

Work Time Spent on Personal Financial Concerns by Financially Distressed Employees

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Introduction

Substantial empirical evidence shows that overly indebted people are often seriously distressed about their personal finances, and many working people who experience such financial strains take these personal problems to their workplaces. These stresses negatively influence their job performance and their employer's bottom line. Financial strain also affects employees' attitudes and behaviors at work, including morale, loyalty and organizational commitment. This report describes work time spent on personal financial matters by financially distressed employees.

Purpose and Findings

The study was conducted by InCharge Education Foundation (ICEF) and its purpose was to examine selected work outcomes of a large national sample of financially distressed employed adults. The seven questions asked are presented, together with the findings. The number in the questionnaire associated with each question is shown together with the number of responses.

1. *"How often do you feel that concerns about your personal finances interfere with your work?"* See Table 1; Variable 25_4; N=2,424.

More than a quarter (28%) of financially distressed workers reported that their concerns about personal finances very often (6% [5.78]) or sometimes (22% [21.74]) interfered with their job, such as getting to work on time, accomplishing daily tasks, or working overtime. Thirty-one percent reported that personal finance concerns did "not often" interfere with work. Four in 10 (42%) reported their personal finances "never" interfered with work. Thus, 6 in 10 (58%) financially distressed workers reported some amount of interference between personal finances and work.

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Table 1 (V25_4)				
How Often Concerns About Personal Finances Interfere With Work				
	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1 Very Often	140	5.78	140	5.78
2 Sometimes	527	21.74	667	27.52
3 Not Often	749	30.90	1416	58.42
4 Never	1008	41.58	2424	100.00

When asked more detailed questions about how much work time in hours they spent on each of nine personal finance activities, the financially distressed workers admitted to both thinking about personal finances while at work as well as taking time from their job responsibilities to handle money matters. In this study there were nine examples of personal finance activities that the respondents could choose to mark (by writing in a specific number of hours) or to leave blank and thereby report zero hours. The nine choices included: *spend time worrying about personal finances instead of working; talk with co-workers about personal financial problems; talk to creditors about past due payments; talk to collection agencies about past due payments; take time to handle personal financial concerns while at work; ask their employer about a payroll advance; consult lenders about consolidating debts; talk to lenders about taking out a second mortgage to pay debts; and talk to a lawyer about bankruptcy*

2. “How many hours are spent at work in an average month dealing with all personal financial concerns?” See Table 2; Variable 21_A, B, C, D, E, F, G, H, I.

While 6 in 20 financially distressed workers spend some work time dealing with personal financial concerns while at work, the number of hours of work time they spend in an average month to deal with personal financial concerns ranges widely. Among those employees taking time from work, an average of 7.9 hours are spent worrying about financial matters, 3.8 hours talking with creditors, 3.0 hours talking with collection agencies, and 2.5 hours talking with lenders about debt consolidation.

Table 2 (V21 A, B, C, D, E, F, G, H, I) Personal Financial Tasks Performed on Work Time			
Personal Finance Tasks	Frequency	Percent of 2,454	Average Hours Per Month
Spent time worrying instead of working	1,534	63	7.9
Took time to handle personal financial concerns	1,065	43	4.2
Talk with co-workers about financial problems	1,213	49	3.7
Talk to creditors	973	40	3.8
Consulted lender to consolidate	668	27	2.5
Talked to collection agency	637	26	3.0
Asked about payroll advance	232	10	2.2
Talked lender 2 nd about mortgage	171	7	2.9
Talked lawyer about bankruptcy	160	7	2.4

3. “For those who worry about money matters at work, how many hours of worrying do they spend in a month?” See Table 3; Variable 21_A-4; N=1,534.

For those financially distressed employees who report they do worry about money matters while at work (6 in 10 workers [63%; 1,534/2,454]), the average number of hours spent is 7.9. Of those workers, 6 in 10 (63%) spent 5 or fewer hours per month worrying. Three in 10 (29%), however, spend 10 or more hours in an average month worrying about their personal finances at work.

Table 3 (V21_A_4) Number of Hours Worrying About Money Matters at Work				
Hours	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	305	19.88	305	19.88
2	291	18.97	596	38.85
3	131	8.54	727	47.39
4	122	7.95	849	55.35
5	121	7.89	970	63.23
6	35	2.28	1005	65.51
7	7	0.46	1012	65.97
8	72	4.69	1084	70.66
9	2	0.13	1086	70.80
10	138	9.00	1224	79.79
15	133	8.67	1357	88.46
25	68	4.43	1425	92.89
35	109	7.11	1534	100.00

Analysis Variable : V21_A_4				
N	Mean	Std Dev	Minimum	Maximum
1534	7.90	9.49	1.00	35.00

4. **“How many hours do you spend in an average month taking time to handle personal financial concerns while at work instead of working?”** See Table 4; V21_E_4; N=1,213.

For those financially distressed employees who report they do take time to handle personal financial concerns while at work instead of working (5 in 10 [49%; 1,213/2,454] workers), the average number of hours spent is 3.7. Of those workers, 9 in 10 (85%) spend 5 or fewer hours per month handling financial matters. One in 10 (11%), however,

spend 10 or more hours in an average month taking time from work to handle personal financial concerns.

Table 4 (V21_E_4) Hours Spent to Handle Personal Financial Concerns				
Hours	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	512	42.21	512	42.21
2	275	22.67	787	64.88
3	84	6.92	871	71.81
4	79	6.51	950	78.32
5	85	7.01	1035	85.33
6	15	1.24	1050	86.56
7	6	0.49	1056	87.06
8	20	1.65	1076	88.71
9	1	0.08	1077	88.79
10	60	4.95	1137	93.73
15	48	3.96	1185	97.69
25	15	1.24	1200	98.93
35	13	1.07	1213	100.00

Analysis Variable : V21_E_4				
N	Mean	Std Dev	Minimum	Maximum
1213	3.71	5.24	1.00	35.00

5. **“How many hours do you spend in an average month *talking with co-workers about personal financial problems* instead of working?”** See Table 5; Variable 21_B_4; N=1,065.

For those financially distressed employees who report they do take time to talk with co-workers about their personal financial problems instead of working (4 in 10 [43%; 1,065/2,454] workers), the average amount of time spent per month is 4.2 hours. Of these workers, 4 out of 5 (83%) spend 5 or fewer hours per month talking with co-workers about their personal financial problems. One in 20 (4%) spend 10 or more hours in an average month taking time from work to talk with co-workers about personal financial problems.

Table 5 (V21_B_4) Talking With Co-Workers About Personal Financial Problems				
Hours	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	421	39.53	421	39.53
2	244	22.91	665	62.44
3	86	8.08	751	70.52
4	66	6.20	817	76.71
5	71	6.67	888	83.38
6	19	1.78	907	85.16
7	2	0.19	909	85.35
8	22	2.07	931	87.42
9	2	0.19	933	87.61
10	50	4.69	983	92.30
15	45	4.23	1028	96.53
25	11	1.03	1039	97.56
35	26	2.44	1065	100.00

Analysis Variable : V21_B_4				
N	Mean	Std Dev	Minimum	Maximum
1065	4.20	6.32	1.00	35.00

6. “How many days last month were you able to work but had to cut down on what you did?” See Table 6; Variable 24_4; N=1,077.

Although present at work, 44% (1,077/2,454) of the financially distressed workers reported that they had to cut down on their productivity or felt they did not get as much work done as usual for one or more days during the previous month. Of those employees who cut down, 6 in 10 (62%) reported lower job productivity on 1, 2 or 3 days a month, while 4 in 10 (38%) reduced their job effort on 3 or more days in a month. One in 8 (12%) financially distressed workers reported that even though they were at work they cut down on what they did (resulting in lower job productivity) an average of 10 or more days during the last month. The average number of days per month of cutting down job performance was 3.8 even though the employees were at work.

Table 6 (V24_4) Days Cut Down				
Days	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	237	22.01	237	22.01
2	254	23.58	491	45.59
3	176	16.34	667	61.93
4	91	8.45	758	70.38
5	118	10.96	876	81.34
6	20	1.86	896	83.19
7	23	2.14	919	85.33
8	32	2.97	951	88.30
9	6	0.56	957	88.86
10	20	1.86	977	90.71
11	100	9.29	1077	100.00

Analysis Variable : V24_4				
N	Mean	Std Dev	Minimum	Maximum
1077	3.82	3.05	1.00	11.00

7. “How many days last month were you totally unable to carry out your normal work activities?” See Table 7; Variable 23_4; N=551.

Although present at work, 2 in 10 (22%; 551/2,454) of the financially distressed employees reported that they were totally unable to carry out normal work activities for more than one day during the previous month. Of those who were totally unable to perform job functions, 73% reported a 100 percent total loss in worker productivity between 1 and 3 days a month, while 27% reported they had a zero job effort on 3 to 11 days in a month. One in 12 (8%) financially distressed workers reported that even though they were at work they were totally unable to carry out their normal activities an average of 10 or 11 days during the last month. The average number of days per month of being totally unable to perform normal work responsibilities was 3.2 even though the employees were at work.

Table 7 (V23_4) Days Totally Unable				
Days	Frequency	Percent	Cumulative Frequency	Cumulative Percent
1	157	28.49	157	28.49
2	157	28.49	314	56.99
3	90	16.33	404	73.32
4	34	6.17	438	79.49
5	35	6.35	473	85.84
6	13	2.36	486	88.20
7	14	2.54	500	90.74
8	5	0.91	505	91.65
9	3	0.54	508	92.20
10	11	2.00	519	94.19
11	32	5.81	551	100.00

Analysis Variable : V23_4				
N	Mean	Std Dev	Minimum	Maximum
551	3.19	2.73	1.00	11.00

Methodology and Data

The data for this study were collected from a national population of overly indebted and financially distressed clients of a large non-profit credit counseling organization, InCharge Debt Solutions[®], who telephoned seeking assistance with managing their debts during February, March and April 2003. Data were collected in June, thus the respondents were clients for two, three or four months. The average age was 39 years, and they had an average debt load of 20 percent. A debt-to-income ratio is calculated by dividing monthly minimum debt payments (excluding mortgage or rent) by monthly income. The higher the ratio is the riskier the likelihood of an inability to repay debts.

A questionnaire was mailed to a random sample of 7,200 of the 7,818 who enrolled in a debt management program. Six percent (443/7,200) were returned as undeliverable, usually because of an incomplete address, a person moved without providing a forwarding address, or the person was deceased. The resulting sample was 6,757 and of those 3,131 respondents returned useable questionnaires. This 46 percent response rate was more than twice the return of previous studies of similar populations. Only those who were employed at the time of the data collection (N=2,454; Variable 27_b_4) were included in the data analysis in the present study.

Males comprised 31% of the working adults and 69% were female, which is a typical distribution of gender for credit counseling clients. Six in 10 (64%) were either married (54%) or living with a partner (10%), and 36% were unmarried. On average, their annual family income was \$39,300. Life at work was reported as very good (25%), good (51%), satisfactory (21%), or poor (3%). They reported their level of financial stress on the day they filled out the questionnaire as overwhelming (11%), severe (23%), moderate (53%), low (11%), or none (1%).