



Millennials More Than Twice as Likely to Limit Spending to Save More

Only 19% of Americans more comfortable with savings this year compared to last

NEW YORK – October 24, 2017 – Sixty percent of millennials (18-36 year-olds) who are limiting how much they spend each month are doing so in order to save more money (ahead of other concerns such as stagnant income, debt and worries about the economy and job security), according to a Bankrate.com report. That's more than double the 25% of older generations who cite saving as the main reason for setting a spending cap. The disparity is even larger for those ages 18-26, with 74% of young budgeters placing a priority on saving. Click here for more information:

<http://www.bankrate.com/banking/savings/financial-security-1017/>

The emphasis on savings declines with age. Far less Gen Xers (ages 37-52, 33%), Baby Boomers (ages 53-71, 21%) and members of the Silent Generation (ages 72+, 12%) cite saving more as their number one concern, as stagnant income becomes an increasing factor for older Americans. Overall, the need to save more money tops the list for the second consecutive year (36%) and has risen from 30% last year and 25% in 2015.

For millennials, at least, the saving seems to be paying off; they are the age group most inclined to indicate that they are more comfortable with their savings now compared to one year ago (24% vs. 16%). In all, just 19% of Americans are more comfortable with their savings now as opposed to this time last year.

“It’s great to see millennials so focused on saving,” said Greg McBride, CFA, Bankrate.com’s chief financial analyst. “When unplanned expenses arise, nothing is more reassuring than having money socked away in savings, and for longer term goals, time is your greatest ally.

“Everyone should prioritize saving and take advantage of the tax benefits of retirement accounts *now* – workplace 401ks and Roth IRAs – and shop around for the [best savings rates](#) to store, and add to, your emergency fund. Your future self will thank you one day.”

More than a quarter (27%) of those with monthly spending constraints cite stagnant income as the reason, the second most popular choice. This is up from 25% last year, but lower than the 28%-32% seen from 2013-2015 when it was the top reason. Other reasons for limiting spending each month are too much debt (13%), worries about the economy (10%) and worries about job security (4%). The remainder either don't know or indicate a different reason.

The 13% who cite too much debt as the reason for limiting spending is the highest in the five years the question has been asked, while the 10% indicating worries about the economy is the lowest seen yet, and half of what it was in 2013.

When looking at household income, the need to save more is most prevalent among the highest earners (\$75K per year or more), while the need to save more and stagnant income is cited almost equally among households making less than that. Not surprisingly, the tendency to limit spending does increase at lower levels of income.

The Bankrate.com Financial Security Index dipped for the second month in a row to 103.1, and while still indicative of improved financial security over the past year, it is the lowest reading since January.

Comfort level with savings remains the only aspect of financial security where Americans indicate a deterioration over the past 12 months, but comfort level with debt is now at a neutral level. Job security, net worth, and overall financial situation remain areas of notable improvement versus one year ago.

This study was conducted for Bankrate via landline and cell phone by SSRS on its Omnibus survey platform. Interviews were conducted from October 4 - 8, 2017 among a sample of 1,008 respondents. The margin of error for total respondents is +/- 3.82% 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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