

## Key Measures of Financial Capability among U.S. Adults

### *Highest and Lowest-Ranking States*

Findings are based on the NFCS State-by-State Survey, an online survey of over 25,500 respondents (approximately 500 per state plus D.C.).\*

### Making Ends Meet

Individuals who report spending more than their household income (not including the purchase of a new home, car or other big investment) are not saving. In addition, individuals who spend about the same as their income are breaking even. Only those who spend less than their household income are able to save. Individuals who are not balancing monthly income and expenses may find themselves struggling to make ends meet.

#### *Spending vs. Saving*

Most likely to be saving			Least likely to be saving		
1	California	43.4%	1	Oklahoma	29.4%
2	District of Columbia	43.1%	2	West Virginia	31.9%
3	Ohio	42.7%	3	Nevada	32.5%
4	Hawaii	42.3%	4	Utah	33.1%
5	Kentucky	41.6%	5	Mississippi	33.2%
U.S. Average		37.9%	U.S. Average		37.9%

With the high costs of medical care many U.S. adults face significant medical bills in addition to their typical monthly expenses, even for some of those with health insurance. Medical bills that become past due can also hurt one's credit score. The piling up of medical debt can make it even harder for individuals to make ends meet today and to plan their financial future.

#### *Medical Debt*

Least likely to have medical debt			Most likely to have medical debt		
1	New York	11.0%	1	Wyoming	38.4%
2	California	12.9%	2	Mississippi	35.0%
3	Massachusetts	13.7%	3	Kansas	33.4%
4	Hawaii	14.0%	4	North Dakota	31.6%
5	Oregon	15.1%	5	West Virginia	31.5%
U.S. Average		22.4%	U.S. Average		22.4%

## Planning Ahead

Individuals who have a “rainy day” fund demonstrate that they are planning ahead for their financial future. Those who lack a “rainy day” fund, however, do not have money set aside to cover expenses for three months, in case of emergencies such as sickness, job loss or economic downturn. Individuals without this emergency savings lack a buffer against unexpected financial shocks, threatening their personal financial stability, as well as decreasing the stability of the economy as a whole.

### *Rainy Day Funds*

Most likely to have emergency funds		
1	District of Columbia	57.0%
2	Maryland	53.5%
3	New Jersey	53.1%
4	Massachusetts	52.9%
5	Minnesota	52.5%
U.S. Average		46.4%

Least likely to have emergency funds		
1	West Virginia	31.3%
2	New Mexico	35.7%
3	Mississippi	35.9%
4	Wyoming	37.6%
5	Kentucky	38.3%
U.S. Average		46.4%

## Managing Financial Products

Numerous U.S. adults have engaged in non-bank borrowing within the past five years, such as taking out an auto title loan or a payday loan, getting an advance on a tax refund or using a pawn shop or rent-to-own store. Non-bank borrowing methods are likely to come with high interest rates, and often attract individuals with poor credit histories, lack of access to more traditional sources of credit, or both. Sound borrowing practices and management of financial products are crucial to financial capability.

### *Non-Bank Borrowing*

Least likely to use non-bank borrowing methods		
1	Massachusetts	20.4%
2	Vermont	20.5%
3	Pennsylvania	20.6%
4	New York	22.0%
5	Hawaii	22.3%
U.S. Average		31.5%

Most likely to use non-bank borrowing methods		
1	Mississippi	44.4%
2	Oklahoma	44.0%
3	Nevada	43.0%
4	Texas	42.5%
5	Wyoming	41.5%
U.S. Average		31.5%

By only paying the minimum amount due each month on a credit card, consumers are increasing their borrowing costs. This practice can also negatively impact one's credit score. Consumers must understand how to manage credit and that paying only the minimum on credit cards can result in a long-term drain on their finances and borrowing ability.

### *Credit Card Behaviors*

Least likely to pay only minimum on credit cards		
1	Pennsylvania	32.4%
1	Minnesota	32.4%
3	Massachusetts	33.0%
4	Washington	34.2%
5	Hawaii	36.3%
U.S. Average		40.6%

Most likely to pay only minimum on credit cards		
1	Wyoming	50.0%
2	West Virginia	49.6%
3	New Mexico	47.5%
4	Montana	46.5%
4	Mississippi	46.5%
U.S. Average		40.6%

## Managing Financial Products (cont.)

### Home & Mortgages

Having an underwater mortgage, meaning the balance on a mortgage is higher than the value of a home, can keep many U.S. adults away from the key financial benefits of owning a home. If an individual has an underwater mortgage, they will have to pay the difference if they sell their home, and may find refinancing their mortgage difficult. When one enters into a mortgage contract, it is critical to realistically consider both mortgage payments relative to income and to understand the impact that volatility in the housing market can have on the value of one's home.

Least likely to have "underwater" home		
1	Montana	0.4%
2	Michigan	2.2%
2	North Carolina	2.2%
4	Oregon	2.3%
5	Maine	2.4%
5	Kentucky	2.4%
U.S. Average		5.0%

Most likely to have "underwater" home		
1	District of Columbia	9.5%
2	Oklahoma	8.0%
3	New Jersey	7.9%
4	Maryland	7.7%
5	Ohio	7.3%
U.S. Average		5.0%

## Financial Knowledge

### Financial Literacy

Study participants were asked seven questions covering aspects of economics and finance encountered in everyday life, such as compound interest, inflation, principles relating to risk and diversification, the relationship between bond prices and interest rates, and the impact that a shorter term can have on total interest payments over the life of a mortgage. Individuals need at least a fundamental level of financial knowledge. This knowledge, paired with financial decision-making skills, can best ensure an individual's financial capability.

Highest number of correct answers		
1	Wyoming	3.66
2	Vermont	3.63
3	Wisconsin	3.62
4	Minnesota	3.59
5	District of Columbia	3.52
5	Washington	3.52
U.S. Average		3.26

Lowest number of correct answers		
1	Mississippi	2.89
2	Louisiana	2.91
3	Alabama	3.04
4	West Virginia	3.06
4	Nevada	3.06
U.S. Average		3.26

*\*The survey was conducted from June to October 2024. Figures are weighted to be representative of the population based on Census distributions. More information about the NFCS is available at [www.FINRAFoundation.org/NFCS](http://www.FINRAFoundation.org/NFCS).*