

Natural disasters hit 1 in 5 US adults' finances in 2023: Fed

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The Fed said that 19 percent of adults reported being financially affected by natural disasters or severe weather events like flooding over the last 12 months.

Almost 20 percent of adults in the United States were financially impacted by natural disasters last year, the Federal Reserve said Tuesday, marking a nearly 50-percent rise from 2022.

The Fed's annual report into the economic well-being of US households found that 19 percent of adults reported being financially affected by [natural disasters](#) or severe weather events like flooding and wildfires over the last 12 months.

This was up sharply from 13 percent in 2022, with some of the biggest changes seen in the West of the country, where the percentage of people noting a [financial impact](#) from natural disasters almost doubled.

In the US South, which includes hurricane-prone states such as Florida, almost a quarter of all respondents said they were financially hit by natural disasters, while just 13 percent did so in the northeast.

In its report, the Fed noted that some of those people at highest risk from natural disasters were also less likely to have homeowners insurance.

"Homeowners with [lower income](#), those living in the South, and homeowners who had already been financially affected by a natural disaster were all less likely to have homeowners insurance," the report found.

The number of American adults who reported doing at least okay financially remained relatively unchanged at 72 percent in 2023, the Fed said.

But the figure masked one important change: parents living with children under the age of 18 saw a five percentage point decline from a year earlier, with just 64 percent saying they were doing at least okay financially.

The report also highlighted childcare as a "substantial share of the family budget for parents using paid childcare," costing typically 50-70 percent

of what the parents spend each month on housing.

Inflation remained Americans' top financial concern in 2023, the Fed said, despite a sharp decline in the [inflation](#) rate from 2022, when it hit a multi-decade high.

More than a third of Americans reported inflation as a financial challenge, with many respondents mentioning the cost of food and groceries.

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