

A blue-tinted photograph of a meeting room. Several people are seated around a long table, and one person is standing on the right side, possibly presenting. The scene is dimly lit, with the primary light source coming from the windows in the background, creating a professional and focused atmosphere.

# REDUCING EMPLOYEE STRESS:

The Influence of Emergency Savings  
on Financial Well-being



ENRICH CASE STUDY 2024



## High Stress Levels Linked To A Lack Of Savings

The main focus of any financial education program is to foster improved financial well-being. A crucial facet of this mission involves delving into the repercussions of not having an emergency fund, particularly on overall stress levels. Through our comprehensive stress assessment provided through the Enrich platform, users respond to a series of questions that culminate in their personalized stress score, measured on a scale of 0-40.

**During our Financial Wellness Checkup, one of the things we ask users is “Do you have 3-6 times your monthly expenses saved in an emergency fund?”.**

By using this data we were able to group our users based on whether or not they have an

emergency savings, and then compare the average stress scores between groups.

The results clearly indicate how significant ones savings has on their stress, with the averages between the groups being nearly 9 points out of 40 total. We then wanted to dig deeper by analyzing these stress averages also between specific demographics and user personality types.

# Money Personalities

Enrich's Money Personalities assessment categorizes users' innate financial behaviors into groups like Apprehensive, Confident, and Present Focused. Understanding these tendencies provides insight into how different types approach savings and stress.

Group values are displayed in the format of Emergency Fund Status: Average Stress Score. So (No EF: 17.67) represents, within that group, those without an emergency fund have an average stress score of 17.67.

## Emotions

### Cautious

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Interestingly, people in the cautious group actually have some of the lowest stress scores. This may be attributed to their prudent financial habits. Even those without an emergency fund in this group manage stress better, possibly due to their careful budgeting and a conservative approach to spending. Their innate tendency to avoid financial risks helps mitigate stress levels, making them more resilient in the face of financial uncertainty.

### Relaxed

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Individuals in the relaxed category show a significant difference in stress scores based on their emergency fund status. Those without an emergency fund score higher on the stress scale, indicating that their typically easygoing attitude towards finances might lead to increased anxiety in the absence of a financial safety net. Conversely, relaxed individuals with savings tend to manage stress more effectively, showcasing the importance of savings in maintaining not only financial health but also psychological well-being.

No:

**17.67**



Yes:

**12.15**



No:

**20.25**



Yes:

**14.41**



# Outlook

## Optimistic

Optimistic individuals tend to maintain a positive outlook regardless of their circumstances, but the data reveals a notable stress reduction when they have savings. This suggests that while optimism helps in coping with financial stress, having a tangible financial safety net significantly enhances their ability to manage stress.

No:

**20.18**



Yes:

**12.51**



## Confident

Those in the confident group often display a high degree of self-assurance in their financial decisions. However, the data indicates that this confidence is significantly bolstered by the presence of an emergency fund. The reduced stress score among those with savings underlines the importance of financial security in maintaining their confidence levels.

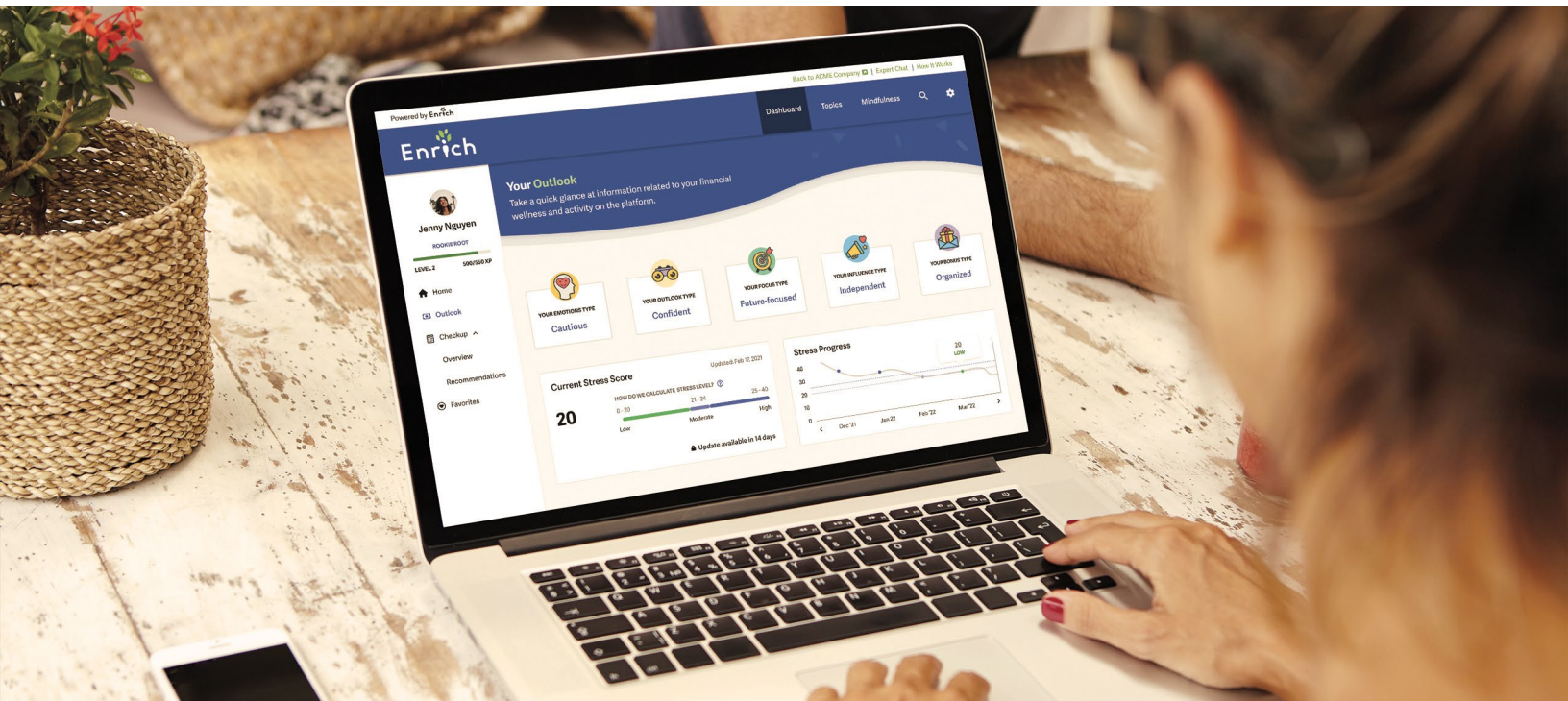
No:

**20.69**



Yes:

**14.67**



# Focus

## Present Focused

Individuals with a present-focused approach typically prioritize immediate gratification over long-term planning, which is reflected in their higher stress scores when lacking savings. The noticeable stress reduction in those with an emergency fund underscores the benefits of forward-thinking financial habits, even for those naturally inclined towards present-focused living.

## Future Focused

Future-focused individuals generally exhibit lower stress levels, as they are more likely to prepare for unforeseen circumstances. This trait is highlighted in the data, where even those without an emergency fund have relatively low stress scores. The presence of savings further reduces stress, showcasing the effectiveness of their forward-planning mindset.

No:

**23.45**



Yes:

**16.46**



No:

**18.93**



Yes:

**12.15**





# Influence

## Social

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Social individuals, who often value the opinions and influences of others, show a significant decrease in stress when they have an emergency fund. This suggests that financial independence and security are crucial in mitigating stress for those who are socially influenced, allowing them to feel more secure in their social circles.

No:

**22.08**



Yes:

**14.11**



## Elusive

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Elusive personalities, who tend to be more private and less influenced by external factors, exhibit the highest stress levels without savings. This indicates a strong internal desire for financial security. The presence of an emergency fund greatly reduces their stress, highlighting the importance of financial self-sufficiency for this group.

No:

**24.19**



Yes:

**15.16**



# Financial Health Characteristics

## Organized

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Individuals in the organized category typically exhibit a structured approach to finances. The data shows a significant drop in stress levels for those with savings, underscoring the importance of financial organization and preparedness in managing stress effectively.

No:

**20.01**



Yes:

**12.41**



## Fun Seeking

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Fun-seeking personalities often prioritize enjoyment and experiences over financial planning. The higher stress scores in the absence of an emergency fund reflect the potential anxiety that arises from a lack of financial security. However, those who balance their fun-seeking nature with savings show a remarkable decrease in stress, highlighting the benefits of a balanced approach to finances.

No:

**23.96**



Yes:

**15.95**



## Skeptical

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Skeptical individuals, who may question the stability and certainty of financial decisions, exhibit high stress levels without an emergency fund. This suggests that skepticism, when combined with a lack of savings, can lead to increased financial anxiety. However, the presence of an emergency fund significantly alleviates their stress, indicating that tangible financial security is crucial for this group.

No:

**22.66**



Yes:

**13.13**



# Generational Budgeting Habits

We also analyzed generational groups and their budgeting habits.

## Gen Z

Individuals in the organized category typically exhibit a structured approach to finances. The data shows a significant drop in stress levels for those with savings, underscoring the importance of financial organization and preparedness in managing stress effectively.

No:

**21.39**

Yes:

**14.24**



## Millennials

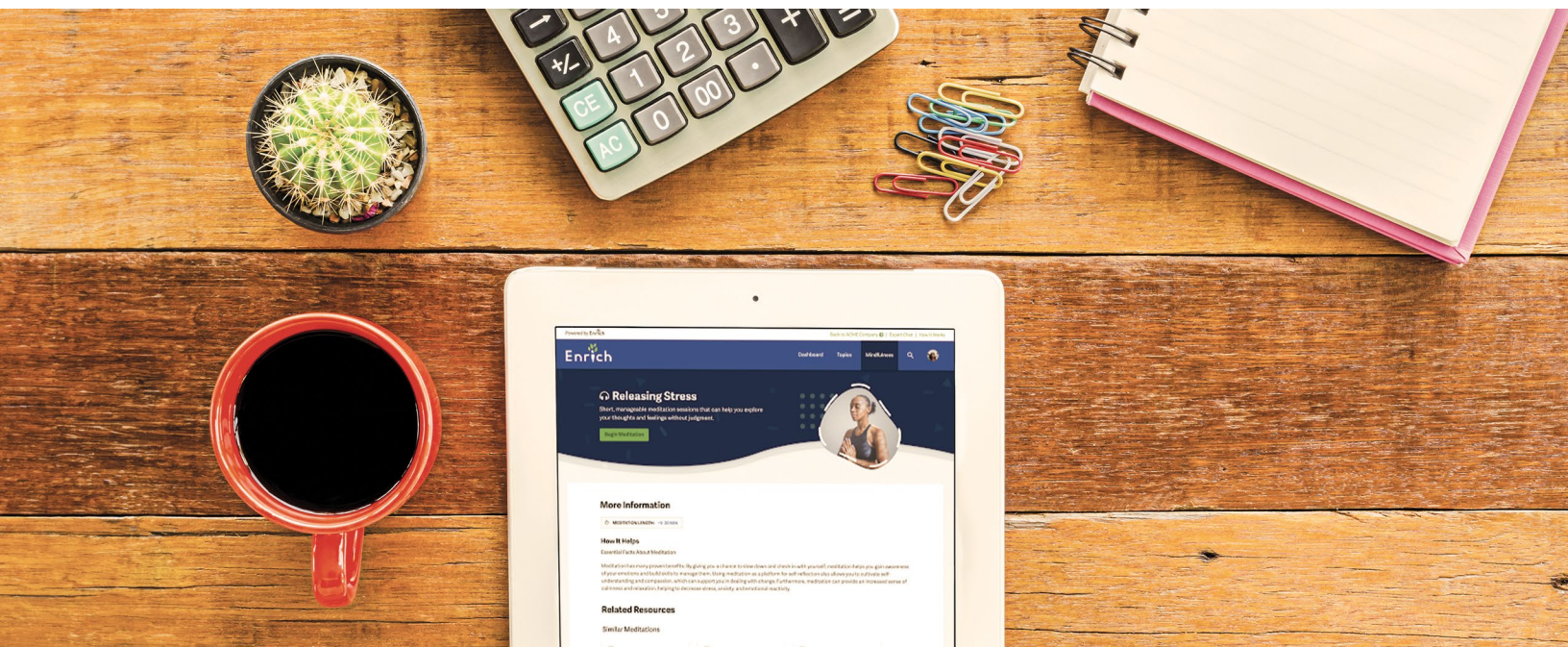
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No:

**21.70**

Yes:

**13.22**



## Gen X

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Skeptical individuals, who may question the stability and certainty of financial decisions, exhibit high stress levels without an emergency fund. This suggests that skepticism, when combined with a lack of savings, can lead to increased financial anxiety. However, the presence of an emergency fund significantly alleviates their stress, indicating that tangible financial security is crucial for this group.

No:

**20.83**



Yes:

**12.90**



## Baby Boomers

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Skeptical individuals, who may question the stability and certainty of financial decisions, exhibit high stress levels without an emergency fund. This suggests that skepticism, when combined with a lack of savings, can lead to increased financial anxiety. However, the presence of an emergency fund significantly alleviates their stress, indicating that tangible financial security is crucial for this group.

No:

**19.61**



Yes:

**12.00**



## Key Insights:

Concluding our analysis, it's clear that the relationship between financial habits and stress is both intricate and impactful. Our findings illuminate key patterns and insights that can guide individuals toward better financial health and reduced stress. With this in mind, let's distill the core lessons from our study into some essential takeaways. These insights not only highlight the importance of savings and financial planning but also underscore how different personalities and generational groups navigate the complexities of financial wellness.

### 1. Emergency Fund Importance:

Across all personality types and generations, the presence of an emergency fund significantly reduces financial stress. This underscores the universal importance of having a safety net regardless of one's financial disposition or age group.

## 2. Personality and Financial Stress:

Different Money Personalities exhibit varied levels of stress in relation to their financial habits. Organized and cautious individuals generally handle financial stress better, especially with savings, while fun-seeking and present-focused personalities face higher stress levels without a financial buffer.

## 3. Generational Insights:

Each generational group demonstrates a unique response to financial stress, with younger generations like Gen Z showing a notable decrease in stress with savings. This highlights the evolving nature of financial challenges and attitudes across different ages.

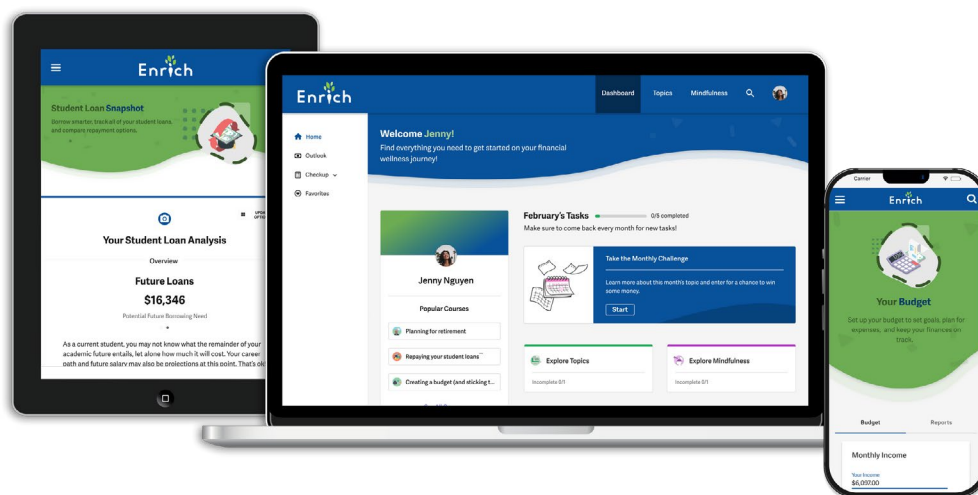
## 4. Balancing Nature with Financial Habits:

The data suggests that while innate financial behaviors influence stress levels, practical steps like maintaining an emergency fund can significantly mitigate these effects. This implies that regardless of one's natural financial inclination, proactive financial planning remains key.

## 5. Comprehensive Financial Wellness:

The study emphasizes the need for a holistic approach to financial wellness that considers personality, generational influences, and practical financial habits. Financial education and planning tools should be tailored to address these diverse needs and perspectives.

By understanding and addressing the complex interplay between personality, generational traits, and financial practices, individuals can better navigate their financial journey, leading to reduced stress and improved overall well-being.



# About Enrich

The initiation of Enrich in 2014 marked the commencement of a mission to empower the public with effective money management skills.

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Enrich has expanded its impact across a wide array of employers and a diverse user base. We are proud to collaborate with major partners, including industry leaders like Coca-Cola, ADP, Boeing, and Footlocker. Additionally, our influence extends to critical sectors, encompassing retirement systems such as the Virginia Retirement System and Ohio Deferred Compensation, recordkeepers like The Standard and Nationwide, and significant financial institutions such as Principal Financial Group and Edelman Financial Engines.

Our unwavering dedication to financial education fuels our passion for continuous improvement. Despite having garnered multiple accolades for our financial literacy platform, we strive to enhance it incessantly. Today, iGrad takes pride in partnering with colleges, universities, and organizations, offering them a tailored, comprehensive, and industry-leading financial Wellness program. This cutting-edge solution connects individuals with the necessary tools to thrive in the practical realm of personal finance.

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