

Summary of Selected Findings: Michigan

				State	Nation	Region	
Making Ends Meet							
Difficulty covering expenses and paying bills							
Very difficult				11%	11%	11%	
Somewhat difficult				39%	39%	39%	
Not at all difficult				49%	48%	48%	
Spending vs. saving							
Spending less than income				41%	40%	41%	
Spending about equal to income				40%	38%	39%	
Spending more than income				14%	18%	17%	
Overdraw checking account occasionally				16%	19%	16%	Respondents with checking accounts
Have unpaid medical bills				18%	21%	20%	
Number of times mortgage payments have been late							
Once				9%	7%	6%	Respondents with mortgages
More than once				7%	9%	8%	
Have taken a loan from retirement account in past year				12%	13%	13%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year				8%	10%	10%	
Have experienced large unexpected drop in income in past year				20%	22%	21%	
Planning Ahead							
Have emergency funds				45%	46%	45%	
Do not have emergency funds				49%	50%	50%	
Have tried to figure out retirement savings needs				41%	39%	40%	Non-retired respondents
Have not tried to figure out retirement savings needs				55%	56%	56%	
Have set aside money for children’s college education				43%	41%	43%	Respondents with financially dependent children
Have not set aside money for children’s college education				53%	56%	54%	
<i>Retirement Accounts</i>							
Have employer-provided retirement plan (e.g., pension, 401(k))				46%	53%	51%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)				28%	28%	29%	
Regularly contribute to self-directed retirement account				85%	79%	81%	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

27%	30%	30%
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Managing Financial Products

Banking

Have checking account

88%	91%	90%
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Have savings account, money market account, or CDs

75%	75%	73%
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Credit Cards

Credit card behaviors in past year

Always paid credit cards in full

56%	52%	55%
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Carried over a balance and was charged interest

43%	47%	44%
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Paid the minimum payment only

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

13%	14%	11%
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Charged an over the limit fee for exceeding credit line

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

9%	11%	11%
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Respondents with credit cards

Other Payment Methods

Use reloadable prepaid debit cards

23%	24%	24%
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Use mobile payment methods

18%	22%	19%
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Mortgages

Have mortgage

52%	57%	55%
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Have home equity loan

12%	16%	16%
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Homeowners

Home "underwater" (negative equity)

7%	9%	10%
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Homeowners

Other Debt

Have student loan

27%	26%	25%
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Have auto loan

28%	30%	30%
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Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan

8%	10%	9%
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Short term 'payday' loan

12%	12%	12%
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Pawn shop

14%	16%	14%
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Rent-to-own store

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

24%	26%	24%
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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)	74%	75%	75%
Exactly \$102	10%	8%	8%
Less than \$102	4%	5%	4%
Don't know	11%	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	11%	10%	9%
Exactly the same	11%	10%	9%
<u>Less than today</u> (correct answer)	57%	59%	60%
Don't know	20%	20%	20%

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

They will rise	17%	19%	19%
<u>They will fall</u> (correct answer)	29%	28%	29%
They will stay the same	5%	5%	5%
There is no relationship between bond prices and the interest rate	10%	9%	9%
Don't know	38%	38%	37%

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	4%	4%	4%
<u>At least 2 years but less than 5 years</u> (correct answer)	33%	33%	32%
At least 5 years but less than 10 years	29%	29%	30%
At least 10 years	6%	8%	8%
Don't know	27%	25%	25%

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%	76%
False	7%	8%	7%
Don't know	16%	16%	16%

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

True	7%	10%	9%
<u>False</u> (correct answer)	48%	46%	47%
Don't know	44%	44%	42%

Mean number of correct quiz answers	3.16	3.16	3.19
Mean number of incorrect quiz answers	1.21	1.25	1.22
Mean number of "don't know" quiz answers	1.56	1.54	1.51

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<i>Comparison Shopping</i>				
Compared credit cards	35%	35%	32%	<i>Respondents with credit cards</i>
Did not compare credit cards	60%	58%	60%	

Notes:

Region = East North Central Census Division (Illinois, Indiana, Michigan, Ohio, Wisconsin).

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