

Trends in Savings, Debt, and Net Worth

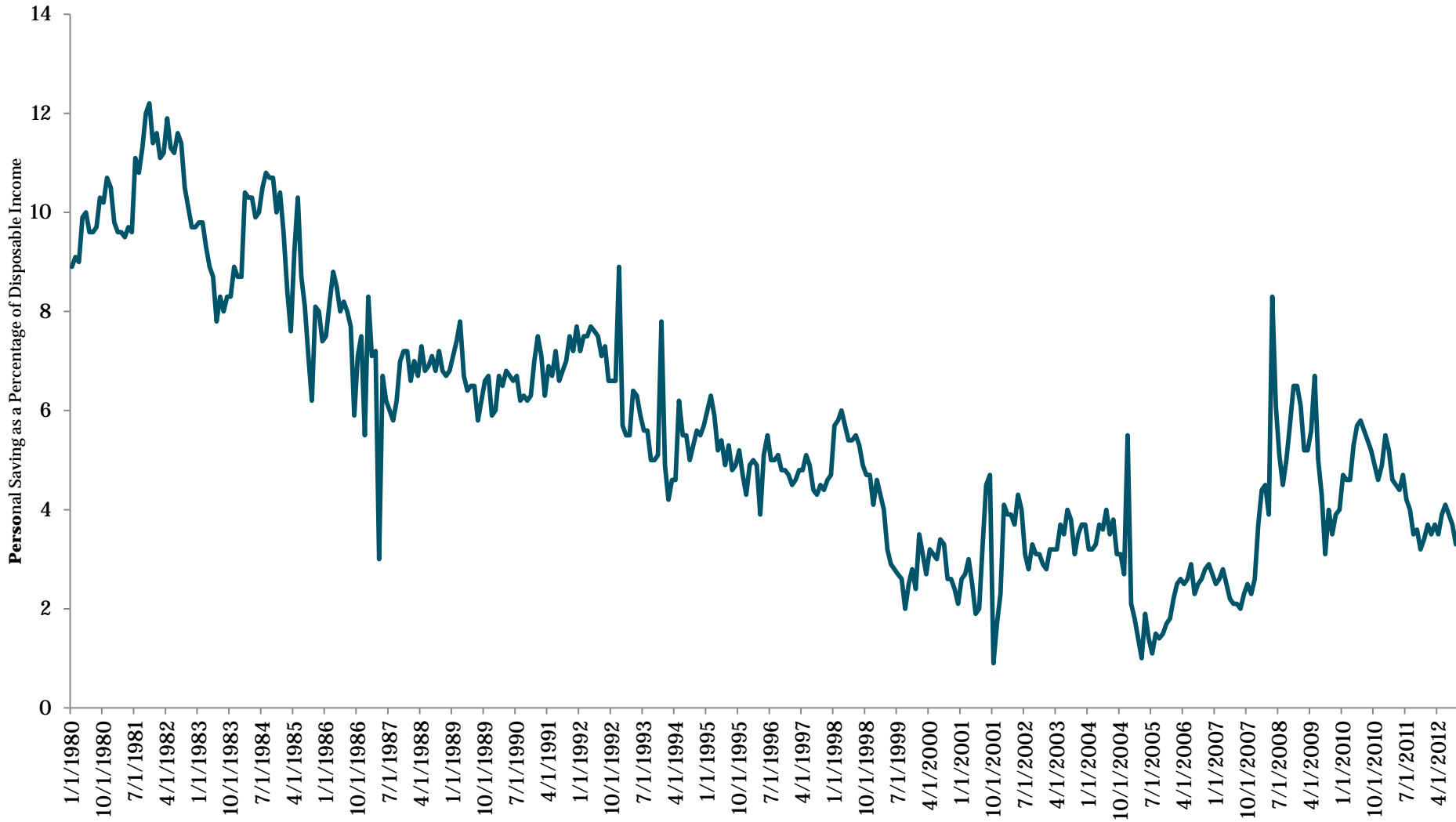
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FDIC Advisory Committee on Economic
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December 13, 2012

Personal Savings Rate, 1980-2012

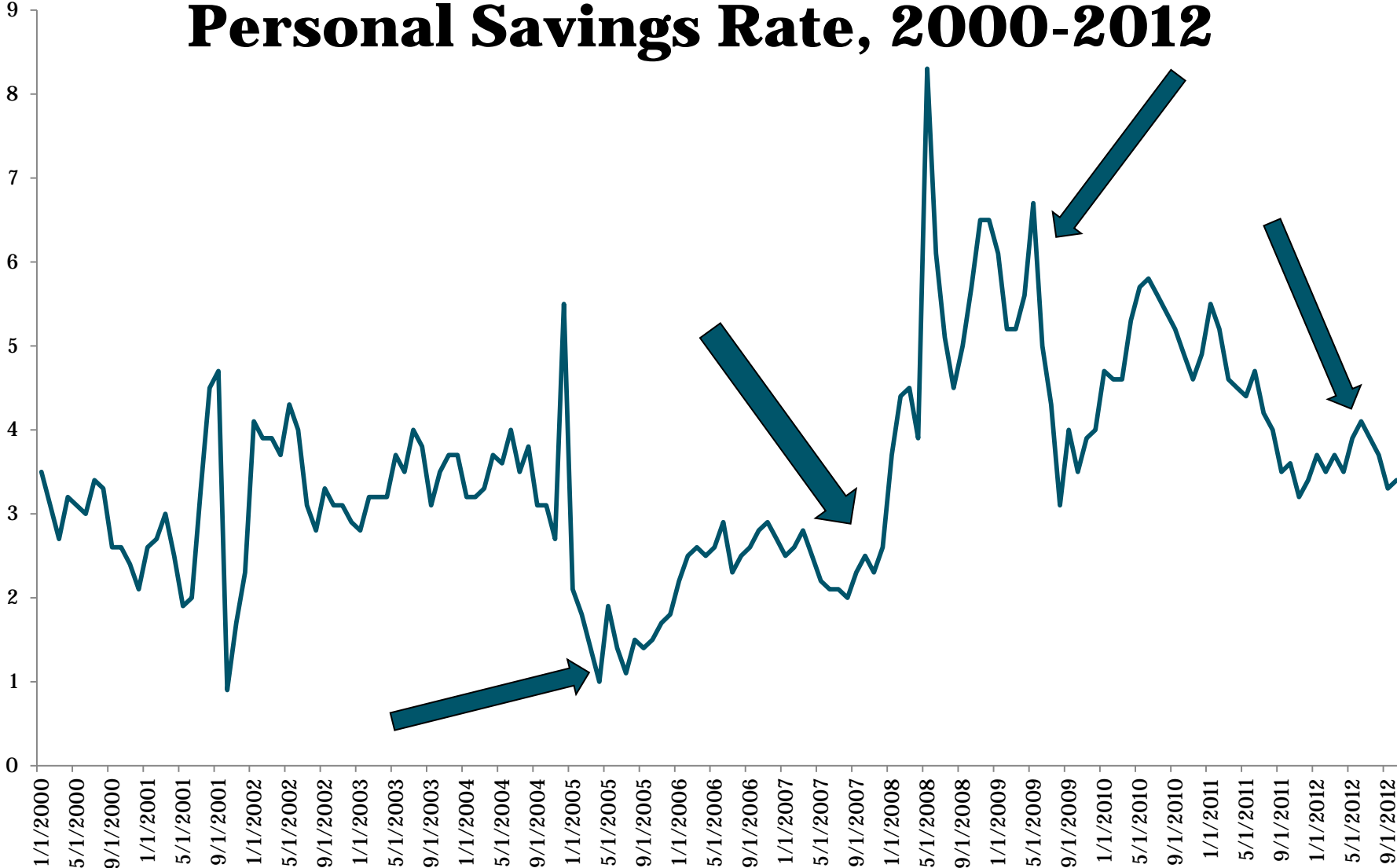


Source: U.S. Department of Commerce: Bureau of Economic Analysis

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Personal Savings Rate, 2000-2012

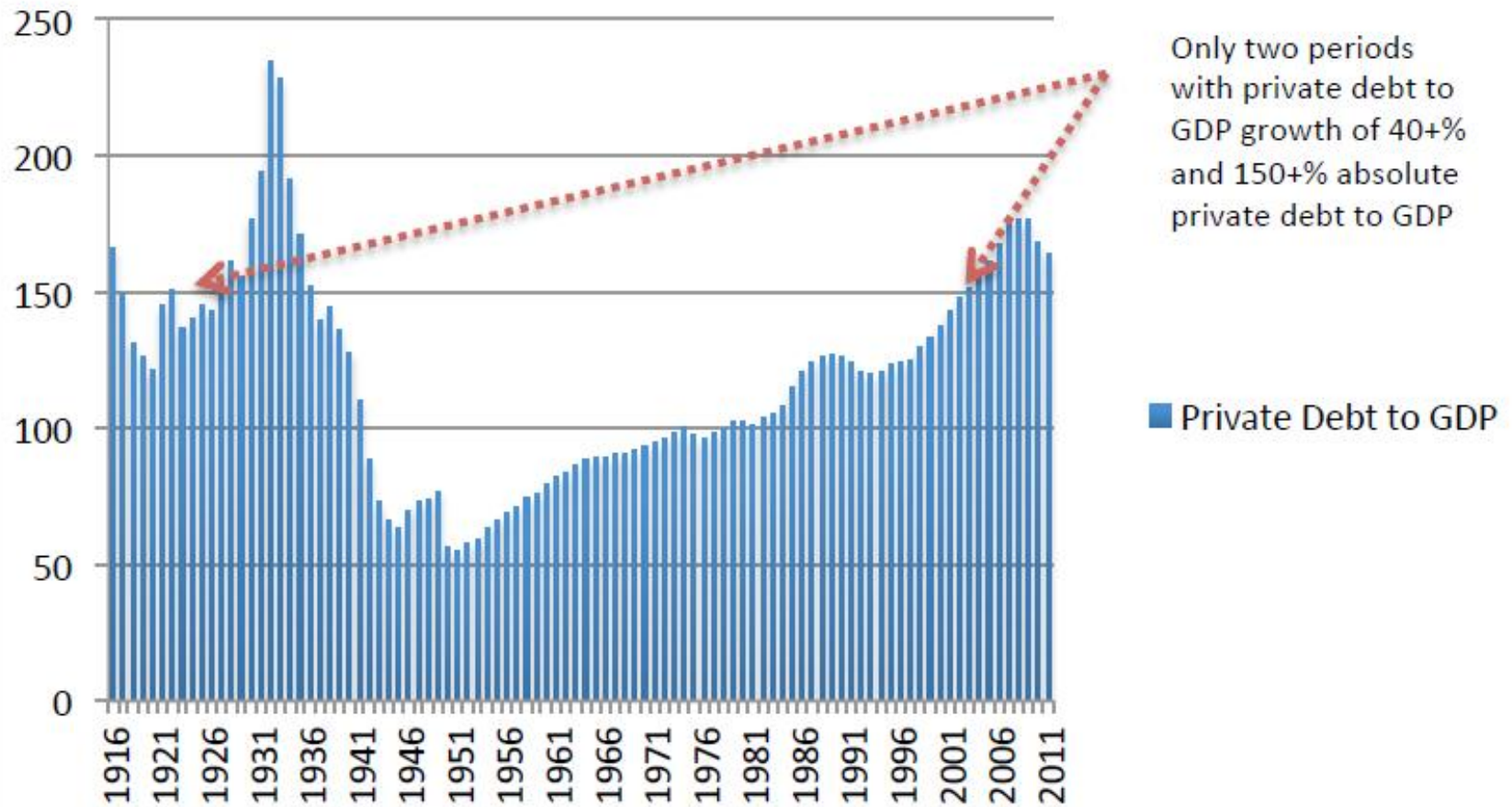
Personal Saving as a Percentage of Disposable Income



Source: U.S. Department of Commerce: Bureau of Economic Analysis

Private Debt to GDP 1916-2011

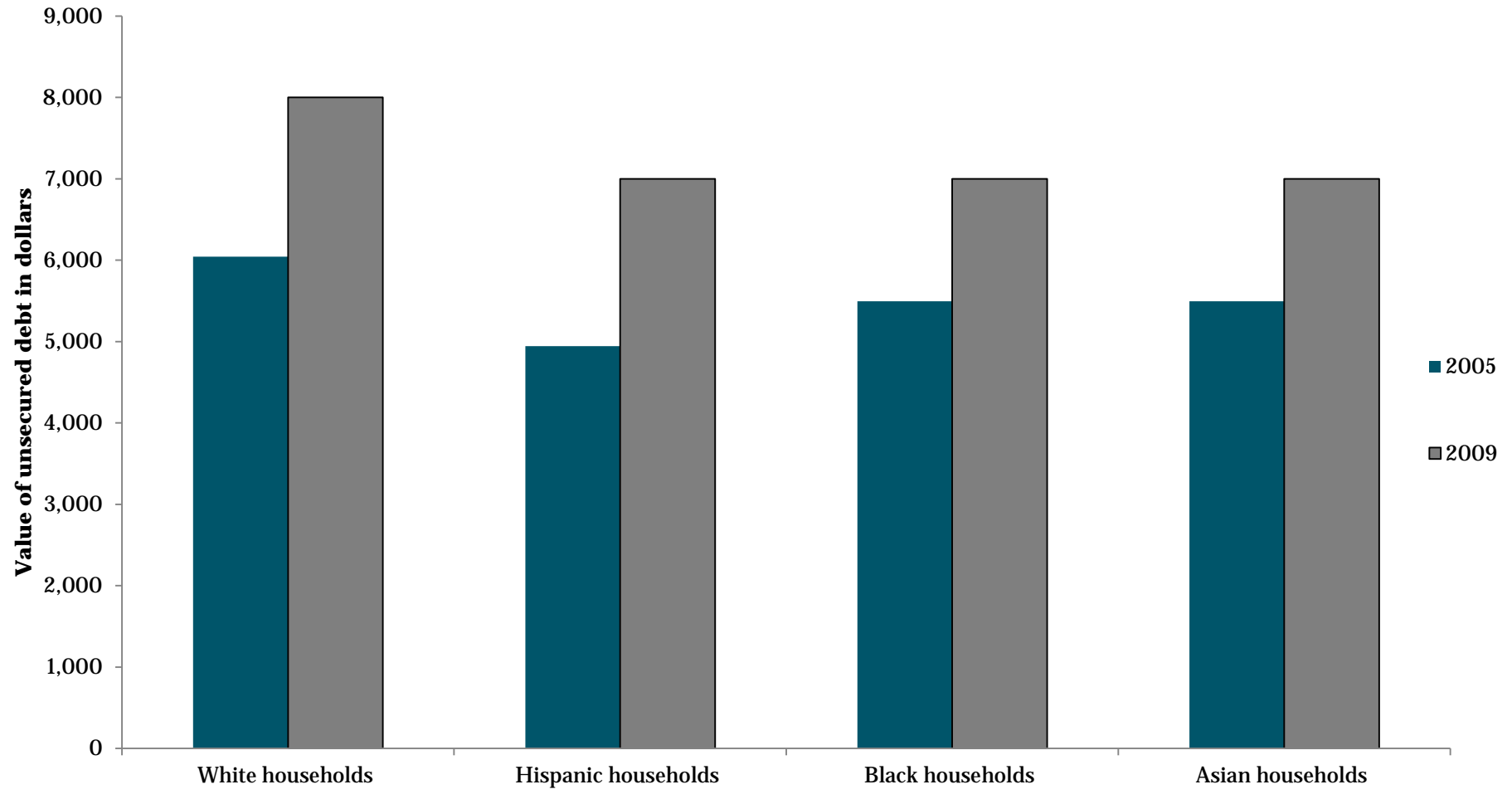
(in percent)



Source: Clemons, Steve and Richard Vague, 2012

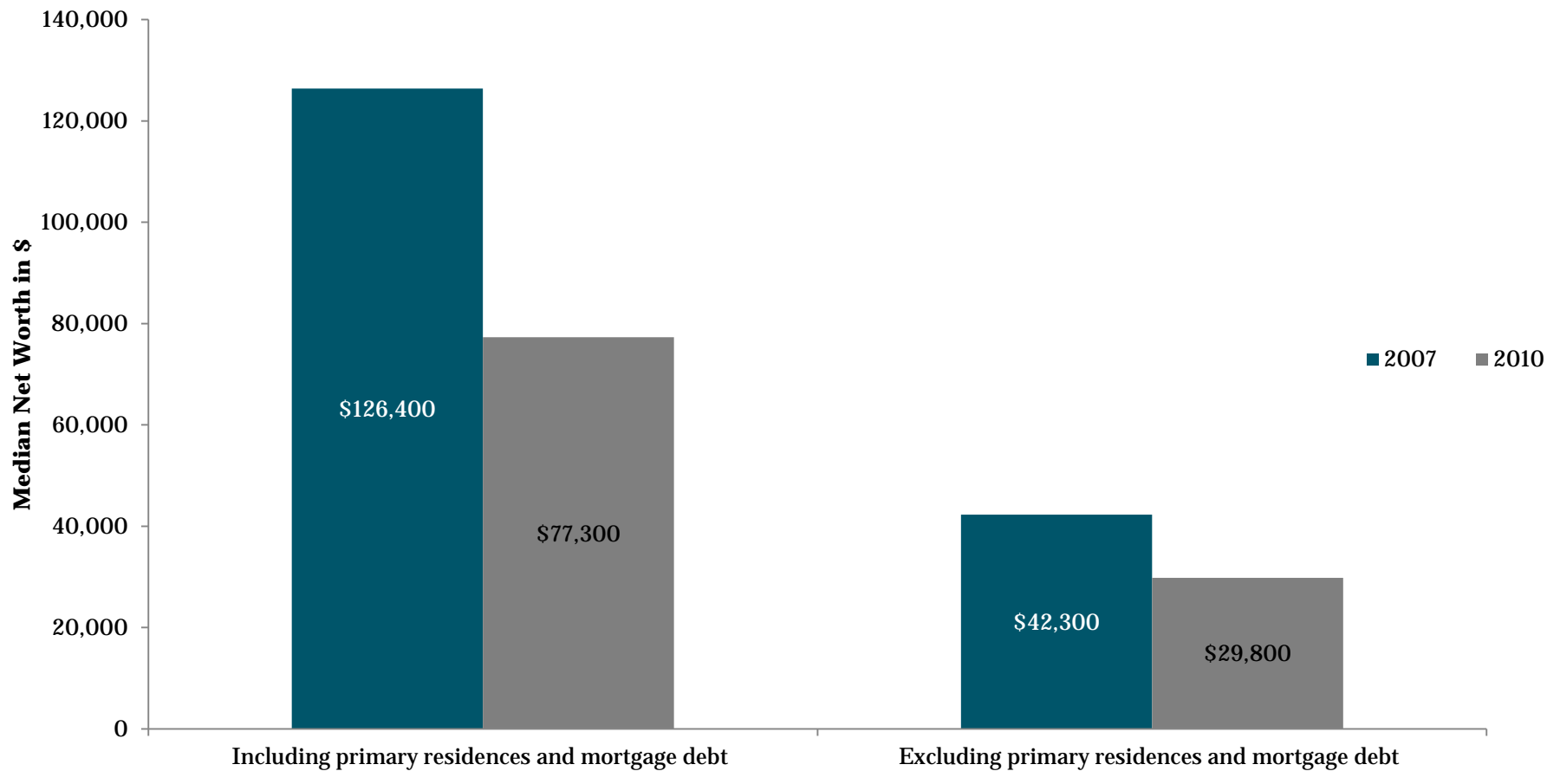
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Median Value for Unsecured Debt by Race



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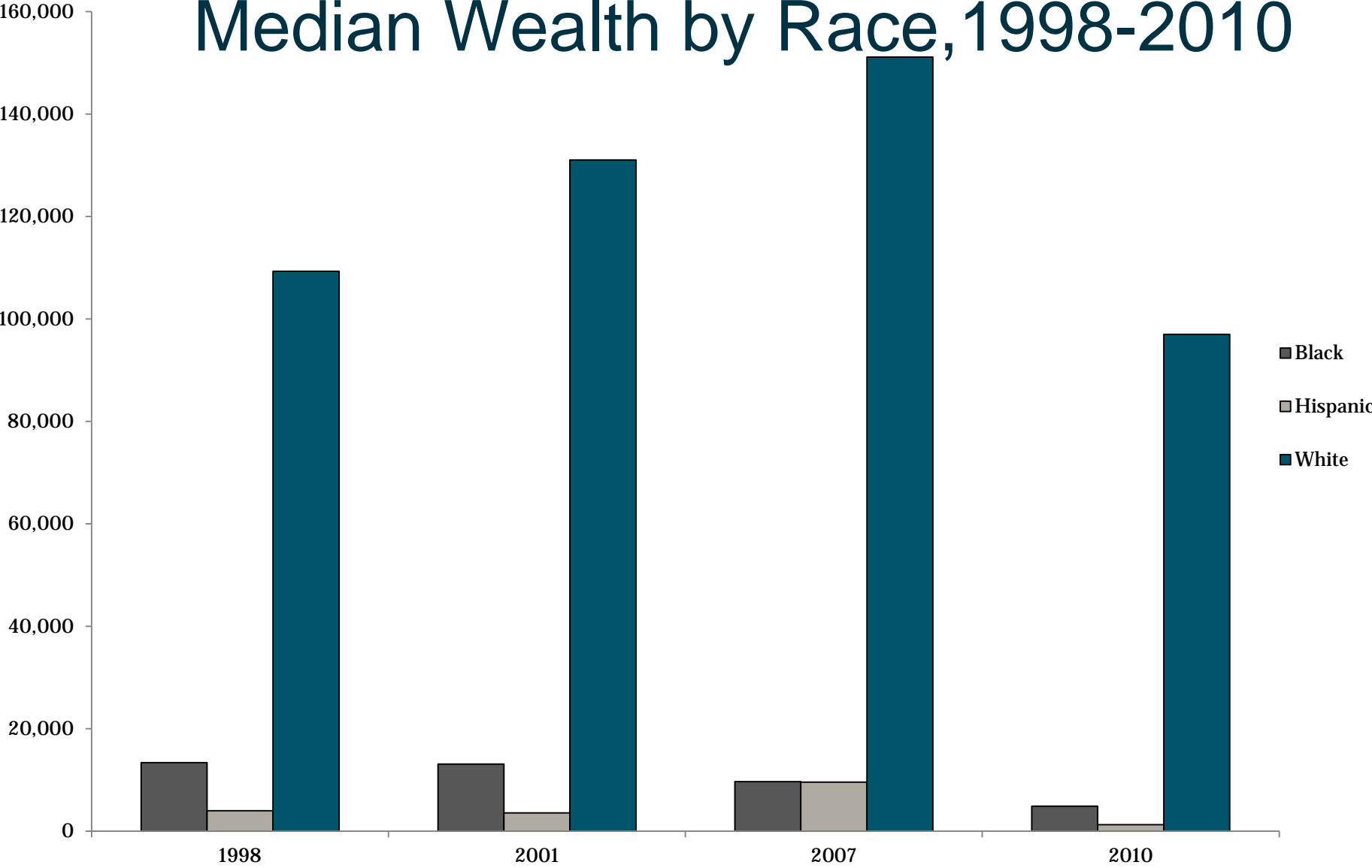
Median Household Net Worth, 2007 and 2010



Source: Bricker, et. al. Changes in U.S. Family Finances from 2007 to 2010: Evidence from the Survey of Consumer Finances, June 2012

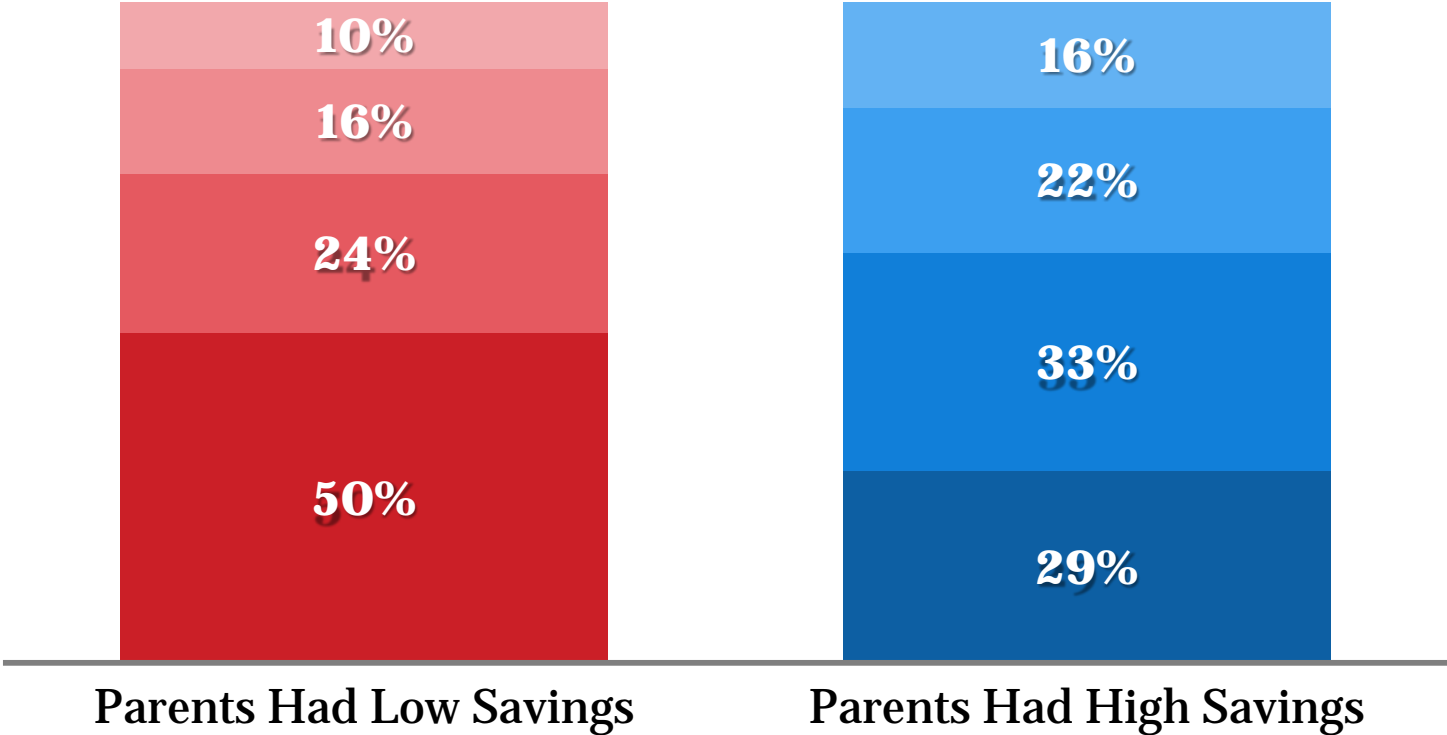
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Median Wealth by Race, 1998-2010

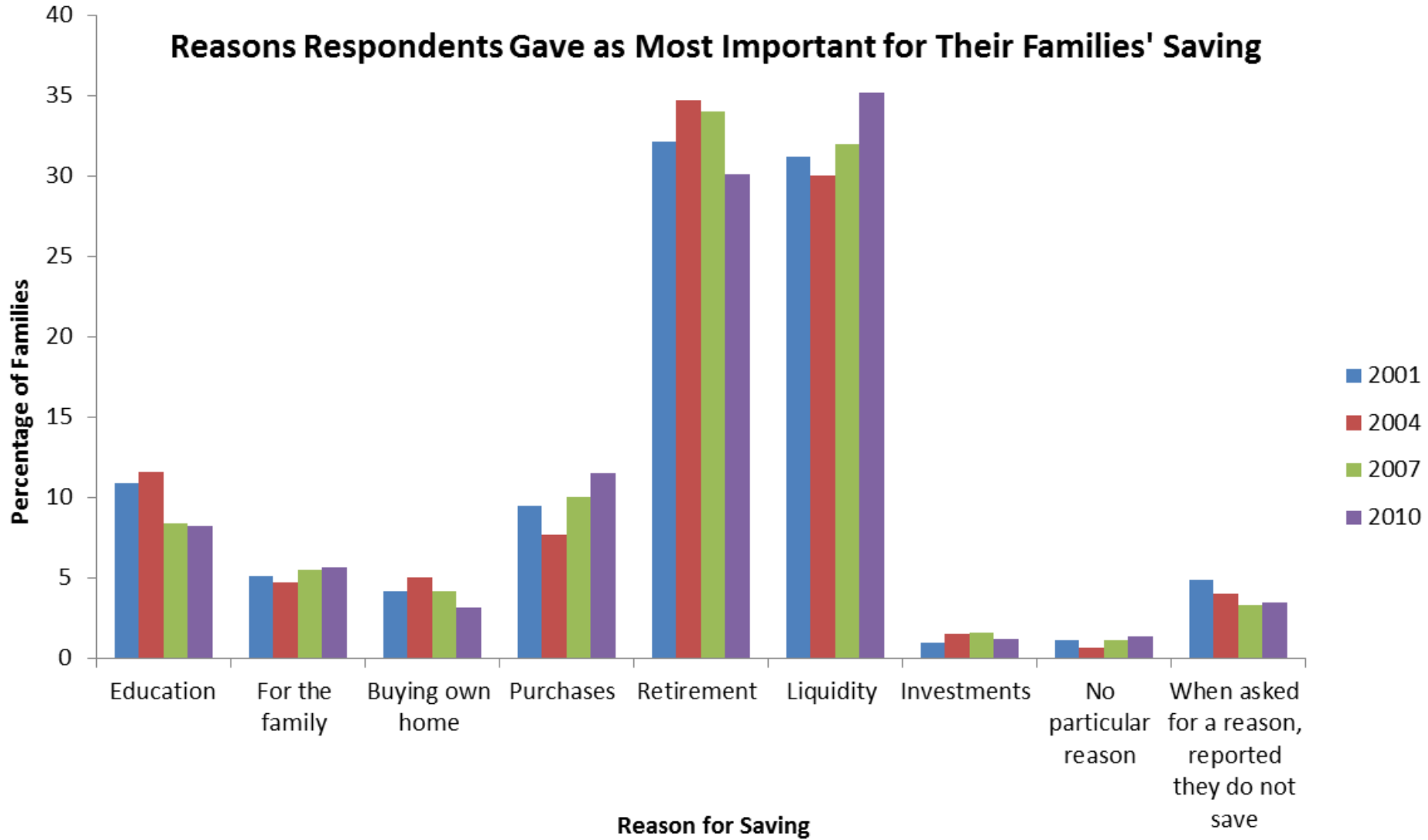


Source: State of Working America, Economic Policy Institute, 2012/Wolff 2012

Personal Savings Promotes Upward Mobility from the Bottom



Reasons Respondents Gave as Most Important for Their Families' Saving



Source: Bricker, et. al. Changes in U.S. Family Finances from 2007 to 2010: Evidence from the Survey of Consumer Finances, June 2012, Table 4.

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The Typical Household 2010 Balance Sheet

Assets		Debts	
Liquid	\$3,142	Credit	\$440
Physical	\$121,427	Housing	\$16,306
Financial	\$42	Other Physical	\$891
Retirement	\$2,807	Education	\$0
Misc.	\$25,655	Misc.	\$0
Total	\$241,067		\$43,576
Net Worth		\$164,647	

Source: SCF, Analysis by C. Key (2013)

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2010 Liquid Assets (Savings and Checking)

By Income

Below Poverty	\$520
Poverty to median income	\$1,995
Median to 80 th percentile	\$5,325

By Race

Caucasian	\$5,797
African-American	\$1,041
Latino	\$989

Source: SCF, Analysis by C. Key (2013)

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Household Trends 2007-2010

	2007	2009	2010
Typical Household			
Liquid Assets	\$2,979	\$2,831	\$3,142 (6%)
Net Worth	\$172,555	\$159,332	\$164,647 (-5%)
Poverty to Median			
Liquid Assets	\$2,059	\$2,339	\$1,995 (- 3%)
Net Worth	\$114,186	\$113,759	\$104,827 (-8%)

Desired Precautionary Saving (by Income Quintile)

Family Income	Desired Savings	Share of Income
\$0 - \$20,599	\$2,000	14%
\$20,600 - \$36,499	\$3,000	9.7%
\$36,500 - \$59,599	\$5,000	9.4%
\$59,600 - \$98,199	\$5,000	7.6%
\$98,200 - \$140,899	\$10,000	8.1%

Source: Bucks et al (2009).

Desired Account Changes to Induce the Unbanked to Open a Bank Account

Lower Fees	29%
Convenience	20%
Less Confusing Fees	16%
Lower Minimum Balance	14%
Volunteered, None or Nothing	11%
Get Money if Faster	10%

(Barr, 2009). The question asked of 270 unbanked residents of Detroit.

Barriers to Saving Remain but Opportunities Abound

- Recession has impacted savings behavior.
- Access to affordable financial products and services remains an obstacle for many.
- Yet families have capacity and interest to increase their precautionary savings.
- Managing finances requires connections to accounts (savings and transaction).
- Promise in policies to promote access and features that meet consumer demand.

Contact Information

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