



47 Million Are Worse Off Now Than Before the Great Recession

Nearly half of Americans born before 1990 have seen no financial improvement

New York, NY – June 13, 2019 – As America marks the 10th anniversary of the end of the Great Recession this month, a new Bankrate survey finds that 47 million (23%) Americans who were adults when the recession started in December 2007 say their overall financial situation is worse now than it was before it hit. Another 1 in 4 say they are doing about the same now as they were prior to the start of the recession. Click here for more information:

<https://www.bankrate.com/personal-finance/smart-money/great-recession-survey-june-2019/>

Underscoring the continuing U.S. economic divide, just 51% say their overall financial situation is better compared to before the 2007 recession, and several groups are more prone to say that things are worse now than they were back then:

- Twenty-six percent of those who were negatively impacted by the recession say they're doing worse now, compared to 14% who were not negatively impacted.
- Twenty-seven percent of women say their overall financial situation is worse now, compared to 19% of men.
- Those with lower income and education levels are more likely to say they are doing worse now than before the recession.

Despite the largely positive gains associated with the job market and economic growth, most Americans report failing to experience higher pay compared to over a decade ago. Fewer than half (46%) of those Americans who were adults at the time of the recession say their wages/salary are better than before the recession began.

- More than one-third (36%) of those who say they or their partner lost a job during the recession claim their pay is worse now than it was before the recession.
- Twenty-six percent of Baby Boomers (ages 55-73) say their pay is worse now, compared to 16% of Millennials who were adults in 2007 (those aged 29-38).
- Women, lower earners and those with a High School diploma or less are all more likely than their counterparts to indicate a decline from their pre-recession income.

“The echoes of the Great Recession remain very present in the financial lives of many Americans, despite the improvement in the broader economy,” said Mark Hamrick, senior economic analyst at Bankrate.com. “While some have managed to prosper in the decade since, there are still tens of millions who are struggling to even get back to where they were before the economy took a turn for the worse.”

More than half (54%) of all Americans who were adults when the recession began endured some sort of negative financial impact during that time:

- Seventy-one percent with money in the stock market say their investments lost money.
- Nearly half (46%) who owned a home back then say their home lost value.
- Roughly a quarter (24%) of those who had emergency savings at the time say they depleted those savings.
- Twenty-one percent of those who had at least one working partner in their household say they/their partner lost a job.
- Almost 1 in 5 (19%) say they incurred substantial debt.
- Another 19% with retirement savings say they tapped into those savings.

When asked about their approaches or mindsets and how they might have changed as direct result of the recession, nearly 3 in 10 (29%) of all U.S. adults say they haven't changed anything. Those who were negatively affected by the recession have been more proactive, however, as that number drops to 19%.

The most common post-Recession response among all U.S. adults is focusing on paying down debt (29%), followed by saving more for emergencies (23%) and retirement (18%), actively looking for a better job (14%) and now having a more affordable home/mortgage (12%). Ten percent say they invest less in the stock market as a result.

“While the current economic expansion is on track to set a record for duration, there will be a downturn at some point, we just don't know when,” added Hamrick. “That's why it is critically important for Americans to try to save now for emergencies and for retirement while paying down or paying off debt. Don't wait to prepare until after it is too late when a financial storm has already arrived.”

Methodology:

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,740 adults, including 2,315 who were 18 or older when the recession began born before 1990. Fieldwork was undertaken on May 15-17, 2019. The survey was carried out online. The figures have been weighted and are representative of all U.S. adults (aged 18+).

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