

Summary of Selected Findings: Michigan

	State	Nation	Region	
Making Ends Meet				
Difficulty covering expenses and paying bills				
Very difficult	9%	12%	10%	
Somewhat difficult	37%	35%	35%	
Not at all difficult	51%	50%	52%	
Spending vs. saving				
Spending less than income	42%	41%	41%	
Spending about equal to income	36%	36%	37%	
Spending more than income	15%	19%	17%	
Overdraw checking account occasionally	17%	19%	16%	<i>Respondents with checking accounts</i>
Have unpaid medical bills	20%	23%	22%	
Number of times mortgage payments have been late				
Once	8%	9%	8%	<i>Respondents with mortgages</i>
More than once	8%	9%	9%	
Have taken a loan from retirement account in past year	13%	16%	14%	<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%	11%	
Have experienced large unexpected drop in income in past year	17%	20%	18%	
Planning Ahead				
Have emergency funds	48%	49%	48%	
Do not have emergency funds	45%	46%	46%	
Have tried to figure out retirement savings needs	40%	41%	38%	<i>Non-retired respondents</i>
Have not tried to figure out retirement savings needs	54%	54%	57%	
Have set aside money for children's college education	35%	38%	34%	<i>Respondents with financially dependent children</i>
Have not set aside money for children's college education	56%	57%	59%	
Retirement Accounts				
Have employer-provided retirement plan (e.g., pension, 401(k))	49%	54%	53%	<i>Non-retired respondents</i>
Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.)	28%	29%	27%	
Regularly contribute to self-directed retirement account	78%	79%	81%	<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	28%	32%	28%	
Managing Financial Products				
<i>Banking</i>				
Have checking account	89%	89%	89%	
Have savings account, money market account, or CDs	70%	71%	70%	
<i>Credit Cards</i>				
Credit card behaviors in past year				
Always paid credit cards in full	57%	54%	57%	
Carried over a balance and was charged interest	44%	46%	43%	
Paid the minimum payment only	31%	35%	32%	<i>Respondents with credit cards</i>
Charged a late fee for late payment	11%	16%	14%	
Charged an over the limit fee for exceeding credit line	6%	10%	8%	
Used the cards for a cash advance	10%	13%	11%	
<i>Mobile Payment Methods</i>				
Use mobile phone to pay at point of sale	32%	35%	31%	
Use mobile phone to transfer money to another person	31%	37%	32%	
<i>Mortgages</i>				
Have mortgage	56%	56%	56%	<i>Homeowners</i>
Have home equity loan	18%	16%	17%	
Home "underwater" (negative equity)	12%	9%	10%	<i>Homeowners</i>
<i>Other Debt</i>				
Have student loan	25%	26%	25%	
Have auto loan	32%	33%	32%	
<i>Non-Bank Borrowing</i>				
Non-bank borrowing methods used in past 5 years				
Auto title loan	10%	11%	11%	
Short term "payday" loan	13%	14%	14%	
Tax refund advance	11%	10%	10%	
Pawn shop	16%	18%	16%	
Rent-to-own store	11%	12%	11%	
Used one or more non-bank borrowing methods in past 5 years	25%	29%	26%	

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)	72%	72%	72%
Exactly \$102	7%	7%	7%
Less than \$102	8%	6%	7%
Don't know	12%	13%	13%

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	13%	12%	12%
Exactly the same	9%	10%	10%
<u>Less than today</u> (correct answer)	55%	55%	56%
Don't know	20%	21%	21%

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

They will rise	22%	22%	21%
<u>They will fall</u> (correct answer)	25%	26%	26%
They will stay the same	5%	6%	6%
There is no relationship between bond prices and the interest rate	10%	10%	10%
Don't know	36%	36%	37%

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	6%	5%	5%
<u>At least 2 years but less than 5 years</u> (correct answer)	29%	30%	29%
At least 5 years but less than 10 years	29%	29%	30%
At least 10 years	10%	8%	9%
Don't know	25%	26%	26%

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)	73%	73%	74%
False	10%	9%	9%
Don't know	16%	17%	17%

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

True	11%	11%	10%
<u>False</u> (correct answer)	43%	43%	43%
Don't know	44%	45%	45%

Mean number of correct quiz answers	2.98	3.00	2.99
Mean number of incorrect quiz answers	1.40	1.35	1.35
Mean number of "don't know" quiz answers	1.53	1.58	1.58

	State	Nation	Region	
<i>Comparison Shopping</i>				
Compared credit cards	34%	38%	34%	<i>Respondents with credit cards</i>
Did not compare credit cards	58%	56%	59%	

Notes:

Region = East North Central Census Division (Illinois, Indiana, Michigan, Ohio, Wisconsin).

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