



Money Struggle Myths

How Decades of Falsehoods
Around Who Struggles Financially,
and Why, is Making Life Harder
for Americans

BY YASMINE KHAN
FOR EVEN

Often when decision makers talk about Americans who are financially stressed, stereotypes riddled with paternalistic judgements frame the conversation.

“Americans have choices. And they’ve got to make a choice. And so, maybe rather than getting that new iPhone that they just love and they want to go spend hundreds of dollars on that, maybe they should invest it in their own health care. They’ve got to make those decisions for themselves.”

– JASON CHAFFETZ, 2017, REPRESENTATIVE, UT 3RD DISTRICT

In this paper, we challenge stereotypes like these—the ones used to form public opinion as well as policies—by doing a deep dive into the everyday struggles of hard-working Americans.

KEY CONCLUSIONS

1. People work hard to track their bills and spending, because they know even the smallest slip-up could have dire consequences.
2. The cognitive load associated with living paycheck to paycheck in unstable financial circumstances is overwhelming.
3. People in tenuous financial circumstances are rarely making “bad decisions”—they’re making the best decision for themselves given their circumstances.

Debunking money myths

Lack of discipline is not the problem

The fintech landscape is filled with apps aiming to help people become better at managing their money and build stronger savings habits.¹ Some help people create budgets and track spending. Some use clever sleight of hand to help people hide money away for themselves. Some do both. The underlying premise being: People struggle financially because they lack the discipline, skills, or time to track budgets and bills or save money—or any combination of these things. These premises are fundamentally flawed.

180 million² American adults are struggling with some aspect of their finances. This paper unpacks findings from a 12-week Money Diary Study that looks closely at the financial lives of eight of those Americans. Findings indicate that while anything that helps someone carry the cognitive load of tracking or saving money is *somewhat* beneficial, individuals need more than a discipline coach or arithmetic aid. People are not losing track of their bills or forgetting to save. Economic inequality does not appear to be the result of personal failing or lack of discipline. In fact, wages have remained largely stagnant while the cost of living has risen remarkably over the last 30 years.³ People have taken on more than their fair share of personal responsibility for their circumstances. Let's dive in.

The data we started with

We used the [2018 Financial Health Pulse](#) study from the [Financial Health Network](#). This survey determines financial health by examining different criteria in four aspects of financial matters.⁴

Spend

1. Spend less than income
2. Pay bills on time and in full

Borrow

5. Have manageable debt
6. Have a prime credit score

Save

3. Have sufficient living expenses in liquid savings
4. Have sufficient long-term savings or assets

Plan

7. Have appropriate insurance
8. Plan ahead for expenses

Using an eight-question survey that asks American adults about those four aspects of their financial lives, the Financial Health Network assigned survey takers to one of three financial health tiers:

28%
HEALTHY

70 million
people

These individuals are spending, saving, borrowing, and planning in a way that will allow them to be resilient and pursue opportunities over time.

55%
COPING

138 million
people

These individuals are struggling with some, but not necessarily all, aspects of their financial lives.

17%
VULNERABLE

42 million
people

These individuals are struggling with all, or nearly all, aspects of their financial lives.

Data like this is incredibly useful, but it can also give us the illusion of feeling more informed than we actually are—enabling decision makers to feel comfortably informed while so much of the story is in fact absent. That’s because figures describe the “Who, What, When, and Where” of an issue, but are not designed to accurately or deeply capture the “Why” or the “How.” It is natural for people to fill in those blanks with stories based on personal observations and experiences. This is where personal beliefs, judgements based on stereotypes

or anecdotes, and paternalistic narratives begin to kick in. And because these conclusions are often wrong, they can often lead to ill-informed decisions by technology providers and policy makers.

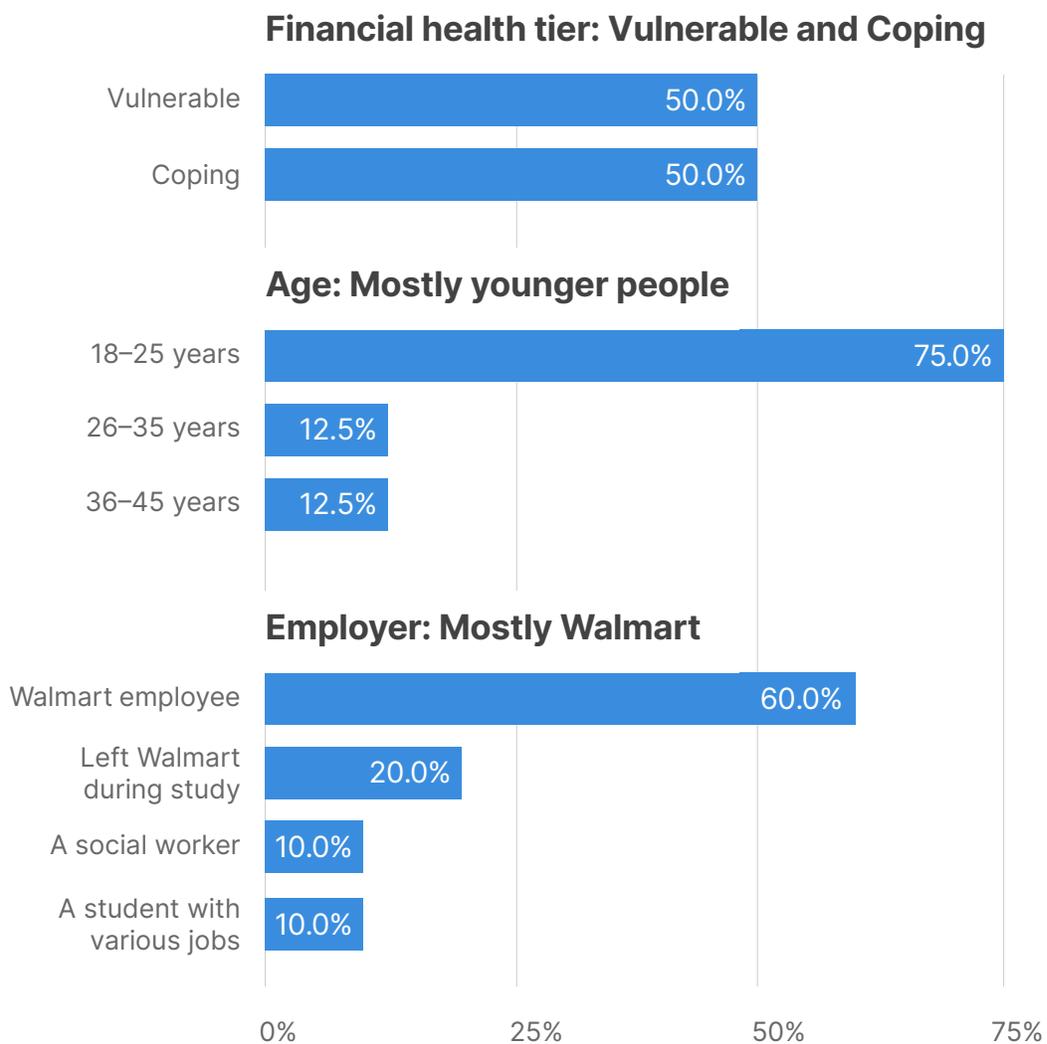
In our Money Diary Study we worked to fill in those blanks with real stories coming from real people who are *financially coping* or *vulnerable*. To replace our biases, stereotypes, and anecdotes with reality. This combination of “zooming out” on populations at large, using the Pulse study, and “zooming in” using the Money Diary Study, allows us to develop a more nuanced view of what Americans are experiencing.

Results of Even's 12-week Money Diary Study with eight Even members

Twelve-week Money Diary Study with eight participants

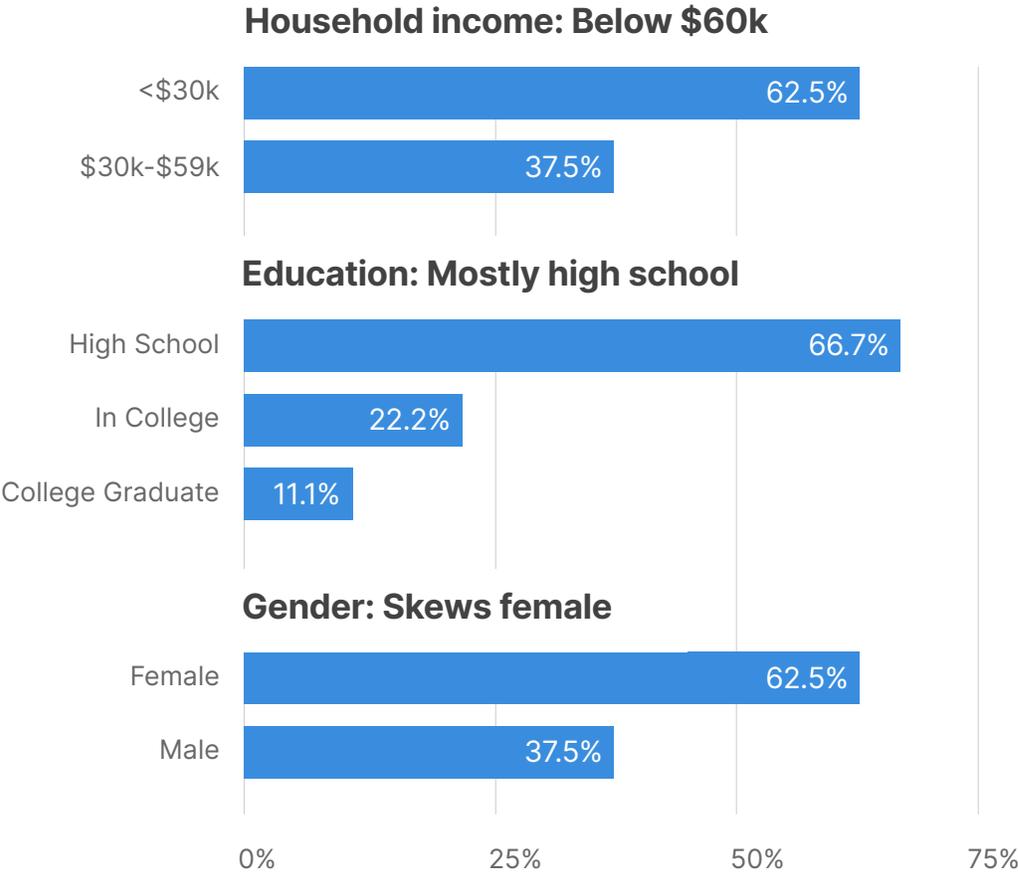
Our aim was to better understand the lives of people who already use the [Even app](#), so we found a group of eight people representative of most [Even Members](#).

Demographic makeup of our eight participants



PERCENT OF THOSE IN DIARY STUDY

Continues on next page



PERCENT OF THOSE IN DIARY STUDY

It should be noted that only one person in this study has a child. Additional participants with children started the study but were unable to complete it. It seems the inherent cognitive load of struggling financially coupled with the time and energy parenting requires were not compatible with participating in this particular study—which required daily activities and scheduling interviews in a limited timeframe.

For this 12-week study, eight participants were asked to journal their “Money Moments” each night—thoughts, feelings, or important moments throughout their day concerning personal finances. Every three to five weeks they joined us for a video call interview. In the first interview, each participant set a financial goal. In the last interview we checked in on the contents of their Money Moments as well as their progress on that goal.

The themes outlined in this paper reflect observations that held true across the majority or all of the participants.

Myth:

People fail to properly track their bills

Reality:

People are routinely diligent about tracking their spending and expenses

Myth: People fail to properly track their bills.

If you were to work backwards from the way most financial health apps work to the problem they are trying to solve, you might conclude that the central problem is that people have a hard time keeping track of bills, spending, and budgets. There is certainly an inverse relationship between the amount of money you make and the need to track carefully; overspending by a few dollars could overdraft your bank account, resulting in a bank fee that averages \$35, a domino effect that's hard to undo. But tracking is not the primary unmet need.

Reality: People are routinely diligent about tracking their spending and expenses.

During our one-on-one interviews, all eight participants knew the dollar amount of their basic bills off the top of their head. Some participants knew the exact date each was due, while others generally knew which pay cycle each bill was associated with. For loans and lines of credit, some participants knew their interest rates and fees off the top of their heads as well. Additionally, all participants were able to accurately indicate how much each of their paychecks were and when to expect them.

➤ While some of the participants use apps to help them track their budget, no one relied solely on one app. They used them in combination with other tools including notebooks, receipts, post-it notes, and excel sheets.

Our study participants on the work they do to track their budgets

PARTICIPANT 01

Wendy

Wendy is a mom who's living paycheck to paycheck, earning around \$1,800 per month when she can get full hours at Walmart. Wendy and her husband share responsibility for rent, car, and bills, but he isn't fully transparent with her about his income or spending. All the family's credit card debt is in Wendy's name. After bills, Wendy is left with \$450 per month to feed her family of three, plus two pets, and pay for anything additional for her or her son.

See Appendix for full member bio

Age 32

Vulnerable

Harrodsberg, KY

Married

1 child

Income \$30k-\$60k

WENDY DESCRIBES HER INCOME AND EXPENSES

What I do right before payday every two weeks is the following:

- Figure up my past due bills and pay that first
- Figure up what I can on medical bills to keep out of collections
- Keeping gas in the car
- Getting groceries to last 2 weeks for a family of 3 with pets

My Bills:

- › Monthly car insurance: \$114.51
- › Spectrum internet: \$62.25
- › Water: between \$40-\$50
- › Netflix: \$12.99
- › Credit card #1: \$27.00 min payment
- › Trash: \$49.38 every 3 months
- › Credit card #2: \$27.00 min payment
- › Electric (is prepaid): usually \$150+
- › AT&T/DirecTV: around \$328.00
- › Debt helper (2 consolidated credit cards) payment: \$169.00
- › Renters insurance: \$20.59
- › 2 medical bills balance: \$50.00 and \$169.00

WENDY'S MONTHLY EXPENSES

Car insurance	-\$114.51
Internet	-62.25
Water	-50.00
Netflix	-12.99
Credit card #1 minimum	-27.00
Trash	-16.46
Credit card #2 minimum	-27.00
Electric	-150.00
Phone/Cable TV	-328.00
Consolidated loan	-169.00
Renter's insurance	-20.59
Medical bills	-219

Total **\$1196.80**

PARTICIPANT 02

Pascual

Pascual, a third-year architecture student at the University of Tampa, works 32-40 hours a week at Walmart. Every two weeks his paycheck is around \$648. After paying for rent, water, electric, WiFi, car insurance, and his credit card, Pascual has around \$580 left for food, gas, additional items, and savings each month. He is very fiscally conscious, often describing his purchases in terms of how many hours he has to work for them.

See Appendix for full member bio

Age 21

Coping

Tampa, Florida

Unmarried

No children

Income <\$30k

PASCUAL DESCRIBES HIS INCOME AND EXPENSES

- I get paid on the 30th. My paycheck is going to be \$658.
- Rent's going to be \$470 plus whatever water is, usually about \$50 if [my girlfriend and I are] splitting it.
- Um, and then the 13th or 14th—I don't know why it was the 14th last month—but that's when WiFi is due. \$25 each for me and my girlfriend.
- Also on the 1st is when I pay my car insurance, which is \$76.
- On the 20th of every month I have my credit card payment due, at least \$25. I pay at least \$60 each month.

- › Credit card APRs are 18.9-21%, about \$6 a month in interest. Two different interest charges depending on if I took out a cash advance or not. The cash advance APR is higher, 26% [or more].

PASCUAL'S MONTHLY INCOME & EXPENSES

30th	Paycheck 1	\$658.00
1st	Rent	-470.00
1st	Water	-50.00
1st	Car insurance	-76.00
14th	Wifi	-25.00
15th	Paycheck 2	\$658.00
17th	Credit card	-60.00
	Interest charge	-12.00
Total		-\$35.00

➤ Only one of the eight participants reported that keeping track of her bills is difficult, despite having memorized the amounts due and keeping a planning system comprised of monthly paper and pencil tracking and an annual spreadsheet.

PARTICIPANT 03

Becky

Becky is a manager at Walmart who brings home \$2,548 per month, and sometimes has to support her mom and brother. Becky is responsible for \$25k of the \$33k worth of credit card debt she and her ex-husband amassed, and has converted it into personal loans for which she pays \$900 monthly. After loan payments, and other bills such as car, mortgage, and utilities, Becky finds herself anywhere between \$47 in the red, and having \$120 extra. Becky has a personal goal to lose weight, but she struggles because healthy food is more expensive than unhealthy options.

See Appendix for full member bio

Age 29

Coping

Entrioken, PA

Divorced

No children

Income \$30–\$60k

BECKY DESCRIBES HER INCOME AND EXPENSES

The hardest part for me is just time management, because I have so many bills and I get paid bi-weekly. Every now and then I forget to pay one thing, thinking it's an automatic payment.

I check my [phone] app folders to make sure that I did pay all my bills, since I forgot one of my Citi Card payments last month, because I thought it was autopay. It's due tomorrow. I forgot my new password, so I'm locked out and need to get my credit card from my wallet at home.

Myth:

People aren't trying hard enough to manage their money

Reality:

People are constantly battling an unstable financial situation by doing the math and trying to stay out of the red

Myth: People aren't trying hard enough to manage their money.

Reality: People are constantly battling an unstable financial situation by doing the math and trying to stay out of the red.

Every single day people are doing math to survive and stay out of the red. Living paycheck to paycheck is inherently unstable, which is a significant cognitive burden.

Our study participants on the constant instability they cope with

PARTICIPANT 01

Wendy

Wendy is a mom who's living paycheck to paycheck, earning around \$1,800 per month when she can get full hours at Walmart. Wendy and her husband share responsibility for rent, car, and bills, but he isn't fully transparent with her about his income or spending. All the family's credit card debt is in Wendy's name. After bills, Wendy is left with \$450 per month to feed her family of three, plus two pets, and pay for anything additional for her or her son.

See Appendix for full member bio

Age 32

Vulnerable

Harrodsberg, KY

Married

1 child

Income \$30k-\$60k

WENDY DESCRIBES HER PROCESS

[My "Reminder Binder" notebook] is basically my life line for bills and organizing. I write down everything in mapping out my finances each and every day multiple times a day! Figure up my past due bills and pay that first

EXCERPT FROM WENDY'S MONEY DIARY

MAY 16

On May 13th my husband was let go from his job, so I'm a bit stressed

over that situation. [He pays] our son's after-school and summer daycare. That's on me as of right now to pay, so that's another worry!

I recently transferred Walmarts to be closer to home, save on gas [and] be able to work longer hours. I'm hoping working closer to home and being able to finally work 40 hours instead of struggling to get 35 hours will help me with my finances so I can stay on top of my bills and save money.

JULY 1

I'm beyond stressed because I've gotten behind on my son's daycare! [Normally] he goes after school while I'm at work. During the summer [he goes all day] while I'm at work. It makes me so embarrassed that I get so behind.

JULY 9

One more day until payday. I literally hate living paycheck to paycheck and not getting anywhere.

JULY 12

My car tags and taxes expired on June 30th. It's now July 12th. Had to wait till payday to get this paid. Having to pay more than what it's supposed to be.

JULY 14

Of course, just my luck. My dryer is going out and, of course, I don't have the extra cash to buy one. So I've applied for a Lowe's card to charge a dryer.

PARTICIPANT 04

Emmett

Emmett is a social worker who does extensive community and church work. He has almost \$200k in student loans from his private college theology degree, and is on an income-based repayment plan. His take-home pay is \$2,284 per month, and he uses Dave Ramsey's *Baby Steps* to pay down debt and build his savings. Emmett gives 20% of his income to the church—after that, plus his student loan, and bills for rent, utilities, gas, insurance, and entertainment, Emmett has \$700 left over each month. He is working towards building a \$10k emergency savings fund.

See Appendix for full member bio

Age 25

Coping

Will County, IL

Unmarried

No children

Income \$30k–\$60k

EMMETT DESCRIBES A DECISION

After a full week of being sick, I finally called my doctor, [who] prescribed me some antibiotics to take. My mom also wanted me to pick up a pack of bottled water for a member of our church. My plan was to go to Walgreens to pick up my medicine, then go to Walmart to pick up the pack of bottled water. [At] Walgreens, I was hit with the dilemma of buying water there or at Walmart. Did it makes sense to drive to Walmart just to save money on a pack of water? Plus, I had church and I was already late. I decided it made more sense to buy the pack of bottled water at Walgreens instead of going to

Walmart even though [it] was more expensive. I figured burning gas to go the extra mile or so to Walmart would equate to the same amount [saved].

PARTICIPANT 05

Esmaralda

During the course of the study, Esmaralda went from *coping* to *vulnerable*. An unstable living situation led to her living in her car for a week before finding an apartment that she had to take a \$1k loan out for (this loan cost an additional \$2k in interest). She has a roommate, but they are unemployed, so Esmaralda is covering the \$860 rent on her own. She is determined to pay down the loan, but has to contend with the realities of food, shelter, and transportation with her commission-based job that doesn't always pay enough. She is hoping to start a better-paying job in the coming weeks.

See Appendix for full member bio

Age 19

Coping

Harris County, TX

Unmarried

No children

Income <\$30k

EXCERPT FROM ESMARALDA'S MONEY DIARY

APRIL 22

Got an interview tomorrow, kinda nervous about the gas. What if I don't get the job? I'm wasting gas. Worried.

APRIL 23

Didn't get the job, but it's okay, they were paying \$7.25 an hour for only 20 hours. I get paid better at my current job (Walmart), not that many hours, but still. I have bought McDonald's for around \$6. I'm know I'm gonna be really really broke, but I wanted to spoil myself.

APRIL 24

Bought a can of meat for 45 cents and a sport drink for 88 cents. It was good, the drink is big. This is what I go for, a low budget meal. Can't wait for payday.

APRIL 25

Got a job interview at Conn's. Hopefully I get it, but it's 45 minutes away from me. Gas is going to be a big deal.

APRIL 26

I GOT THE JOB!!!! So I start tomorrow for a training class. A dollar less than what I get paid at Walmart, but the hours are mandatory 40 hours plus overtime. At Walmart the highest would be 32 hours for me, so good, but my gas...ughhh.

APRIL 27

Lately I've been so stressed about money, bills, and working a lot just to make it.

JUNE 5

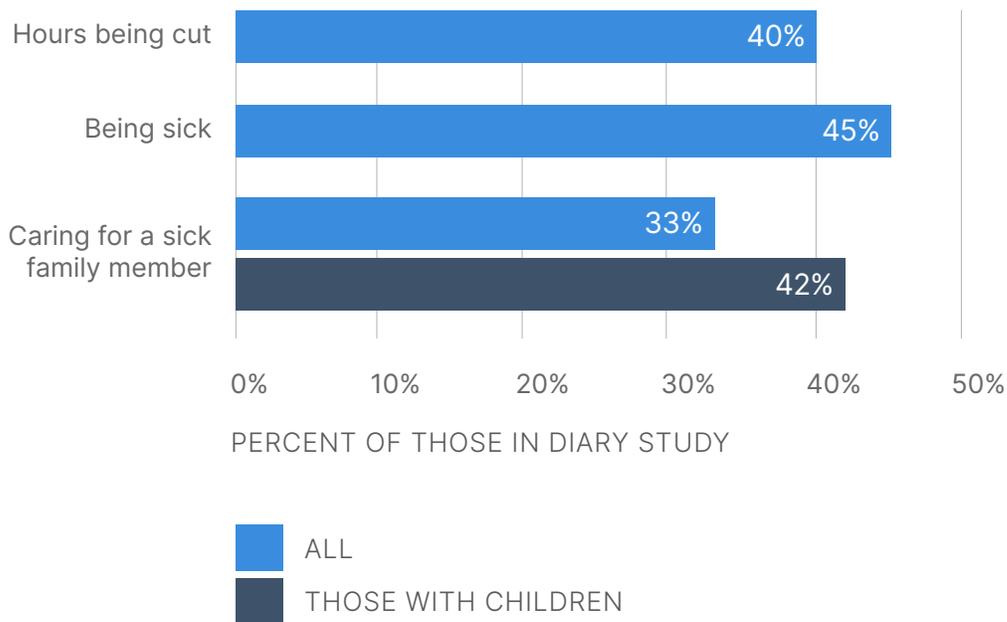
My mother texted me that I have to leave the house because she will be moving to Jordan with her husband. So when I got home to get

my stuff I put everything in my car. I only had \$1,200 in my bank and I was trying to figure out where am I going to stay. I have no family in Houston and I work in Webster. I was wanting to find a place very close to my job so I can save gas. So basically, I am living out of my car. All my stuff is in there. Plus, I have to go to work on time. So I have been staying in my car. Sometimes I go to my aunt's house to take a shower, but I can't stay there, so that sucks.

While Esmaralda's story at the end of our 12 weeks seems to be looking up, financial progress is tenuous in her circumstances, where the margin between her expenses and income is very thin. As we saw with others, like Wendy, an unexpected change in income or expense—like a disruption in a living situation—can easily stifle progress.

Volatile income and expenses mean the math is ever shifting.

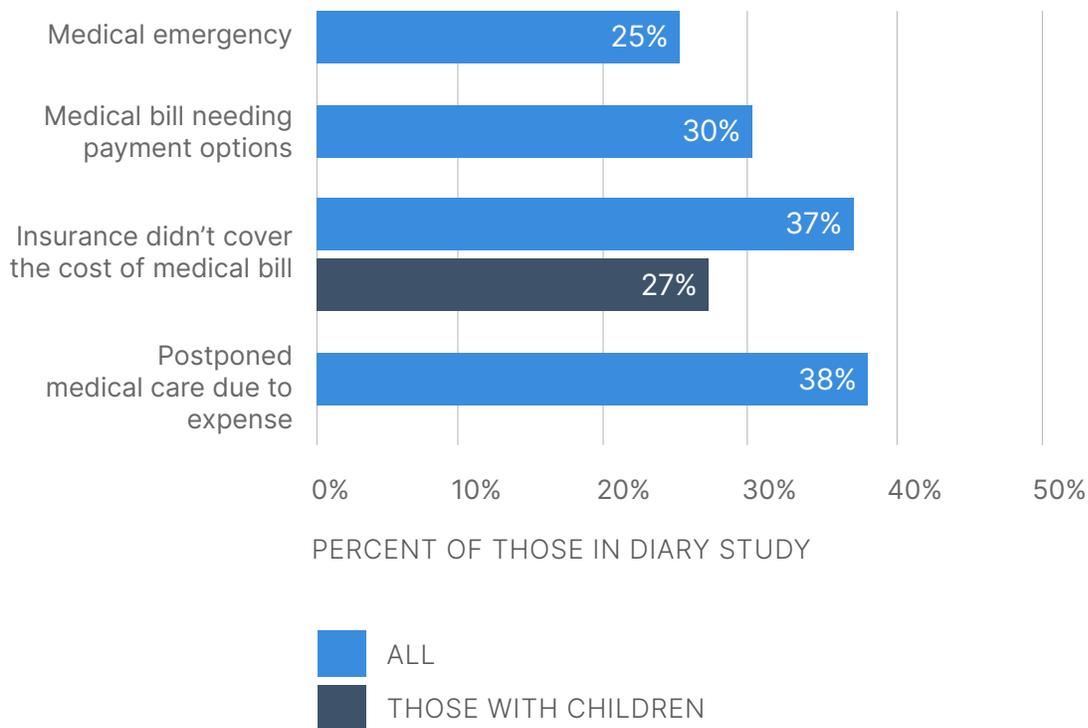
For wage workers who are not guaranteed hours, or paid for sick and personal days, income is unstable. In addition to the Money Diary Study, we conducted a survey of *coping* and *vulnerable* people. Twenty-eight percent of survey respondents reported that they are not given enough hours. Half reported inconsistent paychecks, citing the following reasons:



Source: Even internal data analysis.

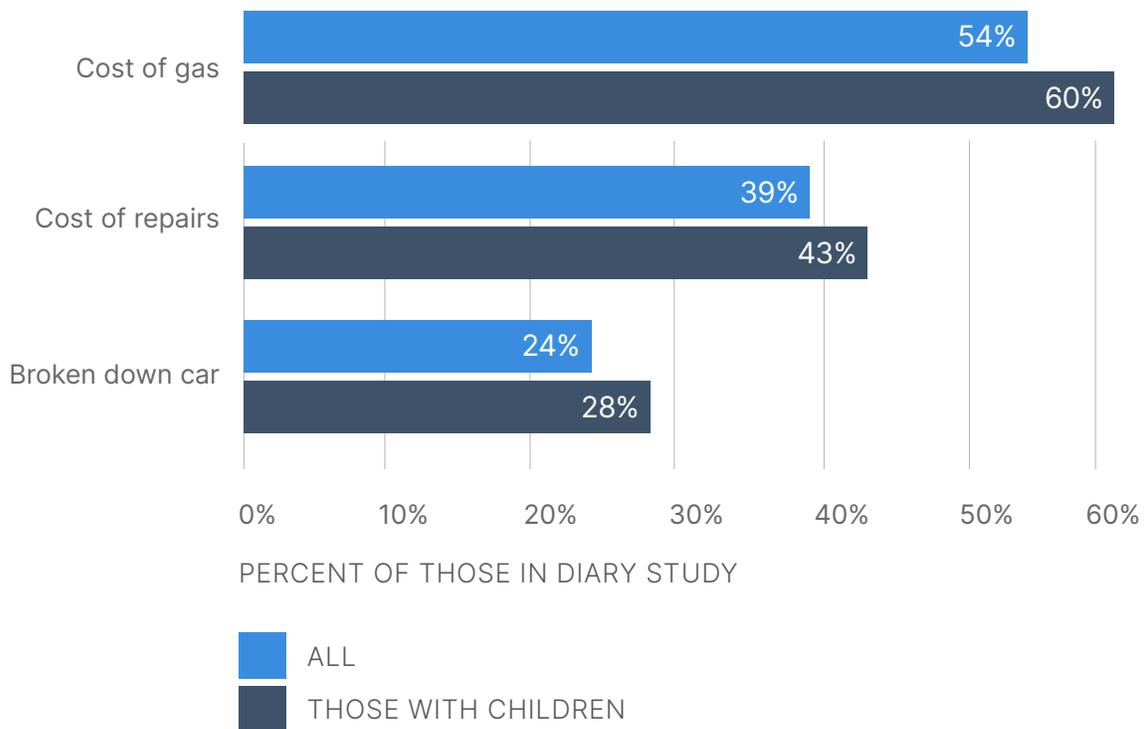
Furthermore, when one’s monthly pay is between \$1,200 and \$2,800, an unexpected expense—like a car repair, medical bill, parking ticket, broken appliance, or pressure to move on short notice—can throw a budget into a tailspin for months.

Fifty percent of survey respondents reported that medical expenses caused financial stress one to two times in the past year



Source: Even internal data analysis.

Forty-nine percent of respondents report that car-related expenses caused financial stress one to two times in the past year



Source: Even internal data analysis.

Balancing one’s budget is a reasonable task when the variables are fairly fixed, and there is a reasonable margin for errors or the unexpected. For the *coping* and *vulnerable*—particularly those with debt or dependents—neither stable variables nor comfortable margins exist.

Myth:

**Bad decisions lead to
bad outcomes**

Reality:

**People's choices
reflect their values.
Outcomes reflect
their circumstances.**

Myth: Bad decisions lead to bad outcomes.

**Reality: People's choices reflect their values.
Outcomes reflect their circumstances.**

Sometimes participants chose getting rest over cooking to save money, giving to charity over paying a debt, or taking money out of savings to support friends and family members. Safety, belonging, and esteem are central in Maslow's hierarchy of needs. What makes a decision good or bad can account for these basic human needs. The circumstance of being paid a low wage, not getting enough hours, or having a spouse lose their job does not erase basic needs.

Our participants on decisions they made to meet their basic needs

PARTICIPANT 06

Brent

Brent has a lifelong disability. He lives with his mom and grandma and is trying to find a place of his own. He has been working at Walmart since March of 2018 for \$11 an hour, bringing home about \$61 per day. His regular expenses include rent, food, phone, gas, and clothing. He takes Instapays regularly, which he expresses stress about, as he often finds himself out of money.

See Appendix for full member bio

Age 21

Vulnerable

Gilbertsville, KY

Unmarried

No children

Income <\$30k

TAKING CARE OF OTHERS

My girlfriend, she works as a server and they only make...not enough. Her car broke down the other day when we were on the way to go to the movies with her daughter. So I had to pull money out of my savings just so I can get her car towed to where she lives.

PARTICIPANT 07

Amaya

Amaya is the child of an addict who grew up in intermittent homelessness. Now she's studying criminal justice reform, and wants to become a family lawyer to protect children. To that end, she anticipates over \$20k in student loans. While studying full time, she also works 46-50 hours per week and brings home around \$1,980 per month. She lives with her aunt and uncle, and chips in for expenses. After paying the minimums on her credit cards and saving 20% of her pay, she has about \$1,000 per month left over for food, transportation, and entertainment.

See Appendix for full member bio

Age 21

Vulnerable

Boston, MA

Unmarried

No children

Income <\$30k

EXCERPT FROM AMAYA'S MONEY DIARY

MAY 15

I bought John Fogerty concert tickets for my grandparents, they really want to see this show!

MAY 17

I bought a round-trip train ticket to see my friend. I set aside some money every month so I can see her often. Train tickets can get expensive but it's worth it to see her! I try to treat them as a necessity so I save to buy them.

MAY 21

I decided to buy myself some ice cream. I was feeling pretty stressed and, at this point, I didn't really care about the \$5.

MAY 23

I bought a Lyft home from work today. Not bad but very last minute because I normally take the bus and was really tired and couldn't wait another hour.

Throughout the study, seven of the eight participants demonstrated that they had existing systems for managing their money. They regularly expressed stress over determining whether or not to spend money on things. Ultimately, the need to feed oneself and do nice things for oneself and others came into play. Having a low income does not preclude one from needing to spend time with and support family and friends. Throughout the diaries are pages and pages of people taking personal responsibility for themselves as well as others.

On the other hand, credit card companies spend millions annually positioning cards as signals of freedom, worthiness, and adulthood. College financial aid offices encourage students to take out loans,

waiting until after enrollment to sit students down to explain payoff terms. Meanwhile, wages have been stagnant for 30 years while the cost of living rises.

Stepping back from personal responsibility, it seems only fair to make a note about institutional responsibility. Earlier in this paper you were introduced to Becky, the only person who reported feeling overwhelmed by tracking her bills—even though she could name them off the top of her head. It is worth noting that Becky had accumulated the most revolving debt, specifically credit card debt, than any of the participants by far. While *financially healthy* people pay off credit card debt regularly, minimizing cost and maximizing returns, *coping* and *vulnerable* people use credit cards to “smooth out” income and expense volatility. Since they are using credit cards to pay for something they would not be able to pay for otherwise, paying off the balance immediately is more challenging.

By design, determining the impact of credit card debt on your overall finances is tricky. Most issuers do not make it easy to determine when interest begins accruing on any given charge or how much of one’s balance is made up of interest charges. Terms like “annual percentage rate” (APR) obscure the fact that interest is, in fact, charged daily. Issuers encourage people to simply make minimum payments, which ensures greater profits for credit card companies.

For those who become accustomed to using credit cards to “get by” each month, the balance can slowly rise, never seeming to go down no matter how many consecutive minimum payments are made. Once the card maxes out, it is a swift and painful descent to losing their “lifeline,” causing a crisis of unpaid bills that were once covered by cards. If accounts go into collections, financial strain blows up overnight as one becomes subject to collectors, who often violate Fair Debt Collection Practices, calling at all hours of the day verbally abusing debtors.

In looking for ways to help people struggling financially, the largest gains may come from redirecting focus from individuals and directing it toward the institutions that thrive off of putting individuals in debt. In order to place a value judgement on an individual’s spending choices, one must deeply [understand the context which a person with a life situation entirely unlike their own is facing](#). A task akin to knowing and naming all the stars in the sky. Institutions, on the other hand—from credit card issuers to student loan lenders—are knowable entities, with knowable practices guided by governable policies.

Conclusion

People are trying their best even when it might not seem like it.

People's relationship with money is not as straightforward as tracking money in and money out. Like food, money is tied up with our social interactions and emotions. What may look like a person making poor decisions often turns out to be a person having to make an unreasonable amount of choices with few desirable options on an ongoing basis. In short: People who are *coping* and *vulnerable* are not out of touch with their money. They are overwhelmed by the fluctuating margin between income and expenses—while at the same time working to be a part of their community, rest, and enjoy life.

In trying to help people achieve financial stability, it's essential to take a look not only at people's outcomes, but also at their circumstances. In doing so, examining the systems that define their circumstances is essential. With these things in mind, we can look at someone who's struggling and not wonder why they made the choice between a new cell phone and healthcare, but rather which external, uncontrollable factors came into play in making them having to choose in the first place.

Appendix:

The participants

FINANCIALLY COPING PARTICIPANTS

Pascual

Age 21 | Tampa, Florida | Unmarried, no children | Income <\$30k

Pascual is in his third year of Architecture school at the University of Tampa. He works at Walmart 32-40 hours a week on top of classes. At \$11.22/hour he brings home \$74/day. Every two weeks his paycheck is around \$648. After paying for rent, water, electric, WiFi, car insurance, and his credit card, Pascual has around \$580 left for food, gas, additional items and savings each month. Since his girlfriend is moving away for a new job, his short term goal is to save \$1,600 so that he can have a \$1,000 cushion and \$600 for deposit and moving expenses. His plan is to stash \$150 from each check, which he feels is “doable” since he doesn’t do “extraneous spending.” His motivation is to be able to feel “free” and “able to support [himself].”

FINANCIALLY COPING PARTICIPANTS

Becky

Age 29 | Entriiken, PA | Divorced, no children | Income \$30–\$60k

Becky is a manager at Walmart and brings home \$2,548/month. Periodically, she supports both her mom and her brother. During her marriage she also supported her husband who did not work for five of the 10 years they were together. When they divorced they consolidated their \$33k of credit card debt into personal loans. While the debt was made up of spending they both did, they split it based on their income. She took responsibility for \$25k, for which she pays \$900/month. After paying for the personal loan, her car loan, mortgage, electric, internet, phone, streaming subscriptions, and credit card bills, she is left with between -\$47 and \$120. She sometimes uses credit cards to cover food, gas and other expenses. These days Becky is focused on losing weight, which can be hard because healthy food is more expensive and debt takes up most of her income.

FINANCIALLY COPING PARTICIPANTS

Emmett

Age 25 | Will County, IL | Unmarried, no children | Income \$30–\$60k

Emmett is a social worker who is deeply involved in community work and his church. He studied theology at a private college, graduating with almost \$200k in student loans. He is currently on an income-based repayment plan. He is using Dave Ramsey's *Baby Steps* as a guide to paying debt and building savings. His take home pay is \$2,284 per month. Each month he gives 20% of his gross income to his church for tithe and offering. After giving to his church as well as another charity, and paying for rent, phone, gas, auto insurance, groceries, entertainment subscriptions, and his student loan he has \$700 left over for eating out, and additional items and savings each month. His goal is to save \$400/month so that he can have \$10k in savings by April of 2021 in order to feel secure.

FINANCIALLY COPING PARTICIPANTS

Esmaralda

Age 19 | Harris County, TX | Unmarried, no children | Income <\$30k

Esmaralda started out in the study as financially coping but quickly became vulnerable. At the start of the study she lived with her mother and helped with the rent. After her mother moved, Esmaralda lived in her car for a week before renting a two bedroom apartment. To pay the first month and deposit she took out a \$1k loan, which she knows will cost an additional \$2k in interest. Her potential roommate backed out of the lease so her sister moved in but has yet to find a job. She is struggling to cover the monthly rent. Her determination to pay the loan off immediately is eventually set to the back burner as she must prioritize paying for gas and food. During the study she moved jobs twice. She started at Walmart at \$11/hr, but she could not get more than 32 hours. She looked for a job that guaranteed 40 hours, even if the pay was less. Conn's originally offered hourly plus commission, but changed their policy to offer *either* an hourly rate *or* commission, leaving her with the same pay as before. A customer impressed by her sales skills offered her a job that promised 40 hours a week for \$15/hour telemarketing for a medical supply company. At the end of the study she had just transitioned into that job and is hoping to move out of crisis mode soon. Her goal is to save \$2,500 for emergencies by putting away \$357/paycheck in order to feel "stable and proud to be able to rely on myself."

FINANCIALLY VULNERABLE PARTICIPANTS

Wendy

Age 32 | Harrodsberg, KY | Married, 1 child | Income \$30–\$60k

Wendy is an organized mother living paycheck to paycheck. She brings home around \$1,800/month when she is able to get full time hours at Walmart. She recently transferred to a Walmart closer to her home because she had been spending \$30 every two to three days on gas. Her husband pays the rent and car payments, and she pays the rest. It's unclear to her if they share household responsibilities equally because he is not transparent with her about his income or spending. Any credit card debt the family takes on is in her name. After paying for car insurance, internet, water, Netflix, trash, credit card and medical bill minimums, electric, phone, TV, renters insurance and consolidated credit card payment, she is left with \$450 a month to pay for food for their family of three with two pets, as well as anything additional for herself or her son. Her goal is to save \$1,000 "to do something with [her] son." She would do this by saving \$100 from each paycheck and was motivated "to feel good and happy."

FINANCIALLY VULNERABLE PARTICIPANTS

Rayanne

Age 38 | Rogers Fayetteville, AR | Married, no children | Income <\$30k

Rayanne's husband was incarcerated at the start of our study. During his incarceration she regularly put \$100 in commissary, \$50 toward phone calls and \$25 toward messages. After he was released her cost of living rose because she was supporting him, which includes his legal costs, as he had difficulty finding work. During the course of the study, Rayanne is in the red, and lived in her car for several weeks during this study when she was in between homes. For a few weeks she also stayed with her grandmother who helps her with money from time to time. Her goal was to pay off her phone bill of \$1,132 within 12 months. She planned to do this by paying \$116/month in order to "feel relief and freedom."

FINANCIALLY VULNERABLE PARTICIPANTS

Brent

Age 21 | Gilbertsville, KY | Unmarried, no children | Income <\$30k

Brent has a lifelong disability. He lives with his mom and grandma and is trying to find a place of his own. His friends and girlfriend often ask him for money and he has a hard time saying “no.” He has been working at Walmart since March of 2018 for \$11/hour, bringing home about \$61/day. His monthly income is around \$1,240. His regular expenses include rent, food, phone, gas and clothing. Brent is in the red, and takes Instapays regularly as he often finds himself out of money.

FINANCIALLY VULNERABLE PARTICIPANTS

Amaya

Age 21 | Boston, MA | Unmarried, no children | Income <\$30k

Amaya is in college studying Criminal Justice Reform. Her mother struggles with addiction and as a child she and her family were homeless for periods of over a year at a time. Her goal is to become a family lawyer to protect children. She will graduate in 2020 with \$20k in loans. In addition to a full-time school, she works 46-50 hours per week for roughly \$13.55/hour. After morning classes, she works at the Financial Aid office and, up to four times per week, in the evenings she works concerts for Live Nation. Her estimated take-home income is around \$1,980/ month, but it varies depending on how many concerts she works. To cut down on costs, she lives with her aunt. After chipping in on living expenses for her aunt and uncle, paying the minimums on her credit cards and putting 20% of her income into savings, she has around \$1,000 left over for food, transportation and entertainment. In addition to her savings, Amaya has around \$4,000 in her checking account, which is unusual for someone who identifies as *financially vulnerable*. The survey asks individuals to self report on how they are doing in each category. It may be that her experiences of homelessness and poverty as a child influences her self perception. She is planning to use \$3,500 on a downpayment for a car this fall.

1. Examples: Mint, Acorns, Earn, Digit, Chime, Qapital, Pocket Guard, YNAB, Wally, Mvelopes, Goodbudget, Simple, Personal Capital and Even.
2. Financial Health Network, "U.S. Financial Health Pulse 2018 Baseline Survey Results," <https://s3.amazonaws.com/cfsi-innovation-files-2018/wp-content/>
3. Drew Desilver, "For Most U.S. Workers, Real Wages Have Barely Budged for Decades," Pew Research, August 7, 2018, <https://www.pewresearch.org/fact-tank/2018/08/07/for-most-us-workers-real-wages-have-barely-budged-for-decades/>
4. Financial Health Network, "Baseline Survey Results."

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