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NEW PERSONAL SAVINGS INDEX MEASURES PERCEIVED SAVINGS INTEREST (71%), EFFORT (62%), AND EFFECTIVENESS (58%)

New Savings Tool Provides 5-Minute Self-Assessment of Saving Effectiveness

Washington, DC – Today, America Saves is releasing the results of a new Personal Savings Index (PSI). The PSI is based on a survey of more than 1,000 representative adult Americans, which asked them questions about “personal saving related to goals ranging from an emergency fund to retirement.” It shows that there is greater interest in personal saving, with an aggregate average score of 71 percent, than in saving effort made, at 62 percent. Both scores exceed the score for perceived effectiveness of saving at 58 percent.

“Our new savings index measures the perceptions of savers, not the actual reality of savings,” said Stephen Brobeck, Executive Director of the Consumer Federation of America and a founder of America Saves, which is managed by CFA. “However, these personal perceptions strongly influence saving realities as well as satisfaction with these realities,” he added.

America Saves is also making available a new savings tool to allow Americans to quickly assess their savings effectiveness. Available at www.AmericaSaves.org/checklist, the Saver Checklist contains 15 “savings accomplishments” that range from successful debt management to saving for emergencies and retirement to saving automatically and building home equity. The number of checks, 0-15, determines how successfully one is saving. As well as a one-sentence evaluation, the Saver Checklist provides motivating information about each of the 15 savings accomplishments.

“We have tested the Saver Checklist on several groups and believe it provides a useful starting point for evaluating one’s savings preparedness,” said Nancy Register, Director of America Saves and Associate Director of the Consumer Federation of America. “It is our hope that the Checklist will encourage many more Americans to set and meet savings goals,” she added.

Personal Saving Index Varies with Age and Income in Surprising Ways

The PSI survey was conducted by ORCI on September 19-22. Respondents were asked to rate their own savings interest, effort, and effectiveness on a ten-point scale.

The margin of error is plus or minus three percentage points. America Saves intends to undertake this survey several times a year.

One interesting aspect of the PSI survey was to help determine which groups of Americans were most and least interested in saving. One could hypothesize, for example, that middle-aged Americans, who had higher incomes than younger adults and were also closer to old age, but not too close, would be the age group most interested in saving.

That was not the case. There is a strong inverse relationship between age and saving interest and perceived effort. As the table below shows, those 18-35 years old had the greatest interest in and effort made saving, compared to those 45-54 years old and, more predictably, to those at least 65 years old. The greater interest among young adults may reflect in part the psychological impacts of the Great Recession and concern about the long-term future of Social Security.

Age	Interest	Effort
18-35 years	77%	66%
35-44	73	61
45-54	73	64
55-64	68	61
65 and over	56	53

One could also hypothesize that those with the lowest incomes, who generally have the greatest savings needs, would have the most interest in and be making the greatest effort to save. But that also is not the case. There is a very strong relationship between household income and perceived saving interest and effort, as the table below shows. That may well reflect in part the ability of higher-income groups to save more effectively, and the decision of many with low incomes that saving is not worth their interest and effort. Predictably, there is a very strong relationship between income and effectiveness.

Household Income	Interest	Effort	Effectiveness
Under \$25,000	65%	52%	46%
\$25,000-\$50,000	65	60	57
\$50,000-\$75,000	77	65	63
\$75,000-\$100,000	75	67	64
Over \$100,000	83	75	69

A major priority of America Saves is to convince those with limited incomes that they have the ability to save, even if only loose change, and show them how to do so. Much research in the past 15 years has demonstrated that most lower-income families

have the ability to build some savings, which reduces the need to run up expensive payday loan or credit card balances.

America Saves Motivates and Encourages Savers and Organizes 8th Annual America Saves Week

America Saves is a non-profit, research-based social marketing campaign that seeks to motivate, support, and encourage low- and moderate-income households to save money and build wealth. It works mainly through local, state, and targeted national campaigns, including Military Saves in cooperation with the Department of Defense. To date, over 350,000 people have pledged to save by choosing a savings goal and committing to save a specified amount for a specified period of time. America Saves also works with the American Savings Education Council (ASEC) to organize America Saves Week in which over 1,000 organizations participate each year to promote good savings behavior. The 2014 America Saves Week is February 24 to March 1. Learn more at www.AmericaSaves.org and www.AmericaSavesWeek.org.

Saver Checklist Tool: www.AmericaSaves.org/checklist

Saver Checklist PDF: www.AmericaSaves.org/images/checklist.pdf