



Nearly 1 in 4 Has No Emergency Savings

Americans' Savings Habits Show Improvement

NEW YORK – June 20, 2017 – Nearly a quarter of Americans have no emergency savings, according to a new report from Bankrate.com. However, the percentage of those without an emergency fund currently sits at a six year low, down to 24% this year from 28% last year. Additionally, Americans with an adequate savings cushion – enough to cover six months' expenses or more – jumped to 31% (from 22% in 2015 and 28% last year), a new high during the seven years Bankrate.com has been polling on this subject. Click here for more information:

<http://www.bankrate.com/banking/savings/financial-security-0617/>

Overall, Americans are doing a better job at saving. Those with some savings, but not enough to cover three months' expenses, increased from 18% to 20%. Americans with enough savings to cover 3-5 months' expenses nosed higher from 16% to 17%.

Bankrate.com chief financial analyst Greg McBride, CFA commented, “With all the spending that is *not* happening in the economy, something else apparently is – Americans are putting money in savings! We're still not out of the woods yet – everyone should strive to have at least six months' expenses socked away for the unexpected – but it's encouraging to see progress being made.”

The tendency to have no emergency savings is highest among those ages 53-62, who seem to be all-or-nothing, as they have an equal propensity to have no emergency savings and enough to cover six months' expenses (32% for each). After that, the likelihood of having zero emergency savings declines substantially; the oldest Americans (63+) report the lowest likelihood of having nothing set aside for a rainy day (17%) and the highest probability of at least a six month reserve (44%).

While one quarter of Millennials and Generation Xers lack any emergency savings, younger Millennials (ages 18-26) seem to be well on their way; they have the highest propensity to have enough to cover 3-5 months' expenses (31%). Generation X is most likely to have some savings, but not enough to cover three months' expenses (28%).

Not surprisingly, those with enough emergency savings to cover at least six months' expenses tend to be higher income and more highly educated, while those with no emergency savings are more likely to be lower income and have lesser levels of education. That being said, lower-middle income households (\$30K-\$49.9K per year) are more likely to have enough savings to cover six months' or more of expenses than to have no savings at all.

Residents of the Midwest are most likely to have enough to cover six months' expenses or more, while residents of the South are least likely.

The Bankrate.com Financial Security Index hit a record high of 106.7 this month. All five components (job security, comfort level with savings, comfort level with debt, net worth and overall financial situation) show improvement versus one year ago, and each of the five had a higher reading than one month ago.

Those reporting increased job security outnumber those feeling less job security by 2-to-1. Those reporting higher net worth exceed those reporting lower net worth by a greater than 3-to-1 margin, the strongest reading ever. And, Americans saying their overall financial situation has improved top those saying it has deteriorated by more than 2-to-1.

Women's feelings of financial security posted the highest reading in two years (since June 2015), aided by an increased comfort level with debt.

The survey was conducted by Princeton Survey Research Associates International. PSRAI obtained telephone interviews with a nationally representative sample of 1,003 adults living in the continental United States. Interviews were conducted by landline (500) and cell phone (503, including 309 without a landline phone) in English and Spanish by Princeton Data Source from June 1-4, 2017. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is plus or minus 3.7 percentage points.

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