



The 2010 Consumer Financial Literacy Survey

Topline Results

Prepared For:

The National Foundation for Credit Counseling

Prepared By:

**Harris Interactive Inc.
Public Relations Research**

Survey Methodology

The 2010 Financial Literacy survey was conducted by telephone within the United States by Harris Interactive on behalf of the NFCC (National Foundation for Credit Counseling) between March 4 and March 8, 2010 among 2,028 adults ages 18+. Results were weighted for age, sex, geographic region, and race where necessary to align them with their actual proportions in the population.

All sample surveys and polls, whether or not they use probability sampling, are subject to multiple sources of error which are most often not possible to quantify or estimate, including sampling error, coverage error, error associated with nonresponse, error associated with question wording and response options, and post-survey weighting and adjustments. Therefore, Harris Interactive avoids the words “margin of error” as they are misleading. All that can be calculated are different possible sampling errors with different probabilities for pure, unweighted, random samples with 100% response rates. These are only theoretical because no published polls come close to this ideal.

Significance Testing

When results from sub-groups of a sample appear in the detailed tabulations, an indicator of statistically significant differences is added to the tables run on our standard demographic banners. Significance testing is done to the 95% confidence level, and the test is performed on percentages as well as mean values. Each sub-sample is assigned a letter. When the percentage of one sub-sample is significantly different from the percentage of another sub-sample, the letter representing one of the two samples appears next to the percentage (or mean) of the other sample.

For instance, the percentage of males answering yes to a particular question may be compared to the percentage of females answering yes to the same question. In the example below, the male sample is assigned the letter B, and the female sample is assigned the letter C. Here, respondents were asked whether a certain business practice is acceptable. 67% of women said that it was -- a proportion significantly greater than the 57% of males who believe that the practice is acceptable. To indicate that women are significantly more likely to find the practice acceptable than are men, the letter B -- the letter assigned to the male sub-sample -- appears next to the “67%” in the female column. Similarly, the 37% of men that find the practice unacceptable is significantly greater than the 29% of women who do so and, therefore, the letter C -- the letter assigned to the female sub-sample -- appears next to the “37%” in the male column.

	Total (A)	Sex	
		Male (B)	Fe- male (C)
Unweighted Total	977	488	489
Weighted Total	967	464	503
Acceptable	611 63%	274 57%	337 67%B
Not Acceptable	319 33%	171 37%C	148 29%
Don't Know	37 4%	18 4%	19 4%

Region Breaks in the Data Tables

The continental United States are divided into four (4) regions as follows:

Northeast: ME, NH, VT, MA, RI, CT, NY, NJ, PA

Midwest: OH, IN, IL, MI, WI, MN, IA, MO, ND, SD, NE, KS

South: DE, MD, DC, VA, WV, NC, SC, GA, FL, KY, TN, AL, MS, AR, LA, OK, TX

West: MT, ID, WY, CO, NM, AZ, UT, NV, WA, OR, CA

“Metro” vs. “Non-metro” breakdown is across all 4 regions as follows:

Metro: in center city of metropolitan area; outside center city, inside center city county; inside suburban county of metropolitan area; in metropolitan area with no center city

Non-metro: in non-metropolitan area

Posted Topline Data

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %	<u>Total 2007</u> %
Which of the following best describes how you manage your money?	Base: Adults 18+			
	(n= 2,028)	(n= 1,000)	(n= 1,001)	(n= 1,003)
	A	B	C	D
You have a budget and keep close track of how much you spend on such things as food, housing and entertainment	43 D	42	42	39
Don't have a budget (Net)	56	57	N/A	N/A
You have a somewhat good idea about how much you spend on such things as food, housing and entertainment, but you don't keep strict track of your spending on these things	37	39	35	36
You don't have a good idea how much you spend on such things as food, housing and entertainment, but you keep track of your overall spending and try to stay within certain limits that you've set for yourself	14 B	11	12	15 BC
You don't have a good idea how much you spend on such things as food, housing and entertainment, and you often don't keep track of your overall spending	5	7 A	7 A	7 A
Don't know	1	1	2 A	2 A
Refused	*	*	2	1

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %
Which of the following best describes your financial situation?	Base: Adults 18+		
	(n= 2,028)	(n= 1,000)	(n= 1,001)
	A	B	C
You pay all of your bills on time and have no debts in collection	69	70	69
Do not pay all bills on time (Net)	28	26	N/A
You sometimes miss a payment but have no debts in collection	13 B	10	11
You struggle to pay your bills every month but have no debts in collection	9	10	9
You are getting calls from collectors and struggle to pay your bills every month	4	4	5
You are seriously considering filing for bankruptcy or have filed for bankruptcy in the past three years	2	2	2
I am not involved at all in any financial decisions including how money is spent in our household (VOL)	2 B	1	2
Don't know	1	1	2 A
Refused	1	1	1
Special Net: No debts in collection	91	91	N/A
Special Net: Debts in collection	6	6	N/A

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %
Do you have any savings, excluding retirement savings?	Base: Adults 18+		
	(n= 2,028)	(n= 1,000)	(n= 1,001)
	A	B	C
Yes	67 C	65	63
No	30	32	36 A
Don't know	1	*	*
Refused	2 C	2	1

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
If you encountered an emergency or unexpected expense, how would you pay for it? *	Base: Adults 18+ who do not have any savings	
	(n= 549)	(n= 277)
	A	B
Pay cash	60 B	49
Borrow the money from family or friends	51	57
Take out a loan	29	26
Charge it to a credit card	25	29
Neglect paying your other financial obligations	21	17
Other	24 B	4
Don't know	1	6 A
Refused	*	*

* Multiple responses were allowed.

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %
On average, what percentage of your household's income do you save every year for retirement?	Base: Adults 18+		
	(n= 2,028)	(n= 1,000)	(n= 1,001)
	A	B	C
0% or nothing	33 C	33 C	28
Any (Net)	59	56	N/A
1% to 10%	35	34	33
11% to 20%	17	16	16
More than 20%	7	6	8
Already retired (VOL)	N/A	N/A	8
Don't know	5	8 A	6
Refused	3	2	2

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %
Do you currently have a home mortgage of any type?	Base: Adults 18+		
	(n= 2,028)	(n= 1,000)	(n= 1,001)
	A	B	C
Yes	44	42	45
No	55	57	54
Paid off within the last 12 months (VOL)	N/A	N/A	1
Don't know	*	*	*
Refused	1	1	*

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %	<u>Total 2007</u> %
Do you currently have a home mortgage of any type?	Base: Adults 18+ who are homeowners			
	(n= 1,547)	(n= 753)	(n= 752)	(n= 753)
	A	B	C	D
Yes	61 CD	59 CD	45	53 C
No	38	40	54 ABD	46 AB
Paid off within the last 12 months (VOL)	N/A	N/A	1	-
Don't know	*	*	*	*
Refused	*	1	*	1

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
In which of the following ways, if any, did the terms of your mortgage turn out to be different than what you initially expected? *	Base: Adults 18+ who have a home mortgage	
	(n= 899)	(n=411)
	A	B
Any (Net)	33	28
The amount of your monthly payment	14	14
The interest rate	12	13
The new dollar amount of your mortgage after it reset	11	8
The private mortgage insurance, or PMI, that you had to pay in addition to your monthly mortgage payment	9	9
How long the initial rate lasted	9	10
Other	7	*
None of these	64	68
Don't know	2	3
Refused	1	*

* Multiple responses were allowed.

Question:	<u>Total 2010</u> %
If you were unable to meet all of your financial obligations, would you be more likely to keep your mortgage current, or your credit cards current?	Base: Adults 18+ who have a home mortgage (n= 899)
Mortgage	91
Credit cards	4
None of these	3
Don't know	1
Refused	*

Question:	<u>Total 2010</u> %
Under what circumstances, if any, would you consider it justifiable for someone to default on a mortgage? *	Base: Adults 18+ (n= 2,028)
Any (Net)	80
The borrower was misled about the terms of the loan	49
The borrower could no longer afford the monthly payment	46
The lender would not work with the borrower to modify the mortgage	43
The emotional stress of trying to meet the payment each month is overwhelming	30
The borrower needs to be relocated	26
The property is now worth less than what is owed on it	23
The property is not the borrower's primary residence	16
The property is an investment property only	14
Other	18
None	15
Don't know	4
Refused	1

* Multiple responses were allowed.

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %
Have you ordered a copy of your credit report in the past 12 months?	Base: Adults 18+		
	(n= 2,028)	(n= 1,000)	(n= 1,001)
	A	B	C
Yes	34	34	37
No	65	64	62
Don't know	1	1	1
Refused	*	1	*

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %
What is your credit score?	Base: Adults 18+		
	(n= 2,028)	(n= 1,000)	(n= 1,001)
	A	B	C
Less than 600 (Net)	12	12	N/A
Less than 500	5	6	7 A
500 to 599	7	6	6
600 or more (Net)	52 B	48	N/A
600 to 699	14	12	13
700 or higher	39 BC	35 C	30
I have never checked my credit score (VOL)	N/A	N/A	4
I have checked my credit score but can't remember it	N/A	N/A	4
Don't know	31	37 A	34
Refused	4 C	3	2

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
Roughly how much credit card debt, if any, does your household carry from month to month?	Base: Adults 18+	
	(n= 2,028)	(n= 1,000)
	A	B
Any (Net)	41	44
Less than \$2,500 (Subnet)	25	28
\$1 to \$499	13	11
\$500 to \$999	5	7 A
\$1,000 to \$2,499	8	10
\$2,500 or more (Subnet)	16	16
\$2,500 to \$4,999	5	5
\$5,000 to \$9,999	5	5
\$10,000 or more	5	6
None	48	46
Don't know	7	6
Refused	4	4

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
In the last 12 months, have you...? *	Base: Adults 18+	
	(n= 2,028)	(n= 1,000)
	A	B
Any (Net)	40	40
Cancelled a credit card	17	15
Been late making a credit card payment	12	15 A
Applied for a new credit card	12	11
Missed a credit card payment	8	8
Transferred the balance from one credit card to another	6	7
Been rejected for a new credit card	5	6
Made a payment that was less than the minimum payment required	5	7 A
Obtained a cash advance from your credit card company	4	4
Consolidated your credit card debt into a personal bill consolidation loan	2	2
None of these	59	58
Don't know	*	*
Refused	1	1

* Multiple responses were allowed.

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
Compared to one year ago, how has the current economic climate affected your spending? Are you now spending...?	Base: Adults 18+	
	(n= 2,028)	(n= 1,000)
	A	B
More (Net)	18	18
A lot more than last year	8	7
A little more than last year	10	10
The same as last year	31 B	24
Less (Net)	51	57 A
A little less than last year	28	30
A lot less than last year	23	27 A
Don't know	1	*
Refused	*	1

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
If your financial situation were to improve within the next year, would you be more likely to...?	Base: Adults 18+ who are now spending less than last year because of the current economic climate	
	(n= 1,022)	(n= 571)
	A	B
Continue spending less	49	52
Resume spending as much as last year	27	45
Spend more than you did last year	21	N/A
Don't know	2	3
Refused	*	*

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
Compared to one year ago, how has the current economic climate affected your saving habits? Are you now saving...?	Base: Adults 18+	
	(n= 2,028)	(n= 1,000)
	A	B
More (Net)	24	23
A lot more than last year	8	9
A little more than last year	17	15
The same as last year	38	39
Less (Net)	36	35
A little less than last year	18 B	15
A lot less than last year	17	20 A
Don't know	1	1
Refused	1	2

Question:	<u>Total 2010</u> %
Compared to how you used to pay for most purchases one year ago, which of the following statements best describes how you pay for most purchases now?	Base: Adults 18+ (n= 2,028)
Pay with credit (Net)	24
You pay for most purchases with a credit card, as you did in the past	18
You pay for most purchases with a credit card, but you used to pay for most purchases with cash or a debit card	6
Pay with cash/debit (Net)	67
You pay for most purchases with cash or a debit card, but you used to pay for most purchases with a credit card	13
You pay for most purchases with cash or a debit card, as you did in the past	54
Other	7
Don't know	1
Refused	1

Question:	<u>Total 2010</u> %
You mentioned that you pay for most purchases with cash or a debit card. Why? Is it because...? *	Base: Adults 18+ who pay for most purchases with cash or a debit card (n= 1,276)
You want to avoid paying high interest rates on your purchases	72
You do not want to do business with credit card issuers	43
You tend to overspend when using credit cards	23
You elected to close your accounts	19
You no longer have access to additional credit	8
Your credit card issuers have closed your accounts	6
Other	22
Don't know	2
Refused	1

* Multiple responses were allowed.

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %
Thinking now about what you have learned about personal finance, where do you think that you learned the most?	Base: Adults 18+		
	(n= 2,028)	(n= 1,000)	(n= 1,001)
		A	B
Any (Net)	86	86	N/A
From your parents or at home	41 B	37	40
From self-help books or media	15 C	15 C	9
From a financial professional	8	12 A	10
From friends	6	6	5
From school	6	9 A	7
At work	5	4	6 B
From the Internet	4	4	N/A
Spouse or partner (VOL)	N/A	N/A	2
Learned on own/myself (VOL)	N/A	N/A	15
None of these	13	12	N/A
Don't know	1	1	4 B
Refused	*	1	2

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
On a scale from A to F, what grade would you give yourself in terms of your knowledge about personal finance?	Base: Adults 18+	
	(n= 2,028)	(n= 1,000)
	A	B
A/B (Net)	65 B	58
A	22 B	18
B	42	40
C	26	29
D/F (Net)	8	12 A
D	7	9
F	2	3
Don't know	1	1
Refused	*	1

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %
How strongly do you agree or disagree with the following statement?	Base: Adults 18+	
<i>Considering what you already know about personal finance, you could still benefit from some advice and answers to everyday financial questions from a professional.</i>	(n= 2,028)	(n= 1,000)
	A	B
Agree (Net)	78	80
Strongly agree	31	35 A
Somewhat agree	46	45
Disagree (Net)	21	19
Somewhat disagree	10	10
Strongly disagree	12 B	8
Don't know	1	1
Refused	*	*

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %	<u>Total 2007</u> %
How familiar, if at all, are you with the National Foundation for Credit Counseling, also known as NFCC?	Base: Adults 18+			
	(n= 2,028)	(n= 1,000)	(n= 1,001)	(n= 1,003)
	A	B	C	D
Familiar (Net)	18	17	N/A	N/A
Very familiar	2	2	2	3
Somewhat familiar	16 D	15 D	15 D	12
Not familiar (Net)	82	82	N/A	N/A
Not too familiar	20 CD	22 CD	14	16
Not familiar at all	62	60	65 B	68 AB
Don't know	*	*	2	2
Refused	*	*	1	*

Question:	<u>Total 2010</u> %	<u>Total 2009</u> %	<u>Total 2008</u> %	<u>Total 2007</u> %
And how familiar, if at all, are you with Consumer Credit Counseling Services, also known as CCCS?	Base: Adults 18+			
	(n= 2,028)	(n= 1,000)	(n= 1,001)	(n= 1,003)
	A	B	C	D
Familiar (Net)	26	23	N/A	N/A
Very familiar	4	4	5	5
Somewhat familiar	22	19	19	20
Not familiar (Net)	73	76	N/A	N/A
Not too familiar	20 CD	18 C	14	16
Not familiar at all	53	58 A	59 A	58 A
Don't know	1	*	2	1
Refused	-	*	1	*