



**IMMEDIATE RELEASE**  
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## **ANNUAL SAVINGS SURVEY REVEALS CONTINUING DECLINE IN FAMILY FINANCES BUT ALSO A SUCCESSFUL SAVINGS STRATEGY**

### ***Hundreds of National and Local Organizations Join 6th Annual America Saves Week to Encourage and Assist Personal Saving***

Washington, DC -- The fifth annual national survey assessing household saving revealed that, despite hopeful macroeconomic signs, an increasing number of Americans are having difficulty saving to meet goals ranging from meeting emergencies to affording retirement. Over the past three years, the number who spend less than their income and save the difference, are building home equity, have adequate emergency savings, and think they are saving enough for retirement has declined. However, the survey also revealed that having a savings plan has beneficial financial effects, even for lower-income families.

The survey was released the Friday before America Saves Week, an annual event where hundreds of national and local organizations promote good savings behavior and individuals are encouraged to assess their own saving status. America Saves, managed by the Consumer Federation of America (CFA), and the American Savings Education Council (ASEC), managed by the Employee Benefit Research Institute (EBRI), coordinate this annual effort. These organizations commissioned the survey, undertaken by Opinion Research Corp. in early February, of a representative sample of 1,007 Americans.

The survey did reveal that two-thirds of Americans (66%) spend less than their income and save the difference, and two-thirds (66%) "have sufficient emergency saving to pay for unexpected expenses like car repairs or a doctor's visit." Yet, fewer than half (42%) say they have "a savings plan with specific goals," and slightly more than half of the non-retired (52%) think they are "saving enough for a retirement in which [they] will have a desirable standard of living."

Moreover, in the annual February surveys, there has been a steady decline over the past three years in key savings indicators. (All changes from 2010 to 2012 are statistically significant at the 0.05 level.)

	2010	2011	2012
Spend less than income and save the difference	73%	71%	66%
Have sufficient emergency savings	71	70	66
Saving enough for retirement	60	55	52
Building home equity	68	65	63

"The recession clearly has not ended for millions of American families, especially those with lower incomes," said Stephen Brobeck, CFA Executive Director and a founder of America Saves. "Many working families are still apparently suffering from the high unemployment rate, stagnant incomes, and a depressed housing market," he noted.

"The heightened public fear about job prospects and stability has changed the way people are approaching many aspects of planning and saving," said Dallas Salisbury, CEO and President of the Employee Benefit Research Institute, "which is good news for saving and personal responsibility, and bad news for consumption, debt, and economic growth."

#### ALL INCOME GROUPS MORE LIKELY TO SAVE SUCCESSFULLY WITH A SAVINGS PLAN

The survey also clearly revealed, however, that having a savings plan with specific goals can have beneficial financial effects, even for lower-income families. As the table below shows, even when income is taken into account, those with a savings plan are much more likely to spend less than their income and save the difference, have adequate emergency savings, and among the non-retired, say they are saving enough for retirement.

	Have Savings Plan	No Plan
All Families		
Spend less than income	85%	44%
Sufficient emergency savings	86	43
Saving enough for retirement	75	24
Families With Incomes Under \$25,000		
Spend less than income	63	30
Sufficient emergency savings	69	27
Saving enough for retirement	37	8
Families With Incomes \$25,000-\$50,000		
Spend less than income	79	57
Sufficient emergency savings	79	52
Saving enough for retirement	63	29

Other survey findings of interest include the following:

- Those aged 35-44 are most likely to have a savings plan (65%) and think they are saving enough for retirement (60%).
- Those with incomes below \$25,000 -- about one-quarter of all households -- are least likely to have a savings plan (25%), spend less than their income and save the difference (38%), have sufficient emergency savings (38%), think they were saving enough for retirement (15%), save for retirement at work (10%), and are building home equity (35%).
- On the other hand, those with incomes above \$100,000 are most likely to save at least 10% of their income (59%), think they are saving enough for retirement (83%), and save for retirement at work (81%).

## HUNDREDS OF GROUPS TO PARTICIPATE IN AMERICA SAVES WEEK

America Saves Week, in conjunction with Military Saves Week, is an annual opportunity for organizations -- non-profits, government agencies, financial institutions, and employers -- to join together to encourage individuals and families to take financial action. "Organizations have embraced this year's theme 'Set a Goal. Make a Plan. Save Automatically.' to help people take actionable steps," said Nancy Register, America Saves director and CFA associate director. "From incentivized savings accounts to motivational workshops and financial education sessions, these organizations are helping people improve their financial situation."

"We know that people save better when they have a savings plan," said Ken McDonnell, ASEC Program Director, "which is why we are excited to see that so many employers are helping people reach their financial goals during the Week by encouraging employees to contribute to work retirement plans and saving through direct deposit."

Nearly 1,000 organizations have signed up to participate in the Week including Navy Federal, the Consumer Financial Protection Bureau, ING U.S. Retirement, Department of Defense, Insured Retirement Institute, and the United States Department of Agriculture /National Institute of Food and Agriculture.

Navy Federal is highlighting two of their key small saver products in conjunction with Military Saves. "This year's campaign theme, 'Set a Goal. Make a Plan. Save Automatically.' closely aligns with our credit union's mission to provide easy ways for small savers to get started," said Robert Joshua, Executive Vice President Savings & Membership, Navy Federal Credit Union. Navy Federal will also promote this year's campaign through an enterprise-wide marketing effort, covering online, branch and contact center touch points, where they engage with military personnel, their spouses and youth every day.

CFPB encourages automatic savings, especially during America Saves Week. CFPB Office of Service Member Affairs will be participating in Military Saves events in New Jersey and Maryland. Also, internally CFPB will launch an internal workplace savings campaign called CFPB Saves. CFPB Saves is an effort to encourage CFPB employees to save - and save

automatically through payroll deductions. Automatic savings is a great way to start or grow an emergency fund or to build assets for the future. CFPB hopes that CFPB Saves will become an example for other employers across the country to promote savings, not only during America Saves Week, but all year long. "America Saves Week is an opportunity to remind consumers about the tools available to help them create a savings plan for their financial stability," said Camille Busette, PhD, Assistant Director, Office of Financial Education, Consumer Financial Protection Bureau.

"There's no question – these are unprecedented times for our country. Americans today are faced with more financial responsibilities than ever before. One thing, however, is clear – we should not neglect saving for our future – especially retirement," said Maliz Beams, CEO, ING U.S. Retirement. This month, ING rolled out a savings program for the more than 5 million retirement plan customers ING serves across the nation. Their initiative reinforces the theme of America Saves Week, and encourages investors to picture what they want in retirement so they can be motivated to set a goal, create a plan and save automatically in their plans.

"The Department of Defense has prioritized the financial readiness of military families through its Personal Financial Management Program and the DoD Financial Readiness Campaign," said Barbara Thompson, Director of Family Policy Children and Youth, Military Community and Family Policy. The Department of Defense provides a range of tools and services, including personal financial counselors, to help Service members and their families reduce their debt and achieve their savings goals. For Military Saves Week 2012, the Department of Defense encouraged 2.5 million active-duty, guard and reservists to take the Military Saves Pledge through their February Leave and Earning Statement.

"Today more than ever, Americans are responsible for their financial future – and unfortunately we know that their retirement expectations, in particular, are clouded by concern about savings and income. However, with the proper preparation and a commitment to 'be a saver' everyone has the ability to achieve their financial goals. By coming together to educate all Americans on the importance of saving, we can help put them on a path to a brighter financial future," said Cathy Weatherford, President and CEO of the Insured Retirement Institute (IRI).

"The United States Department of Agriculture/NIFA (National Institute of Food and Agriculture) partners with the Cooperative Extension System and throughout the nation, cooperative extension educators will encourage Americans to follow the America Saves Week theme: 'Set a Goal. Make a Plan. Save Automatically,'" said Susan S. Shockey, National Program Leader, Family and Consumer Economics, National Institute of Food and Agriculture /USDA. An estimated 45 states will collaborate with partners and volunteers including financial institutions, governments, and educational organizations to reach potential savers with innovative methods including financial fairs, mall events, social networking, Piggy Bank Pageants, and websites to motivate Americans to take action toward a more financially secure future.

*America Saves, managed by the Consumer Federation of America (CFA), is a research-based marketing campaign that seeks to motivate, encourage, and support low- to moderate-income households to save and build wealth. More than 1,000 non-profit, government, and corporate*

groups participate in America Saves nationally and through local, regional, and statewide campaigns around the country. Learn more at [www.americasaves.org](http://www.americasaves.org).

**American Savings Education Council (ASEC)**, managed by Employee Benefit Research Institute (EBRI), is a nonprofit national coalition of public- and private-sector organizations undertaking initiatives to raise public awareness about what is needed to ensure long-term personal financial independence. [www.choosetosave.org/asec/](http://www.choosetosave.org/asec/).