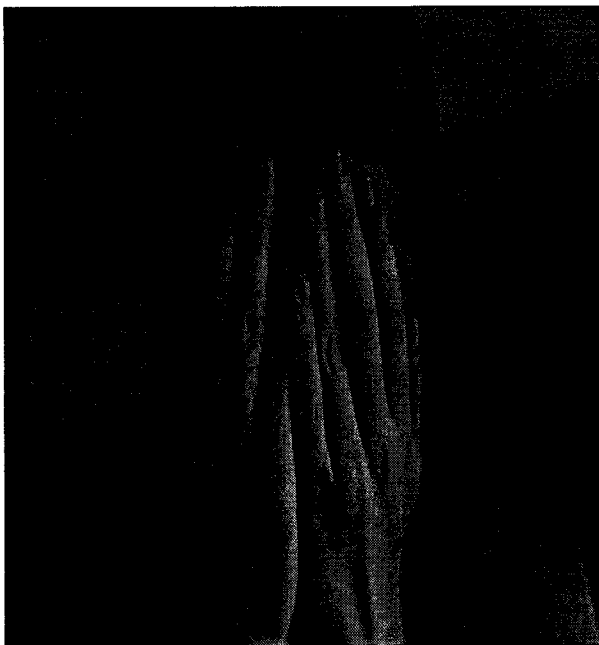


Why Are More People Afraid of Going Broke Than Dying?

1 Comment

By Christina Lavingia

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Fears vary widely, but there are some constants. Death. Losing a family member. And, it turns out, finances.

In a society where money is a pathway to both success and failure, **financial fears** are almost inescapable.

"Money fears touch upon every one of our deepest psychological needs as a human being, those being: to love and be loved, to experience fun and enjoyment, to want freedom and to experience some degree of power over our lives," said Leisa Peterson, CFP. "Not all things we deal with in life touch upon every single one of these core psychological needs, but money does. This means that when **money problems** comes up, we are forced to

and be loved, to experience fun and enjoyment, to want freedom and to experience some degree of power over our lives," said Leisa Peterson, CFP. "Not all things we deal with in life touch upon every single one of these core psychological needs, but money does. This means that when **money problems** comes up, we are forced to consider every aspect of our lives falling apart instead of just one or two. It is all subconscious but it is huge."

To gauge just how pervasive financial fears are, GOBankingRates conducted a Survata poll

to find out what worries Americans most. While the most common fear among respondents was losing a family member, financial fears comprised 66 percent of answers overall, even though they only made up two-fifths of the response options.

What's more, financial fears beat out the ultimate phobia: More people said they were scared of living paycheck to paycheck, falling into debt or becoming homeless than death.

What Are Americans' Biggest Financial Fears?

Boomers Fear Never Getting Out of Debt; Millennials Fear Unemployment

GOBankingRates also polled respondents on their **biggest financial fears**, their most dreaded financial chores and how often they worry about money.

A few key findings:

- A fear of unemployment was most common among respondents age 18 to 24, who fall into the millennial generation — and no wonder, given how high the unemployment rate is for this age bracket. According to August 2014 data from the Bureau of Labor Statistics, the unemployment rate is 17.1 percent for 18- to 19-year-olds and 10.6 percent for 20- to 24-year-olds.
- Respondents age 45 and up — most of them baby boomers — named never being able to get out of debt as their biggest financial fear, even though this is the generation that should be either planning for retirement or already retired.
- When it comes to their most dreaded financial chore, most Americans chose paying their bills, followed by asking people to pay them back. Those age 45 to 54 and 65 and up dreaded this financial chore the most, at 33 percent and 31 percent of respondents, respectively.

[»CLICK HERE to see the full results of the survey.](#)

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How Often Are Americans Worrying About Money?

Perhaps one of the most startling statistics, however, deals with how often people **worry about money**; one in three respondents worry about their finances "all the time."

Those in debt are constantly paying for that fact; that's likely why respondents who said they worried about money "all the time" were more likely to name never getting out of debt as their biggest financial fear, at one in three respondents.

Why Are People So Worried About Money?

Yes, money is required to pay for basic necessities — that's an easy explanation for why financial fears loom so prominently in our lives. But there's also a combination of economic, societal, emotional and psychological stressors that keep us thinking about money constantly.

First of all, our personal finances

create a constant feedback loop: Financial mishaps reap immediate penalties, whereas those who make the right money moves build strong credit histories, save more, and are rewarded with better interest rates

and banking products.

"People have significant money stress not because of a lack of resources, but rather because of poor financial goals," said Jason Tate, a chartered financial consultant. "Research shows that people spend more time planning their vacations than their retirement."

While some aspects of financial security are in an individual's control, like the initiative to create a budget, other situations, like being in debt, can be incredibly difficult to alter, especially without the right financial resources

. Those who find themselves in debt are constantly watching every penny because they are systematically prevented from attaining financial stability. This is how the rich increase their wealth and escape the middle class, while those saddled with debt fall out of it.

Money controls our comfort and basic ability to live; without it, the lack of freedom and control over our livelihood could become a source of acute psychological distress.

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livelihood could become a source of acute psychological distress.

"A fear of heights, spiders, snakes, crime, etc., can be avoided, prevented or at least addressed in advance in some way," said R. Joseph Ritter, Jr., CFP(r). "If a situation does arise, the fear is temporary. It is not like this with money. A person who is genuinely struggling with money problems must deal with **financial fear** and worry from the moment he or she wakes up until going to bed, day in and day out. After weeks and months of living this way, it wears on a person's emotional well-being and affects many areas of their lives."

Money is a bigger source of stress than death because death is an abstract concept; we're aware that it will occur but we don't know when — or what's on the other side. We know, however, exactly how painful financial turmoil will be; after all, it robs us of the things we want and need. We've learned this from our banking system, which penalizes and rewards individuals based on their ability to meet obligations.

It's actually not surprising at all that money is such a source of crippling fear and anxiety; we're aware of all that it gives us, from that Starbucks latte to the ability to finance our dream homes. Especially lately, we know about the financial hole we could easily fall into — and we're wary of how the system will hinder us from reaching financial stability once we fall.

Methodology:

GOBankingRates conducted a Survata survey from Aug. 26 to 29, 2014. The total number of respondents was 1,021. Question No. 1, regarding respondents' three biggest fears, required three responses per individual, while all other questions asked respondents to select just one answer.