

Summary of Selected Findings: Arkansas

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	17%	16%	15%	
Somewhat difficult	43%	42%	42%	
Not at all difficult	37%	40%	40%	
Spending vs. saving				
Spending less than income	37%	41%	40%	
Spending about equal to income	38%	36%	36%	
Spending more than income	20%	19%	19%	
Overdraw checking account occasionally	24%	22%	23%	Respondents with checking accounts
Have unpaid medical bills	34%	26%	30%	
Number of times mortgage payments have been late				
Once	10%	8%	9%	Respondents with mortgages
More than once	13%	13%	16%	
Have taken a loan from retirement account in past year	20%	14%	21%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year	22%	10%	16%	
Have experienced large unexpected drop in income in past year	29%	29%	32%	
Planning Ahead				
Have emergency funds	37%	40%	37%	
Do not have emergency funds	58%	56%	58%	
Have tried to figure out retirement savings needs	30%	37%	33%	Non-retired households
Have not tried to figure out retirement savings needs	65%	59%	62%	
Have set aside money for children’s college education	26%	34%	34%	Respondents with financially dependent children
Have not set aside money for children’s college education	71%	63%	63%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension plan,	43%	49%	47%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	20%	24%	20%	
Regularly contribute to self-directed retirement account	70%	77%	81%	Respondents with self-directed employer plan or non-employer plan

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Stocks, Bonds, and Mutual Funds

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

31%	35%	31%
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All except unbanked respondents

Managing Financial Products

Managing Money

Payment methods used frequently

Cash	35%	33%	33%
Paper checks	19%	15%	14%
Credit cards	21%	30%	29%
Debit cards tied to bank account	50%	46%	49%
Pre-paid debit cards	8%	6%	9%
Online payments directly from bank account	38%	35%	34%
Money orders	7%	5%	8%

Banking

Have checking account	86%	89%	87%
Have savings account, money market account, or CDs	60%	72%	67%

Mortgages

Have mortgage	55%	60%	57%	<i>Homeowners</i>
Have home equity loan	13%	18%	11%	

Home "underwater" (negative equity)	12%	14%	13%	<i>Homeowners</i>
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Credit Cards

Credit card behaviors in past year

Always paid credit cards in full	43%	49%	50%
Carried over a balance and was charged interest	56%	49%	49%
Paid the minimum payment only	41%	34%	35%
Charged a late fee for late payment	19%	16%	19%
Charged an over the limit fee for exceeding credit line	13%	8%	11%
Used the cards for a cash advance	15%	11%	15%

Respondents with credit cards

Other Debt

Have student loan	19%	20%	19%
Have auto loan	33%	31%	34%

Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan	8%	9%	12%
Short term 'payday' loan	12%	12%	17%
Advance on tax refund (refund anticipation check)	12%	8%	10%
Pawn shop	25%	18%	26%
Rent-to-own store	16%	10%	17%

Used one or more non-bank borrowing methods in past 5 years	34%	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)	72%	75%	74%
Exactly \$102	10%	7%	8%
Less than \$102	3%	6%	5%
Don't know	14%	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	7%	9%	10%
Exactly the same	9%	9%	10%
<u>Less than today</u> (correct answer)	58%	61%	55%
Don't know	26%	20%	24%

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

They will rise	22%	20%	21%
<u>They will fall</u> (correct answer)	24%	28%	26%
They will stay the same	7%	5%	5%
There is no relationship between bond prices and the interest rate	7%	9%	8%
Don't know	40%	37%	39%

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%	75%	75%
False	10%	9%	9%
Don't know	15%	15%	16%

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

True	12%	9%	10%
<u>False</u> (correct answer)	42%	48%	45%
Don't know	45%	42%	44%

4 or 5 correct quiz answers

33% 39% 34%

3 or fewer correct quiz answers

67% 61% 66%

Mean number of correct quiz answers

2.70 2.88 2.74

Mean number of incorrect quiz answers

0.85 0.81 0.86

Mean number of "don't know" quiz answers

1.40 1.26 1.35

Comparison Shopping

Compared credit cards

34% 33% 32%

Did not compare credit cards

60% 61% 62%

Respondents with credit cards

<i>Credit Reports and Credit Scores</i>	State	Nation	Region
Obtained a copy of credit report in past year	41%	39%	40%
Checked credit score in past year	44%	43%	44%

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 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