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ATTENTION: BUSINESS - WORK/LIFE - PERSONAL FINANCE

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**Financial Distress Among American Workers
Final Report: 30 Million Workers in America—One in Four—Are
Seriously Financially Distressed and Dissatisfied
Causing Negative Impacts on Individuals, Families, and Employers**

“Thirty million workers in America—one in four—are seriously financially distressed and dissatisfied with their personal financial situations.”

Leading academic scholars from 10 universities and five business experts in personal finance have issued this unprecedented and definitive joint report of new findings on the levels of financial distress and dissatisfaction among workers in America. Sixteen additional experts from the business world joined to give support to the findings.

“It’s an ugly situation for employers when more and more of their workers are distressed about their personal finances and running hard just to keep their heads above water financially,” says Garman, professor emeritus, Virginia Tech University. Why? The reason is that many workers who struggle with money matters are less productive at their place of employment because of their financial distress. Depending upon their place of employment, 30% to 80% of financially distressed workers spend time at work worrying about personal finances and dealing with financial issues instead of working.

Although most working adults are satisfied with their personal finances and are not financially distressed, a substantial minority is having considerable trouble. They are experiencing more than moderate degrees of distress about their personal finances; instead they report “high” to “overwhelming” levels of financial distress.

They are dissatisfied with their financial situation and worry about money, debt and bills. They usually are insecure about their personal finances for retirement. They worry about having enough money to live on once they retire. Often, they lack confidence about their abilities to manage personal finances. Many do not even have hope that they might one day be able to catch up financially. People at all income levels in society experience distress about financial matters.

A large proportion of those who are financially distressed, 40% to 50%, report that their health is directly impacted negatively by their financial worries and problems. “Health problems caused by financial distress cost employers big money,” says Garman. Further, “These findings should motivate employers to offer employees access to resources, counseling and advice to decrease their stress about money matters and improve their financial lives.”

The authors of this report make note of Federal Reserve Chairman Alan Greenspan’s observation in February 2004 that “much of the apparent increase in the household sector’s debt ratios over the past decade reflects factors that do not suggest increasing household financial stress” (Source at <http://www.federalreserve.gov/boarddocs/speeches/2004/20040223/default.htm>).

While the increase in household debt ratios may or may not suggest increasing financial distress, this report does note that financial distress comes from overuse of credit as well as money and spending problems. Furthermore, today there are 30 million workers seriously distressed about their personal financial problems. One co-author from business observes “How can we help this situation if society has not acknowledged there’s a problem?” Governments and employers need to recognize, understand and internalize the sizeable nature of the financial distress problem among workers as well as its ramifications, and take appropriate actions. The broader question is what can be done to address the situation?

The 4 ½ page summary report is supplemented with an additional 28 pages of key findings and cogent quotes from dozens of studies in *Summary of Research Findings on Financial Distress and Dissatisfaction: Dissatisfaction with Financial Situation, Stress about Personal Finances, Living Paycheck-to-Paycheck, Stress about Retirement, Lack of Confidence about Ability to Manage Personal Finances, Health and Stress about Personal Finances are Related, and Distress about Health Care Costs and Bills*.

The list of references contains 170 research studies, reports, and media stories, many of which are available on the Internet. The statistical data in this report are uncomplicated and easy to read. See <http://www.ETHomasGarman.net> to access the full report.

Four recommendations are provided and elaborated upon for those who are financially distressed: (1) Follow the wise old saying to “spend less than you earn”; (2) Make and implement plans to prevent poor money management and reduce financial distress; (3) Determine the best options to relieve financial distress; and (4) Get help through the workplace. Another appendix provides a list of federal government and non-profit organization online resources that can help users build wealth.

Contact information for the 15 authoritative co-authors and 15 other personal finance experts is provided in the report. See <http://www.ETHomasGarman.net> to access the full report.

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