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Isaac M. O'Bannon • Jan. 24, 2024



Less than half of Americans (44%) say they can afford to pay a \$1,000 emergency

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The majority of Americans (56%) cannot afford a \$1,000 emergency expense, and over one-third (35%) say they would borrow the money in some form. That includes 21% who say they would finance it with a credit card and pay it off over time to cover the expense, down from 25% in 2023. Furthermore, 10% would borrow the money from family or friends, and 4% say they would take out a personal loan. Just 16% say they would reduce their spending on other things to cover a \$1,000 unexpected expense.

“All too many Americans continue to walk on thin ice, financially speaking, with fewer than half indicating they would pay an emergency expense of \$1,000 or more from savings,” said Bankrate Senior Economic Analyst Mark Hamrick. “Inflation has been a key culprit standing in the way of further progress on the savings front. Fortunately, rising interest rates have also provided more generous returns on savings.”

Comparing generations, baby boomers (ages 60-78) are most likely to say they would pay for a \$1,000 emergency expense with their savings (59%), followed by 43% of millennials (ages 28-43), 36% of Gen Xers (ages 44-59), and 31% of Gen Zers (ages 18-27).

About 7 in 10 Americans (68%) say they are saving less because of inflation, rising interest rates, or a change in income or employment. Gen Xers are most likely to say inflation/rising prices are causing them to save less for emergencies (69%), followed by 66% of millennials, 58% of baby boomers, and 57% of Gen Zers.

When asked how a sudden loss in income or employment would impact their finances, nearly two-thirds (66%) are worried they would not be able to cover their immediate living expenses over the next month. That includes 42% who say they are very worried and 25% who say they are somewhat worried. On the other hand, over

one-third (34%) say they are not too worried or not at all worried about paying for

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