

AmOne.com Survey: Consumers Reveal Their Biggest Financial Fear

October 9, 2019 Gina Pogol

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AmOne.com Survey: What's Your Biggest Financial Fear?

Is your greatest financial worry being able to buy a home? Retire comfortably? Deal with debt? How confident are you about overcoming your fear and solving the problem? Chances are that whatever your biggest financial fear is, you're not alone. Read on to see how you stack up with other consumers. And review possible solutions to your biggest financial fears.

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Retirement tops the list of financial fears

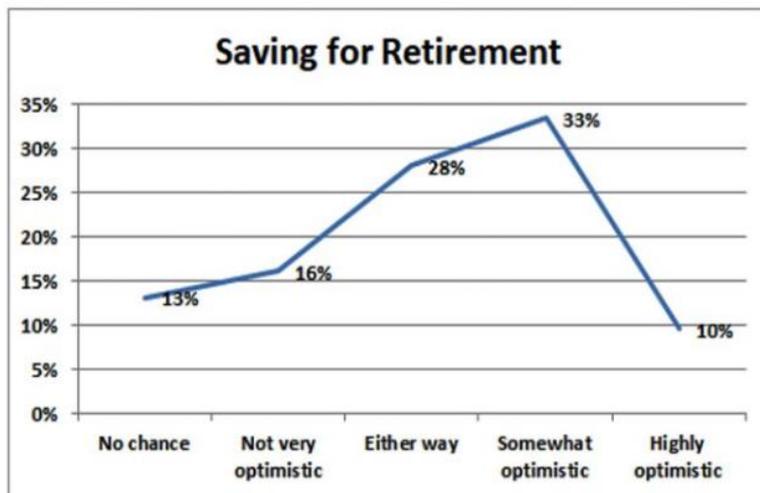
Of those who indicated a financial fear, 51% said they worried most about having enough savings for retirement. Data from the U.S. Government Accountability Office (GAO) indicates these fears are justified. The agency recently revealed that 29% of Americans 55 and older have neither a pension nor any savings in a 401(k) or IRA account.

If you're nearing retirement age with little or no savings, it's reasonable to be nervous. But 43% of respondents were either somewhat or very optimistic about overcoming this problem. One of the most popular ways of boosting retirement savings is to downsize the home and perhaps move to a less expensive area. Downsizing can add to your savings and at the same time reduce the cost of running your household.

Others, according to *The Motley Fool*, have become "super savers," those who cut back enough to save 29% on average of their annual income. These people differ from the rest of us in several important ways:

- 65% avoid high-interest debt

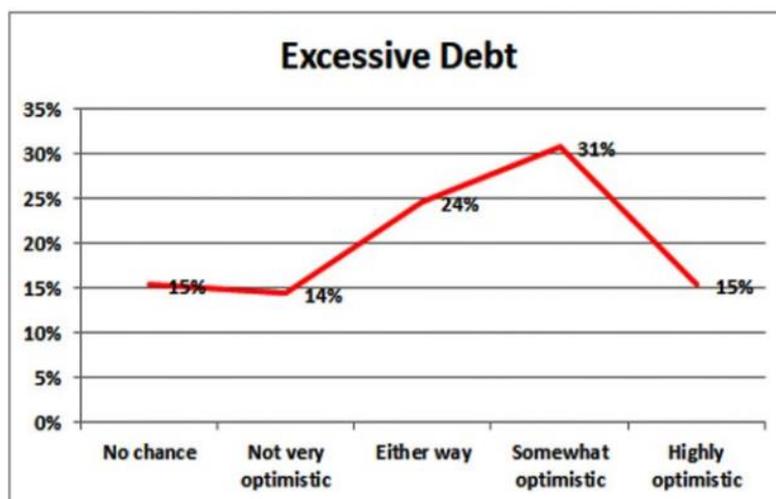
- 60% stick to a budget
- 58% invest in the stock market
- 55% max out their retirement savings contributions



Second place: excessive debt

Just over 30% of AmOne survey respondents who indicated a financial fear mentioned debt, putting excessive debt in second place. That's not unexpected given the fact that, according to [US News and World Report](#), nearly eight in ten American workers live paycheck to paycheck.

However, those in debt are more optimistic about solving their problem than those confronting insufficient retirement savings with 46% claiming to be highly optimistic or fairly optimistic. This is probably because short-term solutions to excess debt are widely available — debt consolidation, debt management, debt settlement and bankruptcy can all discharge unmanageable debt fairly quickly. However, the more drastic solutions have long-lasting consequences.

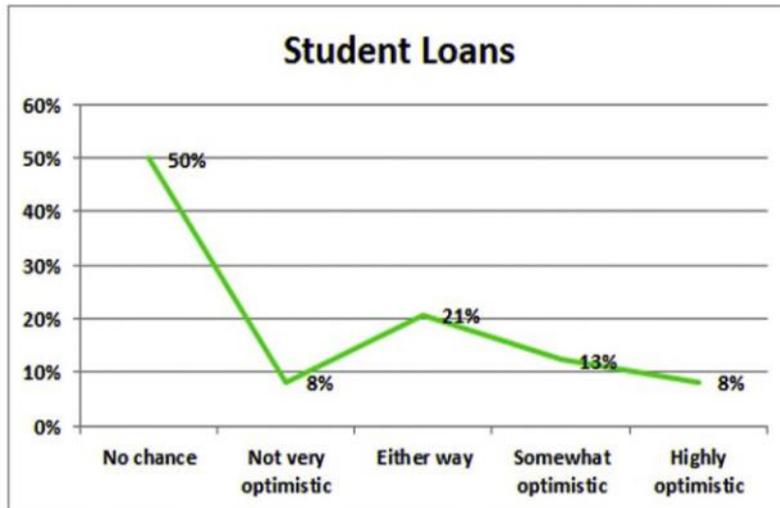


Student loans crushing hopes

While just 7% of respondents who expressed a financial fear listed student loan repayment as a chief concern, the impact of this financial problem cannot be underestimated. Fully half of those

who indicated that student debt was their biggest financial fear saw no way out. Only 21% claimed to be optimistic about solving the problem.

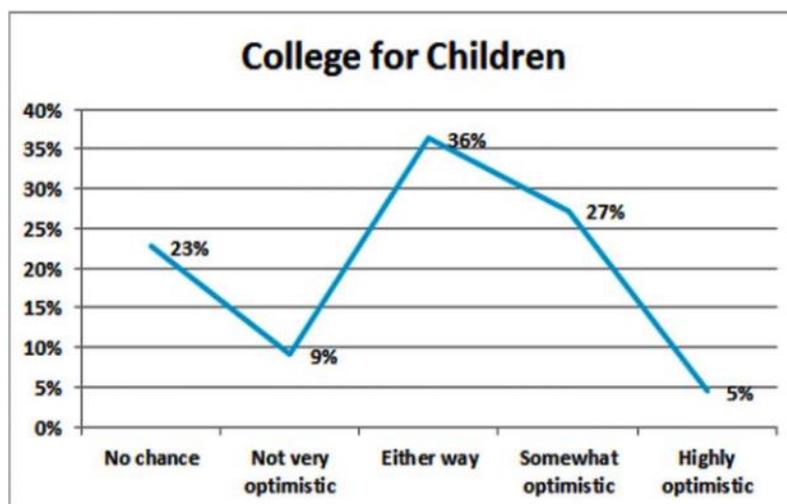
That is likely because most student loans are backed by the U.S. government and cannot be discharged in bankruptcy. Those who fail to graduate after accumulating large student debts are the most vulnerable. But even those who graduate and gain the employment they expected are financially hindered by their debts. CNBC reports that 73% of those with student debt have put off buying a home, saving for retirement, paying off debt or saving for emergencies.



Paying for college: a mountain to climb

The flip side of the problem of students struggling to cope with their own debt repayment is parents trying to save for their children's future tuition. Just 32% believe that they will find a way out. A survey by Student Loan Hero backs this up, revealing that 80% of parents find saving for college much harder than they expected. Over one-third of them were still trying to repay their *own* student loans while saving for their children. And over 40% are putting off retirement investments in favor of saving for their kid's college tuition.

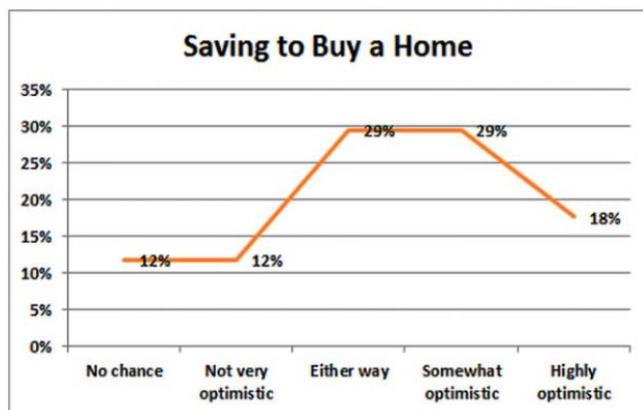
However, there are options that should be explored prior to taking on huge debts for tuition or shorting retirement savings. Applying for grants, living at home, working part-time through school, transferring from a 2-year school and applying for tuition reimbursement from employers are great strategies for graduating with less debt and less impact on parents' financial well-being.



Buying a home: a workable challenge

Just 5% of survey respondents with a financial fear cited saving a home down payment as a major difficulty. That is probably because there are so many mortgage programs with low down payment requirements today. In addition, many qualify for down payment assistance (DPA) programs and other special offers for first-time homebuyers.

So, it's not surprising that 47% of those who expressed this fear also indicated that they expect to overcome it.



Other findings

Overall, survey respondents tended to be more pessimistic about their financial fears (41%) than optimistic (38%). Only 19% reported being highly optimistic about solving their financial problems. Women tended to be more worried about saving for retirement and excess debt, while men focused more on student loans.

The bottom line is that most financial fears have solutions. The most important thing is to address them as early as possible.

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