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More Americans Ramping Up Retirement Savings

Stagnant Wages and Household Budgets Are Holding Others Back

NEW YORK – August 22, 2018 – Twenty-eight percent of employed Americans say they are saving more for retirement this year compared to last year, according to a new study from Bankrate.com. In fact, this is the highest rate of increased retirement savings and nearly double the number of increased savers since the survey debuted in 2011 (15%). Only 13% of working Americans are saving less than last year – the lowest on record and less than half of the 29% found seven years ago. For more information click here:

https://www.bankrate.com/retirement/financial-security-august-2018/

The mantra that people need to be saving more for retirement appears to be slowly kicking in. This marks the 4th consecutive time an increasing number of Americans have boosted retirement savings, up from 23% in 2017, 21% in 2016, 19% in 2015, and 18% in 2013 (The question wasn't surveyed in 2014).

Older Millennials (age 28-37) had the highest propensity to be saving more for retirement than last year, 39%, compared to 27% of younger Millennials and 26% of Gen X. Baby Boomers and Silent Generation were more likely to be saving the same amount.

"If you're not saving at least 10% of your income for retirement, raise your contributions to that level without delay," said Bankrate Chief Financial Analyst, Greg McBride, CFA. "And once you're at 10%, aim to increase that to 15% which is the target most working Americans should aim for."

The biggest reasons for not increasing retirement savings efforts compared to last year center around the household budget. Competition for the limited dollars households have at their disposal are evident with 26% citing income that hasn't changed or has decreased, 16% that are focusing on another financial priority, 12% pointing to rising household expenses, and 5% that have had an unexpected financial emergency.

Other reasons cited for not increasing retirement savings over last year include 21% that are comfortable with their retirement savings or contributions - which tend to be households with incomes of $50K and up and those ages 65 and older - and 11% that haven't gotten around to it. 10% didn't know or refused to answer.

Among those not increasing retirement savings, Baby Boomers were most likely to cite income that hadn't changed or had decreased. Silent Generation and older Boomers (64-72) were most likely to be comfortable with their savings or contributions. Younger Millennials were most likely to be focusing on another financial priority. Older Millennials pointed to rising household expenses.

"Stagnant income and rising household expenses mean there is little financial wiggle room for many Americans. To save, or save more, requires 'paying yourself first' through payroll deduction or automatic bank transfer."

This study was conducted for Bankrate via landline and cell phone by SSRS on its Omnibus survey platform. Interviews were conducted from August 1-5 and August 8-12, 2018 among a sample of 2,011 respondents of which 997 were employed. The margin of error is +/- 2.69% for total respondents and +/-3.68% for employed respondents 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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