

## Summary of Selected Findings: Kentucky

	State	Nation	Region	
<b>Making Ends Meet</b>				
Difficulty covering expenses and paying bills				
Very difficult	19%	16%	19%	
Somewhat difficult	43%	42%	42%	
Not at all difficult	38%	40%	37%	
Spending vs. saving				
Spending less than income	39%	41%	40%	
Spending about equal to income	39%	36%	37%	
Spending more than income	17%	19%	19%	
Overdraw checking account occasionally	19%	22%	22%	<i>Respondents with checking accounts</i>
Have unpaid medical bills	35%	26%	33%	
Number of times mortgage payments have been late				
Once	9%	8%	7%	<i>Respondents with mortgages</i>
More than once	14%	13%	16%	
Have taken a loan from retirement account in past year	12%	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	12%	10%	11%	
Have experienced large unexpected drop in income in past year	27%	29%	29%	
<b>Planning Ahead</b>				
Have emergency funds	34%	40%	36%	
Do not have emergency funds	62%	56%	61%	
Have tried to figure out retirement savings needs	33%	37%	35%	<i>Non-retired households</i>
Have not tried to figure out retirement savings needs	62%	59%	60%	
Have set aside money for children's college education	28%	34%	26%	<i>Respondents with financially dependent children</i>
Have not set aside money for children's college education	70%	63%	71%	
<b>Retirement Accounts</b>				
Have employer-provided retirement plan (e.g., pension plan,	45%	49%	43%	<i>Non-retired respondents</i>
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	17%	24%	18%	
Regularly contribute to self-directed retirement account	75%	77%	78%	<i>Respondents with self-directed employer plan or non-employer plan</i>

	State	Nation	Region	
--	-------	--------	--------	--

*Stocks, Bonds, and Mutual Funds*

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

30%	35%	30%
-----	-----	-----

*All except unbanked respondents*

**Managing Financial Products**

*Managing Money*

Payment methods used frequently

Cash	38%	33%	37%
Paper checks	19%	15%	17%
Credit cards	25%	30%	24%
Debit cards tied to bank account	46%	46%	46%
Pre-paid debit cards	6%	6%	7%
Online payments directly from bank account	30%	35%	30%
Money orders	7%	5%	7%

*Banking*

Have checking account	86%	89%	85%
Have savings account, money market account, or CDs	57%	72%	62%

*Mortgages*

Have mortgage	48%	60%	52%	<i>Homeowners</i>
Have home equity loan	16%	18%	13%	

Home "underwater" (negative equity)	7%	14%	10%	<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	46%	49%	50%
Paid the minimum payment only	31%	34%	35%
Charged a late fee for late payment	14%	16%	16%
Charged an over the limit fee for exceeding credit line	8%	8%	9%
Used the cards for a cash advance	9%	11%	13%

*Respondents with credit cards*

*Other Debt*

Have student loan	15%	20%	19%
Have auto loan	26%	31%	29%

*Non-Bank Borrowing*

Non-bank borrowing methods used in past 5 years

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

Used one or more non-bank borrowing methods in past 5 years	39%	30%	38%
---	-----	-----	-----

## 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)	74%	75%	72%
Exactly \$102	6%	7%	8%
Less than \$102	8%	6%	6%
Don't know	11%	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	12%	9%	11%
Exactly the same	8%	9%	9%
<u>Less than today</u> (correct answer)	56%	61%	57%
Don't know	23%	20%	22%

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

They will rise	23%	20%	21%
<u>They will fall</u> (correct answer)	21%	28%	25%
They will stay the same	5%	5%	5%
There is no relationship between bond prices and the interest rate	12%	9%	10%
Don't know	37%	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)	74%	75%	73%
False	11%	9%	11%
Don't know	14%	15%	15%

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

True	9%	9%	10%
<u>False</u> (correct answer)	47%	48%	46%
Don't know	42%	42%	44%

4 or 5 correct quiz answers

34% 39% 35%

3 or fewer correct quiz answers

66% 61% 65%

Mean number of correct quiz answers

2.73 2.88 2.73

Mean number of incorrect quiz answers

0.93 0.81 0.90

Mean number of "don't know" quiz answers

1.27 1.26 1.31

### Comparison Shopping

Compared credit cards

28% 33% 34%

Did not compare credit cards

66% 61% 59%

*Respondents with credit cards*

<i>Credit Reports and Credit Scores</i>	<b>State</b>	<b>Nation</b>	<b>Region</b>
Obtained a copy of credit report in past year	32%	39%	37%
Checked credit score in past year	38%	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](http://usfinancialcapability.org/downloads/NFCS_2012_Full_Data_Tables.xls)