FINANCIAL HEALTH NETWORK

U.S. FINANCIAL HEALTH
PULSE®
2020 TRENDS REPORT

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The U.S. Financial Health Pulse® is a groundbreaking research initiative designed to shed light on the financial lives of people in America. Using a combination of consumer surveys and transactional data, the Pulse provides a regularly refreshed snapshot of the country's financial health.

Our Funders

The U.S. Financial Health Pulse is made possible through a founding partnership with Flourish, a venture of The Omidyar Group. Additional support is provided by MetLife Foundation, a founding sponsor of our financial health work, and AARP.

Our Partners

The Financial Health Network is partnering with the University of Southern California Dornsife Center for Economic and Social Research to field the study to its online panel, the Understanding America Study. Study participants who agree to share their transactional and account data use Plaid's data connectivity services to authorize their data for analysis.

Acknowledgments

Executive Summary

The 2020 Trends Report explores how financial health in America has changed over the past year against the backdrop of the evolving COVID-19 pandemic. Leveraging nationally representative survey results and new transactional data from the U.S. Financial Health Pulse, we find that more people in America were Financially Healthy as of August 2020 than they were in 2019. Building upon the foundation of a strong pre-pandemic economy, it appears that an array of stimulus policies, debt relief measures, economic shutdowns, and consumer behavior changes have temporarily blunted the worst effects of the economic crisis for many people.

But a majority of people in America (67%) are not financially healthy; these individuals have little financial cushion should relief measures subside and economic conditions worsen. Among those who are struggling financially, millions of people are experiencing extreme financial hardship. We also find that profound disparities in financial health have persisted, and in some cases widened, across race, income, and gender.

This report offers rich insights about a unique moment in time that has been profoundly shaped by the COVID-19 pandemic. The survey data collected in August 2020 provide a broad overview of financial health trends across the country and among different groups of people. For the very first time in a Pulse Trends Report, transactional data collected from study participants add nuance and color to nationally representative survey trends. Collectively, these data underscore the importance of looking beyond traditional macroeconomic indicators to more nuanced and granular metrics that capture the true nature of people's financial lives.

We urge policymakers, financial service providers, nonprofit organizations, employers, healthcare providers, and other stakeholders across the financial health ecosystem to use the data shared in this report to design short-term policies that provide people with immediate financial relief to weather the ongoing effects of the pandemic and to invest in long-term solutions that improve financial health for all.

1 Overall financial health in America has improved since 2019, but these trends may prove temporary because of one-time policies, interventions, and events.

○ As of August 2020, a third of people in America (33%) were Financially Healthy, an increase from June 2019, when 29% of people were Financially Healthy.

○ These positive trends were driven by improvements across nearly all of the eight indicators of financial health. (See Financial Health Snapshot: 2018 - 2020.)

○ A confluence of stimulus policies, debt relief measures, economic shutdowns, and consumer behavior changes are correlated with improvements in financial health.

2 Despite positive financial health trends at the national level, the majority of people in America are still not financially healthy.

○ As of August 2020, more than two-thirds of people in America (approximately 167 million people) were Financially Coping or Financially Vulnerable. These individuals are struggling to spend, save, borrow, or plan in ways that allow them to be resilient and seize opportunities over time.

○ While the proportion of people considered Financially Coping decreased from 54% in 2019 to 50% in 2020, the share of people considered Financially Vulnerable has remained unchanged over the past three years at 17%.

○ Among those who are considered Financially Coping or Financially Vulnerable, 22% said they worried their food would run out and 26% said they worried about affording their rent or mortgage over the past three months.

3 Financial health disparities have widened by race and income, and persisted across gender over the past year.

° The proportion of Black people considered Financially Healthy has not changed significantly from 2019, while it increased by 5 percentage points for White people and 4 percentage points for Latinx people.

° The proportion of people with household incomes below $30,000 considered Financially Healthy has not changed from 2019, while it increased by 9 percentage points for people with household incomes above $100,000.

° While women were more likely than men to see their overall financial health improve from 2019, the gap in financial health between men and women remains large. As of August 2020, just 28% of women were Financially Healthy, compared with 40% of men.

4 Black Americans, people with low incomes, and women are bearing the brunt of the economic burden of the pandemic.

° Among those who applied for some type of debt relief, Black borrowers were the least likely to receive relief, despite reporting unmanageable debt loads at higher levels than other borrowers.

° More than a quarter (28%) of people with incomes below $30,000 said they spent down their savings to cope with the ongoing effects of the pandemic.

° Women are more worried about paying bills (28%) and affording basic necessities like food and healthcare (24%) than men (20% and 17%, respectively) during the ongoing pandemic.

Financial Health Snapshot: 2018 to 2020

The positive trends in financial health observed at the national level were the result of improvements across nearly all of the eight indicators of financial health over the past year. Results from 2018 shed light on how financial health trends have changed over the past three years.

Financial Health Indicators		2018	2019	2020	Change in % pts ('19 - '20)
Indicator 1: Spend Less Than Income	Spending is less than income	53%	54%	57%	3%* ↑
	Spending is equal to income	31%	29%	26%	-3%*
	Spending is more than income	16%	17%	17%	0%
Indicator 2: Pay Bills On Time	Pay all bills on time	64%	66%	69%	3%* ↑
	Unable to pay all bills on time	36%	34%	31%	-3%*
Indicator 3: Sufficient Liquid Savings	Cover ≥ 3 months of living expenses	55%	53%	59%	6%* ↑
	Cover < 3 months of living expenses	45%	47%	41%	-6%*
Indicator 4: Sufficient Long-Term Savings	Confident about long-term financial goals	40%	39%	47%	7% ↑
	Not confident about long-term financial goals	60%	61%	53%	-7%*
Indicator 5: Manageable Debt	Manageable amount of debt	53%	52%	55%	4%* ↑
	More debt than is manageable	30%	29%	27%	-2%*
	Do not have any debt	17%	19%	17%	-2%*
Indicator 6: Prime Credit Score	Prime credit score	66%	66%	69%	3%* ↑
	Non-prime credit score	27%	28%	24%	-4%*
Indicator 7: Appropriate Insurance+	Confident about sufficiency of insurance coverage	61%	58%	52%	-7%* ↓
	Not confident about sufficiency of insurance coverage	36%	38%	43%	6%*
	Do not have insurance	3%	4%	5%	1%
Indicator 8: Plan Ahead Financially	Agree with the statement: "My household plans ahead financially."	60%	59%	64%	4%* ↑
	Do not agree with the statement: "My household plans ahead financially."	40%	41%	36%	-4%*

Source: U.S. Financial Health Pulse Survey (2018 - 2020). Notes: * Indicates statistical significance within 95% confidence interval. Figures are rounded to the nearest integer. As a result, the difference between years may not sum to the values in the "Change" column. +Some of the decline in Indicator 7 between 2019 and 2020 may be the result of a change in survey logic (see pg. 31 for more). See Appendix C for complete indicator responses and additional significance testing.

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Data Spotlights

Introduction

The COVID-19 pandemic has disrupted the lives and livelihoods of millions of people across the United States. Since mid-March, an estimated 60 million people have filed for unemployment insurance, as jobs have disappeared and hours have been cut.[1] Thousands of small businesses have shuttered since the start of the pandemic, and many more may close in the coming months.[2] Communities of color are disproportionately suffering under the weight of the dual health and economic crises.[3] Hopes for a quick economic recovery have largely dissipated, as many economists now predict that the current recession will be long and deep. But a confluence of one-time interventions and events appears to have helped avert a financial disaster.

The Economic Impact Payments ("stimulus payments") and additional $600 in federal unemployment insurance authorized through the CARES Act provided a valuable lifeline to millions of people during the initial months of the pandemic.[4] Loans offered through the Paycheck Protection Program have helped many small businesses remain open and retain their employees to date.[5] Deferrals on student loans and other debt obligations have eased the financial strain on millions of borrowers, while eviction moratoriums have largely prevented a national housing crisis.[6] State-mandated economic closures reduced consumer spending during the early months of the pandemic, and many people continued to keep their expenses low even as economies began to reopen.[7]

1   Unemployment Insurance Weekly Claims, U.S Department of Labor, September 10, 2020.

2   Laura Cummings, "Risky Business: Pandemic Underscores How Strong Personal Financial Health Can Build Small Business Resilience," Financial Health Network (blog post), Accessed September 14, 2020.

3   Mark Hugo Lopez, Lee Rainie and Abby Budiman, "Financial and health impacts of COVID-19 vary widely by race and ethnicity," Pew Research Center, May 5, 2020.

4   Michael Karpman and Gregory Acs, "Unemployment Insurance and Economic Impact Payments Associated with Reduced Hardship Following CARES Act," Urban Institute, June 2020.

5   Jonathan O'Connell, Jeanne Whalen, Jeff Stein and Erica Werner, "Following messy start, enormous Paycheck Protection Program shows signs of buttressing economy," Washington Post, June 10, 2020.

6   Jeff Ernsthausen and Ellis Simani, "The Eviction Ban Worked, but It's Almost Over. Some Landlords Are Getting Ready," ProPublica, July 24, 2020.

7   Diana Farrell, Fiona Greig, Natalie Cox, Peter Ganong and Pascal Noel, "The Initial Household Spending Response to COVID-19: Evidence from Credit Card Transactions," JPMorgan Chase Institute, May 2020.

In fact, we find that overall financial health in America has improved since last year. Nationally representative survey data from August 2020 show that 33% of people in America are Financially Healthy, compared with 29% in 2019. These calculations are based on the FinHealth Score®, a holistic measurement methodology that considers how people are spending, saving, borrowing, and planning. This improvement was driven by positive trends across nearly all of the eight indicators of financial health, which we explore throughout the remainder of this report.

Millions of people in America are not financially healthy, however. These individuals are struggling to spend, save, borrow, or plan in ways that allow them to be resilient and seize opportunities over time. Half of people in America are Financially Coping, while 17% are Financially Vulnerable, a figure that has not changed over the past three years. Profound disparities in financial health persist, and in some cases have widened across race, income, and gender. Without additional investments in long-term solutions that help people lead financially healthy lives, these disparities are likely to continue to grow.

The stimulus and relief measures are, by definition, temporary solutions. They do not address the underlying conditions – including low wages, poor worker protections, inadequate safety nets, and a strained healthcare system – that have brought millions of people to the edge of a financial health precipice. They do not solve the financial challenges of approximately 167 million people who are struggling to spend, save, borrow, or plan. And they do not address systemic barriers that have created profound disparities in financial health across race, income, and gender.

As the COVID-19 crisis evolves, the country faces a profound decision: Do we continue to accept a reality in which two-thirds of people in America are not financially healthy? Or do we invest in solutions that help people lead financially healthy lives during the pandemic and beyond? These questions have always been important, but never more so than now. This report offers a wealth of data and insights that stakeholders across the financial health ecosystem can use to design programs and policies that improve financial health for all.

Box 1. Looking Beyond Traditional Economic Indicators

This report draws upon three years of nationally representative survey data to show how financial health in America has changed against the backdrop of the evolving COVID-19 pandemic. For the very first time in a Pulse Trends Report, insights from transactional records are included, which provide additional nuance and color to the survey data trends. Together, these two data sources paint a rich and complex picture that goes beyond traditional macroeconomic indicators, underscoring the importance of considering more granular metrics to understand the true nature of people's financial lives.

Methodology

SURVEY DATA

Data Collection

The survey data highlighted in this report were collected from surveys fielded to members of the University of Southern California's "Understanding America Study" (UAS) probability-based internet panel. The 2020 survey data presented in this report primarily come from a survey fielded to the UAS panel from July to August 2020 (n = 6,430). Throughout this report, we compare findings from this survey to data from prior Pulse surveys fielded to the UAS panel in 2018 and 2019 (see field dates and sample sizes below). Occasionally, data from a Pulse survey fielded earlier in 2020 provides additional context where relevant (see Box 2 for more about this approach).

All survey data have been weighted using the CPS as a benchmark and are representative of the non-institutionalized adult population of the United States. Each survey contains questions about respondents' financial health, including questions that align with the eight indicators of financial health (Figure 1). Questions about respondents' financial situations, such as their income or whether they received stimulus payments, were asked at the household level to provide a holistic picture of people's financial lives. Questions about attitudes, experiences, or sentiments were asked at the personal level to reflect the views of the individual survey respondents. The 2018, 2019, and 2020 survey instruments and data sets can be downloaded at: finhealthnetwork.org/pulse/data.

Dates and Sample Sizes of U.S. Financial Health Pulse Surveys		
Year	Survey Dates	Number of Respondents
2020	July 27 - August 9	6,430
2019	April 17 - June 15	5,424
2018	April 26 - July 4	5,019

Statistical Significance

All results from the survey and transactional data sets discussed in the text of this report are statistically significant within a 95% confidence interval, unless otherwise noted. Statistical significance is not noted in figures throughout the report, but significance testing of survey data can be found in Appendices C and D.

Data Collection

The transactional data highlighted in this report were collected from members of the UAS panel who consented to share their data from selected financial accounts through a secure online platform that leverages Plaid's API. Strict data security and privacy protocols were adopted to ensure that participants' information remained safe and confidential. (See Appendix A for additional details on data security and privacy measures.)

Nearly 9,000 individuals (the entire UAS panel) were invited to share their data. Potential participants were screened according to whether they banked online or through a mobile device. Since the data-sharing platform only allows users to connect accounts that are online or mobile-accessible, individuals who do not bank online or via a mobile device were not eligible to participate in the study. In April 2019, a first wave of 888 panelists was invited to participate in a pilot study. In June 2020, the remainder of the panel (8,056 people) was invited to participate in the full study. Study participants were offered $10 for every financial institution they initially linked to the platform and $1 for every month that institution remained linked to the platform.

As of the end of July 2020, 835 individuals had linked at least one account to the platform, totaling 5,219 accounts across 2,312 financial institutions. The mean number of accounts linked by participants was 6.3 and the median was 4. Checking accounts, savings accounts, and credit cards were the most commonly linked types of accounts. Brokerage accounts, retirement accounts, mortgages, and other personal loans were less commonly linked. (See Table A1 in the Appendix for more on the number and types of accounts linked.)

Sample Composition

The overall demographic composition of the transactional data set broadly aligns with the demographic composition of individuals who said they banked online or via a mobile device in the May 2020 Pulse survey (see Appendix A for an explanation of why we chose this sample as our benchmark). However, there are some differences between the two data sets. Compared with the sampling frame, the Pulse sample skews slightly higher income, younger, and less financially healthy. There are also skews in the Pulse sample along gender (with women overrepresented), race and ethnicity (with Black respondents underrepresented), and education (with those with less education underrepresented). (Table A2 in the Appendix provides the demographic composition of the data set.)

While the insights shared in this report based on the Pulse transactional data set cannot be considered nationally representative, they should be interpreted as illustrative of national trends. Given the relatively small sample sizes of this data set, external research is referenced wherever relevant to corroborate and contextualize these findings.

FINANCIAL HEALTH FRAMEWORK

Definition of Financial Health

Financial health is a composite framework that considers the totality of people's financial lives: whether they are spending, saving, borrowing, and planning in ways that will enable them to be resilient and pursue opportunities over time. Financial health provides researchers with a useful metric through which to explore the financial health of people in America because it pulls together the multiple strands of an individual's financial life into a coherent whole.

Calculating FinHealth Scores®

The FinHealth Score is a metric based on survey questions that align with the eight indicators of financial health (Figure 1). For every individual who responds to all eight survey questions, one aggregate FinHealth Score and four sub-scores can be calculated for Spend, Save, Borrow, and Plan. FinHealth Scores are on a scale from 0 - 100 and can be used to categorize respondents into three financial health tiers: Financially Vulnerable, Financially Coping, or Financially Healthy (Figure 2). For more information on the FinHealth Score, please visit finhealthnetwork.org/score/methodology.

Figure 1: Eight Indicators of Financial Health

SPEND
1. Spend less than income
2. Pay bills on time

SAVE
3. Have sufficient liquid savings
4. Have sufficient long-term savings

BORROW
5. Have manageable debt
6. Have a prime credit score

PLAN
7. Have appropriate insurance
8. Plan ahead financially

Figure 2: Interpreting FinHealth Scores®

Financially Vulnerable	Financially Coping	Financially Healthy
0 10 20 30	40 50 60	70 80 90 100
Financial health scores between 0 - 39 are considered Financially Vulnerable. Individuals with scores in this range report healthy outcomes across few, or none, of the eight financial health indicators.	Financial health scores between 40 - 79 are considered Financially Coping. Individuals with scores in this range report healthy outcomes across some, but not all, of the eight financial health indicators.	Financial health scores between 80 - 100 are considered Financially Healthy. Individuals with scores in this range report healthy outcomes across all eight financial health indicators.

Box 2. The Challenge of Measuring Financial Health During an Evolving Crisis

The dynamic and ongoing nature of the COVID-19 pandemic has created unique challenges for measuring financial health in America. In past years, one annual Pulse survey fielded in April provided sufficient data to assess the state of financial health for that entire year. This year, however, it was necessary to field a second, follow-up survey from July to August 2020 to capture the rapidly changing economic circumstances caused by the pandemic. For simplicity, and to share the most up-to-date insights possible, we primarily present data from that second, follow-up survey in this report.[8] Whenever possible, we draw upon illustrative insights from the Pulse transactional data set to further contextualize these survey data.

Even with this approach, the findings presented in this report represent a snapshot of financial health during a singular moment in time. In the months prior to the survey, millions of people received their stimulus payments. Just as the survey was being fielded at the end of July, however, the additional $600 in federal unemployment benefits authorized under the CARES Act expired, as did the federal moratorium on evictions and foreclosures.[9] Given the expiration of these important policies, and the fact that Congress has not yet enacted further stimulus measures, the findings presented in this report may reflect a financial health "high water mark" that may decline in the coming months.

Ultimately, we present the most up-to-date survey and transactional data possible, as well as our best interpretation of that data in this report. But the COVID-19 crisis is not over, and neither are the Financial Health Network's attempts to understand people's financial lives during this period of unprecedented change. Over the coming months, we plan to collect new survey data and continue exploring trends from the transactional data set to illuminate how people's financial health is changing against the backdrop of the evolving pandemic.

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[8]   While it is possible that some of the changes observed between 2020 and prior years may be explained by the effects of seasonality, it is reasonable to assume that these trends are at least partially the result of significant changes in financial health, given how much the COVID-19 pandemic has altered economic conditions across the United States over the last few months.

[9]   The Centers for Disease Control and Prevention (CDC) has since issued a new order on September 4 extending the eviction moratorium until December. "Federal Register Notice: Temporary Halt in Residential Evictions to Prevent the Further Spread of COVID-19," Centers for Disease Control and Prevention, September 2, 2020.
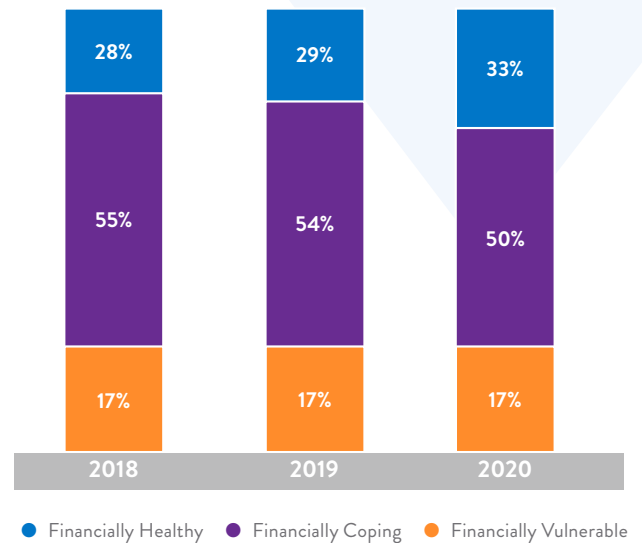
Financial Health in America

As of August 2020, 33% of people in America were Financially Healthy, 50% were Financially Coping, and 17% were Financially Vulnerable (Figure 3). These figures reflect an improvement in overall financial health from 2019 and 2018, when 29% and 28% of people in America were Financially Healthy.

The increase in the proportion of people considered Financially Healthy aligns with a decrease in the number of people considered Financially Coping to 50% in 2020 from 54% in 2019 and 55% in 2018 (Figure 4). The proportion of people in America considered Financially Vulnerable has remained unchanged at 17% over the last three years. These trends are the result of improvements across nearly all of the eight indicators of financial health over the past year, which we explore in depth throughout this report.

Figure 4. Financial Health in America Improved in 2020
Percent of people by financial health tier (2018-2020).

● Financially Healthy ● Financially Coping ● Financially Vulnerable

Source: U.S. Financial Health Pulse Survey (2018 - 2020).
Notes: Financial health tiers are calculated using the FinHealth Score®.
See Methodology section for more on the measurement methodology.

Figure 3. A Third of People in America are Financially Healthy
Percent of people in America by financial health tier as of August 2020.

17%
Financially Vulnerable

42 million people
These individuals are struggling with all, or nearly all, aspects of their financial lives.

50%
Financially Coping

125 million people
These individuals are struggling with some, but not necessarily all, aspects of their financial lives.

33%
Financially Healthy

84 million people
These individuals are spending, saving, borrowing, and planning in a way that will allow them to be resilient and pursue opportunities over time.

Source: U.S. Financial Health Pulse Survey (2020). Notes: Financial health tiers are calculated using the FinHealth Score®. See Methodology section for more on the measurement methodology. Population sizes are derived from the 2019 Current Population Survey Annual Social and Economic Supplement using population estimates for U.S. non-institutionalized adults over age 18.

Yet despite these positive trends, more than two-thirds of people in America (approximately 167 million people) are not Financially Healthy. These individuals are struggling to spend, save, borrow, or plan in ways that allow them to be resilient and seize opportunities over time. As of August 2020, 22% of Financially Coping and Financially Vulnerable individuals said they were worried their food would run out over the past three months, while 26% said they were worried about being able to afford rent or their mortgage payments (Table D1). In order to cope with the effects of the ongoing pandemic, more than a fourth of people considered Financially Coping and Financially Vulnerable (29%) said they spent down their savings, and approximately four in ten (41%) said they carried a balance on their credit cards (Table D2). These figures suggest that despite positive trends at the national level, millions of people are experiencing severe economic hardship in 2020.

Box 3. Positive Financial Health Trends May Prove Temporary

Since the improvements in financial health observed at the national level coincided with a confluence of one-time interventions and events, these positive trends may prove to be short-lived. While causality can not be established, we find a strong negative correlation between financial hardship and receipt of stimulus and relief measures in the Pulse survey data. Controlling for income (and in the case of stimulus payments, having kids under the age of 18), we find that:

Stimulus Payments

People who did *not* receive a stimulus payment by August 2020 were **6 percentage points** more likely than those who *did* receive a stimulus payment to say they worried their food would run out over the past three months.

Unemployment Insurance

Among those who applied for unemployment insurance by August 2020, people who did *not* receive unemployment insurance were **12 percentage points** more likely than those who *did* receive unemployment insurance to say they worried about being able to afford their rent or mortgage over the past three months.

Debt Relief

Among those who applied for some type of debt relief by August 2020, people who did *not* receive any debt relief were **15 percentage points** more likely than those who *did* receive debt relief to say that someone in their household did not get healthcare over the past three months because they could not afford it.[10]

Source: U.S. Financial Health Pulse (2020). Notes: See regression results in Table D3 in the Appendix.

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[10] Debt relief includes deferral, forbearance, or forgiveness on any of the following times of payment: student loans, mortgage or rent, credit cards, auto loans, or other loans.
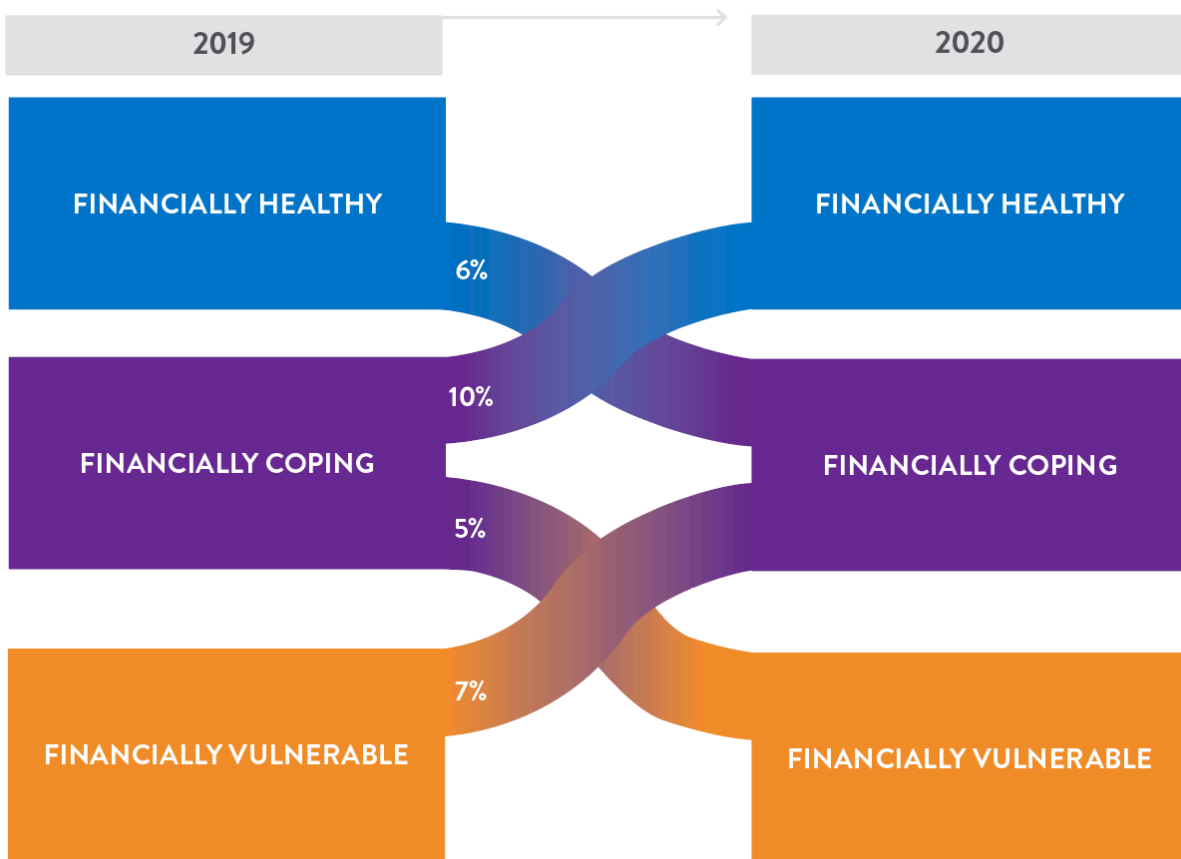
The Financial Health of Individuals

Although many people's financial health improved since 2019, some individuals saw their financial health decline over the past year. As of August 2020, 11% of people moved to a lower financial health tier since 2019 (Figure 5): 6% moved from the Financially Healthy to the Financially Coping tier and 5% moved from the Financially Coping to the Financially Vulnerable tier. During this same timeframe, 17% of people moved to a higher financial health tier, contributing to the overall improvements in financial health observed at the national level. While a full exploration of the factors contributing to a decline in financial health is beyond the scope of this report, these findings suggest that many individuals saw their financial health decline over the past year, despite overall improvements at the national level.

Figure 5. Approximately 1 in 10 Individuals Moved to a Lower Financial Health Tier in 2020
Percent of people who changed financial health tiers between 2019 and 2020.

Source: U.S. Financial Health Pulse Survey (2019 and 2020) (longitudinal sample: n = 4,257). Notes: The percentages displayed in this figure reflect the share of individuals who moved to a different financial health tier from 2019 to 2020. Very few individuals (<0.1%) moved from the Financially Healthy tier to the Financially Vulnerable tier or from the Financially Vulnerable tier (<0.5%) to the Financially Healthy tier, so these results are not displayed on this figure. Financial health tiers are calculated using the FinHealth Score®. See Methodology section of this report for more on the measurement methodology.

Disparities in Financial Health

While broad swaths of the country saw their financial health improve since 2019, some demographic segments experienced greater improvements in financial health than others (Table 1). In some cases, financial health disparities have widened in recent years, including for Black Americans and people making less than $30,000. In other cases, significant financial health disparities persist, despite recent positive trends, such as between women and men. We highlight these disparities in this section and explore them further via data spotlights presented throughout the remainder of the report. While we are unable to comprehensively discuss the historical and contemporary factors contributing to financial health disparities in this report, this analysis begins to shed light on these important trends and suggests avenues for future research and exploration.

Race and Ethnicity

There are profound disparities in financial health across race and ethnicity. As of August 2020, only 15% of Black people and 24% of Latinx people were Financially Healthy, compared with 39% of White people and 39% of Asian Americans (Table 1). In some cases, these disparities appear to be increasing. Over the past year, the proportion of Black people considered Financially Healthy did not change significantly, while it increased by 5 percentage points for White people and 4 percentage points for Latinx people. In fact, looking across all three years of survey data show that financial health has improved among all other racial and ethnic groups over the past three years, while the proportion of Black people considered Financially Healthy has remained essentially the same since 2018. (See the Data Spotlight on pg. 29 for an exploration of how unmanageable debt is partially driving recent disparities in financial health among Black Americans.)

Income

People with lower incomes are much less likely to be Financially Healthy than those with higher incomes, and these disparities appear to be increasing. Since 2019, the proportion of people with household incomes below $30,000 who were considered Financially Healthy did not change significantly, while it increased 9 percentage points among individuals with household incomes above $100,000, 5 percentage points among those with incomes $60,000-$99,999, and 4 percentage points among those with incomes $30,000-$59,999 (Table 1). Looking across all three years of data provides further evidence that financial health disparities between people with low incomes and high incomes may indeed be widening. While income is positively correlated with financial health, it should not determine one's financial health, so these growing disparities are cause for concern. (See the Data Spotlight on pg. 24 to see how divergent trends in liquid account balances may be contributing to these disparities.)

Gender

While women were more likely than men to see their overall financial health improve since 2019, women remain far less likely to be financially healthy than men. As of August 2020, slightly more than a quarter of women (28%) were Financially Healthy, compared with 40% of men (Table 1). Overall, this gap has widened since 2018. (See the Data Spotlight on pg. 22 to understand women's worries about the ongoing impact of the COVID-19 pandemic on their household's finances.)

Age

In general, financial health is positively correlated with age. More than half of people (54%) over the age of 65 are Financially Healthy, while only 21% of people ages 18-25 are Financially Healthy (Table 1). There were no statistically significant changes in the proportion of younger Americans (ages 18-35) and older Americans (age 65 and over) considered Financially Healthy over the past year. However, the proportion of people between the ages of 36-49 and 50-64 considered Financially Healthy increased by 5 percentage points and 4 percentage points, respectively, since 2019.

Table 1. Profound Financial Health Disparities Persist Among Population Segments
Percent of people considered Financially Healthy (2018-2020) by demographics.

		2018	2019	2020	Change in % pts ('19 - '20)
Race/Ethnicity	Asian American	30%	37%	39%	3%
	Black	14%	15%	15%	- 1%
	Latinx	16%	20%	24%	4%* ↑
	White	34%	34%	39%	5%* ↑
	Multiple Races	23%	35%	34%	- 1%
Household Income	Less than $30,000	8%	11%	11%	1%
	$30,000 - $59,999	21%	20%	24%	4%* ↑
	$60,000 - $99,999	34%	37%	42%	5%* ↑
	$100,000 or more	50%	52%	61%	9%* ↑
Gender	Women	23%	22%	28%	6%* ↑
	Men	33%	38%	40%	2%
Age	18-25	9%	17%	21%	4%
	26-35	24%	24%	26%	2%
	36-49	23%	22%	27%	5%* ↑
	50-64	27%	28%	32%	4%* ↑
	65 and over	48%	51%	54%	3%

Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: * Indicates statistical significance within 95% confidence interval. The figures in this table are rounded to the nearest integer. As a result, the difference between years may not sum to the values in the "Change" column. Our survey data does not include nonbinary gender response options. Race and ethnicity categories are mutually exclusive; see Appendix B for more information on race and ethnicity definitions. Respondents who indicated their race was "American Indian or Alaska Native" or "Hawaiian/Pacific Islander" are excluded from this table because of low sample sizes.

Financial Health Indicators

The national and demographic financial health trends presented earlier in this report are the result of changes across the eight indicators of financial health, which we explore throughout the remainder of this report. In addition to discussing survey data from August 2020, we also include data spotlights that highlight trends from the Pulse transactional data set. While not fully nationally representative, insights from this data set add nuance and color to the survey data trends. Additional data spotlights dive deeper into specific elements of financial health among different segments of the population. These spotlights are not meant to be exhaustive, but rather illustrative of how financial health trends differ by race, income, and gender. Each of the data spotlights included in this report suggest avenues for future research for those seeking to understand the financial health of people in America against the backdrop of the unfolding COVID-19 pandemic.

Indicator 1 - Spend Less than Income

As of August 2020, 57% of people in America said their spending was less than their income over the last 12 months, a significant increase from the 54% of people who reported this in 2019 and the 53% of people who reported this in 2018 (Figure 6). This increase is likely the result of strong economic growth over the past two years, combined with a confluence of recent interventions and events that have increased people's income, while reducing their overall expenses over the last few months. On the income side, the stimulus payments, the additional $600 in federal unemployment insurance, and the Paycheck Protection Program loans temporarily increased many people's disposable income over the spring and summer.[11]

On the expense side, dozens of states shut down their economies in March, curtailing people's ability to spend money during the early months of the pandemic (see pg. 28 for an exploration of how consumption patterns changed during this time). Debt relief measures provided by the federal government and individual financial service providers also temporarily reduced people's expenses during the early stage of the pandemic (see pg. 29 for further analysis of debt relief measures.) Even after many

Figure 6. More Individuals Spent Less Than Income in 2020
Percent of people who say their spending was less than their income over the past 12 months.
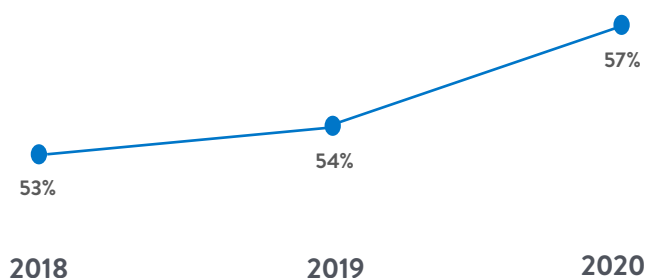
Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: Includes responses: "Spending was much less than income" and "Spending was a little less than income" in response to the question: "Which of the following statements best describes how your household's total spending compared to total income over the last 12 months?" See Table C1 in the Appendix for complete data and significance testing.

economies began to reopen over the summer, many consumers kept their expenses low amid ongoing economic uncertainty and health-related concerns about engaging in certain types of activities (see pg. 32 for a discussion of how planning behaviors have changed over the past year).[12]

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[11]   Ella Koeze, "The $600 Unemployment Booster Shot, State by State," The New York Times, April 23, 2020.

[12]   As of August 2020, half of all people (50%) said they had cut back on expenses to cope with the effects of the ongoing pandemic (Table D2).

INFLOWS TO LIQUID ACCOUNTS GENERALLY EXCEEDED OUTFLOWS

People's perceptions of their spending patterns are supported by trends in the Pulse transactional data set. From the beginning of 2020 through July, total median inflows into liquid accounts generally exceeded total median outflows from liquid accounts (Figure 7), aligning with people's perceptions that their spending was generally less than their income in 2020. The two major spikes in inflows during this time period align with the receipt of tax refunds (March) and the receipt of the first wave of stimulus payments (April).[13] In fact, when tax refunds and stimulus payments are removed from inflows, the March and April spikes largely disappear (Figure 8).[14] After the spike in inflows in March and April, outflows spiked as well (Figure 2), aligning with economic theory that explains consumption spending as a function of personal income.[15]

The gap between inflows and outflows increased considerably from mid-April to mid-June, however (Figure 7). In early May, inflows to liquid accounts in the Pulse transactional data set were 30% higher than outflows, as the stimulus payments were distributed and people reduced their spending during state lockdowns. In June, the gap between inflows and outflows began to close as inflows decreased from a high in April. In July, outflows pulled even with inflows as many states began to open their economies and personal spending picked up.[16] Whether the downward trajectory of inflows in July is a temporary development or part of a longer-term trend may become clear in the coming months.

Figure 7. Inflows from Liquid Accounts Generally Exceeded Outflows through July
Daily median of total inflows and outflows in liquid accounts over the past 30 days.
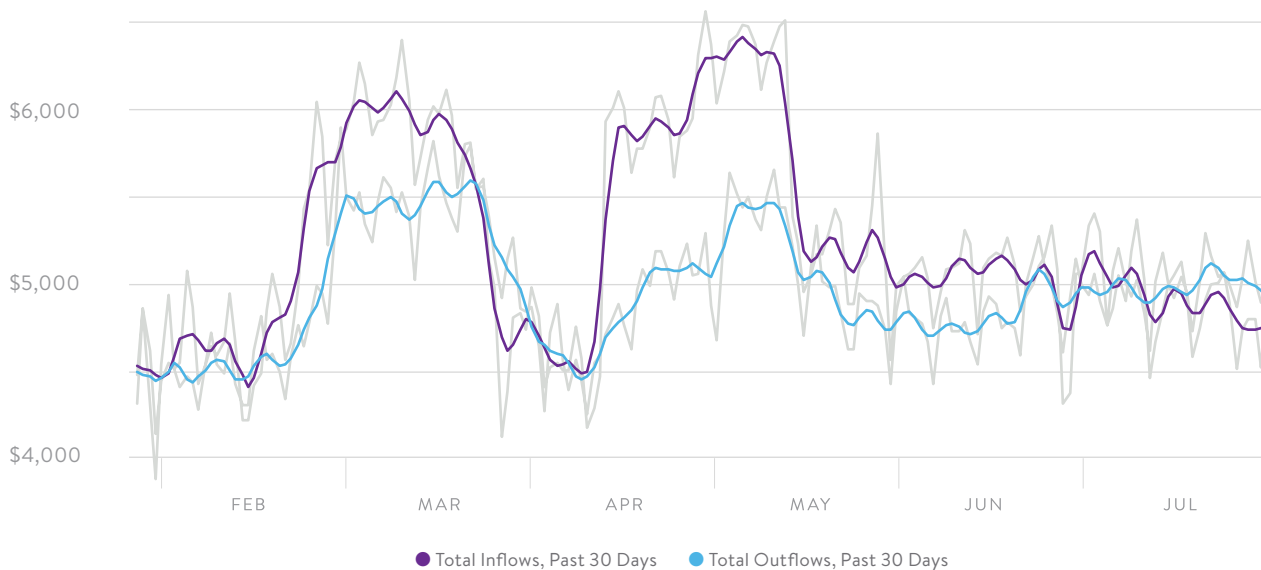
● Total Inflows, Past 30 Days ● Total Outflows, Past 30 Days

Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 491 individuals. Notes: To derive inflows and outflows, we calculated totals over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We then calculated the median of the sample on each day and applied lowess smoothing with a 5% smoothing window to generate the trend lines shown in the chart. Liquid accounts include checking accounts, savings accounts, prepaid cards, money market accounts, and cash management accounts that satisfy the inclusion criteria for this data set (see Appendix A for more).

[13] As of August 2020, 76% of people in the Pulse transactional data set said they had received a stimulus payment.

[14] Unemployment benefits, which we are unable to measure reliably in the transactional data set, but which approximately one in six people (15%) said they received at one point during the pandemic, may have contributed to greater inflows during this time period as well (Table D4).

[15] John Maynard Keynes, "The General Theory," (BN Publishing, 2008), pp. 89-106. It is also possible that some people delayed paying bills or credit cards until after they received their tax refunds and stimulus payments, accounting for the spike in outflows that follows the March and April spike in inflows.

[16] Rajashri Chakrabarti, Sebastian Heise, Davide Melcangi, Maxim Pinkovskiy and Giorgio Topa, "Did State Reopenings Increase Consumer Spending?," Liberty Street Economics, Federal Reserve Bank of New York, September 18, 2020.

Figure 8. Tax Returns and Stimulus Payments Drive Spike in Account Inflows
Daily median of total inflows in liquid accounts over the past 30 days, with and without stimulus payments and tax refunds.
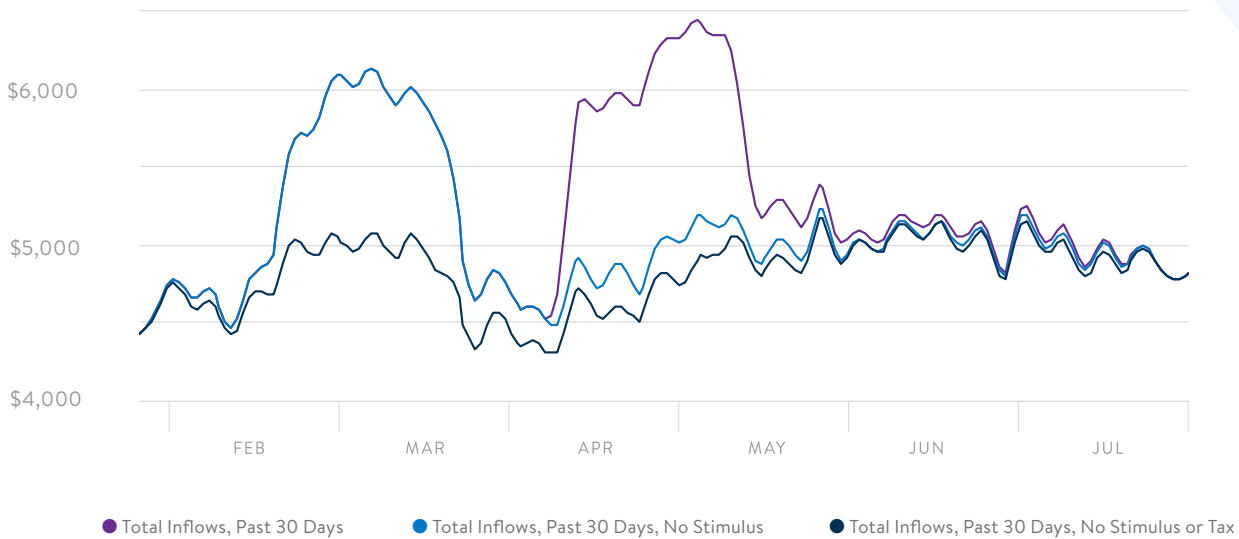
● Total Inflows, Past 30 Days ● Total Inflows, Past 30 Days, No Stimulus ● Total Inflows, Past 30 Days, No Stimulus or Tax

Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 491 individuals. Notes: To derive inflows and outflows, we calculated totals over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We then calculated the median of the sample on each day and applied lowess smoothing with a 5% smoothing window to derive the trend lines shown in the chart. Liquid accounts include checking accounts, savings accounts, prepaid cards, money market accounts, and cash management accounts that satisfy the inclusion criteria for this data set (see Appendix A for more). Stimulus payments are identified by transactions categorized as "Tax" by Plaid's API. Any incoming tax transaction on or after the 11th of April that is a multiple of $5 is considered to be a stimulus payment.

Indicator 2 - Pay Bills On Time

As of August 2020, 69% of people in America said they paid all of their bills on time over the past 12 months, an increase from 2019 and 2018, when 66% and 64% of people reported this (Figure 9).[17] This upward trend is likely the result of the confluence of factors discussed in the previous section: economic growth prior to the onset of the pandemic, government stimulus measures, forbearance and relief measures, state lockdowns, and changing consumption patterns have left people with more money to put toward bill payments. In fact, as of May 2020, nearly half of people (45%) who had received a stimulus payment by May said they used the funds from that payment to pay their rent, mortgage, or utility bills (Table D5).

Figure 9. More People Report Paying Bills On Time in 2020
Percent of people who say they paid all bills on time over the past 12 months.
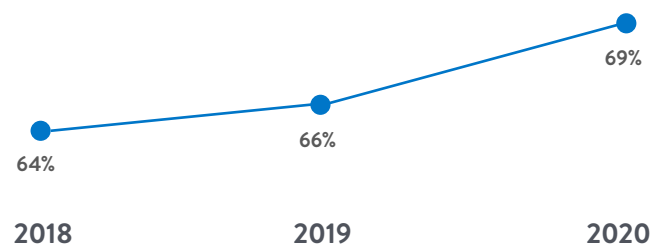
Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: Includes response: "Pay all our bills on time" to the question: "Which of the following statements best describes how your household has paid its bills over the last 12 months?" See Table C2 in the Appendix for complete data and significance testing.

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[17] This survey question asks about individuals' ability to pay bills on time over the past 12 months. Theoretically, respondents' answers to this question would therefore reflect bill payment behavior over the past year; however, it is likely that respondents weight their recent experiences more when answering this question because of "recency bias."

People's self-reported bill pay behaviors are supported by trends in the Pulse transactional data set. Although late fees are relatively rare in the data set, the number of people who were charged a late fee for missing a credit card payment decreased from 5.6% on May 7 to 2.8% on June 7 (Figure 10).[18] Since late fees occur for the prior month's credit card spending, the spike in late fees in April and May may reflect initial distress during the early weeks of the pandemic before relief measures eased the financial burden on many households. The sharp decline in the incidence of late fees in May likely captures bill payment activity from March and April, when people began reducing their consumption in the early days of the pandemic.[19]

It also likely reflects the arrival of stimulus payments beginning in mid-April, which many people used to pay off outstanding credit card balances.[20] Many credit card companies waived late fees and deferred payments during this time, which may also account for some of the decline in the incidence of late fees observed in this data set.[21] The increase in the percent of individuals with late payments in July may be the result of the waning effects of stimulus payments and an increase in consumer spending as states emerged from lockdown (see pg. 28 for further discussion of how consumer spending changed during this period).

Figure 10. Frequency of Late Fees on Credit Cards Decreased from a High in May
Percent of individuals with at least one late payment fee on a credit card over the past 30 days.

● Percentage of Individuals With a Late Fee, Past 30 Days
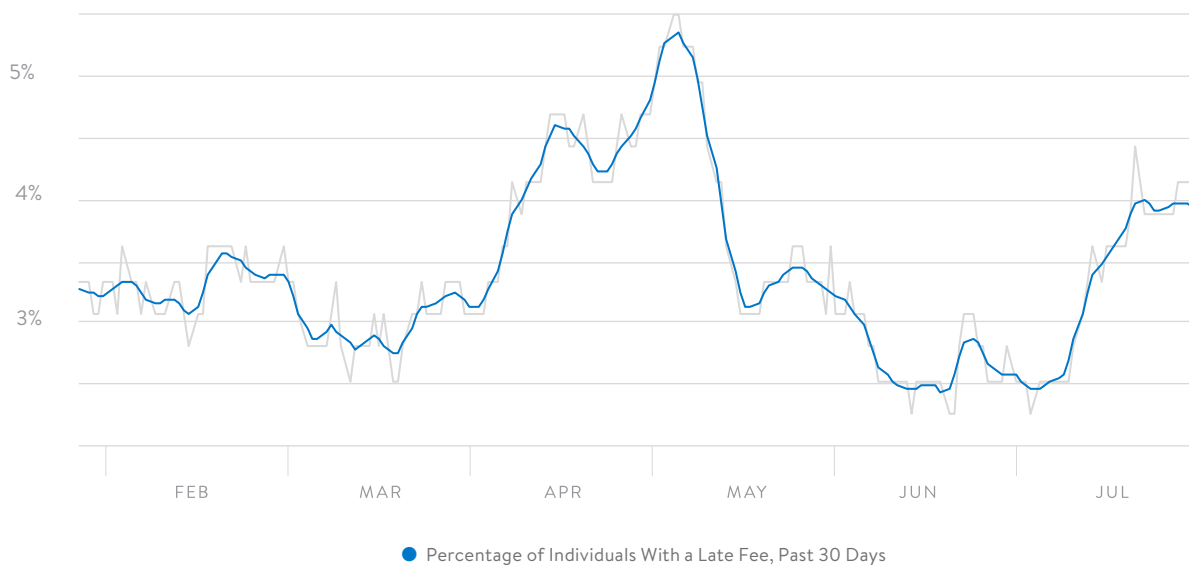
Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 360 individuals. Notes: This graph shows the proportion of individuals with at least one late fee charge over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We applied lowess smoothing with a 5% smoothing window to derive the trend lines shown in the chart. Only the credit card accounts that satisfy the inclusion criteria for this data set are included in the sample (see Appendix A for more). Late fees occur for the prior month's credit card spending; therefore, an increase in the number of late fees in a given period indicates that more people fell behind their credit card payments in the prior month. Late fees are identified as "Late Payments" under the "Bank Fees" category by Plaid's API.

[18] In this analysis, we compare data from the same day in each month to prevent the monthly cadence of credit card payments from affecting the number of users with late payments on a given day.

[19] Researchers at the JPMorgan Chase Institute found that average household credit card spending fell by 40 percent year-over-year by the end of March 2020. Diana Farrell, Fiona Greig, Natalie Cox, Peter Ganong and Pascal Noel, "The Initial Household Spending Response to COVID-19: Evidence from Credit Card Transactions," JPMorgan Chase Institute, May 2020.

[20] Nearly a quarter (23%) of people in the Pulse survey data set who received a stimulus payment by May said they used the funds to pay down outstanding debt (Table D5).

[21] "Pandemic Planning: Working With Customers Affected by Coronavirus and Regulatory Assistance," Office of the Comptroller of the Currency, OCC Bulletin 2020-15, March 13, 2020.

While the majority of all people in America said they had an easier time keeping up with their bills over the prior twelve months in 2020, women were far more likely than men to say they were worried about being able to make ends meet in the future (Figure 11). As of August 2020, women were more likely than men to say they were very or somewhat worried that their household would struggle to pay rent, mortgage, or utility bills in the future (28% of women reported this, compared with 20% of men) and to afford basic necessities like food and healthcare (24% of women reported this, compared with 17% of men).

Figure 11. Women Are More Likely than Men to Worry About Paying Bills in the Future
Percent of people who report being worried about paying bills in the future by gender.

My household will struggle to pay our rent, mortgage, or utility bills
- Women: 28%
- Men: 20%

My household will struggle to afford basic necessities (like food and healthcare)
- Women: 24%
- Men: 17%

● Women ● Men
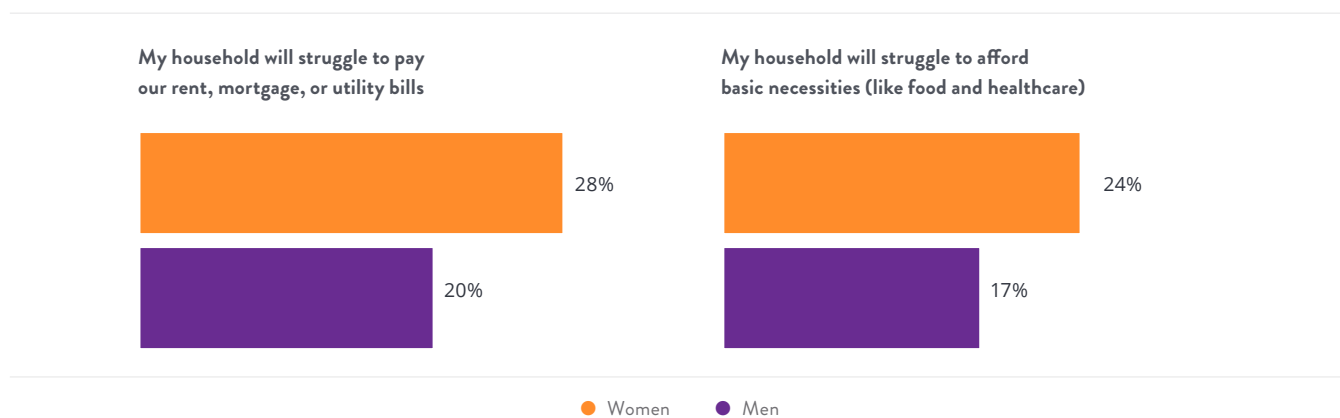
Source: U.S. Financial Health Pulse Survey (August 2020). Notes: Data shown in this chart includes individuals who said they were "very" or "somewhat" worried that their household would experience a given problem in response to the question: "For each of the following potential problems that could result from the coronavirus outbreak, please indicate how worried or not worried you are that you or your household will experience that issue in the future." This question was asked of all survey respondents, regardless of whether they identified themselves as head of household. See Tables D6 and D7 in the Appendix for complete data and significance testing.

These worries are likely the result of a number of factors that are putting additional strain on women's financial lives during the pandemic. When the economy first began shedding jobs in March, women dropped out of the workforce at a higher rate than men and were slower to re-enter the workforce as the economy began to recover in May.[22] Women, especially women of color, are overrepresented in industries that have been hit hardest by the crisis, such as education, hospitality, and retail.[23] Women are also taking on a disproportionate share of child care responsibilities during the pandemic. As of August 2020, 6% of women said they had worked less because of increased child care responsibilities or other personal constraints, compared with 4% of men (Table D8). If these trends continue, they will likely exacerbate disparities in financial health that existed prior to the pandemic.

[22] According to data from the Bureau of Labor Statistics, women accounted for 55% of the 22 million jobs lost in March and April, but they accounted for only 45% of the 2.5 million jobs that came back in May. Emily Barone, "Women Were Making Historic Strides in the Workforce. Then the Pandemic Hit," Time Magazine, June 10, 2020.

[23] Jocelyn Frye, "On the Frontlines at Work and at Home: The Disproportionate Economic Effects of the Coronavirus Pandemic on Women of Color," Center for American Progress, April 23, 2020.

Indicator 3 - Liquid Savings

As of August 2020, 59% of people in America said they had enough savings to cover at least three months of living expenses, an increase from 53% in 2019 and 55% in 2018 (Figure 12). The upward trend over the past year is likely the result of strong economic growth since 2018, the recent stimulus and relief measures, and a reduction in consumption during state lockdowns.[24] These self-reported trends align with reports from the U.S. Bureau of Economic Analysis showing that the U.S. personal savings rate hit an all-time high in April 2020.[25]

Figure 12. More People Say They Have 3 Months of Living Expenses Saved in 2020

Percent of people who say they have enough savings to cover at least 3 months of living expenses.

55%   53%   59%

2018   **2019**   **2020**
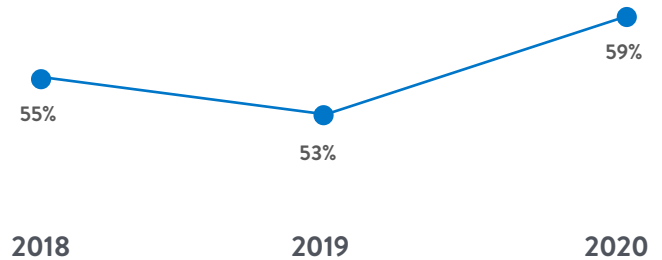
Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: Includes responses: "6 months or more" and "3-5 months" in response to the question: "At your current level of spending, how long could you and your household afford to cover expenses, if you had to live on only the money you have readily available, without withdrawing money from retirement accounts or borrowing?" See Table C3 in the Appendix for complete data and significance testing.

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[24] Personal consumption spending (in current dollars) decreased 12.9% between March and April. "Personal Consumption Expenditures, Mar 2020," U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, September 2020.

[25] "Personal Saving Rate, Jul 2020," U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis, September 2020.

These findings are also supported by trends from the Pulse transactional data set showing that balances in liquid accounts increased throughout 2020 (Figure 13). From the beginning of the year through July, average balances in liquid accounts grew 65% or $1,553. While balances dipped in late March, they climbed rapidly in April and remained high throughout the summer.

This growth in balances can likely be attributed to the same factors discussed on pg. 18 (Indicator 1). A confluence of interventions and events related to the COVID-19 pandemic increased many people's income, while reducing their expenses over the past few months.

Figure 13. Liquid Account Balances Grew 65% Over Study Period
Daily median of average liquid account balances over the past 30 days.

● Average Balance, Past 30 Days
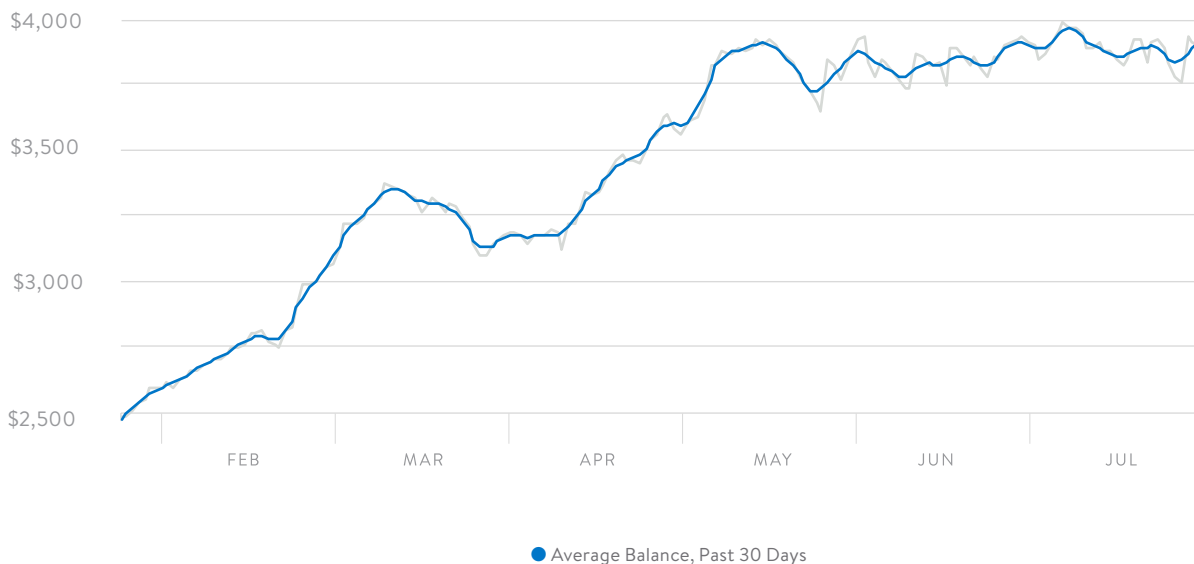
Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 499 individuals. Notes: To derive liquid account balances, we calculated averages over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We then calculated the median of the sample on each day and applied lowess smoothing with a 5% smoothing window to derive the trend lines shown in the chart. Liquid accounts include checking accounts, savings accounts, prepaid cards, money market accounts, and cash management accounts that satisfy the inclusion criteria for this data set (see Appendix A for more).

However, the trend of increasing account balances appears to be largely driven by people with higher incomes (Box 4). While the growth in liquid account balances for individuals with lower incomes is larger in relative terms, the absolute growth in balances is significantly larger for those with higher incomes (Figure 14).[26] These trends reveal an ongoing and concerning gap in savings between people with incomes at the high end of the income spectrum and everybody else.

Box 4. From the Beginning of 2020 Through July:

People with **HOUSEHOLD INCOMES above $100,000** saw their liquid account balances **increase by $5,606**

People making **$60,000-$99,999** saw their balances **increase by $1,495**

People making **$30,000-$59,999** saw their balances **increase by $897**

People making **less then $30,000** saw their balances **increase by $700**
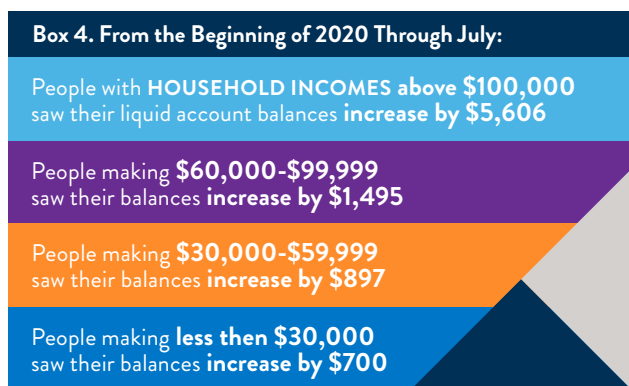
The growth in account balances for those with high incomes may be driven, in part, by a reduction in spending among this group.[27] As of August 2020, nearly a third (31%) of people with household incomes above $100,000 said their expenses decreased during the pandemic, while only 9% of people making less than $30,000 reported this (Table D9).

These trends are reflected in the Pulse transactional data set, as people with higher incomes reduced their expenses more than those with lower incomes as state lockdowns were established.[28] Since people with lower incomes have less leeway to reduce their expenses, many of these individuals turned to savings to make ends meet. More than a quarter (28%) of people making less than $30,000 in the Pulse survey data set said they spent down their savings to cope during the pandemic, compared with 14% of those with incomes above $100,000 (Table D10).
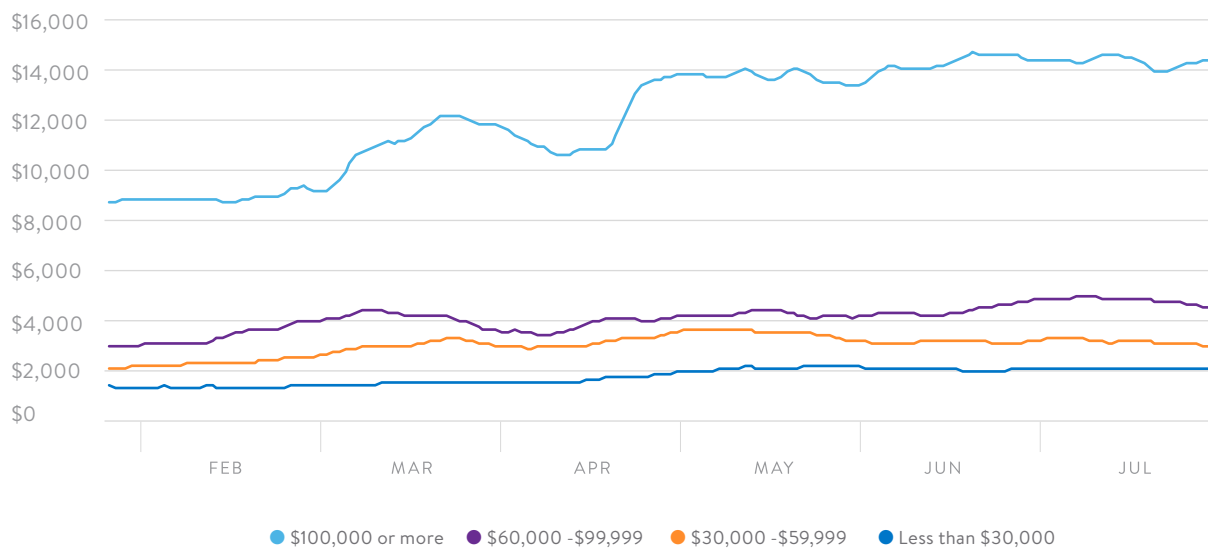
Figure 14. Liquid Account Balances Increased More for People with Higher Incomes
Daily median of average liquid account balances over the past 30 days.

● $100,000 or more ● $60,000 -$99,999 ● $30,000 -$59,999 ● Less than $30,000

Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 468 individuals. Notes: To derive liquid account balances, we calculated totals over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We then calculated the median of the sample on each day and applied lowess smoothing with a 5% smoothing window to derive the trend lines shown in the chart. Liquid accounts include checking accounts, savings accounts, prepaid cards, money market accounts, and cash management accounts that satisfy the inclusion criteria for this data set (see Appendix A for more). Participants for whom we did not observe household income in the May 2020 Pulse survey were dropped from the sample.

[26] These findings align with data from the JPMorgan Chase Institute. Diana Farrell, Fiona Greig, Natalie Cox, Peter Ganong and Pascal Noel, "The Initial Household Spending Response to COVID-19: Evidence from Credit Card Transactions," JPMorgan Chase Institute, May 2020.

[27] The researchers behind Opportunity Insights have reported similar conclusions from their data set: high-income individuals reduced spending sharply in mid-March 2020, particularly in areas with high rates of COVID-19 infection and in sectors that require in-person interaction. Raj Chetty, John N. Friedman, Nathaniel Hendren and Michael Stepner, "The Economic Impacts of COVID-19: Evidence from a New Public Database Built from Private Sector Data," Opportunity Insights, September 2020.

[28] Between mid-March (when many states instituted lockdowns) and June (when some states started relaxing restrictions) people with household incomes above $100,000 in the Pulse transactional data set reduced their expenses by 16%, while people making less than $30,000 did not experience a significant change in their expenses.

Indicator 4 - Long-Term Savings

As of August 2020, nearly half of people in America (47%) said they were confident they were on track to meet their long-term financial goals, a significant increase from 2019 when 39% of people reported this, and 2018 when 40% of people reported this (Figure 15). These sentiments are supported by national data from Fidelity showing that average balances in IRAs, 401(k)s, and 403(b)s grew significantly during the second quarter of 2020 as the stock market soared.[29]

Figure 15. Confidence in Long-Term Financial Goals Has Increased Since 2019

Percent of people who are confident they are on track to meet their long-term financial goals.
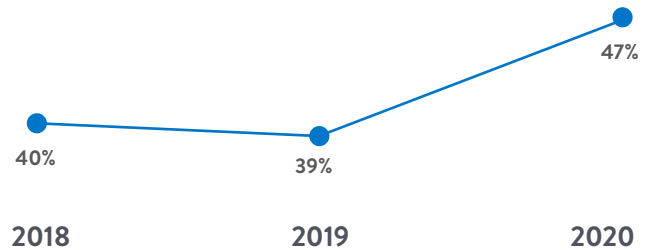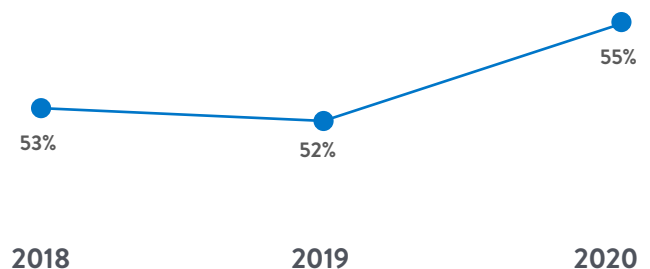

2018	2019	2020
40%	39%	47%

Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: Includes responses: "Very confident" and "Moderately confident" in response to the question: "Thinking about your household's longer-term financial goals… How confident are you that your household is currently doing what is needed to meet your longer-term goals?" See Table C4 in the Appendix for complete data and significance testing.

Indicator 5 - Manageable Debt

As of August 2020, more than half of people in America (55%) said their debt was manageable, an increase from 2019 and 2018 when 52% and 53% of people reported this (Figure 16). A decrease in overall household debt is likely driving people's improved perceptions about the manageability of their debt. According to the Federal Reserve, total household debt decreased by $34 billion from April to June 2020, as people cut back on their expenses, reduced new borrowing, and focused on paying off outstanding debt.[30] Mortgage payment deferrals and the federal moratorium on student loan obligations may have also contributed to improved sentiments about debt manageability.[31]

Figure 16. Manageability of Debt Improved Slightly from Prior Years

Percent of people who say their debt is manageable.

2018	2019	2020
53%	52%	55%

Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: Includes response: "Have a manageable amount of debt" in response to the question: "Thinking about all of your household's current debts… As of today, which of the following statements describes how manageable your household debt is?" See Table C5 in the Appendix for complete data and significance testing.

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[29] "Fidelity® Q2 2020 Retirement Analysis: Steady Contributions Combined With Market Performance Lead to Double-Digit Rebound," Bloomberg News, September 15, 2020.

[30] "Total Household Debt Declines for the First Time Since 2014," Federal Reserve Bank of New York, Household Debt and Credit Report (Q2 2020), Accessed September 2020.

[31] "FHFA Announces Payment Deferral as New Repayment Option for Homeowners in COVID-19 Forbearance Plans," Federal Finance Housing Agency (press release), May 13, 2020; "Memorandum on Continued Student Loan Payment Relief During the COVID-19 Pandemic," The White House (memorandum), August 8, 2020.

CREDIT CARD BALANCES AND SPENDING DECLINED ACROSS MOST MAJOR CATEGORIES OF EXPENSES
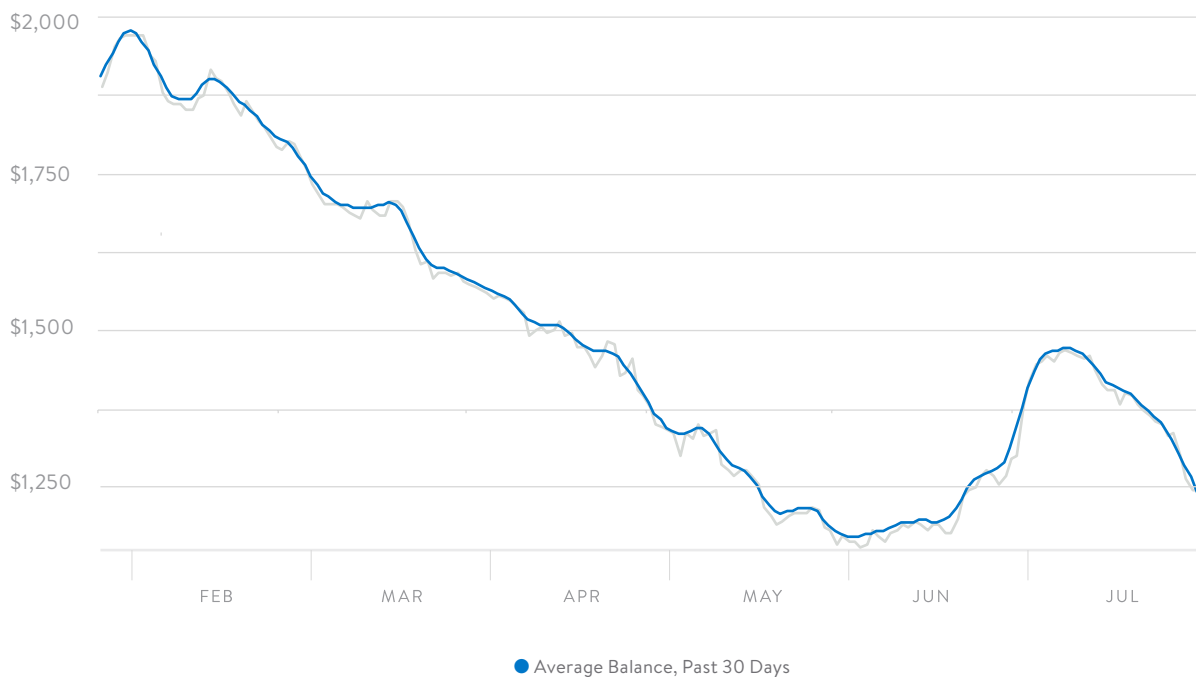
Credit card usage in the Pulse transactional data set sheds further light on these trends. From March 15 to May 15, median credit card balances declined by approximately 26% (Figure 17).[32] This decline was correlated with a 25% decrease in median credit card charges during this time period (Figure 18).[33] Beginning in March, spending declined across most major categories of expenses including travel, eating out, and recreation as many states closed their economies (Figure 19). The one major exception to this trend was spending on digital purchases, which increased steadily in March as people began to spend more time at home, and has continued to remain higher than pre-pandemic levels throughout the study period.

In June and early July, credit card balances and charges increased gradually before decreasing again at the end of July (Figures 17 and 18), although these changes are not statistically significant. Further data is necessary to determine whether spending on credit cards will return to pre-pandemic levels in the coming months.

Figure 17. Credit Card Balances Decreased In Early Months of Pandemic
Daily median of average credit card balances over the past 30 days.

● Average Balance, Past 30 Days

Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 360 individuals. Notes: To derive credit card balances, we calculated totals over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We then calculated the median of the sample on each day and applied lowess smoothing with a 5% smoothing window to derive the trend lines shown in the chart. Only the credit card accounts that satisfy the inclusion criteria for this data set are included in this sample (see Appendix A for more).

[32] We hypothesize that the decline in credit card balances observed from February to mid-March (Figure 17) is tied to a seasonal trend. After the December holidays, people paid down outstanding balances in January and February. Subsequent data will help us better understand the seasonal nature of these trends and the extent to which the decline in credit card balances observed after mid-March is part of this same seasonal trend connected to the pandemic.

[33] These figures align directionally with data from Equifax showing that total outstanding credit card debt fell by $100 billion between February and June 2020. "U.S. National Consumer Credit Trends Report: Portfolio," Equifax, August 11, 2020.

Figure 18. Credit Card Charges Decreased in Early Months of the Pandemic

Daily median of total charges over the past 30 days.

● Total Charges, Past 30 Days

Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 360 individuals. Notes: To derive charges, we calculated the total outflows over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We then calculated the median of the sample on each day and applied lowess smoothing with a 5% smoothing window to derive the trend lines shown in the chart. Only the credit card accounts that satisfy the inclusion criteria for this data set are included in this sample (see Appendix A for more).

Figure 19. Credit Card Spending Declined Across Most Major Expense Categories

Daily average of credit card spending over the past 30 days by spending category.
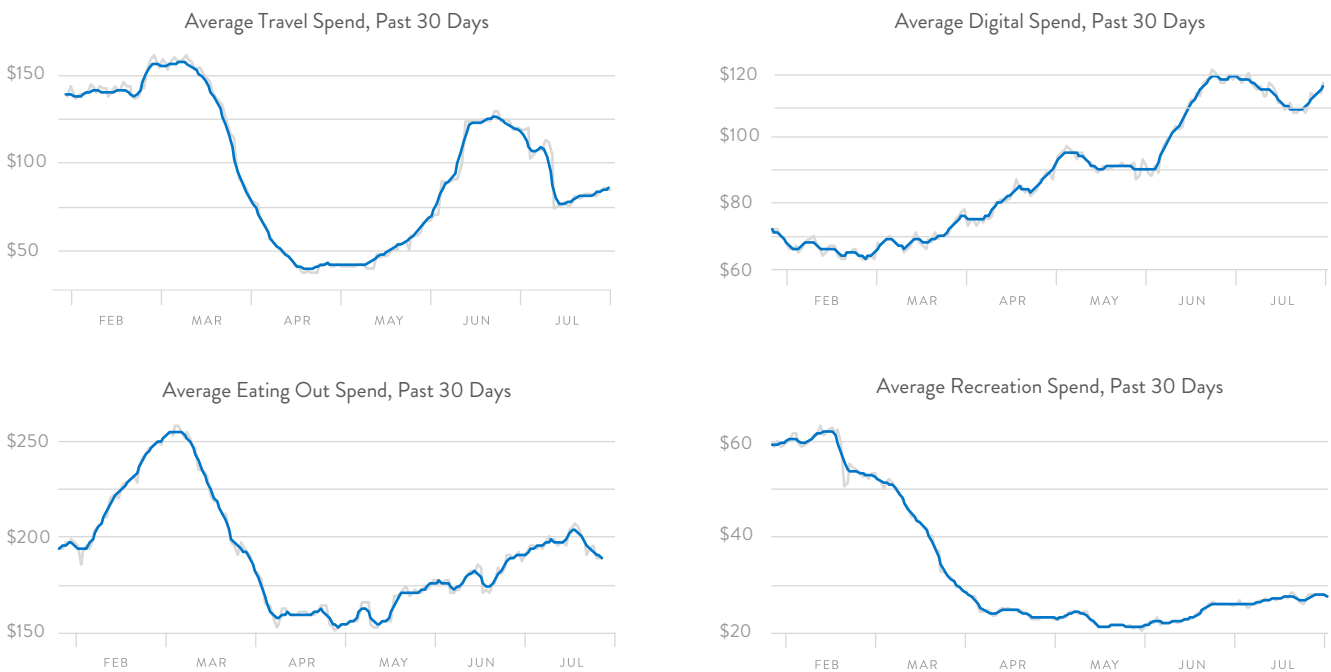
Source: Pulse Transactional Data Set (Jan. 1-Jul. 31, 2020). Sample size: 360 individuals. Notes: To derive charges, we calculated the total spending over a past 30-day rolling period for each day, starting with Jan. 30, 2020. We then calculated the mean of the sample on each day and applied lowess smoothing with a 5% smoothing window to derive the trend lines shown in the chart. Only the credit card accounts that satisfy the inclusion criteria for this data set are included in this sample (see Appendix A for more). Transaction categories for each spending category are given in Table A4 in the Appendix.

BLACK BORROWERS SEEKING DEBT RELIEF WERE LESS LIKELY TO HAVE OBTAINED IT

As of August 2020, Black and Latinx people were significantly more likely than White people to say their debt was unmanageable. Nearly four in 10 Black and Latinx people (39%) said they had more debt than was manageable, compared with 23% of White people (Figure 20). This gap in debt manageability has remained present since 2018 (Table D11) and can be partially attributed to decades of discriminatory lending, employment, and housing practices that have denied Black and Latinx people equal access to affordable credit.[34] Today, Black and Latinx consumers are far more likely than their White peers to have high-cost forms of credit, including payday loans, pawn shops, and tax refund loans (Table D12).

Despite applying for debt relief during the pandemic at higher levels than White borrowers, Black applicants were less likely to have received relief than Latinx and White applicants.[35] Among individuals who applied for some type of debt relief since March (including on student loans, mortgages, credit cards, and auto loans), 61% of Black people said they received that relief, compared with 73% of Latinx and 75% of White people (Figure 21). While a number of factors may be contributing to these outcomes, these figures suggest that Black Americans continue to face systemic barriers to accessing high-quality financial services.

Figure 20. Black and Latinx Americans Are More Likely than White Americans to Say Their Debt is Unmanageable

Percent of people who say they have more debt than is manageable by race and ethnicity.
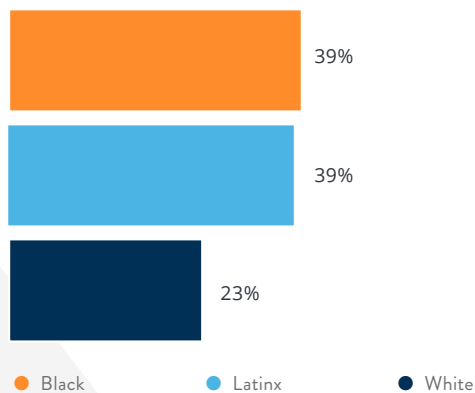
- Black
- Latinx
- White

Source: U.S. Financial Health Pulse (August 2020). Notes: Includes response: "Have a manageable amount of debt" in response to the question: "Thinking about all of your household's current debts... As of today, which of the following statements describes how manageable your household debt is?" See Table D11 in the Appendix for complete data and Appendix B for more information on race and ethnicity definitions.

Figure 21. Black Debt Relief Applicants Are Less Likely to Have Received Relief than White and Latinx Applicants

Percent of people who say they requested and received debt relief since March by race and ethnicity.

- Black
- Latinx
- White
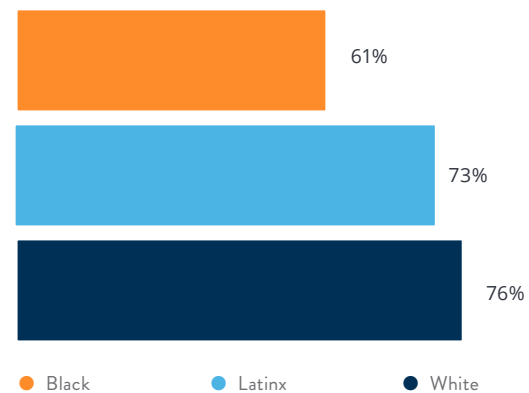
Source: U.S. Financial Health Pulse (August 2020). Notes: Includes response "yes" to the question: "You indicated that you or someone in your household applied for relief [on student loans, credit cards, auto loans, mortgages, or other loans]. Have you received this relief?" This question was only asked to those who said they applied for debt relief. See Table D14 in the Appendix for complete data and Appendix B for more information on race and ethnicity definitions.

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[34] Jacob William Faber and Terri Friedline, "The Racialized Costs of 'Traditional' Banking in Segregated America: Evidence from Entry-Level Checking Accounts," Race and Social Problems, July 4, 2020.

[35] As of August 2020, approximately a fifth of Black (19%) and Latinx (21%) people said they applied for some type of debt relief, compared with 11% of White people (Table D13).

Indicator 6 - Credit Scores

In August 2020, nearly seven in 10 people in America (69%) said they had a prime credit score, an increase of 3 percentage points from previous years, when 66% of people reported this (Figure 22). These figures align with nationally representative data from Experian showing that VantageScores generally improved in the early months of 2020.[36] While credit score calculations are based on a variety of inputs, an overall reduction in household debt (pg. 27), changes in credit reporting requirements per the CARES act, and a reduction in credit utilization may be driving improvements in credit scores nationally.[37]

Figure 22. People's Perceptions of Their Credit Scores Improved in 2020

Percent of people who said they had a prime credit score.

66%   66%   69%

2018   2019   2020
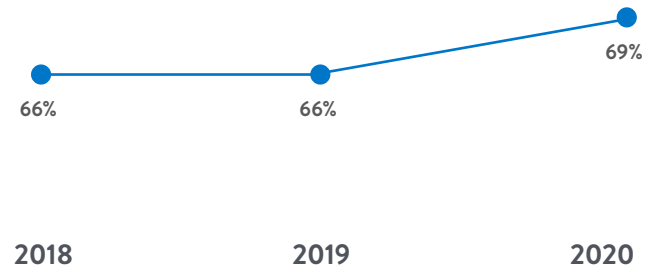
Source: U.S. Financial Health Pulse Survey (2018 - 2020). Notes: Includes responses: "Excellent," "Very good," or "Good" in response to the question, "How would you rate your credit score? Your credit score is a number that tells lenders how risky or safe you are as a borrower." See Table C6 in the Appendix for complete data and significance testing.

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[36] Stefan Lembo Stolba, "COVID-19 Impact: Changes to Consumer Debt and Credit," Experian, July 8, 2020.

[37] Ibid.

Indicator 7 - Adequate Insurance

In August 2020, 52% of people in America said they were confident they would have sufficient insurance to manage an emergency, a significant decline from the 58% of people who reported this in 2019 and the 61% of people who reported this in 2018 (Figure 23). This indicator was the only one of the eight financial health indicators that declined between 2019 and 2020. Some of this decline may be due to a change in survey logic preceding the question used to measure this indicator.[38] However, some of the decline may be explained by a longer-term trend in declining rates of health insurance ownership that the COVID-19 pandemic has exacerbated.[39]

In the midst of a global pandemic, it is perhaps not surprising that people's confidence in the sufficiency of their insurance coverage might be low. In addition to the 4% of people who said they lost health insurance as a result of being laid off, furloughed, or terminated from their jobs (Table D15), many others reported reduced access to medical care during the pandemic, which may be contributing to declining confidence rates.[40] In the Pulse survey, we find that nearly three in 10 individuals (29% of respondents) said they were very or somewhat worried their health insurance would not provide sufficient support if someone in their household became sick with COVID-19 (Table D16). Declining rates of health insurance ownership, coupled with the challenges of accessing healthcare during the pandemic, appear to have collectively taken a toll on people's confidence about the sufficiency of their insurance coverage.

Figure 23. Confidence in Sufficiency of Insurance Coverage Declined in 2020

Percent of people who say they are confident they would have sufficient insurance to manage an emergency.
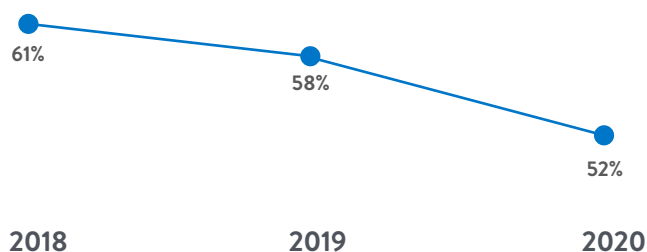
61%

58%

52%

2018   2019   2020

Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: Includes responses: "Very confident" and "Moderately confident" in response to the question: "Thinking about all of the types of insurance you and others in your household currently might have… How confident are you that those insurance policies will provide enough support in case of an emergency?" See Table C7 in the Appendix for complete data and significance testing.

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[38] In prior Pulse surveys, respondents were asked about their ownership of different types of insurance before being asked about their confidence that their insurance would protect them in an emergency. Respondents in the August 2020 survey were not asked about their ownership of different types of insurance; they were only asked the question about their confidence in the sufficiency of their insurance coverage.

[39] While this indicator asks respondents to consider all types of insurance, we have consistently found that one's response to this question is highly correlated with their ownership of health insurance. The downward trend in this indicator may be the result of declining rates of health insurance coverage in recent years. Katherine Keisler-Starkey and Lisa N. Bunch, "Health Insurance Coverage in the United States: 2019," United States Census Bureau, September 15, 2020.

[40] According to data from the U.S. Census Bureau, 40% of people reported reduced access to medical care during the pandemic."Reduced Access to Care," Centers for Disease Control and Prevention, National Center for Health Statistics, Accessed September 2020.

Indicator 8 - Planning Ahead

As of August 2020, 64% of people in America said their household plans ahead financially, a significant increase from the 59% of people who reported this in 2019 (Figure 24). While it may seem counterintuitive that more people are planning ahead during such a volatile time, it may be precisely the uncertainty of the current moment that makes planning so compelling.[41] Without knowing when the next round of stimulus and relief measures will arrive, many people continued to keep their expenses low, even as states began to reopen their economies. Much of the decrease in spending has been driven by people with higher incomes (as we discuss on pg. 25), but people with lower incomes have attempted to reduce their expenses as well.[42]

At the same time, many people have saved the additional money they received from the stimulus payments earlier this year. As of May 2020, 44% of all people who received a stimulus payment said they put the money into savings (Table D5). We see evidence of both these behavioral changes in the trends discussed earlier in this report: declining outflows from liquid accounts (pg. 19), increasing savings balances (pg. 24), and declining credit card spending (pg. 28). Some people have also turned to fintech apps to manage their spending over the last few months. According to new research from Plaid, 56% of people in America say they could not have kept up with their finances during COVID-19 without digital apps, products, and services.[43]

Figure 24. More Americans Say They Are Planning Ahead
Percent of people who agree with the statement:
"My household plans ahead financially."

60%

59%

64%

2018   2019   2020
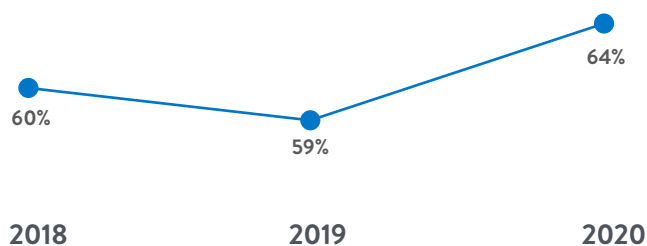
Source: U.S. Financial Health Pulse Survey (2018-2020). Notes: Includes responses: "Agree strongly" and "Agree somewhat" in response to the question: "To what extent do you agree or disagree with the following statement: "My household plans ahead financially." See Table C8 in the Appendix for complete data and significance testing.

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[41] Research shows that one of the largest predictors of preparedness for a natural disaster is having already experienced a comparable natural disaster. A similar dynamic may be at play here: As a result of experiencing the financial difficulty of the pandemic, people in America may better understand the importance of planning ahead financially. David N. Sattler, Charles F. Kaiser and James B. Hittner, "Disaster Preparedness: Relationships Among Prior Experience, Personal Characteristics, and Distress," Journal of Applied Social Psychology, July 31, 2006.

[42] In the Pulse data set, reducing expenses was the most commonly cited action that people across all income segments said they took to cope with the effects of the pandemic, with approximately half of people across all segments reporting this (Table D17).

[43] John Pitts, "Survey finds that fintech has been a lifeline during COVID-19; consumers say it's the "new normal,"" Plaid (blog post), September 15, 2020.

Conclusion

The COVID-19 pandemic has taken an exacting toll on the lives and livelihoods of people in America. But a confluence of stimulus policies, debt relief measures, economic shutdowns, and personal behavior changes appears to have blunted the worst effects of the economic crisis. Analyzing survey and transactional data from the U.S. Financial Health Pulse, we find that more people are Financially Healthy in 2020 than they were last year. But many people are still struggling financially and there is evidence that financial health disparities have widened over the past three years.

Without dedicated investments in short- and long-term solutions that help people lead financially healthy lives, millions of people will continue to struggle and disparities in financial health will grow. This report offers rich data and insights that policymakers, regulators, financial service providers, nonprofit organizations, employers, healthcare providers, and other stakeholders across the financial health ecosystem can use to design such solutions.

In the short-term, measures that provide people with immediate relief – including additional stimulus payments, extended unemployment benefits, ongoing eviction moratoria, and continued loan forbearance and debt relief measures – are necessary to help people cope during the ongoing pandemic. In the long-term, solutions that address systemic barriers to financial health – such as policies that ensure pay equity, living wages, workplace protections, affordable healthcare, and access to high-quality financial products and services – are necessary to ensure equitable financial health outcomes for all.

These solutions should be based on data that shed light on the true nature of people's financial lives. Turning to indicators like the GDP and the strength of the stock market is not enough; these metrics only tell part of the story. Disaggregated survey responses and nuanced transactional data can shed light on how people are spending, saving, borrowing, and planning. Through regular updates and reports, the U.S. Financial Health Pulse will provide fresh data and ongoing insights from these data sources to inform the design of short- and long-term solutions that help people live financially healthy lives.

Our nation is at an inflection point. We can choose to continue as we were before the pandemic, leaving millions of people to struggle financially. Or we can invest in policies, programs, and solutions that dismantle systemic barriers to financial health during the pandemic and beyond. The stakes have never been higher, and the need for action has never been clearer. Now is the time to embrace bold solutions that improve financial health for all.

Appendices

APPENDIX A: PULSE TRANSACTIONAL DATA METHODOLOGY

The transactional data highlighted in this report were collected from members of the University of Southern California's Understanding America Study (UAS) panel who consented to link their financial accounts to a secure online platform that leverages Plaid's data API. As of July 31, 2020, 835 individuals had linked at least one financial account, totaling 5,219 accounts across 2,312 financial institutions. For a complete description of the data collection and analytical methodology used in this analysis, please visit: finhealthnetwork.org/pulse/data.

Data Security

Given the sensitive nature of transactional data, the University of Southern California research team cleaned the dataset and removed the data fields that could potentially contain personally identifiable information (including vendor I.D., transaction description, and institution name) prior to sharing with the Financial Health Network. Thus, the dataset used for the analysis included Plaid's transaction categorizations, information on the account used, the transaction dollar amount, the running balance in accounts, and the date of transaction. We took additional precautions to ensure that the data were stored securely and with minimal risk of re-identification through use of Amazon Web Services S3 buckets and structured credentials for the analytical team at the Financial Health Network.

Constructing the Data Set

In order to construct the Pulse transactional data set used for analysis in this report, we developed and applied inclusion criteria to the complete data set (n = 835). We also applied additional definitions and inclusion thresholds for certain metrics, such as minimum account activity thresholds (see Table A3 for more on these activity thresholds).

Box A1. Inclusion Criteria for Transactional Data Set

To be included in the Pulse transactional data set, a financial account must have been:

1. Actively linked at the beginning of the study period (January 1, 2020)

2. Actively linked at the end of the study period (July 31, 2020)

3. Actively linked for 80% of the time during the study period

Notes: Ensuring that accounts were actively linked via Plaid meant that we received a regular flow of data for that account and could be confident in the completeness of the data. When account linkages go inactive because of changed account credentials or participants unlinking their accounts, for example, the data flow stops and financial activity that occurs during the period of inactivity may be missed.

We chose these inclusion criteria to ensure that we had sufficient data on all individuals in the sample during the study period and to ensure that there were no systematic time-based skews within the data (e.g., many individuals missing data at the beginning or end of the study period). Applying such inclusion criteria reduced the overall size of the sample, but was necessary to ensure the data quality of the final sample.

Table A1. Transactional Data Sample Sizes by Linked Account Type Before and After Applying Inclusion Criteria

ACCOUNT TYPE	No Inclusion Criteria	Applied Inclusion Criteria
	# of individuals with linked accounts	# of individuals with linked accounts
Any account	835	629
Checking Account	769	499
Savings Account	547	321
Credit Card	495	360
Any Loan	265	14
Brokerage / Investment Account (401(k)s, IRAs, and other retirement or investment accounts)	192	4
PayPal	108	77
CD	29	16
Money Market Account	26	15
Cash Management	11	2
Prepaid	6	1
Other	23	3

Notes: To learn more about how the inclusion criteria affected the construction of the data set, please visit: finhealthnetwork.org/pulse/data.

Demographic Composition of Sample

The overall demographic composition of the final Pulse transactional data set broadly aligns with the demographic composition of individuals who said they banked online or via a mobile device in the U.S. Financial Health Pulse survey fielded in May, 2020. We use this population as our benchmark because it most closely aligns with the group of individuals who were eligible to participate in the transactional data portion of the study, since the Pulse data-sharing platform only captures information from online or mobile-accessible financial accounts. As a result, we would not expect to see individuals who do not have a bank account or who solely use cash represented in the transactional data sample.

However, there are some differences between the two data sets. Compared with the sampling frame, the Pulse sample skews slightly higher income, younger, and less financially healthy. There are also skews in the Pulse sample along gender (with women overrepresented), race and ethnicity (with Black respondents underrepresented), and education (with those with less education underrepresented). (Table A2 provides the complete demographic composition of the data set.) Before beginning the analysis, we considered weighting the transactional data set but ultimately decided not to, given the relatively small size of the data set and the complications of weighting the different sub-samples used throughout this report.

Table A2. Demographic Composition Comparison Between Pulse Survey and Transactional Data Set

		2020 Pulse Survey % of People Who Bank Online, Weighted	Pulse Transactional Data Set % of People Who Linked ≥ 1 Account Inclusion Criteria Applied
Household Income	Less than $30,000	19%	15%
	$30,000 - $59,999	28%	23%*
	$60,000 - $99,999	27%	27%
	$100,000 or more	27%	32%*
	NA	NA	2%
Gender	Women	52%	57%
	Men	48%	41%*
	NA	NA	2%
Race/Ethnicity	Asian American, American Indian or Alaska Native, Hawaiian/Pacific Islander	6%	8%*
	Black	10%	5%*
	Latinx	17%	17%
	White	64%	63%
	Multiple Races	3%	4%
	NA	NA	3%

		2020 Pulse Survey	Pulse Transactional Data Set
		% of People Who Bank Online, Weighted	% of People Who Linked ≥1 Account Inclusion Criteria Applied
Age	18-25	7%	10%*
	26-35	21%	24%*
	36-49	29%	30%
	50-64	25%	23%
	65+	18%	11%*
	NA	NA	2%
Education	Less than high school	5%	3%
	High school	25%	10%*
	Some college	30%	34%*
	Bachelor's degree or higher	40%	51%*
	NA	NA	2%
Financial Health Tier	Healthy	34%	30%*
	Coping	53%	54%
	Vulnerable	13%	13%
	NA	NA	3%

Notes: * Indicates significant difference between the samples within 95% confidence interval. "NA" indicates transactional data research participants for whom we do not have demographic information or survey responses from the May 2020 Pulse survey.

METRICS CONSTRUCTION

Look-Back Period

We used a 30-day look-back period when calculating all metrics. Given the day-to-day noisiness of transactional data and the relative infrequency of key financial events (e.g., the monthly cadence of many bills and the relative uncommonness of late fees), we calculated a rolling look-back period over the past 30 days to smooth the metric trends. We considered other look-back periods such as 7- and 60-day intervals, but eventually chose a 30-day period because it strikes the right balance between temporal accuracy and reduction of noise.

Median Values

When looking at dollar value figures in the transactional data set, we typically report the median

amount of a metric to avoid outliers affecting the trends. For any given metric, we calculate the median value for each day over the sample for which the metric is calculated. Table A3 on the following page summarizes the different account groupings we use for analysis, sample sizes, and metric definitions.

Activity Thresholds

We apply basic transaction activity requirements for liquid account inflows and outflows to ensure we are able to observe some day-to-day transaction activity. We do not apply activity requirements to other metrics, because transaction activity is less necessary in those instances to calculate the metric (e.g., an individual can hold a liquid account balance without having any transactions in the past 6 months).

Table A3. Definitions of Metrics Based on Pulse Transactional Data Set

METRIC	DEFINITION OF METRIC	ACCOUNTS USED FOR ANALYSIS	Sample Size # of people
Liquid account inflows (pg. 19)	Rolling total of all liquid account inflows, summed over a 30-day look-back period for each individual. We calculate the median value of this metric for the sample on a daily basis.	**Account Types:** Liquid Accounts = checking, savings, money market, prepaid, and cash management accounts.	491
Liquid account outflows (pg. 19)	Rolling total of all liquid account outflows, summed over a 30-day look-back period for each individual. We calculate the median value of this metric for the sample on a daily basis.	**Inclusion Criteria:** All liquid accounts must meet all inclusion criteria (see Box A1). All included individuals must also have at least one linked checking account. **Activity Thresholds:** At least one transaction per month in a checking account.	491
Liquid account balances (pg. 21)	Rolling average of total liquid account end-of-day balances, over a 30-day look-back period for each individual. We calculate the median value of this metric for the sample on a daily basis.	**Account Types:** Liquid Accounts = checking, savings, money market, prepaid, and cash management accounts. **Inclusion Criteria:** All liquid accounts must meet all inclusion criteria (see Box A1). All included individuals must also have at least one linked checking account. **Activity Thresholds:** None	499
Proportion of sample with late fees (pg. 21)	Proportion of individuals with linked credit cards who had at least one expense categorized as "Late Payment" in the past 30 days. We calculate this proportion on a daily basis.		
Credit card charges (pg. 28)	Rolling total of all of all credit card charges over a 30-day look-back period for each individual. We calculate the median value of this metric for the sample on a daily basis.	**Account Types:** Credit Cards **Inclusion Criteria:** All credit cards must meet all inclusion criteria (see Box A1). **Activity Thresholds:** None	360
Credit card balances (pg. 27)	Rolling average of total credit card end-of-day balances, over a 30-day look-back period for each individual. We calculate the median value of this metric for the sample on a daily basis.		

Notes: We apply basic transaction activity requirements for liquid account inflows and outflows to ensure we are able to actually observe some day-to-day transaction activity. We do not apply activity requirements to other metrics, because transaction activity is less necessary in those instances to calculate the metric (e.g., an individual can hold a liquid account balance without having any transactions in the past 6 months).

Table A4. Credit Card Expense Categories

Grouping	Categories of Expenses
Recreation	Arts and Entertainment, Athletic Fields, Baseball, Basketball, Batting Cages, Boating, Campgrounds and RV Parks, Canoes and Kayaks, Combat Sports, Cycling, Dance, Equestrian, Football, Go-Karts, Golf, Gun Ranges, Gymnastics, Gyms and Fitness Centers, Hiking, Hockey, Hot Air Balloons, Hunting and Fishing, Landmarks, Miniature Golf, Outdoors, Paintball, Parks, Personal Trainers, Race Tracks, Racquet Sports, Racquetball, Rafting, Recreation Centers, Rock Climbing, Running, Scuba Diving, Skating, Skydiving, Snow Sports, Soccer, Sports and Recreation Camps, Sports Clubs, Stadiums and Arenas, Swimming, Tennis, Water Sports, Yoga and Pilates, Zoo
Travel	Airlines and Aviation Services, Airports, Boats, Bus Stations, Car and Truck Rentals, Car Service, Charter Buses, Cruises, Gas Stations, Heliports, Limos and Chauffeurs, Lodging, Parking, Public Transportation Services, Rail, Taxi, Tolls and Fees, Transportation Centers
Eating Out	Bars, Breweries, Internet Cafes, Nightlife, Restaurants, Food and Beverage (Catering), Food and Beverage (Delivery)
Digital	Digital Purchase

Notes: This table identifies the types of expenses included in the credit card expense categories presented in Figure 19 of this report.

APPENDIX B: RACE/ETHNICITY DEFINITIONS

In several sections in the report, we discuss findings across race and ethnicity. We define race and ethnicity using a single, mutually exclusive variable. We use this single variable given the current lack of consensus over how to categorize survey respondents based on their Latinx status in addition to their racial identity. For example, there is currently debate over whether race and Latinx ethnicity should be viewed as the same concept, or treated as separate facets of an individual's identity. In lieu of consensus, we follow the typical race and ethnicity definition conventions and treat race/ethnicity as a single variable, acknowledging the difficulty and complexity in doing so.

Respondents answer two questions that are used to determine their race/ethnicity categorization. Respondents who answer "yes" to the question, "Are you Spanish, Hispanic, or Latino?" are categorized as Latinx, regardless of their answer to an additional question asking them about their race. We use the term "Latinx" to be inclusive of those who identify as nonbinary, agender, queer, or gender fluid and because the term includes individuals who may not identify as "Hispanic."

Respondents who do not indicate that they are Latinx are categorized based on their response to the question: "Here is a list of five race categories. Please choose all that apply." Response options were: "White," "Black or African American," "American Indian or Alaska Native," "Asian," and "Native Hawaiian or Other Pacific Islander." Individuals who select multiple races are categorized as "Multiple Races," regardless of their specific responses. While there are inherent challenges in grouping all people that selected multiple races together, we have elected to do so in the absence of a consensus on how to subdivide this group further.

APPENDIX C: FINANCIAL HEALTH INDICATORS

Table C1. Spend Less than Income (Indicator 1)

Q036. Which of the following statements best describes how your household's total spending compared to total income, over the last 12 months?	2018	2019	2020
Spending was much less than income	17.3%	18.1%	21.5%*
Spending was a little less than income	35.6%	35.6%	35.3%
Spending was about equal to income	30.9%	29.5%	26.2%*
Spending was a little more than income	11.9%	12.9%	11.8%
Spending was much more than income	4.4%	3.9%	5.1%*

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

Table C2. Pay All Bills On Time (Indicator 2)

Q039. Which of the following statements best describes how your household has paid its bills over the last 12 months?	2018	2019	2020
Pay all of our bills on time	63.9%	66.3%	69.4%*
Pay nearly all of our bills on time	17.9%	16.3%	14.7%*
Pay most of our bills on time	9.6%	9.9%	8.4%*
Pay some of our bills on time	5.5%	5.0%	5.0%
Pay very few of our bills on time	3.2%	2.5%	2.5%

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

Table C3. Have Sufficient Liquid Savings (Indicator 3)

Q044. At your current level of spending, how long could you and your household afford to cover expenses, if you had to live on only the money you have readily available, without withdrawing money from retirement accounts or borrowing?	2018	2019	2020
6 months or more	36.2%	36.3%	37.9%
3-5 months	18.5%	16.7%	20.9%*
1-2 months	20.2%	20.9%	19.7%
1-3 weeks	14.5%	14.0%	12.4%*
Less than 1 week	10.6%	12.1%	9.1%*

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

Table C4. Have Sufficient Long-Term Savings (Indicator 4)

Q045. Thinking about your household's longer-term financial goals... How confident are you that your household is currently doing what is needed to meet your longer-term goals?	2018	2019	2020
Very confident	17.6%	18.0%	21.7%*
Moderately confident	22.4%	21.5%	25.0%*
Somewhat confident	23.2%	23.1%	21.8%
Slightly confident	15.0%	14.6%	13.4%
Not at all confident	21.9%	22.8%	18.1%*

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

Table C5. Have a Manageable Debt Load (Indicator 5)

Q077. Thinking about all of your household's current debts... As of today, which of the following statements describes how manageable your household debt is?	2018	2019	2020
Have a manageable amount of debt	52.5%	52.0%	55.5%*
Have a bit more debt than is manageable	19.7%	18.5%	18.7%
Have far more debt than is manageable	10.4%	10.8%	8.6%*
Do not have any debt	17.4%	18.8%	17.2%*

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

Table C6. Have a Prime Credit Score (Indicator 6)

Q004. How would you rate your credit score? Your credit score is a number that tells lenders how risky or safe you are as a borrower.	2018	2019	2020
Excellent	28.1%	30.7%	31.6%
Very good	20.2%	19.0%	19.8%
Good	17.9%	16.0%	17.6%*
Fair	15.4%	14.5%	14.5%
Poor	11.9%	13.1%	9.4%*
Don't know	6.5%	6.7%	7.2%

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

Table C7. Have Appropriate Insurance (Indicator 7)

Q112. Thinking about all of the types of insurance you and others in your household currently might have ... How confident are you that those insurance policies will provide enough support in case of an emergency?	2018	2019	2020
Very confident	31.5%	28.0%	22.6%*
Moderately confident	29.9%	30.4%	29.1%
Somewhat confident	19.8%	20.3%	22.7%*
Slightly confident	8.0%	9.2%	11.2%*
Not at all confident	8.2%	8.2%	9.5%*
No insurance	2.6%	3.9%	4.9%*

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

Table C8. Plan Ahead Financially (Indicator 8)

Q113. To what extent do you agree or disagree with the following statement: "My household plans ahead financially."	2018	2019	2020
Agree strongly	22.8%	22.6%	26.7%*
Agree somewhat	37.0%	36.9%	36.9%
Neither agree or disagree	22.9%	23.2%	19.5%*
Disagree somewhat	10.0%	10.8%	10.0%
Disagree strongly	7.4%	6.6%	6.9%

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Notes: * Indicates statistically significant difference from 2019 within 95% confidence interval.

APPENDIX D: SUPPLEMENTAL DATA TABLES

Some of the following tables include data from the May 2020 Pulse survey. This survey was fielded to members of the UAS panel between April 20 and May 7, 2020, yielding 6,668 respondents. Data was weighted using the Census Current Population Survey as a benchmark. Findings from this survey are cited below and throughout in the report where relevant, but the report primarily highlights data from the August survey because it is more recent. See the Methodology section of the report (pg. 9) for details on this survey and surveys from 2018 and 2019. To download the complete survey instruments and data sets for all years, please visit www.finhealthnetwork.org/pulse/data.

Table D1. Percent of Financially Coping and Financially Vulnerable Individuals Experiencing Financial Hardship Since March

Q019 - Q022. For each of these questions, please indicate whether the statements were often, sometimes, or never true for you since March. [Often/Sometimes]	Financially Vulnerable and Financially Coping
Worried about being able to afford rental or mortgage payment	25.8%
Worried whether food would run out	21.7%
Did not get healthcare	14.4%
Stopped taking medication	10.0%

Source: U.S. Financial Health Pulse (August 2020).

Table D2. Coping Strategies Used During the Pandemic

QA034. Have you or anyone in your household taken any of the following actions since March to help you cope with the effects of the coronavirus outbreak? Please select all that apply.	Financially Vulnerable and Financially Coping	Total
Cut back on my expenses	55.1%	49.8%
Carried a balance on a credit card	41.3%	31.5%
Spent down savings	28.5%	20.9%
Applied for unemployment benefits	24.5%	21.2%
Applied for a new job	21.2%	16.8%
Sold something	14.7%	11.4%
Borrowed money from friends and family	14.6%	10.0%
Applied for other government benefits (SNAP, WIC, etc.)	12.0%	8.6%
Overdrew my checking account	10.4%	7.1%
Applied for a loan from a financial institution or online lender	6.4%	5.1%
Withdrew money from my retirement account	5.9%	5.1%
Borrowed using a payday loan, deposit advance, or pawn shop loan	2.8%	2.0%

Source: U.S. Financial Health Pulse (August 2020).

Table D3. Correlation Between Financial Hardship and Stimulus and Relief Measures

Linear Regression of Experiencing Hardship Measures on Stimulus, Relief Measures, and Control Factors	Worried whether food would run out	Worried about being able to afford rental or mortgage payment	Did not get healthcare needed due to cost
Household income: Less than $30,000 (Base)			
$30,000 - $59,999	-0.154*	-0.151*	-0.058
$60,000 - $99,999	-0.254*	-0.241*	-0.114*
$100,000 or more	-0.299*	-0.310*	-0.214*
No children under age 18 (Base)			
Have children under age 18	0.061*		
Received stimulus check (Base)			
Did not receive stimulus check	0.057*		
Not sure about stimulus check	0.078*		
Received unemployment benefit (Base)			
Applied, but did not receive unemployment benefit		0.118*	
Applied and received some debt relief (Base)			
Applied and did not receive any debt relief			0.150*
Constant	0.288*	0.442*	0.249*
Observations	6358	1441	923

Source: U.S. Financial Health Pulse (August 2020). Notes: * Indicates coefficients that are statistically significant within 95% confidence intervals. Coefficients represent an increase in the probability of experiencing each hardship relative to the base category. For instance, those who did not receive stimulus checks were 5.7 percent points more likely to worry food would run out than those who received stimulus checks.

Table D4. Experience with Unemployment Insurance Benefits Since March

Cv005. You indicated that you or someone in your household applied for unemployment benefits from the federal or state government. Did you receive these benefits?	TOTAL
Received unemployment insurance benefits	15.4%
Applied and did not receive unemployment insurance benefits	5.6%
Did not apply for unemployment insurance benefits	79.0%

Source: U.S. Financial Health Pulse (August 2020). Note: Some people who did not receive unemployment insurance benefits indicated that their application was still being processed (~2.3%).

Table D5. How Stimulus Payments Were Spent

QA039. Have you done any of the following with your stimulus payment? Please select all that apply.	TOTAL
Paid bills (rent, mortgage, utilities, etc.)	45.1%
Paid for basic necessities (food, medicine, etc.)	44.8%
Put it into savings	43.8%
Paid off debt or credit card balances	23.0%
Have not used the payment yet	15.0%
Gave money to friends and family	9.3%
Donated to charity	6.8%
Other use	6.1%
Contributed to investments	3.7%

Source: U.S. Financial Health Pulse (May 2020).

Table D6. Worry About Paying Bills by Gender

QA043b. For each of the following potential problems that could result from the coronavirus outbreak, please indicate how worried or not worried you are that you or your household will experience that issue? [My household will struggle to pay our rent, mortgage, or utility bills.]	WOMEN	MEN
Very worried	10.2%*	6.0%
Somewhat worried	17.7%*	14.1%
Not too worried	26.7%	26.1%
Not at all worried	32.5%*	43.9%
Doesn't apply to my situation	10.5%*	8.9%
Already happened to me or someone in my household	2.3%*	1.1%

Source: U.S. Financial Health Pulse (August 2020). * Indicates statistically significant difference from "Men" within 95% confidence interval.

Table D7. Worry About Affording Basic Necessities by Gender

QA043c. For each of the following potential problems that could result from the coronavirus outbreak, please indicate how worried or not worried you are that you or your household will experience that issue? [My household will struggle to afford basic necessities (like food and healthcare.)]	WOMEN	MEN
Very worried	9.3%*	5.3%
Somewhat worried	14.4%*	11.3%
Not too worried	26.6%	25.0%
Not at all worried	39.2%*	51.2%
Doesn't apply to my situation	8.6%*	6.7%
Already happened to me or someone in my household	1.9%	0.4%

Source: U.S. Financial Health Pulse (August 2020). * Indicates statistically significant difference from "Men" within 95% confidence interval.

Table D8. Percent of People Who Were Unable to Get to Work Due to Childcare Responsibilities

QA032g. Please indicate whether you or anyone in your household experienced any of these factors that caused your income to decrease: [Was unable to get to work due to childcare responsibilities or other constraints].	WOMEN	MEN
Yes	6.2%*	3.6%
No	93.8%*	96.4%

Source: U.S. Financial Health Pulse (August 2020). Note: * Indicates statistically significant difference from "Men" within 95% confidence interval.

Table D9. How Household Expenses Have Changed Since March, by Household Income

CV003b. My household's expenses have:	LESS THAN $30,000	$30,000 - $59,999	$60,000 - $99,999	$100,000 OR MORE
Increased	29.6%	23.1%*	14.8%*	12.8%*
Decreased	8.6%	12.6%*	23.5%*	31.4%*
Stayed the same	62.9%	64.3%	61.9%	55.9%*

Source: U.S. Financial Health Pulse (August 2020). Note: * Indicates statistically significant difference from "Less than $30,000" within 95% confidence interval.

Table D10. Percent of People Who Spent Down Savings to Cope with Pandemic, by Household Income

QA034c. Have you or anyone in your household taken any of the following actions since March to help you cope with the effects of the coronavirus outbreak? Please select all that apply.	LESS THAN $30,000	$30,000 - $59,999	$60,000 - $99,999	$100,000 OR MORE
Spent down savings	27.6%	24.3%	16.6%*	13.9%*
Did not spend down savings	72.4%	75.7%	83.4%*	86.1%*

Source: U.S. Financial Health Pulse (August 2020). Notes: * Indicates statistically significant difference from "Less than $30,000" within 95% confidence interval.

Table D11. Percent of People with Unmanageable Debt by Race/Ethnicity

Q077. Thinking about all of your household's current debts... As of today, which of the following statements describes how manageable your household debt is? [A bit or far more debt than manageable.]	BLACK	LATINX	WHITE
2018	36.5%*	38.4%*	26.7%
2019	36.4%*	37.3%*	26.3%
2020	38.8%*	39.2%*	22.5%

Source: U.S. Financial Health Pulse (2018, 2019, August 2020). Note: * Indicates statistically significant difference from "White" within 95% confidence interval.

Table D12. Ownership of High-Cost Loans by Race/Ethnicity

Q073, Q074, Q076. In the past 12 months, did you or anyone in your household do any of the following activities at some place other than a bank or credit union?	BLACK	LATINX	WHITE
Payday loan / cash advance	7.7%*	5.2%*	1.6%
Pawn shop loan	5.0%*	4.8%*	2.3%
Tax return loan	2.8%*	1.4%*	0.7%

Source: U.S. Financial Health Pulse (May 2020). Note: * Indicates statistically significant difference from "White" within 95% confidence interval.

Table D13. Percent of People Who Applied for Debt Relief in Past 3 Months by Race/Ethnicity

CV008a-e. Have you or anyone in your household applied for relief (such as deferral, forbearance, or forgiveness) on any of the following payments since March?	BLACK	LATINX	WHITE
Any Relief	18.6%*	21.2%*	11.0%
Student loan	8.6%*	10.0%*	5.6%
Mortgage	5.5%	9.1%*	4.1%
Credit card	5.6%*	5.6%*	1.8%
Auto loan	4.8%*	7.4%*	2.6%
Other debt	1.0%	1.2%	0.8%

Source: U.S. Financial Health Pulse (August 2020). Note: * Indicates statistically significant difference from "White" within 95% confidence interval.

Table D14. Percent of People Who Received Debt Relief in Past 3 Months by Race/Ethnicity

	BLACK	LATINX	WHITE
Applied and received some debt relief	61.4%*	72.6%	75.5%
Applied and did not receive any debt relief	38.6%*	27.4%	24.5%

Source: U.S. Financial Health Pulse (August 2020). Note: * Indicates statistically significant difference from "White" within 95% confidence interval.

Table D15. Percent of People Who Lost Health Insurance as a Result of Employment Change

CV002. Have you or anyone in your household lost access to health insurance as a result of being laid off, furloughed, or terminated from your job?	TOTAL
Yes	4.0%
No	92.1%
Don't know	3.9%

Source: U.S. Financial Health Pulse (August 2020).

Table D16. Percent of People Worried Health Insurance Will Not Provide Enough Support

QA043f. For each of the following potential problems that could result from the coronavirus outbreak, please indicate how worried or not worried you are that you or your household will experience that issue in the future: [My health insurance won't provide enough financial support for healthcare if I or someone in my family were to become seriously ill with the coronavirus.]	TOTAL
Very worried	10.1%
Somewhat worried	18.9%
Not too worried	28.2%
Not at all worried	33.5%
Doesn't apply to my situation	8.9%
Already happened to me or someone in my household	0.4%

Source: U.S. Financial Health Pulse (August 2020).

Table D17. Percent of People Who Have Cut Expenses Due to COVID-19 Pandemic by Household Income

QA034b. Have you or anyone in your household taken any of the following actions since March to help you cope with the effects of the coronavirus outbreak? Please select all that apply: [Cut back on my expenses].	LESS THAN $30,000	$30,000 - $59,999	$60,000 - $99,999	$100,000 OR MORE
Yes	52.2%	50.4%	48.1%*	48.1%*
No	47.8%	49.6%	51.9%*	51.9%*

Source: U.S. Financial Health Pulse (August 2020). Note: * Indicates statistically significant difference from "Less than $30,000" within 95% confidence interval.

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