

Summary of Selected Findings: Tennessee

		State	Nation	Region	
Making Ends Meet					
Difficulty covering expenses and paying bills					
	Very difficult	20%	18%	20%	
	Somewhat difficult	44%	43%	45%	
	Not at all difficult	33%	36%	34%	
Overdraw checking account occasionally		29%	26%	27%	Respondents with checking accounts
Number of times mortgage payments have been late					
	Once	9%	8%	7%	Respondents with mortgages
	More than once	17%	13%	17%	
Have taken a loan from retirement account in past year		10%	10%	11%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year		6%	8%	7%	
Spending vs. saving					
	Spending less than income	40%	42%	40%	
	Spending about equal to income	35%	35%	36%	
	Spending more than income	20%	20%	20%	
Have experienced large unexpected drop in income in past year		43%	40%	42%	
Planning Ahead					
Have emergency funds		31%	35%	31%	
Do not have emergency funds		65%	60%	65%	
Have tried to figure out retirement savings needs		38%	37%	36%	Non-retired households
Have not tried to figure out retirement savings needs		56%	58%	59%	
Have set aside money for children's college education		24%	31%	26%	Respondents with financially dependent children
Have not set aside money for children's college education		72%	66%	70%	
Managing Financial Products					
Banking					
Have checking account		89%	91%	89%	
Have savings account, money market account, or CDs		65%	74%	65%	

	State	Nation	Region	
Non-Bank Borrowing				
Non-bank borrowing methods used in past 5 years				
Auto title loan	8%	6%	9%	
Short term 'payday' loan	13%	9%	12%	
Advance on tax refund (refund anticipation loan)	9%	6%	10%	
Pawn shop	13%	12%	15%	
Rent-to-own store	8%	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	28%	24%	31%	
1	15%	15%	16%	
2-3	25%	30%	26%	
4 or more	27%	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	62%	56%	59%	
Paid the minimum payment only	45%	40%	43%	Respondents with credit cards
Charged a late fee for late payment	32%	26%	28%	
Charged an over the limit fee for exceeding credit line	20%	15%	18%	
Used the cards for a cash advance	14%	13%	15%	
Mortgages				
Have mortgage	70%	66%	66%	Homeowners
Have home equity loan	18%	22%	16%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension plan, 401(k))	47%	52%	47%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	21%	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	44%	37%	36%	Respondents with self-directed employer plan or non-employer plan
Less than half	20%	25%	25%	
None	11%	9%	10%	
Don't know	23%	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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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)	72%	78%	75%
Exactly \$102	7%	6%	6%
Less than \$102	5%	5%	5%
Don't know	14%	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	8%	7%	8%
<u>Less than today</u> (correct answer)	61%	65%	62%
Don't know	23%	19%	21%
If interest rates rise, what will typically happen to bond prices?			
They will rise	16%	18%	17%
<u>They will fall</u> (correct answer)	27%	28%	27%
They will stay the same	5%	5%	6%
There is no relationship between bond prices and the interest rate	13%	10%	11%
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)	76%	76%	74%
False	9%	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	41%	40%	42%
Mean number of correct quiz answers	2.86	2.99	2.87
Mean number of incorrect quiz answers	0.76	0.73	0.78
Mean number of "don't know" quiz answers	1.30	1.21	1.26
<i>Comparison Shopping</i>			
Compared credit cards	31%	32%	31%
Did not compare credit cards	62%	62%	62%
Compared auto loans	45%	44%	45%
Did not compare auto loans	52%	53%	52%

Respondents with credit cards

Respondents with auto loans

	State	Nation	Region
<i>Credit Reports and Credit Scores</i>			
Obtained a copy of credit report in past year	39%	42%	39%
Checked credit score in past year	38%	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