



## Was the recession a good thing?

By Katy Byron July 12, 2011: 10:24 AM ET

NEW YORK (CNN) -- The Great Recession had many lasting negative effects -- high unemployment, falling home prices, stunted growth -- just to name a few. But the news isn't all bad.

The majority of Americans feel that the past few years provided a much-needed financial wake-up call, a new study shows.

Eight out of ten people surveyed say they now exercise more caution with their finances and "learned important lessons regarding savings, investing, and preparing for retirement," according to a joint study released Tuesday by AgeWave and SunAmerica Financial Group.

"In a very interesting way, [the recession] jolted the American public to think more seriously about their future and forced them to course-correct their savings and debt approach," said Ken Dychtwald, CEO and Founder of AgeWave, a consulting firm on population aging.

### **The young and the riskless**

Some hard lessons learned from the risky behavior of the country's largest financial institutions - - about two-thirds of the 1,001 people surveyed feel they now prefer investments that include a guaranteed return and want to protect their savings against losses.

Protecting financial assets is five times more important than taking big risks that could yield high returns, the survey showed. **The survey** was conducted during the second quarter of this year.

**A lasting legacy:** Changes in people's savings and spending habits formed after the recession are likely to last a lifetime, said Mark Vitner, senior economist, Wells Fargo Securities.

"This is something that's going to last a generation... we are going to see changes on the same order of magnitude than what we saw after the Great Depression," Vitner said.

Dychtwald, who has studied the behaviors of the aging populations for 40 years, says these changes are positive.

"Before the recession I was worried that tens of millions of people were spending all their money and not saving a cent, fantasizing about a wonderful retirement... today I think people are trying to match their reality to their dream," he said.

Though **retirement savings are on the rise**, most people still feel concerned about their finances two years after the recession officially ended. More than a quarter feel angry about their financial losses, the survey found.

But Dychtwald points out that people are now feeling as much, if not more hopeful about their financial stability than they did before the recession hit, the study showed.

First Published: July 12, 2011: 9:03 AM ET

Original URL: [http://money.cnn.com/2011/07/12/pf/recession\\_saving\\_habits/](http://money.cnn.com/2011/07/12/pf/recession_saving_habits/)