



## **4 in 10 are Not Prepared for a Recession**

*Nearly one-third are taking no steps to prepare*

New York, NY – October 16, 2019 – Is a recession looming? While many experts speculate whether the U.S. is headed for an economic downturn in the not-so-distant future, a new Bankrate survey finds 4 in 10 ill-prepared if one hits in the next six to 12 months. This includes roughly 41 million (16%) who say they are not at all prepared. Click here for more information:

<https://www.bankrate.com/surveys/financial-security-poll-october-2019/>

Despite recession fears, nearly one-third (31%) are not doing anything to prepare for an economic slip. What's worse, of those who are not actively taking steps to withstand the fallout of a declining economy, nearly half (46%) believe they are not prepared. This includes 29% that are not at all prepared.

Meanwhile, in order to weather the next recession, 44% of U.S. adults are actively spending less money, 33% are saving more for emergencies, 31% are paying down credit card debt, 15% are saving more for retirement, 10% are looking for a better/more stable job and 4% are doing something else.

“The most common step U.S adults are taking to protect their finances in the event of a recession is to spend less money. This is notable because more than two-thirds of economic output is tied to consumer spending,” says Greg McBride, CFA, chief financial analyst for Bankrate.com. “Saving more for emergencies and paying down credit card debt are especially important steps to be taking as fewer than 1 in 5 households has sufficient emergency savings and the average credit card rate is over 17% (<https://www.bankrate.com/credit-cards/current-interest-rates/>).”

Americans who are least likely to be able to withstand a decline in the economy are also the ones who are least likely to be taking steps to prepare. Thirty-five percent of the lowest earners (under \$30K per year) are doing nothing in anticipation of a possible recession compared to 28% of the highest earners (\$80K+). Despite this inaction, low-income households are more than two times as likely to feel unprepared if a recession were to hit within the next year (55% vs. 22% of the highest earners).

The tendency to be saving more for retirement, saving more for emergencies and paying down credit card debt all increase with income. Middle-income households (\$30K - \$79,999) are more likely to be cutting back on spending (48%) than either the lowest (43%) or highest-income (41%) households.

Generationally speaking, millennials (ages 23-38) are less equipped than their elders to endure an economic downturn. Just 55% say they are prepared, compared to 57% of Gen Xers (ages 39-54), 66% of baby boomers (ages 55-73) and 78% of the silent generation (ages 74+).

The good news is, millennials are the most likely to be taking steps to prepare for an upcoming recession (74%), followed by Gen X (70%), baby boomers (67%), and the silent generation (62%).

Spending less money in preparation for a recession is the top action among every age group, while the second most common step, saving more for emergencies, is higher among millennials and Gen X. Paying down credit card debt is more common among Gen X and Baby Boomers.

### **Methodology:**

Bankrate commissioned YouGov Plc to conduct the survey. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,605 adults. Fieldwork was undertaken on September 25-27, 2019. The survey was carried out online and meets rigorous quality standards. It employed a non-probability-based sample using both quotas upfront during collection and then a weighting scheme on the back end designed and proven to provide nationally representative results.

### **About Bankrate.com:**

Bankrate.com provides consumers with the expert advice and tools needed to succeed throughout life's financial journey. For over two decades, Bankrate.com has been a leading personal finance destination. The company offers award-winning editorial content, competitive rate information, and calculators and tools across multiple categories, including mortgages, deposits, credit cards, retirement, automobile loans and taxes. Bankrate aggregates rate information from over 4,800 institutions on more than 300 financial products. With coverage of over 600 local markets, Bankrate generates rate tables in all 50 U.S. states.

### **For More Information:**

Chelsea Hudson  
Public Relations Specialist  
[chudson@bankrate.com](mailto:chudson@bankrate.com)  
917-368-8608