



Fears Grow Over Rising Interest Rates

Feelings of financial security dip at the start of the New Year

NEW YORK – January 24, 2017 – On the heels of the Federal Reserve’s recent interest rate hike, 49% of Americans say they are concerned about rising interest rates in 2017, according to a new survey by Bankrate.com. Fears have grown since last year when 41% of respondents noted their concern regarding increasing rates. The most common reason for worry among respondents was the effect of rising interest rates on the stock market (21%), up from 16% in 2016. To view the survey results go to:

<http://www.bankrate.com/finance/consumer-index/financial-security-charts-0117.aspx>

“As the stock market has moved higher, more Americans are concerned that rising interest rates could be the market’s undoing,” said Bankrate.com Chief Financial Analyst Greg McBride, CFA.

Many Americans are taking a broader look at what the consequences rising rates may bring. The effect of higher interest rates on one’s overall personal finances was the second most popular reason given by anxious Americans (18%). Younger millennials were most likely to cite this answer.

Overall, adults age 26-51 were slightly more inclined to say they are nervous about rising interest rates. However, fears regarding rising rates diminished as respondent’s education levels and household income increased.

The Bankrate.com Financial Security Index slid from 104.3 in December to 101.0 in January; a touch lower than this time last year, but still indicative of improved financial security. The sentiment on comfort level with debt turned slightly negative with 24% saying they’re less comfortable with debt and 23% saying they’re more comfortable with debt than one year ago. Most notably, those under age 50 or with household income below \$50K are more likely to say they are less comfortable with their debt now than one year ago.

Princeton Survey Research Associates International 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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