News Release

PUREPOINT® FINANCIAL RESEARCH FINDS AMERICANS LACK KNOWLEDGE AROUND SHORT-TERM SAVINGS

NEW YORK, NY (August 16, 2018) – A combination of lack of knowledge and poor financial habits is hindering Americans from saving effectively, according to research from PurePoint® Financial, a hybrid digital bank and division of MUFG Union Bank, N.A.

The research found that half of Americans do not have a savings target set within the next five years, and more than one-third would prefer going in to debt for a large purchase over employing a savings strategy to make the purchase. However, this does not necessarily mean consumers do not want to save – more than 40 percent say they do – but they don’t know where to start.

“Our hope is that the learnings from our research serve as an inspiring wake-up call to the majority of Americans who could make more on their hard-earned money,” said Pierre Habis, President of PurePoint Financial. “PurePoint’s mission is to help Americans become better savers, and having a savings goal is an important first step. Envisioning a vacation, car, or down payment on a home can be motivation for consumers to start setting money aside regularly and avoiding impulse buys that can lead to debt and derail their goals.”

To reach this mindset, Americans will have to start making a routine commitment to not miss out on free money. According to the findings, 65% do not realize the benefit of incremental gains from keeping money in a high interest savings account. About 4 in 10 of respondents believe their checking account and savings account have the same interest rates. In fact, respondents reported having nearly $5,000 sitting in a checking account or digital wallet, where their money accrues little or no interest.

More proactive saving habits would make Americans less vulnerable to their own consumer desires. More than three-quarters (76%) of those surveyed reported they had been derailed from savings goals; apart from necessary expenses (health issues, repairs, or job loss) impulse purchases are major savings obstacles, even those as simple as over shopping at online or at big box stores; or buying something because of an ad seen online or on social media.

“Paying yourself first, and routinely, is key to staying on track to meet your savings goals and not being swayed by surprises,” said Maha Madain, Head of Enterprise Marketing for PurePoint Financial. “Adjusting your direct deposit to move a fixed amount to your savings account from every paycheck can make a big impact.”

Millennials could stand to take this to heart, especially compared to other generations. Eighteen to 34-year-olds are three times more likely than Boomers and twice as likely as GenXers to have their short-term savings derailed by an impulse trip/vacation, and almost 40% of millennial respondents think going in to debt is easier than saving for a large purchase.
“Financial goals take time and effort to achieve – we want to help Americans grow their savings together, so that as a country, we’re ultimately saving 10 percent of our income annually,” Habis said.

Research was gathered through an online survey of 2,200+ adults in the U.S. (aged 18+), commissioned by PurePoint and produced by independent research firm Edelman Intelligence. Data was collected July 18-19, 2018 and was weighted to be nationally representative.

About PurePoint Financial

PurePoint Financial is a division of MUFG Union Bank, N.A., a proud member of the Mitsubishi UFJ Financial Group (MUFG), one of the world’s leading financial groups. As the next evolution in the financial services industry, PurePoint® Financial is the modern way to save – online, over the phone or in person. PurePoint offers market-leading CD and savings rates, no monthly fees and all the flexibility and convenience of online banking with 24/7 access from your computer, tablet or mobile devices. PurePoint also offers Financial Centers at select locations staffed by knowledgeable team members who are committed to delivering exceptional experience.

About MUFG Union Bank, N.A.

As of June 30, 2018, MUFG Union Bank, N.A. operated 355 branches, comprised primarily of retail banking branches in the West Coast states, along with commercial branches in Texas, Illinois, New York and Georgia, as well as 22 PurePoint Financial Centers. We provide a wide spectrum of corporate, commercial and retail banking and wealth management solutions to meet the needs of customers. We also offer an extensive portfolio of value-added solutions for customers, including investment banking, personal and corporate trust, global custody, transaction banking, capital markets, and other services. With assets of $123.8 billion, as of June 30, 2018, MUFG Union Bank has strong capital reserves, credit ratings and capital ratios relative to peer banks. MUFG Union Bank is a proud member of the Mitsubishi UFJ Financial Group (NYSE: MUFG), one of the world’s largest financial organizations with total assets of approximately ¥299.1 trillion (JPY) or $2.7 trillion (USD)¹, as of June 30, 2018. The corporate headquarters (principal executive office) for MUFG Americas Holdings Corporation, which is the financial holding company, and MUFG Union Bank, is in New York City. The main banking office of MUFG Union Bank is in San Francisco, California.

¹ Exchange rate of 1 USD=¥110.5 (JPY) as of June 29, 2018

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