

Summary of Selected Findings: Mississippi

| | State | Nation | Region | |
|---|-------|--------|--------|--|
| Making Ends Meet | | | | |
| Difficulty covering expenses and paying bills | | | | |
| Very difficult | 23% | 12% | 16% | |
| Somewhat difficult | 31% | 35% | 34% | |
| Not at all difficult | 44% | 50% | 47% | |
| Spending vs. saving | | | | |
| Spending less than income | 38% | 41% | 41% | |
| Spending about equal to income | 34% | 36% | 37% | |
| Spending more than income | 22% | 19% | 18% | |
| Overdraw checking account occasionally | 29% | 19% | 20% | <i>Respondents with checking accounts</i> |
| Have unpaid medical bills | 41% | 23% | 29% | |
| Number of times mortgage payments have been late | | | | |
| Once | 16% | 9% | 14% | <i>Respondents with mortgages</i> |
| More than once | 24% | 9% | 12% | |
| Have taken a loan from retirement account in past year | 40% | 16% | 20% | <i>Respondents with self-directed employer plan or non-employer plan</i> |
| Have taken a hardship withdrawal from retirement account in past year | 37% | 13% | 17% | |
| Have experienced large unexpected drop in income in past year | 30% | 20% | 22% | |
| Planning Ahead | | | | |
| Have emergency funds | 46% | 49% | 46% | |
| Do not have emergency funds | 49% | 46% | 49% | |
| 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 | 53% | 54% | 57% | |
| Have set aside money for children's college education | 41% | 38% | 37% | <i>Respondents with financially dependent children</i> |
| Have not set aside money for children's college education | 55% | 57% | 59% | |
| Retirement Accounts | | | | |
| Have employer-provided retirement plan (e.g., pension, 401(k)) | 52% | 54% | 47% | <i>Non-retired respondents</i> |
| Have non-employer retirement plan (e.g., IRA, Keogh, SEP, etc.) | 27% | 29% | 24% | |
| Regularly contribute to self-directed retirement account | 82% | 79% | 79% | <i>Respondents with self-directed employer plan or non-employer plan</i> |

State Nation Region

Stocks, Bonds, and Mutual Funds

Invest in stocks, bonds, mutual funds, or other securities outside of retirement account 29% 32% 27%

Managing Financial Products

Banking

Have checking account 86% 89% 86%

Have savings account, money market account, or CDs 64% 71% 66%

Credit Cards

Credit card behaviors in past year

Always paid credit cards in full 52% 54% 51%

Carried over a balance and was charged interest 57% 46% 50%

Paid the minimum payment only 46% 35% 40%

Charged a late fee for late payment 25% 16% 17%

Charged an over the limit fee for exceeding credit line 19% 10% 12%

Used the cards for a cash advance 23% 13% 14%

Respondents with credit cards

Mobile Payment Methods

Use mobile phone to pay at point of sale 39% 35% 35%

Use mobile phone to transfer money to another person 41% 37% 36%

Mortgages

Have mortgage 53% 56% 50%

Have home equity loan 20% 16% 16%

Homeowners

Home “underwater” (negative equity) 18% 9% 11%

Homeowners

Other Debt

Have student loan 31% 26% 26%

Have auto loan 38% 33% 35%

Non-Bank Borrowing

Non-bank borrowing methods used in past 5 years

Auto title loan 17% 11% 14%

Short term “payday” loan 24% 14% 19%

Tax refund advance 16% 10% 12%

Pawn shop 25% 18% 23%

Rent-to-own store 22% 12% 16%

Used one or more non-bank borrowing methods in past 5 years 41% 29% 35%

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) | 70% | 72% | 71% |
| Exactly \$102 | 9% | 7% | 8% |
| Less than \$102 | 7% | 6% | 6% |
| 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 | 16% | 12% | 13% |
| Exactly the same | 13% | 10% | 10% |
| <u>Less than today</u> (correct answer) | 48% | 55% | 52% |
| Don't know | 21% | 21% | 23% |

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

| | | | |
|--|-----|-----|-----|
| They will rise | 24% | 22% | 24% |
| <u>They will fall</u> (correct answer) | 22% | 26% | 23% |
| They will stay the same | 6% | 6% | 7% |
| There is no relationship between bond prices and the interest rate | 9% | 10% | 10% |
| Don't know | 38% | 36% | 35% |

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 | 10% | 5% | 7% |
| <u>At least 2 years but less than 5 years</u> (correct answer) | 29% | 30% | 30% |
| At least 5 years but less than 10 years | 22% | 29% | 27% |
| At least 10 years | 8% | 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) | 73% | 73% | 71% |
| False | 9% | 9% | 12% |
| Don't know | 18% | 17% | 16% |

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

| | | | |
|-------------------------------|-----|-----|-----|
| True | 18% | 11% | 14% |
| <u>False</u> (correct answer) | 33% | 43% | 39% |
| Don't know | 48% | 45% | 46% |

| | | | |
|--|------|------|------|
| Mean number of correct quiz answers | 2.75 | 3.00 | 2.86 |
| Mean number of incorrect quiz answers | 1.52 | 1.35 | 1.45 |
| Mean number of "don't know" quiz answers | 1.67 | 1.58 | 1.61 |

| | State | Nation | Region | |
|------------------------------|--------------|---------------|---------------|--------------------------------------|
| <i>Comparison Shopping</i> | | | | |
| Compared credit cards | 45% | 38% | 41% | <i>Respondents with credit cards</i> |
| Did not compare credit cards | 51% | 56% | 54% | |

Notes:

Region = East South Central Census Division (Alabama, Kentucky, Mississippi, Tennessee).

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