Fox Cities Financial Literacy Study

A Snapshot of a Community: Attitudes, Behaviors, and Knowledge

September 27, 2010

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Acknowledgements

Many people and organizations helped with the creation and implementation of this study. In total, over 40 organizations partnered with UW Extension throughout the whole process. In particular, we would like to thank Rhonda Hanneman (United Way), Rick Sense (Community First Credit Union), Karen Dickrell (UW-Extension), and Alan Prahl (FISC) for their invaluable insights into analyzing the data collected, J. Michael Collins (Financial Specialist, UW-Extension) for his technical expertise in design study and financial education research, Money Smart Week Fox Cities for its support from the beginning; Community 2000 and the Fox Cities Salvation Army for coordinating the focus groups, and Community First Credit Union for providing the funding for grocery cards for all focus group participants. This study was truly a community effort.

Study Partners

- Appleton Area School District
- Appleton Housing Authority
- Appleton Public Library
- AmeriCorps VISTA
- Barnes and Noble
- Big Brothers Big Sisters
- Capitol Credit Union
- CAP Services
- Community 2000
- Community First Credit Union
- COTS
- Emergency Shelter of the Fox Cities
- ESTHER
- FISC
- Fox Community Credit Union
- Fox Cities Community Council
- Fox Valley Technical College
- Fox Valley Apartment Association
- Kaukauna Library
- Habitat for Humanity
- Harbor House
- Housing Partnership
- Lakeview Credit Union
- Menasha Library
- Money Conference
- Neenah Library
- New London Public Library
- New York Life Insurance
- Outagamie County
- Outagamie County 4-H
- Project Promise
- Salvation Army
- Shiocton School District
- Town of Buchanon
- Town of Grand Chute
- Town of Kimberly
- Unison Credit Union
- United Way
- UW Extension Outagamie County
- UW Fox Valley

Executive Summary

The Fox Cities Financial Literacy Study is a community effort to gather important baseline data on financial attitudes, behaviors and knowledge. The study was led by UW-Extension Outagamie County, designed and implemented in parntership with over 40 local organizations and businesses. The first phase of the study was launched in October 2009 during the Fox Cities Money Smart Week, with an online or paper format of the survey. The second phase included two focus groups held in March 2010. Survey data was collected on financial behavior, knowledge, and attitudes of 671 individuals representing 52 zip codes of the greater Fox Cities region. Demographic data, as well as financial data was collected in order to create an informative snapshot of the region and to provide direction in future financial education efforts. The study is a first step to acknowledge the deficiencies and make steps to increase and improve financial education for the region.

The results of the study identify three key areas of need for improvement: emergency savings, understanding and managing credit card debt (and compound interest), and establishing and maintaining a budget to guide financial decisions. Of those surveyed, individuals who had low incomes, low educational attainment and/or were under age 30 exhibited the riskiest financial behaviors and were misinformed the most. Over half of individuals making $24,000 or a less a year, reported having zero emergency funds, and exhibited the riskiest behaviors when dealing with credit cards. Persons with only a high school education or less, answered more knowledge questions incorrectly regarding credit card terms and compound interest in comparison to those with higher education. Risky behavior and misinformation is not just related to specific socio-economic groups. In fact, 42% of all respondents reported seldom or never having a budget or spending plans to guide their financial decisions.

Research reviewed in the development of this study reveal children and youth need to be exposed to financial concepts early on, and witness positive financial behaviors as a stepping point to develop these skills later in life. Addressing the barriers of numeracy skills and developing environmental strategies that support positive financial practices will be a huge step in conquering the financial illiteracy of this nation

The underlying motive of the study was to generate community wide awareness of financial education needs. The data collected provides the community with key priority areas that need to be addressed, populations that need to be focused on, and further research that needs to be done.

Introduction

The ability to understand the language of money is a basic need for all people, and needs to be understood fully in order to be able to teach it effectively. Against the backdrop of the economic crisis, financial literacy is a very important and pertinent topic to discuss and study. Not having the necessary skills to manage day-to-day finances, manage credit and debt, and prepare financially for unexpected and expected events through savings is a risk not just to individuals and families, but as the financial crisis has shown us, to communities and the nation as a whole. In recent years, the financial world has grown more complex and the degree of responsibility that individuals are given in planning financially for the future has increased. The shift from company-sponsored pensions to individual retirement plans added to the rising cost of college now demands an in-depth base of knowledge and significant foresight from the consumer. Increasing credit options have provided great opportunities for individuals to invest in a home or education, but also, if misunderstood and abused, result in burdensome debt that can lower living standards. Financial management has not only become more complicated, but being misinformed about it possesses greater risks than ever before.

In 2007, UW Extension Outagamie County identified Financial Management as a one of the top seven education needs for Outagamie County. Through conversations with area stakeholders dealing with financial management (such as the Financial Education Resource Network (FERN), Money Smart Week, United Way, local school administration, and financial institutions) Outagamie County UW Extension recognized the breadth of the issues around financial management. The idea of a Financial Literacy Study was developed in partnership with Money Smart Week Fox Cities planning committee. In an effort to gather local data and understand individuals' knowledge and behaviors around financial management UW Extension applied for an AmeriCorps VISTA to assist with the design and implementation of the financial study. Through this partnership, The Fox Cities Financial Literacy Study was launched during the Fox Cities Money Smart Week in October 2009.

The Fox Cities Financial Literacy Study is a first step in meeting the financial education need. The goal of the study was threefold: establish baseline measurement of financial literacy, jumpstart further and more expanded measurements in the community, and connect area organizations, businesses and governments through meaningful dialogue of financial literacy. In measuring financial literacy the study strived to evaluate how key indicators of financial literacy varied with different demographic, behavioral, and attitudinal characteristics. Findings from the study shed light on the current state of financial literacy in the community and point the way to areas that need to be addressed.

Research Review

Current research into America's financial literacy paints a disturbing picture. In the National Financial Capability Study conducted in 2009 by FINRA, researchers discovered that many people don't plan for expected and unexpected events, are not well informed about borrowing terms, and lack basic numeracy skills essential to effectively and safely participate in financial markets (Lusardi 2010). The financial concept found most lacking with individuals is compounding interest as reported by a 2003 Washington State study on financial literacy (Moore 2003). This is especially concerning since compounding interest is the basis of effective saving and understanding of credit. Current research also points to distinct disconnect between self-reported knowledge and knowledge as measured by financial literacy tests (Lusardi 2010).

The financial literacy of the nation's youth is particularly concerning. In 2008 Jump$tart conducted a financial literacy survey of high school and college students. The survey found that college students do significantly better on financial literacy tests than high school students (Mandell 2008). High School students financial literacy, as measured by Jump$tart's survey, has been declining in recent years and in 2008 the average score on the test was only 48%. College students' average score was nearly 15 points higher at 62%. Furthermore, for every year of college completed financial literacy scores were higher. This is both encouraging and discouraging. It means that college is an effective tool in forming financially knowledgeable adults, but it also speaks to the need to continue to develop high school financial management education. In fact, according to the Jump$tart survey, those who did take a high school course in financial management did no better than those that had not. This is important because a high school education is much more accessible than a college education for a majority of the population. To put this into perspective, according to the 2008 US Census, 56.8% of people over the age of 25 have had some college education in Outagamie County.

School districts throughout the county and state have recognized the need for financial education. Some school districts have even gone to such lengths to require personal financial management classes for graduation. While these efforts support building skills for youth financial management, overwhelmingly individuals still report the largest source of learning about finances comes from their parents. The financial behaviors modeled and learned by individuals at an early age tend to be those they rely on most. A child with a positive financial role model may build a stronger foundation than one who has a poor financial role model, which can be one aspect of generational poverty.

Financial literacy does not just pertain to knowledge, but also behavior. In a 2003 study by Hilgert, Hogarth, and Beverly on household financial knowledge and behavior, less than one half of the people surveyed used a budget or saved regularly. It was found that low levels of financial knowledge corresponded to costly financial behaviors. The direction of the causal relationship, though, still could not

be determined for sure. Researchers find that experiences and attitudes have an effect on financial behavior as well. Those with the fewest resources and the least amount of education tend to behave most inefficiently when it comes to spending money (Mandell 2008, Lusardi 2010). Additionally, Moore (2003) finds those with compromised attitudes were vulnerable to predatory lending practices. One could also suggest that personality has an effect on spending behaviors. The infamous Stanford Marshmallow Experiment exposed delayed gratification in children. While children and adolescents tend to display more risky behaviors overall, those with personalities that tend to favor riskier behaviors are more likely to have challenges with finances. Some consumers have found creative and effective ways to build in barriers to prevent financial temptations, while others struggle with the inner urge to take risks. A consensus among studies is that financial knowledge, experience, and behavior are all linked in a relational way. This information leads many to believe that financial education must be multifaceted and targeted in its approach.

Design of Study

The Fox Cities Financial Literacy study consists of a survey and focus group results. In addition to collecting demographic data the survey asked questions regarding knowledge, behavior and attitudes regarding finances. Surveys were distributed in paper and electronic formats through various websites and email. In order to foster partnerships and reach people that would not otherwise be reached online, paper surveys were distributed through local agencies and non-profit organizations. Focus groups were conducted in two different locations: Community 2000 in Seymour and the Salvation Army in Appleton. The goal of the focus groups was to collect qualitative data surrounding financial literacy that might not otherwise be gleaned from the quantitative data from the survey.

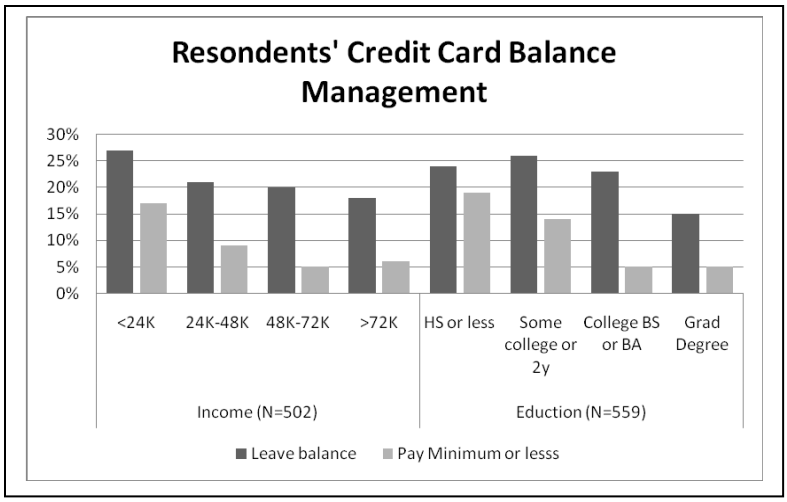
The survey tool and focus group questions were designed through collaboration of partnering agencies and UW Extension Financial Specialist J. Michael Collins. While partnering with local organizations helped us hone our survey questions, the intent was to create as many stakeholders as possible to assist with implementation of the survey. In designing the survey questions, we made a concerted attempt to ensure a level of readability that aligned with our targeted respondents' needs and specificity that ensured quality answers that could be meaningfully analyzed. The survey tool and the focus group questionnaire, per UW Extensions regulations, were approved through Human Subjects Protection protocol.

The sample obtained by the survey does not represent a defined population, but is essentially community based convenience sample or a "snapshot" of Fox Valley community. The results should only be taken in this light. In total, 671 individuals responded to the survey (online and paper) with a majority (30%) being low income persons making less than $24,000 a year. In creating our distribution

strategy we aimed to get a good sample of low income individuals and succeeded. A full demographic breakdown of the sample is contained in the appendix.

Survey Results

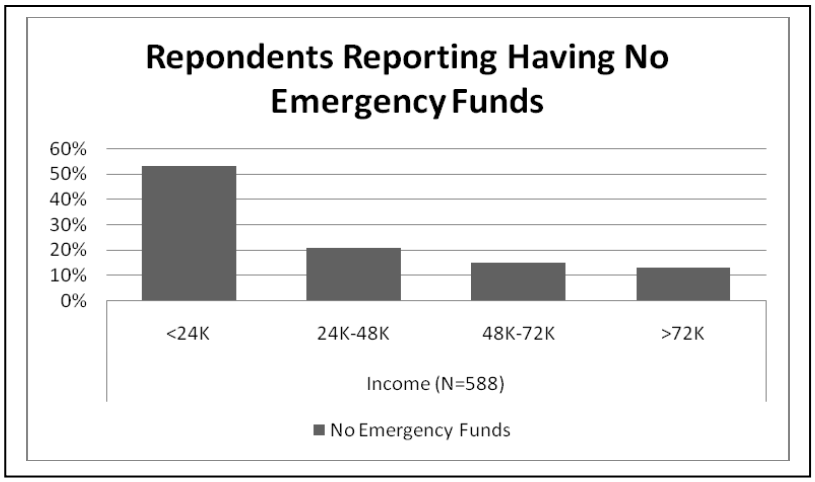
Credit and Debt



When asked, "How do you handle your credit card bill?" 21 percent of respondents answered that they left balances and 9 percent reported only paying the minimum. Persons without a 4-year degree and making less than $24,000 a year exhibited the riskiest behaviors the most (i.e. only paying the minimum and paying less than the minimum). The risk of having credit card balances and only paying the minimum increases the amount of debt at high interest rates that impacts an individual's ability to build savings and may have in impact on an individual's credit score.

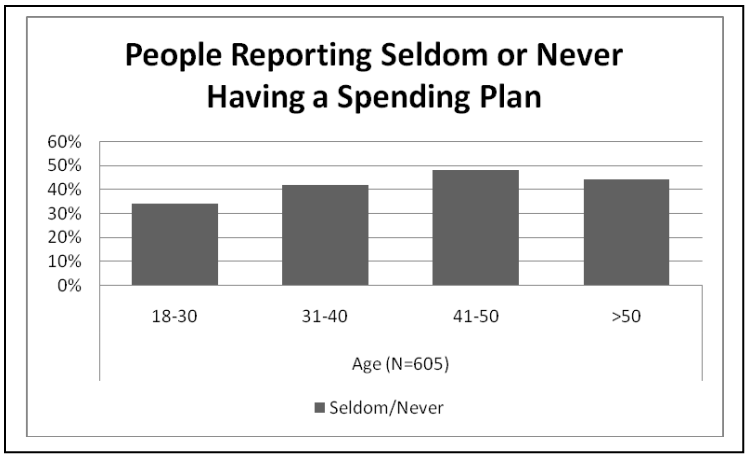
Emergency Funds

Overall, 28 percent of respondents reported having no emergency savings. Of those who answered having no emergency savings, many were without a 4 year degree, making less than $24,000 a year or aged 18-30. Focus Group observations support this data as it was noticed there was a lack of recognition of emergency savings and its importance. Rather there was a sense of pride of being able to get by with less and making it from day-to-day. This observation lines up with the 53 percent of low-income respondents reporting having zero emergency funds.



Budgeting

42 percent of all respondents reported seldom or never following a spending plan. Not one demographic stuck out in this regard, showing widespread lack of prudent money management among respondents. Most interesting is the lack of having a budget or spending plan across all age demographics. Focus group participants showed keen awareness of their finances and their ability to pay certain expenses. This is not surprising due to the limited funds many of them have. Expenses were not often planned, but rather dealt with on a day-to-day basis. A long term spending plan didn't come across as a priority. Short term planning took precedence.



Knowledge

Knowledge questions helped us understand the level of financial knowledge they may have, which may impact their financial decisions. When asked questions regarding what is most important when considering carrying a balance on a credit card (APR) and how compound interest worked, the young, low income and least educated answered incorrectly most frequently. An incorrect answer suggests that individuals may be misinformed when it come to finances.

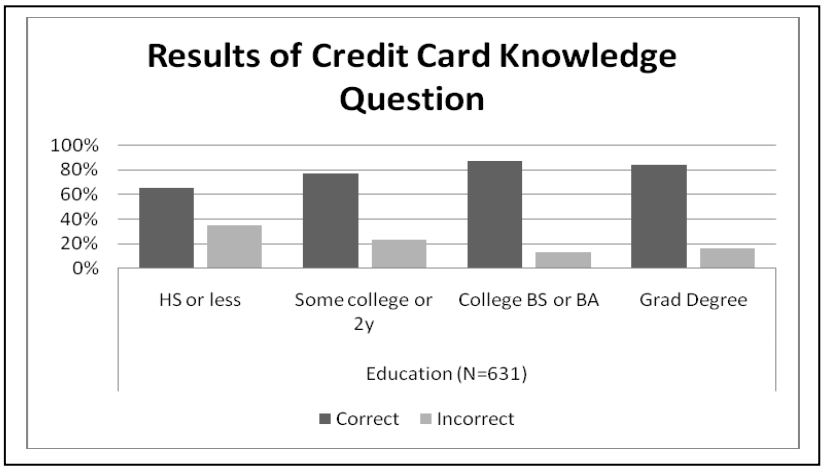
What is the most important thing to consider if you are planning to carry a balance on a credit card?

A) Credit Limit

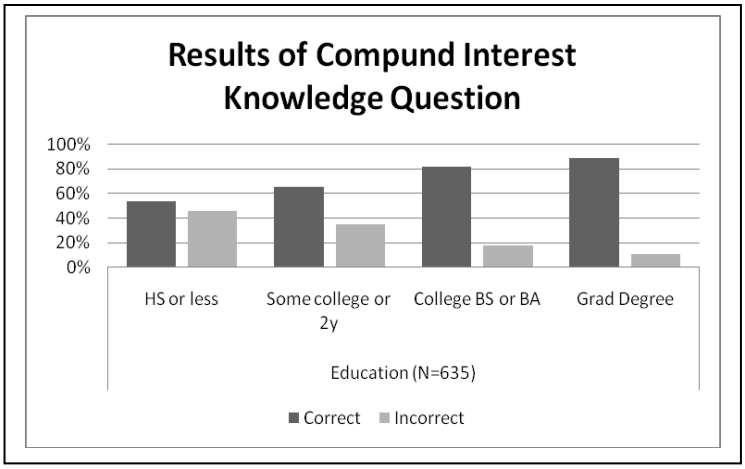
B) Annual Percentage Rate (Correct)

C) Reward Points

D) Monthly Fees



George and Melanie are the same age. At age 25, Melanie began saving $2,000 a year for retirement while George saved nothing. At age 40, George started saving $4,000 per year for retirement. Now that they are both 75 years old, and assuming that each of them has been investing at identical interest rates, who has the most money in his or her retirement account?



A) George

B) Melanie (correct)

C) They both have the same amount saved

Financial Literacy from a Low-Income Perspective

Focus group results gave a unique and much needed insight into how the low incomeview financial management issues. In both focus group settings, when asked to talk about money, the conversation quickly turned to an airing of personal and family struggles with money. The conversation was one where money was a symptom rather than the underlying result of their current life situation. A theme quickly developed regarding quality of life and how it was measured. As participants suggest that quality of life was not measured in income, but in terms of meeting their personal and family's needs day to day. In this sense, the groups rejected the notion of "standard of living," usually denoted by income levels, had anything to do with quality of life. A pride was expressed in being able to survive day to day without a steady income. Of course, a steady income is a basic need for a stable life in most cases, but large amounts of money to spend at whim was not a desire of most focus group participants.

There also seemed to be a disconnect in what it meant to be stable and how money contributed to a stable lifestyle. At a basic level, participants knew that money was a huge factor in determining stability, but how to use and manage it was not a topic they tended to talk about. For many, family struggles and relationship troubles were the impetus for financial shocks, and talking about money made them angry. Compounding on this was the theme that health and unemployment affected family life greatly, but again the money connection was not delved into, it was hard to really explore it with the participants.

The focus groups point to a need of finding teachable moments that can clearly show low income persons how money can create stability through asset building and long-term budgeting. The groups also emphasize the need to understand that low-income financial focus is often very restricted to the present and day-to-day living than future living.

Measurement and Evaluation

Dedicated and exhaustive evaluation of financial education programs and measurement of financial literacy levels within the community cannot be ignored. For years, it has been known that the financial literacy of Americans, especially within certain demographic groups, is too low. In response, there have been financial education programs addressing this concern. The levels of financial literacy in this country have not improved significantly or consistently year to year. Financial education is needed, but in its present form is it working? The success of financial education hinges on understanding what needs to be taught and how to teach it. Affecting financial behavior is a complicated task. Bridging the gap between knowledge and behavior is not easy and not completely understood. An individual might know that it is unwise to charge an unnecessary purchase to a credit card, but they also naturally crave that instant gratification. Much like trying to improve a person's physical health, trying to improve someone's financial health can be a frustrating and seemingly hopeless task at times. Developing environmental strategies to encourage positive financial behaviors seems to show positive outcomes. Examples of some which have been implemented already include direct deposit, and automatic payment options. The challenge is that many of these features are optional and without the knowledge of the services consumers may not be aware of them, and assumes the general population is made up of financial institution customers. Additionally, the regulations handed down by government are happening more consistently; however the everyday consumer is not aware, nor versed to understand the impacts of these features. Some regulatory functions seem to make things more complex and less manageable, so rather than take the time to understand them; they ignore them and use what is most convenient. A comprehensive approach to include innovatively measuring and evaluating the success of programs is a vital need if headway is to be made on this topic.

Before meaningful measurement and evaluation can continue, there must be a clear understanding of what we are measuring. There is not a consensus understanding of what financial literacy is. In fact, one might notice that this study does not even attempt to define financial literacy. When designing the study and consulting with organizations there was not one clear understanding of financial literacy. Instead of unilaterally picking a definition, we decided to forego one all together. This is another limitation of the study, but an educative limitation none-the-less. Hopefully, this can be a starting point for a community wide definition as well. It is important that communities, cities, states, and the country

form consensus definitions that can be used for measurement. A consistent definition and the subsequent standards that follow are necessary in order to conduct recurring meaningful measurement of program successes and failures and overall baseline statistics for this community.

In no way can the results here be deemed definitive or representative in scientific terms. The results can be deemed a starting point and impetus, though, for other studies that could achieve scientifically representative results for the community. From this study a baseline of data has been developed to apply best practices for addressing financial literacy for the community. The long-term goal of this study was to use this data to assist in creating and implementing comprehensive financial education programs to build self-sufficiency skills in Fox Cities residents.

Conclusion

The economic crisis is a teachable moment that should not be squandered. The consequences of not planning ahead, mismanaging credit and debt, and miscomprehending financial contracts such as mortgages are everywhere. Planning ahead through emergency savings, careful and deliberate budgeting, and safe credit card use need to be emphasized in financial education efforts. The three needs identified in this study align with the Core Personal Financial Management Competencies areas of *Managing a Budget, Credit Management, Saving for the Future* developed by UW-Extension Financial Specialist, J. Michael Collins. These behaviors and skills are essential for individuals and families to mitigate the effects of financial shocks. Additionally, increased knowledge of important financial topics, for example compounding interest needs to be a priority. The accruing of interest is the main impetus for ballooning debt. Compounding interest on credit cards can mire people in debt and create financial holes that take years to dig out of. It is a topic that is hard to teach and that demands innovative techniques, but it is a topic that cannot be ignored. Children and youth need to be exposed to financial concepts early on, and witness positive financial behaviors as a stepping point to develop these skills later in life. Addressing the barriers of numeracy skills and developing environmental strategies that support positive financial practices will be a huge step in conquering the financial illiteracy of this nation.

Discovering and analyzing the underlying factors that cause unsafe financial behaviors is a clear research priority. Understanding the cognitive and emotional responses to money that people have will be an invaluable tool in combating financial illiteracy and financial instability. Studying behavioral economics can help us mitigate our current society's impulse for immediate gratification and help promote long-term thinking as opposed to short-term thinking. Additionally, more research needs to be done on how numeracy affects a person's ability to manage their money effectively. Addressing all these topics can yield teachable moments in a person's life.

It is important to address financial literacy at the community level. The ability to reach specific demographic groups is increased with community expertise and knowledge. Knowing where to find and access a population is key to designing focused, effective education efforts. This was a main reason that we attempted to partner with as many low income service agencies as possible during distribution. Forming partnerships between agencies that access a certain demographic group on a regular basis is key in establishing community wide efforts. Hopefully, this study can be a starting point for increased community discussion and eventual coordinated action around financial literacy.

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Appendix A: Survey Cover Letter

September 24, 2009

To Whom It May Concern:

Thank you for your participation in this survey. Outagamie County UW-Extension, in partnership with Money Smart Week Wisconsin, is conducting a study to collect baseline data on the financial literacy of the people living in the Greater Fox Cities. The survey contains questions regarding financial behaviors, knowledge, and general attitudes about money. Your participation in this survey will help to inform community partners of the needs of the Fox Cities and provide insight on how to increase financial literacy and improve financial behavior within the region. The survey will be launched and opened for public participation during Money Smart Week, October 10-17, 2009.

The results of the Fox Cities Financial Literacy Survey will be summarized and shared with community leaders, media, local, state and national officials, and organizations with an interest in increasing financial well-being in the Fox Cities. No personal identification information will be collected and any information that you share will not be connected to you in any way. Results will be used in summary form only in order to protect your confidentiality. Your participation in this study is voluntary, confidential and implies your consent to participate.

If you have any questions regarding the survey you may call or email Heidi Dusek, 920-832-5122 or heidi.dusek@ces.uwex.edu

Sincerely,

Heidi Dusek

Heidi Dusek
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Appendix B: Corresponding Report Tables

How do you handle your credit card bill?

	Income				
	< 24K	24K-48K	48K-72K	>72K	ALL
Always Pay Full	41	53	59	60	53
Usually Pay Full	15	17	16	15	16
Leave Balance	27	21	20	18	21
Pay Min.	15	9	5	6	9
Pay Less than Min	2	0	0	0	1

	Education			
	HS or less	Some college or 2y	College BS or BA	Grad Deg.
Always Pay Full	43	39	58	64
Usually Pay Full	14	20	14	17
Leave Balance	24	26	23	15
Pay Min.	19	13	4	5
Pay Less than Min	0	1	1	0

Lack of Emergency Funds

	Age			
	18-30	31-40	41-50	>50
None	40	31	24	18

	Income			
	< 24K	24K-48K	48K-72K	>72K
None	53	21	15	13

	Education				
	HS or less	Some college or 2y	College BS or BA	Grad Degree	All
None	43	45	17	10	28

Knowledge Questions

		Age			
		18-30	31-40	41-50	>50
Credit Card/APR	Correct	75	84	78	82
	Incorrect	25	16	22	18
Compound Interest	Correct	66	79	75	79
	Incorrect	34	21	25	21

		Income			
		< 24K	24K-48K	48K-72K	>72K
Credit Card/APR	Correct	68	81	89	87
	Incorrect	32	19	11	13
Compound Interest	Correct	61	76	89	90
	Incorrect	39	24	11	10

		Education				
		HS or less	Some college or 2y	College BS or BA	Grad Degree	All
Credit Card/APR	Correct	65	77	87	84	80
	Incorrect	35	23	13	16	20
Compound Interest	Correct	54	65	82	89	75
	Incorrect	46	35	18	11	25

Appendix C: Summary Stats for Survey

Credit and Debt

1. How many credit cards do you own? Include cards from department stores, retail chains, and general credit cards such as a Visa or MasterCard.

Answer	Percent
1-3	45
4-6	31
7 or more	11
I don't own any credit cards	14

2. On average, what is your monthly credit card balance?

Amount	Percent	Count
Less than $2,000	69	397
$2,000-$5,000	17	96
$5,001-$10,000	5	26
$10,001-$15,000	4	25
$15,001-$20,000	2	13
More than $20,000	3	15
Total		572

3. How do you handle your monthly credit card bill?

Behavior	Percent	Count
Always pay full amount	53	303
Usually pay full amount	16	94
Usually leave balances	21	121
Usually pay minimum amount	9	49
Pay less than minimum amount	1	4
Total		571

4. Have you paid a late fee on a credit card in 2009?

Answer	Percent	Count
Yes	25	141
No	75	433
		574

5. What do you use your credit card to pay for? (Mark all that apply)

Answer	Count
Big one time purchases	329
Medical Costs	103
Entertainment/Travel	350
Emergency costs only	74
Daily living expenses	267
Unplanned purchases	272
Other	33

Saving and Investing

6. How many months' expenses do your emergency savings cover?

Answer	Percent	Count
1-2 months	24	159
3-4 months	14	96
5-6 months	10	65
7 or more months	24	160
I don't have emergency savings	28	184
Total		664

7. Have you started to save for retirement?

Answer	Percent	Count
Yes	77	510
No	23	152
Total		662

9. How do you plan to pay for retirement? (Mark all that apply)

Answer	Count
Social security	502
401 (k), 403 (b) or other retirement savings account	500
Pension plan	344
Home equity	105
Part time work	218
Regular savings accounts or CDs	245
Individual stocks or stock mutual funds	275
Inheritance	66
Annuities or insurance plans	93
Rent or royalties	27
I do not have a plan	69

10. What types of insurance do you have (Mark all that apply)

Answer	Count
Life insurance	501
Car insurance	591
Home/Renter insurance	523
Health insurance	594
Umbrella insurance	167
Long term care insurance	172
I don't know	19

Financial Responsibility and Money Management

11. Do you have a checking account?

Answer	Percent
Yes	94
No	6

12. How often do you balance your checkbook?

Answer	Percent	Count
Daily	14	89
Weekly	25	155
Monthly	33	204
I don't balance my checkbook	28	175
Total		623

13. How often do you monitor your checking/savings accounts online?

Answer	Percent
Daily	23
Weekly	43
Monthly	12
Never	21
Other	1
Total	

14. Do you give money to others?

Answer	Percent	Count
Yes	66	439
No	34	226
Total		665

15. Have you ever used a payday lender, title loan or cash store?

Answer	Percent	Count
Yes	8	53
No	92	612
Total		665

16. I follow a written plan (budget) for spending and/or saving money.

Answer	Percent	Count
Always	12	78
Usually	24	157
Sometimes	22	146
Seldom	18	121
Never	24	162
Total		664

Knowledge Questions

17. Which of the following statements best describes your right to check your credit history?

a) Your credit record can be checked once a year for free by requesting it from each of the three major credit reporting bureaus.
b) You cannot see your credit record.
c) All credit records are the property of the U.S. government and access is only available to the FBI and lenders
d) You can only check your record for free if you are turned down for credit based on a credit report

Answer	Percent
A (correct)	91
b	1
c	0
d	3

18. What is the most important thing to consider if you are planning to carry a balance on a credit card?

a) Credit Limit
b) Annual Percentage Rate (APR)
c) Reward Points
d) Monthly Fees

Answer	Percent
A	5
B (correct)	79
C	1
D	14

19. Penelope has saved $10,000 for her college expenses by working part-time. Her plan is to start college next year and she needs all of the money she saved. Which of the following is the safest place for her college money?

a) Locked in her closet at home
b) Stocks
c) Corporate Bonds
d) A savings account

Answer	Percent
A	0
B	2
C	3
D (correct)	95

20. George and Melanie are the same age. At age 25, Melanie began saving $2,000 a year for retirement while George saved nothing. At age 40, George started saving $4,000 per year for retirement. Now that they are both 75 years old, and assuming that each of them has been investing at identical interest rates, who has the most money in his or her retirement account?

a) George
b) Melanie
c) They both have the same amount saved

Answer	Percent
A	18
B (correct)	75
C	7

21. Under which of the following circumstances would it be financially beneficial for you to borrow money to buy something now and repay it with future income?

a) When you need to buy a car to get a much better paying job (correct)
b) When you really need a week vacation
c) When some clothes you like go on sale
d) When the interest on the loan is greater than the interest you get on your savings

Answer	Percent	Count
A	79	
B	0	
C	2	
D	18	

22. Does having a history of paying your bills late make it more difficult to take out a loan?

Answer	Percent	Count
Yes	91	
No	9	

Attitudes

On a scale of 1 to 5 please mark your feelings towards your financial situation.

Sad 1 2 3 4 5 Happy	Percent
1	9
2	13
3	25
4	35
5	18

Clueless 1 2 3 4 5 Competent	Percent
1	3
2	6
3	25
4	44
5	22

Anxious 1 2 3 4 5 Confident	Percent
1	9
2	15
3	28
4	32
5	16

Ashamed 1 2 3 4 5 Proud	Percent
1	9
2	10
3	28
4	34
5	19

Circle your level of agreement with the following statements.

I am financially literate.

Level of Agreement	Percent
Strongly Disagree	4
Disagree	9
Neither	14
Agree	58
Strongly Agree	15

I am financially stable.

Level of Agreement	Percent
Strongly Disagree	5
Disagree	12
Neither	12
Agree	47
Strongly Agree	24

I am financially responsible.

Level of Agreement	Percent
Strongly Disagree	2
Disagree	8
Neither	12
Agree	51
Strongly Agree	27

Appendix D: Demographics

Total # of Respondents: 671

Gender	Percent
Male	23
Female	77

Age	Percent
18 – 25	8
26 – 30	13
31 – 35	13
36 – 40	11
41 – 45	14
46 – 50	15
51 – 55	13
56 – 60	12
61 – 65	0
Over 65	1

Married?	Percent
Yes	66
No	34

Employment Status	Percent
Employed full-time in the work force	72
Employed part-time in the work force	13
Unemployed, seeking work	4
Other	11

Zip Code (with 5 or more responses)	Number
54106	14
54115	5
54130	38
54136	15
54140	16
54165	19
54170	11
54901	7
54911	72
54913	38
54914	85
54915	127

Zip Code (Cont)	Number
54942	19
54944	9
54952	29
54956	71
54961	11
Total Zip Codes	52

Living Arrangements	Percent
Own	75
Rent	21
Live with friends or family for free	1
In shelter	3

Monthly Income	Percent
Less than $2,000	33
$2,001-$3,000	20
$3,001-$4,000	19
$4,001-$5,000	15
$5,001-$6,000	2
$6001-$7,000	6
Over $7,000	6

Source of Financial Knowledge	Percent
Parents	31
Media	17
School program or class	12
Work	13
Community Programs	6
Friends	6
Financial Institution	15

Education Level	Percent
Did not graduate from high school	2
High school graduate/GED	14
Some college	18
Associate Degree	10
Bachelor's Degree	27
Master's Degree	20
Beyond Masters	8

Appendix E: Focus Group Protocol

UW Extension Outagamie County Financial Literacy Study
Focus Group Protocol

Focus groups will be conducted in the greater Fox Cities with individuals representing the consumer population for financial education in order to gather qualitative data on the level and need of financial literacy in the area. The purpose of the focus groups is to better understand how to tailor financial education to individuals in the Fox Cities. Additionally, the focus groups are meant to complement data collected from a survey sent out to the general public in November, 2009.

Welcome
Purpose of focus group
Sign-in sheet (gender, ethnicity…)
Pass out passive consent form
Preface – highlight key areas of consent, structure for focus group, introduce facilitators
Ground rules
FOCUS GROUP QUESTION BANK

General

- Where do you learn about financial topics?
- Who do you trust? Not trust?
- What do you think of banks? Credit unions? Insurance companies? Do they provide good information?
- What role does/did your parents have in your financial education?
  Schools? Community organizations? Church?

Money management

- How do you make financial decisions in general? Who decides in your house? Who do you ask for help/advice?
- How do you manage your money?
- When are you most likely to review your finances?
- If you were given $2000 what would you do with it?
- How do you decide what to spend your money on?
- When is it a good idea to save? When is it not?
- When is it a good idea to borrow? When is it not?
- How is saving different from investing? How do you decide to do either one?
- How do you monitor your credit? Is that important?

Emotions and attitudes related to money

- Think back, can you think of a time in your life when you felt good or satisfied with your financial situation?
- Think back, can you think of a time in your life when you felt poorly about your financial situation?
  - What do you wish you had known during this time?
  - Did you feel like there was nothing you could do to improve your situation?
  - What obstacles get in the way of improving someone's financial situation/What obstacles have you encountered?
- When do you worry about finances the most? Why?
- How do financial matters affect your mood/stress level/sense of self worth/other relationships?

Appendix F: Focus Group Notes

Salvation Army

Demographics

Gender	Count	Race/Ethnicity	Count	Age	Count
Female	7	American Indian	1	18-30	3
Male	5	Black (not Hispanic)	2	31-39	4
N=	12	White (not Hispanic)	8	40-49	3
		N=	11	50-64	1
				Under 18	1
				N=	12

Monthly Income	Count	Number of People in HH	Count
$2,001-$3,000	1	1	4
$3,001-$4,000	1	2-3	7
Less than $2,000	10	4 or more	1
N=	12	N=	12

Themes

- Balance needed
  - morals vs. money
  - not necessarily a "get rich" mentality
- Being rich is not comfortable
  - Disconnect between being rich and being stable
  - Different perceptions of "stable"
  - Different forms of capital
    - Social and material
- Asking someone for help is taken very seriously
  - Some worry the most about their lives when they have to resort to asking for help
    - Pride
- Hard to manage money when there is always something going on with you
- Does financial education, in its current form, make a lasting impact with the extremely poor?
- What would you do if you were given $2,000?
  - Shore up short term commitments
  - Long term saving not mentioned much
- Level of contentedness with being broke
  - Some are at their most content when they are broke
  - It is what they are used to
  - Being broke = needing to be creative
- Self Worth
  - Self worth often determined by meeting needs and not wants
- Values
  - Different culture with the poor
  - Different values that might not correspond to the values espoused by current financial education efforts

    - The meaning of money varies between different socioeconomic groups…
- Who do you trust with your money?
    - Family
    - Not too much mention of banks and credit unions
- Groceries vs. Electric
- Financial troubles are a *symptom* of a generally unhealthy and irresponsible lifestyle

Community 2000

Demographics

Gender	Count
Female	10
Male	2
N=	12

Race/Ethnicity	Count
White (not Hispanic)	12
N=	12

Age	Count
18-30	2
31-39	4
40-49	3
50-64	3
N=	12

Monthly Income	Count
$2,001-$3,000	2
$6,001-$7,000	1
Less than $2,000	8
Over $7,000	1
N=	12

Number of people in HH	Count
1	3
2-3	3
4 or more	6
N=	12

Themes

- Majority use credit union
- Skimp on groceries
- When did you feel good about your situation?
    - Could support themselves
        - Empowerment is a good feeling…
- Getting a steady job is a common topic
- Hard Times
    - When you are sick
    - Reliable transportation
- Wish they would have known economy would go back
    - Obvious lack of understanding of economics and its ebbs and flows
        - Leads to not being prepared…
- Obstacles to stability
    - Loans, insurance, unexpected emergencies
- You put yourself last when you are in trouble (people with families?/working class)
- Good relationships are key
- Suggestion from group member
    - Plan ahead and help others that help you
- Not much specific talk about financial practices, more about the situations that lead to financial troubles and the root causes of those