

## Fiscal Cliff Fears, Rising Household Expenses Drag Americans' Financial Security Down

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NEW YORK, Nov. 26, 2012 /PRNewswire/ -- The Bankrate.com (NYSE: RATE) Financial Security Index slumped to 97.1 in November, the third-lowest reading of the year. All five components (debt, net worth, [savings](#), job security and overall financial situation) slipped over the past month. Americans are only feeling better about one category (net worth) compared with this time last year.

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Sentiment regarding job security turned particularly sour, as the reading turned negative for just the third time this year. Americans' comfort level with their debt also swung into negative territory in November. Since the election was resolved by the time the poll was conducted, it was evident that uncertainty over the fiscal cliff was beginning to creep in.

When asked about their top financial priority, nearly one-third of Americans (32 percent) said staying current or getting caught up on the bills. "This is consistent with the stagnant household incomes many people are experiencing, as well as continued escalation in food, healthcare and energy costs that are squeezing households' buying power," said Greg McBride, CFA, Bankrate.com's senior financial analyst. "The second-most common response was paying down debt (23%), followed by saving (20%). No surprises there."

Staying current or getting caught up on the bills was the most common response in each age bracket, indicating that household income was the key variable in assessing top financial priorities. Those most likely to say that staying current or getting caught up on the bills was their top financial priority were those households with income below \$50,000 per year.

For households with annual income of \$75,000 or more, paying down debt and saving were the most-cited financial priorities. In fact, paying down debt and saving became more common responses as income increased, while staying current or getting caught up on the bills were less common as income increased. Providing financial assistance to family or friends was cited fairly evenly across all income groups.

Financial Security Index readings lower than 100 indicate that Americans are feeling worse about their financial security than 12 months previous. The index has been below 100 in 22 of the 24 months since its inception in Dec. 2010.

The new survey was conducted by Princeton Survey Research Associates International (PSRAI) and can be seen in its entirety here: <http://www.bankrate.com/finance/consumer-index/financial-security-charts-1112.aspx>.

*PSRAI obtained telephone interviews with a nationally representative sample of 1,000 adults living in the continental United States. Telephone interviews were conducted by landline (600) and cellphone (400, including 191 without a landline phone). Interviews were done in English by Princeton Data Source from November 8-11, 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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