



○ Santander Bank



● Growing Personal Savings (GPS) Tracker

April - June 2024

For media use only.



Key Findings

1

While a majority increased their savings month-over-month in Q2, the overall percentage dropped compared to March. Despite these increases, savings goals don't always match savings realities.

3

Savings accounts that generally pay higher interest are only used by a fraction of the population, despite consumers showing a preference for those accounts' features and a desire to build emergency savings.

2

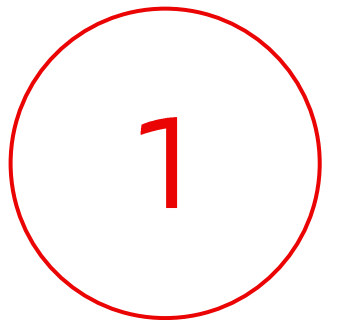
Bills, unexpected expenses and inflation were the biggest obstacles to saving in Q2, as increased energy costs and back-to-school expenses loom as savings hurdles in Q3.

4

Americans would be willing to do time-consuming and frustrating tasks to earn \$200, an amount the typical saver could earn simply by moving their money to a high-yield savings account.



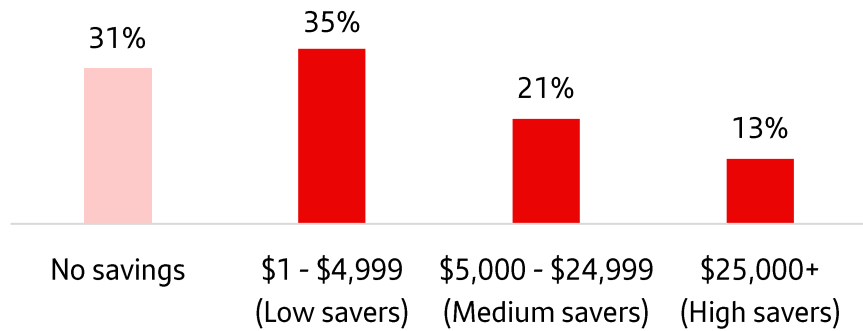
Savings Expectations Versus Savings Realities



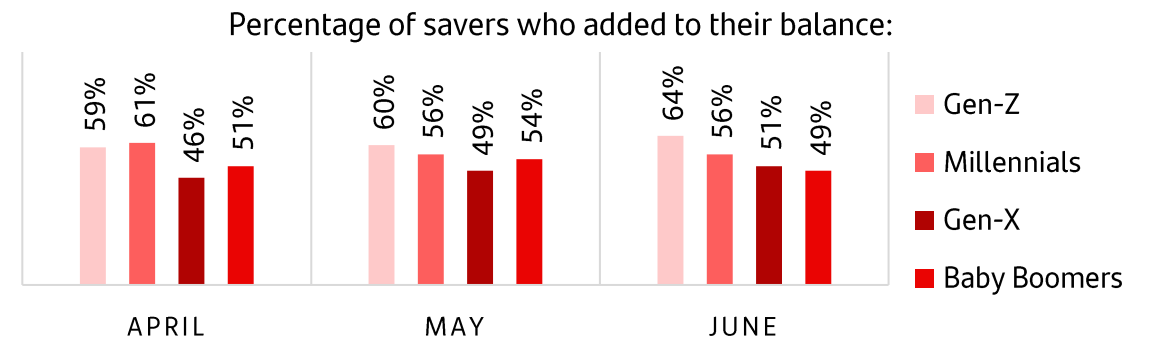
Americans' Savings Balances

While nearly one-third has no savings*, a majority of savers grew their balance month-over-month in Q2.

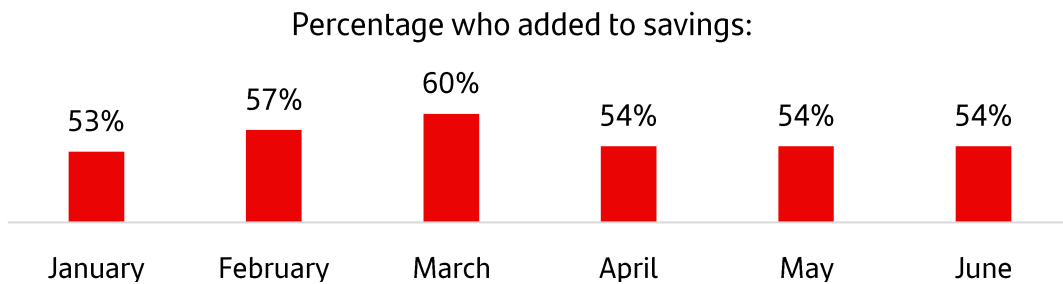
How much is in Americans' primary savings accounts?



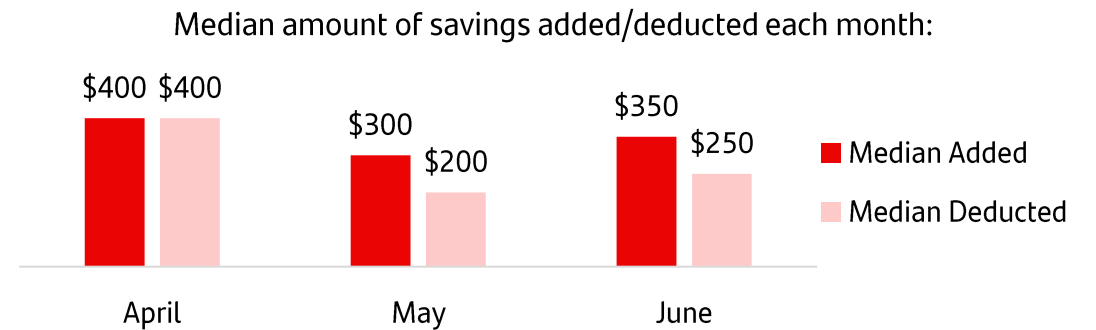
Younger generations were most likely to have added to their savings.



More than half of savers added to their balance month-over-month, but progress stalled after rising throughout Q1.



Savings accounts generally increased** in Q2.



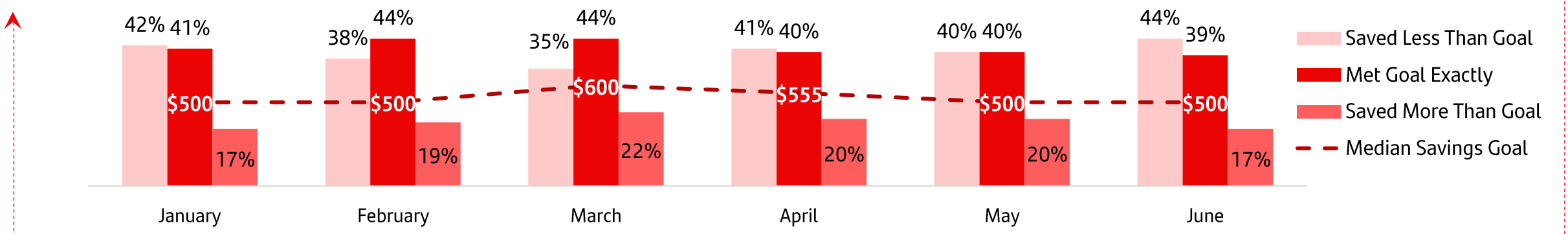
* Derived from "How much money do you have saved in your primary savings account?"

** Median net flows were positive each month. April: +\$20; May: +\$15; June: +\$10

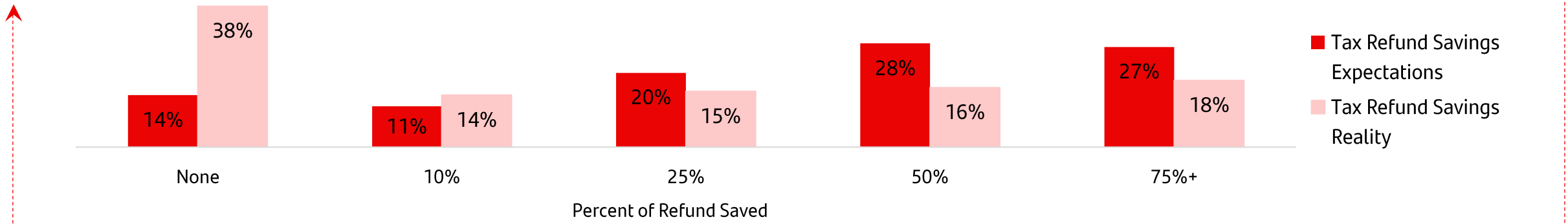
Savings Goals Becoming Harder to Reach

While savers increasingly fell short of their goals compared to Q1, more than half still met or exceeded their monthly target in Q2. Tax refund savings fell short of expectations.

While savings goals rarely change, more savers missed the mark in Q2*.



Six in 10 who received a 2024 tax refund** saved some of it, although savings expectations*** were higher than reality.



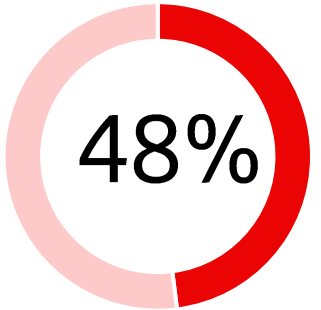
* Among those with a monthly savings goal

** 36% of Americans did not receive a tax refund

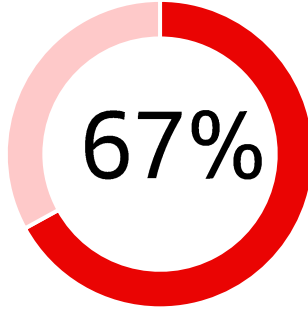
*** Expectations based on Q1 research among those anticipating a tax refund

Growing Emergency Savings

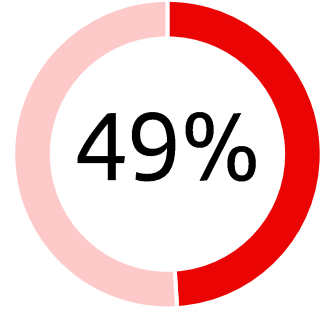
Many are unable to cover a typical emergency expense from savings. While two-thirds say growing emergency savings is a priority, more action is required.



would not be able to cover the median emergency expense of \$2,000* from their savings.



say growing emergency savings is a financial priority.



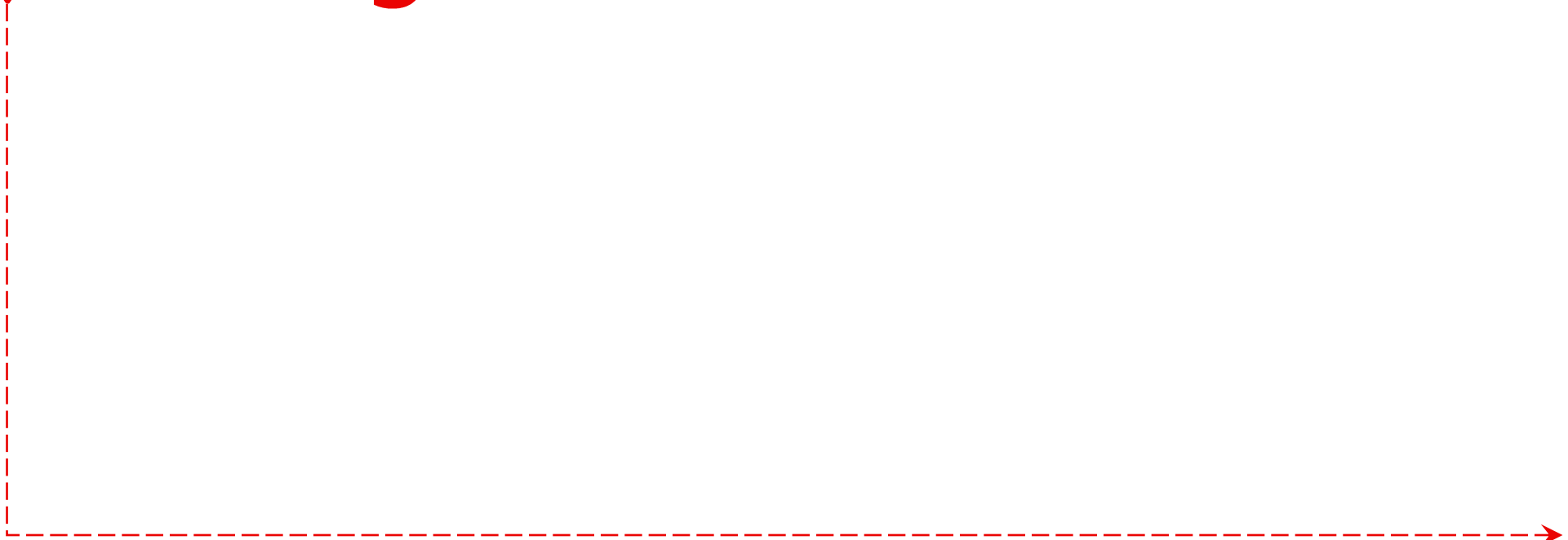
contributed to their emergency savings in the past three months.



* The median most costly unexpected expense per household is \$2,000, according to [The Pew Charitable Trusts](#)



Savings Hurdles

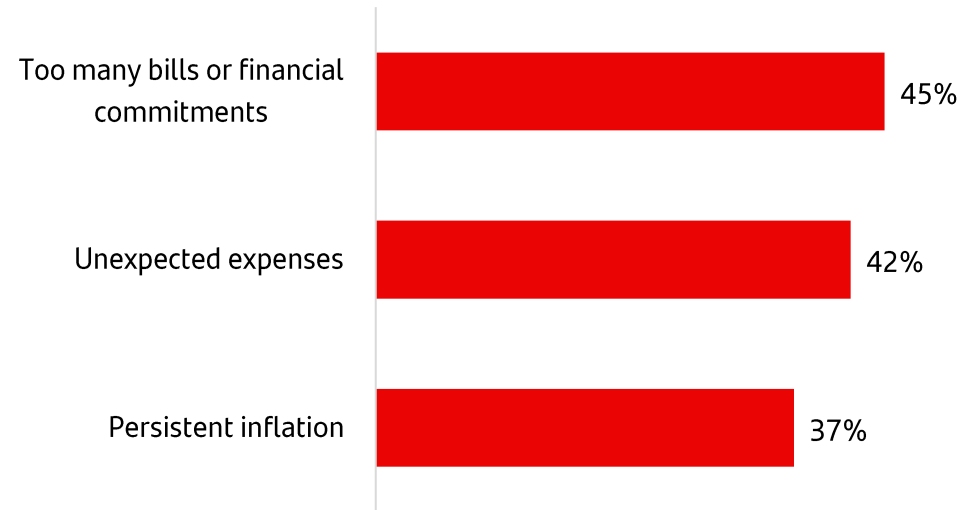


Bills Are the Biggest Savings Obstacle as Energy Costs Rise

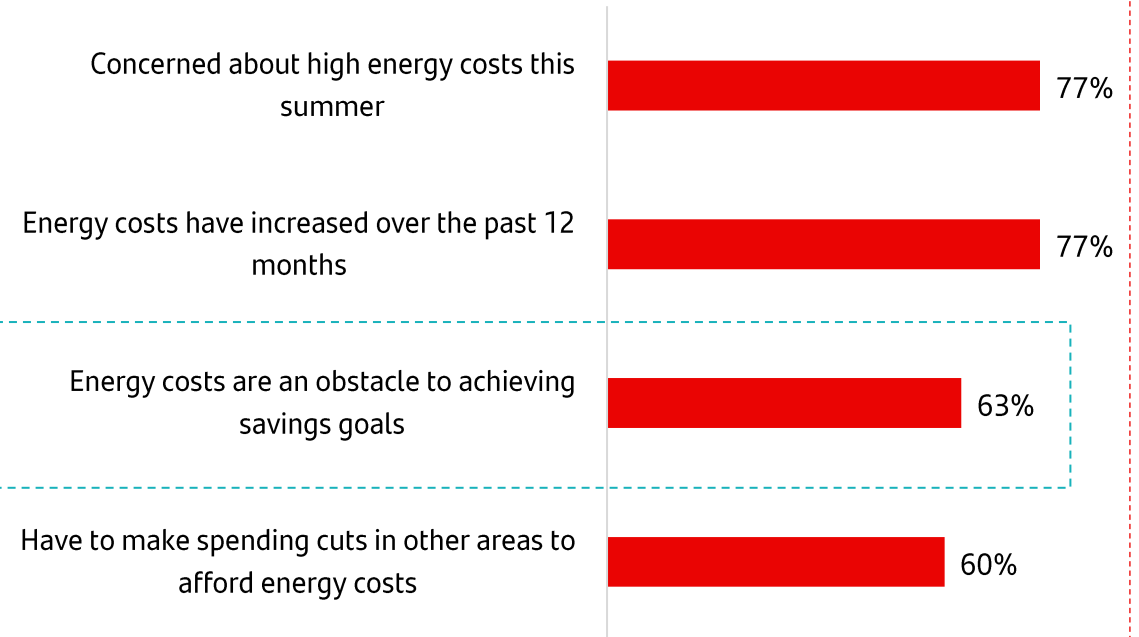
Energy costs are impacting savings goals, as these bills are expected to jump* this summer.

Americans pointed to three savings obstacles in Q2.

Top two biggest obstacles** to saving more over the past three months:



Concerns about rising energy costs cool summer enthusiasm, as the majority believes energy costs are a setback to their savings aspirations.



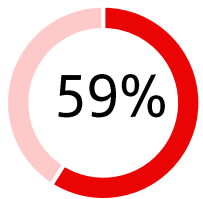
* Energy bills expected to rise 7.9% in June - September, according to projections from the [National Energy Assistance Directors Association](#) and the [Center for Energy Poverty, and Climate](#)

** Among the 82% who acknowledged an obstacle to savings; only top responses shown

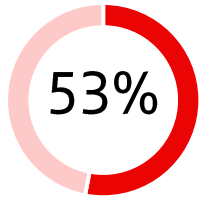
Back-to-School Shopping a Drain on Parents' Wallets

Four in 10 Americans will spend on back-to-school shopping* this year, including 85% of parents**. For parents, these expenses are comparable to the winter holidays.

A majority of back-to-school shoppers' savings will be impacted.

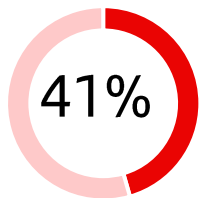


say back-to-school shopping will be an obstacle to achieving their savings goals.



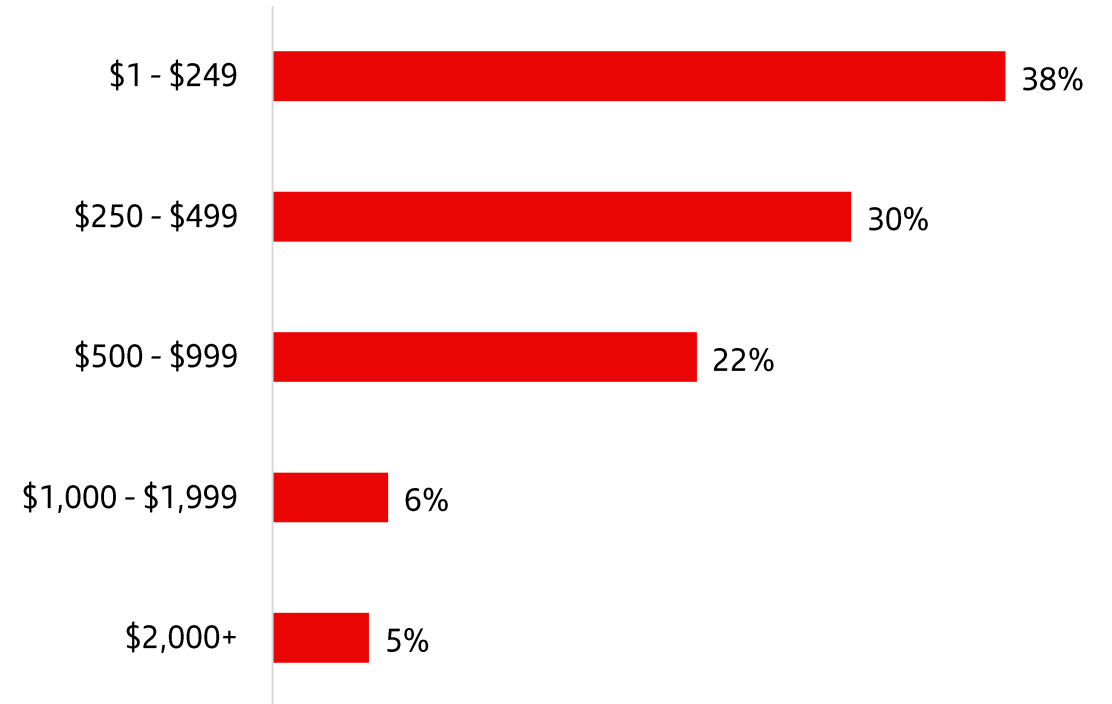
will dip into their savings to pay for back-to-school purchases.

For parents, back-to-school shopping compares to the financial burden of the winter holidays.



of parents believe back-to-school shopping is one of the two most expensive shopping events of the year, trailing only winter holiday shopping (57%).

1 in 3 back-to-school shoppers will spend \$500 or more.



* Back-to-school purchases could include clothes, shoes, supplies, electronics, dorm or apartment furnishings, etc., for either K-12 or college

** Parents with children under age 18



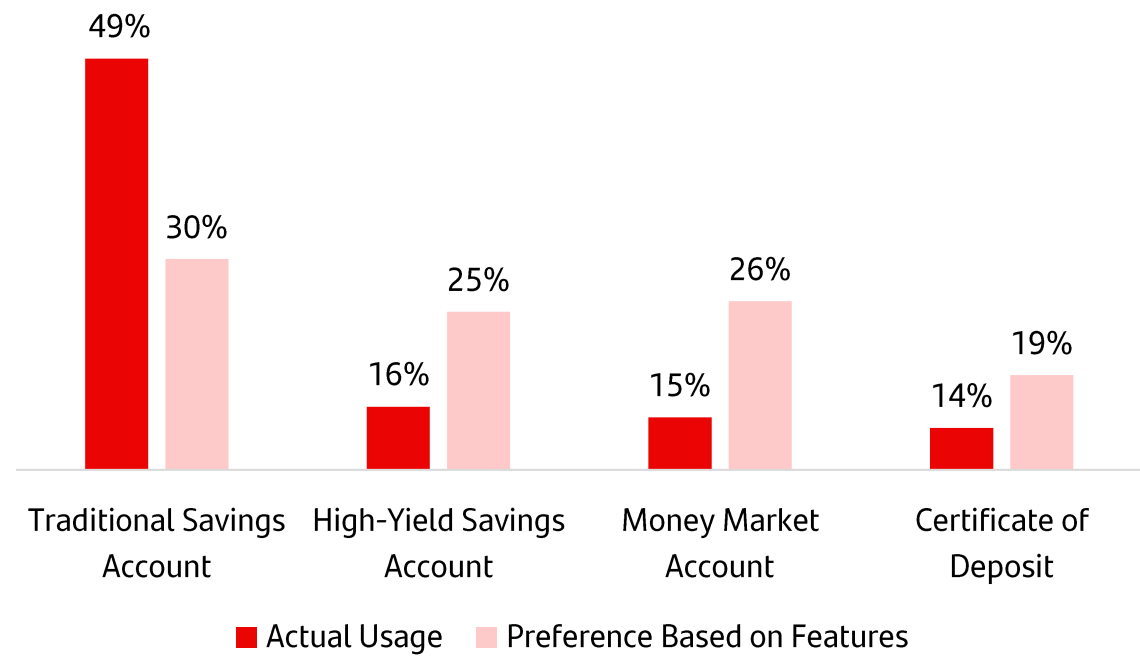
Misperceptions =
Missed Opportunities



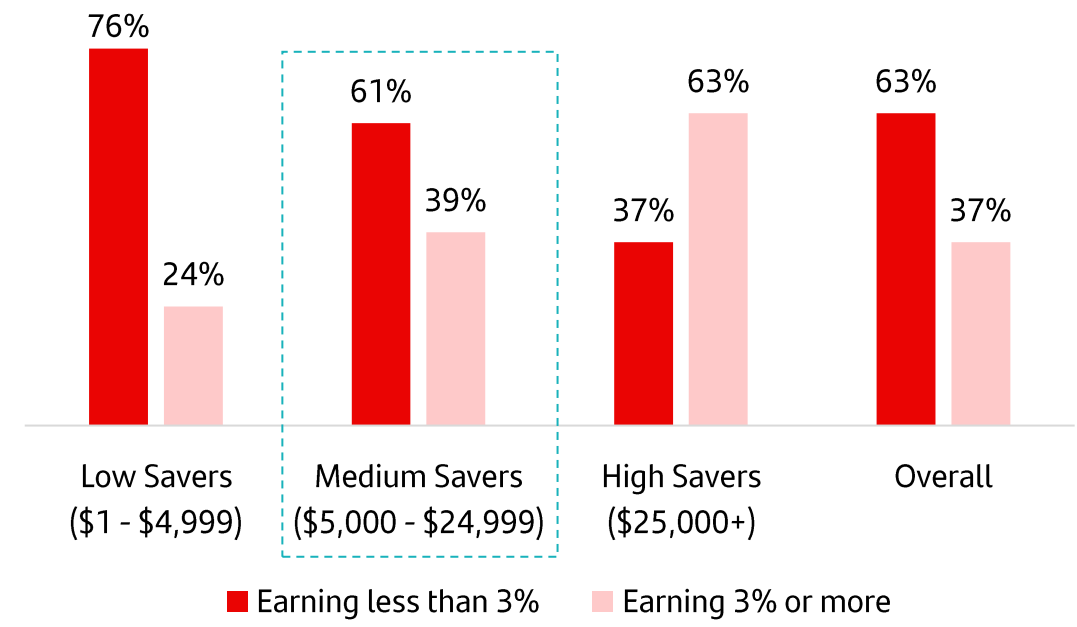
Few Americans Utilizing Accounts That Pay More Interest

7 in 10 (69%) Americans do not have a high-yield savings account, money market account or certificate of deposit. Nearly a quarter of savers (23%) don't know their interest rate.

Accounts that earn higher interest are only used by a fraction of the population*, even though 7 in 10 prefer them**. Of the 7 in 10 who prefer higher-yielding accounts, half do not have one.



Among savers who know their interest rate, the majority earns less than 3%. This is a missed savings growth opportunity particularly for medium savers, based on the sizable balances kept in low interest accounts.

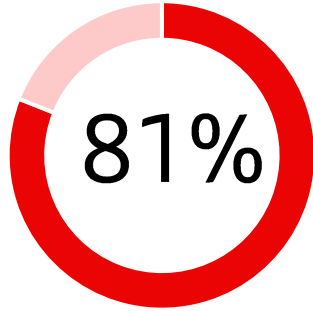


* 34% do not have a savings account

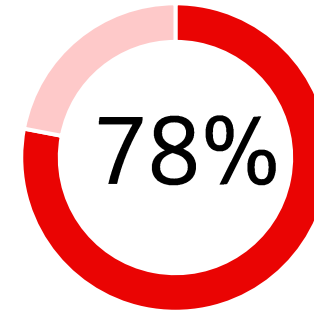
** Respondents were provided with descriptions of account features found in the methodology

High-Yield Savings Accounts Underutilized to Grow Emergency Funds

Financial experts* often recommend high-yield savings accounts for keeping rainy-day funds. While many savers recognize the need to save for an emergency, few are using high-yield savings accounts to do so.



who say growing emergency savings is a priority do not have a high-yield savings account.



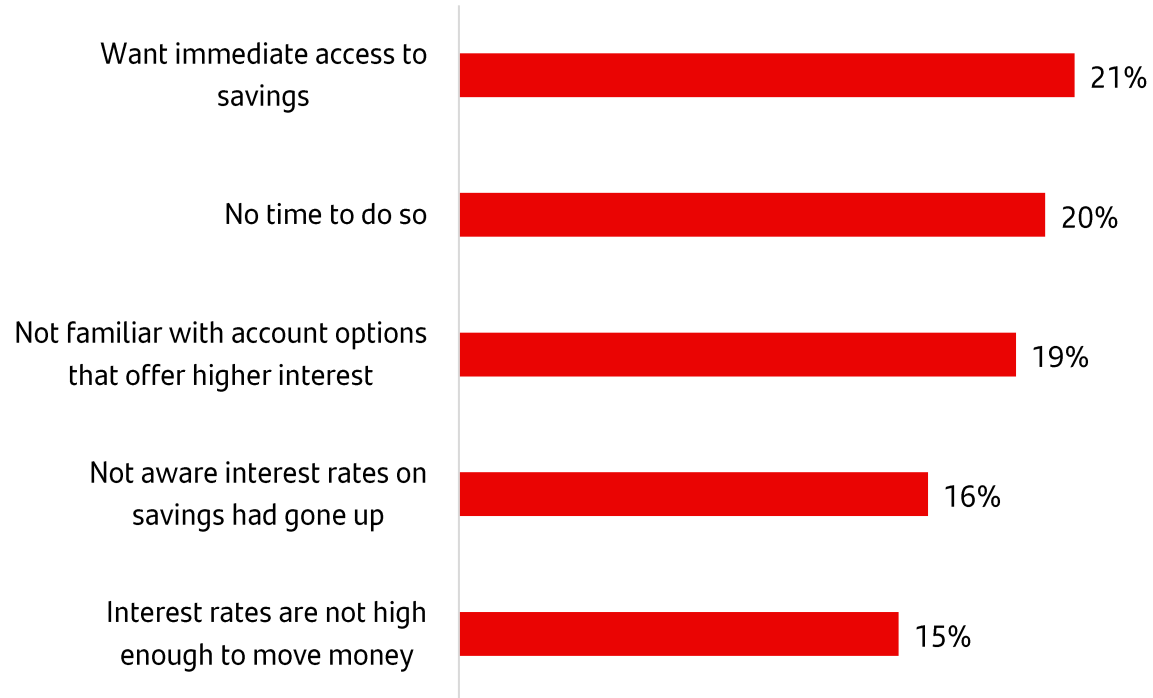
who contributed to their emergency savings in the past three months do not have a high-yield savings account.

* <https://www.bankrate.com/banking/savings/where-to-keep-emergency-fund/#best-places>

Misperceptions Hinder Action

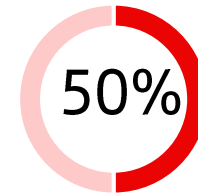
- 84% of Americans did not move money to a higher-yielding account in the past year, even though two-thirds of them prefer the features of these accounts. A lack of financial knowledge could be contributing to inaction with savings.

Top reasons why Americans haven't moved savings into higher-yielding accounts*

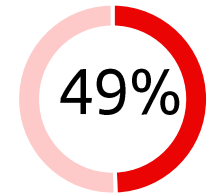


* Among those who didn't move money to a higher-yielding account in the past year; top responses shown

Americans lack financial knowledge on savings opportunities.

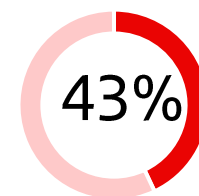


do not realize that savings rates are generally the highest in more than 15 years.

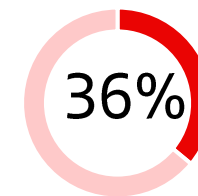


believe savings rates have not increased in the past two years.

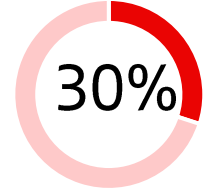
Outdated perceptions around savings accounts perpetuate the problem.



believe traditional savings accounts do not pay any interest.



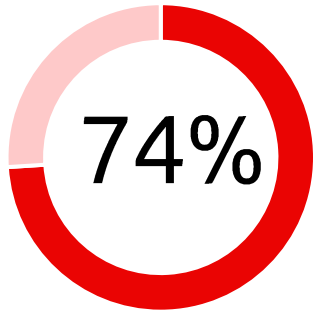
believe they cannot access money in a high-yield savings account.



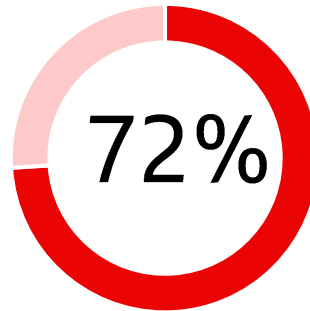
think it takes at least an hour to open an online savings account.

Americans Want \$200 but Are Leaving it on the Table

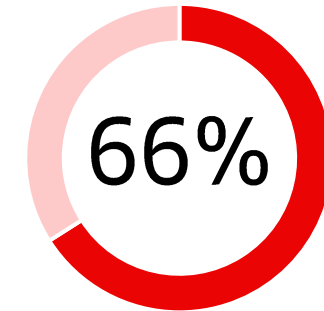
A typical saver* could earn an additional \$200 by moving money to an account that earns a higher rate of interest**, a process that could take only minutes. Most Americans would do much more time-consuming and frustrating tasks for \$200.



would be willing to sit in traffic for one hour.



would be willing to stand in line for two hours.



would be willing to take 15 minutes to open a new account that paid two percentage points more, yet **47% of those willing don't have a higher-yielding account***.**

* According to the [Federal Reserve](#), the median savings in bank accounts is \$8,000

** Calculations based on \$8,000 earning 2.5% in interest over 12 months, compounding monthly

*** Includes high-yield savings, money market account or certificate of deposit

Methodology

- **Q2 2024 Growing Personal Savings (GPS) Study:** This research on growing personal savings, conducted by Morning Consult on behalf of Santander Bank, surveyed 2,209 American adults.

This Q2 study was conducted between June 26 – 27, 2024. The interviews were conducted online, and the margin of error is +/- 2 percentage points for the total audience at a 95% confidence level. This data was weighted to target population proportions for a representative sample based on age gender, ethnicity, region, and education. Percentages may not 100 due to rounding.

Monthly measures were based on additional monthly survey pulses, conducted by Morning Consult on behalf of Santander Bank, of ~2,200 Americans adults. The monthly iterations were conducted April 16 – 18 (2,203 adults), May 15 – 17 (2,208 adults) and June 14 – 16 (2,206 adults), to measure month-over-month changes.

The interviews were conducted online, and the margin of error is +/- 2 percentage points for the total audience at a 95% confidence level. This data was weighted to target population proportions for a representative sample based on age gender, ethnicity, region, and education. Percentages may not add to 100 percent due to rounding.



Methodology - Definitions

Certificate of deposit (CD):

A type of savings account in which the customer agrees to keep their funds in the account for a specified period of time, typically in exchange for a higher rate of interest.

High-yield savings account:

A savings account that generally pays a variable interest rate that is higher than the national average.

Money market account:

A type of interest-bearing account that often pays more attractive interest rates than a standard savings account and typically includes checking account features.

Traditional savings account:

A type of savings account that pays some interest and may also offer more flexibility and accessibility to your money.



About Santander Bank

● **Santander Bank, N.A.** is one of the country's leading retail and commercial banks, with \$102 billion in assets. With its corporate offices in Boston, the Bank's more than 5,100 employees and more than 1.8 million customers are principally located in Massachusetts, New Hampshire, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania and Delaware. The Bank is a wholly-owned subsidiary of Madrid-based Banco Santander, S.A. (NYSE: SAN), recognized as one of the world's most admired companies by *Fortune Magazine* in 2024, with approximately 168 million customers in the U.S., Europe, and Latin America. It is overseen by Santander Holdings USA, Inc., Banco Santander's intermediate holding company in the U.S. For more information on Santander Bank, please visit www.santanderbank.com.



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Thank You

Our purpose is to help people
and businesses prosper.

Our culture is based on believing
that everything we do should be:

Simple Personal Fair

