

Rainy day fund lacking for most in U.S.

By Aimee Picchi, MoneyWatch

An often-heard rule of thumb for financial health is to keep an emergency savings fund to cover unexpected events like a job loss. But if you're like most Americans, you've fallen behind in tucking money away for that rainy day.

By some measures, the economy is showing improvement, with unemployment falling and the stock market hitting new highs this year. But a stubborn problem for Americans is stagnant wage growth, which makes it increasingly difficult to put away money, especially as prices for everything from food to clothing keeps climbing.

No wonder 26 percent of U.S. consumers lack any emergency savings, according to a new Bankrate survey. On top of that, two-thirds of Americans have saved less than the recommended six months' worth of expenses, the survey found.

While the recession ended five years ago this month, many Americans are still living paycheck-to-paycheck, making it difficult to put money aside in an emergency savings fund. About 25 million middle-class Americans live "hand-to-mouth," a recent study out of the Brookings Institution found.

Even the middle class is finding it difficult to put money away for an emergency, Bankrate found. For Americans with average household income of \$75,000 or more, only 46 percent have a six-month savings cushion, the report notes.

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