

HOPE INSIDER

An initiative of **OPERATION HOPE**

Bringing you our research, analysis, and insights into the world of financial inclusion

In the third-quarter results of Operation HOPE's most comprehensive, nationwide survey to date – *The HOPE Insider* – over 1,000 clients shared their sentiments on general economic conditions, their financial situations, and homeownership. Key findings show that participants are more hopeful than last quarter about affordable homeownership and are overall hopeful that their financial well-being will increase over the next year.

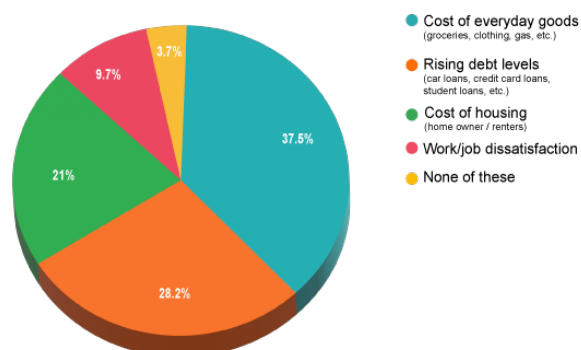
1. Homeownership is still an attainable part of the American Dream

Almost two thirds (64%) of participants say they believe homeownership is still an attainable part of the American Dream. In fact, those who say they “considered purchasing a home but found it unaffordable” has decreased from the beginning of the year (from 43% to 36%), holding steady from last quarter. Of that segment who considered purchasing a home, the two biggest barriers are home prices (34%), and not enough money saved for the downpayment (30%). Nevertheless, half of participants say they are somewhat or very hopeful that housing prices in their community will allow for greater homeownership over the next year, which is an increase from 42% last quarter.

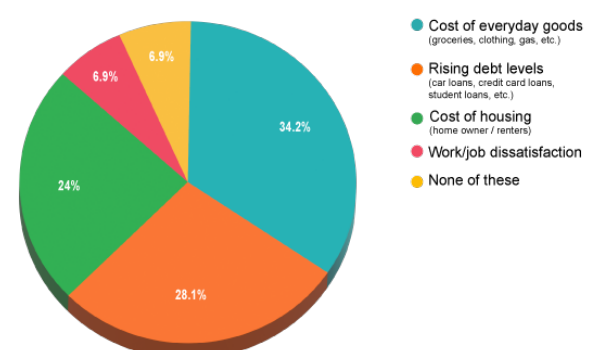
2. Cost of housing is slowing down as a big-picture stressor

Those who say “cost of housing” is the factor that most impacted their life over the last three months has decreased by 7% since the beginning of the year (from 28% to 21%). Costs of everyday goods and rising debt levels continue to outweigh housing as the biggest stressors, at 38% and 28% (left chart below). When looking toward the next three months, this trend follows suit: cost of housing as their biggest concern has decreased 8% (to 24%) since the beginning of the year, and costs of everyday goods plus rising debt levels continue to be the biggest sources of worry (34% and 28%, as shown in the right chart below).

Factor that most impacted life in last 3 months



Factor most worried about in next 3 months



3. Despite uncertainty over national financial ease, individual hope is starting to trend

Barely a quarter of participants (24%) report they believe there will be “good times” ahead financially and almost half say they are unsure (49%). Despite this economic uncertainty, more people now than in the beginning of the year say they are somewhat or very hopeful that their own financial well-being will increase over the next 12 months, from 79% to 84%.

4. Those doing better than a year ago evenly split with those who aren't

35% of participants reported being better off financially than they were a year ago, whereas 35% said they are worse off. Fewer people from last quarter say their personal debt levels have increased over the last three months (48% this quarter, down from 53% last quarter). Conversely, almost three fourths still consider themselves or their families to be living “paycheck-to-paycheck,” meaning that they are not able to save money or plan for the future (74%).

5. Credit card debt still seen as most financially stressful

Credit card debt continues to be reported as the most burdensome debt by far, at 35%, with the next being student loans, coming in at 15%. Auto loans and mortgages are tied for 11%, with personal loans closely behind at 10%. General reliance on credit may be linked to hesitancy around major purchases, as most participants are either unsure that now is a good time to buy major household items (39%) or report it being a “bad time” (44%).



Praying that the interest rates will be reduced and/or adjusted to reflect the high cost of purchasing a home for 1st time homebuyers. We are faced with a number of barriers when it comes to purchasing a home: high price of homes and high interest rates.



I'm most optimistic about my financial future in regard to my debt! Never before Operation HOPE did I feel this way. I'm confident I will be able to pay off my debt, increase my FICO score to 740+ Tier A, and buy a house for the first time with a bank at 61 years young!



I used to feel overwhelmed and shy away from taking the reins in the financial aspect in my life. My coach has instilled confidence in me, and reminded me that financial freedom is a marathon, not a race, and it's the small changes that create life-changing results.