

Summary of Selected Findings: Massachusetts

		State	Nation	Region	
Making Ends Meet					
Difficulty covering expenses and paying bills					
Very difficult		17%	16%	17%	
Somewhat difficult		40%	42%	40%	
Not at all difficult		41%	40%	40%	
Spending vs. saving					
Spending less than income		45%	41%	42%	
Spending about equal to income		35%	36%	36%	
Spending more than income		17%	19%	18%	
Overdraw checking account occasionally		19%	22%	20%	Respondents with checking accounts
Have unpaid medical bills		17%	26%	21%	
Number of times mortgage payments have been late					
Once		6%	8%	7%	Respondents with mortgages
More than once		11%	13%	12%	
Have taken a loan from retirement account in past year		9%	14%	11%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year		10%	10%	10%	
Have experienced large unexpected drop in income in past year		24%	29%	27%	
Planning Ahead					
Have emergency funds		47%	40%	44%	
Do not have emergency funds		48%	56%	51%	
Have tried to figure out retirement savings needs		38%	37%	39%	Non-retired households
Have not tried to figure out retirement savings needs		57%	59%	56%	
Have set aside money for children’s college education		41%	34%	38%	Respondents with financially dependent children
Have not set aside money for children’s college education		54%	63%	57%	
Retirement Accounts					
Have employer-provided retirement plan (e.g., pension plan,		51%	49%	52%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)		26%	24%	27%	
Regularly contribute to self-directed retirement account		77%	77%	77%	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

43%	35%	42%
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All except unbanked respondents

Managing Financial Products

Managing Money

Payment methods used frequently

Cash	36%	33%	34%
Paper checks	14%	15%	15%
Credit cards	36%	30%	34%
Debit cards tied to bank account	40%	46%	43%
Pre-paid debit cards	4%	6%	4%
Online payments directly from bank account	35%	35%	35%
Money orders	5%	5%	4%

Banking

Have checking account	90%	89%	90%
Have savings account, money market account, or CDs	77%	72%	78%

Mortgages

Have mortgage	63%	60%	62%	<i>Homeowners</i>
Have home equity loan	21%	18%	21%	

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

Credit card behaviors in past year

Always paid credit cards in full	56%	49%	54%
Carried over a balance and was charged interest	43%	49%	46%
Paid the minimum payment only	32%	34%	32%
Charged a late fee for late payment	16%	16%	16%
Charged an over the limit fee for exceeding credit line	8%	8%	8%
Used the cards for a cash advance	9%	11%	9%

Respondents with credit cards

Other Debt

Have student loan	17%	20%	19%
Have auto loan	24%	31%	29%

Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan	6%	9%	6%
Short term 'payday' loan	7%	12%	7%
Advance on tax refund (refund anticipation check)	7%	8%	6%
Pawn shop	12%	18%	13%
Rent-to-own store	8%	10%	9%

Used one or more non-bank borrowing methods in past 5 years	20%	30%	22%
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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)	77%	75%	76%
Exactly \$102	7%	7%	8%
Less than \$102	5%	6%	6%
Don't know	9%	11%	9%

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%	8%
Exactly the same	8%	9%	9%
<u>Less than today</u> (correct answer)	63%	61%	63%
Don't know	19%	20%	19%

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

They will rise	19%	20%	19%
<u>They will fall</u> (correct answer)	31%	28%	30%
They will stay the same	5%	5%	5%
There is no relationship between bond prices and the interest rate	9%	9%	9%
Don't know	34%	37%	36%

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)	77%	75%	77%
False	8%	9%	8%
Don't know	14%	15%	14%

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

True	9%	9%	9%
<u>False</u> (correct answer)	52%	48%	51%
Don't know	38%	42%	39%

4 or 5 correct quiz answers

42% 39% 42%

3 or fewer correct quiz answers

58% 61% 58%

Mean number of correct quiz answers

3.01 2.88 2.98

Mean number of incorrect quiz answers

0.78 0.81 0.80

Mean number of "don't know" quiz answers

1.14 1.26 1.17

Comparison Shopping

Compared credit cards

34% 33% 33%

Did not compare credit cards

60% 61% 60%

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%	38%
Checked credit score in past year	42%	43%	42%

Notes:

Region = New England Census Division (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont).

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