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**FINANCIAL CAPABILITY  
AMONG MILITARY PERSONNEL**

**INITIAL REPORT OF RESEARCH FINDINGS  
FROM THE  
2009 MILITARY SURVEY**

**A COMPONENT OF THE  
NATIONAL FINANCIAL CAPABILITY STUDY**

*Prepared for the*

**FINRA INVESTOR EDUCATION FOUNDATION**

*By*

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## INTRODUCTION

In consultation with the U.S. Department of Treasury and the President's Advisory Council on Financial Literacy, the FINRA Investor Education Foundation commissioned a national study of the financial capability of American adults. The purpose of this National Financial Capability Study was to establish a baseline measure of the ability of Americans to manage their money.

The **National Financial Capability Study** consists of three linked surveys:

- National Survey: A national, random-digit-dialed telephone survey of 1,488 respondents with over-sampling to enable segmentation by selected demographic variables (e.g., ethnicity and education level)
- State-by-State Survey: A state-by-state online survey of approximately 25,000 respondents (roughly 500 per state, plus DC)
- Military Survey: An online survey of 800 military personnel and spouses

The Study was led by a multi-disciplinary team including Professor Annamaria Lusardi of Dartmouth College, Applied Research & Consulting LLC (ARC), the FINRA Investor Education Foundation and the Office of Financial Education of the U.S. Treasury Department. Additional input was provided by Craig Copeland of the Employee Benefit Research Institute (EBRI), the American Institute of Certified Public Accountants (AICPA) and Professor Robert Willis of the University of Michigan, among others.

The report that follows presents the initial findings from the **Military Survey**. Findings from the National Survey have been reported separately, and findings from the State-by-State Survey will be reported in 2010. Additionally, the datasets from these surveys will be made publicly available to facilitate independent analyses.

## RESEARCH OBJECTIVES

The overarching research objectives were to:

1. Benchmark key measures of financial capability
2. Evaluate how those key measures vary with underlying demographic, behavioral, and attitudinal characteristics.
3. Provide data and estimates to inform public policy toward financial capability

(Note that while the survey was conducted in mid-2009, its purpose was not to measure reactions to the financial crisis.)

The survey questionnaire was designed to encompass a wide variety of subjects and question categories. Some questions and scales were adapted from earlier surveys, while other questions were designed originally for this study. Following is an overview of the main content areas of the questionnaire.

- Key measures of financial capability:
  - “Banked” status (i.e., having a checking and/or savings account) and asset ownership
  - Access to and participation in pension and/or retirement savings plans
  - Debt burden, with particular focus on mortgage and credit card debt
- Financial literacy measures:
  - Ability to do financial calculations (e.g., compound interest)
  - Understanding of financial concepts (e.g., relationship between interest rates and bond prices)
- Financial behaviors:
  - Credit card payment habits
  - Mortgage financing choices
  - Saving and financial planning behaviors
  - Usage of expensive non-bank borrowing mechanisms
  - Access to professional financial advice

- Financial attitudes:
  - Personal engagement with financial matters (e.g., attention to rates and fees, keeping up with financial news)
  - Self-perceptions (e.g., satisfaction with financial condition, perception of one's own skills and financial knowledge)
  - Preferences (e.g., appetite for risk)
- Standard demographic characteristics:
  - Age and gender
  - Race and ethnicity
  - Education
  - Household income
  - Geography
  - Marital status
  - Employment status

## 2009 MILITARY SURVEY

This document is an initial report on the findings from the **2009 Military Survey**, one of three surveys that collectively constitute the National Financial Capability Study. In addition to a description of the survey methodology, this report provides totals and demographic breakdowns of responses to nearly all of the closed-ended questions in the survey. The demographic breaks in this report are as follows:

- Gender
- Age (18-29, 30-39, 40+)
- Service (Army, Navy, Air Force)
- Rank (enlisted personnel/junior non-commissioned officers, senior non-commissioned officers, officers/warrant officers)

For demographic breaks where cell sizes fall below 100 respondents, data are not reported due to insufficient sample (indicated throughout the report by "--").

Please note that all of the data collected in this survey are self-reported by the respondents themselves and are not independently checked or corroborated by other sources (e.g., account statements, follow-up interviews with third parties).

### *Comparisons with Civilian Populations*

The findings from the Military Survey cannot be directly compared to the civilian population from the National Survey because of probable mode effects due to online vs. telephone survey administration.

When available, data from the State-by-State survey, which was also conducted online, will facilitate comparisons between military and civilian populations.

## METHODOLOGY – 2009 MILITARY SURVEY

### SURVEY INSTRUMENT

The telephone survey instrument designed for the National Survey was adapted to be used online (minor logistical adjustments were made to accommodate the online methodology). In addition, several military-specific questions were added, and military-specific wording was added to a few existing questions (on employment and retirement accounts).

For additional details on the questionnaire design, please refer to the National Survey report.

### SAMPLE

The sample consisted of 700 military personnel and 100 spouses of military personnel from a pre-recruited online research panel.

- Respondents for the military survey were drawn from established online panels consisting of millions of individuals who have been recruited to join, and who are offered incentives in exchange for participating in online surveys. Specifically, the panels used for this survey were provided by e-rewards and EMI. These panels are not limited to military personnel, but instead represent highly diverse samples of the general public, making it possible to reach specific sub-populations through screening. These panels use industry-standard techniques to verify the identities of their panel members and to ensure that their demographic characteristics are valid and up-to-date.
- Because respondents have essentially self-selected to be in the panel, the sample for this survey is not necessarily representative of the U.S. military population as a whole.
- Note: As with the National Survey, we did not specifically target heads of households or primary financial decision-makers.

### FIELDING

The survey was self-administered by respondents on a website. Fielding was conducted from June – July 2009.

## RESPONDENT DEMOGRAPHICS

Below are detailed sample demographics for the Military Survey. Note that:

- The demographic distributions of the respondents in this survey do not match the demographics of the entire population of active military personnel. Specifically, the survey sample has relatively low representation of the youngest military personnel (18 to 24), the lowest enlisted pay grades (E1 to E4) and the least educated (those with only a high school education or less).
- The findings presented throughout this report are unweighted.

Pay grade	%	n
E1 - E4	10%	78
E5 - E6	37%	297
E7 - E9	20%	158
W1 - W5	3%	23
O1 - O3	14%	112
O4 - O6	16%	128
O7 - O10	1%	4
Total	100%	800

Rank (coded from pay grade)	%	n
Enlisted personnel and junior non-commissioned officers (E1 – E6)	47%	375
Senior non-commissioned officers (E7- E9)	20%	158
Officers and warrant officers (W1 – O10)	33%	267
Total	100%	800

Location	%	n
U.S.	90%	716
Europe	3%	27
Asia and Pacific	3%	20
Middle East (including Iraq and Afghanistan)	3%	27
Some other place	0%	3
Don't know	0%	0
Prefer not to say	1%	7
Total	100%	800



<b>Residence</b>	<b>%</b>	<b>n</b>
On-base	20%	160
Off-base	80%	640
Prefer not to say	0%	0
<b>Total</b>	<b>100%</b>	<b>800</b>

<b>Service</b>	<b>%</b>	<b>n</b>
Army	42%	339
Navy	20%	158
Air Force	27%	218
Marine Corps	6%	48
Coast Guard	4%	31
Public Health Service	1%	4
National Oceanic and Atmospheric Administration (NOAA)	0%	2
<b>Total</b>	<b>100%</b>	<b>800</b>

<b>Service component</b>	<b>%</b>	<b>n</b>
Army	26%	205
Army National Guard (activated or non-activated)	11%	88
Army Reserve (activated or non-activated)	6%	45
Navy	17%	137
Navy Reserve (activated or non-activated)	3%	21
Air Force	19%	148
Air National Guard (activated or non-activated)	5%	42
Air Force Reserve (activated or non-activated)	4%	28
Marine Corps	5%	39
Marine Corps Reserve (activated or non-activated)	1%	9
Coast Guard	3%	27
Coast Guard Reserve (activated or non-activated)	1%	4
Public Health Service	1%	4
National Oceanic and Atmospheric Administration (NOAA)	0%	2
Don't know	0%	0
Prefer not to say	0%	1
<b>Total</b>	<b>100%</b>	<b>800</b>

<b>Gender</b>	<b>%</b>	<b>n</b>
Male	67%	536
Female	33%	264
<b>Total</b>	<b>100%</b>	<b>800</b>

Age	%	n
18-24	7%	54
25-29	24%	188
30-34	22%	174
35-39	21%	169
40-44	15%	118
45-49	8%	60
50-54	2%	19
55-59	2%	12
60-64	0%	3
65 or older	0%	3
Total	100%	800

Ethnicity	%	n
White (Non-Hispanic)	78%	624
Black (Non-Hispanic)	6%	48
Hispanic (any race)	7%	56
Asian (Non-Hispanic)	3%	27
Other (Non-Hispanic; Nat. Am., 2+ races)	6%	45
Total	100%	800

Education	%	n
Did not complete high school	0%	3
High school graduate	7%	58
Some college	38%	301
College graduate	32%	256
Post graduate education	23%	182
Total	100%	800

Marital status	%	n
Married	78%	623
Single	15%	119
Separated	1%	9
Divorced	6%	44
Widowed/widower	1%	5
Total	100%	800

<b>Household income</b>	<b>%</b>	<b>n</b>
Less than \$15,000	1%	10
At least \$15,000 but less than \$25,000	4%	29
At least \$25,000 but less than \$35,000	9%	73
At least \$35,000 but less than \$50,000	18%	140
At least \$50,000 but less than \$75,000	27%	218
At least \$75,000 but less than \$100,000	23%	182
At least \$100,000 but less than \$150,000	15%	118
\$150,000 or more	4%	30
Total	100%	800

<b>Employment</b>	<b>%</b>	<b>n</b>
Self employed	2%	13
Work full-time for an employer or the military	82%	658
Work part-time for an employer or the military	4%	34
Homemaker	7%	52
Full-time student	2%	16
Permanently sick, disabled, or unable to work	0%	3
Unemployed or temporarily laid off	2%	15
Retired	1%	9
Total	100%	800

<b>Do you (or your spouse/partner) currently draw military retired pay?</b>	<b>%</b>	<b>n</b>
Yes	6%	46
No	94%	752
Don't know	0%	2
Prefer not to say	0%	0
Total	100%	800

<b>Number of financially dependent children</b>	<b>%</b>	<b>n</b>
1	21%	166
2	28%	221
3	12%	94
4 or more	6%	47
No financially dependent children	7%	59
Do not have any children	27%	213
Total	100%	800

## INITIAL FINDINGS – 2009 MILITARY SURVEY

### SATISFACTION AND FINANCIAL MANAGEMENT

The survey included several questions designed to gauge respondents' overall views of their financial condition, and some detailed information about their spending, saving, and planning habits and practices.

Overall satisfaction with personal financial condition was measured on a ten-point scale. The mean response was 5.81, close to the mid-point of the scale. The greatest variations in satisfaction occurred across rank and age (which are correlated).

*Overall, thinking of your assets, debts and savings, how satisfied are you with your current personal financial condition? (1 = Not at all satisfied, 10 = Extremely satisfied)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Mean	5.81	5.80	5.84	5.62	5.79	6.07	5.75	6.06	5.85	5.28	5.59	6.70

Only one in seven respondents (14%) reported that their spending in the past year exceeded their income. Slightly more than a third (36%) indicated that it was at least somewhat difficult for them to cover their expenses and pay their bills in a typical month. Both of these measures also exhibited trends across rank and age.

*Over the past year, would you say your (household's) spending was less than, more than, or about equal to your (household's) income?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Spending less than income	54%	54%	53%	50%	52%	61%	52%	63%	53%	47%	47%	68%
Spending more than income	14%	13%	17%	19%	15%	9%	16%	12%	14%	17%	15%	10%
Spending about equal to income	31%	32%	28%	32%	32%	28%	32%	24%	32%	35%	36%	22%
Don't know	1%	0%	2%	0%	1%	1%	1%	1%	1%	1%	1%	0%
Prefer not to say	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%

*In a typical month, how difficult is it for you to cover your expenses and pay all your bills?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Very difficult	5%	3%	7%	4%	6%	3%	5%	5%	3%	7%	4%	1%
Somewhat difficult	31%	30%	32%	35%	30%	28%	31%	26%	32%	37%	32%	23%
Not at all difficult	64%	66%	59%	60%	63%	69%	63%	69%	65%	55%	63%	76%
Don't know	0%	0%	1%	0%	1%	0%	1%	0%	0%	1%	0%	0%
Prefer not to say	0%	0%	1%	1%	0%	0%	1%	0%	0%	1%	1%	0%

At the time the survey was fielded, less than one fifth (19%) of all respondents reported that their household had experienced a large, unexpected drop in income over the past 12 months.

*In the past 12 months, have you (has your household) experienced a large drop in income which you did not expect?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	19%	18%	22%	22%	20%	15%	19%	20%	18%	22%	16%	16%
No	80%	82%	77%	77%	79%	85%	81%	80%	81%	77%	83%	84%
Don't know	0%	0%	1%	0%	1%	0%	1%	0%	0%	1%	0%	0%
Prefer not to say	0%	0%	1%	0%	1%	0%	0%	0%	1%	0%	1%	0%

Half of all respondents said they had set aside 3 months of “rainy day funds.” A little more than half (52%) of respondents with financially dependent children said they were setting aside money for college. Officers in particular were most likely to be setting aside emergency funds or saving for children’s college.

*Have you set aside emergency or rainy day funds that would cover your expenses for 3 months, in case of sickness, job loss, economic downturn, or other emergencies?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	50%	49%	52%	48%	50%	53%	48%	56%	49%	39%	46%	67%
No	49%	49%	47%	51%	49%	45%	50%	42%	50%	59%	53%	31%
Don't know	1%	1%	1%	1%	1%	1%	2%	1%	1%	2%	1%	1%
Prefer not to say	0%	0%	0%	0%	0%	1%	0%	1%	0%	0%	0%	1%

*Are you setting aside any money for your children's college education? (n = 528 respondents with financially dependent children)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	52%	53%	50%	41%	54%	57%	50%	--	47%	40%	48%	73%
No	47%	47%	48%	58%	44%	43%	50%	--	53%	59%	52%	27%
Don't know	0%	0%	1%	0%	1%	0%	0%	--	0%	0%	1%	0%
Prefer not to say	0%	0%	1%	1%	0%	0%	0%	--	0%	1%	0%	0%

Fifty-four percent of respondents said that they had tried to figure out how much they needed to save for retirement. This percentage varied somewhat by age and rank.

*Have you ever tried to figure out how much you need to save for retirement? (n = 791 non-retired respondents)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	54%	56%	51%	48%	51%	67%	54%	53%	55%	46%	55%	66%
No	43%	42%	46%	50%	45%	31%	43%	45%	42%	51%	42%	32%
Don't know	2%	2%	3%	2%	3%	1%	2%	1%	3%	2%	3%	1%
Prefer not to say	1%	1%	0%	0%	0%	1%	1%	1%	0%	1%	0%	1%

A substantial majority of military respondents indicated they had obtained a copy of their credit report and had checked their credit score over the past 12 months (72% and 67% respectively).

*In the past 12 months, have you obtained a copy of your credit report?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	72%	74%	67%	69%	69%	77%	74%	71%	67%	71%	77%	69%
No	28%	26%	31%	30%	29%	22%	25%	28%	31%	29%	21%	30%
Don't know	1%	0%	2%	1%	1%	0%	0%	1%	1%	1%	1%	1%
Prefer not to say	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%

*In the past 12 months, have you checked your credit score?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	67%	69%	62%	67%	65%	69%	70%	65%	61%	67%	71%	64%
No	33%	31%	37%	33%	34%	30%	29%	35%	38%	33%	28%	36%
Don't know	0%	0%	1%	0%	0%	0%	0%	1%	0%	1%	0%	0%
Prefer not to say	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%

## HOUSING AND MORTGAGES

A central topic of the survey was home ownership and mortgages, since these comprise such an important component of the financial condition of American households.

Overall, 51% of military respondents reported owning their home. This percentage was lower for young adults (31%) and enlisted personnel/junior NCOs (35%).

*Do you (or your spouse/partner) currently own...?*

% Yes	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Your home	51%	48%	55%	31%	51%	72%	52%	44%	56%	35%	63%	64%
Other real estate, for example, a second home or investment property	18%	19%	17%	9%	19%	27%	16%	19%	17%	10%	18%	29%
Part or all of a business or farm	6%	6%	6%	5%	6%	8%	6%	6%	6%	4%	8%	9%

Among military homeowners, 93% report having a mortgage, and 18% a home equity loan.

*Do you currently have a mortgage on your home? (n = 405 homeowners)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	93%	94%	92%	--	94%	91%	92%	--	98%	92%	93%	94%
No	6%	6%	8%	--	5%	8%	8%	--	2%	8%	6%	6%
Don't know	0%	0%	0%	--	0%	0%	0%	--	0%	0%	0%	0%
Prefer not to say	0%	0%	1%	--	1%	1%	0%	--	0%	0%	1%	1%

*Do you have a home equity loan? (n = 405 homeowners)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	18%	19%	18%	--	14%	25%	17%	--	20%	13%	20%	22%
No	79%	79%	77%	--	83%	73%	79%	--	79%	83%	76%	77%
Don't know	2%	2%	4%	--	2%	1%	4%	--	1%	5%	2%	1%
Prefer not to say	1%	1%	1%	--	1%	1%	0%	--	0%	0%	2%	1%

Only a minority (11%) of mortgage borrowers indicated that their mortgage had an adjustable rate. A slightly higher percentage (15%) stated that their mortgage was interest only or had an interest only option. [Note that 21% of respondents answered “Don’t know” to the question about interest only mortgages, suggesting that there may be some confusion on this issue.]

*Is your mortgage a fixed-rate mortgage or an adjustable-rate mortgage? (n = 377 homeowners with mortgages)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Fixed-rate mortgage	89%	88%	90%	--	84%	92%	91%	--	88%	89%	--	86%
Adjustable rate mortgage	11%	11%	10%	--	16%	6%	9%	--	13%	11%	--	14%
Don't know	0%	0%	0%	--	0%	0%	0%	--	0%	0%	--	0%
Prefer not to say	1%	1%	0%	--	0%	1%	1%	--	0%	0%	--	1%

*Is this an interest-only mortgage or a mortgage with an interest-only option, or neither of these? (n = 377 homeowners with mortgages)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes - Interest only mortgage or interest-only option	15%	15%	15%	--	15%	13%	17%	--	13%	14%	--	16%
No - Neither	62%	65%	57%	--	58%	71%	53%	--	73%	52%	--	68%
Don't know	21%	18%	28%	--	25%	13%	29%	--	13%	33%	--	14%
Prefer not to say	2%	2%	1%	--	2%	2%	2%	--	1%	1%	--	2%

One out of ten mortgage borrowers reported that they had been late with their mortgage payments at least once in the past two years. Only 3% of respondents said they had been involved in a foreclosure in the last two years.

*How many times have you been late with your mortgage payments in the last 2 years? (n = 377 homeowners with mortgages)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Never	90%	91%	88%	--	90%	91%	88%	--	93%	85%	--	91%
Once	4%	4%	4%	--	5%	4%	6%	--	3%	3%	--	5%
More than once	6%	5%	7%	--	5%	4%	6%	--	3%	11%	--	4%
Don't know	0%	0%	0%	--	0%	1%	1%	--	0%	0%	--	1%
Prefer not to say	0%	0%	0%	--	0%	0%	0%	--	0%	0%	--	0%

*Have you been involved in a foreclosure process on your home in the last 2 years?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	3%	3%	3%	2%	3%	3%	3%	2%	3%	3%	1%	4%
No	97%	97%	97%	98%	96%	97%	97%	98%	97%	97%	98%	96%
Don't know	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%



Respondents were asked how recently they had bought their home, and some follow-up questions about the mortgage decision-making process were only asked of those who said they had bought their home within the past five years.

*How long ago did you buy your current home? (n = 405 homeowners)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Within the past 2 years	35%	36%	33%	--	37%	25%	38%	--	34%	42%	25%	35%
3-5 years ago	33%	32%	35%	--	37%	26%	34%	--	38%	34%	34%	33%
6-10 years ago	18%	20%	14%	--	18%	25%	15%	--	15%	15%	19%	20%
More than 10 years ago	13%	10%	17%	--	7%	25%	11%	--	14%	7%	22%	12%
You did not purchase it	1%	1%	1%	--	2%	0%	1%	--	0%	2%	0%	0%
Don't know	0%	0%	0%	--	1%	0%	1%	--	0%	0%	0%	1%
Prefer not to say	0%	0%	0%	--	0%	0%	0%	--	0%	0%	0%	0%

Among respondents with mortgages who purchased their home within the past five years, almost three quarters (74%) said they compared offers from different sources. An even higher percentage (87%) reported that they considered how much their monthly payments would be as a percentage of their income.

<i>(n = 268 respondents with mortgages who have purchased their home within the past 5 years)</i>	Total % Yes
When you were getting your mortgage, did you compare offers from different lenders or mortgage brokers?	74%
When you were getting your mortgage, did you consider how much the monthly payments would be as a percentage of your income?	87%

## RETIREMENT ACCOUNTS

Measuring access to and usage of various kinds of retirement accounts was a critical component of the survey, especially since fewer retirees in the future are expected to have pensions and more will be expected to finance their own retirement. The questions in this section were only asked of those respondents who are not already retired.

Past studies have shown that it is very difficult to obtain accurate information about retirement accounts through surveys that rely solely on self-reported data, due to the fact that many people are not familiar with all of the technical terms and distinctions used in the retirement account category. This Financial Capability study employed a relatively simple sequence of “plain language” questions in an attempt to enable respondents to distinguish among the main types of retirement accounts, without requiring them to provide a high level of detail.

- Respondents were first asked if they had any kind of retirement plans through an employer, “like a pension plan, a Thrift Savings Plan (TSP), or a 401(k).”
- Respondents were then asked if they had any non-employer retirement accounts they had set up themselves, “like an IRA, Keogh, SEP.”

Synthesizing the results from these questions, it can be observed that 80% of non-retired respondents had at least one kind of retirement account.

*Do you (or your spouse/partner) have any retirement plans through a current or previous employer, like a pension plan, a Thrift Savings Plan (TSP), or a 401(k)? (n = 791 non-retired respondents)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	72%	72%	74%	66%	70%	84%	70%	79%	74%	67%	75%	79%
No	25%	26%	22%	31%	26%	16%	26%	19%	23%	29%	22%	20%
Don't know	3%	2%	4%	3%	3%	0%	3%	2%	2%	4%	2%	1%
Prefer not to say	0%	0%	0%	0%	1%	0%	1%	0%	0%	0%	1%	0%

*Do you (or your spouse/partner) have any other retirement accounts NOT through an employer, like an IRA, Keogh, SEP, or any other type of retirement account that you have set up yourself? (n = 791 non-retired respondents)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	41%	42%	40%	32%	39%	55%	41%	42%	42%	25%	38%	66%
No	55%	56%	55%	65%	56%	43%	57%	51%	54%	71%	58%	32%
Don't know	3%	2%	5%	3%	4%	1%	2%	5%	3%	4%	3%	1%
Prefer not to say	1%	1%	1%	0%	1%	0%	1%	2%	0%	0%	2%	1%

*Respondents with any retirement accounts, employer-based or independent (n = 791 non-retired respondents)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
No retirement plans of either type	17%	17%	16%	24%	17%	9%	18%	14%	14%	24%	16%	8%
Yes, at least one type of plan	80%	80%	80%	73%	79%	90%	78%	84%	82%	72%	80%	91%
Undetermined	3%	3%	4%	3%	5%	0%	4%	2%	3%	4%	3%	2%

Respondents with employer-based retirement accounts were asked if any of these plans were the kind where they choose how the money is invested. This was the used as a layperson's proxy to distinguish defined contribution (DC) plans from defined benefit (DB) plans.

*Are any of these retirement plans the kind where you (or your spouse/partner) get to choose how the money is invested? (n = 573 respondents with employer plans)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	76%	77%	73%	76%	76%	75%	74%	76%	80%	72%	74%	81%
No	16%	16%	16%	12%	15%	21%	18%	14%	14%	14%	24%	14%
Don't know	8%	6%	11%	12%	8%	4%	8%	9%	6%	14%	2%	4%
Prefer not to say	0%	1%	0%	0%	0%	1%	0%	2%	0%	0%	1%	0%

Among respondents who have some kind of self-directed retirement plan (either through an employer or independently), nearly nine out of ten (89%) said they regularly contribute to a retirement account.

*Do you (or your spouse/partner) regularly contribute to a retirement account like a Thrift Savings Plan (TSP), 401(k) or IRA? (n = 537 respondents with self-directed plans)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	89%	88%	89%	90%	90%	85%	90%	93%	89%	88%	89%	89%
No	11%	11%	10%	9%	9%	14%	10%	6%	10%	11%	10%	11%
Don't know	1%	0%	1%	1%	0%	1%	0%	1%	0%	1%	0%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%	1%	0%

Respondents with self-directed plans were asked some follow-up questions about the allocation of their investments (e.g., percentage invested in stocks, usage of life-cycle or target-date funds). Based on the high percentages of “Don’t know” responses, it is difficult to distinguish accurate responses to these questions from guesses and misstatements.

*How much of your (household's) retirement portfolio is invested in stocks or mutual funds that contain stocks? (n = 537 respondents with self-directed plans)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
More than half	44%	51%	29%	38%	43%	49%	40%	47%	46%	29%	37%	61%
Less than half	25%	25%	25%	27%	23%	26%	25%	23%	28%	29%	28%	20%
None	7%	5%	12%	10%	7%	6%	9%	4%	7%	13%	5%	3%
Don't know	22%	17%	33%	25%	24%	18%	24%	24%	18%	28%	28%	15%
Prefer not to say	1%	2%	1%	1%	3%	1%	1%	3%	1%	2%	2%	1%

*Are your (household's) retirement assets primarily invested in a life-cycle or target-date fund? (n = 537 respondents with self-directed plans)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	27%	27%	26%	32%	26%	23%	31%	24%	25%	25%	30%	27%
No	34%	40%	22%	25%	35%	40%	28%	41%	33%	27%	32%	42%
Don't know	38%	32%	52%	43%	37%	36%	40%	33%	41%	47%	34%	31%
Prefer not to say	1%	2%	1%	0%	2%	1%	1%	2%	1%	1%	4%	0%

Respondents with self-directed retirement accounts who did *not* indicate that they used life-cycle or target-date funds were asked how frequently they rebalanced the investments in their retirement accounts. Slightly over half of respondents (57%) indicated they rarely or never did so.

*How often do you (or your spouse/partner) change or rebalance the investments in your (household's) retirement account(s)? (n = 387 respondents not in life-cycle fund)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
At least once a year	25%	25%	24%	23%	22%	29%	27%	--	20%	18%	--	32%
Once every few years	12%	11%	13%	10%	13%	12%	8%	--	14%	11%	--	13%
Rarely	40%	45%	31%	35%	43%	41%	37%	--	46%	39%	--	41%
Never	17%	15%	22%	22%	17%	14%	21%	--	14%	22%	--	10%
Don't know	6%	5%	9%	10%	5%	4%	7%	--	4%	9%	--	4%
Prefer not to say	0%	0%	0%	0%	1%	0%	0%	--	1%	1%	--	0%

Finally, respondents with self-directed retirement accounts were asked if they had taken a loan or a hardship withdrawal from their accounts over the last 12 months. Fewer than one in ten (9%) said they had taken a loan and 6% reported having taken a hardship withdrawal.

*In the last 12 months, have you (or your spouse/partner) taken a loan from your retirement account(s)? (n = 537 respondents with self-directed plans)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	9%	9%	8%	8%	8%	10%	7%	7%	11%	7%	12%	9%
No	91%	90%	92%	92%	91%	89%	92%	91%	89%	93%	87%	91%
Don't know	1%	1%	1%	0%	1%	1%	0%	2%	0%	0%	1%	1%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

*In the last 12 months, have you (or your spouse/partner) taken a hardship withdrawal from your retirement account(s)? (n = 537 respondents with self-directed plans)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	6%	6%	6%	7%	5%	6%	6%	5%	4%	7%	5%	5%
No	93%	94%	93%	93%	94%	93%	93%	94%	96%	93%	94%	94%
Don't know	1%	1%	1%	0%	1%	1%	0%	2%	0%	0%	1%	1%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

## CREDIT CARDS

Respondents were asked some questions about their usage of credit cards, with particular attention paid to understanding their payment habits.

The vast majority of military respondents (91%) reported having at least one credit card, with 36% reporting they had at least four credit cards. Enlisted personnel/junior NCOs and respondents in the Army were slightly less likely to have a credit card.

*How many credit cards do you have? Please include store and gas station credit cards but NOT debit cards.*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
1	12%	13%	12%	17%	11%	10%	11%	13%	12%	13%	9%	12%
2-3	42%	45%	38%	42%	41%	45%	40%	48%	41%	40%	44%	44%
4-8	32%	29%	38%	31%	31%	33%	31%	32%	35%	29%	31%	35%
9-12	4%	3%	4%	1%	5%	4%	3%	1%	5%	2%	5%	4%
13-20	1%	1%	0%	0%	0%	1%	1%	0%	1%	0%	1%	1%
More than 20	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%
No credit cards	8%	9%	7%	10%	8%	6%	12%	5%	6%	14%	4%	2%
Don't know	1%	1%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%
Prefer not to say	1%	1%	2%	0%	1%	1%	1%	2%	0%	0%	3%	0%

*Respondents with at least one credit card vs. no credit cards*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
One or more	91%	90%	91%	90%	90%	93%	86%	93%	94%	86%	91%	97%
No credit cards	8%	9%	7%	10%	8%	6%	12%	5%	6%	14%	4%	2%

41% of military respondents reported having \$5,000 or more in credit card debt. More than a quarter (27%) reported having at least \$10,000 in credit card debt.

*Approximately how much do you currently owe in total on all your credit cards? (n = 724 respondents with credit cards)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
At least \$5,000	41%	40%	44%	32%	45%	44%	39%	42%	42%	40%	53%	35%
At least \$10,000	27%	26%	29%	18%	29%	33%	26%	27%	29%	25%	39%	22%
At least \$20,000	10%	10%	11%	4%	13%	14%	9%	10%	12%	8%	18%	9%

Thirty-seven percent of cardholders said that they always paid their credit cards in full over the past 12 months. Almost two-thirds (65%) said they sometimes carried over a balance and were charged interest. Note that a small percentage of respondents answered yes to both of these questions, suggesting that they may have been confused about the meaning of “paying in full.” Officers were much more likely to pay in full than enlisted personnel/junior NCOs or senior NCOs.

A substantial minority (40%) of cardholders said that in some months they only paid the minimum. Younger cardholders (49%) and enlisted personnel/junior NCOs (53%) were somewhat more likely to report this. Few cardholders reported being charged over the limit fees (15%) or using their cards for cash advances (13%).

*In the past 12 months, which of the following describes your experience with credit cards? (n = 724 respondents with credit cards)*

% Yes	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
I always paid my credit cards in full	37%	38%	36%	37%	35%	40%	39%	36%	35%	25%	31%	55%
In some months, I carried over a balance and was charged interest	65%	65%	67%	66%	67%	62%	66%	64%	68%	73%	72%	53%
In some months, I paid the minimum payment only	40%	38%	45%	49%	38%	34%	42%	33%	40%	53%	43%	22%
In some months, I was charged a late fee for late payment	22%	19%	28%	31%	18%	19%	23%	18%	22%	30%	22%	13%
In some months, I was charged an over the limit fee for exceeding my credit line	15%	14%	18%	18%	15%	13%	15%	10%	15%	19%	15%	10%
In some months, I used the cards for a cash advance	13%	12%	14%	15%	11%	13%	13%	12%	11%	16%	10%	11%

Cardholders who said they didn't always pay their balance in full were asked for the approximate interest rate on the card where they had the largest balance. Cardholders who said they *did* always pay in full were asked for the rate on the card they used most often. The open-ended numeric responses to these questions require more processing and analysis before they can be reported, but it is interesting to look at the percentage of cardholders who said they did not know the answer. Among cardholders who don't always pay their balance in full, 13% said they didn't know their interest rate. Not surprisingly, among those who do pay their balances in full, a larger percentage (29%) said they didn't know the interest rate on the card they use most often.

*Approximately what interest rate do you pay on the card where you have the largest balance? (n = 456 respondents who do not pay in full each month)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Don't know	13%	11%	18%	16%	14%	10%	15%	--	8%	17%	9%	9%

*Approximately what is the interest rate on the card you use most often? (n = 268 respondents who pay in full each month)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Don't know	29%	27%	--	--	31%	--	32%	--	--	--	--	31%

Unlike some other financial products, when it comes to credit cards, most respondents indicated that they don't "shop around." Only 39% of cardholders said they collected information about different cards from more than one company for comparison purposes when they last obtained a credit card.

*Thinking about when you obtained your most recent credit card, did you collect information about different cards from more than one company in order to compare them? (n = 724 respondents with credit cards)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	39%	41%	34%	39%	41%	35%	36%	41%	43%	35%	42%	42%
No	58%	56%	62%	57%	55%	63%	61%	51%	56%	61%	54%	56%
Don't know	3%	3%	3%	4%	3%	2%	3%	7%	0%	4%	3%	2%
Prefer not to say	1%	1%	0%	0%	1%	1%	0%	1%	0%	0%	1%	1%



## AUTO LOANS

Nearly two-thirds of military respondents reported currently holding an auto loan. Military respondents age 18 through 39 were the most likely to have an auto loan (68 percent).

*Do you currently have an auto loan?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	64%	64%	64%	67%	68%	56%	65%	63%	65%	71%	71%	51%
No	35%	35%	35%	33%	31%	44%	34%	37%	35%	29%	28%	49%
Don't know	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

## FINANCIAL LITERACY

A core component of the financial capability survey was a battery of self-assessment questions on financial literacy and competence, followed by a series of quiz-style questions designed to yield an independent, objective assessment of the respondent's financial literacy.

In general, the self-assessment questions revealed that most respondents believe themselves to be highly competent and knowledgeable. Using seven-point agree/disagree scales, over 80% of respondents agreed (5, 6, or 7 on the scale) that they were good at dealing with day-to-day financial matters and that they were pretty good at math. Also, 79% assessed their overall financial knowledge at the higher end (5, 6, or 7) of a seven-point scale.

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

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Disagree 1-3	8%	8%	8%	11%	6%	7%	9%	5%	6%	10%	6%	6%
Neutral 4	8%	8%	9%	8%	9%	7%	8%	11%	6%	10%	11%	4%
Agree 5-7	83%	83%	83%	81%	83%	86%	81%	82%	88%	79%	81%	90%
Don't know	1%	1%	1%	0%	1%	1%	1%	1%	0%	1%	1%	1%
Refused	0%	0%	0%	0%	1%	0%	0%	1%	0%	0%	1%	0%

*I am pretty good at math.*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Disagree 1-3	10%	8%	14%	14%	10%	6%	11%	10%	9%	14%	8%	6%
Neutral 4	6%	6%	7%	6%	7%	6%	8%	5%	5%	8%	8%	3%
Agree 5-7	83%	85%	78%	79%	82%	87%	79%	84%	86%	78%	81%	90%
Don't know	1%	1%	1%	1%	1%	1%	1%	0%	0%	1%	1%	1%
Refused	0%	0%	0%	0%	1%	0%	0%	1%	0%	0%	1%	0%

*I regularly keep up with economic and financial news.*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Disagree 1-3	20%	18%	24%	25%	21%	13%	20%	15%	21%	25%	18%	14%
Neutral 4	18%	16%	20%	19%	18%	14%	19%	20%	13%	21%	17%	13%
Agree 5-7	62%	65%	56%	55%	60%	72%	60%	65%	66%	54%	64%	72%
Don't know	1%	1%	0%	1%	1%	0%	1%	0%	0%	1%	1%	1%
Refused	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%

*On a scale from 1 to 7, where 1 means very low and 7 means very high, how would you assess your overall financial knowledge?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Low 1-3	5%	5%	5%	7%	5%	5%	6%	3%	5%	6%	8%	3%
Neutral 4	15%	13%	19%	19%	15%	9%	15%	13%	16%	20%	11%	10%
High 5-7	79%	81%	74%	73%	78%	86%	78%	82%	79%	73%	79%	87%
Don't know	1%	1%	1%	1%	1%	0%	1%	1%	0%	1%	1%	0%
Refused	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%

The literacy quiz section of the survey revealed, however, that many respondents had difficulty with basic financial concepts and that only a small minority of respondents were able to answer a moderately challenging question correctly.

Less than three quarters of respondents (72%) were able to correctly identify that the money in an account earning 1% interest during a year with 2% inflation would be able to buy less than today.

Less than a third of respondents (30%) knew that if interest rates rise, bond prices will typically fall.

*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?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
More than today	7%	6%	10%	12%	7%	2%	7%	6%	6%	10%	4%	5%
Exactly the same	8%	6%	11%	9%	7%	7%	11%	7%	4%	9%	4%	7%
<b>Less than today</b>	<b>72%</b>	<b>78%</b>	<b>60%</b>	<b>63%</b>	<b>71%</b>	<b>84%</b>	<b>68%</b>	<b>73%</b>	<b>78%</b>	<b>63%</b>	<b>75%</b>	<b>83%</b>
Don't know	12%	8%	19%	16%	13%	5%	12%	10%	11%	16%	15%	3%
Prefer not to say	1%	2%	0%	1%	1%	1%	1%	3%	1%	1%	3%	1%

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

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
They will rise	22%	24%	19%	22%	22%	23%	22%	18%	20%	19%	18%	28%
<b>They will fall</b>	<b>30%</b>	<b>32%</b>	<b>25%</b>	<b>25%</b>	<b>28%</b>	<b>37%</b>	<b>30%</b>	<b>29%</b>	<b>32%</b>	<b>25%</b>	<b>28%</b>	<b>38%</b>
They will stay the same	5%	4%	5%	5%	6%	3%	4%	4%	4%	5%	6%	3%
There is no relationship between bond prices and the interest rate	10%	12%	8%	11%	10%	10%	10%	9%	12%	13%	9%	7%
Don't know	32%	26%	43%	36%	33%	25%	32%	37%	30%	37%	36%	23%
Prefer not to say	1%	2%	1%	1%	1%	2%	1%	3%	1%	2%	2%	1%

*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?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
<b>More than \$102</b>	<b>87%</b>	<b>90%</b>	<b>83%</b>	<b>83%</b>	<b>88%</b>	<b>91%</b>	<b>85%</b>	<b>87%</b>	<b>91%</b>	<b>85%</b>	<b>85%</b>	<b>92%</b>
Exactly \$102	4%	3%	4%	5%	3%	3%	4%	4%	2%	4%	3%	3%
Less than \$102	3%	3%	3%	4%	3%	2%	4%	1%	3%	3%	3%	3%
Don't know	5%	3%	10%	7%	5%	3%	6%	7%	4%	7%	8%	1%
Prefer not to say	1%	1%	0%	0%	1%	0%	1%	1%	0%	1%	2%	0%

*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.*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
<b>True</b>	<b>88%</b>	<b>90%</b>	<b>85%</b>	<b>84%</b>	<b>88%</b>	<b>93%</b>	<b>85%</b>	<b>88%</b>	<b>94%</b>	<b>82%</b>	<b>93%</b>	<b>94%</b>
False	5%	4%	6%	5%	5%	5%	6%	4%	3%	6%	3%	4%
Don't know	7%	6%	9%	11%	7%	2%	9%	7%	3%	11%	4%	2%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	1%	0%	0%	1%	0%

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

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
True	6%	5%	6%	7%	5%	4%	6%	4%	5%	7%	3%	5%
<b>False</b>	<b>70%</b>	<b>76%</b>	<b>57%</b>	<b>59%</b>	<b>69%</b>	<b>83%</b>	<b>67%</b>	<b>68%</b>	<b>74%</b>	<b>57%</b>	<b>75%</b>	<b>85%</b>
Don't know	24%	18%	37%	33%	26%	12%	26%	25%	21%	35%	21%	10%
Prefer not to say	1%	1%	0%	1%	0%	1%	1%	2%	0%	1%	1%	0%

As the tables below show, on average, respondents answered 3.47 of the five financial literacy quiz questions correctly, 0.69 of them incorrectly, and selected the “Don’t know” option 0.80 times.

On average, men (3.65) gave more correct answers than women (3.10), but there was no discernible difference between the sexes in the average number of incorrect answers. Women were more likely to say they didn’t know.

Age and rank also appeared to be correlated with quiz performance, such that younger or more junior-level respondents tended to get fewer correct answers.

*Average across all five quiz questions*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Correct answers	3.47	3.65	3.10	3.15	3.44	3.88	3.35	3.46	3.70	3.12	3.56	3.91
Incorrect answers	0.69	0.68	0.70	0.79	0.68	0.60	0.76	0.59	0.58	0.76	0.53	0.67
Don't know answers	0.80	0.61	1.18	1.03	0.83	0.48	0.85	0.86	0.69	1.07	0.83	0.40

## INSURANCE

The survey included a small number of questions about insurance, including a basic inventory of which kinds of insurance respondents were covered by. The inventory consisted of health, homeowner's/renter's, life, and auto insurance.

*Are you covered by health insurance?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	97%	97%	97%	95%	97%	100%	96%	97%	98%	95%	98%	99%
No	3%	3%	3%	5%	2%	0%	3%	3%	2%	5%	1%	1%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
Prefer not to say	0%	0%	0%	0%	1%	0%	1%	0%	0%	1%	1%	0%

*Do you have homeowner's or renter's insurance?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	84%	85%	81%	73%	87%	92%	82%	85%	88%	73%	94%	93%
No	16%	15%	18%	26%	13%	8%	17%	15%	12%	26%	6%	7%
Don't know	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	1%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

*Do you have a life insurance policy?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	93%	95%	90%	90%	94%	96%	91%	97%	97%	91%	96%	94%
No	6%	5%	8%	10%	5%	4%	7%	3%	3%	7%	3%	5%
Don't know	1%	0%	2%	1%	1%	0%	1%	0%	0%	1%	1%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

*Do you have auto insurance?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	98%	98%	97%	95%	99%	98%	97%	99%	99%	97%	98%	99%
No	2%	2%	3%	5%	1%	1%	3%	1%	1%	3%	1%	1%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

About half (53%) of those respondents who reported having at least one of the four kinds of insurance said they reviewed their insurance coverage at least once a year.

*How often do you review your insurance coverage? (n = 797 respondents with some kind of insurance)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
At least once a year	53%	54%	52%	60%	54%	45%	56%	49%	52%	60%	52%	46%
Once every few years	23%	23%	23%	17%	24%	28%	20%	32%	23%	16%	24%	33%
Rarely	17%	16%	17%	16%	14%	21%	17%	13%	21%	16%	15%	18%
Never	6%	5%	6%	5%	7%	4%	6%	6%	3%	6%	8%	3%
Don't know	1%	1%	2%	2%	1%	1%	1%	1%	1%	2%	1%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

## FINANCIAL ADVISORS

The survey asked a few questions about respondents' experience working with financial professionals, along with some attitudes towards financial professionals.

While only about a quarter (26%) of respondents reported using a military-affiliated financial professional, almost three-quarters (72%) of respondents said they had asked for advice from an outside financial professional over the last five years.

*Have you ever used the services of your local Personal Financial Manager (PFM) or financial educator at a military family or community service center?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	26%	29%	20%	25%	28%	24%	18%	35%	30%	27%	32%	21%
No	74%	71%	79%	74%	72%	76%	82%	63%	70%	72%	68%	79%
Don't know	1%	0%	1%	1%	1%	0%	1%	1%	0%	1%	1%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

*In the last 5 years, have you asked for any advice from a financial professional outside of the military about any of the following?*

% Yes	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Debt counseling	16%	14%	19%	17%	16%	13%	14%	9%	19%	18%	16%	12%
Savings or investments	46%	47%	44%	45%	46%	47%	45%	44%	46%	40%	40%	58%
Taking out a mortgage or a loan	45%	46%	44%	39%	46%	50%	46%	40%	47%	37%	54%	51%
Insurance of any type	46%	47%	44%	41%	48%	48%	46%	46%	45%	41%	46%	52%
Tax planning	25%	25%	26%	23%	24%	29%	26%	21%	27%	22%	27%	29%
Total: Yes to any of the above	72%	73%	70%	68%	71%	77%	72%	71%	72%	68%	73%	76%

Only a little more than half (56%) of those who have worked with an outside financial professional said that they typically met or talked with more than one advisor before making a choice.

*Typically, when looking for a financial professional, do you meet with or talk to more than one advisor before making a choice? (n = 574 respondents who have used an outside financial professional in past 5 years)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	56%	61%	47%	56%	57%	56%	57%	54%	56%	56%	58%	57%
No	36%	33%	43%	34%	36%	38%	35%	40%	37%	35%	38%	36%
Don't know	7%	6%	10%	9%	7%	6%	8%	4%	7%	9%	4%	7%
Prefer not to say	0%	0%	0%	1%	0%	0%	0%	1%	0%	0%	0%	0%

A minority of respondents (18%) claimed that they had checked an advisor's background or credentials with a state or federal regulator.

*Have you ever checked with a state or federal regulator regarding the background, registration, or license of a financial professional? (n = 574 respondents who have used an outside financial professional in past 5 years)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	18%	18%	17%	16%	19%	16%	15%	15%	21%	17%	18%	18%
No	81%	81%	82%	82%	79%	84%	85%	82%	78%	81%	81%	81%
Don't know	1%	1%	1%	1%	1%	0%	0%	1%	2%	2%	0%	0%
Prefer not to say	0%	0%	1%	1%	0%	0%	0%	2%	0%	0%	1%	0%

In general, respondents were somewhat more likely to agree that "financial professionals are too expensive for me" (51%) than to agree that "it is hard to find the right financial professional" (35%).

*How strongly do you agree or disagree with the following statements?*

% Agree (5-7)	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
I would trust financial professionals and accept what they recommend	46%	46%	47%	57%	43%	40%	47%	49%	42%	48%	37%	49%
Financial professionals are too expensive for me	51%	50%	52%	60%	49%	42%	54%	44%	47%	56%	46%	46%
It is hard to find the right financial professional for me	35%	35%	35%	32%	34%	40%	35%	34%	37%	33%	35%	37%



## OTHER BORROWING METHODS

The survey included a battery of items designed to measure usage of a variety of alternative borrowing mechanisms that typically charge much higher interest rates than are charged on bank loans. For each of the five types of borrowing methods, no more than 10% of respondents overall indicated having used it in the past five years.

*Please tell me if you've done any of the following in the past 5 years.*

% Yes	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Have you taken out an auto title loan?	7%	7%	8%	10%	6%	5%	7%	6%	6%	9%	3%	7%
Have you taken out a short term "payday" loan?	7%	7%	8%	10%	7%	4%	8%	9%	6%	11%	1%	6%
Have you gotten an advance on your tax refund? This is sometimes called a "refund anticipation loan" or "Rapid Refund." (Note not e-filing)	5%	6%	4%	7%	6%	3%	8%	3%	3%	7%	4%	4%
Have you used a pawn shop?	10%	11%	7%	10%	11%	7%	12%	7%	8%	13%	4%	8%
Have you used a rent-to-own store?	6%	5%	8%	8%	6%	2%	7%	4%	4%	9%	2%	3%

There were only modest degrees of overlap in the usage of these five different borrowing methods. Overall, while 21% of respondents engaged in at least one of these methods over the past five years, only 8% had engaged in two or more of them, and only 4% had engaged in three or more.

*Number of alternative borrowing methods used in past five years*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
None	79%	79%	77%	70%	78%	89%	76%	83%	82%	68%	89%	88%
1	14%	13%	16%	20%	14%	6%	14%	10%	14%	21%	11%	5%
2	4%	4%	4%	6%	4%	2%	5%	4%	2%	7%	0%	2%
3	2%	2%	2%	2%	3%	0%	2%	2%	0%	3%	0%	1%
4	1%	1%	1%	2%	1%	1%	2%	1%	0%	2%	1%	1%
5	1%	1%	0%	0%	1%	1%	1%	1%	1%	0%	0%	2%

## INCOME SOURCES FOR RETIREES

The survey included a section of questions that were directed specifically to retirees and non-working spouses of retirees. However, there were only 9 retired respondents in the Military Survey, therefore data cannot be reported for these questions due to insufficient sample.

### *Retirement status*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Non-retired household	99%	99%	98%	100%	100%	96%	99%	98%	99%	99%	97%	99%
Retired household	1%	1%	2%	0%	0%	4%	1%	2%	1%	1%	3%	1%

## BANKING

The survey included some basic questions about usage of bank accounts, with a series of follow-up questions designed specifically for the “unbanked” (i.e., those without any kind of depository account).

Among military respondents, 99% reported having a checking account and 95% reported having a savings account, money market account, or CDs.

Combining the responses to these two questions, it can be determined that virtually all military respondents were banked. Only one respondent out of the 800 (one-tenth of a percent) was unbanked (lacking both checking and non-checking accounts).

*Do you (Does your household) have a checking account?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	99%	100%	98%	100%	99%	100%	99%	99%	100%	99%	99%	100%
No	1%	0%	2%	0%	1%	0%	0%	1%	0%	1%	1%	0%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%

*Do you (Does your household) have a savings account, money market account, or CDs?*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	95%	95%	94%	96%	94%	96%	94%	97%	95%	94%	91%	98%
No	5%	5%	5%	4%	6%	4%	6%	3%	5%	5%	8%	2%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Prefer not to say	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%

*Banked vs. unbanked status*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Unbanked (no checking or savings)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%
Banked (have checking, savings, or both)	100%	100%	99%	100%	99%	100%	100%	100%	100%	100%	99%	100%
Undetermined	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	1%	0%

Among the respondents with checking accounts, the vast majority (90%) reported using a debit card tied to their bank account, and one quarter reported overdrawing their checking account occasionally.

*Do you (or your spouse/partner) use a debit card tied to your bank account? (n = 794 respondents with checking account)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	90%	89%	93%	95%	89%	86%	89%	85%	94%	95%	86%	86%
No	10%	11%	7%	5%	11%	14%	11%	15%	5%	5%	13%	14%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Prefer not to say	0%	0%	0%	0%	1%	0%	0%	0%	0%	0%	1%	0%

*Do you (or your spouse/partner) overdraw your checking account occasionally? (n = 794 respondents with checking account)*

	Total	Male	Fem.	18-29	30-39	40+	Army	Navy	Air Force	Enlist /Jr.	Sr. NCO	Officer
Yes	25%	23%	28%	32%	22%	20%	27%	23%	22%	31%	18%	19%
No	74%	77%	70%	68%	76%	80%	72%	76%	76%	67%	80%	81%
Don't know	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Prefer not to say	1%	0%	2%	1%	1%	0%	1%	1%	1%	1%	2%	0%

As reported above, only one respondent in the military sample was unbanked. Therefore data from the follow-up questions for unbanked respondents are not reported due to insufficient sample.

## SUPPLEMENTAL ANALYSES

### SHOPPING AROUND

At three different points in the survey, respondents were asked about their shopping behavior regarding various financial products. The table below compares the results from these questions. Shopping for a mortgage is most common; shopping for a credit card is least common; shopping for a car loan falls in between.

	Total % Yes
When you were getting your mortgage, did you compare offers from different lenders or mortgage brokers? (n = 268)	74%
Thinking about your most recent auto loan, did you compare offers from different lenders? (n = 515)	60%
Thinking about when you obtained your most recent credit card, did you collect information about different cards from more than one company in order to compare them? (n = 724)	39%

### CREDIT CARD BEHAVIORS

Getting a credit report or checking one's credit score did not appear to be correlated with credit card behaviors. However, among respondents who did check their credit score, those with higher scores were far more likely to pay in full, and less likely to report engaging in the 5 behaviors that generate interest charges or fees.

*In the past 12 months, which of the following describes your experience with credit cards?*

	Credit score	
	<710	720+
I always paid my credit cards in full	22%	53%
In some months, I carried over a balance and was charged interest	79%	53%
In some months, I paid the minimum payment only	61%	20%
In some months, I was charged a late fee for late payment	38%	9%
In some months, I was charged an over the limit fee for exceeding my credit line	29%	4%
In some months, I used the cards for a cash advance	22%	8%

*Number of interest or fee-generating behaviors (out of 5 total)*

	Credit score	
	<710	720+
None	11%	43%
1	19%	34%
2	28%	16%
3	19%	5%
4	14%	1%
5	9%	2%
Mean	2.30	0.94