

Bankrate: Only 54% of Americans Have More Emergency Savings than Credit Card Debt

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NEW YORK, Feb. 21, 2012 /PRNewswire/ -- Only 54% of Americans have more emergency [savings](#) than credit card debt, according to a new poll released today by Bankrate.com (NYSE: RATE). One in four Americans (25%) has more credit card debt than emergency savings and 16% have neither credit card debt nor emergency savings.

(Logo: <http://photos.prnewswire.com/prnh/20040122/FLTHLOGO>)

Bankrate's monthly Financial Security Index held at 97.3, unchanged from January and tied for the highest level since June 2011. Any reading below 100 indicates a lower level of financial security compared with 12 months earlier.

Despite four straight months of improving sentiment, consumers' overall financial situation is still seen as negative. Twenty-seven percent of Americans report a lower level of financial security now versus one year ago and 24% report a higher level. Thirty-eight percent of Americans are less comfortable with their savings now compared with one year ago; only 14% are more comfortable.

"Emergency savings remains a problem area for many Americans, which leaves them only one unplanned expense away from having high-cost debt," said Greg McBride, CFA, Bankrate.com's senior financial analyst. "Long-term unemployment, stagnant wage growth and rising household expenses are all contributing to this trend. As difficult as it may be to boost savings, having an adequate emergency savings cushion is critical to maintaining financial stability, and Americans need to find ways to sock away more cash for a rainy day."

Additional findings included:

Job Security

- Consumers are slightly positive, with 20% feeling more secure than one year ago and 19% feeling less secure (up from 17% in January).

Savings

- Consumers have reported less negativity about their savings in each of the past three months, with fewer feeling less comfortable and more feeling about the same as 12 months ago.

Debt and Net Worth

- Both were little changed from January and maintain essentially neutral readings.

Credit Card Debt vs. Emergency Savings

- Households with income of \$75,000 or more per year, college graduates and retirees are the most likely to have more in emergency savings than credit card debt.
- Parents are the most likely to have more credit card debt than emergency savings.
- Those most likely to have neither credit card debt nor emergency savings are households with income of less than \$30,000 per year, those with a high school education or less and the unemployed.
- In a similar Bankrate poll conducted in February 2011, 52% of Americans had more emergency savings than credit card debt. Twenty-three percent had more credit card debt than emergency savings and 19% had neither credit card debt nor emergency savings.

The new study was conducted by Princeton Survey Research Associates International (PSRAI) and can be seen in its entirety here: <http://www.bankrate.com/finance/consumer-index/survey-shows-savings-triumphs-debt.aspx>.

The PSRAI February 2012 Omnibus Week 1 obtained telephone interviews with a nationally representative sample of 1,006 adults living in the continental United States. Telephone interviews were conducted by landline (603) and cell

phone (403, including 174 without a landline phone). The survey was conducted by Princeton Survey Research Associates International (PSRAI). Interviews were done in English by Princeton Data Source from February 2-5, 2012. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is plus or minus 3.7 percentage points.

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www.bankrate.com

Ted Rossman
Public Relations Manager
Bankrate, Inc.
ted.rossman@bankrate.com
(917) 368-8635

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