

At a Glance | September 19, 2019

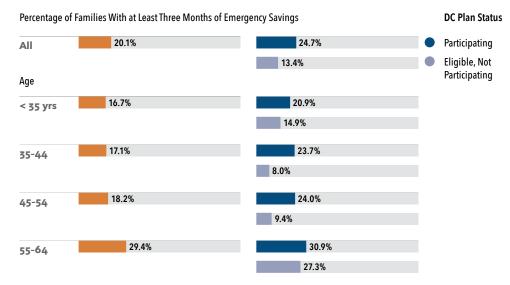
# How Prepared Are Families to Pay for Expenses When Losing Their Main Income Source?

### DC PLANS AND READINESS

Only 1 in 5 families with working heads under age 65 have enough emergency savings – three months of family income in liquid savings.<sup>1</sup>

Families whose heads participate in a defined contribution (DC) plan are more likely to have sufficient emergency savings.

Families Whose Heads Participate in a Defined Contribution (DC) Plan Are More Likely to Have Sufficient Emergency Savings



# HOW MUCH SAVINGS?

Looking at the distribution of savings, a majority of families have less than one month of their income. The families with the most savings have at least just under two and a half months.

Given the low percentage of workers with enough savings, emergency savings programs provided by employers could directly benefit their workers and indirectly benefit them through higher employee satisfaction.

# A Majority of Families Have Less Than One Month of Emergency Savings



**SOURCE:** Craig Copeland, "Emergency Savings: The Reality of Workers' Liquid Savings – Evidence From the Survey of Consumer Finances," EBRI Issue Brief, no. 490 (Employee Benefit Research Institute, August 20, 2010)

- 1. Liquid savings include checking accounts, savings accounts, money market funds, call accounts, and prepaid accounts.
- 2. Least represents the 25th percentile, which is the maximum value of the families with the lowest 25 percent of available emergency savings.
- 3. Most represents the 75th percentile, which is the minimum value of the families with the highest 25 percent of available emergency savings.

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