

## **The Effect of Employment Status on Households' Emergency Savings**

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Using the 2001 Survey of Consumer Finances, the impact of employment status on the likelihood of holding adequate emergency funds is investigated. Subjective (amount considered by households), quick and comprehensive funds were studied. Logistic regression showed that self employed and retired households were more likely to hold adequate emergency funds than wage earners. Age was positively related to adequacy for each type of fund. Education, race and risk tolerance were not significantly related to the subjective measure, but they were significantly related to the quick and comprehensive measures of emergency funds. Household size was significantly related to the adequacy of comprehensive funds, but not to the adequacy of quick and subjective funds. If households spent less than income, they were more likely to hold adequate levels of quick and comprehensive funds.

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### Endnotes

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