



Race, Ethnicity, and the Financial Lives of Young Adults

Exploring Disparities in Financial Health Outcomes

By the Financial Health Network and GenForward

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genFORWARD

The GenForward Survey is the first of its kind – a nationally representative survey of over 3,000 young adults ages 18-36 conducted bimonthly that pays special attention to the ways race and ethnicity influence how young adults, both millennials and Gen Zers, experience and think about the world. Data from the survey, which provides a much more nuanced understanding of the attitudes and actions of young adults, is used by the media, policymakers, politicians, activists, and academics to inform their work and writing on young people.

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Financial Health Network

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EXECUTIVE SUMMARY

The financial lives of today's young adults (18 to 36 years old) have been shaped by one economic crisis after another. Coming of age during the Great Recession, millions of young people saw their employment opportunities and, in some cases, their family's savings and wealth decimated alongside plummeting home prices. These young adults began their job search in a historically weak job market and have borne the consequences of lower wages, fewer worker protections, and limited job prospects ever since. The COVID-19 pandemic has wreaked even greater havoc on the U.S. economy, destroying millions of jobs, businesses, and livelihoods along the way.

Young adults of color, particularly those who are Black and Latinx, have borne a disproportionate share of these economic hardships. Decades of systemic racism have left Black and Latinx communities more vulnerable to the effects of these crises. We see this vulnerability in the precariousness that characterizes the financial lives of many Black and Latinx young people.

This report shares new data on the financial lives of young adults, focusing on those of Black and Latinx young adults, in order to inform policies, programs, and solutions that can improve financial health for all. Drawing upon GenForward's [novel dataset](#) and the Financial Health Network's holistic financial health [measurement framework](#), we present an in-depth exploration of the financial lives of people between the ages of 18 and 36. We find that the financial lives of all young people are characterized by a high degree of financial precariousness, but that Black and Latinx young adults face unique challenges that many White and Asian American young adults do not.

In the midst of the ongoing COVID-19 pandemic and near-daily reminders of systemic racism towards communities of color, these are difficult times. Yet, this is also a moment of hope and possibility. Largely due to the actions of young adults, particularly young adults of color, who are taking to the streets to demand change, policies and solutions that once seemed out of reach now appear possible. This report does not attempt to fully identify those solutions; rather, it puts forth new data and insights about the financial lives of young adults that should inform bold solutions to improve and possibly transform financial health for all.



KEY FINDINGS

1 On average, Black and Latinx young adults have less liquid savings than their White and Asian American peers, which leaves them with a smaller financial cushion to turn to in an emergency or unexpected event.

- More than half of Black (56%) and Latinx (59%) young adults say they do not have enough savings to cover at least three months of living expenses, compared with 48% of White and 32% of Asian American young adults.
- A quarter of Black young adults (25%) say they have no personal savings, compared with 14% of Latinx and White young adults, and 7% of Asian American young adults.
- A majority of Black (54%) and Latinx (45%) young adults say they would be unable to cover a \$400 emergency expense without borrowing or selling something, compared with 34% of White and 29% of Asian American young adults.

2 Black and Latinx young adults are more likely than White and Asian American young adults to say they have unmanageable and high-cost debt, which hinders their ability to access low-cost debt in the future and build wealth through other means.

- 31% of Black and 28% of Latinx young adults report having more debt than is manageable, compared with 22% of White and 17% of Asian American young adults.
- Black and Latinx young adults are more likely to have high-cost forms of debt, such as outstanding credit card balances, and less likely to have wealth-building debt, such as mortgages: 19% of Black and 22% of Latinx young adults have a mortgage, compared with 32% of White and 36% of Asian American young adults.
- 28% of Black and Latinx young adults say that debt has delayed them from continuing their education, compared with 18% of White and 14% of Asian American young adults.

3 The enduring racial wealth gap has denied Black and Latinx young adults the ability to build wealth through generational transfers from their family.

- 30% of Black and 37% of Latinx young adults say their families could help them cover an unexpected bill of \$1,000, compared with 45% of White and 53% of Asian American young adults.
- Only 18% of both Black and Latinx young adults say their families could help them cover college tuition or pay off student debt, compared with 25% of White and 40% of Asian American young adults.
- Just 14% of Black and 15% of Latinx young adults say their families could help them cover a down payment for a house or condo, compared with 21% of White and 31% of Asian American young adults.

4 There is a confidence gap between Latinx young adults and their Black, White, and Asian American peers about their long-term financial goals and insurance coverage.

- 64% of Latinx young adults say they are not confident they are on track to meet their long-term financial goals, followed by 55% of Black, 53% of White, and 55% of Asian American young adults.
- Latinx young adults are significantly less likely to agree with the statement “My household plans ahead financially” than their peers. 58% of Latinx young adults do not agree with this statement, compared with 45% of Black, 36% of White, and 31% of Asian American young adults.
- 68% of Latinx young adults say that they are either not confident their insurance policies will provide enough support in an emergency, or that they do not have any insurance coverage, followed by 63% of Asian American, 57% of Black, and 56% of White young adults.

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Introduction

By 2050, Black, Latinx, Asian American, and multiracial individuals will comprise more than half of the U.S. population, serving as the primary engine of population growth for decades to come. Today's young adults represent the most racially and ethnically diverse group in the history of the country. As of 2015, 14% of millennials identified as Black, 21% as Hispanic, 6% as Asian American, and 56% as White.¹

Despite being the most diverse group in the nation's history, today's young adults are often considered to be a monolithic group that is described with platitudes. Not only are these generalizations harmful and wrong, they obscure important differences among people of different races, ethnicities, and backgrounds. For example, the unemployment rate of Black young adults is consistently higher than that of White young adults.² More than half of Latinx young people have a parent who is an immigrant, which is far higher than their peers.³ This report seeks to consider such differences, while shedding light on one important aspect of the young adult experience: their financial lives.

Drawing upon GenForward's novel dataset and the Financial Health Network's holistic financial health measurement framework, we explore the financial lives of people between the ages of 18 and 36, with a particular focus on the experiences of Black and Latinx young adults. In the data, we find that the financial lives of Black and Latinx young adults are characterized by a higher degree of financial precariousness than those of White and Asian American young adults. These outcomes are visible across nearly all of the eight indicators of financial health, which we explore in the remainder of this report.

Many of these disparities existed before the COVID-19 pandemic, but the longer the crisis continues, the more pronounced these inequalities will become. Yet, the crisis has also created a unique climate where real action seems possible. We hope that policymakers, regulators, financial service providers, community leaders, activists, advocates, and other stakeholders use the insights in this report to embrace bold solutions that improve financial health for all, especially Black and Latinx young adults.

A Note from GenForward

AVENUE OF FUTURE RESEARCH: THE FINANCIAL LIVES OF ASIAN AMERICAN YOUNG ADULTS

Throughout this report, we present data on the financial lives of Black, Latinx, White, and Asian American young adults based on data from the [GenForward Survey](#). While the data has been weighted to be nationally representative and thus provide an accurate picture of young adults across the country, we recognize there are some shortcomings with our data about Asian American and other less represented groups of young adults. Because the GenForward survey is only offered in English and Spanish, young adults who speak a primary language such as Cantonese, Vietnamese, Korean, or Japanese often find it difficult to take part in the survey. While the weighting of our data tries to address such absences, it is possible that the aggregate findings on the financial health of this group may over-represent their success in some cases. In other cases, it may obscure important differences that exist in Asian American communities by country of origin, immigration status, socioeconomic condition, and time in the United States. Exploring these trends in greater detail and situating them within the context of U.S. history is beyond the scope of this report, but a project that the GenForward team hopes to pursue in the near future.

¹ For comparison, 10% of older adults (ages 55+) identify as Black, 9% as Hispanic, 5% as Asian American, and 75% as White. William H. Frey, "[The Millennial Generation: A Demographic Bridge to America's Diverse Future](#)," Brookings (blog), January 24, 2018.

² "[Labor Force Statistics from the Current Population Survey](#)," U.S. Bureau of Labor Statistics.

³ As of 2013, 55% of Latinx people ages 16-22 were second generation, compared with 20% of Asian American, 16% of White, and 8% of Black young adults. Maria E. Enchautegui, "[Immigrant Youth Outcomes: Patterns by Generation and Race and Ethnicity](#)," Urban Institute, September 2014.

Historical Context

The financial health disparities we observe among young adults are the results of decades of racist policies and structural inequities. The history of White supremacy and systemic discrimination in the United States is far too extensive to fully cover in this report. It is important, however, to underscore how colonialism, slavery, Jim Crow, mass incarceration, exploitative immigration policies, and the broad work of racial capitalism reproduced a financial system built on disinvestment from Black and Latinx communities, ensuring their position at the bottom of the racial order. The current COVID-19 crisis has exacerbated these inequities by taking a greater toll on the lives and livelihoods of Black and Latinx communities.

A Legacy of Racism and Discrimination

From 1619 to 1865, nearly 4 million Africans and African Americans were enslaved as chattel and sold as property in the United States. Under the legally protected institution of slavery, Black Americans were largely denied the ability to build wealth, own property, and pass on to family members what they might have earned. In the decades after emancipation, Jim Crow laws codified racial segregation into law across the South, which reproduced a system of financial disinvestment in Black communities.⁴ Throughout the 1930s, transformative government policies represented as the New Deal either explicitly excluded Black people or delegated implementation to local officials who devised ways to deny benefits to Black Americans.⁵ While explicitly racist policies are less likely to be the law of the land today, Black people still face inequitable access to financial services, employment opportunities, and capital.⁶

Latinx communities in the United States have come to be a part of this country through various pathways, including annexation and immigration. Despite their varied routes to the United States, Latinx communities have faced continued racial and ethnic discrimination. Anti-Latino sentiment grew in the 19th century as thousands of immigrants arrived from Mexico to serve as agricultural workers and work with, or replace, Chinese workers on the construction of the transcontinental railroad. Although Latino people were critical to the U.S. economy, they were often treated as second-class citizens, forced into segregated housing, denied access to government benefits, and frequently subjected to mob violence.⁷ Throughout the 20th century, racist nativist policies forced many Latino workers into unsafe working conditions, where they received poor compensation for labor that was often physically demanding.⁸ Mass deportations that began as early as the 1930's and are continuing to this day have created severe financial hardship for thousands of Latinx individuals and their families.⁹

Asian American and Pacific Islander communities have also endured a long history of racial and ethnic discrimination. Racism against Chinese workers resulted in the Chinese Exclusion Act of 1882, prohibiting the immigration of Chinese laborers. This was the first law to bar immigration based solely on race. During WWII, President Roosevelt signed executive order 9066, authorizing the wrongful internment of 120,000 Japanese Americans, two-thirds of whom were citizens.¹⁰ Today, Asian American and Pacific Islander communities face increased hate crimes, as they are erroneously blamed for bringing and spreading the coronavirus. Despite being represented as the “model-minority” group, Asian American and Pacific Islander communities continue to face racist and xenophobic discrimination today.

⁴ Celeste K. Carruthers and Marianne H. Wanamaker, “[Separate and Unequal in the Labor Market: Human Capital and the Jim Crow Wage Gap](#),” NBER Working Paper No. 21947, January, 2016.

⁵ Shannon Luders-Manuel, “[The Inequality Hidden Within the Race-Neutral G.I. Bill](#),” JSTOR Daily, September 18, 2017.

⁶ Kilolo Kijakazi, “[Bold, Equitable Policy Solutions Are Needed to Close the Racial and Gender Wealth Gaps](#),” Urban Institute, September 24, 2019.

⁷ Erin Blakemore, “[The Brutal History of Anti-Latino Discrimination in America](#),” History Channel, August 29, 2018.

⁸ Jessica McBirney, “[Mexican Migrant Workers in the 20th Century](#),” CommonLit, 2016.

⁹ Samantha Artiga and Barbara Lyons, “[Family Consequences of Detention/Deportation: Effects on Finances, Health, and Well-Being](#),” Peterson Center on Healthcare, KFF, September 18, 2018.

¹⁰ “[Japanese-American Internment During World War II](#),” National Archives, March 17, 2020.

Coming of Age During The Great Recession

While the Great Recession of 2007 took a toll on the financial lives of millions of people, it had a particularly profound impact on today's Black and Latinx young adults. Since Black and Latinx homeowners were disproportionately sold subprime mortgage loans, these households were far more likely to lose their homes during the crisis.¹¹ As a result, the median wealth of Latinx households fell 66% and the median wealth of Black households fell 53% during the recession, compared with just 16% for White households.¹² This massive destruction of wealth widened the racial wealth gap, especially among middle-class families, and prevented millions of Black and Latinx households from passing wealth onto their children and future generations.

The Great Recession also left its mark on employment opportunities for Black and Latinx workers. Just as many Black and Latinx young people were entering the job market, millions of good-paying jobs disappeared from the economy. Black and Latinx workers were disproportionately affected by these job losses: In 2011, the unemployment rate was 14% for Black workers, 11% for Latinx workers, 7% for White workers, and 6% for Asian American workers.¹³ Many of the jobs lost in the recession never came back; instead, opportunities in the "gig economy" proliferated, which carried few worker protections and employee benefits. Today, Black and Latinx workers are over-represented in sectors such as agency temps, on-call positions, and contracting companies that offer lower pay and less flexibility than other jobs.¹⁴

Economic and Health Impacts of COVID-19

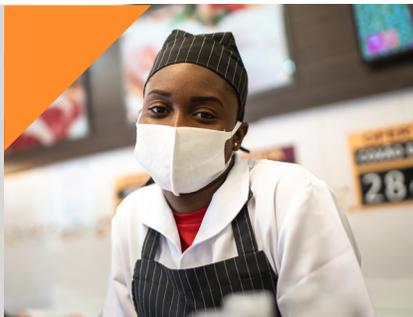
The COVID-19 crisis has hit Black and Latinx communities disproportionately hard. Because of decades of discriminatory healthcare, employment, and housing policies, Black and Latinx Americans are more likely to get sick and die from COVID-19.¹⁵ Black and Latinx communities have also been more likely to experience job loss as a result of the pandemic than White and Asian American communities. According to the GenForward data, 27% of Black and 26% of Latinx young adults say someone in their household lost their job due to the coronavirus pandemic, compared with 16% of White and 17% of Asian American young adults. These figures align with national statistics showing that unemployment rates are higher among Black and Latinx workers who are over-represented in sectors such as service, hospitality, and entertainment that have been hit hardest by the pandemic.¹⁶

At the same time, Black and Latinx workers are more likely to be considered "essential workers," serving as healthcare workers, supermarket tellers, teachers, and other roles on the front lines of the pandemic. According to the GenForward data, only 14% of Black and 12% of Latinx young adults say they can work from home, compared with 20% of White and 29% of Asian American young adults. These realities have left Black and Latinx young adults more exposed to the dual economic and health effects of the COVID-19 pandemic. The longer the crisis continues, the more likely it is that disparities between Black and Latinx young adults and their peers will grow.

According to GenForward data,

**27% OF BLACK &
26% OF LATINX**

**YOUNG ADULTS SAY
someone in their household lost their
job due to the coronavirus pandemic**



compared with

**16% OF WHITE &
17% OF ASIAN**

American young adults.

¹¹ "Wealth Gaps Rise to Record Highs Between Whites, Blacks, Hispanics," Pew Research Center's Social & Demographic Trends Project (blog), July 26, 2011.

¹² Asian Americans and other racial groups are not separately identified in this dataset. Rakesh Kochhar and Anthony Cilluffo, "How U.S. Wealth Inequality Has Changed Since the Great Recession," Pew Research Center (blog), Accessed August 4, 2020.

¹³ "A Post-Recession Update on U.S. Social and Economic Trends," Population Bulletin Update, December 6, 2011.

¹⁴ "Who Participates in the Gig Economy?," Gig Economy Data Hub, Accessed August 21, 2020.

¹⁵ Tiffany Ford, Sarah Reber and Richard V. Reeves, "Race Gaps in COVID-19 Deaths are Even Bigger Than They Appear," Brookings, June 16, 2020.

¹⁶ Patricia Cohen and Ben Casselman, "Minority Workers Who Lagged in a Boom Are Hit Hard in a Bust," The New York Times, June 6, 2020.

Research Methodology

GenForward Survey

Data Collection

This report is based on data collected through the GenForward Survey. The survey on which these findings are based was designed by both GenForward and the Financial Health Network and was fielded by [NORC at the University of Chicago](#) to a nationally representative sample of young adults. A total of 3,133 surveys were completed between May 29 and June 11, 2020, by adults ages 18-36, including 798 Black young adults, 822 Latinx young adults, 990 White young adults, and 474 Asian American young adults. (Forty-eight people who identified with a different racial or ethnic background also completed the survey, but were not included in the analysis due to the small sample size.)

The survey was fielded during a unique moment in time: In the middle of the COVID-19 pandemic and just days after George Floyd, a 46-year-old Black man, was killed in Minneapolis by a policeman during an arrest on May 25. This time period was likely one of high anxiety for many Americans, but especially so for people of color. While the survey did not specifically address the murder of George Floyd, the incident may have influenced survey respondents' mindset and answers to survey questions of a more subjective nature.

Statistical Significance

The overall margin of sampling error is +/- 2.56 percentage points at the 95% confidence level. Among subgroups, the margin of sampling error at the 95% confidence level is +/- 4.93 percentage points for Black young adults, +/- 5.36 percentage points for Latinx young adults, +/- 3.82 percentage points for White young adults, and +/- 5.84 percentage points for Asian American young adults. Any results discussed in the body of this report are statistically significant within the margin of error, unless otherwise noted. See the Appendix ([available online](#)) for tables highlighting the demographic composition of survey respondents.

Terminology Notes

Throughout this report, we refer to Black, Latinx, White, and Asian American young adults, which includes people ages 18-36 who self-identify with one of these descriptions. Of course, important distinctions exist within groups; one's nationality, immigration status, native language, gender identity, sexuality, and other factors play a powerful role in shaping one's unique lived experiences.

Age matters, too. In this report, we consider people between the ages of 18 and 36, but important differences exist among this cohort based on age. The insights shared in this report should therefore be viewed as a starting point to shed light on the financial lives of young adults. More research is needed to understand the unique experiences of diverse members of this cohort. Qualitative research in particular is needed to hear directly from young adults in their own words about their experiences.

GenForward Interviews

In addition to the surveys completed by GenForward panelists, we also conducted seven interviews with members of the GenForward panel, as well as two interviews with individuals not associated with the GenForward panel. All interviewees were between the ages of 21 and 33, and belonged to different socioeconomic statuses, races, and ethnicities. Select quotes from these interviews are included throughout this report and have been edited for clarity and brevity.

Financial Health Measurement Framework

Defining Financial Health

Financial health is a composite framework that considers the totality of people’s financial lives – whether they are spending, saving, borrowing, and planning in ways that will enable them to be resilient and pursue opportunities over time – and recognizes that structural conditions play a major role in deciding what type of opportunities will be available to different groups of people (Box 1). Financial health provides researchers with a useful metric through which to explore the financial health of young adults, because it pulls together multiple strands of an individual’s life into a coherent whole.

BOX 1. Definition of Financial Health

Financial health comes about when one’s daily systems help them build resilience and pursue opportunities.

Measuring Financial Health

To measure financial health, the Financial Health Network has developed the FinHealth Score®, a metric based on eight survey questions that align with the eight indicators of financial health (Figure 1). For every individual who responds to all eight survey questions, one aggregate FinHealth Score and four sub-scores can be calculated for each of the components of financial health: Spend, Save, Borrow, and Plan (Figure 2). FinHealth Scores are measured on a scale from 0-100 and can be used to categorize respondents into three financial health tiers: Financially Healthy, Financially Coping, or Financially Vulnerable (Figure 3). To review the full scoring logic, please visit www.finhealthnetwork.org/score/score-methodology.

Figure 1. Eight Indicators of Financial Health

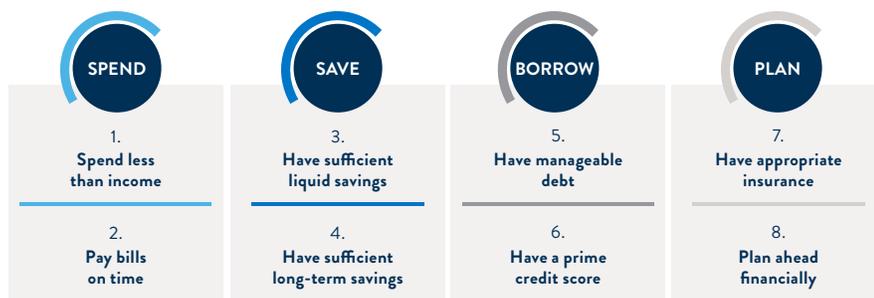
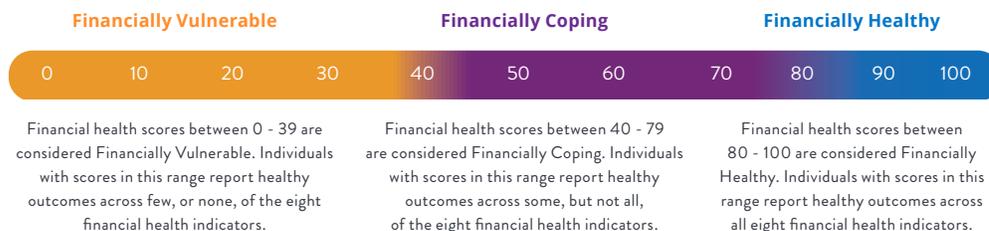


Figure 2. FinHealth Scores and Sub-Scores



Figure 3. Determining Financial Health Tiers



BOX 2. Understanding Financial Health Tiers

Financial health is a composite measurement framework that considers the totality of a person's financial life. For every individual who responds to eight survey questions, one aggregate FinHealth Score can be calculated and used to identify a financial health tier for each respondent. This figure summarizes outcomes across the eight indicators of financial health that generally describe individuals within each of the three financial health tiers.

FINANCIALLY HEALTHY



1. Spend less than their income
2. Pay all of their bills on time
3. Have enough savings to cover at least six months of living expenses
4. Say they are on track to meet their long-term financial goals
5. Have manageable debt (or no debt at all)
6. Have prime credit scores
7. Say they are confident about the coverage of their insurance policies
8. Plan ahead financially

FINANCIALLY COPING



1. Spend less than, or about equal to, their income
2. Pay nearly all of their bills on time
3. Have enough savings to cover a few months of living expenses
4. Say they are on track to meet their long-term financial goals
5. Have mostly manageable debt
6. Have a mix of prime and non-prime credit scores
7. Say they are somewhat confident about the coverage of their insurance policies
8. Occasionally plan ahead financially

FINANCIALLY VULNERABLE



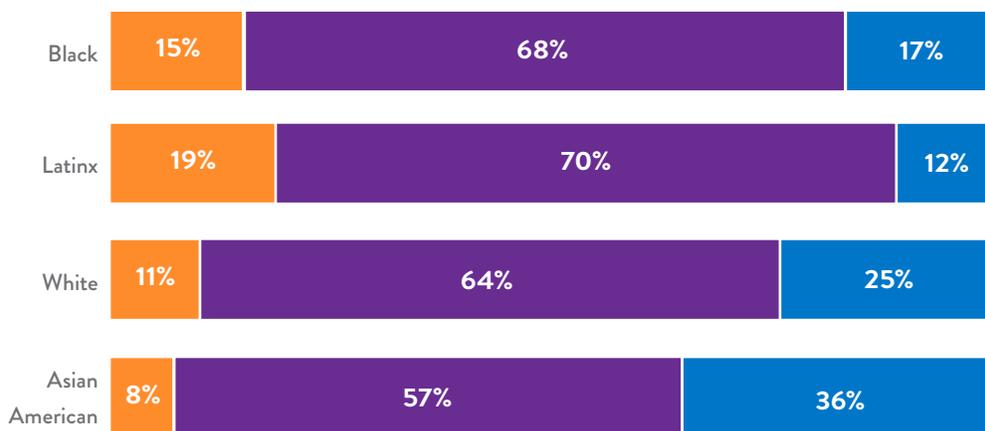
1. Spend about equal to, or a little more than, their income
2. Pay some of their bills on time
3. Have less than a week's worth of living expenses saved
4. Say they are not confident they are on track to meet their long-term financial goals
5. Have more debt than is manageable
6. Have non-prime credit scores
7. Say they are slightly or not at all confident about the coverage of their insurance policies
8. Do not plan ahead financially

Financial Health of Young Adults

Using the [FinHealth Score](#) to analyze data from the GenForward survey, we find that young adults are less likely to be considered Financially Healthy than the general population of the United States. Less than a quarter (22%) of all young adults ages 18-36 are considered to be Financially Healthy, compared with 33% of the general population, according to 2020 benchmarks from the U.S. Financial Health Pulse.¹⁷ Black and Latinx young adults are less likely than their White and Asian American peers to be considered Financially Healthy.

Only 17% of Black and 12% of Latinx young adults fall into the category of Financially Healthy, compared with 25% of White and 36% of Asian American young adults (Chart 1). A majority of young adults across all groups are Financially Coping, which aligns with national statistics from the U.S. Financial Health Pulse. Black and Latinx young adults are more likely to fall into the category of Financially Vulnerable (15% and 19%, respectively) than their White and Asian American peers (11% and 8%, respectively).

Chart 1. Financial Health of Young Adults by Race/Ethnicity



● Financially Vulnerable ● Financially Coping ● Financially Healthy

Notes: Data displayed for respondents ages 18-36. Financial health tiers are calculated from FinHealth Scores, which are based on survey responses that align with the eight indicators of financial health (Figure 3). FinHealth Scores are measured on a scale from 0 - 100. Respondents with FinHealth Scores between 0 - 39 are considered Financially Vulnerable; they report few healthy outcomes across the eight indicators of financial health. Respondents with FinHealth Scores between 40 - 79 are considered Financially Coping; they report healthy outcomes across some, but not all, of the eight indicators of financial health. Respondents with FinHealth Scores between 80 - 100 are considered Financially Healthy; they report positive outcomes across all, or nearly all, of the eight indicators of financial health.

A Note on Reading Tables and Charts:

All of the tables and charts in this report display data from GenForward's nationally representative sample of young adults (ages 18-36). Many of the charts display partial and/or consolidated data from survey questions; complete data can be found in the Appendix (available online). Any results discussed in the body of this report are statistically significant within the margin of error, unless otherwise noted.

¹⁷ Thea Garon, Andrew Dunn and Necati Celik, "U.S. Financial Health Pulse: 2020 Trends Report," Financial Health Network, October 2020. (Forthcoming)

Disparities across nearly all of the eight indicators are driving differences in financial health outcomes among Black, Latinx, White, and Asian American young adults (Table 1). In the remainder of this report, we explore each of these indicators in depth. In general, we find that:

- 1** Black and Latinx young adults have less liquid savings than their White and Asian American peers, which leaves them with a smaller financial cushion to turn to in an emergency or an unexpected event.
- 2** Black and Latinx young adults are more likely than White and Asian American young adults to say they have unmanageable and high-cost debt, which hinders their ability to access low-cost debt in the future and build wealth through other means.
- 3** The enduring racial wealth gap has denied Black and Latinx young adults the ability to build wealth through generational transfers from their families.
- 4** There is a confidence gap between Latinx young adults and their Black, White, and Asian American peers about their long-term financial goals and insurance coverage.

Table 1. Financial Health Indicators by Race/Ethnicity

FINANCIAL HEALTH INDICATORS		Black	Latinx	White	Asian American
INDICATOR 1 Spend Less Than Income	Spending is less than income	50%	43%	55%	65%
	Spending equals or exceeds income	50%	57%	45%	35%
INDICATOR 2 Pay All Bills On Time	Pay all bills on time	47%	43%	63%	72%
	Unable to pay all bills on time	53%	57%	37%	28%
INDICATOR 3 Sufficient Liquid Savings	More than 3 months of living expenses	44%	41%	52%	68%
	Less than 3 months of living expenses	56%	59%	48%	32%
INDICATOR 4 Sufficient Long-Term Savings	Confident about long-term financial goals	45%	36%	47%	45%
	Not confident about long-term financial goals	55%	64%	53%	55%
INDICATOR 5 Manageable Debt Load	Manageable amount of debt	43%	46%	50%	51%
	More debt than is manageable	31%	28%	22%	17%
	Do not have any debt	24%	22%	26%	31%
INDICATOR 6 Prime Credit Score	Prime credit score	47%	55%	69%	81%
	Non-prime credit score	42%	34%	19%	11%
INDICATOR 7 Appropriate Insurance	Confident about coverage of insurance	43%	32%	44%	37%
	Not confident about coverage of insurance	49%	57%	52%	62%
	Do not have insurance	8%	11%	4%	1%
INDICATOR 8 Plan Ahead Financially	Agree with the statement: "My household plans ahead financially."	55%	42%	64%	69%
	Do not agree with the statement: "My household plans ahead financially."	45%	58%	36%	31%

Notes: Data displayed for respondents ages 18-36. In some cases, rows do not sum to 100% due to rounding or skipped responses. In the case of credit scores, the response "don't know" is not presented in this table. Full results in online Appendix.

INDICATOR 1 - Spend Less than Income

The ability to spend less than income is foundational to financial health because it allows one to build savings and accumulate wealth over time. Large percentages of young adults say their spending equals or exceeds their income, however. Nearly half (47%) of all young adults reported this, compared with 43% of the general population, according to 2020 data from the U.S. Financial Health Pulse.¹⁸ Half of Black (50%) and more than half of Latinx (57%) young adults say their spending equals or exceeds their income, compared with 45% of White and 35% of Asian American young adults (Chart 2).

A number of possible factors contribute to these differences in spending outcomes. On average, Black and Latinx young adults have lower incomes than their White and Asian American peers. According to data from the Bureau of Labor Statistics, Black young people (ages 16-24) earn an average of \$579 per week, and Latinx young people earn an average of \$582 per week, compared with their White peers who earn \$616, and their Asian American peers who earn \$781 per week. Black and Latinx young adults also have higher monthly debt obligations from student loans and other forms of debt (pg. 23), which they have turned in lieu of generational transfers of wealth (pg. 19).

Beyond these factors, Black and Latinx young adults are more likely than their White and Asian American peers to provide financial assistance to their friends and families. More than half of Black (54%) and nearly half of Latinx (50%) young adults said they provided financial assistance to family or friends outside of their household over the last 12 months (Chart 3). Asian American (42%) young adults were the next most likely to say they provided support to family and friends, followed by White (32%) young adults. Providing support can be a valuable lifeline for communities, but it can put additional strain on the already stretched budgets of young adults.

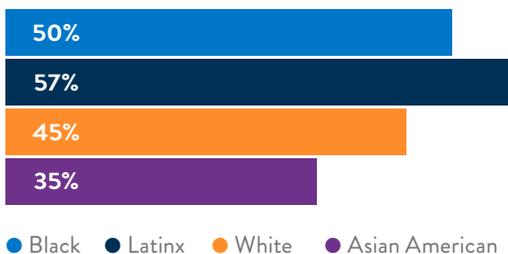
“We help each other, we work as a team. Anything that needs to be done as a household we work as a team. The bills, we help each other pay the bills, we pitch in with each other.”

– BLACK RESPONDENT, AGE 21, TULSA, OK

Chart 2. Spending Compared to Income

Which of the following statements best describes how your household's total spending compared to total income, over the last 12 months?

Spending equals or exceeds income

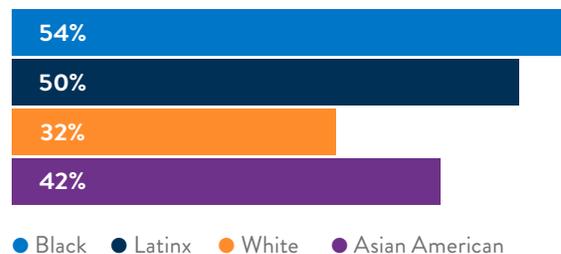


Notes: Data displayed for all respondents ages 18-36. Includes response options: “Spending was about equal to income,” “Spending was a little more than income,” and “Spending was much more than income.” Full results in online Appendix.

Chart 3. Providing Financial Assistance to Friends and Family

In the past 12 months, how often has your household provided financial assistance to family members or friends who do not live in your household?

Sometimes, often, or constantly



Notes: Data displayed for all respondents ages 18-36. Includes response options: “Sometimes,” “Often,” and “Constantly.” Full results in online Appendix.

¹⁸ Thea Garon, Andrew Dunn and Necati Celik, “U.S. Financial Health Pulse: 2020 Trends Report,” Financial Health Network, October 2020. (Forthcoming)

INDICATOR 2 - Pay Bills On Time

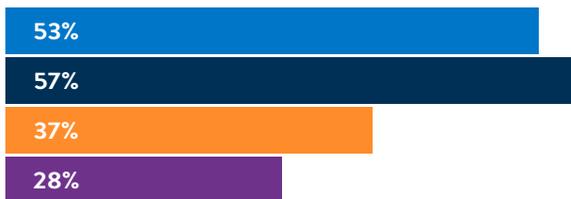
The ability to pay bills on time sheds light on the manageability of one’s day-to-day financial commitments. Compared with the general population, young adults are more likely to say they are unable to keep up with their bills: more than four in ten (43%) young adults say they were unable to pay all of their bills on time over the last 12 months, compared with 31% of the general population.¹⁹ More than half of Black and Latinx young adults say they were unable to pay all of their bills on time over the last year (53% and 57%, respectively), compared with 37% of White and 28% of Asian American young adults (Chart 4). Keeping up with bills has become even more challenging for many young adults over the last few months as the COVID-19 pandemic has caused widespread unemployment, particularly among communities of color.

Without a financial cushion to draw upon in an emergency, significant portions of all young adults are worried about their ability to afford unexpected bills. Black young adults (40%) are most likely to say they are extremely or very worried about their ability to pay an unexpected bill of \$1,000, followed by 37% of Latinx, 33% of White, and 27% of Asian American young adults (Chart 5). Compared with their White and Asian American peers, Black and Latinx young adults are less likely to say their families could help them cover such a bill. One in three (30%) Black young adults and 37% of Latinx young adults say their families could help them cover an unexpected bill of \$1,000, compared with 45% of White and 53% of Asian young adults (Chart 13).

Chart 4. Paying Bills On Time

Which of the following statements best describes how your household has paid its bills over the last 12 months?

Unable to pay all bills on time



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for all respondents ages 18-36. Includes response options: “Pay nearly all our bills on time,” “Pay most of our bills on time,” “Pay some of our bills on time,” and “Pay very few of our bills on time.” Full results in online Appendix.

Chart 5. Worry About Paying Unexpected Bill of \$1,000

How worried are you about being able to pay an unexpected bill of \$1,000 right away?

Extremely or very worried



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for all respondents ages 18-36. Includes response options: “Extremely worried” and “Very worried.” Full results in online Appendix.

“I’ve been lucky to be one of those people that has a mom and dad ... who made sure I opened up a checking account before I went to college. They also put \$200 into my savings account when I was 15 years old. My mom taught me how to pay my bills on time and how to pay them in full. I know not everybody has that, but I’ve been lucky I guess.”

– ASIAN AMERICAN RESPONDENT, AGE 31, PANAMA CITY BEACH, FL

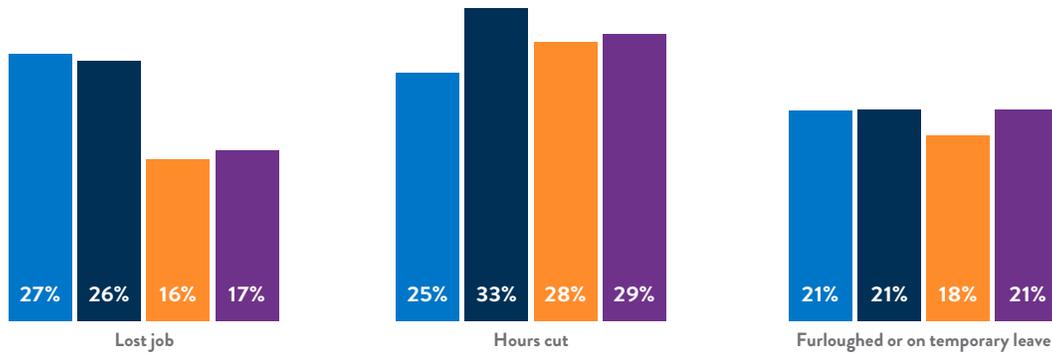
¹⁹ Thea Garon, Andrew Dunn and Necati Celik, “U.S. Financial Health Pulse: 2020 Trends Report,” Financial Health Network, October 2020. (Forthcoming)

BOX 3. Impact of COVID-19 on Employment and Expenses

By many measures, young adults are bearing the brunt of the COVID-19 economic crisis. Nearly one in three young adults (29%) say someone in their household had their hours cut and 19% say someone in their household was furloughed as a result of the pandemic, with significant portions of every group reporting this (data available in online Appendix). However, more than a quarter of Black (27%) and Latinx (26%) young adults say someone in their household lost their job, compared with 16% of White and 17% of Asian American young adults (Chart 6).

Chart 6. Impact of COVID-19 on Employment

Thinking about potential consequences of the coronavirus pandemic, which of the following have you experienced? Please select all that apply.

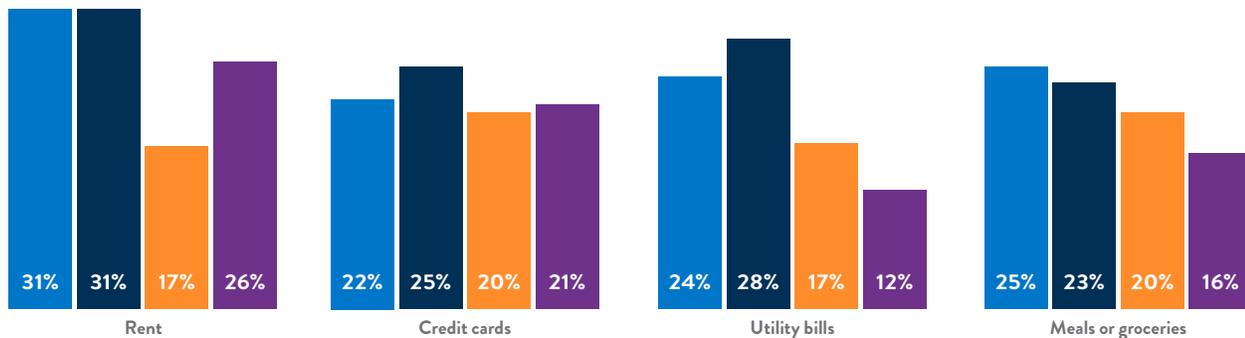


Notes: Data displayed for all respondents ages 18-36. Full results in online Appendix.

● Black ● Latinx ● White ● Asian American

Chart 7. Impact of COVID-19 on Expenses

Has the coronavirus pandemic's impact on your finances made it challenging for you to pay any of the following expenses? Please select all that apply.



Notes: Data displayed for all respondents ages 18-36. Full results in online Appendix.

● Black ● Latinx ● White ● Asian American

“I left a job that was impacted by COVID-19 earlier this year. I just started working a part-time retail job and the pay rate is very different than what it was a month ago. I am not getting paid as much as I was.”

– BLACK RESPONDENT, AGE 23, PALMETTO, GA

Black and Latinx young adults are also more likely to say COVID-19 has made it challenging for them to afford basic living expenses: 31% of Black and Latinx young adults say the pandemic has made it challenging for them to pay their rent, compared with 17% of White young adults and 26% of Asian American young adults (Chart 7). Likewise, 24% of Black and 28% of Latinx young adults say the pandemic has made it challenging for them to pay their utility bills, such as electricity and water, compared with 17% of White and 12% of Asian American young adults. These general patterns persist across the categories of payments included in this survey question.

INDICATOR 3 - Sufficient Liquid Savings

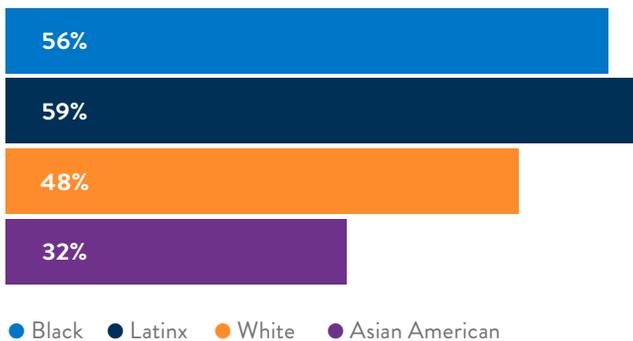
Having a reserve of short-term savings can provide a valuable lifeline in an emergency, such as a job loss or unexpected medical expense. While broad swaths of the country do not have adequate emergency savings, young adults are especially vulnerable to unexpected events. Half of all young adults (50%) say they would be unable to cover at least three months of living expenses with readily available savings, compared with 41% of the general population.³⁰ More than half of Black (56%) and Latinx (59%) young adults say they do not have enough savings to cover at least three months of living expenses, compared with 48% of White and 32% of Asian American young adults (Chart 8).

These assessments are supported by self-reported savings balances that differ across groups. One out of every four (25%) Black young adults say they have no personal savings, compared with 14% of Latinx and White young adults, and 7% of Asian American young adults (Chart 9). However, savings balances are low for most young adults: With the exception of Asian American young adults, more than half of Black, Latinx, and White young adults report having less than \$5,000 or no personal savings. At a time when the COVID-19 crisis is causing widespread job loss among young people, these low savings balances are particularly alarming.

Chart 8. Months of Living Expenses in Liquid Savings

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?

Less than 3 months



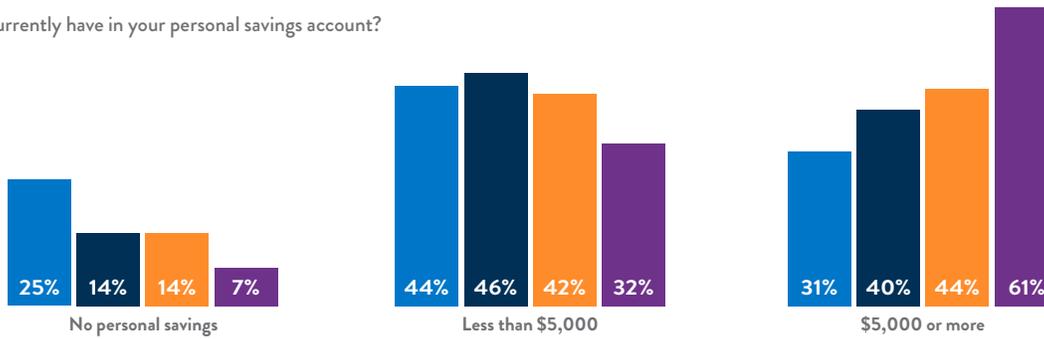
Notes: Data displayed for all respondents ages 18-36. Includes response options: “Less than 1 week,” “1-3 weeks,” and “1-2 months.” Full results in online Appendix.



²⁰ Thea Garon, Andrew Dunn and Necati Celik, “U.S. Financial Health Pulse: 2020 Trends Report,” Financial Health Network, October 2020. (Forthcoming)

Chart 9. Amount of Personal Savings

How much do you currently have in your personal savings account?



Notes: Data displayed for all respondents ages 18 - 36. Full results in online Appendix.

● Black ● Latinx ● White ● Asian American

Chart 10. Paying for a \$400 Emergency Expense

Suppose now that you have an emergency expense that costs \$400. Based on your current financial situation, how would you pay for this expense? If you would use more than one method, please select all that apply.

Borrow, sell something, or not be able to cover the expense



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for all respondents ages 18-36. Includes individuals who said yes to any of the following responses: “Put it on my credit card and pay it off over time,” “Using money from bank loan or line of credit,” “By borrowing from a friend or family member,” “Using a payday loan, deposit advance, or overdraft,” “By selling something,” or “Wouldn’t be able to cover it.”

Without a buffer of savings to draw upon in an emergency, many young adults would resort to other means to make ends meet. When asked how they would pay for a hypothetical unexpected expense of \$400, 39% of all young adults say they would need to borrow money or sell something, or that they would be unable to cover the expense right now. This is nearly equivalent to the 37% of the general population who report this.²¹

However the disparities grow larger between different groups of young adults: a majority of Black (54%) and Latinx (45%) young adults say they would be unable to cover a \$400 emergency expense without borrowing or selling something, compared with 34% of White and 29% of Asian American young adults who say the same (Chart 10). These figures underscore the high degree of financial precariousness that characterizes the lives of Black and Latinx young adults.

“COVID-19 has really affected my financial stability. I had to dip into my savings a lot. I have no savings anymore because of being impacted by the virus...before COVID I had a savings account, had a little extra cash stashed away for emergencies just in case anything would come up. When the virus happened it felt like things just kept coming up and I’ve exhausted all of the resources that I had set aside for retirement.”

– BLACK RESPONDENT, AGE 23, PALMETTO, GA

²¹ Board of Governors of the Federal Reserve System. “The Fed - Publications: Report on the Economic Well-Being of U.S. Households (SHED).” Accessed August 21, 2020.

INDICATOR 4 - Sufficient Long-Term Savings

Long-term savings are necessary to achieve financial security in the future and seize opportunities over time, but many young adults are not confident they are on track to meet their long-term financial goals.

More than half (56%) of all young adults say they are somewhat, slightly, or not at all confident they are on track to meet their long-term financial goals. This is similar to the 53% of the general population who are also concerned about their long-term savings.²² Latinx young adults are far more likely than their Black, White, or Asian American peers to say they are only somewhat, slightly, or not at all confident they are on track to meet their long-term financial goals: 64% of Latinx young adults report this, compared with 55% of Black, 53% of White, and 55% of Asian American young adults (Chart 11). These figures point to a confidence gap among Latinx young adults that warrants future study.²³

Young adults' lack of confidence about their long-term financial goals may be driven in part by low ownership of retirement savings accounts. Significant percentages of all young adults say they do not have a retirement plan or pension, with Black (35%) and Latinx (35%) young adults slightly more likely than their White (32%) and Asian American (26%) peers to report this (Chart 12). Among

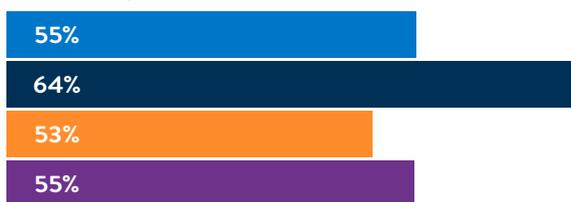
those who do have some sort of retirement plan, a 401(k) or other defined contribution employer-provided plan is the most common type, but significant portions of each group also have some savings outside of a retirement account (data available in online Appendix).

The amount of support young adults anticipate receiving from their families may also contribute to their confidence in their financial future. Black and Latinx young adults are less likely than White young adults, and much less likely than Asian American young adults, to say their family could help them cover a large expense, such as college tuition or a down payment for a home. Only 18% of Black and Latinx young adults say their family could help them cover college tuition or pay off student debt, compared with 25% of White and 40% of Asian American young adults (Chart 13). Likewise, just 14% of Black and 15% of Latinx young adults say their family could help them cover a down payment for a house or condo, compared with 21% of White and 31% of Asian American young adults. Without being able to draw upon the support of family for wealth-building investments like paying for college or buying a home, Black and Latinx young adults face additional financial and employment disadvantages that their White and Asian American peers may not.

Chart 11. Confidence about Long-Term Financial Goals

Thinking about your household's longer-term financial goals... How confident are you that your household is currently doing what is needed to meet your longer-term goals?

Somewhat, slightly, or not at all confident



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for all respondents ages 18-36. Includes response options: "Somewhat confident," "Slightly confident," and "Not at all confident." Full results in online Appendix.

Chart 12. Ownership of Retirement Plan or Pension

What type of retirement savings or pension do you have?
Please select all that apply.

Do not have retirement plans or pension



● Black ● Latinx ● White ● Asian American

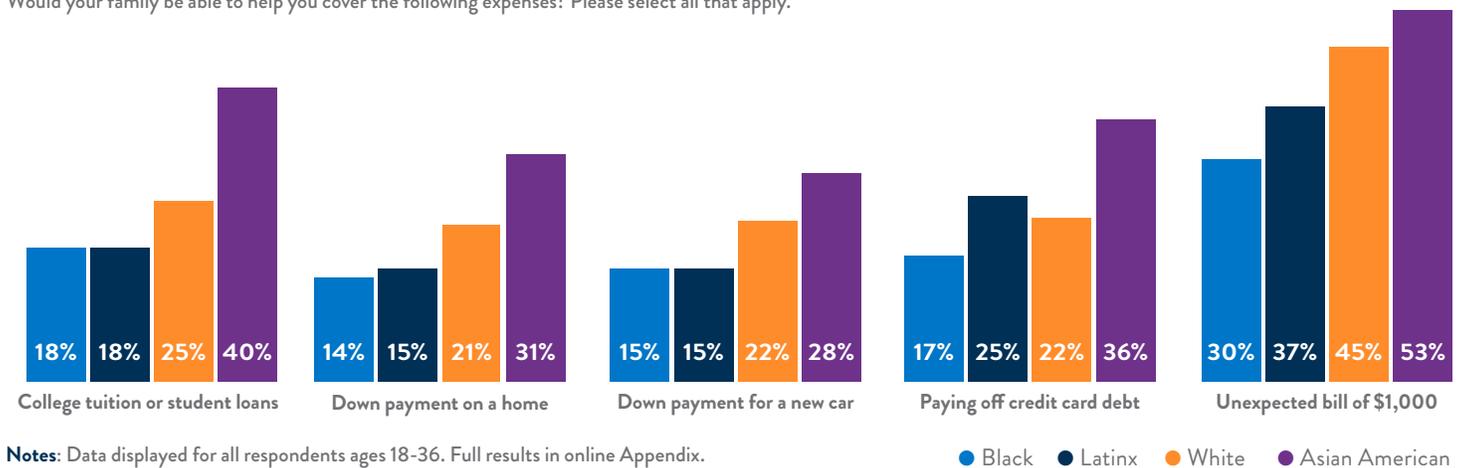
Notes: Data displayed for all respondents ages 18-36. Includes response option: "No retirement savings or pensions." Full results in online Appendix.

²² Thea Garon, Andrew Dunn and Necati Celik, "U.S. Financial Health Pulse: 2020 Trends Report," Financial Health Network, October 2020. (Forthcoming)

²³ John Walsh, "Four Financial Challenges Facing Hispanic Americans," Urban Institute, January 28, 2019.

Chart 13. Ability of Family to Assist with Expenses

Would your family be able to help you cover the following expenses? Please select all that apply.



“I think my salary is lower than it should be, so that’s a detriment for me trying to save... I would say I’m not on track for where I want to be, because when you buy a house you have all these unexpected expenses come up, so it’s just been one big hit after another. We dealt with a hail storm, recently our AC just broke, so we are fortunate to be able to take care of it, but I don’t feel we have been able to save up to a new goal since we bought the house.”

– SOUTH ASIAN RESPONDENT, AGE 28, FRISCO, TX



INDICATOR 5 - Manageable Debt

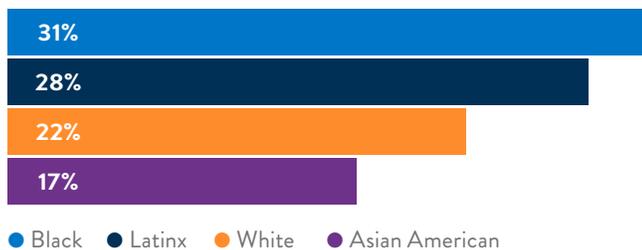
Having a manageable amount of debt contributes to overall financial stability, helps people access low-cost credit in the future, and allows them to avoid future financial difficulties, such as delinquency and bankruptcy. Nearly a quarter of all young adults (24%) say they have more debt than is manageable, slightly less than the 27% of the general population who report this.²⁴ Black and Latinx young adults are more likely than their White and Asian American peers to say they have more debt than is manageable. Nearly a third (31%) of Black and 28% of Latinx young adults say they have more debt than is manageable, compared with 22% of White and 17% of Asian American young adults (Chart 14). These sentiments likely have less to do with the total amount of debt young adults have and more to do with the types of debt they have.

Black and Latinx young adults are more likely than their White and Asian American peers to report having high-cost forms of debt, including credit card balances and past-due medical bills (Chart 15). Black and Latinx young adults are also more likely to report having other types of loans or debts, including payday loans or money borrowed from friends and family. Asian American and White young adults are more likely to have wealth-building debt, such as mortgages: 32% of White and 36% of Asian American young adults say they have a mortgage compared with 19% of Black and 22% of Latinx young adults. Homeownership, especially when it is based on a low-cost mortgage, has long been considered one of the best wealth-building strategies, so lower homeownership rates among Black and Latinx young adults and their families can hinder their ability to build wealth and pass it on to future generations.

Chart 14. Manageability of Debt

Thinking about all of your household's current debts... As of today, which of the following statements describes how manageable your household debt is?

Have more debt than is manageable



● Black ● Latinx ● White ● Asian American

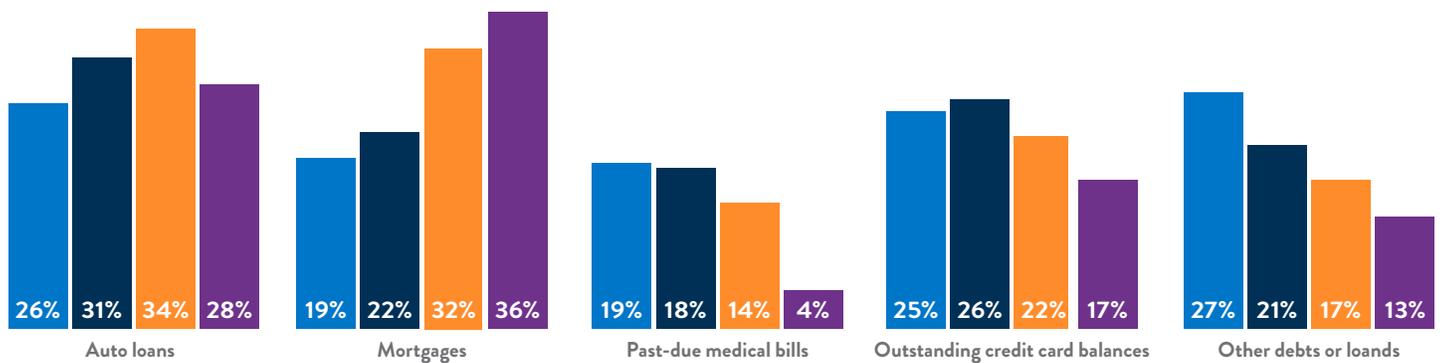
Notes: Data displayed for respondents ages 18-36. Includes response options: "Have a bit more debt than is manageable" and "Have far more debt than is manageable." Full results in online Appendix.



²⁴ Thea Garon, Andrew Dunn and Necati Celik, "U.S. Financial Health Pulse: 2020 Trends Report," Financial Health Network, October 2020. (Forthcoming)

Chart 15. Types of Debt

Which of the following types of debt, if any, do you or anyone in your household currently have? Please select all that apply.



Notes: Data displayed for respondents ages 18-36. Full results in online Appendix.

● Black ● Latinx ● White ● Asian American

“The house my mother is working to pay off ... there’s this question of do we sell it or not? To me, it feels like an enormous debt. If she passes, it’s gonna be my sister’s and my responsibility, and it makes me think about not having the literacy or understanding of how mortgages work. I just think about how people have had their grandparents’ houses taken by the bank system because of lack of awareness or knowledge around housing laws and rates.”

– LATINX RESPONDENT, AGE 26, OAKLAND, CA



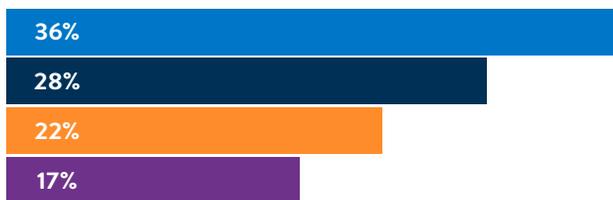
BOX 4. The Disproportionate Weight of Student Loan Debt

Among those who have some college education, Black and Latinx young adults are more likely to have student loan debt than their White and Asian American peers: more than half of Black (57%) and Latinx (51%) young adults with some college education have student loan debt, compared with 45% of White and 36% of Asian American young adults (data available in online Appendix). Black young adults are significantly more likely than their peers to say their student loan debt is unmanageable: 36% of Black young adults say they have more student loan debt than is manageable, followed by 28% of Latinx, 22% of White, and 17% of Asian American young adults (Chart 16). In general, Black young adults have higher amounts of student loan debt than their Latinx, White, and Asian American peers (Chart 17).

Chart 16. Manageability of Student Loan Debt

Thinking about all of your household's current student loan debt... As of today, which of the following statements describes how manageable your student loan debt is? (Among respondents with at least some college education.)

Have more student loan debt than is manageable



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for respondents ages 18-36 who have at least some college education. Full results in online Appendix.

Chart 17. Total Amount of Student Loan Debt

Overall, about how much do you owe in student loan payments? (Among respondents with at least some college education.)



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for respondents ages 18-36 who have at least some college education. Full results in online Appendix.

“I want to go back to college but I can’t get more loans than I have. I want to start a job and get a masters, and start looking for work, but I just can’t. I feel the urge to pay this off, but if I get a job now with what they’re paying me, there’s no way I can pay off my loans with what I am making. So I would have to go back and get a masters to get a better paying job, but in order to get a masters I need to get more student loans so I am kind of at a standstill right now.”

– BLACK RESPONDENT, AGE 25, UNION CITY, GA

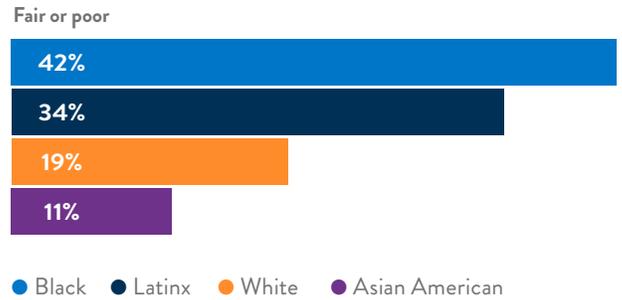
INDICATOR 6 - Prime Credit Score

Credit scores are an important aspect of financial health because they influence one's ability to secure future low-cost credit, such as a mortgage at a reasonable rate, which can help generate additional wealth over time. For young people in particular, credit scores can also influence one's ability to secure a rental apartment or an employment opportunity. Young adults (25%) are as likely as the general population (24%) to say they have a fair or poor credit score.²⁵ However, Black and Latinx young adults are far more likely than their Asian American or White counterparts to say their credit scores are fair or poor: 42% of Black and 34% of Latinx young adults say their credit scores are fair or poor, compared with just 19% of White and 11% of Asian American young adults (Chart 18).

Damaged credit scores and unmanageable debt are taking a toll on other aspects of young adults' lives. Black and Latinx young adults are more likely than their White and Asian American peers to say that their debt has delayed important life events (Chart 19). More than a quarter (28%) of both Black and Latinx young adults say that debt has delayed them from continuing their education, compared with 18% of White and 14% of Asian American young adults. Yet the consequences of high debt are not unique to Black and Latinx young adults. High percentages of all young adults -- including a quarter (25%) of Latinx and White young adults, 24% of Black young adults, and 21% of Asian American young adults -- say that debt has prevented them from saving for retirement.

Chart 18. Self-Assessment of Credit Scores

How would you rate your credit score? Your credit score is a number that tells lenders how risky or safe you are as a borrower.



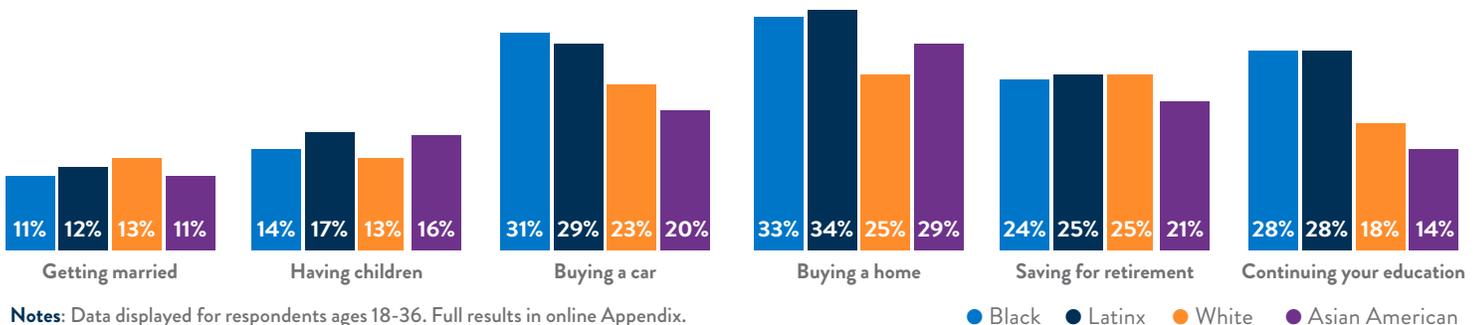
Notes: Data displayed for all respondents ages 18-36. Includes response options: "Fair" and "Poor." Full results in online Appendix.

"[My debt] is a huge burden and I don't feel I can make drastic moves. I feel like it is almost something that is tied to me and I signed up for and I always have to keep that in mind."

- LATINX RESPONDENT, AGE 26, OAKLAND, CA

Chart 19. Impact of Debt on Life Events

Has your debt ever caused you to delay any of the following life events? Please select all that apply.



Notes: Data displayed for respondents ages 18-36. Full results in online Appendix.

INDICATOR 7 - Appropriate Insurance

Having adequate insurance coverage allows individuals to be resilient in the face of unexpected events, such as the death of a loved one or a medical emergency. More than half of young adults (55%) are not confident their insurance policies will provide enough support in an emergency, compared with 48% of the general population.²⁶ Latinx young adults report the lowest levels of confidence in their insurance: 68% say they are not confident their insurance will provide enough support in an emergency or that they do not have insurance, followed by 63% of Asian American, 57% of Black, and 56% of White young adults (Chart 20). These lower levels of confidence could be tied to lower levels of insurance ownership among Latinx young adults: 11% of Latinx young adults say that no one in their household has insurance, compared with 8% of Black, 4% of White, and 1% of Asian American young adults, although these differences are within the margin of error (see full data in the Appendix). Interestingly, this is the one indicator where Asian American young adults are struggling compared to their peers.

Across all types of insurance, Black and Latinx young adults are less likely to report having access to insurance coverage through their employer. The largest discrepancies in access to insurance coverage are for health insurance. Just 37% of Black young adults and 33% of Latinx young adults say their employer offers them access to health insurance, compared with 44% of White young adults and 50% of Asian American young adults (Chart 21). While having access to health insurance through an employer has long been one of the primary ways that people gain coverage in the United States, the COVID-19 pandemic is highlighting the limitations of an employer-provided insurance model amid widespread unemployment.

“[If I got sick with COVID], I would have to pay the \$2,000 up front, and then insurance would cover the rest. Which would be a little strain on things, but it’s doable. After that my insurance would take over.”

– WHITE RESPONDENT, AGE 28, INDIANAPOLIS, IN

Chart 20. Confidence About Insurance Coverage

Thinking about all of the types of insurance you and others in your household currently might have... How confident are you that those insurance policies will provide enough support in case of an emergency?

Not confident or do not have insurance

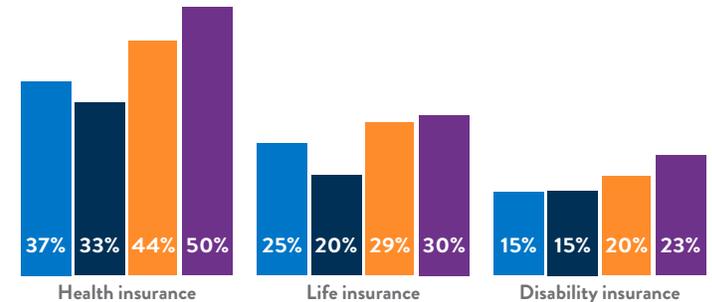


● Black ● Latinx ● White ● Asian American

Notes: Data displayed for all respondents ages 18-36. Includes response options: “Somewhat confident,” “Slightly confident,” “Not at all confident,” and “No one in my household has any insurance.” Full results in online Appendix.

Chart 21. Access to Employer-Provided Benefits

Still thinking about your main job, does your employer offer you any of the following benefits (even if you do not personally use the benefit)? Please select all that apply.



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for respondents ages 18-36 who have at least some college education. Full results in online Appendix.

²⁶ Thea Garon, Andrew Dunn and Necati Celik, “U.S. Financial Health Pulse: 2020 Trends Report,” Financial Health Network, October 2020. (Forthcoming)

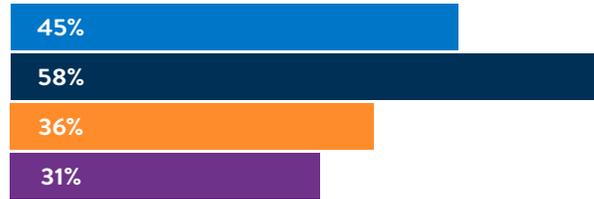
INDICATOR 8 - Plan Ahead Financially

Given the many challenging financial circumstances discussed earlier in this report, it is perhaps unsurprising that significant percentages of young adults struggle to plan ahead: 42% of all young adults do not agree with the statement “My household plans ahead financially,” compared with 36% of the general population.²⁷ Latinx young adults are significantly less likely to agree with this statement than their peers: 58% do not agree with this statement, compared with 45% of Black, 36% of White, and 31% of Asian American young adults (Chart 22). These sentiments align with the lower rates of confidence that Latinx young adults have about their long-term financial goals (pg. 19) and point to a concerning confidence gap among these young people.

Chart 22. Planning Ahead Financially

To what extent do you agree or disagree with the following statement: “My household plans ahead financially.”

Do not agree with statement



● Black ● Latinx ● White ● Asian American

Notes: Data displayed for all respondents ages 18-36. Includes response options: “Neither agree nor disagree,” “Disagree somewhat,” and “Disagree strongly.” Full results in online Appendix.



“I think from looking at my parents, they’re definitely doing better than my grandparents, but something has definitely gone wrong in our generation and we have not been able to save. I don’t know if we have been more frivolous in our spending, but there’s definitely something that has gone wrong from attaining the financial security our parents or my father-in-law has.”

– LATINX RESPONDENT, AGE 33, OAKLAND, CA

²⁷ Thea Garon, Andrew Dunn and Necati Celik, “U.S. Financial Health Pulse: 2020 Trends Report,” Financial Health Network, October 2020. (Forthcoming)

A Note from GenForward

SPOTLIGHT ON SOLUTIONS: Listening to the Voices of Young People

The history of structural racism and racial capitalism,²⁸ the Great Recession, and now the COVID-19 pandemic threaten the financial lives of young adults, placing additional burdens on Black and Latinx young adults. In response to such economic difficulties, our data reveals that young people are overwhelmingly in agreement about how to address these challenges.

Repeatedly, we find that a majority of young people across race and ethnicity support such policies as: a universal job guarantee for all who want to work; Universal Basic Income or \$1,000 each month to all adults; a 2% tax on the net worth of those with assets over \$50 million and a 3% tax on those with assets over \$1 billion; a requirement that companies pay a tax for every worker they displace; the Green New Deal; free tuition at public universities; and a pathway to citizenship for those who are classified as undocumented.

Over the four years of fielding the GenForward Survey, we have learned that young adults are looking for new ways to pursue an agenda of economic justice. They are asking for a more expansive safety net and new government policies that offer them the same opportunities for economic mobility extended to previous generations. While many young adults have deep alienation toward fundamental governing institutions such as political parties, they also believe that the issues we face as a country demand active government intervention if we are to transform and significantly improve the economic lives of not only young adults but all people.

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²⁸ “Racial capitalism is the process of deriving value from the racial identity of others. Racial capitalism is troubling on both a symbolic and a practical level. When white people and predominantly white institutions commodify nonwhiteness and exploit its value, even under the auspices of a well-intentioned diversity rationale, racial capitalism evokes one of the darkest eras in American history, during which nonwhiteness — and nonwhite human beings — were assigned value and transferred among white people as commodities.” Nancy Leong, “[Racial Capitalism](#),” Harvard Law Review, 126 Harv. L. Rev. 2151, Jun 20, 2013.

Conclusion

The financial lives of Black and Latinx young adults are characterized by a higher degree of financial precariousness than White and Asian American young adults. These disparities in financial health outcomes are the result of a long history of systemic racism and discrimination that persists to this day. Yet despite these barriers, many young adults are optimistic about their futures. According to the GenForward data, more than half of Black (56%), Latinx (51%), White (58%), and Asian American (51%) young adults are optimistic about their personal financial futures. Part of this optimism is centered on the belief that individuals have the ability to better their condition. In fact, even when young adults feel overwhelmingly that the country is on the wrong track economically, they are generally optimistic about their own future.

More than half of

BLACK (56%)

LATINX (51%)

WHITE (58%)

ASIAN

AMERICAN (51%)



young adults
are optimistic
about their
**PERSONAL
FINANCIAL
FUTURES.**

We see evidence of this optimism all around us. Today's young adults are passionate, engaged, and committed to fighting for a just and equitable world. Black and Latinx young adults, in particular, are on the front lines of protests for economic, racial, gender, and environmental justice. They are increasingly involved in electoral politics, running for office and winning, and putting forth a new and expansive policy agenda.

As a society, we owe it to today's young people and to future generations to invest in policies and solutions that address the financial precariousness that has characterized the lives of many young adults, especially those from Black and Latinx communities, for far too long. We hope that policymakers, regulators, financial service providers, community leaders, activists, advocates, and other stakeholders use the insights shared in this report to embrace bold solutions that improve financial health for all, especially for Black and Latinx young adults.