

Summary of Selected Findings: Arkansas

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	12%	12%	13%	
Somewhat difficult	32%	35%	36%	
Not at all difficult	54%	50%	47%	
Spending vs. saving				
Spending less than income	40%	41%	38%	
Spending about equal to income	35%	36%	36%	
Spending more than income	18%	19%	21%	
Overdraw checking account occasionally	18%	19%	19%	<i>Respondents with checking accounts</i>
Have unpaid medical bills	29%	23%	29%	
Number of times mortgage payments have been late				
Once	8%	9%	9%	<i>Respondents with mortgages</i>
More than once	8%	9%	13%	
Have taken a loan from retirement account in past year	15%	16%	22%	<i>Respondents with self-directed employer plan or non-employer plan</i>
Have taken a hardship withdrawal from retirement account in past year	13%	13%	18%	
Have experienced large unexpected drop in income in past year	20%	20%	25%	
Planning Ahead				
Have emergency funds	45%	49%	46%	
Do not have emergency funds	50%	46%	49%	
Have tried to figure out retirement savings needs	35%	41%	38%	<i>Non-retired respondents</i>
Have not tried to figure out retirement savings needs	57%	54%	56%	
Have set aside money for children's college education	34%	38%	36%	<i>Respondents with financially dependent children</i>
Have not set aside money for children's college education	62%	57%	60%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension, 401(k))	53%	54%	50%	<i>Non-retired respondents</i>
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	20%	29%	24%	
Regularly contribute to self-directed retirement account	84%	79%	82%	<i>Respondents with self-directed employer plan or non-employer plan</i>

	State	Nation	Region	
<i>Stocks, Bonds, and Mutual Funds</i>				
Invest in stocks, bonds, mutual funds, or other securities outside of retirement account	29%	32%	29%	
Managing Financial Products				
<i>Banking</i>				
Have checking account	87%	89%	85%	
Have savings account, money market account, or CDs	63%	71%	66%	
<i>Credit Cards</i>				
Credit card behaviors in past year				
Always paid credit cards in full	53%	54%	51%	
Carried over a balance and was charged interest	47%	46%	49%	
Paid the minimum payment only	38%	35%	39%	<i>Respondents with credit cards</i>
Charged a late fee for late payment	16%	16%	17%	
Charged an over the limit fee for exceeding credit line	11%	10%	13%	
Used the cards for a cash advance	16%	13%	13%	
<i>Mobile Payment Methods</i>				
Use mobile phone to pay at point of sale	34%	35%	40%	
Use mobile phone to transfer money to another person	30%	37%	40%	
<i>Mortgages</i>				
Have mortgage	53%	56%	51%	<i>Homeowners</i>
Have home equity loan	14%	16%	12%	
Home "underwater" (negative equity)	8%	9%	9%	<i>Homeowners</i>
<i>Other Debt</i>				
Have student loan	26%	26%	27%	
Have auto loan	33%	33%	35%	
<i>Non-Bank Borrowing</i>				
Non-bank borrowing methods used in past 5 years				
Auto title loan	11%	11%	15%	
Short term "payday" loan	9%	14%	19%	
Tax refund advance	11%	10%	13%	
Pawn shop	20%	18%	29%	
Rent-to-own store	15%	12%	18%	
Used one or more non-bank borrowing methods in past 5 years	31%	29%	40%	

State Nation Region

Financial Knowledge & Decision-Making

Financial Literacy

Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

<u>More than \$102</u> (correct answer)	69%	72%	69%
Exactly \$102	8%	7%	8%
Less than \$102	6%	6%	7%
Don't know	15%	13%	15%

Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?

More than today	10%	12%	13%
Exactly the same	7%	10%	12%
<u>Less than today</u> (correct answer)	56%	55%	51%
Don't know	24%	21%	23%

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

They will rise	21%	22%	23%
<u>They will fall</u> (correct answer)	25%	26%	26%
They will stay the same	3%	6%	6%
There is no relationship between bond prices and the interest rate	9%	10%	11%
Don't know	41%	36%	34%

Suppose you owe \$1,000 on a loan and the interest rate you are charged is 20% per year compounded annually. If you didn't pay anything off, at this interest rate, how many years would it take for the amount you owe to double?

Less than 2 years	5%	5%	6%
<u>At least 2 years but less than 5 years</u> (correct answer)	25%	30%	31%
At least 5 years but less than 10 years	31%	29%	27%
At least 10 years	7%	8%	7%
Don't know	30%	26%	27%

A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.

<u>True</u> (correct answer)	70%	73%	70%
False	8%	9%	10%
Don't know	22%	17%	19%

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

True	9%	11%	12%
<u>False</u> (correct answer)	42%	43%	41%
Don't know	48%	45%	45%

Mean number of correct quiz answers	2.87	3.00	2.88
Mean number of incorrect quiz answers	1.25	1.35	1.43
Mean number of "don't know" quiz answers	1.80	1.58	1.64

	State	Nation	Region	
<i>Comparison Shopping</i>				
Compared credit cards	44%	38%	36%	<i>Respondents with credit cards</i>
Did not compare credit cards	50%	56%	57%	

Notes:

Region = West South Central Census Division (Arkansas, Louisiana, Oklahoma, Texas).

State figures are weighted by age x gender, ethnicity and education.

National figures are weighted by age x gender, ethnicity, education and Census Division.

Census Division figures are weighted by age x gender, ethnicity, education and state.

Differences between groups may or may not be statistically significant.

Percentages may not add up to 100 because of missing or “don’t know” responses.

Survey was conducted June - October 2018.

For additional findings and details, full survey results are available for download at http://usfinancialcapability.org/downloads/NFCS_2018_Full_Data_Tables.xlsx