

## Summary of Selected Findings: Arkansas

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	17%	18%	16%	
Somewhat difficult	45%	43%	43%	
Not at all difficult	37%	36%	38%	
Overdraw checking account occasionally	29%	26%	28%	Respondents with checking accounts
Number of times mortgage payments have been late				
Once	8%	8%	7%	Respondents with mortgages
More than once	9%	13%	15%	
Have taken a loan from retirement account in past year	8%	10%	10%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year	4%	8%	6%	
Spending vs. saving				
Spending less than income	37%	42%	42%	
Spending about equal to income	43%	35%	35%	
Spending more than income	16%	20%	18%	
Have experienced large unexpected drop in income in past year	37%	40%	39%	
Planning Ahead				
Have emergency funds	30%	35%	33%	
Do not have emergency funds	67%	60%	63%	
Have tried to figure out retirement savings needs	34%	37%	34%	Non-retired households
Have not tried to figure out retirement savings needs	61%	58%	62%	
Have set aside money for children’s college education	24%	31%	28%	Respondents with financially dependent children
Have not set aside money for children’s college education	72%	66%	69%	
Managing Financial Products				
Banking				
Have checking account	89%	91%	89%	
Have savings account, money market account, or CDs	62%	74%	69%	

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Non-Bank Borrowing				
Non-bank borrowing methods used in past 5 years				
Auto title loan	5%	6%	8%	
Short term 'payday' loan	9%	9%	12%	
Advance on tax refund (refund anticipation loan)	9%	6%	6%	
Pawn shop	16%	12%	20%	
Rent-to-own store	13%	7%	9%	
Used one or more non-bank borrowing methods in past 5 years	31%	24%	32%	
Credit Cards				
Number of credit cards				
No credit cards	31%	24%	29%	
1	14%	15%	16%	
2-3	30%	30%	27%	
4 or more	22%	28%	26%	
Credit card behaviors in past year				
Always paid credit cards in full	35%	41%	36%	
Carried over a balance and was charged interest	62%	56%	63%	
Paid the minimum payment only	44%	40%	41%	Respondents with credit cards
Charged a late fee for late payment	27%	26%	28%	
Charged an over the limit fee for exceeding credit line	18%	15%	16%	
Used the cards for a cash advance	9%	13%	12%	
Mortgages				
Have mortgage	59%	66%	64%	Homeowners
Have home equity loan	13%	22%	12%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension plan, 401(k))	48%	52%	52%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	17%	24%	20%	
Regularly contribute to self-directed retirement account	83%	75%	70%	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	37%	37%	36%	Respondents with self-directed employer plan or non-employer plan
Less than half	25%	25%	21%	
None	12%	9%	12%	
Don't know	22%	26%	28%	
Stocks, Bonds, and Mutual Funds				
Invest in stocks, bonds, mutual funds, or other securities outside of retirement account	29%	36%	33%	All except unbanked respondents

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<b>Financial Knowledge &amp; Decision-Making</b>			
<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)	74%	78%	78%
Exactly \$102	7%	6%	6%
Less than \$102	5%	5%	4%
Don't know	13%	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	7%	7%	7%
Exactly the same	8%	7%	8%
<u>Less than today</u> (correct answer)	61%	65%	63%
Don't know	22%	19%	20%

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

They will rise	19%	18%	19%
<u>They will fall</u> (correct answer)	26%	28%	25%
They will stay the same	6%	5%	5%
There is no relationship between bond prices and the interest rate	9%	10%	12%
Don't know	38%	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)	74%	76%	76%
False	10%	9%	9%
Don't know	15%	15%	14%

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

True	6%	6%	5%
<u>False</u> (correct answer)	50%	53%	53%
Don't know	42%	40%	41%

Mean number of correct quiz answers	2.85	2.99	2.95
Mean number of incorrect quiz answers	0.77	0.73	0.74
Mean number of "don't know" quiz answers	1.31	1.21	1.25

*Comparison Shopping*

Compared credit cards	32%	32%	30%	<i>Respondents with credit cards</i>
Did not compare credit cards	64%	62%	65%	
Compared auto loans	39%	44%	44%	<i>Respondents with auto loans</i>
Did not compare auto loans	59%	53%	53%	

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

**Notes:**

Region = West South Central Census Division (Arkansas, Louisiana, Oklahoma, Texas).

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](http://www.usfinancialcapability.org/table_pdf/full_data_tables.xls)