

Summary of Selected Findings: Iowa

		State	Nation	Region	
Making Ends Meet					
Difficulty covering expenses and paying bills					
	Very difficult	12%	12%	11%	
	Somewhat difficult	35%	35%	33%	
	Not at all difficult	51%	50%	54%	
Spending vs. saving					
	Spending less than income	39%	41%	41%	
	Spending about equal to income	38%	36%	36%	
	Spending more than income	20%	19%	18%	
Overdraw checking account occasionally		19%	19%	18%	Respondents with checking accounts
Have unpaid medical bills		22%	23%	23%	
Number of times mortgage payments have been late					
	Once	10%	9%	9%	Respondents with mortgages
	More than once	8%	9%	7%	
Have taken a loan from retirement account in past year		13%	16%	15%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year		9%	13%	10%	
Have experienced large unexpected drop in income in past year		21%	20%	20%	
Planning Ahead					
Have emergency funds		46%	49%	49%	
Do not have emergency funds		49%	46%	47%	
Have tried to figure out retirement savings needs		39%	41%	42%	Non-retired respondents
Have not tried to figure out retirement savings needs		55%	54%	53%	
Have set aside money for children’s college education		30%	38%	36%	Respondents with financially dependent children
Have not set aside money for children’s college education		67%	57%	59%	
Retirement Accounts					
Have employer-provided retirement plan (e.g., pension, 401(k))		57%	54%	58%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)		24%	29%	31%	
Regularly contribute to self-directed retirement account		74%	79%	81%	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

31%	32%	33%
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Managing Financial Products

Banking

Have checking account

90%	89%	90%
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Have savings account, money market account, or CDs

78%	71%	74%
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Credit Cards

Credit card behaviors in past year

Always paid credit cards in full

57%	54%	55%
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Carried over a balance and was charged interest

43%	46%	45%
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Paid the minimum payment only

28%	35%	33%
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Charged a late fee for late payment

13%	16%	14%
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Charged an over the limit fee for exceeding credit line

9%	10%	9%
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Used the cards for a cash advance

10%	13%	11%
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Respondents with credit cards

Mobile Payment Methods

Use mobile phone to pay at point of sale

28%	35%	31%
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Use mobile phone to transfer money to another person

29%	37%	31%
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Mortgages

Have mortgage

52%	56%	57%
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Have home equity loan

17%	16%	14%
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Homeowners

Home "underwater" (negative equity)

6%	9%	8%
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Homeowners

Other Debt

Have student loan

30%	26%	28%
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Have auto loan

32%	33%	34%
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Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan

11%	11%	11%
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Short term "payday" loan

14%	14%	13%
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Tax refund advance

9%	10%	9%
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Pawn shop

15%	18%	18%
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Rent-to-own store

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

27%	29%	28%
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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%	72%	75%
Exactly \$102	7%	7%	7%
Less than \$102	6%	6%	5%
Don't know	10%	13%	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%	12%	11%
Exactly the same	10%	10%	9%
<u>Less than today</u> (correct answer)	59%	55%	59%
Don't know	20%	21%	20%

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

They will rise	22%	22%	22%
<u>They will fall</u> (correct answer)	26%	26%	27%
They will stay the same	5%	6%	4%
There is no relationship between bond prices and the interest rate	9%	10%	10%
Don't know	37%	36%	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	5%	5%	5%
<u>At least 2 years but less than 5 years</u> (correct answer)	32%	30%	31%
At least 5 years but less than 10 years	30%	29%	30%
At least 10 years	8%	8%	8%
Don't know	24%	26%	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)	79%	73%	78%
False	6%	9%	6%
Don't know	14%	17%	16%

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

True	10%	11%	10%
<u>False</u> (correct answer)	48%	43%	48%
Don't know	41%	45%	42%

Mean number of correct quiz answers	3.20	3.00	3.17
Mean number of incorrect quiz answers	1.29	1.35	1.26
Mean number of "don't know" quiz answers	1.45	1.58	1.51

<i>Comparison Shopping</i>	State	Nation	Region	
Compared credit cards	32%	38%	35%	<i>Respondents with credit cards</i>
Did not compare credit cards	60%	56%	58%	

Notes:

Region = West North Central Census Division (Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota).

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