

Survey of Household Economics and Decisionmaking, July 2020 Update

September 18, 2020

NARRATOR. Since 2013, the Federal Reserve Board has conducted the annual Survey of Household Economics and Decisionmaking, which measures the economic well-being of U.S. households and identifies potential risks to their finances.

Recognizing the unprecedented financial disruptions caused by the pandemic, the Federal Reserve recently conducted a pair of supplemental surveys to monitor recent changes in the financial well-being of Americans. The first of these surveys was conducted in early April, at the onset of the pandemic and before most financial relief efforts were in place. The second survey was conducted in July 2020.

In the July survey, 77 percent of adults said they were doing at least okay financially, up from 72 percent in early April, and from 75 percent in October 2019. This increase is likely due to the availability of assistance programs either from the government or from charitable organizations.

People also appeared better able to handle small financial emergencies in July than they were nine months prior in October 2019. Seventy percent of adults said in July that they would be able to pay an unexpected \$400 emergency expense entirely by using cash, savings, or a credit card paid off at the next statement – an increase from 63 percent last October.

These improvements in financial well-being occurred despite persistent employment challenges. Fourteen percent of all adults were laid off since the pandemic began. Among those laid off, 30 percent said in the July survey that they had returned to their former job, up from 5 percent in April. An additional 10 percent said they were working elsewhere and did not expect to return to their old job. Still, a larger share of laid-off workers expected the layoff to be

permanent than in April. In July, 22 percent of adults who had been laid off said that they were not employed and that they did not expect to return to their old jobs. This is up from 7 percent of laid-off workers who reported in April that they were not employed and did not expect to return to their old jobs.

In the wake of substantial employment disruptions, unemployment benefits helped fill the gap for many families, and these benefits were enhanced by the CARES Act. Reflecting these additional benefits, 40 percent of unemployment insurance recipients said that the benefits they received were larger than their previous wages while working, 36 percent said that unemployment benefits were smaller than their previous wages, and 23 percent said they were about the same. Adults in low-income families were more likely to say the unemployment benefits they received were greater than their prior earnings.

Eleven percent of all families reported in the July survey that they received unemployment benefits since the start of the pandemic, and 10 percent reported received Supplemental Nutrition Assistance Program benefits. Altogether, nearly a quarter of adults reported that they, or their spouse or partner, received assistance from unemployment insurance, the SNAP, or free groceries or meals from charitable organizations. These benefits, as well as other measures such as the Economic Impact Payments sent to most individuals, contributed to the improvements in financial security for families that were seen in the July compared to the April survey.

The Board plans to field the complete annual Survey of Household Economics and Decisionmaking in the fourth quarter of 2020 to continue to obtain more current information about the economic well-being of U.S. consumers in light of the pandemic and the financial impact of measures taken to address public health and safety.

This and other such information is available in the latest *Report on the Economic Well-Being of U.S. Households*. To view or download this year's full report, visit www.federalreserve.gov/consumerscommunities/shed.htm