

Insight Report 2022

# Emergency Savings at Work

- 1** | **Market Research**  
Results from the SecureSave's 2022 Annual Survey  
Page 3
- 2** | **Lifecycle of an ESA**  
Snapshot of a typical participant saving journey  
Page 5
- 3** | **Impact on Financial Wellness**  
Findings on savings behavior and relationship to retirement savings  
Page 6

# Introduction

Since 2020, SecureSave has been providing Emergency Savings Accounts (ESAs) to employees at workplaces across America. During that time, we've been collecting and analyzing data to understand the role of workplace ESAs in our mission to help people be more financially secure.

In this insight report, we share results from our annual **Market Research** survey around emergency savings stress and the growing demand for a workplace solution.

Then we dive into the **Lifecycle of an ESA** to illustrate into how real people typically engage with these savings programs.

And, we zoom out to examine **Impact on Financial Wellness**: how do ESAs really support people in an emergency, and how do they interact with retirement savings?

All together, these insights paint a picture of how workplace ESAs are working to improve the financial well-being of employees across the country.



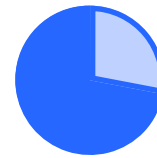
**Devin Miller**  
CEO & Co- Founder, SecureSave

# Market Research

Each year, SecureSave surveys 1000s of Americans to help the industry understand how people feel about emergency savings. Here are the results from our 2022 Annual Survey\*.

**72%**

**The current economic environment is contributing to financial stress. 72% of people rate the negative impact of inflation on their finances as 6/10 or higher.**



**58%**

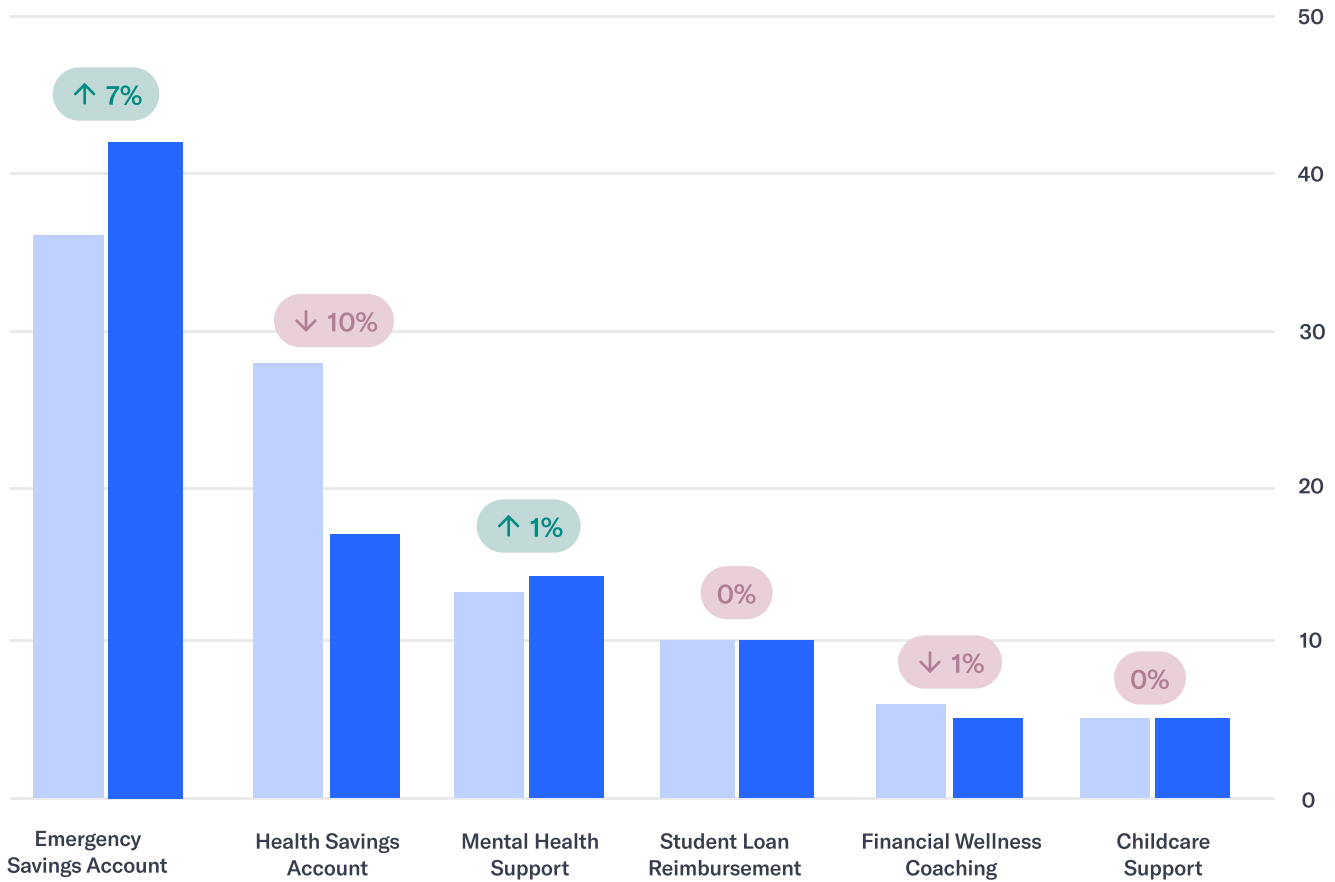
**Saving for emergencies is the #1 priority. 58% of people put saving for emergencies in their top 2 financial priorities.**

Rank		Percentage
1	Saving for emergencies	58%
2	Paying down debt	47%
3	Saving for retirement	45%
4	Saving for personal goals	38%
5	Saving for educational expenses	13%

43%

ESAs have increasingly high appeal. 43% of employees cite ESAs as their top choice new employee benefit.

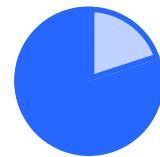
↗ 7% increase from last year



80%

People are likely to participate. 80% of people are likely to participate if their employer offered emergency savings.

↗ 7% increase from last year



# Lifecycle of an ESA

Employees who participate in a workplace savings program tend to follow a similar savings journey. A savings program that automates healthy savings behaviors typically “sticks”, so that funds accumulate over time despite occasional emergency withdrawals.

MONTH 0

## Program launch

Employees typically learn about SecureSave in a company-wide announcement, outside of their regular benefits cycle. SecureSave is presented as a standalone *out-of-plan* account, not connected to any workplace retirement savings program.

The average employer offers a \$34 signup bonus to incentivize participation, which leads to 55% overall adoption across our participating employers.

MONTH 1

## Starting to save

Employees who enroll choose to save \$38 per paycheck on average, with 37% choosing to increase their savings above the default set by their employer.

100% of participating employers choose to offer a savings match. The typical match is \$4 per paycheck, but some employers choose to accelerate savings by offering large matches of \$25-\$100 per paycheck.

MONTH 4

## Covering an emergency expense

An employee will typically make their first withdrawal after 4 months of saving.

The average claim is for roughly \$200, and the most commonly reported emergency reason is Car/Transportation.

MONTHS 6-12 AND BEYOND

## Growing a multi-month emergency fund

After 6 months, 97% of employees who remain at their employer are still auto-saving from every paycheck, and their account balance is over \$500. Longtime savers report that they will continue saving as long as their employer offers an incentive to do so.

# Impact on Financial Wellness

SecureSave has been closely tracking the real-world effectiveness of our ESAs at improving financial wellness. Data from 1.5 years of savings programs shows that people use ESAs as intended, even when access to funds is not restricted, and that short-term savings accounts are an effective companion to long-term savings.

## Employees are tapping into their ESA funds to better weather emergency expenses.



### **Participants come to their ESAs when emergencies happen.**

17% of savers access some portion of their funds each month, each claim representing a time they used their own Emergency Savings rather than accessing retirement funds.



### **Despite the liquidity of the funds, participants tend to wait until an emergency to claim their money.**

SecureSave allows participants to access their money at any time for any reason. Still, only 31% of savers have ever claimed funds, with typical claimants waiting 4 months before making their first claim.



### **Participants take only what they need, rather than raiding their accounts.**

Roughly 3/4 of claims do not access the entire ESA balance. With easy access to funds, participants know they can come back for more money when they need to: 37% of those monthly claimants will make more than one claim.

## Emergency funds grow over time, and are not derailed by emergency withdrawals.

### **After an emergency, employees keep saving to replenish their ESA.**

Over the lifetime of the program, 93% of employees who have accessed their funds (and remained at their employer) are still auto-saving as of June 2022.

### **Balances grow steadily over time.**

Accounting for deposits and withdrawals, the average individual account balance has net growth of \$60 month-over-month. In aggregate, 90% of ESA funds remain in participant accounts each month.

## ESAs are net additive to savings, and are a companion rather than a competitor to retirement savings.

### **ESA contributions are net new dollars, and do not reduce retirement savings.**

All participating employers have reported stable engagement in 401k programs when they introduced a workplace ESA.

*“We’ve seen no significant shift in 401k enrollment”  
- California employer*

### **ESAs fill a workplace savings need for employees who do not yet have access to retirement programs.**

At small employers that do not yet offer 401k programs, SecureSave participation rates are substantially higher than the general population. On average, 74% of employees at these employers contribute to ESAs, creating a new path to savings where none previously had existed.

# Looking Ahead

Two years after the COVID-19 pandemic elevated the topic of emergency savings in the national conversation, emergency preparedness remains the top financial concern for Americans.

From policy makers in Washington to small business owners across the country, we have seen growing support for widespread access to Emergency Savings Accounts at work to address this need. And we are encouraged to share our findings that workplace ESAs are proving an effective tool for the task.

As the market for ESAs continues to develop, SecureSave will continue to provide solutions, collect data, and share our insights. For more information about SecureSave or the data in this report, contact [info@securesave.com](mailto:info@securesave.com).

## About SecureSave

Headquartered in Kirkland, Washington, SecureSave is a financial technology platform designed to help individuals build emergency savings through an employer benefits platform. It was co-founded by Devin Miller, Bassam Saliba, and Suze Orman, who realized that emergency savings needed to be easier and more accessible to help solve the growing savings crisis in the US. SecureSave makes an immediate impact on employee lives; by increasing financial wellness through a program that is easy to deploy and manage at low cost of ownership for the employer. Most of all, it is well received and accepted as adding value to working for a company that cares. To learn more about the company, visit their website at <https://www.securesave.com>.

### \* Survey Methodology

The SecureSave 2022 Annual Survey was run on third-party survey platform Centiment between May 27-29, 2022. Results are pulled from a panel of 735 employed Americans.

Respondents ranged in age from 25-65 years, with an average age of 43, and reported an average income of \$64,000.