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RESEARCH

States of Affordability: A series on where and why US households struggle to make ends meet

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On Election Day this November, voters will head to the polls to elect 36 governors and hundreds of state lawmakers. For these voters, the economy—and, specifically, how to afford the [rising cost of living ↗](#)—remains their [top concern ↗](#).

The issue is clear: When costs exceed incomes, families are forced to make painful tradeoffs. They postpone [critical medical care ↗](#), forego [healthy food ↗](#) or skip meals, and go [further ↗](#) into debt. What remains less clear—for families on both sides of the poverty line—is a path to solving the affordability crisis given all its dimensions, from [stagnating incomes ↗](#) and [declining upward mobility ↗](#) to rising costs for everyday necessities.

To help state and local policymakers understand the unique mix of affordability challenges in their communities—and develop more informed, targeted, and structural solutions to address them—this report introduces a standardized measure of affordability that can be applied across place and race. Our findings confirm a challenging economic reality, in which millions of people across the country are struggling to cover the cost of necessities on their current income, or what we refer to as “making ends meet.”

- In 2024, 45.5% of U.S. households did not earn enough to make ends meet.

- In nearly every year since 2014, more than 40% of American households struggled to make ends meet.
- The share of households making ends meet declined by 10 percentage points after the COVID-19 pandemic.
- In 2024, 55% of households of color could not afford to make ends meet.
- Nearly 38 million households could make ends meet if wages increased by \$10 an hour, plus an additional 10 million households if costs decreased by \$500 a month

“States of Affordability” is a new series of reports that will examine the underlying drivers of affordability challenges and how they vary across all 50 states and the District of Columbia. This first entry in the series outlines broader distinctions around affordability across race and place, how those trends have changed over the past decade, and the first steps toward addressing the impacts of the rising cost of living in the U.S.

Affordability pressures look different across states and races, demanding tailored solutions

To understand how affordability challenges may vary across place and race, this report estimates the cost of living in every U.S. county by bundling housing, food, child care, health care, transportation, and miscellaneous necessities such as utilities for different household types, from single adults to larger families with children. We then use annual American Community Survey data to assess how many households in each county and state have incomes above the cost-of-living estimate. We use post-tax income, allowing us to capture a more realistic picture of what families can actually afford with their take-home pay (see our [Methodological Appendix](#) for more information).

This work builds on our [recent research](#) finding that one-third of middle-class families in the U.S. cannot make ends meet. Our analysis with this metric offers a robust tool for policymakers and the public to understand economic insecurity beyond traditional poverty measures—capturing the different, real dimensions of financial strain affecting millions of families.

Percentage of households earning enough to make ends meet

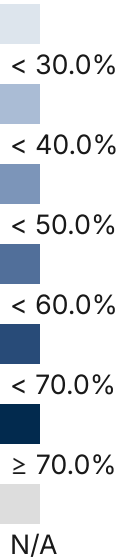
Select race/ethnicity or family structure to change the data displayed; tap on a state to view its data in greater detail

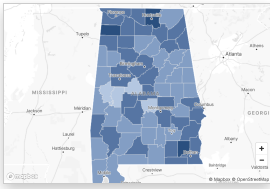
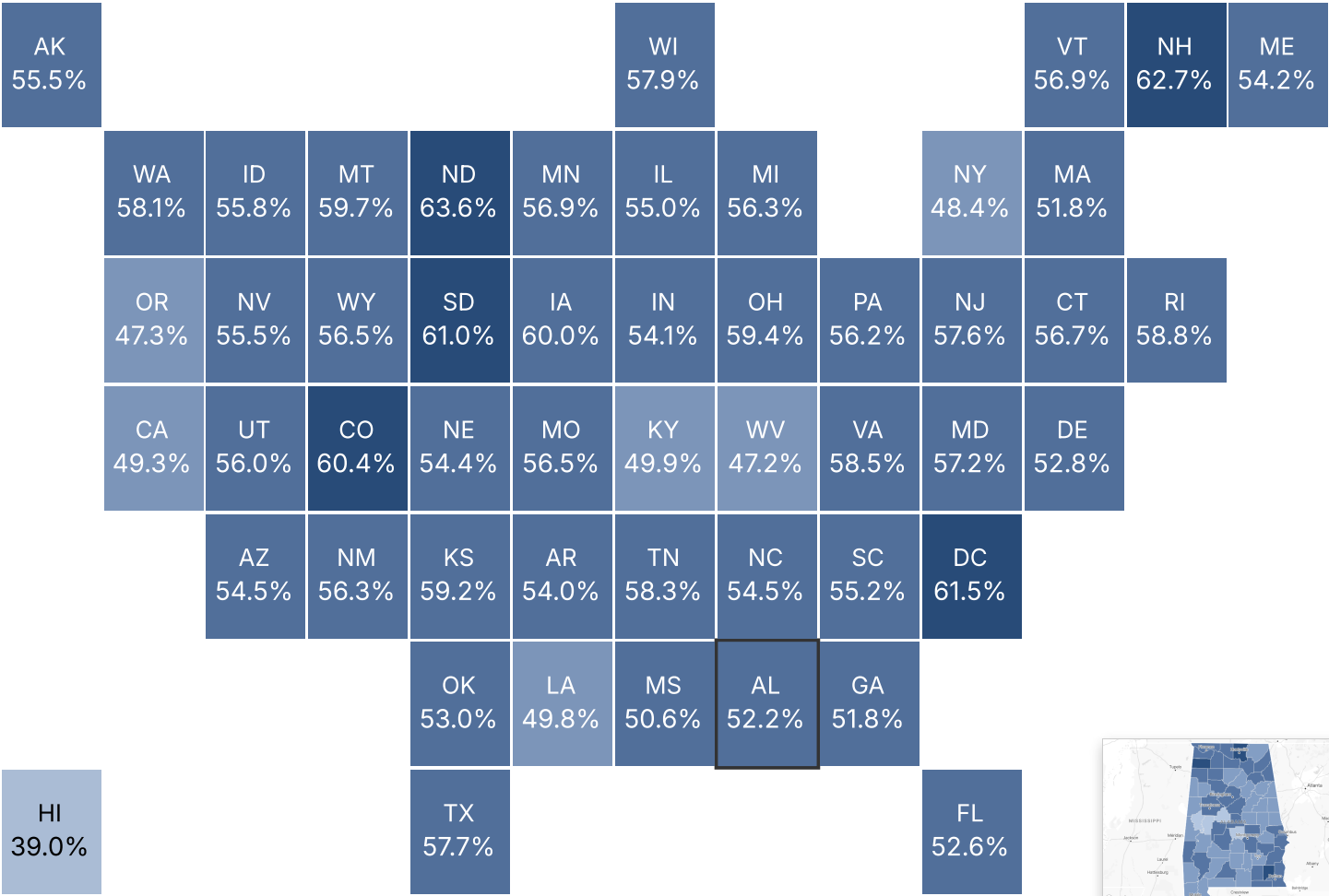
Race/ethnicity:

All

Family structure:

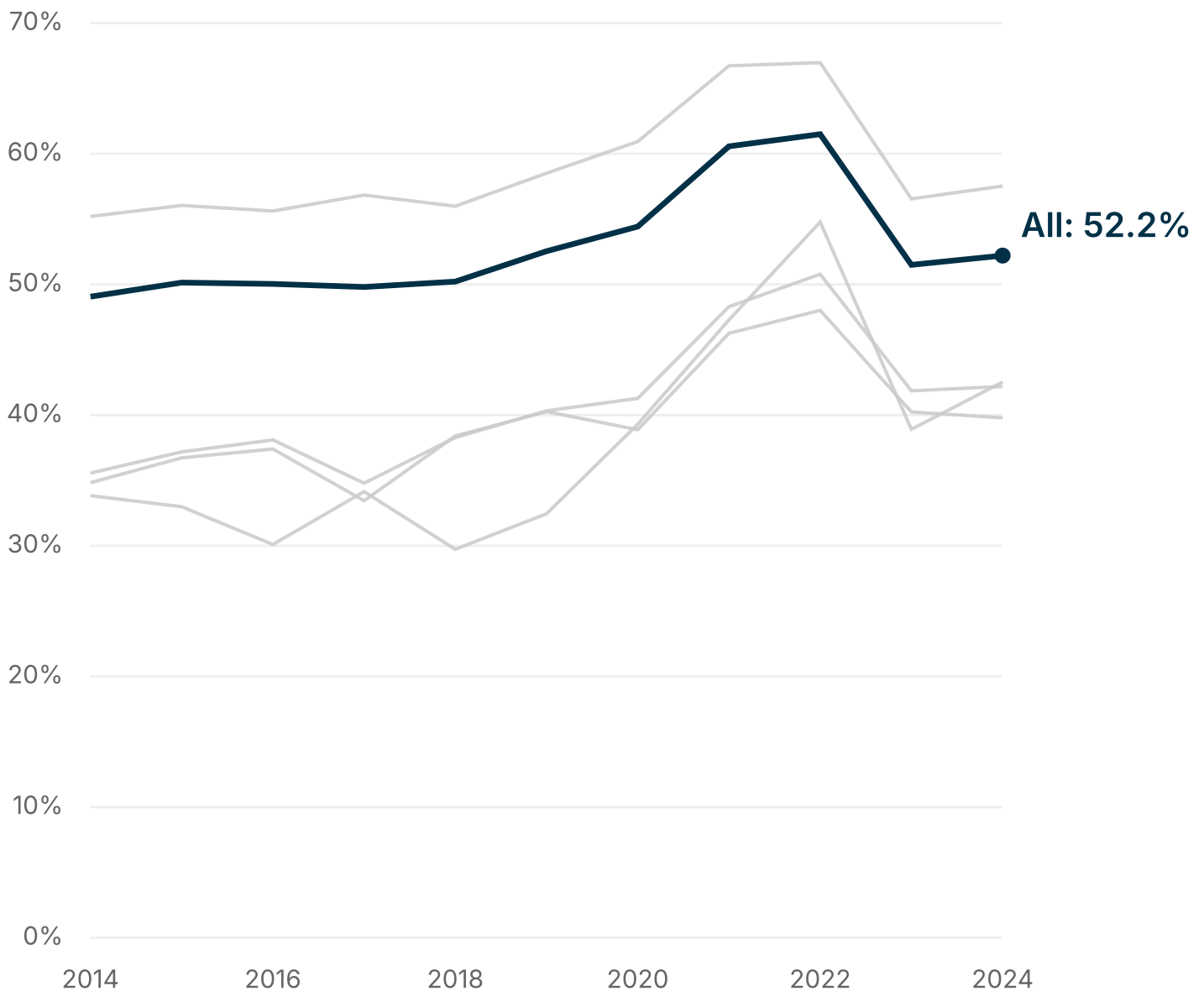
All





Trends in Alabama by race/ethnicity, 2014 to 2024

Family structure: All



Households struggling to make ends meet are not concentrated in one region; the crisis stretches from coast to coast and bleeds through the heartland. In 2024, 55% of American households were able to make ends meet, meaning that on the other side, nearly half were struggling to afford basic necessities. That being said, affordability varies widely by state: Over 60% of households in Colorado, North and South Dakota, New Hampshire, and Washington, D.C., were making ends meet. Meanwhile, that share was less than 50% in New York and California as well as Oregon, West Virginia, Louisiana, and Kentucky, and as low as 39% in Hawaii. This mix of states shows that although [headlines](#) [often](#) [focus](#) on the cost of housing in big cities such as New York City and San Francisco, affordability crises emerge from a variety of pressures depending on the state or region, such as stagnant wages, child care costs, transportation burdens, and weak job markets.

We see even sharper differences in affordability within states at the county level. In California, for example, some urban, high-cost counties such as San Francisco and Santa Clara had higher shares of households making ends meet than suburban counties such as Monterey and Merced. Meanwhile, in Michigan, suburban counties such as Washtenaw (containing Ann Arbor) and Oakland (containing Pontiac) had higher shares of households making ends meet compared to predominantly urban and rural counties. The challenge for incoming state leaders is to enact and implement policy solutions that are not one-size-fits-all, and advance affordability for residents across both place and race.

Just as affordability varies across places within states, it also varies across race and ethnicity. For example, in New Hampshire, 59% of households of color were able to make ends meet—the highest of any state. Yet this share was still lower than the state's overall baseline, in which 63% of households were making ends meet. In fact, in 2024, there was no state where the share of households of color making ends meet exceeded the state baseline.

When broken down further by race, there is even more variation. In Washington, D.C., where 44.4% of the population in 2024 was Black, the share of Black households able to make ends meet lagged the District's baseline by more than 20 percentage points. However, the share of Latino or Hispanic households making ends meet in DC was 3 percentage points higher than the District's baseline. Overall, states with the highest shares of Black or Latino or Hispanic families that were able to make ends meet were typically less densely populated, such as Vermont, Wyoming, Montana, and Alaska, which also have relatively lower populations of those demographic groups than other states.

Nearly 40% of households have struggled for at least a decade, with a sharp post-pandemic decline in affordability and persistent disparities by race

While news headlines about affordability are a [more recent phenomenon](#), we find that the gap between income and cost of living has been a persistent challenge for U.S. households in all states over the past decade. In nearly every year from 2014 to 2024, more than 40% of American households have struggled to make ends meet.

The only exception over this period was during the COVID-19 pandemic recovery in 2021 and 2022, when federal stimulus checks and expanded tax credits provided a significant but temporary boost to post-tax incomes.

The expiration of these federal policy interventions, coupled with rising costs, drove the share of households making ends meet sharply downward. While the share of households making ends meet increased by 2 percentage points over the decade, that share dropped by a full 10 percentage points in just two years following the COVID-19 pandemic, from 2022 to 2024, erasing most of the gains made earlier in the decade.

In most states, the share of residents able to make ends meet followed the national trend, increasing from 2014 to 2022 and then dropping dramatically. Yet some states stand out for their improvement across the entire decade: Montana, Washington, D.C., Vermont, Iowa, Idaho, and Utah all raised their share of households making ends meet by more than 6 percentage points since 2014. Washington, D.C., and Montana remained steadier than others, with less dramatic declines after the pandemic. On the other hand, in a handful of states, the share of households making ends meet was lower in 2024 than it was in 2014, including Oregon, Minnesota, Wyoming, New York, Nebraska, and Louisiana.

Affordability challenges continuously fell hardest on people of color, nationally and within states, particularly for Black and Latino or Hispanic families. In 2024, 55% of households of color could not afford to make ends meet. Over the 2014-to-2024 period, the shares of Black and Latino or Hispanic households making ends meet were the lowest of any demographic group. This trend mirrors the income and wage gaps that continue to persist by race and ethnicity. As of the latest [Bureau of Labor Statistics](#) [median earnings data](#), Black and Latino or Hispanic workers made 78 cents for every dollar made by a white worker. The persistence of relatively lower incomes for certain groups means the threshold for the cost of living is less forgiving for those groups.

These trends and racial disparities are replicated within most states. However, in many states, there were larger gains in the share of households of color making ends meet than for the state overall. For example, in Georgia, from 2014 to 2024, the overall share of households making ends meet increased just 3 percentage points (to 52%), but for households of color, that increase was 7 percentage points (to 45%).

On the other hand, some states saw disparities worsen. In Kansas, although the overall share of households making ends meet increased 3 percentage points (to 59%) from 2014 to 2024, the share of Black households making ends meet declined 4 percentage points, to just 38%.

Millions of households are just within reach of making ends meet

Moving the needle on affordability requires action on both sides of the equation: lowering costs of living and increasing household incomes. When the costs for housing, health care, education, and food rise faster than wages, families fall behind not because they are failing, but because the math no longer works in their favor. But more affordable lives are within reach: As of 2024, 37.9 million U.S. households could afford to make ends meet with a raise of \$10 an hour. Additionally, if costs declined by \$500 per month, another 10 million households could make ends meet.

From 2014 to 2024, the cost of living rose even after controlling for inflation, and current economic pressures at the [gas pump](#) and the [grocery store](#) ⁷ are exacerbating the affordability challenge. These cost burdens fluctuate frequently, which can tip the scales for households teetering on the edge of affordability. Increasing the cost of living by just \$1,000 annually (less than \$100 a month) would mean 3 million more households could no longer afford to make ends meet—leading some households to forgo rent, utility, or debt payments, which can compound into larger financial or health challenges.

Yet as it stands, the cost of living will never be affordable if wages do not substantially increase. Evidence [shows](#) ⁸ that even though U.S. productivity nearly doubled between 1979 and 2025, average hourly pay increased by only 34%. In other words, productivity gains have concentrated wealth among capital owners and the highest-earning Americans, hollowing out the middle class rather than driving broad-based wage growth. Incoming state leaders will need to find ways to grow good jobs and access to them, all while navigating accelerating impacts of artificial intelligence [eroding](#) career pathways, [data center booms](#) increasing utility costs, and diverging economic conditions within their state.

Additionally, housing, health care, and child care are larger, more structurally determined costs that continually strain household budgets. Reducing these costs would have large-scale positive impacts on increasing the share of households able to make ends meet. In future entries in this series, we will explore the components of the cost of living, how they vary by state and region, and policy solutions for lowering their strain on household budgets.

What's next

Recent [polling affirms](#) ⁷ that Americans across party lines broadly feel that the economy is failing to provide a basic level of economic security and affordability. The findings in this report don't even include student and medical debt repayment, which is a common budget line for millions of Americans. Furthermore, these calculations do not include room for savings, meaning that families who cannot make ends meet—and even many who can—are still locked out of pathways for wealth-building through avenues such as retirement contributions or purchasing a home.

Throughout the rest of Brookings' States of Affordability series, we will examine and offer policy recommendations to address key questions, including:

- Across states and regional economies, to what extent is the lack of affordability driven by rising costs versus stagnating or declining incomes? How can that inform tailored policy solutions?
- How are different types of costs—such as child care, housing, and transportation—driving affordability (and the lack thereof)?
- How do these patterns in affordability drivers vary within and across states, across race and ethnicity, and across different types of families and households?

This series will include policy recommendations and considerations for current and prospective governors and state legislators seeking to make their constituents' lives more affordable. We hope voters can also leverage these findings to hold their candidates and elected officials accountable—both through and beyond the current election cycle—for making life more affordable for all families and communities.

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