

## Summary of Selected Findings: Kentucky

	State	Nation	Region	
<b>Making Ends Meet</b>				
Difficulty covering expenses and paying bills				
Very difficult	17%	18%	20%	
Somewhat difficult	48%	43%	45%	
Not at all difficult	34%	36%	34%	
Overdraw checking account occasionally	24%	26%	27%	<i>Respondents with checking accounts</i>
Number of times mortgage payments have been late				
Once	8%	8%	7%	<i>Respondents with mortgages</i>
More than once	15%	13%	17%	
Have taken a loan from retirement account in past year	10%	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	7%	8%	7%	
Spending vs. saving				
Spending less than income	42%	42%	40%	
Spending about equal to income	37%	35%	36%	
Spending more than income	17%	20%	20%	
Have experienced large unexpected drop in income in past year	38%	40%	42%	
<b>Planning Ahead</b>				
Have emergency funds	27%	35%	31%	
Do not have emergency funds	67%	60%	65%	
Have tried to figure out retirement savings needs	35%	37%	36%	<i>Non-retired households</i>
Have not tried to figure out retirement savings needs	60%	58%	59%	
Have set aside money for children's college education	23%	31%	26%	<i>Respondents with financially dependent children</i>
Have not set aside money for children's college education	70%	66%	70%	
<b>Managing Financial Products</b>				
<i>Banking</i>				
Have checking account	90%	91%	89%	
Have savings account, money market account, or CDs	63%	74%	65%	

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Non-Bank Borrowing				
Non-bank borrowing methods used in past 5 years				
Auto title loan	6%	6%	9%	
Short term 'payday' loan	11%	9%	12%	
Advance on tax refund (refund anticipation loan)	9%	6%	10%	
Pawn shop	15%	12%	15%	
Rent-to-own store	11%	7%	10%	
Used one or more non-bank borrowing methods in past 5 years	29%	24%	30%	
Credit Cards				
Number of credit cards				
No credit cards	34%	24%	31%	
1	14%	15%	16%	
2-3	27%	30%	26%	
4 or more	23%	28%	24%	
Credit card behaviors in past year				
Always paid credit cards in full	40%	41%	35%	
Carried over a balance and was charged interest	57%	56%	59%	
Paid the minimum payment only	39%	40%	43%	Respondents with credit cards
Charged a late fee for late payment	23%	26%	28%	
Charged an over the limit fee for exceeding credit line	14%	15%	18%	
Used the cards for a cash advance	13%	13%	15%	
Mortgages				
Have mortgage	66%	66%	66%	Homeowners
Have home equity loan	17%	22%	16%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension plan, 401(k))	52%	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	76%	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	32%	37%	36%	Respondents with self-directed employer plan or non-employer plan
Less than half	27%	25%	25%	
None	8%	9%	10%	
Don't know	29%	26%	25%	
Stocks, Bonds, and Mutual Funds				
Invest in stocks, bonds, mutual funds, or other securities outside of retirement account	29%	36%	28%	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)	76%	78%	75%
Exactly \$102	6%	6%	6%
Less than \$102	5%	5%	5%
Don't know	11%	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	6%	7%	7%
Exactly the same	7%	7%	8%
<u>Less than today</u> (correct answer)	62%	65%	62%
Don't know	22%	19%	21%

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

They will rise	15%	18%	17%
<u>They will fall</u> (correct answer)	28%	28%	27%
They will stay the same	5%	5%	6%
There is no relationship between bond prices and the interest rate	8%	10%	11%
Don't know	41%	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)	72%	76%	74%
False	12%	9%	11%
Don't know	15%	15%	14%

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

True	7%	6%	8%
<u>False</u> (correct answer)	46%	53%	49%
Don't know	45%	40%	42%

Mean number of correct quiz answers	2.84	2.99	2.87
Mean number of incorrect quiz answers	0.70	0.73	0.78
Mean number of "don't know" quiz answers	1.34	1.21	1.26

*Comparison Shopping*

Compared credit cards	28%	32%	31%	<i>Respondents with credit cards</i>
Did not compare credit cards	66%	62%	62%	
Compared auto loans	44%	44%	45%	<i>Respondents with auto loans</i>
Did not compare auto loans	51%	53%	52%	

	State	Nation	Region
<i>Credit Reports and Credit Scores</i>			
Obtained a copy of credit report in past year	34%	42%	39%
Checked credit score in past year	32%	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](http://www.usfinancialcapability.org/table_pdf/full_data_tables.xls)