

WSJ  
PODCASTSSOUND IDEAS.  
Introducing WSJPodcasts

LISTEN NOW

THE WALL STREET JOURNAL.  
Read ambitiously

THE WALL STREET JOURNAL.

WSJ.com

January 6, 2016, 11:04 AM ET

# A \$500 Car Repair Bill Would Send Most Americans Scrambling

By Eric Morath



"Most Americans are ill-prepared for life's inevitable curveballs," said Sheyna Steiner, Bankrate.com's senior investing analyst.

GETTY IMAGES

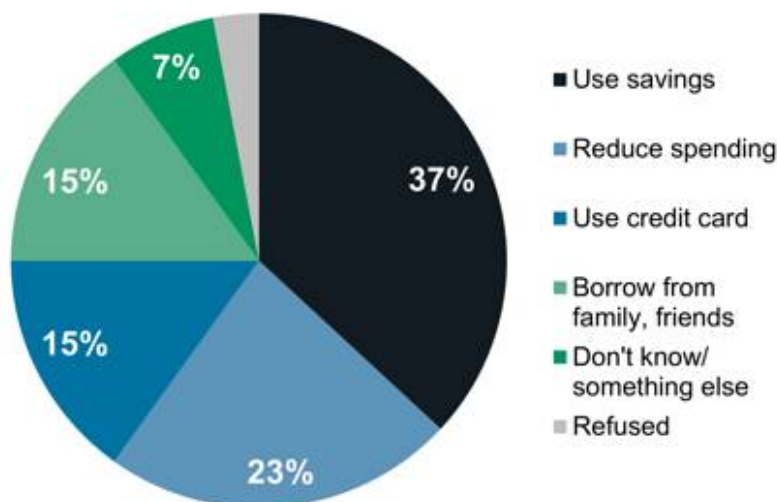
An unexpected car repair or medical bill would cause the vast majority of Americans to scramble because they lack the needed funds in their savings accounts.

Only 37% of adults have the necessary savings to cover a \$500 car repair or a \$1,000 emergency room bill, according to a [survey Bankrate.com released Wednesday](#). The finding is [little changed from last year, when 38% said they didn't have the cash on hand](#), despite a year of steady job creation and the unemployment rate falling to 5%.

"Most Americans are ill-prepared for life's inevitable curveballs," said **Sheyna Steiner**, Bankrate.com's senior investing analyst. She said that's a concern because more than 40% of families experienced a similar unexpected cost during the past 12 months.

## Unexpected Bill

How Americans said they would deal with unexpected expenses, such as \$1,000 for an emergency room visit or \$500 to repair a car.



Source: Bankrate.com survey of 1,000 U.S. adults Dec. 17-20, 2015 | WSJ.com

Without the savings, 23% of those surveyed said they would have to cut back on spending elsewhere, and 15% said they would turn to credit cards. The same share said they would have to borrow from friends or family.

The data suggests that many households are still on uncertain financial footing more than six years after the recession ended. However, other figures indicate Americans are earning, and saving, more.

[The personal saving rate was 5.5% in November, the second-highest level since the start of 2013](#), the **Commerce Department** said last month. Lower gasoline prices and solid income gains in recent months are supporting savings. Wages increased 2.3% from a year earlier in November, the **Labor Department** said, even as consumer inflation held near zero.

The Bankrate survey found that preparedness for unexpected expenses varied widely by income level. Just 23% of those earning less than \$30,000 annually had the needed savings, while 54% of those earning more than \$75,000 annually said they would have the cash on hand.

The phone survey of 1,000 adults was conducted in December by **Princeton Survey Research Associates International**.

### Related reading:

[Americans Increased Spending, Saved More in November](#)

[Most Americans Don't Have Savings to Pay Unexpected Bill](#)

Copyright 2016 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our [Subscriber Agreement](#) and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit [www.djreprints.com](http://www.djreprints.com)