

Summary of Selected Findings: Kentucky

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	15%	11%	13%	
Somewhat difficult	37%	39%	43%	
Not at all difficult	46%	48%	43%	
Spending vs. saving				
Spending less than income	36%	40%	38%	
Spending about equal to income	44%	38%	42%	
Spending more than income	16%	18%	16%	
Overdraw checking account occasionally	19%	19%	19%	Respondents with checking accounts
Have unpaid medical bills	27%	21%	26%	
Number of times mortgage payments have been late				
Once	7%	7%	10%	Respondents with mortgages
More than once	9%	9%	10%	
Have taken a loan from retirement account in past year	10%	13%	12%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year	11%	10%	11%	
Have experienced large unexpected drop in income in past year	21%	22%	23%	
Planning Ahead				
Have emergency funds	44%	46%	42%	
Do not have emergency funds	52%	50%	54%	
Have tried to figure out retirement savings needs	37%	39%	38%	Non-retired respondents
Have not tried to figure out retirement savings needs	59%	56%	58%	
Have set aside money for children’s college education	34%	41%	33%	Respondents with financially dependent children
Have not set aside money for children’s college education	64%	56%	65%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension, 401(k))	50%	53%	50%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	23%	28%	22%	
Regularly contribute to self-directed retirement account	82%	79%	82%	Respondents with self-directed employer plan or non-employer plan

	State	Nation	Region
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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

85%	91%	88%
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Have savings account, money market account, or CDs

67%	75%	68%
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Credit Cards

Credit card behaviors in past year

Always paid credit cards in full

53%	52%	51%
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Carried over a balance and was charged interest

44%	47%	48%
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Paid the minimum payment only

31%	32%	31%
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Charged a late fee for late payment

10%	14%	13%
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Charged an over the limit fee for exceeding credit line

6%	8%	7%
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Used the cards for a cash advance

7%	11%	10%
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Respondents with credit cards

Other Payment Methods

Use reloadable prepaid debit cards

25%	24%	27%
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Use mobile payment methods

20%	22%	21%
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Mortgages

Have mortgage

55%	57%	54%
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Have home equity loan

17%	16%	13%
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Homeowners

Home "underwater" (negative equity)

6%	9%	8%
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Homeowners

Other Debt

Have student loan

24%	26%	25%
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Have auto loan

30%	30%	29%
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Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan

9%	10%	12%
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Short term 'payday' loan

14%	12%	15%
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Pawn shop

22%	16%	21%
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Rent-to-own store

13%	10%	13%
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Used one or more non-bank borrowing methods in past 5 years

29%	26%	31%
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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)	70%	75%	72%
Exactly \$102	11%	8%	9%
Less than \$102	5%	5%	6%
Don't know	13%	12%	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	10%	10%	11%
Exactly the same	10%	10%	9%
<u>Less than today</u> (correct answer)	60%	59%	58%
Don't know	20%	20%	21%

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

They will rise	16%	19%	19%
<u>They will fall</u> (correct answer)	28%	28%	28%
They will stay the same	7%	5%	5%
There is no relationship between bond prices and the interest rate	11%	9%	10%
Don't know	37%	38%	38%

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)	31%	33%	31%
At least 5 years but less than 10 years	28%	29%	29%
At least 10 years	7%	8%	7%
Don't know	28%	25%	26%

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)	72%	75%	75%
False	9%	8%	8%
Don't know	20%	16%	16%

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

True	10%	10%	12%
<u>False</u> (correct answer)	43%	46%	42%
Don't know	46%	44%	46%

Mean number of correct quiz answers	3.04	3.16	3.05
Mean number of incorrect quiz answers	1.29	1.25	1.31
Mean number of "don't know" quiz answers	1.63	1.54	1.59

<i>Comparison Shopping</i>	State	Nation	Region	
Compared credit cards	31%	35%	36%	<i>Respondents with credit cards</i>
Did not compare credit cards	62%	58%	57%	

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 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