# Despite Economic Growth, Many Americans Struggle with Rising Prices, Fed Report Shows



### Struggles Persist Amid Economic Growth, Fed Report Reveals

**Date:** May 21, 2024

**Location:** Washington, D.C.

The Federal Reserve's 2023 survey highlights a paradox in American households' financial well-being. Despite low unemployment and increased job opportunities, many Americans are facing financial difficulties due to rising prices.

**Key Findings:**
- **Inflation Impact:** Although inflation decreased significantly to 3.4% by the end of 2023 from 6.5% at the start, 65% of adults reported that price changes worsened their financial situations. Nearly all low-income individuals (96%) echoed this sentiment.
- **Rent Challenges:** Around 19% of renters fell behind on payments at some point, up from 17% in 2022.
- **Economic Outlook:** 72% of adults felt financially okay or comfortable, a slight drop from previous years, partially attributed to the reduction in pandemic-related stimulus benefits.
- **Adaptation to High Prices:** 79% of households took measures, like purchasing cheaper products, to cope with high costs.

**Economic Context:**
The report underscores sustained financial concerns despite a robust job market, highlighting a lingering dissatisfaction among Americans who are dealing with higher living costs. This sentiment is affecting political approval ratings, with President Joe Biden facing criticism over his economic management despite positive macroeconomic indicators.

**Concern Over National Debt:**
Prominent financial figures, including JPMorgan CEO Jamie Dimon and economist Glenn Hubbard, have raised alarms about the U.S. debt, citing risks of increased borrowing costs and potential economic instability. As the national debt nears $34.6 trillion, there is a growing concern about future economic repercussions.

These findings and expert warnings reflect a complex economic landscape where strong job growth and cooling inflation coexist with significant financial stress for many Americans, influencing both public sentiment and political dynamics.