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PERSONAL SAVINGS INDEX SHOWS INCREASED SAVING INTEREST, EFFORT, AND EFFECTIVENESS IN FIRST FOUR MONTHS OF 2014

America Saves Week Stimulated Organizational Interest in Encouraging Personal Saving

Washington, DC – Scores on the third triannual America Saves Personal Savings Index (PSI) rose between January and May of this year, restoring losses between last September and this January. As the table below shows, the scores on savings interest, effort, and effectiveness in September (2013) and May (2014) are virtually identical but substantially above those of January (2014).

	9-13	1-14	5-14
Savings Interest	71%	65%	71%
Savings Effort	62	58	63
Savings Effectiveness	58	56	58

“The low savings interest, effort, and effectiveness in January is probably related to holiday spending that served as a distraction and also made it difficult for many to save,” said Stephen Brobeck, Executive Director of the Consumer Federation of America and a founder of America Saves. “However, in each of the three periods, there was a consistent and predictable relationship between interest, effort, and effectiveness. Not all those with interest in saving make the effort, and not all those who make the effort are successful,” he added.

In May, there were some notable statistically significant demographic differences in relation to saving interest – women (74%) vs. men (68%); New England (76%) vs. West (66%); and African-American (80%) vs. whites (69%). But these differences generally did not extend to effort or effectiveness. On these latter two measures, there were few differences between demographic groups.

As in the two earlier surveys, there were significant differences among income groups, with the gap between the lowest income group (under \$25,000 annually) and highest income group (\$100,000 and above) being especially large – on saving interest, 60% vs. 80%; on saving effort, 50% vs. 77%; and on saving effectiveness, 43% vs. 74%.

“The lower one’s income, the harder it is to save, and this difficulty appears to depress saving effort and even saving interest,” noted CFA’s Brobeck.

The PSI measures responses by a representative sample of 1000+ adult Americans to three questions about “personal saving related to goals ranging from an emergency fund to

retirement.” ORC International has conducted the surveys for America Saves using phone calls both to landlines and cell phones. The margin of error is plus or minus three percentage points.

America and Military Saves Weeks Grow Organizational Interest in Promoting Saving

The eighth annual America Saves Week and Military Saves Week, both the last week in February, revealed growing organizational interest in encouraging and assisting personal saving. This year, 1,330 organizations, from 48 states, signed up to participate in America Saves Week -- up from 1,052 in 2013. These organizations included federal, state, and local government agencies, employers, nonprofits, and financial institutions.

M&T Bank, for example, had 17,650 customers who agreed to identify a current or future savings goal, then actively promoted saving through direct communication to approximately 500,000 customers. Through the America Saves Week effort, the bank established more than 3,000 new savings relationships with customers. And Liberty Bank in Middletown, Connecticut used in-branch signage and social media to open 771 new accounts. They also asked employees to take the America Saves Pledge to Save.

Military Saves Week, endorsed by the Chairman of the Joint Chief of Staffs, involved all four branches of the military, with participation by 470 installations, commands, and detachments. In addition, 125 financial institutions and 66 non-profit organizations joined the effort.

As a result of these efforts, more than 20,000 personnel signed the Military Saves Pledge to save, and many opened new accounts or added to existing accounts. Just at the naval and air force bases in Guam, according to the base reports to Military Saves, more than 200 persons opened new accounts and more than 1,000 added to existing accounts.

“While there are thousands of additional organizations that can benefit from participating in America Saves Week, we are making progress and will continue working hard,” said Nancy Register, Associate Director of the Consumer Federation of America and Director of America Saves. “We have brought together all kinds of organizations and all kinds of people, and we believe that at some point their enthusiasm for saving will prove infectious in a major way,” she added.

America Saves, a campaign managed by the nonprofit Consumer Federation of America, seeks to motivate, encourage, and support low- to moderate-income households to save money, reduce debt, and build wealth. The research-based campaign uses the principles of behavioral economics and social marketing to change behavior. Non-profit, government, and corporate groups participate in America Saves nationally and through local, regional, and statewide campaigns around the country. America Saves encourages individuals and families to take the America Saves pledge and organizations to promote savings year-round and during America Saves Week. Learn more at americasaves.org and americasavesweek.org.

Military Saves, a component of the nonprofit America Saves and a partner in the Department of Defense's Financial Readiness Campaign, that seeks to motivate, support, and encourage military families to save money, reduce debt, and build wealth. The research-based campaign uses the principles of behavior economics and social marketing to change behavior. Military Saves encourages all servicemembers, their families, and civilian employees to take the Military Saves pledge and for organizations to promote savings year-round and during Military Saves Week. Learn more at militarysaves.org.