

## Summary of Selected Findings: Alabama

				State	Nation	Region	
<b>Making Ends Meet</b>							
Difficulty covering expenses and paying bills							
Very difficult				16%	12%	16%	
Somewhat difficult				37%	35%	34%	
Not at all difficult				44%	50%	47%	
Spending vs. saving							
Spending less than income				43%	41%	41%	
Spending about equal to income				35%	36%	37%	
Spending more than income				18%	19%	18%	
Overdraw checking account occasionally				20%	19%	20%	Respondents with checking accounts
Have unpaid medical bills				29%	23%	29%	
Number of times mortgage payments have been late							
Once				19%	9%	14%	Respondents with mortgages
More than once				11%	9%	12%	
Have taken a loan from retirement account in past year				24%	16%	20%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year				20%	13%	17%	
Have experienced large unexpected drop in income in past year				24%	20%	22%	
<b>Planning Ahead</b>							
Have emergency funds				49%	49%	46%	
Do not have emergency funds				45%	46%	49%	
Have tried to figure out retirement savings needs				41%	41%	38%	Non-retired respondents
Have not tried to figure out retirement savings needs				53%	54%	57%	
Have set aside money for children’s college education				43%	38%	37%	Respondents with financially dependent children
Have not set aside money for children’s college education				53%	57%	59%	
<i>Retirement Accounts</i>							
Have employer-provided retirement plan (e.g., pension, 401(k))				48%	54%	47%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)				26%	29%	24%	
Regularly contribute to self-directed retirement account				80%	79%	79%	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

30%	32%	27%
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**Managing Financial Products**

*Banking*

Have checking account

88%	89%	86%
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Have savings account, money market account, or CDs

73%	71%	66%
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*Credit Cards*

Credit card behaviors in past year

Always paid credit cards in full

53%	54%	51%
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Carried over a balance and was charged interest

49%	46%	50%
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Paid the minimum payment only

36%	35%	40%
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Charged a late fee for late payment

21%	16%	17%
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Charged an over the limit fee for exceeding credit line

15%	10%	12%
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Used the cards for a cash advance

16%	13%	14%
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*Respondents with credit cards*

*Mobile Payment Methods*

Use mobile phone to pay at point of sale

34%	35%	35%
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Use mobile phone to transfer money to another person

37%	37%	36%
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*Mortgages*

Have mortgage

48%	56%	50%
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Have home equity loan

20%	16%	16%
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*Homeowners*

Home "underwater" (negative equity)

13%	9%	11%
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*Homeowners*

*Other Debt*

Have student loan

27%	26%	26%
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Have auto loan

38%	33%	35%
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*Non-Bank Borrowing*

Non-bank borrowing methods used in past 5 years

Auto title loan

16%	11%	14%
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Short term "payday" loan

21%	14%	19%
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Tax refund advance

14%	10%	12%
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Pawn shop

24%	18%	23%
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Rent-to-own store

17%	12%	16%
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Used one or more non-bank borrowing methods in past 5 years

38%	29%	35%
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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)	73%	72%	71%
Exactly \$102	7%	7%	8%
Less than \$102	6%	6%	6%
Don't know	14%	13%	13%

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	15%	12%	13%
Exactly the same	12%	10%	10%
<u>Less than today</u> (correct answer)	49%	55%	52%
Don't know	23%	21%	23%

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

They will rise	27%	22%	24%
<u>They will fall</u> (correct answer)	21%	26%	23%
They will stay the same	6%	6%	7%
There is no relationship between bond prices and the interest rate	10%	10%	10%
Don't know	35%	36%	35%

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	8%	5%	7%
<u>At least 2 years but less than 5 years</u> (correct answer)	28%	30%	30%
At least 5 years but less than 10 years	27%	29%	27%
At least 10 years	6%	8%	7%
Don't know	28%	26%	27%

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)	70%	73%	71%
False	13%	9%	12%
Don't know	16%	17%	16%

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

True	16%	11%	14%
<u>False</u> (correct answer)	35%	43%	39%
Don't know	48%	45%	46%

Mean number of correct quiz answers	2.77	3.00	2.86
Mean number of incorrect quiz answers	1.54	1.35	1.45
Mean number of "don't know" quiz answers	1.64	1.58	1.61

<i>Comparison Shopping</i>	State	Nation	Region	
Compared credit cards	43%	38%	41%	<i>Respondents with credit cards</i>
Did not compare credit cards	52%	56%	54%	

**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 2018.

For additional findings and details, full survey results are available for download at [http://usfinancialcapability.org/downloads/NFCS\\_2018\\_Full\\_Data\\_Tables.xlsx](http://usfinancialcapability.org/downloads/NFCS_2018_Full_Data_Tables.xlsx)