FINRA Investor Education FOUNDATION

Financial Capability in the United States

Report of Findings from the 2012 National Financial Capability Study

May 2013

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Richard G. Ketchum

Chairman of the FINRA Investor Education Foundation

Letter from the FINRA Investor Education Foundation

The FINRA Investor Education Foundation is pleased to present the 2012 National Financial Capability Study, a follow-up to our landmark 2009 study.

The Study, which again includes a state-by-state and military component, reveals some interesting changes in key measures of financial capability since the first Study in 2009. It also reinforces the 2009 findings that financial capability varies greatly by socio-economic status and other demographics. However, the bottom line is that many Americans continue to struggle to make ends meet, plan ahead and make sound financial decisions.

That said, we are pleased to see progress in two of the areas measured in both surveys: More respondents reported having a rainy day fund, and fewer respondents reported difficulty in making ends meet. The improvement in Americans' ability to make ends meet reflects the change in the overall economic conditions in the United States from 2009 to 2012. However, many consumers continue to feel financial strains, and the study found that a large number of Americans borrow money in potentially expensive ways and carry too much debt.

Beyond that, the study found that financial literacy levels remain low. This finding—along with the potentially dangerous borrowing habits—underscores the need for us to continue to explore innovative ways to build financial capability among consumers.

The FINRA Foundation has a longstanding interest in building financial capability. We continue to pursue new initiatives to reach consumers at the grassroots level and more broadly distribute our educational material. This new Study has tremendous value to the FINRA Foundation and its partners as we work to shape and enhance financial and investor education. Equally important, it will help us evaluate and understand how demographics, behaviors and attitudes affect financial literacy—and what we can do to improve it.

Richard Cordray

Director of the Consumer Financial Protection Bureau

Letter from the Consumer Financial Protection Bureau

The Consumer Financial Protection Bureau welcomes the publication of the 2012 National Financial Capability Study report by the FINRA Investor Education Foundation. The first National Financial Capability Study in 2009 provided insights about the financial skills, knowledge, and habits of American consumers. The 2012 survey report tells us more about how consumers are facing the choices that confront them in the complex financial services marketplace.

Consumers shouldn't have to go it alone—government must provide effective rules, ensure widespread compliance, and engage in evenhanded enforcement. At the same time, all of us—in both the public and private sectors—can and should work to enhance the financial capability of everyone in America. Money decisions should support the hopes, dreams, and life goals of individuals and families. It takes both a financially capable populace and a well-policed marketplace to achieve that end.

We all have a part to play in building a nation where every consumer is financially capable. We need to sustain a national conversation about money, not just in the financial marketplace, but in families, schools and workplaces. Parents can talk to children about money and how to make money choices. Schools can teach key financial concepts and decision-making skills. Public and private employers can invest in a financially fit workplace—with benefits to both employees and employers—as we are doing at the CFPB.

The Consumer Financial Protection Bureau's mission is to help consumer financial markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. The CFPB's financial education agenda is focused on providing consumers with practical skills, tools and information to support financial decision-making. These tools include online resources like Ask CFPB, which provides over 900 questions and answers about financial products and services at www.consumerfinance.gov/askCFPB. We are also engaged in research and other work to identify, highlight and spread effective approaches to financial education. Through these activities, we aim to move the needle on the concerns raised by the results of the National Financial Capability Survey.

Improving consumers' financial capability is a priority for the Bureau. The FINRA Investor Education Foundation's 2012 National Financial Capability Study report marks an important milestone in our shared work to enhance the readiness and ability of American consumers to navigate the financial marketplace. We look forward to our continued work with the FINRA Investor Education Foundation—and all of you—to build on this important research to empower consumers and help them achieve their personal financial goals.

Richard Cordray

Cyrus Amir-Mokri

Assistant Secretary for Financial Institutions, U.S. Department of the Treasury

Letter from the United States Department of the Treasury

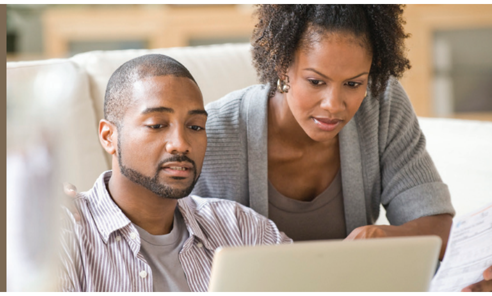
The Department of the Treasury commends the FINRA Investor Education Foundation (Foundation) for once again conducting its National Financial Capability Study (NFCS), providing important insights into the financial practices and attitudes of Americans across the country. We are pleased to have consulted with the Foundation, as we did when the project was launched in 2009.

The 2012 state-by-state survey suggests that while families are still facing financial challenges—42% of Americans have more debt than they would like—an increasing number of households are taking steps to build savings and prepare for unexpected events. Forty percent of Americans are building emergency savings, up 5% from three years ago. Nevertheless, the research shows that more effort is needed to help families manage their debt and plan for the future.

The study's findings also point to the gap between the challenges Americans face, especially young Americans, in managing their finances and their demonstrated knowledge and confidence in financial matters. For example, more than one-third of young adults report having student loans, of which more than half are concerned that they will not be able to pay off those loans.

One important step in bridging this gap is helping young people early in their lives gain the knowledge and skills to make sound financial decisions. Yet, less than one-third of Americans indicated that they have had the opportunity to have financial education. Americans themselves realize that this problem needs to be addressed, with an overwhelming 89% indicating that financial education should be taught in schools.

Toward this end, the Department of the Treasury is working with other federal agencies through the Financial Literacy and Education Commission, to focus our combined efforts on building the financial knowledge and skills of young people. But our efforts alone are not enough. We hope that state and local policymakers, educators and private-sector service providers can utilize the NFCS data to provide American consumers with the financial education and access to appropriate financial products and services that they need. With greater financial capability, we believe more Americans will have the tools they need to turn their hard work into a decent living for their families and a bright future for their children.



Managing one's finances is a complex set of challenges in the best of times, requiring a combination of skills, judgment and resources. In today's volatile economic environment, the challenges are especially acute and the downside risks are great.

Introduction

Over the past five to six years, the financial resilience of the American people has been tested to a degree that had not been seen for many decades. A substantial decline in residential real estate prices, a roughly 50% collapse in the stock market and unemployment rates at 25-year highs combined to erode personal balance sheets, straining the abilities of many to meet their short-term obligations and plan for long-term goals. While the recession ended in 2009, growth has been sluggish since then and unemployment remains stubbornly high. And while the stock market has rebounded almost completely from its low point, investors who liquidated riskier assets during the crash did not necessarily recoup their losses. The real estate market is also showing signs of recovery, but many homeowners remain overleveraged.

Managing one's finances is a complex set of challenges in the best of times, requiring a combination of skills, judgment and resources. In today's volatile economic environment, the challenges are especially acute and the downside risks are great. Individuals and families must grapple with a bewildering variety of financial decisions, ranging from choosing a bank and managing various kinds of debt to planning for retirement and purchasing insurance. Even the simplest of these decisions requires at least some basic financial knowledge and competency, while the more complicated decisions are challenging even for experts.

In 2009, the FINRA Investor Education Foundation commissioned the National Financial Capability Study—the first of its kind conducted in the United States—to assess and establish a baseline measure of the financial capability of American adults. The 2012 Study—which was developed in consultation with the U.S. Department of the Treasury, other federal agencies and the President's Advisory Council on Financial Capability—aims to update key measures from the 2009 Study and to deepen exploration of topics that are highly relevant today, including, for example, student loans and medical debt. Financial capability cannot be measured simply by looking at one indicator, such as demonstrated knowledge of specific terms or concepts. Instead, financial capability encompasses multiple aspects of behavior relating to how individuals manage their resources and how they make financial decisions (including the factors they consider and the skill sets they use). It is a multi-dimensional concept that requires looking at individual behavior from various angles.

Financial Capability in the United States – 2009 to 2012

The 2012 National Financial Capability Study (NFCS) reveals some interesting changes in key measures of financial capability over the three-year period since the baseline Study was completed, but it also reinforces the original finding that financial capability varies greatly by socio-economic status and other demographics, and that many Americans struggle to make ends meet, plan ahead and make savvy financial decisions.

▶ **In general, measures of financial capability are much lower among younger Americans, those with household incomes below $25,000 per year and those with no post-secondary educational experience.**

Drawing on the rich and complex data from the 2012 and 2009 NFCS State-by-State Surveys, each of which were nationwide online surveys of over 25,000 American adults[1], this report focuses on the following four key components of financial capability:

1. **Making Ends Meet.** Indications of some improvement in Americans' ability to make ends meet reflect the change in overall economic conditions in the U.S. from 2009 to 2012.
2. **Planning Ahead.** While the percentage of Americans with "rainy day" funds for unanticipated financial emergencies has increased relative to 2009, the majority still have not set aside emergency funds, and do not plan for predictable life events, such as their children's college education or their own retirement.
3. **Managing Financial Products.** Americans continue to borrow in potentially expensive ways. More than two in five credit card holders engage in costly behaviors such as paying the minimum, paying late fees, paying over-the-limit fees or using cash advances from their credit cards. Nearly a third of Americans report using non-bank borrowing methods (such as payday loans, advances on tax refunds or pawn shops). Forty-two percent of Americans feel they have too much debt.
4. **Financial Knowledge and Decision-Making.** While roughly three quarters of Americans have positive perceptions of their own financial knowledge and math skills, only 14% are able to answer all five financial literacy quiz questions correctly.

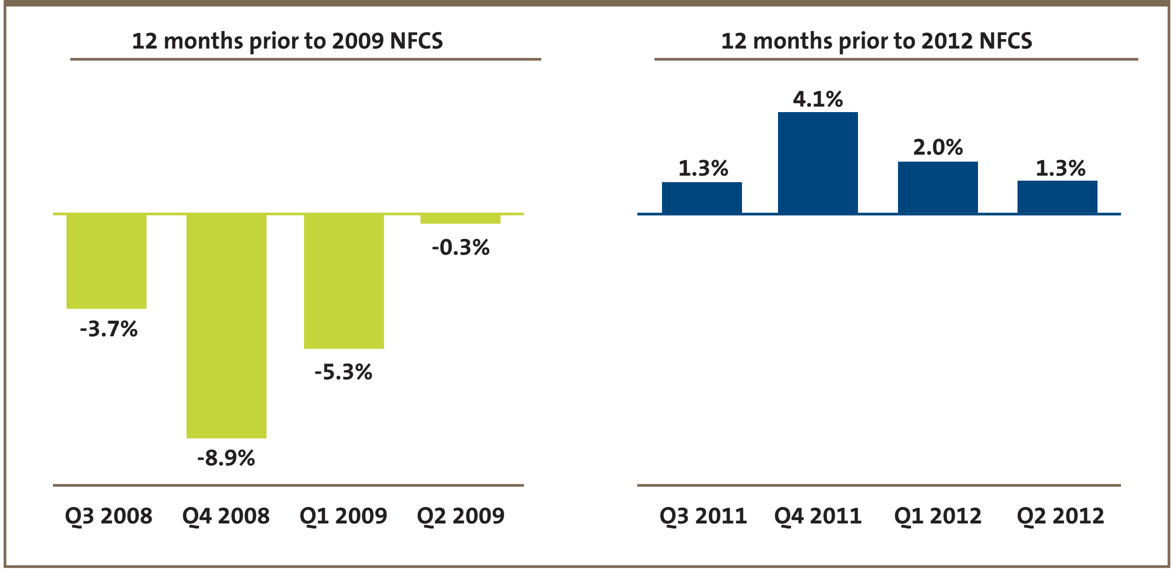
In general, measures of financial capability are much lower among younger Americans, those with household incomes below $25,000 per year, and those with no post-secondary educational experience. African-Americans and Hispanics, who are disproportionately represented among these demographic segments, are also more likely to be vulnerable. Additionally, women tend to have somewhat lower levels of financial capability than men.

1. Selected findings are also presented for sub-samples (*e.g.*, by age, gender, ethnicity, etc.). In all such cases, each sub-sample consists of at least 200 respondents or more.

1. Making Ends Meet

The ability to make ends meet is a central component of financial capability, encompassing the extent to which people balance monthly income and expenses, and how they deal with everyday financial matters. Findings from the National Financial Capability Study suggest that Americans' ability to make ends meet is at least partly influenced by general economic conditions. During the year directly prior to the fielding of the 2009 NFCS, the U.S. economy had been experiencing a severe recession. By contrast, during the year prior to the fielding of the 2012 wave, the U.S. economy was growing modestly, as the figure below shows.

Percentage change in Gross Domestic Product[2] (seasonally adjusted annual rates)



While the 2009 NFCS interviews were being conducted in June through October 2009, the seasonally adjusted national unemployment rate rose from 9.5% to 10.0%, which were levels that had not been experienced in the U.S. in over 25 years. From July through October 2012, when the most recent NFCS was in the field, the unemployment rate declined from 8.2% to 7.9%, still high by historical standards, but considerably lower than it had been three years earlier.[3]

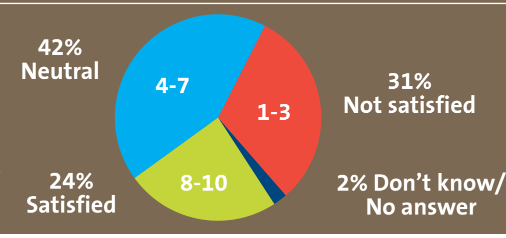
Reflecting the overall economic climate in the United States, results from the 2012 NFCS show some indications of improvement with regard to Americans' ability to make ends meet. In 2009, 36% of respondents reported no difficulty in covering their monthly expenses and bills. This percentage has increased to 40% in 2012. Conversely, while 40% of respondents in 2009 indicated they had experienced a large unexpected income drop in the past year, 29% of respondents in 2012 report that they have. Younger respondents are more likely than older respondents to have experienced a drop in income (34% of 18-34 year olds, compared to 22% of those 55 and up), consistent with the higher levels of unemployment in that age cohort (11% among 18-34 year olds and 6% among those 55 and up[4]).

Just over two-fifths of respondents (41%) report spending less than their income, 36% spend about equal to their income, and 19% spend more than their income. These percentages have not shifted meaningfully from 2009.

2. Source: U.S. Department of Commerce Bureau of Economic Analysis
3. Source: U.S. Department of Labor Bureau of Labor Statistics
4. Source: U.S. Department of Labor Bureau of Labor Statistics

How satisfied are you with your current personal financial condition?

Mirroring the improvement in Americans' ability to make ends meet, satisfaction with one's personal finances has also increased. Nearly a quarter of respondents report being very satisfied with their current personal financial condition up from 16% in 2009.



Not surprisingly, income and education are correlated with ability to make ends meet. Those with higher income and education levels are more likely than those with lower income and education levels to be able to save and to have no difficulty covering their monthly expenses.

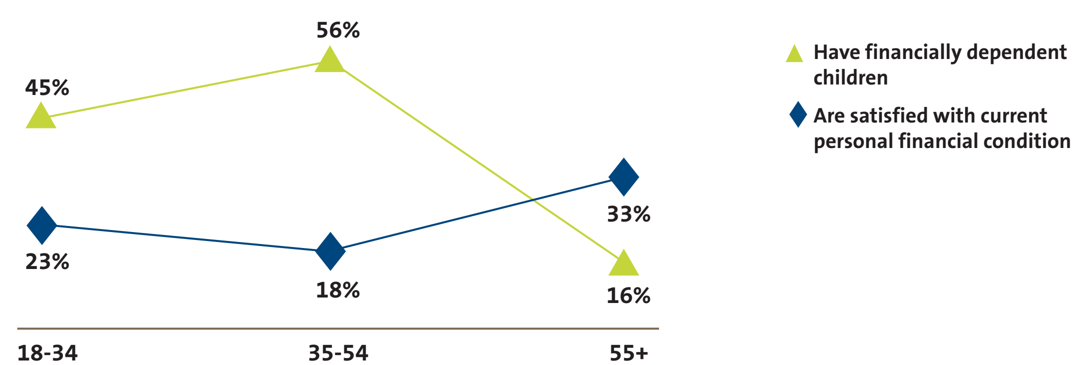
		Income			Education		
	Total	<$25K	$25-75K	$75K+	HS or less	Some college	College or more
Spend less than income	41%	32%	38%	54%	36%	40%	49%
Find it not at all difficult covering expenses & paying bills	40%	19%	38%	64%	31%	40%	53%

Satisfaction With Personal Finances

Mirroring the improvement in Americans' ability to make ends meet, satisfaction with one's personal finances has also increased. Nearly a quarter of respondents (24%) report being very satisfied with their current personal financial condition (8 to 10 on a 10-point scale), up from 16% in 2009. Those who have no difficulty making ends meet are much more likely to be satisfied with their personal finances than those who find it very difficult to make ends meet (44% vs. 8%). Similarly, respondents who are able to save are more likely to be satisfied than those who spend more than their income (33% vs. 14%).

Satisfaction with financial condition shows an interesting pattern by age, where respondents 55 and older are the most satisfied, those 35-54 are the least satisfied, and the youngest respondents fall between these two groups. This may be due to the presence of financially dependent children, as over half of respondents aged 35-54 have children for whom they are financially responsible, compared to only 16% of those 55 and up.

Satisfaction with personal finance



The study included several indicators of stress related to making ends meet. For example, 14% of non-retired respondents report having taken a loan from their retirement account in the past year, and 10% a hardship withdrawal.

Indicators of Financial Stress

The study included several indicators of stress related to making ends meet. For example, 14% of non-retired respondents report having taken a loan from their retirement account in the past year, and 10% a hardship withdrawal. Twenty-one percent of mortgage holders have been late with a mortgage payment at least once in the past two years (8% only once, and 13% more than once). Incidence of late mortgage payments is particularly high among African-American homeowners with mortgages, with 39% having been late at least once (13% once, and 27% more than once).

Younger Americans, especially those 34 and under, are more likely to show these signs of financial stress. For example, among 18-34 year olds who have retirement accounts, 19% have taken a hardship withdrawal in the past year, a rate that is more than double that of older respondents.

		Age		
	Total	18-34	35-54	55+
Have taken a loan from their retirement account	14%	22%	14%	7%
Have taken a hardship withdrawal from their retirement account	10%	19%	8%	5%
Have been late with mortgage payments				
Once	8%	13%	8%	4%
More than once	13%	16%	15%	8%

Among respondents with checking accounts, more than one in five occasionally overdraw their checking accounts (22%), while 77% do not.[5] Incidence of overdrawing has decreased slightly from 26% in 2009. Younger respondents are more likely to overdraw their checking accounts. Respondents with incomes of $75K or more and White and Asian respondents are less likely to overdraw.

		Age			Income			Ethnicity				
	Total	18-34	35-54	55+	<$25K	$25-75K	$75K+	White	Afr.-Amer.	Hisp.	Asian	Other[6]
Overdraw checking account	22%	28%	25%	14%	27%	23%	16%	19%	31%	27%	18%	29%

Overdrawing checking accounts appears to be a symptom of difficulty making ends meet. Among those who overdraw their checking accounts, nearly a third (31%) report spending more than they earn, compared to 14% of those who do not overdraw. Similarly, 31% of Americans who overdraw their checking accounts feel it is very difficult to cover all their monthly bills, while only 9% of those who do not overdraw have the same difficulty. Finally, those who overdraw their checking accounts are less likely to be satisfied with their personal finances than those who do not (18% vs. 28%, respectively).

5. Percentages do not add up to 100 because of missing and "don't know" responses.
6. Includes non-Hispanic respondents who self-identified as Native American or Alaska Native, other, or two or more ethnicities.

▶ **Another indicator of difficulty making ends meet is financial fragility, specifically the lack of liquidity to deal with an unexpected challenge (*e.g.*, a major car or housing repair). Forty percent of respondents indicated they would have a difficult time coming up with $2,000 in 30 days.**

Unpaid Medical Bills

More than a quarter of respondents (26%) report having unpaid bills from a healthcare or medical service provider that are past due. Among those without health insurance, the number rises to 38%.

Although it may seem counterintuitive, younger respondents are more likely than older respondents to have unpaid medical bills. This is likely due to the lower incidence of health insurance among younger Americans and the ubiquity of Medicare among those 65 and older. Women are more likely than men to have medical debt, though they are not less likely to be insured.

		Gender		Age		
	Total	Male	Female	18-34	35-54	55+
Have unpaid medical bills	26%	23%	28%	31%	30%	17%
Have health insurance	78%	77%	79%	68%	76%	89%

Respondents with unpaid medical bills are more likely than those without to report spending more than their income (29% vs. 15%, respectively), and to find it "very difficult" to cover their expenses and bills each month (32% vs. 10%, respectively). They are also less likely to be satisfied with their personal finances (13% vs. 29% among those who have no medical debt).

Financial Fragility

Another indicator of difficulty making ends meet is financial fragility, specifically the lack of liquidity to deal with an unexpected challenge (*e.g.*, a major car or housing repair). Liquidity could arise from tapping into savings, selling valuables or borrowing from family members or friends.

When asked if they would be able to come up with $2,000 if an unexpected need arose in the next month, nearly two in five respondents (39%) said they probably or certainly could not.

How confident are you that you could come up with $2,000 if an unexpected need arose within the next month?	Total
I am certain I could come up with the full $2,000	35%
I could probably come up with $2,000	21%
I could probably not come up with $2,000	15%
I am certain I could not come up with $2,000	25%

While demographic differences in financial fragility are quite striking, they are not at all surprising. Women, younger respondents, those with lower income and education levels, and African-American and Hispanic respondents are more likely to have difficulty handling a short-term unexpected expense.

Probably/certainly could not come up with $2,000		
	Total	39%
Gender	Male	34%
	Female	44%
Age	18-34	49%
	35-54	42%
	55+	27%
Income	<$25K	68%
	$25-75K	39%
	$75K+	13%
Education	HS or less	51%
	Some college	38%
	College or more	23%
Ethnicity	White	36%
	African-American	50%
	Hispanic	47%
	Asian	24%
	Other	49%

Sources of Income

The 2012 NFCS includes additional detail on the types of income respondents receive. The majority of American adults (63%) receive income from employment (*i.e.*, salaries, wages, freelance pay or tips). Just under a quarter (24%) say they receive Social Security retirement benefits.

Types of income received over the past 12 months	Total
Salaries, wages, freelance pay or tips	63%
Social Security retirement benefits	24%
Other federal or state benefits (*e.g.*, unemployment, disability, SSI, TANF)	19%
Payments from a pension plan	19%
Money from family members who do not live in your household	19%
Income from a business	14%
Withdrawals from retirement accounts (*e.g.*, 401(k), IRA, Keogh)	13%

Employment income is correlated with education level, such that 77% of those with college degrees or higher receive income from employment, compared to 65% of those with some college, and only 50% of those with high school or less.

Respondents who receive retirement income (pension plans, Social Security or withdrawals from retirement accounts) are the most likely to have no difficulty making ends meet, followed by those who receive business or employment income. In comparison, those who receive income from federal or state benefits or from family members are considerably less likely to say they have no difficulty making ends meet.

Among respondents who receive...	% with no difficulty making ends meet
Payments from a pension plan	58%
Social Security retirement benefits	52%
Withdrawals from retirement accounts (*e.g.*, 401(k), IRA, Keogh)	47%
Income from a business	46%
Salaries, wages, freelance pay or tips	43%
Other federal or state benefits (*e.g.*, unemployment, disability, SSI, TANF)	26%
Money from family members who do not live in your household	25%

Close to half (45%) of those receiving federal or state benefits (not including Social Security retirement benefits) report having experienced an unexpected drop in income in the past year, compared to only about a quarter (26%) of those not receiving such government benefits. The percentage of respondents who receive government benefits is fairly consistent across ethnicities, except for Asian-Americans who are much less likely to receive such benefits.

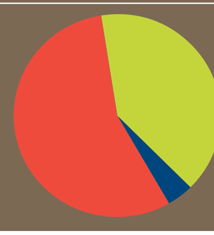
		Ethnicity				
	Total	White	African-American	Hispanic	Asian	Other
Receive non-retirement government benefits	19%	19%	24%	20%	11%	26%

The survey reveals that younger Americans are much more likely to be receiving money from family members than older Americans. Nearly a third (32%) of respondents 18-34 receive financial help from family members, compared to only 8% of those 55 and up.

		Age		
	Total	18-34	35-54	55+
Receive money from family members who do not live in your household	19%	32%	17%	8%

Have you set aside emergency or rainy day funds that would cover your expenses for three months?

Most Americans lack emergency savings or "rainy day" funds. As a result, many individuals and families would not be able to draw on personal financial resources if they were faced with an economic shock.



2. Planning Ahead

Many Americans experience certain predictable life events that require planning, including financing one's retirement and funding the cost of a child's post-secondary school education. Additionally, because the future is inherently uncertain, individuals and families also need to make provisions to buffer themselves against financial emergencies or shocks. Being able to weather shocks not only contributes to financial stability at the individual and family level, but also increases the stability of the economy as a whole.

Rainy Day Funds

Most Americans lack emergency savings or "rainy day" funds. Only 40% of respondents say they have set aside funds sufficient to cover expenses for three months in case of sickness, job loss, economic downturn or other emergency, while over half (56%) have not. As a result, many individuals and families would not be able to draw on personal financial resources if they were faced with an economic shock.

Older respondents (55 and up) and those with incomes of $75K or more are much more likely to have an emergency fund.

		Age			Income		
	Total	18-34	35-54	55+	<$25K	$25-75K	$75K+
Have set aside three months' worth of emergency funds	40%	33%	33%	53%	18%	37%	64%

Planning for Retirement

While individuals increasingly have to take responsibility for their financial security after retirement, the majority of Americans do not appear to have done any retirement planning. Thirty-seven percent of respondents have tried to figure out how much they need to save for retirement, while 59% have not. The act of planning for retirement has been shown to be a strong positive indicator of retirement wealth.[7]

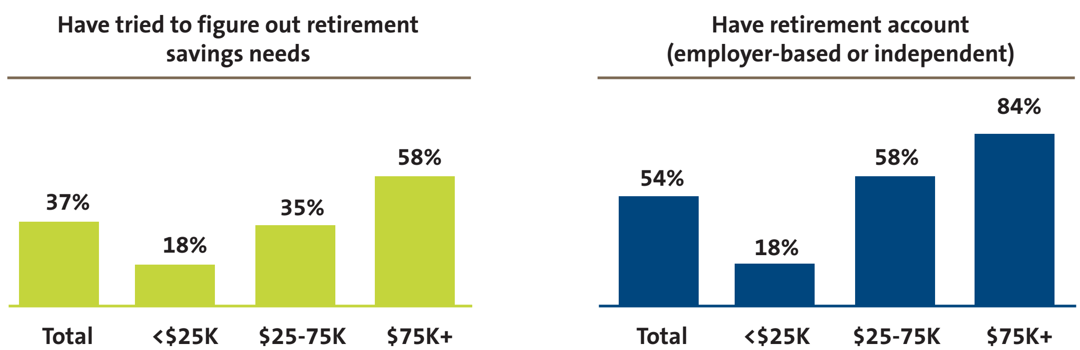
Recognizing that many Americans are not familiar with the technical terms and distinctions used to describe various types of retirement plans, the survey employed a few "plain language" questions to assess whether respondents have a retirement plan through an employer, and if so, which type (specifically, a defined benefit plan or a defined contribution plan, such as a 401(k)). In addition, the survey asked whether individuals have retirement accounts they set up on their own, such as an Individual Retirement Account (IRA), Keogh, SEP or other type of retirement account. Just over half of all non-retired respondents (54%) have some kind of retirement account, either employer-based (*e.g.*, 401(k), pension) or independent (*e.g.*, IRA).

7. Annamaria Lusardi, "Information, Expectations, and Savings for Retirement," in Henry Aaron, ed., Behavioral Dimensions of Retirement Economics (Washington, DC: Brookings Institution Press and Russell Sage Foundation, 1999), 81-115.

Thirty-seven percent of respondents have tried to figure out how much they need to save for retirement, while 59% have not.

Respondents with lower income levels are much less likely to be prepared for retirement than those with higher incomes. Only 18% of those with incomes under $25K have tried to plan for retirement, compared to 58% of those with $75K or more income. Similarly, likelihood to have a retirement account increases dramatically with income, such that only a small minority of respondents with less than $25K income have a retirement account (18%), while the vast majority of respondents with $75K or more income have one (84%).

Preparing for retirement



Planning for College

It has been widely reported that, over the past ten years, tuition and fees at four-year public colleges and universities have increased more rapidly than they did during the previous two decades, rising by an average of more than 5% each year (adjusted for inflation)[8]. Even if this trend is slowed, an average American family with children can expect to allocate a sizable share of their resources to paying college tuition. Among those with financially dependent children, just over a third (34%) are setting aside money for their children's college education. Asians are more likely than other ethnic groups to be setting aside money for college.

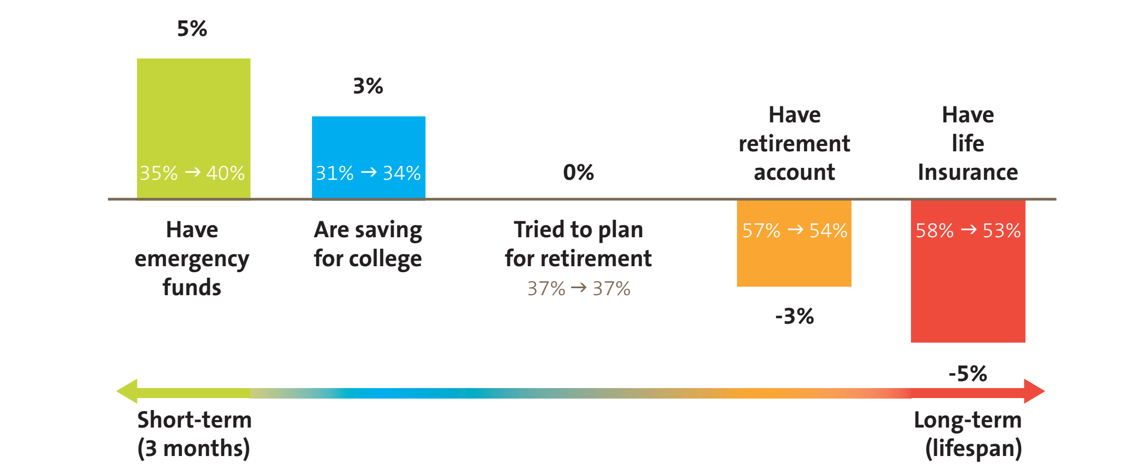
Respondents with financially dependent children who...	Total	Ethnicity				
		White	African-American	Hispanic	Asian	Other
Are setting aside money for children's college	34%	32%	34%	37%	51%	27%

8. Source: College Board (Average Annual Percentage Increases in Inflation-Adjusted Published Prices by Decade, 1982-83 to 2012-13)

Changes in Planning Patterns

When compared to 2009 data, an interesting pattern emerges in measures of planning ahead. The percentage of respondents who have three months' worth of emergency funds has increased 5% relative to 2009. However, when planning for an event that is further out in the future, *i.e.*, saving for college, the increase from 2009 to 2012 is smaller (3%). Looking at an even longer-term measure, retirement planning, we see that the percentage of those who have tried to figure out their retirement savings needs has not changed from 2009, and the percentage of those who have a retirement account has slipped by 3%. Finally, the largest decrement in planning ahead occurs for what might be considered the "ultimate" long-term: the percentage of respondents with life insurance has decreased by 5% relative to 2009. Thus it appears that while the recent economic crisis may have helped to motivate Americans positively in terms of short-range financial planning, long-range planning seems to have been negatively impacted, perhaps because financial resources are being diverted from long-term goals to more immediate needs.

Change from 2009 to 2012 in percentage of respondents who...



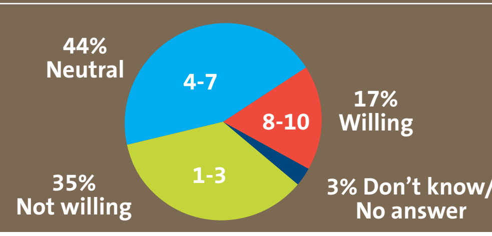
Investments and Financial Advisors

One of the most concrete indicators of planning ahead is investing, both in tax-deferred retirement accounts and in non-retirement accounts. Forty-one percent of non-retired respondents have a self-directed retirement plan (such as a 401(k) from an employer or an IRA they have set up themselves), down slightly from 44% in 2009. Among those with self-directed plans, over three quarters (77%) report that they make regular contributions.

	2009	2012
Have self-directed retirement plan (*e.g.*, 401(k), IRA)	44%	41%
Make regular contributions to self-directed retirement plan	75%	77%

When thinking of your financial investments, how willing are you to take risks?

An important determinant of how people choose to invest their private and retirement wealth is their attitude towards financial risk. Risk tolerance has increased somewhat relative to 2009, when 12% of respondents reported being willing to take risks.



More than a third of respondents (35%) have investments outside of retirement accounts, little changed from 2009 (36%). Not surprisingly, those with higher incomes are much more likely than those with lower incomes to have non-retirement investments.

		Income		
	Total	<$25K	$25-75K	$75K+
Have non-retirement investments	35%	11%	30%	60%

Another indicator of financial planning is the decision to consult a financial professional for advice. Overall, 50% of respondents have consulted a financial professional over the past 5 years. The most frequent topics of consultation are insurance and savings/investments.

Have consulted a financial professional about:	Total
Insurance of any type	30%
Savings or investments	29%
Taking out a mortgage or a loan	20%
Tax planning	18%
Debt counseling	9%
Have consulted a financial professional about any of the above	50%

Risk Preferences

An important determinant of how people choose to invest their private and retirement wealth is their attitude towards financial risk. Americans tend to report being risk averse in their financial investments, with over a third (35%) not willing to take risks, and only 17% who say they are willing. However, risk tolerance has increased somewhat relative to 2009, when 12% of respondents reported being willing to take risks. Men are much more likely than women to say they are willing to take risks in financial investments (24% vs. 11% respectively).

3. Managing Financial Products

The third component of financial capability encompasses how money inflows and outflows are managed (*i.e.*, methods of receiving income and payment methods), where money is stored (*i.e.*, banking) and how money is borrowed (*i.e.*, debt and other related topics). The 2012 study adds more detail on debt than was available in the 2009 study.

Methods of Receiving Income

When asked how they typically receive income, direct deposit was the most frequently selected answer by a wide margin. Respondents with higher incomes are more likely to be receiving direct deposits than those with lower incomes. Conversely, respondents with lower incomes are more likely to be receiving cash and prepaid debit cards.

		Income		
	Total	<$25K	$25-75K	$75K+
Direct deposit to a checking account or savings account	73%	54%	75%	85%
Checks (*i.e.*, paper checks that need to be deposited or cashed)	41%	34%	42%	45%
Cash	22%	26%	22%	18%
Prepaid debit cards (*e.g.*, a payroll card from an employer, or alimony or unemployment payments that you receive on a card)	10%	14%	10%	7%

Banking

Only a small minority of survey respondents are unbanked (7%), defined as having neither a checking account nor a savings account. The unbanked are typically underrepresented in survey research, partly due to lower levels of access to landline phone lines and the Internet. A 2011 FDIC study conducted as part of the U.S. Census Bureau's Current Population Survey (CPS) estimated that 8.2% of American households are unbanked.[9]

Younger respondents and those with less than $25K income are more likely to be unbanked.

		Age			Income		
	Total	18-34	35-54	55+	<$25K	$25-75K	$75K+
Unbanked (neither checking nor savings)	7%	12%	7%	2%	19%	4%	1%

Over half of the unbanked (54%) are formerly banked, that is, they used to have a bank account but no longer do. The formerly banked are more likely than the "never banked" to have some college education, and to be between the ages of 35 to 54.

9. Source: 2011 FDIC National Survey of Unbanked and Underbanked Households

Among those who typically receive income in the form of paper checks, 16% cash checks at a check cashing store. There are stark demographic differences in usage of check cashing stores. Younger respondents, particularly those 18-34, are much more likely to use a check cashing store, as are those with less than $25K income, and African-American and Hispanic respondents.

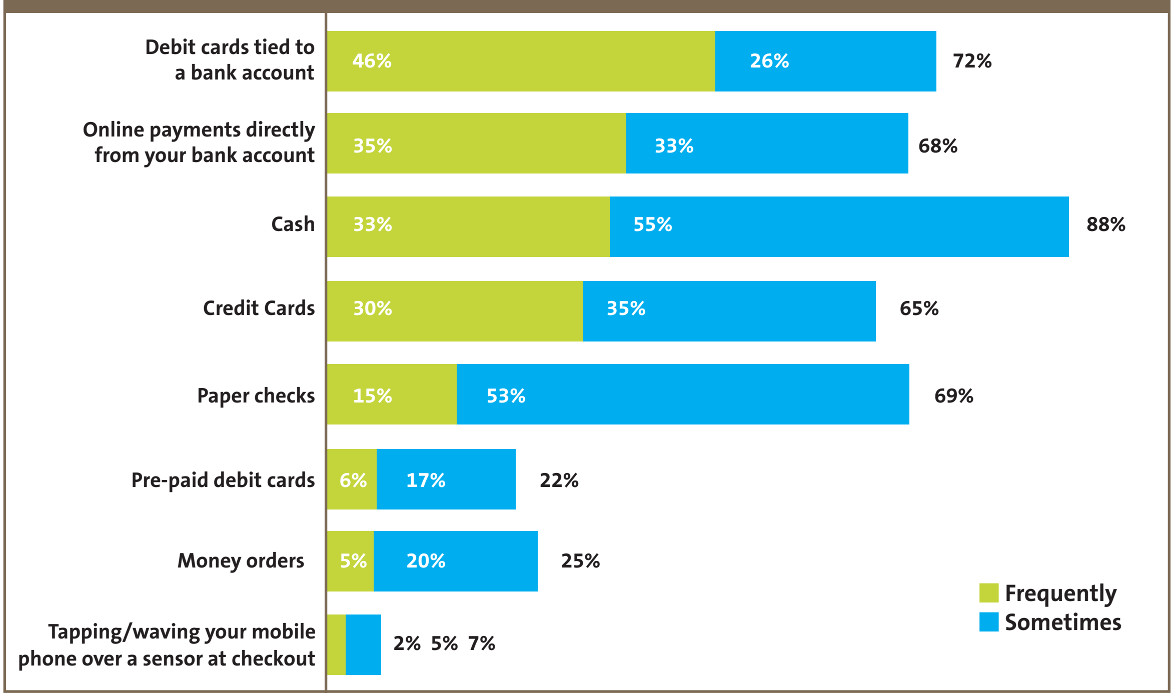
Among respondents who recieve income as checks	Total	Age			Income			Ethnicity				
		18-34	35-54	55+	<$25K	$25-75K	$75K+	White	Afr.-Amer.	Hisp.	Asian	Other
Use check cashing store	16%	31%	14%	4%	25%	16%	11%	11%	29%	30%	20%	20%

Usage of check cashing stores is not limited to unbanked Americans. Among respondents who cash checks at a check cashing store, 15% are unbanked, but the vast majority (84%) are banked.[10]

Methods of Making Payments

While a large majority of respondents make payments using cash at least sometimes (88%), debit cards rank first in terms of **frequent** usage. Almost half of Americans use debit cards frequently (46%), and nearly three quarters use them at least sometimes (72%). Online payments and credit cards also rival cash in terms of frequent usage (35%, 30% and 33%, respectively). Only a minority of respondents use pre-paid debit cards or money orders, and very few have adopted mobile payments.

How often do you use each of the following methods to make payments
(*e.g.*, for shopping, for paying bills or for any other purposes)?



Note: Percentages may not add up due to rounding.

10. Percentages do not add up to 100 because of missing and "don't know" responses.

There are substantial demographic differences in usage of various payment methods. Debit cards and cash are more likely to be used by younger than older respondents. Online payments, credit cards and paper checks are more likely to be used by older respondents. Cash is more likely to be used by lower income respondents, while online payments are more likely to be used by higher income respondents. Credit card usage, in particular, shows a marked income trend where only 14% of those with less than $25K income frequently use credit cards, compared to nearly half (49%) of those with incomes of $75K and above. In contrast, debit card usage does not exhibit the same income trend.

		Age			Income		
Percent frequently use	**Total**	**18-34**	**35-54**	**55+**	**<$25K**	**$25-75K**	**$75K+**
Debit cards tied to a bank account	46%	49%	49%	39%	41%	51%	43%
Online payments directly from your bank account	35%	27%	35%	42%	21%	35%	47%
Cash	33%	44%	32%	24%	45%	31%	26%
Credit cards	30%	26%	26%	38%	14%	28%	49%
Paper checks	15%	11%	13%	21%	12%	16%	16%
Pre-paid debit cards	6%	10%	6%	2%	9%	5%	4%
Money orders	5%	8%	5%	3%	9%	4%	3%
Tapping/waving your mobile phone over a sensor at checkout	2%	4%	1%	0%	1%	2%	2%

Home Ownership and Mortgages

Many Americans borrow money in order to purchase a home. Nearly three-fifths of respondents surveyed are homeowners (58%), consistent with findings from 2009. Among homeowners, almost two-thirds (65%) have a mortgage or home equity loan. This percentage has decreased considerably from 71% in 2009, reflecting the sharp contraction in mortgage lending in the wake of the housing market collapse.

Home ownership varies greatly among demographic groups. Younger respondents, those with lower incomes, and African-American and Hispanic respondents are less likely to own a home.

		Age			Income			Ethnicity				
	Total	**18-34**	**35-54**	**55+**	**<$25K**	**$25-75K**	**$75K+**	**White**	**Afr.-Amer.**	**Hisp.**	**Asian**	**Other**
Home ownership	58%	35%	60%	77%	28%	59%	83%	64%	42%	44%	56%	46%

Because self-reported home values are often inaccurate, making it difficult to calculate the exact amount of equity respondents have in their homes, the 2012 survey used a simple measure of home equity that asked participants "Do you currently owe more on your home than you think you could sell it for today?" Responding to this question, 14% of homeowners report being "underwater" (*i.e.*, owe more on their home than they could sell it for).

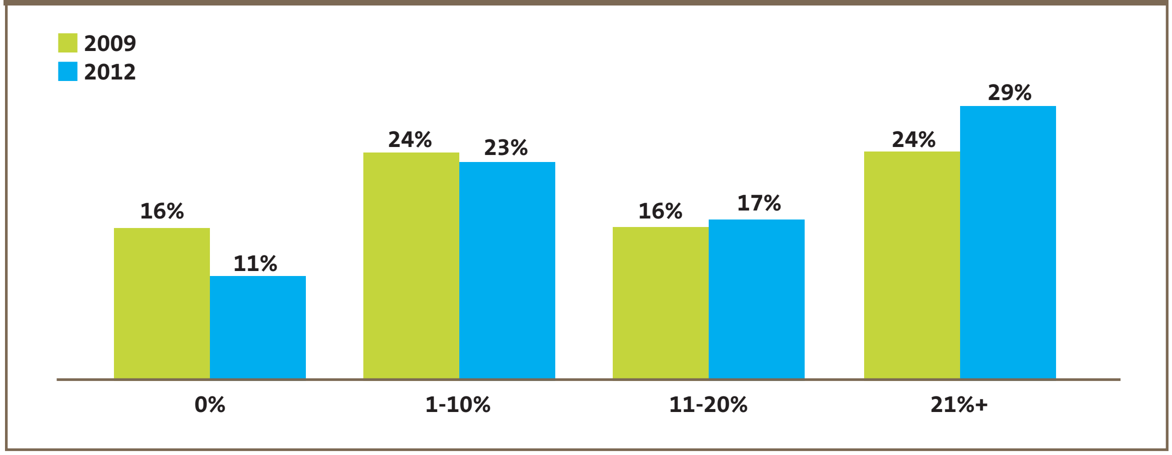
Being underwater shows a strong correlation with the age of the homeowner. One quarter of homeowners aged 18-34 are underwater, compared to only 8% of those 55 and older. Interestingly, income differences are much less pronounced, suggesting that the bursting of the housing bubble affected all tiers of the market. By ethnic group, Hispanic and African-American homeowners are the most likely to be underwater.

		Age			Income			Ethnicity				
	Total	18-34	35-54	55+	<$25K	$25-75K	$75K+	White	Afr.-Amer.	Hisp.	Asian	Other
Homeowners "underwater"	14%	25%	18%	8%	12%	16%	14%	12%	20%	24%	18%	12%

The findings provide clear evidence that the high housing prices and lower downpayment requirements of the mid 2000s contributed to the problem of underwater homeownership. Respondents whose homes are underwater are more likely to have purchased between 2003 and 2009 than those whose homes are not underwater (49% vs. 26%, respectively). They are also more likely to have made downpayments of 10% or less (44% of underwater respondents vs. 29% of non-underwater respondents).

Relative to 2009, the number of zero percent downpayments has decreased by 5%, while the number of respondents who put down more than 20% has increased by 5%.

Approximately what percentage of the purchase price was your downpayment?
(among homeowners who have purchased within the past 5 years)



The percentage of respondents who report having been involved in a foreclosure process on their home in the past two years has increased slightly from 3.0% in 2009 to 3.7% in 2012.

Nearly three out of five credit card holders (59%) engage in at least one behavior that results in either interest or fees and over a third (35%) engage in two or more such behaviors.

Credit Cards

A common way in which many Americans borrow is through the use of credit cards. A large majority of Americans (71%) have at least one credit card, and over a quarter (26%) report having four or more cards.

The percentage of respondents saying they always paid their credit cards in full has increased from 41% in 2009 to 49% in 2012. However, nearly three out of five credit card holders (59%) engage in at least one behavior that results in either interest or fees, and over a third (35%) engage in two or more such behaviors.

In the past year…	2009	2012
I always paid my credit cards in full	41%	49%
In some months, I carried over a balance and was charged interest	56%	49%
In some months, I paid the minimum payment only	40%	34%
In some months, I was charged a late fee for late payment	26%	16%
In some months, I was charged an over the limit fee for exceeding my credit line	15%	8%
In some months, I used the cards for a cash advance	13%	11%

Considering the subset of behaviors that are likely to generate sizeable interest or fees (paying the minimum payment, paying late fees, paying over the limit fees, or using the card for cash advances), we find that 41% of credit card holders engage in at least one of these expensive practices. Younger respondents, those with lower incomes and African-American respondents are particularly likely to utilize costly credit card borrowing methods.

Engage in expensive credit card behaviors		
	Total	41%
Age	18-34	52%
	35-54	46%
	55+	28%
Income	<$25K	53%
	$25-75K	45%
	$75K+	30%
Ethnicity	White	36%
	African-American	60%
	Hispanic	53%
	Asian	31%
	Other	48%
Education	HS or less	45%
	Some college	43%
	College or more	34%

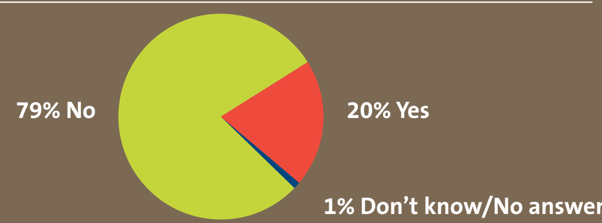
The majority of respondents (61%) report that they did not compare information about different cards from more than one company when obtaining their credit cards. This percentage has not changed substantially from 2009 (62%). Those with high school or less education are more likely than those with college or more to report that they did not shop around for credit cards (65% vs. 57%, respectively).

Student Loans

The Federal Reserve Bank of New York's "Quarterly Report on Household Debt and Credit" shows that while the NFCS was being conducted in the third quarter of 2012, student loan debt totaled $956 billion, up 4.6% from the previous quarter. This was greater than the total for auto loans ($768 billion) or credit cards ($674 billion).

Do you currently have any student loans?

One-fifth of American adults in the 2012 NFCS report that they currently have student loans. Not surprisingly, student loan debt is highly correlated with age.

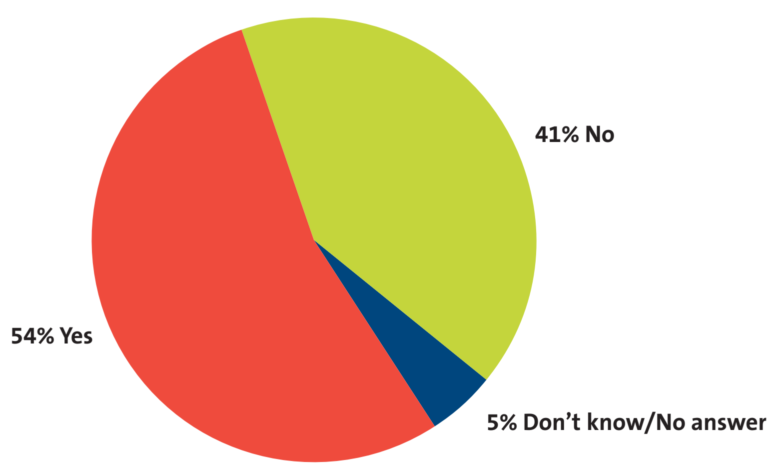


One-fifth of American adults in the 2012 NFCS report that they currently have student loans. Not surprisingly, student loan debt is highly correlated with age. While more than a third of respondents 18-34 have student loans (36%), only 6% of those 55 and older do.

		Age		
	Total	18-34	35-54	55+
Have student loans	20%	36%	19%	6%

Among those with student loans, over half (54%) are concerned that they will not be able to pay off their loans.

Are you concerned that you might not be able to pay off your student loans?
(among respondents with student loans)



Nearly a third of Americans have used at least one non-bank borrowing method within the past five years, and 14% have used two or more.

Non-Bank Borrowing

A sizable share of Americans engage in alternative forms of borrowing, such as taking out an auto title loan or a payday loan, getting an advance on a tax refund, using a pawn shop or using a rent-to-own store. These borrowing methods may be likely to charge higher interest rates than those charged by banks, credit unions or credit card companies. Moreover, as widely reported in financial literacy literature, use of these products often indicates individuals have poor credit histories, lack of access to more traditional sources of credit or both.

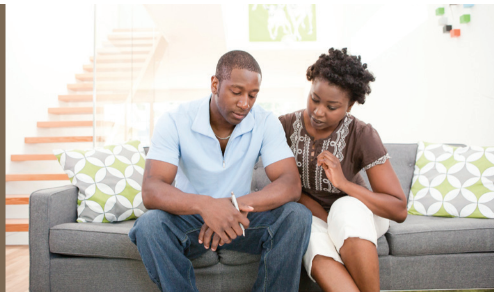
Nearly a third of Americans (30%) have used at least one alternative borrowing method within the past five years, and 14% have used two or more. Among the five types of alternative borrowing measured in the survey, pawn shops are the most commonly used.

Non-bank borrowing methods used at least once in the past five years[11]	Total	Banked	Unbanked
Pawn shop	18%	16%	46%
Short term "payday" loan	12%	12%	17%
Rent-to-own store	10%	9%	22%
Auto title loan	9%	8%	12%
Tax refund advance	8%	7%	15%
Used one or more	30%	28%	58%

Usage of non-bank borrowing methods is highest among 18-34 year olds, those with less than $25K income, African-American and Hispanic respondents, and those with high school or less than high school education.

Used one or more non-bank borrowing method		
	Total	30%
Age	18-34	43%
	35-54	32%
	55+	15%
Income	<$25K	42%
	$25-75K	31%
	$75K+	16%
Ethnicity	White	25%
	African-American	44%
	Hispanic	40%
	Asian	20%
	Other	41%
Education	HS or less	36%
	Some college	29%
	College or more	20%

11. Direct comparisons to 2009 NFCS data are not possible because these questions were asked differently.



Four out of five Americans have at least one of the six types of debt measured in this study, and over a quarter have three or more types of debt. More than two out of five Americans in the NFCS feel that they have too much debt.

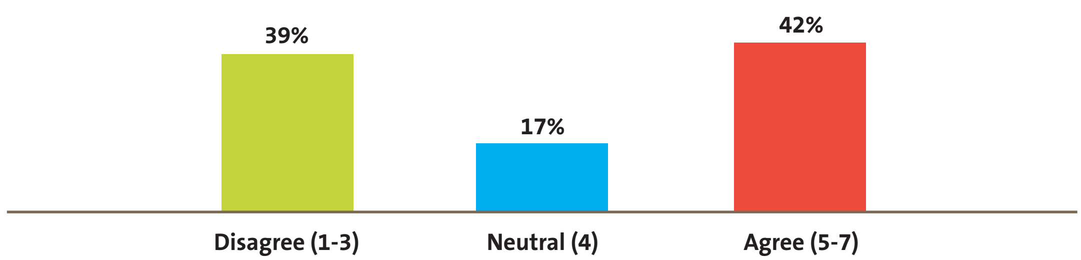
Debt

Looking across the total population of American adults, we see that various types of debt are fairly common, ranging from nearly two-fifths with home debt (*i.e.*, mortgage or home equity loan) to one-fifth with student loans. Four out of five Americans have at least one of the six types of debt measured in this study, and over a quarter (28%) have three or more types of debt.

	Percent of American adults
Have mortgage or home equity loan	37%
Carry credit card balance[12]	35%
Have auto loan	31%
Use non-bank borrowing[13]	30%
Have unpaid medical bills	26%
Have student loan	20%
1 or more types of debt	80%
2 or more types of debt	54%
3 or more types of debt	28%
4 or more types of debt	11%

As of the third quarter of 2012 when the NFCS was being conducted, total household debt in the U.S. had decreased by more than $1 trillion from its peak of $12.675 trillion in the third quarter of 2008.[14] Still, more than two out of five Americans (42%) in the NFCS feel that they have too much debt (5 to 7 on a 7-point scale).

"I have too much debt right now"



12. Within the past 12 months
13. Within the past 5 years
14. Source: Federal Reserve Bank of New York

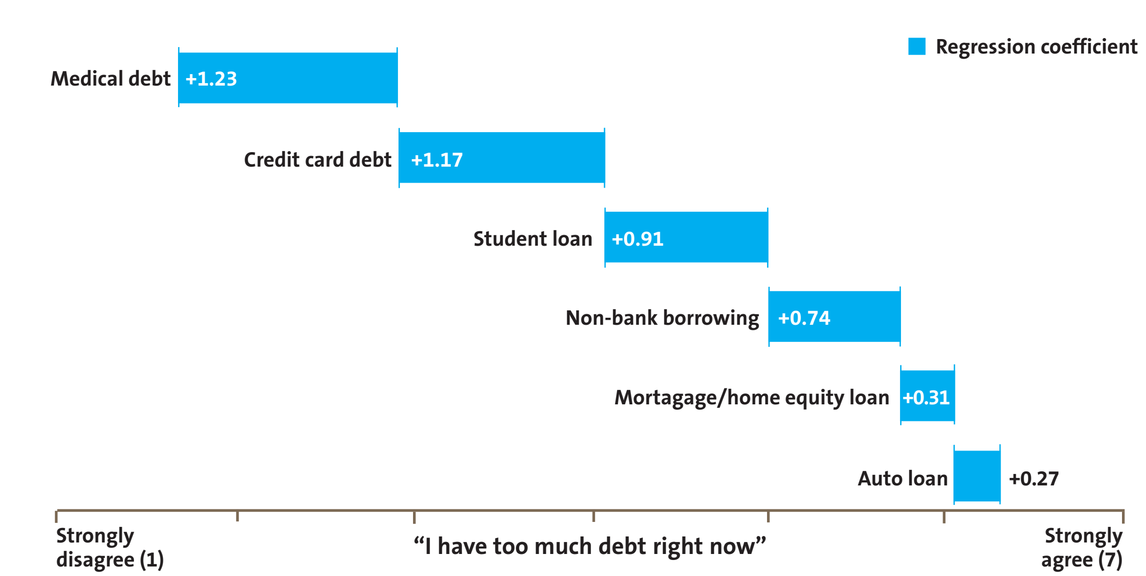
In contrast to other measures of financial stress, self-perception of debt does not vary greatly by education level.

	Total	Education			Income		
		HS or less	Some college	College or more	<$25K	$25-75K	$75K+
"I have too much debt right now" (5 to 7 on 7-point scale)	42%	41%	44%	40%	45%	44%	35%

Respondents who feel they have too much debt are much less likely to be satisfied with their personal finances than those who do not feel they have too much debt (13% vs. 40%, respectively).

A regression analysis was conducted to model self-perception of debt based on the types of debt that respondents have. The analysis reveals that having unpaid medical bills is the strongest predictor of feeling one has "too much debt," followed by carrying a credit card balance and having student loan debt. As the figure below shows, having past-due medical bills boosts a respondent's agreement with the statement "I have too much debt right now" by 1.23 on the 7-point scale. Having an auto loan only boosts agreement by 0.27.[15]

Drivers of "Too Much Debt"



While having a mortgage or home equity loan may represent the largest share of debt in dollars, it is a relatively weak predictor of "too much debt." However, among homeowners, those who have an *underwater* mortgage are much more likely than those who do not to agree that they have too much debt (68% vs. 33%).

Individuals with medical bills that are past due may not have intended to incur debt in the way that a mortgage holder or student loan borrower does. Unpaid medical bills may have been a consequence of difficulties making ends meet. The same could be said for some holders of credit card debt. However, as the model results above show, the impact of past due medical bills on self-perceptions of having too much debt is very powerful.

15. All six regression coefficients in the model are statistically significant.

The percentage of respondents who have declared bankruptcy in the past two years has increased slightly from 2.5% in 2009 to 3.5% in 2012. Younger respondents are more likely to have declared bankruptcy.

		Age		
	Total	18-34	35-54	55+
Have declared bankruptcy in the last two years	3.5%	4.8%	3.5%	2.5%

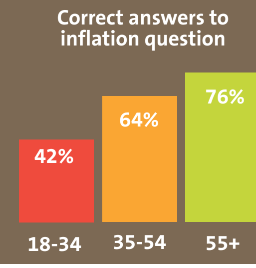
Credit Reports

Forty-two percent of respondents have checked their credit report in the past 12 months. While checking one's credit report is generally accepted as good practice, analysis of the survey data reveals that it is not necessarily an indicator of positive financial capability, and in some cases, may signify the opposite. Respondents who have checked their credit reports are somewhat more likely to show signs of difficulty in financial management than those who have not. As the table below shows, they are more likely to overdraw their checking accounts, engage in expensive credit card activities and use non-bank borrowing methods. In addition, those who have checked their credit reports are more likely than those who have not to feel that they have too much debt.

Percent who...	Among respondents who have checked credit report	Among respondents who have not checked credit report
Overdraw checking account	24%	20%
Engage in expensive credit card behaviors	44%	38%
Have used non-bank borrowing	33%	28%
Feel they have too much debt	45%	40%

Financial literacy among the young

Young individuals display much lower financial literacy than older individuals. For example, a question on inflation instructed respondents to assume the annual interest on a savings account was 1% and that inflation was 2% per year. Respondents were then asked whether, after one year, they would be able to buy more than today, exactly the same or less. Fewer than half of respondents 34 and younger were able to answer this question correctly, compared to nearly two-thirds of those 35-54, and over three quarters of those 55+.



4. Financial Knowledge and Decision-Making

To make sound financial decisions, individuals need to be equipped not only with at least a rudimentary level of financial knowledge, but also with the skills to apply what they know to actual financial decision-making situations. As the survey data demonstrate, all too often, a gap exists between self-reported knowledge and real-world behavior.

Financial Literacy

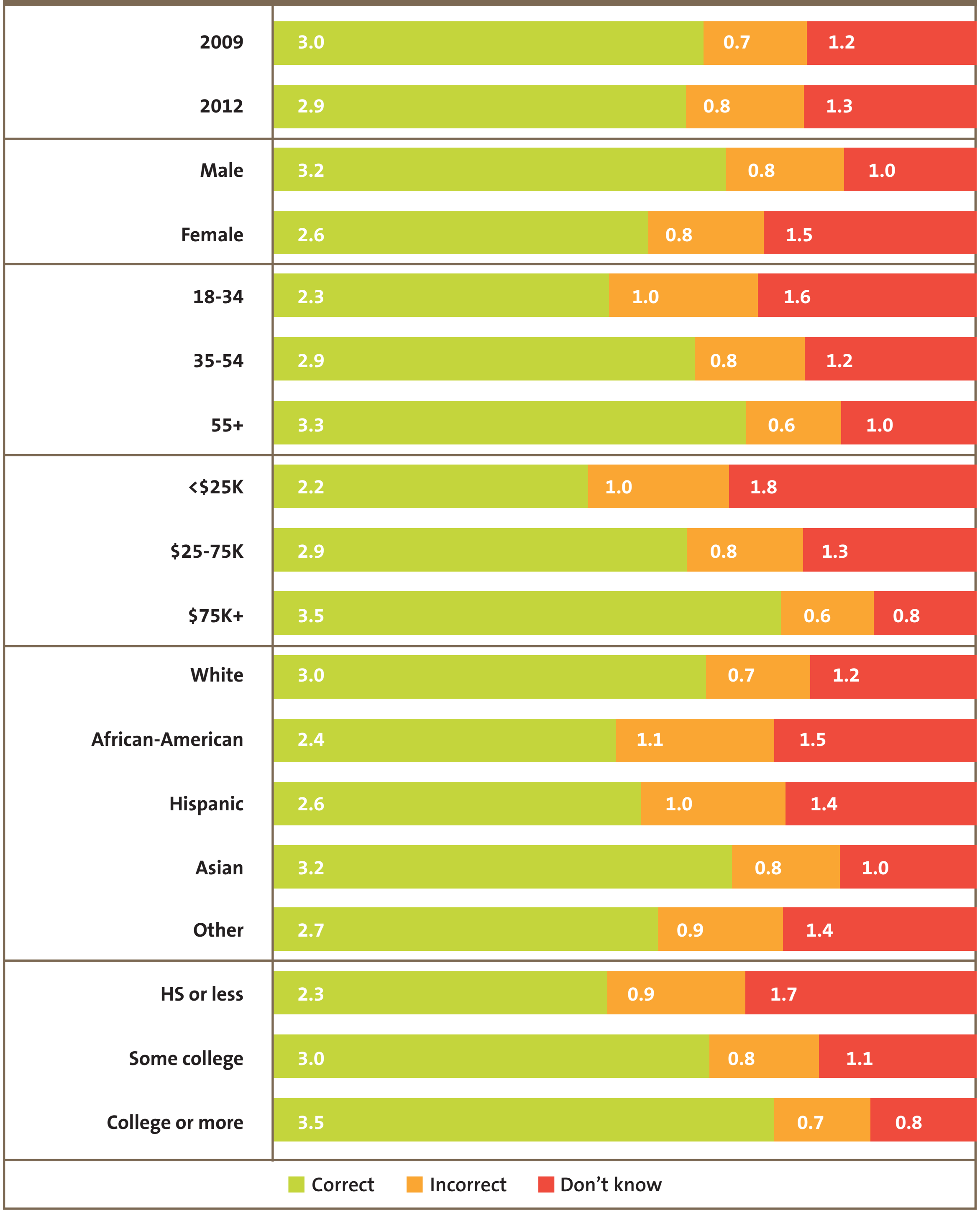
To evaluate financial knowledge, respondents were exposed to a battery of questions covering fundamental concepts of economics and finance expressed in everyday life, such as calculations involving interest rates and inflation, principles relating to risk and diversification, the relationship between bond prices and interest rates, and the impact that a shorter term can have on total interest payments over the life of a mortgage. As illustrated in the table below, the survey reveals relatively low levels of financial literacy among Americans.

	Correct	Incorrect	Don't know
Interest rate question	75%	13%	11%
Inflation question	61%	17%	20%
Bond price question	28%	33%	37%
Mortgage question	75%	9%	15%
Risk question	48%	9%	42%

While the correct response to some individual questions reaches 75%, only 14% of respondents are able to answer all five questions correctly, and 39% are able to answer at least four questions correctly.

There are considerable demographic differences in financial literacy levels. Males, older respondents, White and Asian respondents, and those with college or higher education levels are more likely to answer the quiz questions correctly.

Performance on financial literacy quiz questions # out of five questions



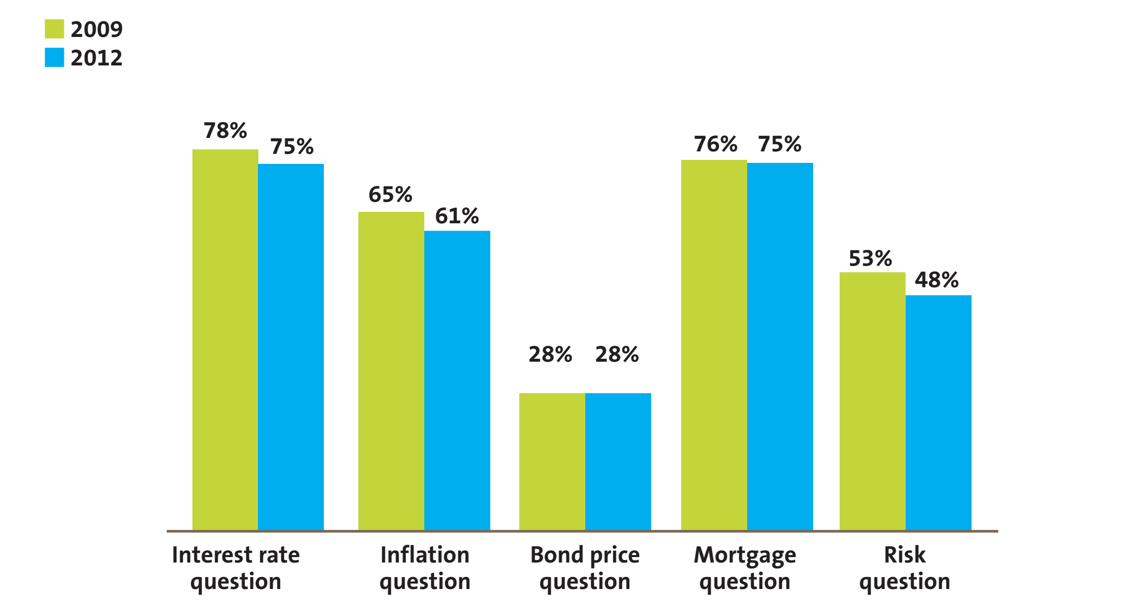
Financial literacy is found to be strongly correlated with behavior that is indicative of financial capability. Specifically, those with higher literacy are more likely to plan for retirement and to have an emergency fund, and less likely to engage in expensive credit card behaviors.

Self-Perceptions of Financial Knowledge

Despite relatively low levels of financial literacy as measured by the quiz questions, Americans tend to have positively biased self-perceptions of their financial knowledge. When asked to assess their own financial knowledge, nearly three-quarters of respondents (73%) gave themselves high marks (5 to 7 on a 7-point scale where 1="very low" and 7="very high"). Self-perceptions of financial knowledge have become more positive relative to the 67% in 2009 who rated themselves highly.

In contrast, respondents' performance on the financial literacy quiz questions has declined over the same period for four out of the five questions, and the average number of correct answers has decreased from 3.0 to 2.9.

Correct answers to financial literacy quiz questions

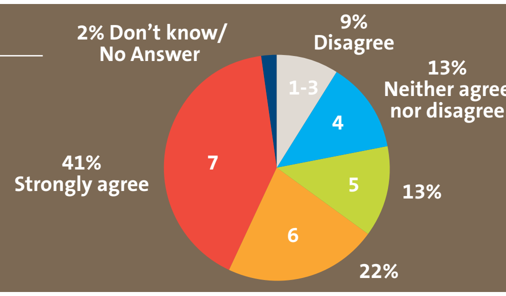


Because many financial decisions require some knowledge of math, respondents were also asked to evaluate their math skills. Over three quarters of respondents (76%) gave themselves positive scores (5 to 7 on a 7-point scale), and 40% gave themselves the highest rating of "7." But even among respondents who gave themselves the highest rating, less than two-thirds (64%) are able to do two simple calculations involving interest rates and inflation.

Self-perceptions versus financial behavior

"I am good at dealing with day-to-day financial matters, such as checking accounts, credit and debit cards and tracking expenses"

Even among the 41% of respondents who gave themselves the highest score, nearly one-third (31%) engage in costly credit card behaviors.



Self-Perceptions vs. Financial Behavior

The survey data also show a disconnect between self-perceptions and actions in day-to-day financial matters. When asked how good they are at dealing with day-to-day financial matters (such as managing checking accounts and credit cards), a large majority of Americans rated themselves positively (76%). However, even among the 41% of respondents who gave themselves the highest score (7 on a 7-point scale), nearly one-third (31%) engage in costly credit card behaviors (paying the minimum payment, paying late fees, paying over the limit fees, or using the card for cash advances), 22% use non-bank borrowing methods and 14% overdraw their checking account.

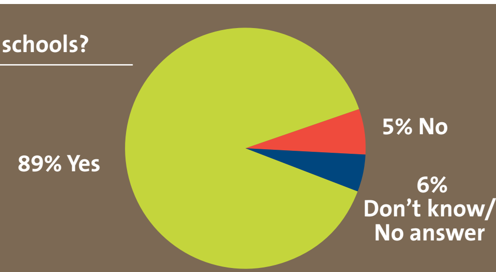
Financial Education

The 2012 study included new questions that asked whether respondents had been exposed to financial education. More than one-quarter of respondents (29%) report having been offered financial education at a school, college or workplace, and 19% say they participated.

Was financial education offered by a school or college you attended, or a workplace where you were employed?	Total
Yes, but I did not participate in the financial education offered	10%
Yes, and I did participate in the financial education	19%
No	60%
Don't know/No answer	11%

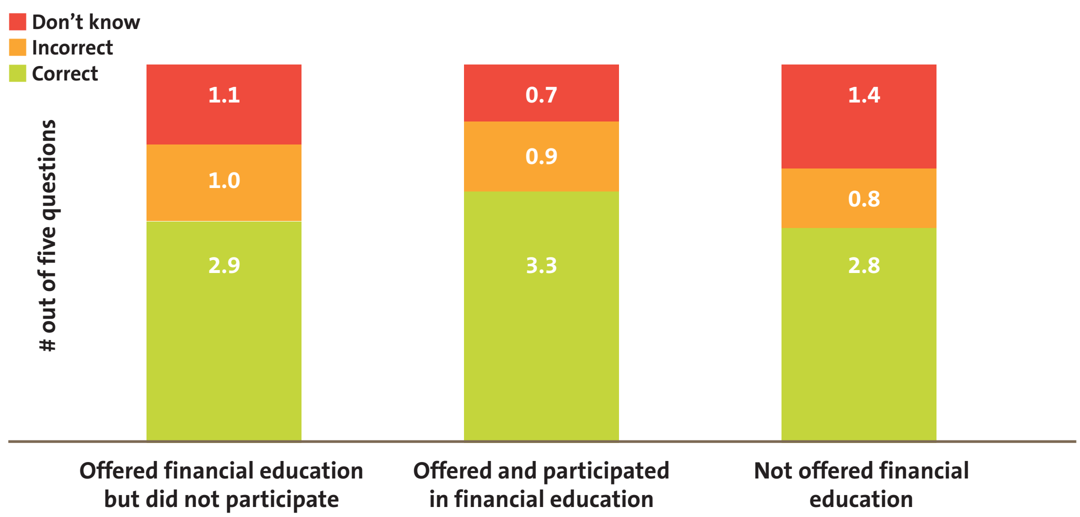
Do you think financial education should be taught in schools?

When asked whether they thought financial education should be taught in schools, an overwhelming majority of respondents said yes.



On the surface, exposure to financial education appears to be associated with performance on the financial literacy quiz questions. Respondents who stated that they participated in financial education score higher than those who were offered but did not participate, who in turn score higher than those who were not offered financial education. It is important to note that these findings do not imply a causal relationship between financial education and financial literacy, and may be entirely attributable to differences in education, employment and other demographic factors. This represents a potentially interesting area for further exploration and analysis of the data.

Performance on financial literacy quiz questions



When asked whether they thought financial education should be taught in schools, an overwhelming majority of respondents said yes.

▶ **A more financially capable population can result in a larger and more efficient market for financial products, greater participation in asset building and greater financial stability.**

Conclusion

A few years have elapsed since the financial crisis of 2008, the bursting of the housing bubble and the Great Recession. There are some signs of recovery in this study's measures of financial capability, but there is also clear evidence of the medium-term effects of economic shock. More U.S. adults in 2012 are able to pay their bills without difficulty than in 2009 and more have put aside short-term emergency funds. But fewer have investments in retirement accounts and more have recently experienced foreclosure or bankruptcy.

Looking ahead, it is concerning that basic financial literacy levels remain so low, because individuals and families must make many decisions—some more complex than others—that will affect their financial well-being in both the short-term and long run. The "balance sheet" challenge of managing the burdens of household debt while also preparing for the financial needs of one's retirement years can be stressful even for those who are highly financially capable. This challenge may be especially difficult for the younger generation of American adults, whom this study shows to be at a pronounced disadvantage on nearly all measures of financial capability. Ensuring that citizens have access, from an early age, to adequate informational resources, affordable financial services options and appropriate consumer protections should be a high priority for policymakers and for society as a whole.

A more financially capable population can result in a larger and more efficient market for financial products, greater participation in asset building and greater financial stability. It is therefore in everyone's interest that action be taken to improve the financial capability of all Americans.

Background and Methodology

In consultation with the U.S. Department of the Treasury and the President's Advisory Council on Financial Literacy, the FINRA Investor Education Foundation commissioned the first national study of the financial capability of American adults in 2009. The overarching research objectives of the National Financial Capability Study were to benchmark key indicators of financial capability and evaluate how these indicators vary with underlying demographic, behavioral, attitudinal and financial literacy characteristics.

The 2009 National Financial Capability Study consisted of three linked surveys:

- **National Survey:** A nationally projectable telephone survey of 1,488 American adults
- **State-by-State Survey:** A state-by-state online survey of 28,146 American adults (roughly 500 per state, plus the District of Columbia)
- **Military Survey:** An online survey of 800 military servicemembers and spouses

In 2012, a second wave of the NFCS was conducted in order to assess changes in key measures from the 2009 Study and to include additional topics that are highly relevant today. The 2012 NFCS replicates two of the three components of the original baseline study:

- **State-By-State Survey:** A state-by-state online survey of 25,509 American adults (roughly 500 per state, plus the District of Columbia)
- **Military Survey:** An online survey of 1,000 military servicemembers

The survey instruments were designed by a multi-disciplinary team of researchers, policy makers and practitioners in the financial capability field. The Studies were funded by the FINRA Investor Education Foundation and conducted by Applied Research and Consulting.

This report outlines the findings of the 2012 State-by-State Survey administered to respondents between July and October 2012, with comparisons to the 2009 State-by-State Survey fielded from June to October 2009. Data from each survey are weighted to be representative of the national population as a whole in terms of age, gender, ethnicity and education, based on the Census Bureau's American Community Survey. However, breakdowns of sub-populations may not necessarily be representative.

More information about the National Financial Capability Study, including a detailed methodology document, can be found at *www.USFinancialCapability.org*.

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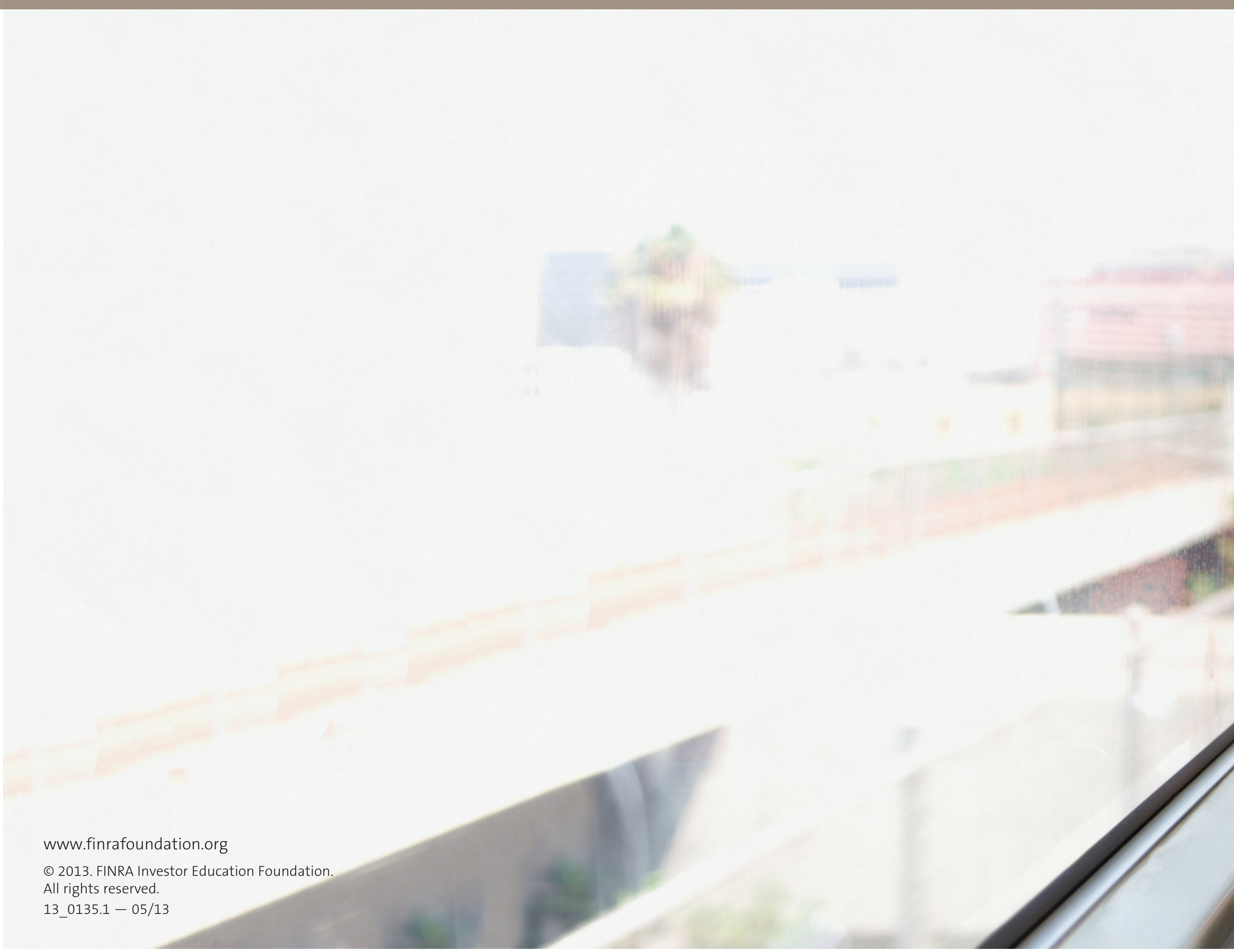

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