

## Final Report

# 2008 Financial Literacy Survey

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the National Foundation for Credit Counseling and MSN Money

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Many economists suggest that America is either in a recession or facing one. Consumers struggling today may find themselves in deep financial trouble tomorrow as the economy weakens. Jobs are in jeopardy; prices for food and fuel are on the rise, all while wages are stagnant. It will take a steady rudder to ride out this financial storm, a storm for which many consumers are ill-prepared due to their lack of understanding of the basic tenets of sound financial health and responsibility—their financial literacy. Consumer financial literacy is more important now than ever, and identifying what Americans know about their finances and the decisions they make surrounding them, is a critical first step.

This report summarizes the main findings of a recently completed survey of 1,001 Americans conducted by Princeton Survey Research Associates International (PSRAI) on behalf of the National Foundation for Credit Counseling, Inc. (NFCC) and MSN Money. The purpose of the survey was to identify what Americans know about their finances and to assess their overall financial health. PSRAI conducted telephone interviews in English and Spanish with 1,001 members of the general public, between March 5<sup>th</sup> and March 15<sup>th</sup>, 2008. When appropriate, this report compares current attitudes with results of the 2007 Financial Literacy Survey.

For results based on the total sample, one can say with 95 percent confidence that the error attributable to sampling is plus or minus 3 percentage points. In addition to sampling error, readers should bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of opinion polls. Below are key findings followed by a detailed analysis of the survey results.

### Key Findings

#### **Significant number struggle with mortgage payments and complexity of buying a home**

- One in every 10 Americans with a mortgage or roughly 10 million adults report being late or missing a mortgage payment in the last year. Adding more stress to the current housing market, almost one-quarter of Americans say they do not know enough about owning a home to consider buying one.

#### **Millions have serious difficulties paying bills each month, most notably Generation Y**

- While a majority of the public report that they pay their bills on time and do not have any debts in collections, a notable minority has fallen behind and is struggling with seven percent or roughly 15 million adults either getting calls from collectors or seriously considering filing for bankruptcy. Higher income households and older Americans are more likely to stay on top of their bills. And whites and Latinos are more likely to pay their bills on time and stay clear of collections than blacks. Alarming, only 59 percent or roughly 23 million of the young adults in Generation Y, those ages 18-29, pay their bills on time every month. That translates into millions of tomorrow's leaders, those who will drive the engine of our economy for years to come, who are not practicing a most basic financial principle. And the previous generation of consumers, those ages 30-49, also do not appear to be modeling good financial behavior.

### **Only a minority keep close track of expenses/spending**

- Financial experts generally agree that having a household budget is sound financial management. However, similar to the findings from 2007, only a minority of Americans say they keep close track of what their typical monthly expenses are. And although a majority of the public has at least a somewhat good idea of where their money goes each month, nearly two in 10 or roughly 40 million adults keep little or no track at all. Contrary to some stereotypes, how closely Americans manage their money does *not* vary by gender, age, or income. Women continue to be as likely as men, younger people as likely as older people, and lower income households as likely as higher income ones to keep close track of what they spend.

### **Savings and emergency funds lacking**

- A majority of the public does not have a sufficient emergency fund, defined as three to six months income saved. More than one-third or roughly 76 million adults say they do not have any non-retirement savings. And though a majority is currently saving for their retirement, more than one-quarter are not.

### **Many Americans are under-insured, Latinos at higher risk**

- Even though the baby boomer generation has come of age, only a little more than one-quarter say they have long-term care insurance. Another at-risk group is renters, with only one in 10 saying they have renters insurance. Latinos are also less likely to have medical and life insurance than whites or blacks.

### **Minority has ordered credit report**

- Financial experts recommend that consumers check their credit history at least once a year. Yet, only a minority of Americans has ordered their credit report in the past year, in spite of the fact that it can be acquired for free. And one-third or roughly 72 million adults readily admit that they do not know their credit score.

### **Parents and home the biggest influence on financial education**

- A plurality of the public says they have learned the most about personal finance from their parents or at home. Almost half of those who closely monitor their finances are more likely to say that they learned about personal finance from their parents or at home, underscoring the potential positive influence parents can have on their children financially. To a lesser extent, some say they learned the most about personal finance on their own, followed by a financial professional, self-help sources, school, work, friends, and their spouse or partner.

### **Americans worry about future income growth, Midwest has greatest concerns**

- And matters are not likely to improve, according to some Americans. Only one-quarter expect their income to outpace inflation. And more than half of all Americans believe their income will shrink, not keep pace with inflation, or stay even. This worry is greatest among Americans in the Midwest at nearly 70 percent.

**Minority closely track monthly expenses**

Consistent with the findings from 2007, only a minority of the public follows the advice of financial counselors and has a budget. Roughly four in 10 (42%) say they have a budget and keep close track of how much money they spend on such things as food, housing, and entertainment. In 2007, roughly as many (39%) reported keeping close track of expenses.

Fewer than four in 10 (35%) have a somewhat good idea how much is spent but *do not* keep strict track of their spending, nearly identical to the finding in 2007 (36%). Two in 10 (19%) keep little track of expenses (12%) or do not usually keep track of expenses at all (7%), also on par with 2007 (15% and 7%, respectively).

Overall, men and women are equally likely to keep close track of how much they spend, as are younger and older Americans, and lower and higher income Americans. But there are differences in how closely Americans track their spending by race and ethnicity. Whites (44%) are more likely than Latinos (30%), but not blacks (42%), to say they keep close track of how much they spend.

**KEEPING TRACK OF EXPENSES**

Which of the following best describes how you manage your money?

	<u>2008</u>	<u>2007</u>
	N=1001	N=1003
I have a budget and keep close track of how much I spend on such things as food, housing and entertainment <b>(CLOSE TRACK)</b>	42%	39%
I have a somewhat good idea about how much I spend on such things as food, housing and entertainment, but I don't keep strict track of my spending on these things <b>(MODERATE TRACK)</b>	35	36
I don't have a good idea how much I spend on such things as food, housing and entertainment, but I keep track of my overall spending and try to stay within certain limits that I've set for myself <b>(LITTLE TRACK)</b>	12	15
I don't have a good idea how much I spend on such things as food, housing and entertainment, and I often don't keep track of my overall spending <b>(NO TRACK)</b>	7	7
Don't know	2	2
Refused	2	1

## Most Pay bills on time, but some having trouble

Although the majority of Americans say they do not maintain a budget, a solid majority of Americans say they pay their bills on time and do not have any debts in arrears. However, a sizeable minority of Americans experience at least some hardship.

Seven in 10 (69%) say they pay all their bills on time and have no debts in collection. Another one in 10 (11%) say they sometimes miss a payment but currently have no debts in collection. And one in 10 (9%) report that they struggle to pay their bills but have no debts in collection.

Others are in serious financial straits—5 percent say they are getting calls from collectors and struggle to pay their bills every month, and 2 percent are seriously considering filing for bankruptcy or have filed for bankruptcy in the past three years. These combine to roughly 15 million adults.

Older Americans are more likely to say they pay their bills on time and have not fallen behind. Americans age 65 and older (86%) and age 50 to 64 (75%) are more likely to say they pay all their bills on time and have no debts in collections compared with fewer age 30 to 49 (61%) and age 18 to 29 (59%). As might be expected, higher income households are more likely to say they stay on top of their bills and debts. For example, people whose household earns \$80,000 or more per year (81%) are more likely to pay all bills on time and stay out of collections than those earning less than \$40,000 (58%). How Americans describe their financial situation also varies by race and ethnicity. Whites (74%) and Latinos (66%) are more likely than blacks (41%) to say they pay all their bills on time and have no debts in collection.

For most households, housing costs comprise the single largest monthly expense. Among Americans who currently have a mortgage or recently paid off their mortgage, one in 10 (10%) or roughly 10 million adults report that they have been late or missed a mortgage payment in the last year.

### FINANCIAL SITUATION

Which of the following best describes your financial situation?

I pay all of my bills on time and have no debts in collection	69%
I sometimes miss a payment but have no debts in collection	11
I struggle to pay my bills every month but have no debts in collection	9
I am getting calls from collectors and struggle to pay my bills every month	5
I am seriously considering filing for bankruptcy or have filed for bankruptcy in the past three years	2
I am not involved at all in any financial decisions including how money is spent in my household (VOLUNTEERED)	2
Don't know	2
Refused	1

### LATE MORTGAGE PAYMENTS

Have you been late or missed a mortgage payment in the last 12 months?†

	N=473
Yes	10%
No	90
Don't know	*
Refused	-

† Based on respondents who have a mortgage or have paid off mortgage in the last 12 months

### More than one-third do not have savings other than retirement

One strategy that may help individuals weather unexpected expenses is to build and maintain their savings. And a majority (63%) of the public say they do have some savings other than their retirement savings. But more than one-third (36%) or roughly 76 million adults readily admit they do not have any savings.

People who keep close track (64%) or moderate track (71%) of expenses are more likely to have savings compared with people who keep little or no track of expenses (50%). Whites (68%) are more likely than blacks (47%) and Latinos (42%) to say they have established savings other than retirement. People age 50 to 64 (73%) are most likely to say they have savings, followed by those age 30 to 49 (65%) and age 65 and older (63%), while those age 18 to 29 (44%) are the least likely to have non-retirement savings. There are some regional differences, with people in the Midwest (71%) and West (65%) more likely to say they have savings compared with people in the South (55%).<sup>1</sup>

#### SAVINGS

Do you have any savings, excluding retirement?

Yes	63%
No	36
Don't know	*
Refused	1

### Limited income the major factor

Not surprisingly, people who earn more are more likely to say they have savings. Nearly all people living in households earning \$80,000 or more (90%) say they have savings other than retirement compared with 71 percent earning between \$40,000 and \$80,000 and 38 percent earning less than \$40,000.

Along these lines, a solid majority of six in 10 (59%) say a limited income or no income is the main reason for not having any savings right now. One in 10 (10%) say they spent money on an emergency, while a handful (4%) say they find it difficult to manage money or say they do not think savings are necessary (3%). And 16 percent of those who do not currently have any savings mention a variety of other reasons, such as disability issues, other income challenges, or not seeing savings as a priority.

#### REASONS FOR NO SAVINGS

What is the main reason you currently do not have any savings?†

	N=310
Have a limited income/no income	59%
Find it difficult to manage money	4
Don't think savings are necessary	3
Spent money on an emergency	10
Other (SPECIFY)	16
Don't know	4
Refused	4

† Based on respondents who do not have savings

<sup>1</sup> Based on regions as defined by the U.S. Census.

**Northeast:** Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

**Midwest:** Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin.

**South:** Alabama, Arkansas, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

**West:** Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, and Washington.

## Majority do not have sufficient emergency funds

Financial advisers recommend that individuals maintain a so-called “rainy day” or emergency fund—typically enough savings to cover three to six months worth of income—to be used in the event of unexpected expenses or loss of income. By this standard, a majority of savers are not prepared.

Two-thirds (67%) or roughly 141 million adults either say they have no non-retirement savings (36%), one month’s worth of income in savings (21%), or two to three month’s worth (10%). Just one-quarter (24%) percent of Americans have established the minimum recommended for an emergency fund—more than three month’s worth of income in savings.

### EMERGENCY FUND

Do you have at least one month’s worth of income saved for each wage earner in the household, two to three month’s worth of income saved for each wagger earner in the household, or more than three month’s worth of income saved for each wagger earner in the household?†

No savings	36%
1 month’s income of savings	21
2 to 3 month’s income of savings	10
More than 3 month’s income of savings	24
Don’t know	5
Refused	3

† Respondents who said they did not have any savings, excluding retirement, have been added to this table

## Not prepared to pay for college

With the cost of a college education increasing faster than inflation, financial experts recommend establishing a tax-deferred or tax-advantaged college savings account for children very early and making regular contributions. Among people with children in their household, only one-quarter have taken this step and are confident they will be able to pay for their children’s college education—a majority are either unsure if they will be able to pay, do not currently have a plan, or expect their children to fund their own education.

One-quarter (23%) of Americans with children in the household say they have established a 529 plan or other education savings account and expect to be able to finance four years of college. Roughly as many (19%) have established an education savings account but doubt they can fully finance college without borrowing. A plurality of three in 10 (30%) say they want to provide a college education but they have not done anything at this point. And half as many (15%) say their children will have to find a way to pay for college themselves.

### SAVING FOR COLLEGE

Which of the following best describes your current plans for financing the [child/children’s] education needs?†

I’ve established a 529 Plan or other education savings account and expect to be able to finance four years of college	N= 338 23%
I’ve established an education savings account but I am doubtful I can finance four years of college without borrowing	19
I want to provide a college education but haven’t done anything about it yet	30
If they want to go to college, they’ll have to pay for it themselves	15
Not the parent or guardian (VOLUNTEERED)	5
Don’t know	5
Refused	3

† Based on respondents who have a child or children living in the household

### Majority have one to three credit cards

How well people manage their credit card spending and debt can affect their ability to save, as well as harm their overall financial health.

Three-fourths (74%) of Americans have at least one credit card; with more than half (55%) saying they have one to three credit cards. More than one in 10 (12%) report having four to six cards while fewer than one in 10 (7%) reporting having seven or more credit cards.

#### NUMBER OF CREDIT CARDS

How many credit cards do you have?

None	26%
1 to 3	55
4 to 6	12
7 or more	7
Don't know	*
Refused	*

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### Non-mortgage debt less than \$2,000 for most

Americans take on non-mortgage debt for many reasons, including higher education, automobiles, and for emergencies. While a majority manages to keep this debt to less than \$2,000 a month, a notable minority carry more than \$2,000 of non-mortgage debt from month to month.

A plurality of four in 10 (39%) say they typically carry \$500 or less in non-mortgage household debt from month to month. An additional three in 10 (27%) carry \$500 to \$2,000. Roughly two in 10 (22%) say they carry more than \$2,000 each month, including five percent or roughly 11 million adults whose monthly debt amounts to \$20,000 or more.

#### NON-MORTGAGE DEBT

Roughly how much non-mortgage debt does your household carry from month to month, including education loans, car loans, credit cards, personal loans, etc?

\$500 or less	39%
\$500 to less than \$2,000	27
\$2,000 to less than \$5,000	8
\$5,000 to less than \$10,000	5
\$10,000 to less than \$20,000 OR	4
\$20,000 or more	6
Don't know	8
Refused	2

### More than 50 million adults not saving for retirement

In addition to short-term financial decisions and savings, we also asked the public how much money they are putting away for their retirement. A majority of the public say they are saving at least something toward retirement, though a sizeable minority report not saving anything at all.

One-third (33%) of the public say they save 1 to 10 percent of their household's income for retirement every year. Another 16 percent say they save 11 to 20 percent, while 8 percent report saving more than 20 percent. All together, more than half (57%) report putting away at least some portion of household income for their future.

However, more than one-quarter (28%) or roughly 59 million adults say they are not saving any of their household's income for retirement. And saving for retirement varies considerably by income and to some extent by age, and race, and ethnicity.

Half of Americans from households earning less than \$40,000 per year (50%) are *not* saving for

#### HOUSEHOLD INCOME SAVED FOR RETIREMENT

On average, what percentage of your household's income do you save every year for retirement?

0%	28%
1% to 10%	33
11% to 20%	16
More than 20%	8
Already retired (VOLUNTEERED)	8
Don't know	6
Refused	2

retirement, compared with 20 percent earning \$40,000 to \$80,000 and 7 percent earning more than \$80,000. Four in 10 (40%) Americans age 18 to 29 say they are not saving for retirement compared roughly one-quarter of Americans age 30 and older. And blacks (41%) and Latinos (37%) are more likely than whites (24%) to say they are not putting money away for retirement right now.

Perhaps reflecting some of these key demographic differences, region is also a factor—people living in the South (33%) are more likely than those in the Northeast (23%) and Midwest (24%) to say they are not saving for retirement, while people living in the West (27%) fall in between.

### Divided views on pace of future income

How much people save toward retirement also depends on their expectations of future income levels. When thinking about the next decade, the public is fairly divided over whether their household income will stay ahead of inflation, stay even, or fall behind.

About one-quarter (26%) of the public believe their household income over the next 10 years will grow faster than the rate of inflation, or more than 3 percent a year. Slightly more (31%) say their household income will grow at about the rate of inflation. And roughly as many (29%) expect at least some decline relative to inflation over the next decade—15 percent say household income will grow at less than inflation and 14 percent expect their household income to shrink.

Men are more likely than women to say they expect their household income to increase faster than the rate of inflation (31% vs. 20%). On the flipside, women are more likely than men to expect their household income to grow at less than the rate of inflation or actually shrink (35% vs. 23%). Age and income matter as well. For example, people age 18 to 29 (40%) and age 30 to 49 (32%) are more likely to say they expect their household income to grow faster than inflation over the next ten years compared with those age 50 to 64 (17%) and age 65 and older (9%). And people from households earning more than \$80,000 per year (38%) are more optimistic about staying ahead of inflation compared with those earning \$40,000 to \$80,000 (27%) and less than \$40,000 per year (18%). Worry is greatest among Americans in the Midwest.

#### FUTURE PACE OF INCOME

Over the next 10 years, how quickly do you expect your household income to grow?

Faster than the rate of inflation, that is, more than 3% a year	26%
At about the rate of inflation	31
At less than the rate of inflation OR Do you expect your household income to shrink	15
Don't know	14
Refused	11
	2

## Serious gaps in insurance coverage

Insurance coverage can substantially reduce financial risk and liability for individuals. Consequently, having adequate insurance coverage is a key component of maintaining good financial health. While nearly all homeowners have homeowners insurance, there are gaps in other major types of insurance coverage.

Though there is some variation, higher income households and older Americans are more likely to have coverage for most insurance types we asked about, and whites and blacks are more likely than Latinos to have medical and life insurance. And how people manage their money matters—by and large, people who keep close track or moderate track of their expenses are more likely to have insurance coverage compared with those who keep little or no track of expenses.

**Medical.** Most Americans (85%) say they have medical insurance. However, 15 percent say they currently do not have medical insurance, the equivalent of tens of millions of Americans.

**Homeowners.** Required by those holding a mortgage, two-thirds (67%) of the public say they have homeowners insurance. This is roughly equal to the number of people who say they own their own home.

**Life.** Offered as an option for many Americans through their employer, two-thirds (65%) of the public say they have life insurance while the remaining one-third (33%) are currently lacking life insurance.

**Disability.** Disability insurance is less common—40 percent report having it while 55 percent say they do not have disability insurance.

**Disaster.** Insurance for disasters such as earthquakes, hurricanes, or floods may not be covered by typical homeowners insurance policies. Three in 10 (28%) of the public say they have disaster insurance while seven in 10 (67%) say they do not.

**Long-term care.** Filling the gap between medical coverage and disability insurance, 27 percent of the public say they have long-term care insurance and 66 percent say they do not.

**Renters.** One in 10 (11%) say they have renters insurance. Although respondents were not asked if they currently rent, only two in 10 (21%) among those who *do not* own their home—and therefore might rent—report having renters insurance.

### INSURANCE COVERAGE

What types of insurance coverage do you currently have? Do you have...?

#### → Medical insurance

Yes	85%
No	15
Don't know	*
Refused	*

#### → Homeowners insurance

Yes	67%
No	31
Don't know	1
Refused	*

#### → Life insurance

Yes	65%
No	33
Don't know	1
Refused	*

#### → Disability insurance

Yes	40%
No	55
Don't know	4
Refused	*

#### → Disaster insurance

Yes	28%
No	67
Don't know	5
Refused	1

#### → Long-term care insurance

Yes	27%
No	66
Don't know	6
Refused	*

#### → Renters insurance

Yes	11%
No	87
Don't know	2
Refused	*

### Minority have ordered their credit report in the past year

One of the keys to building or maintaining a good credit history is to regularly monitor one's credit history. Nearly four in 10 (37%) of the public surveyed say they have ordered a copy of their credit report in the past year while more than six in 10 (62%) say they have not.

Who does *not* order their credit report? Whether people reported ordering their credit report in the past year does not vary by gender, race and ethnicity, region, or how well they manage their expenses.

However, income and age matter to some degree. Americans whose households earn less than \$40,000 per year (72%) are more likely to *not* have ordered their credit report in the past year compared with those who earn \$40,000 to \$80,000 (61%) and \$80,000 or more (47%). Americans age 65 and older (77%), followed by those age 18 to 29 (67%) and age 50 to 64 (66%), are less likely to have ordered their credit report in the past year compared with those age 30 to 49 (51%). This uneven pattern by age may be because Americans age 30 to 49 typically are more likely purchase a home or re-finance, a process that requires a review of their credit report.

#### ORDERED CREDIT REPORT

Have you ordered a copy of your credit report in the past 12 months?

Yes	37%
No	62
Don't know	1
Refused	*

### More than one-third do not know their credit score

More than half of the public know their credit score when given a range of possible scores. However, fully one-third report not knowing their credit score.

When read several ranges of credit scores, roughly one in 10 each say their credit score is less than 500 (7%), 500 to 599 (6%), or 600 to 699 (13%). Three in 10 (30%) say their credit score is 700 or higher. However, fully 34 percent or roughly 72 million adults say they do not know their credit score. In greater detail, people who have ordered their credit report in the past year are twice as likely to know their credit score compared with those who have not ordered their report in the past year (82% vs. 40%).

People who report the highest credit scores—700 or higher—vary somewhat by age, income, race and ethnicity, and how they say they manage their expenses.

People age 18 to 29 (16%) are less likely to say their credit score is 700 or higher compared with those age 30 to 49 (34%), age 50 to 64 (34%), and age 65 and older (28%). Americans whose household earns less than \$40,000 per year (17%) are less likely to select the highest score range compared with those who earn \$40,000 to \$80,000 (30%) and \$80,000 or more (51%). Whites (34%) are twice as likely as blacks (16%) to say their score is 700 or higher, while Latinos (22%) fall in between. People who keep close track (33%) or moderate track (33%) of expenses are more likely to self-report the highest credit score range compared with those who keep little or no track of expenses (22%).

#### CREDIT SCORE

What is your credit score?

Less than 500	7%
500 to 599	6
600 to 699	13
700 or higher	30
I have never checked my credit score (VOLUNTEERED)	4
I have checked my credit score but can't remember it (VOLUNTEERED)	4
Don't know	34
Refused	2

### Variety of reasons for not owning a home

Among other benefits, a high credit score helps reduce the cost of borrowing for prospective homeowners. But according to Americans who currently do not own their home, affordability is only one of several reasons why they are not homeowners at this time.

One quarter (24%) of the public who do not own a home or pay a mortgage say affordability is the main reason why they are not homeowners. Another quarter (22%) says they are currently saving for a home. But roughly as many say they do not know enough about owning a home to consider buying now (21%) or say that owning a home does not fit their current lifestyle (18%).

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#### HOME OWNERSHIP

Here are some reasons people give for why they do not have a mortgage. Which of the following best describes your situation?†

	N=249
I don't think that I can afford a home	24%
Owning a home doesn't fit my current lifestyle	18
I am in the process of saving for a home	22
I don't know enough about owning a home to consider it at this time	21
Other (Specify)	11
Don't know	3
Refused	2

† This question was asked of respondents who do not have a mortgage. This table excludes respondents who said they own their home outright.

## FINANCIAL EDUCATION AND COUNSELING

### Parents and home the most common influence

Knowledge about financial issues can come from a variety of sources and life experiences. A plurality of four in 10 (40%) of the public say they learned the most about personal finance from their parents or at home. Nearly two in 10 (15%) say they learned about personal finance on their own. And one in 10 or fewer say they learned the most from a financial professional (10%), self-help books or media (9%), school (7%), at work (6%), friends (5%), or their spouse or partner (2%).

Perhaps reflecting some of the effects of learning about financial issues in the home, Americans who keep close track (42%) or moderate track (45%) of expenses are more likely to say they learned about personal finance from their parents or at home compared with those who keep little or no track (32%) of expenses.

Men and women give similar answers, with two exceptions. Women are more likely than men to say they learned about personal finance from their parents or at home (44% vs. 36%), while men are more likely than women to say they learned about personal finance on their own or by teaching themselves (18% vs. 12%). There are variations when it comes to age. For example, people age 18 to 29 (18%) are more likely to say they learned the most about personal finance from school compared with those age 30 to 49 (4%), age 50 to 64 (6%), and age 65 and older (6%).

#### SOURCE OF FINANCIAL EDUCATION

Thinking now about what you have learned about personal finance, where do you think that you learned the most? Was it...?

From your parents or at home	40%
At work	6
From friends	5
From school	7
From self-help books or media	9
From a financial professional	10
Spouse or Partner (VOLUNTEERED)	2
Learned on own/myself (VOLUNTEERED)	15
Don't know	4
Refused	2

### Minority sought professional financial advice

The public also learns about financial issues when they seek out the help of professionals. More than one-third (36%) of those who say they did *not* learn the most about personal finance from a financial professional nonetheless say they have received professional advice.

People in households with higher incomes are more likely to have sought professional financial advice than people in lower income households. Nearly half of those whose household earns \$80,000 or more a year (49%) have sought professional financial advice compared with one-quarter of those who earn less than \$40,000 (25%). Middle-aged Americans are more likely to have sought financial advice than younger or older Americans. Americans age 30 to 49 (41%) and age 50 to 64 (40%) are more likely to say they received advice compared with those age 18 to 29 (25%) and age 65 and older (29%). And whites (40%) are more likely than Latinos (18%) to say they have sought

#### RECEIVED PROFESSIONAL FINANCIAL ADVICE

Have you ever received professional advice about financial issues from an individual or organization?

	2008	2007
	N=896	N=1003
Yes	36%	36%
No	63	64
Don't know	1	1
Refused	*	-

*\*Based on respondents who have not learned about personal finance from a financial professional. In 2007, all respondents were asked the question.*

professional advice, while blacks (33%) fall in the middle.

### Some familiarity with the NFCC and CCCS

Similar to the finding from the 2007 survey, a minority of the general public say they are familiar with the National Foundation for Credit Counseling (NFCC) and Consumer Credit Counseling Services (CCCS), with CCCS continuing to be the more familiar of the two organizations.

Fewer than two in 10 (17%) say they are familiar with the National Foundation for Credit Counseling or NFCC and very few (2%) say they are *very familiar*. CCCS is better known. More than two in 10 (24%) say they are familiar with Consumer Credit Counseling Services or CCCS, with few (5%) reporting they are *very familiar* with CCCS.

Familiarity with NFCC and CCCS varies by demographics, but to a different extent for each organization. Turning first to NFCC, men and women are equally likely to be familiar with the organization, and familiarity also does not vary significantly by income and age. But whites (19%) and blacks (16%) are more likely to say they are at least somewhat familiar with NFCC compared with Latinos (7%).

Looking at CCCS by key demographics, women are more likely than men to be at least somewhat familiar with CCCS (27% vs. 20%). Familiarity does not vary consistently by age, though people age 30 to 49 (33%) are the most familiar with CCCS and those age 65 and older (9%) are the least familiar. Americans whose household income is \$80,000 or more per year (35%) are more familiar with CCCS compared with those who earn \$40,000 to \$80,000 (27%) and less than \$40,000 (19%). And whites (24%) and blacks (25%) are more likely to say they are at least somewhat familiar with CCCS compared with Latinos (17%).

#### FAMILIARITY WITH NFCC AND CCCS

How familiar, if at all, are you with the National Foundation for Credit Counseling, also known as NFCC—very familiar, somewhat familiar, not too familiar, or not familiar at all?

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	2008	2007
	N=1001	N=1003

Very familiar	2%	3%
Somewhat familiar	15	12
Not too familiar	14	16
Not familiar at all	65	68
Don't know	2	2
Refused	1	*

And how familiar, if at all, are you with Consumer Credit Counseling Services, also known as CCCS—very familiar, somewhat familiar, not too familiar, or not familiar at all

	2008	2007
	N=1001	N=1003

Very familiar	5%	5%
Somewhat familiar	19	20
Not too familiar	14	16
Not familiar at all	59	58
Don't know	2	1
Refused	1	*