NFCC Connect 2026

Financial Shocks, Emergency Savings, and Building Financial Resilience

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The views expressed here are mine and not necessarily the views of my employer or the United States. All information presented is public and prepared on my own time using my own resources.

What leads people into financial difficulty?

[Ms. Audet's] free fall into unsustainable debt began last December when her car made a horrible, sputtering sound, and died… medical bills in the thousands arrived for her Crohn's disease. She missed two rent payments. And then the landlord raised her rent $248 a month.

Rukmini Callimachi, "I Live in My Car: Dozens of parking lots have opened across the country for working people who can afford a car but not rent." *New York Times*, October 17, 2023. https://www.nytimes.com/2023/10/17/realestate/car-homeless-rent-debt-mortgage.html

We did the research . . .

The Making Ends Meet survey

- Conducted by the CFPB to understand the causes and consequences of financial distress
- Data since 2019 are now public

Asked: "In the past 12 months, has your household experienced a significant unexpected expense from any of the following?"

33. In the past 12 months, has your household experienced a significant unexpected expense from any of the following?

	No	Yes	If yes, about how much was the cost?
A major out-of-pocket medical or dental expense	☐	☐	$ ________ .00
An unplanned gift or loan to a family member or friend outside your household	☐	☐	$ ________ .00
A major vehicle repair or replacement	☐	☐	$ ________ .00
A major house or appliance repair	☐	☐	$ ________ .00
A computer or mobile phone repair or replacement	☐	☐	$ ________ .00
Legal expenses, taxes, or fines	☐	☐	$ ________ .00
Increase in childcare or dependent care expenses	☐	☐	$ ________ .00
Moving costs	☐	☐	$ ________ .00
Some other major unexpected expense	☐	☐	$ ________ .00

Summary results from technical paper with David Low (2026) "Expense Shocks Matter," available: https://www.scott-fulford.com/research

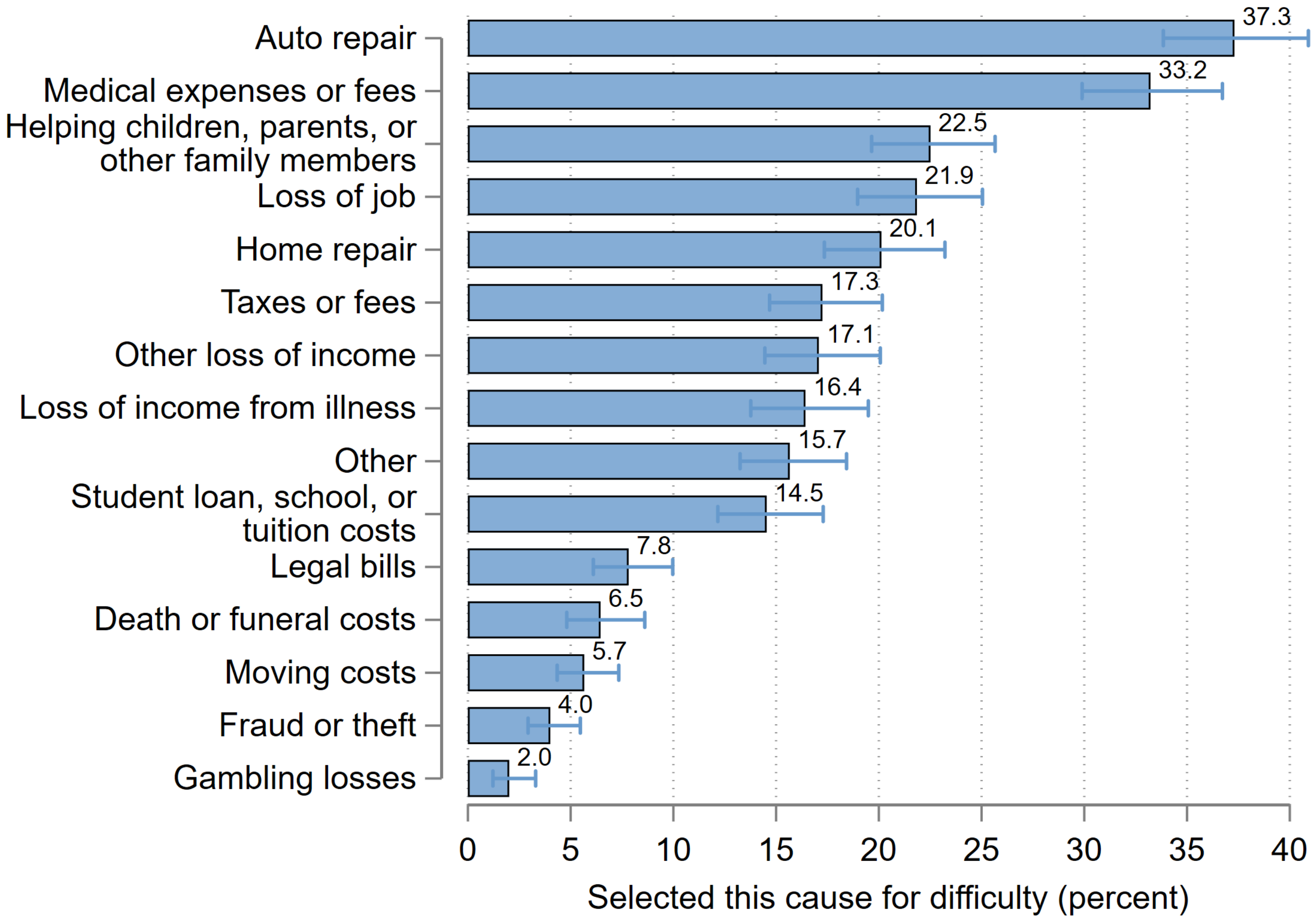
And from Scott Fulford, *Kitchen Table Economics*, https://scottfulford.substack.com/

	Experienced (%)	% of income	Cost if experienced		
			Mean ($)	Median ($)	75th ($)
A major out-of-pocket medical or dental expense	28	8.5	4871	2000	5000
An unplanned gift or loan to a family member or friend	12	6.5	5340	1200	4400
A major vehicle repair or replacement	33	9.5	6807	2000	5000
A major house or appliance repair	23	7.2	6143	2000	5000
A computer or mobile phone repair or replacement	22	1.5	1013	700	1042
Legal expenses, taxes, or fines	13	8.2	5431	1900	5000
Increase in childcare or dependent care expenses	6	3.2	3375	1000	3000
Moving costs	5	4.4	3095	1500	3000
Some other major unexpected expense	11	10.8	6745	2000	5500
All unexpected expenses	67.7	16.2	11404	4500	11250

Unexpected expenses and income losses cause financial distress

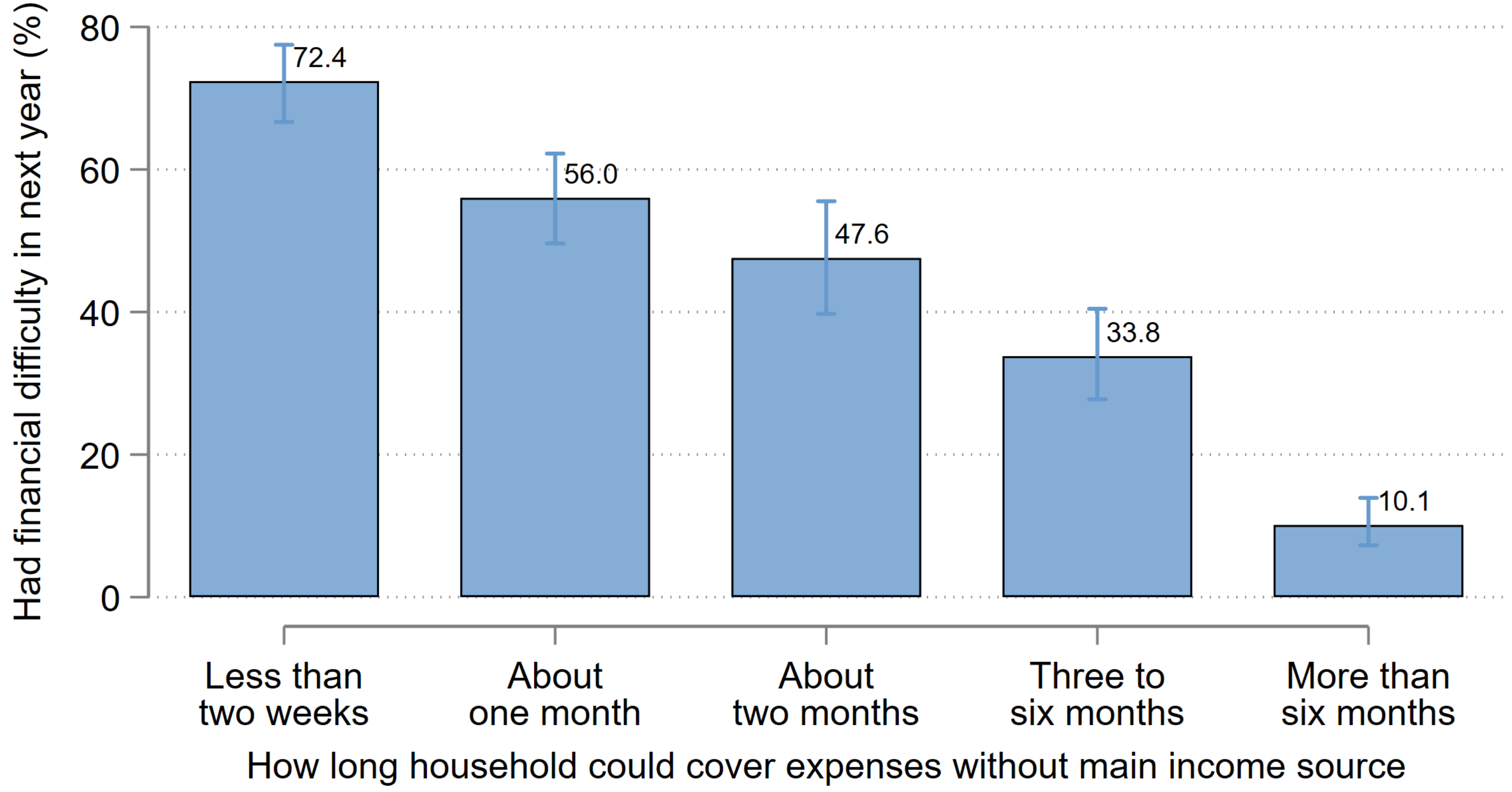
40 percent of people had "difficulty paying a bill or expense" in past 12 months

Among people with difficulty: What caused the difficulty (select all that apply)?



Liquidity protects people from shocks

Share of households that experienced financial difficulty in next year by how much liquid savings they had at the beginning of year



Notes: Financial difficulty is answering yes to: At any time in the past 12 months have you or your household had difficulty paying for a bill or expense? Source: Scott Fulford's calculations using 2024-2025 Making Ends Meet survey panel.

Scott Fulford, “Savings equals insurance,” June 15, 2026. https://scottfulford.substack.com/p/affordability-by-the-numbers-savings

2025 Workplace Emergency Savings – Saver Metrics

Contributions increased, but so did withdrawals due to many macro- and typical financial shocks in 2025.

$211
Average contribution monthly

74%
Increased contribution

$2,693
Average annual gross account inflow (EE & ER contributions + interest)

$161
Average annual employer rewards & bank interest earned

-19.5%
Lower turnover rate among Savers vs. Eligible, since Q4 2024

$849
Average balance at end of 2025

$326
Average withdrawal amount in 2025

4.6
Average withdrawals per Saver in 2025

2
Median withdrawals per person in 2025

~9 in 10
Savers grew their balances monthly

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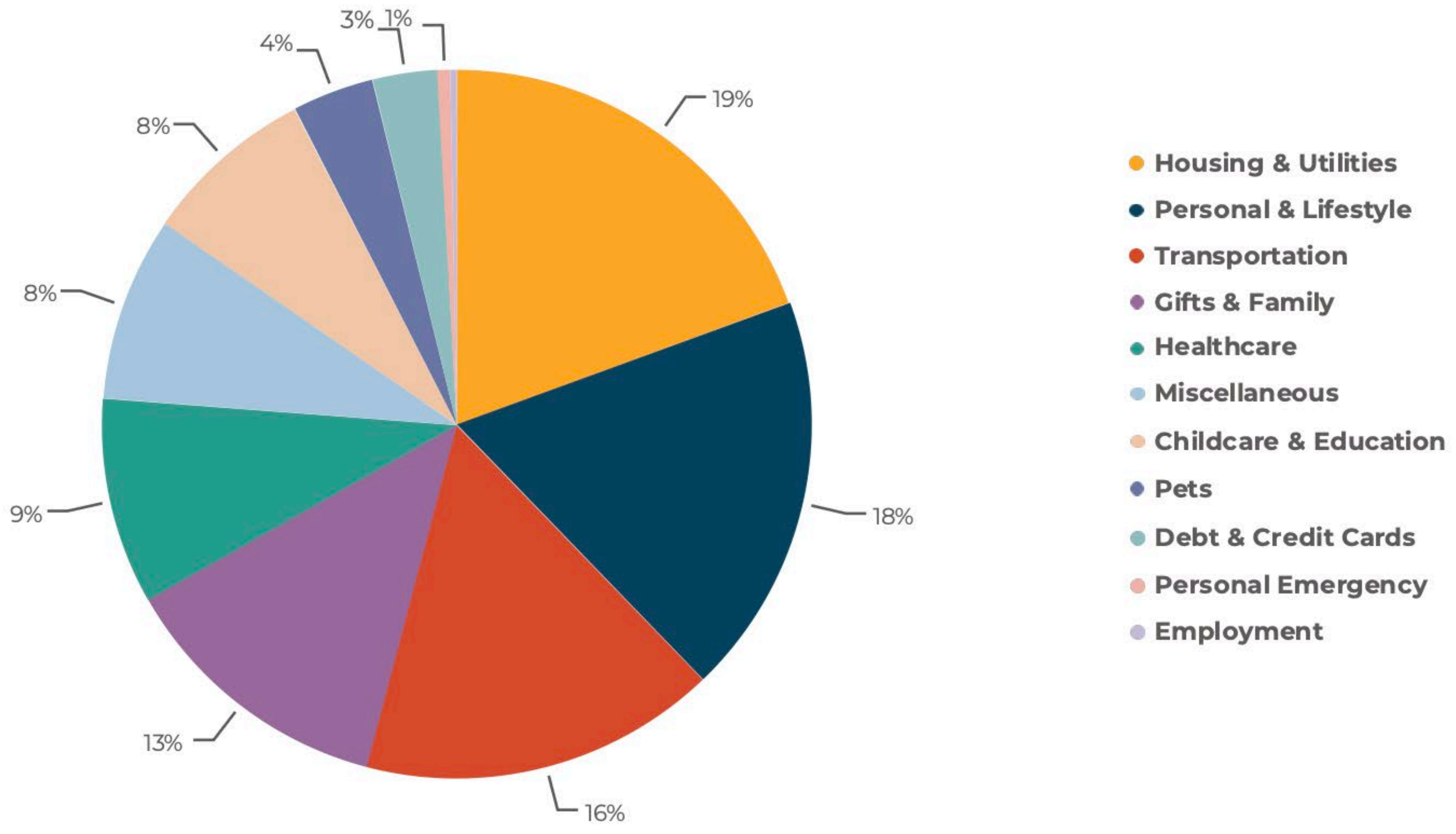
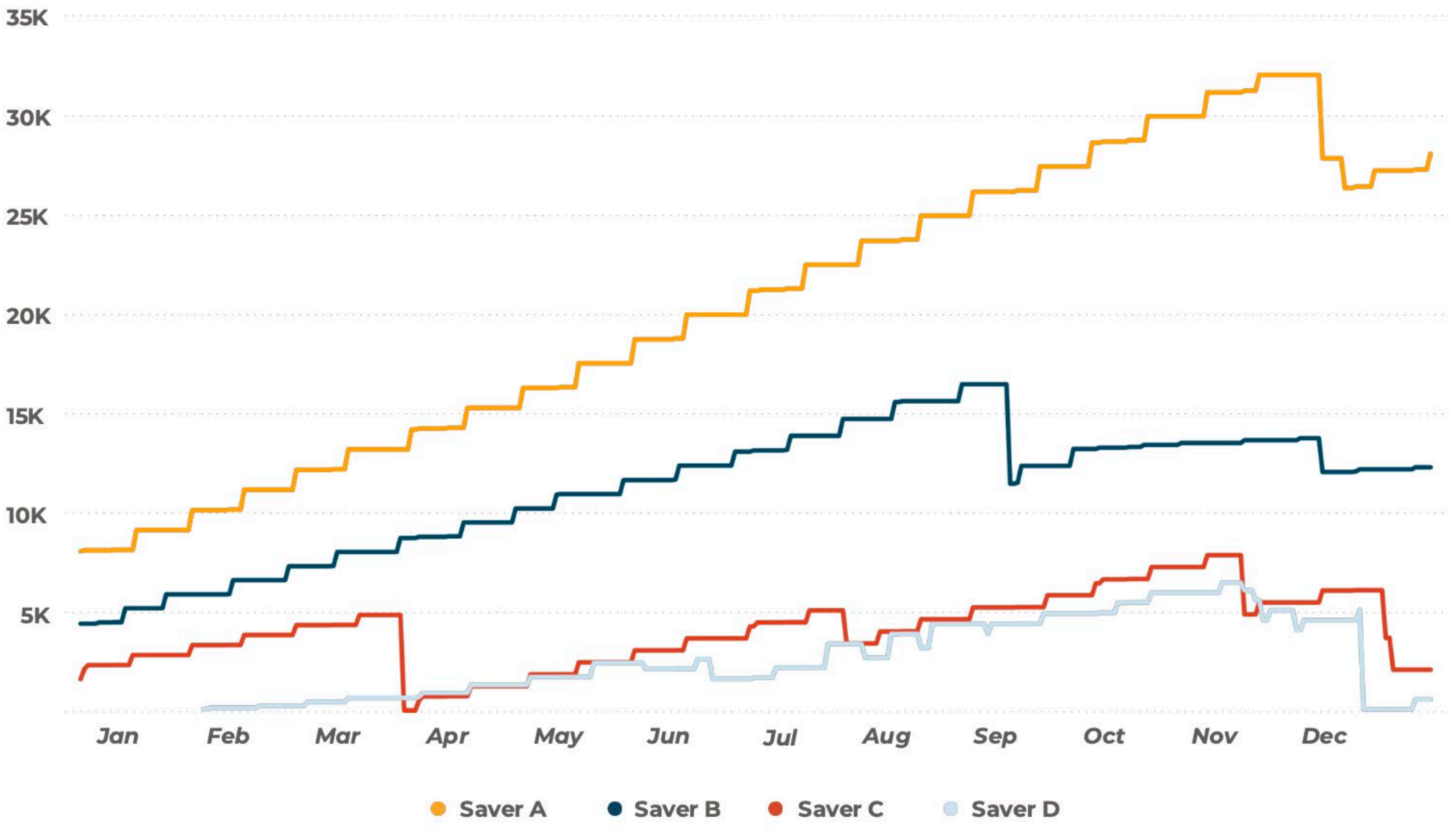
Top Withdrawal Reasons by Frequency



Portraits: Savers' Journey in 2025



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Iowa Health and Human Services | Sunny Day Fund | Iowa Workforce Development

[Visit Iowa's Economic Mobility Account Website]

State-Sponsored Workplace Liquid Savings Program Example

State pays program fees and provides a state match on employer contributions for Iowans earning <300% FPL

Q1 Process

Jan	Feb	Mar
$50	$50	$50
		+ $50
		+ $25

Q2 Process

Apr	May	Jun
$50	$50	$50
		+ $50
		+ $25

Q3 Process

Jul	Aug	Sep
$50	$50	$50
		+ $50
		+ $25

Q4 Process

Oct	Nov	Dec
$50	$50	$50
		+ $50
		+ $25

Annual Contribution and Match Breakdown ($900 total)

Employee $600	Employer $200	Iowa $100

Employee Contribution $50/month · $600/yr
Employer Match $50/qtr · $200/yr
Iowa Match $25/qtr · $100/yr