

# The Economic Well-Being of U.S. Households in 2022

July 13, 2023  
3:00 to 4:00 PM ET



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**Jeff Larrimore**

**Chief, Consumer &  
Community Research**  
Federal Reserve Board of  
Governors



**Alicia Lloro**

**Principal Economist**  
Federal Reserve Board of  
Governors



**Ellen Merry**

**Principal Economist**  
Federal Reserve Board of  
Governors



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# Survey of Household Economics & Decisionmaking

Celebrating 10 Years



Presenters

Alicia Lloro and Ellen Merry

Materials prepared by Jacob Lockwood, Zofsha Merchant,  
and Anna Tranfaglia

### **SHED Approach**

- 10<sup>th</sup> year conducting the survey
- Surveyed over 11,000 adults (ages 18+) in October 2022
- Responses are nationally representative of U.S. adults

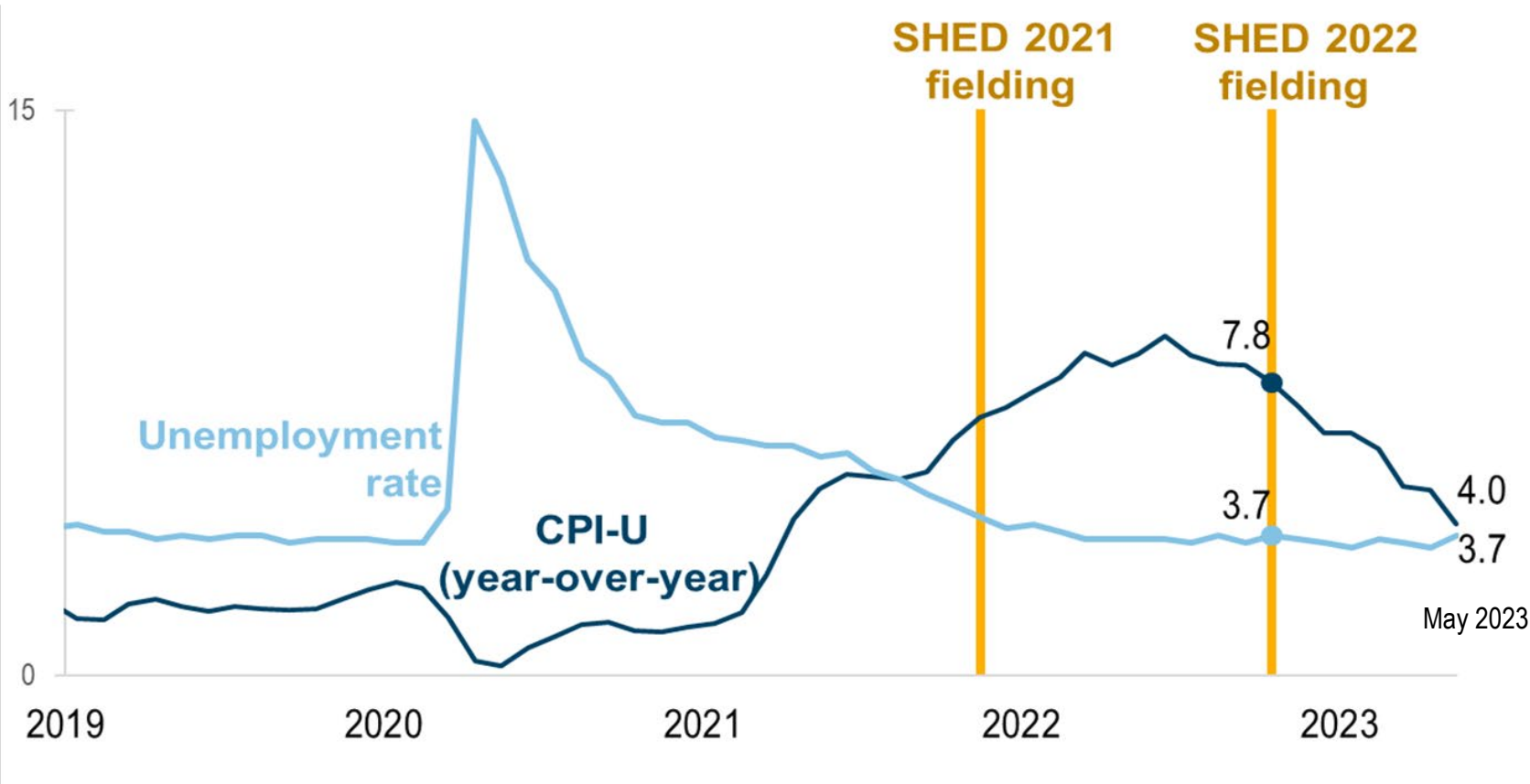
### **Goals**

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

**Report & Data:** Report on the *Economic Well-Being of U.S. Households in 2022* released in May, along with the full dataset, available at <https://www.federalreserve.gov/consumerscommunities/shed.htm>

# Inflation has eased somewhat since the 2022 SHED was fielded, while unemployment has remained low

Economic indicators when the SHED was fielded



Note: Values are percentages.

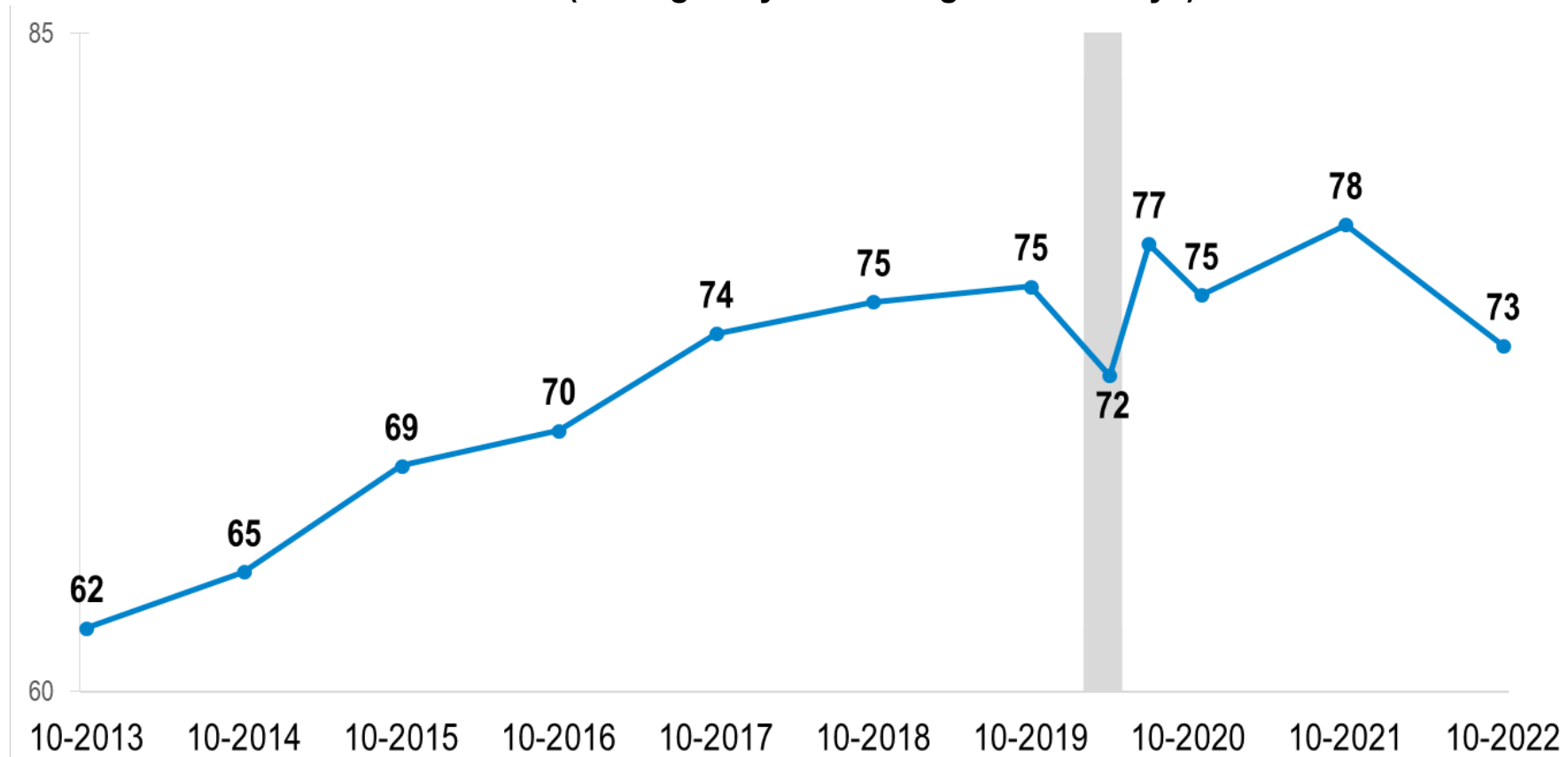
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# Financial Well-Being and Inflation



# Self-reported financial well-being fell sharply and was among the lowest levels observed since 2016

Doing at least okay financially  
("doing okay" or "living comfortably")

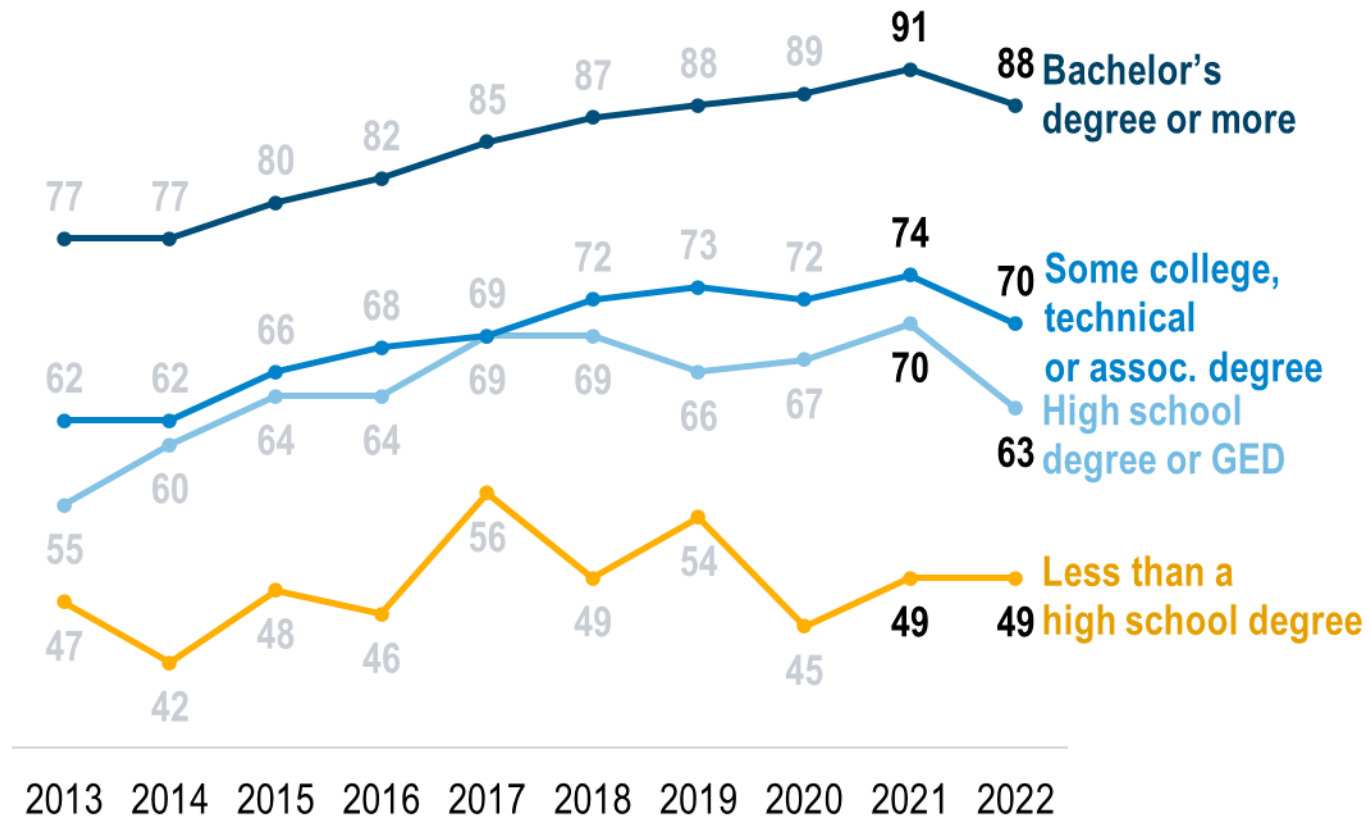


Note: Values are percentages. Among all adults. Shading indicates period of recession.



# Decline in well-being occurred among all education levels, except for those with less than a high school degree

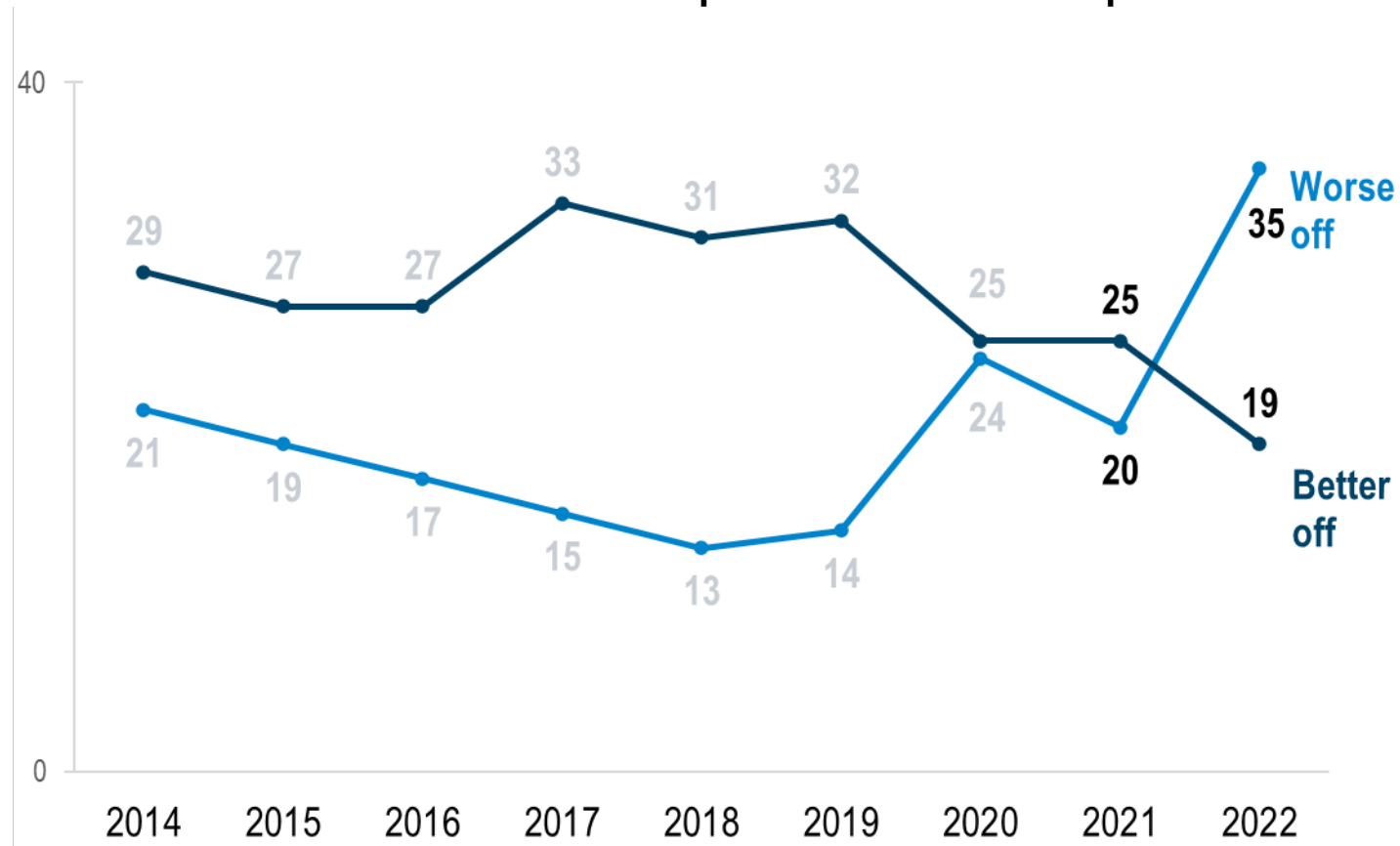
Doing at least okay financially, by education



Note: Values are percentages. Among all adults.

# 2022 saw a sharp increase in the share saying that they were worse off than the year before

Financial situation compared with 12 months prior



Note: Values are percentages. Among all adults.

# In 2022, those with higher education or more wealth had larger increases in share who were worse off

Increase in the share who were worse off compared with 12 months prior

By Education

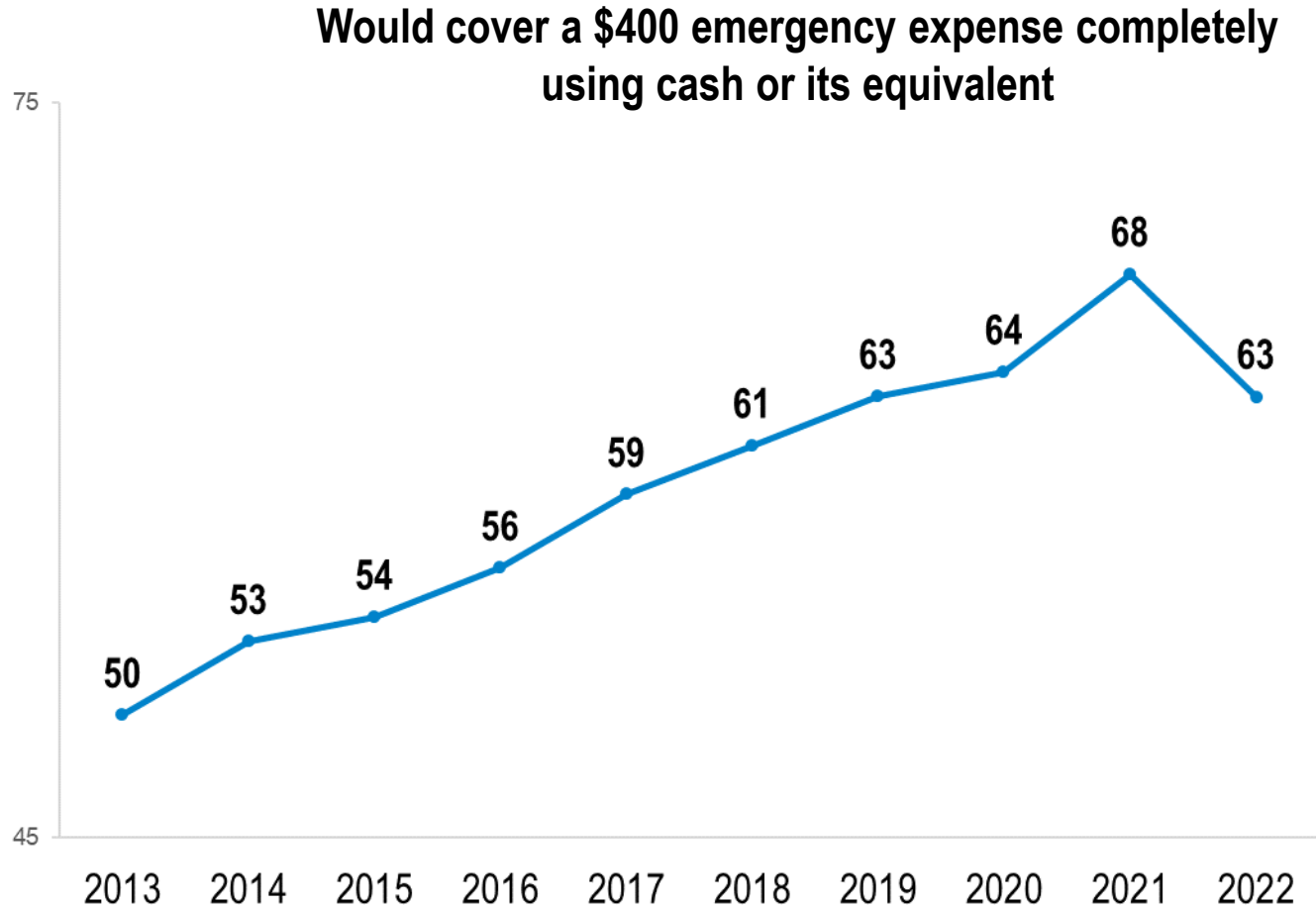
- 7** Less than a high school degree
- 14** High school degree or GED
- 13** Some college, technical or assoc. degree
- 17** Bachelor's degree or greater

By Amount of Savings and Investable Assets

- 11** Less than \$50,000
- 16** \$50,000 - \$249,999
- 19** \$250,000 - \$999,999
- 31** \$1,000,000 or more

Note: Values are percentages. Among all adults.

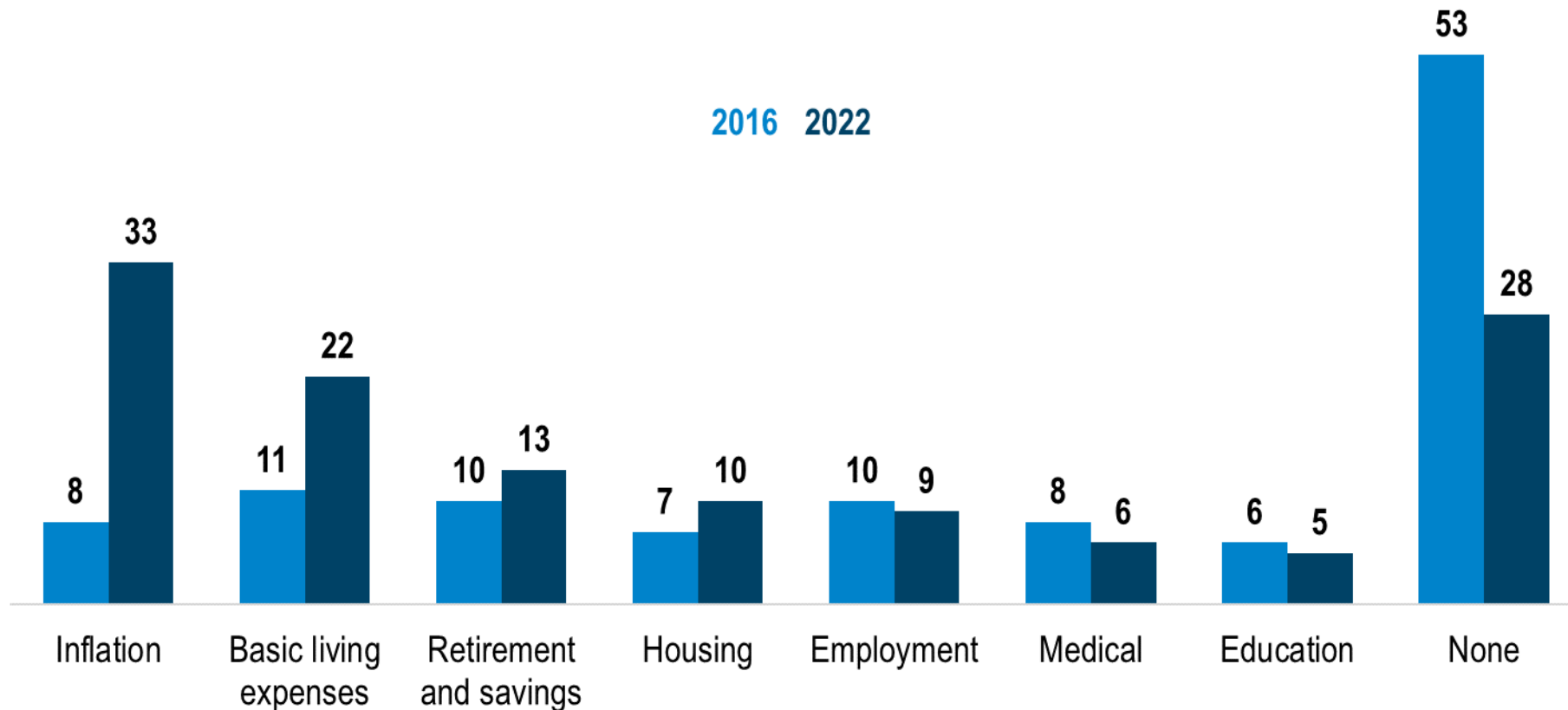
# The share of adults who would cover a \$400 expense with cash or its equivalent declined from 2021 high



Note: Values are percentages. Among all adults.

# In 2022, inflation was the most common financial challenge that people said they were facing

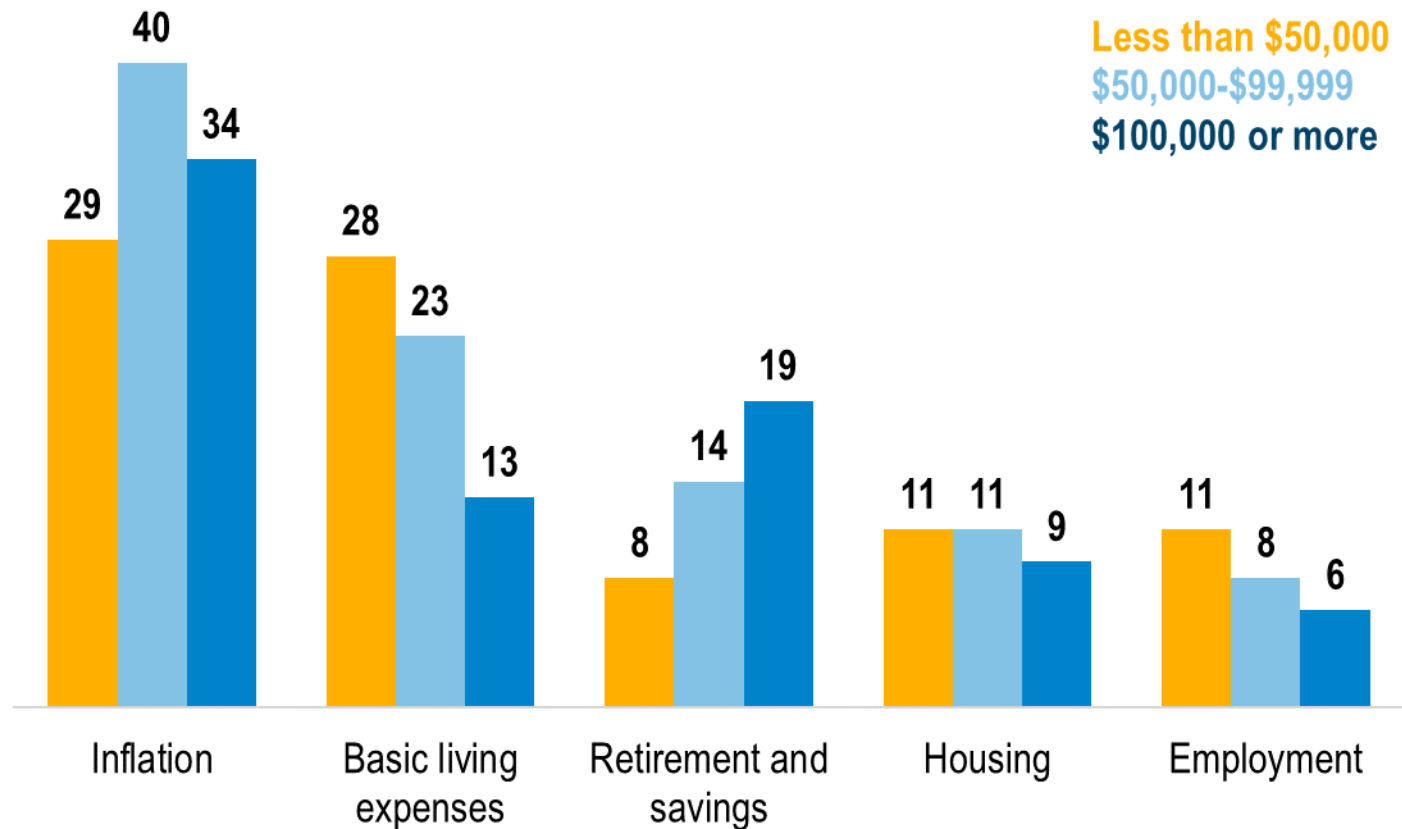
Main financial challenges mentioned in open-ended question



Note: Values are percentages. Among respondents who provided a text response or selected “none.”

# The prevalence of people's concerns varied substantially by income

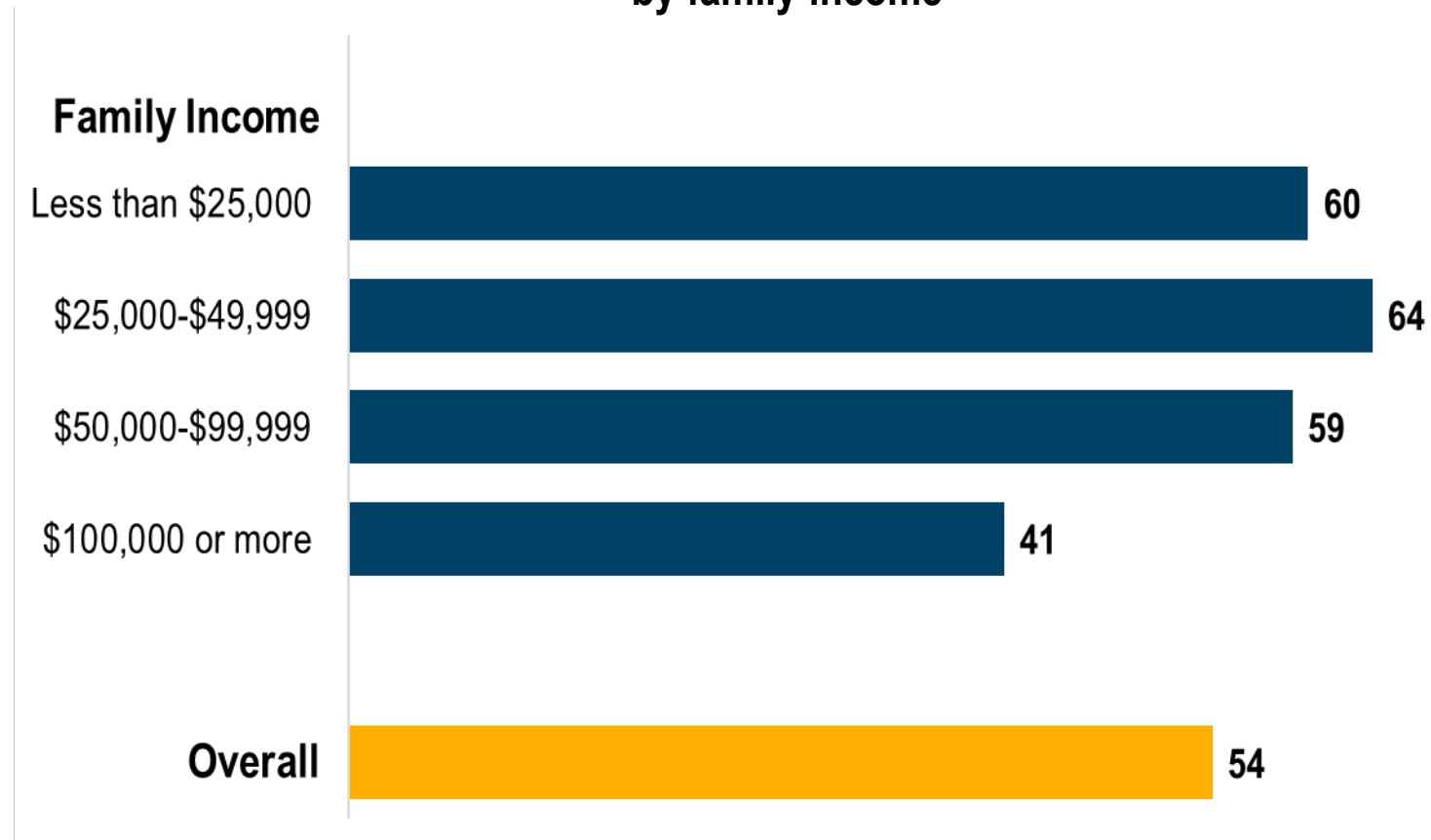
Main financial challenges mentioned in open-ended question, by family income



Note: Values are percentages. Among respondents who provided a text response or selected “none.”

# Those with lower incomes were more likely to have budgets affected by price increases

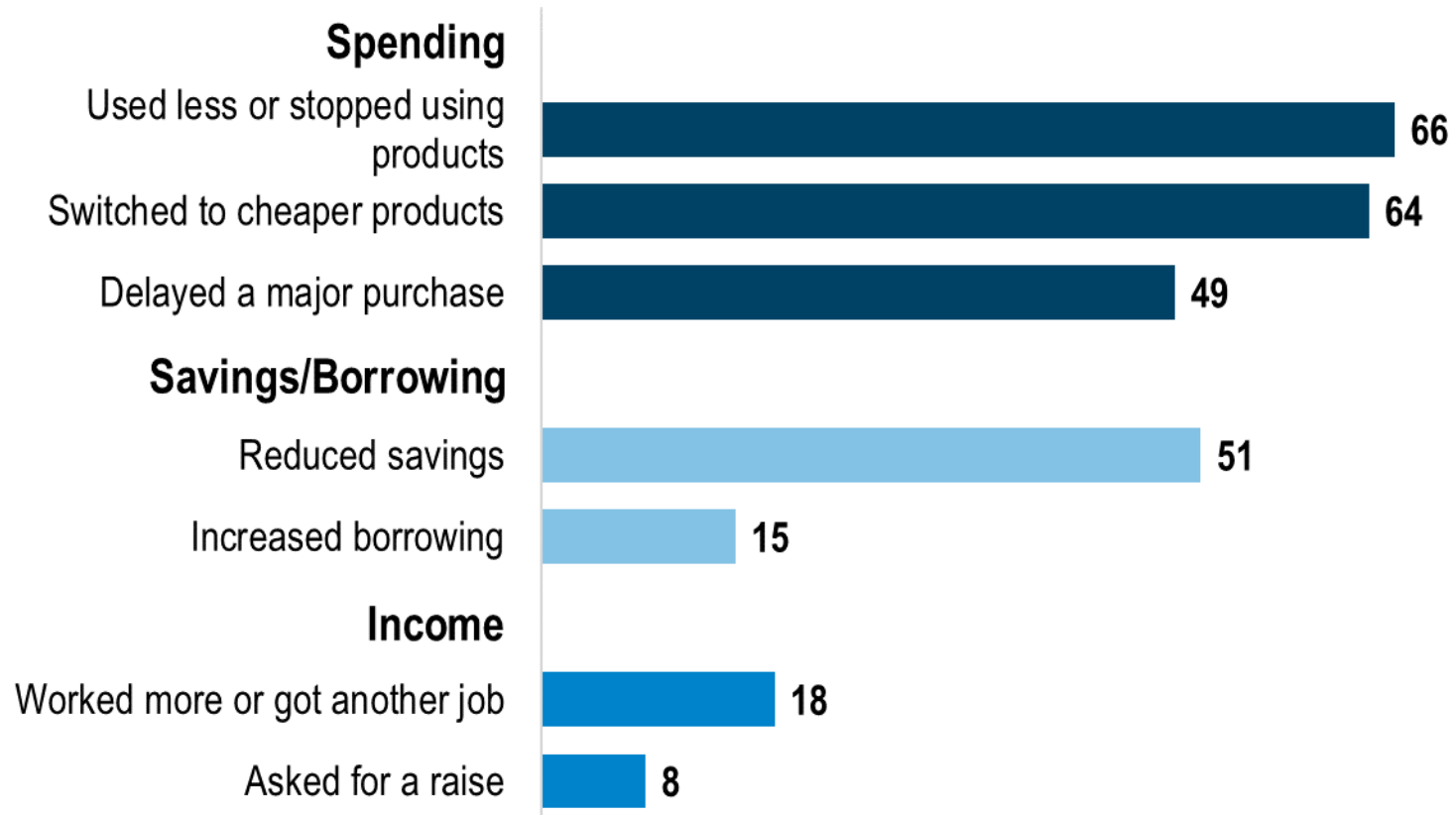
Family budget affected “a lot” by price increases in the prior 12 months, by family income



Note: Values are percentages. Among all adults.

# Changing shopping behavior was the most common response to higher prices

Actions taken in response to higher prices in prior 12 months



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



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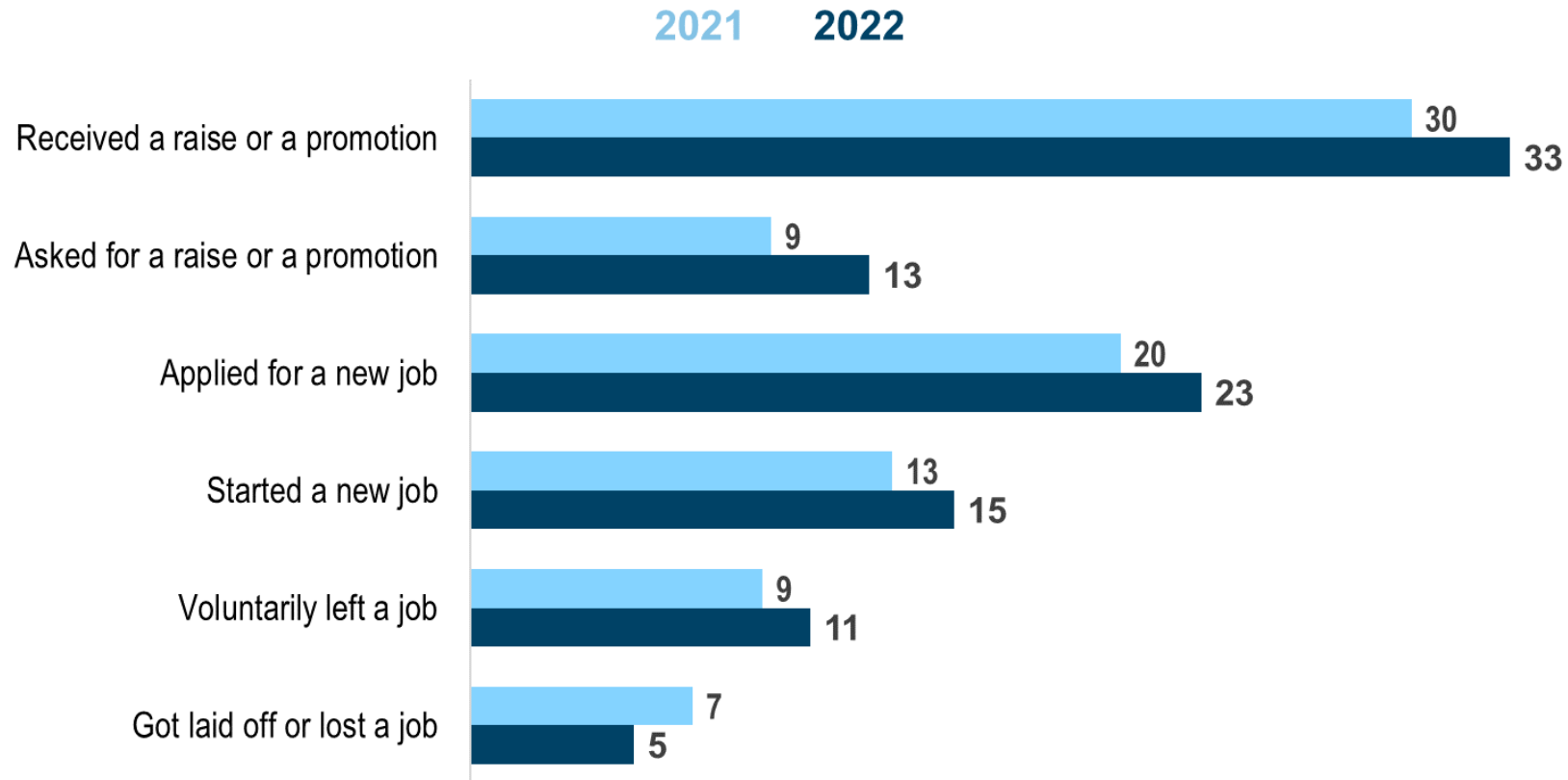
# Employment



## EMPLOYMENT

# Indicators of workers' labor market opportunities remained strong in 2022

### Job actions taken in the prior 12 months

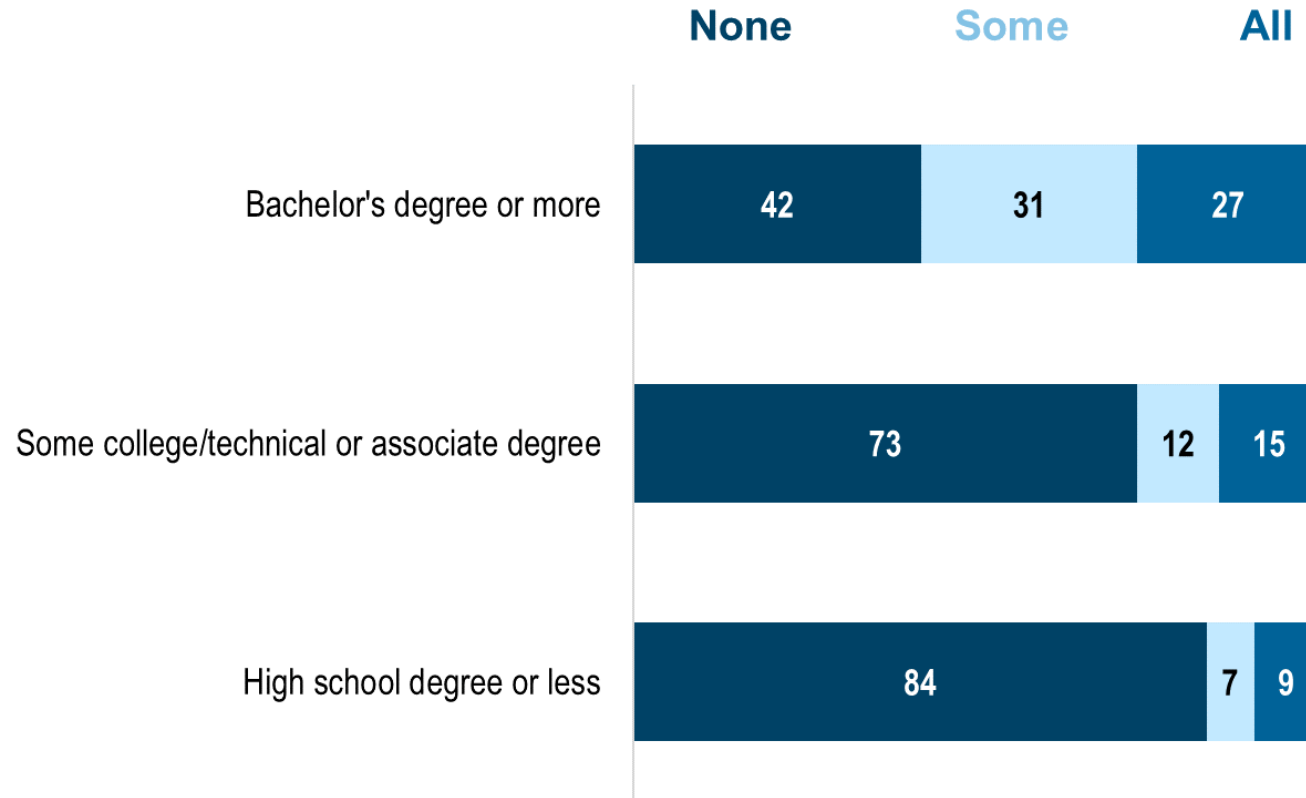


Note: Values are percentages. Among all adults. Respondents could select multiple answers.

## EMPLOYMENT

# Working from home remained far more common among those with a bachelor's degree

### Amount of work done from home

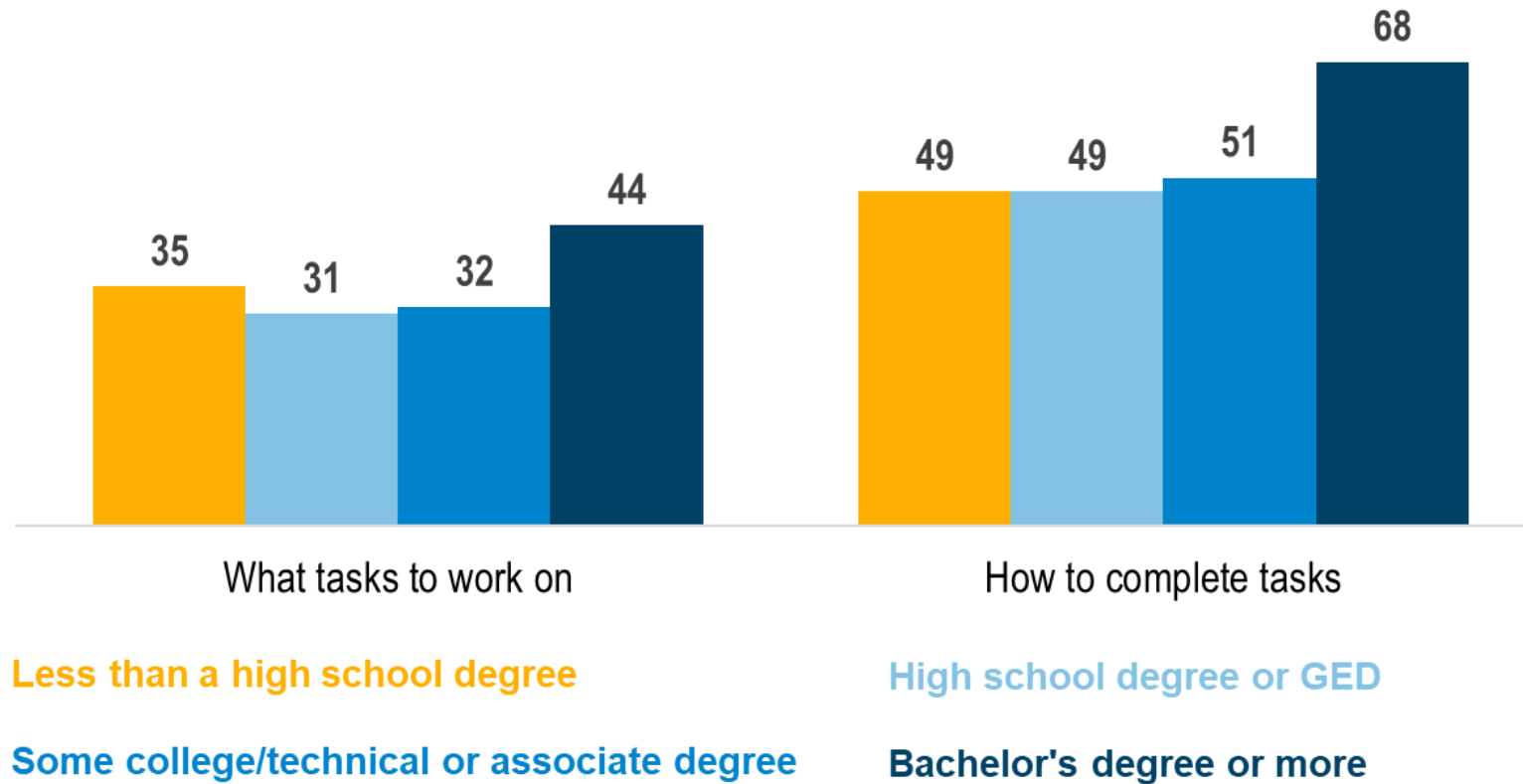


Note: Values are percentages. Among adults who worked for someone else.

## EMPLOYMENT

# Workers' autonomy over how they do their work differed by education

Share who often or always have control over tasks at work, by education



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

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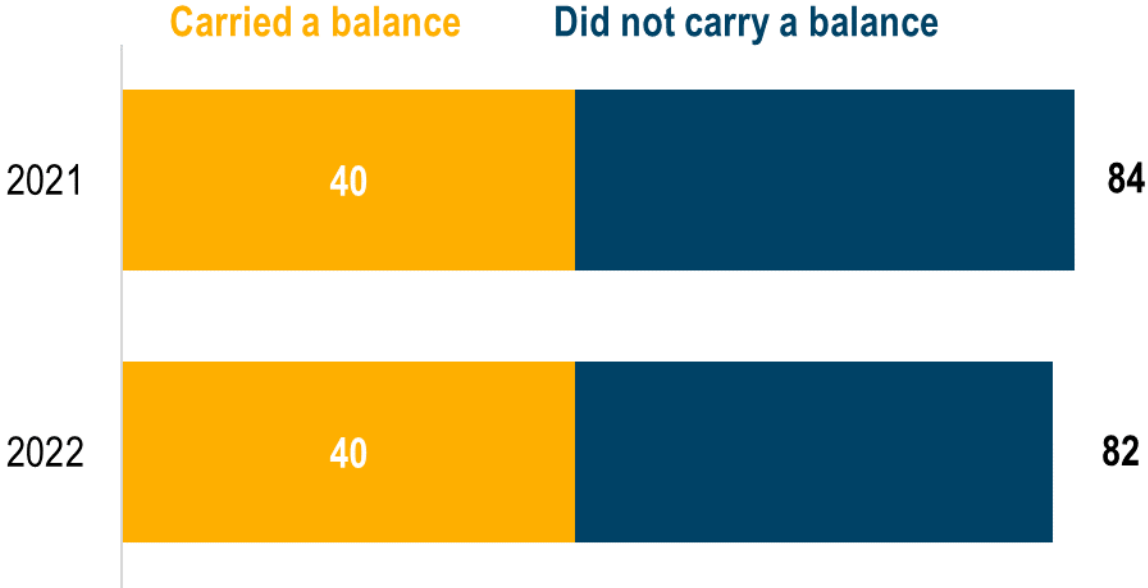
# Credit



CREDIT

# Credit card ownership declined, and the share carrying a balance at least once was unchanged

Credit card ownership and use

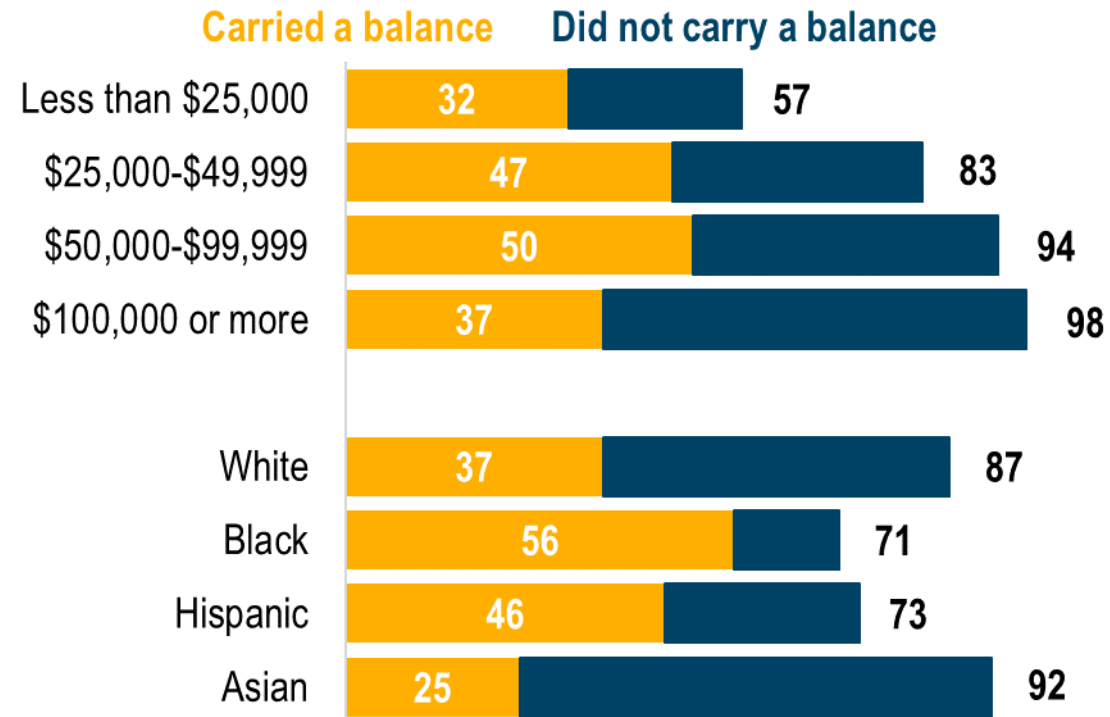


Note: Values are percentages. Among all adults.

## CREDIT

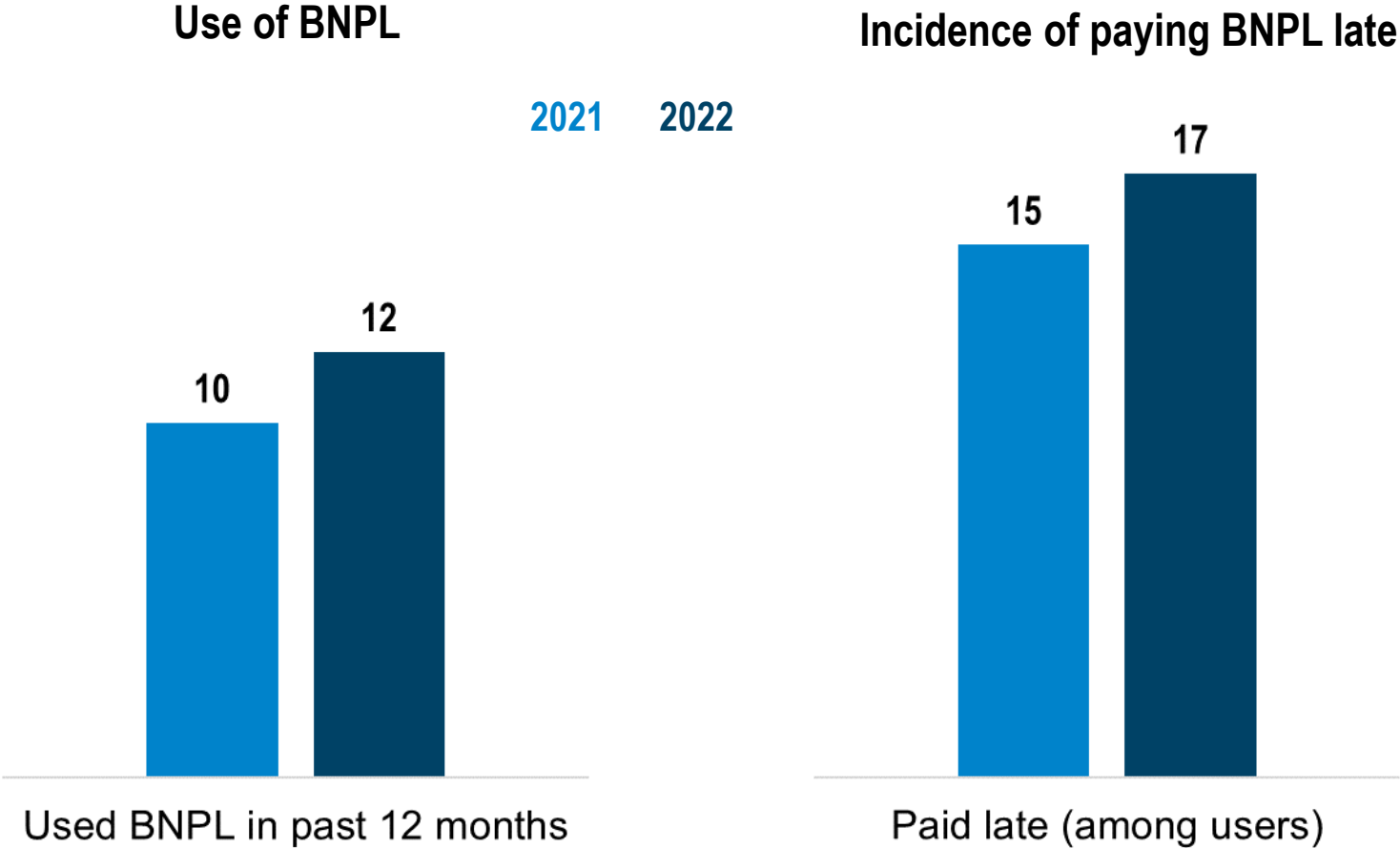
# Black and Hispanic adults were less likely to have a credit card, yet more likely to carry a balance

Credit card ownership and usage, by income and race/ethnicity



Note: Values are percentages. Among all adults.

# Use of Buy Now, Pay Later (BNPL) and incidence of paying late increased slightly from 2021 to 2022

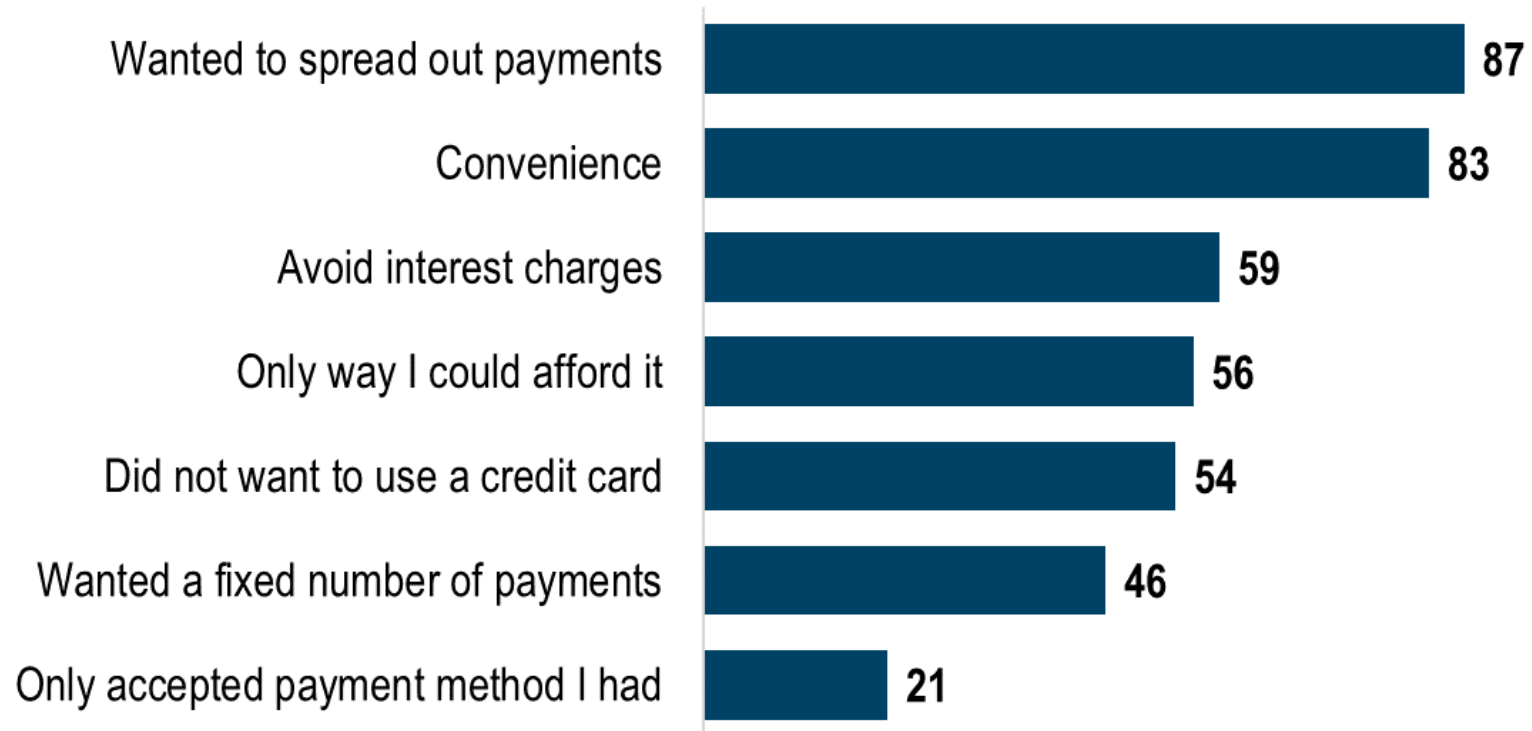


Note: Values are percentages. Among all adults (left panel). Among adults who used BNPL in past 12 months (right panel).



## Top two reasons for using BNPL were wanting to spread out payments and convenience

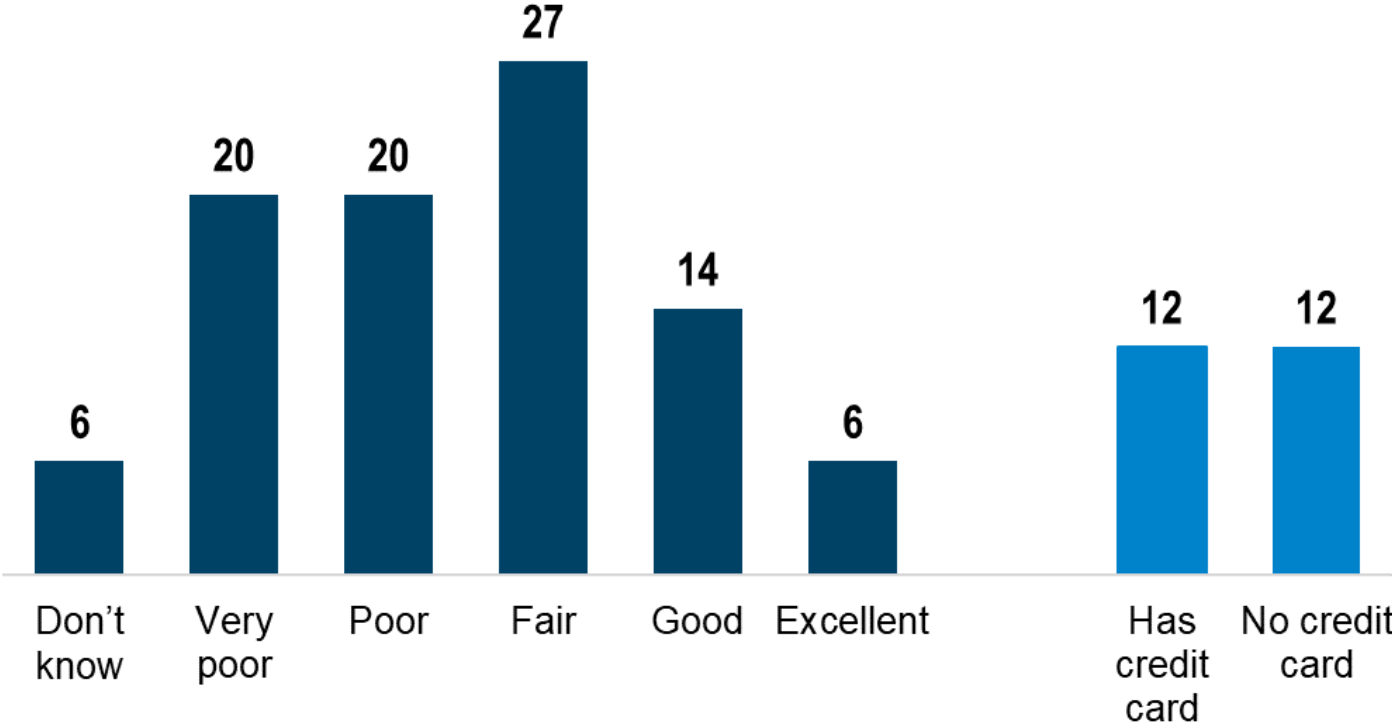
Reasons for using BNPL



Note: Values are percentages. Among adults who used BNPL in the past year.

# Those with lower self-reported credit ratings were more likely to use BNPL

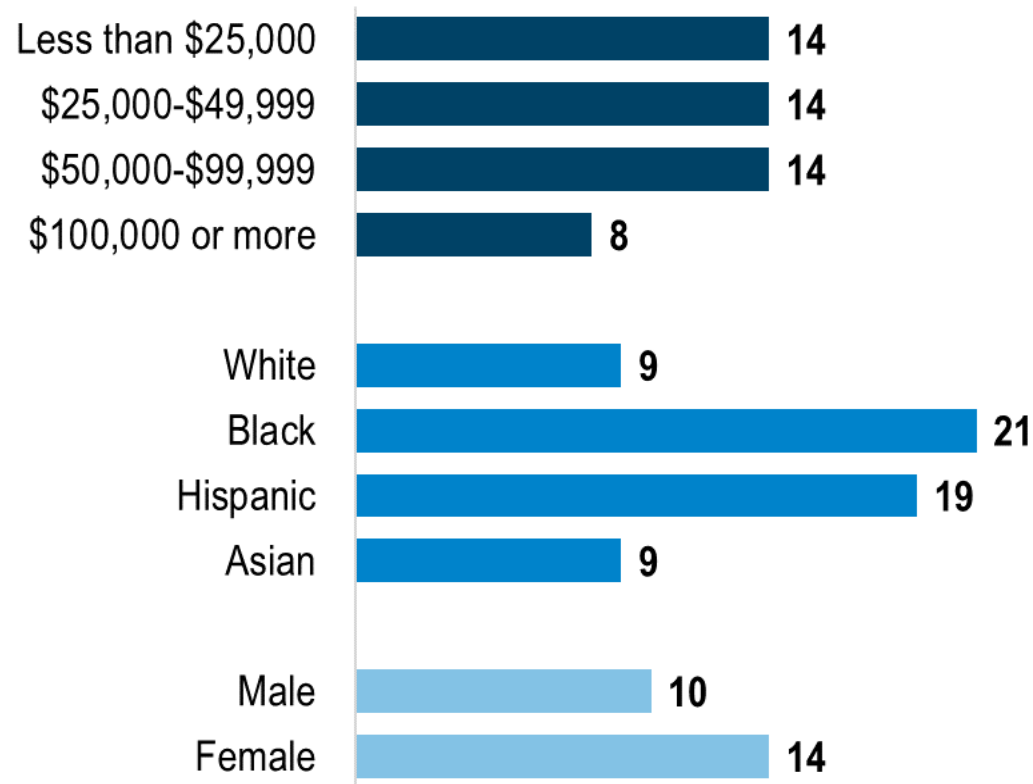
Use of BNPL, by self-reported credit rating and credit card ownership



Note: Values are percentages. Among all adults.

## Use of BNPL was more common among people with low and middle incomes, Black and Hispanic adults, and women

Use of BNPL, by demographic characteristics



Note: Values are percentages. Among all adults.

## Chapters in the report

**Overall  
Financial  
Well-Being**

**Income**

**Employment**

**Expenses**

**Banking &  
Credit**

**Housing**

**Higher  
Education &  
Student Loans**

**Retirement &  
Investments**

# Closing remarks and requests

- Complete the post-event survey
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- Follow Fed Communities on social media. We're on LinkedIn, Instagram, and Twitter
- Mark your calendars for August 10, 2023, and join us for the next Connecting Communities webinar featuring the Worker Voices project. Registration will be open soon.



Thank you for joining us



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