



1 in 3 Does Not Have More Savings Than Credit Card Debt

Millennials most focused on increasing emergency savings

NEW YORK – February 22, 2018 – Thirty-three percent of Americans say they do not have more emergency savings than credit card debt, according to a new Bankrate.com report. This includes 21% who say their credit card debt exceeds their emergency fund and another 12% who indicate they have no savings or credit card debt. Click here for more information:

<https://www.bankrate.com/banking/savings/financial-security-0218/>

While 1 in 3 lives in a potentially dire financial situation, the news is more encouraging for the majority. Fifty-eight percent say their emergency savings fund exceeds their credit card debt, which ties 2015 as the best seen in eight years of polling (up from 52% in 2016 and 2017). The 21% of Americans that have more in credit card debt than emergency savings is the lowest in the previous eight years of polling, as is the 12% that have no credit card debt and no savings.

“As unemployment declines and household income rises, more households are making progress on boosting savings, paying down debt or both,” said Bankrate.com chief financial analyst, Greg McBride, CFA. However, McBride warns, “Having no credit card debt and no emergency savings is a sign of trouble, not a badge of honor. A lack of emergency savings is indicative of living on the financial edge.”

To this end, Americans seem to be focused on boosting their rainy day funds. More than half (53%) are placing a higher priority on beefing up their emergency savings, while 40% are more motivated to pay down debt. Three percent indicate they are concentrating on both at the same time, whereas neither is a priority for another 3%.

When looking at differences among the generations, Millennials (18-37) are second only to the Silent Generation (73+) in the likelihood of having more emergency savings than credit card debt (61% and 67%, respectively). Millennials are also the most focused on increasing emergency savings; 61% say this is the higher priority, including 63% of younger Millennials (18-27).

Generation X (38-53) and Baby Boomers (54-72), while still more likely to have more emergency savings than credit card debt, do have a higher tendency than other generations to have neither credit card debt or emergency savings (13% for Gen X and 15% for Baby Boomers). They are also prioritizing paying down debt to a greater extent than other generations.

While the likelihood of having more emergency savings than credit card debt skews toward higher income and more highly educated households, the priority of increasing emergency savings is the same across all income levels (54%) and shows little difference among educational attainment.

This study was conducted for Bankrate via landline and cell phone by SSRS on its Omnibus survey platform. Interviews were conducted from February 7-11, 2018 among a sample of 1,009 respondents. The margin of error for total respondents is +/- 3.61% 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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