

# CBA, Novantas Report Reveals New Insights on What Drives Consumer Savings

OCTOBER 15, 2019 | WASHINGTON, DC

The Consumer Bankers Association and Novantas announced the release of new consumer deposit research, The Savings Dilemma. The study delves into an area of increased attention – consumer savings behavior – with a focus on actions U.S. banks can do to encourage savings and grow valuable deposits.

The research examined more than 3,000 people who make financial decisions for their households with at least \$2,000 in savings balances and found consumers think about savings in three buckets: “today,” “tomorrow” and “someday” money. While retail banks have traditionally thought of customers in a very binary fashion with respect to rate sensitivity, the study revealed customers have different rate priorities for different portions of their savings.

“Understanding why and how American families save – and which products they prefer for certain types of savings – is the first step in helping banks better serve their customers,” said CBA Senior Vice President and Associate General Counsel David Pommerehn. “Knowing this information helps build a stronger, more beneficial relationship for consumers with their banks.”

“Savings balances contribute a disproportionate value to the bank. This research into savings behavior will be valuable to banks of all sizes as they seek appropriate strategies to manage deposits in the current rate environment,” said Andrew Frisbie, EVP and Head of Consumer Pricing at Novantas.

A copy of the report is available online.

Key findings from the joint CBA-Novantas research include:

- Americans save 6 percent of disposable personal income, down from 11 percent in 1979.
- Roughly a third of a bank’s market value depends on the robustness and health of the bank’s savings balance.
- Nearly two-thirds of those in the study reported thinking about opening a new savings account, with a better rate being a top factor and would need a rate increase of at least 1.1 percent to move savings out of their primary bank.
- About half of those surveyed reported being comfortable with an online-only institution but nearly 80 percent reported they would not consider keeping savings with a company like Facebook, Amazon or Google (the greater the savings, the greater the likelihood).
- Savings are roughly equally divided into three buckets: today, tomorrow and someday. The majority of today savings is held by a customers’ primary bank and slightly more than half of someday – or retirement – savings is held by a bank as opposed to a brokerage firm or advisor.
- A fifth of millennials have savings in certificates of deposits, a percentage nearly equal across age brackets.

## **ABOUT THE CONSUMER BANKERS ASSOCIATION:**

The Consumer Bankers Association (CBA) represents America’s leading retail banks. We promote policies to create a stronger industry and economy. Established in 1919, CBA’s corporate member institutions account for 1.7 million jobs in America, extend roughly \$4 trillion in consumer loans and provide \$275 billion in small business loans annually. Follow us on Twitter @consumerbankers.

## **ABOUT NOVANTAS:**

Novantas is the industry leader in analytic advisory services and technology solutions for financial institutions globally. We create superior value for clients by providing information, analyses, and automated solutions that improve revenue generation, growth, credit quality and profitability. Our experienced team understands banking industry evolution, advances global thinking to meet these challenges, and brings the expertise and tools needed for our clients to excel. Visit [www.novantas.com](http://www.novantas.com) for more information.

## **MEDIA CONTACT:**

Katie Mockler  
Vice President of Marketing, Novantas  
+1 212.419.2562 | [kmockler@novantas.com](mailto:kmockler@novantas.com)

Nick Simpson  
Vice President of Public Affairs, CBA  
+1 202.552.6371 | [nsimpson@consumerbankers.com](mailto:nsimpson@consumerbankers.com)