

Summary of Selected Findings: Alabama

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	22%	18%	20%	
Somewhat difficult	43%	43%	45%	
Not at all difficult	34%	36%	34%	
Overdraw checking account occasionally	27%	26%	27%	<i>Respondents with checking accounts</i>
Number of times mortgage payments have been late				
Once	6%	8%	7%	<i>Respondents with mortgages</i>
More than once	16%	13%	17%	
Have taken a loan from retirement account in past year	11%	10%	11%	<i>Respondents with self-directed employer plan or non-employer plan</i>
Have taken a hardship withdrawal from retirement account in past year	10%	8%	7%	
Spending vs. saving				
Spending less than income	39%	42%	40%	
Spending about equal to income	38%	35%	36%	
Spending more than income	20%	20%	20%	
Have experienced large unexpected drop in income in past year	40%	40%	42%	
Planning Ahead				
Have emergency funds	33%	35%	31%	
Do not have emergency funds	63%	60%	65%	
Have tried to figure out retirement savings needs	36%	37%	36%	<i>Non-retired households</i>
Have not tried to figure out retirement savings needs	61%	58%	59%	
Have set aside money for children's college education	31%	31%	26%	<i>Respondents with financially dependent children</i>
Have not set aside money for children's college education	65%	66%	70%	
Managing Financial Products				
<i>Banking</i>				
Have checking account	89%	91%	89%	
Have savings account, money market account, or CDs	68%	74%	65%	

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Non-Bank Borrowing				
Non-bank borrowing methods used in past 5 years				
Auto title loan	11%	6%	9%	
Short term 'payday' loan	12%	9%	12%	
Advance on tax refund (refund anticipation loan)	10%	6%	10%	
Pawn shop	16%	12%	15%	
Rent-to-own store	10%	7%	10%	
Used one or more non-bank borrowing methods in past 5 years	30%	24%	30%	
Credit Cards				
Number of credit cards				
No credit cards	31%	24%	31%	
1	16%	15%	16%	
2-3	27%	30%	26%	
4 or more	22%	28%	24%	
Credit card behaviors in past year				
Always paid credit cards in full	32%	41%	35%	
Carried over a balance and was charged interest	59%	56%	59%	
Paid the minimum payment only	44%	40%	43%	Respondents with credit cards
Charged a late fee for late payment	28%	26%	28%	
Charged an over the limit fee for exceeding credit line	18%	15%	18%	
Used the cards for a cash advance	16%	13%	15%	
Mortgages				
Have mortgage	65%	66%	66%	Homeowners
Have home equity loan	19%	22%	16%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension plan, 401(k))	44%	52%	47%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	17%	24%	18%	
Regularly contribute to self-directed retirement account	71%	75%	74%	Respondents with self-directed employer plan or non-employer plan
Portion of retirement portfolio invested in stocks or mutual funds that contain stocks				
More than half	33%	37%	36%	Respondents with self-directed employer plan or non-employer plan
Less than half	24%	25%	25%	
None	9%	9%	10%	
Don't know	27%	26%	25%	
Stocks, Bonds, and Mutual Funds				
Invest in stocks, bonds, mutual funds, or other securities outside of retirement account	28%	36%	28%	All except unbanked respondents

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Financial Knowledge & Decision-Making			
<i>Financial Literacy</i>			

Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

<u>More than \$102</u> (correct answer)	78%	78%	75%
Exactly \$102	6%	6%	6%
Less than \$102	6%	5%	5%
Don't know	9%	10%	11%

Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?

More than today	9%	7%	7%
Exactly the same	9%	7%	8%
<u>Less than today</u> (correct answer)	63%	65%	62%
Don't know	18%	19%	21%

If interest rates rise, what will typically happen to bond prices?

They will rise	18%	18%	17%
<u>They will fall</u> (correct answer)	28%	28%	27%
They will stay the same	8%	5%	6%
There is no relationship between bond prices and the interest rate	11%	10%	11%
Don't know	34%	37%	38%

A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.

<u>True</u> (correct answer)	73%	76%	74%
False	12%	9%	11%
Don't know	14%	15%	14%

Buying a single company's stock usually provides a safer return than a stock mutual fund.

True	8%	6%	8%
<u>False</u> (correct answer)	51%	53%	49%
Don't know	40%	40%	42%

Mean number of correct quiz answers	2.92	2.99	2.87
Mean number of incorrect quiz answers	0.87	0.73	0.78
Mean number of "don't know" quiz answers	1.15	1.21	1.26

Comparison Shopping

Compared credit cards	33%	32%	31%	<i>Respondents with credit cards</i>
Did not compare credit cards	60%	62%	62%	
Compared auto loans	48%	44%	45%	<i>Respondents with auto loans</i>
Did not compare auto loans	49%	53%	52%	

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<i>Credit Reports and Credit Scores</i>			
Obtained a copy of credit report in past year	41%	42%	39%
Checked credit score in past year	40%	41%	37%

Notes:

Region = East South Central Census Division (Alabama, Kentucky, Mississippi, Tennessee).

State figures are weighted by age x gender, ethnicity and education.

National figures are weighed by age x gender, ethnicity, education and Census Division.

Census Division figures are weighted by age x gender, ethnicity and education.

Differences between groups may or may not be statistically significant.

Percentages may not add up to 100 because of missing or “don’t know” responses.

Survey was conducted June - October 2009.

For additional findings and details, full survey results are available for download at
http://www.usfinancialcapability.org/table_pdf/full_data_tables.xls