

## Summary of Selected Findings: Kentucky

		State	Nation	Region	
Making Ends Meet					
Difficulty covering expenses and paying bills					
Very difficult		15%	12%	16%	
Somewhat difficult		33%	35%	34%	
Not at all difficult		48%	50%	47%	
Spending vs. saving					
Spending less than income		42%	41%	41%	
Spending about equal to income		37%	36%	37%	
Spending more than income		16%	19%	18%	
Overdraw checking account occasionally		20%	19%	20%	Respondents with checking accounts
Have unpaid medical bills		26%	23%	29%	
Number of times mortgage payments have been late					
Once		10%	9%	14%	Respondents with mortgages
More than once		12%	9%	12%	
Have taken a loan from retirement account in past year		22%	16%	20%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year		19%	13%	17%	
Have experienced large unexpected drop in income in past year		22%	20%	22%	
Planning Ahead					
Have emergency funds		47%	49%	46%	
Do not have emergency funds		46%	46%	49%	
Have tried to figure out retirement savings needs		33%	41%	38%	Non-retired respondents
Have not tried to figure out retirement savings needs		61%	54%	57%	
Have set aside money for children's college education		30%	38%	37%	Respondents with financially dependent children
Have not set aside money for children's college education		63%	57%	59%	
Retirement Accounts					
Have employer-provided retirement plan (e.g., pension, 401(k))		46%	54%	47%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)		24%	29%	24%	
Regularly contribute to self-directed retirement account		79%	79%	79%	Respondents with self-directed employer plan or non-employer plan

	State	Nation	Region
--	-------	--------	--------

*Stocks, Bonds, and Mutual Funds*

Invest in stocks, bonds, mutual funds, or other securities outside of retirement account

25%	32%	27%
-----	-----	-----

**Managing Financial Products**

*Banking*

Have checking account

84%	89%	86%
-----	-----	-----

Have savings account, money market account, or CDs

59%	71%	66%
-----	-----	-----

*Credit Cards*

Credit card behaviors in past year

Always paid credit cards in full

54%	54%	51%
-----	-----	-----

Carried over a balance and was charged interest

47%	46%	50%
-----	-----	-----

Paid the minimum payment only

41%	35%	40%
-----	-----	-----

Charged a late fee for late payment

14%	16%	17%
-----	-----	-----

Charged an over the limit fee for exceeding credit line

9%	10%	12%
----	-----	-----

Used the cards for a cash advance

13%	13%	14%
-----	-----	-----

*Respondents with credit cards*

*Mobile Payment Methods*

Use mobile phone to pay at point of sale

35%	35%	35%
-----	-----	-----

Use mobile phone to transfer money to another person

31%	37%	36%
-----	-----	-----

*Mortgages*

Have mortgage

51%	56%	50%
-----	-----	-----

Have home equity loan

17%	16%	16%
-----	-----	-----

*Homeowners*

Home “underwater” (negative equity)

9%	9%	11%
----	----	-----

*Homeowners*

*Other Debt*

Have student loan

24%	26%	26%
-----	-----	-----

Have auto loan

31%	33%	35%
-----	-----	-----

*Non-Bank Borrowing*

Non-bank borrowing methods used in past 5 years

Auto title loan

14%	11%	14%
-----	-----	-----

Short term “payday” loan

17%	14%	19%
-----	-----	-----

Tax refund advance

13%	10%	12%
-----	-----	-----

Pawn shop

25%	18%	23%
-----	-----	-----

Rent-to-own store

17%	12%	16%
-----	-----	-----

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

36%	29%	35%
-----	-----	-----

## 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)	72%	72%	71%
Exactly \$102	8%	7%	8%
Less than \$102	5%	6%	6%
Don't know	13%	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	14%	12%	13%
Exactly the same	10%	10%	10%
<u>Less than today</u> (correct answer)	53%	55%	52%
Don't know	22%	21%	23%

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

They will rise	22%	22%	24%
<u>They will fall</u> (correct answer)	24%	26%	23%
They will stay the same	8%	6%	7%
There is no relationship between bond prices and the interest rate	11%	10%	10%
Don't know	33%	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)	26%	30%	30%
At least 5 years but less than 10 years	32%	29%	27%
At least 10 years	6%	8%	7%
Don't know	26%	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)	71%	73%	71%
False	12%	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	12%	11%	14%
<u>False</u> (correct answer)	39%	43%	39%
Don't know	46%	45%	46%

Mean number of correct quiz answers	2.85	3.00	2.86
Mean number of incorrect quiz answers	1.47	1.35	1.45
Mean number of "don't know" quiz answers	1.56	1.58	1.61

	State	Nation	Region	
<i>Comparison Shopping</i>				
Compared credit cards	35%	38%	41%	<i>Respondents with credit cards</i>
Did not compare credit cards	58%	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)