



Survey: Where and How America Savers Save

May, 2014

Introduction

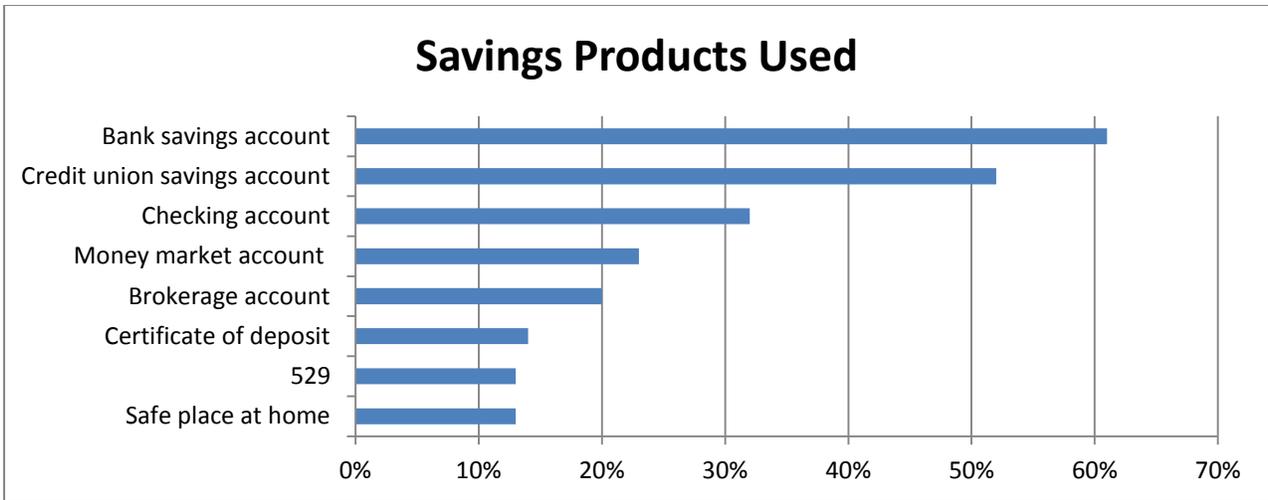
In March of 2014, America Saves surveyed its savers to understand what financial products and methods they use to save – not counting savings for retirement. Participants were recruited through direct emails and through the America Saves Twitter page. The survey request email went to savers who took the America Saves pledge between January 2011 and January 2014. 1,220 America Savers completed the survey. While the results of this survey cannot necessarily be generalized to the entire America Saves community, the findings provide insights into the savings attitudes and behaviors of America Savers.

Savings Products

Respondents predominately reported saving their money in traditional bank savings accounts and credit union savings accounts. These results are consistent with [data](#) from the Consumer Federation of America and America Saves, which shows that basic savings accounts remain important savings vehicles for Americans, especially for low-to moderate-income families.

However, respondents also reported using non-traditional savings products as one of the ways they save money. When asked “not counting savings for retirement, **which of the following do you use for putting money aside as savings**” a third of respondents reported using their checking account, a transaction account that is not optimal for saving, and 13 percent reported using a safe place at home, where they make no interest and risk losing their money if lost or stolen. Fortunately, when asked “which is the primary savings product or option you use,” very few selected these options.

When asked “not counting savings for retirement, **which of the following do you use for putting money aside as savings?** (Select all that apply.)” more than half of respondents selected bank savings account (61%) and/or credit union savings account (52%). The next highest reported used savings products included checking account (32%), money market account (23%), and/or brokerage account (20%). Less than a fifth of savers selected certificate of deposit (14%), 529 or other education savings plan (13%), safe place at home (13%), Christmas club account (10%), U.S. Savings Bonds (9%), savings options on a prepaid debit card (1%), and/or informal savings circle (sou-sou, tanda, cundina) (1%).

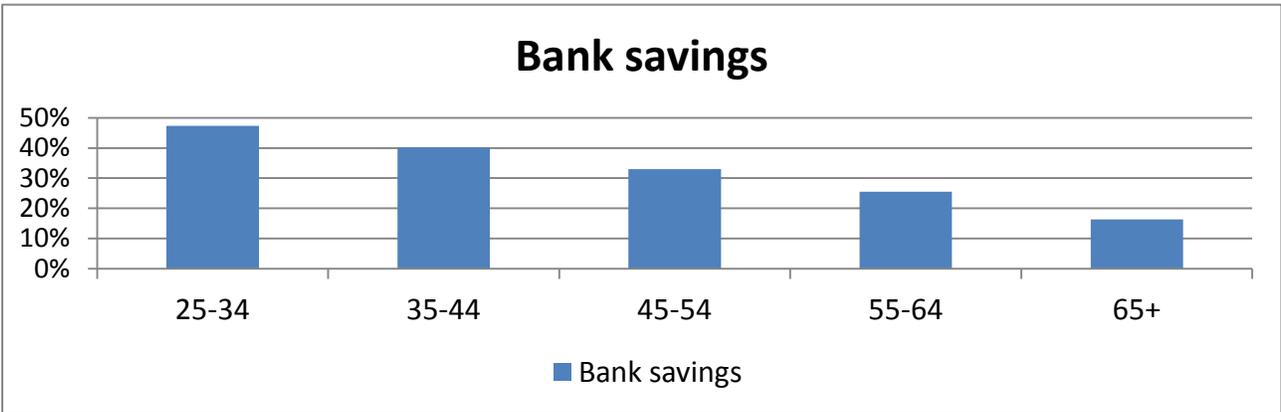


When asked “which is the **primary savings product or option you use?**” two-thirds selected bank savings account (34%), or credit Union savings account (30%). Twenty-one percent selected brokerage account (11%) or money market account (10%). Less than 10 percent selected checking account (6%), certificate of deposit (3%), safe place at home (3%), 529 or other education savings plan (2%), Christmas club account (1%), savings option on a prepaid debit card (1.5%), U.S. Savings Bonds (0.4%), or informal savings circle (sou-sou, tanda, cundina) (0.1%).

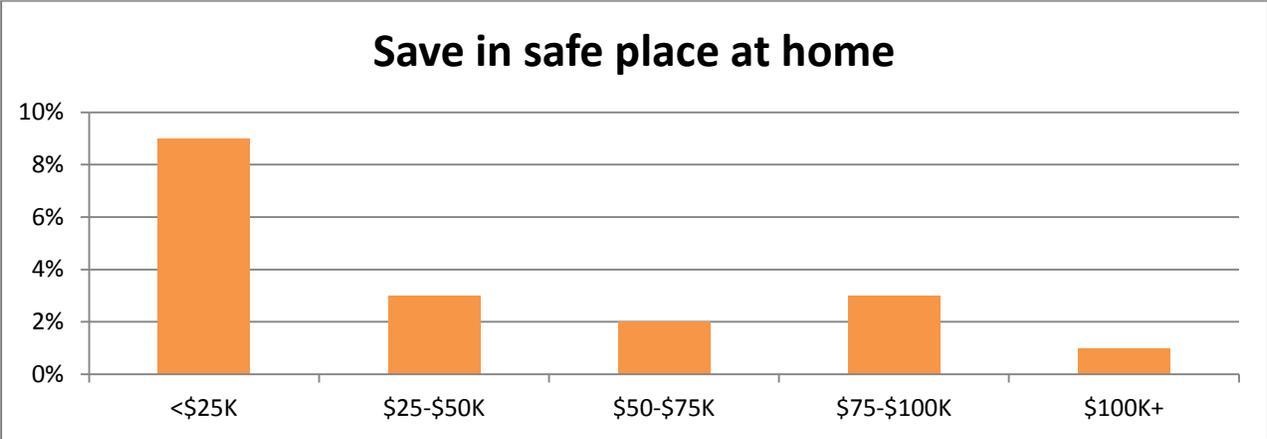
- Primary Used Savings Product**
1. Bank savings account (34%)
 2. Credit Union savings account (30%)
 3. Brokerage account (11%)

Other Savings Products Related Findings

Bank savings account as primary product used to save declines with age.



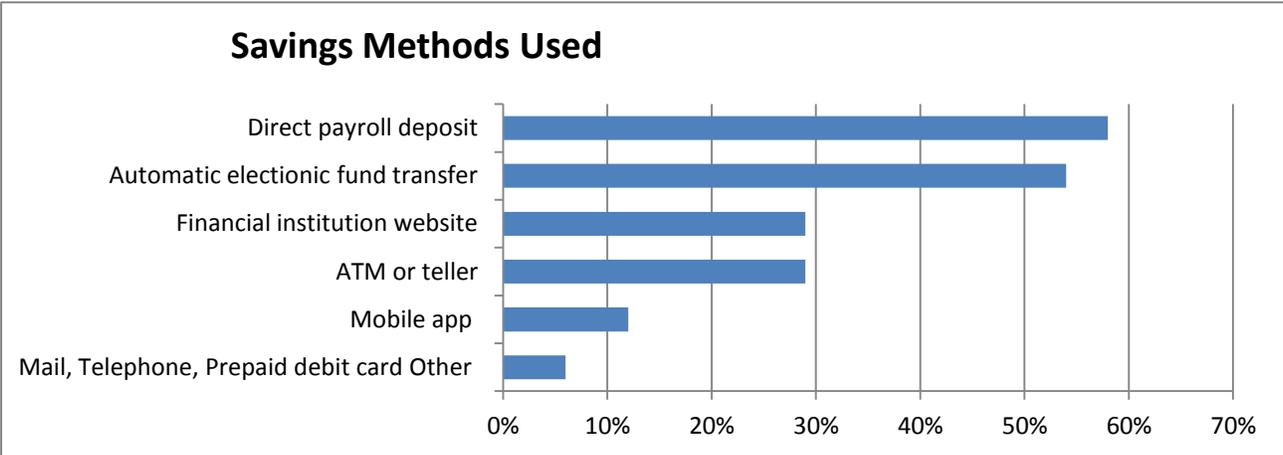
Nearly 10% of those making less than \$25,000 save their money in a safe place at home as their primary savings vehicle.



Savings Methods

For years America Saves has promoted automatic savings as the key to successful saving. We also consistently receive tips from savers that say setting up automatic savings methods is one of the best ways to save because they can “set it and forget it.” This survey of savers illustrates that more than 70 percent of respondents use an automated way to save as their primary savings method.

When asked “**which methods do you use to put money into savings?** (Select all that apply.)” more than half selected Direct payroll deposit (58%) and/or Automatic electronic funds transfer (54%). The next highest savings methods selected included ATM or teller (29%), Financial Institution website (29%), and/or Mobile app (12%). Less than 10 percent of respondents selected Mail (4%), Telephone (3%), Use prepaid debit card (1%), and/or other (1%).



When asked “Which one of these methods do you use most often to put money into savings?” 70 percent selected Direct payroll deposit (39%) or Automatic electronic fund transfer (31%). Less used savings methods included Financial institution website (13%), ATM or teller (12%), Mobile app (3%), Other (1%), Mail (1%), Telephone (1%), or Use prepaid debit card (0.2%).

Primary Used Savings Method

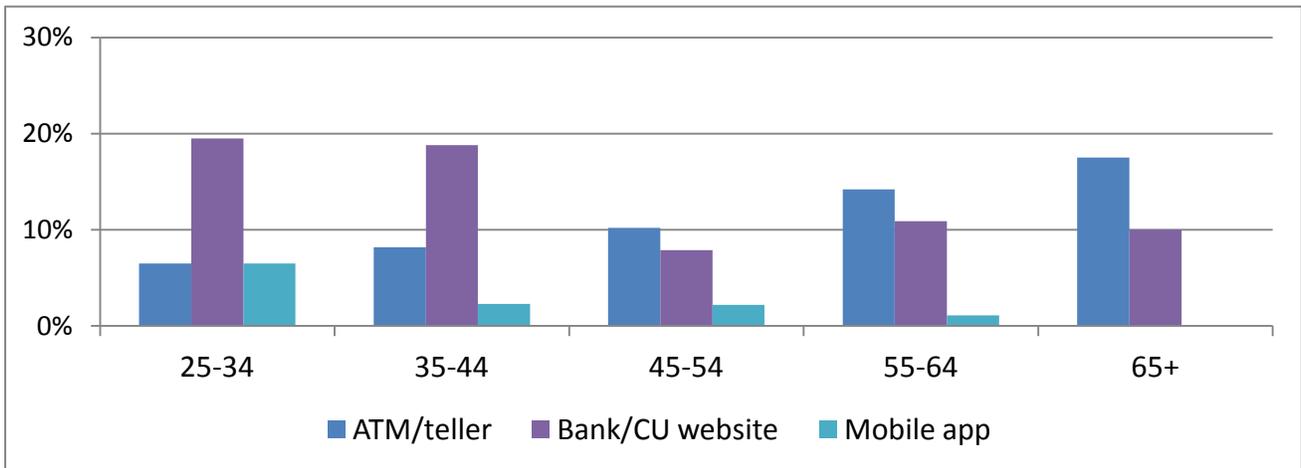
1. Direct payroll deposit (39%)

2. Automatic electronic fund transfer (31%)

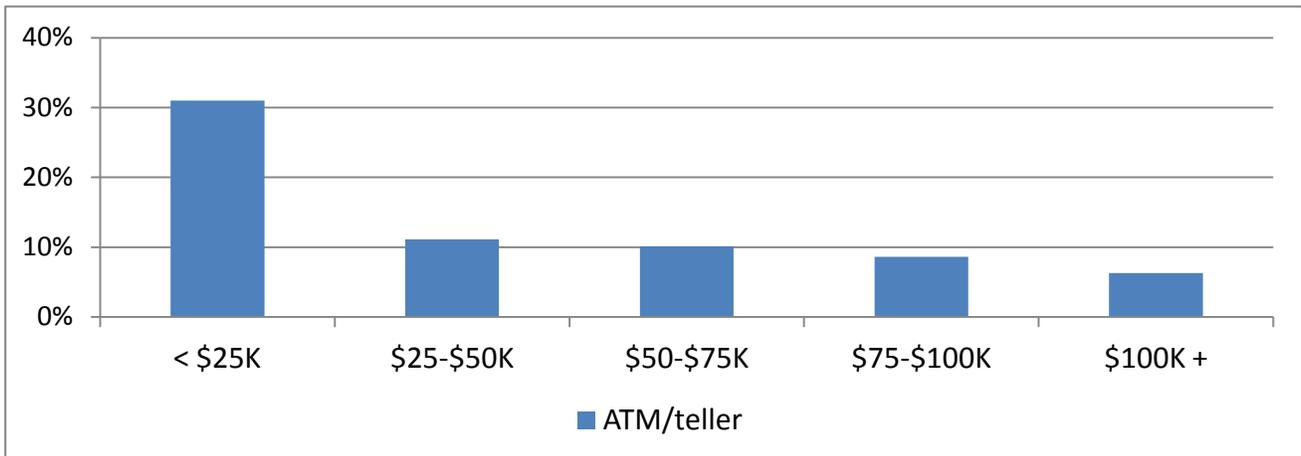
3. Financial institution website (13%)

Other Savings Methods Related Findings

Use of in-person contact increased with age, while use of interactive technology decreased with age.

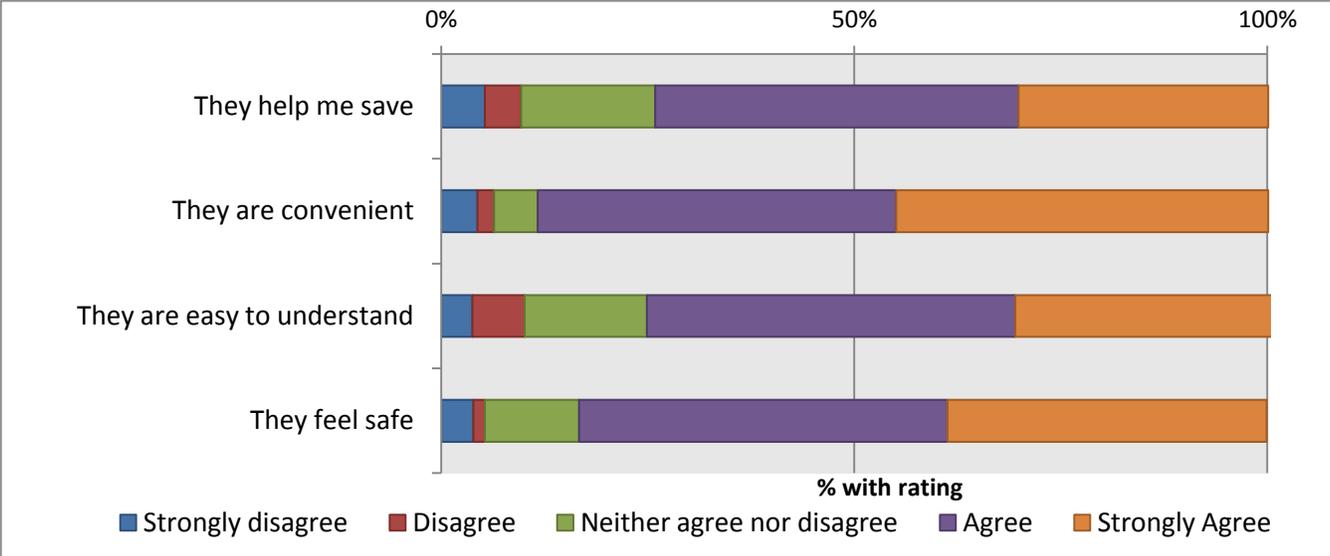


However, in-person contact was much higher among lowest income and decreased as income increased.



The survey also found that respondents think these products help them save, are convenient, are easy to understand, and feel safe.

74 percent of respondents agreed (44%) or strongly agreed (30%) that these savings products help them save. 88 percent of respondents agreed (43%) or strongly agreed (45%) that these savings products are convenient. 85 percent of respondents agreed (45%) or strongly agreed (40%) that these savings products are easy to understand. 83 percent of respondents agreed (44%) or strongly agreed (39%) that these savings products feel safe. (Note: there is likely a self-selection bias among respondents, creating an over-representation of satisfied savers)



Savings Goals

The majority of respondents reported **saving for multiple goals**. Only 15 percent reported they were saving for one goal. Nearly a third (31%) of respondent’s selected three goals, nearly a quarter (22%) selected four or five goals, and a quarter (24%) selected two goals. Of those who selected only one goal, 34.1% choose saving for retirement.

