



THE ECONOMIC WELL- BEING OF U.S. HOUSEHOLDS

Laura Choi

Community Development

Federal Reserve Bank of San Francisco

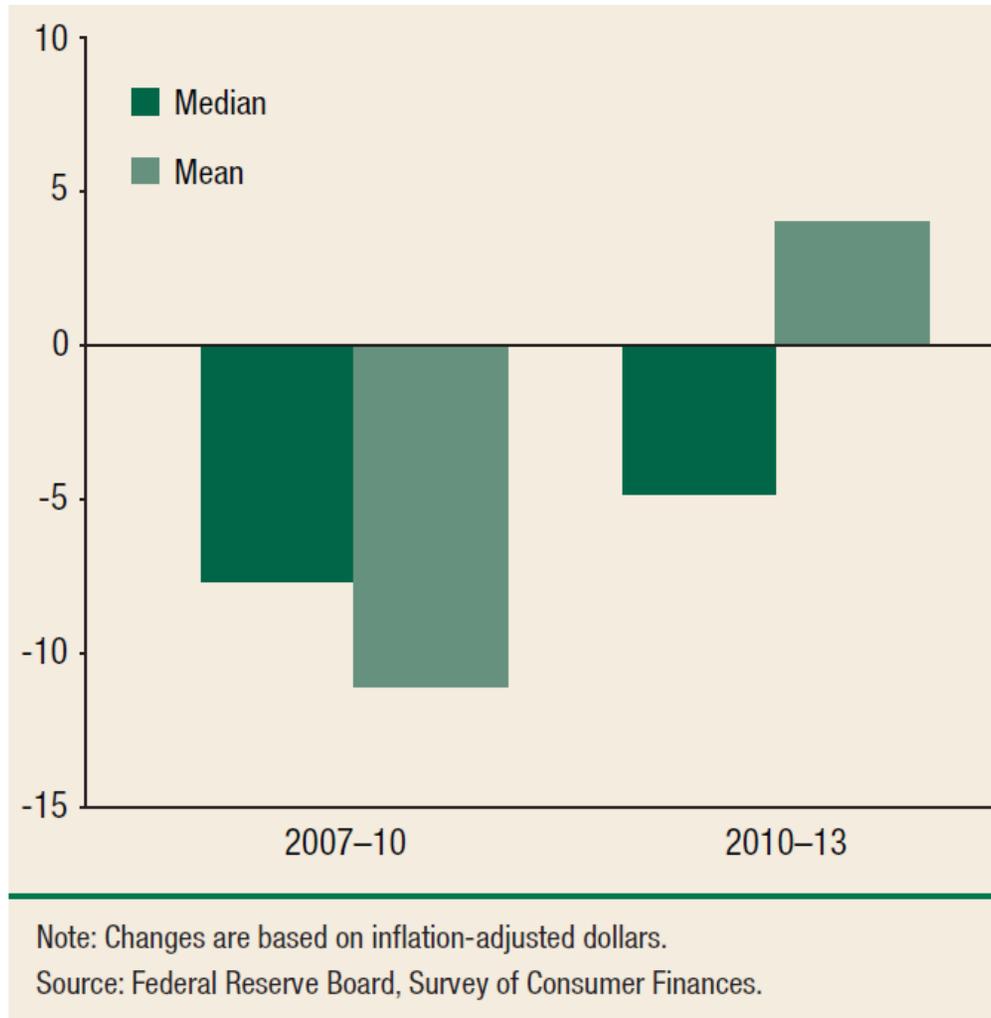


What's happening with income and wealth?

FRB Survey of Consumer Finances

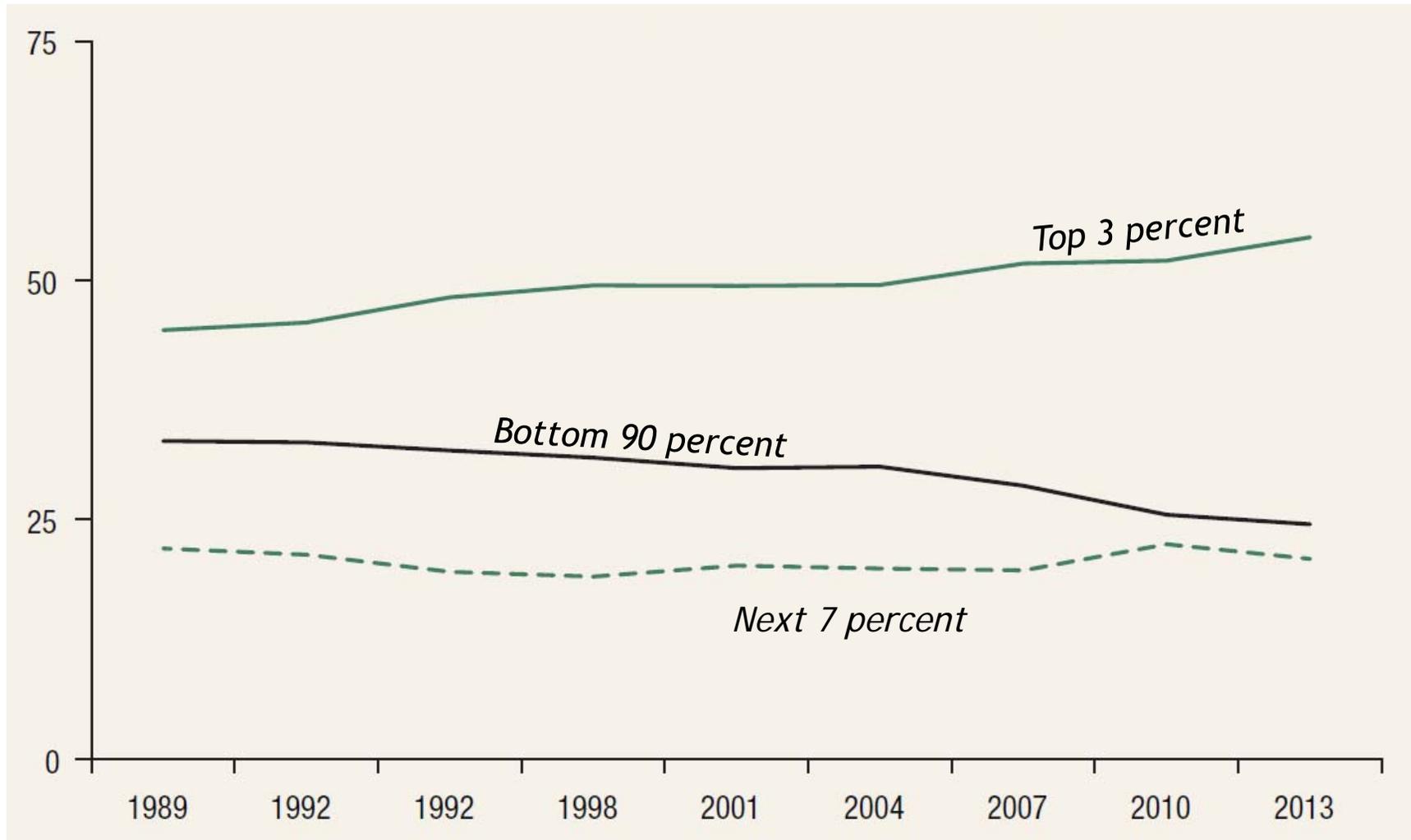
Income gains have been at the top

Change in median and mean family incomes



Wealth is increasingly concentrated at the top

Wealth shares by wealth percentile, 1989-2013



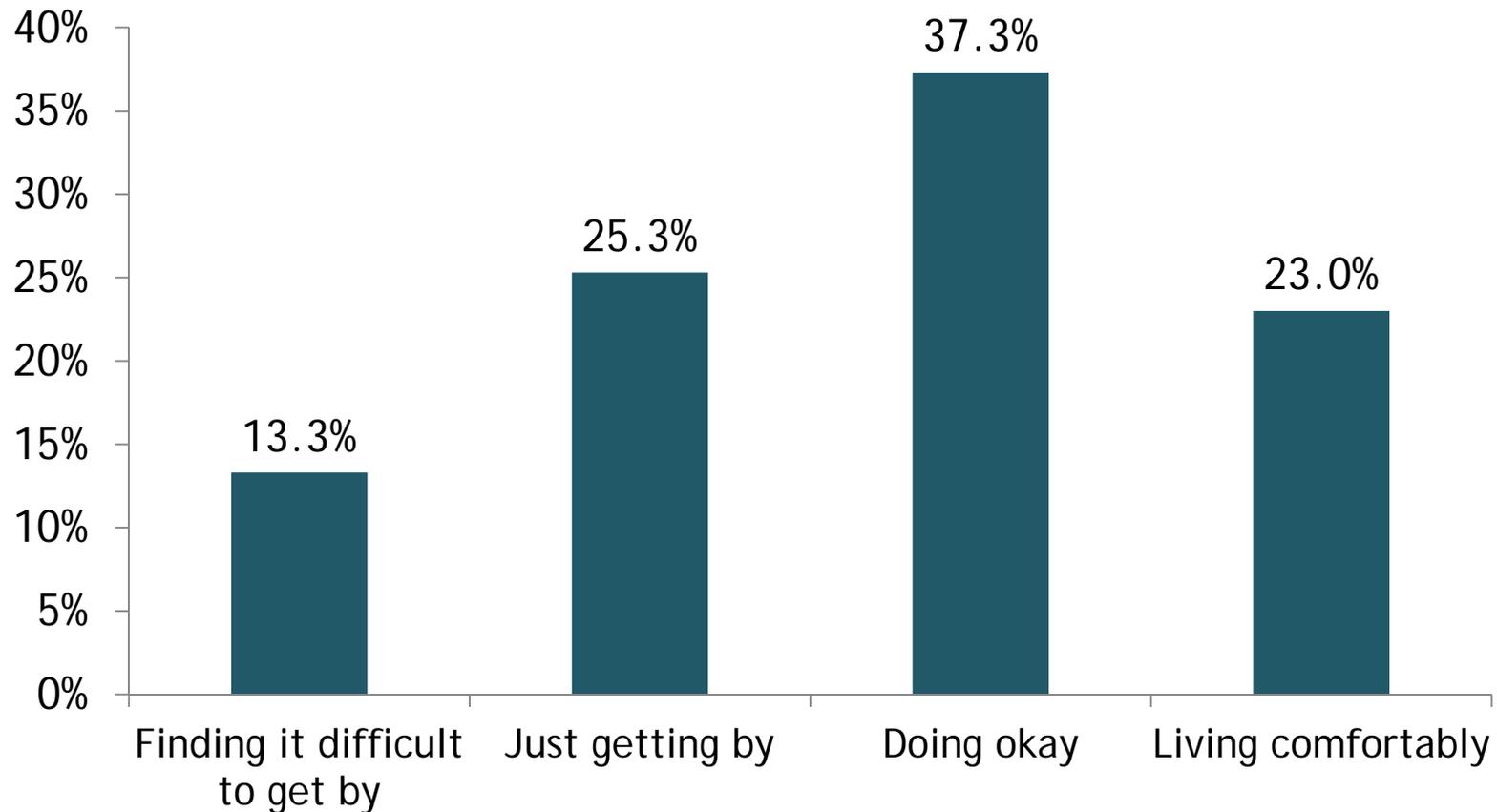


What's happening at the household level?

*FRB Survey of Household
Economics and Decisionmaking*

More than half of households report faring well

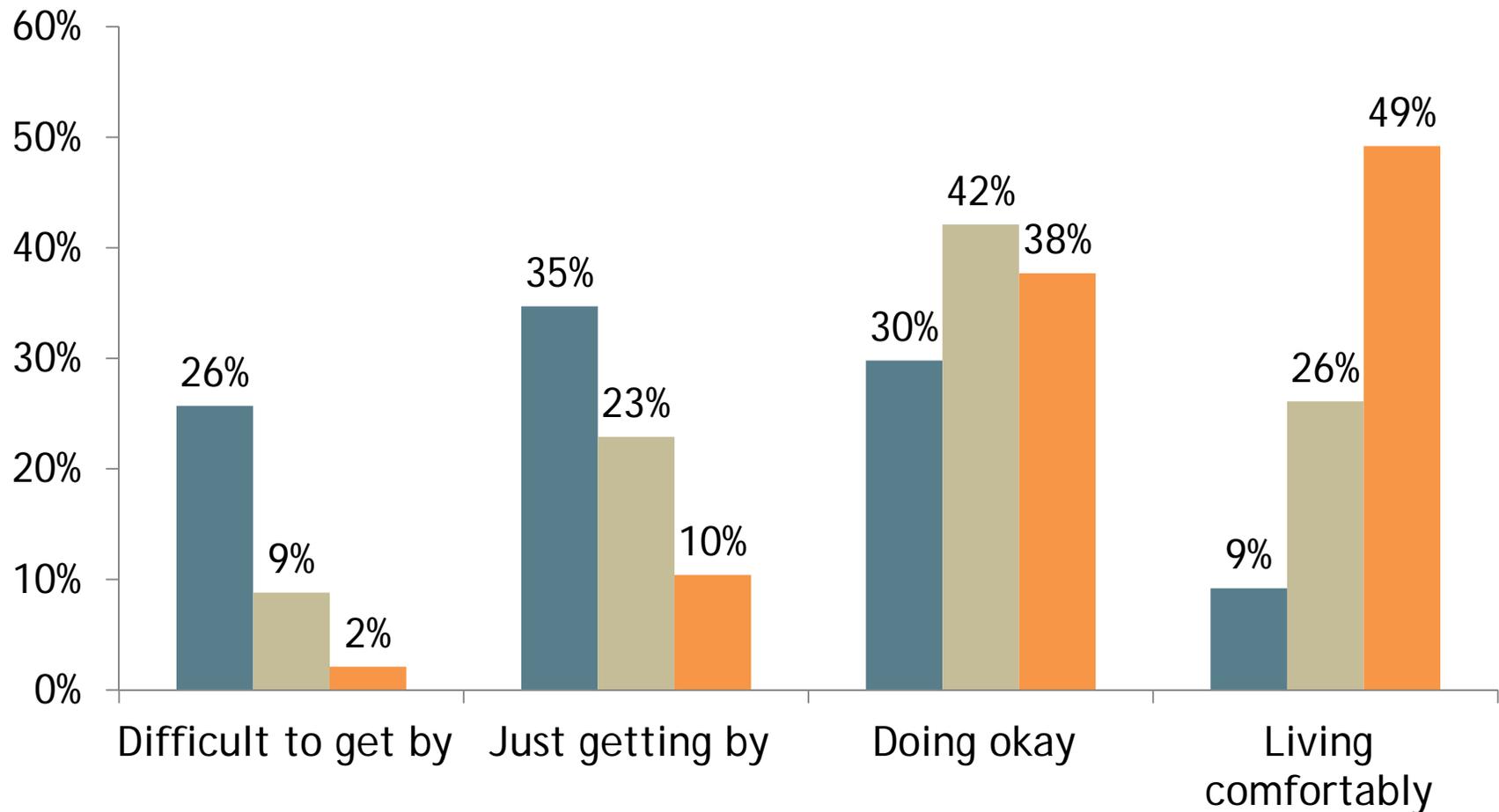
How is your household managing financially?



But low-income households still struggling

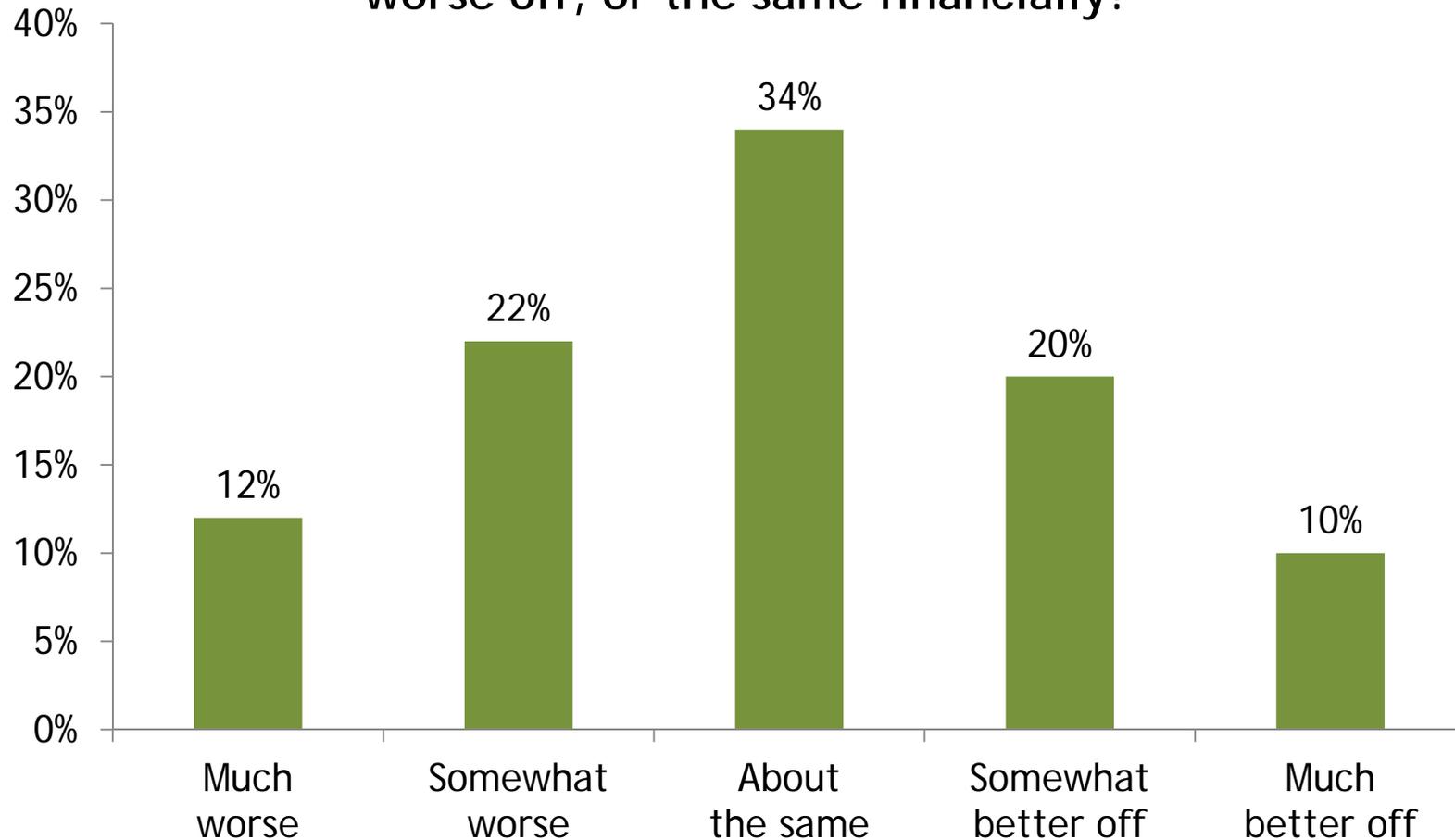
How is your household managing financially?

■ <\$25,000 ■ \$50,000 - \$75,000 ■ >\$100,000



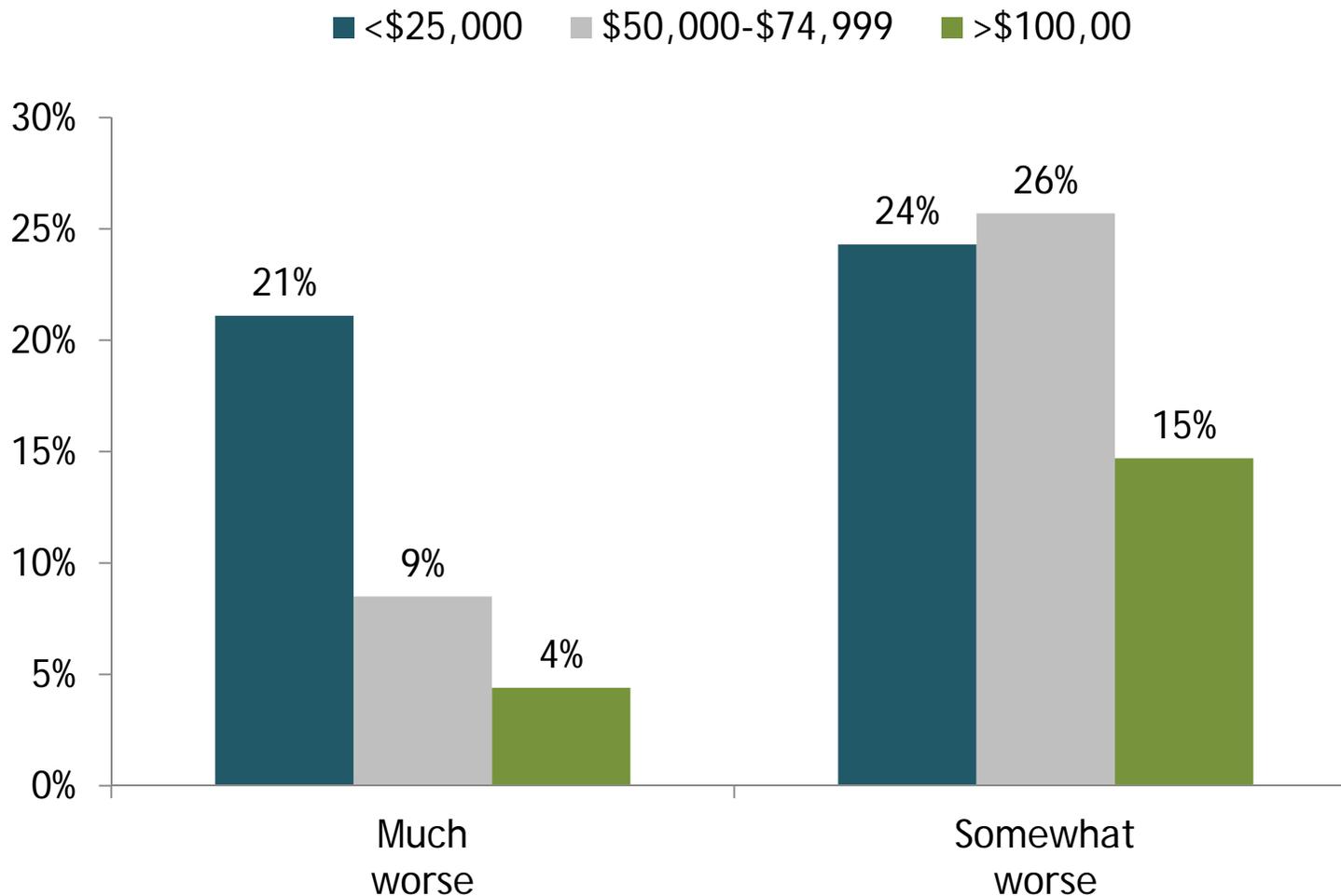
Majority of households are the same or better off than before the recession

Compared to five years ago, are you better off, worse off, or the same financially?



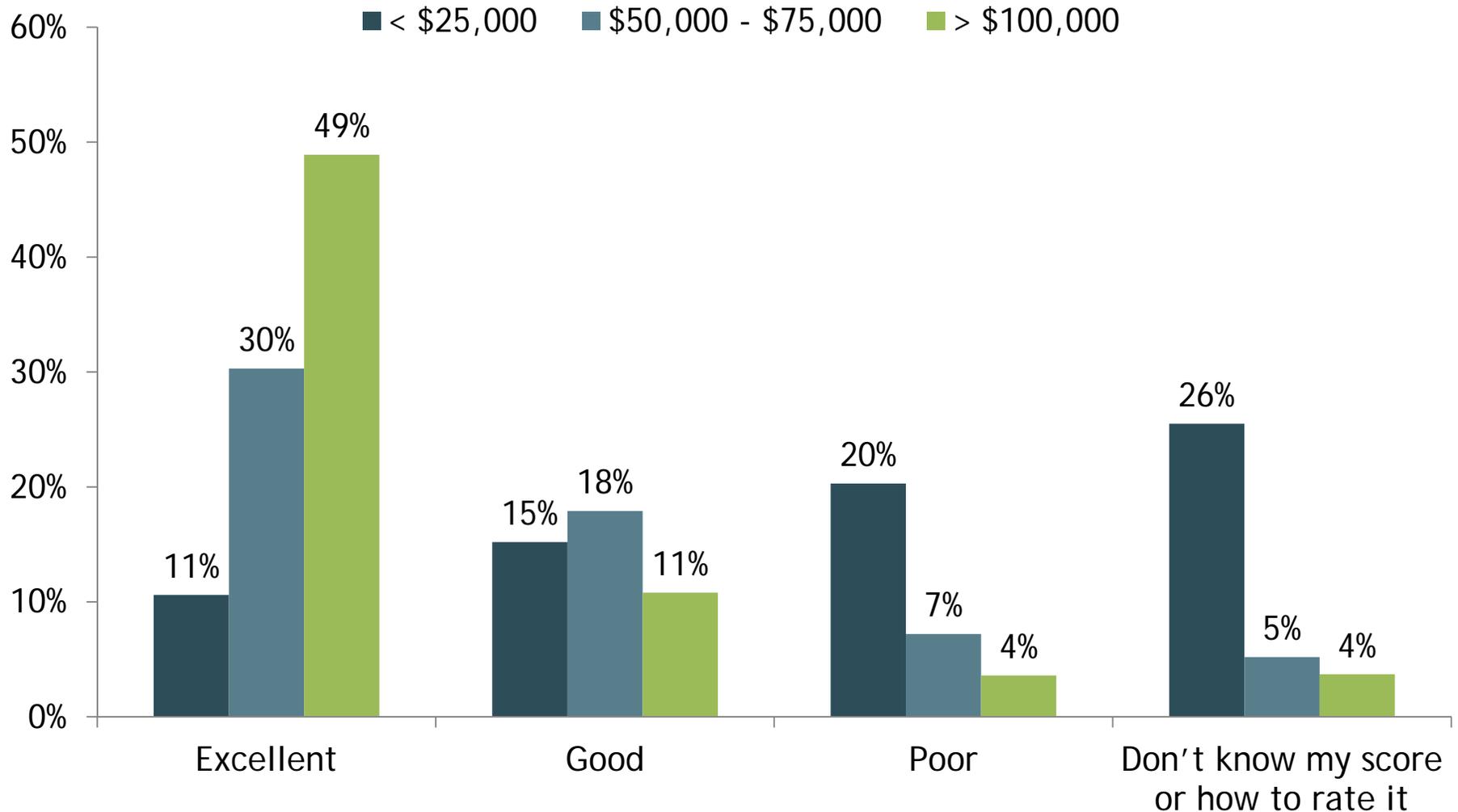
But LMI households are more likely to be worse off post-recession

Financial condition compared to 2008 (by income)



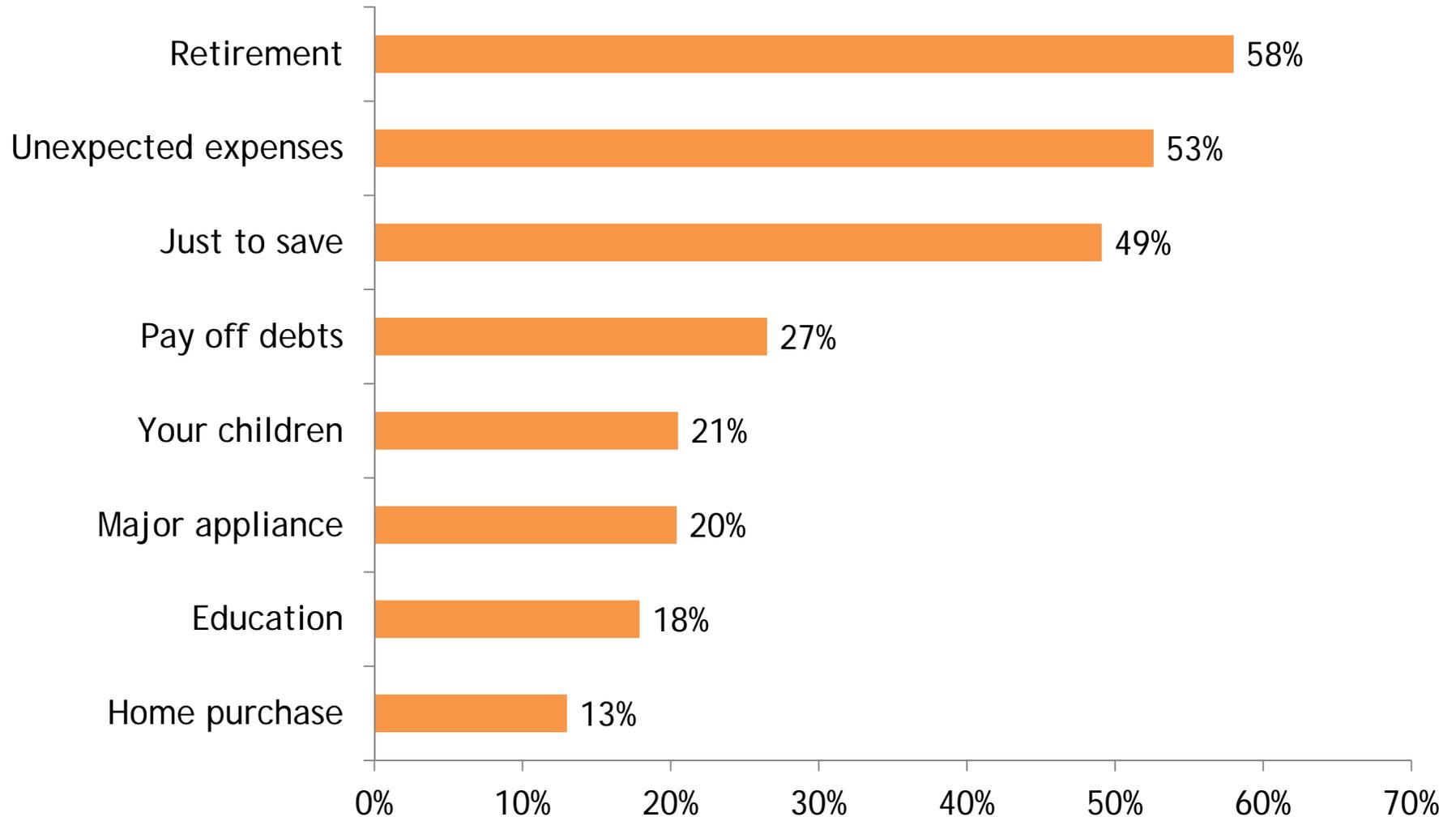
Credit remains an issue for LMI households

If you had to guess, how would you rate your current credit score (such as a FICO score)?



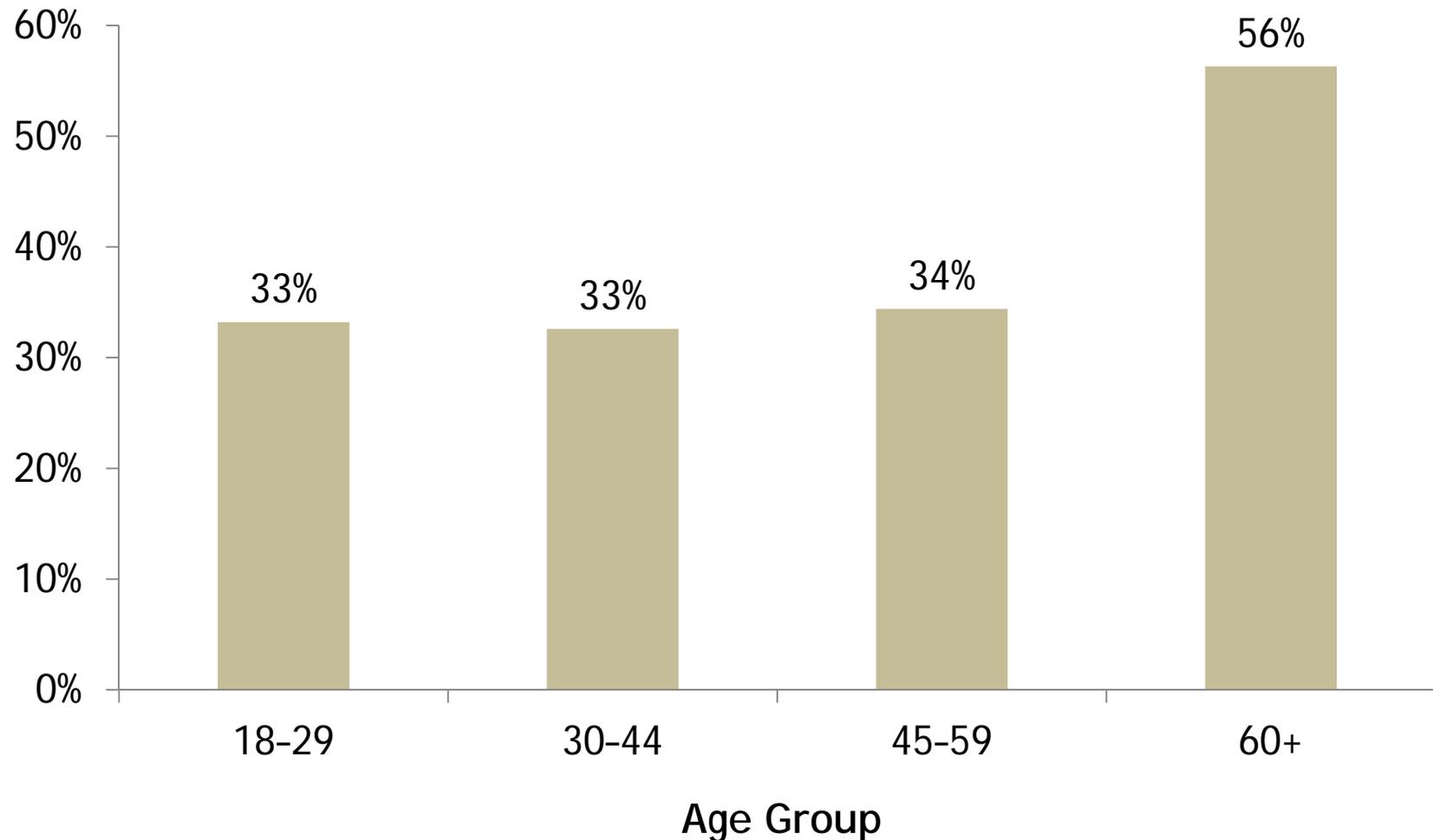
55% of respondents save some part of income

Which of the following are you saving money for?



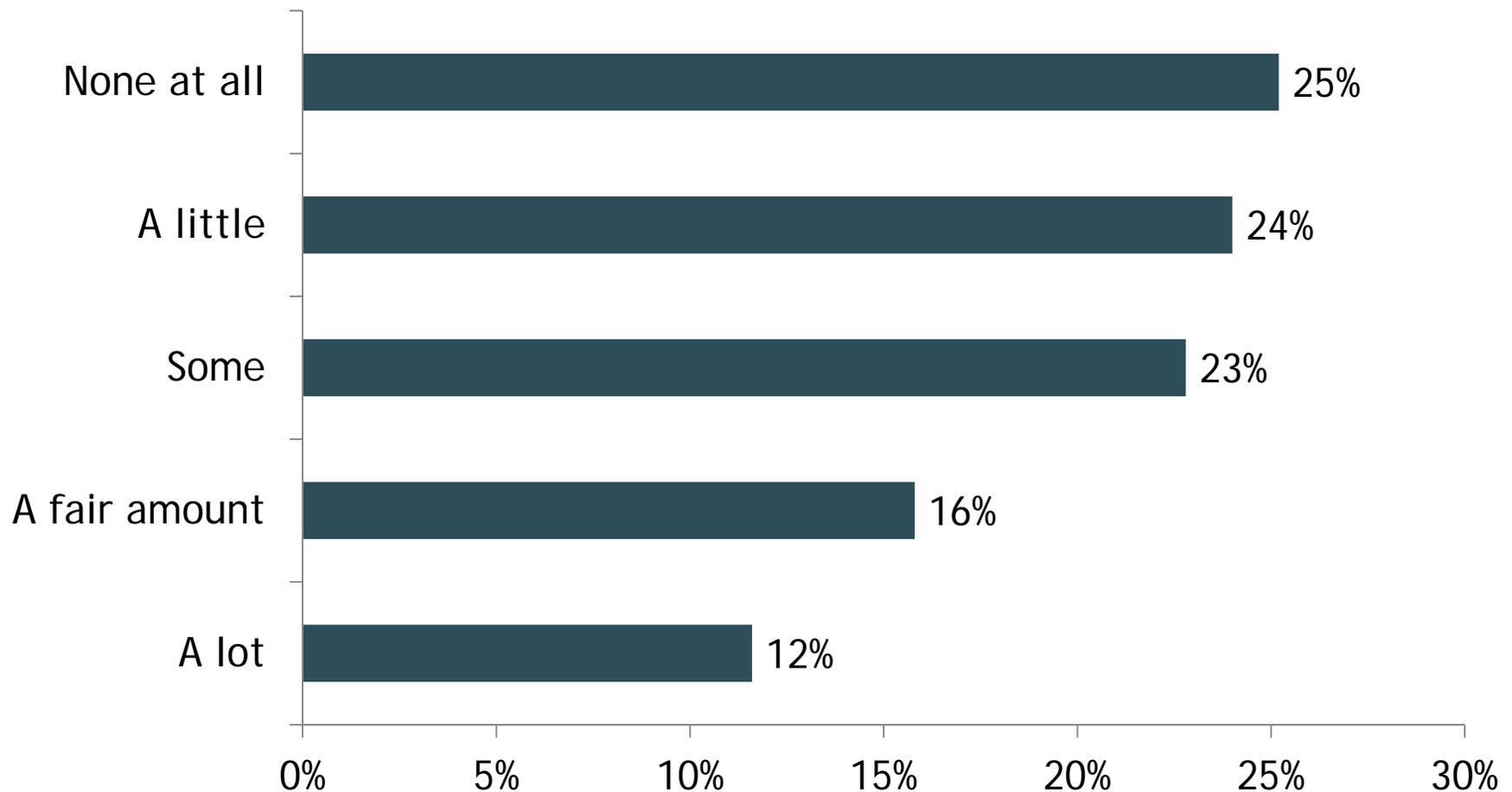
Many lack an adequate savings cushion

Have a rainy day fund that would cover 3 months of expenses



Few are actively planning for retirement

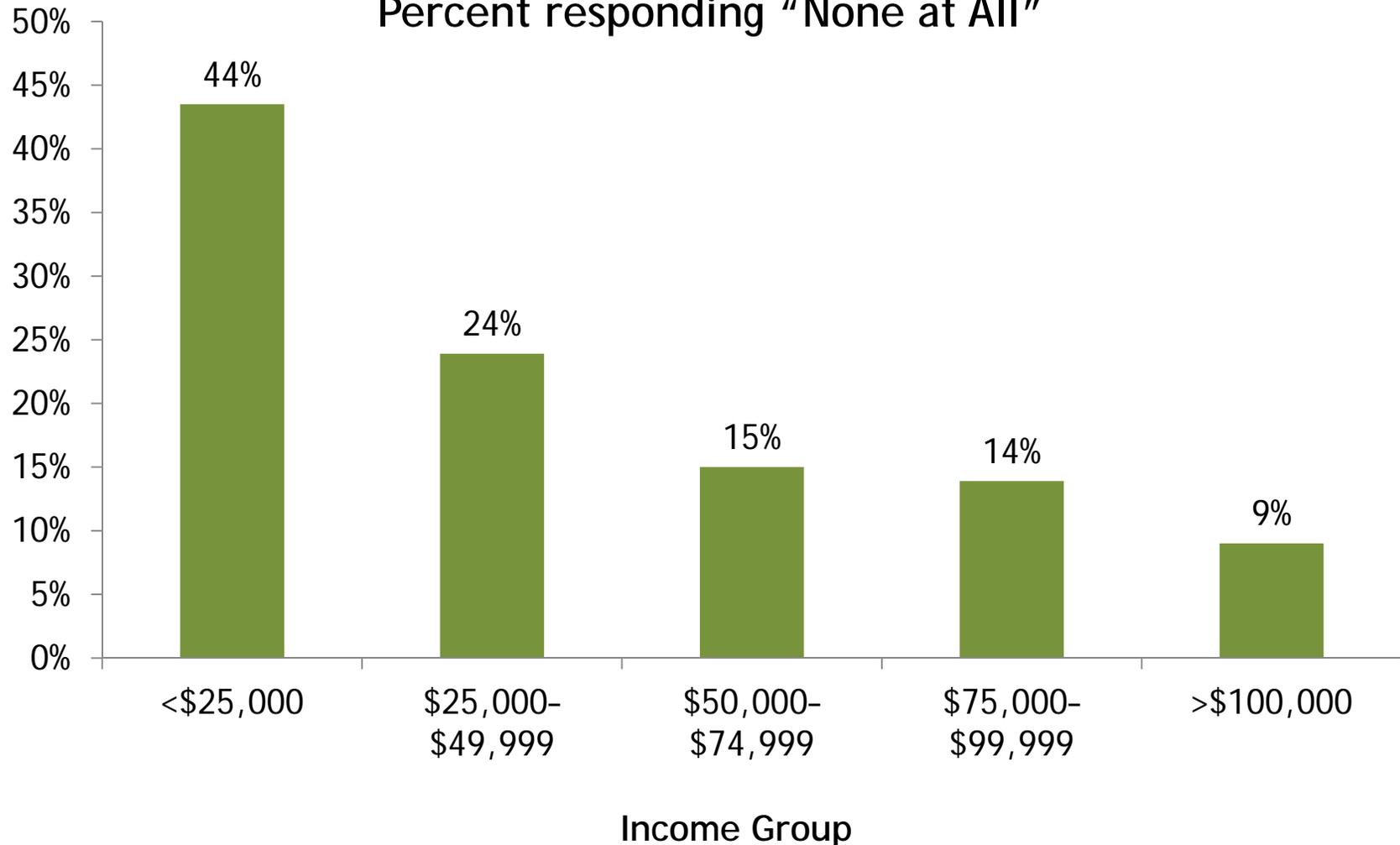
How much thought have you given to the financial planning for your retirement?



Lack of retirement planning closely tied to income

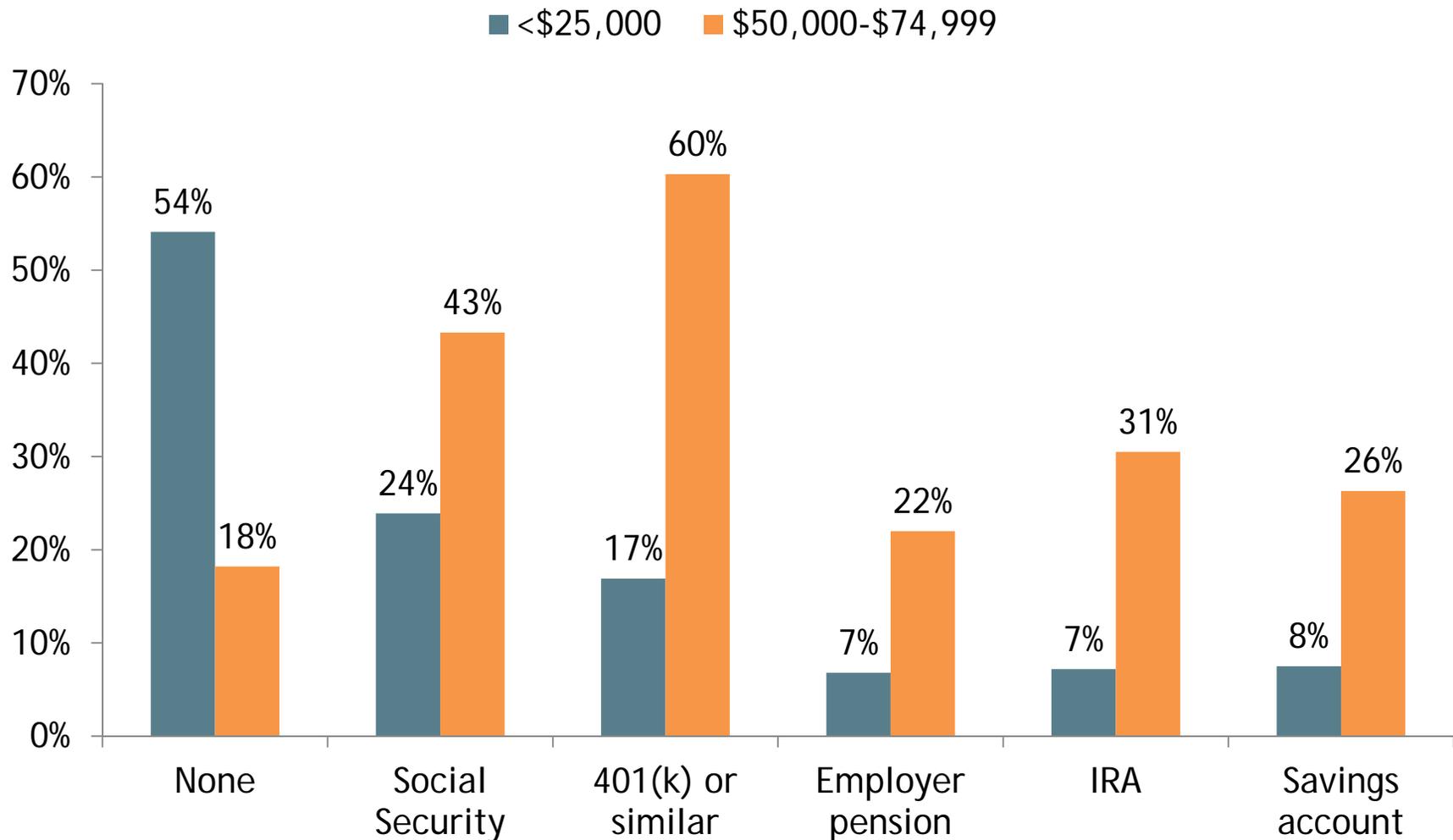
How much thought have you given to the financial planning for your retirement?

Percent responding "None at All"



Low-income households lack retirement savings products

What type of retirement savings do you have?



Takeaways

- Income and wealth inequality continue to grow
- LMI households being left out of national economic recovery
- More households need to build a “rainy day” savings cushion
- Credit building remains an issue for LMI households
- LMI households lack access to retirement savings products