

THE STATE OF EMPLOYEE FINANCIAL HEALTH

2022
EDITION

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Introduction

Rising food and energy prices have led to what many are calling a cost-of-living crisis.

While inflation has impacted everyone to some degree, 16% of Americans are struggling to make ends meet.

Financial health influences everything, from mental and physical well-being to employee engagement and performance. An individual's financial health can affect the business they work for and the community they live in. In other words, poor financial health isn't just a personal issue. It's a social issue, too.

ZayZoon conducted a survey of 2,000 individuals to get a pulse check on their overall financial health and wellness.

The objective: to provide employers with greater insight into the financial challenges that some of their employees face.

Let's get started.

METHODOLOGY

Creating the

FINANCIAL HEALTH REPORT - 2022

To create the Financial Health Report, ZayZoon surveyed 2,000 respondents during the first three quarters of 2022.

People surveyed lived and worked in the U.S. in mostly service-based industries, including administration and support, healthcare, hospitality and food services, among others.

We asked respondents 35 questions across five key categories:

1. Relationship with finances
2. Cashflow
3. Net worth
4. Appetite for increasing income
5. Financial habits

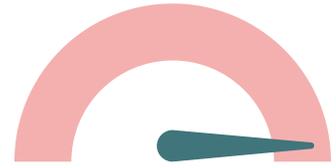
INSIGHTS

RELATIONSHIP WITH FINANCES

ON A SCALE OF 1-5, HOW STRESSED DO YOU FEEL WHEN YOU THINK ABOUT YOUR FINANCES?

A whopping 24.2% of employees surveyed responded in the highest category, saying that they felt “very stressed” (5/5) about their finances. It may not seem like much, but that’s a big chunk of the population at their wits’ end when it comes to money.

24.2% FEEL
"VERY STRESSED" (5/5)



63%

300-625

3%

720-850

WHAT IS YOUR CREDIT SCORE?

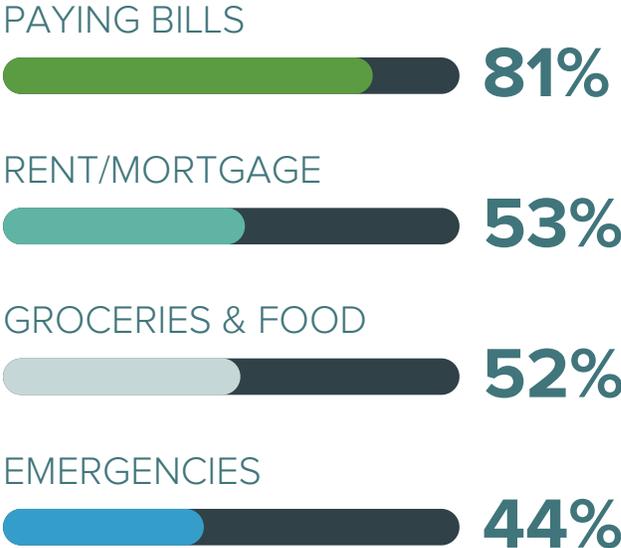
The vast majority (63% of respondents) had a credit score in the 300 to 625 range (generally considered poor). Only 3% of respondents had a credit score in the 720 to 850 range.

A person’s credit score can determine a lot in their life, like the types of homes they can get approved for or the interest rates on their credit cards. Having a poor credit score can have a negative impact on a person’s financial health.

WHAT THINGS STRESS YOU THE MOST ABOUT YOUR PERSONAL FINANCES?

When it comes to what stresses people out about their finances, it should come as no surprise that paying bills came in first place (81%). After that, came rent or mortgage payments (53%), groceries and food (52%), and emergencies (44%).

As you can see, the things that stress people out the most tend to be the necessities—getting bills paid, having a place to live, having food on the table, and navigating emergencies.





I had a situation where I had to get my daughter to and
from the hospital.
It was an emergency and the funds were tight.



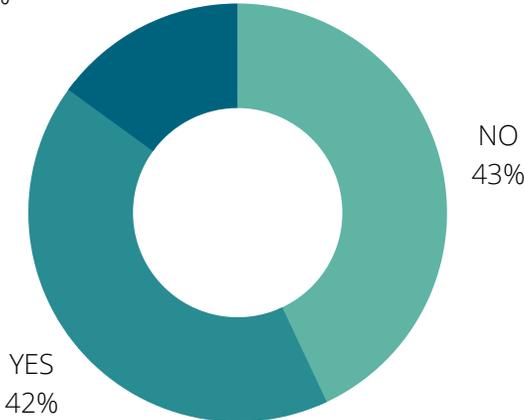
- Shaneaka | Senior Helpers

CASHFLOW - INCOME

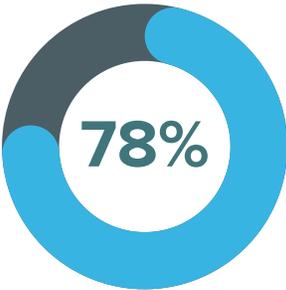
DOES ANYONE ELSE IN YOUR HOUSEHOLD HAVE A JOB?

In terms of whether anyone else in their household had a job, it was pretty evenly split; 43% of households said “no,” while 42% said “yes”. The other 15% of households were made up of only one person.

SINGLE-HOUSEHOLD
15%



household income of \$3,000 or less



monthly employment income of \$3,500 or less

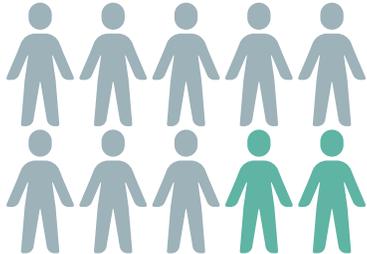
WHAT IS THE TOTAL MONTHLY INCOME FROM OTHERS IN YOUR HOUSEHOLD

Most respondents had a household income of \$3,000 or less per month, well below the median household income of \$5,626.

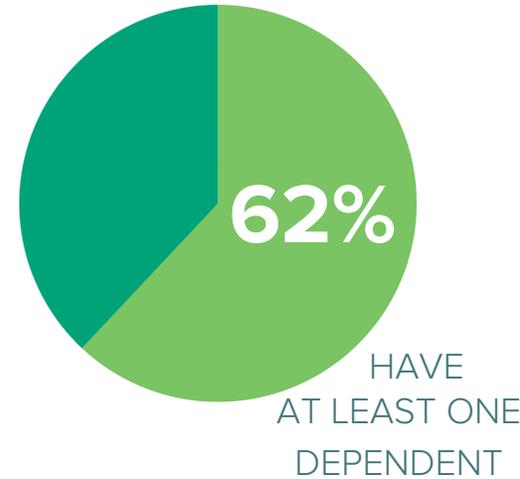
78% of those surveyed had a monthly employment income of \$3,500 or less, also below the \$4,855 mean wage estimate in 2021.

DO YOU HAVE ADDITIONAL SOURCES OF INCOME OUTSIDE OF YOUR EMPLOYER?

When it comes to having multiple income streams, 81% of respondents only had one (their employer). In the event of an emergency or loss of employment, this would leave the majority of respondents without a monthly income.



CASHFLOW - EXPENSES



DO YOU HAVE KIDS OR OTHER DEPENDENTS THAT RELY ON YOU FOR FINANCIAL SUPPORT?

When it comes to dependents, 62% of respondents had at least one (whether that be children or other types of dependents). This means that the vast majority of people surveyed have to consider another person when it comes to their personal finances, too.

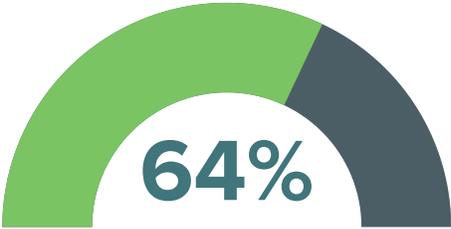
HOW MUCH DO YOU SPEND ON UTILITIES, YOUR CELL PHONE, SUBSCRIPTIONS, AND INTEREST/LATE FEES EACH MONTH?

With 64% of respondents paying \$150 per month or more on utilities (at least \$1,800 per year), that becomes a big budget line item.

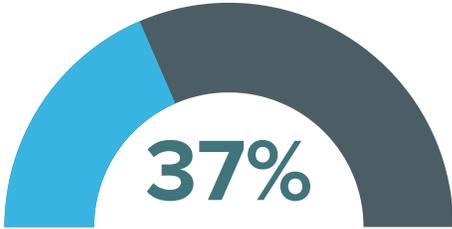
What may seem like a small bill—their monthly phone bill—added up to \$100 or more for 37% of people.

Perhaps one of the biggest takeaways of the Financial Wellness Survey is that customers are paying a lot of money every month on subscriptions: for 40% of respondents, they're paying at least \$3,600 per year.

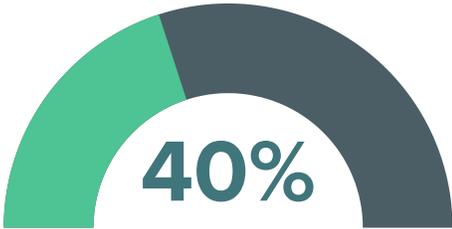
Spending \$50 or more per month on interest and fees is no small amount; it adds up to \$600 or more per year.



paid \$150 or more per month on utilities



paid \$100 or more on their monthly phone bill



paid \$3,600 or more a year on subscriptions

“ Starting a new job meant having to buy a new work uniform and gas for the commute. This wiped out my savings. I was in a tough spot and had bills that were going to come out of my account automatically. I didn't have any money to buy groceries and dog food.

-Kaylen | Wing Dome

”

NET WORTH (ASSETS & DEBT)

WHAT'S YOUR APPROXIMATE HOUSEHOLD NET WORTH?

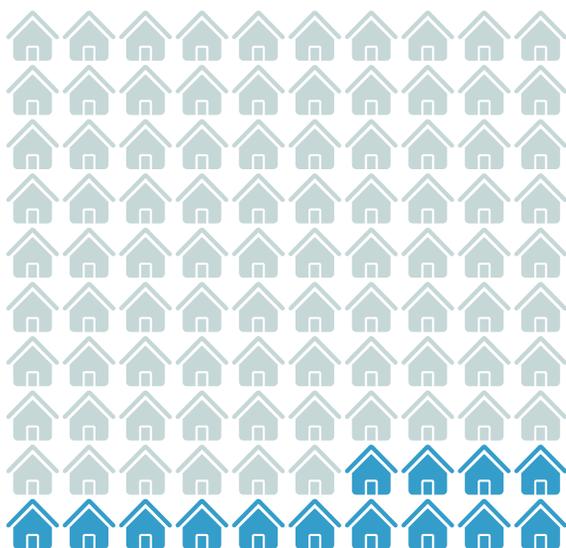
One of the key metrics when looking at someone's financial health is their net worth.

Of those who answered the survey, 65% had a net worth of \$5,000 or less. The average net worth of an American is approximately \$122,000.

A similar 60% of respondents had assets totalling \$5,000 or less.



Had a net worth of
\$5,000 or less



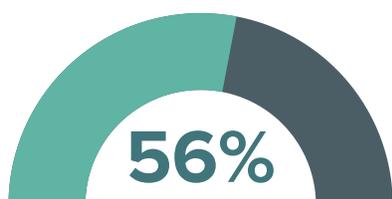
DO YOU OWN A HOUSE?

86% of respondents don't own a home, which is significantly higher than the current national homeownership rate of 65.8%.

DO YOU OWN A CAR?

The majority of respondents owned a car: 57%, to be exact.

Car ownership is more accessible than owning a home, but it's also indispensable, as many require a car to get to and from work.

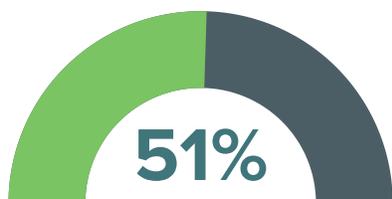


56%
have \$100,000 or
less in house assets

HOW MUCH IS YOUR HOUSE AND CAR WORTH?

So, what do those assets look like? Well, 56% of people surveyed have \$100,000 or less in house assets.

Another 51% had \$500 or less in car assets.



51%
have \$500 or less
in car assets

HOW MUCH DEBT DO YOU HAVE OUTSTANDING?

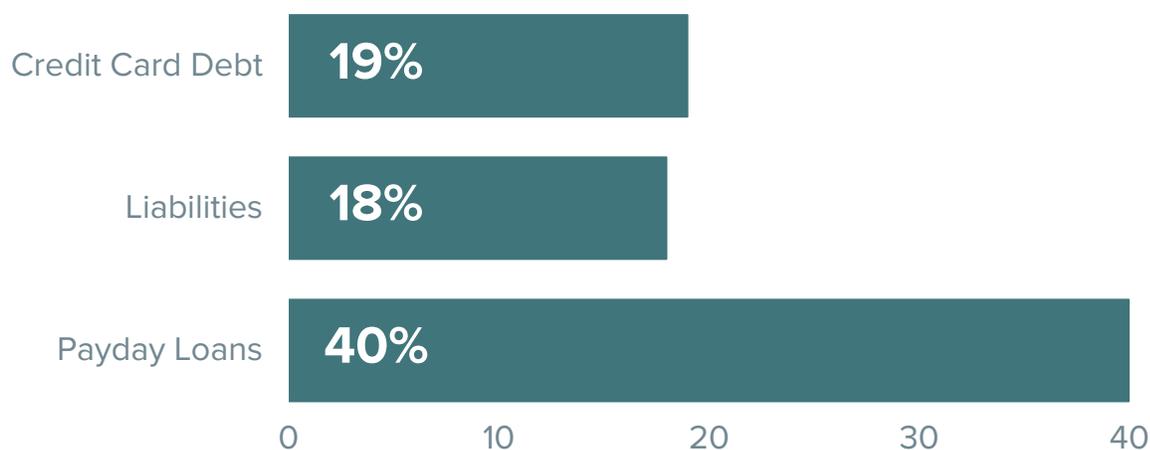
Only 19% seemed to be carrying a decent amount of credit card debt each month (\$500 or more), and only 18% of respondents had liabilities of \$5000 or more.

Although it's not the highest statistic in this survey, 40% of respondents carrying some form of payday loan debt is no small number. With the average payday loan interest rate being 391%, that's a massive burden on those who take them out.

When analyzing the different types of debt, many respondents had none at all.

75% carried no student loan debt at all; 85% carried no friends and family debt; 91% carried no mortgage debt.

This could be seen as a positive thing (no debt), but could also point to things like low levels of college attendance, lack of funds from friends and family, and a lack of house ownership.



Note:

As you can see, respondents had a lower than average monthly income, a substantially lower than average net worth, and generally poor credit scores. This, in turn, affects other areas of their financial health, including their personal finance and spending habits.

APPETITE FOR INCREASING INCOME

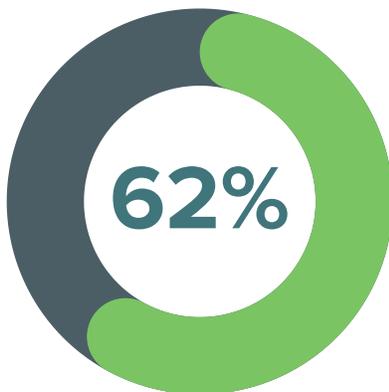
DO YOU FEEL COMFORTABLE ASKING FOR A RAISE OR PROMOTION?

Most of the respondents—58%—said they'd feel comfortable asking for a raise or a promotion at work. That means that the majority of people we surveyed seem to be comfortable negotiating their income or job title, which can aid in increasing their income.



58%

FEEL COMFORTABLE ASKING
FOR A RAISE/PROMOTION



Have a plan to make
more money

DO YOU HAVE A PLAN TO MAKE MORE MONEY WITH YOUR EXISTING SKILLSET AND EDUCATION?

The majority of respondents—62%—also said that they have a plan to make more money with their existing skill set and education, meaning that they're actively thinking about ways in which to increase their income further.

DO YOU HAVE A PLAN TO MAKE MORE MONEY WITH YOUR EXISTING SKILLSET AND EDUCATION? (cont.)

An astounding 30% of people said they were never looking for jobs that pay more. This was the most common answer we received.

Since staying at one company for too long generally leads to lower incomes, this could be an area of opportunity for many people.



Are never looking for jobs that pay more

PAYING BILLS **8.46 / 9**



MAKING RENT **8.13 / 9**



RANK YOUR FINANCIAL GOALS BY IMPORTANCE

When it comes to ranking financial goals on a scale of 1 to 9, paying bills came in first (8.46/9), while making rent came in a close second (8.13/9).

This runs in parallel to our earlier question about financial stress, where paying bills also came in first place.

It seems that people are most focused on (and stressed by) paying their bills.

A large, white, stylized opening quotation mark on a dark teal background.

I absolutely dislike being late on my bills, but sometimes it's a little rough to make them on time.

A large, white, stylized closing quotation mark on a dark teal background.

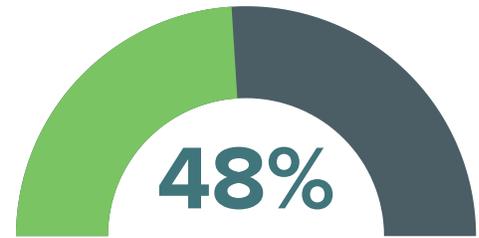
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FINANCIAL HABITS

HOW OFTEN DO YOU SPEND MORE THAN \$20 ON NON-ESSENTIALS ON AN IMPULSE?

48% of respondents reported making impulse purchases valued at \$20 or more, 3 times per week or more.

This means that many people surveyed are making impulse purchases on a regular basis.



Make impulse purchases
at least 3X a week



Do NOT have a
personal budget tracker

DO YOU HAVE A PERSONAL BUDGET TO TRACK YOUR SPENDING EACH MONTH?

The majority of respondents do NOT have a personal budget tracker (56%). Tracking your spending each month is a basic part of personal finance, meaning there's a big opportunity here to help boost financial literacy.

“

I think ZayZoon is a good way to help you stay ahead of your bills without overspending or overpaying. You always know how much you have and when you can use it.

”

-Leann | Jefferson Gardens

CONCLUSION

Conclusion

Findings from our Financial Health survey make one thing abundantly clear: people are stressed about their finances. And it's easy to see why.

The majority of respondents had a net worth of \$5000 or below. While car ownership was high, only 14% of respondents owned a home. Beyond that, many had a poor credit score, a huge obstacle to obtaining low-interest loans.

It should come as no surprise, then, that 40% of respondents carried some form of payday loan, meaning they were likely facing massively high-interest rates.

Rates of respondents carrying other forms of debt—like student loans and credit card debt—were quite low.

Generally, maintaining no debt is positive, but understanding why was beyond the scope of this survey. For instance, respondents with low or nonexistent credit card debt might not even have a credit card. Since this is true for 30% of Americans, it's a real possibility.

So, what does this all mean?

For one, it proves that there's a significant need for financial literacy and education initiatives, specifically in service-based industries. Beyond that, there's an opportunity for employers to deliver practical solutions that move the needle on financial health.

To find out how, go to www.zayzoon.com and get started today.

About

ZAYZOOM

ZayZoon's mission is to materially improve employee Financial Wellness with effective and engaging financial products that create a business advantage for employers.

By leveraging ZayZoon's extensive and robust payroll integrated technology, businesses are equipped with tools to give their staff access to a program that includes: Wages On-Demand, Financial Wellness and a Prepaid Spending Card. Workers around the world rely on predatory products such as payday loans and overdraft fees to bridge the paycheck-to-paycheck gap created by pre-determined payroll cycles.

ZayZoon aims to break that cycle. ZayZoon's on-demand access to wages helps reduce employee financial stress and improves workplace retention, resourcing and productivity.

Follow along on our journey to improve employee financial health:



or

[Get Started Today!](#)