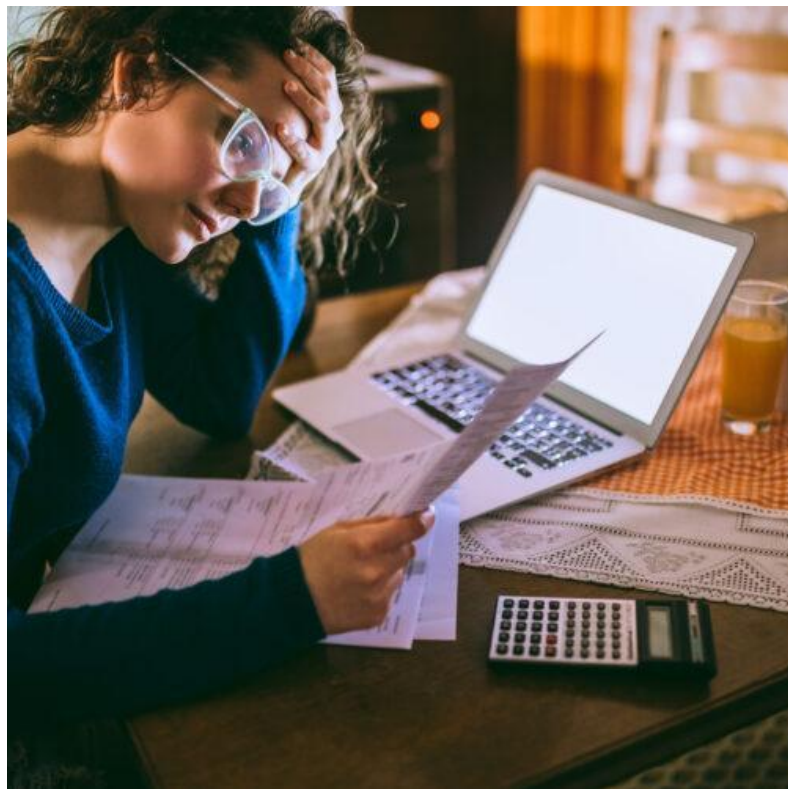


# Finding the Financial Health Pulse® of American Consumers

Financial Health Pulse® 2023  
U.S. Trends Report

November 14, 2023 at 1:00 pm ET





# Welcome

## Kara Wilkins

Director, Bank On Arkansas+

Asset Funders Network

AFN is the leading national grantmaker membership organization focused on advancing equitable wealth building and economic mobility.

- ✓ Broaden your Knowledge Base
- ✓ Connect to a Powerful National Network
- ✓ Amplify your Impact
- ✓ Collaborate for Influence



**Business  
Ownership**

**Financial  
Health**

**Employment  
& Income**

**Education**

**Health**

**Housing**

**The Wealth  
Gap**

Financial Health Pulse®

# 2023 U.S. Trends Report

Rising Financial Vulnerability in America

SEPTEMBER 2023

**Authors**

**Kenan Cepa**, *Senior Manager, Policy & Research*

**Wanjira Chege**, *Associate, Policy & Research*

**Necati Celik**, *Manager, Policy & Research*

**Andrew Warren**, *Senior Associate, Policy & Research*

**Riya Patil**, *Associate, Workplace Solutions*

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Director, Principal Foundation and  
Principal Community Relations



**Kristen Scheyder**  
Senior Program Officer, Citi  
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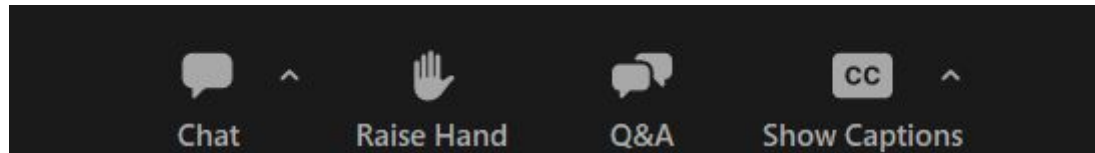
# WEBINAR CONTROL PANEL

## PARTICIPATE

Type your question in the  
**Q&A BOX**  
to be addressed during  
discussion breaks or during  
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## CLOSED CAPTIONS

Captions can be turned on via  
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will also be available in the  
recording afterwards





# REALIZING ECONOMIC JUSTICE

Confronting  
Racial Bias in  
Asset Building

A SIGNATURE AFN INITIATIVE



# Our Initiatives



## FUNDER GUIDE

Providing guiding principles & actions for addressing racial bias in grantmaking



Supporting level setting across your team, organization, or working groups



## EQUITY AMPLIFIER

Connecting leaders of color to the philanthropic community



## LEARNING IN ACTION

Showcasing organizations that are addressing racism through philanthropy



Reflection Cards



## EQUITY INSIGHTS

Elevating thought leaders who are examining racial equity through asset building



# Funder Remarks

**Kristen Scheyder**, Senior  
Program Officer

Citi Foundation



# Financial Health Pulse<sup>®</sup>

## 2023 U.S. Trends Report

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Key Findings from Research

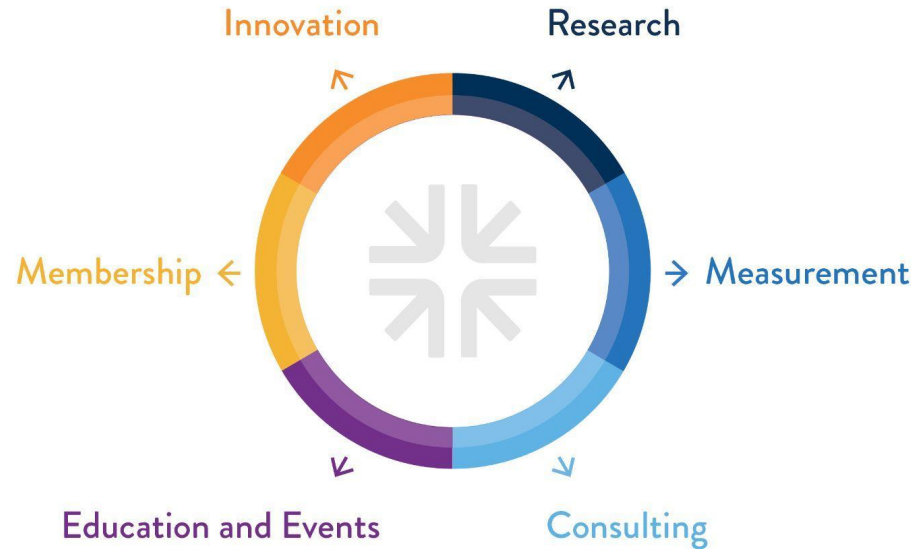


## Our mission is to improve financial health for all.

The Financial Health Network is a trusted resource for business leaders, policymakers, and innovators united in a mission to improve the financial health of their customers, employees, and communities. We envision a future where all people, especially the most vulnerable, have the financial systems they need to be resilient and thrive.

# How We Help

We unite business leaders, policymakers, and innovators to design and implement solutions that improve financial health for all people.



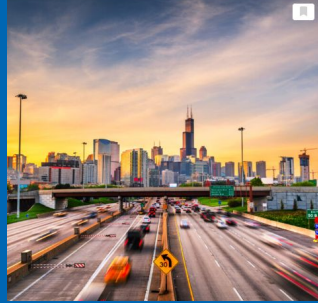
# Research Initiatives from FHN's Policy and Research Team



Financial Health Pulse



FinHealth Spend



Chicago Pulse



Additional Research Initiatives in 2023

Financial Health of  
People with Disabilities



Understanding the Mental -  
Financial Health Connection

# About FINANCIAL HEALTH PULSE®

The Financial Health Pulse combines survey data with administrative data, with the goal of providing regular updates and actionable insights about the financial lives of Americans.



# Our Funders

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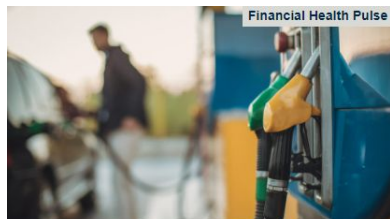
Citi Foundation





# Recent Research from the Pulse Team

Pulse Research Published in the Past Year



Measurement

**Pulse Points Fall 2022: Responses to Record-High Gas Prices**



Measurement

**Once Financially Unhealthy, Always Financially Unhealthy?**



Measurement

**Pulse Points Spring 2023: Bracing for the End of Student Loan Forbearance**



Measurement

**Financial Health Pulse® 2023 U.S. Trends Report**



Measurement

**Pulse Points Summer 2023: Weathering Financial Setbacks From Natural...**



Measurement

**Even as Inflation Declines, People in the U.S. Seek Ways To Cope**



Financial Health Pulse®

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# FINANCIAL HEALTH PULSE®

## 2023 U.S. TRENDS REPORT

# A Contradictory Economic Landscape

The Macroeconomic Context between 2022 and 2023

## Positive Signs

- Low unemployment rates
- High weekly earnings

## Concerning Signs

- Climbing interest rates
- Stubbornly high inflation
- Expiration of many remaining pandemic-era government benefits
- Reports of mass layoffs
- Volatile stock market performance

# What is Financial Health?

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**Financial health** comes about when your daily systems help you build resilience and pursue opportunities.



# FinHealth Score<sup>®</sup> Questions



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



5. Manageable debt
6. Prime credit score



3. Sufficient liquid savings
4. Confident will meet long-term financial goals



7. Appropriate insurance
8. Plan ahead financially

# Interpreting FinHealth Scores

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## Financially Vulnerable

Consumers struggling with almost all aspects of their financial lives

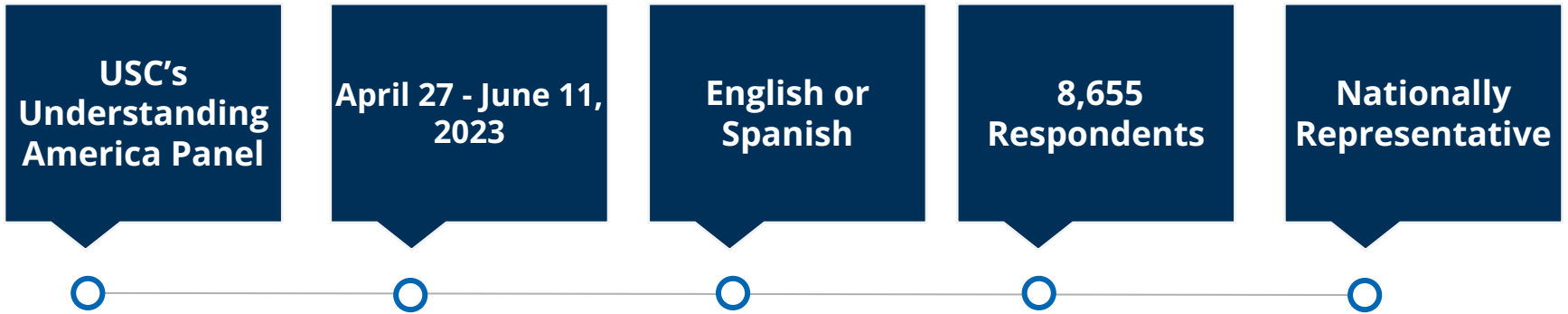
## Financially Coping

Consumers struggling with some aspects of their financial lives

## Financially Healthy

Consumers struggling with few, if any, aspects of their financial lives

# 2023 Survey Methodology



# 2023 U.S. Trends Report Key Findings

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- 1 The share of Financially Vulnerable Americans **increased** over the last year.
- 2 **Five of 8** financial health indicators **declined** across all four financial health pillars.
- 3 The **Black-White and Latinx-White financial health gap** and the **financial health gap between the oldest and youngest Americans** grew over the past year.
- 4 We examined the financial health of newly added demographic and socioeconomic groups, which **expands our analysis to over a dozen groups**.



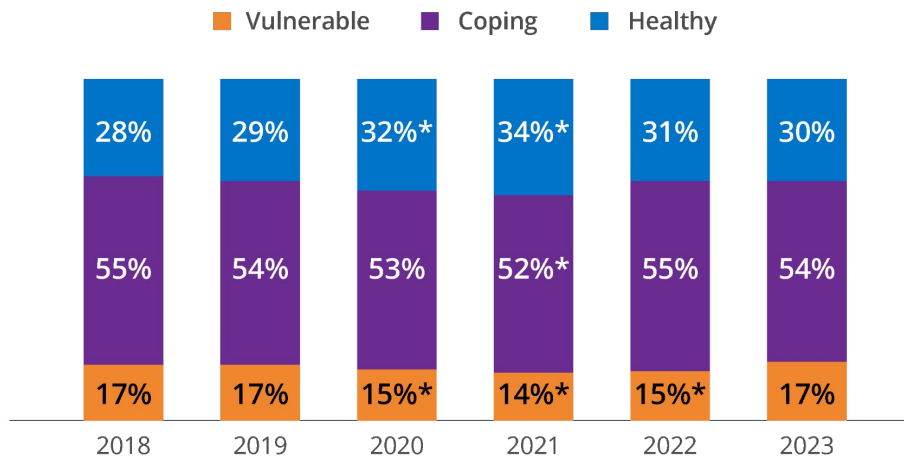
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The share of  
Financially Vulnerable  
Americans **increased**  
over the last year.



# Percentage of Financially Vulnerable Americans Returned to Pre-Pandemic Levels

Percentage of people categorized by financial health tier (2018-23).



Note: \* Relative to 2023 Pulse data ( $p < 0.05$ ).

# 6 Million More Americans Are Financially Vulnerable in 2023 Than in 2022



37 million people



43 million people

---

Five of 8 financial health indicators declined across all four financial health pillars.



# Declines Occurred Across 5 Financial Health Indicators

Percentage-point change in positive responses for each financial health indicator (2022-23).

1. Spend less than income	-2*	
2. Pay bills on time	0	
3. Have enough savings to cover at least three months of living expenses	-2*	
4. Are confident they are on track to meet long-term financial goals	-2*	
5. Have a manageable amount of debt or no debt	-3*	
6. Have a prime credit score	-1	
7. Are confident their insurance policies will cover them in an emergency	2	
8. Agree with the statement: 'My household plans ahead financially.'	-3*	

Note: \* Statistically significant relative to 2022 ( $p < 0.05$ ). Figures are rounded to the nearest integer.

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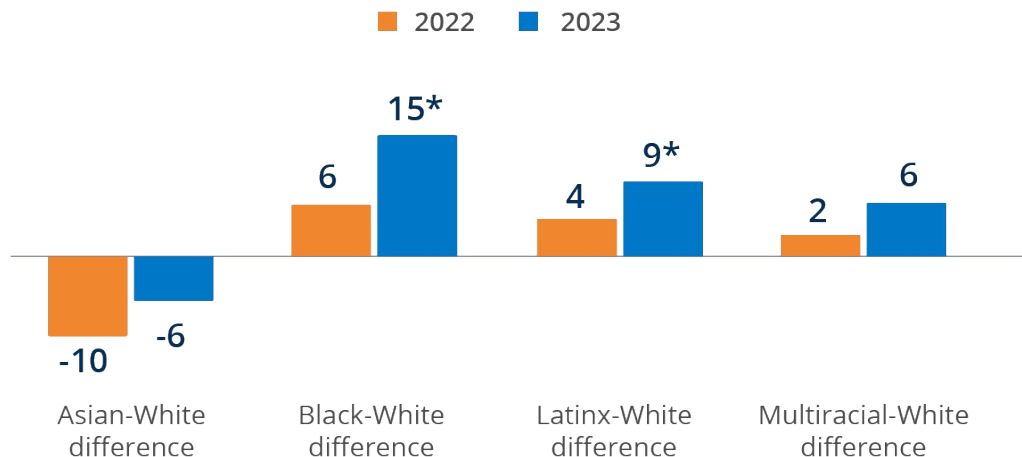
The financial health gap **increased** between key demographic groups over the past year:

- Black-white
- Latinx-white



# Black-White and Latinx-White Financial Health Gaps Widened in the Past Year

Percentage-point difference in share of Financially Vulnerable racial and ethnic groups relative to White people (2022-23).



Note: \* Statistically significant relative to 2022 (p < 0.05).

---

In 2023, we examined the financial health of newly added demographic and socioeconomic groups, which expands our analysis to over a dozen groups





# 2023 Trends Report Shares Findings on Over a Dozen Groups

---

## Demographic Groups

- Race and ethnicity
- Age
- Household composition
- LGBTQIA+ status
- Country of birth
- Geographic region

## Financial Characteristics

- Banking status
- Household income
- Net worth
- Housing status
- Entrepreneurship

## Employment Characteristics

- Employment status
- Employer size

## Health Status

- Self-rated overall and mental health
- Disability status

# Financial Health Across Demographic Groups

---

## Disparities in Financial Health Across Household Composition

- Single women were more often Financially Vulnerable than single men or those who were married or partnered.
- Between 2022 and 2023, the percentage of single women and married or partnered individuals who were Financially Vulnerable increased.

## Regional Gaps in Financial Health

- Those living in Southern states were more often Financially Vulnerable than those in other regions.
- The share of Financially Vulnerable residents increased only in Southern states over the past year.

## Lower Financial Health Among Those Born in the U.S.

- In 2023, those born in the U.S. were more often Financially Vulnerable than those born outside of the U.S.
- In the past year, an increasing share of U.S.-born Americans were Financially Vulnerable.

# Financial Health Closely Intertwined With Financial Resources

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## Large Financial Health Gaps by Net Worth

- Almost half (48%) of those who reported being in debt were Financially Vulnerable – eight times the share of those who reported positive net worth.

## Large Financial Health Gaps by Homeownership Status

- Three out of 10 (30%) renters were Financially Vulnerable in 2023, compared with just 9% of homeowners.
- A growing proportion of renters became Financially Vulnerable over the past year, while there was no change among homeowners.

## Financial Health Gaps by Business Ownership

- Just 8% of entrepreneurs were Financially Vulnerable, compared with 15% of Americans who were not business owners.

# Financial Health is Closely Linked to Different Health Indicators

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## Large Financial Health Disparities by Self-Reported Health

- Those who reported that their **overall health** was fair or poor were Financially Vulnerable six times more often than those with very good or excellent overall health.
- Those who reported that their **mental health** was fair or poor were Financially Vulnerable five times as frequently as those with very good or excellent mental health (40% versus 7%, respectively).

## Financial Health is Closely Linked to Disability Status

- People with disabilities were Financially Vulnerable more than twice as often as those without disabilities (28% vs. 13%).

# A Call for Systems-Level Change

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# FINANCIAL HEALTH **PULSE**<sup>®</sup> 2023 U.S. TRENDS REPORT

[Read the Report](#)

[finhealthnetwork.org/pulse-trends-2023](https://finhealthnetwork.org/pulse-trends-2023)

# Learn More About the Financial Health Pulse Initiative

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Read more  
Pulse  
research

Request a  
presentation  
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Sponsor  
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# Thank You

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# Appendix

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# 5 of 8 Financial Health Indicators Declined

Percentage of people with positive responses for each financial health indicator (2018-23).

Financial health indicator	2018	2019	2020	2021	2022	2023
Spending less than income	53%*	54%*	58%*	57%*	51%*	49%
Pay all bills on time	65%*	67%*	66%*	72%	71%	71%
Have enough savings to cover at least three months of living expenses	55%*	54%*	57%	62%*	59%*	57%
Are confident they are on track to meet long-term financial goals	40%	40%	41%*	43%*	41%*	39%
Have a manageable amount of debt or no debt	70%	70%	72%	75%*	74%*	71%
Have a prime credit score	67%*	66%*	67%*	70%	71%	70%
Are confident their insurance policies will cover them in an emergency	61%*	58%	60%*	59%	57%	59%
Agree with the statement: "My household plans ahead financially."	60%	60%	63%*	62%*	62%*	59%

Note: \* Relative to 2023 Pulse data (p < 0.05).

# BRIEF Q&A



## Share Your Reflections in the Chat

- What information are you finding most exciting about this report?
- Any specific data points that resonate with you?

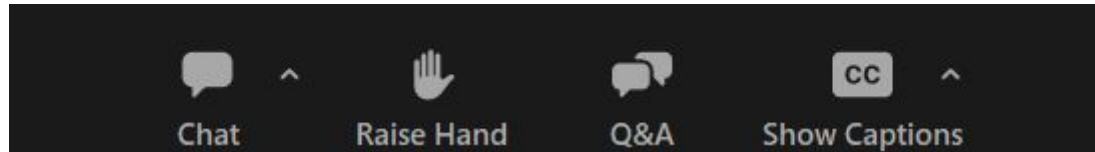
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