



Nearly 60% of Americans Can't Afford Common Unexpected Expenses

Unexpected Expenses: Expert Says It's Not If, But When

NEW YORK – January 12, 2017 – Almost six in 10 Americans don't have enough savings to pay for a \$500 car repair or a \$1,000 emergency room bill, according to a new Bankrate.com (NYSE: RATE) report. Click here for more information:

<http://www.bankrate.com/finance/consumer-index/money-pulse-0117.aspx>

“It's not a matter of if, but when an unexpected expense will pop up,” says Jill Cornfield, Bankrate.com analyst. “Our survey shows that just under half of adults surveyed said they or a family member had a major expense in the past 12 months.”

Besides the 41% who said they would use their savings when faced with an unexpected expense, 21% would finance the expense on a credit card, 20% would reduce spending on other things and 11% would borrow from family or friends.

While savings predictably increase with income and education, almost half of the highest-income households (\$75,000+ per year) and college graduates lack enough savings to cover a \$500 car repair or \$1,000 emergency room visit.

Millennials are the most equipped generation to pay for an unexpected expense using their savings. 47% of those ages 18-29 responded that they would use their savings to cover such a burden, up from 33% in 2014. The Silent Generation is more likely to use a credit card than any other generation; reliance on credit cards to finance an unexpected expense is up overall, a three year trend dating back to 2014.

“If you have a car, a house or apartment, a pet, or a kid – if you're a member of the human race – something that costs money is bound to go wrong,” Cornfield adds. “It might be a minor car repair or a surprise medical expense. The best way to prepare is to have an emergency fund you can draw on.”

When money gets tight, dining out is the first luxury to go, the study said; 59% are very or somewhat likely to cut back on restaurant meals this year in order to save money. They are much more hesitant about disconnecting, however, as just 35% are very or somewhat likely to let financial shortcomings affect their cell phone plan, the lowest of the six choices that were offered.

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 (503) and cell phone (500, including 317 without a landline phone) in English and Spanish by Princeton Data Source from January 5-8, 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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