

FOR IMMEDIATE RELEASE

Neuroscientist reveals that money worries are now as stressful as going through a divorce in a new study

Berlin, 18 January, 2021 - A new study has ranked the most stressful situations for the human brain, revealing that financial strain is now comparable to a major life event like a difficult breakup.

Experts have revealed that the stress of going through a divorce or break up (highly stressful for 91% of people) was found to be similar to the prospect of losing a job (90%) or an unexpected cost such as a broken boiler (90%). These difficulties were closely followed by other money worries, including a credit card being declined (88%) and a missed mortgage payment (86%).

The study, which was commissioned by European digital bank [N26](#) to understand the role money and finances play in causing stress, will enable the bank to help customers by taking responsibility for reducing finance stress. Led by neuroscientist [Dr Jack Lewis](#), it put 1,000 participants in Europe and the US through an Implicit Reaction Test (IRT*). The assessment determined whether stress was high or low across a series of common circumstances. The beauty of the implicit test is that it measures attitudes and beliefs that people may be unwilling or unable to admit.

In Germany, the most stressful scenarios were having big arguments (92%), losing keys (91%), being caught out lying (90%) and being stuck in a traffic jam (90%). The data also showed that Germans hate to be late, with getting stuck in traffic (90%) ranked as the third most stressful scenario overall, and causing more stress than having a maxed out overdraft (82%).

Further analysis of the global data highlighted major variations in how different genders and nationalities experience stress. When it comes to gender, while women are more likely to feel stressed overall, they find *financial* stress less worrisome than men. In fact, 58% of the most stressful scenarios were financial for men, compared to 47% for women.

Closer to home, German men and women agreed that the top most stressful scenario was having big arguments. Interestingly, the thought of getting a pay rise - although overall a stress reducing scenario - is almost twice as likely to incite a stressful response from German women (21%) compared to men (12%).

Americans are the least stressed in general overall with the Italians feeling the most stressed, followed by Spaniards. Germans are the most chilled about their bank balance although still almost half (44%) say checking it is stressful.

The study also asked participants about their sexual relationships. In Germany, younger people - those aged 44 and under - are almost twice as likely to feel stressed by sex (23%) compared to over 45s (13%). In comparison, nearly 1 in 4 Americans found sex stressful (22%). The most chilled out nation when it comes to sex? Italy, where just one in 10 (10%) found the idea anxiety-inducing.

Dr Jack Lewis, neuroscientist and author of best-selling book *Sort Your Brain Out*, said:

“The stress hormone that has been studied most intensively is cortisol, released from our adrenal glands in responses to commands sent down from the brain, to sharpen reaction times and focus the mind to help deal with the problem at hand. Too little cortisol released into the bloodstream and people struggle to get motivated. Too much cortisol and they feel perpetually wound up and ready to act, but unable to think straight and make good decisions.”

“To keep cortisol levels in the so-called ‘Goldilocks Zone’ the trick is to know which stress management techniques work best for you personally, to continuously hunt for new ones and most importantly, to use them on a daily basis. This last part is the hardest of all to master, particularly given the external stress of the last year, which has seen more arguments, more breakups and an increased fear of losing our jobs and income. But get the balance right and you’ll successfully be able to get back in control.”

Georg Hauer, General Manager for DACH and Northern Europe at N26, said: *“2020 was a stressful year for everyone and it left a lot of us feeling strung out. We wanted to understand how much financial worries were affecting everyday life, and the results showed that people are really feeling the heat.”*

“When it comes to handling stress, everyone needs effective ways to cope. Just as therapists or relaxing on holiday might help people cope with a break-up, people need more support when it comes to their finances. Unfortunately, people are often reluctant to open up about their troubles with money. That’s why banking needs to be simpler, more transparent and more flexible. At N26, we feel it’s our responsibility to help our customers reduce their financial stress. Research like this is important to point us in the direction of how and where we can focus our efforts in that ambition.”

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Notes to editors

Top five stress inducing scenarios for Germans

- Big arguments, 92%
- Losing keys, 91%
- Caught lying, 90%
- Traffic jam, 90%
- Losing a job, 89%

Top ten stress reducing scenarios for Germans

- Listening to music, 89%
- Going on holiday, 89%
- Getting a compliment, 89%
- Eating a nice meal, 88%
- Getting a discount, 88%

***Methodology (Implicit Reaction Test):** Research partners, Neuroformed and Lumen, designed a research study exploring the differences in relative stress levels between in different financial and non-financial scenarios. Respondents were shown sixty scenarios and asked them to associate them as either ‘stressful’ or ‘stress

reducing'. The scenarios were equally split as either everyday and financial related scenarios; within each group they were an equal split of stressful and non-stressful.

Here's the full methodology:

This Implicit Response Testing (IRT) study required each of 1,000 participants (200 from each market) to sort 60 scenarios according to whether they considered them to be "stressful" or "stress relieving" by pressing the left or right arrow key on their keyboard, respectively. They were required to do this as quickly as possible in order that their responses reflected instinctive, gut feelings on which of the two extremes best matched the statement.

If participants responded so quickly (<1 second) that they couldn't possibly have had time to interpret the meaning of the words presented, they were given on-screen feedback advising them not to guess. If participants responded too slowly (>2.5s), they were given on-screen feedback advising them that they shouldn't think too hard about each statement and to instead try to respond based on instinct. In both circumstances, the statement to which an erroneous response was given, was presented again later on in the trial.

Half the participants started with "stressful" responses registered by pressing the left arrow button on the keyboard and the "stress relieving" responses registered by pressing the right arrow button. The other half of the participants started with "stressful" on the right and "stress relieving" on the left. At the halfway point the labels of each button were switched – so if they started with "stressful" on the right and "stress-relieving" on the left for the first 30 statements, then they would respond with "stress-relieving" on the right and "stressful" on the left for the remaining 30 statements. The aim of this counterbalancing was to remove any bias towards left or right sided responses.

Before each half of the experiment, participants were given five "dummy trials" to help them become accustomed to which button matched with which response. This simply involved presenting the words "stressful" and "stress-relieving" on-screen and required participants to hit whichever button was labelled with the same words. This ensured that participants were clear on how to use the buttons to give appropriate responses before the study began. Participants who failed to respond accurately to all five dummy trials (with only 1 mistake permitted in the practice rounds) in either the first or second half of the trial were removed from the dataset and replaced with new candidates.

In order to reduce fatigue, all participants were given a 5 second break between the first 15 statements and the second 15 statements. During this break a countdown displaying the numerals 5, 4, 3, 2, 1 were displayed on the screen.

When giving responses under such time pressures, it is inevitable that participants will sometimes hit the wrong button by mistake. This error rate will be lower for scenarios where the association with the concept of "stressful" or "stress relieving" is stronger, compared to when the association is weaker. Consequently, when considering the datasets for 200 people in each market as a whole, we infer that when the % stressful response for any given scenario is low, i.e. around 50%, then the association between that scenario and the concept of stressfulness is very weak. On the other hand, the higher the % stressful response metric for any given scenario, leads to the inference of a stronger implicit association with stressfulness.

About N26

N26 is building the first mobile bank the world loves to use. Valentin Stalf and Maximilian Tayenthal founded N26 in 2013 and launched the initial product in early 2015. Today N26 has more than 5 million customers in 25 markets. The company employs more than 1,500 employees across 5 office locations: Berlin, New York, Barcelona, Vienna and São Paulo. With a full European banking license, state-of-the-art technology and no branch network, N26 has redesigned banking for the 21st century and is available on Android, iOS, and desktop. N26 has raised more than \$800 million from the world's most established investors, including Insight Venture Partners, GIC, Tencent, Allianz X, Peter Thiel's Valar Ventures, Li Ka-Shing's Horizons Ventures, Earlybird Venture Capital, Greyhound Capital, Battery Ventures, in addition to members of the Zalando management board, and Redalpine Ventures. N26 currently operates in: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland and the US, where it operates via its wholly-owned subsidiary, N26 Inc., based in New York. Banking services in the US are offered by N26 Inc. in partnership with Axos® Bank, Member FDIC.

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