



**For Immediate Release:
Monday, February 22, 2010**

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**AS AMERICA SAVES WEEK BEGINS, GROUPS RELEASE SURVEY
SUGGESTING RECESSION HAS ERODED SAVINGS PRACTICES AND
DISCUSS THEIR EFFORTS TO STOP THIS EROSION**

Washington, D.C. – On the first day of the fourth annual America Saves Week, national groups released an annual survey suggesting that the Great Recession has eroded the savings practices of millions of Americans. From 2008 to 2010, Americans with a savings plan with specific goals fell from 62% to 55%, those with a spending plan allowing saving declined from 49% to 46%, and those who save for retirement at work fell from 55% to 49%.

“These declining percentages may largely reflect job loss and other income reductions by some who now have more restricted savings options,” said Stephen Brobeck, executive director of the Consumer Federation of America and a founder of America Saves. “However, they don’t bode well for the financial future of many Americans,” he added.

A large majority of Americans (71%) are still concerned about the impact of the current recession on their personal finances, with 43% expressing great concern. The only good news is that these percentages have declined over the past year: In early 2009, they stood at 77% and 53%.

The survey findings were released at a press conference today during the fourth annual America Saves Week, in which more than 100 major governmental, non-profit, and industry organizations are participating. The survey includes questions that make up a “savings checklist” found on the America Saves Week website (americasavesweek.org), which was developed and is being maintained jointly by America Saves and the American Savings Education Council (ASEC).

“The economic crisis we are in the midst of highlights to all Americans the necessity of having a savings plan, some emergency savings, and the value of making savings automatic,” said Dallas Salisbury, Chairman of ASEC and President and CEO of the Employee Benefit Research Institute. “The America Saves Week Web site provides tools to help individuals develop a savings plan and then do regular checkups to make sure they are ‘paying themselves first’, often.”

The most recent survey was commissioned by ASEC and America Saves and carried out by Opinion Research Corporation, which interviewed a representative sample of more

than 1,000 adult Americans during the first week in February. The survey's margin of error is plus or minus three percentage points.

Survey Reveals Families With Incomes Below \$50,000 at Particular Risk

Over half (57%) of families with incomes under \$25,000 – roughly one-quarter of all households – and nearly two-fifths (39%) of those with incomes between \$25,000 and \$50,000 – another quarter of all households – say they don't have sufficient emergency savings to pay for unexpected expenses such as needed car repairs. Thus, it's not surprising that even higher percentages of these two groups – 77% of low-income households and 54% of moderate-income households -- say they are not saving enough for a retirement with a "desirable standard of living."

"It is very disturbing that a significant number of Americans are not prepared for routine emergencies, let alone retirement," said CFA's Brobeck.

The survey also found huge disparities in the financial practices of low- and moderate-income households compared even to middle-income households, as the table below shows.

Financial Practice	Under \$25k	\$25-50k	\$50-100k
Savings plan with specific goals	33%	44%	68%
Spending plan allowing saving	28	36	56
Save for retirement at work (non-ret.)	15	38	70
Outside work, save automatically	24	38	51

"America Saves Week emphasizes the high importance of saving automatically at work and at one's bank or credit union," noted EBRI's Salisbury. "In particular, it should be considered a national scandal that only 15% of non-retired low-income families save for retirement at work," he added.

National Organizations Promote Savings Through America Saves Week

"We are encouraged about the increasing participation in America Saves Week," said Nancy Register, America Saves director and CFA associate director. "Our current economic climate shows that setting up an automatic savings account for emergency funds, retirement, and other major life milestones has never been more important."

Throughout the country, at the local, state and national levels, organizations, financial institutions, and government agencies are promoting savings through America Saves Week by urging Americans to take financial action. During the week, millions of Americans will be encouraged to begin saving, to open or add to savings accounts, and to save automatically.

"Improvement in your finances will not happen overnight, but if you develop an action plan and stay committed over time, you will see results," said Ken McDonnell, ASEC Program Director. Jason Fichtner, Chief Economist for the Social Security Administration agreed by stating, "Saving just \$2 a day can add up to over \$25,000 in 20 years with the power of compounding interest." The Social Security Administration, which encourages savings in their Agency Strategic Plan, will reach more than 150 million Americans through publications including age-specific special inserts for the Social Security *Statement*.

The U.S. Department of Agriculture, National Institute of Food and Agriculture will reach over 4.7 million people through the media and over 18,000 at sponsored events in over 20 states. Through their efforts, they will enroll over 10,000 savers and open over 12,000 accounts.

Political leaders, like Ohio State Treasurer Kevin Boyce and City of Chicago Treasurer Stephanie Neely, are collaborating with new Saves campaigns to reach savers in their area. Young Illinois Saves is launching during America Saves Week and will reach 3,000 students. Ohio's SaveNow program, which offers high interest savings accounts for new savers, will partner with Ohio Saves to enroll more than 5,000 savers. Both efforts will provide local savers with encouragement and motivation, and access to high interest savings accounts.

The Deputy Under Secretary of Defense issued their annual memo in support of Military Saves Week. The memo encourages all Army, Navy, Marine Corps, Air Force, and National Guard leadership to encourage, motivate and educate the 1.4 million active duty personnel and 900,000 reserve service members and their families to save.

"Like many families in America, military families continue to struggle with credit card debt and covering monthly expenses," said John Gannon, president of the FINRA Investor Education Foundation. "As a proud supporter of Military Saves Week, the FINRA Investor Education Foundation offers tools through SaveAndInvest.org to help military families take steps to reduce their debt, create an emergency savings fund and save for the long-term."

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