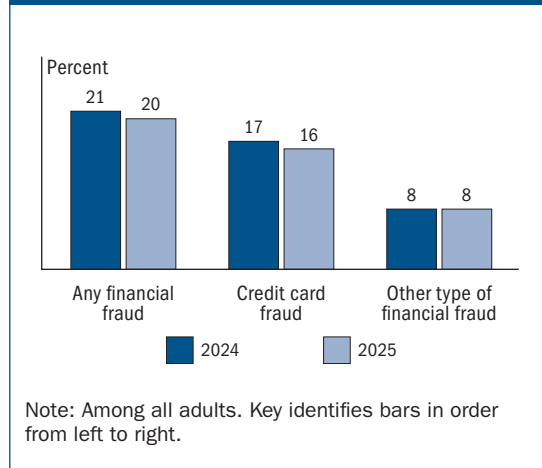


Table 35. Type of financial fraud (by income and age)

Percent			
Characteristic	Any financial fraud	Credit card fraud	Other type of financial fraud
Family income			
Less than \$50,000	19	13	10
\$50,000–\$99,000	21	16	8
\$100,000 or more	21	17	7
Age			
18–29	13	9	7
30–44	17	13	8
45–59	21	17	8
60+	26	22	9
Overall	20	16	8

Note: Among all adults.

⁵¹ Consumer Sentinel Network Databook, Federal Trade Commission, 2024, https://www.ftc.gov/system/files/ftc_gov/pdf/csn-annual-data-book-2024.pdf.

⁵² See the Federal Bureau of Investigation website at <https://www.fbi.gov/how-we-can-help-you/scams-and-safety/common-frauds-and-scams>.

⁵³ See table 40 in the “Credit” section of this report for credit card ownership rates by income and age.

Table 36. Distribution of dollar losses per incident, before any funds were recovered (by income and age)

Characteristic	Income percentile				
	10th	25th	50th	75th	90th
Family income					
Less than \$50,000	50	120	400	1,100	4,750
\$50,000–\$99,999	70	150	400	1,787	7,000
\$100,000 or more	60	200	600	3,000	11,500
Age					
18–44	50	120	400	1,000	3,000
45–59	81	175	400	1,909	9,000
60+	58	189	800	3,500	15,000
Overall	50	150	500	1,800	9,000

Note: Among adults who lost money, before any recovery, because of non-credit card-related fraud. Results exclude the five respondents who reported recovering more money than they lost and one respondent who reported losing \$5 million.

loss was \$400 (table 36). For perspective on this amount, 40 percent of adults with income less than \$50,000 could not cover a \$100 emergency expense with only their savings and 61 percent could not cover a \$500 expense.

A variety of payments instruments were involved with fraud and scams.⁵⁷ Excluding credit cards, the two most common were debit cards—consistent with debit cards being among the most widely used payment methods—and peer-to-peer (P2P) payment services (table 37).⁵⁸ Other payment instruments were much less commonly involved, likely reflecting their lower use as payment

fraud, 65 percent lost money, and 35 percent said at least some of that money was not recovered.⁵⁴ The total amount of non-credit-card fraud was an estimated \$100 billion in 2025. Consumers reported recovering \$44 billion of that, resulting in an estimated net loss of \$56 billion borne directly by consumers.⁵⁵

Before any funds were recovered, half of those experiencing non-credit card-related fraud lost at least \$500 and one-fourth lost roughly \$1,800 or more.⁵⁶ Adults with higher income and older adults tended to lose larger amounts of money, likely at least partially because these groups often have more assets to begin with. That said, even smaller dollar losses can be meaningful, especially for those with limited financial resources. Among adults with income less than \$50,000, the median

⁵⁴ Estimates are among those who know whether they lost money.

⁵⁵ These estimates are weighted to reflect the total U.S. population. Respondents were asked about the most recent fraud they experienced, so those experiencing multiple incidents of fraud may have had additional losses. Consumers reported \$12.5 billion in losses in 2024 according to the Consumer Sentinel Network, a database containing fraud reports filed by consumers, available at https://www.ftc.gov/system/files/ftc_gov/pdf/csn-annual-data-book-2024.pdf. In 2023, reported losses totaled \$10 billion, and after accounting for underreporting, the estimated range of total losses was \$24 billion to \$158 billion. See Federal Trade Commission (FTC), *Protecting Older Consumers, 2023–2024* (Washington: FTC, October 2024), https://www.ftc.gov/system/files/ftc_gov/pdf/federal-trade-commission-protecting-older-adults-report_102024.pdf.

⁵⁶ Among those adults who did not recover all their money, the median amount lost and not recovered was \$500, and the 75th percentile was \$2,000.

⁵⁷ While financial fraud and scams can take many forms, the survey does not separate the methods used by scammers to access funds. The techniques used by scammers can affect the relative incidence of fraud across payment methods. See Fumiko Hayashi and Ying Lei Toh, “Contact and Payment Methods Used for the Top Five Categories of Scams,” Payment System Research Briefing (Kansas City: Federal Reserve Bank of Kansas City, September 2025), <https://www.kansascityfed.org/research/payments-system-research-briefings/contact-and-payment-methods-used-for-the-top-five-categories-of-scams/>.

⁵⁸ Peer-to-peer (P2P) payment services allow consumers to transfer money electronically, often by using a mobile app. The survey included examples of these services for respondents, including PayPal, Venmo, Cash App, and Zelle.

methods overall. Cash, as the most widely used payment method, is one exception. Though cash's lack of involvement with fraud may reflect its in-person, physical nature.⁵⁹

While fraud involving cryptocurrency was less common than fraud involving debit cards, the likelihood of losing money was typically much higher. At 65 percent, adults experiencing fraud involving cryptocurrency were the most likely to have lost money that was not recovered, roughly double the 31 percent for those experiencing fraud involving debit cards.⁶⁰ In between those were P2P payment services and bank wire or electronic transfer. About half (52 percent) of adults who experienced fraud involving P2P payment services lost money that was not recovered, while this was the case for nearly 40 percent of those whose fraud involved a bank wire or other electronic transfer.⁶¹

Table 37. Payment method involved in non-credit card fraud

Payment method	Percent
Debit card	41
Peer-to-peer payments (such as Zelle, PayPal, Venmo, CashApp, or Apple Cash)	29
Bank wire or other electronic transfer	13
Cryptocurrency	9
Prepaid, gift, or government benefit card	7
Cash	6
Personal check	6
Money transfer service (such as Western Union, MoneyGram, or Ria)	4
Cashier's check or money order	3
Other	19

Note: Among adults who experienced non-credit card-related fraud. Respondents could select multiple answers.

The dollar amount lost also varied by payment method. Fraud involving cryptocurrency and bank wires or other electronic transfers often involved larger dollar amounts, whereas fraud involving debit cards and P2P payment services tended toward smaller dollar amounts (table 38).⁶²

People took a variety of actions in response to the fraud. Just above two-thirds of adults experiencing non-credit card fraud said they communicated with their bank or financial services company for assistance in dealing with the fraud, while 12 percent said they changed the banks or financial

⁵⁹ According to the Diary of Consumer Payment Choice, the top three payment methods were cash, credit card, and debit card. Eighty-three percent of adults made a payment with cash in the past month, 72 percent made a payment with a credit card, and 67 percent made a payment with a debit card. Less common methods included checks (35 percent), prepaid cards (20 percent) and money orders (5 percent). Cryptocurrency was the lowest at 0.3 percent. Kevin Foster, Claire Greene, and Joanna Stavins, "2024 Survey and Diary of Consumer Payment Choice: Summary Results" (Federal Reserve Bank of Atlanta, 2025), <https://www.atlantafed.org/research-and-data/surveys/survey-and-diary-of-consumer-payment-choice>.

⁶⁰ Because respondents could select more than one payment method, loss and recovery estimates may reflect a combination of payment methods. That said, most respondents selected just one payment method (75 percent). Seventeen percent selected two methods, and 8 percent selected three or more.

⁶¹ Debit card, P2P payment services, bank wire or other electronic transfer, and cryptocurrency were the only payment methods with a large enough sample to provide estimates for the likelihood of losing money and the dollar amounts lost.

⁶² These results are generally consistent with findings based on the fraud reports received by the Federal Trade Commission (FTC). See Fumiko Hayashi and Ying Lei Toh, "Contact and Payment Methods Used for the Top Five Categories of Scams," <https://www.kansascityfed.org/research/payments-system-research-briefings/contact-and-payment-methods-used-for-the-top-five-categories-of-scams/>.

Table 38. Amount of money lost to fraud (by payment method)
Dollars

Payment method	Amount lost before any recovery, median	Amount lost after any recovery, median
Debit card	300	0
Peer-to-peer payments (such as Zelle, PayPal, Venmo, CashApp, or Apple Cash)	500	200
Bank wire or other electronic transfer	2,000	100
Cryptocurrency	1,200	900
Overall	500	30

Note: Among adults who lost money, before any recovery, because of non-credit-card-related fraud. Estimates exclude five respondents who reported recovering more money than they lost and one respondent who reported losing \$5 million. Payment methods without a large enough sample are not shown.

service companies that they use. Nearly 4 in 10 reported the fraud to law enforcement, a credit bureau, or a government agency that deals with consumer concerns/complaints.

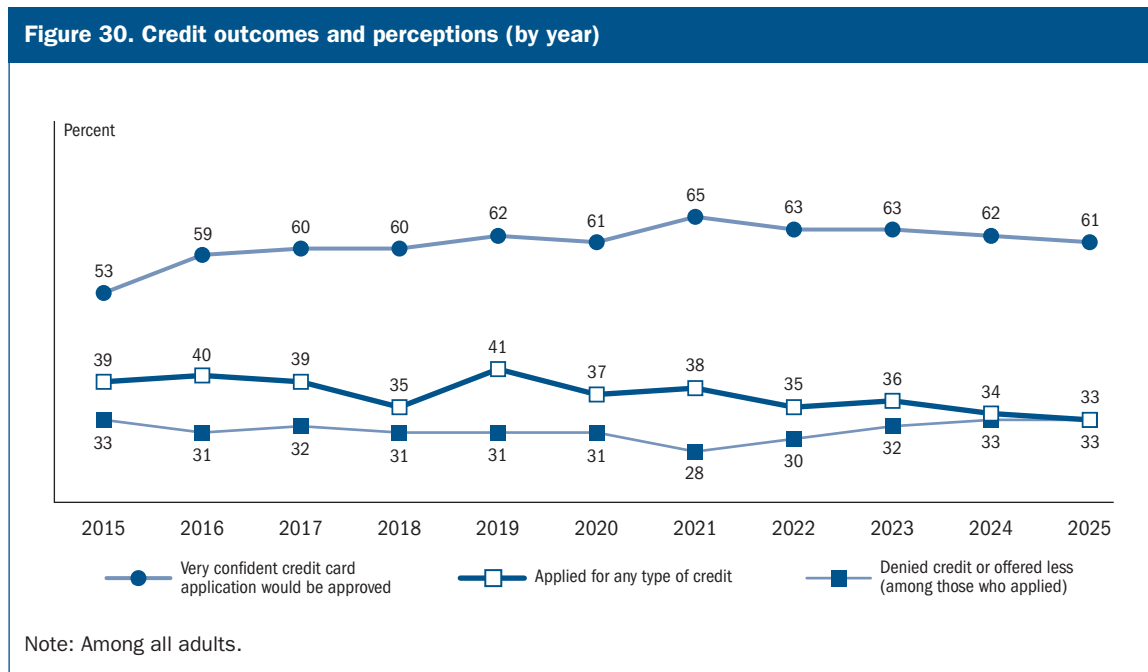
Credit

Individuals use credit products for many reasons, including paying for everyday purchases, financing higher education, or helping cover periods of income variability. Credit card ownership rates and repayment behavior were similar to prior years. Lower-income and Black and Hispanic adults were more likely to use alternative forms of credit, including Buy Now, Pay Later (BNPL) and small-dollar credit products. A majority of adults were very confident that they could access additional credit if they were to apply.

Credit Outcomes and Perceptions

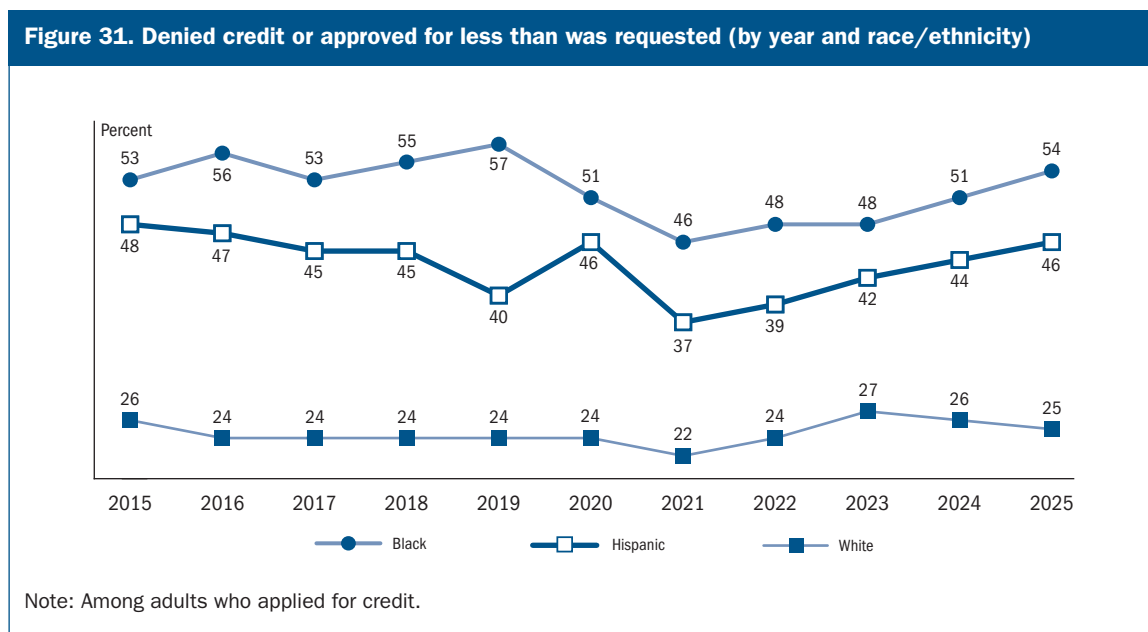
Consumer credit confidence has fallen since 2021, when both credit confidence and self-reported financial well-being was at the highest level since the survey began (see the “[Overall Financial Well-Being](#)” section of this report). Sixty-one percent of adults in 2025 felt very confident their credit card application would be approved, if they were to apply, down from 65 percent in 2021 (figure 30).

Fewer adults applied for credit in 2025 than in any year since 2015, the first time the survey asked about credit application outcomes. Thirty-three percent of adults applied for any type of credit in 2025. Among those who applied, one-third were either denied credit or approved for less



credit than they requested, up 5 percentage points from 2021, but unchanged from the prior year (figure 30).

Denial rates continued to differ substantially by race and ethnicity. Black and Hispanic applicants were particularly likely to report a denial or be approved for less credit than requested, despite applying for credit at similar rates as White and Asian borrowers.⁶³ In 2025, the 54 percent denial rate for Black applicants was more than twice the denial rate for White applicants. Moreover, the significant racial and ethnic gap in denial rates has largely persisted for over a decade (figure 31). After declining during the early years of the pandemic, by 2025 the racial and ethnic gaps had reverted to their 2018 magnitudes.



Consumers who have difficulty accessing credit sometimes turn to alternative nonbank small dollar credit products, like payday or pawn loans, when a small dollar credit need arises.⁶⁴ Additionally, consumers lacking any credit history, or those who are not confident they would be approved for traditional kinds of credit, may turn to these products when they need credit. These products typically have high borrowing costs.⁶⁵

In 2025, 7 percent of adults used a payday, pawn, auto title, or tax refund anticipation loan, up 1 percentage point from the prior year. While overall use tends to be low, use is higher among

⁶³ Black and Hispanic adults saw higher denial rates even after controlling for other characteristics such as income and age.

⁶⁴ Federal Deposit Insurance Corporation (FDIC), 2023 FDIC National Survey of Unbanked and Underbanked Households (November 2024).

⁶⁵ Kevin Wack, "Five Reasons Why Small-Dollar Credit Is So Expensive," *American Banker* (July 30, 2013), <https://www.americanbanker.com/news/five-reasons-why-small-dollar-credit-is-so-expensive>.

adults with lower income, Black and Hispanic adults, adults with a disability, and adults living in low- and moderate-income neighborhoods (table 39).

Credit Cards

Eighty-two percent of adults had a credit card in 2025, compared to a high of 84 percent in 2021 (figure 32). Yet, how people use their cards vary. Some people 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. In 2025, 45 percent of credit card owners said they carried a balance at least once during the prior 12 months, down 12 percentage points over the past decade (figure 32).⁶⁶

Almost all adults with an income of \$100,000 or more had a credit card. As incomes decline, having a credit card was less common.

Carrying a balance, on the other hand, is more common among card holders with lower incomes. Slightly over half of card holders with income under \$100,000 carried balances from month to month, exceeding that seen among higher-income cardholders. Taken together with the rates of card ownership by income, 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 40). Carrying a balance was also particularly common among Black and Hispanic adults.

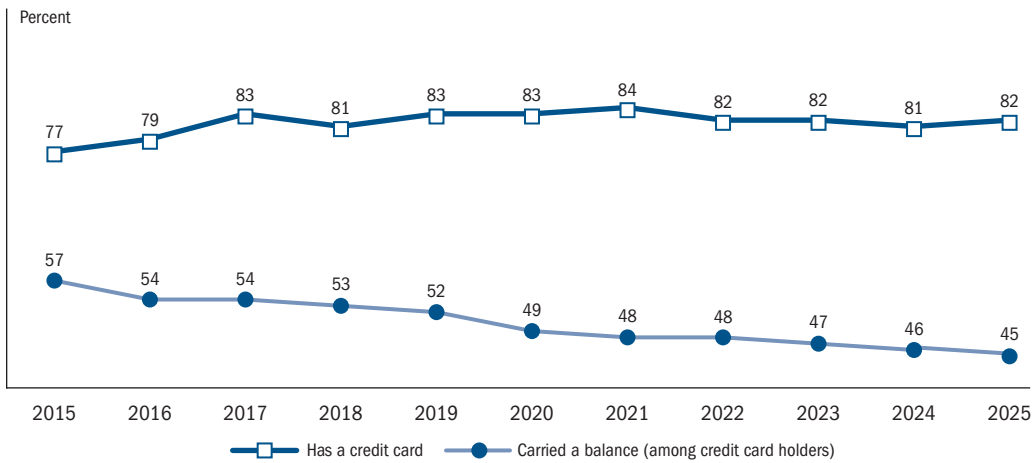
Although the SHED does not ask respondents about the amount of their credit card balances, data that links SHED responses to credit data can provide insights into usage patterns. For more information about credit balances, and how average balances have changed in recent years, see box 1.

Table 39. Use of payday, pawn, auto title, and refund anticipation loans (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	13
\$25,000-\$49,999	14
\$50,000-\$99,999	6
\$100,000 or more	2
Age	
18-29	9
30-44	10
45-59	7
60+	2
Race/ethnicity	
White	4
Black	15
Hispanic	11
Asian	3
Disability status	
Disability	12
No disability	5
Neighborhood income	
Low or moderate income	12
Middle or upper income	4
Overall	7
Note: Among all adults.	

⁶⁶ Carrying a balance is also sometimes described as revolving a balance.

Figure 32. Credit card ownership and usage (by year)



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

Table 40. Credit card ownership and usage (by demographic characteristics)

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	52	24
\$25,000–\$49,999	71	57	41
\$50,000–\$99,999	88	50	44
\$100,000 or more	97	37	36
Age			
18–29	65	46	30
30–44	78	50	39
45–59	86	52	45
60+	92	36	33
Race/ethnicity			
White	87	40	34
Black	68	72	48
Hispanic	72	58	41
Asian	90	24	22
Disability status			
Disability	70	55	38
No disability	85	43	36
Overall	82	45	37

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

Box 1. Financial Well-Being of Adults with Increasing Credit Card Balances

The credit records maintained by nationwide credit reporting agencies are an important source of information about consumer credit, forming the basis for billions of credit decisions each year. In the 2025 SHED, 63 percent of respondents agreed to have their responses matched to information from their credit reports.¹ These credit data provide additional context for survey responses that shed light on credit market developments.

The Federal Reserve Bank of New York’s *Household Debt and Credit Report* for 2025:Q3 reports that aggregate credit card balances reached \$1.2 trillion, an all-time high and an increase of 14 percent over the previous two years. By themselves, higher credit card balances can be hard to interpret. They could reflect additional spending driven by higher income or improving financial conditions. Or, they could indicate that borrowers are having a harder time making ends meet, paying for more expenses with credit, or having difficulty repaying debt. The SHED data linked to credit records can provide insights into this question.

Survey responses linked to credit data from the SHED suggest that most of the increase in credit card balances over the prior two years reflects increases among those facing financial hardships. Compared with two years earlier, the average credit card balances of SHED respondents with credit cards increased \$748 (11 percent) in the previous two years (table A). Balance increases were much smaller \$59 (1 percent) among those who reported they were “living comfortably.” In contrast, average balances increased by over \$2,500 (37 percent) among borrowers who were “finding it difficult to get by.”

Table A. Average credit card balance (by financial well-being in 2025)

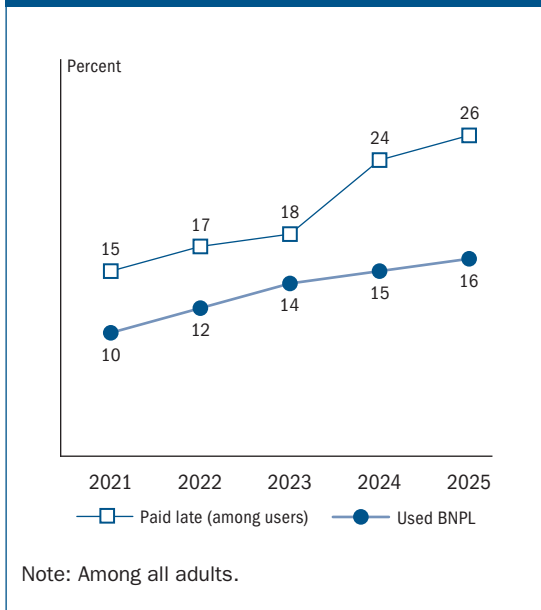
Dollars

Financial well-being	2023 Balance	2025 Balance	Balance change 2023-25
Finding it difficult to get by	6,735	9,265	2,530
Just getting by	6,782	8,581	1,799
Doing okay	6,668	7,308	640
Living comfortably	6,248	6,307	59
Overall	6,531	7,279	748

Note: Among respondents who consented to merging credit data to survey responses. Balances in 2023 reflect the balances for the same 2025 respondents two years earlier.

The general trend of credit card balances increasing more rapidly among those facing financial hardships is not new. A similar pattern was observed for each of the last two years of the SHED. However, the extent to which credit card balance growth has been concentrated among those with financial hardships is new. In the prior surveys, those “living comfortably” accounted for about one-fourth of the growth in credit card balances over the prior two years, compared to just 3 percent in the 2025 survey. Those “finding it difficult to get by” or “just getting by,” combined, accounted for 65 percent of credit card balance growth in the 2025 survey, but they accounted for only 40 percent of balance growth in the 2023 and 2024 surveys.

¹ The matched data received by the Federal Reserve does not include any information that directly identifies a respondent (such as name, address, or account numbers).

Figure 33. Use of Buy Now, Pay Later (BNPL)

Buy Now, Pay Later

Buy Now, Pay Later is a deferred payment product that 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 biweekly payments of \$25.

Sixteen percent of people used BNPL in the prior 12 months, up from 15 percent in 2025 and 10 percent in 2021, when the survey first asked about BNPL (figure 33).

Table 41. Buy Now, Pay Later (BNPL) use (by demographic characteristics)

Percent		
Characteristic	Used BNPL	Paid late (among users)
Family income		
Less than \$25,000	18	40
\$25,000-\$49,999	23	33
\$50,000-\$99,999	18	25
\$100,000 or more	12	11
Age		
18-29	22	32
30-44	21	31
45-59	17	22
60+	9	12
Race/ethnicity		
White	12	21
Black	29	32
Hispanic	26	26
Asian	11	16
Male/female		
Male	14	23
Female	19	27
Overall	16	26

Note: Among all adults.

Use of BNPL was more common among adults making less than \$100,000 a year. Black and Hispanic adults, women, and adults under age 60 were also more likely to use BNPL (table 41). Differences by race and ethnicity were large, with Black and Hispanic adults being more than twice as likely to use BNPL as White or Asian adults. Additionally, sizeable differences remain even after controlling for other factors like income and age.

Slightly more than one-fourth of BNPL users were late making a payment, essentially unchanged from the prior year (table 41). Younger BNPL users and those with an income less than \$50,000 were more likely to make payments late. Sixty-four percent of those BNPL users who were late making a payment (17 percent of those who used BNPL) said they were charged extra for being late.

Since most consumers need to enroll in automatic payments in order to use BNPL, many

payments are made via autopay with a checking account. This poses an additional risk of overdraft fees for BNPL consumers. Eleven percent of adults who used BNPL had a payment trigger an overdraft or non-sufficient funds (NSF) fee from their bank in the prior year. Among BNPL users who said they were charged extra for paying late, nearly 4 in 10 (38 percent) experienced an overdraft or an NSF fee triggered by a BNPL payment.

The 2025 survey asked BNPL users for the main reason that they paid for a purchase in this way.⁶⁷ The most important reasons for using BNPL were wanting to spread out payments, and because it was the only way to afford the purchase (table 42).

Table 42. Main reason for using Buy Now, Pay Later (BNPL) (by family income)
Percent

Reason	Less than \$25,000	\$25,000–\$49,999	\$50,000–\$99,999	\$100,000 or more	Overall
Wanted to spread out payments	25	27	31	38	31
Only way I could afford it	40	37	32	15	29
Avoid interest charges	9	11	13	26	16
Convenience	13	14	12	12	12
Did not want to use a credit card	2	3	5	6	4
Wanted a fixed number of payments	3	4	2	1	2
Only accepted payment method I had	2	1	1	1	1

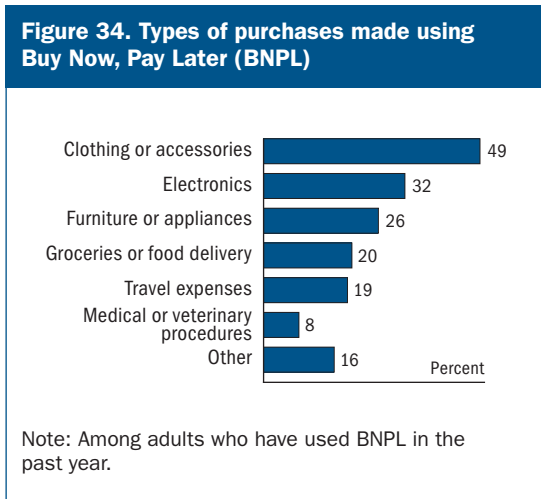
Note: Among adults who have used BNPL in the past year.

BNPL consumers' main reasons for using the product differed by income. Low-income users most commonly said that they used BNPL because it was the only way that they could afford the purchase. In contrast, high-income users with income of \$100,000 or more most commonly said that they wanted to spread out payments or avoid interest charges (table 42).

Nearly half of BNPL users said that they bought clothing and accessories with the product at least once in the prior year (figure 34). Electronics and furniture or appliances were also commonly purchased using BNPL. One in five BNPL users used the product to pay for groceries or food delivery in the prior year.

Some consumers appear to be using BNPL for basic needs when faced with affordability challenges. Forty-five percent of those who used BNPL for grocery or food delivery purchases said that the main reason for using BNPL is that it was way the only way that they could afford a purchase.

⁶⁷ The 2025 SHED asked BNPL users for all reasons they used BNPL, and among those, to indicate the main reason for use. The main reason is reported in this section. Previous years of the survey did not ask about the main reason, and report on all reasons for use. A substantial difference between the "main reason" and "all reasons" is that many users said that they used it in part for convenience, but this was rarely the main reason to use BNPL. Results using any reason, which are comparable to prior years, are available in appendix B.



The survey results also indicated that there are opportunities to better inform BNPL users about how the product affects their credit. At the time of the survey, BNPL purchases and on time payments would not affect credit histories or credit scores with any of the three major credit bureaus.⁶⁸ Yet 38 percent agreed with the statement (and an additional 40 percent were unsure) that using the product would help build a credit history. Similarly, a majority of BNPL users (53 percent) incorrectly agreed with the statement that making on time payments helps their credit score.

Overall, only 14 percent of BNPL users

answered both questions correctly, suggesting that most users do not fully understand the credit implications of the financial product.

Student Loans

Consumers use student loans to finance higher education for themselves or members of their family. Sixteen percent of all adults had outstanding student loans in 2025.⁶⁹ Among those who attended at least some college, 21 percent had outstanding loans.⁷⁰ Younger adults, Black adults, and women were more likely to have student loans (table 43). In contrast, having student loans did not vary by income.

Borrowers with federal student loans experienced a long forbearance period following the COVID-19 pandemic. Most of these forbearance policies were no longer in place in 2025.⁷¹ Nevertheless, many student loan borrowers are not currently required to make payments because of deferment while in school, forbearance for economic hardships, or having a low income while on

⁶⁸ At the time of the survey, most BNPL providers were not reporting loans to credit bureaus. Even if loans were reported, they did not factor into scores and were not visible to any lenders (Affirm, “People Deserve Credit for Managing Their Money Responsibly,” press release, November 25, 2025, <https://investors.affirm.com/news-releases/news-release-details/people-deserve-credit-managing-their-money-responsibly>).

⁶⁹ Eighty-one percent of adults with student loans held debt for their own education. Twenty-eight percent of adults had student loan debt due to financing their child’s or grandchild’s education.

⁷⁰ Five percent of adults with a high school degree or less had student loans (for their own or someone else’s education). Individuals who enroll and take out loans for educational programs beyond high school but do not attend or only attend a portion of the program will be responsible for the debt they took out, but do not have a certificate or degree. This statistic is among those who currently have student loans, for information about who has ever had student loans see Board of Governors of the Federal Reserve System, *Economic Well-Being of U.S. Households in 2024* (Washington: Board of Governors, May 2025), <https://doi.org/10.17016/8960.1>.

⁷¹ Delinquent student loans began to be reported to credit bureaus in late 2024. For information on student loan credit reporting, see Liberty Street Economics, “Student Loan Delinquencies Are Back, and Credit Scores Take a Tumble,” at <https://libertystreeteconomics.newyorkfed.org/2025/05/student-loan-delinquencies-are-back-and-credit-scores-take-a-tumble/>.

Table 43. Share with student loans (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	16
\$25,000-\$49,999	16
\$50,000-\$99,999	16
\$100,000 or more	15
Age	
18-29	25
30-44	22
45-59	15
60+	5
Race/ethnicity	
White	14
Black	28
Hispanic	15
Asian	12
Male/female	
Male	13
Female	18
Overall	16
Note: Among all adults.	

Table 44. Paid full required student loan payment in prior month (by demographic characteristics)

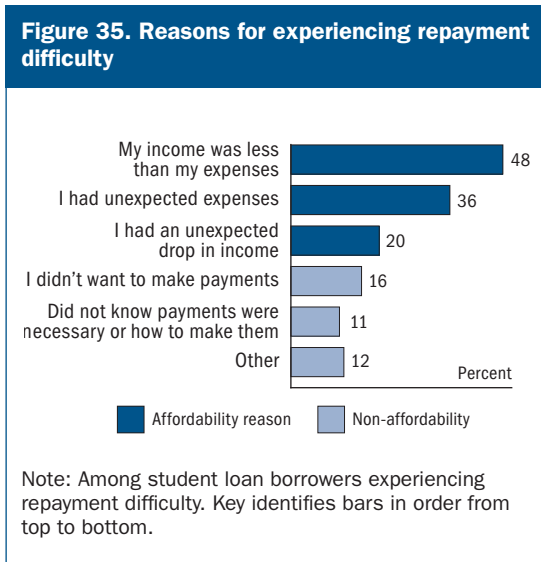
Characteristic	Percent
Family income	
Less than \$25,000	42
\$25,000-\$49,999	47
\$50,000-\$99,999	70
\$100,000 or more	92
Age	
18-29	69
30-44	74
45-59	75
60+	79
Race/ethnicity	
White	83
Black	52
Hispanic	70
Asian	75
Male/female	
Male	80
Female	69
Overall	73
Note: Among adults with student loans who were required to make payments.	

an income driven repayment plan.⁷² Forty-five percent of borrowers indicated that they were not currently required to make student loan payments at the time of the survey.

Additionally, slightly less than three-fourths of adults who were required to make a payment on their student loans paid the full amount in the month prior to the survey. Falling behind on payments was closely tied to one's income. Less than half of low-income borrowers with an income under \$50,000 per year paid the required amount, compared with 92 percent of borrowers with an income of \$100,000 or more who did so (table 44). Black borrowers and female borrowers were also less likely to have made the full payment.

Even among borrowers who made their most recent student loan payment, some reported recent difficulties with their payments. In addition to asking respondents about their most recent

⁷² For additional details on circumstances when borrowers can get a deferment or forbearance, see <https://studentaid.gov/manage-loans/lower-payments/get-temporary-relief>.



payment, the survey asked whether they had difficulty paying their student loan in the past 12 months. Fourteen percent of borrowers who were required to make payments said that they made the prior month's payment but had difficulty within the past year. Hence, a total of 41 percent of those required to make payments (23 percent of adults with student loan debt) recently had payment difficulties.

Insufficient income and unexpected expenses made student loan repayment difficult for some borrowers. Slightly less than half of student loan borrowers who experienced difficulty repaying their loans said it was due, in part, to

their income being less than their expenses (figure 35). Collectively, 76 percent of borrowers who experienced difficulty repaying their loans had an affordability challenge—their income was less than their expenses, they had unexpected expenses, or they had an unexpected drop in income.

Reasons unrelated to affordability were less likely to cause repayment difficulty. Sixteen percent of borrowers experiencing repayment difficulty said it was due to not wanting to make payments. Perhaps because of borrower confusion following the four-year forbearance period, slightly more than 1 in 10 borrowers experiencing repayment difficulty did not know how to make payments or did not know that they needed to make payments.

Housing

Housing represents the largest expense for most families, and consequently, housing decisions have the potential to substantially affect economic outcomes. Housing costs and availability were a challenge for many adults, particularly those with low income. While rental costs held steady over the prior year, renters were more likely to have fallen behind on rent in 2025. Among homeowners, the cost of homeowners insurance contributed to some going without coverage entirely or having less coverage than they wanted. Many homeowners with insurance said that the costs have gone up by more than they were expecting in recent years.

Homeownership

Sixty-three percent of adults owned their home, while 27 percent rented.⁷³ Homeownership rates varied substantially by income. Thirty-three percent of adults with less than \$50,000 of income owned their home, compared with 86 percent of adults with an income of \$100,000 or more.

The income gap in homeownership was even greater among adults under age 60, where the homeownership rate among those with income over \$100,000 was more than three times that of those with income less than \$50,000. One reason for this pattern may be that older adults, having already purchased their home during their working years, are now less reliant on income for homeownership.⁷⁴ Another factor could be that increases in home prices have outpaced increases in income, making it more difficult for lower-income younger adults to afford homes than was the case for older generations.⁷⁵

Gaps in homeownership rates were also apparent by other demographic characteristics. Black and Hispanic adults were less likely to own, and more likely to rent, than White and Asian adults. Adults with a disability were also less likely to own and more likely to rent their home (table 45).

⁷³ Nine percent of adults reported neither owning nor renting. Sixty-eight percent of those who neither own nor rent are under age 30. Similarly, 68 percent of those who neither own nor rent live with their parents.

⁷⁴ Further, older adults, even those with lower income, are much more likely to own their homes free and clear. For example, among adults with income less than \$50,000, 39 percent of those age 60 or older owed their home free and clear, compared with 10 percent of those under age 60.

⁷⁵ Peyton Whitney, "Home Prices Surge to Five Times Median Income, Nearing Historic Highs," Joint Center for Housing Studies (Cambridge: Harvard University, October 6, 2025), <https://www.jchs.harvard.edu/blog/home-prices-surge-five-times-median-income-nearing-historic-highs>.

Table 45. Homeownership and rental rates (by demographic characteristic)
Percent

Characteristic	Own	Rent
Family income		
Less than \$25,000	24	45
\$25,000–\$49,999	44	44
\$50,000–\$99,999	66	29
\$100,000 or more	86	12
Age		
18–29	24	44
30–44	58	36
45–59	76	22
60+	83	14
Race/ethnicity		
White	72	20
Black	44	43
Hispanic	48	41
Asian	66	25
Disability status		
Disability	55	36
No disability	67	24
Overall	63	27

Note: Among all adults. 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.

Cost of Housing

Sixty-four percent of adults who owned their home had a mortgage in 2025. The median monthly mortgage payment was \$1,600, up from \$1,500 in 2024.⁷⁶ Likely reflecting differences in home prices across the country, mortgage payments were higher in the Northeast and West, compared with the Midwest and South (table 46). Consistent with increases in home prices and mortgage rates in recent years, mortgage payments were also larger among those who moved in 2024 or 2025 relative to those who moved into their homes in earlier years.⁷⁷

Among renters, the median reported rent held steady at \$1,200 but remained up from \$1,100 in 2023.

Like homeowners with a mortgage, renters in the Northeast and West had higher monthly rent payments compared with those in the Midwest and South, as measured by the median rental payment in the region (table 47). However, the median monthly

rental payments were smaller than monthly mortgage payments made by homeowners. Renters who moved in 2024 or 2025 also had higher rent payments compared with those who did not move in the prior two years.⁷⁸ The median rent for tenants who recently moved also held steady relative to that in the prior year.

⁷⁶ 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.

⁷⁷ Although mortgage interest rates were down from their 2023 peak, they remained well above rates from 2010–21. For details on average mortgage rates over time, see Freddie Mac, “Current Mortgage Rate Data Since 1971,” <https://www.freddiemac.com/pmms>. For details on median home prices over time, see “Median Sales Price of Houses Sold for the United States,” <https://fred.stlouisfed.org/series/MSPUS>.

⁷⁸ 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 46. Median monthly mortgage payment (by census region and most recent move)

Dollars		
Census region	Moved in 2024 or 2025	Overall
Northeast	2,800	1,669
Midwest	1,800	1,350
South	2,250	1,550
West	2,950	1,975
Overall	2,300	1,600

Note: Among homeowners who reported a positive monthly mortgage payment. Owners with a mortgage were asked for the total mortgage payment that they sent to their mortgage servicer.

Table 47. Median monthly rent payment (by census region and most recent move)

Dollars		
Census region	Moved in 2024 or 2025	Overall
Northeast	1,500	1,375
Midwest	1,070	915
South	1,300	1,100
West	1,750	1,450
Overall	1,300	1,200

Note: Among renters who reported a positive monthly rent payment.

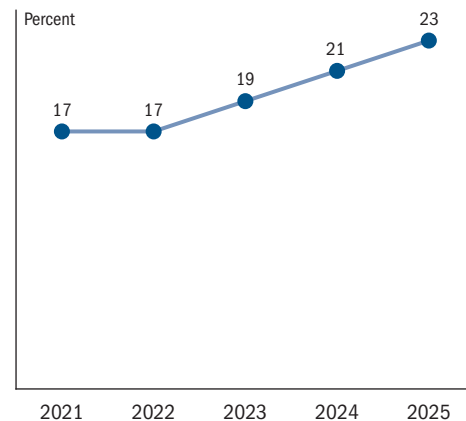
Renter Experiences

Challenges paying rent increased compared with the prior year. Twenty-three percent of renters reported that they had been behind on their rent at some point in the past year, up 2 percentage points from 2024 and 6 percentage points since 2021 when pandemic-era protections for renters were in place (figure 36).

Lower-income renters were more likely to fall behind on rent than higher-income renters. Nearly one-third of renters with less than \$50,000 in income reported being behind on rent at some point during the past year, compared with 5 percent among renters with income of at least \$100,000 (table 48).

The share of lower-income renters behind on rent also went up compared with a year prior but held steady among higher-income renters. That said, the share behind on rent has increased among renters of all incomes since 2023.

Figure 36. Behind on rent at some point in past year



Note: Among renters.

Table 48. Behind on rent at some point in the past year (by income and year)

Percent			
Family income	2023	2024	2025
Less than \$25,000	27	31	33
\$25,000-\$49,999	26	25	31
\$50,000-\$99,999	14	16	17
\$100,000 or more	2	6	5
Overall	19	21	23

Note: Among renters. Income is not comparable prior to 2023 because of changes to question wording.

Rent payments, despite being a large monthly expenditure, aren't typically reported to credit bureaus like mortgage payments are. That said, while still uncommon, reporting of rent payments has been increasing in recent years.⁷⁹ In 2025, 8 percent of renters had their payments reported to one of the three national credit bureaus.

Black renters were among the most likely to have their rent payments reported, at 13 percent. Renters who had fallen behind on their rent in the past year had their rent payments reported to a credit bureau at similar rates to those who had not fallen behind (9 percent and 8 percent, respectively).

Some renters face eviction for a variety of reasons, including nonpayment of rent, and ultimately move from their home. In 2025, 2 percent of renters moved in the prior year because of eviction or threat of eviction, similar to the prior year. This represents 16 percent of renters who moved during 2025.

Homeowners Insurance

Overall, 6 percent of all homeowners went without homeowners insurance.⁸⁰ This rate was nearly unchanged from that in 2024.

As an indication of the need for insurance, 14 percent of adults reported being financially affected by natural disasters or severe weather events in the year before the survey (such as flooding, hurricanes, wildfires, or extreme temperatures).⁸¹ When asked about how they were affected, the most common way was property damage, with 8 percent of adults affected.

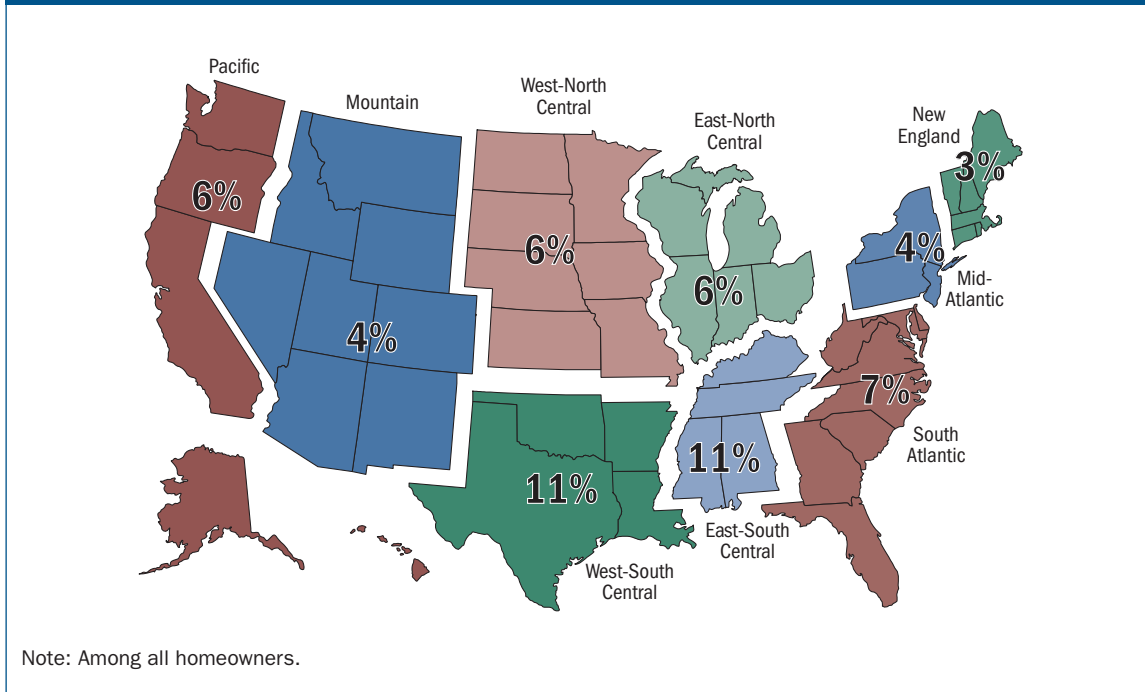
Rates of homeowners insurance varied substantially across the country. The share of homeowners going without homeowners insurance was lowest in New England and highest in the East-South Central and West-South Central divisions ([figure 37](#)).⁸² Additionally, homeowners living in low- or

⁷⁹ Daniel Teles, Brett Theodos, and Amanda Hermans, *The Rise of Rent Reporting as a Credit-Building Tool* (Washington: Urban Institute, November 2025), https://www.urban.org/sites/default/files/2025-11/The_Rise_of_Rent_Reporting_as_a_Credit-Building_Tool.pdf.

⁸⁰ Homeowners with a mortgage generally are required to have homeowners insurance, and only 3 percent reported not having it. Thirteen percent of owners who own their home free and clear went without homeowners insurance, unchanged from 2024.

⁸¹ In 2024, 21 percent were financially affected by a natural disaster or severe weather. A possible contributing factor to this decline was that no hurricanes made landfall in the continental U.S. for the first time since 2015. See the National Oceanic and Atmospheric Administration, "2025 Atlantic Hurricane Season Marked by Striking Contrasts," <https://www.noaa.gov/news-release/2025-atlantic-hurricane-season-marked-by-striking-contrasts>. Moreover, geographic regions that are typically affected by hurricanes saw the largest percentage-point drop in the share of adults who reported being financially affected by a natural disaster.

⁸² Census divisions are used because the sample contains too few observations to provide estimates for each state. Census divisions are groupings of states that subdivide the United States. See the U.S. Census Bureau at <https://www.census.gov/programs-surveys/economic-census/guidance-geographies/levels.html>. Geographic differences remain when looking only among homeowners who own their homes free and clear.

Figure 37. Share with no homeowners insurance on primary residence (by census division)

moderate-income neighborhoods were more likely to go without homeowners insurance (12 percent), compared with those living in high-income neighborhoods (5 percent).

Homeowners with fewer financial resources were among the most likely to go without homeowners insurance. For example, roughly 2 in 10 homeowners with income less than \$50,000, as well as 3 in 10 homeowners whose only asset was their home, went without homeowners insurance.

A majority of those who went without homeowners insurance did so because of cost. When asked the main reason they did not have homeowners insurance, 43 percent said they “couldn’t afford it,” while another 16 percent said “it is not worth the cost.” Fifteen percent said “I self-insure or prefer not to buy insurance,” and 8 percent said that “no insurance company will insure my home.”

The cost of homeowners insurance was also a challenge for some homeowners with insurance, particularly those with lower incomes. Twenty percent of insured homeowners said they “would prefer more coverage but can’t afford it,” and 14 percent said that they “struggle to afford the premiums.” Among insured homeowners with income less than \$50,000, 33 percent preferred more coverage but couldn’t afford it, while nearly 30 percent struggled to afford the premiums. More than 6 in 10 insured homeowners, regardless of income, said that the cost of homeowners insurance “had gone up by more than they were expecting in recent years.”

Description of the Survey

The Survey of Household Economics and Decisionmaking was fielded from October 17 through October 28, 2025. The survey has been conducted annually in the fourth quarter of each year since 2013.⁸³ 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. Respondents are selected for inclusion in KnowledgePanel using address-based sampling (ABS). SHED respondents were then selected from this panel.

Survey Participation

Participation in the 2025 SHED depended on several separate decisions made by respondents. First, they agreed to participate in Ipsos's KnowledgePanel. According to Ipsos, 9.1 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, 62.4 percent completed the initial profile survey and became a panel member (study-specific profile rate). Finally, selected panel members agreed to complete the 2025 SHED.

Of the 17,899 panel members contacted to take the 2025 SHED, 13,099 participated and completed the survey, yielding a final-stage completion rate of 73.2 percent.⁸⁴ Taking all the stages of recruitment together, the cumulative response rate was 4.1 percent.⁸⁵ 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 12,934 respondents.⁸⁶

⁸³ Data and reports of survey findings from all past years are available at <https://www.federalreserve.gov/consumerscommunities/shed.htm>.

⁸⁴ The 457 respondents who started, but did not complete, the survey (known as break-offs) were not included in the analysis. The study break-off rate for the SHED was 3.4 percent.

⁸⁵ 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/>).

⁸⁶ Of the 13,099 respondents who completed the survey, 165 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.⁸⁷

All survey respondents were asked for their approval to have their credit data merged to their survey responses.⁸⁸ Sixty-three percent of respondents gave their approval for the merge. These respondents received an additional \$5 incentive payment after survey completion.

Survey Questionnaire

The 2025 survey took respondents 21 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.⁸⁹ 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

⁸⁷ 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.

⁸⁸ The Board’s credit bureau vendor conducted the anonymized merge. The merged data received by the Federal Reserve does not include any information that directly identifies a respondent (such as name, address, or account numbers).

⁸⁹ For a comparison of results to select overlapping questions from the SHED and Census Bureau surveys, see Kabir Dasgupta, Fatimah Shaalan, and Mike Zabek, “Shedding Light on Survey Accuracy—A Comparison between SHED and Census Bureau Survey Results,” Finance and Economics Discussion Series 2025-010 (Washington: Board of Governors of the Federal Reserve System, 2025), <https://doi.org/10.17016/FEDS.2025.010>; and 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>.

interviews and can be an effective way to interview a representative population.⁹⁰ 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.

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.⁹¹ 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 device 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, household size, Hispanic origin, 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.

⁹⁰ 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.

⁹¹ 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.

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 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 2025 CPS. The weighted sample for the 2025 SHED is representative of the estimated 265 million U.S. adults age 18 and older from the March 2025 CPS.

One measure of whether the survey methodology affects the confidence interval around results relative to that which would be obtained with a simple random sample is the survey's design effect. A design effect of 1.0 indicates that the survey's methods are as precise as a simple random sample. The design effect for the 2025 survey with the weights used in this report is 1.14, indicating only modest effects from the sampling methods on the precision of results.

One feature of the SHED is that a subset of respondents also participated in prior waves of the survey. In 2025, about one-third of respondents had participated in the fall 2024 survey. The case identifier in the publicly available dataset allows data users to link respondents to previous surveys. Weights for the subset of respondents who took the 2024 survey are also available. 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.⁹²

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 neces-

⁹² 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>.

sary 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 for non-text questions in the 2025 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.⁹³ As a result, population estimates were not sensitive to the imputation procedure and a simple regression approach was used.⁹⁴ For continuous variables such as rent and mortgage payment amounts, a hot deck approach was used.⁹⁵

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.⁹⁶ 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 45 missing values that were imputed, accounting for 0.35 percent of all observations.

⁹³ Because item non-response is very low in the SHED, 2025 estimates are comparable with earlier years of the survey where item non-response was handled differently.

⁹⁴ 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.

⁹⁵ 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.

⁹⁶ The survey data can be downloaded from the Federal Reserve Board’s website at https://www.federalreserve.gov/consumerscommunities/shed_data.htm.

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