



4 in 10 Say Economy is Weak -- Experts Unanimously Disagree

28% of Americans Have No Emergency Savings

New York – June 26, 2019 – Everyday Americans and experts are divided when it comes to the current state of the U.S. economy and the timing of the next recession, according to a new study by Bankrate.com. However, something the two groups do agree on: Americans are vastly under-saved for the next recession whenever it does begin.

Link: <https://www.bankrate.com/surveys/experts-vs-everyday-americans-june-2019/>

On the Economy

When asked to rate the current state of the U.S. economy, everyday Americans generally view the economy as being worse than economists and financial experts view it. 39% of everyday Americans rate the economy as ‘not so good’ or ‘poor’ while not one of the 9 experts polled by Bankrate agree with them.

All 9 of the polled experts rate the economy as ‘good’ or ‘excellent’, while 6 in 10 (59%) Americans feel the same way. This includes 12% of U.S. adults who rate the economy as ‘excellent’.

“The stark contrast between everyday Americans’ assessment of the economy and what data say about the economy highlights the risk of ‘talking ourselves into a recession’,” says Greg McBride, CFA, Chief Financial Analyst for Bankrate.com. “Consumers that think the economy is weak will spend less and business owners that think the economy is weak won’t hire more people.”

While overall the average American’s view of the economy is worse than that of experts in the field, Americans themselves are torn depending on their political views. 77% of Republican Americans rate the economy as ‘good’ or ‘excellent’ and only 49% of Democratic Americans rate it the same way.

Households in different income brackets also feel very differently. Half of households with income under \$30,000/year rate the economy as ‘not so good’ or ‘poor’ while only 31% of those with household income of \$30,000 or more see it the same way.

Recession-proofing

In general, Americans are lacking when it comes to emergency savings; only 35% of everyday Americans have the minimum 3-5 months of emergency savings that most experts recommend. In fact, 28% of Americans have no emergency savings at all, up from 23% last year and the highest since 2016. Just 18% have enough to cover 6 months of expenses or more, the lowest in the 9-year history of the poll.

This isn’t lost on the average U.S. adult, however, as 72% of Americans say they need 3 or more months of emergency savings to feel comfortable, including 52% who say they need a minimum of 6 months.

Overall, about half of Americans (49%) are not comfortable with their current level of emergency savings.

McBride adds: "Emergency savings creates a moat around your finances for when an inevitable recession arrives. Now is the time to be boosting savings as waiting until there is a recession will be too late."

The Next Recession

Despite a lack of savings, the average American expects the next recession to hit sooner than experts predict; 40% of everyday Americans say they feel the next recession has already begun or will begin within the next 12 months, while experts all agree that it will be at least a year before the next recession begins.

Democratic Americans are almost twice as likely as Republican Americans to believe the next recession has already begun (27% vs. 14%).

Methodology:

Consumer Poll: This study was conducted for Bankrate via telephone by SSRS on its Omnibus survey platform. The SSRS Omnibus is a national, weekly, dual-frame bilingual telephone survey. Interviews were conducted from May 21-26, 2019 among a sample of 1,011 respondents in English (975) and Spanish (36). Telephone interviews were conducted by landline (407) and cell phone (604, including 392 without a landline phone). The margin of error for total respondents is +/-3.55% at the 95% confidence level. All SSRS Omnibus data are weighted to represent the target population.

Expert Poll: The survey was conducted via email from May 20-30, 2019 among 9 economic experts. The expert panel includes: Greg McBride, CFA, Chief Financial Analyst for Bankrate.com; David W. Berson, Senior Vice President & Chief Economist, Nationwide; Marilyn Cohen, CEO, Envision Capital Management Inc; Cathy Pareto, President, Cathy Pareto and Associates; Julia Coronado, President, MacroPolicy Perspectives; Lynn Reaser, Chief Economist, Fermanian Business & Economic Institute at Point Loma Nazarene University; Joel L. Naroff, President, Naroff Economic Advisors Inc; Robert Frick, Corporate Economist, Navy Federal Credit Union; Gus Faucher, Chief Economist, PNC Financial Services Group.

About Bankrate:

Bankrate.com provides consumers with the expert advice and tools needed to succeed throughout life's financial journey. For over two decades, Bankrate.com has been a leading personal finance destination. The company offers award-winning editorial content, competitive rate information, and calculators and tools across multiple categories, including mortgages, deposits, credit cards, retirement, automobile loans and taxes. Bankrate aggregates rate information from over 4,800 institutions on more than 300 financial products. With coverage of over 600 local markets, Bankrate generates rate tables in all 50 U.S. states

For more information:

Carrie Wiley
Public Relations Specialist
carrie.wiley@bankrate.com

631-472-4089