

## Financial Resilience Index (FRI)- Speaking Points

### 10-Minute YouTube Presentation Script

**Total Duration:** 10 minutes **Slides:** 11 **Presenter:** George Tsomidis, PhD  
Researcher in Behavioral Economics & Financial Technology

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#### SLIDE 1: Title Slide (45 seconds)

Good morning everyone, and thank you for joining today's presentation. My name is George Tsomidis, and I'm a researcher in behavioral economics and financial technology at the University of Piraeus. Today, I want to introduce you to something we've been developing that fundamentally changes how we think about measuring financial health.

This is the Financial Resilience Index, or FRI for short. What makes it different from everything else out there is that it doesn't just tell you where you are financially today. It tells you where you're heading. The FRI measures your financial well-being across three interconnected dimensions, namely: Security, Stability, and Progress. These aren't just abstract concepts—they're the building blocks of true financial resilience, and for the first time, we can measure them objectively using actual transaction data rather than surveys or gut feelings.

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#### SLIDE 2: The Problem (60 seconds)

Let me start by explaining why we needed to create something new in the first place. The traditional ways we measure financial health are fundamentally broken, and I want to show you why.

First, we have what I call the static snapshot problem. Credit scores and account balances tell you where you stand today, but they're like looking at a single photograph when what you really need is a video. They completely miss the dynamic nature of your financial situation—whether you're improving or declining over time.

Second, there's the black box problem. Many existing financial wellness tools use algorithms that nobody can see inside. You get a score, but you have no idea how it was calculated or what you should actually do about it. It's frustrating and ultimately not very helpful.

Third, we have survey fatigue. Many well-intentioned metrics rely on asking people how they feel about their finances. But Behavioral Economics teach us that feelings are subjective and change day to day. Your answer might be completely different depending on whether you just paid a big bill or received a bonus. We need something more objective than that.

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This gap in the market—this absence of a transparent, objective, forward-looking measure of financial health—is exactly what motivated us to develop the Financial Resilience Index.

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### SLIDE 3: Solution Introduction (60 seconds)

So here's our solution. The Financial Resilience Index measures your financial health across three distinct but interconnected dimensions, and this is crucial because no single number can capture the full complexity of financial well-being.

The first dimension is Buffer, which represents your security. Think of this as your financial safety net—how many months could you survive if your

income stopped tomorrow? This is about having liquid assets to fall back on in emergencies.

The second dimension is Stability, which represents your foundation. This measures how predictable and reliable your income stream is. Even if you have savings today, if your income swings wildly from month to month, you're on shakier ground than someone with steady, predictable cash flow.

The third dimension, and this is where we get really innovative, is Momentum. This represents your trajectory or direction. Are things getting better or worse? Are you building your emergency fund or depleting it? Is your debt growing or shrinking? This forward-looking element is what differentiates FRI.

These three dimensions work together to create a score, giving you a complete picture of your financial resilience. Not just a snapshot of today, but insight into your trajectory and what that means for your financial future.

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#### **SLIDE 4: Buffer Component (60 seconds)**

Let me dive deeper into each dimension, starting with Buffer. I like to think of Buffer as your financial airbag. It's the cushion between you and financial disaster when unexpected expenses hit—and they always hit eventually.

What we're measuring here is very straightforward. We take your liquid assets—that's the money sitting in your current account and savings that you could access immediately—and we compare that to your essential monthly expenses. Essential expenses are things like rent or mortgage,

utilities, food, and transportation. Not the nice-to-haves, but the absolute necessities.

The key question Buffer answers is this: How many months could you cover your essential expenses if your income stopped today? The very successful research from the ERSTE Foundation, which studied financial well-being across multiple European countries, shows that having six months of expenses saved provides the optimal security. Beyond that, additional savings don't significantly improve your sense of financial well-being. So we cap our Buffer measurement at six months. This isn't about being wealthy—it's about being prepared for life's inevitable surprises.

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### SLIDE 5: Stability Component (60 seconds)

The second dimension is Stability, and this one often surprises people because it's not about how much you earn—it's about how predictable your income is.

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Think about it this way. Would you rather have a steady salary of two thousand euros every single month, or an income that swings between eight hundred and three thousand two hundred euros, but averages out to the same two thousand? Most people, when they really think about it, would choose the steady income, and there's a good reason for that.

What we're measuring here is the volatility or variability of your income over a six-month window. We use a statistical measure called the coefficient of variation, which essentially captures how much your income bounces around relative to its average level. A salaried worker with consistent paychecks gets a high Stability score. Someone in the gig

economy whose income varies dramatically month to month gets a lower score.

Why does this matter? Because without income stability, even a strong emergency fund can erode quickly. If you don't know how much money will come in next month, it's incredibly difficult to plan, save, or build long-term financial security. Stability is the foundation upon which everything else rests. You can see on the slide the stark difference between stable and variable income patterns—same average income, completely different financial stress levels.

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### SLIDE 6: Momentum Component (75 seconds)

Now we come to Momentum, and this is the dimension I'm most excited about because it represents genuine innovation in how we measure financial wellness

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Here's the fundamental insight. Imagine two people, both with a financial resilience score of sixty. On paper, they look identical. But what if I told you that one person's score has been climbing steadily over the past three months—they're paying down debt, building savings, moving in the right direction—while the other person's score has been falling? Same score today, but completely different trajectories, so far.

Momentum captures your financial direction by tracking three-month trends in your emergency fund and debt levels. Are you building your buffer or depleting it? Are you paying down debt or accumulating more? This is the missing piece that everyone else overlooks.

The real power of Momentum is that it functions as an early warning system. It catches problems before they become crises. If someone has adequate savings today but negative momentum, we know to intervene now with targeted coaching, rather than waiting until the emergency fund is completely depleted and they're in real trouble.

This forward-looking intelligence—the ability to see not just where you are but where you're heading—is what makes the Financial Resilience Index genuinely different from the rest of the market. We're not just measuring your financial health; we're anticipating your financial future.

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### SLIDE 7: Integration (45 seconds)

So how do these three dimensions work together? This is important because financial resilience isn't about excelling in just one area—it's about the interaction between all three.

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You can see here how Buffer, Stability, and Momentum overlap and interact. Each dimension tells part of your story. Buffer tells us about your security today. Stability tells us about the foundation supporting that security. Momentum tells us whether you're building on that foundation or watching it erode.

The weights we assign reflect their relative importance. Buffer gets forty-five percent because emergency-readiness is fundamental to resilience. Stability gets thirty percent because income predictability is the foundation of financial planning. Momentum gets twenty-five percent because trajectory matters enormously for intervention timing and coaching effectiveness.

Together, these three dimensions create one complete, detailed picture of your financial health. Not a single number that hides the complexity, but a transparent breakdown that reveals exactly what needs attention in your specific situation.

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### SLIDE 8: Real Example (75 seconds)

Let me make this concrete with an example that illustrates why this multi-dimensional approach matters so much.

Meet Maria and Alex. They both have exactly three thousand euros in savings. If you looked at just their account balances, you'd think they were in identical financial positions. But let's dig deeper.

Maria has a steady salary of two thousand euros per month and monthly expenses of one thousand euros. Her savings have been growing slowly but consistently. When we calculate her FRI, she gets a Buffer score of fifty because she has three months of expenses saved. Her Stability score is ninety-five because her income is very predictable. And her Momentum is sixty-five because she's trending in the right direction. Her overall Financial Resilience Index comes out to sixty-six.

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Now look at Alex. Same three thousand euros in savings, same one thousand euro monthly expenses. But Alex works in the gig economy with income that swings between eight hundred and three thousand two hundred euros per month. And critically, Alex's debt has been slowly increasing over the past few months. Alex gets the same Buffer. But his Stability score is only fifty-five because of that volatile income. And his

Momentum is just forty because of the growing debt. Alex's overall FRI is only forty-nine.

Same savings balance, seventeen-point difference in resilience scores. And here's the crucial insight: Maria needs encouragement and perhaps some optimization advice. Alex needs intervention right now, before that negative momentum turns into a real crisis. Generic financial advice would tell both of them to "save more," but that completely misses what's actually going on.

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### SLIDE 9: What Makes FRI Different (60 seconds)

So what makes the Financial Resilience Index genuinely different from everything else out there? Let me highlight four key differentiators.

**First, we're transaction-based.** We don't ask you how you feel about your finances or have you fill out surveys. We analyze actual banking data—what you earn, what you spend, what you save. This gives us objective reality rather than subjective perception.

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**Second, we provide a multi-dimensional view.** We don't collapse everything into a single metric. We give you three distinct components that reveal exactly which aspect of your financial health needs attention.

**Third, we're forward-looking.** That Momentum component gives us predictive intelligence. We can spot warning signs three months before they become actual crises. This early detection is invaluable for preventing financial emergencies rather than just reacting to them after the fact.

**And fourth, we're completely transparent and actionable.** There's no black box algorithm here. You can understand exactly how your score is

calculated, which means you can understand exactly what to do to improve it.

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### **SLIDE 10: Impact & Application (45 seconds)**

So what does this mean in practice? How does FRI translate into better financial outcomes?

The answer is personalized coaching that actually addresses your real problem rather than giving everyone the same generic advice. The Financial Resilience Index gives us the diagnostic precision we need to provide truly personalized, truly effective financial coaching.

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### **SLIDE 11: Summary (30 seconds)**

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Let me bring this all together. The Financial Resilience Index gives us a complete picture of financial health through three dimensions

What makes this powerful is that it's transaction-based, it's multi-dimensional, revealing the real problem rather than just symptoms, and it includes momentum tracking that catches issues before they become dire straits.

But ultimately, what matters most is this. We're not just measuring financial resilience. We're building it. By giving people transparent, actionable insight into their true financial situation and trajectory, we're empowering them to make the changes that matter for their financial future.