



Growing Personal Savings (GPS) Tracker

July – September 2024

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Key Findings

1

Americans are finding it harder to save, as fewer achieved their goals and added to their balances in Q3. High-yield savings accounts may help make savings goals easier to reach.

3

Many savers do not realize cash in a high-yield savings account can generally be accessed in a matter of days. Similarly, they are unaware a high-yield savings account can be opened without closing existing bank accounts.

2

Few savers are utilizing accounts that offer higher interest rates. Misperceptions about higher-rate options may be preventing those who only have a traditional savings account from earning more.

4

Yields on savings are generally at their highest in 15 years. For example, the typical saver could earn more than \$400 in interest by using a high-yield savings account, which can help offset regular bills and expenses.



Savings Snapshot in America

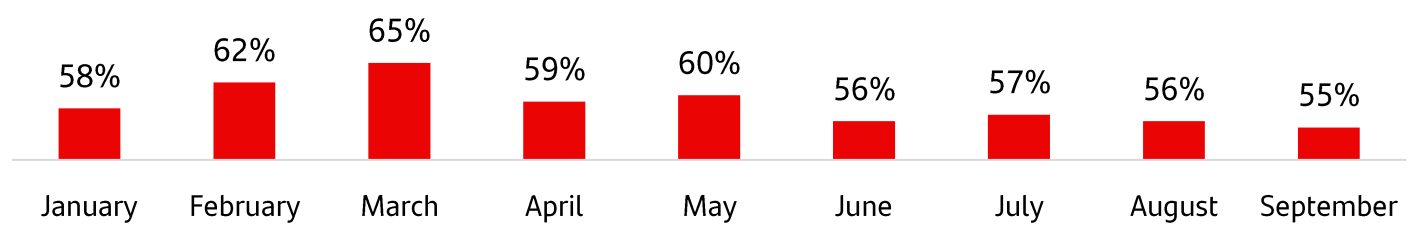
1

Monthly Savings Contributions Stall

As saving becomes more challenging, can higher-yielding accounts make it easier to reach savings goals?

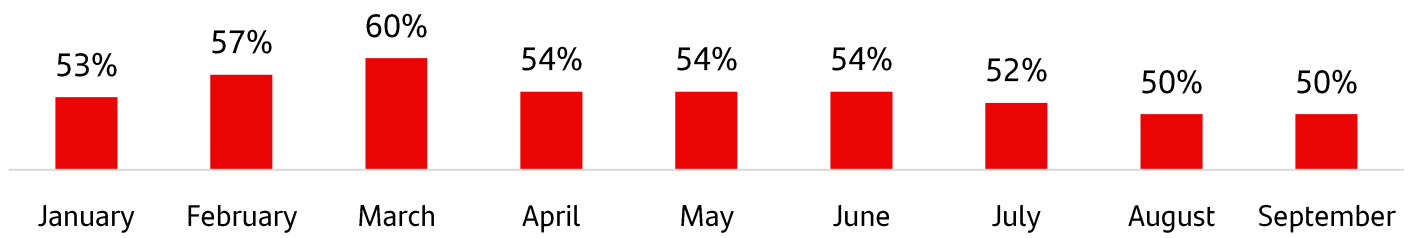
Fewer Americans met their savings target in September than any other month this year. Overall, 61% say it has become harder to save as the year has gone on.

Percent with a savings goal who met or exceeded their target:

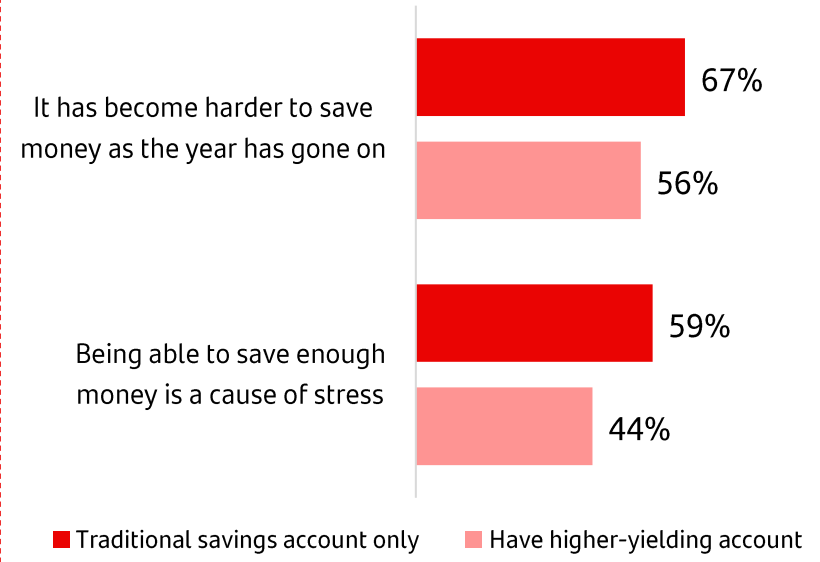


Fewer savers boosted their balances in Q3.

Percent who added to savings:



Those with higher-yielding accounts* feel better about their ability to save.

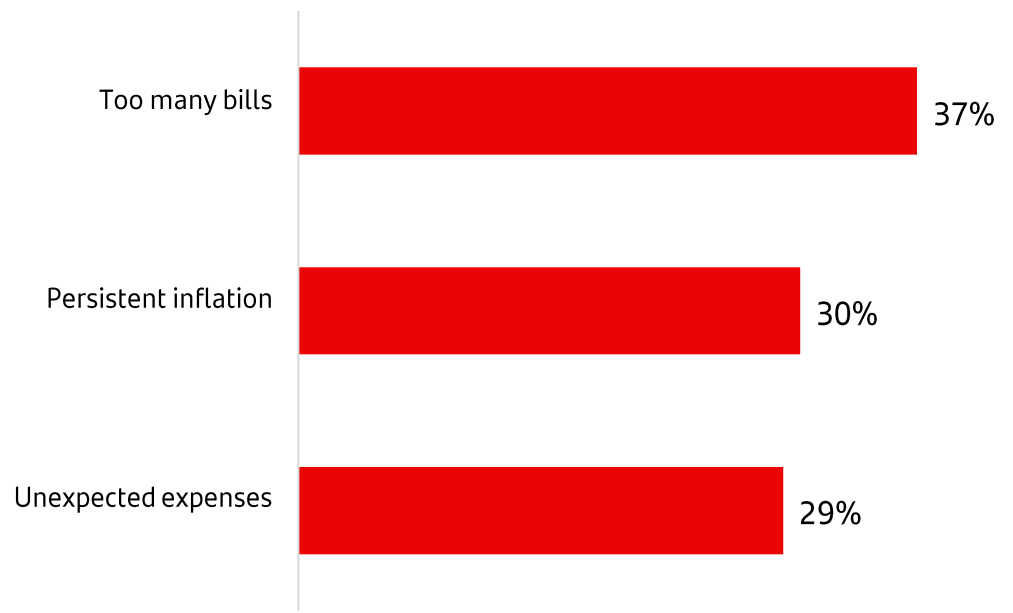


*High-yield savings account, money market account or certificate of deposit (CD)

Savings Obstacles and Spending Cuts

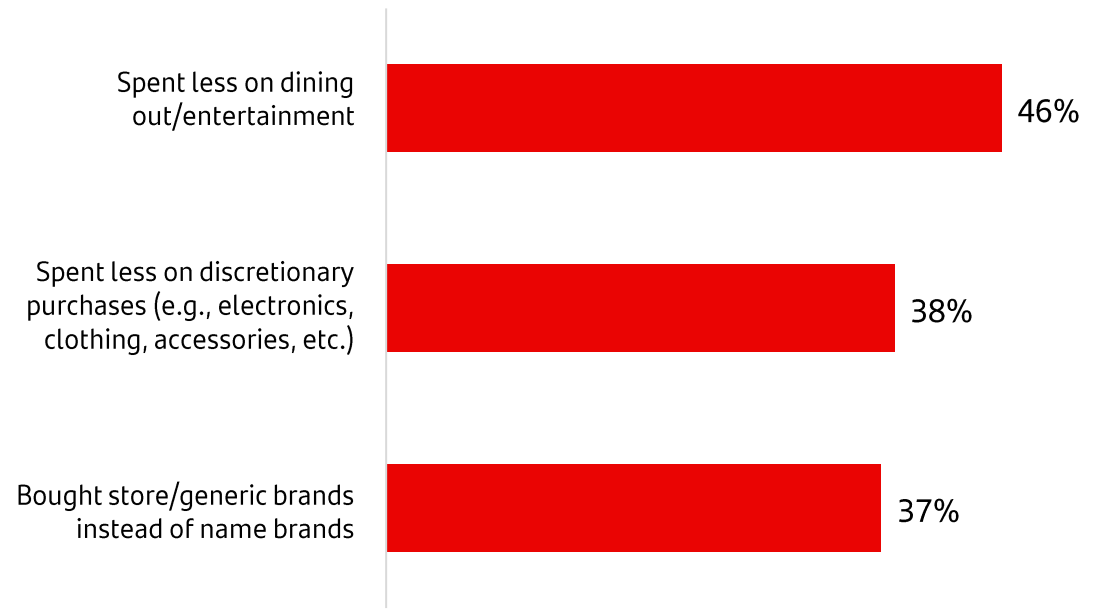
Americans faced several savings hurdles in Q3, and 3 in 4 made cuts to save money.

More than 8 in 10 faced a savings obstacle in Q3, including*:



*Respondents could select up to two; only top responses shown

Three-quarters of Americans made sacrifices to save more in Q3**.



**Respondents could select all that apply; only top responses shown



High-Yield Savings Usage and Preferences

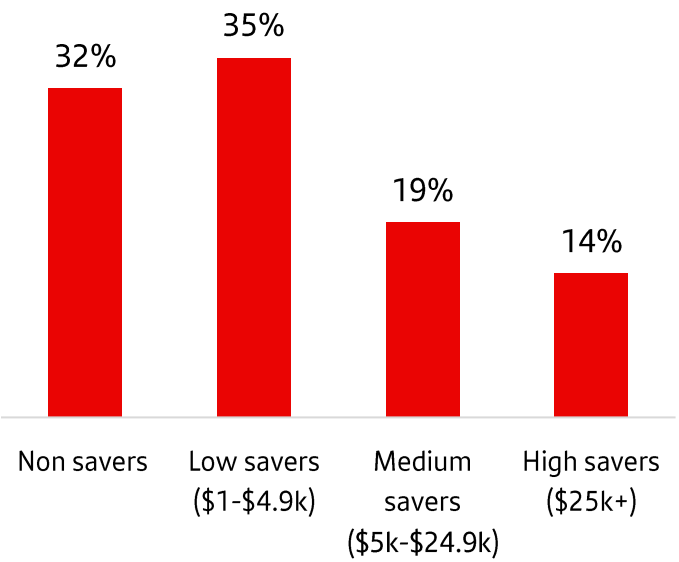


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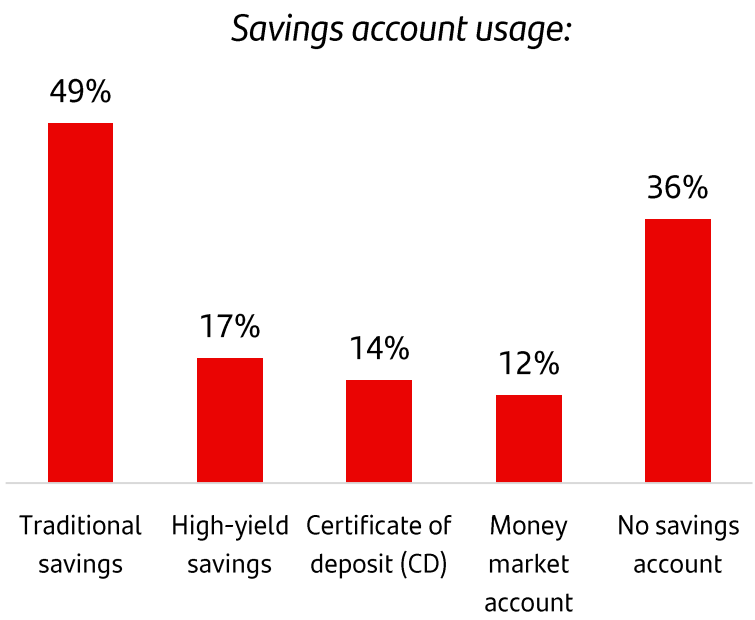
Where Americans Keep Their Savings

Traditional, lower-yielding accounts are predominately used, but savers are missing out on higher returns.

How much money do Americans have in their savings?

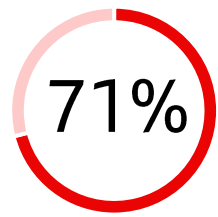


Traditional savings accounts dominate the savings landscape*.

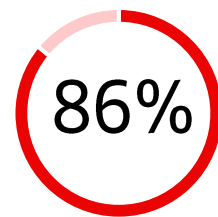


*Respondents could select all that apply

Americans are not taking advantage of higher-rate options.



do not have a higher-yielding account (high-yield savings account, money market account or CD)

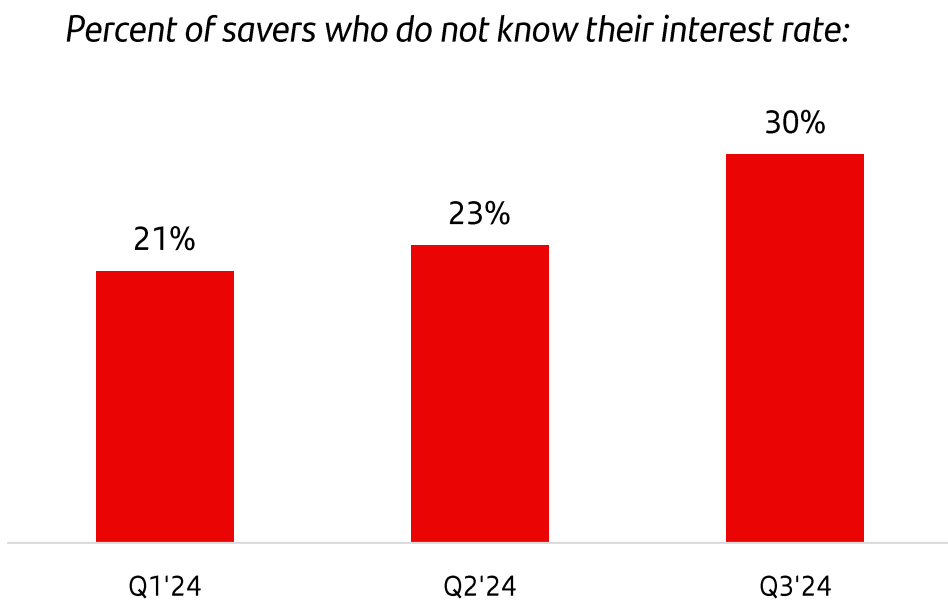


have not moved money to a higher-yielding account in the past year.

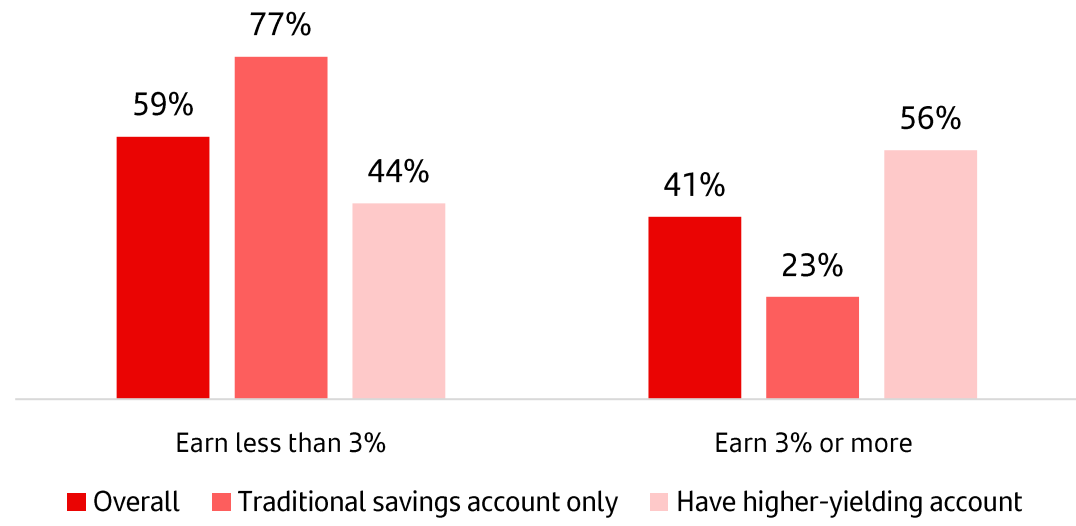
Savers Not Earning Competitive Rates

- 4 in 10 with only a traditional savings account, which typically offer lower yields, do not know what rate of interest they are receiving, hindering their ability to compare their options.

More savers are unaware of what they are earning.



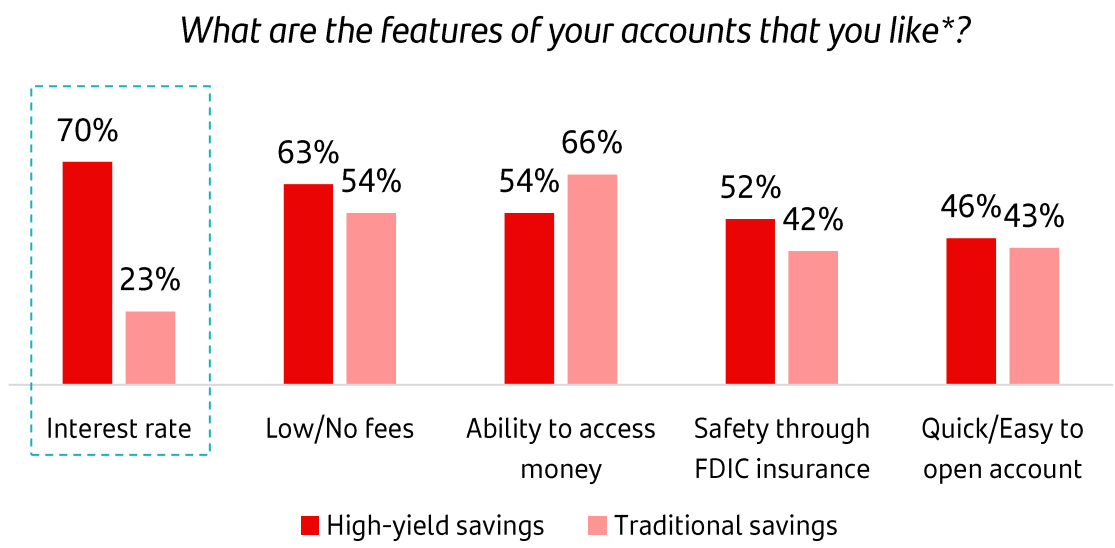
Among savers who know their interest rate, 6 in 10 earn less than 3%. Savers with only a traditional savings account are much more likely to be earning less than 3%.



Comparing High-Yield and Traditional Savings Account Features

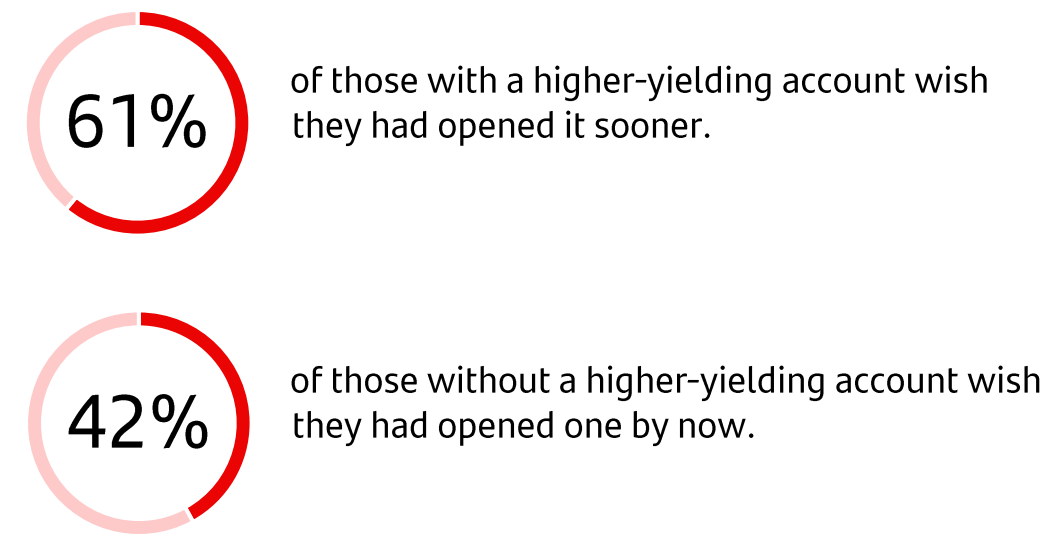
6 in 10 with a higher-yielding account wish they opened it sooner.

High-yield savings account holders appreciate their interest rate by a 3-to-1 margin, compared to those with a traditional savings account.



*Only top responses for high-yield savings accounts shown

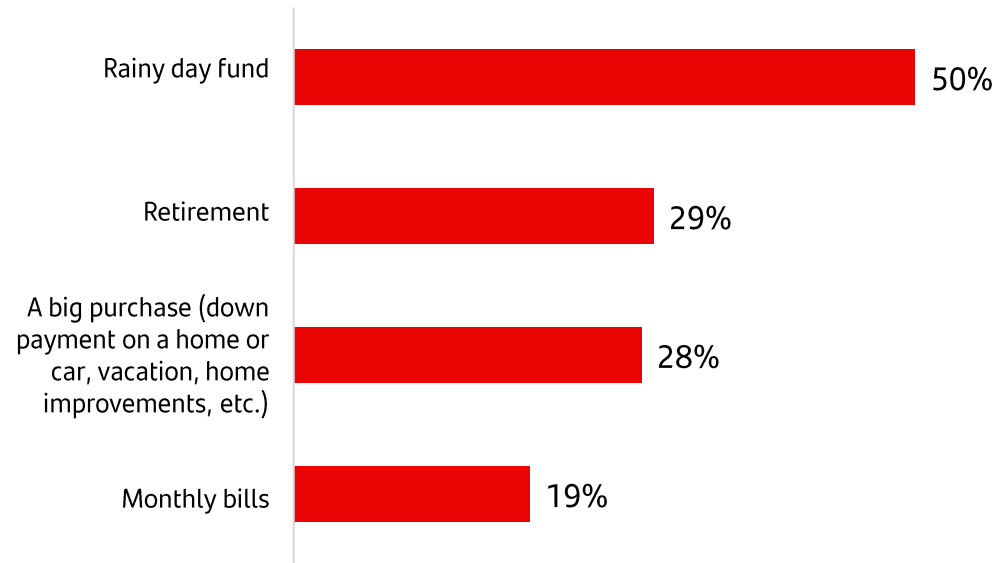
Those with higher-yielding accounts wish they opened them sooner, while many without them regret their inaction.



What Are You Saving For?

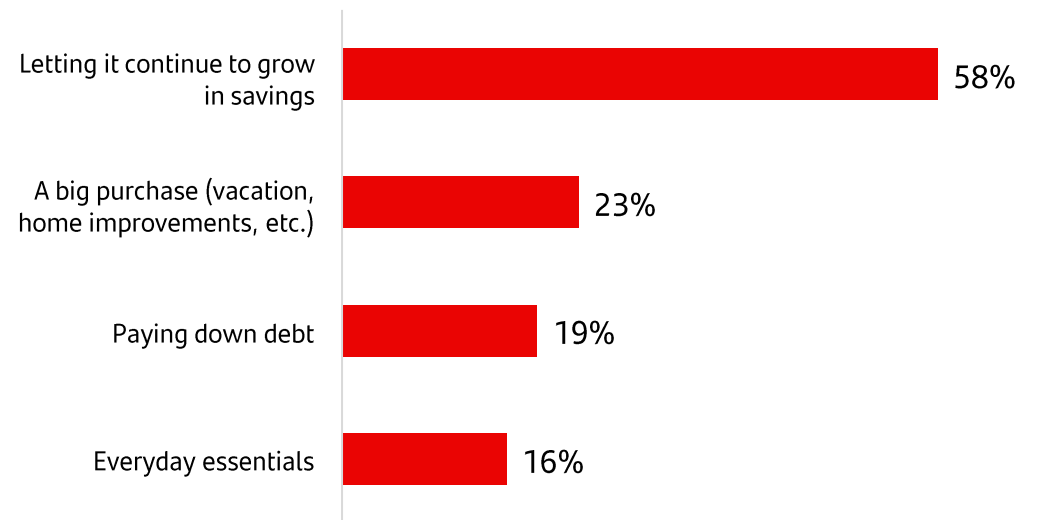
● High-yield savings account holders earmark this money for everything from emergency funds to paying monthly bills, while letting the money grow in the meantime.

○ What are you most likely to use the money in your high-yield savings account for*?



*Respondents could select up to two; only top responses shown

○ What are you most likely to use the money you made in interest from your high-yield savings account, money market account or CD for*?

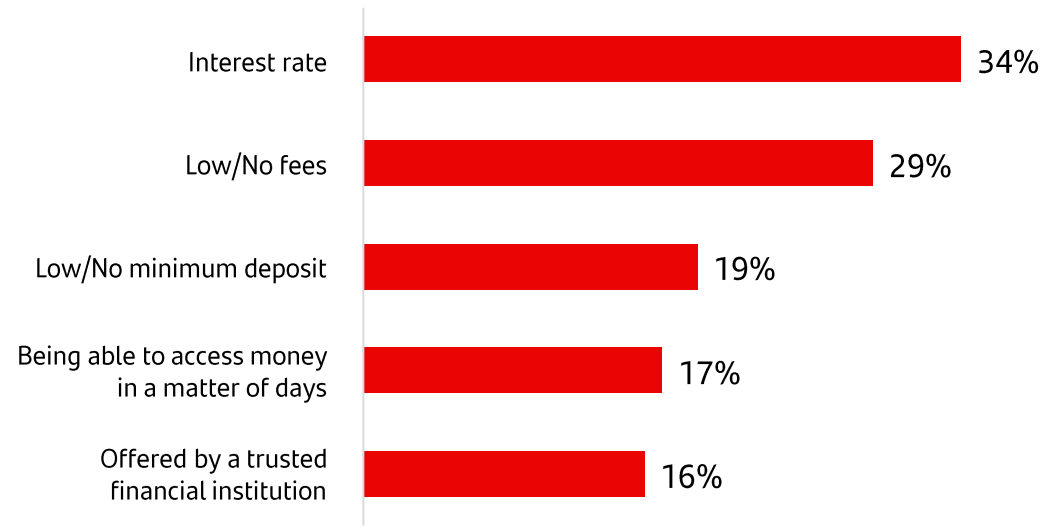


*Respondents could select up to two; only top responses shown

High-Yield Savings Preferences

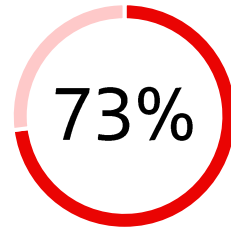
3 in 4 are willing to open a high-yield savings account, and the majority of them would do so to earn less than 5% in interest. Savers prefer the backing of a trusted financial institution for keeping their money.

If you were to open a new high-yield savings account, which account features would you value the most*?

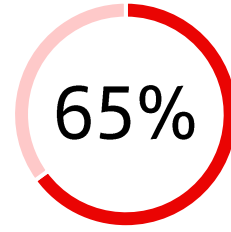


*Respondents could select up to two; only top responses shown

Americans trust established financial institutions for keeping their savings.



would have more confidence working with a digital banking provider if it were owned and backed by a financially stable bank.



trust a digital bank more to keep their money, compared to a financial technology company not associated with a bank.



Misperceptions Lead Savers to Miss Out



3

Five Common Misperceptions

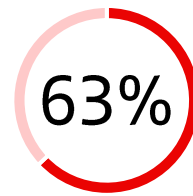
● Misperceptions about higher-rate options may be preventing those with only a traditional savings account from earning more*.

○ **Misperception 1:** You must “break up with your bank.”



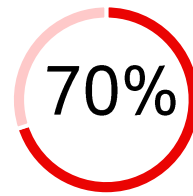
don't know that you can open a high-yield savings account with a new banking provider without switching your primary bank.

○ **Misperception 2:** Your money isn't safe and secure.



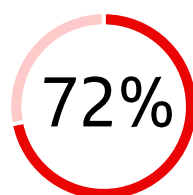
are unaware that many high-yield savings accounts are FDIC-insured.

○ **Misperception 3:** You can't quickly access your money.



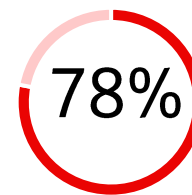
don't realize you can generally access your cash in a high-yield savings account in two business days or less.

○ **Misperception 4:** Rates aren't high enough to make it worthwhile.



aren't aware yields on savings are generally the highest they've been in more than 15 years.

○ **Misperception 5:** It takes too much time and effort to open.



do not believe an online savings account can be opened in less than 10 minutes.

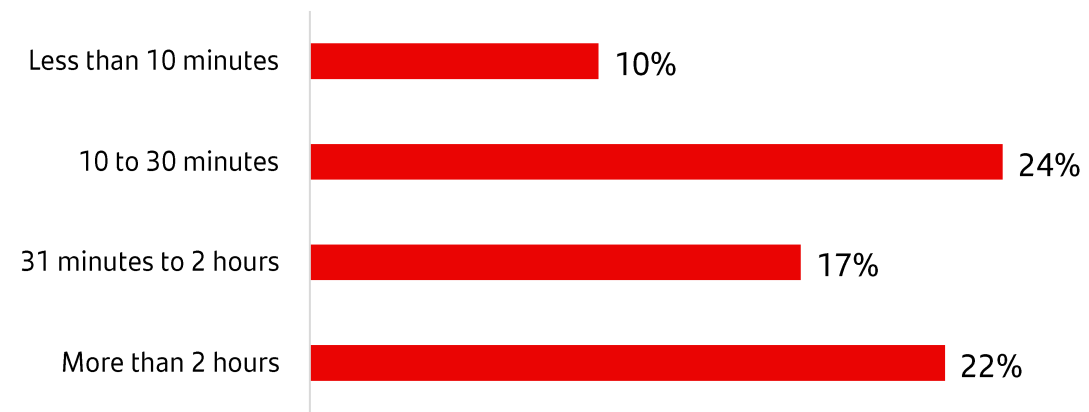
*All stats are among those with only a traditional savings account

On the Clock: Opening a New Account

More than 7 in 10 believe opening an online savings account takes 10 minutes or more, but it can be even quicker than that.

Almost two-thirds would spend at least 10 minutes, if not more, to open a new bank account that paid a higher interest rate.

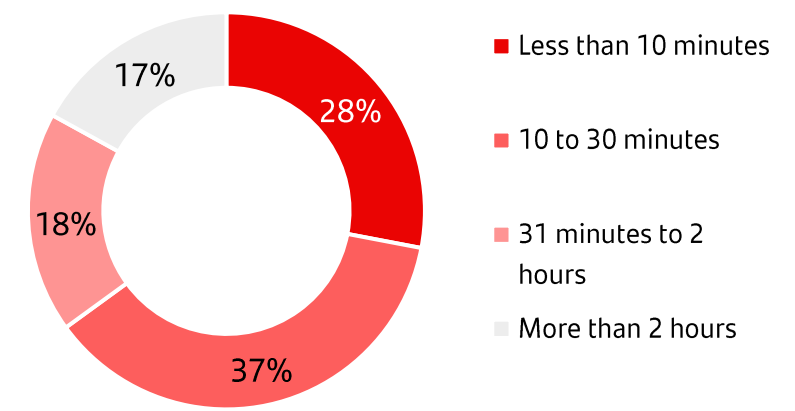
How much time would you be willing to spend to open a new bank account that offered a higher interest rate*?



*26% said they would never open a new bank account, even for a higher interest rate

While most would be willing to take 10 minutes to set up a new bank account, less than 3 in 10 know that online accounts can be opened in less time than that**.

How long do you think it takes to open an online savings account?

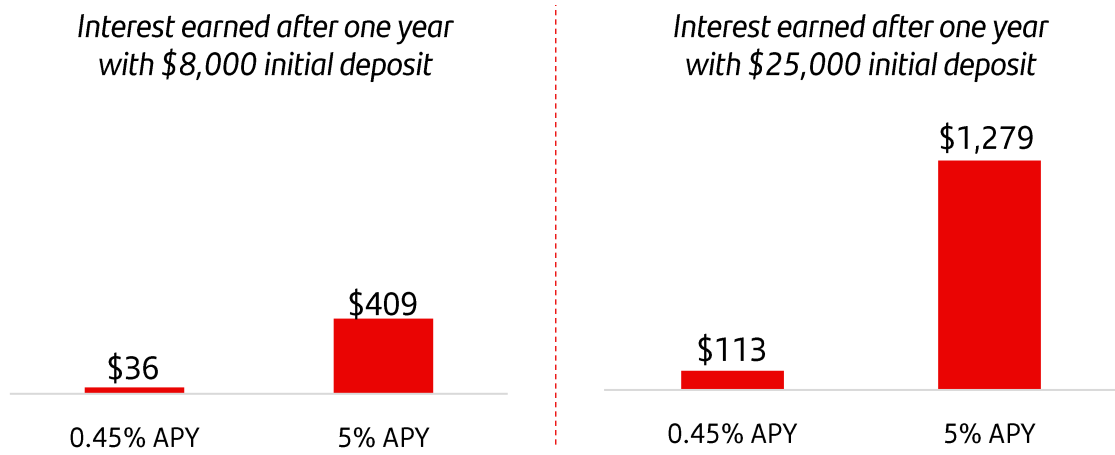


****An Openbank account can be opened in 5 minutes**

Higher Interest = Real Money

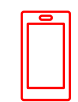
- Less than 3 in 10 with only a traditional savings account believe they need immediate access to all their cash savings, as idle funds accumulate little interest.

- A typical saver* could earn nearly \$400 more in interest** after one year by moving their money into a high-yield savings account. High savers with at least \$25,000 could earn much more.



*The median savings in bank accounts is \$8,000, according to the [Federal Reserve](#), and the typical savings account APY is 0.45%, as of October 21, 2024, according to the [FDIC](#)
**Based on initial deposit with interest compounding monthly

- What can an extra \$400 pay for?



Cell phone bill
(~3 months)
\$141/month¹

¹According to [J.D. Power](#)



Groceries
(~1 week)
\$315/week for family of four²

²According to [U.S. Census Bureau](#)



Gasoline
(~2 months)
\$204/month³

³According to [Bureau of Labor Statistics](#)

- What can an extra \$1,300 pay for?



New car payment
(~2 months)
\$734/month⁴

⁴According to [Experian](#)



Rent
(~1 month)
\$1,405/month⁵

⁵According to [Apartment List](#)



Winter holiday shopping
\$902/person⁶

⁶According to [National Retail Federation](#)







Holiday Spending Impact on Savings

Dipping Into Savings to Pay for the Holidays

● Savings could be impacted as Americans are expected to spend in record numbers this holiday season*.

○ Parents with younger children will be especially impacted this holiday season.

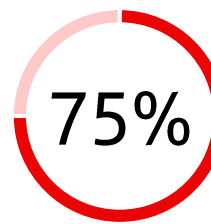
	Overall	Parents with kids under 18	Non-Parents/ No kids under 18
 Will spend more this year vs. last year on holiday shopping/travel	34%	45%	31%
 Will dip into savings for holiday shopping/travel	46%	59%	42%
 Holiday shopping/travel will negatively impact savings goals	58%	69%	55%
 Will create a strict budget for holiday spending to help preserve savings	73%	83%	70%

○ Interest earned from high-yield savings accounts could be used to offset holiday shopping.



wish they had an extra \$200 to put toward holiday shopping.

○ Giving the gift of savings? Americans appreciate the value of a cash gift.



would prefer to receive the gift of money to add to their savings this holiday season.

*According to [National Retail Federation](#)

Methodology

- **Q3 2024 Growing Personal Savings (GPS) Study:** This research on growing personal savings, conducted by Morning Consult on behalf of Santander US, surveyed 2,206 Americans adults.

This Q3 study was conducted between September 27 – 29, 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.

Monthly measures were based on additional monthly survey pulses, conducted by Morning Consult on behalf of Santander Bank, of 2,200 Americans adults per month. The monthly iterations were conducted July 16 - 18, August 15 - 18, and September 10 - 12, 2024 to measure month-over-month changes. Each monthly survey was 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.



Methodology - Definitions

- **High-yield savings account:**
A savings account that generally pays a variable interest rate that is higher than the national average.
- “Higher-yielding accounts”:**
Includes high-yield savings account, money market account or certificate of deposit (CD)
- “Those with only a traditional savings account”:**
Respondents who have a traditional savings account, but do not have another higher-yielding account.



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