WASHINGTON - Today, the U.S Department of the Treasury released a report prepared in consultation with members of the Financial Literacy and Education Commission, entitled *The Impact of Climate Change on American Household Finances*. The analysis in the report finds that more than half of U.S. counties – populated by millions of Americans – face heightened future exposure to at least one of the three climate hazards described in the report: flooding, wildfire, or extreme heat. Further, approximately one-fifth of all U.S. counties face both elevated vulnerability and elevated future exposure to these climate hazards.

"Severe flooding, wildfires, and extreme heat are imposing significant financial burdens on households across the country. This has been highlighted by recent events such as this summer's wildfires that blanketed numerous U.S. cities with poor air quality. Underserved communities are particularly hard-hit by such events," said Assistant Secretary for Financial Institutions Graham Steele. "This report offers both consumers and policymakers strategies to mitigate challenges faced by communities."

This report is a unique resource for policymakers and consumers that provides a framework for evaluating the impacts of climate change on household finances and recommends steps to build capacity to prepare for, respond to, and recover from climate-related shocks and stresses. The report also includes a catalog of specific consumer resources, including educational resources to promote awareness about the steps households can take to prepare for and adapt to climate hazards.

The report identifies certain populations and places that face exacerbated financial harm due to their vulnerability and exposure to extreme weather events and conditions. Though many households are impacted by climate hazards, certain households are particularly susceptible to experiencing financial strain. For example, outdoor workers face income loss due to adverse climate conditions, single-parent households led by women face reduced child care availability, and lower-income households face reduced access to credit. This report, released within the broader context of the Biden-Harris Administration's government-wide agenda to
address the challenges presented by climate change to household finances, offers both consumers and policymakers strategies to mitigate the adverse impacts of climate hazards faced by communities.

A fact sheet on the report is available here.

The full report is available here.

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