

Pessimism and Hope: A Survey of the Financial Status and Aspirations of Black Americans



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Jessica Fulton, LaShonda Brenson, Ph.D., Juan Carlos Donoso, Ph.D. (NORC), and Vince Welch (NORC)





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EXECUTIVE SUMMARY

The Joint Center for Political and Economic Studies and NORC at the University of Chicago partnered to better understand the financial status and aspirations of Black Americans, as well as Black Americans' perceived barriers to realizing those aspirations.

Current Financial Situation

- ***Black Americans have widely varied views of their financial situations***

About one in five Black Americans report that their financial situation is poor, about a third report that their financial situation is neither good nor bad, and the remaining 45 percent report that their financial situation is good. This is closely related to income and education; respondents earning more than \$60,000 per year or those with college degrees are more likely to say that their financial situation is good. Just over a third of Black Americans (34 percent) report that “just getting by financially” describes their situation well, and nearly one in three (28 percent) say that it doesn't describe their situation at all.

- ***Black Americans are not seeing their finances improve in the current recovery***

Most Black Americans' financial situation has either gotten worse (30 percent) or stayed the same (44 percent) over the last year.

- ***Black Americans remain optimistic about their financial futures***, with two-thirds being somewhat or very optimistic about their financial futures.

- ***Black Americans don't have a large savings cushion***

Only about four in 10 Black Americans could cover three months of expenses with their current savings, and only a quarter of Black Americans (25 percent) express a great deal of confidence that they could handle an unexpected expense of \$1,000.

- ***Black Americans are not confident in their ability to finance their retirement***

Only around one in five Black Americans (21 percent) are somewhat or very confident that they will be able to finance their retirement.

- ***Most Black Americans are able to pay their bills on time***

Sixty percent of Black Americans report paying all their bills on time, and nearly two-thirds (64 percent) report having money left over at the end of the month at least some of the time.

- ***Medical costs are a significant barrier to proper medical care for some Black Americans***

Around a quarter of Black Americans have skipped a medical test or treatment (22 percent), failed to fill a prescription (23 percent), or failed to get medical care for a condition (24 percent) because of cost.

- ***Most Black Americans rent their home***

Fifty-six percent of Black Americans rent, rather than own, their home. This proportion rises to nearly three-fourths (73 percent) for Black Americans who make less than \$30,000 per year. The proportion of renters is also higher in the Northeast (68 percent) than in other regions of the country. Around six in 10 Black Americans (59 percent) think that it would be somewhat or very difficult to get a mortgage to buy a home. The cost of a down payment or closing costs and poor credit were the most frequently cited reasons for not being able to easily get a home mortgage.

Debt and Credit

- ***Black Americans have a wide variety of debt and most carry debt of some kind***

More than half of Black Americans (57 percent) have credit card debt, about a third (32 percent) have student loan debt, and over a quarter (28 percent) have mortgage debt. A third of Black Americans (33 percent) report having more debt than is manageable.

- ***Black Americans have a wide range of credit scores***

Three in 10 Black Americans (30 percent) report having a credit score that is good or very good, and around four in 10 (39 percent) report having a credit score that is bad or very bad. Credit scores vary substantially with income, with nearly half of Black Americans who make \$60,000 or more annually report having a good or very good credit score; only 16 percent of Black Americans who make \$30,000 or less per year report having good or very good credit scores.

- ***Black Americans have nearly even sentiments on their ability to be approved or not approved for a credit card***

Just over a third of Black Americans (36 percent) have been turned down for credit in the last year, and about the same proportion (37 percent) are not at all or not very confident that they would be approved for a credit card if they applied for one. However, nearly a third (32 percent) are very confident that they would be approved for a credit card if they applied for one.

Financial Aspirations and Perceived Barriers

- ***Most Black Americans' financial aspirations revolve around relatively immediate goals***

Eight in 10 Black adults (80 percent) view things like not having to worry about monthly bills, not living paycheck to paycheck, having enough savings to handle an emergency, and being debt-free as very important to their financial goals.

- ***Longer-term goals are rated as very important or absolutely critical by smaller proportions of Black Americans***

Around three in four (73 percent) say that saving enough for a comfortable retirement is a very important or absolutely critical goal; less than two-thirds (63 percent) report leaving assets for their dependents as very important or absolutely critical.

- ***Black Americans are optimistic about their futures***

Two-thirds of Black Americans (66 percent) say that they are at least somewhat confident that they will have enough money to take care of their basic expenses during their retirement, whereas 34 percent express that they are not very confident or not confident at all. Similarly, 60 percent of Black Americans report that they are at least somewhat confident that they are doing a good job financially preparing for their retirement.

- ***Nearly four in 10 Black Americans (38 percent) are particularly concerned with the possibility of Social Security payments being cut back***, which poses a major risk for many people's retirement security.

- ***The most frequently cited barriers to achieving financial aspirations are related to the current economy***

High inflation, not having enough money to start investing, and high interest rates were the most frequently cited barriers.

- ***Nearly a quarter of Black Americans (23 percent) cited the lack of employer benefits as a significant barrier to achieving their financial aspirations***



INTRODUCTION

Based on past and ongoing work to expose disparities and promote equity, we know that structural barriers faced by Black Americans — the compounded insults of health and economic consequences of COVID-19, the economic assault from the Great Recession, and persistent structural racism — are destructive to the financial well-being of Black households. The Joint Center for Political and Economic Studies and NORC at the University of Chicago partnered to better understand these issues as Black communities work to achieve a full recovery from the national economic implosion caused by COVID-19.

The phenomenon of Black Americans being harder hit by adverse economic influences and lagging in recovery compared to white Americans is not new. We need only look to the Great Recession to find historical precedent. Data from the Bureau of Labor Statistics shows that the Black unemployment rate peaked at 16.8 percent, which is significantly higher than the white unemployment rate peak of 9.2 percent.¹ Fenaba Addo and William Darity Jr. point out that Black working-class households were less likely to benefit from the economic recovery following the Great Recession than white working-class households.²

Disparate economic impacts for Black communities are also clear in the current crisis. Research from the current crisis shows the outsized impacts for Black communities. Bradley Hardy, Charles Hokayem, and Stephen Roll found higher levels of employment loss for Black workers during the COVID-19 pandemic.³ Hardy and Trayvon Logan also found evidence of both an outsized impact and slower recovery for Black workers during the COVID-19 crisis.⁴

Few researchers have focused on understanding the unique financial circumstances, aspirations, and barriers that Black Americans face. This lack of research findings that are specific to the needs of Black Americans hinder the ability of legislators to enact policies that address those specific needs.

In the wake of the COVID-19 crisis, these topics are critically important as decisionmakers explore opportunities to sustain the COVID-19 economic recovery.

To address this knowledge gap, the Joint Center partnered with NORC to field a multimode study of Black Americans' financial circumstances, aspirations, barriers to financial well-being, and beliefs about policies that would enhance their financial circumstances. This research project involved four phases; the first two phases were conducted before the survey was developed and fielded. In the first stage of research, the Joint Center interviewed several scholars to identify research gaps and potential methodological approaches to better understand the economic well-being and aspirations of Black households. In the spring of 2022, the Joint Center convened experts, including scholars, grassroots and grassroots activists, and advocates, to help narrow the scope of the project and inform the research agenda. After this expert group provided guidance on broad areas of interest, NORC convened a series of four focus groups in the summer of 2022 with Black Americans from across the United States and from a wide variety of financial circumstances to ensure that the content of the survey reflected the concerns of Black Americans and not just the suppositions of academic experts.

We used the data gleaned from these initial steps to embed inclusivity and the voice of the population under study into the content of the survey. The survey was fielded from Sept. 16 to Oct. 10, 2022, on the web with responses from over 1,500 Black Americans. The data was collected using NORC's probability-based AmeriSpeak panel and opt-in panel respondents. The data was combined using NORC's TrueNorth® weighting techniques so that the data would accurately reflect the population of Black Americans in the United States.

After the survey data was collected, we reconvened four focus groups of survey respondents to reflect on their lived experience of the survey findings. Quotes from these focus group participants can be found throughout this report to allow for a deeper understanding of how these issues impact the lives of individual Black Americans.

The current report is organized topically. The first topic in the report concerns the current financial situation of Black Americans, including their perceptions of their current financial well-being, near-term financial goals, and current sense of optimism or pessimism about their future financial situation. The second topic concerns the long-term financial aspirations of Black Americans and the barriers that Black Americans perceive to achieving those aspirations. The final section concerns patterns of debt and indebtedness for Black Americans.

BLACK AMERICANS' CURRENT FINANCIAL SITUATION

Black Americans vary significantly in rating their current financial situation. Less than half rate their current financial situation as good and around one in five rate it as poor. More Black Americans say that their financial situation has gotten worse in the past year than say that it has gotten better, but the plurality says that their financial situation has not changed a lot. Over a quarter of Black Americans report having reduced their spending in the last year, and between 20 and 25 percent of Black Americans have put off some form of medical care in the past year for financial reasons. Many report that they don't have enough savings to last more than a month or two and are concerned that their savings will not last. Nearly all these indicators significantly vary by income, with higher-income respondents being much more likely to rate their current financial situation as good and to be less concerned about their savings. However, despite some distressing indicators about their current financial situation, most Black Americans are optimistic about their financial future, even at lower-income levels.

Black Americans face varied financial situations

Forty-five percent of Black Americans describe their household's current financial situation as good, while 21 percent say it is poor, and 34 percent say it is neither. When reflecting on their current financial situation, some focus group respondents noted the immediacy of what they considered to be a good financial situation:

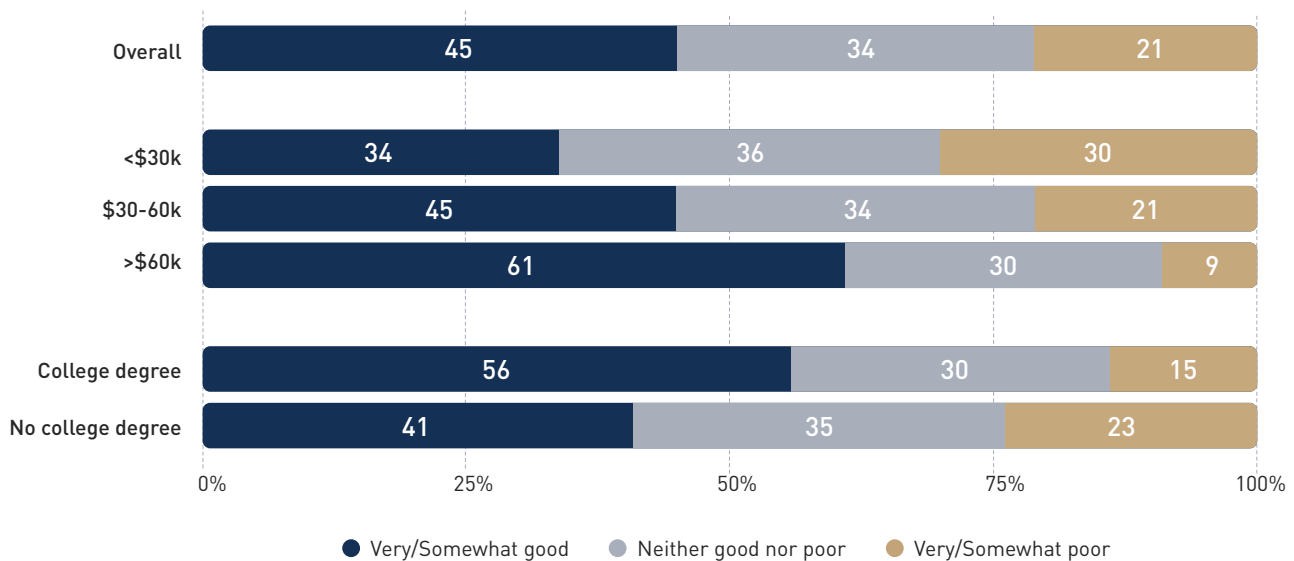
“When I think about my finances, if I can put gas in my car and I don't have to move money around to put gas in my car, then I know my financial situation is good.”

“My financial situation now is at the point where I can pay my bills, but it leaves very little left.”

Household financial situations significantly vary with income and college education. Black adults with annual incomes greater than \$60,000 are nearly twice as likely to view their financial situation in a positive light than those with incomes of \$30,000 or less. Four in 10 who do not have a college degree describe their financial situation as good compared to nearly six in 10 of those who do.

Almost half consider their household financial situation to be good

Question(s): And how would you describe the financial situation in your own household these days? Would you say...?

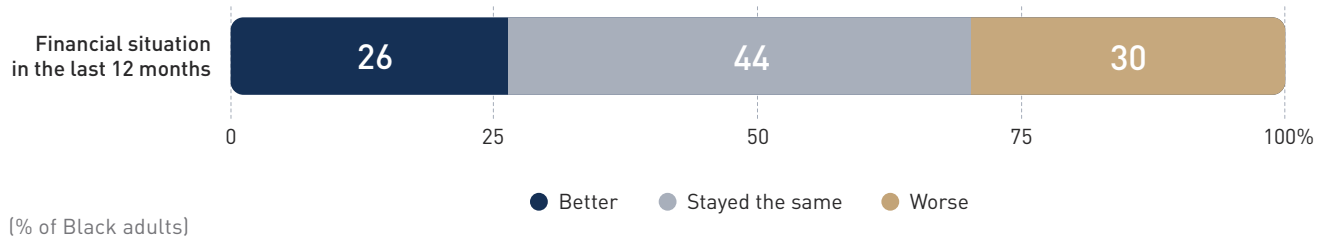


Source: The Joint Center study conducted Sept. 10-Oct. 16, 2022, with 1,592 adults age 18 and older nationwide.

The majority of respondents have not seen their financial situation improve in the 12 months preceding the survey (from late September/early October 2021 through late September/early October 2022). A quarter of Black adults (26 percent) report that their finances have improved. Slightly less than a third (30 percent) say that their financial situation has gotten worse. Forty-four percent report that their financial situation stayed the same during the period.

A quarter report their financial situation has gotten better during the past 12 months

Question(s): During the past 12 months, has your financial situation been getting better, worse, or has it stayed the same?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Black Americans are optimistic about their financial futures

Most Black Americans feel optimistic about their financial futures. Two-thirds report that they are at least somewhat optimistic that they'll be able to do things like find and keep a good job, pay off their student debt, and afford the lifestyle they want. When asked about their optimism during focus groups, the participants noted that their optimism was tempered by reality, but that they were buoyed by a sense of hopefulness and determination.

I'm a realist. I'm eternally optimistic. I'm financially stable enough, I was beneficial enough to buy a house not too long ago ...

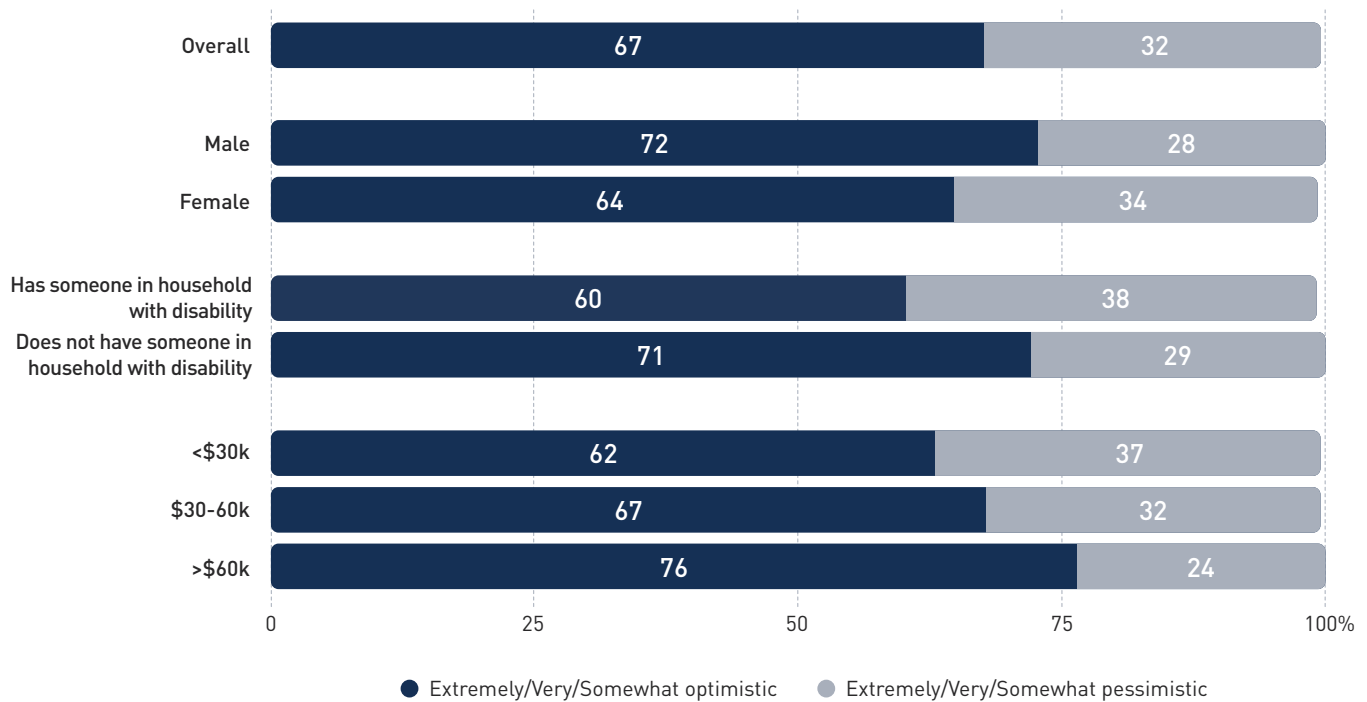
I feel a little optimistic. You can't just settle for less, you have to just find something. As a single parent, you don't get as much help as you need, but I just take it day by day and I'm just trying to do the best for my daughter.

Black women are somewhat less likely than Black men to feel optimistic, as are those who have someone in their household with a disability compared to those who do not. Those with incomes of less than \$30,000 are still more likely to feel optimistic than pessimistic about their personal financial futures, although they are less likely to do so than those with incomes of \$60,000 or more. There are no significant differences according to education or region.

I would say I'm in the middle. The reason I say that is I'm a social worker, and social workers notoriously don't make money. But I feel that I'm at the higher end of the spectrum, so I don't feel there's much growth for me to obtain a higher pay rate. I'll get yearly increases, but by the end of it — for what I do — I'm probably at the max.

Most are optimistic about their personal financial future

Question(s): How optimistic are you about your personal financial future — think about things like finding and keeping a good job, paying off your student loan debt, and being able to afford the lifestyle you want?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

When asked about the possible contradiction between the current financial situation of Black Americans and their level of optimism about their future financial circumstances, one participant noted:

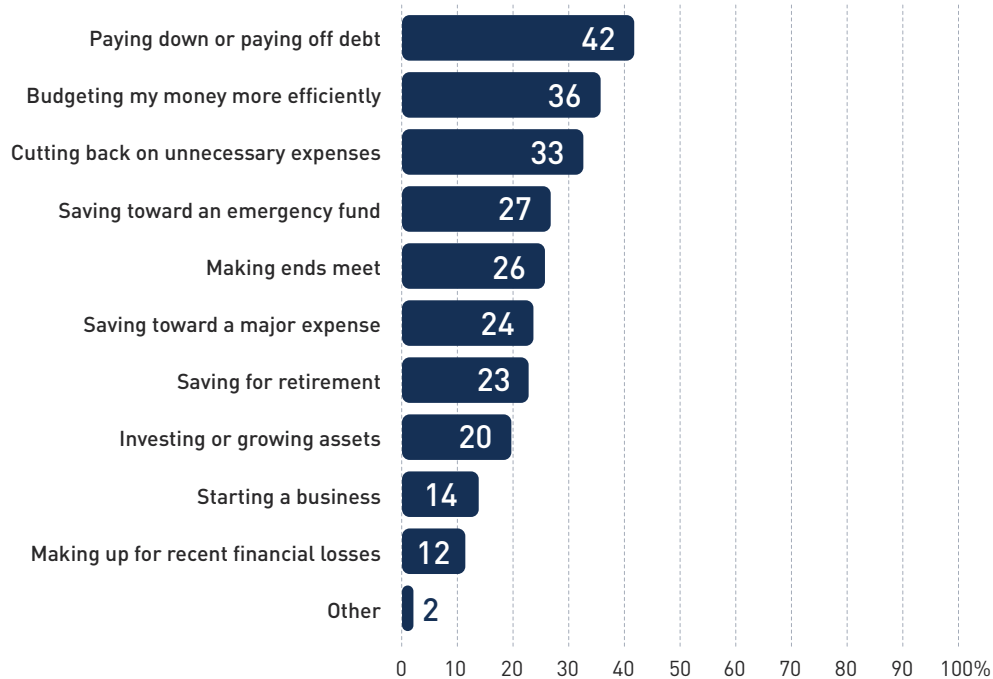
“ I think that, culturally, we as Black people are consistently optimistic but realistic because we recognize either the circumstances we come from, the circumstances our parents have come from, [or] the circumstances our ancestors have come from. I feel like we’re pessimistic about the world, but we’re optimistic about ourselves. So, regardless of what the world throws at you, I know that I don’t trust the world much right now, but I know that I trust me. I know that I can hustle and that I can make things happen for me and my family if I have to because I have no choice. So, I think that’s kind of where our optimism comes from because we trust ourselves to be able to come out of these systems because we’ve already been in a worse system or a worse place and gotten through it. ”

Far more Black Americans prioritize short-term goals than long-term goals in their aspirations for the 12 months following their survey response. About 40 percent view paying off debt as their top priority, while about a third say the same about cutting back on unnecessary expenses or more efficiently budgeting money. Approximately

a quarter of Black Americans report making ends meet or saving toward goals, such as emergency funds, retirement, or major purchases, as high priorities; fewer rate investing assets, making up for recent financial losses, or starting a business as a top financial goal.

Paying down debt and budgeting more efficiently are among Black Americans' top priorities

Question(s): Which of the following are your top financial goals to focus on during the upcoming year?



[% of Black adults]

Source: The Joint Center study conducted Sept. 10-Oct. 16, 2022, with 1,592 adults age 18 and older nationwide.

Black Americans are facing financial instability

Although Black Americans overall view their financial futures in a positive light, many report that their household financial situation is precarious. Nearly a third only have enough money readily available to cover expenses for three weeks or less without borrowing or withdrawing from retirement. Over 40 percent believe that they could afford to cover expenses for one to five months, but only a quarter have enough to live on for six months or more.

Differences in the ability to cover future expenses vary by age and income, though not significantly by gender, education, or region. Adults aged 18–29 are more likely than those aged 60 and older to only have enough money readily available to cover expenses for less than a week (25 percent vs. 13 percent), and they are less likely to have enough to live on for six months or longer (19 percent vs. 40 percent). Those with incomes of less than \$30,000 per year are more likely than those with incomes of over \$60,000 to be able to only afford expenses for less than a week (25 percent vs. 8 percent), and they are less likely to have enough to live on for longer than six months (20 percent vs. 35 percent).

Most would struggle to cover expenses for more than a month

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



(% of Black adults)

Source: The Joint Center study conducted Sept. 16-Oct., 2022, with 1,592 adults age 18 and older nationwide.

Black Americans hold widespread concerns about financial stability. Just over a third feel that the statements “I am just getting by financially” and “I am concerned that the money I have or will save won’t last” describe them very well or completely, while only a fifth feel that they could handle a major unexpected expense.

Many respondents are not optimistic that their finances will become less precarious. Over half feel strongly that they will never have the things that they want in life because of their money situation. Similarly, only three in 10 Black Americans feel that the statements “I am securing my financial future” and “I can enjoy my life because of the way I am managing my money” describe them very well or completely.

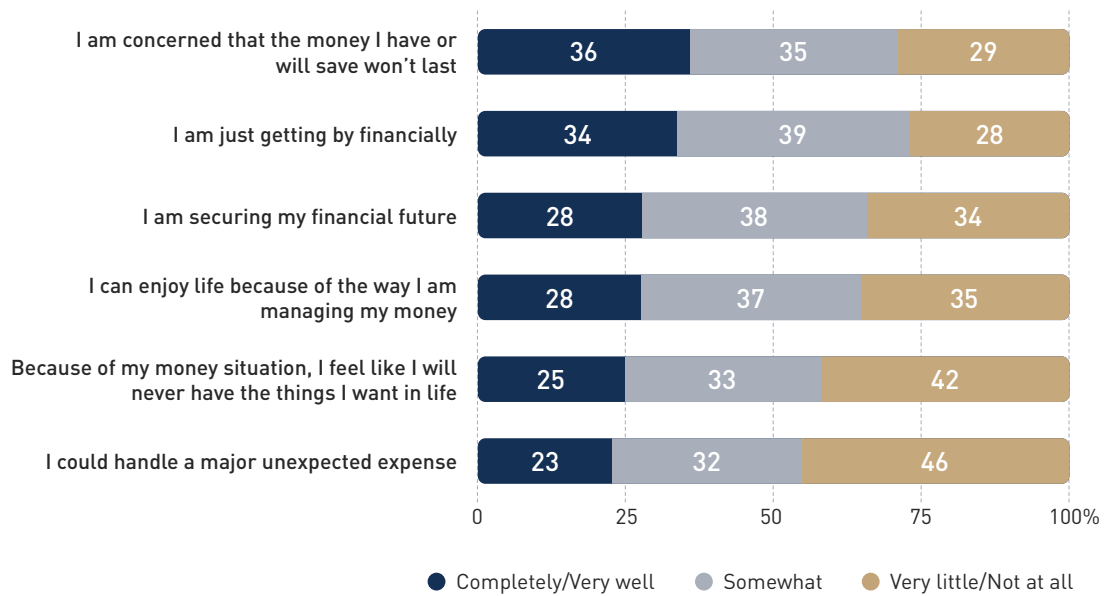
This concern about finances, especially saving for both short-term and longer-term goals like retirement, was reflected in statements by focus group participants.

“I had savings but had to go through the savings due to health issues. No savings, no retirement ... my financial situation is not the greatest at this moment.”

“One of the biggest concerns for me is not having enough money to contribute to a savings [account].”

Adults lack confidence that they have enough savings for retirement or pay an unexpected bill of \$1,000

Question(s): How well do the following statements describe your current financial situation?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Higher income is significantly associated with a sense of financial well-being among Black Americans. Those with incomes under \$30,000 per year are more likely than those with incomes greater than \$60,000 to worry that their savings won't last (40 percent vs. 30 percent), to feel that they are just financially getting by (36 percent vs. 29 percent), and to think that they will never have the things they want in life due to their financial situation (32 percent vs. 17 percent). They are also less likely to feel like they can enjoy life because of the way that they are managing their money (23 percent vs. 34 percent), believe that they could handle a major expense (19 percent vs. 31 percent), or believe that they are securing their financial future (25 percent vs. 34 percent). This holds true across gender, education, and region.

Concerns about financial well-being are evident in beliefs about the ability to pay an unexpected bill or have enough savings for retirement. Just one in five Black adults (21 percent) are very confident that they will have enough savings for retirement; over half (51 percent) are not very or not at all confident that they will have enough savings for retirement. Similarly, one in four Black adults (25 percent) are very confident that they could pay an unexpected bill of \$1,000, while nearly half (48 percent) are not very or not at all confident that they could handle the expense.

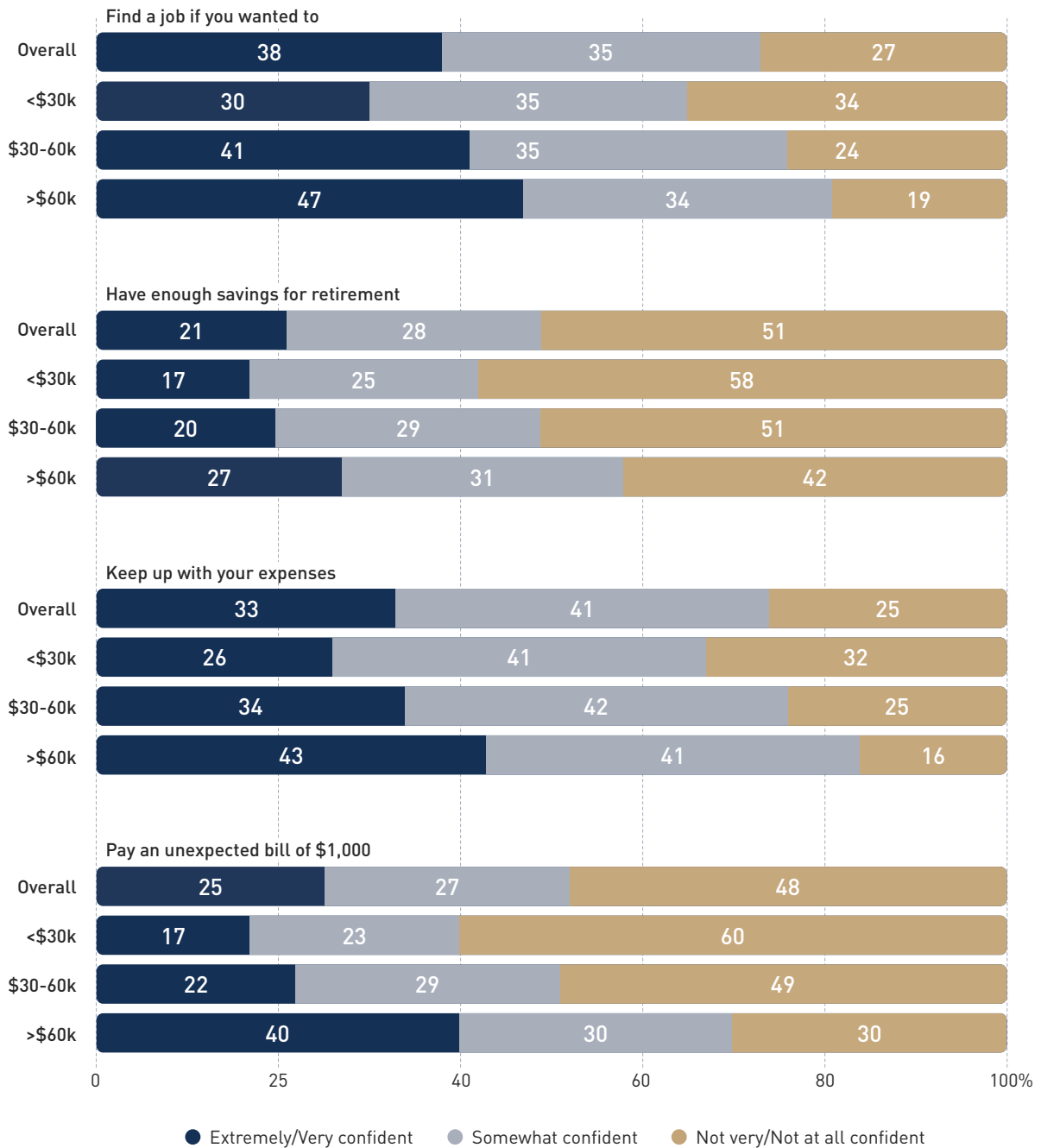
Black adults are somewhat confident about finding work and keeping up with expenses. About two in five Black adults are very confident that they could find a job if they wanted to, and one in three are very confident that they can keep up with their expenses.

Differences in financial confidence vary by income. Black Americans with incomes of less than \$30,000 are less likely than those with incomes over \$60,000 to feel confident that they could find a job if they wanted to or pay an unexpected bill of \$1,000. They are also less likely to feel that they can keep up with their expenses or that they will have sufficient retirement savings.

When controlling for demographic characteristics such as age, gender, income, disability status, employment status, and geographic region, education did not significantly impact financial confidence. However, it is worth noting that income and education are highly correlated, which could account for the lack of significance of education in the statistical model.

Adults lack confidence that they have enough savings for retirement or pay an unexpected bill of \$1,000

Question(s): Thinking about your financial situation, how confident are you that you'd be able to...?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

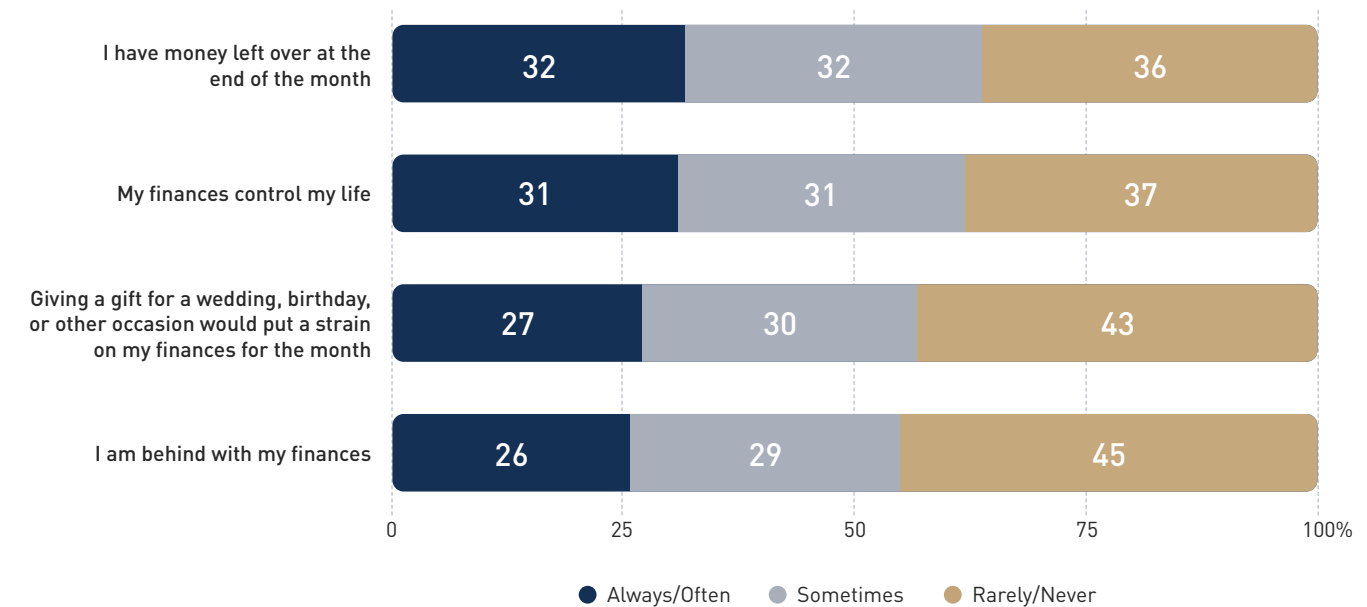
Black respondents face financial constraints

A third of Black Americans feel that their finances control their lives or that they are behind on their finances often or always, while another third report that this is the case some of the time. A quarter say that giving a gift for a special occasion would often or always put a strain on their monthly finances, while a third report it sometimes does. Sixty-four percent of Black Americans report that they sometimes or always have money left over at the end of the month, while over a third say that they rarely or never have money left over at the end of the month.

Not only do Black Americans with lower incomes feel more financially constrained, but those who have someone in their household with a disability — regardless of income — also experience more financial stress. Those with incomes of \$30,000 or less or who have someone in their household living with a disability are more likely than Black Americans with incomes over \$60,000 or those who do not have someone with a disability living in their household to feel that their finances control their lives, that they are behind on their finances at least some of the time, and that giving a gift for a special occasion would put a strain on their monthly finances. There are no significant differences according to gender, education, or region.

Most feel their finances control their lives at least some of the time

Question(s): How often do the following statements apply to you?



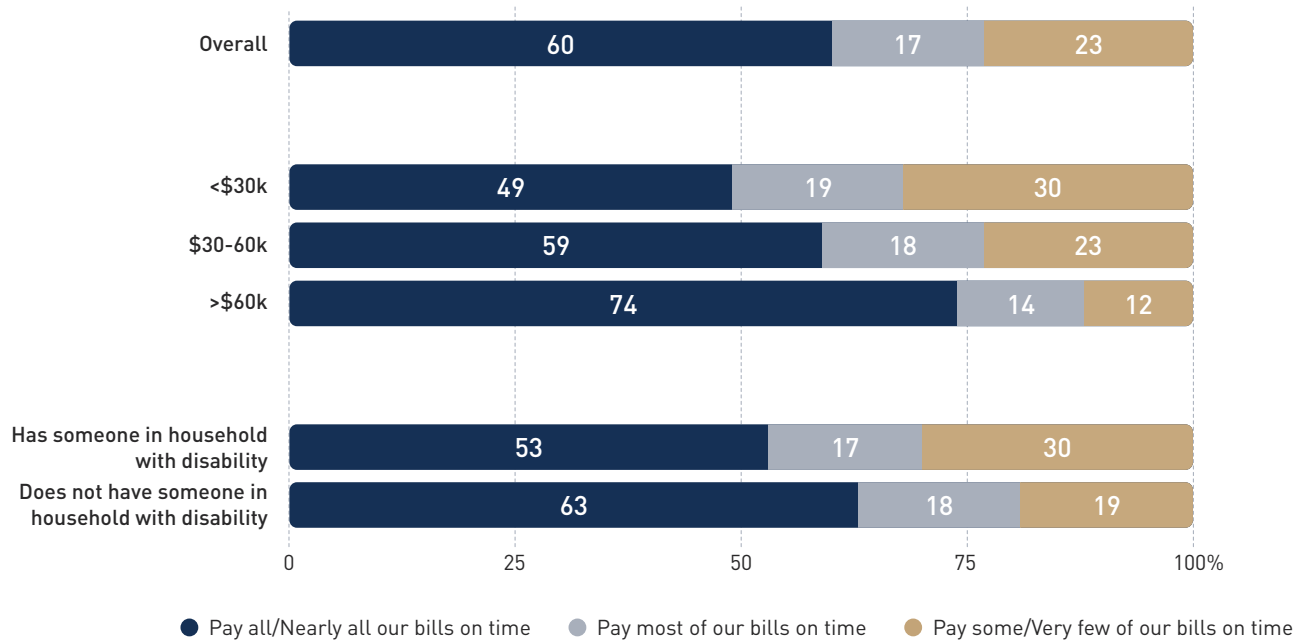
(% of Black adults)

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Sixty percent of households have been able to pay either all or nearly all their bills on time. Forty percent of households do not pay all their bills on time, including 23 percent of households who only pay a few or some on time.

Majority of Black adults report they are able to pay most of their bills on time

Question(s): Which of the following statements best describes how your household has paid its bills?



[% of Black adults]

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

One focus group respondent discussed her financial situation and ability to pay her bills on time:

“Not good. Well, I have a three-year-old and I’m unemployed, so I’m currently getting assistance from the government, and it’s very hard being a single mom and staying financially stable when you’re unemployed.”

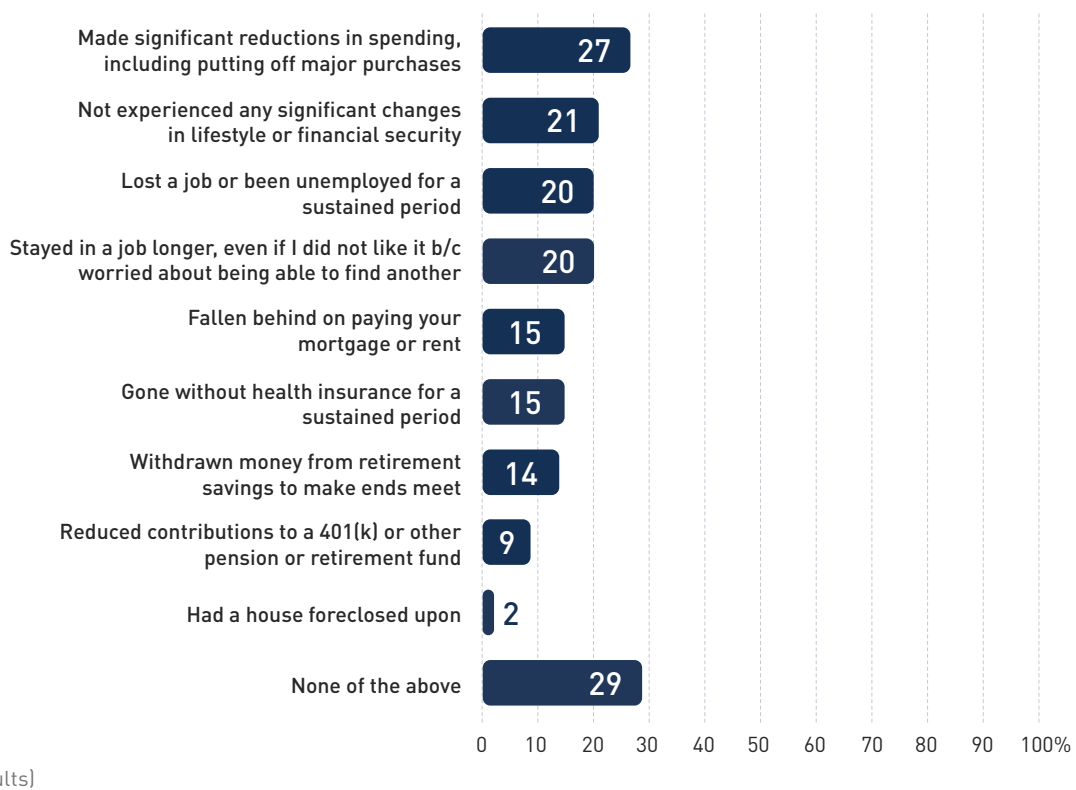
Those with someone in their household living with a disability are less likely than those without to say that they have paid all or nearly all their bills on time (53 percent vs. 63 percent). Those with incomes of less than \$30,000 are also less likely than those with incomes of over \$60,000 to say that they pay all or nearly all their bills on time (49 percent vs. 74 percent). There are no significant differences according to gender, education, or region.

Black households have experienced financial changes in the past year

Over the past 12 months, over a quarter of Black adults have made significant reductions in spending, including postponing major purchases. A fifth have stayed in jobs that they did not like due to worries about finding another, and a fifth have lost a job or been unemployed long term. Fewer have gone without health insurance long term (15 percent), fallen behind on their mortgage or rent (15 percent), withdrawn money from retirement savings (14 percent), reduced retirement contributions (9 percent), or had a house foreclosed on (2 percent).

Over a quarter have made significant reductions in spending over the past 12 months

Question(s): Over the past 12 months, have you or has anyone in your household experienced any of the following?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

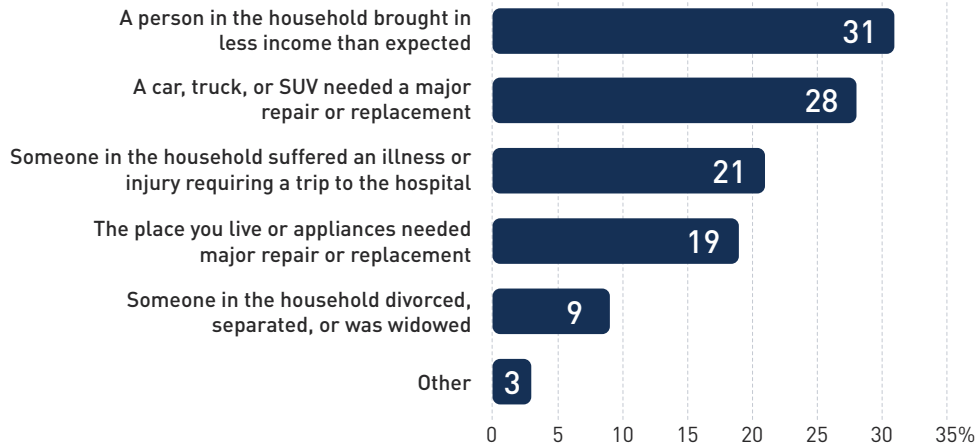
Sixty-eight percent of Black adults report that they have experienced an unexpected event in the past 12 months. The most-cited events include someone in the household bringing in less income than expected due to job loss, a pay cut, reduced hours, or a vehicle needing major repairs or replacement. Over a fifth (21 percent) report illness or injury in their household or significant home repairs. Only about one in 10 (9 percent) cite divorce, separation, or widowhood. Thirty-two percent have not experienced any unexpected events.

One focus group participant reflected on their experience of bringing in less money than they planned, even though this participant was still employed.

“ I work in the insurance industry, and I’m on a salary freeze right now. I was due to get a pay raise, which would have made things a bit more comfortable for me, but that freeze went into effect in July; I don’t know when the discussion will come about with going ahead with raises ... this salary freeze wasn’t a part of my plan of action. I had a plan of what I needed my finances to look like within a year to pay off my house within 15 years versus 30. And I’m still on track with that, but I’m pinching pennies. ”

An unexpected decrease in income is the most commonly cited unexpected event

Question(s): Sometimes, households experience unexpected events. In the past 12 months, please tell us if any of the following happened to your household?



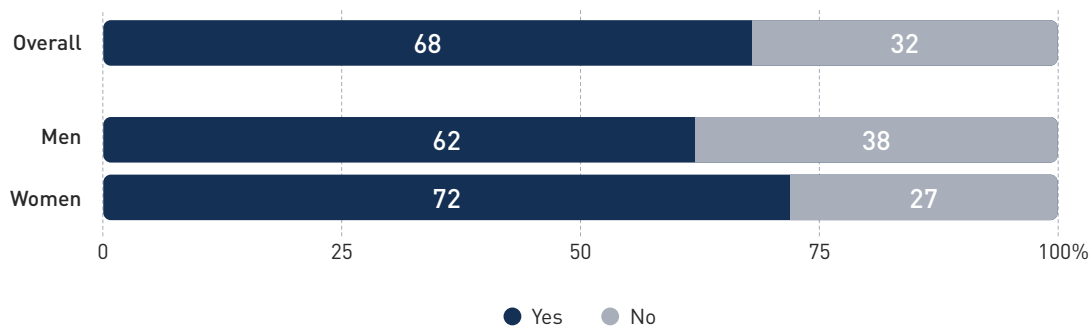
[% of Black adults]

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Among Black adults who report that they experienced at least one unexpected event over the past 12 months, the vast majority say that the event(s) made it harder for their household to make ends meet. Women are more likely than men to say this is the case.

Women are more likely than men to say an unexpected event impacted their household's ability to make ends meet

Question(s): If household indicated they experienced unexpected event in past 12 months: Did this (these) event(s) make it harder for your household to make ends meet for a while, or did it not affect your household's ability to make ends meet?



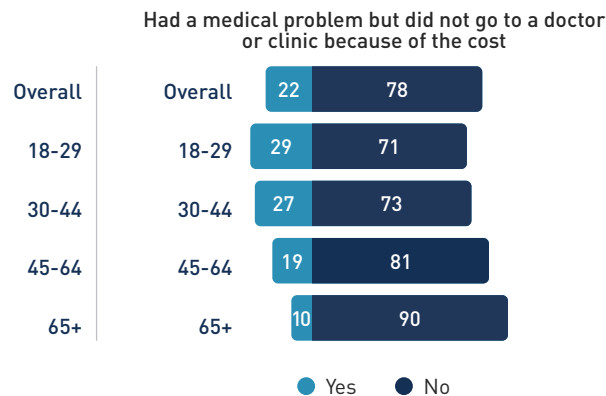
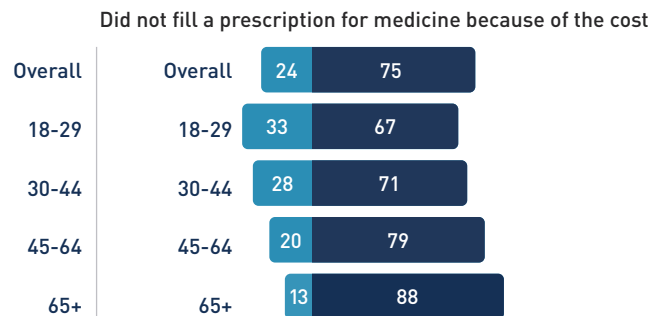
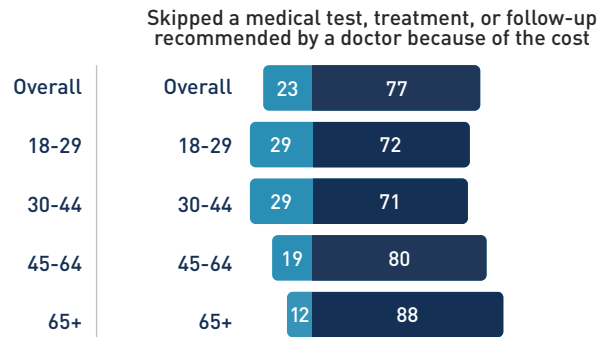
[% of Black adults]

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

The majority of Black adults have not allowed costs to affect their medical care, but a concerning number have. Just under a quarter of Black adults report going without prescriptions, medical treatments, tests, or recommended follow-up appointments due to the cost. Approximately a fifth have forgone doctor or clinic visits. Black adults aged 65 and older are less likely to avoid filling a prescription for medicine, skip a medical test treatment or follow-up, and avoid the doctor or clinic when facing a medical problem because of the cost compared to those who are younger.

A quarter have forgone some form of health care in the past 12 months due to costs

Question(s): In the past 12 months, was there any time when you...



(% of Black adults)

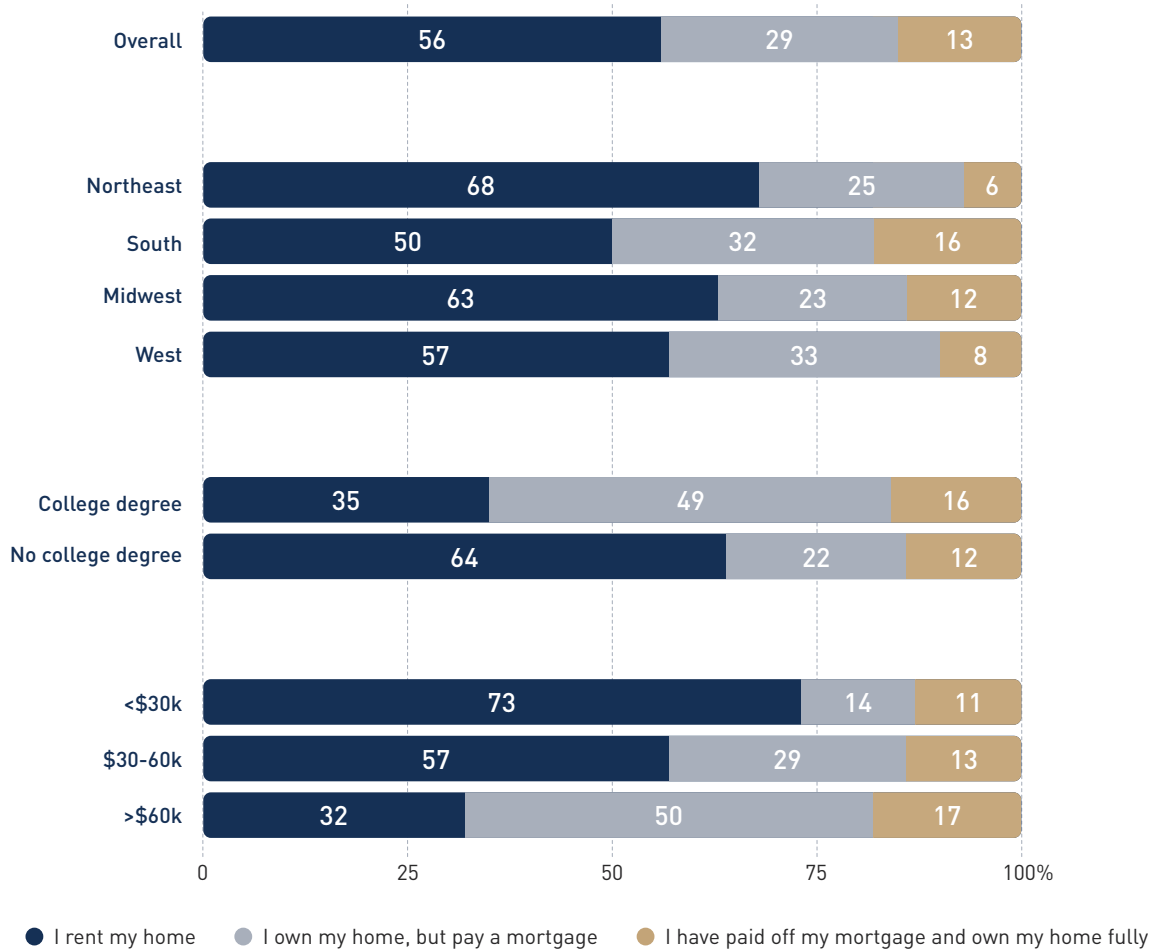
Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Black Americans are slightly more likely to be renters than homeowners

Over half of Black adults report that they rent their homes. About a third own homes and pay a mortgage, and 13 percent fully own their homes. Those living in the south or midwestern regions of the United States are more likely than those living in the northeastern or western regions to fully own their homes and are less likely to be renting. Black adults without a college degree are more likely to be renting their homes than those with a college degree.

Only 13 percent of Black Americans own their homes fully

Question(s): Which most accurately describes your current living situation?



[% of Black adults]

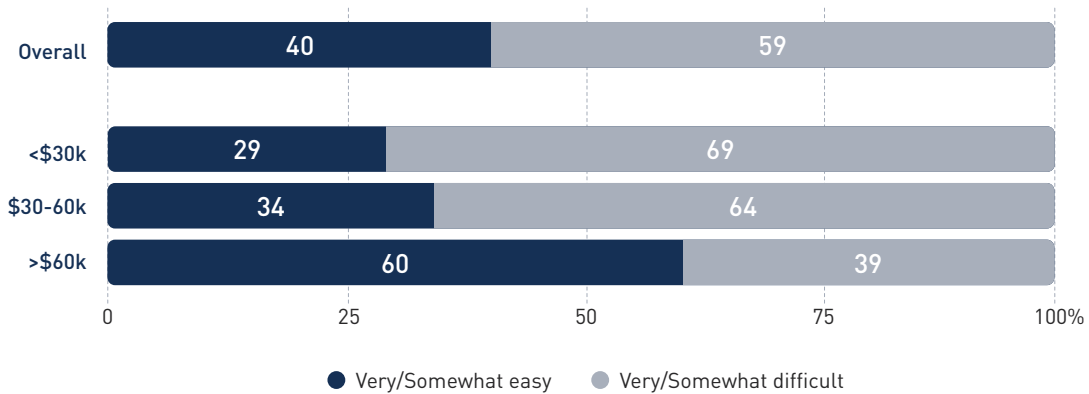
Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Nearly 60 percent of Black adults think that it would be difficult for them to obtain a home mortgage today, while 40 percent think that it would be easy. Those with annual incomes less than \$30,000 or between \$30,000 and \$60,000 are significantly more likely to view obtaining a mortgage as difficult than those earning over \$60,000. By contrast, those with incomes over \$60,000 are over twice as likely than those earning \$30,000 to say that obtaining a home mortgage is easy.



Those with lower incomes are more likely to think it would be difficult to obtain a home mortgage

Question(s): Do you think it would be very difficult, somewhat difficult, somewhat easy, or very easy for you to get a home mortgage today?



(% of Black adults)

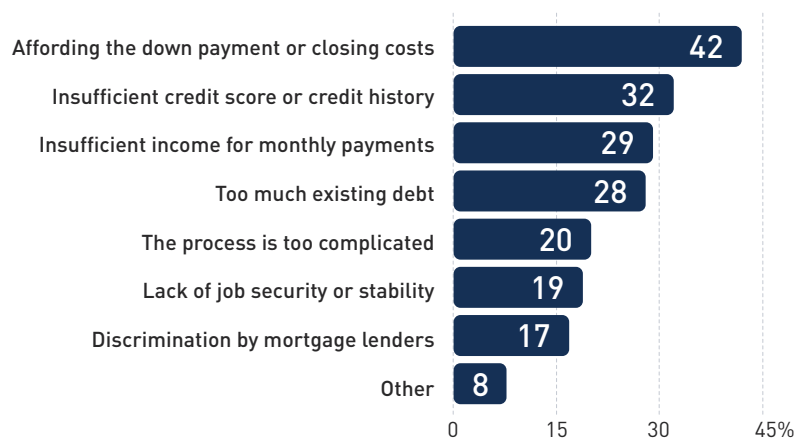
Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Black adults cite several obstacles to getting a mortgage to purchase or refinance a home. Forty-two percent of Black adults cite affording a down payment or closing costs as their single largest obstacle. Just under a third view insufficient credit scores or histories, lack of income, or too much debt as the most significant obstacle, while only about a fifth cite job insecurity or discrimination by mortgage lenders. One focus group respondent reflected on their prospects for home ownership by saying:

“ I’m in a better situation than a lot of folks: I have a full-time job, I live on my own, I don’t have kids at the moment. But I know I’m in a situation where if I wanted to buy a house or start a family, that’s something I would have to think about because I have a significant amount of debt through student loans ... Even though I don’t want to rent, even though I want to buy a house, I can’t in this market on my own, and I also have to think about family. ”

Affording a down payment or closing costs is seen as an obstacle to obtaining a mortgage

Question(s): What would be your biggest obstacle to getting a mortgage to purchase or refinance a home today?



(% of Black adults)

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

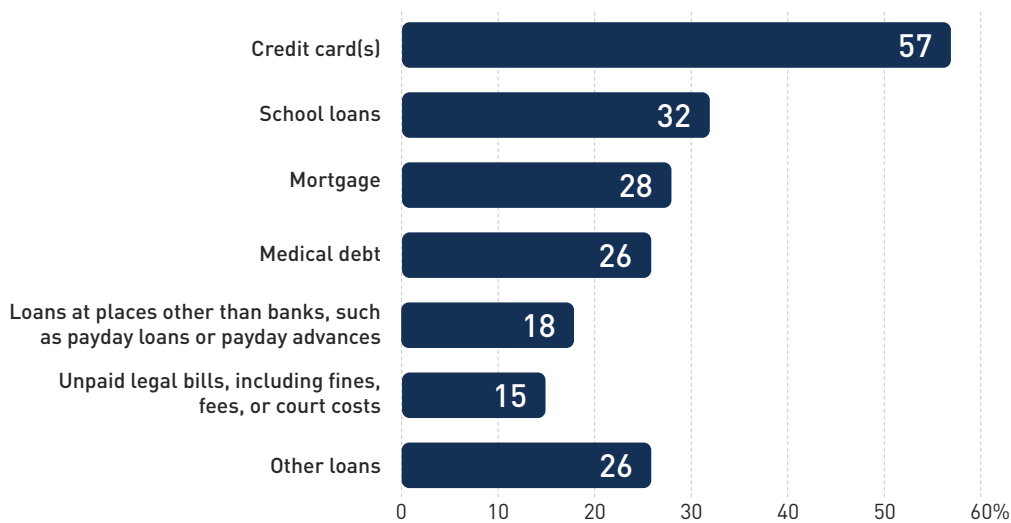
BLACK AMERICANS AND DEBT

Black adults have a varied relationship with debt. Nearly four in 10 Black Americans report having a credit score that is bad or very bad, while only around three in 10 report having a credit score that is good or very good. About four in five Black Americans have debt, and a third report that they have more debt than is manageable. Of the kinds of debt included in our survey, credit card debt was held by the most respondents, followed by student loans and mortgage debt. A majority expressed confidence that they would be approved if they were to apply for a credit card today, but beliefs about the likelihood of denial still deter many Black Americans from applying for credit cards. Relatedly, many Black Americans report being turned down for credit or not receiving as much credit as they applied for in the past year.

Over half of Black Americans have credit card debt, and a third have school loans. Just over a quarter have a mortgage, medical debt, or other outstanding loans. Just under one in five have loans at places other than banks, such as payday loan servicers. Fifteen percent report having unpaid legal bills, including fines, fees, or court costs.

Majority have credit card debt and nearly a third have student loans

Question(s): Do you have debt in any of these categories?



(% of Black adults)

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Younger adults aged 18–29 (45 percent) and 30–44 (42 percent) are more likely to have student loans than older adults aged 45–59 (29 percent) and 60 and older (14 percent). Women are more likely to have outstanding student loans than men (35 percent vs. 27 percent). Those who earned a bachelor’s degree are more likely to have school loans compared to those who attended vocational training, technical school, or some college (45 percent vs. 33 percent).

Adults aged 60 and above (39 percent) are more likely to have outstanding mortgage debt than those aged 45–59 (30 percent), 30–44 (24 percent), and 18–29 (14 percent).

Adults aged 60 and above are more likely to have credit card debt than adults younger than 60 (69 percent vs. 53 percent).

Those who earn less than \$30,000 a year (25 percent) are more likely to have unpaid legal bills than those who earn \$30,000–\$60,000 (10 percent) and those who earn over \$60,000 (7 percent). Younger adults aged 18–29 (24 percent), 30–44 (18 percent), and 45–59 (16 percent) are more likely to have unpaid legal bills — including fines, fees, and court costs — than those aged 60 and older.

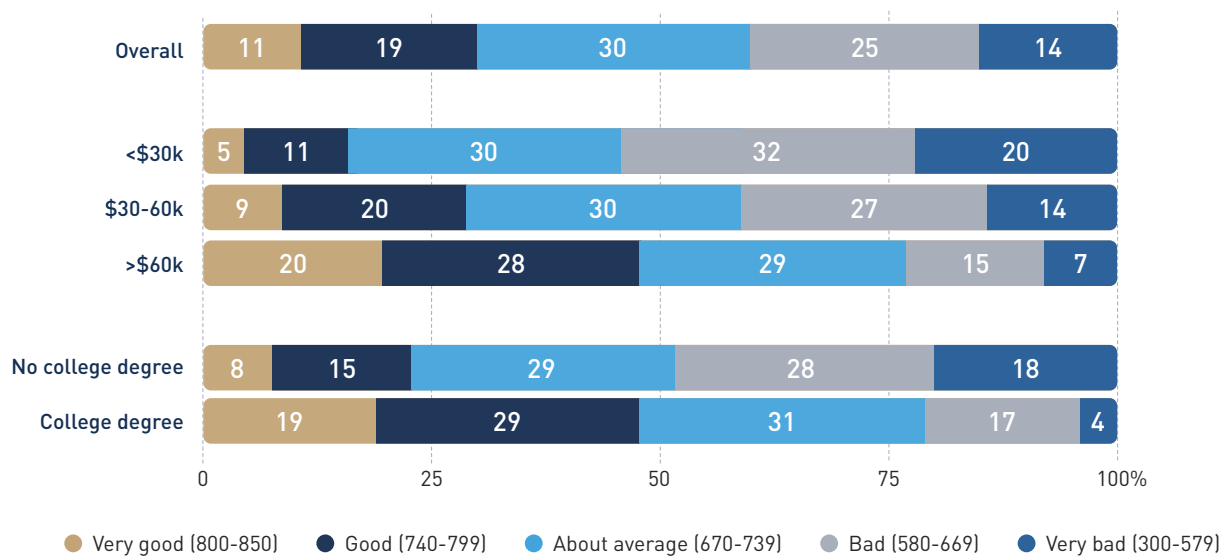
Those who earn less than \$30,000 a year are more likely to have outstanding loans, such as payday loans or payday advances, than those who earn \$30,000–\$60,000 (18 percent) and those who earn over \$60,000 (9 percent).

Over half of Black Americans have a credit score that is at least average or above average

More than half of Black Americans report that they have an average credit score (670–739) or better, while a quarter report having a bad credit score. Few report having a very bad credit score.

Nearly 4 in 10 Black Americans report they have a poor credit score

Question(s): How would you rate your current credit record?



(% of Black adults)

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

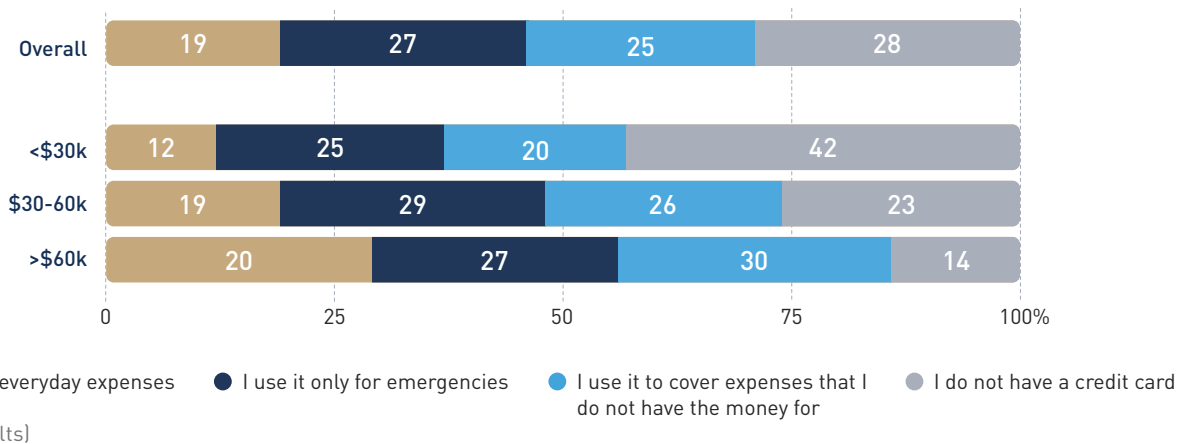
Those aged 60 or older are more likely to have a very good credit score compared to younger adults aged 18–29, as are those with a college degree compared to those without. There are no significant differences in credit scores according to gender or region.

Most Black Americans have credit cards

Just over a quarter of Black Americans do not have a credit card or only use one for emergencies. Those with an annual income of less than \$30,000 are less likely to have a credit card than those with a higher income. A quarter use a credit card to cover expenses that they do not currently have the money for, while a fifth use it for everyday expenses. Those with an annual income of \$60,000 or more are more likely to use their credit card for everyday expenses compared to those with a lower income. Men are more likely to use their credit cards for everyday expenses than women (24 percent vs. 16 percent).

Few use their credit card for everyday expenses

Question(s): Which best describes how you use your credit card?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

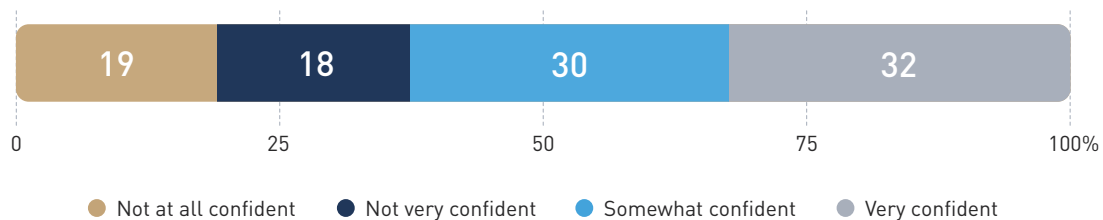
Black adults without a college degree are more likely to say that they do not have a credit card compared to those with a college degree (34 percent vs. 11 percent). Those with a college degree are also more likely to use their credit card for everyday expenses (29 percent vs. 15 percent) and for expenses that they do not currently have the money for (31 percent vs. 22 percent) than those without a college degree.

A majority expressed confidence that they would be approved if they were to apply for a credit card today. Just over a third are not confident that they would be approved for a credit card. Those aged 60 and older are more likely to be confident that they would be approved for a credit card compared to Black adults younger than 60 (70 percent vs. 59 percent).

Those with someone in their household living with a disability are less likely to express confidence that they would be approved for a credit card if they were to apply for one today than those who do not have someone with a disability living in their household (54 percent vs. 66 percent). Those with an annual income of more than \$60,000 (78 percent) are more likely to say that they are confident that they would be approved for a credit card than individuals making between \$30,000 and \$60,000 (64 percent) or less than \$30,000 (49 percent).

Most express confidence they would be approved for a credit card

Question(s): If you were to apply for a credit card today, how confident are you that your application would be approved?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Limited access to credit deters Black Americans from applying for credit cards

Beliefs about the likelihood of denial deter many Black Americans from applying for credit cards. Forty-one percent of Black Americans report that they put off applying for credit because they thought that they would be turned down. Women are more likely than men to put off applying for a credit card because they think that they will get turned down (44 percent vs. 36 percent).

Relatedly, many Black Americans have experienced not receiving credit in the past year. Thirty-six percent report that they have been turned down for credit in the past 12 months, and 27 percent report that they were approved for credit in the past 12 months but were not given as much credit as they applied for.

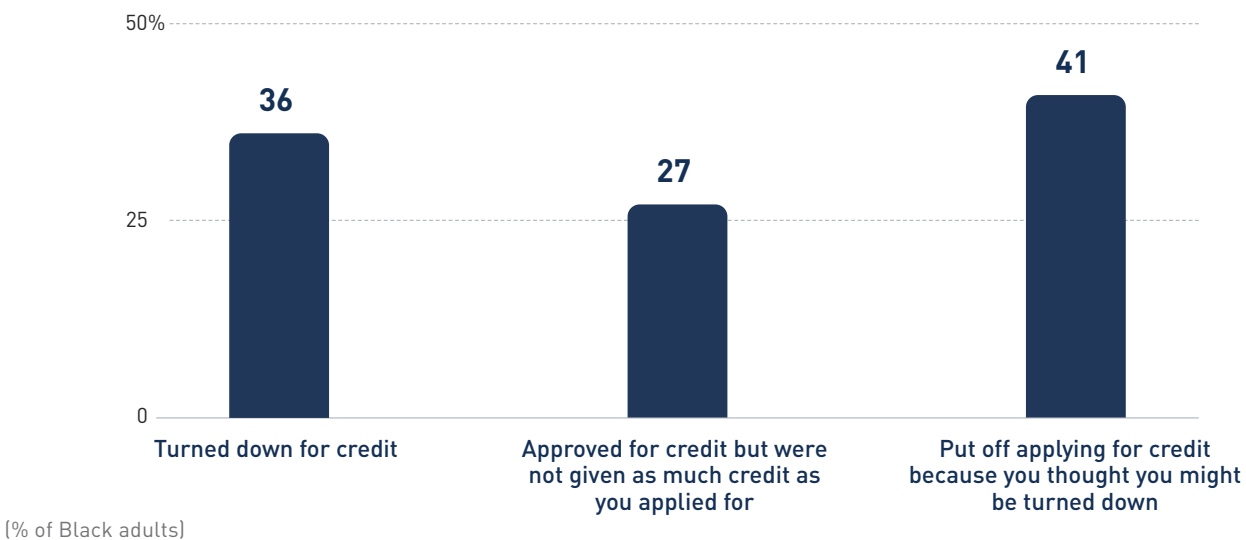
Black Americans aged 18–44 are more likely to have been turned down for a credit card in the past 12 months than those aged 60 or older (41 percent vs. 29 percent). Furthermore, Black adults aged 60 and older are less likely to have been approved for a credit card but not given as much credit as they wanted in comparison to younger adults.

Those with someone in their household living with a disability are more likely to have been turned down for a credit card in the past year compared to those who do not have someone with a disability living in their household (47 percent vs. 31 percent). They are also more likely to put off applying for a credit card because they think that they will get turned down (49 percent vs. 37 percent).

Individuals with an annual income above \$60,000 are less likely to have been denied a credit card in the past 12 months compared to individuals making less than \$60,000. Those with an annual income of less than \$30,000 (52 percent) are more likely to put off applying for credit compared to those making \$30,000–\$60,000 (38 percent) and above \$60,000 (28 percent).

About a third have been turned down when applying for credit in the past year

Question(s): In the past 12 months, has each of the following happened to you or a member of your household?



Source: The Joint Center study conducted Sept. 16–Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

A third of Black Americans have an unmanageable amount of debt

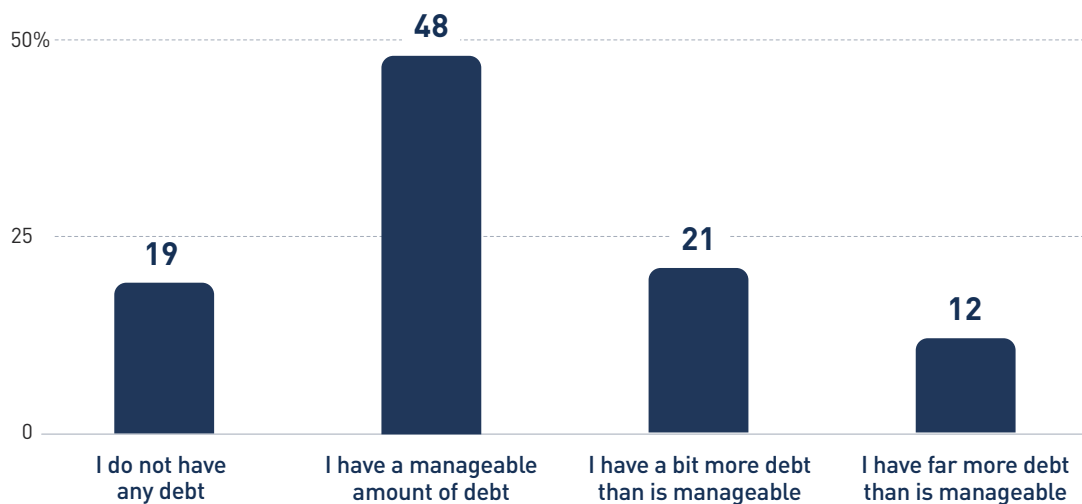
When asked to consider all current outstanding household debts, most Black Americans do not have any debt or have an amount that they consider manageable. However, a third of Black Americans have more debt than is manageable, including 12 percent who have far more debt than is manageable. Nearly half have a manageable amount of debt, while about a fifth do not have any debt.

Those aged 18–29 are more likely to not have any debt than older respondents. Those with someone in their household living with a disability are more likely to say that they have more debt than they can manage than those who do not have someone with a disability living in their household. Additionally, those with someone in their household living with a disability are less likely to say that they have no debt compared to those who do not have someone with a disability living in their household.

Those without a college degree are more likely to have no debt than those with a college degree. They are also more likely to have a manageable amount of debt than college graduates (55 percent vs. 46 percent).

A third of Black adults report having an unmanageable amount of debt

Question(s): As of today, which of the following statements describes how manageable your household debt is?



(% of Black adults)

Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

In the focus groups, respondents expressed concern about both the inability to pay off their debt and the risk of accumulating more debt when experiencing a health care or other emergency. One respondent spoke about the variations in interest rates between buying a car and a house versus the high interest rate placed on credit card debt. Another respondent spoke about a state policy that required banks to explain their interest and fee policies but stated that these organizations find ways around adequately informing the public about their options. With this, a respondent argued that the government should release a set of resources, particularly for the working class, aimed at expanding financial literacy; though such resources exist, participants spoke about the difficulty that they've had in finding and accessing them.

BLACK AMERICANS' FINANCIAL ASPIRATIONS

Black Americans have a widely varying list of financial aspirations. Lower-income Black respondents indicated that their financial aspirations are more near term, including having enough money to pay bills and not living paycheck to paycheck. Those with higher incomes tended to have aspirations based more on future states, such as being debt-free, having enough money to comfortably retire, and being able to leave assets as an inheritance. Consistent with optimism about future finances, most Black Americans think that they will have enough money to retire, even those with lower incomes.

The main barriers that Black Americans see to achieving their financial goals are high inflation, high interest rates, and not having enough money to start investing. Around four in 10 Black Americans indicated that racial discrimination by lenders was, at least, a moderate barrier to achieving their financial goals. Over a third of Black Americans noted that they were concerned that Social Security benefits would be cut, and around a quarter indicated that they were concerned about the cost of health care as a possible impediment to a comfortable retirement.

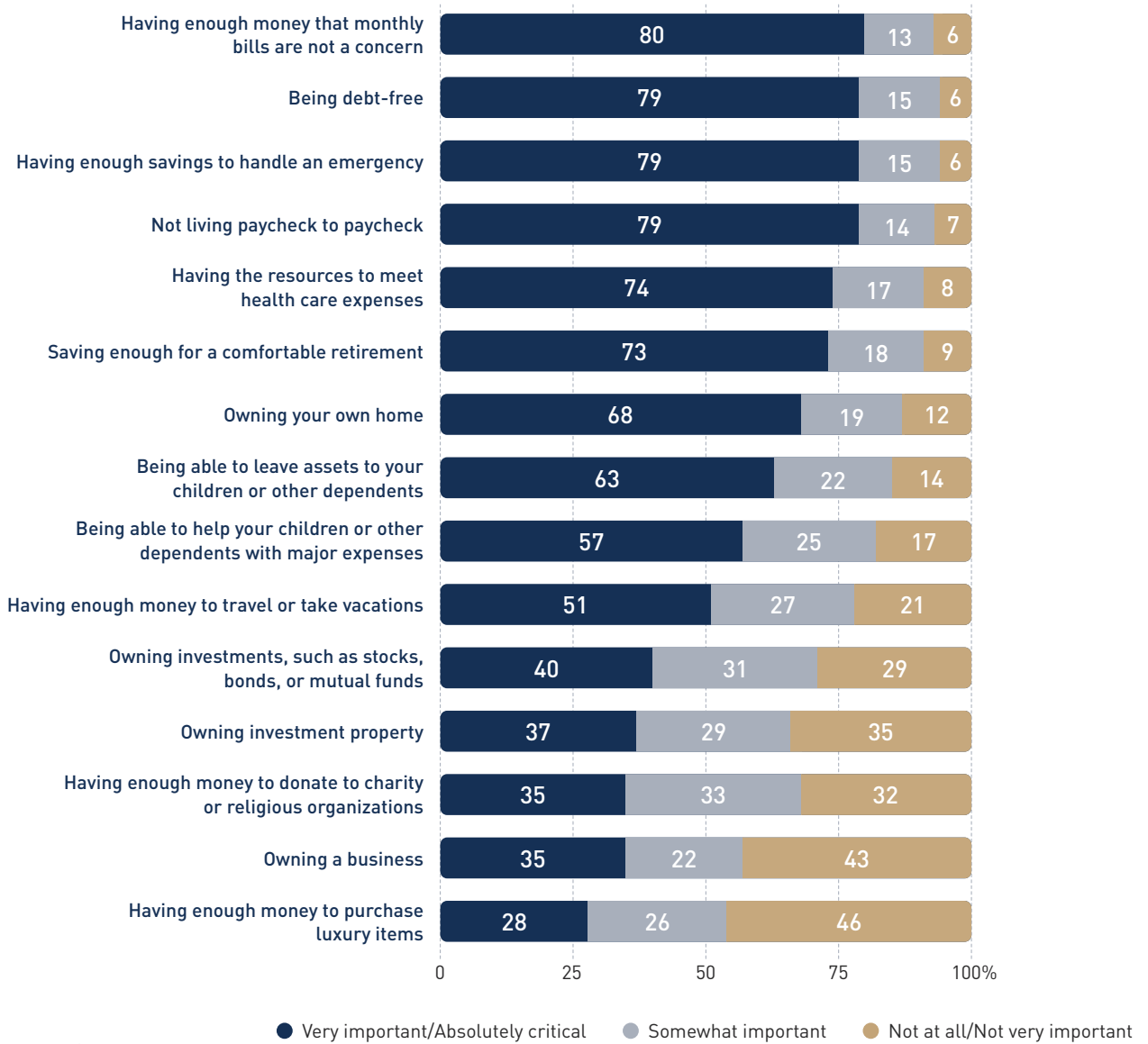


Financial aspirations of Black Americans center around short-term goals

Black Americans are fairly united in what they cite as future financial aspirations. Eight in 10 Black adults view financial aspirations including like not having to worry about monthly bills, not living paycheck to paycheck, having enough savings to handle an emergency, and being debt-free as very important to their financial goals; the vast majority say the same about being able to meet health care expenses, comfortably retire, or own their own home. More than half also view having enough money to travel or assist dependents with major expenses as very important, while fewer feel similarly about having enough money to donate to charity, purchase luxury items, or own an investment property, a business, or investments like stocks and bonds.

Most rate not living paycheck to paycheck, having sufficient savings for emergencies and monthly bills, and being debt-free as most important

Question(s): People have different opinions about how important certain things are in their financial goals and aspirations. How important are each of the following for you as a part of your financial goals?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults.

Those with incomes of greater than \$60,000 or between \$30,000 and \$60,000 are more likely than those earning less than \$30,000 to say that being debt-free (85 percent and 83 percent vs. 72 percent), having enough savings for retirement (82 percent and 72 percent vs. 67 percent), and having enough money that monthly bills are not a concern (87 percent and 83 percent vs. 73 percent) are important. There are no significant differences according to gender.

Most focus group participants agreed that having enough money to pay their bills without worrying, having enough money to handle an emergency, and being debt-free were important for achieving their financial goals. Those who did not view these as their primary goals stressed the importance of longer-term goals, such as contributing to retirement, building savings, and investing.

When asked about how much they agreed with the top financial aspirations from the survey, a focus group participant who has a relatively high income stated:

“ I would say, for me, those [top three] don't really hit home as much. It would probably be more long-term things for me. Debt-free is one of them, but the retirement thing for me is definitely my biggest financial goal at the current time. Combined 401(k)s, investments, etc. ”

However, another focus group respondent noted agreement with the general survey findings:

“ I would say [that] those are my top three, yeah: getting out of debt, having an emergency fund so you don't have to rely on credit cards and getting back into debt, [and] just having something to pass on to my kids are really important to me. ”

Others also mentioned financial literacy as a goal. One respondent spoke about how the lack of financial literacy within their household and seeing their parents financially struggle prevented them from developing their own understanding of how to achieve their financial goals, leading them to unwittingly imitate the financial actions that they witnessed growing up. Another respondent shared how relying on the financial literary advice of outside community members is enabling them to achieve their financial goals.

Finally, some participants stressed the importance of having wealth and the ability to pass it down to their dependents. One respondent spoke about the lack of inherited wealth in the Black community and how this puts community members at a disadvantage. They spoke about wanting to set their own children up for adulthood by passing on wealth and resources so that their children can have a better start than they did.

Two-thirds of Black Americans feel confident about retirement

When it comes to retirement, 66 percent of Black Americans say that they are at least somewhat confident that they will have enough money to take care of their basic expenses during their retirement, whereas 34 percent express that they are not very confident or not confident at all. Similarly, 60 percent of Black Americans report that they are at least somewhat confident that they are doing a good job preparing financially for their retirement, 61 percent are at least somewhat confident that they will have enough money to keep up with inflation, 62 percent express confidence that they will have enough money to take care of their medical expenses during retirement, and 57 percent are confident that they will have enough money to last their entire life.

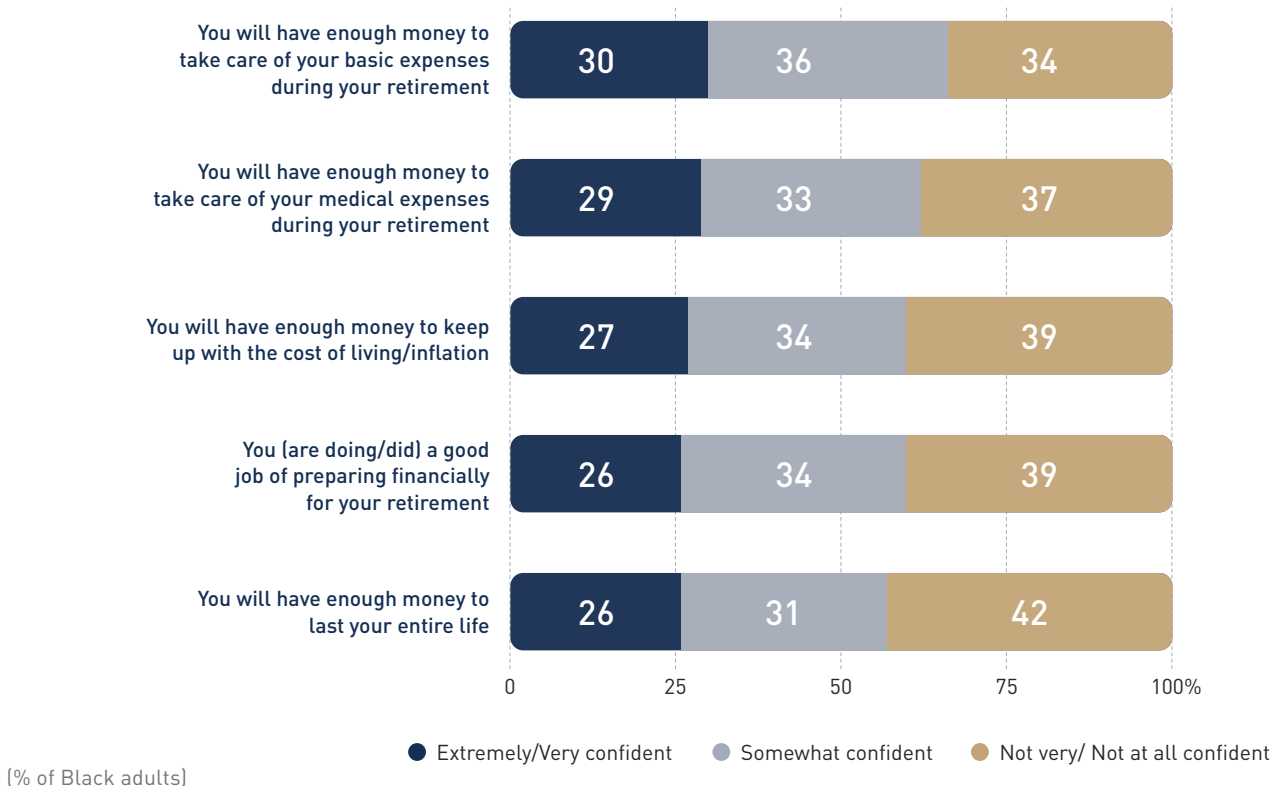
Black adults with an annual income of below \$30,000 are less likely to say that they are extremely or very confident that they will have enough money saved to take care of their basic needs during retirement compared to Black adults who make more than \$30,000 a year.

Black men are more likely to report feeling confident that they will have enough money to take care of their basic expenses during their retirement than Black women (36 percent vs. 26 percent). Black men are also more likely to express confidence that they are doing/did a good job financially preparing for their retirement than Black women (31 percent vs. 23 percent), that they will have enough money to keep up with the cost of inflation (30 percent vs. 24 percent), and that they will have enough money to last their entire life (30 percent vs. 22 percent).

Those with someone in their household living with a disability are more likely to say that they are not very confident or not confident at all that they will have enough money to last their entire life compared to those who do not have someone with a disability living in their household (51 percent vs. 39 percent).

Majority express they are at least somewhat confident about their financial preparations for retirement

Question(s): How confident are you (and your spouse) about the following aspects related to retirement?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

When thinking about obstacles to a financially comfortable retirement, 38 percent of Black Americans are particularly concerned with the possibility of Social Security payments being cut back. Just over a quarter are worried that they may put off saving for retirement until it is too late. A quarter are worried about the rising prices of homes and education, and just under a quarter are worried about having to support another family member and paying for health care or geriatric care. Sixteen percent of Black Americans are worried that student loans and other debts will make it impossible to start saving for retirement, and 11 percent are worried that their employers may not offer pensions or retirement plans.

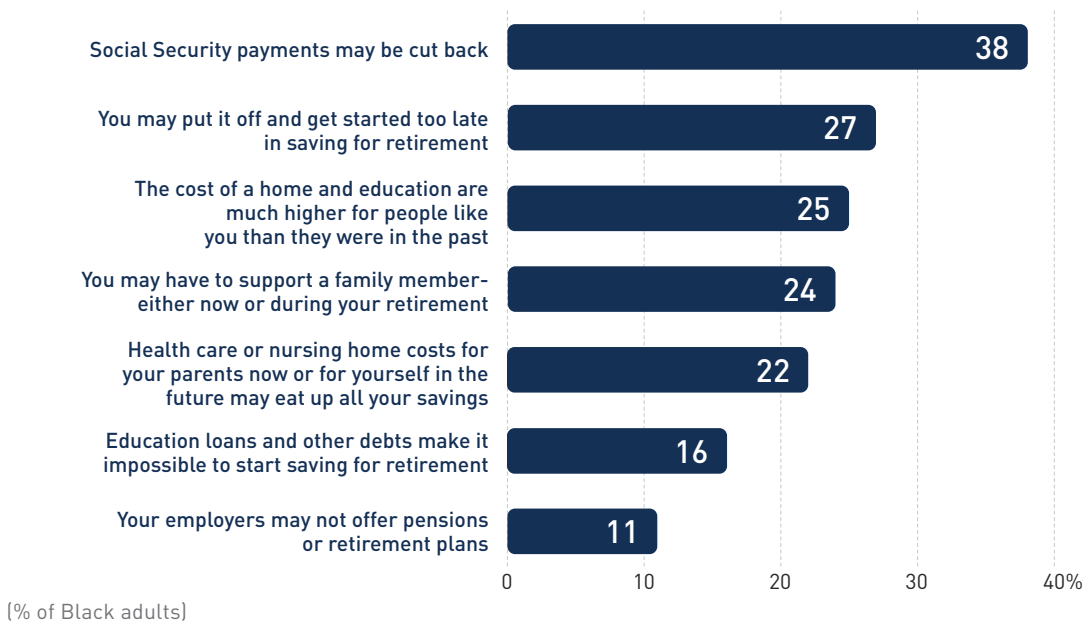
Focus group participants reflected on their concerns about Social Security benefits keeping pace with expenses over time:¹

“ I think it would be beneficial if they increased Social Security. From my understanding, they haven’t been increasing Social Security to help deal with inflation ... I think it would be highly effective to increase that right now. ”

“ For the past few years, they haven’t been increasing Social Security. There was an increase during the beginning of the pandemic, and it helped some but not enough. ”

Over a third of Black adults personally worry Social Security payments may be cut back

Question(s): Thinking about your own savings and investments, particularly as they relate to your retirement, which one or two of the following do you personally worry about the most when it comes to having a financially comfortable retirement?



¹ Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.



BARRIERS TO BLACK HOUSEHOLDS ACHIEVING THEIR FINANCIAL ASPIRATIONS

When it comes to barriers to their financial goals and aspirations, the majority of Black adults report that high inflation, high interest rates, not having a financial plan, not having enough money to start investing, poor credit, and not having enough money to start a business have, at least, a moderate impact. About half say the same about not having a stable job or source of income and not understanding what to do to get started, while fewer cite a lack of benefits from employers, not knowing how to manage their money, or having a criminal record.

Several focus group participants noted the impact that inflation has had on their ability to work toward and meet their financial goals:

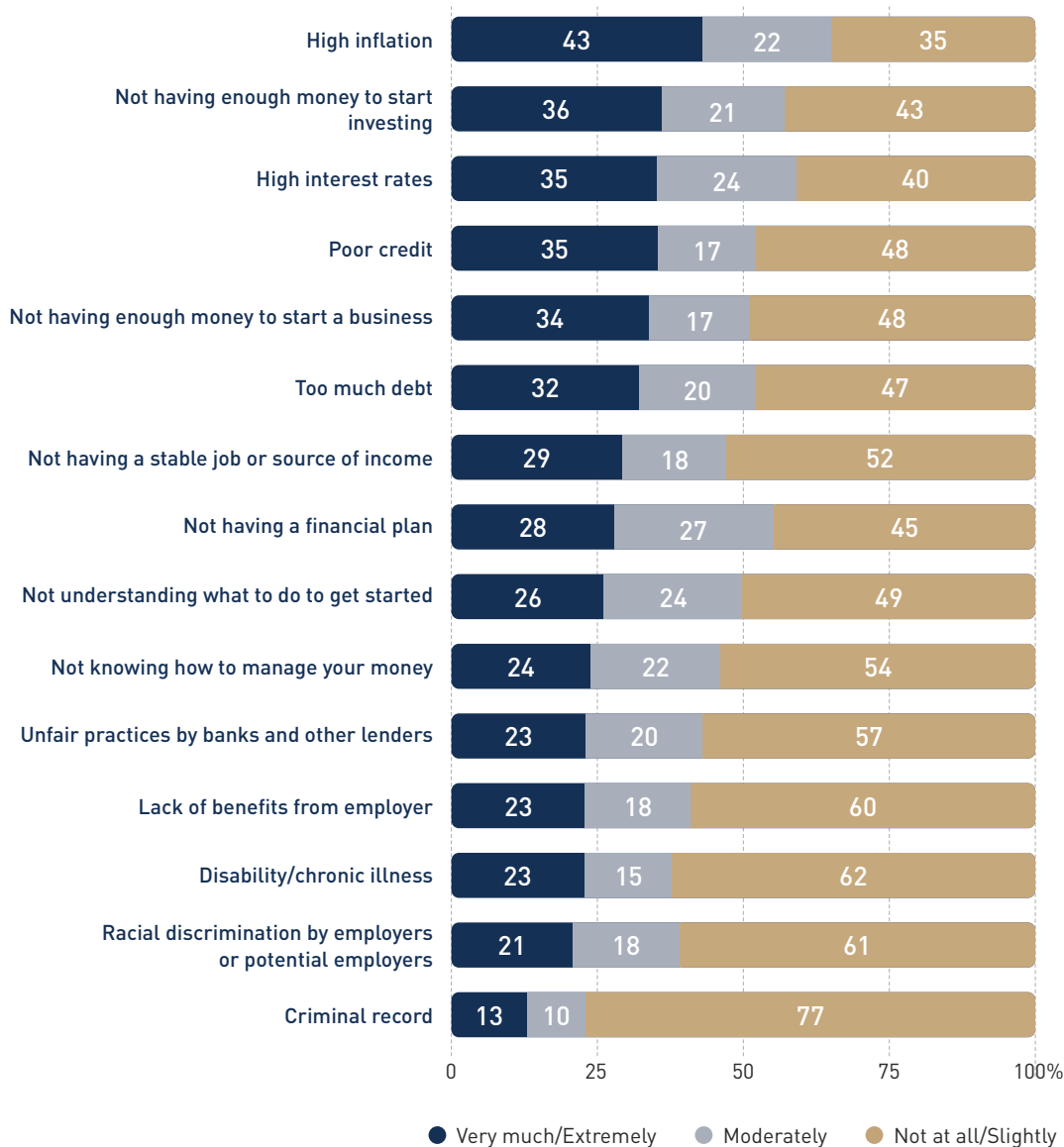
“Me and my husband, we both work, but we’re living paycheck to paycheck. We have children in the household, so we’re not able to save. I stopped contributing to my retirement last year to get extra money; things got tight since the pandemic, prices of things have been increasing, and it’s just that extra \$100 a month can go toward contributing to the household. I’ll worry about it later — I hate to say that, but it’s something I’ll have to worry about later.”

“This past weekend, I had to go to the grocery store — I have two boys [who] are older but still live at home, and they eat a lot. When I’m spending \$900 at the grocery store and these groceries might last two weeks, that’s a lot. So, I think inflation has been an issue, but I feel like more recently — and I’m assuming due to the pandemic — it’s gotten worse. I’m hoping it’ll get better or that there will be some kind of wage adjustment, though I don’t see that happening.”



Four in 10 report that high inflation is preventing them from achieving their financial aspirations

Question(s): To what extent are the following items preventing you from achieving your financial goals and aspirations?



Source: The Joint Center study conducted Sept. 16-Oct. 10, 2022, with 1,592 adults age 18 and older nationwide.

Those with someone in their household living with a disability are more likely than those without to report that poor credit (41 percent vs. 32 percent), not having enough money to start investing (41 percent vs. 34 percent), and high interest rates (43 percent vs. 32 percent) are preventing them from achieving their financial goals. Individuals earning more than \$60,000 per year are more likely than those earning less than \$30,000 to report being impacted by poor credit (45 percent vs. 22 percent) and not having enough money to start investing (41 percent vs. 27 percent). There are no significant differences according to gender, education, or region.

Nearly all participants agreed that inflation and the rising costs of living are barriers to achieving their financial goals. One respondent spoke about inflation only being an issue when coupled with wage stagnation, where employers do not proportionally increase wages to the increase in the price of goods. Another respondent spoke

about their own experience with a salary freeze that began in summer 2022 and caused them to reevaluate the financial goals they'd set for themselves. A retired participant shared this same sentiment, adding that Social Security has not increased with inflation. Respondents also spoke about financial literacy and health care costs, while others shared experiences about the high costs of taking care of dependents and the inability to generate wealth because of the increase in property costs.

Notably, about four in 10 Black adults say that racial discrimination by employers or unfair practices by banks and other lenders have prevented them from achieving their financial goals to, at least, a moderate extent. In addition, 38 percent report that disability or chronic illness has had a similar effect.

RESPONDENTS' RECOMMENDATIONS

During the focus group discussions, we asked participants about what they thought the federal government could do to help Black Americans better achieve their financial goals. In considering policies that the federal government could implement to address barriers to achieving their financial goals, many respondents stressed the importance of financial literacy and the lack of education around the topic in K-12 schooling. Most of the participants in these focus groups reported having no financial literacy education, with many citing this as the primary reason why they accumulated excessive debt when they were younger. One respondent mentioned that they attended an educational program while in school that taught students how to engage with a bank (including creating an account and depositing a check), but that this program no longer exists. Another respondent spoke about their parents' lack of financial literacy and how this motivated them to independently pursue their own education.

When talking about how inflation has acted as a barrier to achieving her financial goals, one middle-income focus group participant stated:

... there was a point in history when you could take care of a family on one salary, and it could have been a teacher's salary, or a social worker's salary, or a nurse's salary ... and it was possible. But now, you have people with advanced degrees still struggling to make what is considered middle-class income in this country. So, you have a lot of educated poor people. So, I think that, in addition to inflation, you have to look at how people are being paid. And I think people are being paid less because the wage gap is broadening, and it's because the majority of money that exists in this country is inherited.

Participants also mentioned student loan forgiveness as an additional policy that would aid their financial situation. However, some respondents noted that the proposed amount of debt forgiveness might not be enough to help many borrowers.

A high-income respondent noted:

I'll be the first to say student loans. The student loan thing is huge. I'll be honest, I have \$140,000 in student loan debt, which for a social worker is ridiculous.

Participants mentioned protecting and increasing Social Security as well as decreasing the cost of health care and expanding health care access to those who cannot afford it.

Respondents also spoke at length about the impact of health and health care costs on financial aspirations. Participants argued for the need to expand health care coverage given the heavy burden that health care costs place on them. For some participants, the cost of health care doesn't allow them to focus on other aspirations, such as having the money for an emergency or being debt-free.

Several respondents indicated that enacting some form of universal health care is a policy that the federal government could put in place that would help to secure the financial futures of Black Americans.

A retired participant with a high income stated:

“ Medicare for all ... I think most countries have health care for their citizens. We're one of the only industrialized nations with so many people without health care. Obamacare began to address that, but there are still people who have to get their health care from their employers; if they change employers or lose their job, they lose their health care. We would be a much healthier country if everyone had access to health care — and free health care or very low-paying health care. ”

Some respondents expressed concerns while considering potential policies. One participant said that they fear that any new policies to aid Black Americans' financial situations would only work to perpetuate existing financial oppression in the United States.

One participant expressed this concern when she stated:

“ If the federal government were to actually put policies in place that were legitimately for the advancement of Black people, yeah. But this country was founded on the principles to be beneficial by white men, for white men. So, in my thought process, as an African American [woman] to still have to work twice as hard to be seen as half as good as my white counterparts, statistically, things are never going to be equal between white people and Black people. They can put out the programs as a whole, but in my mind, it's still going to be for the advancement of them and not for the advancement of the people. ”

The respondent also stressed the need for the federal government to focus on policies specifically aimed at combating oppression and the importance of federal and state officials collaborating on such policies. Others were skeptical of any policy's ability to have a substantive impact on their financial situations and instead wanted to see community-led organizations implement programs to promote community members' financial goals.

METHODOLOGY

Joint Center for Political and Economic Studies and NORC at the University of Chicago staff collaborated on this study. NORC fielded the survey and conducted pre- and post-survey focus groups.

Data was collected using both probability and nonprobability sample sources. Interviews for this survey were conducted between Sept. 16 and Oct. 10, 2022, with African Americans aged 18 and over representing the 50 states and the District of Columbia.

The probability sample source is 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 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 percent of the U.S. household population. Those excluded from the sample include people with only P.O. box addresses, some addresses not listed in the USPS Delivery Sequence File (DSF), and some newly constructed dwellings.

Panel members were randomly drawn from AmeriSpeak and 833 completed the survey — 775 via the web and 58 via telephone. NORC telephone interviewers invited panel members by email or phone. Interviews were conducted in English. Respondents were offered a small incentive (2,000 AmeriPoints) for completing the survey. The final-stage completion rate is 17.2 percent, and the weighted household panel response rate is 78.7 percent — for a cumulative response rate of 3.2 percent.

Lucid provided 759 nonprobability interviews with African Americans aged 18 and over. The nonprobability sample was derived from quotas related to age, gender, and education. Interviews were conducted in English and via the web only. For panel recruitment, Lucid uses invitations of all types, including email invitations, phone alerts, banners, and messaging on panel community sites to include people with a diversity of motivations to take part in research. Because nonprobability panels do not start with a frame where there is a known probability of selection, standard measures of sampling error and response rates cannot be calculated.

Quality assurance checks were conducted to ensure data quality. In total, 96 interviews were removed for nonresponse to at least 50 percent of the questions asked of them, for completing the survey in less than one-third of the median interview time for the full sample, or for straight-lining all grid questions asked of them. These interviews were excluded from the data file prior to weighting.

Once the sample was selected and fielded, and all the study data was collected and made final, a raking process was used to adjust for any survey nonresponse in the probability sample, as well as any noncoverage or under- and over-sampling in both probability and nonprobability samples resulting from the study-specific sample design. Population control totals for the raking variables were obtained from the 2021 Current Population Survey. The weighted data reflect the African American population of people aged 18 and over in the United States.

To incorporate the nonprobability sample, NORC used TrueNorth® Calibration, an innovative hybrid calibration approach developed at NORC based on small area estimation methods to explicitly account for potential bias associated with the nonprobability sample. The purpose of TrueNorth® Calibration is to adjust the weights for the nonprobability sample to bring weighted distributions of the nonprobability sample in line with the population distribution for characteristics correlated with the survey variables. Such calibration adjustments help reduce potential bias, yielding more accurate population estimates.

The weighted AmeriSpeak sample and the calibrated nonprobability sample were used to develop a small area model to support domain-level estimates, where the domains were defined by age and gender. The dependent variables for the models were:

- **Q1.** *How would you describe the financial situation in your household these days?*
- **Q23.** *To what extent are the following items preventing you from achieving your financial goals and aspirations? (Unfair practices by banks and other lenders)*
- **Q26.** *As of today, which of the following statements describes how manageable your household debt is?*

These were found to be key survey variables, in terms of model fit. The model included covariates, domain-level random effects, and sampling errors. The covariates were external data available from other national surveys, such as health insurance, internet access, voting behavior, and housing type from the American Community Survey or CPS.

Finally, the combined AmeriSpeak and nonprobability sample weights were derived such that for the combined sample, the weighted estimate reproduced the small domain estimates (derived using the small area model) for key survey variables.

The overall margin of error for the combined sample is +/- 3.12 percentage points at the 95 percent confidence level, including the design effect. The margin of sampling error may be higher for subgroups.

Sampling error is only one of many potential sources of error, and there may be other unmeasured errors in this or any other survey.

Additional information on the **TrueNorth® approach** can be found [here](#).

For more information, email info@norc.org.

Descriptive statistics of focus group respondents (n=25)

Area of Residence	Count
Urban	12
Suburban	10
Rural	3
Lives in the Southern United States	15
2021 income was greater than \$50,000	11
Has student loan, medical, or legal debt	17
Has children under 18 living in the household	11
Owns their household	11

Descriptive statistics of survey respondents

Gender	Joint Center/NORC Sept. 16-Oct. 10, 2202
Male	44
Female	53
Race/Ethnicity	
Black, non-Hispanic	88
Black, Hispanic	7
Black, 2+, non-Hispanic	5
Marital Status	
Married	29
Not married	71
Employment Status	
Employed	58
Not employed	42
Education	
Less than a high school diploma	10
High school graduate or equivalent	35
Some college	29
College graduate or above	16
Post grad study/professional degree	10
Income	
Under \$10,000	15
\$10,000 to under \$20,000	13
\$20,000 to under \$30,000	14
\$30,000 to under \$40,000	10
\$40,000 to under \$50,000	8
\$50,000 to under \$75,000	18
\$75,000 to under \$100,000	9
\$100,000 to under \$150,000	8
\$150,000 or more	5
Region	
Northeast	16
Midwest	18
South	56
West	10
N=	1,592



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Media Contact

press@jointcenter.org | 202.789.3500 EXT 105

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Joint Center for Political and Economic Studies

633 Pennsylvania Ave., NW

Washington, DC 20004

info@jointcenter.org | www.jointcenter.org

[@JointCenter](https://www.instagram.com/JointCenter)



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