

MY | MONEY™

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Financial Stress & Employees

Findings from research for My|Money

September 2013

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RESEARCH INSIGHTS & IMPLICATIONS

A. Research Background & Objectives



- **Slattery Communications are working with MyMoney to promote the new financial advise service aimed at employees.**
- **As a result of the financial downfall in Ireland, it is understood anecdotally that financial stress is common among employees and may be impeding their ability to work efficiently in the office and may also lead to presenteeism.**
- **This theory has yet to be tested in the Irish market which is what we set out to do in this research while also testing potential appetite for the MyMoney service.**

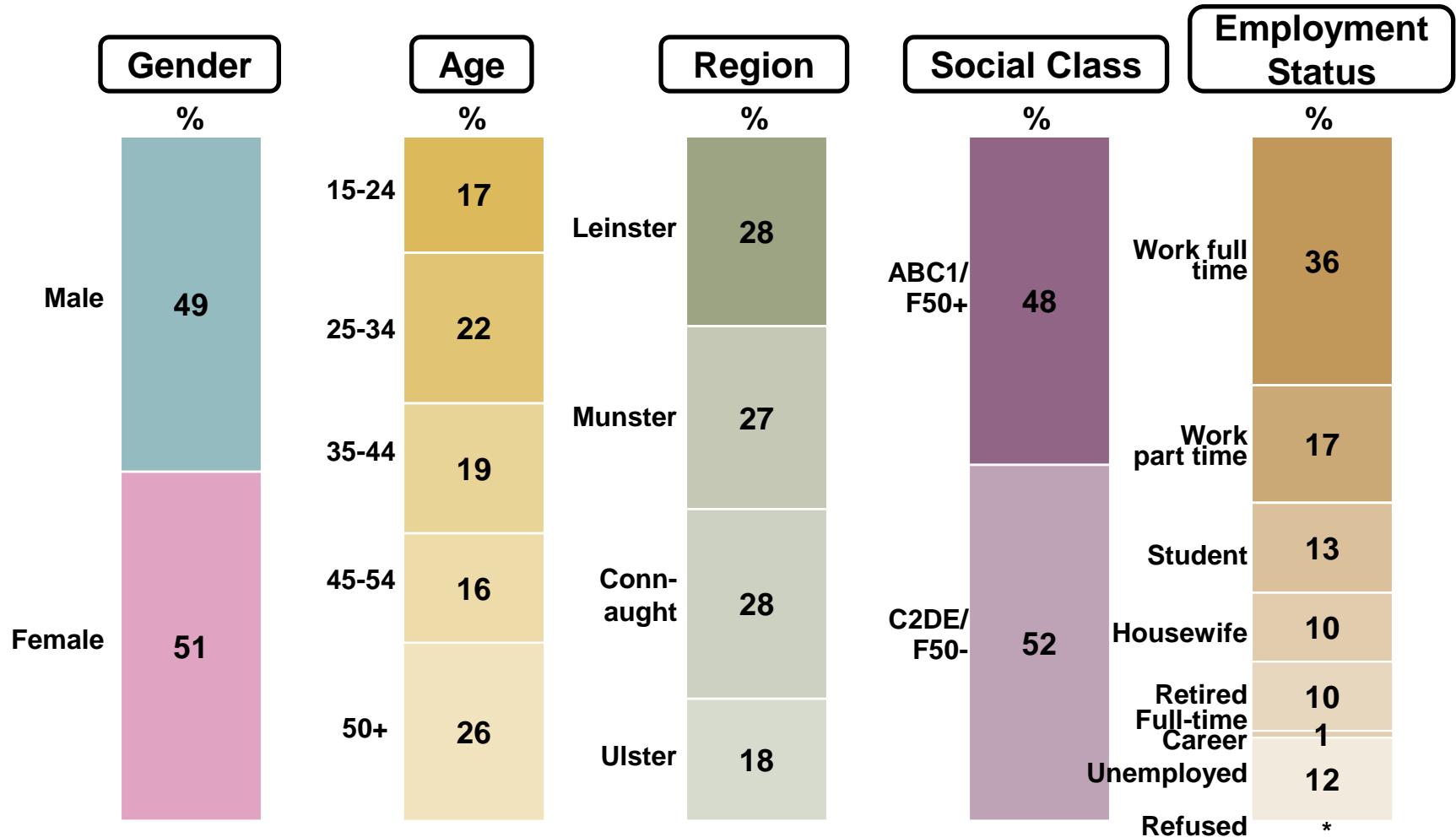
Research Methodology



- **A number of questions were placed on the Amárach Research September omnibus. The omnibus survey is a syndicated survey whereby clients can include questions within the survey.**
- **A total sample of 1001 was achieved with quotas set on gender, age, social class and region to achieve a sample aligned with national population. Due to the high proliferation of the internet among the Irish population, the Amárach Research omnibus is completed fully online.**
- **Interviewing fieldwork dates were September 9th – 13th.**

C. Profile of Sample – General Public

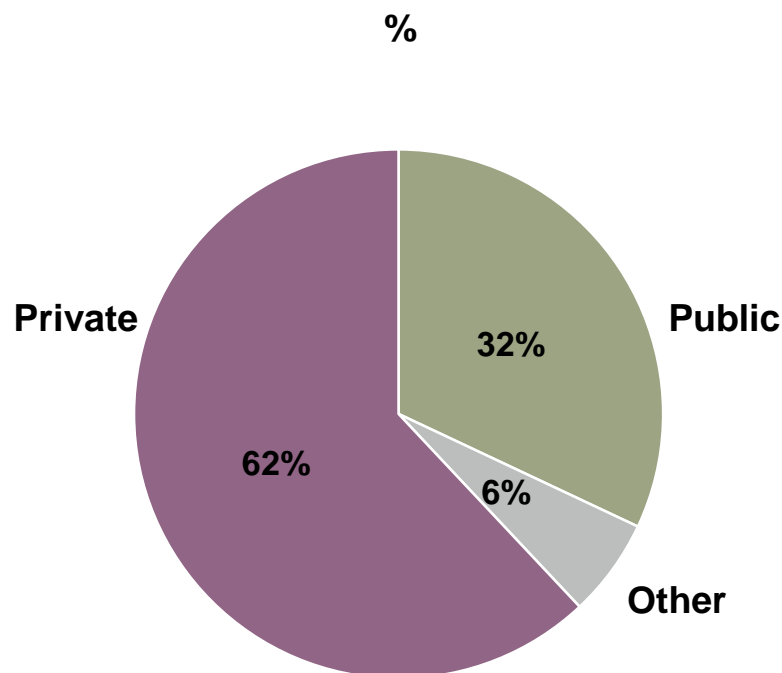
(Base: Nationally aligned sample of Irish Adults – 1,001)



A nationally aligned sample of Irish adults was surveyed for this research with quotas set on gender, age, region and social class from the CSO 2011 Census.

C. Profile of Sample – Employees

(Base: Irish Employees - 530)



Breakdown by Demographic

%

	Total	Gender		Region			
Private	62	71	52	64	66	56	66
Public	32	26	39	31	29	38	29
Other	6	3	9	5	5	6	5

Among the sample of employees, one third work in the public sector, while 6-in-10 are in the private sector. Men are more likely to work in the private sector while Munster residents are more likely to work in the public sector. *

MAIN FINDINGS

Key Findings I

Overall cost of employee financial stress to Irish Business is €2.1 Billion

State of a financially stress nation

- 91% of employees are in financial stress
- 68% of employees have debt that threatens to overwhelm them
- 41% of those surveyed say that they are not on control of their finances
- 67% are not planning or saving for emergencies
- Those who are not in control – 65% saw living expenses exceed income, 34% became unemployed, 30% saw accounts overdrawn, 24% missed payments on mortgages/loans and 24% had overdrawn accounts

When it comes to financial planning and looking for information

- Only 11% went to financial planning websites
- 41% asked friends and neighbours
- 29% looked at newspapers
- 22% asked the bank manager

Financial Goals and planning

- 55% had a weekly/annual budget, 66% used a paper based system
- 64% had financial goals
 - Paying bills on time
 - Increasing savings
 - Pay off credit card
 - Creating emergency funds

Financial stress and its effects:

When asked about financial stress

- 91% indicated they had experienced financial stress over the last 12 months
- 26% indicated they had high financial stress
- 7% indicated extreme financial stress

The effects of financial stress

Sleep/financial stress

- 41% lost sleep at least once a week
- 8% every night
- Average employee loses 37 minutes a day with financial stress

Work

- 42% said it did not impact on their ability to work
- 26% said it had a small impact on their work
- 23% said it had an impact
- 8% said it impacted greatly on their work

Absenteeism

- Financially stressed employees absenteeism costs €850,000 daily

From those who reported financial stress

- 39% said they live from paycheque to paycheque and 30% worried about making ends meet
- 25% felt they would not meet their future financial goals
- 19% reported they felt their financial situation was out of control

Key Findings II

Manager's/Employer's view

When Managers and employers were asked if they felt their staff were stressed

- 47% said staff were stressed
- 10% said very stressed
- 21% neither nor
- 12% did not know

Stress and productivity – the manager/employer's view

- 78% of managers and employers felt financial stress led to decreased productivity

Solution

Interest in financial solutions

- 43% would be interested in My|Money being offered by their employer
- 23% would be very interested in My|Money being offered by their employer

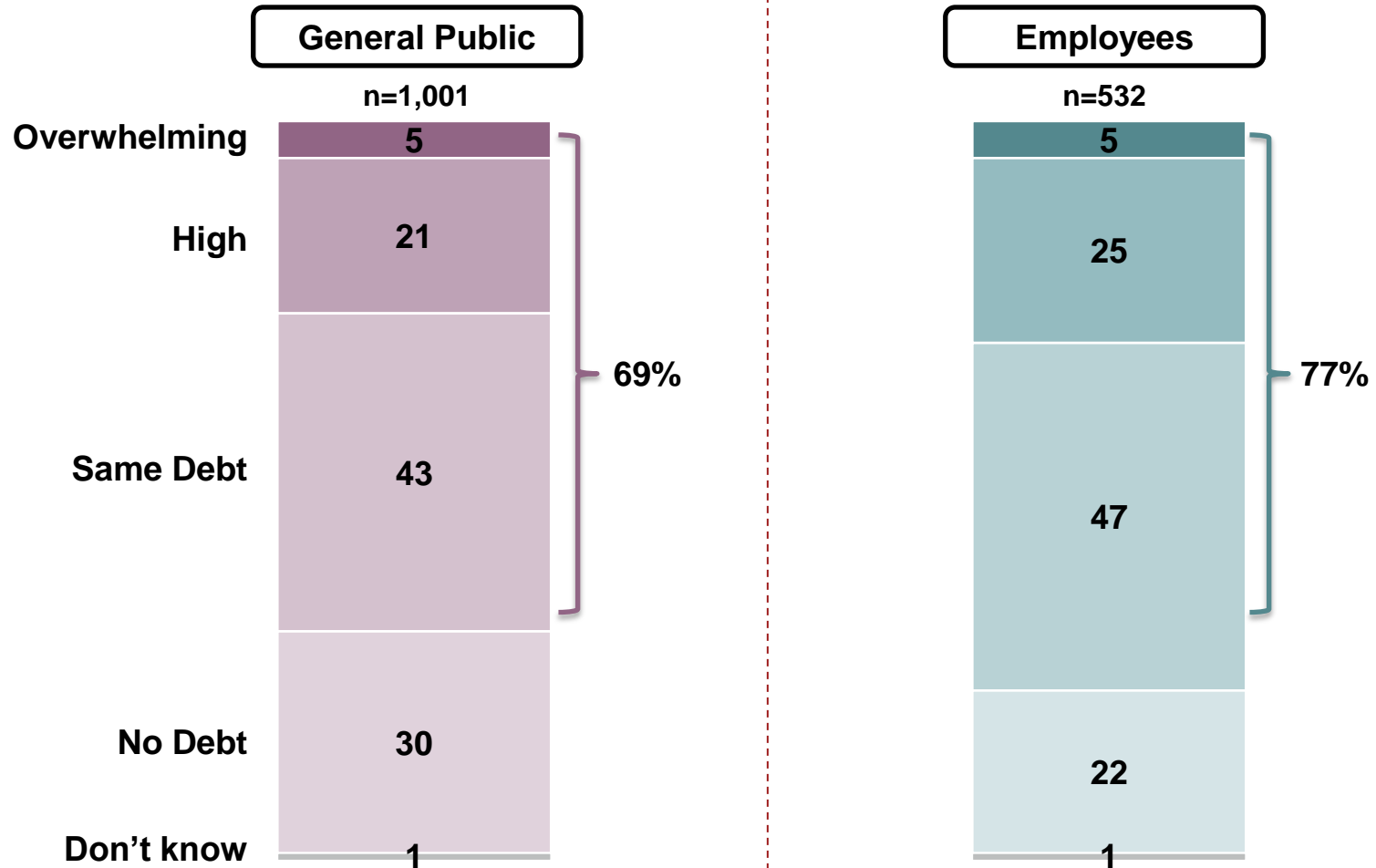
Usage

- 45% said they would be likely to use My|Money if offered by their employer
- 23% said they would be very likely to use use My|Money if offered by their employer

Section 1: General Public Debt & Stress Levels

Personal Debt Levels

(Base: Nationally aligned sample of Irish Adults – 1,001)



7-in-10 Irish adults say they have some level of debt (26% saying high/overwhelming) while this figure is higher for those in employment at 77%. Those aged 35-54 are most likely to have some debt (83%).

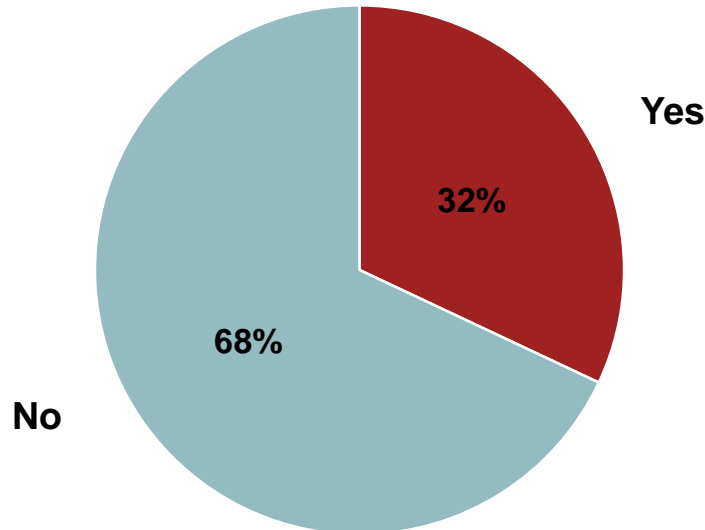
Lack of Financial Knowledge & Debt Levels

(Base: All who have debt – 683)

General Public

n=683

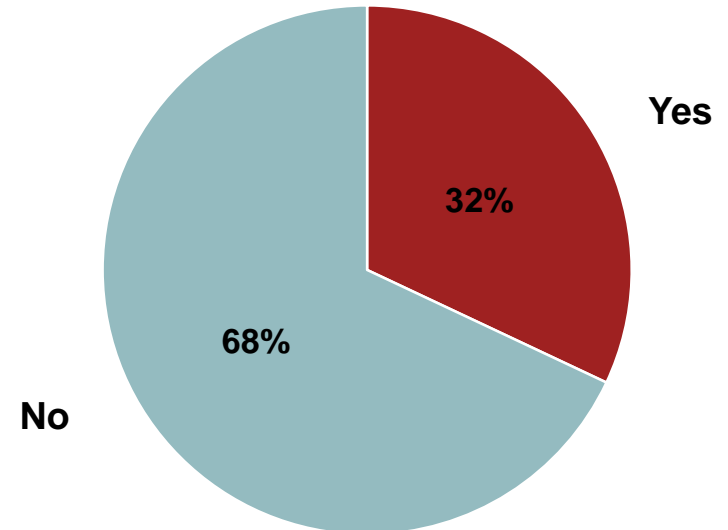
%



Employees

n= 408

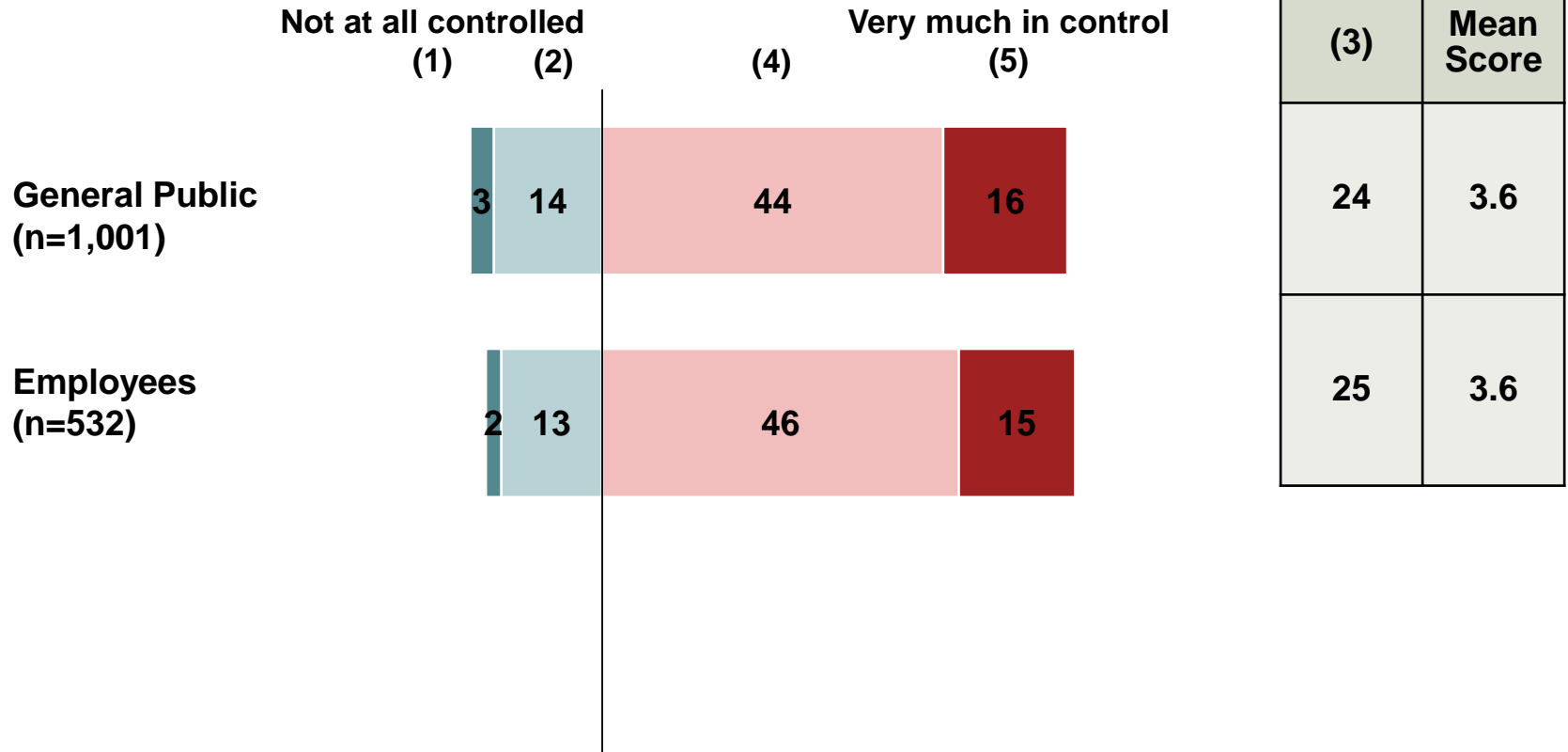
%



One-third of Irish adults and Irish employees who have debt say their lack of financial knowledge contributed to this situation. Those aged 15-34 are more likely to agree with this statement (39%) and so are most in need of assistance.

Level of Control of Finances

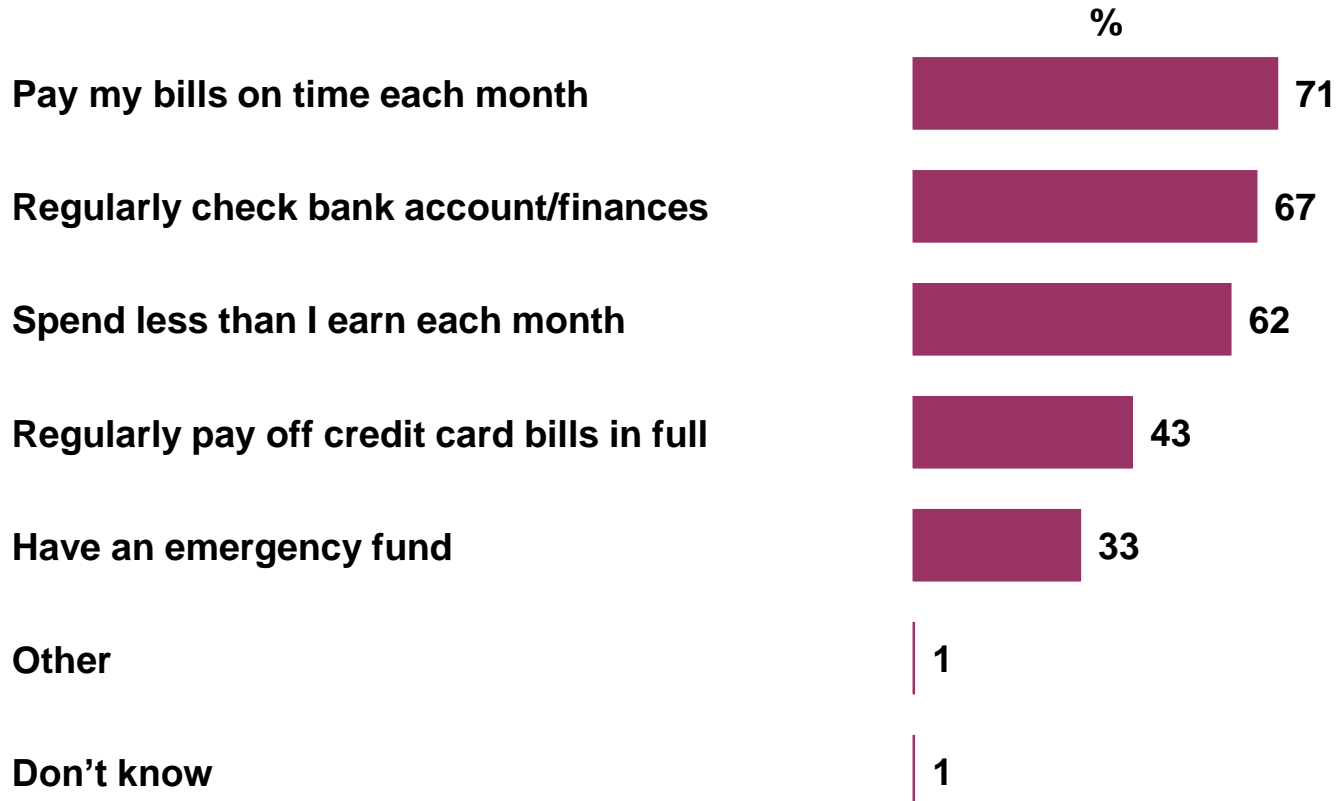
(Base: Nationally aligned sample of Irish Adults – 1,001)



6-in-10 Irish adults and Irish employees feel they are in control of their finances. A quarter said neither nor suggesting a level of uncertainty while 17% (general public) and 15% (employees) are not in control of their finances.

Techniques for Staying in Control of Finances

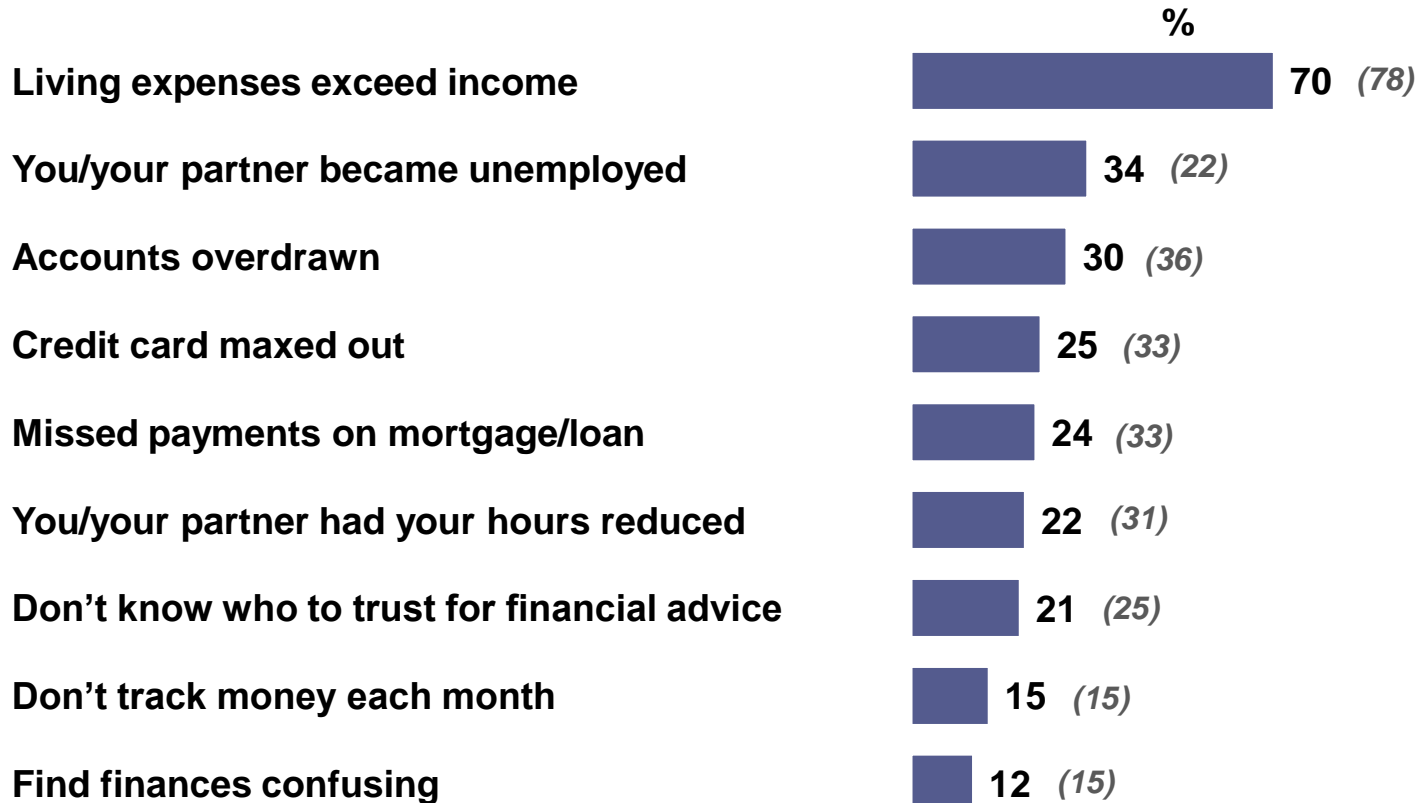
(Base: All who are in control of their finances – 593)



Paying off bills on time each month is the method most use to stay in control of their finances (71%), although only 43% regularly pay off their credit card bills on time.

Reasons for Not Being in Control of Finances

(Base: All who are not in control of their finances – 165)



There are a variety of reasons for not being in control of one's finances but the basic problem that expenses exceed income is mentioned by most Irish adults. Assistance and education on methods for reducing expenses without impacting significantly on quality of life would be beneficial.

* All others less than 10%

() = Those who are currently in employment

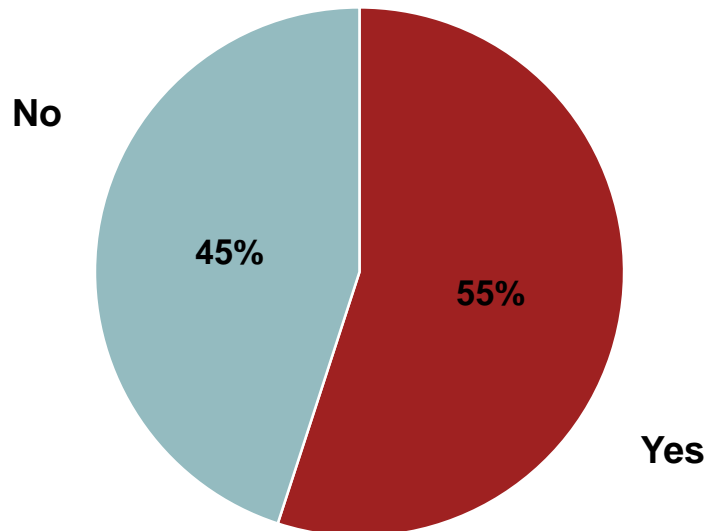
Weekly/Monthly/Annual Budget

(Base: Nationally aligned sample of Irish Adults – 1,001)

General Public

n=1,001

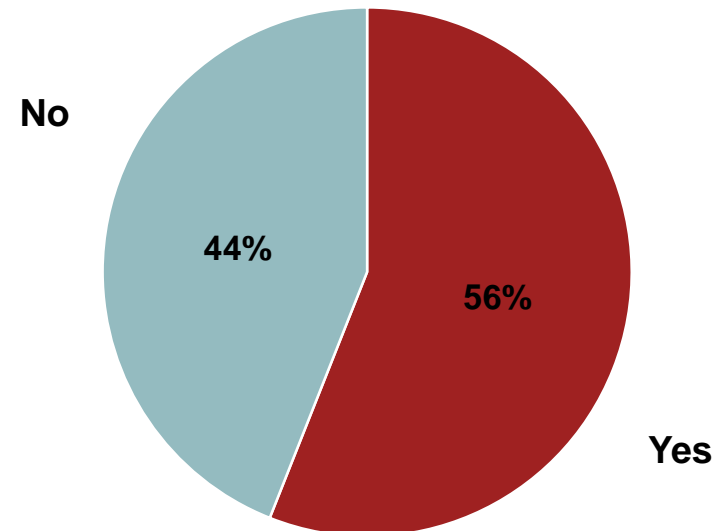
%



Employees

n= 532

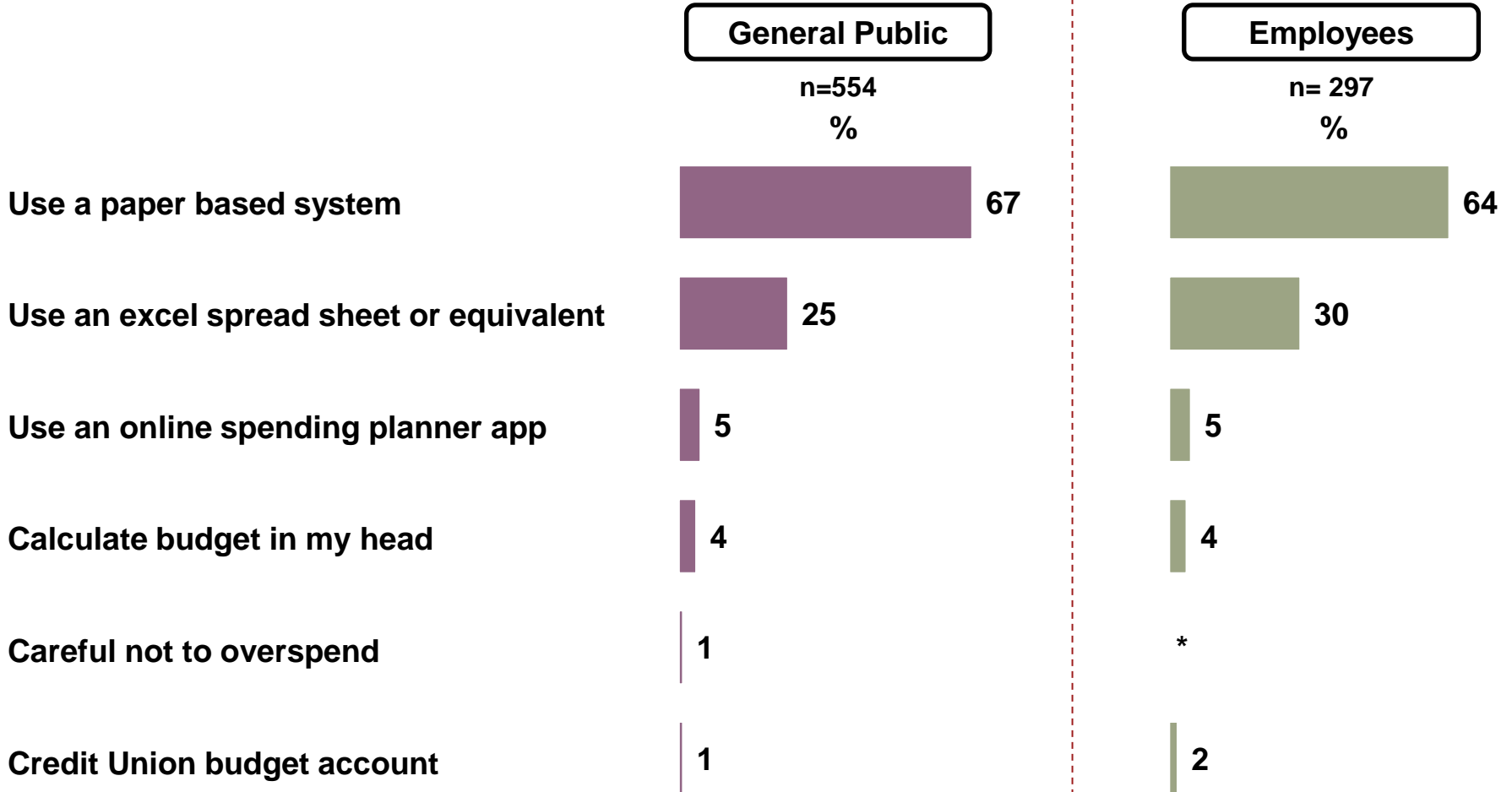
%



Just over half of Irish adults and Irish employees have a weekly, monthly or annual budget. Those who have debt or are overwhelmed with stress/financial stress are most likely to have a budget suggesting that many are trying to regain control of their finances.

Weekly/Monthly/Annual Budget

(Base: All who budget – 554)



Paper based systems are most frequently used to keep budgets although men are more likely to use an excel spreadsheets than women. Those who are not financially stressed are most likely to use online spending apps.

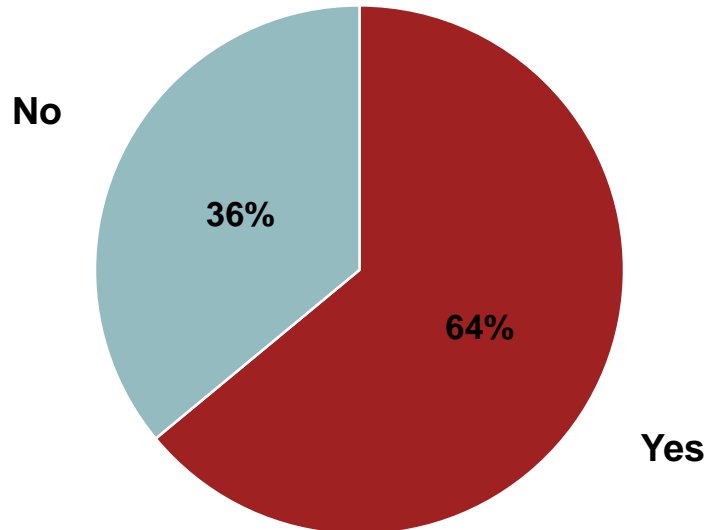
Financial Goals

(Base: Nationally aligned sample of Irish Adults – 1,001)

General Public

n=1,001

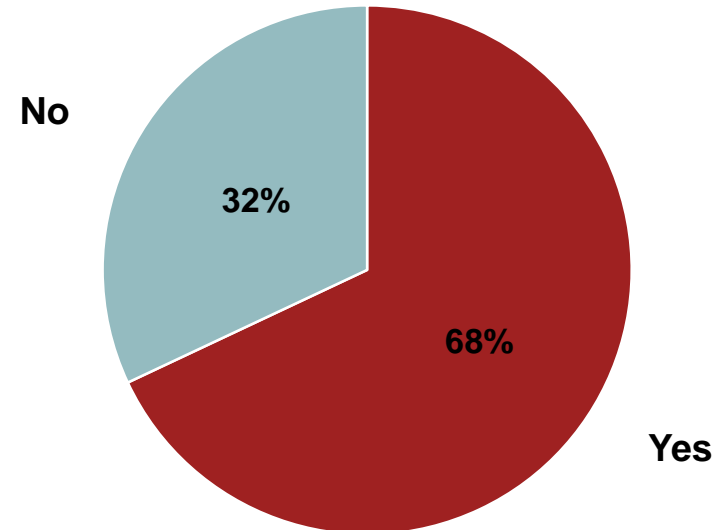
%



Employees

n= 532

%



Two-thirds of Irish adults and Irish employees have some financial goals. Those aged 25-34 are most likely to have financial goals (71%) while those aged 55+ are least likely (55%). Higher income families (i.e. €80k+) are also very likely to have financial goals (73%).

Prioritised Financial Goals Over the Next 12 Months

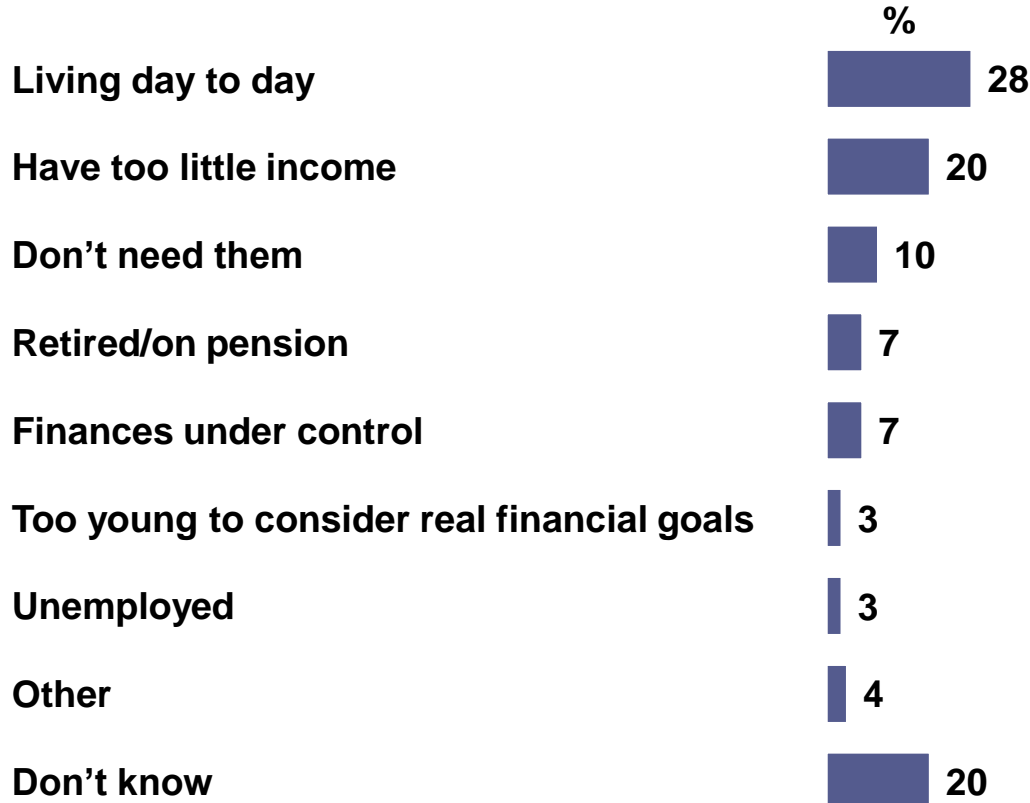
(Base: All with financial goals – 634)

	Main priority	2 nd priority	3 rd priority	
Pay your bills on time	25	22	16	63
Increase level of savings	22	22	17	61
Create emergency fund	8	17	20	45
Paying off credit card bill	12	11	10	35
Save for adequate pension in retirement	6	8	9	23
Set up college fund for children	3	7	8	18
Purchase new first home	7	4	6	17
Pay off mortgage	7	5	3	15
Stay/come out of arrears on mortgage	7	3	2	12

The primary financial goal for Irish adults is to pay off bills on time, while many would like to increase their level of savings. Paying off bills is more important for those aged 55+ (69%) while those aged 25-34 are most likely to prioritise their savings (72%).

Reasons for Not Having Financial Goals

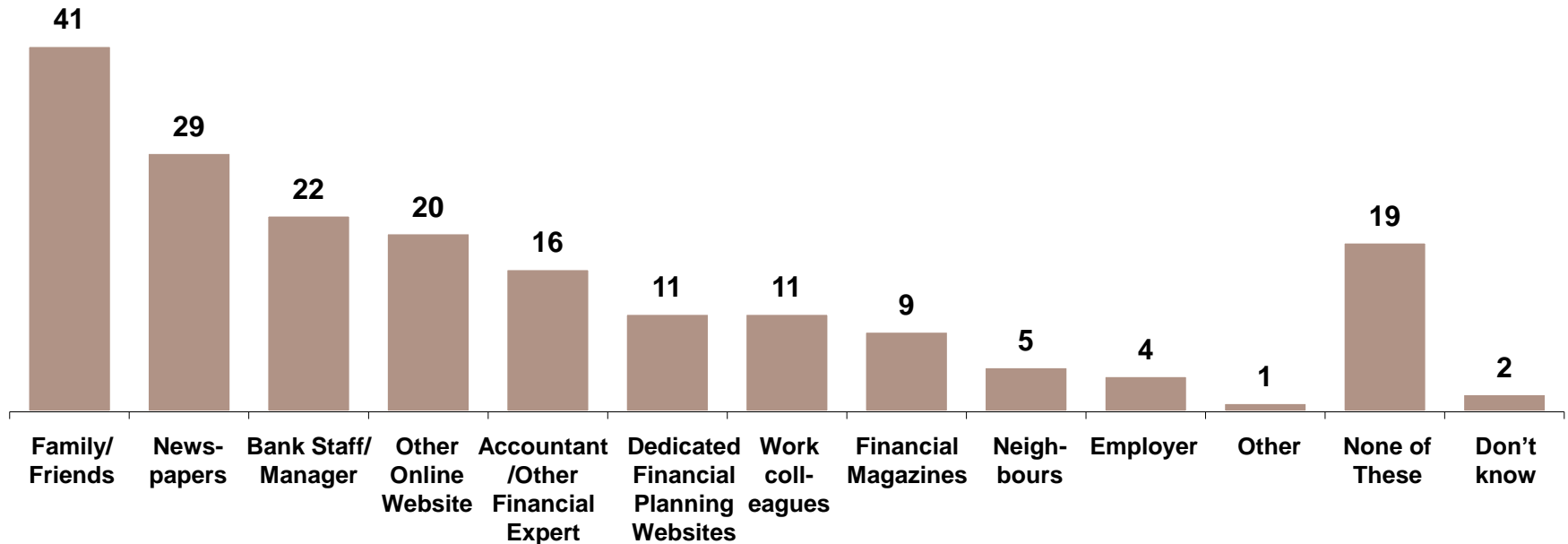
(Base: All who do not have financial goals – 357)



Nearly 3-in-10 say not having financial goals comes as a result of a lifestyle choice (living day to day) while 1-in-5 feel they do not have sufficient income to warrant having financial goals. Over half (54%) of those aged 45-54 say they are living day by day while 35% of those aged 35-44 say they have too little income.

Sources Used for Financial Information Within the Past 12 Months

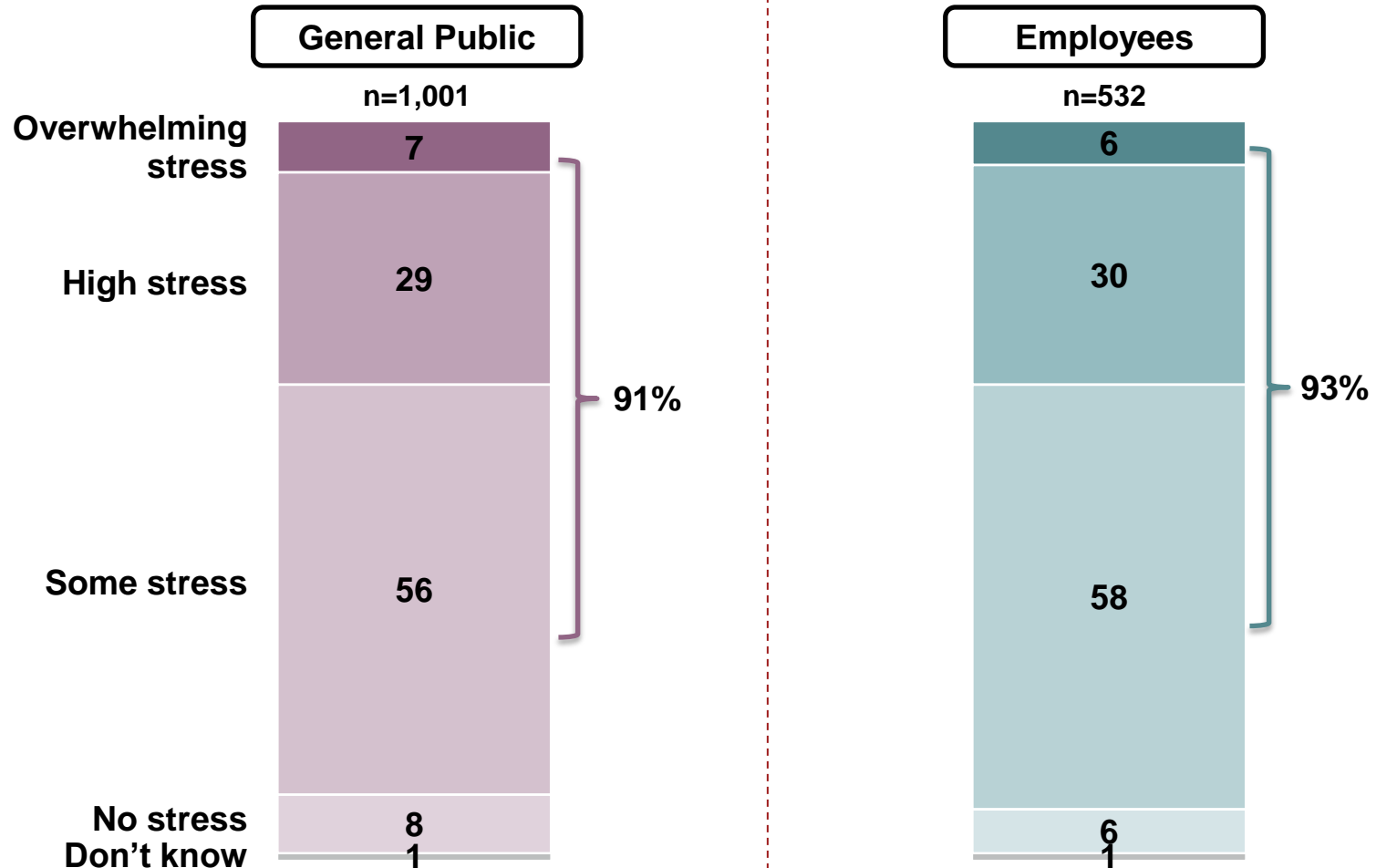
(Base: Nationally aligned sample of Irish Adults – 1,001)



A wide variety of sources are used for financial information although the most common source is family/friends. 1-in-5 spoke with bank staff/manager in the past 12 months while 1-in spoke with an accountant/financial expert. Households with earnings less than €20-30k per annum are least likely to speak with anyone about their finances.

General Level of Stress in the Past 12 Months

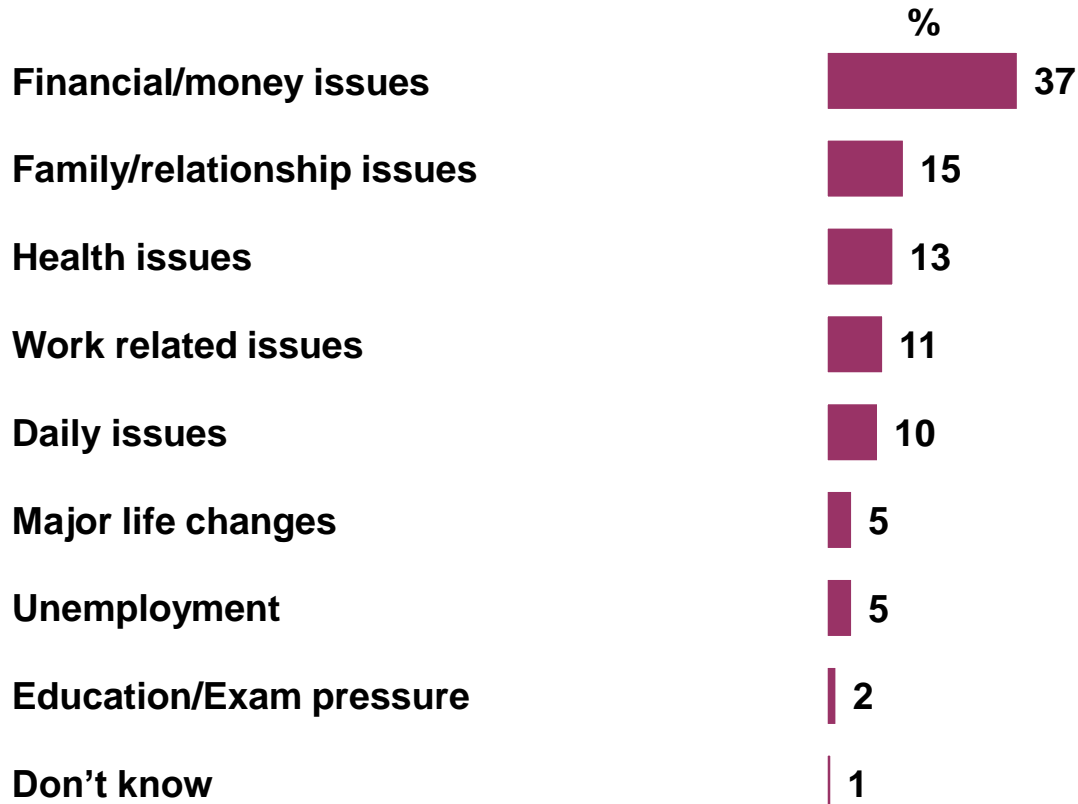
(Base: Nationally aligned sample of Irish Adults – 1,001)



A very high proportion of Irish adults (91%) and Irish employees (93%) have been stressed over the past 12 months. 98% of those with overwhelming debt feel stressed while 84% of those without debt felt stressed in the past 12 months.

Main Causes of Stress in Life

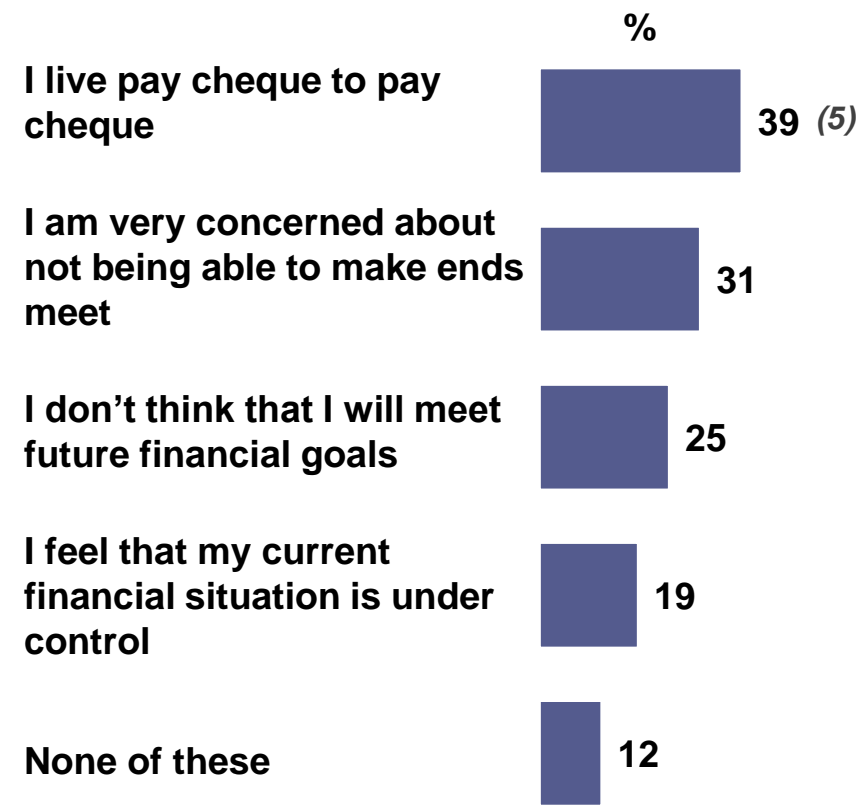
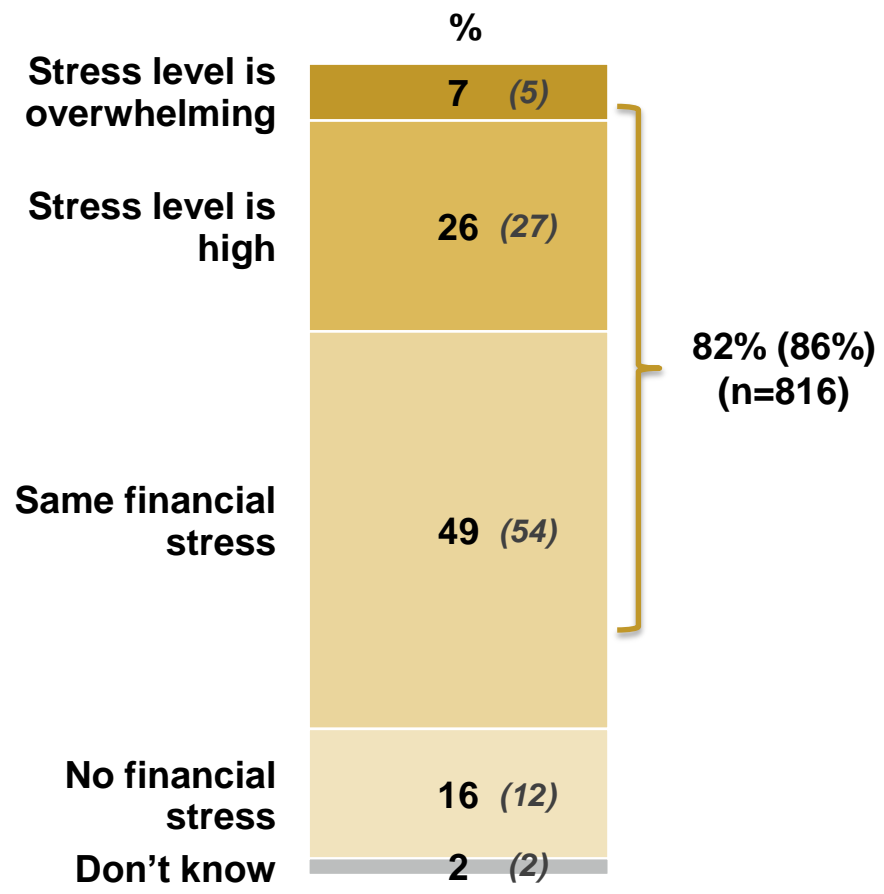
(Base: All who are stressed – xxx)



Financial/monetary issues are the most likely cause of general stress for Irish adults. This is particularly true for those aged 35-54 (49%), those with a mortgage (49%), and those with overwhelming debt (69%) or high debt levels (64%).

Financial Stress of the Past 12 Months

(Base: Nationally aligned sample of Irish Adults – 1,001)



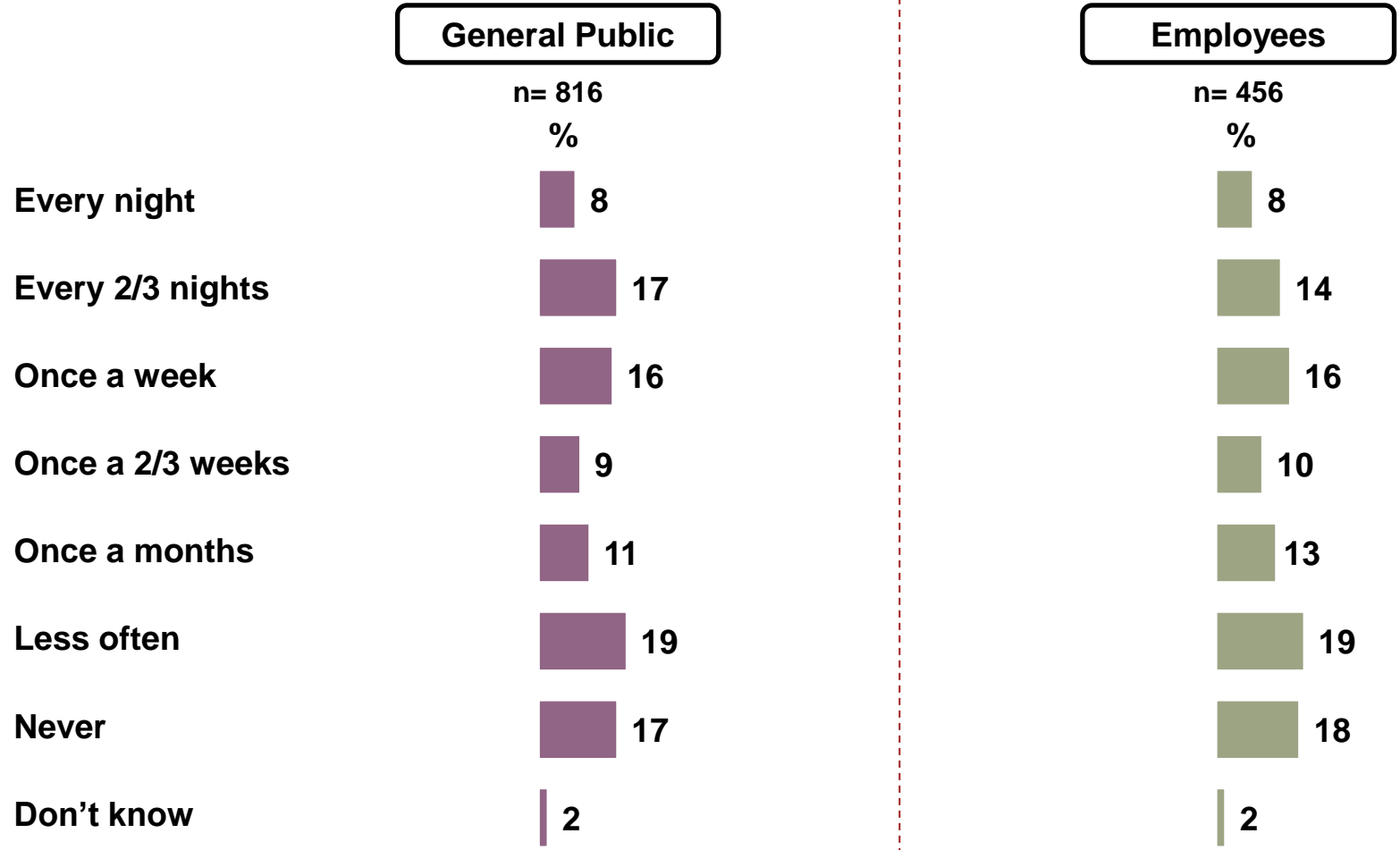
8-in-10 Irish adults are financially stressed (increasing to 86% for Irish employees). For those who are financially stressed, 4-in-10 feel they live pay cheque to pay cheque.

() = Those in employment

(Q.9a/9b)

Frequency of Sleeping Difficulty due to Financial Stress

(Base: All who are financially stressed – 816)

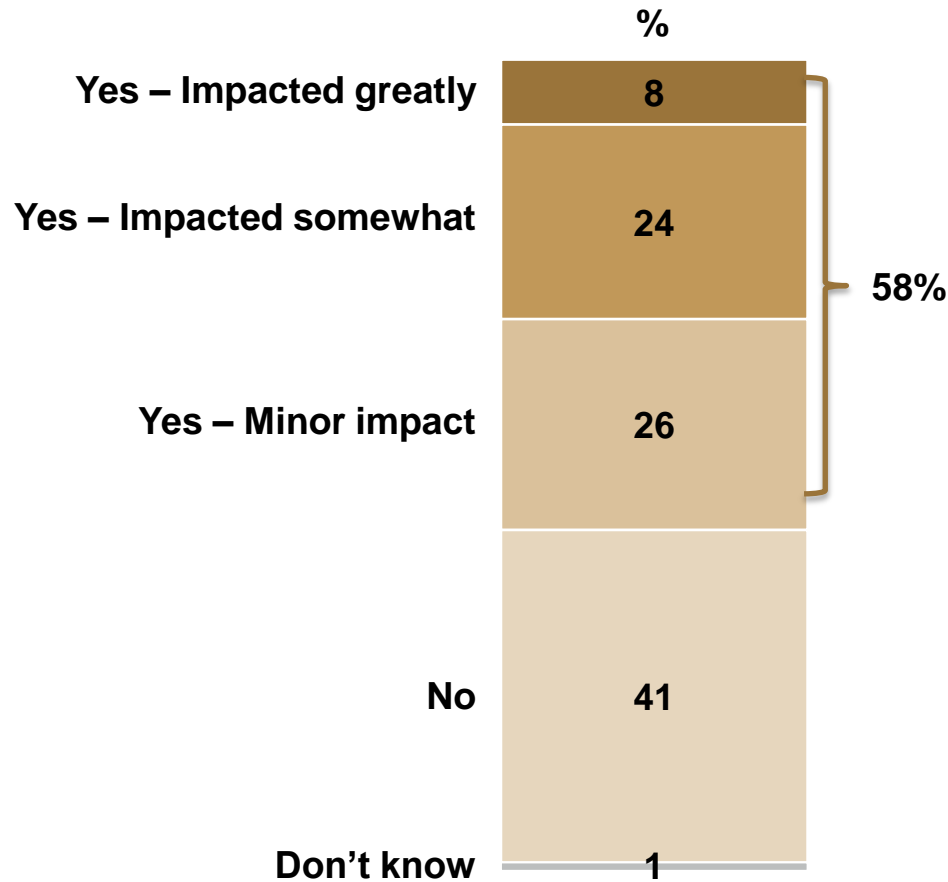


4-in-10 of those who are financially stressed are having trouble sleeping on at least a weekly basis. This increases to 82% among those who are overwhelmed by debt and 97% among those who are overwhelmed by financial stress.

Section 2: Employees & Financial Stress

Impact of Financial Stress on Ability to Work

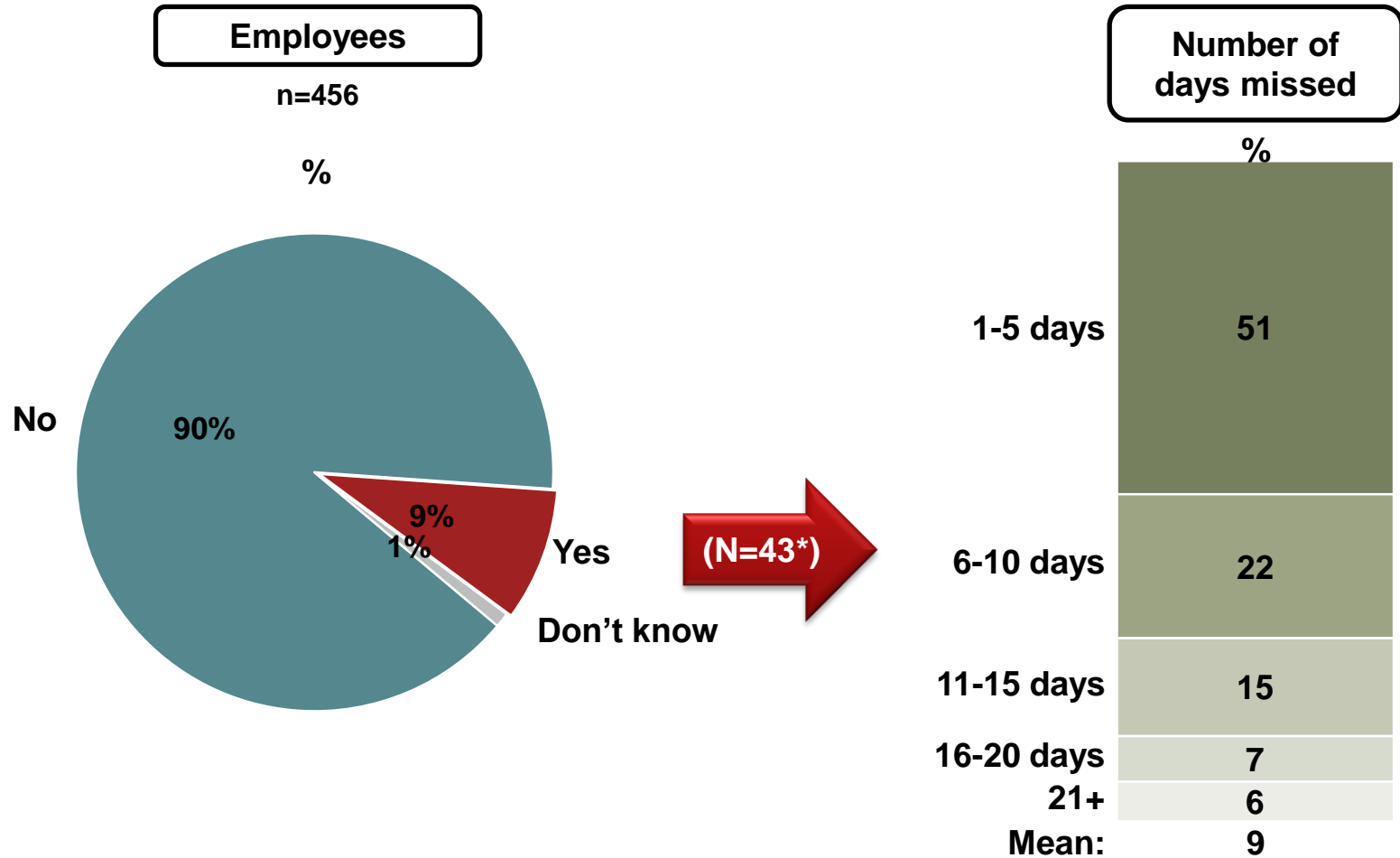
(Base: All in employment who are financially stressed – 456)



6-in-10 employees with financial stress feel it is impacting on their ability to work. This is higher among men (64%) and those aged 25-34 (66%).

Work Missed as a Result of Financial Stress

(Base: All in employment who are financially stressed – 456)



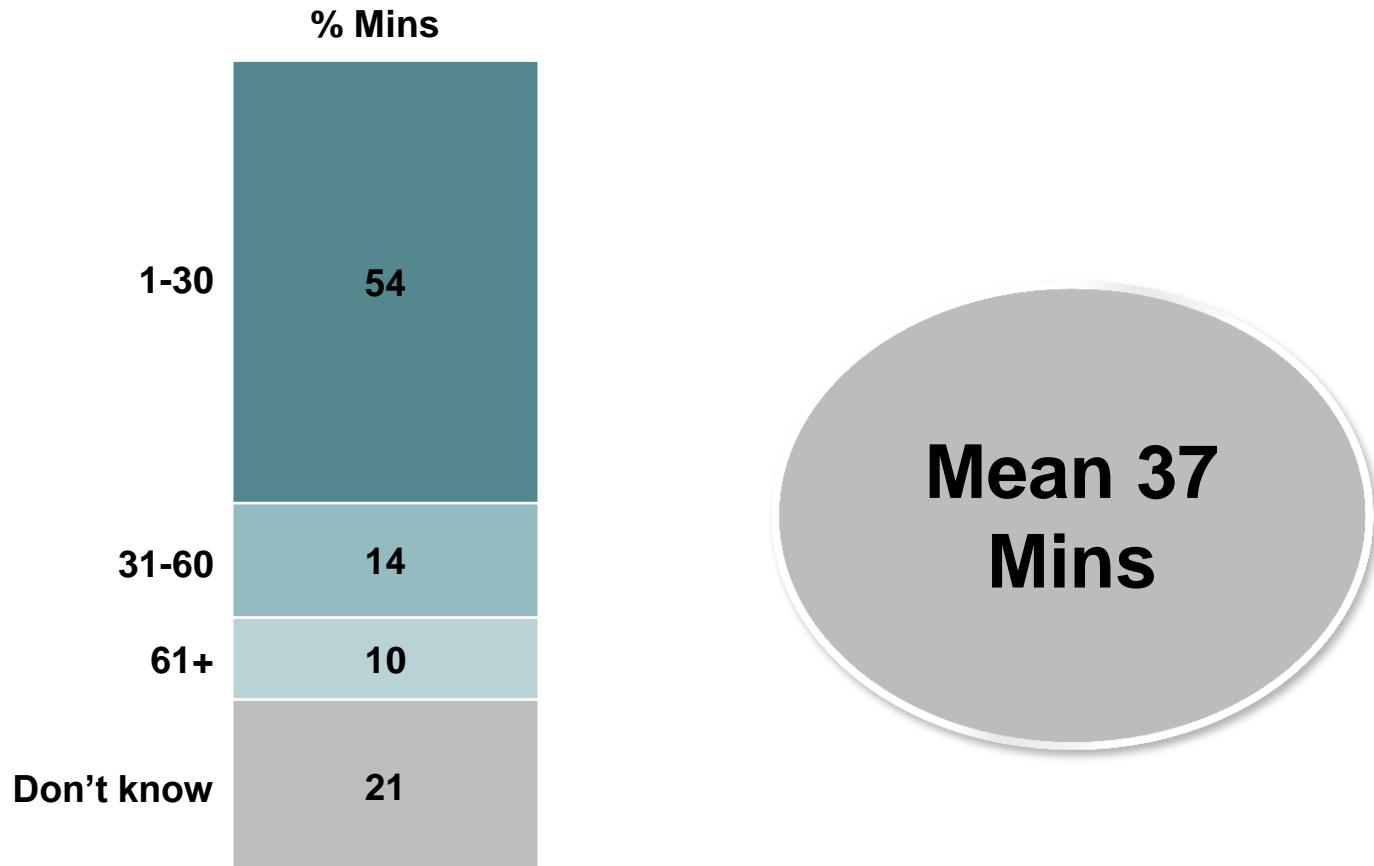
9% of employees who are financially stressed have missed work as a results. On average they have missed 9 days of work although the majority (51%) have only missed between 1-5 days.

* **Caution small base size**

(Q.11a/b)

Amount of Time per Day Pre-Occupied with Financial Issues at Work

(Base: All in employment – 530)

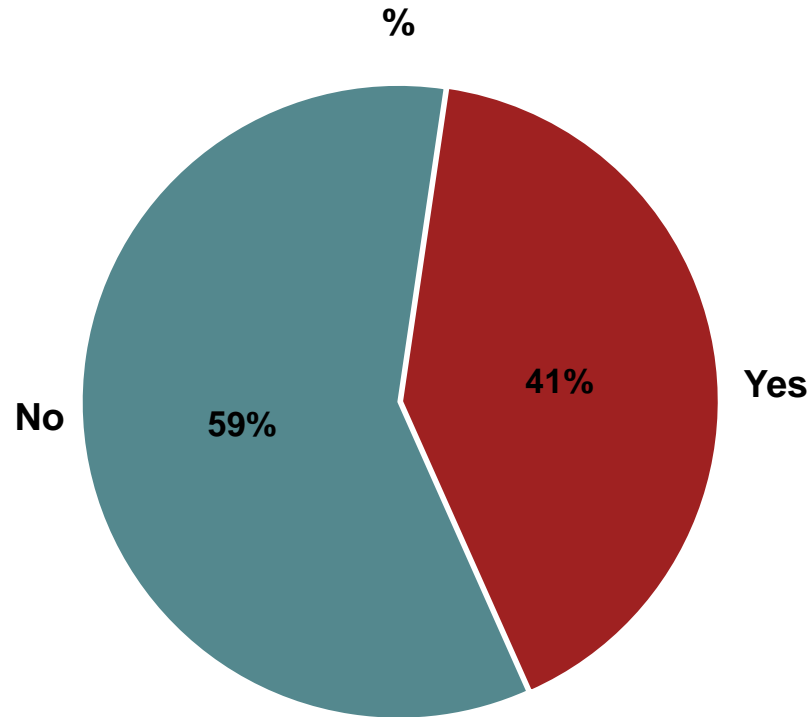


The average employee spends 37 minutes pre-occupied with financial issues at work. This rises to 44 minutes among those aged 25-44, to 46 minutes for those with a mortgage, and is over an hour on average for those with overwhelming debt, a lack of financial control, overwhelming general and financial stress.

Section 3: Employer Perception of Staff Stress

Supervision, Management or Employment of Staff

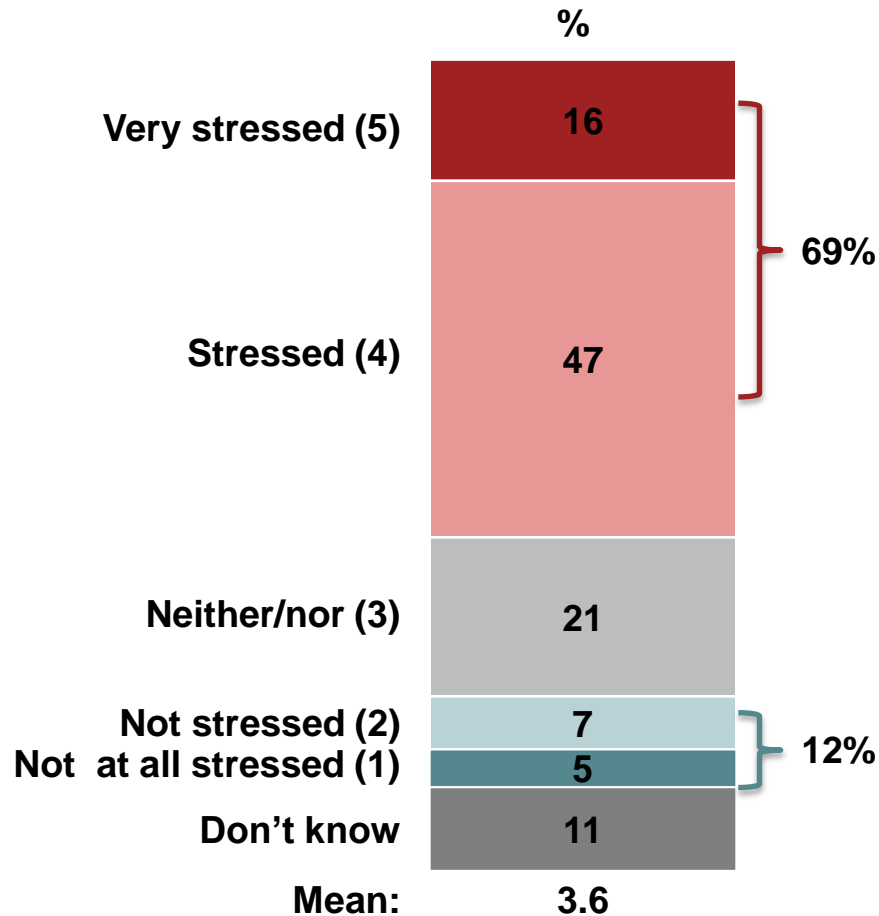
(Base: All in employment – 530)



4-in-10 Irish employees said they were responsible for the supervision, management or employment of staff.

Perceived Level of Financial Stress of Employees

(Base: All who supervise, manage or employ – 217)



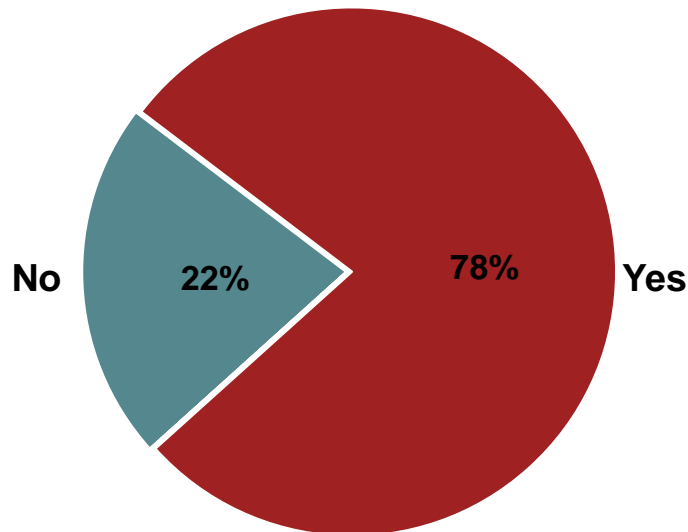
Of these, 7-in-10 say their employees feel financially stressed.

Impact of Financial Stress on Productivity

Financial stress leads to decreased productivity

(Base: All who felt staff are stressed – 121)

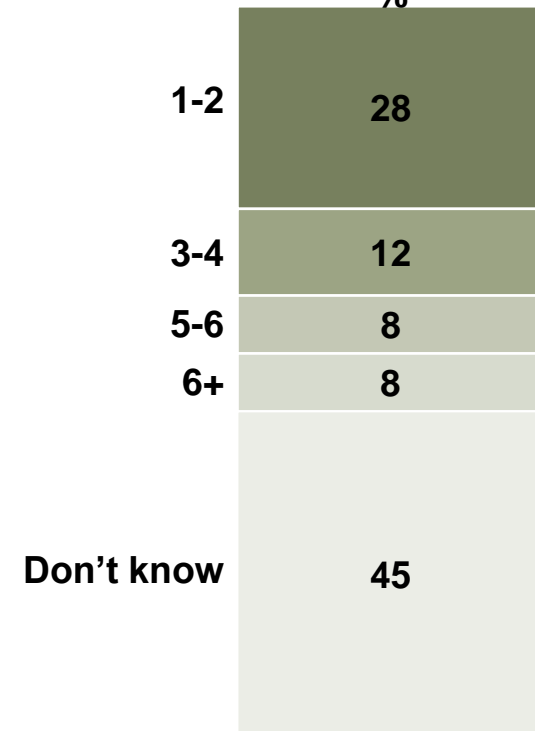
%



Days missed on a result of financial stress

(Base: All who supervise, manage or employ – 217)

%



Among those who say their staff are stressed, 78% have noticed an impact on their staff's ability to work effectively. 55% of employers say staff have missed some time in work due to financial stress.

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