



## Majority Don't Think Their Finances Will Improve in 2019

### *Half Blame Washington for Bleak Financial Outlook*

NEW YORK – January 14, 2019 – The majority of Americans (55%) do not think their personal financial situation will be better in 2019 than it was in 2018, according to a new Bankrate.com report. This includes 12% who think their situation will be worse and 44% who think it will stay the same.

As they look ahead to the coming 12 months, the vast majority of Americans have pinpointed their primary financial goals, dominated by paying down debt, sticking to a budget or saving more money.

Click here for more information:

<https://www.bankrate.com/personal-finance/financial-outlook-survey-january-2019/>

On the flipside, 44% of Americans are more optimistic that things will improve this year. Millennials are overwhelmingly more positive than their elders; nearly 6 in 10 (59%) 18- to 37-year-olds foresee an improved personal financial state in 2019, compared to just 35% of those who are older.

Of the roughly 30 million people who think their finances will be worse off this year, half (49%) blame the political leaders in Washington for the predicted downturn. This was the most commonly cited reason, ahead of things like a cost of living increase (38%), increased debt (37%), making less from savings or investments (21%), rising interest rates (19%) and making less money at work (18%). Thirty-two percent also noted some other factor.

Those who think their finances will improve in the new year were much less likely to single out Washington for the development (10%). Rather, they cited things like making more money at work (52%), having less debt (38%) and making more money from savings and investments (17%) as the likely reasons. Another 5% noted a cost of living decrease, while 18% said some other reason.

Encouragingly, about 9 in 10 Americans (89%) have at least one financial goal for 2019. Three in 10 said their main financial goal is to pay down debt, followed by better budgeting (13%), saving more money for retirement (12%), saving more for emergencies (10%), getting a higher paying job (6%), investing more (5%) and buying a new home (4%). Another 8% said something else.

“Regardless of whether or not one is upbeat on financial prospects for the coming year, the fact is that more Americans need to make savings a priority,” said Bankrate.com senior economic analyst Mark Hamrick. “Too many are living paycheck-to-paycheck, even at a time when the

economy has been broadly judged to be doing well. Savings rates continue to tick up, so now is a great time to shop around for a place to park, and add to, that emergency fund. (<https://www.bankrate.com/banking/savings/rates/>).”

Unfortunately, about 1 in 10 Americans (11%) have no specific financial goal. This includes 18% of the lowest earning households (less than \$30K per year), twice as many as those who make more than that. Additionally, those aged 54 years and older were nearly three times as likely to indicate they don't have a financial goal this year as those who are younger (17% vs. 6%).

While paying down debt was the financial priority cited most frequently across all income brackets – especially those in the \$50K to \$74.9K range – the highest earners (\$75K+ annually) were more likely than the rest to say their main financial goal is to save more money for retirement. Lower-middle income households (\$30K-\$49.9K) cited saving for emergencies as a top priority more than anyone else.

Paying down debt also takes precedence across all age groups. However, Millennials are four times as likely as Gen Xers (ages 38-53) and Baby Boomers (ages 54-72) to emphasize getting a higher paying job this year (13% vs. 3%), while 38- to 72-year-olds are three times as likely to point to increased retirement savings as their main financial goal (16% vs. 5%).

*The study was conducted online in Ipsos' Omnibus using the web-enabled "KnowledgePanel," a probability-based panel designed to be representative of the US general population, not just the online population. The sample consists of 1,000 nationally representative interviews, conducted between December 14-16, 2018 among adults aged 18+. The margin of error for the full sample is +/-3 percentage points.*

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#### **For more information:**

Ryan Feldman  
Public Relations Specialist  
ryan.feldman@bankrate.com  
917-368-8637