



RESEARCH & ANALYSIS

Economic Well-Being of U.S. Households in 2023

May 2024



BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

(table 20). Use among Black adults was particularly high at about 3 in 10.

Cryptocurrency

Cryptocurrencies are relatively new digital assets that may be held as an investment or used for making financial transactions.³⁵ Use of cryptocurrency for either purpose continued to fall in 2023. Overall, 7 percent of adults held or used cryptocurrency in 2023, down 3 percentage points from 2022 and down 5 percentage points from 2021 (table 21).

Buying or holding cryptocurrency as an investment remained more common than using it for financial transactions. Seven percent of adults bought or held cryptocurrency as an investment in the prior 12 months. In contrast, 2 percent of adults said they used cryptocurrency to make a financial transaction: 1 percent used cryptocurrency to buy something or make a payment, and 1 percent used it to send money to friends or family (table 21).³⁶

While only a small share of adults used cryptocurrency to send money to friends or family, the survey asked those who did if the recipient was outside of the United States. Over the past two years, one-fourth of adults who used cryptocurrency to send money to friends or family indicated that at least one transfer was made internationally.³⁷

Table 20. Use of nonbank check cashing or money order (by demographic characteristics)

Characteristic	Percent
Family income	
Less than \$25,000	25
\$25,000–\$49,999	20
\$50,000–\$99,999	13
\$100,000 or more	5
Age	
18–29	16
30–44	16
45–59	14
60+	9
Race/ethnicity	
White	9
Black	28
Hispanic	21
Asian	7
Disability status	
Disability	22
No disability	12
Overall	14
Note: Among all adults.	

Table 21. Cryptocurrency use

Type of use	2021	2022	2023
Bought cryptocurrency or held as an investment	11	8	7
Used cryptocurrency to buy something or make a payment	2	2	1
Used cryptocurrency to send money to friends or family	1	2	1
Any use of cryptocurrency	12	10	7
Note: Among all adults. Respondents could select multiple answers.			

³⁵ Cryptocurrencies are decentralized digital assets that have a distributed ledger and can be used for peer-to-peer payments. For additional information on cryptocurrencies, see Board of Governors of the Federal Reserve System, *Money and Payments: The U.S. Dollar in the Age of Digital Transformation* (Washington: Board of Governors, January 2022), <https://www.federalreserve.gov/publications/money-and-payments-discussion-paper.htm>.

³⁶ Because the survey is conducted online, the sample population may be more technologically connected than the overall population, which could increase the share of adults reporting use of emerging technologies such as cryptocurrencies.

³⁷ Data from both the 2022 and 2023 SHED are used here because of the small number of people who used cryptocurrency for this purpose in each individual year.

Table 22. Main reason people used cryptocurrency for financial transactions

Reason	Percent
Person or business receiving the money preferred cryptocurrency	29
To send the money faster	18
Privacy	16
Cheaper	13
Safer	7
Don't trust banks	4
Other	13

Note: Among adults who used cryptocurrency for financial transactions.

The survey asked those who used cryptocurrency to make financial transactions for the main reason they did so (table 22). At nearly 3 in 10, the most cited reason was that the person or business receiving the money preferred cryptocurrency, followed by ability to send the money faster and for privacy concerns. Relatively few transactional cryptocurrency users indicated that either safety (7 percent) or a lack of trust in banks (4 percent) contributed to this choice.

Table 23. Cryptocurrency use (by demographic)

Characteristic	Investment only	Transactions	Any
Family income			
Less than \$25,000	4	4	7
\$25,000–\$49,999	4	1	5
\$50,000–\$99,999	5	1	6
\$100,000 or more	8	1	9
Age			
18–29	7	3	10
30–44	8	3	11
45–59	6	2	8
60+	2	*	2
Race/ethnicity			
White	5	1	6
Black	5	3	8
Hispanic	7	3	9
Asian	9	2	11
Gender			
Male	8	2	11
Female	3	1	4

Note: Among all adults.
* Less than 1 percent.

Use of cryptocurrency differed across demographic and socioeconomic characteristics (table 23). Use was more common among younger-to-middle age adults and among men, both for investment and transactions.

In contrast with age and gender, patterns by income, race, and ethnicity differed by whether the cryptocurrency was used for investment purposes or to conduct financial transactions. Adults with income of \$100,000 or more were more likely than adults with lower incomes to hold cryptocurrency as an investment, whereas those with income less than \$25,000 were more likely than those with higher incomes to use cryptocurrency for financial transactions. Looking across race and ethnicity shows that holding cryptocurrency as an investment was most likely among Asian adults. In contrast, use of cryptocurrency for financial transactions was more common among Black and Hispanic adults than White adults.

Use of cryptocurrency for financial transactions was more common among the unbanked as well as those who used nonbank check cashing and money orders. Four percent of unbanked adults used cryptocurrency for financial transactions,

compared with 2 percent among banked adults. Regardless of bank account ownership, those who used nonbank check cashing or money orders had a greater propensity to use cryptocurrency for transactions—5 percent among those who used nonbank check cashing or money orders compared with 1 percent among those who did not. That said, use of cryptocurrency for financial transactions remained very low, even among groups who were more likely to use cryptocurrency in this way.

Credit Outcomes and Perceptions

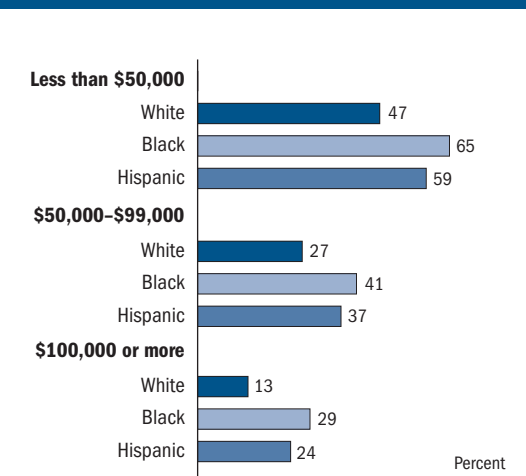
Thirty-six percent of adults applied for any type of credit in 2023, unchanged in recent years, yet down from 41 percent in 2019, before the pandemic. Among those who applied, just under one-third were either denied credit or approved for less credit than they requested, up 2 percentage points from 2022 and up 5 percentage points from 2021.

Despite the higher denial rates, consumer confidence about credit card applications remained unchanged from 2022. Sixty-three percent of adults were “very confident” that their application would be approved if they applied for a credit card, the same as in 2022. Similarly, the share of adults “not confident” that their application would be approved held steady at 14 percent.

Lower-income adults were far more likely to be denied credit or approved for less than requested. Fifty-three percent of credit applicants with income below \$50,000 experienced such actions, compared with 16 percent of those with income above \$100,000.

Denial rates also differed by race and ethnicity, with Black and Hispanic applicants being particularly likely to report a denial or an approval for less credit than requested. Moreover, Black and Hispanic adults saw higher denial rates regardless of income level (figure 23).

Figure 23. Denied credit or approved for less than was requested (by family income and race/ethnicity)



Note: Among adults who applied for some form of credit in the past 12 months.