

FEELINGS OF FINANCIAL WELL-BEING MOVING INTO THE NEW YEAR

JANUARY 12-14, 2024

Key Findings

In 2017, the Consumer Financial Protection Bureau (CFPB) released its Financial Well-Being Scale as part of its efforts to create a consumer-oriented definition of financial well-being and to offer a rigorous, research informed way to measure the concept. Since 2022, NEFE has fielded the Financial Well-Being Scale in a nationally representative survey of Americans to better understand how their subjective feelings of their financial situation may be changing over time. The short-form version of the scale is composed of 5 questions and respondent answers are converted into a single score ranging from 19-90. This report summarizes the Financial Well-Being Score across different groups of respondents and observed differences across individual measures of the short-form scale. Any cross-group comparison reported here as a difference was found to be statistically significant at the 90% confidence level.

Financial Well-Being Scale

According to the CFPB's analysis of its own nationally representative survey of the financial well-being of Americans, respondents with scale scores below 40 are likely to be experiencing "significant financial insecurity," while those with scores between 41-60 frequently more financially secure though at times still struggling to make ends meet. Respondents with scores over 60 are very rarely experiencing financial insecurity with nearly universal financial security among those with scores over 70.

- Among all respondents to NEFE's 2023 survey of financial well-being, the mean score was 52.
- There was no significant difference in the mean financial well-being score between men (52) and women (52). The mean financial well-being score differed very little from the median (53) among respondents overall, with both men and women also reporting median scores of 53.

- Respondents that reported household income of less than \$30,000 had a mean financial well-being score of 47, while those with incomes over \$100,000 had a mean score of 59.
- Financial well-being scores differed significantly between respondents with different levels of educational attainment, specifically between those that earned either a BA or a post-graduate degree and those with any level of education less than a BA. The mean score for a respondent with a BA was 55 and 59 for respondents with post-graduate degrees, while all respondents with less than a BA had an average score of 49.

Respondents over 60 had the highest level of financial well-being with a mean score of 58 compared to those under 30 who had the lowest mean score at 49. Those aged 30-44 and 45-59 had mean scores very similar to those under 30s, 49 and 50 respectively.

How well does the statement describe you or your situation: “Because of my money situation, I feel like I will never have the things I want in life.”?

One quarter of U.S. adults (25%) say that the statement describes their situation “completely” or “very well”. Nearly one in three adults (28%) say the statement describes them “somewhat”, while almost half (46%) say it describes them or their situation “very little” or “not at all”.

- Adults aged 30-44 years old (30%) are most likely to say the statement describes their situation “completely” or “very well”, compared to 28% of those ages 18-29 years old, 27% of those ages 45-59 years old and 16% of those ages 60 years old and over (60+). In contrast, 60+ year old adults (58%) are more likely than adults from all other age groups to say the statement describes them “very little” or “not at all” (18-29: 38%; 30-44: 39%; 45-59: 46%).
- Adults without a high school diploma (33%), a high school degree or equivalent (29%) and those with some college or an associate degree (AA+) (30%) report similar levels of feeling that this statement describes them “completely” or “very well”. All three groups are significantly more likely than adults with at least a bachelor’s degree (15%) to feel this statement describes them. Adults with at least a bachelor’s degree (60%) are most likely to feel like the sentence describes them “very little” or “not at all”. (AA+: 40%; high school diploma or equivalent: 37%; no high school diploma: 41%).
- Adults with a household income under \$100k per year report significantly higher instances of feeling like this statement describes them “completely” or “very well” (<\$30k: 36%; \$30k-

<\$60k: 30%; \$60k-<\$100k: 23%; \$100k+: 13%). U.S. adults with household incomes \$100k and higher are more likely to feel that this statement describes them “very little” or “not at all” (<\$30k: 32%; \$30k-<\$60k: 39%; \$60k-<\$100k: 44%; \$100k+: 64%).

- There was no significant difference between males and females reporting how well the statement describes them or their situation. 23% of males and 26% of females report feeling like this statement describes them “completely” or “very well”. Similarly, 47% of females and 46% of males said this statement describes them “very little” or “not at all”.

How well does the statement describe you or your situation: “I am just getting by financially.”?

Overall, 27% say the statement describes them or their situation, 35% of adults say the statement describes them “somewhat” and 36% feel the statement describes them “very little” or “not at all”.

- Nearly four in ten adults (38%) with a household income of <\$30K feel that the statement describes their situation “completely” or “very well”, compared with 30% of those with income between \$30K- <\$60K, and 31% of those with income between \$60K-<\$100K. Those with an income less than \$100k are significantly more likely to say the statement describes them, while 15% of those with income \$100K+ say it describes them. In contrast, over half of adults with household income of \$100K+ (54%) say that the statement describes their situation “very little” or “not at all”.
- Adults with a high school diploma or equivalent (22%) and those with some college or an associate degree (AA+) (16%) are significantly more likely than adults with at least a bachelor’s degree (10%) to say this statement describes them “completely”.
- Adults with a bachelor’s degree or higher are most likely to feel like the sentence describes them “very little” or “not at all” (46%), and this is significantly higher than adults from other education levels (AA+: 35%; high school diploma or equivalent: 25%; no high school diploma: 31%).

How well does the statement describe you or your situation: “I am concerned that the money I have or will save won’t last.”?

Similar proportions of U.S. adults say this statement describes them or their situation “completely” or “very well” (35%) and “somewhat” (34%), while fewer report this statement describing them “very little” or “not at all” (29%).

- Adults <60 years old are more likely to say the statement describes them “completely” or “very well” compared to those 60+ (18-29: 38%; 30-44: 38%; 45-59: 40%; 60+: 26%). Additionally, adults 60+ are the most likely age group to say the statement describes them “very little” or “not at all” (37%).
- Adults with no high school diploma (23%), a high school diploma or equivalent (24%) and those with some college or associate degree (25%) are more likely than those with a bachelor’s degree or higher (11%) to say the statement describes them or their situation “completely”. Adults with a bachelor’s degree or higher (38%) are the most likely to say the statement describes them “very little” or “not at all”.
- Comparing adults with different household incomes, 23% of adults with household incomes \geq \$100k say this statement describes them “completely” or “very well”, which is significantly lower than those with household incomes <\$30k (46%), those between \$30k and <\$60k (31%), and those between \$60k and <\$100k (44%). Contrastingly, those with household incomes \geq \$100k (43%) are significantly more likely to say this statement describes them “very little” or “not at all” (<\$30k: 24%; \$30k-<\$60k: 22%; \$60k-<\$100k: 25%).

How often does the statement apply to you: “I have money left over at the end of the month.”?

Almost four in ten (39%) of U.S. adults indicate the statement applies to them “always” or “often”. 27% of adults indicate that the statement “sometimes” applies to them and 33% say it “rarely” or “never” applies to them.

- About half (49%) of adults 60+ years old say this statement applies to them “always” or “often”, which is significantly higher than adults aged 45-59 years old (39%), those 30-44 years old (36%), and those 18-29 years old (29%). Adults under 60 years old are significantly more likely than those 60+ to say this statement applies to them “rarely” or “never” (60+: 23%; 45-59: 38%; 30-44: 37%; 18-29: 38%).
- Comparing responses between males and females, 37% of females say this statement applies to them “always” or “often”, compared to 42% of males. Also, females (36%) are significantly more likely to say the statement applies to them “rarely” or “never” than males (30%).
- Adults without a high school diploma (56%) are more likely than any other education demographic to report “rarely” or “never” having money left over at the end of the month. In addition, those with a high school diploma or equivalent (39%) and those with some college or associate degree (36%) are more likely than adults with a bachelor’s degree or higher (20%) to say this statement “never” or “rarely” applies to them. In contrast, adults with

bachelor's degree or higher (59%) are significantly more likely to say the statement "always" or "often" applies to them (No HS: 18%; HS: 28%; AA+: 33%).

How often does the statement apply to you: "My finances control my life."?

About one in four (27%) U.S. adults say the statement applies to them "always" or "often" while a higher share (38%) says "sometimes". One third of adults (33%) report the statement "never" or "rarely" applies to them.

- Adults 60+ years old (43%) are significantly more likely to say this statement applies to them "rarely" or "never" (18-29: 30%; 30-44: 28%; 45-59: 29%). 24% of adults aged 18-29, 31% of those 30-44, 35% of those 45-59, and 20% of those 60+ say this statement applies to them "always" or "often".
- Adults with a bachelor's degree or higher (6%) are significantly less likely to report "always" feeling like their finances control their lives compared to those with less than a bachelor's degree (No HS: 14%; HS: 19%; AA+: 18%).
- Adults with a bachelor's degree or higher (40%) and those with no high school diploma (42%) are more likely to say it "rarely" or "never" applies to them, compared to those with a high school diploma or equivalent (27%) and some college or an associate degree (29%).

How would you rate the current quality of your financial life?

Almost half of U.S. adults (46%) say their current quality of financial life is about "what they expected it to be", while 31% say it is "worse than expected they it to be" and 22% say it is "better than they expected it to be".

- Adults with household incomes <\$100k rate the current quality of their financial life as "worse than they expected" at significantly higher rates than those with household incomes ≥\$100k (<30k: 41%; \$30k-<\$60k: 35%; \$60k-<\$100k: 33%; \$100k+: 21%).
- Adults with household incomes \$60k and greater are more likely to report a quality of financial life that is "better than they expected" (<\$30k: 15%; \$30k-<\$60k: 17%; \$60k-<\$100k: 25%; \$100k+: 29%).
- Adults aged 30-59 years old are most likely to say their current quality of financial life is "worse than they expected", but the difference between these groups and those aged 18-29 is no longer significant compared to last year due to the rise of 18-29 year olds feeling that their financial life is "worse than they expected" (18-29: 30%; 30-44: 34%; 45-59: 37%; 60+:

25%). In contrast, about three in ten of those 60+ (29%) say their current quality of life is “better than expected”.

- One in four females report a financial life that is “better than they expected it to be”, while males (19%) report this significantly less often. Males (30%) and Females (32%) report similar levels of feeling like their quality of financial life is “worse than they expected it to be”, with women reporting this slightly more often.

Full Methodology

This survey was conducted January 12-14, 2024, on behalf of NEFE, using the AmeriSpeak Omnibus Panel. The nationally representative sample included 1,222 adults ages 18 and older. Funded and operated by the National Opinion Research Center (NORC) at the University of Chicago, AmeriSpeak® is a probability-based panel designed to be representative of the U.S. household population. Randomly selected U.S. households are sampled using area probability and address-based sampling, with a known, non-zero probability of selection from the NORC National Sample Frame. These sampled households are then contacted by U.S. mail, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the U.S. Postal Service Delivery Sequence File, and some newly constructed dwellings. While most AmeriSpeak households participate in surveys by web, non-internet households can participate in AmeriSpeak surveys by telephone. Households without conventional internet access but having web access via smartphones are allowed to participate in AmeriSpeak surveys by web. AmeriSpeak panelists participate in NORC studies or studies conducted by NORC on behalf of governmental agencies, academic researchers, and media and commercial organizations.

For more information, email AmeriSpeak-BD@norc.org or visit AmeriSpeak.norc.org.

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PUBLIC OPINION POLLS

A Note about Reading the Report and Data Supplement

The percentage of respondents has been included for each item. Percentages may not always add up to 100% because of computer rounding or the acceptance of multiple responses.