CFSI Center for Financial Services Innovation

U.S. Financial Health Pulse

2018 Baseline Survey Results

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

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PLAID

Our Partners

CFSI is partnering with the University of Southern California Dornsife Center for Economic and Social Research to field the study to their online panel, the Understanding America Study.

CFSI is working with engineers and data analysts at Plaid to collect and analyze transactional and account data from study participants who authorize it.

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EXECUTIVE SUMMARY

Today's headlines – a soaring stock market, historically low unemployment levels – are obscuring the true nature of people's financial lives.

Behind these rosy metrics, millions of Americans are struggling. The median wealth of U.S. households has yet to return to pre-recession levels. Loan defaults are inching upward and credit card debt is nearing an all-time high. Total household debt is higher than it was before the financial crisis, baby boomers are nearing retirement with insufficient savings, and Americans of all ages are buried under mounting student loan debt.

We need to look beyond the headlines to metrics that will help us better understand the true state of Americans' financial lives. At the Center for Financial Services Innovation, we recommend looking at financial health, a composite framework that considers the totality of an individual's financial life. Unlike abstract figures like GDP, financial health is a nuanced metric that assesses whether Americans are spending, saving, borrowing, and planning in a way that will set them up to be resilient and pursue opportunities over time.

We also need a regular drumbeat of data to shed light on the true state of financial health in America. To this end, CFSI has launched the U.S. Financial Health Pulse, a groundbreaking research initiative designed to track the financial health of Americans over time. With support from Omidyar Network, MetLife Foundation, and AARP – and in partnership with the University of Southern California Dornsife Center for Economic and Social Research and Plaid – CFSI will leverage consumer surveys and transactional data to release ongoing insights about Americans' financial health and how it is changing over time.

In this seminal report, we present findings from The Pulse's inaugural baseline survey. We also explore the demographic characteristics, financial behaviors, and socioeconomic trends that shape financial health in America today.

We find that Americans fall into one of three financial health tiers:

70 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.

138 million people

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

42 million people

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

These findings are based on the CFSI Financial Health Score®, a holistic framework designed to assess and track changes in individuals' financial health over time.

The CFSI Financial Health Score® draws upon responses to survey questions that align with CFSI's eight indicators of financial health. By exploring these responses, we can begin to understand the true nature of Americans' financial lives.

SPEND

Indicator 1 - Spend Less Than Income

47% of Americans say their spending equals or exceeds their income.

For some respondents, spending exceeds income because of income and expense volatility.

Among respondents who said their spending exceeded their income in the last 12 months:

- 41 percent said this was because their spending was unusually high, their income was unusually low, or their spending was unusually high *and* their income was unusually low.
- 26 percent said their spending always exceeds their income, suggesting that this is a permanent state of affairs for millions of Americans.

When spending exceeds income, Americans overwhelmingly turn to credit to make ends meet.

Among respondents who said their spending exceeded their income in the last 12 months:

- 43 percent said they used credit to make ends meet.
- Just 10 percent said they drew upon non-retirement savings to make ends meet.

Indicator 2 - Pay All Bills On Time

36% of Americans are unable to pay all of their bills on time.

Financially Vulnerable individuals struggle the most to keep up with their bill payments.

- 93 percent said they were unable to pay all of their bills on time in the last 12 months.
- 87 percent who received and spent their 2018 tax refunds said they used the money to pay bills.

SAVE

Indicator 3 - Have Sufficient Liquid Savings

45% of Americans say they do not have enough savings to cover at least three months of living expenses.

While many Americans lack savings, this is especially true for those at the lower end of the financial health spectrum.

Among those who reported liquid savings:

- The Financially Healthy have a median value of $44,000 in liquid savings accounts.
- The Financially Coping have a median value of $3,500 in liquid savings accounts.
- The Financially Vulnerable have a median value of just $300 in liquid savings accounts.

But low savings balances obscure the fact that many Americans are saving when they can:

- 79 percent of respondents said they are saving regularly or whenever possible in savings accounts.
- 75 percent of respondents said they are saving regularly or whenever possible in cash.
- 70 percent of respondents said they are saving regularly or whenever possible in other personal savings vehicles, such as mutual funds, money market accounts, stocks, certificates of deposit, and annuities.

Indicator 4 - Have Sufficient Long-Term Savings

37% of Americans are not confident they are on track to meet their long-term financial goals.

These sentiments are supported by low reported retirement savings balances:

- 42 percent of all respondents said they have no retirement savings.

Financially Healthy individuals have significantly more retirement savings than Financially Coping and Vulnerable individuals.

Among those who reported retirement savings:

- The Financially Healthy have a median value of $106,000 in retirement accounts.
- The Financially Coping have a median value of $25,000 in retirement accounts.
- The Financially Vulnerable have a median value of just $4,000 in retirement accounts.

Despite low retirement savings balances, many respondents said they are actively participating in employer-provided retirement plans:

- 74 percent of Financially Healthy and Coping individuals said they are saving regularly in employer-provided retirement accounts.
- 55 percent of Financially Vulnerable individuals said they are saving regularly in employer-provided retirement accounts.

BORROW

Indicator 5 - Have a Manageable Debt Load

30% of Americans say they have more debt than is manageable.

Debt levels increase along the financial health spectrum.

Excluding mortgages and home equity lines of credit:

- The Financially Healthy have a median debt load of $19,000.
- The Financially Coping have a median debt load of $20,000.
- The Financially Vulnerable have a median debt load of $25,000.

Unmanageable debt is having a significant impact on Americans' lives.

Among respondents who said their debt is unmanageable:

- 27 percent of all respondents said their debt has prevented them from saving for retirement.
- 13 percent of Financially Coping individuals said their debt has prevented them from retiring.
- 42 percent of Financially Vulnerable individuals said their debt has delayed or prevented them from seeking or receiving medical care.

Many Americans do not believe they will be free of their debt any time soon:

- 38 percent of all respondents with non-mortgage debt believe they will still have this debt five years from now.

Indicator 6 - Have a Prime Credit Score

27% of Americans say they do not have prime credit scores.

- 15 percent of all respondents said they have "fair" credit scores.
- 12 percent of all respondents said they have "poor" credit scores.
- 6 percent of all respondents said they do not know their credit scores.

PLAN

Indicator 7 - Have Appropriate Insurance

37% of Americans are not confident their insurance policies will cover them in an emergency.

Those at the lower end of the financial health spectrum are less confident about their insurance coverage.

Among respondents who said they have various types of insurance:

- 40 percent of Financially Coping individuals are not confident their insurance policies will provide enough support in an emergency.
- 79 percent of Financially Vulnerable individuals are not confident their insurance policies will provide enough support in an emergency.

Financially Coping and Vulnerable individuals are also less likely to have insurance policies in the first place:

- 37 percent of Financially Vulnerable individuals and 60 percent of Financially Coping individuals have life insurance, compared with 72 percent of Financially Healthy individuals.
- 71 percent of Financially Vulnerable individuals and 88 percent of Financially Coping individuals have health insurance, compared with 98 percent of Financially Healthy individuals.

Indicator 8 - Plan Ahead for Expenses

40% of Americans do not agree with the statement "My household plans ahead financially."

Yet, many Americans say they are trying to plan ahead in various ways:

- 48 percent of respondents said they use a budget to track their spending.
- 41 percent of respondents said they have an emergency savings account.

Controlling for other variables, the following planning behaviors are highly associated with financial health:

- Having an emergency savings account
- Having calculated how much savings are needed for retirement
- Having talked with a financial advisor or planner
- Using a budget or other type of plan to track spending
- Using automatic transfers to put money into savings accounts

In this report, we also explore how trends in our society shape financial health in America. We look at three of these trends through the lens of financial health.

Generational Prosperity Gap

1

Americans who struggled financially growing up are less likely to be Financially Healthy today than those who did not struggle financially.

People who said they "never" struggled financially are almost twice as likely to be Financially Healthy as those who said they "regularly" struggled financially. The struggles of prior generations have a particularly pronounced effect on the financial health of black and Hispanic Americans, who appear to have less generational mobility than white Americans.

Increasing Costs of Living

2

The high costs of basic living expenses are challenging Americans' ability to lead financially healthy lives.

Against a backdrop of stagnant wages and increasing costs of housing, food, and healthcare, millions of Americans are struggling to make ends meet. Those who struggle to afford these basic necessities are less likely to be Financially Healthy and more likely to be financially stressed than those who do not struggle to keep up with high costs of living.

The Price of Instability

3

Americans who experience instability in the workplace are falling behind as they strive for financial health.

Employees who have unpredictable schedules and volatile wages are less likely to be Financially Healthy than those who have predictable schedules and steady wages. Instability in the workplace weighs most heavily on middle-income Americans, but this group also stands to gain the most from employee-provided benefits, such as healthcare and paid leave.

This inaugural report from the U.S. Financial Health Pulse sets a baseline to track changes in Americans' financial health over time.

But this research is just the beginning. We are making the data from this survey and forthcoming surveys available to academics and researchers so they can explore the behavioral, attitudinal, and systemic drivers of financial health. Policymakers and regulators can use ongoing insights from this initiative to design smart policies and regulations that advance the financial well-being of Americans. Business leaders can use the financial health framework to align their company's success with that of their customers. Leaders in housing, healthcare, education, and employment can leverage their understanding of consumers' financial health to advance their program's goals.

By adopting a standard set of metrics and setting our sights on a common goal – improving the country's financial health – we can make a difference in the lives of millions of Americans.

INTRODUCTION



The stock market is soaring, unemployment is nearing an all-time low, and politicians and pundits across the country are celebrating the strong state of the economy. Yet, if you look beyond the headlines, the picture is not as rosy as it seems.

The median wealth of U.S. households has yet to return to pre-recession levels.[1] Loan defaults are steadily inching upward and credit card debt is nearing an all-time high. Total U.S. household debt is now hovering around $13.3 trillion, higher than it was before the financial crisis.[2] Baby boomers are nearing retirement with a collective savings deficit between $6.8 and $14 trillion.[3] Americans of all ages are buried under $1.52 trillion worth of student loan debt.[4]

So why the disconnect between what the headlines are telling us and the reality that so many Americans are experiencing?

These headline-grabbing statistics are obscuring the true state of consumers' financial lives. Annual GDP growth tells us how much the economy is expanding, but not how these gains are distributed across the population. The unemployment rate tells us how many people have jobs, but not whether these jobs are helping employees lead financially healthy lives. Soaring stock prices mean nothing to the 52 percent of Americans who do not own stocks.[5]

We need to look beyond the headlines at metrics that will shed light on the true state of Americans' financial lives.

At the Center for Financial Services Innovation (CFSI), we recommend looking at financial health, a composite measure that pulls together the many strands of a person's financial life into a single, unifying framework. Unlike abstract figures like GDP, financial health is a nuanced metric that assesses whether people are spending, saving, borrowing, and planning in a way that will set them up to be resilient and pursue opportunities over time.

We also need to track our progress against these metrics, so we can understand whether we are truly making a difference in Americans' financial lives.

To that end, CFSI has launched the U.S. Financial Health Pulse, a groundbreaking research initiative designed to shed light on the financial lives of Americans. With support from Omidyar Network, MetLife Foundation, and AARP – and in partnership with the University of Southern California Dornsife Center for Economic and Social Research and Plaid – CFSI will provide a regular drumbeat of data to illuminate how U.S. households are faring financially.

1 "Gen X rebounds as the only generation to recover the wealth lost after the housing crash," Pew Research Center, 2018.

2 "Household Debt and Credit Report," Federal Reserve Bank of New York, 2018.

3 "The Retirement Savings Crisis: Is It Worse Than We Think?," National Institute on Retirement Security, 2013.

4 "Student Loan Debt Statistics 2018," The Student Loan Report, 2018.

5 "Changes in U.S. Family Finances from 2013 to 2016: Evidence from the Survey of Consumer Finances," Federal Reserve, 2017.

This inaugural baseline survey is already helping us understand the true state of Americans' financial lives. The results are sobering:

Only 28 percent of Americans **(70 million people)** are Financially Healthy. These individuals are spending, saving, borrowing, and planning in a way that will allow them to be resilient and pursue opportunities over time.

More than half of Americans **(138 million people)** are just Financially Coping. These individuals are struggling with some, but not necessarily all, aspects of their financial lives.

A significant percentage of Americans **(42 million people)** are Financially Vulnerable. These individuals are struggling with all, or nearly all, aspects of their financial lives.

These figures reveal the financial fragility of Americans like never before. But, we cannot stop here. Annual surveys will shed light on how the financial health of the country is changing over time. A longitudinal study design will allow us to track changes in financial health among individuals, so we can begin to understand what behaviors and life events are correlated with changes in financial health. Beginning in 2019, transactional and account records will help us understand the connection between self-reported and observed data. By 2020, a composite index of survey and transactional data will provide us with a comprehensive and nuanced understanding of the financial health of the country.

Along the way, we will explore other research questions, such as how financial health differs for various population segments. In 2019, with support from the AARP Foundation, we will release a report that explores the financial health of low- to moderate-income Americans over the age of 50. In partnership with our advisors, we will study how financial health correlates with macroeconomic trends and explore opportunities to extrapolate our national results to regions, states, and municipalities.

We are making the data set from this survey and subsequent surveys available to academics and researchers so they can continue to explore the behavioral, attitudinal, and systemic drivers of financial health. Policymakers and regulators can use insights from this initiative to design smart policies and regulations that advance the financial well-being of Americans. Business leaders can use the financial health framework to align their company's success with that of their customers. Leaders in housing, healthcare, education, and employment can leverage their understanding of consumers' financial health to advance their program's goals.

With ongoing data and insights from the U.S. Financial Health Pulse, our understanding of the true state of Americans' financial lives will be better than ever before. What we need now is the will to act. We invite you to join us on this journey to improve the financial lives of millions of Americans.

Building on a Foundation of Research

The U.S. Financial Health Pulse builds upon previous studies, such as those from the Federal Reserve, the Federal Deposit Insurance Corporation, the Bureau of Consumer Financial Protection, and the JPMorgan Chase Institute. Perhaps no single metric has better captured the reality of Americans' financial lives than the Federal Reserve's finding that 40 percent of Americans would be unable to cover a $400 emergency expense without borrowing or selling something.[6]

CFSI is continuing the work of these trailblazers by introducing a rigorous, ongoing, and widely publicized data set to track changes in Americans' financial health over time. This initiative adds to existing research by introducing the concept of financial health, a holistic framework that considers the many facets of an individual's financial life. We will go beyond previous studies by analyzing consumers' transactional and account records alongside survey data to paint a rich portrait of Americans' financial lives. Through periodic releases of data, we hope to cement the concept of financial health in the national discourse and provide ongoing insights about the true state of Americans' financial lives.

[6] We have included this question, as well as a number of other survey questions from these studies, in our research for benchmarking purposes.

METHODOLOGY

U.S. Financial Health Pulse Overview

The U.S. Financial Health Pulse is a rigorous, regularly refreshed snapshot of the financial health of Americans. CFSI is collaborating with researchers at USC's Dornsife Center for Economic and Social Research to design, field, and analyze the results of annual nationally representative benchmarking surveys. CFSI is also working with engineers and data analysts at Plaid to collect and analyze study participants' transactional and account records. In early 2019, a subset of the 2018 baseline survey respondents will be invited to share their transactional and account data; researchers will then use these records to develop a financial health measurement framework. By 2020, we will bring survey data and transactional records together to produce a holistic index that tracks and monitors the country's financial health over time.

Table 1: Study Overview	
Population	All non-institutionalized U.S. residents age 18 and older
Sample selection	All active respondents from the nationally representative "Understanding America Study"
Language(s)	Respondents' choice of English or Spanish
Field dates	April 26, 2018 - July 04, 2018
Length	24 minutes (median)

See Table A.1 in the Appendix for an overview of the survey sample demographics.

Table 2: Selection Overview	
Number of panelists invited to complete survey	**6,161**
Did not begin the survey	1,052
Completed the survey	5,109
Dropped because not part of UAS weighted sample*	41
Dropped due to significant non-response	49
Total baseline study sample	**5,019**

* Respondents from the UAS Native American sample completed the survey, but were not part of the UAS panel's weighted nationally representative sample at the time of the survey. Thus, these respondents were dropped from the analysis.

2018 Baseline Survey Methodology

The data presented in this report were collected from a baseline survey fielded from April - July 2018 to members of USC's "Understanding America Study" (UAS), a probability-based internet panel. Participants are recruited to this panel using address-based sampling and provided with a tablet and internet connection if they do not already have these resources. Of the more than 6,000 panelists invited to the 2018 baseline survey, approximately 5,000 individuals completed the survey, yielding a response rate of 82 percent. The survey was fielded in both English and Spanish, with an average completion time of 24 minutes. Financial background questions, such as income, were asked at the household level to provide a holistic picture of an individual's financial life. Questions about attitudes, experiences, and sentiments were asked at the individual level. Full question text is available on USC's website.

Looking Ahead: Annual Benchmarking Studies

CFSI will field annual nationally representative benchmarking surveys to UAS panelists to assess how the financial health of Americans is changing over time. These surveys will employ a longitudinal and cross-sectional design to illuminate how financial health is changing at both the national and individual levels. All respondents who completed the 2018 baseline survey will be invited to the 2019 annual benchmarking survey. A new wave of participants will also be invited to this survey to maintain sufficient sample size and representation. This hybrid study design will provide researchers with a unique opportunity to track how financial health changes for the nation as a whole, as well as for individuals and households. Eventually, this research will shed light on the behaviors and life events that are correlated with changes in financial health over time.

The CFSI Financial Health Score®

CFSI developed the [CFSI Financial Health Score®] to diagnose and track changes in consumers' financial health. The framework is based on eight survey questions that align with CFSI's eight indicators of financial health (*Figure 1*). For every individual who responds to all eight questions, one aggregate CFSI Financial Health Score® and four sub-scores can be calculated. Figure 2 shows how to interpret CFSI Financial Health Scores® and sub-scores by financial health tier. To view the full scoring instrument and learn more about how the framework has evolved from CFSI's previous measurement methodology, see Appendix B of this report.

The CFSI Financial Health Score® is meant to be a starting point. Over the coming years, we will continue to work with researchers, academics, and advisors to test the validity of the framework and increase the accuracy, precision, and robustness of the measurement methodology.

Figure 1: Eight Indicators of Financial Health

Financial health comes about when your daily financial systems allow you to be resilient and pursue opportunities over time.

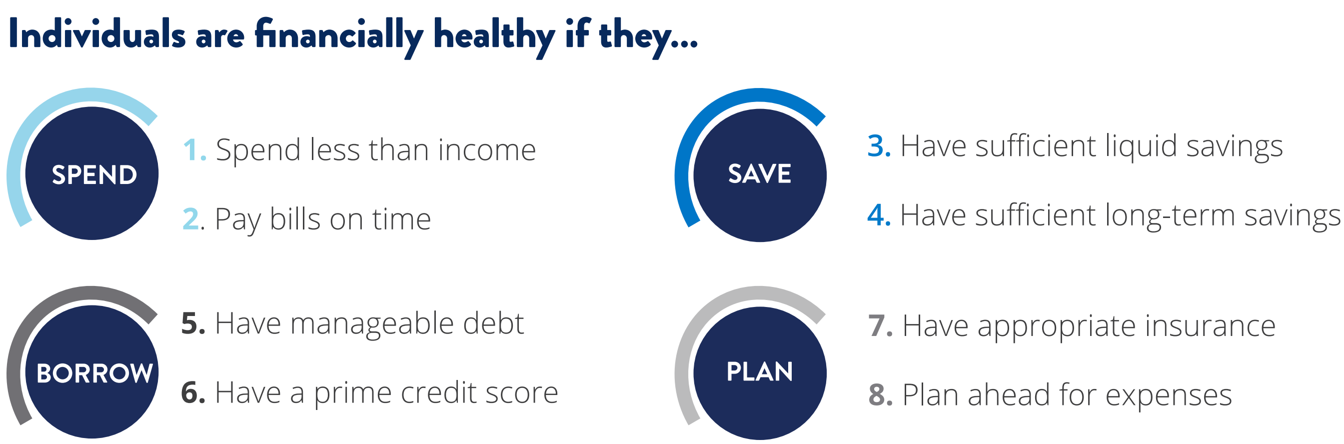
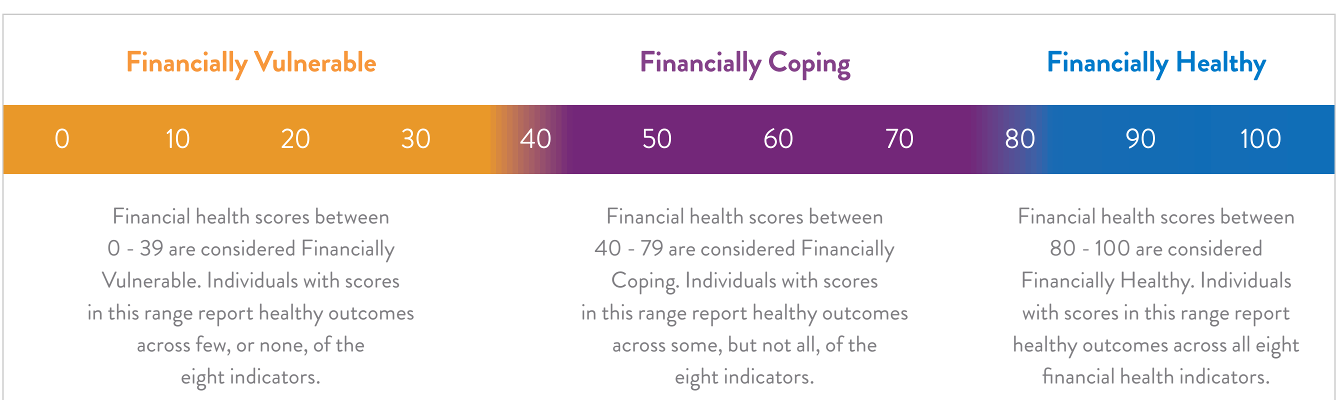


Figure 2: Interpreting the CFSI Financial Health Score®



Note: Tier cutoffs should be considered directional. There are likely few material differences between an individual with a score of 80 and a score of 79.

FINANCIAL HEALTH IN AMERICA

Using CFSI's Financial Health Score®, we find that Americans fall into one of three financial health tiers:

28%
Financially Healthy

70 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.

55%
Financially Coping

138 million people

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

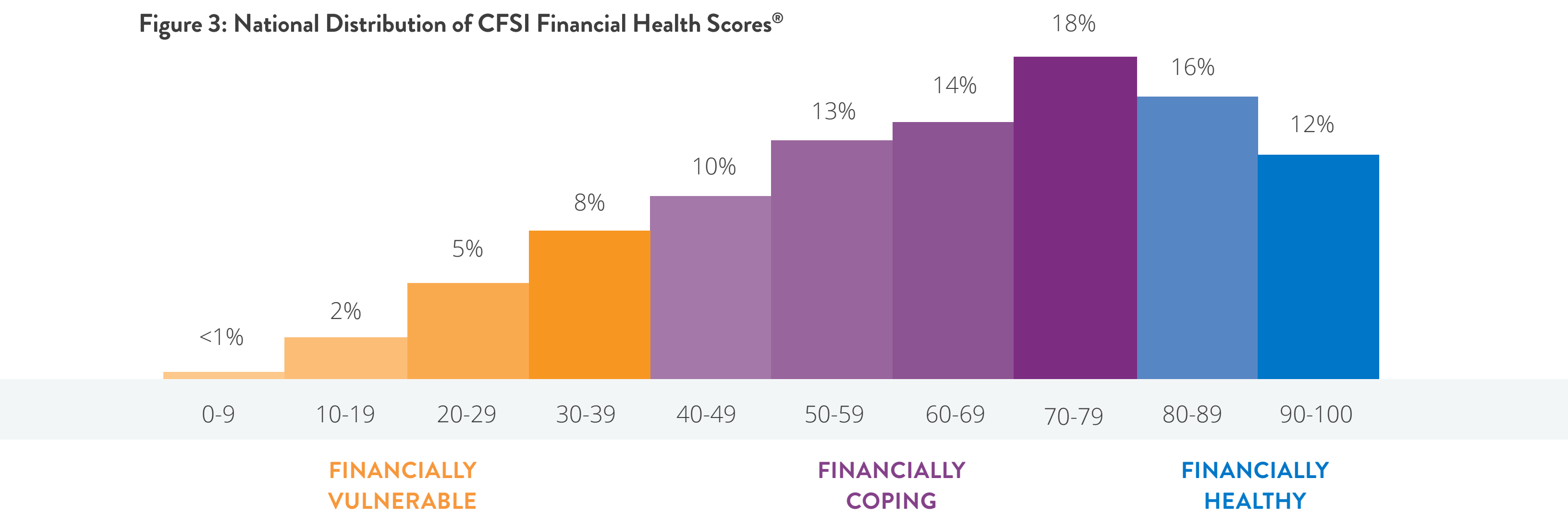
17%
Financially Vulnerable

42 million people

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

Figure 3 shows the national distribution of CFSI Financial Health Scores® across the U.S. population.[7] At 55 percent, the Financially Coping are the largest group, followed by the Financially Healthy at 28 percent, and the Financially Vulnerable at 17 percent. The mean CFSI Financial Health Score® is 64 and the median is 66. The national distribution of scores is skewed left, as the measurement instrument was designed to be more sensitive to incremental changes at the lower end of the financial health spectrum.

Figure 3: National Distribution of CFSI Financial Health Scores®



In this figure, percentages are rounded to the nearest integer.

[7] Population sizes are derived from the 2018 Current Population Survey Annual Social and Economic Supplement using population estimates for U.S. non-institutionalized adults over age 18.

Understanding the Financial Health Tiers

The financial health tiers are calculated using respondents' answers to survey questions that provide the foundation for the CFSI Financial Health Score® *(Appendix B).* Table 3 provides a descriptive overview of each financial health tier. Table 4 shows the distribution of responses to the eight indicators of financial health by financial health tier.

Table 3: Overview of Financial Health Tiers

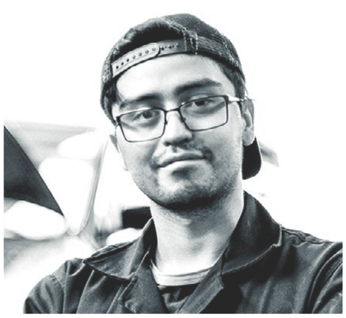
The Financially Healthy generally...

Indicator 1.	Spend less than their income
Indicator 2.	Pay all of their bills on time
Indicator 3.	Have enough savings to cover at least six months of living expenses
Indicator 4.	Say they are on track to meet their long-term financial goals
Indicator 5.	Have manageable debt (or no debt at all)
Indicator 6.	Have prime credit scores
Indicator 7.	Say they are confident about the coverage of their insurance policies
Indicator 8.	Plan ahead financially

The Financially Coping generally...

Indicator 1.	Spend less than, or about equal to, their income
Indicator 2.	Pay nearly all of their bills on time
Indicator 3.	Have enough savings to cover a few months of living expenses
Indicator 4.	Say they are on track to meet their long-term financial goals
Indicator 5.	Have mostly manageable debt
Indicator 6.	Have a mix of prime and non-prime credit scores
Indicator 7.	Say they are somewhat confident about the coverage of their insurance policies
Indicator 8.	Occasionally plan ahead financially

The Financially Vulnerable generally...



Indicator 1.	Spend about equal to, or a little more than, their income
Indicator 2.	Pay some of their bills on time
Indicator 3.	Have less than a week's worth of living expenses saved
Indicator 4.	Say they are not confident they are on track to meet their long-term financial goals
Indicator 5.	Have more debt than is manageable
Indicator 6.	Have non-prime credit scores
Indicator 7.	Say they are slightly or not at all confident about the coverage of their insurance policies
Indicator 8.	Do not plan ahead financially

Table 4: Responses to Financial Health Indicators by Financial Health Tier		Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents
Indicator 1 **Spend Less Than Income** Which of the following statements best describes how your household's total spending compared to total income, over the last 12 months?	Spending was much less than income	42%	9%	5%	17%
	Spending was a little less than income	45%	39%	9%	36%
	Spending was about equal to income	11%	36%	46%	31%
	Spending was a little more than income	2%	13%	26%	12%
	Spending was much more than income	0%	3%	14%	4%
	Sum	100%	100%	100%	100%
Indicator 2 **Pay Bills On Time** Which of the following statements best describes how your household has paid its bills over the last 12 months? My household has been financially able to...	Pay all of our bills on time	98%	65%	7%	64%
	Pay nearly all of our bills on time	2%	24%	23%	18%
	Pay most of our bills on time	0%	8%	28%	10%
	Pay some of our bills on time	0%	2%	27%	6%
	Pay very few of our bills on time	0%	1%	15%	3%
	Sum	100%	100%	100%	100%
Indicator 3 **Sufficient Liquid Savings** At your current level of spending, how long could you and your household afford to cover expenses, if you had to live only off the money you have readily available, without withdrawing money from retirement accounts or borrowing?	6 months or more	78%	25%	3%	36%
	3-5 months	17%	23%	5%	19%
	1-2 months	4%	31%	13%	20%
	1-3 weeks	1%	16%	34%	15%
	Less than 1 week	0%	5%	45%	11%
	Sum	100%	100%	100%	100%
Indicator 4 **Sufficient Long-Term Savings** 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?	Very confident	53%	5%	1%	18%
	Moderately confident	39%	21%	2%	22%
	Somewhat confident	8%	35%	9%	23%
	Slightly confident	1%	23%	14%	15%
	Not at all confident	0%	16%	75%	22%
	Sum	100%	100%	100%	100%

Table 4: Responses to Financial Health Indicators by Financial Health Tier		Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents
Indicator 5 **Manageable Debt Load** Now thinking about all of your household's current debts... As of today, which of the following statements describes how manageable your household debt is?	Do not have any debt	30%	13%	7%	17%
	Have a manageable amount of debt	69%	57%	12%	53%
	Have a bit more debt than is manageable	0%	24%	38%	20%
	Have far more debt than is manageable	0%	6%	43%	10%
	Sum	100%	100%	100%	100%
Indicator 6 **Prime Credit Score** 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.	Excellent	67%	17%	1%	28%
	Very good	25%	23%	4%	20%
	Good	6%	26%	11%	18%
	Fair	1%	19%	28%	15%
	Poor	0%	8%	45%	12%
	Don't know	1%	7%	11%	6%
	Sum	100%	100%	100%	100%
Indicator 7 **Appropriate Insurance** Thinking about all of the types of personal and household insurance you and others in your household have, how confident are you that those insurance policies will provide enough support in case of an emergency?	Very confident	57%	27%	5%	32%
	Moderately confident	35%	33%	15%	31%
	Somewhat confident	7%	26%	25%	20%
	Slightly confident	1%	9%	21%	8%
	Not at all confident	0%	6%	33%	8%
	Sum	100%	100%	100%	100%
Indicator 8 **Plan Ahead For Expenses** To what extent do you agree or disagree with the following statement? "My household plans ahead financially."	Agree strongly	65%	8%	2%	23%
	Agree somewhat	33%	48%	11%	37%
	Neither agree or disagree	3%	30%	30%	23%
	Disagree somewhat	0%	10%	28%	10%
	Disagree strongly	0%	4%	30%	7%
	Sum	100%	100%	100%	100%

Indicator 7 was only asked of respondents who indicated they had at least one type of the insurance policies listed in Table 23. All other indicator questions were asked of all respondents. The number of total respondents differs by each indicator question, so sample size for "All Respondents" is not provided in this chart.

Going Beyond Income and Demographics

Financial health is correlated with, but not determined by, demographic characteristics *(Table 5)*.[8]

- Older, higher-income individuals are more likely to be Financially Healthy than younger, lower-income individuals.
- Men are more likely to be Financially Healthy than women.
- White respondents are more likely to be Financially Healthy than black or Hispanic respondents, a theme that we explore later in this report.
- People with more education, and those who are employed full-time, are more likely to be Financially Healthy than those with less education and those who are employed part-time.
- Residents of the Northeast and Midwest are slightly more likely to be Financially Healthy than residents of the South and West.
- There are no statistically significant differences in financial health by urbanicity.

However, it is impossible to predict a person's financial health based solely on demographics. For example, 15 percent of those with a household income less than $60,000 are Financially Healthy, while 50 percent of those with a household income of at least $100,000 are Financially Coping or Vulnerable.

Among individuals with household incomes of:

$60,000 or Less	$100,000 or More
15%	50%
Financially Healthy	Financially Coping or Financially Vulnerable

A Note on Reading Tables

All of the results discussed in the text of this report are statistically significant at the 5 percent level, unless otherwise indicated. Statistical significance is not indicated in tables and graphs. All tables with a letter in their title (e.g., Table A.1) can be found in the Appendix of this report.

Where applicable, each table includes a "sum" row indicating that rows or columns add up to 100 percent before accounting for rounding. Where applicable, each table also displays the number of respondents who answered each question (n =). Since respondents were not required to answer questions, each question has a different sample size. Where multiple questions are presented in a single table, sample sizes are not displayed.

However, in order to be assigned a CFSI Financial Health Score®, respondents had to answer all eight financial health indicator questions *(Appendix B)*. As a result, the sum of financial health tier sample sizes in each table may be less than the total sample size of "All Respondents" who answered a given question.

[8] To explore whether these correlations remain after controlling for other variables, we conducted a multiple regression analysis. Holding all other variables constant, we found that income, education, employment status, marital status, race/ethnicity, gender, and age are all significantly associated with one's CFSI Financial Health Score®. Region and urbanicity do not have a significant association with financial health scores, holding all other variables constant. (See Figure R.1 in Appendix D for full regression results.)

Table 5: Demographic Characteristics by Financial Health		Financially Healthy	Financially Coping	Financially Vulnerable	Sum
Household Income	Less than $30,000	8%	56%	36%	100%
	$30,000 - $59,999	21%	59%	20%	100%
	$60,000 - $99,999	34%	59%	8%	100%
	$100,000 or more	50%	47%	3%	100%
Age	18-25	9%	78%	13%	100%
	26-35	24%	57%	19%	100%
	36-49	23%	57%	20%	100%
	50-64	27%	57%	17%	100%
	65 and over	48%	42%	10%	100%
Gender	Female	23%	57%	20%	100%
	Male	33%	53%	13%	100%
Race / Ethnicity	American Indian or Alaska Native, Non-Hispanic	7%	68%	24%	100%
	Asian, Non-Hispanic	30%	63%	8%	100%
	Black, Non-Hispanic	14%	62%	24%	100%
	Hawaiian/Pacific Islander, Non-Hispanic	26%	61%	13%	100%
	Hispanic	16%	61%	23%	100%
	Mixed, Non-Hispanic	23%	55%	22%	100%
	White, Non-Hispanic	34%	52%	14%	100%
Education	Less than high school	12%	58%	30%	100%
	High school	19%	59%	21%	100%
	Some college	21%	61%	18%	100%
	Bachelor's degree or higher	47%	46%	7%	100%
Employment Status	Working full-time	29%	58%	13%	100%
	Working part-time	21%	60%	20%	100%
	Not employed, not retired	12%	57%	31%	100%
	Retired	55%	38%	6%	100%
Marital Status	Married	37%	51%	13%	100%
	Not married	17%	61%	22%	100%
Region	Northeast	34%	52%	14%	100%
	Midwest	32%	51%	16%	100%
	South	24%	57%	20%	100%
	West	27%	59%	14%	100%
Urbanicity	Rural	28%	56%	16%	100%
	Mixed	28%	55%	17%	100%
	Urban	28%	56%	16%	100%

Questions asked of all respondents. Number of total respondents differs for each question.

FINANCIAL BEHAVIORS, SENTIMENTS, AND OUTCOMES

The financial health framework also sheds light on how Americans are spending, saving, borrowing, and planning. In this section, we consider what the eight indicators of financial health tell us about the financial lives of Americans.

SPEND

INDICATOR 1

47 percent of Americans say their spending equals or exceeds their income.

A majority of Financially Healthy individuals (86 percent) said their spending was "much less" or "a little less" than their income *(Table 6)*. Nearly the same proportion of Financially Vulnerable individuals (85 percent) said their spending was "about equal," "a little more," or "much more" than their income. With spending that equals or exceeds income, building a reserve of savings to draw upon in times of need can be all but impossible, something that we see more clearly in the data presented in Table 25.

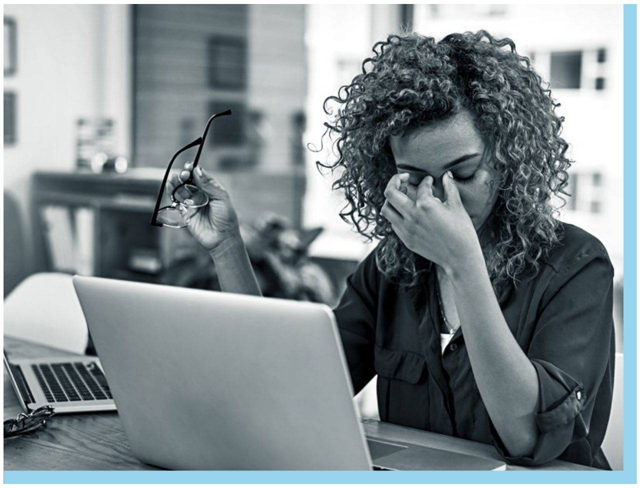


Table 6: Spending Compared to Income by Financial Health Tier

Q036. Which of the following statements best describes how your household's total spending compared to total income, over the last 12 months?	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents (n = 5,017)
Spending was much less than income	42%	9%	5%	**17%**
Spending was a little less than income	45%	39%	9%	**36%**
Spending was about equal to income	11%	36%	46%	**31%**
Spending was a little more than income	2%	13%	26%	**12%**
Spending was much more than income	0%	3%	14%	**4%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

For some Americans, spending exceeds income because of income and expense volatility; for others, this is a permanent state of life. Among respondents who said their spending exceeded their income in the last 12 months, 41 percent said this was because their spending was unusually high, their income was unusually low, or their income was unusually low *and* their spending was unusually high *(Table 7).*

But, more than a quarter of these individuals (26 percent, more than 10 million people) said their spending always exceeds their income. Among Financially Coping and Vulnerable individuals who said their spending exceeded their income, "our spending usually or always exceeds our income" was the most common response, suggesting that this is a permanent state of affairs for millions of Americans.

Table 7: Reasons Why Spending Exceeded Income by Financial Health Tier

Q037. Which of the following come closest to the reason that your household's spending exceeded its income in the last 12 months?	Financially Coping (n = 443)	Financially Vulnerable (n = 316)	All Respondents (n = 818)
Our income was unusually low	8%	18%	**11%**
Our spending was unusually high	22%	6%	**16%**
Our income was unusually low and our spending was unusually high	12%	16%	**13%**
Our spending usually or always exceeds our income	26%	29%	**26%**
Don't know	16%	21%	**20%**
Other	17%	10%	**14%**
Sum	**100%**	**100%**	**100%**

Question asked of respondents who said their spending exceeded their income *(Table 6).* Financially Healthy tier excluded from this table because of small sample size (n = 45).

Table 8: Coping Strategies When Spending Exceeded Income by Financial Health Tier

Q038. In the last 12 months, when your household's spending exceeded its income, which of the following, if any, did your household do to help cover expenses? Please select all that apply.	Financially Coping (n = 444)	Financially Vulnerable (n = 316)	All Respondents (n = 819)
Worked extra hours or took other actions to increase or supplement income	20%	23%	**20%**
Used credit (e.g. credit cards, line of credit, etc.)	52%	36%	**43%**
Borrowed money or was assisted by friends or family	18%	43%	**26%**
Borrowed money or took out a loan from a financial institution	13%	17%	**14%**
Sold items for cash	19%	33%	**24%**
Cashed in stocks, insurance policies, or other financial assets	6%	3%	**5%**
Used non-retirement savings	13%	5%	**10%**
Used retirement savings	12%	9%	**11%**

Question asked of respondents who said their spending exceeded their income in the last 12 months *(Table 6).* Respondents could select multiple responses. Financially Healthy tier excluded from this table because of small sample size (n = 45).

When spending exceeds income, Americans overwhelmingly turn to credit to make ends meet. Among all respondents who said their spending exceeded their income in the last 12 months, 43 percent said they turned to credit, while only 10 percent said they drew upon non-retirement savings *(Table 8).* Financially Coping individuals are more likely to have said they used credit than Financially Vulnerable individuals, potentially because these individuals have higher credit scores *(Table 21)* and therefore greater access to credit. Financially Vulnerable individuals are far more likely to have said they sold items for cash or received assistance from friends or family. Both groups said they worked extra hours or took other actions to supplement their income at comparable rates (20 percent and 23 percent, respectively).

SPEND

INDICATOR 2

36 percent of Americans are unable to pay all of their bills on time.

Financially Vulnerable individuals struggle the most when it comes to bill payment *(Table 9).* The vast majority of Financially Vulnerable individuals (93 percent) said they were unable to pay all of their bills on time in the last 12 months, compared with 2 percent of Financially Healthy individuals who said the same.

Table 9: Bill Payment by Financial Health Tier

Q039. Which of the following statements best describes how your household has paid its bills over the last 12 months? My household has been financially able to:	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n =792)	All Respondents (n = 5,015)
Pay all of our bills on time	98%	65%	7%	**64%**
Pay nearly all of our bills on time	2%	24%	23%	**18%**
Pay most of our bills on time	0%	8%	28%	**10%**
Pay some of our bills on time	0%	2%	27%	**5%**
Pay very few of our bills on time	0%	1%	15%	**3%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Millions of Americans are using their tax refunds to help pay the bills. Among all respondents who said they received and spent their 2018 tax refund, paying bills was the most common explanation for how the funds were spent *(Table 10)*. More than half of these respondents (59 percent) said they used the funds to pay bills, well ahead of the second and third responses: paying for household or personal items (44 percent) and paying down debt (36 percent). Financially Vulnerable individuals were more likely than Financially Healthy and Coping individuals to say they used their refund to pay bills, likely reflecting their greater struggle to keep up with bill payments throughout the year *(Table 9)*.

Table 10: Spending of Tax Refund by Financial Health Tier

Q042. How did you or the members of your household spend the refund? If you spent it in more than one way, please select all that apply.	Financially Healthy (n = 476)	Financially Coping (n = 1,155)	Financially Vulnerable (n = 317)	All Respondents (n = 1,955)
Paid down debt	29%	38%	38%	**36%**
Paid bills	39%	59%	87%	**59%**
Paid for household or personal items	41%	42%	53%	**44%**
Paid or helped pay for a large purchase, such as a home or vehicle	8%	10%	7%	**9%**
Paid educational expenses	3%	5%	8%	**5%**
Paid medical expenses	6%	12%	22%	**12%**
Paid vehicle expenses	14%	20%	38%	**21%**
Paid for vacation or travel	25%	17%	11%	**18%**
Other	11%	8%	6%	**8%**

Question asked of respondents who said they received a tax refund and spent the funds. See Tables C.1 and C.2 in the Appendix for percentages of respondents by financial health tier who received a tax refund and how they used it.

SAVE

INDICATOR 3

45 percent of Americans do not have enough savings to cover at least three months of living expenses.

While many Americans lack sufficient liquid savings, this is especially true of those at the lower end of the financial health spectrum. Just over half of Financially Coping individuals (52 percent) said they lack sufficient savings to cover three months of living expenses *(Table 11)*. More alarmingly, nearly half of Financially Vulnerable individuals (45 percent, more than 18 million people) said they lack sufficient savings to cover just one week of living expenses. These findings are supported by self-reported data showing that the Financially Healthy have a median value of $44,000 in liquid savings accounts, the Financially Coping have $3,500, and the Financially Vulnerable have just $300 *(Table 12)*. These figures likely reflect that Financially Healthy individuals have liquid savings accounts at higher rates than Financially Coping and Vulnerable individuals *(Table C.3)* and that the average balances of these accounts are higher.

Table 11: Covering Living Expenses with Liquid Savings by Financial Health Tier

Q044. At your current level of spending, how long could you and your household afford to cover expenses, if you had to live only off the money you have readily available, without withdrawing money from retirement accounts or borrowing?	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents (n = 5,010)
6 months or more	78%	25%	3%	**36%**
3-5 months	17%	23%	5%	**19%**
1-2 months	4%	31%	13%	**20%**
1-3 weeks	1%	16%	34%	**15%**
Less than 1 week	0%	5%	45%	**11%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Table 12: Median Value of Liquid Savings Accounts by Financial Health Tier

Q054, 55, 58, 59. For each of the following financial assets or accounts, please estimate the current value of that account. Just your best guess will do.	Financially Healthy	Financially Coping	Financially Vulnerable	All Respondents
Checking account	$4,500	$1,000	$200	**$1,200**
Savings account	$10,000	$1,500	$60	**$2,000**
Other personal savings or investments	$32,000	$8,000	$1,300	**$20,000**
Savings in cash	$1,000	$500	$100	**$500**
Total Median Value of Liquid Savings Accounts	**$44,000**	**$3,500**	**$300**	**$5,400**

Question asked of respondents who said they had a given financial account *(Table C.3)*. Sample sizes in this table vary by account type. "Total Median Value of Liquid Savings Accounts" is calculated by taking the median of the total value of all liquid savings accounts. This figure therefore differs from a straight sum of the respective median values of each type of account presented in this table.

Low savings balances obscure the fact that many Americans are saving when they can. More than three-quarters of respondents said they are saving "regularly" or "whenever possible" in savings accounts or in cash *(Table 13)*. Nearly as many (70 percent) said they are saving in other personal savings vehicles, such as mutual funds, money market accounts, stocks, certificates of deposit, and annuities. Financially Healthy individuals were more likely to say they are saving regularly in all account types, but significant proportions of Financially Coping and Vulnerable individuals said they are saving whenever possible, especially in cash (62 percent and 57 percent, respectively). These insights reinforce findings from the U.S. Financial Diaries showing that aggregate or year-end balances may obscure significant movement in and out of savings accounts throughout the year.

Table 13: Frequency of Contributions to Liquid Savings Accounts by Financial Health Tier

Q061, 62, 66, 67. Please indicate if you or anyone in your household is currently saving in any of your financial assets or accounts. If so, are you saving regularly (for example, monthly or from each paycheck) or irregularly (adding savings whenever you can), or not at all?	Financially Healthy	Financially Coping	Financially Vulnerable	All Respondents
Checking account				
Saving regularly	37%	15%	2%	**20%**
Saving whenever possible	33%	41%	21%	**36%**
Not currently saving	29%	43%	77%	**44%**
Sum	**100%**	**100%**	**100%**	**100%**
Savings account				
Saving regularly	52%	29%	6%	**34%**
Saving whenever possible	34%	52%	41%	**45%**
Not currently saving	14%	19%	53%	**21%**
Sum	**100%**	**100%**	**100%**	**100%**
Other personal savings or investments such as mutual funds, money market accounts, stocks, certificates of deposit, annuities, etc.				
Saving regularly	41%	29%	21%	**35%**
Saving whenever possible	32%	39%	27%	**35%**
Not currently saving	27%	32%	52%	**30%**
Sum	**100%**	**100%**	**100%**	**100%**
Savings in cash				
Saving regularly	25%	15%	16%	**20%**
Saving whenever possible	47%	62%	57%	**56%**
Not currently saving	28%	23%	27%	**25%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of respondents who indicated they had a given account *(Table C.3)*. Respondents could select multiple answers. Sample sizes in this table vary by response category.

SAVE

INDICATOR 4

37 percent of Americans are not confident they are on track to meet their long-term financial goals.

Only 18 percent of respondents said they are "very confident" they are on track to meet their long-term financial goals *(Table 14)*.[9] These sentiments are supported by relatively low balances reported by respondents with long-term savings accounts *(Table 15)*: the median reported balance in retirement accounts for Financially Healthy individuals is $106,000; for Financially Coping individuals, it is $25,000; and for Financially Vulnerable individuals, it is just $4,000 *(Table 15)*. More than four in 10 of all respondents (42 percent) reported no retirement savings at all. These individuals said that they did not own an employer-provided retirement account or an individual retirement account; or that they did own at least one of these accounts, but had a total balance of $0.

Table 14: On Track to Meet Long-Term Financial Goals by Financial Health Tier

Q045. Thinking about your household's longer term financial goals such as saving for a vacation, starting a business, buying or paying off a home, saving up for education, putting money away for retirement, or making retirement funds last... How confident are you that your household is currently doing what is needed to meet your longer-term goals?	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents (n = 5,016)
Very confident	53%	5%	1%	**18%**
Moderately confident	39%	21%	2%	**22%**
Somewhat confident	8%	35%	9%	**23%**
Slightly confident	1%	23%	14%	**15%**
Not at all confident	0%	16%	75%	**22%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Table 15: Median Value of Long-Term Savings by Financial Health Tier

Q056 - 57. For each of the following financial assets or accounts, please estimate the current value of that account. Just your best guess will do.	Financially Healthy	Financially Coping	Financially Vulnerable	All Respondents
Employer-provided retirement account	$60,000	$20,000	$4,000	**$27,000**
Individual retirement account (not through employer)	$60,000	$14,300	$6,000	**$30,000**
Total Median Value of Long-Term Savings Accounts	**$106,000**	**$25,000**	**$4,000**	**$40,000**

Question asked of respondents who indicated they had a given account *(Table C.4)*. Sample sizes in this table vary by account type. "Total Median Value of Long-Term Savings Accounts" is calculated by taking the median of the total value of all long-term savings accounts. This figure therefore differs from a straight sum of the respective median values of each type of account presented in this table.

[9] Considering other studies have found that 65 percent of all Americans do not have sufficient retirement savings, these sentiments likely underestimate the looming retirement crisis facing our nation. "The Retirement Savings Crisis: Is It Worse Than We Think?," National Institute on Retirement Security, 2013.

Despite low retirement balances, Americans are trying to save for the future, especially through employer-provided retirement accounts. Nearly three-quarters of respondents (72 percent) said they are saving regularly in employer-provided retirement accounts *(Table 16)*. The same proportion of Financially Healthy and Coping individuals (74 percent) said they are saving regularly in these accounts. More than half of Financially Vulnerable individuals (55 percent) also said they are saving regularly in these accounts, an especially high figure when compared with the 14 percent of this group who said they are saving regularly in individual retirement accounts. These high rates of self-reported participation in employer-provided retirement plans across financial health tiers reinforce the important role that employers can play in helping their employees lead financially healthy lives.

Table 16: Frequency of Contributions to Long-Term Savings Accounts by Financial Health Tier

Q063 - 64. Please indicate if you or anyone in your household is currently saving in any of your financial assets or accounts. If so, are you saving regularly (for example, monthly or from each paycheck) or irregularly (adding savings whenever you can), or not at all?	Financially Healthy	Financially Coping	Financially Vulnerable	All Respondents
Employer-provided retirement account (e.g., 401k, 403(b), or Thrift Savings Plan (TSP))				
Saving regularly	74%	74%	55%	**72%**
Saving whenever possible	8%	12%	12%	**11%**
Not currently saving	18%	14%	33%	**17%**
Sum	**100%**	**100%**	**100%**	**100%**
Individual retirement account not provided by an employer (IRA, Keogh, SEP, or any other retirement fund)				
Saving regularly	45%	37%	14%	**40%**
Saving whenever possible	20%	23%	19%	**21%**
Not currently saving	35%	41%	66%	**39%**
Sum	**100%**	**100%**	**100%**	**100%**

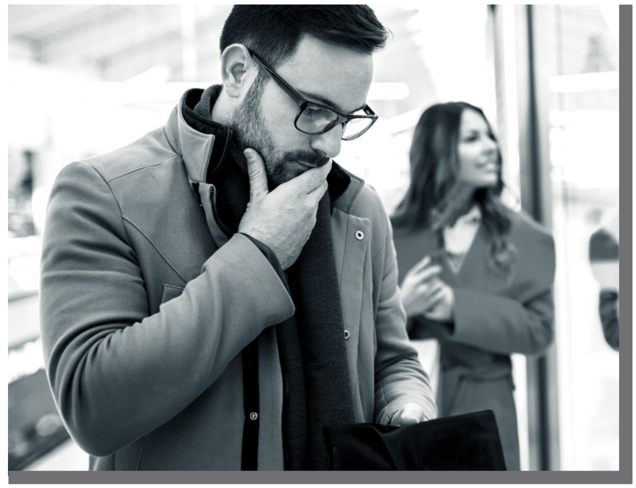
Question asked of respondents who indicated they had a given account *(Table C.4)*. Sample sizes in this table vary by account type.

BORROW

INDICATOR 5

30 percent of Americans say they have more debt than is manageable.

Debt levels increase along the financial health spectrum. Excluding mortgages and home equity lines of credit, the Financially Healthy tier has a median debt load of $19,000; the Financially Coping tier has a median debt load of $20,000; and the Financially Vulnerable tier has a median debt load of $25,000 *(Table 18).* Financially Healthy individuals tend to have higher amounts of mortgage and housing-related debt, though the differences between tiers are not statistically significant. However, Financially Coping and Vulnerable individuals, on average, have higher amounts of credit card debt *(Table 18).*



Financially Vulnerable individuals are significantly more likely than Financially Coping and Healthy individuals to say their debt is unmanageable (81 percent, compared with 30 percent, and 1 percent, respectively) *(Table 17).* These sentiments likely reflect the different nature of the debt each group is carrying, as well as the lower levels of disposable income Financially Vulnerable individuals have to put toward paying off these debts *(Table 6).*

Table 17: Manageability of Debt by Financial Health Tier

Q077. Now thinking about all of your household's current debts, including mortgages, bank loans, student loans, money owed to people, medical debt, past-due bills, and credit card balances that are carried over from prior months ... As of today, which of the following statements describes how manageable your household debt is?	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents (n = 5,017)
Do not have any debt	30%	13%	7%	**17%**
Have a manageable amount of debt	69%	57%	12%	**53%**
Have a bit more debt than is manageable	0%	24%	38%	**20%**
Have far more debt than is manageable	0%	6%	43%	**10%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Table 18: Median Value of Debt Load by Financial Health Tier				
Q086 - 93. For each of the following types of debt, please estimate the amount your household currently owes. If you aren't sure, your best guess will do.	Financially Healthy	Financially Coping	Financially Vulnerable	All Respondents
Auto loans	$13,000	$14,000	$12,000	$13,000
Student loans	$24,000	$20,000	$25,000	$20,000
Small business loans	$20,000	$20,000	$8,000	$20,000
Mortgages and home equity line of credit	$127,000	$110,000	$93,000	$115,000
Medical debts	$1,800	$1,500	$4,000	$2,000
Outstanding credit card balances carried over from previous months	$3,000	$5,000	$5,000	$5,000
Other loans (including payday loans, auto title loans, money borrowed from family/friends, and excluding the loans listed above)	$4,300	$3,500	$2,400	$2,700
Other debts	$22,000	$1,500	$4,000	$4,000
Total Median Value of Debts	**$118,000**	**$54,502**	**$34,000**	**$65,000**
Total Median Value of Debts, excluding mortgages and home equity lines of credit	**$19,000**	**$20,000**	**$25,000**	**$20,000**

Question asked of respondents who indicated they had a given form of debt (*Table C.5*). Sample sizes in this table vary by account type. "Total Median Value of Debts" is calculated by taking the median of the total value of all debt. Therefore, this figure differs from a straight sum of the respective median values of each type of debt presented in this table. While these questions were asked about independent forms of debt, it is possible that respondents selected more than one option for the same debt. For example, if a respondent had paid emergency medical bills using a credit card, they could conceivably indicate they had both credit card and medical debt.

Unmanageable debt is having a significant impact on Americans' lives. Among all respondents who said their debt is unmanageable, more than a quarter (27 percent) said their debt has prevented them from saving for retirement; a figure that rises to more than half of Financially Vulnerable individuals (56 percent) *(Table 19)*. Thirteen percent of Financially Coping individuals and 20 percent of Financially Vulnerable individuals said unmanageable debt has prevented them from retiring.[10] Significant proportions of both groups said that unmanageable debt has delayed or prevented them from moving, changing jobs, or seeking medical care. A shockingly high 42 percent of Financially Vulnerable individuals (approximately 16 million people) said that unmanageable debt has delayed or prevented them from seeking or receiving medical care, a theme that will be discussed further in this report.

Many Americans do not believe they will be free of their debt any time soon. Excluding mortgage debt, and assuming no new debt is taken on, more than a third of Americans (38 percent) believe it will take them more than five years to pay off their existing debt *(Table 20)*. These sentiments are more common at the lower end of the financial health spectrum; 36 percent of Financially Coping individuals and 55 percent of Financially Vulnerable individuals believe they will still have their existing debt five years from now.

[10] The impact of debt on individuals' retirement plans will be explored further in CFSI's 2019 report about the financial lives of low- to moderate-income Americans over the age of 50.

Table 19: Impact of Debt by Financial Health Tier

Q094 - 103. For each of the following activities, please indicate whether or not your household's debt has delayed or prevented you, or anyone else in your household, from doing that activity, over the last 12 months.	Financially Coping (n = 2,375)	Financially Vulnerable (n = 753)	All Respondents (n = 4,196)
Debt delayed/prevented starting a business	7%	18%	**8%**
Debt delayed/prevented moving	14%	33%	**15%**
Debt delayed/prevented school	7%	16%	**7%**
Debt delayed/prevented starting a family	5%	11%	**5%**
Debt delayed/prevented purchasing a home	15%	35%	**16%**
Debt delayed/prevented purchasing a car	19%	40%	**20%**
Debt delayed/prevented saving for retirement	27%	56%	**27%**
Debt delayed/prevented retirement	13%	20%	**12%**
Debt delayed/prevented changing jobs	11%	23%	**11%**
Debt delayed/prevented medical care	13%	42%	**16%**

Question asked of all respondents except those who said they "do not have any debt" *(Table 17)*. Financially Healthy tier excluded from this table due to low incidence rate (n = 50 for most frequently selected response).

Table 20: Time Until Debt is Paid Off by Financial Health Tier

Q104. Excluding any mortgages, and assuming you do not take on any more debt, how long do you think it would take your household to pay off its current debts?	Financially Healthy (n = 760)	Financially Coping (n = 2,134)	Financially Vulnerable (n = 706)	All Respondents (n = 3,611)
Less than 1 year	25%	14%	5%	**14%**
1 to 5 years	47%	47%	31%	**44%**
6 to 10 years	15%	20%	25%	**20%**
11 to 20 years	6%	11%	13%	**10%**
21 to 30 years	3%	3%	4%	**3%**
More than 30 years	0%	2%	5%	**2%**
We will never pay off our debt	0%	1%	8%	**2%**
Don't know	3%	3%	9%	**5%**
Sum	100%	100%	100%	100%

Question asked of respondents who indicated they had debt other than mortgage debt *(Table C.5)*.

BORROW

INDICATOR 6

27 percent of Americans say they do not have prime credit scores.

Fifteen percent of all respondents said they have "fair" credit scores and 12 percent said they have "poor" credit scores. Six percent of all respondents said they "don't know" how to rate their credit score *(Table 21)*. These responses largely align with self-reported assessments of numeric credit score ranges, suggesting that Americans generally understand how to interpret their credit scores *(Table C.6)*. Financially Vulnerable individuals are more likely to have non-prime credit scores (fair or poor) than Financially Healthy and Coping individuals. Without a prime credit score, millions of Americans are unable to access affordable credit, increasing the likelihood that they will turn to high-cost forms of credit in times of need.

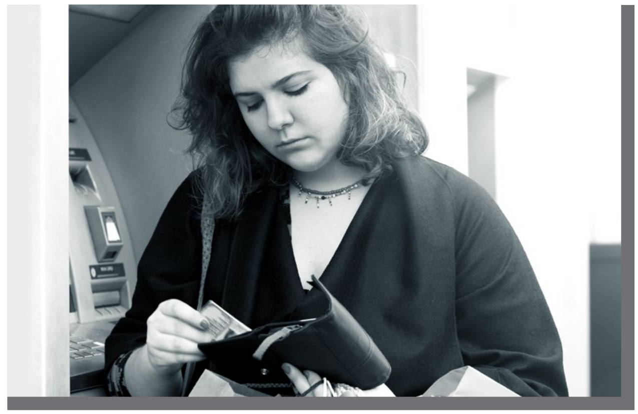


Table 21: Self-Assessments of Credit Score by Financial Health Tier

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.	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents (n = 5,018)
Excellent	67%	17%	1%	**28%**
Very good	25%	23%	4%	**20%**
Good	6%	26%	11%	**18%**
Fair	1%	19%	28%	**15%**
Poor	0%	8%	45%	**12%**
Don't know	1%	7%	11%	**6%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

PLAN

INDICATOR 7

37 percent of Americans are not confident about the coverage of their insurance policies.

Those at the lower end of the financial health spectrum are less likely to be confident in their insurance coverage than those at the higher end *(Table 22).* Among those who have insurance, 40 percent of the Financially Coping and 79 percent of the Financially Vulnerable are not confident their insurance policies will cover them in an emergency.

Financially Coping and Vulnerable individuals are also less likely to have insurance in the first place *(Table 23).* Among those who own a car and a home, Financially Healthy individuals are significantly more likely than Financially Coping and Vulnerable individuals to have car insurance and homeowners insurance, even though most states require these types of insurance. Financially Healthy individuals are also more likely to have life insurance, disability insurance, and health insurance. Since strong insurance policies can help consumers weather financial shocks, insurance coverage is an important element of an individual's ability to be financially resilient in the face of unexpected events.

Table 22: Confidence in Insurance Coverage by Financial Health Tier

Q112. Thinking about all of the types of personal and household insurance you and others in your household have, how confident are you that those insurance policies will provide enough support in case of an emergency?	Financially Healthy (n = 1,498)	Financially Coping (n = 2,634)	Financially Vulnerable (n = 745)	All Respondents (n = 4,884)
Very confident	57%	27%	5%	**32%**
Moderately confident	35%	33%	15%	**31%**
Somewhat confident	7%	26%	25%	**20%**
Slightly confident	1%	9%	21%	**8%**
Not at all confident	0%	6%	33%	**8%**
Sum	100%	100%	100%	100%

Question asked of respondents who indicated they had at least one of the insurance policies listed in Table 23.

Table 23: Type of Insurance Ownership by Financial Health Tier

Q106 - 111. The next few questions ask about the different types of insurance that you and your household might have.	Financially Healthy	Financially Coping	Financially Vulnerable	All Respondents
Car insurance[1]	99%	90%	76%	**89%**
Homeowners insurance[2]	98%	91%	80%	**92%**
Renters insurance[3]	69%	44%	26%	**41%**
Life insurance	72%	60%	37%	**59%**
Short-term or long-term disability insurance	42%	33%	22%	**33%**
Health insurance[4]	98%	88%	71%	**86%**

1 Ownership of car insurance was asked of all respondents, but included a "not applicable" response option.
2 Ownership of homeowners insurance was asked of respondents who indicated they owned a home.
3 Renters insurance was asked of respondents who indicated they rented.
4 This question included the following types of insurance: employer-paid, private, Medicare/Medicaid, Military, Veterans, Indian Health Service, or any other type of medical coverage.

PLAN

INDICATOR 8

40 percent of Americans do not agree with the statement "My household plans ahead financially."

Sixty-five percent of Financially Healthy respondents "strongly agree" with this statement, compared with 8 percent of Financially Coping individuals, and 2 percent of Financially Vulnerable individuals *(Table 24)*. Still, more than half of Financially Coping individuals (57 percent) agree with this statement on some level, suggesting that individuals across the financial health spectrum are trying to plan ahead, even if they cannot always do so.

Table 24: Planning Ahead by Financial Health Tier

Q113. To what extent do you agree or disagree with the following statement: "My household plans ahead financially."	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents (n = 5,015)
Agree strongly	65%	8%	2%	**23%**
Agree somewhat	33%	48%	11%	**37%**
Neither agree or disagree	3%	30%	30%	**23%**
Disagree somewhat	0%	10%	28%	**10%**
Disagree strongly	0%	4%	30%	**7%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Many Americans say they are planning ahead in various ways. Nearly half of Americans (48 percent) said they use a budget to track their spending and 41 percent said they have an emergency savings account *(Table 25).* While Financially Healthy individuals were more likely to say they plan ahead in the ways listed in Table 25, significant proportions of Financially Coping and Vulnerable individuals also said they are planning ahead. For example, nearly half of Financially Coping individuals (49 percent) said they use a budget to plan ahead, a figure that only drops to 30 percent among the Financially Vulnerable.

The largest discrepancy in planning behaviors is with regard to whether individuals have an emergency savings account. Three-quarters of Financially Healthy individuals (75 percent) said they have an emergency savings account, compared with 35 percent of Financially Coping individuals and 8 percent of Financially Vulnerable individuals. The relationship between having an emergency savings account and financial health is explored further in Figure 4.

Table 25: Planning and Savings Behaviors by Financial Health Tier

Q114 - 117A. The next questions ask about the extent to which your household plans ahead financially, that is, to cover upcoming expenses, or to save up for long-term goals or to cover emergencies.	Financially Healthy (n = 1,500)	Financially Coping (n = 2,674)	Financially Vulnerable (n = 792)	All Respondents (n = 5,016)
Uses a budget or other plan to track spending	58%	49%	30%	**48%**
Uses automatic transfers to transfer money to savings accounts	51%	37%	13%	**36%**
Has attempted to calculate how much is needed to save for retirement	52%	20%	5%	**26%**
Has talked with a financial advisor or planner	59%	27%	12%	**33%**
Has an emergency savings account	75%	35%	8%	**41%**

Questions asked of all respondents.

Figure 4: Differences in CFSI Financial Health Score® Associated with Planning Behaviors

Associated Difference in CFSI Financial Health Score®	16.5 points	12.0 points	8.2 points	7.1 points	6.7 points
Planning Behaviors	Having an emergency savings account	Having calculated how much savings are needed for retirement	Having talked with a financial advisor or planner	Using a budget or other type of plan to track spending	Using automatic transfers to put money into savings accounts

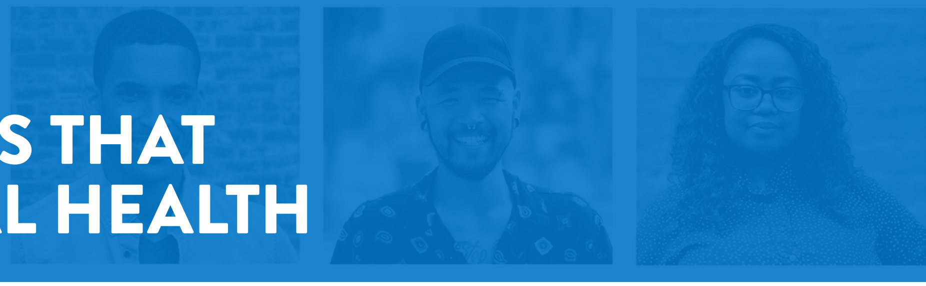
Associated difference in CFSI Financial Health Score® calculated when holding all other socioeconomic and demographic variables constant.
All differences reported in this table are statistically significant at the 5 percent level or lower. See Figure R.2 in Appendix D for full regression results.

Certain planning behaviors are associated with financial health.

Holding socioeconomic and demographic variables constant:

- Individuals who said they have an emergency savings account have an average CFSI Financial Health Score® 16.5 points higher than those who do not have an emergency savings account.
- Individuals who reported having attempted to calculate how much to save for retirement have an average CFSI Financial Health Score® 12 points higher than those who have not attempted to calculate how much to save for retirement.
- Individuals who said they have talked with a financial advisor have an average CFSI Financial Health Score® 8.2 points higher than those who have not talked with a financial advisor.
- Individuals who reported using a budget to track their spending have an average CFSI Financial Health Score® 7.1 points higher than those who do not use a budget to track their spending.
- Individuals who said they use automatic transfers to put money into savings accounts have an average CFSI Financial Health Score® 6.7 points higher than those who do not use automatic transfers.

Of course, these findings are preliminary. More research is needed to explore the financial products, interventions, and solutions that can make a meaningful difference in consumers' financial health.



SOCIETAL TRENDS THAT SHAPE FINANCIAL HEALTH

Beyond demographic characteristics and financial behaviors, we find that broader trends in our society play an important role in shaping financial health in America today. In this section, we look at three of these trends through the lens of financial health.

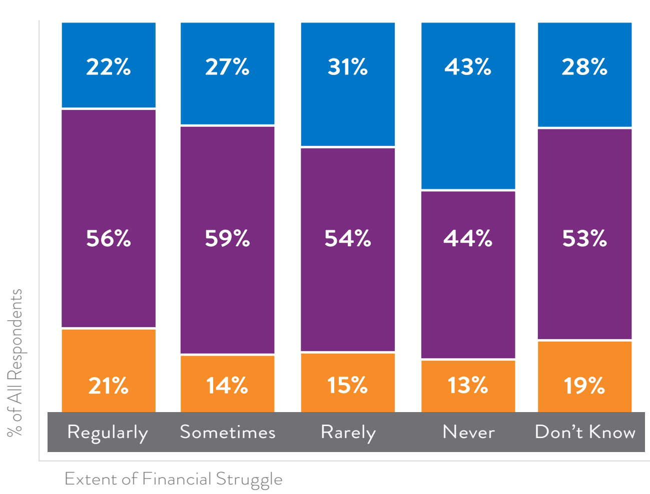
1

Generational Prosperity Gap

Individuals who struggled financially growing up are less likely to be Financially Healthy today than those who did not struggle financially.

Figure 5: Extent of Financial Struggle by Today's Financial Health Tier

Q118: How frequently did your family struggle financially while you were growing up?



[11] "Dream Hoarders: How the American Upper Middle Class is Leaving Everyone Else in the Dust, Why That is a Problem, and What to Do About It," Brookings Institution Press, 2017.

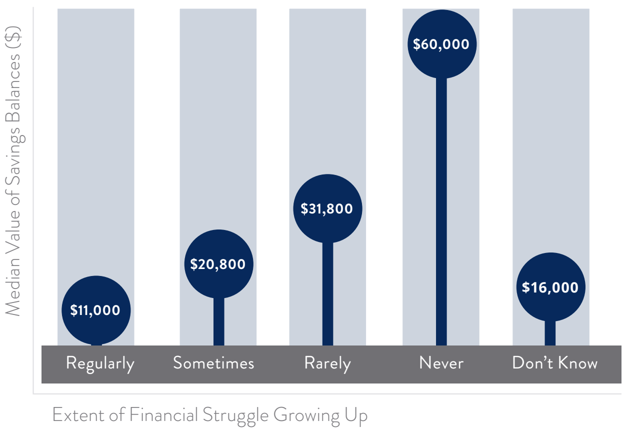
Financial health should be attainable for all Americans, regardless of their financial circumstances in childhood.

However, like poverty and other socioeconomic outcomes, financial health is often shaped by the larger context in which a person starts and leads their life.[11] By looking at the financial health of Americans who struggled financially growing up, we can better understand the impact that people's childhood financial circumstances have across all aspects of their financial lives today.

Individuals who struggled financially while they were growing up are less likely to be Financially Healthy today than those who did not struggle financially. This trend is so pronounced that people who said they "never" struggled financially are almost twice as likely to be Financially Healthy as those who said they "regularly" struggled *(Figure 5)*. Individuals who struggled financially are also more likely to be financially stressed and less likely to be satisfied with their current financial situation today, compared with those who did not struggle financially *(Tables C.7 and C.8)*.

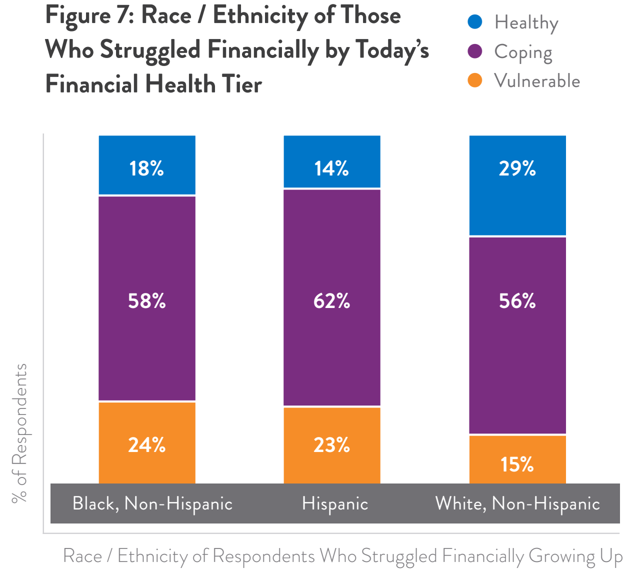
Figure 6: Median Savings Balances by Extent of Financial Struggle

Q118. How frequently did your family struggle financially while you were growing up?



This figure shows self-reported account balances in checking accounts, savings accounts, retirement accounts, other personal savings or investment accounts, and savings in cash.

Figure 7: Race / Ethnicity of Those Who Struggled Financially by Today's Financial Health Tier



"Struggled Financially Growing Up" defined as those who responded "regularly" or "sometimes" to Q118.

The correlation between financial circumstances in childhood and financial health today is evident across the eight indicators of financial health *(Table C.9)*. For example, individuals who grew up in households that never struggled financially are almost twice as likely as those who grew up in households that did struggle financially to be confident they are doing what is needed to meet their long-term financial goals. This figure is supported by self-reported data showing that those who "never" struggled financially have savings balances three times as high as those who "sometimes" struggled and nearly six times as high as those who "regularly" struggled *(Figure 6)*.

The struggles of prior generations have a particularly pronounced effect on the financial health of black and Hispanic Americans.[12] Although black and Hispanic respondents said their families struggled at rates comparable to white respondents, they were almost twice as likely to say they worried regularly about having enough to eat and more than 3.5 times as likely to say they worried regularly about crime and safety growing up (*Table C.10)*. These numbers suggest that the very concept of "struggling financially" may look different for black and Hispanic Americans than it does for white Americans.

An individual who is struggling financially, but feels safe from crime and hunger, may enjoy a stability that those who worry about their personal safety or where they will find their next meal may not.

In addition to reporting more threats to their personal safety and well-being, black and Hispanic Americans appear to have less generational mobility than white Americans. Only 18 percent of black individuals and 14 percent of Hispanic individuals who said they struggled financially are Financially Healthy today, compared with 29 percent of white individuals who said they struggled financially *(Figure 7)*. These disparities can be observed across many of the eight indicators of financial health *(Table C.11)*. For example, among those who struggled financially, 54 percent of white respondents said they have an "excellent" or "very good" credit score, compared with only 20 percent of black respondents and 32 percent of Hispanic respondents. Additional disparities across saving and borrowing metrics for these groups are well-documented elsewhere, including in research from Prosperity Now.

[12] While we performed a similar type of analysis for all racial/ethnic groups in our dataset (*Tables C.10 and C.11*), our sample sizes were too small to draw definitive conclusions about financial health across race and ethnicity beyond black, Hispanic, and white Americans.

Table 26: Educational Attainment and Employment Conditions of Those Who Struggled Financially by Today's Financial Health Tier

Those Who Struggled Financially Growing Up[1] and Have ...	Financially Healthy	Financially Coping	Financially Vulnerable	Sum
A college degree	44%	48%	8%	100%
Predictable income[2]	37%	53%	9%	100%
Steady income[3]	30%	57%	13%	100%
Full-time employment	24%	61%	15%	100%
Stable employment[4]	24%	63%	13%	100%
Paid workplace leave[5]	24%	63%	13%	100%

Sample sizes in this table vary by employment condition.

[1] "Struggled Financially Growing Up" defined as those who responded "regularly" or "sometimes" to Q118.

[2] "Predictable income" includes those who said they could predict their household income "every month" in the last 12 months (Q024).

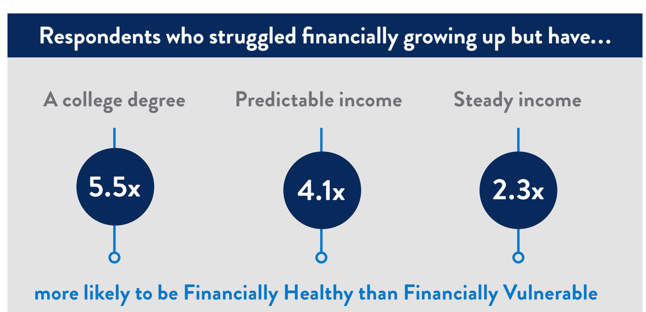
[3] "Steady income" includes those who said their income was "roughly the same" each month in the past 12 months (Q025).

[4] "Stable employment" includes those who said it was "not at all likely" or "not very likely" they would lose their main job or be permanently laid off in the next 12 months (Q124).

[5] "Paid workplace leave" includes those who are employed and receive paid sick, vacation or personal, or parental leave (Q123).

However, the right opportunities may offset some of the lingering effects of one's childhood financial circumstances on financial health. Respondents who struggled financially growing up but have a college degree are more than five times as likely to be Financially Healthy than Financially Vulnerable today *(Table 26)*. Those who struggled financially but have a predictable or steady income today are 4.1 and 2.3 times as likely, respectively, to be Financially Healthy than Financially Vulnerable today. These trends hold true across income categories (*Table C.12 and Table C.13).* Our sample sizes are too small to perform a similar type of analysis for black and Hispanic households, but it is worth looking to other literature, such as research from Stanford economist Raj Chetty and the Federal Reserve Bank of St. Louis, to understand how the returns on education, employment, and other opportunities differ by race and ethnicity.

While this research is not causal, it does suggest a clear pattern: Those who come from families that struggled financially are likely to face similar outcomes in their own lives. Looking at these trends through the framework of financial health provides fresh insights that policymakers, regulators, innovators, and advocates can leverage to ensure that every American gets an equal opportunity to achieve financial health.



2

Increasing Costs of Living

The high costs of basic living expenses are challenging Americans' ability to lead financially healthy lives.

In the 1970s, Americans with an income in the middle of the economic spectrum could live comfortably, put their children through college, and invest in the future. But the high costs of basic living expenses are putting that lifestyle out of reach for millions of Americans today.

When adjusted for inflation, the average pretax income of the bottom half of Americans has remained nearly the same since 1980.[13] At the same time, the costs of basic living expenses have skyrocketed. After adjusting for inflation, the average price of purchasing a home in the U.S. grew approximately 83 percent between 1970 and 2000.[14] While the price of food fell from the mid-1970s until the turn of the century, food prices rose an average of 2.6 percent annually over the past two decades.[15] Between 1960 and 2016, annual inflation-adjusted healthcare costs increased eightfold.[16]

Against this backdrop, millions of Americans are struggling to make ends meet. More than a fifth of respondents (21 percent) said they "often" or "sometimes" had trouble paying their rent or mortgage in the past 12 months *(Table 27)*. Nearly a quarter of respondents (24 percent) said they worried about whether their food would run out before they got enough money to buy more. A quarter of respondents (25 percent) said that someone in their household did not receive the healthcare they needed because it was too expensive. While each of these situations are challenging on their own, nearly a quarter of Americans (24 percent) said they struggled to afford at least two of these basic necessities in the last 12 months *(Figure 8)*.

[13] "Distributional National Accounts: Methods and Estimates for the United States," National Bureau of Economic Research Working Paper, 2016.

[14] "Census of Housing," United States Census Bureau, 2012.

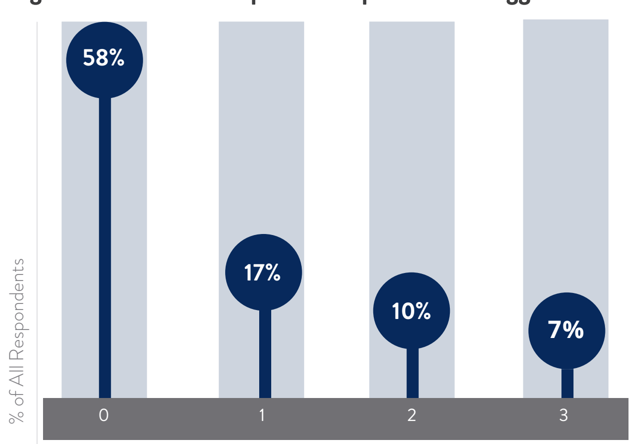
[15] "Why Food Prices Are Rising, Trends, and 2018 Forecast," The Balance, 2018.

[16] "National Health Expenditure Data," Centers for Medicare & Medicaid Services, 2018.

Table 27: Affordability of Housing, Food, and Healthcare by Household Income					
Q020. In the past 12 months, we had trouble paying our rent or mortgage.	Less than $30,000 (n = 1,282)	$30,000 - $59,999 (n = 1,360)	$60,000 - $99,999 (n = 1,171)	$100,000 or more (n = 1,194)	All Respondents (n = 5,016)
Often	11%	6%	3%	0%	5%
Sometimes	29%	21%	9%	4%	16%
Never	60%	73%	88%	96%	79%
Sum	100%	100%	100%	100%	100%
Q019. In the past 12 months, I worried whether our food would run out before I got money to buy more.	Less than $30,000 (n = 1,283)	$30,000 - $59,999 (n = 1,360)	$60,000 - $99,999 (n = 1,171)	$100,000 or more (n = 1,194)	All Respondents (n = 5,017)
Often	19%	6%	2%	0%	7%
Sometimes	33%	19%	11%	4%	17%
Never	47%	75%	88%	96%	76%
Sum	100%	100%	100%	100%	100%
Q021. In the past 12 months, I or someone in my household did not get healthcare we needed because we couldn't afford it.	Less than $30,000 (n = 1,283)	$30,000 - $59,999 (n = 1,360)	$60,000 - $99,999 (n = 1,171)	$100,000 or more (n = 1,194)	All Respondents (n = 5,017)
Often	15%	9%	4%	1%	7%
Sometimes	27%	22%	13%	7%	18%
Never	58%	69%	83%	92%	75%
Sum	100%	100%	100%	100%	100%

Question asked of all respondents.

Figure 8: Number of Expenses Respondents Struggled to Afford

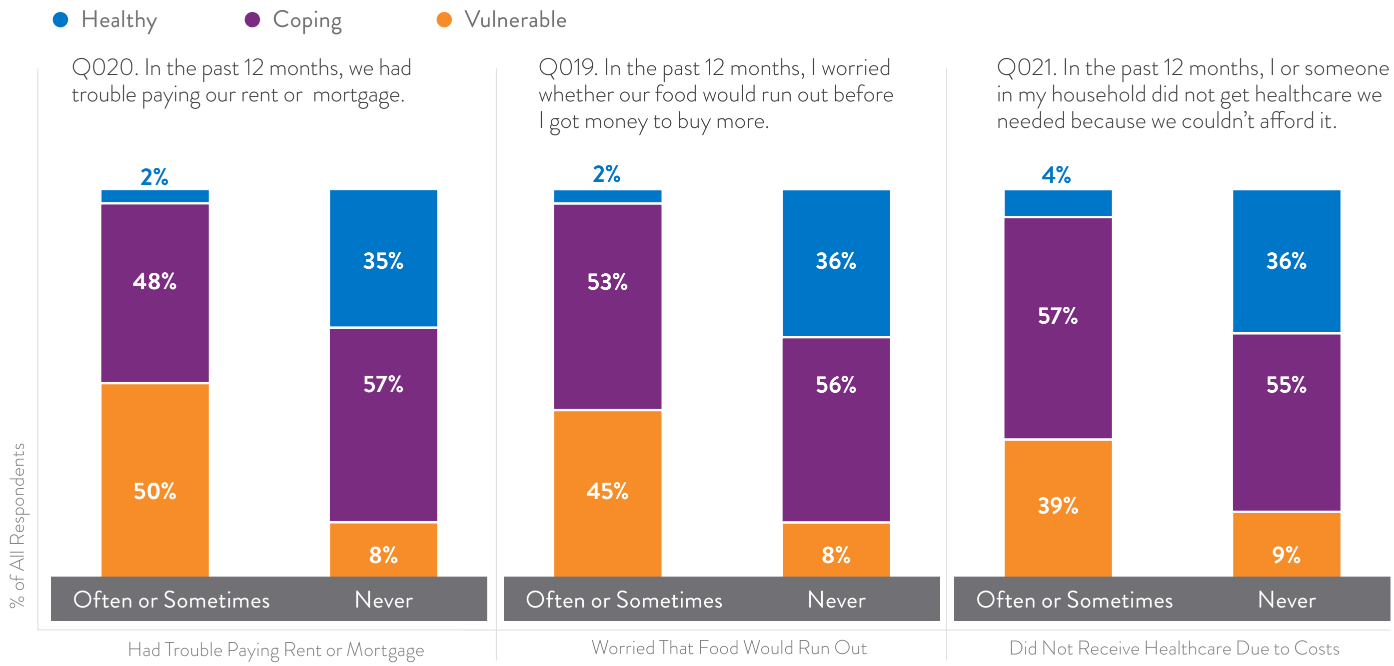


Number of daily living expenses respondents struggled to afford in the last 12 months.

Data presented in this chart represents the number of people who said they "often" or "sometimes" struggled to afford housing, food, and healthcare (Q019 - Q021).

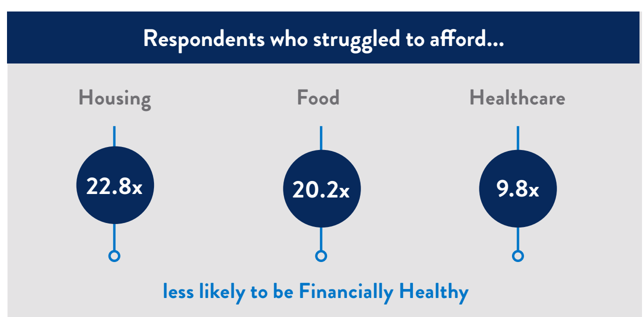
While individuals with low incomes were most likely to say they struggled to afford housing, food, and healthcare, many respondents with incomes in the middle of the economic spectrum also said they struggled to afford these basic necessities. More than a quarter of respondents (27 percent) making between $30,000 - $59,999 and 12 percent of those making between $60,000 - $99,999 "often" or "sometimes" had trouble paying their rent in the last 12 months *(Table 27)*. Significant proportions of individuals in these two income groups also worried their food would run out and skipped healthcare because they could not afford it. Some of these individuals may live in high-cost states and urban areas, a factor that we intend to explore in future analysis.

Figure 9: Affordability of Housing, Food, and Healthcare by Financial Health Tier



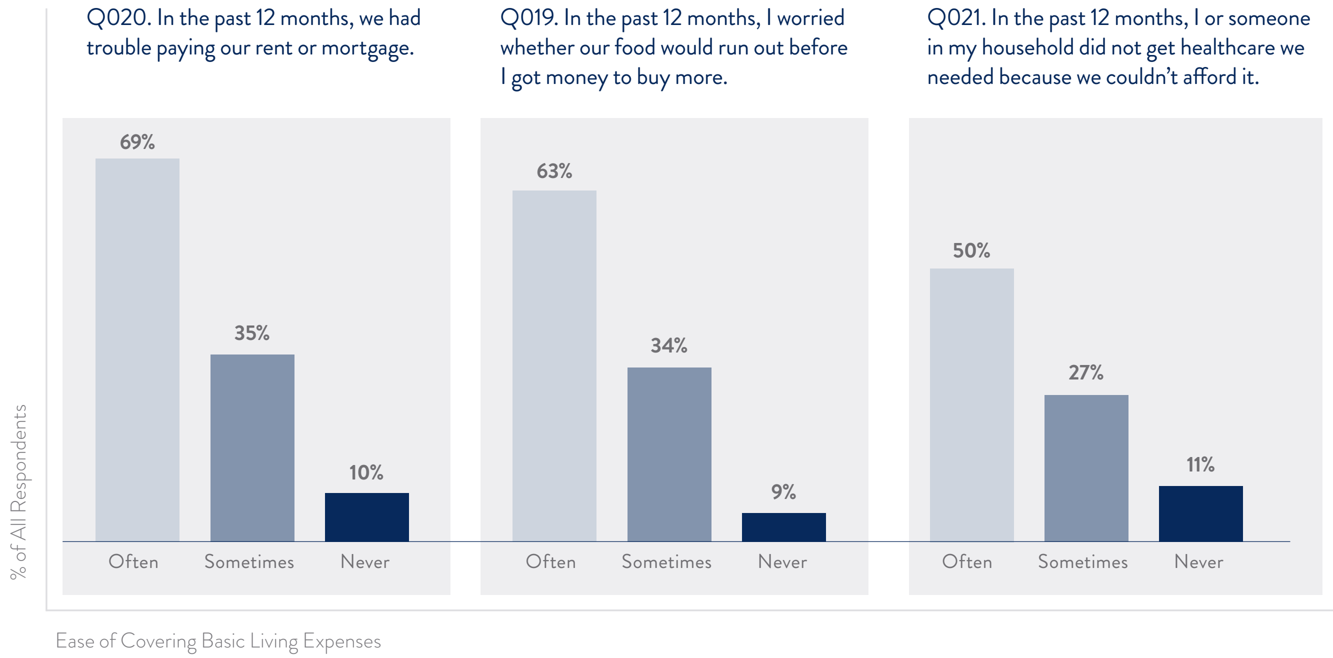
Those who struggle to afford housing, food, and healthcare are less likely to be Financially Healthy than those who do not struggle to afford these basic necessities *(Figure 9)*. Individuals who struggled to afford housing are 22.8 times less likely to be Financially Healthy than those who did not struggle to afford housing. Those who worried about whether their food would run out are 20.2 times less likely to be Financially Healthy than those who did not worry that their food would run out. Those who did not get healthcare because they could not afford it are 9.8 times less likely to be Financially Healthy than those who did not skip healthcare.

These correlations persist across each of the eight indicators of financial health *(Table C.14)*. For example, 5 percent of those who said they struggled to afford at least one of these basic necessities are confident they are on track to meet their long-term financial goals, compared with 27 percent of those who did not struggle to afford one of these expenses.



Those who struggle to afford these basic living expenses are also more likely to be financially stressed than those who do not struggle to afford these expenses *(Figure 10)*. This stress is having an impact on other aspects of these individuals' lives, including their mental health, physical health, family life, work, and school performance *(Table C.15)*.

Figure 10: Financial Stress by Struggle to Afford Basic Necessities



This chart displays data for those who responded "High stress" to Q013. "Over the last 12 months, how much stress, if any, did your finances cause you?"

Collectively, our results suggest that one's ability to afford housing, food, and healthcare is highly correlated with outcomes across financial health, financial stress, and even physical health *(Table C.16)*. While the direction of causality cannot be established with these data, the relationship between each of these factors is likely complex and multi-directional. These preliminary findings point to the important role that leaders from multiple sectors, including housing and healthcare, can play in improving the financial lives of Americans.

3

The Price of Instability

Americans who experience instability in the workplace are falling behind as they strive for financial health.

Over the past generation, the changing nature of the U.S. workplace has steadily eroded employees' sense of security and stability.

The impact of this instability on Americans' financial lives is beginning to become clear.[17] The Federal Reserve has found that a third of individuals whose incomes vary month to month said they struggle to pay their bills as a result. Research from the U.S. Financial Diaries shows how income uncertainty can make planning ahead and maintaining a savings buffer all but impossible for low-income households with volatile incomes.

To further understand the role workplace instability plays in Americans' financial lives, we consider these dynamics through the framework of financial health.

We find a strong relationship between employment conditions and financial health *(Table 28)*. Individuals with predictable income are 2.5 times more likely to be Financially Healthy than those with unpredictable income. Individuals whose incomes are steady are 1.7 times more likely to be Financially Healthy than those whose income is volatile.[18] Employees who learn their hours at least a month in advance are 1.6 times more likely to be Financially Healthy than those who learn their hours less than a month in advance. Employees whose schedules remain the same, or vary at their request, are 1.5 times more likely to be Financially Healthy than those whose schedules vary according to their employers' needs. Individuals with stable employment are 1.5 times more likely to be Financially Healthy than those with unstable employment.

Employees with...

Predictable income	Steady income	Predictable hours	Consistent or flexible schedules	Stable employment
2.5x	1.7x	1.6x	1.5x	1.5x

more likely to be Financially Healthy than those with...

Unpredictable income	Volatile income	Unpredictable hours	Employer-dependent schedules	Unstable employment

See definitions of employment conditions on Table 28.

[17] "The Great Risk Shift: The New Economic Insecurity and the Decline of the American Dream," Oxford University Press, 2008.

[18] In some cases, unpredictable and volatile wages are the result of unpredictable and variable schedules (*Table C.17*). In other cases, unpredictable and volatile wages are due to commissions, tips, bonuses, consulting, gig work, side jobs, periods of unemployment, or changes in employment.

Table 28: Employment Conditions by Financial Health Tier Among Those Who Are Employed				
Income Predictability[1]	Financially Healthy	Financially Coping	Financially Vulnerable	Sum
Predictable income	40%	53%	7%	100%
Unpredictable income	15%	64%	21%	100%
Income Volatility[2]	Financially Healthy	Financially Coping	Financially Vulnerable	Sum
Steady income	33%	57%	10%	100%
Volatile income	18%	61%	21%	100%
Schedule Predictability[3]	Financially Healthy	Financially Coping	Financially Vulnerable	Sum
Predictable hours	32%	58%	11%	100%
Unpredictable hours	19%	60%	21%	100%
Schedule Variability[4]	Financially Healthy	Financially Coping	Financially Vulnerable	Sum
Consistent or flexible schedule	29%	59%	13%	100%
Employer-dependent schedule	20%	59%	22%	100%
Job Security[5]	Financially Healthy	Financially Coping	Financially Vulnerable	Sum
Stable employment	30%	59%	12%	100%
Unstable employment	20%	53%	27%	100%

[1] "Predictable income" refers to respondents who were able to predict their income "every month" over the past 12 months. "Unpredictable income" refers to respondents who were able to predict their income "most months," "about half the time," "a few months," or "never" over the past 12 months. (Q024)

[2] "Steady income" refers to respondents who said their income "was roughly the same each month." "Volatile income" refers to respondents whose income varied "occasionally" or "quite often" from month to month. (Q025)

[3] "Predictable hours" refers to employed respondents who said they know their hours "more than a month in advance," whose "hours are the same each day," or who "decide on the hours [they] work each day." "Unpredictable hours" refers to employed respondents who said they know their hours less than a month in advance. (Q122)

[4] "Consistent or flexible schedule" refers to employed respondents who said they "normally work the same hours" or whose "schedule varies, primarily at [their] request." "Employer-dependent schedule" refers to employed respondents who said their "schedule varies, primarily due to [their] employer's needs." (Q121)

[5] "Stable employment" refers to employed respondents who said it is "not very likely" or "not at all likely" they will lose their main job or be permanently laid off in the next 12 months. "Unstable employment" refers to employed respondents who said it is "somewhat" or "very likely" this will happen. (Q124)

Figure 11: Differences in CFSI Financial Health Scores® Associated with Employment Conditions

Associated Difference in CFSI Financial Health Score®	9.5 points	5.4 points	5.4 points	4.5 points	2.6 points
Employment Conditions	Predictable income	Steady income	Stable employment	Consistent or flexible schedule	Predictable hours

Associated difference in CFSI Financial Health Score® calculated when holding all other socioeconomic and demographic variables constant. All differences reported in this figure are statistically significant at the 5 percent level or lower. See notes on Table 28 for definitions of types of workplace instability. See Figure R.3 in Appendix D for full regression results.

After controlling for socioeconomic and demographic variables, the association between employment conditions and financial health remains considerable.[19]

Holding these variables constant, we find that:

- Employees who can predict their income month-to-month have an average CFSI Financial Health Score® 9.5 points higher than those who cannot predict their income.
- Employees who have steady income have an average CFSI Financial Health Score® 5.4 points higher than those who have volatile income.
- Employees who have stable employment have an average CFSI Financial Health Score® 5.4 points higher than those who think they may lose their job in the next 12 months.
- Employees who have consistent or flexible schedules have an average CFSI Financial Health Score® 4.5 points higher than those whose schedules are dependent on their employer.
- Employees who can predict their hours have an average CFSI Financial Health Score® 2.6 points higher than those who cannot predict their hours.

[19] Analyses in this section are based on respondents who are employed or on leave. As a result, regressions do not include a variable controlling for employment.

Figure 12: Point Difference in CFSI Financial Health Scores® Associated with Employment Conditions by Household Income

Associated changes in CFSI Financial Health Scores® among those who are working or employed for each income subgroup calculated when holding socioeconomic and demographic variables constant. See notes on Table 28 for definitions of types of workplace instability. Of the differences presented in this figure for households making less than $30,000 per year, only those related to income predictability and consistent or flexible schedules are statistically significant at the 5 percent level. The positive difference associated with predictable hours for those making between $60,000 - $99,999 is not statistically different from zero.

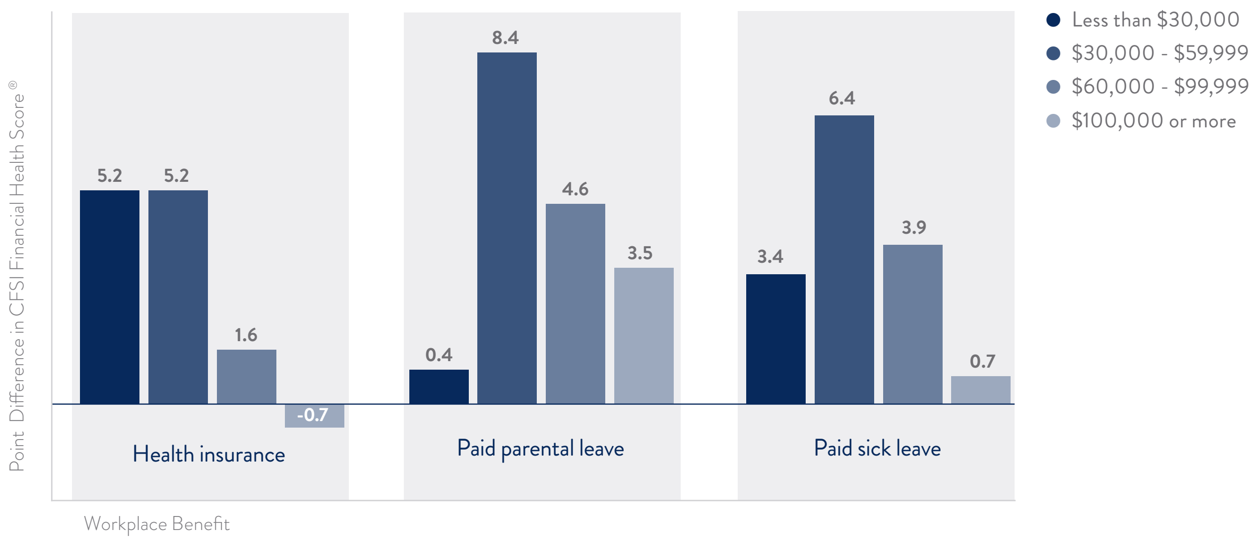
The association between employment conditions and financial health is generally strongest for those making between $30,000 - $59,999 *(Figure 12)*. For example, after controlling for socioeconomic and demographic variables, employees in this income bracket who have steady incomes have an average CFSI Financial Health Score® 11.2 points higher than those in this income bracket who have volatile incomes. For those making between $60,000 - $99,999, the difference in financial health scores associated with steady income is just 3.1 points, and for those making more than $100,000, the difference is 5 points.

In general, the differences in CFSI Financial Health Scores® associated with greater workplace stability are smaller for those making less than $30,000 than they are for those with incomes between $30,000 - $59,999. This may be the result of lower baseline levels of financial health among the former group, or it may be because means-tested safety-net programs help these individuals better cope with various forms of instability.[20] These figures may also suggest that at a certain point, a lack of income matters more than specific employment conditions.

[20] Families in the U.S. Financial Diaries reported reliance on government benefits, most of which are only available to those with the lowest incomes, during months when incomes fell far below their average.

Figure 13: Point Difference in CFSI Financial Health Scores® Associated with Access to Workplace Benefits by Household Income

Q123. Still thinking about your main job, does your employer offer you any of the following benefits (even if you do not personally use the benefit)? Please select all that apply.



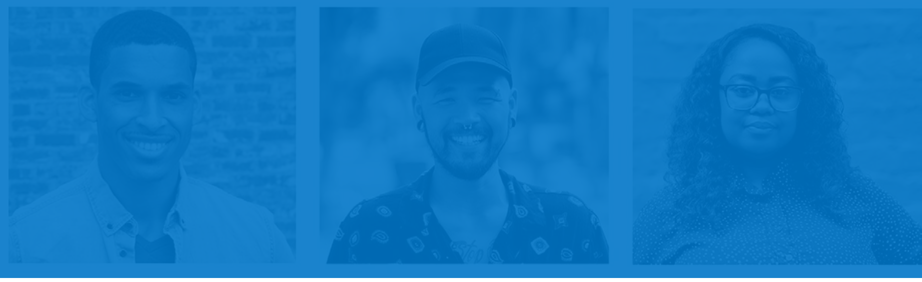
Associated changes in CFSI Financial Health Scores® calculated among those who are working or employed when holding all other demographic and socioeconomic variables constant. Several other benefits were tested, but sample sizes were too small to reliably assess the relationship between these other benefits and financial health. The negative difference associated with having access to health insurance for those making more than $100,000 is not statistically different from zero.

It is precisely this group of middle-income workers that stands to gain the most from employer-provided benefits. Differences in CFSI Financial Health Scores® associated with access to various types of workplace benefits are greatest for individuals making between $30,000 - $59,999 *(Figure 13).* For example, after controlling for socioeconomic and demographic variables, employees in this income bracket who have access to paid parental leave have an average CFSI Financial Health Score® 8.4 points higher than those in this income bracket who do not have access to paid parental leave. For employees making between $60,000 - $99,999, the difference in financial health scores associated with access to paid parental leave is just 4.6 points; and for those making more than $100,000, the difference is 3.5 points. Interestingly, the difference in financial health scores associated with access to employer-sponsored health insurance is the same for individuals making less than $30,000 and those making between $30,000 - $59,999 (5.2 points). This research suggests that employer-sponsored health insurance may make a meaningful difference in the lives of all employees at the lower end of the economic spectrum.

Unfortunately, workplace benefits remain out of reach for millions of low- to moderate-income employees. Nearly half of those making between $30,000 and $59,999 do not have access to paid sick leave. More than 80 percent do not have access to paid parental leave, and more than a third do not have access to employer-sponsored health insurance *(Table C.18).*

Assessing employment conditions through the framework of financial health, we see stark differences between those who benefit from stability in the workplace and those who do not. While more research is needed to understand which policies can improve employees' financial health, our findings suggest that there are opportunities to address workplace instability in two key ways: at its source, by making employees' hours and wages more predictable and steady, and by treating the symptoms through employee-provided benefits, such as paid leave and healthcare.

CONCLUSION



In this inaugural report from the U.S. Financial Health Pulse, we introduce the concept of financial health to better capture the true state of Americans' financial lives.

We also begin to explore the demographic characteristics, financial behaviors, and societal trends that shape financial health in America today. We find that millions of Americans are struggling to spend, save, borrow, and plan in ways that will allow them to be resilient and pursue opportunities over time.

But this research is just the beginning. Annual, longitudinal surveys will shed light on how and why the financial health of Americans is changing over time. Transactional and account records will provide us with a nuanced and potentially real-time way of tracking changes in financial health across the country. A comparison of the two data sets will help us understand how self-perceptions of financial health compare with observed metrics. We hope others will join us in exploring the behavioral, attitudinal, and systemic drivers of financial health by leveraging our data and challenging our conclusions.

But data alone won't solve the problem. In order to truly make a difference in the lives of Americans, we need to develop concrete goals and hold ourselves accountable to these goals. In the coming years, we plan to work with a broad set of stakeholders, including representatives of the underserved communities we most hope to impact, to develop goals and establish benchmarks that we can track over time.

In the meantime, we will continue to work with policymakers and regulators to design smart policies and regulations that advance the financial well-being of Americans. We will help financial service providers use the CFSI Financial Health Score® to diagnose their customers' financial health, design solutions that meet their needs, and track their progress against national benchmarks. We will engage leaders in housing, healthcare, education, and employment to help them understand how they can use the holistic framework of financial health to assess whether their programs, policies, and solutions are having a meaningful impact on the lives of those they touch.

Tackling a challenge as immense as the financial health of the nation won't be easy. Change will be slow, and the journey may be long. But armed with a common set of goals and ongoing data to track our progress, our chances have never been greater. The time to act is now.

APPENDIX

Appendix A - 2018 Baseline Survey Sample

Table A.1: Summary of Survey Sample Demographics (n = 5,019)

Household Income	Percent of Total Sample
Less than $30,000	25%
$30,000 - $59,999	27%
$60,000 - $99,999	24%
$100,000 or more	25%
Sum	100%

Age	Percent of Total Sample
18-25	6%
26-35	21%
36-49	27%
50-64	28%
65 and over	18%
Sum	100%

Labor Status	Percent of Total Sample
Working full-time	52%
Working part-time	12%
Not employed, not retired	21%
Retired	15%
Sum	100%

Marital Status	Percent of Total Sample
Married	55%
Not married	45%
Sum	100%

Education	Percent of Total Sample
Less than high school	9%
High school	31%
Some college	28%
Bachelor's degree or higher	32%
Sum	100%

Race/Ethnicity	Percent of Total Sample
White, not Hispanic	64%
Black, not Hispanic	12%
Hispanic	16%
Other, not Hispanic	3%
Mixed, not Hispanic	5%
Sum	100%

Gender	Percent of Total Sample
Female	52%
Male	48%
Sum	100%

Appendix B - The CFSI Financial Health Score®

Questionnaire and Scoring Logic

CFSI Financial Health Scores® are calculated using the scoring logic below and the point values corresponding to each indicator question presented on the following pages.

Scoring Logic

CFSI Financial Health Score® To calculate financial health scores, take the:		**Component Sub-Scores** To calculate financial health sub-scores, take the:
Average of indicator 1-8	SPEND	Average of indicator 1 + 2
	SAVE	Average of indicator 3 + 4
	BORROW	Average of indicator 5 + 6
	PLAN	Average of indicator 7 + 8

Evolution of CFSI's Financial Health Measurement Framework

The CFSI Financial Health Score® represents an evolution of CFSI's financial health measurement methodology. In 2015, we published the Consumer Financial Health Study (CFHS), an update to our seminal 2008 consumer research study. In CFHS, we used a segmentation model to assess the financial health of Americans, finding that 57 percent of Americans were financially struggling.

In the years since those findings were released, we have replaced the segmentation model with the scoring methodology described in this report. The segmentation model was designed to identify groups of individuals with similar habits and behaviors. It was not designed to provide a granular assessment of how the financial health of an individual or group of individuals changes over time. The CFSI Financial Health Score® is a continuous and linear variable that allows us to better assess and track changes in financial health over time.

As a result of this update, the top-line figures presented in this report are not directly comparable to the headlines reported in CFHS. We cannot draw conclusions about how the financial health of Americans has changed between 2015 and today. But because the CFSI Financial Health Score® will serve as the measurement methodology for subsequent research, we will be able to draw conclusions about how the financial health of the country is changing moving forward.

SPEND

INDICATOR 1

Which of the following statements best describes how your household's total spending compared to total income, over the last 12 months?

Response	Values
Spending was much less than income	100
Spending was a little less than income	75
Spending was about equal to income	50
Spending was a little more than income	25
Spending was much more than income	0

INDICATOR 2

Which of the following statements best describes how your household has paid its bills over the last 12 months?

My household has been financially able to:

Response	Values
Pay all of our bills on time	100
Pay nearly all of our bills on time	60
Pay most of our bills on time	40
Pay some of our bills on time	20
Pay very few of our bills on time	0

SAVE

INDICATOR 3

At your current level of spending, how long could you and your household afford to cover expenses, if you had to live only off the money you have readily available, without withdrawing money from retirement accounts or borrowing?

Response	Values
6 months or more	100
3-5 months	75
1-2 months	50
1-3 weeks	25
Less than 1 week	0

INDICATOR 4

Thinking about your household's longer-term financial goals such as saving for a vacation, starting a business, buying or paying off a home, saving up for education, putting money away for retirement, or making retirement funds last...

How confident are you that your household is currently doing what is needed to meet your longer-term goals?

Response	Values
Very confident	100
Moderately confident	75
Somewhat confident	50
Slightly confident	25
Not at all confident	0

BORROW

INDICATOR 5

Thinking about all of your household's current debts, including mortgages, bank loans, student loans, money owed to people, medical debt, past-due bills, and credit card balances that are carried over from prior months...

As of today, which of the following statements describes how manageable your household debt is?

Response	Values
Have a manageable amount of debt	85
Have a bit more debt than is manageable	40
Have far more debt than is manageable	0
Do not have any debt	100

INDICATOR 6

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.

Response	Values
Excellent	100
Very good	80
Good	60
Fair	40
Poor	0
I don't know	0

PLAN

INDICATOR 7

Thinking about all of the types of insurance you and others in your household currently might have, including health insurance, vehicle insurance, home or rental insurance, life insurance, and disability insurance...

How confident are you that those insurance policies will provide enough support in case of an emergency?

Response	Values
Very confident	100
Moderately confident	75
Somewhat confident	50
Slightly confident	25
Not at all confident	10
No one in my household has any insurance	0

INDICATOR 8

To what extent do you agree or disagree with the following statement: "My household plans ahead financially."

Response	Values
Agree strongly	100
Agree somewhat	65
Neither agree or disagree	35
Disagree somewhat	15
Disagree strongly	0

Developing the CFSI Financial Health Score®

THE SURVEY GUIDE

To develop the survey guide for the CFSI Financial Health Score®, the CFSI research team conducted extensive industry research to identify questions from existing surveys that corresponded with CFSI's eight indicators of financial health (Figure 1). We considered survey instruments from the Survey of Consumer Finances, the Federal Reserve's Report on the Economic Well-Being of U.S. Households, the FDIC's National Survey of Unbanked and Underbanked Households, and FINRA's National Capability Study. Based on this research, as well as consultations with industry experts, we drafted a survey guide that aligned with the eight indicators of financial health.

In the third quarter of 2016, the CFSI research team fielded a nationally representative benchmarking study (n = 400) to test the draft survey instrument. Response patterns were analyzed to identify where questions yielded high-quality results and where questions could be clarified and improved.

In the first quarter of 2017, we hired an external research firm to user-test the revised draft of the survey guide with a select group of low-income and financially struggling consumers. The firm conducted in-depth interviews with consumers in San Francisco and Detroit to ensure that respondents accurately interpreted each of the survey questions.

In October 2017, an initial version of the CFSI Financial Health Score® was released to members of CFSI's Network. Based on additional consumer testing, the CFSI research team revised the survey guide in the first half of 2018. Another round of cognitive testing was conducted with members of the University of Southern California's Understanding America Study panel. The survey guide was simplified and streamlined into the current version presented in this report.

THE SCORING LOGIC

To develop the scoring logic for the CFSI Financial Health Score®, we conducted extensive industry research to assess available scoring tools. We considered the CFPB's Financial Well-Being Scale, the University of Wisconsin's Financial Capability Scale, Momentum's U.K. Financial Wellness Index, and Bain & Company's Net Promoter Score (NPS), as well as proprietary models, such as those from Melius, HelloWallet, NerdWallet, and USAA.

Designing the Scale

Based on this research, as well as consultations with industry experts, we decided to adopt a 100-point scale for the financial health score. This scale was chosen because of its straightforward and intuitive nature, both for providers and for consumers.

Weighting the Components

To determine the relative weighting of the four components and eight indicators of financial health, the CFSI research team considered equal weighting versus variable weighting. Ultimately, we decided to weight the components and indicators equally because there is no conclusive evidence that one of the components or indicators of financial health is more important than the others and should therefore be weighted more heavily. This approach may be revisited as we continue to test and validate the measurement framework.

Determining Response Values

Once we determined the basic characteristics of the framework, we assigned values to the responses of each survey question, which were then adjusted based on expert judgements about the state of financial health in America. We made an effort to ensure that the relative assigning of response values remained consistent across survey questions and financial health tiers.

In the first quarter of 2017, the CFSI research team tested this draft logic in a second nationally representative consumer study (n = 5,000). We continued to adjust response values, assessing how various approaches affected the mean, median, and overall distribution of financial health scores across the country.

Identifying Financial Health Tiers

Once the scoring logic had been finalized, the research team employed a number of analytical techniques to identify financial health tiers within the data set:

1. A cluster analysis was conducted to determine where segments naturally occurred. Developing cutoffs at the edges of the three clusters that emerged suggested that the Financially Healthy tier cutoff was located around a score of 80 and the Financially Vulnerable tier cutoff was located around a score of 50.
2. To ensure that this empirical analysis yielded intuitive results, the research team developed "archetypes" based on the U.S. Financial Diaries to evaluate whether various response patterns generated scores that were intuitively aligned with a subjective diagnosis of financial health. This exercise reinforced the team's hypothesis that the Financially Healthy tier cutoff was located around a score of 80, but it suggested that the Vulnerable tier cutoff was located around a score of 40, not 50.
3. The team also assessed all possible financial health scores that might arise from different combinations of responses to ensure that the hypothesized tier cutoffs of 80 and 40 would not yield any counterintuitive scoring results. While the archetypes exercise described above assessed intuitive answer combinations, this analysis ruled out any counterintuitive scoring combinations, reinforcing the 40/80 tier cutoffs.
4. Finally, the team plotted the average number of Healthy, Coping, and Vulnerable responses from the 2017 data set to assess existing scoring combinations from a nationally representative sample. This exercise revealed that at a score of 80, the average number of Healthy responses started to exceed the average number of Coping and Vulnerable responses. Likewise, the average number of Healthy and Coping responses started to exceed the average number of Vulnerable responses at a score of 40. This analysis further reinforced that tier cutoffs were located at scores of 40 and 80.

Identifying Sub-Score Tiers

Next, the research team identified segment cutoffs for each of the sub-scores: Spend, Save, Borrow, and Plan. The team looked for inconsistencies in the scoring logic and performed a similar set of analytical exercises as the ones described above. Based on this analysis, we determined that the same cutoffs of 40 and 80 applied to the sub-scores as well.

VALIDATION AND ALIGNMENT

To further test the validity of the CFSI Financial Health Score® framework, we included several questions in our survey that one would expect to be correlated with overall financial well-being (Table B.1). We included questions based on those that the Bureau of Consumer Financial Protection (BCFP) used to validate its Financial Well-Being Scale, as well as the Federal Reserve's "$400 question" ("Suppose now that you have an emergency expense that costs $400. Based on your current financial situation, how would you pay for this expense?").

Table B.1 shows the Spearman's correlation between these validation questions and the CFSI Financial Health Score®.[21] Each correlation runs in the expected direction and nearly all correlations are strong. For example, the correlation between CFSI's measure and Q003: ("Overall, how satisfied are you with your current financial situation?") is -0.68, suggesting there is a strong negative relationship between lower rates of financial satisfaction and financial health.

Table B.1: Spearman's Correlations between CFSI Financial Health Scores® and Selected Validation Questions

Validation Question	Spearman's Correlation	CFSI Financial Health Score® Response Options	
Q003. Overall, how satisfied are you with your current financial situation?	-0.68***	1. Extremely satisfied 2. Very satisfied	3. Somewhat satisfied 4. Not very satisfied 5. Not at all satisfied
Q013. Over the last 12 months, how much stress, if any, did your finances cause you?	0.59***	1. High stress 2. Moderate stress	3. Some stress 4. No stress
Q019. In the past 12 months, I worried whether our food would run out before I got money to buy more.	0.53***	1. Often 2. Sometimes	3. Never
Q020. In the past 12 months, we had trouble paying our rent or mortgage.	0.51***	1. Often 2. Sometimes	3. Never
Q021. In the past 12 months, I or someone in my household did not get healthcare we needed because we couldn't afford it.	0.46***	1. Often 2. Sometimes	3. Never
Q022. In the past 12 months, I or someone in my household stopped taking a medication or took less than directed due to the costs.	0.37***	1. Often 2. Sometimes	3. Never
Ability to make an emergency $400 payment without borrowing or selling something (Calculated from Q043).	0.63***	1. No 2. Yes	

*** p < .01. Q019, 21, and 22 are based on the validation questions that the BCFP used to test its Financial Well-Being Scale. We have adapted these questions to refer to the household, rather than the individual.

A Note on Understanding Correlations

Correlation coefficients vary between -1 and 1. Generally, the closer a coefficient is to either limit, the stronger the correlation between the two variables. The direction of a correlation is given by the sign of the coefficient. Negative coefficients indicate that when one quantity increases, the other decreases, while positive coefficients indicate that both quantities tend to increase together. Conventions vary, however, for assessing the specific strength of a correlation based on a correlation coefficient. We consider any correlation coefficient greater than 0.5, or less than -0.5, to be strong.

[21] We use Spearman's correlations because response options across all validation questions are ordinal rather than cardinal.

In addition to these validation questions, we also compared the CFSI Financial Health Score® to the abbreviated version of the BCFP Financial Well-Being Scale.[22] We would expect these two measurements to be strongly related, but not perfectly correlated, since the two methodologies are measuring related, but slightly different, concepts. We find that the correlations between CFSI's methodology and the individual items used in the abbreviated BCFP scale are strong and in the expected direction (Table B.2).

To further understand the alignment between the CFSI Financial Health Score® and the BCFP's Financial Well-Being Scale, we used these individual components to determine where each of our respondents fell on the overall BCFP scale. Figure B.1 depicts the relationship between the two measures in a scatter plot and shows that CFSI Financial Health Scores® generally increase as the BCFP scale increases. (The orange line represents a trend in the data that incorporates the analysis weights.) The Spearman's correlation coefficient between CFSI's score and the BCFP's scale is 0.73. As suggested by both the individual item correlations and this high correlation coefficient, the two measures are highly correlated.

Table B.2: Spearman's Correlations Between CFSI Financial Health Scores® and Individual Items in the BCFP Financial Well-Being Scale

BCFP Financial Well-being Scale Question	Spearman's Correlation	Response Options and Order	
Q007. How well does this statement describe you or your situation? "Because of my money situation, I feel like I will never have the things I want in life."	0.58***	1. Completely 2. Very well 3. Somewhat	4. Very little 5. Not at all
Q008. How well does this statement describe you or your situation? "I am just getting by financially."	0.60***	1. Completely 2. Very well 3. Somewhat	4. Very little 5. Not at all
Q009. How well does this statement describe you or your situation? "I am concerned that the money I have or will save won't last."	0.59***	1. Completely 2. Very well 3. Somewhat	4. Very little 5. Not at all
Q010. How often does this statement apply to you? "I have money left over at the end of the month."	-0.69***	1. Always 2. Often 3. Sometimes	4. Rarely 5. Never
Q011. How often does this statement apply to you? "My finances control my life."	0.54***	1. Always 2. Often 3. Sometimes	4. Rarely 5. Never
Overall BCFP Financial Well-Being Scale	**0.73*** **	**0-100 Scale**	

***p <.01

[22] "CFPB Financial Well-Being Scale," Bureau of Consumer Financial Protection, 2017.

Figure B.1: The Relationship Between the BCFP Financial Well-Being Scale and the CFSI Financial Health Score®

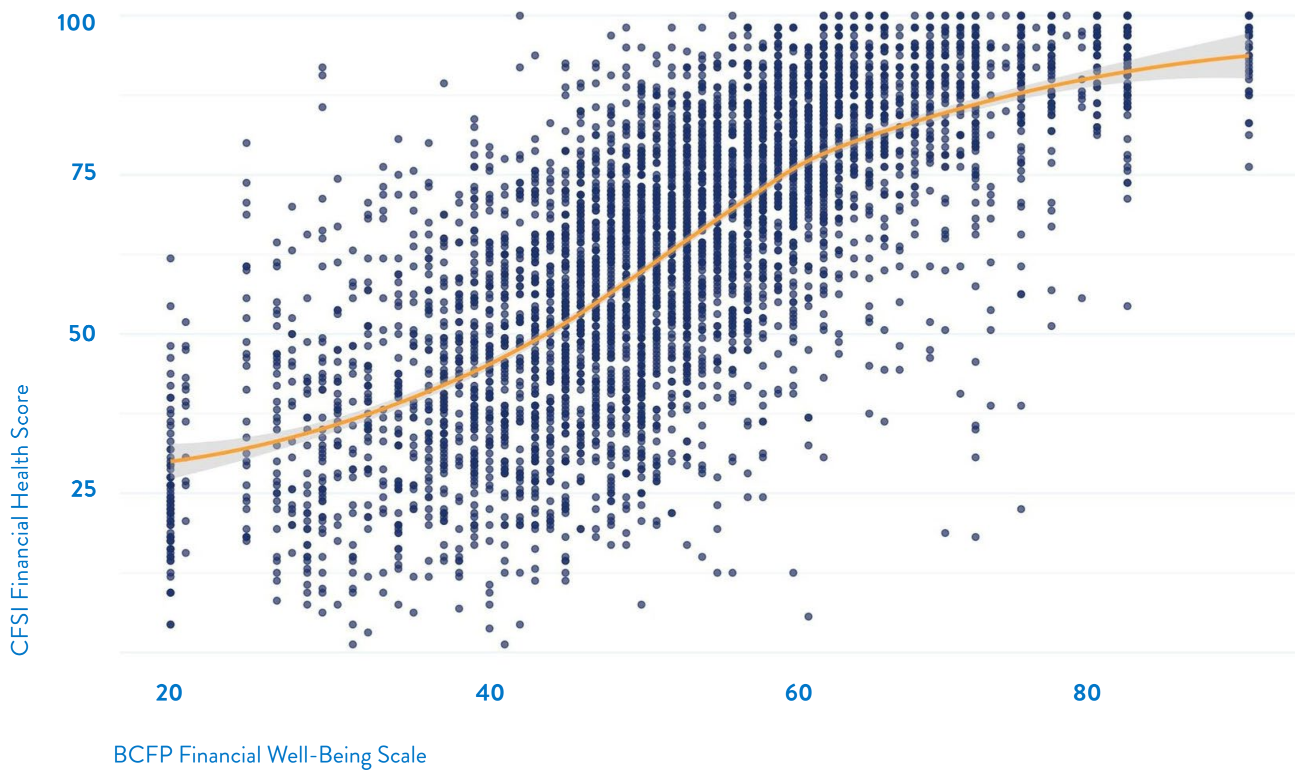
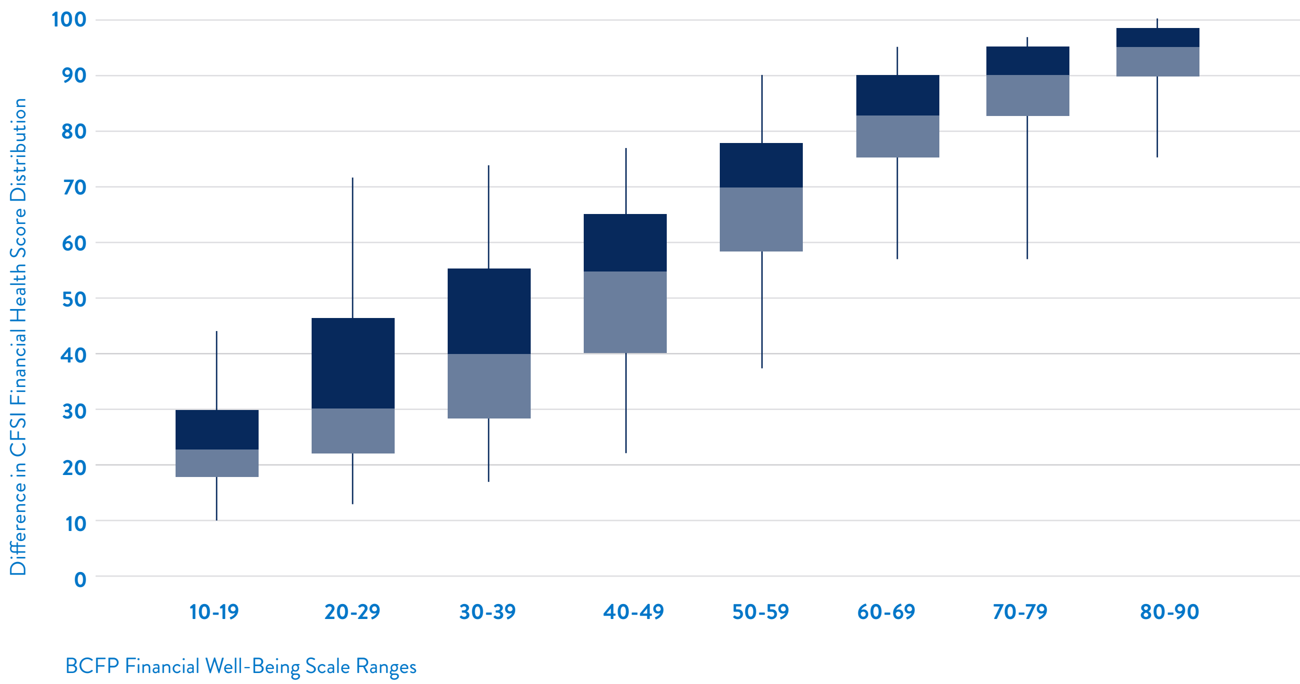


Figure B.1 shows the general data trend, but it also exaggerates the dispersion of points around this trend with the inclusion of all outliers. Figure B.2, a box-and-whisker plot, better demonstrates the shape of the CFSI Financial Health Score® distribution within each increment of 10 on the BCFP scale. The line across the interior of the box represents the median, the upper and lower edges of the box represent the interquartile range, and the whiskers (the vertical lines above and below the box) represent the range between the fifth and 95th percentile at each level. The figure shows that, for most levels, 50 percent of CFSI scores are within approximately 10 points (or fewer) of the median for that level, and 90 percent of CFSI scores are within approximately 30 points of the median. This figure further demonstrates the overall strength of the relationship between the two measures.

Figure B.2: Box-and-Whisker Plot Showing the Distribution of CFSI Financial Health Scores® in Each Increment of 10 on the BCFP Scale



NEXT STEPS

The CFSI Financial Health Score® is meant to be a starting point, proving that financial health can be measured and ultimately improved. Over the coming years, we will continue to work with researchers, academics, and advisors to test the validity of the measurement instrument and increase the accuracy, precision, and robustness of the methodology.

Appendix C - Supplemental Tables and Charts

Table C.1: Received Tax Refund by Financial Health Tier				
Q040. Did you or anyone in your household receive a tax refund this year (from filing 2017 taxes), or do you expect to receive a refund?	**Financially Healthy** (n = 1,499)	**Financially Coping** (n = 2,674)	**Financially Vulnerable** (n = 791)	**All Respondents** (n = 5,015)
Received a tax refund	64%	62%	57%	**61%**
Expect to receive a tax refund	5%	8%	5%	**7%**
Did not receive and do not expect a tax refund	31%	30%	38%	**32%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Table C.2: Uses of Tax Refund by Financial Health Tier				
Q041. Which of the following best describes how you used your tax refund? Did you save or invest the money, or did you spend it, or some of both?	**Financially Healthy** (n = 921)	**Financially Coping** (n = 1,639)	**Financially Vulnerable** (n = 426)	**All Respondents** (n = 2,999)
Spent all of the tax refund	11%	32%	57%	**30%**
Saved some of it, spent some of it	41%	40%	16%	**37%**
Saved or invested all of it	35%	12%	1%	**17%**
Did something else with it	10%	14%	23%	**14%**
Don't know	2%	2%	4%	**3%**
Sum	**100%**	**100%**	**100%**	**100%**

Question asked of respondents who indicated they received a tax refund in 2018 (Table C.1).

Table C.3: Ownership of Liquid Savings Accounts by Financial Health Tier				
Q046, 47, 51, 52. Do you or anyone in your household have any of the following financial assets or accounts?	**Financially Healthy**	**Financially Coping**	**Financially Vulnerable**	**All Respondents**
Checking account	98%	90%	77%	**89%**
Savings account	90%	75%	48%	**74%**
Other personal savings or investments such as mutual funds, money market accounts, stocks, certificates of deposit, or annuities, etc.	66%	26%	6%	**34%**
Savings in cash	66%	42%	14%	**44%**

Question asked of all respondents. Respondents could select more than one response. Sample sizes differ by account type.

Table C.4: Ownership of Long-Term Savings Accounts by Financial Health Tier				
Q048 - 50. Do you or anyone in your household have any of the following financial assets or accounts?	**Financially Healthy**	**Financially Coping**	**Financially Vulnerable**	**All Respondents**
Employer-provided retirement account (e.g. 401k, 403(b), or Thrift Savings Plan (TSP))	64%	53%	29%	**51%**
Individual retirement account not provided by an employer (IRA, Keogh, SEP, or any other retirement fund)	59%	25%	5%	**31%**
An employer-provided traditional pension or cash balance plan	46%	24%	10%	**27%**

Question asked of all respondents. Respondents could select more than one response. Sample sizes differ by account type.

Table C.5: Type of Debt Held by Financial Health Tier				
Q078 - 85. Which of the following types of debt, if any, do you or anyone in your household currently have?	**Financially Healthy**	**Financially Coping**	**Financially Vulnerable**	**All Respondents**
Auto loans	56%	55%	50%	**54%**
Student loans	19%	30%	32%	**28%**
Small business loans	2%	2%	3%	**2%**
Mortgages and home equity line of credit	74%	49%	30%	**51%**
Medical debts	8%	30%	64%	**31%**
Outstanding credit card balances carried over from previous months	26%	56%	61%	**50%**
Other loans (including payday loans, auto title loans, money borrowed from family or friends, and excluding the loans listed above)	4%	14%	39%	**16%**
Other debts not listed	3%	5%	10%	**5%**

Question asked of all respondents except those who said they "do not have any debt" (Table 17). Respondents could select more than one response. Sample sizes differ by account type. While these questions were asked about independent forms of debt, it is possible that respondents selected more than one option for the same debt. For example, if a respondent had paid emergency medical bills using a credit card, they could conceivably indicate they had both credit card and medical debt

Table C.6: Self-Assessment of Credit Score by Numeric Credit Score Bracket							
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.	**Poor** (n = 604)	**Fair** (n = 719)	**Good** (n = 873)	**Very good** (n = 1,031)	**Excellent** (n = 1,554)	**Don't know** (n=236)	**All Respondents** (n = 5,017)
300-499	24%	3%	1%	0%	1%	3%	**4%**
500-549	27%	11%	2%	0%	0%	3%	**6%**
550-599	25%	23%	4%	1%	0%	5%	**8%**
600-649	7%	35%	16%	3%	0%	1%	**10%**
650-699	2%	17%	33%	4%	1%	0%	**10%**
700-749	0%	2%	31%	37%	4%	1%	**15%**
750-799	0%	0%	4%	39%	25%	0%	**16%**
800-850	0%	0%	0%	10%	64%	0%	**20%**
Don't know	15%	10%	8%	7%	5%	86%	**13%**
Sum	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Table C.7: Financial Satisfaction by Extent of Financial Struggle Growing Up						
Q003. Overall, how satisfied are you with your current financial situation?	**"Regularly" Struggled Growing Up** (n = 1,402)	**"Sometimes" Struggled Growing Up** (n = 1,892)	**"Rarely" Struggled Growing Up** (n = 940)	**"Never" Struggled Growing Up** (n = 523)	**Don't Know** (n = 260)	**All Respondents** (n = 5,018)
Extremely satisfied	3%	4%	5%	7%	6%	**4%**
Very satisfied	22%	25%	29%	32%	26%	**26%**
Somewhat satisfied	48%	47%	45%	40%	36%	**46%**
Not very satisfied	20%	19%	17%	14%	24%	**19%**
Not at all satisfied	7%	5%	4%	6%	7%	**6%**
Sum	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Table C.8: Level of Financial Stress by Extent of Financial Struggle Growing Up						
Q013. Over the last 12 months, how much stress, if any, did your finances cause you?	**"Regularly" Struggled Growing Up** (n = 1,402)	**"Sometimes" Struggled Growing Up** (n = 1,892)	**"Rarely" Struggled Growing Up** (n = 940)	**"Never" Struggled Growing Up** (n = 523)	**Don't Know** (n = 260)	**All Respondents** (n = 5,017)
High stress	22%	16%	13%	15%	15%	**17%**
Moderate stress	30%	27%	26%	17%	21%	**26%**
Some stress	35%	41%	41%	37%	36%	**38%**
No stress	14%	16%	20%	31%	28%	**19%**
Sum	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Question asked of all respondents.

Table C.9: Financial Health Indicators by Extent of Financial Struggle Growing Up		
Financial Health Indicators	**Never Struggled Financially** (n = 523)	**Struggled Financially[1]** (n = 3,293)
Indicator 1 Spending was much less than income	25%	17%
Indicator 2 Pay all of our bills on time	74%	62%
Indicator 3 Have 6 months or more of living expenses	46%	34%
Indicator 4 Very confident on track to meet long-term financial goals	27%	15%
Indicator 5 No debt or a manageable amount of debt	79%	67%
Indicator 6 Excellent or very good credit	54%	47%
Indicator 7 Very confident about coverage of insurance policies	45%	30%
Indicator 8 Agree strongly that household plans ahead financially	35%	22%

Listed indicator responses displayed in this chart have point values of 80 or above in the CFSI Financial Health Score® (Appendix B).

[1] "Struggled Financially" defined as those who responded "regularly" or "sometimes" to Q118.

Table C.10: Financial Struggle, Having Enough to Eat, and Crime and Safety Growing Up by Race/Ethnicity							
	American Indian or Alaska Native, Non-Hispanic (n = 24)	**Asian, Non-Hispanic** (n = 163)	**Black, Non-Hispanic** (n = 420)	**Hawaiian/ Pacific Islander, Non-Hispanic** (n = 12)	**Hispanic** (n = 563)	**Mixed, Non-Hispanic** (n = 205)	**White, Non-Hispanic** (n = 3,623)
Struggled financially[1]	68%	65%	63%	76%	68%	71%	65%
Worried about having enough to eat[2]	30%	8%	13%	30%	12%	12%	7%
Worried about crime and safety[3]	7%	4%	11%	4%	11%	8%	3%

[1] "Struggled financially" defined as those who responded "regularly" or "sometimes" to Q118. "How frequently did your family struggle financially while you were growing up?"

[2] "Worried about having enough to eat" defined as those who responded "regularly" to Q135. "How frequently did you worry about having enough food to eat while you were growing up?"

[3] "Worried about crime and safety" defined as those who responded "regularly" to Q136. "How frequently did you worry about crime and personal safety while you were growing up?"

Table C.11: Financial Health Indicators of Those Who Struggled Financially Growing Up by Race/Ethnicity							
Financial Health Indicators	**American Indian or Alaska Native, Non-Hispanic / Struggled** (n = 15)	**Asian, Non-Hispanic / Struggled** (n = 104)	**Black, Non-Hispanic / Struggled** (n = 274)	**Hawaiian/ Pacific Islander, Non-Hispanic / Struggled** (n = 8)	**Hispanic / Struggled** (n = 383)	**Mixed, Non-Hispanic / Struggled** (n = 151)	**White, Non-Hispanic / Struggled** (n = 2,355)
Indicator 1 Spending was much less than income	11%	23%	17%	10%	17%	18%	16%
Indicator 2 Pay all of our bills on time	58%	67%	46%	23%	54%	56%	68%
Indicator 3 Have 6 months or more of living expenses	18%	54%	28%	33%	25%	32%	37%
Indicator 4 Very confident on track to meet long-term financial goals	9%	22%	10%	0%	10%	17%	17%
Indicator 5 No debt or a manageable amount of debt	56%	72%	61%	75%	61%	67%	70%
Indicator 6 Excellent or very good credit	53%	66%	20%	16%	32%	46%	55%
Indicator 7 Very confident about coverage of insurance policies	18%	27%	32%	13%	26%	32%	30%
Indicator 8 Agree strongly that household plans ahead financially	9%	20%	21%	10%	15%	24%	24%

Listed indicator responses displayed in this chart have point values of 80 or above in the CFSI Financial Health Score® (Appendix B). Values displayed in this chart are for those who responded "regularly" or "sometimes" to Q118. "How frequently did your family struggle financially while you were growing up?"

Table C.12: Income Predictability by Household Income and Financial Health Tier, Among Those Who Struggled Financially Growing Up

Household Income	Financial Health Tier	% of Respondents with Predictable Income
Less than $30,000	Healthy	57%
Less than $30,000	Coping	41%
Less than $30,000	Vulnerable	28%
$30,000 - $59,999	Healthy	74%
$30,000 - $59,999	Coping	43%
$30,000 - $59,999	Vulnerable	25%
$60,000 - $99,999	Healthy	75%
$60,000 - $99,999	Coping	50%
$60,000 - $99,999	Vulnerable	19%
$100,000 or more	Healthy	79%
$100,000 or more	Coping	55%
$100,000 or more	Vulnerable	40%

Values displayed in this chart represent percent of each financial health tier that responded "every month" to Q024. "In the last 12 months, how often were you able to easily predict your household's income for the following month?" Sample sizes in this table differ by income level and financial health.

Table C.13: Steady Income by Household Income and Financial Health Tier, Among Those Who Struggled Financially Growing Up

Household Income	Financial Health Tier	% of Respondents with Steady Income
Less than $30,000	Healthy	66%
Less than $30,000	Coping	59%
Less than $30,000	Vulnerable	49%
$30,000 - $59,999	Healthy	81%
$30,000 - $59,999	Coping	63%
$30,000 - $59,999	Vulnerable	44%
$60,000 - $99,999	Healthy	80%
$60,000 - $99,999	Coping	69%
$60,000 - $99,999	Vulnerable	50%
$100,000 or more	Healthy	79%
$100,000 or more	Coping	66%
$100,000 or more	Vulnerable	65%

Values displayed in this chart represent percent of each financial health tier that responded "[my income] was roughly the same each month" to Q025. "In the last 12 months, which of the following statements best describes how your household's income varied from month to month, if at all?" Sample sizes in this table differ by income level and financial health.

Table C.14: Struggle to Afford Housing, Food, and Healthcare by Financial Health Indicators		
Financial Health Indicators	**Did Not Struggle to Afford Any Daily Living Expenses in the Last 12 Months[1]**	**Struggled to Afford at Least One Daily Living Expense in the Last 12 Months[2]**
Indicator 1 Spending was much less than income	24%	8%
Indicator 2 Pay all of our bills on time	84%	36%
Indicator 3 Have 6 months or more of living expenses	50%	17%
Indicator 4 Very confident on track to meet long-term financial goals	27%	5%
Indicator 5 No debt or a manageable amount of debt	87%	46%
Indicator 6 Excellent or very good credit	66%	23%
Indicator 7 Very confident about coverage of insurance policies	43%	15%
Indicator 8 Agree strongly that household plans ahead financially	33%	8%

Listed indicator responses displayed in this chart have point values of 80 or above in the CFSI Financial Health Score® (Appendix B).

[1] "Did not struggle to afford any daily living expenses in the last 12 months" defined as those who responded "never" to Q019 - Q022 about the affordability of housing, food, and healthcare.

[2] "Struggled to afford at least one daily living expense in the last 12 months" defined as those who said they "often" or "sometimes" struggled to afford at least one of the daily living expenses mentioned in Q019 - Q022.

Table C.15: Affordability of Housing, Food, and Healthcare by High Impact of Stress on Other Aspects of Life

Q020. In the past 12 months, we had trouble paying our rent or mortgage.	High Impact on Physical Health	High Impact on Mental Health	High Impact on Family Life	High Impact on School/Work Performance
Often	27%	42%	47%	18%
Sometimes	11%	18%	20%	6%
Never	4%	6%	6%	1%

Q019. In the past 12 months, I worried whether our food would run out before I got money to buy more.	High Impact on Physical Health	High Impact on Mental Health	High Impact on Family Life	High Impact on School/Work Performance
Often	28%	37%	45%	14%
Sometimes	11%	19%	19%	8%
Never	3%	5%	5%	1%

Q021. In the past 12 months, I or someone in my household did not get healthcare we needed because we couldn't afford it.	High Impact on Physical Health	High Impact on Mental Health	High Impact on Family Life	High Impact on School/Work Performance
Often	25%	34%	38%	16%
Sometimes	11%	15%	16%	6%
Never	3%	7%	6%	1%

Values displayed in this chart for those who responded "High Impact" to Q014 - Q017. "To what extent, if any, has financial stress negatively impacted your [physical health, mental health, family life, and school/work performance]?" Question only asked of those who said their finances caused them stress in the last 12 months (Q013).

Table C.16: Physical Health by Affordability of Housing, Food, and Healthcare

Q020. In the past 12 months, we had trouble paying our rent or mortgage.	Excellent	Very Good	Good	Fair	Poor	Sum
Often	7%	15%	50%	19%	9%	**100%**
Sometimes	8%	29%	41%	17%	5%	**100%**
Never	13%	41%	33%	11%	2%	**100%**

Q019. In the past 12 months, I worried whether our food would run out before I got money to buy more.	Excellent	Very Good	Good	Fair	Poor	Sum
Often	6%	17%	38%	26%	13%	**100%**
Sometimes	6%	26%	44%	20%	5%	**100%**
Never	14%	42%	33%	9%	2%	**100%**

Q021. In the past 12 months, I or someone in my household did not get healthcare we needed because we couldn't afford it.	Excellent	Very Good	Good	Fair	Poor	Sum
Often	5%	18%	45%	23%	9%	**100%**
Sometimes	7%	30%	40%	18%	5%	**100%**
Never	14%	41%	33%	10%	2%	**100%**

Values displayed in this chart reference Q002. "Would you say that in general your health is: Excellent, Very Good, Good, Fair, or Poor?"

Table C.17: Reasons for Volatile Income

Q026. Which of the following, if any, contributed to why your household's income varied over the last 12 months? (Please select all that apply, and if none of the listed apply, please write in your own answer below.)	Workers with Volatile Incomes (n = 1,217)
Irregular work schedule or overtime work	44%
Variable income from commission, tips, consulting, gig work, side jobs, odd jobs	29%
Variable income from bonuses	17%
Periods where you or household members were unemployed or laid off or on unpaid leave	17%
Started a new job	15%
Seasonal employment that began or ended in the last 12 months	9%
Received a promotion or salary increase	8%
Seasonal variation in sales or contracts	5%
Payouts from investment income	5%
Wages were garnished (i.e., withheld by your employer to pay some of your debts)	4%
Some other reason, please specify	13%

Question only asked of respondents who said their income "Occasionally varied" or "Varied quite often" from month to month in response to Q025. "In the last 12 months, which of the following statements best describes how your household's income varied from month to month, if at all?"

Table C.18: Access to Workplace Benefits by Household Income			
Household Income	**Health Insurance**	**Paid Parental Leave**	**Paid Sick Leave**
Less than $30,000	33%	10%	29%
$30,000 - $59,999	65%	19%	52%
$60,000 - $99,999	75%	24%	63%
$100,000 or more	84%	36%	72%

Appendix D - Regression Outputs

Figure R.1: Regression of CFSI Financial Health Score® on Socioeconomic and Demographic Variables

Household Income (reference category = Less than $30,000)	(1)
$30,000 - $59,999	7.871*** (0.769)
$60,000 - $99,999	15.383** (0.848)
$100,000 or more	22.165*** (0.910)

Age (reference category = 18-25)	(1)
26-35	-1.672 (1.233)
36-49	-3.947** (1.214)
50-64	-1.645 (1.204)
65 and over	2.862* (1.413)

Education (reference category = Less than high school)	(1)
High school	3.403*** (1.024)
Some college	4.043*** (1.050)
Bachelor's degree or higher	9.673*** (1.101)

Figure R.1: Regression of CFSI Financial Health Score® on Socioeconomic and Demographic Variables, Cont.

Marriage (reference category = Not married)	(1)
Married	2.903*** (0.603)

Employment (reference category: Not employed, not retired)	(1)
Employed	3.269*** (0.711)
Retired	12.056*** (1.099)

Gender (reference category = Female)	(1)
Male	3.122*** (0.528)

Race/Ethnicity (reference category = White, not Hispanic)	(1)
Black, not Hispanic	-2.987*** (0.873)
Hispanic	-3.471*** (0.819)
Other, not Hispanic	0.012 (1.475)
Mixed, not Hispanic	-0.528 (1.218)

Figure R.1: Regression of CFSI Financial Health Score® on Socioeconomic and Demographic Variables, Cont.

Region (reference category = Northeast)	(1)
Midwest	-1.436* (0.836)
South	-1.288* (0.758)
West	-0.017 (0.851)

Urbanicity (reference category = Rural)	(1)
Mixed	-1.475 (0.952)
Urban	-1.619 (1.015)

Number of household members under 18	-1.304*** (0.263)
Constant	45.673*** (1.791)
Observations	4,929
R-squared	0.337
Adj R-squared =	0.3334

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Figure R.2: Regression of CFSI Financial Health Score® on Financial Behavior Variables, Controlling for Socioeconomic and Demographic Variables

Household Income (reference category = Less than $30,000)	(1)	(2)	(3)	(4)	(5)
$30,000 - $59,999	7.240*** (0.774)	7.716*** (0.781)	7.633*** (0.768)	7.125*** (0.781)	6.129*** (0.733)
$60,000 - $99,999	14.279*** (0.853)	14.633*** (0.870)	13.997*** (0.850)	13.610*** (0.869)	10.581*** (0.819)
$100,000 or more	21.596*** (0.916)	20.751*** (0.945)	19.821*** (0.924)	19.984*** (0.940)	16.469*** (0.892)

Age (reference category = 18-25)	(1)	(2)	(3)	(4)	(5)
26-35	-2.820** (1.306)	-2.217 (1.350)	-1.441 (1.300)	-2.618* (1.337)	-3.128** (1.248)
36-49	-4.968*** (1.291)	-4.326*** (1.334)	-4.758*** (1.281)	-5.414*** (1.316)	-4.195*** (1.235)
50-64	-2.496* (1.280)	-2.132 (1.324)	-3.170** (1.276)	-3.767*** (1.307)	-2.921** (1.223)
65 and over	1.855 (1.471)	2.656* (1.511)	2.617* (1.459)	0.784 (1.507)	1.436 (1.405)

Education (reference category = Less than high school)	(1)	(2)	(3)	(4)	(5)
High school	2.853*** (1.058)	3.527*** (1.055)	4.236*** (1.046)	3.176*** (1.053)	2.664*** (0.992)
Some college	3.194*** (1.080)	3.655*** (1.079)	3.956*** (1.071)	3.058*** (1.080)	2.241** (1.015)
Bachelor's degree or higher	8.579*** (1.128)	8.397*** (1.130)	7.615*** (1.119)	7.749*** (1.131)	5.897*** (1.061)

Marriage (reference category = Not married)	(1)	(2)	(3)	(4)	(5)
Married	2.802*** (0.602)	2.448*** (0.606)	1.834*** (0.596)	2.212*** (0.606)	1.856*** (0.568)

Figure R.2: Regression of CFSI Financial Health Score® on Financial Behavior Variables, Controlling for Socioeconomic and Demographic Variables, Cont.

Employment (reference category: Not employed, not retired)	(1)	(2)	(3)	(4)	(5)
Employed	3.816*** (0.725)	1.963*** (0.739)	2.530*** (0.722)	3.085*** (0.730)	3.310*** (0.687)
Retired	12.492*** (1.085)	11.621*** (1.097)	11.303*** (1.083)	10.994*** (1.104)	10.490*** (1.033)

Gender (reference category = Female)	(1)	(2)	(3)	(4)	(5)
Male	3.301*** (0.528)	3.348*** (0.533)	3.533*** (0.523)	3.260*** (0.530)	2.678*** (0.498)

Race/Ethnicity (reference category = White, not Hispanic)	(1)	(2)	(3)	(4)	(5)
Black, not Hispanic	-2.681*** (0.886)	-3.067*** (0.885)	-2.444*** (0.862)	-1.757** (0.890)	-1.738** (0.833)
Hispanic	-3.004*** (0.825)	-3.119*** (0.839)	-2.850*** (0.822)	-2.633*** (0.830)	-2.599*** (0.784)
Other, not Hispanic	0.706 (1.455)	0.961 (1.491)	-0.094 (1.417)	1.518 (1.464)	2.720** (1.383)
Mixed, not Hispanic	-0.929 (1.209)	-0.853 (1.225)	-1.959 (1.223)	-1.389 (1.216)	-0.823 (1.151)

Region (reference category = Northeast)	(1)	(2)	(3)	(4)	(5)
Midwest	-1.698** (0.829)	-1.274 (0.841)	-1.071 (0.820)	-0.943 (0.833)	-1.079 (0.782)
South	-1.386* (0.754)	-0.941 (0.765)	-1.637** (0.747)	-0.515 (0.758)	-0.545 (0.714)
West	-0.488 (0.845)	-0.429 (0.861)	-0.251 (0.838)	0.182 (0.847)	-1.220 (0.802)

Figure R.2: Regression of CFSI Financial Health Score® on Financial Behavior Variables, Controlling for Socioeconomic and Demographic Variables, Cont.

Planning behaviors	(1)	(2)	(3)	(4)	(5)
Household uses budget	7.099*** (0.518)				
Household uses automatic money transfers		6.651*** (0.572)			
Household has calculated needed retirement savings			12.004*** (0.617)		
Household has talked with financial advisor				8.196*** (0.605)	
Household has emergency savings account					16.498*** (0.546)
Urbanicity (reference category = Rural)	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**
Mixed	-1.422 (0.944)	-1.530 (0.952)	-1.832* (0.937)	-1.645* (0.948)	-1.680* (0.892)
Urban	-1.467 (1.006)	-1.480 (1.015)	-1.911* (0.998)	-2.202** (1.011)	-1.868** (0.950)
Number of household members under 18	-1.455*** (0.262)	-1.367*** (0.263)	-1.064*** (0.257)	-1.237*** (0.262)	-1.133*** (0.246)
Constant	44.308*** (1.880)	45.683*** (1.915)	45.641*** (1.852)	46.868*** (1.884)	45.097*** (1.763)
Observations	4,767	4,728	4,663	4,728	4,728
R-squared	0.350	0.355	0.389	0.359	0.444
Adj R-squared =	0.3467	0.3514	0.3861	0.356	0.4413

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Figure R.3: Regression of CFSI Financial Health Score® on Variables Representing Types of Workplace Conditions, Controlling for Socioeconomic and Demographic Variables

Household Income (reference category = Less than $30,000)	(1)	(2)	(3)	(4)	(5)
$30,000 - $59,999	4.778*** (1.619)	5.478*** (1.664)	6.030*** (1.661)	5.840*** (1.661)	5.167*** (1.836)
$60,000 - $99,999	12.477*** (1.652)	13.670*** (1.678)	14.522*** (1.655)	14.291*** (1.662)	14.082*** (1.818)
$100,000 or more	18.503*** (1.706)	20.232*** (1.742)	21.218*** (1.728)	21.048*** (1.744)	20.767*** (1.897)

Age (reference category = 18-25)	(1)	(2)	(3)	(4)	(5)
26-35	-3.362* (1.985)	-2.581 (2.020)	-2.357 (2.050)	-2.336 (2.048)	-1.626 (2.248)
36-49	-5.158*** (1.894)	-4.734** (1.929)	-4.330** (1.957)	-4.278** (1.971)	-3.445 (2.178)
50-64	-4.196** (1.967)	-3.239 (2.003)	-3.304 (2.024)	-3.356 (2.044)	-2.258 (2.234)
65 and over	5.132* (2.654)	6.135** (2.742)	6.449** (2.682)	6.255** (2.718)	6.915** (2.942)

Education (reference category = Less than high school)	(1)	(2)	(3)	(4)	(5)
High school	0.167 (2.523)	0.689 (2.436)	0.790 (2.411)	0.895 (2.474)	-0.370 (2.626)
Some college	0.721 (2.446)	0.889 (2.379)	1.026 (2.348)	1.219 (2.404)	0.319 (2.532)
Bachelor's degree or higher	6.016** (2.503)	6.749*** (2.433)	7.227*** (2.403)	7.149*** (2.471)	6.568** (2.583)

Figure R.3: Regression of CFSI Financial Health Score® on Variables Representing Types of Workplace Conditions, Controlling for Socioeconomic and Demographic Variables, Cont.

Marriage (reference category = Not married)	(1)	(2)	(3)	(4)	(5)
Married	1.735 (1.098)	2.006* (1.132)	1.509 (1.122)	1.425 (1.139)	1.606 (1.207)

Gender (reference category = Female)	(1)	(2)	(3)	(4)	(5)
Male	4.370*** (0.915)	4.340*** (0.929)	4.663*** (0.932)	4.580*** (0.936)	5.141*** (0.992)

Race/Ethnicity (reference category = White, not Hispanic)	(1)	(2)	(3)	(4)	(5)
Black, not Hispanic	-2.620 (1.696)	-2.815 (1.734)	-2.364 (1.698)	-2.602 (1.748)	-1.244 (1.932)
Hispanic	-3.571** (1.484)	-3.580** (1.497)	-3.778** (1.510)	-3.638** (1.506)	-2.175 (1.564)
Other, not Hispanic	1.274 (1.945)	0.768 (2.044)	0.055 (2.011)	0.327 (1.981)	1.164 (2.158)
Mixed, not Hispanic	-3.410 (2.696)	-3.267 (2.767)	-3.457 (2.719)	-3.120 (2.730)	-2.448 (2.912)

Region (reference category = Northeast)	(1)	(2)	(3)	(4)	(5)
Midwest	-1.931 (1.437)	-2.245 (1.442)	-2.661* (1.463)	-2.628* (1.464)	-2.434 (1.524)
South	-1.497 (1.369)	-1.544 (1.375)	-1.678 (1.380)	-1.649 (1.384)	-1.425 (1.448)
West	-0.677 (1.412)	-0.748 (1.422)	-0.796 (1.430)	-0.752 (1.432)	-1.054 (1.490)

Figure R.3: Regression of CFSI Financial Health Score® on Variables Representing Types of Workplace Conditions, Controlling for Socioeconomic and Demographic Variables, Cont.

Workplace conditions	(1)	(2)	(3)	(4)	(5)
Predictable income	9.511*** (0.958)				
Steady income		5.373*** (0.992)			
Consistent or flexible schedule			4.544*** (1.304)		
Predictable hours				2.632** (1.025)	
Stable employment					5.376*** (1.797)
Urbanicity (reference category = Rural)	**(1)**	**(2)**	**(3)**	**(4)**	**(5)**
Mixed	-2.605** (1.105)	-2.437** (1.140)	-2.553** (1.155)	-2.601** (1.167)	-2.657** (1.221)
Urban	-2.470* (1.266)	-2.452* (1.318)	-2.835** (1.339)	-2.799** (1.353)	-3.309** (1.442)
Number of household members under 18	-0.968** (0.474)	-1.104** (0.475)	-1.140** (0.475)	-1.131** (0.476)	-1.192** (0.490)
Constant	52.828*** (3.290)	52.024*** (3.302)	51.003*** (3.379)	53.193*** (3.283)	50.065*** (4.042)
Observations	3,073	3,074	3,075	3,075	2,838
R-squared	0.320	0.288	0.280	0.276	0.274
Adj R-squared	0.315	0.282	0.274	0.271	0.268

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

Center for Financial Services Innovation

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