

Summary of Selected Findings: Alabama

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	18%	16%	19%	
Somewhat difficult	42%	42%	42%	
Not at all difficult	38%	40%	37%	
Spending vs. saving				
Spending less than income	40%	41%	40%	
Spending about equal to income	36%	36%	37%	
Spending more than income	19%	19%	19%	
Overdraw checking account occasionally	23%	22%	22%	<i>Respondents with checking accounts</i>
Have unpaid medical bills	28%	26%	33%	
Number of times mortgage payments have been late				
Once	10%	8%	7%	<i>Respondents with mortgages</i>
More than once	14%	13%	16%	
Have taken a loan from retirement account in past year	16%	14%	14%	<i>Respondents with self-directed employer plan or non-employer plan</i>
Have taken a hardship withdrawal from retirement account in past year	13%	10%	11%	
Have experienced large unexpected drop in income in past year	31%	29%	29%	
Planning Ahead				
Have emergency funds	38%	40%	36%	
Do not have emergency funds	59%	56%	61%	
Have tried to figure out retirement savings needs	35%	37%	35%	<i>Non-retired households</i>
Have not tried to figure out retirement savings needs	57%	59%	60%	
Have set aside money for children's college education	30%	34%	26%	<i>Respondents with financially dependent children</i>
Have not set aside money for children's college education	66%	63%	71%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension plan,	41%	49%	43%	<i>Non-retired respondents</i>
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	18%	24%	18%	
Regularly contribute to self-directed retirement account	82%	77%	78%	<i>Respondents with self-directed employer plan or non-employer plan</i>

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Stocks, Bonds, and Mutual Funds

Invest in stocks, bonds, mutual funds, or other securities outside of retirement account

29%	35%	30%
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All except unbanked respondents

Managing Financial Products

Managing Money

Payment methods used frequently

Cash	34%	33%	37%
Paper checks	16%	15%	17%
Credit cards	22%	30%	24%
Debit cards tied to bank account	46%	46%	46%
Pre-paid debit cards	7%	6%	7%
Online payments directly from bank account	31%	35%	30%
Money orders	6%	5%	7%

Banking

Have checking account	82%	89%	85%
Have savings account, money market account, or CDs	66%	72%	62%

Mortgages

Have mortgage	54%	60%	52%	<i>Homeowners</i>
Have home equity loan	11%	18%	13%	

Home "underwater" (negative equity)	11%	14%	10%	<i>Homeowners</i>
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Credit Cards

Credit card behaviors in past year

Always paid credit cards in full	49%	49%	48%
Carried over a balance and was charged interest	51%	49%	50%
Paid the minimum payment only	35%	34%	35%
Charged a late fee for late payment	15%	16%	16%
Charged an over the limit fee for exceeding credit line	9%	8%	9%
Used the cards for a cash advance	12%	11%	13%

Respondents with credit cards

Other Debt

Have student loan	17%	20%	19%
Have auto loan	32%	31%	29%

Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan	17%	9%	13%
Short term 'payday' loan	18%	12%	17%
Advance on tax refund (refund anticipation check)	11%	8%	11%
Pawn shop	23%	18%	23%
Rent-to-own store	16%	10%	15%

Used one or more non-bank borrowing methods in past 5 years	36%	30%	38%
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Financial Knowledge & Decision-Making

Financial Literacy

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)	73%	75%	72%
Exactly \$102	10%	7%	8%
Less than \$102	6%	6%	6%
Don't know	10%	11%	12%

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%	9%	11%
Exactly the same	10%	9%	9%
<u>Less than today</u> (correct answer)	59%	61%	57%
Don't know	20%	20%	22%

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

They will rise	20%	20%	21%
<u>They will fall</u> (correct answer)	29%	28%	25%
They will stay the same	4%	5%	5%
There is no relationship between bond prices and the interest rate	9%	9%	10%
Don't know	36%	37%	37%

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%	75%	73%
False	10%	9%	11%
Don't know	17%	15%	15%

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

True	11%	9%	10%
<u>False</u> (correct answer)	43%	48%	46%
Don't know	44%	42%	44%

4 or 5 correct quiz answers

33% 39% 35%

3 or fewer correct quiz answers

67% 61% 65%

Mean number of correct quiz answers

2.77 2.88 2.73

Mean number of incorrect quiz answers

0.89 0.81 0.90

Mean number of "don't know" quiz answers

1.26 1.26 1.31

Comparison Shopping

Compared credit cards

35% 33% 34%

Did not compare credit cards

59% 61% 59%

Respondents with credit cards

<i>Credit Reports and Credit Scores</i>	State	Nation	Region
Obtained a copy of credit report in past year	38%	39%	37%
Checked credit score in past year	42%	43%	42%

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

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

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 July - October 2012.

For additional findings and details, full survey results are available for download at
http://usfinancialcapability.org/downloads/NFCS_2012_Full_Data_Tables.xls