Survey of Household Economics and Decisionmaking

Jeff Larrimore
Consumer & Community Development Research
Division of Consumer & Community Affairs

The analysis and conclusions set forth in this presentation are our own do not indicate concurrence of the Federal Reserve Board, the Federal Reserve Banks, or their staff.
Survey Background

• Annual survey on financial well-being conducted each fall since 2013

• Designed with three primary motivations

  1. Help monitor trends in consumer behavior and sentiment as they relate to household finances and the broader economy

  2. Cast light on current issues affecting financial well-being, particularly among low- and moderate-income populations

  3. Fill data gaps and provide insights into questions for which there may not be other reliable data sources

Topics Covered in Report

SECTION

1  Economic Well-Being

2  Employment

3  Income and Savings

4  Economic Preparedness and Emergency Savings

5  Banking and Credit

6  Housing and Living Arrangements

7  Education and Human Capital

8  Student Loans

9  Retirement
Self-assessed Financial Well-being

Which one of the following best describes how well you are managing financially these days?

- Doing okay
- Living comfortably

Asked of all respondents. n = 6,610 in 2016
Ability to Handle Current Month’s Bills

Do you expect to be able to pay all of your current month’s bills in full?

- 76% Pay all bills in full
- 23% Unable to pay all bills in full

How would a $400 emergency expense that you had to pay impact your ability to pay your other bills this month?

- 63% Current situation
- 35% With a $400 emergency expense

As of all respondents. n = 6,610 in 2016
Childhood Concerns

Percent of young adults (under age 40) saying that they **sometimes or regularly worried** about each of the following when they were growing up:

- **Employment and Income**
- Family’s finances
- Having enough food to eat
- Crime / personal safety
- Having a stable caregiver

**Both parents HS degree or less**
- Family’s finances: 44%
- Having enough food to eat: 28%
- Crime / personal safety: 27%
- Having a stable caregiver: 20%

**At least 1 with some college**
- Family’s finances: 33%
- Having enough food to eat: 16%
- Crime / personal safety: 16%
- Having a stable caregiver: 12%

**At least 1 with Bachelor’s degree**
- Family’s finances: 27%
- Having enough food to eat: 8%
- Crime / personal safety: 11%
- Having a stable caregiver: 7%

Among young adults under age 40. n = 1,699 in 2016
Value of Degree by Choice of Major

Among respondents with at least an associate degree
Overall how would you say the lifetime financial benefits of your education compare to the financial costs?

- Benefits higher
- About equal
- Costs higher

<table>
<thead>
<tr>
<th>Major</th>
<th>Benefits higher</th>
<th>About equal</th>
<th>Costs higher</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEM</td>
<td>72%</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Business</td>
<td>70%</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>Education</td>
<td>65%</td>
<td>19%</td>
<td>15%</td>
</tr>
<tr>
<td>Health</td>
<td>63%</td>
<td>25%</td>
<td>11%</td>
</tr>
<tr>
<td>Social Sciences &amp; Humanities</td>
<td>52%</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>Vocational</td>
<td>51%</td>
<td>32%</td>
<td>17%</td>
</tr>
<tr>
<td>All Other</td>
<td>48%</td>
<td>24%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Among respondents who completed at least an Associate Degree. n = 2,825
Value of Degree

Overall how would you say the lifetime financial benefits of your education compare to the financial costs?

**Benefits higher**
- No degree, public: 36%
- No degree, private not-for-profit: 41%
- No degree, private for-profit: 34%
- Completed degree, public: 65%
- Completed degree, private not-for-profit: 65%
- Completed degree, private for-profit: 40%

**About equal**
- No degree, public: 37%
- No degree, private not-for-profit: 32%
- No degree, private for-profit: 29%
- Completed degree, public: 21%
- Completed degree, private not-for-profit: 19%
- Completed degree, private for-profit: 21%

**Costs higher**
- No degree, public: 25%
- No degree, private not-for-profit: 26%
- No degree, private for-profit: 35%
- Completed degree, public: 14%
- Completed degree, private not-for-profit: 16%
- Completed degree, private for-profit: 39%

*Among respondents who attended college and report the institution attended. n = 3,929*