PUSHING FORWARD WITH RESILIENCE
AARP National Survey of Adults with Low Incomes
August 2022
# Table of contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive summary</td>
<td>3</td>
</tr>
<tr>
<td>Key findings</td>
<td>5</td>
</tr>
<tr>
<td>Demographic characteristics of low-income adults</td>
<td>13</td>
</tr>
<tr>
<td>Connectivity, free time, and social engagement</td>
<td>21</td>
</tr>
<tr>
<td>Financial assets and goals</td>
<td>28</td>
</tr>
<tr>
<td>Debt, expenses and other financial experiences</td>
<td>36</td>
</tr>
<tr>
<td>Community and government assistance</td>
<td>42</td>
</tr>
<tr>
<td>Life satisfaction and resilience</td>
<td>46</td>
</tr>
<tr>
<td>Implications</td>
<td>54</td>
</tr>
<tr>
<td>Methodology</td>
<td>56</td>
</tr>
<tr>
<td>About AARP</td>
<td>58</td>
</tr>
<tr>
<td>Contact</td>
<td>59</td>
</tr>
</tbody>
</table>
Executive summary

This study examines the attitudes perceptions and experiences of a sample of 1,919 adults, ages 18 and older with low income (hereafter referred to as low-income adults, for brevity). Although much is often reported about the challenges that low-income people face, less is stated about their successes. The goal of this study is to provide a broader view of their lives, including their resilience.

Despite having household incomes at or below 250% of the federal poverty level, most low-income adults are generally satisfied with and optimistic about their lives. Notably, a significant aspect that fuels their satisfaction and optimism is their resilience. That is, their ability to recover from or adjust easily to misfortune or change when faced with life’s challenges. This study found three in four low-income adults convey at least moderate resilience when confronting life’s challenges, including two in five who convey high resilience. Additionally, resilience was found to be a key predictor of low-income adults’ perception of where they currently stand in relation to achieving their “best possible life” – more so than any other characteristic included in this study.

Low-income adults’ moderate to high resilience undoubtedly has been helpful during the Covid-19 pandemic given that a third say their financial situation worsened during the pandemic. Notably, nine in ten low-income adults report not being able to pay their rent or other bills, and/or experiencing food, medication, or medical care insecurities due to cost in the past year. And among those experiencing any of these insecurities, two in three say their experiences were due to or worsened by the pandemic. Additionally, in the past year, more than a quarter of low-income adults experienced an unexpected, non-medical expense, job loss, or other decline in income. In contrast, about one-fifth of low-income adults were able to pay off a debt or contribute to an emergency or rainy-day fund in the past year.

1Among, the 1,919 respondents, 797 (51%) were Non-Hispanic white, 529 (17%) were Non-Hispanic Black, 15 (2%) were Non-Hispanic Asian, and 73 (6%) were some other Non-Hispanic race, including multi-racial; 505 (24%) were Hispanic.

2In this study, low-income is defined as having a household income equal to or less than 250% of the federal poverty guidelines (commonly referred to as the Federal Poverty Level). Federal poverty levels are determined by the number of family members living in a household and the household’s total income and are updated annually by the Department of Health and Human Services based on data collected by the U.S. Census Bureau. Source for the 2021 U.S. percentage of households with low incomes: U.S. Census Bureau, 2021. (https://www.census.gov/library/publications/2021/demo/p60-273.html).

Executive summary (continued)

For three in ten low-income adults, the ability to have financial stability and financial freedom top the list of what “living their best possible lives” entails. This is consistent with their top high-priority financial goals of having enough money to maintain their standard of living, becoming totally debt free, and being able to retire comfortably. Attaining financial stability would help to address the needs of the 54 percent of low-income adults who report their monthly household income varies quite often or occasionally.

Opportunities exist to assist low-income adults in meeting their financial goals. Although they list multiple financial goals, a third are not confident they are currently doing what is needed to meet them. And those ages 50 to 64, the closet age cohort to retirement, are least confident.

Spreading awareness and connecting low-income adults in need to additional public benefits is also critically important. Although four in five low-income adults report receiving public benefits, nine in ten experienced one or more insecurities in the past year, and among them, about half needed additional support, such as help with paying utilities, rent, or housing costs.

Finally, as elected officials seek ways to better resonate and connect with their constituencies, a greater understanding of the needs, concerns and experiences of those with low household income should be a priority.
KEY FINDINGS
Key findings

Demographic characteristics

Approximately one in ten people living in the U.S., an estimated 37.2 million people, are low-income*. This study focuses on a sample of 1,919 U.S. adults who are low-income (i.e., those who have a household income at or below 250% of the Federal poverty level).

Nearly four in ten low-income adults (37%) are currently working for an employer and/or are self-employed, a quarter (23%) are retired, one in eight (13%) are not working but looking for work, and one in five (22%) are not working due to a disability or some other reason.

Just over half (54%) of low-income adults report having roughly the same household income each month, while a quarter (25%) report occasional variations and a fifth (21%) report frequent variations in their household income. Among workers, low-income adults work, on average, approximately 36 hours per week.

Three in five (59%) low-income adults live in single-family homes, three in ten (30%) live in apartments, and one in nine (11%) live in mobile homes or other types of residences. The majority (53%) own their home or live with the homeowner, and four in ten (44%) rent their home.

Connectivity, free time and social and political engagement

Four in five (79%) low-income adults access the internet daily. One in ten do not have any internet access at home. However, among those with home internet, a cable modem (43%) is the most-common type of home access reported.

Low-income adults report having a moderate amount of free time in their lives to spend the way they want (with an average rating of their amount of free time a 6.2, on a zero to ten scale). Those ages 50+ (7.4), those who are retired (8.2), and those who are otherwise not working (6.1) report a greater amount of available free time than their counterparts (i.e., 5.3 among those ages 18-49 and 5.1 among those working).

Over half (58%) of low-income adults are involved in hobbies and leisure-time pursuits; a third or more are involved in entertaining, visiting friends (35%) and religious or spiritual activities (33%).

Nearly half (46%) describe their political views as moderate, with nearly equal proportions leaning either conservative (28%) or liberal (24%).
Along political party lines, the largest proportion of low-income adults identify as Democrat (38%), while about a quarter identify as either Republican (23%) or Independent (23%).

More than half (55%) of low-income adults say they always vote in Presidential elections, while a third (32%) say they always vote in local elections.

Aside from voting, however, low-income adults are much less likely to engage in other types of political activity (14%), volunteer or do unpaid charity work (18%), or work on local issues or neighborhood problems (14%).

Perhaps their lower levels of activism and volunteerism are related, in part, to their perceptions of their ability to make a difference. Notably, three in four (75%) low-income adults feel they have little or no influence on problems that exist in their community when acting alone; however, more than half (55%) feel they have a lot or moderate amount of influence when joined with others.
Financial assets and goals

Most low-income adults have a checking account (83%) and/or a savings account (60%); half (50%) have cash savings. However, far fewer have investment accounts such as an employer-provided retirement account (24%), individual retirement account (19%), an employer-provided pension (16%), or other personal savings and investments (24%).

The top high-priority financial goals among low-income adults are to have enough money to maintain their standard of living (62%), become totally debt free (57%), and to be able to retire comfortably (50%).

Although low-income adults list multiple financial goals, however, a third (32%) are not confident they are currently doing what is needed to meet their goals. And those ages 50 to 64 (39%), the closest age cohort to retirement, are least confident.

Over half (56%) of non-retired low-income adults foresee retirement as a realistic option for them, but more than a third (37%) believe they will need to work a little longer than planned to achieve it. There is little difference in retirement outlook between those ages 18-to-49 and 50+.
Debt, expenses and other financial experiences

Six in ten (65%) low-income adults say they have as much debt or more debt than they can handle.

In the past year, nearly a third of low-income adults (29%) had an unexpected, non-medical expense, and one fifth (20%) experienced job loss or other declines in income. Conversely, about one-fifth of low-income adults were able to pay off a debt (21%) or contribute to an emergency or rainy-day fund (16%).

Although about half of low-income adults say they have $400 or more readily available in the event of an emergency expense, just two in five say they could cover at least 3 months of their expenses.

In the past year, three in five low-income adults were unable to pay rent or other bills (28%), had problems affording food (23%), couldn’t afford to eat balanced meals (46%), worried that their food would run out (47%), skipped meals or ate smaller portions (25%), skipped or went without medications (17%), and/or postponed or skipped medical care (25%) due to cost.

Among those experiencing insecurities, two in three (66%) say their experiences were due to, or worsened by, the Covid pandemic.
Key findings (continued)

Government and community assistance

Four in five low-income adults received one or more government benefits in the past year. Top benefits received were Medicare (41%), Medicaid (38%), and Social Security (38%).

Usage of benefits among low-income adults varies widely by age. Those ages 65+ are the most likely to receive Social Security (89%) and Medicare (87%) benefits, while those ages 50-64 and 18-49 are more likely to receive Medicaid (33%, 42%), Supplemental Nutrition Assistance Program (SNAP) (32%, 41%) and unemployment income (12%, 28%) benefits, respectively.

Among those experiencing housing, food, medicine and/or medical care insecurities in the past year, more than half report needing additional support such as help with paying utilities (32%), obtaining additional food (30%), and paying rent or housing costs (28%).

Yet, despite their financial circumstances, two in three low-income adults report being somewhat or very satisfied with their lives.
Key findings (continued)

Life satisfaction and resilience

Low-income adults also are generally positive and optimistic about their lives. When asked on which step of a theoretical ladder they stand (with 10 steps representing their ‘best possible life’), they report standing, on average, on step 6 currently and on step 7 in the next five years.

And when asked to describe their perception of their “best possible life,” the top response stated by three in ten low-income adults is “having financial stability and financial freedom.”

Resilience (i.e., the ability to recover from or adjust easily to misfortune or change when facing life’s challenges) is a significant predictor of life satisfaction among low-income adults.

*NOTE: Resilience levels were measured using the Resilience Scale RS-14. Ratings of Resilience scores were calculated by summing the response values for each item. Scores range from 14 to 98. (Source: Wagnild G. (2009), The Resilience Scale User’s Guide for the US English version of the Resilience Scale and the 14-Item Resilience Scale (RS-14) Worden, MT: Resilience Center).
DEMOGRAPHIC CHARACTERISTICS
OF LOW-INCOME ADULTS
Approximately one in ten U.S. adults are low-income (i.e., their household income is at or below 250% of the Federal poverty level*), which is based on the number of family members living in the household and the household's total income.*

Percentage of U.S. adults 18+

**Low-income U.S. adults**

11.4%

<table>
<thead>
<tr>
<th>Number of Family Members in Household</th>
<th>250% of poverty level</th>
<th>Low-income includes:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ALL STATES</strong></td>
<td>(except Alaska &amp; Hawaii)</td>
<td>Alaska</td>
</tr>
<tr>
<td>1</td>
<td>$31,900</td>
<td>$39,875</td>
</tr>
<tr>
<td>2</td>
<td>$43,100</td>
<td>$53,875</td>
</tr>
<tr>
<td>3</td>
<td>$54,300</td>
<td>$67,875</td>
</tr>
<tr>
<td>4</td>
<td>$65,500</td>
<td>$81,875</td>
</tr>
<tr>
<td>5</td>
<td>$76,700</td>
<td>$95,875</td>
</tr>
<tr>
<td>6</td>
<td>$87,900</td>
<td>$109,875</td>
</tr>
<tr>
<td>7</td>
<td>$99,100</td>
<td>$123,875</td>
</tr>
<tr>
<td>8</td>
<td>$110,300</td>
<td>$137,875</td>
</tr>
<tr>
<td>9</td>
<td>$121,500</td>
<td>$151,875</td>
</tr>
<tr>
<td>10</td>
<td>$132,700</td>
<td>$165,875</td>
</tr>
</tbody>
</table>

*NOTE: In this study, low-income is defined as having a household income equal to or less than 250% of the federal poverty guidelines (commonly referred to as the Federal Poverty Level). Federal poverty levels are determined by the number of family members living in a household and the household's total income and are updated annually by the Department and Health and Human Services based on data collected by the U.S. Census Bureau. Source for the 2021 U.S. percentage of households with low incomes: U.S. Census Bureau, 2021. [https://www.census.gov/library/publications/2021/demo/p60-273.html].
In 2021, the median household income of low-income adults was $27,500 — two-fifths of the U.S. median household income.*

Q22. In the past 12 months, which of the following statements best describes your household income? (n=1,919)

Nearly four in ten low-income adults are employed, one in four are retired, and a two in five are not working due to a layoff, disability or some other reason.

Q3. Which statement best describes your current employment status? (n=1,919)

- Working for an employer: 29%
- Self-employed: 8%
- Retired: 23%
- Temporarily laid off/Looking for work: 17%
- Not working due to disability: 13%
- Other: 9%

Q4. How many paying jobs do you currently have? (n=1,919)

- Two or more jobs: 12%
- More than two jobs: 88%
On average, low-income adults work about 35 hours per week. Most have been in their current position for less than five years.

However, there are significant differences in tenure by age group. Two in five workers ages 50+ have been in their current, primary position for ten or more years, compared to just 13 percent of workers under 50.

Q4. How many paying jobs do you currently have? (n=764) / Q5A. How many years have you been with your current employer/self-employed/with your primary employer/working at your primary source of employment? (n=762)
Nearly half of low-income adults describe their political views as moderate; and nearly four in ten identify as Democrat.

One in six, however, do not identify as either Democrat, Republican or Independent.

Q40. How would you describe your political views? Would you say they are…? (n=1,872).

- Very/Somewhat Conservative: 28%
- Very/Somewhat Liberal: 24%
- Moderate: 46%

Q41. Do you consider yourself a Democrat, a Republican, an independent or none of these? (n=3,196)

- Democrat: 38%
- Republican: 22%
- Independent: 23%
- None: 16%
Most low-income adults who consider themselves Independent or unaffiliated with the three political parties describe their political views as moderate.

In contrast, those who consider themselves Republican are more likely to describe their political views as conservative; while those who consider themselves Democrat are equally as likely to describe their political views as moderate or liberal.

Q40. How would you describe your political views? Would you say they are…?  Q41. Do you consider yourself a Democrat, a Republican, an independent or none of these?: Democrat (n=851), Republican (n=346), Independent (n=390), None (n=247).
Other demographic characteristics

### Household income level
- Less than $29,999: 66%
- $30,000 to $74,999: 33%
- $75,000 or more: 1%

### Educational level
- Less than HS: 19%
- HS graduate: 37%
- Some college: 27%
- BA degree or higher: 17%

### Race/ethnicity
- NH White: 51%
- Hispanic: 24%
- NH Black: 17%
- NH Asian: 2%
- NH Other: 6%

### Religion
- South: 42%
- West: 23%
- Midwest: 19%
- Northeast: 16%

### Home ownership
- Owned by self or someone in household: 53%
- Rented: 44%
- Occupied without payment of rent: 4%

### Age
- 18 to 34: 33%
- 35 to 49: 22%
- 50 to 64: 24%
- 65+: 21%

### Gender
- Female: 55%
- Male: 42%
- Non-binary/else: 3%

### Ethnicity
- NH White: 51%
- Hispanic: 24%
- NH Black: 17%
- NH Asian: 2%
- NH Other: 6%

### Marital status
- Never Married: 33%
- Married/partnered: 41%
- Separated/divorced: 20%
- Widowed: 7%

### Residence type
- One-time house: 59%
- Apartment: 30%
- Mobile home or trailer: 11%
- Boat, RV, van, etc.: 1%
CONNECTIVITY, FREE TIME AND SOCIAL ENGAGEMENT
Most low-income adults access the internet daily; A cable modem is by far the most common type of access they have at home.

One in ten, however, do not have any internet access at home.

Q2. How often do you use the internet? This includes using email and accessing the Internet through devices such as computers, tablets, or smartphones.

Q1. What type of internet connection, if any, do you have at home? (Select all that apply) (n=1,919)

- **Cable modem**: 43%
- **Connection via a mobile data plan**: 19%
- **DSL connection**: 11%
- **Fixed wireless**: 9%
- **Has internet but doesn’t know type**: 9%
- **Fiber optic connection**: 8%
- **Dial-up telephone line**: 3%
- **Satellite internet connection**: 3%
- **Has no internet access at home**: 10%

---

Q2. How often do you use the internet? This includes using email and accessing the Internet through devices such as computers, tablets, or smartphones.

Q1. What type of internet connection, if any, do you have at home? (Select all that apply) (n=1,919)
On a zero to ten scale, with zero being ‘none’ and 10 being ‘a lot,’ low-income adults report having a moderate amount of free time in their lives to spend the way they want.

Those who are working and those under 50 report less available free time; while those who are retired and those 50 and older report having more available free time.

Q6. On a scale from 0 to 10, how much free time do you have in your life today to spend the way you want? (n=1,919)
Over half of low-income adults are involved in hobbies and leisure pursuits; a third or more are involved in entertaining, visiting friends and religious activities.

Less than one in five are involved in volunteer or charity work, political activities, or working on local or neighborhood issues.

### Social and civic engagement in the past 12 months

<table>
<thead>
<tr>
<th>Activity</th>
<th>Involvement (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hobbies or leisure-time pursuits</td>
<td>58%</td>
</tr>
<tr>
<td>Entertaining and visiting friends or going out with friends for fun</td>
<td>35%</td>
</tr>
<tr>
<td>Religious or spiritual activities</td>
<td>33%</td>
</tr>
<tr>
<td>Sports, athletics, and fitness activities</td>
<td>28%</td>
</tr>
<tr>
<td>Taking classes or furthering your education</td>
<td>21%</td>
</tr>
<tr>
<td>Volunteer work and unpaid charity work</td>
<td>18%</td>
</tr>
<tr>
<td>Political activities related to the political parties, candidates, or election campaigns</td>
<td>14%</td>
</tr>
<tr>
<td>Working on local issues and neighborhood problems</td>
<td>14%</td>
</tr>
</tbody>
</table>

Q7. In the past 12 months, how involved were you in the following activities? (n=1,919)
Three in four low-income adults feel they have little or no influence on problems that exist in their community when acting alone. However, more than half feel they have a lot or moderate amount of influence when joined with others.

Q9. Thinking now about what people can do—apart from government—how much influence do you think someone like you, acting alone, can have on problems that exist in your community? (n=1,906) / Q10. And how much influence do you think someone like you can have if you join with others in working on problems that exist in your community? (n=1,891)
Two in three low-income adults say they always or usually vote in Presidential elections. And, just over half say they always or usually vote in local elections.

About one in five say they never vote in either Presidential or local elections.

Q8. Generally, how often would you say you vote in Presidential and local elections? Presidential: (n=1,919) Local: (n=1,9105)
Among low-income adults, the regularity in which they vote is related to age, political ideology and political affiliation.

Those under 50, those whose political ideology is moderate, and those who describe themselves Independent are less likely than their counterparts to say they always or usually vote in Presidential and local elections.

Percentage saying they always or usually vote in presidential and/or local elections, by age group, political ideology and political affiliation

Q8. Generally, how often would you say you vote in Presidential and local elections?. Presidential: \(n=1,374\); Local: \(n=1,072\)
Most low-income adults say their monthly household income is roughly the same each month; however, four in ten rate their financial health as fair or poor.

Those whose monthly household income varies often are more likely to rate their financial health as fair or poor than those whose monthly household income occasionally varies or is roughly the same each month.

Self-reported financial health
- Poor/fair
- Good
- Very good/excellent

Stability of monthly household income in the past 12 months
- Roughly the same each month
- Occasionally varied from month to month
- Varied quite often from month to month

Self-reported financial health, by stability of monthly household income in the past 12 months
- Excellent/very good
- Good
- Poor/fair

Q19. How would you rate your overall financial health; that is, your ability to spend, save, borrow and plan? (n=1,919) / Q22. In the past 12 months, which of the following statements best describes your household income? (n=1,919)
More than half of low-income adults have a checking account and/or savings account; Half have cash savings and nearly half (46%) have one or more investment accounts.

About two-thirds of low-income adults use digital tools to manage their personal finances.

Q20. Which, if any, of the following financial assets or accounts do you currently have?/Q21. Do you use digital tools (such as banking websites or mobile apps) to manage your personal finances. (n=1,919)

<table>
<thead>
<tr>
<th>Financial assets or accounts they have</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking account</td>
<td>83%</td>
<td>17%</td>
</tr>
<tr>
<td>Savings account</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Savings in cash</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Employer-provided retirement (e.g., a 401k, etc.)</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>Other personal savings or investments (e.g., mutual funds, etc)</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>Prepaid card</td>
<td>24%</td>
<td>76%</td>
</tr>
<tr>
<td>Individual retirement account not provided by employer</td>
<td>19%</td>
<td>81%</td>
</tr>
<tr>
<td>Employer-provided traditional pension or cash balance plan</td>
<td>16%</td>
<td>84%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Whether uses digital tools to manage personal finances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
</tbody>
</table>
Eight in ten low-income adults have health insurance.

Having health insurance varies by age and employment status. Those ages 65+ and those who are retired are the most likely to have health insurance, while those ages 18-49 are least likely to have health insurance.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Overall</th>
<th>18-49</th>
<th>50-64</th>
<th>65+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>82%</td>
<td>73%</td>
<td>85%</td>
<td>98%</td>
</tr>
<tr>
<td>No</td>
<td>18%</td>
<td>27%</td>
<td>15%</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Overall</th>
<th>Employed</th>
<th>Not working</th>
<th>Retired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>76%</td>
<td>24%</td>
<td>21%</td>
<td>4%</td>
</tr>
<tr>
<td>No</td>
<td>24%</td>
<td>76%</td>
<td>79%</td>
<td>96%</td>
</tr>
</tbody>
</table>

Q25. Do you currently have health insurance (including employer-paid, private, Medicare/Medicaid, Military, Veterans, Indian Health Service, or any other type of medical coverage)? Overall (n=1,915), 18-49 (n=928), 50-64 (n=508), 65+ (n=479), Employed (n=814), Retired (n=389), Other not-working (n=712).
Maintaining their standard of living, becoming totally debt-free and retiring comfortably are top high-priority financial goals among low-income adults.

**Percentage reporting each as a high-priority financial goal**

- Have enough money to maintain standard of living: 61%
- Become totally debt free: 56%
- Be able to retire comfortably: 49%
- Reduce or pay off debt: 49%
- Make more money: 44%
- Save more money, generally: 42%
- Build an emergency savings fund: 43%
- Save money for retirement: 41%
- Reduce spending/expenses: 34%
- Save money for travel, vacations or occasional splurges: 30%
- Buy a new home: 27%
- Find a new job: 22%
- Help pay for college education (for self or loved one): 20%
- Build your investments (stocks, bonds, real estate, etc.): 20%
- Provide financial support to adult family member/loved one: 20%
- Start your own business: 16%

Q14. Everyone has different financial goals. For each of the following, please indicate if it is a high-, medium- or low-priority goal of yours, or not a goal at all for you. When answering, please think about both your long-term and short-term goals. (n=1,919)
The top ten high-priority financial goals vary by age group; most notably, those under 50 are more likely cite buying a new home, making more money, saving money (for retirement or generally) and building an emergency savings fund as a high-priority goal than those ages 50 and older.
A third of low-income adults are not confident they are doing what is needed to meet their longer-term financial goals.

Those in the 50 to 64 age group, the closest age cohort to retirement, are least confident.

Level of confidence in meeting their longer-term financial goals, by age group

Q15. Thinking about your longer-term financial goals, how confident are you that you are currently doing what is needed to meet your longer-term goals? (Overall: n=1,913; 18-49: n=926; 50+ n=987)
Over half of non-retired low-income adults believe retirement is a realistic option for them; But more than a third believe they will need to work a little longer than planned.

One in five worry they will never be able to retire.

Q16. When you think about your future, which of the following statements applies to you? (Overall: n=1,032; 18-49: n=725; 50+: n=307)

- I am worried I will never be able to retire due to my financial situation
- Retirement is probably not a realistic option due to financial challenges.
- Retirement is a realistic option for me, but I’ll need to work a little longer than planned.
- Retirement is a realistic option for me, if I choose to do it.

Overall | 18 - 49 | 50+
--- | --- | ---
I am worried I will never be able to retire due to my financial situation | 19% | 23% | 18%
Retirement is probably not a realistic option due to financial challenges. | 20% | 24% | 22%
Retirement is a realistic option for me, but I’ll need to work a little longer than planned. | 36% | 37% | 34%
Retirement is a realistic option for me, if I choose to do it. | 20% | 19% | 25%
DEBT, EXPENSES AND OTHER FINANCIAL EXPERIENCES
In the past year, three in ten low-income adults had an unexpected expense and one in five experienced job loss or some other decline in their income. Conversely, one in five paid off a debt and one in six contributed to an emergency or rainy-day fund.

Financial experiences in the past 12 months

**Negative financial experiences**

- Had an unexpected, non-medical expense: 29%
- Experienced job loss or other decline in income: 20%
- Struggled to manage existing debt: 18%
- Had an emergency medical expense: 15%
- Became a caregiver to a loved one: 9%
- Was a victim of fraud or financial exploitation: 7%
- Incurred additional expenses because an adult child moved back home: 3%

**Positive financial experiences**

- Paid off a debt (e.g., credit card, etc.): 21%
- Contributed to an emergency or rainy-day fund: 16%
- Received an increase in pay: 13%
- Started a new job: 11%
- Worked multiple jobs or side-gigs: 11%
- Contributed to a retirement savings account: 8%
- Started own business: 5%

Q27. In the past 12 months, have you experienced or done any of the following? (n=1,919)
About half of low-income adults have $400 or more readily available in the event of an emergency expense; However, only two in five could cover at least 3 months of expenses without borrowing or withdrawing from a retirement account.

The largest emergency expense they could pay using cash or money in their checking or savings accounts

- $400 or more: 49%
- Less than $100: 19%
- $100 - $199: 12%
- $200 - $299: 9%
- $300 - $399: 10%

The length of time they could cover expenses without borrowing or drawing money from retirement accounts

- Less than 1 week: 14%
- 1 - 3 weeks: 25%
- 1 - 2 months: 25%
- 3 - 5 months: 17%
- 6 months or more: 17%

Q23. Based on your current financial situation, what is the largest emergency expense that you could pay right now using cash or money in your checking/savings account? (n=1,732). Q24. 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? (n=1,893).
Three in five low-income adults say they have as much debt or more debt than they can handle.

Those under age 50 are more likely than those ages 50 and older to say this.

Q28. Thinking about the amount of debt that you have (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), would you say…? (n=1,919)
A third of low-income adults say their financial situation worsened since the start of the Covid-19 pandemic.

Those under age 50 are more likely than those ages 50 and older to say this.

Impact of covid on personal financial situation

Q30. Since the coronavirus pandemic started in January 2020, how has your financial situation changed? Overall: n=1,907; 18-49: n=170; 50+: n=130) / Q28. Thinking about the amount of debt that you have (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), would you say…? Overall (n=1,889), 18-49 (n=915), 50+ (n=974)
In the past year, nine in ten low-income adults (92%) experienced housing, food, medicine and/or medical insecurities — largely due to or worsened by the Covid pandemic.

Q32. In the past 12 months, have you experienced any of the following: (n=1,919)

<table>
<thead>
<tr>
<th>Experience</th>
<th>Not at All</th>
<th>Seldom/Sometimes</th>
<th>Often</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worried that food would run out before you got money to buy more</td>
<td>53%</td>
<td>38%</td>
<td>9%</td>
</tr>
<tr>
<td>Couldn’t afford to eat balanced meals</td>
<td>54%</td>
<td>34%</td>
<td>11%</td>
</tr>
<tr>
<td>Was unable to pay rent or other bills</td>
<td>28%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postponed or skipped medical care due to cost</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skipped meals or ate smaller portions due to cost</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Had problems affording food</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skipped or went without medications due to cost</td>
<td>17%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skipped or went without medications due to cost</td>
<td>45%</td>
<td></td>
<td>36%</td>
</tr>
<tr>
<td>Postponed or skipped medical care due to cost</td>
<td>39%</td>
<td></td>
<td>44%</td>
</tr>
<tr>
<td>Skipped meals or ate smaller portions due to cost</td>
<td>37%</td>
<td></td>
<td>39%</td>
</tr>
<tr>
<td>Had problems affording food</td>
<td>39%</td>
<td></td>
<td>42%</td>
</tr>
</tbody>
</table>

Among them, the percentage whose experience was:

- Due to the pandemic
- Worsened by the pandemic
GOVERNMENT AND COMMUNITY ASSISTANCE
Four in five (79%) low-income adults received one or more government benefits in the past year. The top benefits received were Medicare, Medicaid, Social Security, and SNAP.
Among low-income adults, receipt of government benefits in the past year varied by age. Specifically, those ages 65 and older were more likely to receive Social Security and Medicare benefits, while those under 65 were more likely to receive Medicaid, SNAP and unemployment benefits.

### Government benefits received in the past 12 months

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Age 65+</th>
<th>Age 50 - 64</th>
<th>Age 18 - 49</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security</td>
<td>89%</td>
<td>45%</td>
<td>13%</td>
</tr>
<tr>
<td>Medicare</td>
<td>87%</td>
<td>43%</td>
<td>22%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>30%</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>Supplemental nutrition assistance program benefits (SNAP)</td>
<td>27%</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Social Security disability insurance (SSDI)</td>
<td>18%</td>
<td>38%</td>
<td>14%</td>
</tr>
<tr>
<td>Supplemental security income (SSI)</td>
<td>18%</td>
<td>23%</td>
<td>17%</td>
</tr>
<tr>
<td>Other government benefits</td>
<td>9%</td>
<td>11%</td>
<td>13%</td>
</tr>
<tr>
<td>Unemployment income</td>
<td>7%</td>
<td>19%</td>
<td>28%</td>
</tr>
</tbody>
</table>

Q29. In the past 12 months, did you or anyone in your household receive the following benefits: 65+ (n=479); 50-64 (n=508); 18-49 (n=932)
Among those experiencing housing, food, medicine and/or medical care insecurities in the past year, over half (54%) reported needing additional support, such as help with paying utilities, obtaining additional food, and paying rent or housing costs.

Q29. In the past 12 months, did you or anyone in your household receive the following benefits: (n=1,919)

*NOTE: ‘Other government benefits include Section 8 Housing; Women, Infants and Children (WIC); Temporary Assistance for Needy Families (TANF); Low-Income Home Energy Assistance Program (LIHEAP); Children’s Health Insurance Program (CHIP); and Veteran’s disability benefits.
LIFE SATISFACTION AND RESILIENCE
Despite some of the economic challenges that low-income adults face, two in three report being very or somewhat satisfied with their lives.

However, there are age differences in life satisfaction. Those under 50 are less likely than those 50 and older to be very or somewhat satisfied with their lives.

Q11. In general, how satisfied or dissatisfied are you with your life these days? Would you say that you are . . .? (n=1,902)
Low-income adults are generally positive and optimistic about their lives; On a theoretical ladder with its 10th and final step representing their best possible life, they see themselves, on average, standing on step 6 currently and on step 7 in the next five years.

Although, those ages 18-49 are slightly less positive than older adults about their current lives, they are more optimistic about the next five years of their lives than older adults.

Q12A-Q12C. Please imagine a ladder with steps numbered from zero (0) at the bottom to ten (10) at the top. The top of the ladder represents the best possible life for you; and the bottom of the ladder represents the worst possible life for you. If the top step is 10 and the bottom step is 0…: a) On which step of the ladder would you say you personally feel you stand at this time? b) On which step would you say you stood about five years ago? c) And, on which step do you think you will stand about five years from now? (n=1,919)
When asked to describe their “best possible life” three in ten low-income adults describe it as having financial stability and financial freedom.

However, there are age differences. Those under 50 are more likely to cite having a good career or job and owning a home (or a nicer home), while those 50 and older are more likely to cite being in good health, pursuing their interests and goals, and having peace of mind.

Q12T. Thinking again about the ladder with steps numbered from zero (0) to ten (10), how would you personally describe step 10 (i.e., the best possible life for you)?

Overall

- Having financial stability/financial freedom: 28%
- Don't know: 19%
- Having family/friends around me: 17%
- Being in good health: 17%
- Having a good career/job: 15%
- Pursuing interests and goals: 14%
- Owning a home/nicer home: 13%
- Peace of mind: 10%
- Living my best possible life: 8%
- Being married/in a meaningful relationship: 7%
- Other: 7%
- Debt free: 6%
- Being happy: 5%

By age group

- Ages 18 - 49
  - Having financial stability/financial freedom: 28%
  - Having a good career/job: 8%
  - Having family/friends around me: 17%
  - Owning a home/nicer home: 17%
  - Pursuing interests and goals: 8%
  - Being in good health: 12%
  - Being married/in a meaningful relationship: 16%
  - Peace of mind: 9%
  - Debt free: 6%
  - Living my best possible life: 6%
  - Being happy: 5%
  - Other: 5%

- Ages 50+
  - Having financial stability/financial freedom: 21%
  - Having a good career/job: 17%
  - Having family/friends around me: 17%
  - Owning a home/nicer home: 16%
  - Pursuing interests and goals: 12%
  - Being in good health: 9%
  - Being married/in a meaningful relationship: 9%
  - Peace of mind: 14%
  - Debt free: 6%
  - Living my best possible life: 10%
  - Being happy: 5%
  - Other: 9%
Learning from past challenges is a top characteristic of low-income adults’ resilience.

Resilience Scale (RS-14)
(Percentage Rating the Statement a 6 or 7 on a 1 to 7 scale)

I can get through difficult times because I’ve experienced difficulty before 66%
I usually manage one way or another 64%
In an emergency, I’m someone people can generally rely on 63%
My life has meaning 58%
I am determined 56%
I can usually find something to laugh about 57%
When I’m in a difficult situation, I can usually find my way out of it 54%
I am friends with myself (I love my own company) 53%
I feel proud that I have accomplished things in life 51%
My belief in myself gets me through hard times 49%
I keep interested in things 49%
I have self-discipline 49%
I usually take things in stride 44%
I feel that I can handle many things at a time 42%

Q13. On a scale from 1 to 7, how much do you agree or disagree that the following statements describe your usual thinking and actions well? (n=1,919)

Resilience (i.e., the ability to recover from or adjust easily to misfortune or change) is the top predictor of low-income adults’ perception of where they currently are towards achieving their best possible life.

Q12a. Please imagine a ladder with steps numbered from zero (0) at the bottom to ten (10) at the top. The top of the ladder represents the best possible life for you; and the bottom of the ladder represents the worst possible life for you. If the top step is 10 and the bottom step is 0. On which step of the ladder would you say you personally feel you stand at this time (n=1,919)?

The share of each predictors’ importance in predicting where respondents are currently towards achieving their best possible life.

- Their Resilience score: 38%
- Has a disability: 15%
- Their level of confidence they are doing what’s needed to meet longer-term goals: 10%
- Amount of free time they have to spend as they want: 10%
- Has paid off a debt in the past year: 7%
- Identifies as female: 6%
- Has a Conservative political ideology: 5%
- Extent involved in entertaining/visiting friends in the past year: 5%
- Received an increase in pay in the past year: 3%
- Family members/friends have been a food resource during the pandemic: 2%
Two in five low-income adults convey high resilience* in their usual thinking and actions—indicating their ability to recover from or adjust easily to misfortune or change).

Those ages 50 and older are more likely to convey high levels of resilience than younger adults.

Q13. On a scale from 1 to 7, how much do you agree or disagree that the following statements describe your usual thinking and actions well? (n=1,919)

*NOTE: Resilience Levels were determined by summing the respondents’ ratings on each of the 14 items from the Resilience Scale RS-14. (Source: Wagnild G. (2009), The Resilience Scale User’s Guide for the US English version of the Resilience Scale and the 14-Item Resilience Scale (RS-14) Worden, MT: Resilience Center). Scores may range from 14-98. Scores less than 65 are considered low, those between 65 and 81 are considered moderate, and those 82 or higher are considered high.
Resilience among low-income adults is not related to household income; but rather to retirement status and the stability of the household income.

Those who are retired, and those who have roughly the same household income from month to month are more likely convey high levels of resilience than their counterparts.

*NOTE: Resilience Levels were determined by summing the respondents’ ratings on each of the 14 items from the Resilience Scale RS-14. (Source: Wagnild G. (2009), The Resilience Scale User’s Guide for the US English version of the Resilience Scale and the 14-Item Resilience Scale (RS-14) Worden, MT: Resilience Center). Scores may range from 14-98. Scores less than 65 are considered low, those between 65 and 81 are considered moderate, and those 82 or higher are considered high.
IMPLICATIONS
Implications

The findings from this study provides several implications for low-income adults:

Low-income adults would benefit from having a rainy day or emergency fund. In the past year, three in ten low-income adults had an unexpected expense, and one in five experienced a decline in income. However, few reported having a rainy day or emergency fund, which can help soften the financial impact of unexpected expenses. AARP has a free online resource, AARP Money Map™, that provides a trustworthy, actionable plan to help adults manage unexpected expenses based on their current funds and debts. To learn more about the online tool, visit https://moneymap.aarp.org/.

When feasible, low-income adults should consider investment accounts. Although most low-income adults report having a savings account, less than half have an investment account such as an employer-provided 401k or pension, or an individual retirement account (IRA). Although savings accounts can be safer, investment accounts can provide much higher rates of return than savings accounts, and therefore grow savings faster.

Improving low-income adults’ access to food, housing, health, and employment programs is needed. In the past year, nine in ten low-income adults experienced food and other insecurities, and many received government benefits to assist them. However, three in ten needed additional assistance to help with their housing costs and utilities. AARP Foundation has a Local Assistance Directory that helps people find food, housing, health and employment programs in their area. For assistance, visit https://local.aarpfoundation.org/.

There may be a need to enhance the financial literacy of low-income adults. The Consumer Financial Protection Bureau (CFPB) has an online financial education library of websites, videos, and courses from federal government agencies, national nonprofit organizations, and state and local resources. For more information, visit: https://www.consumerfinance.gov/consumer-tools/educator-tools/library-resources/online-resources/.
Objectives: To explore the attitudes, perceptions, and experiences among low-income adults.

Methodology: Online probability survey of AmeriSpeak® Panel members conducted by NORC at the University of Chicago for AARP.

Qualifications: Adults with low incomes (i.e., defined as at or below 250% of the federal poverty level, which is determined by the number of family members living in the household and the household’s total income).

Sample: Adults ages 18+ (n=1,919)

Interviewing Dates: March 19, 2021-April 6, 2021

Questionnaire length: 20 minutes

Confidence Interval: ± 3.1% at the 95% confidence level among all adults.
About AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.

About AARP Foundation

AARP Foundation works to end senior poverty by helping vulnerable people over 50 build economic opportunity. Our approach emphasizes equitable outcomes for populations that have faced systemic discrimination. As AARP's charitable affiliate, we serve AARP members and nonmembers alike. Through vigorous legal advocacy and evidence-based solutions, and by building supportive community connections, we foster resilience, advance equity and restore hope. To learn more, visit aarpfoundation.org or follow @AARPFoundation on social media.
Alicia Williams, AARP Research
arwilliams@aarp.org

For media inquiries, please contact
media@aarp.org

This research was designed and executed by AARP Research