



Despite Improving Economy, 1 in 5 Working Americans Aren't Saving Any Money

NEW YORK – March 14, 2018 – The job market is considered to be at “full employment” and growth in the U.S. continues at a respectable rate, but a significant segment of working Americans is failing to save for retirement, emergencies and other financial goals. According to a new Bankrate.com report, 20% of workers say they aren't saving any of their income. Of those who are saving, 27% say they are saving more than 10%, while just 16% of workers are putting away more than 15% of their paycheck. Click here for more information:

<https://www.bankrate.com/banking/savings/financial-security-0318/>

“With a steady, significant share of the working population saving nothing or relatively little, it's virtually guaranteed that they'll be unable to afford a modest emergency expense or finance retirement. That amounts to a financial fail,” stated Mark Hamrick, senior economic analyst at Bankrate.com

What's keeping these employed Americans from saving more? The number-one reason given is having a lot of expenses (39%). Others (16%) said their job isn't good enough and an equal share (16%) said they “haven't gotten around to it.” 13% cited debt, the same amount as a year ago. Only 6% said they don't need to save more, which we assume to mean they have achieved their savings goals and/or have sufficient levels of income.

About three-quarters of working Americans are saving something, but 67% are failing to save more than 10% of their incomes.

“With higher incomes coming in because of the tax cut and rising wages, there are ready sources to help fund savings (<https://www.bankrate.com/banking/savings/rates/>). By budgeting for regular expenses and adding a more generous savings component, you'll be paying yourself first,” Hamrick added.

Who appears to be winning the savings game? Among those saving more than 15% of their incomes are 1 in 5 workers with higher incomes (more than \$75,000 a year), which should be no surprise. Among age groups, younger Millennials (aged 18-27) were second only to seniors between the ages of 64 and 72 years-old. 23% of younger millennials and 27% of older boomers are saving more than 15% of their incomes. Underscoring the potential value of education, more college grads (21%) were saving 15% or more of their incomes than those with some college (18%) or high school educated or less (just 9%).

When looking at the stated barriers to saving more, the problem with heavy expenses was the top reason across all age groups. Some 1-in-5 Millennials (age 18-37) said their jobs weren't good enough (the second most common reason cited by them). More than a-quarter (27%) of the Silent Generation (73 and older) said they don't need to save more.

Those citing debt as the reason for failing to save more often tended to be those with higher incomes, including 17% of those making more than \$75K (more than any other income bracket). Republicans blamed debt more often than Democrats (21%-13%), and members of both parties did so more often than Independents (10%).

This study was conducted for Bankrate via landline and cell phone by SSRS on its Omnibus survey platform. Interviews were conducted from February 28 - March 4, 2018 among a sample of 1,010 respondents, of which 501 are employed. The margin of error for employed respondents is +/- 4.98% at the 95% confidence level. SSRS Omnibus is a national, weekly, dual-frame bilingual telephone survey. All SSRS Omnibus data are weighted to represent the target population.

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