



More Than Half Have Less Than 3 Months' Emergency Savings

Just 1 in 6 report having more emergency savings now than pre-pandemic

NEW YORK – July 21, 2021 – More than half of Americans (51%) have less than 3 months' worth of emergency savings, according to a Bankrate.com report. This includes 1 in 4 (25%) who indicate having no emergency savings at all, up from 21% in 2020. Further, just 1 in 6 (17%) report having more emergency savings now than pre-pandemic. Click [here](https://www.bankrate.com/banking/savings/emergency-savings-survey-july-2021/) for more information:

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Meanwhile, 26% have some emergency savings, but not enough to cover 3 months' expenses, 19% have enough to cover 3-5 months' expenses, 25% have enough to cover 6 months' expenses or more, and 5% either don't know how much they have or refused to answer.

Lower income households were the hardest hit by the pandemic and are overwhelmingly more likely to not have any emergency savings and less likely to have 6 months' expenses saved.

Nearly half (49%) of households earning less than \$30,000 annually and 27% earning between \$30,000-\$49,999 annually have no emergency savings, compared to 13% earning between \$50,000-\$74,999 annually and 14% earning \$75,000 or more annually.

Just 9% of the lowest earning households and 17% earning between \$30,000-\$49,999 annually have enough emergency savings to cover 6 months' expenses, compared to 25% earning between \$50,000-\$74,999 annually and 43% of households earning \$75,000 or more annually.

Younger cohorts are more likely to have less saved than those who are older. Over half of millennials (57%; ages 25-40) either have no emergency savings or less than would cover 3 months' expenses, compared to 44% of Gen Xers (ages 41-56) and 49% of baby boomers (ages 57-75). On the other end, 30% of baby boomers and 29% of Gen Xers have enough emergency savings to cover at least 6 months' expenses, compared to 19% of millennials.

“It takes time to accumulate a sufficient emergency savings cushion equivalent to at least 6 months' of expenses, and in part because what constitutes 6 months' of expenses is itself a moving target from early adulthood through middle age,” said Bankrate.com chief financial analyst, Greg McBride, CFA. “This is why the habit of saving – via direct deposit or automatic bank transfer – is so vitally important, as it represents the pathway to accumulating a comfortable savings cushion over time.”

Only 17% of U.S. adults report having more emergency savings now compared to pre-pandemic, while twice as many (34%) indicate having less emergency savings now. Forty-eight percent say the amount of emergency savings they have now is unchanged from pre-pandemic levels, including six percent who had no emergency savings pre-pandemic and have none now.

Households with incomes below \$75,000 annually are also more than three times as likely to have less emergency savings now (40%) rather than more (12%) compared to their pre-pandemic level, while households earning \$75,000 or more annually were equally as likely to have more or less (27%) emergency savings now than pre-pandemic.

“Americans’ emergency savings may not be in better shape after all,” added McBride. “Just 1 in 6 households report having more emergency savings now than prior to the pandemic, and it is predominantly higher income households and those with fully funded emergency savings.”

Overall, U.S. adults are divided when considering their comfort with their current level of emergency savings (51% comfortable vs. 48% uncomfortable).

Division is more pronounced by income level and age, with just 35% of households earning under \$50,000 annually being comfortable with their level of emergency savings, compared to 62% earning over \$50,000 annually. More than half of millennials (55%) are uncomfortable with their level of emergency savings versus comfortable (45%) compared to Gen Xers (46% uncomfortable vs. 54% comfortable) and baby boomers (48% uncomfortable vs. 50% comfortable).

Methodology:

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 June 22-27, 2021 among a sample of 1,009 respondents in English (973) and Spanish (36). Telephone interviews were conducted by landline (202) and cell phone (807, including 542 without a landline phone). The margin of error for total respondents is +/- 3.74% at the 95% confidence level. All SSRS Omnibus data are weighted to represent the target population.

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For More Information:

Julie Guacci
Publicist
julie.guacci@bankrate.com
973-525-3026