

Summary of Selected Findings: Minnesota

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	10%	12%	11%	
Somewhat difficult	33%	35%	33%	
Not at all difficult	55%	50%	54%	
Spending vs. saving				
Spending less than income	39%	41%	41%	
Spending about equal to income	38%	36%	36%	
Spending more than income	19%	19%	18%	
Overdraw checking account occasionally	19%	19%	18%	Respondents with checking accounts
Have unpaid medical bills	17%	23%	23%	
Number of times mortgage payments have been late				
Once	7%	9%	9%	Respondents with mortgages
More than once	5%	9%	7%	
Have taken a loan from retirement account in past year	16%	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	52%	49%	49%	
Do not have emergency funds	43%	46%	47%	
Have tried to figure out retirement savings needs	43%	41%	42%	Non-retired respondents
Have not tried to figure out retirement savings needs	52%	54%	53%	
Have set aside money for children’s college education	32%	38%	36%	Respondents with financially dependent children
Have not set aside money for children’s college education	62%	57%	59%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension, 401(k))	62%	54%	58%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	33%	29%	31%	
Regularly contribute to self-directed retirement account	82%	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

35%	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

79%	71%	74%
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Credit Cards

Credit card behaviors in past year

Always paid credit cards in full

58%	54%	55%
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Carried over a balance and was charged interest

42%	46%	45%
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Paid the minimum payment only

32%	35%	33%
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Charged a late fee for late payment

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

7%	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

32%	35%	31%
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Use mobile phone to transfer money to another person

33%	37%	31%
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Mortgages

Have mortgage

60%	56%	57%
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Have home equity loan

14%	16%	14%
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Homeowners

Home “underwater” (negative equity)

8%	9%	8%
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Homeowners

Other Debt

Have student loan

29%	26%	28%
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Have auto loan

31%	33%	34%
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Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan

10%	11%	11%
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Short term “payday” loan

9%	14%	13%
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Tax refund advance

9%	10%	9%
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Pawn shop

21%	18%	18%
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Rent-to-own store

6%	12%	10%
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Used one or more non-bank borrowing methods in past 5 years

28%	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)	74%	72%	75%
Exactly \$102	7%	7%	7%
Less than \$102	4%	6%	5%
Don't know	15%	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	9%	12%	11%
Exactly the same	8%	10%	9%
<u>Less than today</u> (correct answer)	61%	55%	59%
Don't know	21%	21%	20%

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

They will rise	18%	22%	22%
<u>They will fall</u> (correct answer)	31%	26%	27%
They will stay the same	3%	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	3%	5%	5%
<u>At least 2 years but less than 5 years</u> (correct answer)	31%	30%	31%
At least 5 years but less than 10 years	28%	29%	30%
At least 10 years	9%	8%	8%
Don't know	27%	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)	77%	73%	78%
False	6%	9%	6%
Don't know	16%	17%	16%

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

True	8%	11%	10%
<u>False</u> (correct answer)	49%	43%	48%
Don't know	41%	45%	42%

Mean number of correct quiz answers	3.23	3.00	3.17
Mean number of incorrect quiz answers	1.13	1.35	1.26
Mean number of "don't know" quiz answers	1.57	1.58	1.51

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<i>Comparison Shopping</i>				
Compared credit cards	34%	38%	35%	<i>Respondents with credit cards</i>
Did not compare credit cards	58%	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