

NEWS RELEASE

Contact: Joel Allegretti
917-239-4356
212-596-6111
jallegretti@aicpa.org

AMERICANS 25 – 34 FACE UNCERTAIN FUTURE DUE TO POOR FINANCIAL HABITS, AICPA STUDY SHOWS

NEW YORK (October 25, 2006) – Americans 25 – 34 face a potentially troubling future as a consequence of their current spending and saving habits, according to a study commissioned by the American Institute of Certified Public Accountants.

The number of people in this demographic maintaining an interest-bearing account or other savings instrument is declining, from 65 percent in 1985 to 55 percent in 2004. Notably, the ownership of the most accessible of these instruments, a simple savings account with a bank, fell from 61 percent to 47 percent between 1985 and 2004.

Their median net worth has fallen dramatically, the study found. In 1985, it was \$6,788; by 2004 it had plummeted to \$3,746.

The study was conducted by Dr. Christopher Thornberg and Dr. Jon Haveman, economists with Beacon Economics in Los Angeles, on behalf of Feed the Pig™ (www.FeedthePig.org), a national public-service campaign

-more-

American Institute of Certified Public Accountants
1211 Avenue of the Americas, New York, NY 10036-8775 • (212) 596-6200 • fax (212) 596-6213 • www.aicpa.org
ISO 9001 Certified

**AMERICANS 25 – 34 FACE UNCERTAIN FUTURE
DUE TO POOR FINANCIAL HABITS, AICPA STUDY SHOWS
Page 2 of 2**

sponsored by the AICPA and the Ad Council that educates 25 – 34 year olds on the need to take better control of their personal finances.

The study also found:

- There is an increased willingness among Americans in this age group to acquire unsecured debt: The average level of debt in 1985 was \$3,118, whereas by 2004, it had climbed to \$4,733;
- On average, net worth for 25 – 34 year-olds was 99 percent of income in 1985; by 2004, it was 92 percent;
- The East South Central region of the United States (comprising Kentucky, Tennessee, Alabama and Mississippi) ranks lowest in ownership of savings instruments and net worth.

The complete report is available at www.aicpa.org/mediacenter.

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 330,000 members, including CPAs in business and industry, public practice, government, and education. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination.

The Ad Council (www.adcouncil.org) is a private, non-profit organization that marshals volunteer talent from the advertising and communications industries, the facilities of the media, and the resources of the business and non-profit communities to deliver critical messages to the American public. The Ad Council has produced, distributed and promoted thousands of public service campaigns on behalf of non-profit organizations and government agencies in issue areas of health & safety, community and education.

##

Feed the Pig is a trademark of the American Institute of Certified Public Accountants.