AS THE ECONOMY RECOVERS, SOME LOWER INCOME AMERICANS ARE FALLING FURTHER BEHIND

Despite the majority of Americans reporting they are the same or better financially, as we emerge from the pandemic, a third of those below the poverty line are in worse financial shape.

CHICAGO, April 13, 2021 — One year into the coronavirus pandemic, one in three Americans who were living below the federal poverty line before the pandemic report their personal finances are even worse off now, according to a new poll from Impact Genome/AP-NORC with support from Lincoln Financial Foundation. Their financial outlook is in jeopardy as well with 18% of individuals below the poverty line falling short on their bills by $100-$500 every month, and another 4% short more than $500 per month.

Thirty percent of Americans report their financial situation has improved compared to the start of the pandemic 12 months ago, and another 55% say their finances haven’t changed. But, 15% – approximately 38 million Americans – are worse off financially. Those Americans who were suffering financially before the pandemic have been hit the hardest. Twenty-nine percent of Americans living below the FPL are in worse financial shape – nearly twice the national average.

The research suggests that critical supports may be underutilized or out of reach for many Americans. Although some Americans are struggling to pay bills, only 23% are using financial counsellors, credit repair, or debt relief services. Just 15% of Americans below the poverty line are getting help and they often cite affordability as a reason they have not used these services.

“This research suggests that affordability and access to supportive services are major barriers to achieving financial health,” says Jason Saul, Impact Genome CEO and University of Chicago Center for Impact Sciences Executive Director. “Using these results, policymakers, philanthropists, and nonprofits now have precision data to better align resources with what people really need.”
Key findings from the study include:

- Thirty percent of Americans report their financial situation has improved compared to the start of the pandemic 12 months ago, and another 55% say their finances haven’t changed. But, 15% – approximately 38 million Americans – are worse off financially.
- Those Americans who were suffering financially before the pandemic have been hit the hardest. Twenty-nine percent of Americans living below the FPL are in worse financial shape – nearly twice the national average.
- Black adults are more than twice as likely to report falling short on bill payments compared to white adults. More than half of white Americans have been able to save money in recent months, compared to 39% of Black Americans.
- 25% of Americans say they could not afford at least one of the following financial counselling, credit repair or debt management services.
- Black adults are more than twice as likely as whites to cite affordability as a barrier to accessing some supportive services including credit repair or debt management.
- According to the CFPB index of financial wellbeing, 44% of Americans rate high in financial wellbeing, 48% rate medium, and 8% rate low.1

“This poll paints a much more detailed picture of where we are as a country,” said Jennifer Benz, vice president for public affairs and media research at NORC. “Although the financial picture has improved for many, about 20 million Americans are financially insecure. The stress they face from their financial situation is evident in their deep concerns that they cannot handle a major unexpected expense or that their money won’t last.”

Survey Methodology
This study, funded by Impact Genome with support from Lincoln Financial Foundation, was conducted by The Associated Press-NORC Center for Public Affairs Research. Data were collected using AmeriSpeak®, NORC’s probability-based panel designed to be representative of the U.S. household population. During the initial recruitment phase of the panel, randomly selected U.S. households were sampled with a known, non-zero

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1 The “Low” category here was created by combining the Very Low and Low categories used by the CFPB, while the “Medium” category combines Medium Low and Medium High, and “High” combines High and Very High.
probability of selection from the NORC National Sample Frame and then contacted by U.S. mail, email, telephone, and field interviewers (face to face). The panel provides sample coverage of approximately 97% of the U.S. household population. Those excluded from the sample include people with P.O. Box only addresses, some addresses not listed in the USPS Delivery Sequence File, and some newly constructed dwellings. Staff from NORC at the University of Chicago, The Associated Press, and Impact Genome collaborated on all aspects of the study.

Interviews for this survey were conducted between February 12 and March 3, 2020, with adults age 18 and older representing the 50 states and the District of Columbia. Panel members were randomly drawn from AmeriSpeak, and 2,374 completed the survey—2,152 via the web and 222 via telephone. Interviews were conducted in both English and Spanish, depending on respondent preference.

**About The Impact Genome Project®**
The Impact Genome Project® (IGP) is a public-private research initiative to standardize the way social outcomes are measured, reported, and benchmarked. IGP’s mission is to enable grant makers and policymakers to use precision data to solve social determinants. With support from leading corporate and private philanthropies, it has just announced the *Sentinel Outcomes Initiative*, a multi-year effort to track and quantify the unmet critical human needs of all Americans, spanning financial health, social capital, food security, housing, employment, and education. For more information, please visit: [www.impactgenome.org](http://www.impactgenome.org).

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The two organizations have established The AP-NORC Center for Public Affairs Research to conduct, analyze, and distribute social science research in the public interest on newsworthy topics, and to use the power of journalism to tell the stories that research reveals.

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For more information, contact Eric Young for NORC at young-eric@norc.org or (703) 217-6814 (cell), or Scott Christiansen for the Impact Genome Project at media@impactgenome.org or 312-967-0803.