# NOT LETTING UP: MORE FAMILIES EXPERIENCE MATERIAL HARDSHIP AS COST OF LIVING RISES

A growing number of households in our survey are reporting experiences of material hardship (i.e., difficulty paying for basic needs), and are finding it especially difficult to pay for utilities, food, and housing. Families are also indicating that costs of basic needs—things like food, housing, utilities, and gasoline—are on the rise. "I have to watch every penny closely. We've had to go without. We might have to have my kids change schools because I can't afford the gas to get them to their current school." Parent in Arizona





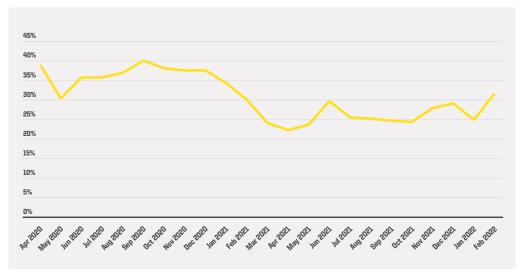




#### MATERIAL HARDSHIP IS ON THE RISE.

The percent of households that reported experiences of material hardship increased from 25% in January 2022, to 32% in February 2022. This is one of the largest increases in hardship since we started collecting these data at the beginning of the pandemic.

Trend of the percent of households reporting material hardship



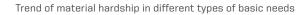
"I've had to stop taking medication because I couldn't afford it." Parent in Georgia

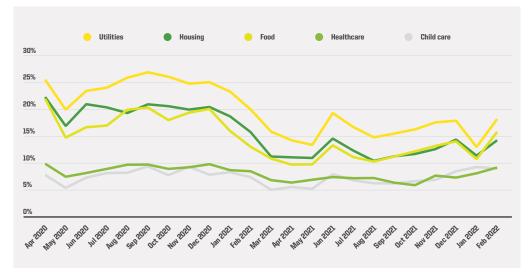
"I cannot afford to keep my house warm for my family, because my rent and electric bills have gone up." Parent in Oregon

## **CERTAIN BASIC NEEDS ARE PROVING PARTICULARLY HARD FOR PARENTS OF YOUNG CHILDREN TO AFFORD.**

- More families are having difficulty paying for utilities, food, and housing compared to healthcare and child care. In February 2022, 27% of families with young children reported at least one of the three most prevalent hardships (utilities, food, & housing), and 15% of households reported hardship in meeting healthcare or child care needs. Additionally, the number of families experiencing these specific hardships rose faster than those experiencing other hardships.
- Difficulty paying utilities has been the area of hardship for the greatest number of families.
   Based on data collected in January and February 2022, the three most difficult utilities to pay were electricity (53%), phone/cell phone services (33%), and internet (31%). This is particularly concerning as families rely heavily on the phone and internet to stay connected socially and, in some cases, to work.

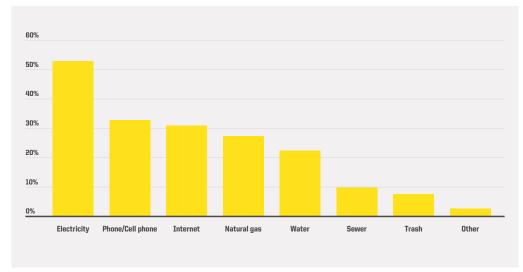
"We're being forced to choose which necessities are the most necessary. I tried to find cheaper diapers but then my baby ended up with a rash which led to having to purchase medications to help clear it up plus buying the more expensive diapers." Parent in Maine





"I live off paycheck by paycheck... so with the increased rate of EVERYTHING somedays I have to choose if I am eating or not... so I can provide for my kids." Parent in Minnesota

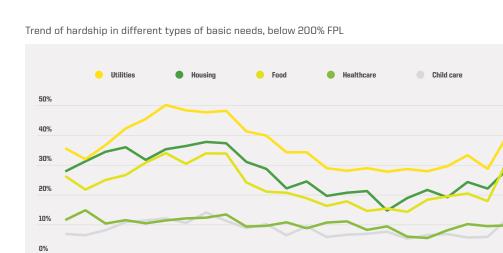
Utilities that families had difficulty paying for in January & February, 2022



### FAMILIES' EXPERIENCE OF MATERIAL HARDSHIP CONTINUES TO DIFFER BY INCOME LEVEL.

 About one in six middle-income families (i.e., between 200% and 400% of the federal poverty level; FPL) reported difficulty paying for basic needs in February 2022. While this rate has been relatively stable throughout the pandemic, families in this group, who represent about <u>30% of families</u> with young children in the country, experienced an increase in food and utility hardship in February 2022. "We eat smaller portions, go to the store less frequently, we don't have snacks, and we have gone from 3 meals a day to only two. We cut out coffee as well." Parent in California

"I often decide between utilities or groceries for the month." Parent in Montana



Trend of hardship in different types of basic needs, 200%-400% FPL

Det 2020

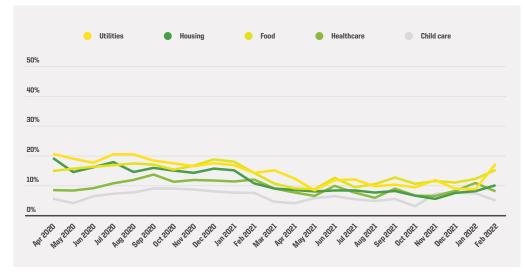
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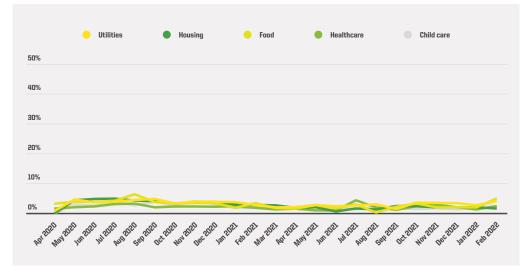


Det 2021

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Trend of hardship in different types of basic needs, above 400% FPL



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- For higher-income families

   (i.e., above 400% FPL), who account for 30% of U.S. households with children, the material hardship rate has remained relatively low throughout the pandemic.
- For lower-income households

   (i.e., below 200% FPL)-who are
   40% of families with young children
   in the U.S.-the experiences
   of material hardship are dramatically
   different. Not only do these families
   experience high levels of material
   hardship across all five basic needs,
   but there has also been a dramatic
   increase in the number of these

families experiencing hardship in recent months.

 As noted in a previous fact sheet, the monthly Child Tax Credit payments have been a source of economic support that buffers lower-income families from material hardship. A large percent of lowerincome households (73%) relied on the monthly Child Tax Credit payments for basic needs. The rising rates of hardship among lower-income families is likely linked to the discontinuation of the monthly Child Tax Credit payments at the end of December 2021.

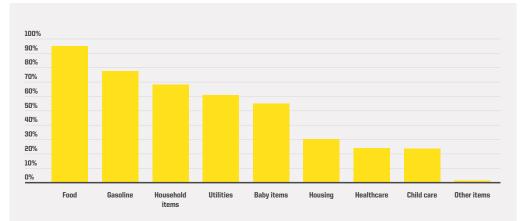
#### **COST OF LIVING IS ON THE RISE.**

- In February 2022, the vast majority (98%) of families who experienced material hardship also reported rising costs for everyday items.
- Parents reported the rising costs of food (95%), followed by gasoline (78%), household items (68%), utilities (61%), and baby products (55%). These findings are consistent

with external consumer price index reports (<u>1</u>, <u>2</u>) that indicate significant price increases of gasoline, utilities, food, and other expenses.

 We will continue to collect these data and monitor the financial hardships and related experiences of emotional distress among families with young children.

Items that households with young chidren reported have recently become more expensive



"We have to pick our battles. We know that my daughter needs diapers so we buy food that's about to expire. Since it's on clearance we can afford to get it. Most of our food items are purchased from clearance bins. Gas has also really affected us since it's now over \$70 to fill up just one of our vehicles." Parent in California

## **ABOUT THE RAPID PROJECT**

The analysis on the material hardship trend was based on survey responses collected from 13,503 parents of young children between April 2020 and February 2022. These caregivers represent a range of voices: 7.28% are Black/African American, 13.53% are Latinx, and 41.62% live at or below 200% of the federal poverty level. In addition, analyses on the cost of living during February 2022 were based on 878 caregivers (11.33% Black/African American, 10.90% are Latinx, and 37.93% live at or below 200% of the federal poverty level). Proportions/ percentages are calculated based on the item-level response rates, not on the total sample. The data for these analyses are not weighted.

The <u>RAPID</u> project includes a survey of caregivers with children under age 6 and a survey of child care providers and other adults who care for children under age 6. These surveys are designed to gather essential information continuously regarding the needs, health-promoting behaviors, and well-being of children and their families and important adults in their lives.

RAPID collects data monthly from 1,000 caregivers and child care providers in all 50 states. The surveys are national in scope, though not technically nationally representative. RAPID collects snapshots of data across time and can also assess trends longitudinally.

For more information about RAPID study design and methods, see here.

RAPID is under the direction of Philip Fisher, PhD, Director of the newly formed Center on Early Childhood at Stanford University

1,000+

surveyed bi-weekly

93

surveys

17,000+

unique households

50

**US** states



rapidsurveyproject.com | rapidecsurvey@stanford.edu | medium.com/rapid-ec-project | twitter.com/RapidSurvey | linkedin.com/company/rapid-survey-project