

Number of Americans Reporting No Personal or Retirement Savings Rises

Most people say they have heard little or nothing about the new regulations affecting overdrafts; only 16% have opted in to the new agreements

NEW YORK, N.Y. – February 2, 2011 – Thirty-four percent of Americans have no retirement savings and 27% have no personal savings. Just 18 months ago those numbers were moderately lower, at 30% and 22% respectively.

These are some of the results of *The Harris Poll* of 2,151 adults surveyed online between November 8 and 15, 2010 by [Harris Interactive](#).

Generationally, one-in-four (25%) Baby Boomers (aged 46-64) have no retirement savings, with 22% of Matures (aged 65 and over) stating the same. Gen Xers (aged 34-45) are struggling with more immediate issues; 32% have no personal savings.

In terms of investments, 14% of Baby Boomers and Matures each state that their personal savings is mostly invested in stocks or mutual funds - a greater proportion than younger generations say the same.

“Current economic conditions seem to be driving somewhat less risky investment behavior by Gen Xers, which goes against the grain of traditional investment advice,” stated Barbara Bertner, Vice President of Financial Services Research for Harris Interactive. “A combination of trust and education would likely bring these consumers back into alignment with traditional investment thinking.”

Other results of this survey include:

- Most people with bank accounts have heard nothing (24%) or only a little (35%) about new rules about overdrafts requiring bank customers to sign an annual agreement to permit their bank to approve payments that exceed their balances. While two in five (41%) bank customers say they know all about these new rules, only one in every six (16%) have “opted in” for this service.
- A 31% plurality of all adults report that they keep their *personal savings* “mostly in bank savings and and/or CDs”, 17% keep “a relatively equal mix of stocks/mutual funds and investments such as bonds and money market funds”, 11% keep their personal savings “mostly in stocks and/or mutual funds”, 8% keep theirs “mostly in bonds, money market funds and other stable investments”, and just over a quarter of all adults (27%) say they have no personal savings or investments;
- The relatively small proportions of adults who keep an “equal mix” of their personal savings in equities (stocks or mutual funds) is somewhat higher among Baby Boomers and people over 65 (23% and 22% respectively) than it is among those aged 45 or younger (between 7% and 18%);
- When asked specifically about their *retirement savings*, rather more people report having these invested “mostly” (18%) or “an equal mix” (22%) in stocks and mutual funds. However, 34% of all adults have no retirement savings, including 25% of Baby Boomers and 22% of people aged 65 or older; and,

- Most people have not changed the portfolio mix in the last 6 months of either their *personal* savings and investments (70%) or their *retirement* savings and investments (74%). Relatively small numbers have moved their investments into or out of stocks, bonds, bank savings, money market funds and CDs.

So What?

It is concerning if Americans are depleting both short and long term investments to make ends meet today—many may not have retirement savings when they need it. Financial experts have traditionally advised younger investors to invest heavily in equities for the long term and older investors to move more of their savings into less volatile investments. It is interesting to see how few people under 45 (and indeed in all age groups) have adjusted to this advice given current economic conditions. It seems Gen Xers are keeping money out of the markets in favor of less risky investments, possibly a result of being skittish about market conditions. As Bertner states above, companies who understand Gen Xers investment attitudes and present new products with that in mind will generate a greater share of wallet among this group.

**TABLE 1
PERSONAL SAVINGS**

"How are your personal savings invested?"

Base: All adults

	May 2009	Nov. 2010	Generation			
			Echo Boomers (18-33)	Gen X (34-45)	Baby Boomers (46-64)	Matures (65+)
			%	%	%	%
Mostly in bank savings and/or CD's	34	31	41	30	22	31
Relatively equal mix of stocks/mutual funds and investments such as bonds and money market funds	18	17	7	18	23	22
Mostly in stocks and/or mutual funds	11	11	7	11	14	14
Mostly in bonds, money market funds and other stable investments	8	8	4	6	10	13
Not at all sure	6	6	7	3	6	7
I don't have any personal savings	22	27	33	32	26	14

Note: Percentages may not add up exactly to 100% due to rounding.

**TABLE 2
RETIREMENT SAVINGS**

"How are your retirement savings invested?"

Base: All adults

	May 2009	Nov. 2010	Generation			
			Echo Boomers (18-33)	Gen X (34-45)	Baby Boomers (46-64)	Matures (65+)
			%	%	%	%
Relatively equal mix of stocks/mutual funds and investments such as bonds and money market funds	19	22	10	23	28	29
Mostly in stocks and/or mutual funds	21	18	16	27	18	12
Mostly in bonds, money market funds and other stable investments	13	10	6	6	13	16
Mostly in bank savings and/or CD's	8	8	6	4	9	14
Not at all sure	9	8	10	8	7	7
I don't have any retirement savings	30	34	53	32	25	22

Note: Percentages may not add up exactly to 100% due to rounding.

**TABLE 3
PERSONAL SAVINGS CHANGED**

"How have you changed your personal savings and investments in the past 6 months?"

Base: Adults who have personal savings

	May 2009	Nov. 2010	Education			
			H.S. or less	Some college	College grad	Post grad
	%	%	%	%	%	%
Have not changed anything	62	70	74	75	60	61
Added to bank savings and/or CDs	21	12	12	13	15	9
Added to stocks and/or mutual funds	8	9	5	6	14	15
Moved money out of bank savings and/or CDs	5	6	6	2	12	7
Added to bonds, mutual market funds and other stable investments	6	6	4	3	11	10
Moved funds out of stocks and/or mutual funds	9	5	1	4	8	8
Moved money out of bonds, money market funds and other stable investments	3	4	4	2	7	3

Note: Percentages may not add up exactly to 100% due to rounding.

**TABLE 4
RETIREMENT SAVINGS CHANGED**

"How have you changed your retirement savings and investments in the past 6 months?"

Base: Adults who have retirement savings

	May 2009	Nov. 2010	Education			
			H.S. or less	Some college	College grad	Post grad
	%	%	%	%	%	%
Have not changed anything	65	74	81	80	63	65
Added to stocks and/or mutual funds	7	8	6	5	14	9
Added to bonds, mutual market funds and other stable investments	8	7	4	5	10	11
Have increased my personal 401-k/403B/IRA contribution	6	6	1	4	10	15
Moved funds out of stocks and/or mutual funds	10	6	4	5	7	10
Added to bank savings and/or CDs	10	5	6	4	8	3
Have decreased my personal 401-k/403B/IRA contribution	6	4	3	2	7	5
Moved money out of bank savings and/or CDs	2	2	2	1	4	3
Moved money out of bonds, money market funds and other stable investments	3	1	*	2	3	1

Note: Percentages may not add up exactly to 100% due to rounding; * indicates less than .05%

**TABLE 5
CHANGING REGULATION**

"Historically, when a customer used their ATM or debit card and their account did not have enough money to pay for the transaction, banks would approve the transaction, create an overdraft, and then sometimes charge a fee for the overdraft service. New regulations now require that the customer sign an agreement on a yearly basis to permit the bank to approve these types of ATM or debit card transactions. Unless the customer has "opted-in" to the service in advance, when an account has insufficient funds, the transaction will be declined. Were you aware that regulations were changing with respect to overdrafts on electronic transactions from bank accounts?"

Base: Adults who have a bank account*

	April 2010	Nov. 2010
	%	%
Know all about it	27	41
Heard a little about it	37	35
Never heard of it	36	24

Note: Percentages may not add up exactly to 100% due to rounding; *94% of all U.S. adults have a bank account.

**TABLE 6
OPTING IN**

"Under the new laws you can opt-in to allow your bank to automatically approve overdrafts when you have insufficient funds. There would be a fee and you could opt-out at any time. How likely do you think you will be to opt-in to the overdraft agreement?"

Base: Adults who have a bank account

	April 2010	Nov. 2010	Generation			
			Echo Boomers (18-33)	Gen X (34-45)	Baby Boomers (46-64)	Matures (65+)
			%	%	%	%
Likely (NET)	29	22	18	23	27	14
Extremely likely	5	4	4	3	4	4
Very likely	9	7	7	6	8	4
Somewhat likely	15	11	8	14	16	6
Not likely (NET)	51	44	47	41	41	51
Not very likely	17	15	12	17	12	21
Not at all likely	34	30	34	24	29	30
I have already opted in to this type of service	NA	16	12	20	18	13
Not sure – I would need more information	20	13	18	12	10	11
NA – I do not have an ATM or debit card	NA	5	5	4	4	10

Note: Percentages may not add up exactly to 100% due to rounding; NA indicates this was not an answer choice

TABLE 7
CHANGING BANKS

"How likely are you to change your primary bank in the next 12 months?"

Base: Adults who have a bank account

	April 2010	Nov. 2010	Generation			
			Echo Boomers (18-33)	Gen X (34-45)	Baby Boomers (46-64)	Matures (65+)
			%	%	%	%
Likely (NET)	14	15	23	15	12	8
Extremely likely	2	2	5	2	1	2
Very likely	3	3	5	1	2	3
Somewhat likely	9	10	14	13	9	4
Not likely (NET)	86	85	77	85	88	92
Not very likely	30	31	29	33	30	34
Not at all likely	56	54	47	52	58	57

Note: Percentages may not add up exactly to 100% due to rounding

Methodology

This **Harris Poll** was conducted online within the United States between November 8 to 15, 2010 among 2,151 adults (aged 18 and over). Figures for age, sex, race/ethnicity, education, region and household income were weighted where necessary to bring them into line with their actual proportions in the population. Propensity score weighting was also used to adjust for respondents' propensity to be online.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words "margin of error" as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Respondents for this survey were selected from among those who have agreed to participate in Harris Interactive surveys. The data have been weighted to reflect the composition of the adult population. Because the sample is based on those who agreed to participate in the Harris Interactive panel, no estimates of theoretical sampling error can be calculated.

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The Harris Poll #13, February 2, 2011

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