

News Release

Press contacts:

Sierra Wilson
213.236.5329
Sierra.Wilson@purepoint.com

Zaina Khachadourian
415.202.4525
Zaina.Khachadourian@edelman.com

**AMERICANS ARE CONCERNED ABOUT ANOTHER ECONOMIC DOWNTURN, BUT
AREN'T SAVING FOR THE FUTURE, PUREPOINT® FINANCIAL SURVEY FINDS**

The second “State of Savings in America” survey finds people in the U.S. dream of long-term financial security, yet many are saving less and exhibiting complacent saving behaviors

NEW YORK, NY (February 25, 2019) – Freedom from the stress of money is top of mind for people when dreaming about their future (59 percent), but many don't have ongoing savings habits that will prepare them for long-term financial success or protect against a potential financial crisis in the future, according to new research from [PurePoint® Financial](#), a hybrid digital bank and division of MUFG Union Bank, N.A.

According to PurePoint Financial's second “State of Savings in America” survey, savings balances are down 35 percent and 88 percent of Americans are concerned about another economic downturn, and for good reason; 83 percent of those impacted by the Great Recession are still recovering. Economists around the world are predicting another market slump, but the research found that 80 percent of Americans are not very confident they could survive another recession or market downturn in the near future. The reason: 6 in 10 of those who are not confident are still living paycheck to paycheck.

While nearly half (44 percent) of respondents impacted by the Great Recession have cited keeping a closer eye on their finances since the recession, 1 in 7 have admitted they haven't changed their savings behaviors since being impacted.

“Not having to worry about money underpins a brighter future for so many of our respondents, but we're seeing a risky trend throughout the country of prioritizing convenience and instant gratification,” said Pierre Habis, president of PurePoint Financial. “America has some of the hardest working professionals in the world and their money should be working hard for them, too. Our goal at PurePoint is to help people take control of their savings so they can focus on the things that are most important in life and rest assured they have a secure, brighter tomorrow.”

Confidence up, habits down

Respondents report feeling less anxious about the job market, political environment and other external factors than in 2017. However, consumers are saving less, have worse savings habits and nearly half don't feel proud of how much they've saved. In fact, fewer Americans are disciplined, habitual savers. Forty-one percent of respondents are saving via direct deposit, down 6 percentage points from 2017. Even more so, crash diet saving is a popular tactic, with half of millennials categorizing themselves as aggressive short-term savers.

Surprisingly, more consumers are taking savings into their own hands, with 16 percent of respondents reporting hiding cash around their homes, compared to 12 percent in 2017. Admittedly, 73 percent of respondents are not actively looking for the best rates or places to save the money they are putting aside,

possibly leaving money on the table. As a result, respondents reported a decline in median savings balances, down to \$1,500 in 2018 compared to \$2,300 in 2017.

According to the Federal Reserve, there is more than \$9 trillion sitting in accounts earning less than .09 basis pts.¹ PurePoint experts recommend saving at least 10 percent of your annual income in a high-yield savings account with at least 2 percent interest rate.

“Our survey found that 1 in 3 people in the U.S. don’t feel in control of their finances and half are too embarrassed to talk about their savings with their friends,” continued Habis. “We understand how important financial security is to all of us and that saving may seem daunting, but it just takes minor adjustments, such as creating financial goals, setting aside whatever you can manage from each paycheck or searching for a better interest rates for your savings account.”

Creating habits in fitness and finances

When ranking the top three most important factors in their future, respondents reported having good health (76 percent), financial savings (73 percent) and a relationship/family (68 percent) as the top three responses. That said, respondents noted that saving is their most rewarding activity, even more than losing weight (79 percent vs. 47 percent). But there’s more work to be done with crash-diet savers; 2 in 5 respondents consider themselves as aggressive short-term savers, for things like weddings and trips, but they’re not consistently saving in between.

“You only live once”: Consumers are living for today

Despite concern about their future financial health, at least one quarter of consumers admit to prioritizing convenience over saving. The quick rise of on-demand applications indicates this number will quickly increase over time. The research found that 2 in 5 respondents would spend four times as much on transportation to save 20 minutes and 1 in 3 would choose to take \$1,000 now rather than waiting a year for \$3,000; this number was significantly higher with millennials at 43 percent.

Additional findings include:

- While financial savings and having a relationship/family are within the top three important factors of their future, among those in a relationship:
 - 3 in 10 people are embarrassed to talk about their savings with their significant others.
 - Less than half know how much their significant other saves.
 - More than half feel they’re cheating on their significant other if they make a big purchase without consulting them first.

America Saves Week

During America Saves Week (Feb. 25 – March 2, 2019) PurePoint has teamed up with local schools and non-profit organizations to provide complimentary financial literacy courses, helping improve the financial health of Americans. The sessions will be hosted by PurePoint Financial saving professionals throughout the week in Chicago, Dallas, Houston, Miami, New York City and Tampa.

The 2018 PurePoint State of Savings in America survey is an online survey among 6,000 adults in the U.S. (aged 18+), commissioned by PurePoint Financial and conducted by independent research firm Edelman Intelligence. The survey examined current behaviors, drivers, and barriers to saving among adults in the U.S. Data was collected December 15, 2018 – January 2, 2019, with a margin of error of +/- 1.27%. 2018 was the second wave of the survey, building off of the benchmark wave that was conducted in July/August 2017.

About PurePoint Financial PurePoint Financial is a division of MUFG Union Bank, N.A., a proud member of the Mitsubishi UFJ Financial Group (MUFG), one of the world’s leading financial groups. As the next evolution

PurePoint Financial is a division of MUFG Union Bank, N.A.

©2018 MUFG Union Bank, N.A. All rights reserved. Member FDIC. PurePoint and the PurePoint logo are registered trademarks and brand names of MUFG Union Bank, N.A.

PUREPOINT.[®]

FINANCIAL

in the financial services industry, PurePoint[®] Financial is the modern way to save – online, over the phone or in person. PurePoint offers market-leading CD and savings rates, no monthly fees and all the flexibility and convenience of online banking with 24/7 access from your computer, tablet or mobile devices. PurePoint also offers Financial Centers at select locations staffed by knowledgeable team members who are committed to delivering exceptional experience.

About MUFG Union Bank, N.A.

As of September 30, 2018, MUFG Union Bank, N.A. operated 354 branches, consisting primarily of retail banking branches in the West Coast states, along with commercial branches in Texas, Illinois, New York, and Georgia, as well as 22 PurePoint[®] Financial Centers. We provide a wide spectrum of corporate, commercial, and retail banking and wealth management solutions to meet the needs of customers. We also offer an extensive portfolio of value-added solutions for customers, including investment banking, personal and corporate trust, global custody, transaction banking, capital markets, and other services. With assets of \$124.0 billion, as of September 30, 2018, MUFG Union Bank has strong capital reserves, credit ratings and capital ratios relative to peer banks. MUFG Union Bank is a proud member of the Mitsubishi UFJ Financial Group (NYSE: MUFG), one of the world's largest financial organizations with total assets of approximately ¥306.4 trillion (JPY) or \$2.7 trillion (USD)², as of September 30, 2018. The corporate headquarters (principal executive office) for MUFG Americas Holdings Corporation, which is the financial holding company, and MUFG Union Bank, is in New York City. The main banking office of MUFG Union Bank is in San Francisco, California.

¹ Board of Governors of the Federal Reserve System (US), Total Savings Deposits at all Depository Institutions [SAVINGS], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/SAVINGS>, February 12, 2019.

Federal Deposit Insurance Corporation, National Rate on Non-Jumbo Deposits (less than \$100,000): Savings [SAVNRNJ], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/SAVNRNJ>, February 12, 2019.

² Exchange rate of 1 USD=¥113.6 (JPY) as of September 28, 2018

###

PurePoint Financial is a division of MUFG Union Bank, N.A.

©2019 MUFG Union Bank, N.A. All rights reserved. Member FDIC.

PurePoint and the PurePoint logo are registered trademarks and brand names of MUFG Union Bank, N.A.