

For Immediate Release: May 23, 2022
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Economic Security Project Releases YouGov Public Opinion Research Signifying Striking Increase in Americans Unable to Cover Emergency Expenses Using Cash

When Paired with Federal Reserve's Survey of Household Economic Decisionmaking, Data Indicate Families Harmed by Inflation and Expiration of Programs like the Expanded Monthly Child Tax Credit

Washington, DC – May 23rd, 2022 – [Economic Security Project \(ESP\)](#), an ideas advocacy organization working to expand the Child Tax Credit and other cash supports, today released new data from [YouGov](#) concerning Americans' ability to cover emergency expenses in light of dramatically increasing prices and the expiration of programs like the expanded monthly Child Tax Credit (CTC).

According to the Federal Reserve's Survey of Household Economic Decisionmaking ([SHED](#)) released today, only 32% of surveyed Americans stated that they would not cover a \$400 emergency entirely using cash or its equivalent. Importantly, this survey is based on data collected in November 2021, before inflation grew significantly and when the monthly Child Tax Credit checks were going out. The Federal Reserve found that federal stimulus packages over the past two years have coincided with a rise in Americans' abilities to cover emergency expenses like medical care, car payments, and urgent childcare needs.

ESP and YouGov's groundbreaking data, however, demonstrate that the elimination of federal direct cash payment programs like the Child Tax Credit – combined with rising inflation – have resulted in a significantly greater number of adults now unable to afford emergencies without relying on borrowed funds or selling possessions.

A YouGov survey for the Economic Security Project, fielded online May 20-23, 2022, asked 1,214 US adults (18+; results are weighted and representative of all US adults) the same question as the Federal Reserve's SHED survey. YouGov found that today, 51% of respondents said they would exclusively cover \$400 emergency expense completely using cash or its equivalent (cash in a checking or savings account and/or using a credit card that they pay off at the next statement), and 49% would not cover a \$400 emergency expense using cash or its equivalent or would supplement cash/credit with borrowed funds or selling possessions. **In other words, the percentage who could not rely on cash to meet a \$400 emergency expense was 32% in November and is 49% today.**

"Today's research from YouGov and Economic Security Project underscores a grave conclusion that we've long already known," said ESP Campaigns Director Adam Ruben. "When policymakers strip families of essential benefits used to cover food, fuel, and childcare – there are horrific, real-world consequences. We know definitively that programs like the monthly Child Tax Credit resulted in significant declines in credit card debt and [reduced reliance on payday loans, pawn shops, and even selling blood plasma](#). As conservatives have blocked the monthly checks even as prices rise, families are living on the edge. It is heartbreaking to see that without this income floor for families, many more Americans will be pulled deeper underwater when faced with a financial emergency."

Black and Latinx households continue to be significantly worse off than white households, but the SHED report shows that the Child Tax Credit appears to have made outsized improvements for Latinx families especially. Failing to extend the Child Tax Credit means we risk losing those small gains. According to the SHED report, 52% of Black and 46% of Latinx households wouldn't cover a \$400 expense with cash or its equivalent back in November. Today, the share of Black and Latinx households who would have to rely on borrowing or credit – or not be able to pay the expense at all – is 64% and 59%, respectively.

"When we had the Child Tax Credit, I could rest easier knowing that I could weather any emergency," said Brittany Baker, CTC recipient and mother of three living in Dayton, Ohio. "I didn't have to choose between keeping the lights on or my kids going hungry that night, and I didn't have to choose to use all our money when one of us got

suddenly sick. I could depend on that extra money and since it's been gone, I don't know what we'd do if we had an emergency."

Moody's estimates that inflation is costing the average family [\\$311 per month](#). By contrast, the Child Tax Credit checks of up to \$300 a month, which could help struggling families offset these price hikes, expired in December, leaving families in a precarious position with little financial cushion. The SHED data on financial well-being show huge gains for people with kids – most likely thanks to the monthly Child Tax Credit checks which were going out when the November data were collected. Between 2020 and 2021, the share of parents who wouldn't cover a \$400 emergency with cash dropped 8 points from 44% to 36% — the biggest change since the Fed began collecting this data — compared to a 2-point decline (33% to 31%) for adults without children. Today, according to the YouGov survey, more than half (51%) of parents with children under 18 wouldn't cover a \$400 expense with cash or its equivalent.

For more information about the Economic Security Project, visit: <https://www.economicsecurityproject.org/>.

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