

Summary of Selected Findings: District of Columbia

	D.C.	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	12%	16%	16%	
Somewhat difficult	40%	42%	41%	
Not at all difficult	47%	40%	40%	
Spending vs. saving				
Spending less than income	47%	41%	43%	
Spending about equal to income	31%	36%	35%	
Spending more than income	20%	19%	18%	
Overdraw checking account occasionally	25%	22%	21%	Respondents with checking accounts
Have unpaid medical bills	20%	26%	27%	
Number of times mortgage payments have been late				
Once	10%	8%	8%	Respondents with mortgages
More than once	8%	13%	14%	
Have taken a loan from retirement account in past year	18%	14%	17%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year	11%	10%	12%	
Have experienced large unexpected drop in income in past year	30%	29%	32%	
Planning Ahead				
Have emergency funds	44%	40%	40%	
Do not have emergency funds	52%	56%	55%	
Have tried to figure out retirement savings needs	44%	37%	38%	Non-retired households
Have not tried to figure out retirement savings needs	53%	59%	57%	
Have set aside money for children’s college education	41%	34%	36%	Respondents with financially dependent children
Have not set aside money for children’s college education	54%	63%	60%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension plan,	55%	49%	45%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	29%	24%	23%	
Regularly contribute to self-directed retirement account	81%	77%	79%	Respondents with self-directed employer plan or non-employer plan

D.C. Nation Region

Stocks, Bonds, and Mutual Funds

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

43% 35% 35%

All except unbanked respondents

Managing Financial Products

Managing Money

Payment methods used frequently

Cash	36%	33%	30%
Paper checks	12%	15%	14%
Credit cards	42%	30%	31%
Debit cards tied to bank account	47%	46%	46%
Pre-paid debit cards	9%	6%	6%
Online payments directly from bank account	38%	35%	38%
Money orders	11%	5%	6%

Banking

Have checking account	84%	89%	90%
Have savings account, money market account, or CDs	78%	72%	73%

Mortgages

Have mortgage	63%	60%	61%	<i>Homeowners</i>
Have home equity loan	23%	18%	18%	

Home "underwater" (negative equity)	12%	14%	17%	<i>Homeowners</i>
-------------------------------------	-----	-----	-----	-------------------

Credit Cards

Credit card behaviors in past year				
Always paid credit cards in full	52%	49%	48%	
Carried over a balance and was charged interest	48%	49%	49%	
Paid the minimum payment only	34%	34%	33%	<i>Respondents with credit cards</i>
Charged a late fee for late payment	23%	16%	15%	
Charged an over the limit fee for exceeding credit line	14%	8%	7%	
Used the cards for a cash advance	13%	11%	11%	

Other Debt

Have student loan	31%	20%	18%
Have auto loan	16%	31%	31%

Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years			
Auto title loan	8%	9%	10%
Short term 'payday' loan	18%	12%	12%
Advance on tax refund (refund anticipation check)	11%	8%	9%
Pawn shop	18%	18%	21%
Rent-to-own store	9%	10%	11%
Used one or more non-bank borrowing methods in past 5 years	30%	30%	31%

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)	76%	75%	75%
Exactly \$102	10%	7%	8%
Less than \$102	3%	6%	5%
Don't know	9%	11%	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	9%	9%	9%
Exactly the same	13%	9%	10%
<u>Less than today</u> (correct answer)	61%	61%	59%
Don't know	17%	20%	20%

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

They will rise	19%	20%	21%
<u>They will fall</u> (correct answer)	29%	28%	30%
They will stay the same	8%	5%	5%
There is no relationship between bond prices and the interest rate	11%	9%	9%
Don't know	32%	37%	34%

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

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

True	8%	9%	10%
<u>False</u> (correct answer)	56%	48%	48%
Don't know	34%	42%	41%

4 or 5 correct quiz answers

43% 39% 38%

3 or fewer correct quiz answers

57% 61% 62%

Mean number of correct quiz answers

2.95 2.88 2.87

Mean number of incorrect quiz answers

0.91 0.81 0.86

Mean number of "don't know" quiz answers

1.07 1.26 1.21

Comparison Shopping

Compared credit cards

43% 33% 34%

Did not compare credit cards

53% 61% 60%

Respondents with credit cards

<i>Credit Reports and Credit Scores</i>	D.C.	Nation	Region
Obtained a copy of credit report in past year	48%	39%	41%
Checked credit score in past year	46%	43%	46%

Notes:

Region = South Atlantic Census Division (Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia).

D.C. 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