

Summary of Selected Findings: Arkansas

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	12%	11%	11%	
Somewhat difficult	40%	39%	41%	
Not at all difficult	47%	48%	46%	
Spending vs. saving				
Spending less than income	37%	40%	40%	
Spending about equal to income	45%	38%	39%	
Spending more than income	15%	18%	16%	
Overdraw checking account occasionally	23%	19%	19%	<i>Respondents with checking accounts</i>
Have unpaid medical bills	30%	21%	23%	
Number of times mortgage payments have been late				
Once	10%	7%	7%	<i>Respondents with mortgages</i>
More than once	11%	9%	11%	
Have taken a loan from retirement account in past year	25%	13%	13%	<i>Respondents with self-directed employer plan or non-employer plan</i>
Have taken a hardship withdrawal from retirement account in past year	16%	10%	11%	
Have experienced large unexpected drop in income in past year	23%	22%	25%	
Planning Ahead				
Have emergency funds	47%	46%	43%	
Do not have emergency funds	50%	50%	52%	
Have tried to figure out retirement savings needs	40%	39%	36%	<i>Non-retired respondents</i>
Have not tried to figure out retirement savings needs	56%	56%	59%	
Have set aside money for children's college education	38%	41%	39%	<i>Respondents with financially dependent children</i>
Have not set aside money for children's college education	57%	56%	57%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension, 401(k))	50%	53%	46%	<i>Non-retired respondents</i>
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	21%	28%	21%	
Regularly contribute to self-directed retirement account	83%	79%	79%	<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

25%	30%	23%
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Managing Financial Products

Banking

Have checking account

89%	91%	89%
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Have savings account, money market account, or CDs

67%	75%	69%
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Credit Cards

Credit card behaviors in past year

Always paid credit cards in full

51%	52%	50%
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Carried over a balance and was charged interest

53%	47%	49%
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Paid the minimum payment only

40%	32%	35%
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Charged a late fee for late payment

15%	14%	14%
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Charged an over the limit fee for exceeding credit line

11%	8%	8%
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Used the cards for a cash advance

15%	11%	11%
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Respondents with credit cards

Other Payment Methods

Use reloadable prepaid debit cards

26%	24%	26%
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Use mobile payment methods

23%	22%	25%
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Mortgages

Have mortgage

53%	57%	51%
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Have home equity loan

10%	16%	8%
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Homeowners

Home "underwater" (negative equity)

10%	9%	7%
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Homeowners

Other Debt

Have student loan

28%	26%	25%
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Have auto loan

36%	30%	32%
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Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan

13%	10%	12%
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Short term 'payday' loan

14%	12%	16%
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Pawn shop

25%	16%	24%
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Rent-to-own store

15%	10%	12%
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Used one or more non-bank borrowing methods in past 5 years

32%	26%	33%
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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)	75%	75%	70%
Exactly \$102	8%	8%	9%
Less than \$102	5%	5%	6%
Don't know	11%	12%	14%

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%	10%	10%
Exactly the same	9%	10%	11%
<u>Less than today</u> (correct answer)	57%	59%	56%
Don't know	21%	20%	23%

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

They will rise	22%	19%	21%
<u>They will fall</u> (correct answer)	26%	28%	23%
They will stay the same	5%	5%	6%
There is no relationship between bond prices and the interest rate	10%	9%	9%
Don't know	36%	38%	40%

Suppose you owe \$1,000 on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn't pay anything off, at this interest rate, how many years would it take for the amount you owe to double?

Less than 2 years	5%	4%	5%
<u>At least 2 years but less than 5 years</u> (correct answer)	30%	33%	29%
At least 5 years but less than 10 years	30%	29%	30%
At least 10 years	8%	8%	7%
Don't know	26%	25%	28%

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)	75%	75%	72%
False	7%	8%	8%
Don't know	17%	16%	20%

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

True	13%	10%	11%
<u>False</u> (correct answer)	44%	46%	39%
Don't know	42%	44%	49%

Mean number of correct quiz answers	3.06	3.16	2.88
Mean number of incorrect quiz answers	1.33	1.25	1.33
Mean number of "don't know" quiz answers	1.53	1.54	1.74

<i>Comparison Shopping</i>	State	Nation	Region	
Compared credit cards	41%	35%	32%	<i>Respondents with credit cards</i>
Did not compare credit cards	53%	58%	61%	

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 June - October 2015.

For additional findings and details, full survey results are available for download at http://usfinancialcapability.org/downloads/NFCS_2015_Full_Data_Tables.xls