

Does Place Matter for Family Financial Security?

Data and methods

The data reported in this interactive were collected in the Survey of American Family Finances conducted by The Pew Charitable Trusts.

The survey was administered to a nationally representative, probability-based panel between Nov. 6 and Dec. 3, 2014. Including oversamples of black and Hispanic respondents, the total sample size was 7,845. Survey firm GfK collected the data on behalf of Pew and administered the internet-based questionnaire in English and Spanish. The measures for income, education, race, and marital status come from the early 2014 edition of an annual survey that GfK fields of its entire panel to capture changes in demographics over time.

All data reported in this interactive were weighted. For clarity of analysis, respondents who chose not to answer a question were excluded from the statistics generated for that item. As is typical in internet-based surveys, missing data were most common when respondents failed to answer something they felt did not apply to them, such as “other” in a list of questions. Item nonresponse for the survey as a whole was 2.2 percent.

Additional details about the survey and its methodology are available at http://www.pewtrusts.org/~media/assets/2015/03/fsm-poll-results-methodology_artfinal_v2.pdf, and topline are available at http://www.pewtrusts.org/~media/Assets/2017/04/wave-2-survey-toplines_xls_2017_2_15.xlsx.

“Does Place Matter for Family Financial Security?” explores people’s perceptions of their financial security, neighborhood demographics, and the state of family balance sheets in communities across the urban-rural continuum. The interactive highlights questions from a survey that had at least 100 unweighted cases when broken down by community type.

Definitions and terms:

Classification criteria for communities

This analysis used the primary 2010 Rural-Urban Commuting Area (RUCA) Codes from the U.S. Department of Agriculture to categorize census tracts along the rural-urban continuum.¹ USDA’s criteria are similar to those used by the Office of Management and Budget when defining metropolitan and micropolitan areas, including “measures of population density, urbanization, and daily commuting to identify urban cores and adjacent territory that is economically integrated with those cores.” USDA defines the RUCA codes on the census tract level.

In the Survey of American Family Finances, census tract-level data are used to classify the survey respondents into RUCA statuses:

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- **Metropolitan areas**—such as Boston, San Francisco, and Austin, Texas —include census tracts in which the urban core has a population of 50,000 or more and the single largest commuting flow occurs within that urban core. Surrounding census tracts are included if their single largest commuting flow is to that urban core.
- **Micropolitan areas**—such as Helena, Montana; Juneau, Alaska; and Quincy, Illinois—include census tracts in which the urban core has a population of 10,000 to 49,999 and the largest commuting flow occurs within that core. Surrounding census tracts are included if their largest commuting flow is to the urban core.
- **Small towns**—such as Galax, Virginia; Aberdeen, Washington; and Brewton, Alabama—include census tracts in which the urban core has a population of 2,500 to 9,999 and the largest commuting flow occurs within that core. Surrounding census tracts are included if their largest commuting flow is to the urban core.
- **Rural areas** include census tracts in which the single largest commuting flow occurs to a tract outside an urban core, as in Camas County, Idaho; Phillips County, Colorado; and Gregory County, South Dakota.
- **All community types** includes all census tracts across the rural-urban continuum.

Attitudinal questions

The interactive highlights some survey questions about respondents' perceptions of their household financial situations. Respondents were asked:

“Thinking about the country today, how common is it for someone to start poor, work hard, and become rich (very common/somewhat common/not too common/not at all common)?” “Which of the following is more important to you (financial stability/moving up the income ladder)?” “How would you rate economic conditions in the country today (excellent/good/only fair/poor)?” “How would you rate your household’s financial situation today (excellent/good/only fair/poor)?” “Which best describes your household’s income each month (income is about the same each month/income varies somewhat from month to month/income varies a lot from month to month)?” “Which best describes the bills and expenses your household pays each month (expenses are about the same each month/expenses vary somewhat from month to month/expenses vary a lot from month to month)?” “Please tell us whether or not each of the following has happened to you in the past 12 months because you did not have enough money (you did not pay the full amount due on your mortgage on time/you did not pay the full amount due on your rent on time/you skipped paying a bill or paid a bill late/you needed to see a doctor or go to the hospital but did not go/you could not fill or postponed filling a prescription for drugs when they were needed/you overdrafted your checking account or wrote a check for more than was in your account/your credit, debit, or prepaid card was declined because you were over the limit or did not have sufficient funds/a person in the household took a loan, a distribution, or cashed out a retirement account, not including things that were legally required)?” “How often do unexpected expenses make it hard for your household to save money (never/rarely/some months/most months/just about every month)?”

Race

The race variable was created using survey respondents' self-reported race, and respondents could select as many races as they wished. Respondents who indicated that they were of Hispanic or Latino descent were categorized as Hispanic, regardless of any race indicated. Non-Hispanic respondents who selected more than one race were placed in the other, non-Hispanic category. Respondents were categorized as white, non-Hispanic; black, non-Hispanic; Hispanic, any race; or other, non-Hispanic.

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Age

Age cohorts are defined using thresholds from the Pew Research Center, as follows:

- Silent generation: born between 1928 and 1945.
- Baby boomers: born between 1946 and 1964.
- Generation Xers: born between 1965 and 1980.
- Millennials: born between 1981 and 1997.

At the time of the 2014 survey, millennials were ages 18 to 33, Gen Xers were 34 to 49, baby boomers were 50 to 68, and members of the silent generation were 69 to 86.

Education

The education variable was measured according to the respondent's highest level of education completed, according to three categories: high school diploma or less, some college, and bachelor's degree or higher.

Family composition

A household was categorized as a couple if the respondent indicated that at the time of the survey, he or she was married or living with a partner. A household was considered single if the respondent indicated that he or she was widowed, divorced, separated, or never married. For respondents who did not provide a relationship status in late 2014, their early 2014 answers were used to fill in the gaps. When respondents reported living with one or more children under age 18, their households were categorized as "with children." Respondents' adult children (those over age 18) and children not living in the household are not accounted for in this measure.

Income

Income is defined as inflows of money to a household from all sources, including wages, Social Security earnings, and rental income. Survey respondents were asked to reaffirm the income they reported in early 2014, and the variable was updated to reflect any differences.

Liquid assets

Liquid assets is a term developed by Pew staff that aggregates the money that participants reported having in savings or checking accounts, cash saved at home, and the value of unused prepaid cards. Households can access these funds quickly and at very low cost. The liquid assets variable was constructed from responses to questions on the value of these assets. Respondents who chose not to respond for any component of liquid assets are treated as missing in the overall measure.

Nonhousing liabilities

This variable was constructed from responses to questions about the value of certain financial obligations, such as balances on credit cards and car loans. Mortgages and property loans are excluded. Respondents who chose not to respond for any component of wealth are treated as missing in the overall measure.

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Net worth

Net worth is the total assets a household owns, including money in checking and savings accounts, retirement savings, and property, minus total debts, such as balances owed on credit cards, mortgages, or property loans. The net worth variable was constructed from responses to questions about the value of specific assets and liabilities each household reported owning. Nonhousing net worth excludes home equity. Respondents who chose not to respond for any component of wealth are treated as missing in the overall measure.

Endnote

¹ United States Department of Agriculture Economic Research Service, "Documentation 2010 Rural-Urban Commuting Area (RUCA) Codes," last modified Oct. 12, 2016, <https://www.ers.usda.gov/data-products/rural-urban-commuting-area-codes/documentation>. The limited sample size prevented use of the more detailed secondary RUCA codes.