



Survey of Household Economics and Decisionmaking

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The analysis and conclusions set forth in this presentation are our own do not indicate concurrence of the Federal Reserve Board, the Federal Reserve Banks, or their staff.



SHED Background

- **Annual survey on financial well-being conducted each fall since 2013**
- **Designed with three primary motivations**
 - 1. Monitor trends in consumer behavior and sentiment** particularly among low- and moderate-income populations
 - 2. Cast light on current issues** affecting financial well-being
 - 3. Fill data gaps** and provide insights into questions for which there may not be other reliable data sources

Most recent findings released on Friday, May 19 in the *Report on the Economic Well-Being of U.S. Households in 2016*

Data is publicly available on the Federal Reserve website:
www.federalreserve.gov/consumerscommunities/shed.htm

SHED Background (continued)

Survey is fielded using GfK KnowledgePanel®

- Respondents selected for the panel using random address based sampling - but survey is administered online
- Individuals who do not have a computer or internet are provided access for the period that they are in the panel

SHED sample is made up of three components

3,054 adults

New respondents
randomly selected

1,556 adults

Oversample of adults
with household income
under \$40,000

2,033 adults

Reinterviewed
respondents from 2015
SHED survey



Topics Covered in Survey

SECTION

1 Economic Well-Being

SECTION

2 Employment and the
“Gig Economy”

SECTION

3 Income and Savings

SECTION

4 Economic Preparedness
and Emergency Savings

SECTION

5 Banking and Credit

SECTION

6 Housing and Living
Arrangements

SECTION

7 Education and Human
Capital

SECTION

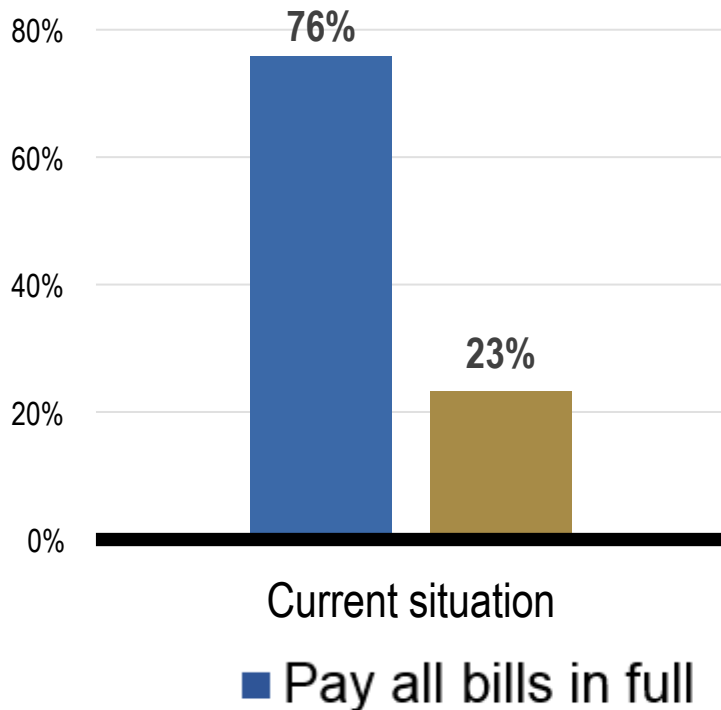
8 Student Loans

SECTION

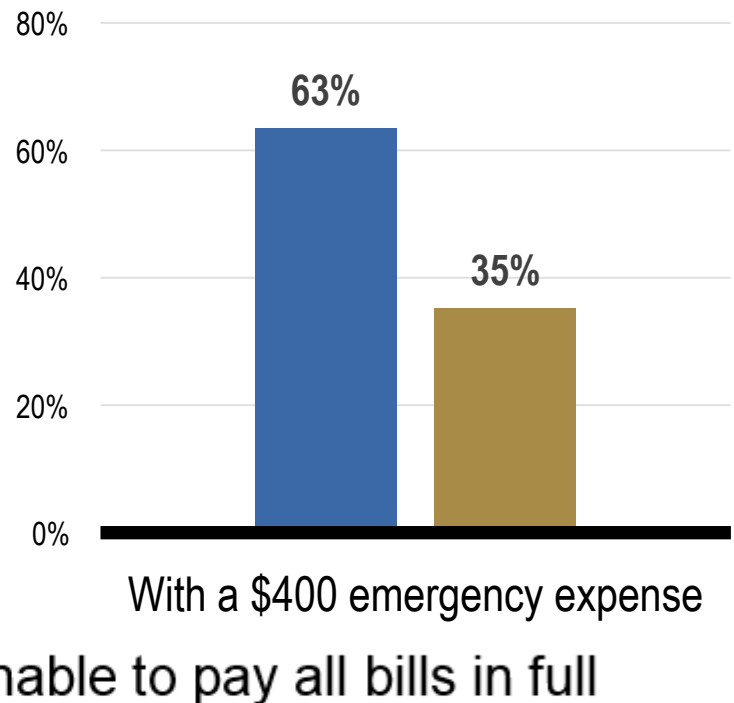
9 Retirement Savings

Ability to Handle Current Month's Bills

Do you expect to be able to pay all of your bills in full this month?



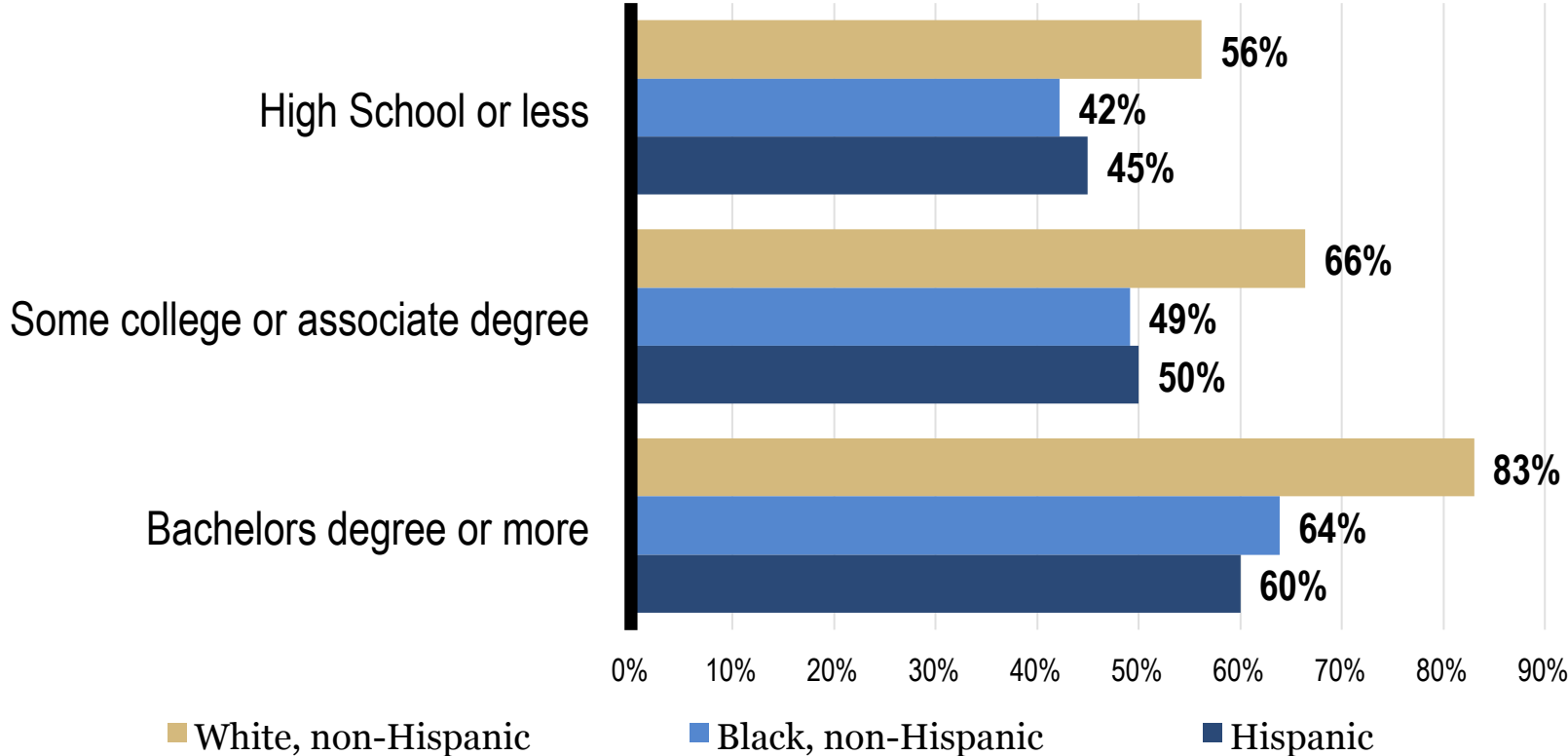
How would a \$400 emergency expense that you had to pay impact your ability to pay your other bills this month?



Asked of all respondents. n = 6,610 in 2016

Ability to Pay Current Month's Bills

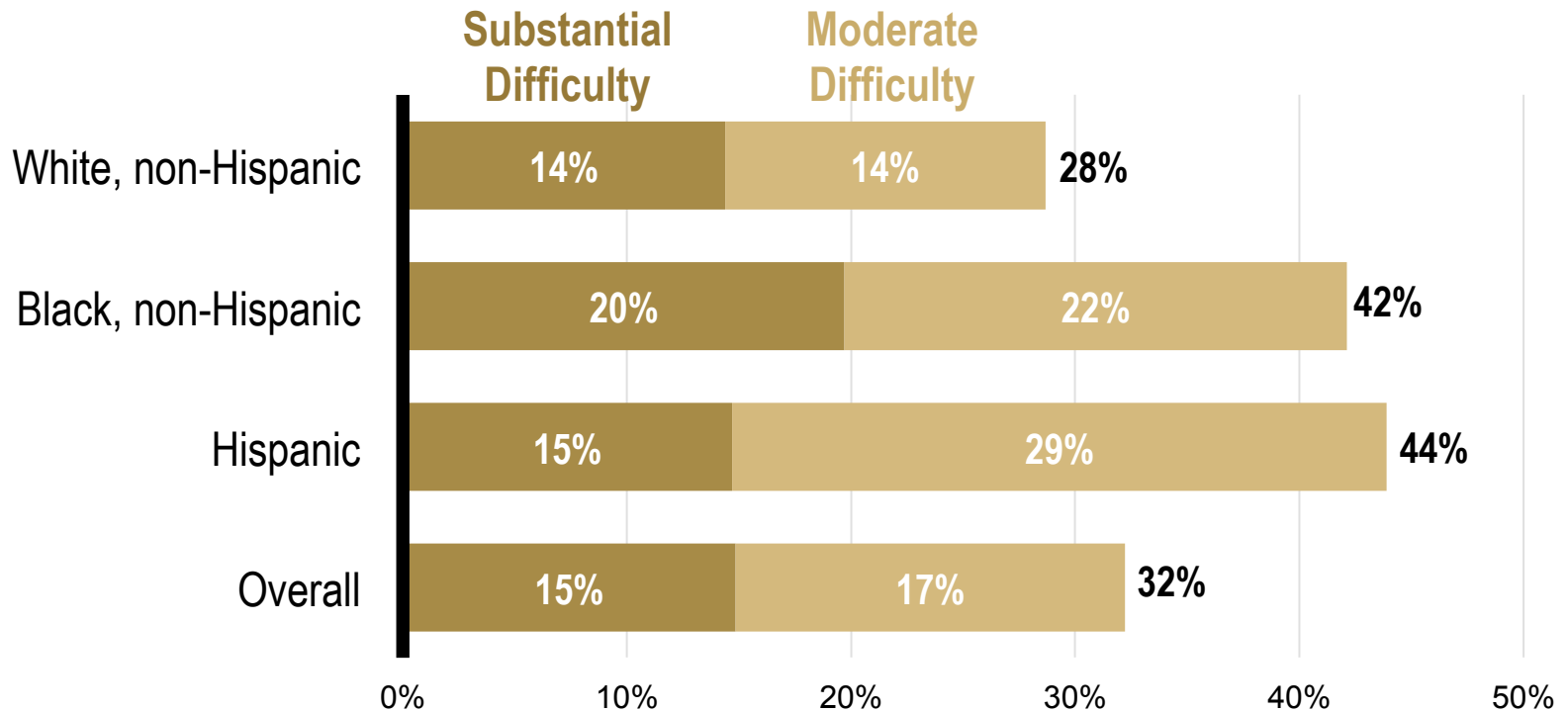
Percent of adults who would still be able to pay all of their current month's bills in full **if also faced with a \$400 emergency expense that they had to pay**



Asked of all respondents. n = 6,610 in 2016

Rental Challenges by Race/Ethnicity

After you contacted your landlord about the problem with your house or apartment, how much difficulty did you have getting them to fix the problem?



Asked of renters who contacted their landlord about a problem. n = 888 in 2016

Potential questions to answer using the dataset

- Contains detailed information on higher education, including the actual school attended. Are differences in returns to education by race and ethnicity partially driven by differences in institutions?
- What contributes to people participating in the gig economy? Does it vary based on financial circumstances, family background? Can we think of it as a large single market – or does it vary based on the types of activities?
- What is the relationship between family background and various well-being metrics? Survey includes parents education, financial worries as a child, and (in restricted-use version) city/ZIP code when in high school

Potential data links / enhancements

- Focus group follow-ups to dive deeper into topics of interest.
- Lacks detailed financial information as is seen in datasets such as the SCF or CPS. Are there (select) areas where we should build-out additional financial detail in the survey?
- Completely self-reported with no administrative data links to separately verify financial situations.
- New topics to incorporate using the flexibility of the survey content:
 - CFPB new financial well-being scale, to systematically track financial well-being for demographic groups over time
 - Subjective valuation of community amenities - are the amenities valued when choosing a neighborhood different based on socioeconomic characteristics
 - Financial knowledge questions
 - Other potential areas of interest?