

Summary of Selected Findings: New Mexico

		State	Nation	Region	
Making Ends Meet					
Difficulty covering expenses and paying bills					
	Very difficult	11%	12%	11%	
	Somewhat difficult	36%	35%	33%	
	Not at all difficult	51%	50%	53%	
Spending vs. saving					
	Spending less than income	42%	41%	39%	
	Spending about equal to income	34%	36%	38%	
	Spending more than income	21%	19%	19%	
Overdraw checking account occasionally		18%	19%	18%	Respondents with checking accounts
Have unpaid medical bills		15%	23%	20%	
Number of times mortgage payments have been late					
	Once	7%	9%	7%	Respondents with mortgages
	More than once	5%	9%	7%	
Have taken a loan from retirement account in past year		13%	16%	13%	Respondents with self-directed employer plan or non-employer plan
Have taken a hardship withdrawal from retirement account in past year		9%	13%	9%	
Have experienced large unexpected drop in income in past year		20%	20%	19%	
Planning Ahead					
Have emergency funds		49%	49%	49%	
Do not have emergency funds		49%	46%	47%	
Have tried to figure out retirement savings needs		40%	41%	40%	Non-retired respondents
Have not tried to figure out retirement savings needs		54%	54%	55%	
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		66%	57%	59%	
Retirement Accounts					
Have employer-provided retirement plan (e.g., pension, 401(k))		55%	54%	54%	Non-retired respondents
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)		21%	29%	29%	
Regularly contribute to self-directed retirement account		78%	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	35%	32%	30%
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Managing Financial Products

Banking

Have checking account	90%	89%	90%
Have savings account, money market account, or CDs	71%	71%	74%

Credit Cards

Credit card behaviors in past year			
Always paid credit cards in full	49%	54%	52%
Carried over a balance and was charged interest	48%	46%	47%
Paid the minimum payment only	38%	35%	36%
Charged a late fee for late payment	13%	16%	14%
Charged an over the limit fee for exceeding credit line	7%	10%	8%
Used the cards for a cash advance	11%	13%	11%

Respondents with credit cards

Mobile Payment Methods

Use mobile phone to pay at point of sale	35%	35%	33%
Use mobile phone to transfer money to another person	36%	37%	40%

Mortgages

Have mortgage	57%	56%	62%
Have home equity loan	9%	16%	12%

Homeowners

Home "underwater" (negative equity)	4%	9%	5%
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Homeowners

Other Debt

Have student loan	24%	26%	24%
Have auto loan	36%	33%	34%

Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years			
Auto title loan	10%	11%	10%
Short term "payday" loan	12%	14%	13%
Tax refund advance	6%	10%	8%
Pawn shop	15%	18%	19%
Rent-to-own store	11%	12%	9%
Used one or more non-bank borrowing methods in past 5 years	28%	29%	29%

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%	6%
Less than \$102	6%	6%	6%
Don't know	12%	13%	11%

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	10%	12%	11%
Exactly the same	9%	10%	9%
<u>Less than today</u> (correct answer)	59%	55%	58%
Don't know	22%	21%	20%

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

They will rise	20%	22%	20%
<u>They will fall</u> (correct answer)	27%	26%	28%
They will stay the same	5%	6%	5%
There is no relationship between bond prices and the interest rate	11%	10%	9%
Don't know	36%	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%	4%
<u>At least 2 years but less than 5 years</u> (correct answer)	30%	30%	32%
At least 5 years but less than 10 years	34%	29%	31%
At least 10 years	7%	8%	8%
Don't know	22%	26%	24%

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%	76%
False	9%	9%	8%
Don't know	13%	17%	15%

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

True	8%	11%	9%
<u>False</u> (correct answer)	47%	43%	46%
Don't know	44%	45%	44%

Mean number of correct quiz answers	3.15	3.00	3.15
Mean number of incorrect quiz answers	1.32	1.35	1.27
Mean number of "don't know" quiz answers	1.49	1.58	1.52

<i>Comparison Shopping</i>	State	Nation	Region	
Compared credit cards	36%	38%	38%	<i>Respondents with credit cards</i>
Did not compare credit cards	60%	56%	57%	

Notes:

Region = Mountain Census Division (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming).

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