

Press Release

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American families overall reported continued mild improvement in their financial well-being in 2015 although many families were struggling financially and felt excluded from economic advancement, according to the Federal Reserve Board's latest *Report on the Economic Well-Being of U.S. Households*.

The report, based on the Board's third annual *Survey of Household Economics and Decisionmaking*, presents a contrasting picture of the financial well-being of U.S. families. Aggregate-level results show several signs of improvement. Sixty-nine percent of respondents said they are either "living comfortably" or "doing okay," up 4 percentage points from 2014 and up 6 percentage points from 2013. Seventy-seven percent of non-retired adults without a disability are confident that they have the skills necessary to get the kind of job that they want now--an increase of 10 percentage points from the 2013 survey results.

"The new survey findings shed important light on the economic and financial security of American families seven years into the recovery," said Federal Reserve Board Governor Lael Brainard. "Despite some signs of improvement overall, 46 percent say they would struggle to meet emergency expenses of \$400, and 22 percent of workers say they are juggling two or more jobs. It's important to identify the reasons why so many families face continued financial struggles and to find ways to help them overcome them," she said.

The survey results also emphasize that not all groups report improvement in their financial well-being. Respondents with higher levels of education are most likely to say that their financial situation has improved over the past year. Thirty-one percent of respondents with at least a bachelor's degree reported an improvement in 2015 and 15 percent reported a decline. Among those with a high-school degree or less, 22 percent of respondents say that their well-being improved over the past 12 months, while 21 percent say that their well-being has declined.

The survey found that individuals with lower incomes, racial and ethnic minorities, and individuals with parents of modest financial means report greater financial challenges. Forty-three percent of adults with a family income under \$40,000 do not have a bank account or use an alternative financial service; non-Hispanic blacks are 19 percentage points less likely to be satisfied with the overall quality of their neighborhood than are non-Hispanic whites; and young adults whose parents did not attend college are 48 percentage points less likely to attend college--and more likely to attend a for-profit institution if they do--than are those whose parents have a bachelor's degree.

Educational satisfaction differed significantly by the type of institution attended. Forty-nine percent of adults who attended a for-profit institution report that if they could make their educational decisions again they would have attended a different school.

Among individuals who went to college, education debt is common. More than half of adults younger than 30 who went to college took on at least some debt to do so. This debt extends beyond just student loans. Twenty-one percent of all adults with debt from their own education have education-related credit card debt, with a median balance of \$3,000.

The survey also provide insights into saving for retirement. Thirty-one percent of non-retired respondents have no retirement savings or pension. Among those who have a defined contribution pension plan or other self-directed retirement account, 49 percent are either "not confident" or just "slightly confident" in their ability to make the right investment decisions in these accounts.

Previous surveys have informed the Federal Reserve and other government agencies about consumer financial behavior and opinions. The survey was conducted on behalf of the Board in October and November 2015. More than 5,600 respondents completed the survey. Topics covered in the survey and the report include

savings behavior, economic preparedness, banking and credit access, housing and living arrangements, auto lending, education and student debt, and retirement planning.

The report and a video summarizing the survey's findings may be found at:<https://www.federalreserve.gov/communitydev/shed.htm>.

[Report on the Economic Well-Being of U.S. Households in 2015 \(PDF\)](#)

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