CERTIFIED FINANCIAL PLANNER BOARD OF STANDARDS, INC.

Consumer Federation of America

2012 HOUSEHOLD FINANCIAL PLANNING SURVEY

A Summary of Key Findings

July 23, 2012

Prepared for:

Certified Financial Planner Board of Standards, Inc. and the Consumer Federation of America

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Contents

EXECUTIVE SUMMARY

Key Findings

Still feeling the effects of the Great Recession, many American families today struggle just to make ends meet. The CFP Board/Consumer Federation of America Household Financial Planning survey finds people today facing tougher choices about how to allocate more limited financial resources. Saving enough money for future goals like retirement and kids' college – while also maintaining an adequate emergency fund and staying out of serious debt – has always been a challenge. This was true even in the more favorable economic climate of 1997, when Princeton Survey Research Associates International first surveyed household decision-makers about these topics. In 2012, with high unemployment, stagnant incomes and reduced net worth, those challenges are even greater.

While the economic climate has changed, financial planning remains a critical factor in separating those who are on track to meet their financial goals from those who are falling behind. The new survey finds people who plan feel more confident about their financial decision-making, manage to save more money, and feel better about their progress to date in saving for financial goals. Planners score higher in financial preparedness than non-planners across income groups. The benefits are not limited to those who are better off.

Too few American families are taking advantage of this valuable tool to help protect their families from the vagaries of an uncertain economic environment. The percentage of American families who have made a comprehensive financial plan – either on their own or with professional help – has not changed significantly from 15 years ago. Overall, only about a third (31%) of decision-makers today report having ever put together such a plan. And just 35 percent of decision-makers report having a plan in place to save for emergencies, down from 39 percent in 1997.

A Much Tougher Economic Landscape for American Families

Recent reports from the Federal Reserve show the devastating effects of financial crisis on the middle class. The median family, richer than half of all American families and poorer than the other half, had a net worth of $77,300 in 2010 compared with $126,400 in 2007 according to the Fed. This means the average family has no more wealth today than it did in the early 1990s, wiping out nearly two decades of economic gains.[1] Our new survey documents the economic pain people are feeling. In 2012, households where people live from paycheck to paycheck outnumber those where people feel

[1] "Family Net Worth Drops to Level of Early 90's, Fed Says," by Binyamin Applebaum, *The New York Times*, June 11, 2012.

financially comfortable (38% vs. 30%). Fifteen years ago, when economic conditions were much more positive, these numbers were reversed – fewer people described themselves as financially struggling than said they were living the good life (31% vs. 38%). For most Americans, their home has been their biggest financial asset, but the crash of housing prices has been the single biggest factor that has reduced people's wealth. Today, one-quarter (23%) of those with a mortgage say it is underwater, i.e., the money required to pay it off is greater than what the property could sell for on the open market. Looking ahead, 20 percent of non-retired home owners think they will still be making mortgage payments when they retire, up from 14 percent in 1997.

Speaking of retirement, people's expectations for how early they will be able to retire have been scaled back considerably. Fifteen years ago, half (50%) of non-retirees told us that they expected to retire before they turned 65. Now, only a third (34%) believes they will be able to retire this early. More than a quarter (27%) think they will not be able to retire before age 70, if ever. This compares with 15 percent in 1997. In fact, 13 percent of those not yet retired today volunteer that they won't ever be able to stop working, compared with 4 percent who were this pessimistic about their retirement prospects 15 years ago.

Most People Find Managing Finances Daunting

As the economic environment has changed for the worse, people's comfort level with financial matters has not improved. Advances in technology have made accessing and analyzing financial information much easier, but lack of understanding about savings and investments options and how to best manage household finances remains a serious obstacle to Americans' financial preparedness.

- 55% say "it's hard for me to know who to trust for financial advice."
- 52% say "to me investing seems complicated."
- 55% say "I'm worried about losing my money if I invest it," a significant increase from 1997 (45%) reflecting growing uncertainty in response to the stock market turbulence of recent years.

In addition to these barriers to sound money management, half of household decision-makers believe they "just don't earn enough money to save regularly." Majorities of those in the under $25,000 (61%) and $25,000-$49,999 (64%) income brackets feel discouraged from saving for this reason. Even in the $50,000-$99,999 category, half (50%) feel their income level is a barrier to saving regularly. And one-quarter (26%) in the $100,000 or more category are inclined to believe that their income is insufficient to allow them to save on a regular basis.

Fewer Having Savings for Emergencies and Child's College

Feeling more financial pressure today than in 1997, American families today are less likely to be saving for their financial goals and taking steps to keep their family financially prepared. Like its predecessor, the new survey asked decision-makers about their saving and investments in six specific categories. Fewer people today report having saved toward one or more of their goals than did so fifteen years ago (80% vs. 84%). With less money to go around, fewer Americans have started saving in some important areas:

- Fewer people report saving for **emergencies**, leaving their family more vulnerable to the upheaval caused by a job loss or major unexpected expenses (63% vs. 68%).
- Fewer of those in families with a college-bound child have started to save for **college education** (48% vs. 56%), even though costs of a college education are rising at a rapid pace.

People today may be more inclined to put their economic security at risk to "keep up with the Joneses." The only area where families are more prone to save is toward a major purchase, like a new car, vacation, or home improvement project.

The proportion of Americans not yet retired who have at least some savings for retirement has held steady. However, after the hit many families took after the financial meltdown four years ago, more non-retirees feel they are behind where they should be in saving for their retirement (51% vs. 38% in 1997).

Majority Have a Plan for Spending Goal, but few have a Financial Plan

Most American families do some kind of financial planning to help accomplish their savings goals, but relatively few have ever put together the kind of detailed financial plan that money management experts recommend. When asked if they were implementing a plan to meet savings goals in six specific areas, about two-thirds (65%) of decision-makers say they follow a plan for at least one of their savings goals. This compares with only 31 percent who say they have ever prepared a *comprehensive* financial plan – or used a professional to prepare one – that includes things like savings and investments, retirement planning, and insurance needs.

Planning is most often reported for saving for one's retirement. As many as half (49%) of non-retirees say they have begun saving for retirement and follow a plan or schedule for how often, how much, and where they are saving or investing for this purpose. Since the 1990s, trends in workplace retirement benefits have shifted away from pensions and other vehicles where the employer makes all decisions toward 401-k and similar retirement plans where employees make direct contributions and decisions themselves. The survey found a significant increase in how many of those enrolled in 401-k or similar plans make annual contributions (77% vs. 66%). Despite this positive trend, the number of non-retirees who say they have a plan in place to invest for retirement is essentially unchanged (49% vs. 51% in 1997).

As might be expected, those with higher incomes are more likely to plan. Over half (55%) of those with household incomes of $100,000 or more have a comprehensive plan, compared with roughly a third (35%) of in the $50,000-$99,999 bracket, and a quarter (25%) of those in the $25,000-$49,999 bracket. Such plans are a rarity among those with incomes lower than $25,000 (10%).

Planners More Confident About Handling their Finances, Feel Better about their Progress

Families with greater financial resources are much more likely to be saving for their current and future financial goals. The new survey shows that as family income level rises, so does the percentage of decision-makers who say they have at least some savings for their various goals. For example, among those with incomes under $25,000 only about three in 10 (31%) have anything saved for emergencies, compared with nine in 10 of those with incomes of $100,000 or more. Similar relationships between income levels and savings rates were observed in 1997. But while income level matters, financial planning is another key factor distinguishing those who are better prepared financially from those who are less well prepared. Those with a comprehensive financial plan show themselves to have the following advantages over non-planners.

By a margin of 52 percent to 30 percent, planners are more likely to feel "very confident" about managing money, savings and investments. In all four income categories used for analysis, planners are found to be significantly more confident than those without a comprehensive financial plan. Planners are also more likely to feel they are on pace in meeting *all* their specific financial goals, such as saving for retirement, emergencies, and college (50% vs. 32%). In all except the lowest income categories – where few have a comprehensive plan – planners are significantly more likely to feel good about their progress toward meeting key goals.

Planners are also more likely than non-planners to describe themselves as "living comfortably" (48% vs. 22%). The benefits here are most evident in the two highest income categories. Those with a household income of $100,000 or more *and* a comprehensive plan are most likely to feel they are living the good life. But it is noteworthy that as many planners in the $50,000-$99,999 income bracket say they live comfortably as those earning $100,000 or more but do not have a comprehensive financial plan (50% vs. 46%).

Planning Benefits all Income Levels, not just the Wealthy

The benefits of a comprehensive financial plan are further demonstrated by the smart saving and money management practices associated with it. For those at higher income levels, planners put more of their income into savings than non-planners and report having built greater wealth. For example, planners with incomes of $50,000-$99,999 are more likely than non-planners to say they save 10 percent of their income or more (57% vs. 39%) and to have accumulated at least $100,000 in investments so far (37% vs. 19%). Similar differences are found between planners and non-planners in the $100,000 or more income bracket.

Financial planning is often seen as a tool for the more affluent, but the survey provides strong evidence that those with modest incomes also benefit. Families with fewer financial resources are most vulnerable to credit card debt spiraling out of control. Having a financial plan is associated with handling credit card bills in a way that minimizes risk of credit card debt problems. Among those in the $25,000-$49,999 income category, 46 percent of those with a plan say they usually pay their credit card bill in full each month, compared with 26 percent of non-planners. The margin is 41 percent to 16 percent between planners and non-planners in the under $25,000 category.

About the Survey

These are among the findings of a survey jointly sponsored by Certified Financial Planner Board of Standards, Inc. and the Consumer Federation of America. The survey included telephone interviews with a representative sample of 1,508 financial decision makers nationwide. The survey, conducted by Princeton Survey Research Associates International, asked questions about the household's financial goals and liabilities, the household's strategy for saving and investing, as well as specifics of how much was being saved and invested. Six financial goals were investigated in depth: saving for emergencies, for retirement, for a major purchase, for a child's college education, for a down payment on a house, and to help a parent or older relative with living or medical expenses. Interviews were conducted from May 7-20, 2012.

The margin of sampling error for results based on total sample at the 95 percent level of confidence is plus or minus three percentage points. Question wording and the practical difficulties in conducting surveys can also introduce error in survey estimates. A description of the survey methodology and a questionnaire annotated with the survey results are included in the appendix that follows the detailed findings.

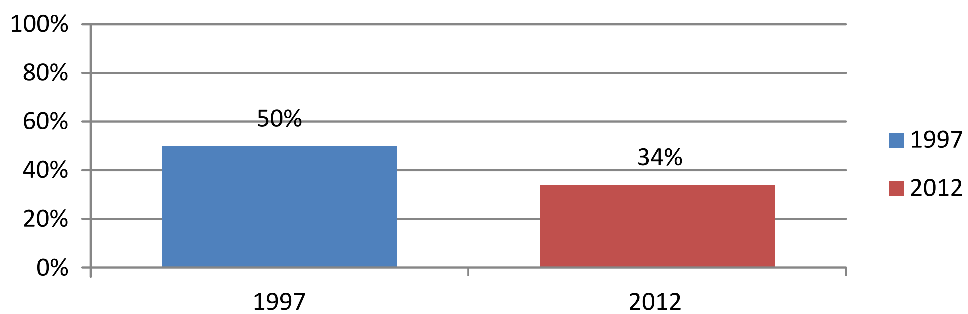
SECTION 1: CURRENT ECONOMIC LANDSCAPE

The economic landscape has changed significantly in the 15 years since this survey was last conducted. The CFP Board/Consumer Federation of America Household Financial Planning survey finds that decision makers today are having a tougher time in today's economy. The current survey measured many of the same attitudes and behaviors as the initial survey did in 1997. For many their personal economic conditions are not as positive as in 1997. Today, just 30 percent of financial decision makers[2] say they live comfortably, compared with 38 percent who reported doing so in 1997. Conversely, more decision makers report that they have just enough to meet their basic living expenses or they don't have enough to meet these expenses (38%), compared with just 31 percent who reported similar conditions in 1997.

For many Americans, the idea of a home as a financial investment has faded. While the overall rate of home ownership has remained the same, fewer decision makers who do not own a home report that they plan to buy one (61% in 2012 v. 69% in 1997). Among those who already own a home fewer say they are likely to have it paid off by the time they retire. In 1997, 82 percent reported they would have their home paid for by the time they retire, compared to 76 percent in the current survey. For about one-quarter of decision makers, their investment in a home has lost money. Twenty-three percent of those with mortgages say that they owe more on their mortgage then they could sell the house for.

Figure 1: Plan to Retire before age 65

Based on those not yet retire



Decision makers' perceptions of their retirement have changed as well. In the current survey, one-third (34%) of those not yet retired say they would be able to retire before age 65. This is down significantly from 50 percent in 1997 who reported they expected to retire before age 65 (*see Figure 1)*.

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[2] Financial decision makers were selected by asking "Who usually makes the financial decisions in your household?" Those that make solely or share the decision making were eligible for the survey.

SECTION 2: SAVING AND PLANNING TO MEET FINANCIAL GOALS

While the conditions have changed dramatically, a majority of decision makers still report they have savings or investments for at least one of their financial goals. Eight in 10 Americans (80**%**) have some savings for at least one of the financial goals asked about in the 2012 survey. This is a decrease from the 84 percent of decision makers who reported they had some savings for any of the specific financial goals in the 1997 survey.

Although a large majority of decision makers are saving for their financial goals, many find financial investments and strategies confusing. One-half of respondents say the statement 'investing seems complicated' describes them very or somewhat well, similar to the 1997 finding. Similar majorities of decision makers also say 'it's hard to know who to trust for financial advice,' and that 'I'm worried about losing my money if I invest it' describes them very or somewhat well (*see Table 1*). Given the volatile stock market over the past decade, it is not surprising that a larger share of respondents in the current survey say they are worried about losing money if they invest it, than did so in 1997.

Table 1: Feelings about Financial Matters	
Describes Very or Somewhat Well…	
It's hard for me to know who to trust for financial advice	
2012	55%
1997	54%
I'm worried about losing my money if I invest it	
2012	55%
1997	45%
To me, investing seems complicated	
2012	52%
1997	55%
I prefer not to think about money	
2012	43%
1997	42%
Unexpected expenses make it hard for me to stick to a budget	
2012	59%
1997	58%
I just don't earn enough to save regularly	
2012	51%
1997	54%

In addition to the complicated nature of investment choices, for a large number of respondents there are also barriers to saving, such as believing that their earnings are insufficient to save regularly and that unexpected expenses make it hard to stick to a budget.

Looking at the specific six goals asked about in the survey, a majority of those with each of the following goals report they have savings for them: emergencies, future retirement, and a major purchase (*see Table 2*). Just about one-half report they are saving for a child's college education, and far fewer decision makers report they are saving for a down payment for the purchase of a house in the next 10 years, or to help parents or other older relatives with living or medical expenses.

Table 2: Saving & Planning for Specific Financial Goals *Based on those with each specified goal*					
	Total Saving for Goal	**Saving & Have Plan for Goal**	**Saving for Goal, but No Plan for Goal**	**Total Not Saving for Goal**	***N's***
Emergencies					
2012	63%	35%	28%	36%	*1508*
1997	68%	39%	29%	31%	*1770*
Future Retirement					
2012	61%	49%	12%	39%	*984*
1997	64%	51%	13%	35%	*1451*
Current Retirement					
2012	62%	n/a	n/a	35%	*524*
1997	61%	n/a	n/a	35%	*319*
Major purchase					
2012	60%	37%	22%	40%	*643*
1997	52%	32%	19%	46%	*821*
College					
2012	48%	31%	17%	52%	*409*
1997	56%	36%	20%	43%	*635*
Down payment on house					
2012	34%	17%	17%	66%	*228*
1997	34%	15%	19%	66%	*365*
Help parents with medical expenses					
2012	14%	7%	7%	85%	*437*
1997	17%	10%	7%	82%	*503*

There have been some changes since 1997 in the shares of respondents reporting they are saving for their various goals. Fewer financial decision makers report they are saving for emergencies than did so 15 years ago. Likewise, fewer decision makers with the goal of sending a child to college have savings for this goal.

A key component of saving successfully is having a plan to save. In general, decision makers with a specific goal are planning for this goal as well. For example, 37 percent of decision makers are saving and planning for a major purchase, compared with 22 percent who are saving but do not have a plan. When looking at planning for one's specific financial goals, the only statistically significant change from 1997 is in having a plan for emergency expenses, fewer respondents in the current survey report that they have a plan for saving.

Unsurprisingly, annual income is closely related to whether a household has savings to meet its financial goals. As annual income increases so does the share of respondents with each goal who say they are saving for all goals asked about in the survey (*see Table 3*). For example, while just 15 percent of non-retired households with annual incomes less than $25,000 are saving for retirement, this rises to about half of those in the next income bracket, to eight in 10 among those with incomes between $50,000 and $99,999, and saving for retirement is nearly universal among those with incomes of $100,000 or more.

Table 3: Savings for Specific Financial Goals by Household Income

	Less than $25,000	**$25,000-$49,999**	**$50,000-$99,999**	**$100,000 or more**
Percent Saving for…				
Emergencies	31%	59%	78%	90%
Future Retirement	15%	53%	79%	97%
Current Retirement	33%	70%	80%	81%
Major purchase	33%	52%	64%	81%
College	19%	41%	58%	70%
Down payment on house	15%	32%	52%	51%
Help parents with medical expenses	7%	14%	12%	22%

Although most financial decision makers are saving for at least one financial goal, a sizable proportion say that they feel behind on their progress or that they should have started already saving for their financial goals. Sixty-three percent of household financial decision makers who are saving say they have at least one goal that they feel behind on, compared with 57 percent in 1997.

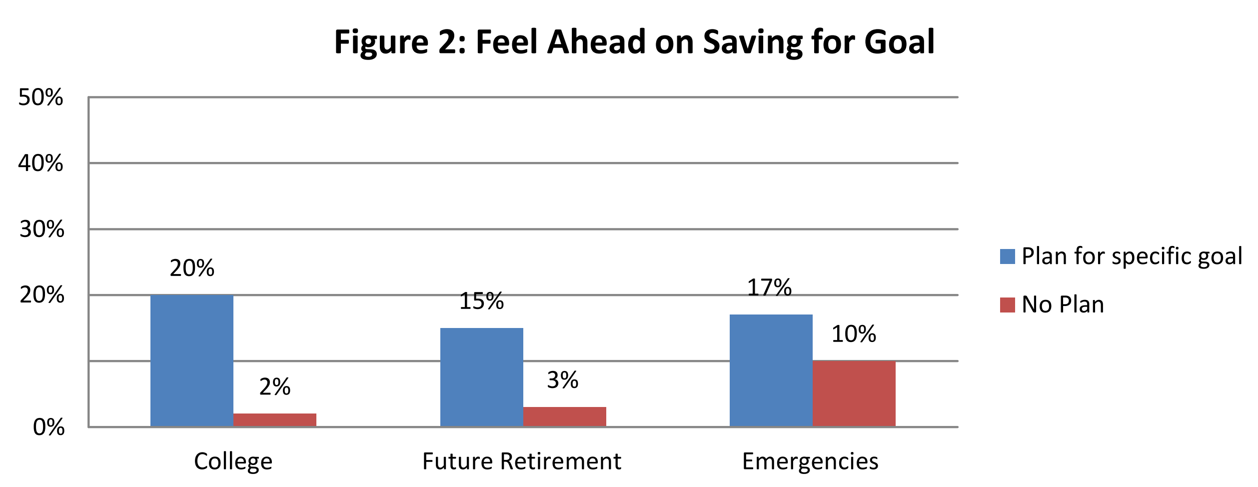
Against the backdrop of a fluctuating stock market, a larger share of non-retired respondents report that they feel behind on saving for retirement than did so in 1997 (*see Table 4 for individual goals)*. Today one-half of non-retired respondents, compared with 38 percent in 1997, say they feel behind or should have already started saving for retirement.

Table 4: Feeling of Progress towards Saving for Specific Financial Goals
Based on those with each specified goal

	Feel Behind/Should Have Started	Ahead/About Right/Ok to Start Later	*N's*
Emergencies			
2012	41%	54%	*1508*
1997	39%	57%	*1770*
Future Retirement			
2012	51%	45%	*984*
1997	38%	60%	*1451*
Major purchase			
2012	38%	58%	*643*
1997	36%	60%	*821*
College			
2012	52%	42%	*409*
1997	45%	52%	*635*
Down payment on house			
2012	48%	49%	*228*
1997	46%	51%	*365*
Help parents with medical expenses			
2012	41%	46%	*437*
1997	32%	58%	*503*

Those with a specific plan for saving for that goal tend to feel better about their progress towards saving.[3] A larger share of those with a plan for saving for college education say they are ahead than those without a plan (*see Figure 2*). A similar pattern is observed with respect to saving for future retirement and emergency expenses.

[3] Not all sample sizes were large enough to analyze, including down payment on a house and parents' medical expenses.



Saving and Planning for Emergencies

A key element in financial preparedness is having savings for those unexpected expenses and emergencies, such as the loss of a job or an unforeseen medical expense. While a majority of Americans report they have savings for emergencies (63%), fewer have savings than did so in 1997 when 68 percent reported having any savings for emergencies.

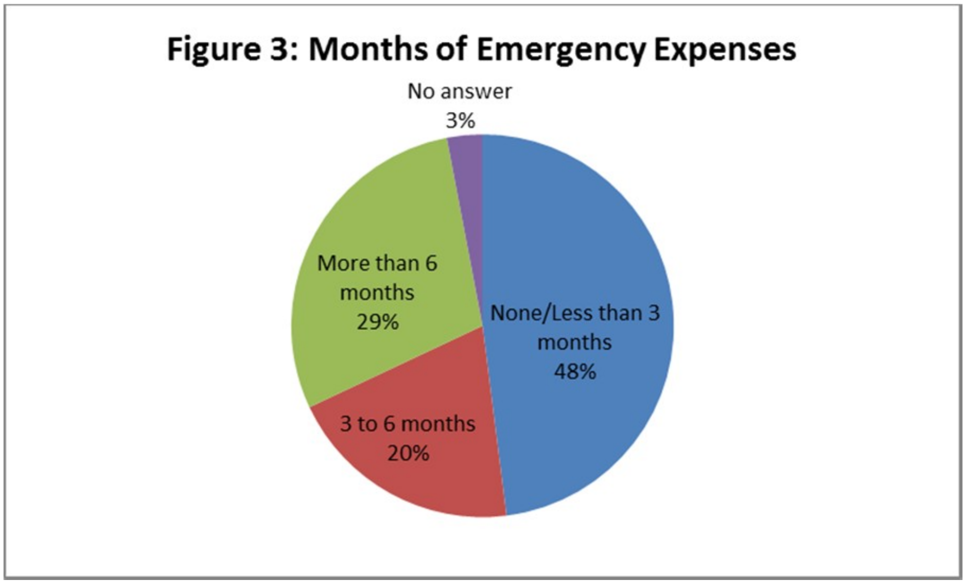
- Those most vulnerable are least likely to have savings for emergency expenses. Thirty-one percent of those with income less than $25,000, compared with 75 percent of those earning more, report they have no savings for emergencies.
- Those in a household with just one employed person are also less likely than two-worker households to have emergency saving (62% v. 74%).

While a majority have savings for emergency expenses, a significant share still feel they are behind or should have already started saving for emergencies (41%), similar to the 39 percent who reported so in 1997.

One-third of Americans (35%) report they have a specific plan for how often, how much and where to save and invest their money for emergencies. In 1997, a slightly larger share (39%) reported the same planning.

Likewise, fewer Americans saving for emergencies are putting their money in a separate savings or investment account. In the current survey, about one-half (48%) report their savings are in a separate account, down from 60 percent in 1997 who reported keeping their emergency savings separate from the rest of their money.

Although, fewer respondents are saving for emergencies than in 1997, those who have some savings have similar amounts saved as those in the 1997 survey. About one-half of decision makers have no savings or have less than 3 months of emergency living expenses saved (*see Figure 3*). Similar results were observed in 1997.



Saving and Planning for Retirement

In the current survey, three in four decision makers, working and retired, have some savings or investments allocated for their retirement (73%). This is similar to the 1997 finding, when an equal share of all decision makers reported they had some savings for retirement. These retirement savings can be either through an employer provided plan or setting money aside for on one's own for retirement, such as in an Individual Retirement Account (IRA).

Pre-retirement

In the current survey, six in 10 respondents who are not yet retired say they have at least some money saved or invested for their retirement, while 39 percent report they have no savings for retirement. This finding is similar to 1997 (*see Table 5*).

Table 5: Saving for Retirement by Age *Based on those who are not yet retired*						
	Total	**18-24**	**25-34**	**35-44**	**45-54**	**55 and older**
Have any money saved for retirement						
2012	61%	35%	55%	66%	64%	71%
1997	64%	30%	63%	72%	73%	75%

- Not surprisingly the youngest (those age 18 to 24) are the least likely to be saving for retirement. Those ages 35 and older are significantly more likely than both the 18 to 24 year olds and the 25 to 34 year olds to have any money saved for retirement.

About one-half of non-retired respondents report they have a specific plan for how and where to save or invest their money for retirement, similar to the 1997 finding. In the current survey, a larger share of non-retired respondents report they have calculated how much money they will need in retirement. In 2012, 42 percent of non-retired respondents say they have calculated how much money they will need in order to maintain their standard of living during retirement, compared with 34 percent who said the same in 1997.

- Those closer to retirement age are more likely to have made this calculation. Fifty percent of non-retired respondents ages of 45 and older have calculated how much they'll need to save for their retirement, compared with 39 percent of those non-retired respondents between the ages of 25 and 44.

While the overall share of those saying they have savings or investments for retirement has remained about the same, a significantly larger proportion of those not yet retired say they are feeling behind or should have already started their saving for retirement than did so in 1997 (51% v. 38%).

- Nearly six in 10 of the youngest respondents (those under age 25) think they are in OK shape or can start saving in the future, far more than any other age group. A majority of non-retired respondents ages 35 to 64 (56%) say they feel behind or should have already started saving for retirement.

Decision makers still feel behind on saving for retirement, even though large majorities have access to employer-based retirement savings plans. Overall, three-quarters of those in working households (72%) have some form of employer-based savings offered to them, including a 401-k, an employee stock ownership plan, or some other type of employer-based savings, pension, or profit sharing plan.

Specifically, a larger share of decision makers in working households have access to a 401-k or other retirement plan at work where they can make direct contributions than did so in 1997 (67% vs. 55%). Among financial decision makers with access to a 401-k or other retirement plan where they can make contributions themselves, 77 percent report they do so every year, a significant increase from 1997 when 66 percent reported contributing every year.

For non-retired decision makers, the main vehicle for saving for retirement is through the employer, far fewer are saving on their own. Three in 10 non retired respondents (31%) report setting money aside for retirement in accounts or investments on their own, and 22 percent report contributing to an IRA on a yearly basis.

A large majority of those who are not retired with money saved for retirement use separate accounts (77%), rather than using one account for both retirement savings and funds intended for other purposes (20%).

During Retirement

Three in five retired respondents (62%) have some money saved or invested to pay for expenses during their retirement. In 1997, a similar share reported having money saved for retirement (61%). Roughly, one half of those who are retired and have retirement savings have calculated how much they can afford to withdraw annually and still have enough savings to last the rest of their lifetime (53%). In 1997, a statistically similar share of retired respondents reported making this calculation (46%).

Saving to Send a Child to College

The cost of a college education has been rising well ahead of inflation over the past few decades, making it a greater economic burden for families. In the current survey, fewer respondents with the goal of sending a child to college report they have any savings for this goal. In 2012, 48 percent report they had any amount of money saved or invested, compared with 56 percent in 1997. One-half of decision makers with the goal of sending a child to college say they feel behind in saving or feel they should have already started, similar to the result in 1997.

Thirty-one percent of respondents with the goal of saving for a child's college education have a plan for saving, statistically similar to the 36 percent who reported the same in 1997.

Saving and Planning for Other Financial Goals

Other financial goals were asked about in the survey, including saving for a major purchase in the next few years, a down payment on a home, and parents' or older relatives' living or medical expenses. A larger share of respondents with the goal of making a major purchase in the next few years, such as a car or home improvement project, have at least some money saved for this goal than did so in 1997 (60% v. 52%). About one in three respondents has a plan to save for major expenses, similar to 1997.

While a majority with the goal of making a major purchase are saving, a sizable proportion say they feel they are behind in saving or should have already started saving. Thirty-eight percent say they feel behind in saving for a major purchase, a similar finding to 1997. Four in 10 are keeping these savings in a separate account, while the majority (55%) keeps this earmarked money mixed with money for other purposes.

One-third of those with the goal of buying a house in next 10 years have some savings for the down payment (34%). This finding is similar to 1997. About half of these respondents hoping to buy a home have a plan for saving while the rest do not.

Potential home buyers are equally divided on whether they feel behind or should have already started saving (48%) or whether they are on track with their savings or believe it is okay to start saving in the future (49%). Similarly, they are divided on keeping the money in a separate account (46%) or in a multi-purpose account (51%).

As was observed in the 1997 survey, few respondents are saving for a parent's or older relative's medical expenses (14% in 2012 and 17% in 1997). The share of those with a plan for this goal is unchanged as well since 1997.

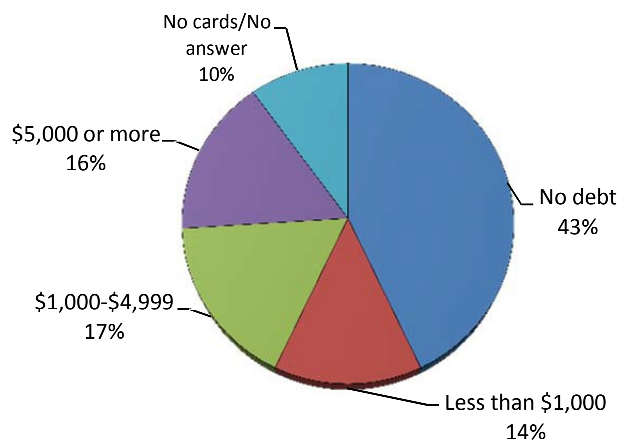
Given rising medical expenses, it is not surprising that a larger share of respondents with the goal of helping a parent with medical expenses report they feel behind in saving than did so in 1997 (41% v. 32%). Respondents who are saving for this goal are as likely to keep the money in a separate account (53%) as a mixed account (44%), statistically similar to 1997.

SECTION 3: CREDIT CARD DEBT

Similar to saving for emergencies and retirement, reducing debt is a major financial goal for significant proportion of decision makers. One-half of household financial decision makers in the survey report some sort of household debt – including credit cards and college loans for either their own college education or their child's.

Forty-seven percent of financial decision makers report they have some credit card debt. Fourteen percent of decision makers report their credit card debt is less than $1,000, 17 percent report it's between $1,000 and $4,999, while 16 percent report its $5,000 or more *(see Figure 5)*. Forty-three percent of respondents report that they have no credit card debt.

Figure 5: Credit Card Debt



About one in 10 decision makers with at least one credit card reports they pay just the minimum balance when they get a credit card bill. Forty-five percent report they are paying off the full amount of their bill, and 42 percent say they pay something in between.

Two in 10 financial decision makers (22%) say they have debt carried over from month to month that they feel needs to be paid off or reduced.

- Those with larger credit card balances are more likely to say they have credit card debt that needs to be paid off. Sixty-eight percent of those owing $5,000 or more say they have debt that need to be reduced, compared with 32 percent of those with smaller balances.

Sixty-two percent of decision makers who feel their credit card debt is too high have a specific plan to pay down the balance, including consolidating their debt into a single loan.

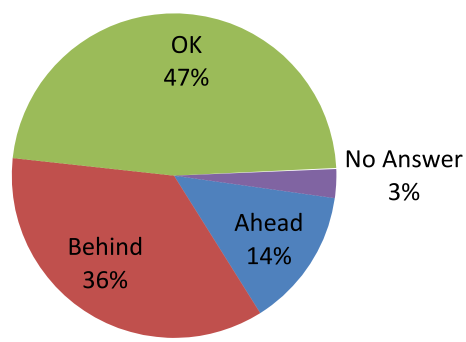
- Sixty-four percent of those who wish to reduce their credit card debt and have balances of $1,000 or more say they have a plan for reducing this debt, compared with just 47 percent of those with smaller credit card balances.

One-third of those financial decision makers with the goal of reducing their credit card debt say they feel behind in reducing their debt or should have already started to reduce their debt. About one-half say they are where they should be or that it's okay to start in the future (*see Figure 6*).

- Those who do not have a plan for reducing their credit card debt are more likely than those with a plan to say they feel behind on this goal (45% v. 29%).

Figure 6: Views on Credit Card Debt

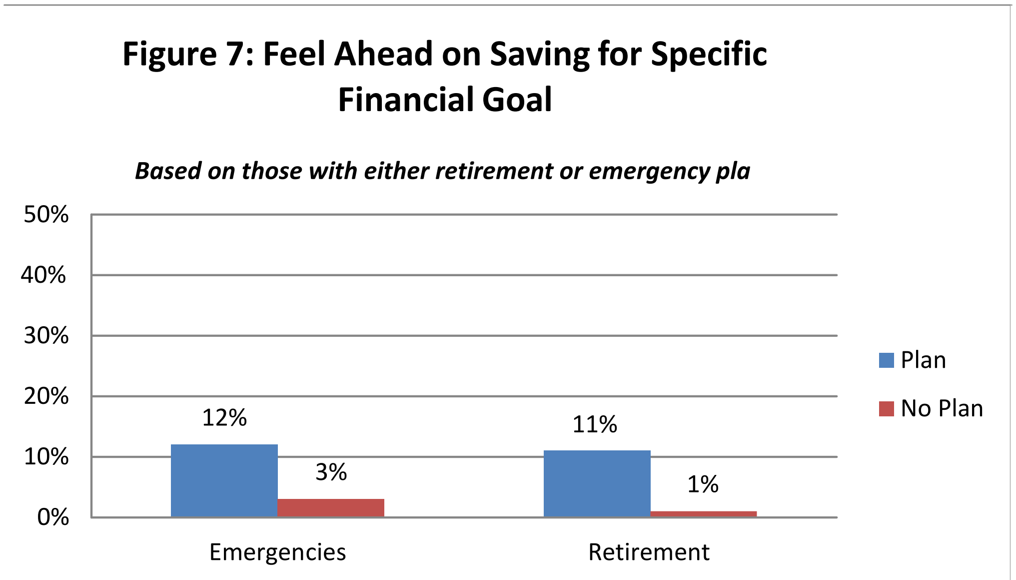
Based on those with goal of reducing credit card debt



SECTION 4: THE IMPORTANCE OF FINANCIAL PLANNING

Emergency and Retirement Planning

The relationship between planning and financial confidence is strong. Earlier sections of this report showed a relationship between having a plan for a specific financial goal and one's assessment of their progress towards achieving that specific goal. Six in 10 decision makers (63%) have either a plan for their retirement or emergency expenses. Those with a plan for either of these financial goals are more likely to say they feel ahead on their progress towards saving for these specific goals (*see Figure 7)*.



This feeling of financial comfort is broader than being satisfied with progress toward these specific financial goals. For example, those with a plan for emergency expenses or retirement are more likely to say they live comfortably than those without a plan for either of these crucial items. They are also more likely to be confident in dealing with financial matters *(see Table 6)*.

Likewise, those who are planning for either retirement or emergency living expenses are more likely to be financially prepared. For example, 46 percent of those with plans in either of these areas are saving 10 percent or more of their income annually, compared with just 14 percent of those who do not have a plan. In addition, a larger share of decision makers who have a plan for either retirement or emergencies have 10 months or more living expenses saved, compared to those without a plan.

Those earning less than $50,000 seem to benefit most from planning for emergency expenses or retirement. Those with plans at these lower income levels are more confident and in control of their financial situation. In addition, larger shares of those with a plan are more financially prepared for the future than their counterparts.

Table 6: Financial Preparedness by Presence of either Plan for Saving for Emergency Expenses or Retirement and Annual Income								
	Total		Under $25,000		$25,000-$49,999		$50,000-$99,999	
	Plan	No Plan	Plan	No Plan	Plan	No Plan	Plan	No Plan
Percent who say they…								
Live comfortably	37%	18%	15%	7%	21%	20%	40%	38%
Are confident in managing money, savings, and investments	89%	74%	85%	68%	88%	79%	88%	83%
Have high feeling of control over their finances	41%	19%	28%	12%	28%	22%	38%	28%
Usually pay off whole amount on credit card	41%	22%	28%	14%	38%	20%	39%	38%
Have $100,000 or more in savings and investments	28%	5%	6%	--	14%	5%	29%	11%
Are saving 10% or more of income	46%	14%	14%	9%	34%	13%	54%	24%
Have 10 months or more of emergency expenses	31%	13%	15%	5%	26%	12%	28%	20%
N's	*970*	*538*	*108*	*254*	*208*	*116*	*291*	*90*

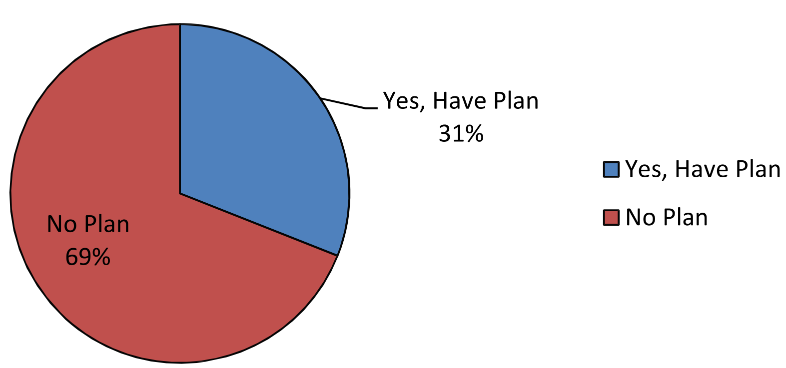
Comprehensive Financial Planning

As in 1997, the current survey clearly shows the benefits of having a comprehensive financial plan for all decision makers, a plan that includes savings and investments, planning for retirement and insurance needs[4]. The current survey findings demonstrate that decision makers with a comprehensive financial plan are more financially confident and comfortable than those without a plan. In addition, the current research shows they have more positive financial outcomes.

Although current and past results show the importance of financial planning, few respondents have ever created a comprehensive financial plan (*see Figure 8*). In the current survey, just 31 percent of financial decision makers' report that they have ever prepared a comprehensive financial plan or had one prepared for them.

- Thirty-six percent of decision makers ages 45 and older have ever prepared a comprehensive financial plan, compared with 24 percent of younger respondents.
- Those with higher annual incomes are more likely to have a financial plan. Just 10 percent of those with income under $25,000 have a plan, increasing to 25 percent among those with income of $25,000 to $49,999, 35 percent among those with incomes of $50,000 to $99,999, and 55 percent of those with incomes of $100,000 or more.

Figure 8: Ever Had a Comprehensive Financial Plan



In the current survey, 20 percent of those without a financial plan report they are very or somewhat likely to have one prepared in the next 12 months.

[4] Direct comparison with 1997 not available, see Appendix 'Savers'.

- Those with incomes of $50,000 are more likely than those with lower annual incomes to say they are likely to develop a financial plan in the next 12 months (27% v. 17%).

Regardless of their income levels, decision makers with a comprehensive financial plan have more positive and confident feelings about various financial matters. Those with a financial plan are more likely to say that they do not feel behind on any of their specific goals, such as saving for emergencies, retirement, or a major purchase *(see Table 7)*. One-half of those with a financial plan say they feel very confident they are making the best choices to manage their money, compared with 30 percent of those without a financial plan.

Table 7: Attitudes about Financial Matters by Presence of Comprehensive Financial Plan and Annual Income

	Total		**Under $25,000**		**$25,000-$49,999**		**$50,000-$99,999**		**$100,000 or more**	
	Plan	**No Plan**	**Plan**	**No Plan**	**Plan**	**No Plan**	**Plan**	**No Plan**	**Plan**	**No Plan**
Percent who say they…										
Live comfortably	48%	22%	23%	8%	25%	19%	50%	34%	68%	46%
Are very confident in managing money, savings, and investments	52%	30%	65%	30%	52%	33%	48%	22%	48%	34%
Don't feel behind on any specific goal	50%	32%	44%	34%	44%	29%	45%	23%	50%	35%
Have high comfort level with financial Matters	37%	26%	18%	26%	30%	28%	32%	21%	50%	29%
Have high feeling of control over their finances	49%	26%	20%	16%	24%	26%	47%	30%	71%	48%
N's	*537*	*962*	*52*	*307*	*95*	*228*	*148*	*231*	*160*	*117*

The current survey findings also indicate that decision makers with a comprehensive financial plan in place are more likely to be financially prepared than those without a plan in place. Financial preparedness was measured in several ways, including months of emergency expenses, annual savings rate, and overall savings. Those with financial plans are also more likely to avoid some financial pitfalls, such as revolving credit card debt or declaring bankruptcy (*see Table 8*).

Looking at the specific indicators of financial preparedness, 42 percent of those with a financial plan have 10 months or more of emergency expenses saved compared to 16 percent of those who do not have a plan. One-half of those with a financial plan are saving at least 10 percent of their income every year compared to one-quarter of those without a financial plan. Those with a financial plan are also more likely have accumulated a significant amount in savings. Thirty-six percent of those with a financial plan have $100,000 or more in savings, compared with just 12 percent of those without a plan.

In general, this pattern of difference is observed across all income levels. Those with a plan are more likely to be financially prepared than those without a plan.[5] Across all income categories those with a financial plan are more likely to have 10 months or more saved in emergency expenses. Likewise, this pattern is observed when looking at total savings. Even for those with annual incomes between $25,000 and $49,999, planning is powerful. Twenty percent of those in this income bracket have accumulated $100,000 or more compared with just seven percent of those without a plan.

There also indications that those who have a financial plan are more likely to avoid some financial dangers, such as credit card debt and bankruptcy. One-half of those with a financial plan say they usually pay off the full amount when they get a credit card bill, compared to roughly one-quarter of those without a financial plan. There are significant differences across most income groups on this measure, the exception being those earning $50,000 to $99,999 annually.

[5] Significant differences do not appear across all income categories on every measure.

Table 8: Financial Preparedness by Presence of Comprehensive Financial Plan and Annual Income										
	Total		Under $25,000		$25,000-$49,999		$50,000-$99,999		$100,000 or more	
	Plan	No Plan	Plan	No Plan	Plan	No Plan	Plan	No Plan	Plan	No Plan
Percent who say they…										
Have 10 months or more of emergency expenses	42%	16%	30%	5%	33%	17%	40%	20%	49%	36%
Have savings for emergencies	83%	54%	62%	27%	66%	57%	87%	73%	92%	87%
Have savings for retirement	92%	65%	70%	31%	81%	77%	94%	88%	100%	95%
Are saving 10% or more of income	50%	27%	21%	10%	22%	27%	57%	39%	73%	60%
Have $100,000 or more in savings and investments	36%	12%	13%	*less than 1%	20%	7%	37%	19%	69%	47%
Usually pay off whole amount on credit card	50%	27%	41%	16%	46%	26%	45%	36%	55%	41%
Have never declared bankruptcy	92%	87%	94%	89%	86%	83%	90%	86%	93%	85%
N's	*537*	*962*	*52*	*307*	*95*	*228*	*148*	*231*	*160*	*117*

APPENDIX

SAVERS ANALYSIS

In 1997, only those decision makers who reported they had some savings for any of the specific financial goals were asked whether or not they had a comprehensive financial plan. This appendix reports results on this 'Savers' base from 1997, and compares to the 2012 based on the same 'Savers' definition.

As in 1997, the current survey clearly shows that people at all income levels benefit from having a financial plan. The survey demonstrates that decision makers who are saving for any financial goal ('Savers') and who have a financial plan feel and behave differently than those without a plan.[6] In addition, the current research shows they have more positive financial outcomes.

In both the 1997 and 2012, few 'Savers' have created a comprehensive financial plan. In the current survey, 36 percent of 'Savers' report that they have ever prepared a comprehensive financial plan or had one prepared for them. This finding is statistically the same as the share that reported doing so in 1997 (32%).

Table 9: Attitudes about Financial Matters by Presence of Comprehensive Financial Plan and Annual Income *Based on 'Savers'*

	Total		$25,000-$49,999		$50,000-$99,999		$100,000 or more	
	Plan	No Plan	Plan	No Plan	Plan	No Plan	Plan	No Plan
Percent who say they…								
Live comfortably	49%	28%	27%	22%	50%	35%	68%	47%
Are very confident in managing money, savings, and investments	50%	29%	47%	33%	47%	22%	48%	34%
Don't feel behind on any specific goal	50%	32%	45%	31%	46%	23%	50%	35%
Have high comfort level with financial matters	38%	25%	29%	28%	33%	21%	50%	29%
Have high feeling of control over their finances	51%	31%	26%	28%	48%	31%	71%	49%
N's	*514*	*730*	*90*	*194*	*144*	*219*	*159*	*114*

[6] 'Savers' are defined as those who have savings for any of the following goals: emergencies, retirement, major purchase, child's college education, a down payment on a house, to help parents with medical expense or are making contributions to a retirement account on a yearly basis.

One-half of 'Savers' with a comprehensive financial plan say they feel very confident they are making the best choices to manage their money, compared with 29 percent of those without a financial plan (*see Table 9*). The gap between very confident decision makers who follow a financial plan and those without a plan remains quite sizeable across all income levels. This pattern was also observed in 1997.[7]

'Savers' who have taken the time to craft a comprehensive financial plan behave differently as well. As was observed in 1997, 'Savers' with a financial plan are significantly more likely to be saving for each of the six specific goals asked about in the current survey (*see Table 10*). For example, 87 percent of 'Savers' who have a comprehensive financial plan are saving for emergencies, compared with 74 percent of those who do not have a plan. Nearly nine in 10 of those 'Savers' with a financial plan who are not yet retired are saving for their retirement, compared with about seven in 10 of their non-planning counterparts

Table 10: Saving for a Specific Goal by Presence of a Comprehensive Financial Plan
Based on 'Savers'

	Plan	No Plan
Percent saving for…		
Emergencies		
2012	87%	74%
1997	87%	77%
Future Retirement		
2012	87%	68%
1997	89%	69%
Major purchase		
2012	77%	60%
1997	68%	51%
College		
2012	70%	52%
1997	77%	52%
Down payment on house		
2012	54%	36%
1997	56%	36%
Help parents with medical expenses		
2012	25%	13%
1997	27%	16%

Although not always reaching a level of statistical significance, there is a general pattern across income levels that those with a comprehensive financial plan are more likely to be saving for each specific goal. Of particular significance are those with incomes between $50,000 and $99,999. Savers with a plan in this income category are more likely than those without a plan to be saving for emergencies (91% with a plan v. 78% without a plan) and future retirement (90% v. 80%).

In most instances, 'Savers' with a comprehensive financial plan are also more likely to have a plan for their specific financial goals, such as saving for a child's college education. This is similar to the pattern

[7] 1997 comparisons are not shown. Income categories were different in 1997, so a direct comparison cannot be made. However, the pattern of all income levels benefiting from having a plan is consistent.

observed in 1997. The one exception to this is saving and planning for living or medical expenses for a parent or older relative.

The current survey findings also indicate that 'Savers' with a comprehensive financial plan in place are more likely to be financially prepared than those without a plan in place are. Financial preparedness was measured in several ways, including number of months of emergency expenses, overall savings, and the presence of adequate life and property insurance. These 'Savers' who have financial plans are also more likely to avoid some financial pitfalls, such as having credit card debt, or declaring bankruptcy (*see Table 11*).

Looking at the specific indicators of financial preparedness, 44 percent of 'Savers' with a financial plan have 10 months or more of emergency expenses in place compared to just 22 percent of 'Savers' who do not have a plan. This finding is similar to 1997, in that survey 43 percent of 'Savers' with a plan had 10 months or more saved, compared with 25 percent of 'Savers' without a plan.

Similarly, those with a plan are doing better at saving a larger percentage of their annual income. Sixty-two percent of 'Savers' in the current survey with a financial plan are saving at least 10 percent of their income every year compared to 44 percent of 'Savers' without a financial plan.

In general, this pattern of difference is observed across all income levels. Those who plan are more likely to be financially prepared than those without a plan.[8] For example, looking at 'Savers' with annual incomes between $50,000 and $99,999, 54 percent of those with a plan have at least $50,000 in savings, compared with 34 percent of their non-planning counterparts. Likewise, this pattern is observed in the highest income category, those earning $100,000 or more, 81 percent with a financial plan have $50,000 or more in savings, compared with 62 percent of those without a plan.

There also indications that those 'Savers' who also have a financial plan are more likely to avoid some financial dangers, such as credit card debt and bankruptcy. One-half of 'Savers' with a financial plan (52%) say they usually pay off the full amount on their credit cards, compared with one-third of 'Savers' without a financial plan.

[8] Significant differences do not appear across all income categories.

Table 11: Financial Preparedness by Presence of Comprehensive Financial Plan and Annual Income *Based on 'Savers'*								
	Total		**$25,000-$49,999**		**$50,000-$99,999**		**$100,000 or more**	
	Plan	**No Plan**	**Plan**	**No Plan**	**Plan**	**No Plan**	**Plan**	**No Plan**
Percent of 'Savers' who say they…								
Have 10 months or more of emergency expenses	44%	22%	36%	20%	41%	21%	49%	38%
Have savings for retirement	96%	86%	88%	88%	98%	92%	100%	98%
Are saving 10% or more of income	62%	44%	34%	42%	68%	53%	86%	76%
Have $50,000 or more in savings and investments	48%	25%	27%	17%	54%	34%	81%	62%
Have no credit card debt	47%	41%	49%	46%	38%	31%	43%	30%
Usually pay off whole amount on credit card	52%	33%	49%	31%	46%	38%	55%	43%
Have never declared bankruptcy	92%	88%	85%	84%	91%	88%	93%	86%
N's	*514*	*730*	*90*	*194*	*144*	*219*	*159*	*114*

METHODOLOGY

The 2012 Household Planning Survey – sponsored by CFP Board and the Consumer Federation of America – obtained telephone interviews with a nationally representative sample of 1,508 financial decision makers living in the continental United States. Interviews were conducted via landline (n_{LL}=906) and cell phone (n_C=602, including 309 without a landline phone). The survey was conducted by Princeton Survey Research Associates International. The interviews were administered in English and Spanish by Princeton Data Source from May 7 to May 20, 2012. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ±2.9 percentage points.

Details on the design, execution and analysis of the survey are discussed below.

Design and Data Collection Procedures

Sample Design

A combination of landline and cellular random digit dial (RDD) samples was used to represent all adults in the continental United States who have access to either a landline or cellular telephone. Both samples were provided by Survey Sampling International, LLC (SSI) according to PSRAI specifications.

Numbers for the landline sample were selected with probabilities in proportion to their share of listed telephone households from active blocks (area code + exchange + two-digit block number) that contained three or more residential directory listings. The cellular sample was not list-assisted, but was drawn through a systematic sampling from dedicated wireless 100-blocks and shared service 100-blocks with no directory-listed landline numbers.

Interviews were conducted from May 7 to May 20, 2012. As many as five attempts were made to contact every sampled telephone number. Sample was released for interviewing in replicates, which are representative subsamples of the larger sample. Using replicates to control the release of sample ensures that complete call procedures are followed for the entire sample. Calls were staggered over times of day and days of the week to maximize the chance of making contact with potential respondents. Interviewing was spread as evenly as possible across the days in field. Each telephone number was called at least one time during the day in an attempt to complete an interview.

For the landline sample, interviewers asked to speak with the youngest adult male or female currently at home based on a random rotation. If no male/female was available, interviewers asked to speak with the youngest adult of the other gender. This systematic respondent selection technique has been shown to produce samples that closely mirror the population in terms of age and gender when combined with cell interviewing.

For the cellular sample, interviews were conducted with the person who answered the phone. Interviewers verified that the person was an adult and in a safe place before administering the survey. Cellular respondents were offered a post-paid cash reimbursement for their participation.

Once a potential respondent was on the phone interviewers then identified those who make the financial decisions in the household. A total of 1,678 contacts were made yielding 1,508 decision makers. Respondents who were not decision makers were asked certain demographic questions necessary for weighting the data. After the weighting, these cases were dropped.

Weighting and Analysis

Weighting is generally used in survey analysis to compensate for sample designs and patterns of non-response that might bias results. The weighting ensures that the demographic profile of the sample matches the profile of the target population. Since no reliable parameters exist for the population of financial decision makers, the full set of data - completes plus screen-outs - was weighted to match national adult parameters. The screen-out cases were dropped after the weighting.

The first stage of weighting corrected for different probabilities of selection associated with the number of adults in each household and each respondent's telephone usage patterns.[9] This weighting also adjusts for the overlapping landline and cell sample frames and the relative sizes of each frame and each sample.

This first-stage weight for the i^{th} case can be expressed as:

Where S_{LL} = Size of the landline sample

S_{CP} = Size of the cell phone sample

AD_i = Number of adults in the household

R = Estimated ratio of the land line sample frame to the cell phone sample frame

The equations can be simplified by plugging in the values for S_{LL} = 990 and S_{CP} = 688. Additionally, we will estimate of the ratio of the size of landline sample frame to the cell phone sample frame R = 0.75.

[9] i.e., whether respondents have only a landline telephone, only a cell phone, or both kinds of telephone.

The second stage of weighting balances sample demographics to population parameters. The sample is balanced to match national population parameters for sex, age, education, race, Hispanic origin, region (U.S. Census definitions), population density, number of adults in the household, and telephone usage. The Hispanic origin was split out based on nativity; U.S born and non-U.S. born. The basic weighting parameters came from a special analysis of the Census Bureau's 2011 Annual Social and Economic Supplement (ASEC) that included all households in the United States. The population density parameter was derived from Census 2000 data. The cell phone usage parameter came from an analysis of the January-June 2011 National Health Interview Survey.[10]

Weighting was accomplished using Sample Balancing, a special iterative sample weighting program that simultaneously balances the distributions of all variables using a statistical technique called the *Deming Algorithm*. Weights were trimmed to prevent individual interviews from having too much influence on the final results. The use of these weights in statistical analysis ensures that the demographic characteristics of the sample closely approximate the demographic characteristics of the national population. Table A1 compares weighted and unweighted sample distributions to population parameters. It also shows the final weighted demographics of financial decision makers once the screen-outs were dropped.

[10] Blumberg SJ, Luke JV. Wireless substitution: Early release of estimates from the National Health Interview Survey, January-June, 2011. National Center for Health Statistics. Dec 2011.

Table A1: Sample Demographics

	2011 Parameter	Unweighted	Total Sample Weighted	Financial Decision Makers Weighted
Gender				
Male	48.6	47.7	48.5	49.0
Female	51.4	52.3	51.5	51.0
Age				
18-24	12.8	10.0	12.7	7.1
25-34	18.0	13.0	17.2	18.0
35-44	17.2	13.4	16.9	18.2
45-54	19.0	18.2	19.3	20.7
55-64	16.0	20.5	16.5	18.0
65+	17.0	24.9	17.4	18.0
Education				
Less than HS Graduate	13.3	9.8	12.4	10.5
HS Graduate	30.4	27.3	30.6	30.2
Some College/Assoc Degree	28.5	23.7	28.0	27.3
College Graduate	27.8	39.2	29.0	32.0
Race/Ethnicity				
White/not Hispanic	68.0	73.3	67.7	71.0
Black/not Hispanic	11.6	9.6	11.4	9.2
Hispanic	6.6	6.9	6.6	6.4
Hispanic	7.4	4.6	6.7	6.6
Other/not Hispanic	6.4	4.3	6.7	6.6
Region				
Northeast	18.5	16.7	18.3	18.2
Midwest	21.8	24.0	21.9	21.8
South	37.0	37.8	37.3	36.9
West	22.7	21.5	22.6	23.1
County Pop. Density				
1 - Lowest	20.1	23.6	20.5	20.3
2	20.0	21.0	20.2	21.0
3	20.1	23.6	20.6	21.1
4	20.2	16.1	19.7	19.4
5 - Highest	19.6	15.7	19.0	18.1
Household Phone Use				
LLO	7.6	8.9	7.8	7.7
Dual	59.4	70.3	60.5	60.4
CPO	33.0	20.7	31.7	31.8
# of adults in HH				
One	17.0	25.6	17.5	19.2
Two	52.9	53.5	53.5	55.8
Three +	30.1	20.9	28.9	25.0

Effects of Sample Design on Statistical Inference

Post-data collection statistical adjustments require analysis procedures that reflect departures from simple random sampling. PSRAI calculates the effects of these design features so that an appropriate adjustment can be incorporated into tests of statistical significance when using these data. The so-called "design effect" or *deff* represents the loss in statistical efficiency that results from systematic non-response. The total financial decision makers design effect for this survey is 1.28.

PSRAI calculates the composite design effect for a sample of size n, with each case having a weight, w_i as:

$$deff = \frac{n \sum_{i=1}^{n} w_i^2}{\left(\sum_{i=1}^{n} w_i \right)^2} \qquad \textit{formula 1}$$

In a wide range of situations, the adjusted *standard error* of a statistic should be calculated by multiplying the usual formula by the square root of the design effect (√*deff*). Thus, the formula for computing the 95% confidence interval around a percentage is:

$$\hat{p} \pm \left(\sqrt{deff} \times 1.96 \sqrt{\frac{\hat{p}(1-\hat{p})}{n}} \right) \qquad \textit{formula 2}$$

where $\hat{p}$ is the sample estimate and n is the unweighted number of sample cases in the group being considered.

The survey's *margin of error* is the largest 95 percent confidence interval for any estimated proportion based on the total sample — the one around 50 percent. For example, the margin of error for the entire sample of financial decision makers is ±2.9 percentage points. This means that in 95 out every 100 samples drawn using the same methodology, estimated proportions based on the entire sample of financial decision makers will be no more than 2.9 percentage points away from their true values in the population. It is important to remember that sampling fluctuations are only one possible source of error in a survey estimate. Other sources, such as respondent selection bias, questionnaire wording and reporting inaccuracy, may contribute additional error of greater or lesser magnitude.

Response Rate

Table A2 reports the disposition of all sampled telephone numbers ever dialed from the original telephone number samples. The response rate estimates the fraction of all eligible sample that was ultimately interviewed. At PSRAI it is calculated by taking the product of three component rates:[11]

- Contact rate – the proportion of working numbers where a request for interview was made[12]
- Cooperation rate – the proportion of contacted numbers where a consent for interview was at least initially obtained, versus those refused
- Completion rate – the proportion of initially cooperating and eligible interviews that were completed

Thus the response rate for the landline samples was eight percent. The response rate for the cellular samples was eight percent.

[11] PSRAI's disposition codes and reporting are consistent with the American Association for Public Opinion Research standards.
[12] PSRAI assumes that 75 percent of cases that result in a constant disposition of "No answer" or "Busy" are actually not working numbers.

Table A2:Sample Disposition

Landline	Cell	
36,219	24,003	Total Numbers Dialed
1,523	248	Non-residential
1,566	50	Computer/Fax
13	---	Cell phone
16,416	8,765	Other not working
3,071	525	Additional projected not working
13,631	14,415	Working numbers
37.6%	60.1%	Working Rate
1,024	175	No Answer / Busy
4,109	6,029	Voice Mail
62	7	Other Non-Contact
8,436	8,204	Contacted numbers
61.9%	56.9%	Contact Rate
592	1,543	Callback
6,723	5,458	Refusal
1,121	1,203	Cooperating numbers
13.3%	14.7%	Cooperation Rate
57	34	Language Barrier
----	468	Child's cell
81	84	Screen-out non-decision maker
983	617	Eligible numbers
87.7%	51.3%	Eligibility Rate
77	15	Break-off
906	602	Completes
92.2%	97.6%	Completion Rate
7.6%	8.1%	Response Rate

TOPLINE

2012 HOUSEHOLD FINANCIAL PLANNING SURVEY

Princeton Survey Research Associates International for
CFP Board and tConsumer Federation of America

Final Topline
June 11, 2012

N=1,508 Household Financial Decision-Makers, age 18 or older
(margin of error: +/- 3 percentage points)
Dates of interviewing: May 7-20, 2012

Notes: Percentage totals may not equal 100% due to rounding
* = less than .5% reporting

LANDLINE INTRO:

Hello, my name is ________and I'm calling for Princeton Survey Research. We're conducting a national OPINION study offering you the opportunity to share your thoughts about some important issues facing Americans today. **RANDOMIZE RESPONDENT SELECTION - DO NOT RANDOMIZE BY FORM:** "May I please speak with the ADULT MALE, age 18 or older, who had the most recent birthday and is now at home?" **AND** "May I please speak with the ADULT FEMALE, age 18 or older, who had the most recent birthday and is now at home?" **IF NO MALE/FEMALE ASK:** May I please speak with the ADULT FEMALE/MALE, age 18 or older, who had the most recent birthday and is now at home?
[WHEN ELIGIBLE RESPONDENT IS ON THE LINE, GO TO SEX/FDM SCREENER QUESTION]

CELL PHONE INTRO:
Hello, I am ___calling for Princeton Survey Research. We are conducting a national OPINION study offering you the opportunity to share your thoughts about some important issues facing American families. I know I am calling you on your cell phone. If you'd like to be reimbursed for your cell phone minutes, we will pay all eligible respondents $5 for participating in this survey. This is not a sales call. **(IF R SAYS DRIVING/UNABLE TO TAKE CALL:** Thank you. We will try you another time...**)**

CELL PHONE SCREENING INTERVIEW:
S1. Are you under 18 years old, OR are you 18 or older?

IF under 18, THANK AND TERMINATE: This study is limited to adults age 18 and over. I won't take any more of your time...

READ TO ALL CELL PHONE - INTRODUCTION TO MAIN INTERVIEW: If you are now driving a car or doing any activity requiring your full attention, I need to call you back later... **[GO TO SEX IN FINANCIAL DECISION MAKER SCREENING QUESTION]**

INTERVIEWER: If R says it is not a good time, try to arrange a time to call back.

QA. Here's my first question… Overall, are you satisfied or dissatisfied with the way things are going in your life today?

75	Satisfied
22	Dissatisfied
3	(DO NOT READ) Don't know/Refused

1. How would you describe your own personal financial situation? Would you say you….**(READ)**

Current		2/1997[13]
30	Live comfortably	38
31	Meet your basic expenses with a little left over for extras	30
25	Just meet your basic living expenses, OR	22
13	Don't even have enough to meet basic expenses?	9
1	(DO NOT READ) Don't know/Refused	1

[13] Trend figures for 2/1997 are from a survey of 1,770 financial decision makers conducted between 1/17-2/23/1997 by Princeton Survey Research Associates on behalf of NationsBank and the Consumer Federation of America.

2. I'm going to read a list of statements describing how some people feel about money and planning for the future. As I read each one, please tell me if you think it describes you very well, somewhat well, not too well, or not at all well. (First, what about this statement/how about)… **(INSERT—READ AND RANDOMIZE)**

READ AS NECESSARY: Does this describe YOU very well, somewhat well, not too well, or not at all well?

		Very	Some	Not too	Not at all	DK/ Ref
a. I have a habit of saving money regularly.						
	Current:	36	27	20	17	1
	2/1997:	29	30	22	18	1
b. To me, investing seems complicated.						
	Current:	25	27	19	27	1
	2/1997:	26	29	20	25	*
c. I prefer not to think about money.						
	Current:	18	25	20	36	2
	2/1997:	18	24	22	35	1
d. Unexpected expenses make it hard for me to stick to a budget.						
	Current:	29	30	19	22	1
	2/1997:	29	29	20	21	1
e. I like to know exactly where my money is spent each month.						
	Current:	69	19	8	4	*
	2/1997:	64	23	7	5	1
f. It's hard for me to know who to trust for financial advice.						
	Current:	29	26	17	26	2
	2/1997:	28	26	18	27	1
g. I'm worried about losing my money if I invest it.						
	Current:	29	26	17	26	2
	2/1997:	22	23	22	31	2
h. I just don't earn enough money to save regularly.						
	Current:	27	24	19	27	2
	2/1997[14]:	27	27	21	24	1

[14] In 1997 this item was 'I just don't have enough money'.

MAR. Are you now married, living with a partner, separated, divorced, widowed or have you NEVER been married?

56	Married
8	Living with a partner
3	Separated
9	Divorced
6	Widowed
18	Never married
*	(DO NOT READ) Don’t know/Refused

RRET. Are you, yourself, currently retired, or not?

24	Yes, retired
2	Yes, semi-retired or “still do some kind of work”
71	No, not retired
3	(VOL) Disabled
*	(DO NOT READ) Don't know/Refused

SRET. Is your (husband/wife/partner) currently retired?

Based on those who are married/living as married (n=917)

21	Yes, retired
1	Yes, semi-retired or “still do some kind of work”
75	No, not retired
2	(VOL) Disabled
1	(DO NOT READ) Don't know/Refused

REMP. {Some people who have retired do some work for pay./ Some people who are disabled do some type of work for pay.}
Are you now employed full-time, part-time, or NOT employed for pay?

46	Employed full-time
14	Employed part-time
40	Not employed
*	(DO NOT READ) Don't know/Refused

SEMP {Some people who have retired do some work for pay./ Some people who are disabled do some type of work for pay.}
Is your (husband/wife/partner) now employed full-time, part-time, or NOT employed for pay?

Based on those who are married/living as married (n=917)

51	Employed full-time
12	Employed part-time
37	Not employed
*	(DO NOT READ) Don't know/Refused

AGE. What is your age?

7	18-24
18	25-34
18	35-44
20	45-54
18	55-64
18	65 and older
1	(DO NOT READ) Don't know/Refused

3. Looking ahead, at what age do you (and your husband/wife/partner both) plan to retire? **(READ IF NECESSARY; RECORD R'S EXPECTED AGE AT RETIREMENT, NOT SPOUSE'S)**

Based on those who are not retired

Current		2/1997
14	Younger than 60	26
20	60-64	24
21	65	21
10	66-69	4
14	70 or older	11
13	(VOL) Never/Don't plan to retire	4
9	(DO NOT READ) Don't know/Refused	10
(984)		*(1451)*

4. Do you own or rent your home?

Current		2/1997
62	Own	63
35	Rent	30
3	(VOL) Other arrangement (SPECIFY)	7
*	(DO NOT READ) Don't know/Refused	*

5. Do you pay money on a mortgage or other home loan for your MAIN residence, or is your home paid for?

Based on homeowners (n=1018)

63	Pay money on a mortgage/other home loan
37	Paid for
*	(DO NOT READ) Don't know/Refused

6. Some people are in a situation where they owe more on their mortgage than their home would sell for, if it were put on the market today. Does this describe your situation, or not? **(INTERVIEWER: THIS QUESTION APPLIES TO R'S MAIN RESIDENCE ONLY)**

Based on those who have mortgage (n=596)

23	Yes, owe more on mortgage than home would sell for
72	No, does not describe
4	(DO NOT READ) Don't know/Refused

7. Do you expect that your mortgage or home loan will be paid off by the time you retire, or not?

Based on those who own a home and are not retired

Current		2/1997
76	Yes	82
20	No	14
4	(DO NOT READ) Don't know/Refused	4
(610)		*(921)*

8. Do you plan to buy a home at some point?
9. When do you think you will buy a home? **(READ IF NECESSARY)**

Based on those who do not own a home

Current		2/1997
61	Yes	69
10	Within the next year	14
27	Within 2 to 5 years	30
23	More than 5 years from now	22
1	(DO NOT READ) Don't know/Refused when	3
36	No	28
3	(DO NOT READ) Don't know/Refused	3
(490)		*(611)*

10. Do you have any children age 17 or younger?
11. How many?

Current		2/1997
35	Yes, have children age 17 or younger	37
13	One child	15
12	Two children	13
10	Three or more children	9
65	No children age 17 or younger	63
0	(DO NOT READ) Don't know/Refused	*

14. Do you think (this child/any of these children) will go to college?

Based on those with children age 17 or younger

Current		2/1997
95	Yes, including probably	86
4	No	8
2	(DO NOT READ) Don't know/Refused	6
(434)		*(727)*

15. Over the next YEAR OR TWO, do you expect to have any MAJOR expenses for things like a new car, a special vacation, or a home improvement project?

Current		2/1997
44	Yes, including probably	45
54	No	52
2	(DO NOT READ) Don't know/Refused	3

16. Over the next TWENTY years or so, do you expect to have any MAJOR expenses for helping a parent or other older relative with medical bills or living expenses?

Current		2/1997
34	Yes, including probably	28
62	No	66
4	(DO NOT READ) Don't know/Refused	6

17. Now I want to ask about saving for **(INSERT GOAL)**. Do you have ANY money saved or invested for **(INSERT GOAL—READ AND RANDOMIZE)**?

		Yes	No	DK/Ref.	*N's*
Item A Based on Total					
a. Emergencies					
	Current:	63	36	1	*(1508)*
	2/1997:	68	31	1	*(1770)*
Item B Based on those with goal of buying house					
b. A down payment on a house					
	Current:	34	66	0	*(228)*
	2/1997:	34	66	*	*(365)*
Item C Based on those with goal of making major purchase					
c. The major purchase you expect to make					
	Current:	60	40	*	*(643)*
	2/1997:	52	46	2	*(821)*
Item D based on those with goal of children's college education					
d. Your (child's/children's) college education					
	Current:	48	52	*	*(409)*
	2/1997:	56	43	1	*(635)*
Item E Based on those with goal of parent's medical expenses					
e. Parents' or older relatives' living or medical expenses					
	Current:	14	85	1	*(437)*
	2/1997:	17	82	1	*(503)*
Item F Based on those not yet retired					
f. Retirement					
	Current:	61	39	1	*(984)*
	2/1997:	64	35	1	*(1451)*

18. Do you have a specific PLAN or schedule for how OFTEN, how MUCH, and WHERE to save or invest your money for **(INSERT GOAL)**?

		Yes	No	DK/Ref.	*N's*
Item A Based on those saving for emergencies					
a. Emergencies					
	Current:	56	44	1	*(1027)*
	2/1997:	57	42	1	*(1266)*
Item B Based on those saving for a house					
b. A down payment on a house					
	Current:	50	50	0	*(82)*
	2/1997:	44	55	1	*(140)*
Item C Based on those saving for a major purchase					
c. The major purchase you expect to make					
	Current:	61	37	1	*(420)*
	2/1997:	62	36	2	*(456)*
Item D based on those saving for children's college education					
d. Your (child's/children's) college education					
	Current:	65	35	0	*(218)*
	2/1997:	64	36	*	*(386)*
Item E Based on those saving for parent's medical expenses					
e. Parents' or older relatives' living or medical expenses					
	Current:	51	48	1	*(72)*
	2/1997:	58	42	0	*(85)*
Item F Based on those saving for retirement					
f. Retirement					
	Current:	81	19	*	*(656)*
	2/1997:	80	19	1	*(989)*

19. Do you feel you should have ALREADY started saving for **(INSERT GOAL)**, or do you feel it's OK to start saving sometime in the future?

20. How do you feel about the progress you have made so far in saving for **(INSERT GOAL)** - do you feel you are ahead, behind, or just about where you should be at this point?

		Ahead	Behind/ Should have Started	Where should be/ Ok to start in future	DK/ Ref	*N's*
Item A Based on Total						
a. Emergencies						
	Current:	9	41	45	5	*(1508)*
	2/1997:	12	39	45	4	*(1770)*
Item B Based on those with goal of buying house						
b. A down payment on a house						
	Current:	2	48	47	3	*(228)*
	2/1997:	7	46	44	3	*(365)*
Item C Based on those with goal of making major purchase						
c. The major purchase you expect to make						
	Current:	8	38	50	4	*(643)*
	2/1997:	8	36	52	4	*(821)*
Item D based on those with goal of children's college education						
d. Your (child's/children's) college education						
	Current:	7	52	35	6	*(409)*
	2/1997:	10	45	42	3	*(635)*
Item E Based on those with goal of parent's medical expenses						
e. Parents' or older relatives' living or medical expenses						
	Current:	2	41	44	13	*(437)*
	2/1997:	5	32	53	10	*(503)*
Item F Based on those not yet retired						
f. Retirement						
	Current:	8	51	37	4	*(984)*
	2/1997:	13	38	47	2	*(1451)*

21. Is the money you have saved or invested for **(INSERT GOAL)** in a SEPARATE account or investment, or is it MIXED in accounts or investments along with money you have set aside for other purposes?

		Separate	Mixed	Both/ DK/Ref.	*N's*
Item A Based on those saving for emergencies					
a. Emergencies					
	Current:	48	48	4	*(1027)*
	2/1997:	51	38	11	*(1266)*
Item B Based on those saving for a house					
b. A down payment on a house					
	Current:	46	51	2	*(82)*
	2/1997:	41	52	7	*(140)*
Item C Based on those saving for a major purchase					
c. The major purchase you expect to make					
	Current:	43	55	2	*(420)*
	2/1997:	40	53	7	*(456)*
Item D based on those saving for children's college education					
d. Your (child's/children's) college education					
	Current:	76	22	2	*(218)*
	2/1997:	71	21	8	*(386)*
Item E Based on those saving for parent's medical expenses					
e. Parents' or older relatives' living or medical expenses					
	Current:	53	44	3	*(72)*
	2/1997:	42	53	5	*(85)*
Item F Based on those saving for retirement					
f. Retirement					
	Current:	77	20	3	*(656)*
	2/1997:	76	18	6	*(989)*

22. Thinking about the total amount of money you have saved or invested for EMERGENCY EXPENSES, about how many months of living expenses would this amount cover? **(READ IF NECESSARY)**

Based on those who have started saving for emergencies

Current		2/1997
4	Less than one month	6
14	One to two months	13
31	Three to six months	27
8	Seven to nine months	8
38	Ten months or more	38
6	(DO NOT READ) Don't know/Refused	8
(1027)		*(1266)*

23. Do you have a specific PLAN for how much of your RETIREMENT money should be kept in different kinds of investments?

Based on those with money saved for retirement

Current	
45	Yes
52	No
3	(DO NOT READ) Don't know/Refused
(656)	

24. Have you ever calculated how much money you (and your husband/wife/partner) will need in order to maintain your standard of living during retirement?

Based on those who are not retired

Current		2/1997
42	Yes	34
56	No	64
1	(DO NOT READ) Don't know/Refused	2
(984)		*(1451)*

25. Do you (and your husband/wife/partner) have any money saved or invested that you use now or will use in the future to help support (yourself/yourselves) during retirement?

Based on those who are retired

Current		2/1997
62	Yes	61
35	No	35
3	(DO NOT READ) Don't know/Refused	4
(524)		*(319)*

26. Have you ever calculated how much of your money you can withdraw each year from your savings and investments, and still expect your money to last over the rest of your lifetime?

Based on those who are retired who have money saved for retirement

Current		2/1997
53	Yes	46
46	No	49
1	(DO NOT READ) Don't know/Refused	5
(319)		*(211)*

27. Please tell me if your employer (or your husband's/wife's/partner's employer) offers each of the following types of retirement plans at work. (First,) what about…? **(READ ITEMS IN ORDER)** As far as you know, is this type of retirement plan offered at work, or not?

Based on those who are employed or whose spouse is employed

		Yes	No	DK/Ref.	N's
a. A 401-k or other retirement plan at work where YOU can make direct contributions yourself [15]					
	Current:	67	30	3	*(985)*
	2/1997:	55	38	7	*(1383)*
b. A retirement savings, pension, or profit-sharing plan where the COMPANY or EMPLOYER makes ALL the contributions [16]					
	Current:	30	62	8	*(985)*
	2/1997:	33	61	6	*(1383)*
c. An ESOP or employee stock ownership plan?					
	Current:	15	79	7	*(985)*
	2/1997:	20	74	6	*(1383)*

28. As I name some ways to save for retirement, please tell me whether each is something you (or your husband/wife/partner) do EVERY year, SOME years, or not at all. What about…? **(READ IN ORDER)**
READ IF NECESSARY: Is this something you (or your husband/wife/partner) do every year, some years, or not at all?

		Every Year	Some Years	Not at all	DK/ Ref	N's
Item A Based on those respondent or spouse are not retired						
a. Contribute money to an I-R-A account						
	Current:	22	10	66	2	*(1055)*
	2/1997:	19	13	66	2	*(1451)*
Item B Based on those who have 401-k where they can make contribution						
b. Contribute to a 401-k or other retirement plan through work [17]						
	Current:	77	6	13	2	*(677)*
	2/1997:	66	6	27	1	*(960)*
Item C Based on those respondent or spouse are not retired						
c. Set aside money for retirement in accounts or investments of your own						
	Current:	31	13	55	1	*(1055)*
	2/1997:	31	13	54	2	*(1451)*

29. Do you (or your husband/wife/partner) have options for how the money in your retirement plan at work is invested, or does the company or employer make all those decisions? [18]

Based on those with employer funded plan or can directly contribute

[15] In 1997 this item was 'A 401-k plan?'
[16] In 1997 this item was 'A pension or profit-sharing plan where your EMPLOYER makes ALL the contributions?'
[17] In 1997 this item was 'Contribute to a 401-k plan or other employer pension plan?'
[18] In 1997, question wording was 'Who makes the decisions about how the money in the employer pension plan is invested – you (or your husband/wife/partner) or the employer?'

Current		2/1997
70	Respondent or spouse has options	61
23	Employer/Company makes all decisions	32
3	Other (SPECIFY)	5
4	(DO NOT READ) Don't know/Refused	2
(599)		*(860)*

30. Next I have a few questions about any debt you might owe on CREDIT CARDS like VISA, MasterCard, Discover, and American Express, and those from department stores, gas companies, and other retail outlets. What would you say is the TOTAL amount of credit card debt that you (and your husband/wife/partner) currently have? **READ IF NECESSARY:** Just stop me when I get to the right category.

43	None
7	Less than $500
7	500 to less than $1,000
8	1,000 to less than $2,500
9	2,500 to less than $5,000
8	5,000 to less than $10,000
8	$10,000 or more
7	(VOL – DO NOT READ) Doesn't apply/No credit cards
3	(DO NOT READ) Don't know/Refused

31. Over the past 12 months, has the TOTAL monthly balance you (and your husband/wife/partner) owe on credit cards gone up, gone down, or stayed about the same?

8	Gone up
19	Gone down
46	Stayed about the same
25	(VOL) Doesn't apply/No credit cards
2	(DO NOT READ) Don't know/Refused

32. Do you (or your husband/wife/partner) have any debt you carry over from month to month on credit card bills that you feel needs to be reduced or paid off?

Based on those with credit card debt (n=749)

44 Yes, have any credit card debt that needs to be reduced/paid off
52 No, do not
5 (DO NOT READ) Don't know/Refused

33. Have you taken any steps so far to reduce your credit card debt, or not?

Based on those have credit card debt that needs to be reduced or paid off (n=314)

80 Yes., have taken steps
20 No, have not
* (DO NOT READ) Don't know/Refused

34. Do you have a specific PLAN or payment schedule in place to reduce your credit card debt, or not?

Based on those who have taken steps to reduce credit card debt (n=253)

77 Yes, have a plan (includes effort to consolidate credit card debt into a single loan)
21 No, do not have a plan
1 (DO NOT READ) Don't know/Refused

35. Do you think you should have ALREADY taken steps to reduce your credit card debt, or do you feel it's OK to start paying down your credit card debt sometime in the future?
36. How do you feel about the progress you have made so far in reducing your credit card debt-- do you feel you are ahead, behind, or just about where you should be at this point?

Based on those have credit card debt that needs to be reduced or paid off (n=314)

14 Ahead
36 Should have already started
48 OK to start in future
3 (DO NOT READ) Don't know/Refused

No Question 37

38. When you (or your husband/wife/partner) get a credit card bill, do you USUALLY pay the MINIMUM amount due, pay off the WHOLE amount so you have no unpaid balance, or pay something IN BETWEEN the minimum and the whole amount?

Based on those with credit cards (n=1160)

8 Pay minimum
45 Pay whole amount
42 Pay something in between
5 (DO NOT READ) Don't know/Refused

39a. Now thinking about STUDENT LOANS… Do you (or your husband/wife/partner) currently owe any money on student loans that helped pay for YOUR OWN college education?
39b. About how much money do you (and your husband/wife/partner) currently owe IN TOTAL on these student loans for your own education? **READ IF NECESSARY:** Just stop me when I get to the right category.

18 Yes, owe any money on loans for R's or spouse's/partner's education
- 3 Less than $5,000
- 3 5 to less than $10,000
- 4 10 to less than $20,000
- 2 20 to less than $30,000
- 2 30 to less than $40,000
- 1 40 to less than $50,000
- 3 $50,000 or more
- 1 (DO NOT READ) Don't know/Refused

82 No, do not
* (DO NOT READ) Don't know/Refused

40a. Do you (or your husband/wife/partner) currently owe any money on student loans to help pay for A SON OR DAUGHTER'S college education?
40b. About how much money do you (and your husband/wife/partner) currently owe IN TOTAL on these student loans for any son's or daughter's education? **READ IF NECESSARY:** Just stop me when I get to the right category. *(new question)*

4 Yes, owe any money on loans for child's education
  1 Less than $5,000
  1 5 to less than $10,000
  1 10 to less than $20,000
  * 20 to less than $30,000
  * 30 to less than $40,000
  * 40 to less than $50,000
  * $50,000 or more
  1 (DO NOT READ) Don't know/Refused
96 No, do not
* (DO NOT READ) Don't know/Refused

41a. Did you (or your husband/wife/partner) have any MAJOR unexpected expenses in the past 12 months?
41b. Were you seriously set back financially by these major unexpected expenses, OR were you able to manage without a serious financial setback?

36 Yes
  13 Seriously set back financially
  22 Able to manage
  * (DO NOT READ) Don't know/Refused
64 No
* (DO NOT READ) Don't know/Refused

42a. Have you (or has your husband/wife/partner) ever had to declare PERSONAL BANKRUPTCY, or has this never happened to you?
42b. How recently did you (or your husband/wife/partner) declare personal bankruptcy? **READ IF NECESSARY:** Was it… **(READ)**

11 Yes, had to declare personal bankruptcy
  1 In the last 12 months
  2 One to two years ago
  1 Three to five years ago
  7 More than five years ago
  * (DO NOT READ) Don't know/Refused
88 No, never have
* (DO NOT READ) Don't know/Refused

43a. Do you happen to have a BUDGET you use to guide your household spending, or not?
43b. Is this budget you use written down or on a computer file, or not?

59 Yes, have a budget
36 Yes, written down or on computer file
23 Not written down
* (DO NOT READ) Don't know/Refused
40 No
* (DO NOT READ) Don't know/Refused

44. Whether you have a household budget or not, do you have a reasonably good idea of how much money you (and your husband/wife/partner) can spend each month without going into debt or having to withdraw money from savings?

85 Yes, have a good idea
12 No, do not
2 (DO NOT READ) Don't know/Refused

45. About what percent of your income are you (and your husband/wife/partner) able to put into savings or investments each year? Please make sure to count any money added each year to an I-R-A, 401-k or other retirement account by you or an employer. **READ IF NECESSARY:** Just stop me when I get to the right category. Would you say… **(READ)**

26 None
10 1 to 2 percent of your income
13 3 to 5 percent
7 6 to 9 percent
19 10 to 15 percent
6 16 to 20 percent, OR
9 More than 20 percent or your income?
10 (DO NOT READ) Don't know/Refused

46. Considering your current income and the money you need to cover regular bills and other financial obligations, in general, do you think you (and your husband/wife/partner) spend too much money, are too conservative and could easily afford to spend more, or that you are spending about the right amount?

18 Spend too much
8 Too conservative/Could easily afford to spend more
71 About the right amount
3 (DO NOT READ) Don't know/Refused

47. How confident are you that you are making the best choices for how to manage your money, savings and investments-- very confident, somewhat confident, not too confident, or not confident at all?

Total		Current Savers	2/1997[19]
36	Very confident	36	35
47	Somewhat confident	50	49
10	Not too confident	9	10
5	Not confident at all	3	4
2	(DO NOT READ) Don't know/Refused	1	2
		(1244)	*(1533)*

48. Have you (or your husband/wife/partner) ever prepared a comprehensive financial plan for yourself or had a professional prepare one for you? By financial plan, I mean a document that includes savings and investments, planning for retirement, and insurance needs, not just a simple household budget.

Total		Current Savers	2/1997
31	Yes, have a plan	36	32
69	No, have not	63	67
1	(DO NOT READ) Don't know/Refused	1	1
		(1244)	*(1533)*

49. How likely is it that you (or your husband/wife/partner) will prepare a comprehensive financial plan yourself or have one prepared for you IN THE NEXT 12 MONTHS? Would you say it is **READ:**

Based on those who have never had a financial plan (n=971)

6	Very likely
14	Somewhat likely
24	Not too likely, OR
55	Not at all likely?
*	(DO NOT READ) Don't know/Refused

[19] 2012 based on 'Savers' defined as those who have any money saved for any of the six goals asked about in survey (n=1244). 1997 trend figures are based on 'Savers' only (n=1533)

58. Thinking about the amount of LIFE INSURANCE you now have to protect you and other family members if a family member were to die – would you say you have enough, some, or none?

49 Enough
18 Some
30 None
1 (VOL) Doesn't apply
2 (DO NOT READ) Don't know/Refused

59. And what about the amount of insurance you now have on your HOME OR PROPERTY to protect against loss in the event of fire, flood, or other disaster – would you say you have enough, some or none?

66 Enough
10 Some
20 None
1 (VOL) Doesn't apply
2 (DO NOT READ) Don't know/Refused

READ TO ALL FINANCIAL DECISION MAKERS: I'd like to ask you some final questions for statistical purposes only. Remember, all of the information you give us is completely confidential.

60. Please tell me which of the following types of accounts and investments you (and your husband/wife/ partner) now have. First, do you have… **(READ IN ORDER)**

	Yes	No	DK/Ref.
a. A checking account	87	11	2
b. A saving account	72	26	2
c. A mutual fund account	31	65	4
d. Stocks in individual companies	31	65	3
e. An I-R-A, 401-k, pension or other retirement account	60	39	2
f. Any other type of account or investment	15	79	6

61. Altogether about how much do you (and your husband/wife/partner) have in ALL the different accounts and investments I just mentioned? Just stop me when I get to the right category **(READ)**.

29 Less than $5,000
8 $5,000 to under $10,000
9 $10,000 to under $20,000
5 $20,000 to under $30,000
5 $30,000 to under $50,000
7 $50,000 to under $100,000
7 $100,000 to under $200,000
4 $200,000 to under $300,000
3 $300,000 to under $500,000
3 $500,000 to under a million dollars
2 A million dollars or more
18 (DO NOT READ) Don't know/Refused

62. About what would you say is the value of the equity in your home? This is the difference between what you could sell it for and what you owe on your mortgage. Just stop me when I get to the right category.

Based on those with a mortgage (n=596)

23 Underwater
5 Less than $5,000
3 $5,000 to under $10,000
5 $10,000 to under $20,000
5 $20,000 to under $30,000
10 $30,000 to under $50,000
16 $50,000 to under $100,000
11 $100,000 to under $200,000
6 $200,000 to under $300,000
2 $300,000 to under $500,000
2 $500,000 to under a million dollars
1 A million dollars or more
12 Don't know/Refused

DEMOGRAPHICS

SEX Record Respondent Sex

49 Male
51 Female

EDUC2 What is the HIGHEST level of school you have completed or the highest degree you have received? **(DO NOT READ)**

5 Less than high school (Grades 1-8 or no formal schooling)
5 High school incomplete (Grades 9-11 or Grade 12 with NO diploma)
30 High school graduate (Grade 12 with diploma or GED certificate)
18 Some college, no degree (includes community college)
9 Two year associate degree from a college or university
17 Four year college or university degree/Bachelor's degree (e.g., BS, BA, AB)
2 Some postgraduate or professional schooling, no postgraduate degree
13 Postgraduate or professional degree, including master's, doctorate, medical or law degree (e.g., MA, MS, PhD, MD, JD)
* Don't know/Refused (VOL)

HISP. Are you of Hispanic or Latino origin, such as Mexican, Puerto Rican, Cuban or some other Spanish background?

13 Yes
86 No
1 (DO NOT READ) Don't know/Refused

RACE. What is your race? Are you white, black, Asian, or some other race? **[IF R SAYS HISPANIC OR LATINO, PROBE:** Do you consider yourself a WHITE (Hispanic/Latino) or a BLACK (Hispanic/Latino)? **IF R DOES NOT SAY WHITE, BLACK OR ONE OF THE RACE CATEGORIES LISTED, RECORD AS 'OTHER' (CODE 6)**

78 White
10 Black or African-American
2 Asian or Pacific Islander
2 Mixed race
2 Native American/American Indian
3 Other (SPECIFY)
2 (VOL DO NOT READ) Don't know/Refused

BIRTH_HISP Were you born in the United States, on the island of Puerto Rico, or in another country?

Based on those who are Hispanic (n=161)

43 U.S.
3 Puerto Rico
51 Another country
3 (DO NOT READ) Don't know/Refused

INC. Last year – that is, in 2011 – approximately what was your total family income before taxes? Just tell me when I get to the right category. **(READ)**

15 Less than $15,000
9 $15,000 to under $25,000
9 $25,000 to under $35,000
12 $35,000 to under $50,000
14 $50,000 to under $75,000
11 $75,000 to under $100,000
9 $100,000 to under $150,000
3 $150,000 to under $200,000
3 $200,000 or more
16 (DO NOT READ) Don't know/Refused

Income Summary

26 Less than $25,000
22 $25,000 to under $50,000
26 $50,000 to under $100,000
16 $100,000 or more
10 (DO NOT READ) Don't know/Refused

END OF INTERVIEW: That's all the questions I have. Thanks for your time.