Financial Lives Have Changed

Financial advice, policies, and products should too.

Amy and Chris. They want to end up better off than they started, and give their kids a boost, too.

But since the 1970s more US households have financial lives that look like this:

Income is volatile, year-to-year and month-to-month.
Emergencies may be smaller, but are more frequent.

For Amy and Chris and the millions of US households like them, it’s hard to know what to do:

It’s confusing.

To make matters worse, most of the advice, programs, and products were designed for households with financial lives that look like this:

Income is stable and increases over a lifetime.
Emergencies like job loss are infrequent.

Financial advice, policies, and products should too.

Income is volatile, year-to-year and month-to-month.
Emergencies may be smaller, but are more frequent.

Learn more about the hidden financial lives of U.S. low- and moderate-income households, at www.usfinancialdiaries.org

They have GOALS

Send the kids to college
Buy a home
Climb the ladder

They get plenty of ADVICE

You only live once.
What will happen to your family if you die?
Build up your credit score.
Renting is for suckers!
Credit cards are dangerous.

And there are lots of PROGRAMS & PRODUCTS

For Amy and Chris and the millions of US households like them, it’s hard to know what to do:

They get plenty of ADVICE

I got a bonus!
I got laid off.

Should we pay down our credit cards, or put it in a rainy day fund?
Should we cash out your IRA, or run up the credit cards again?

They have GOALS

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They need products, programs, and policies that meet them where they are, like:

Products and policies that help families achieve income stability month-to-month and year-to-year, and not just over a lifetime.

Products that balance long-term commitment and flexibility to address short-term emergencies.

Better advice, and better ways to deliver advice, on how to meet the financial challenges that families actually face.

Lower cost short-term credit products so that illiquidity doesn’t turn into insolvency.

Benefits eligibility rules that take into account income stability.