

# Summary of The Community Action of Nebraska: Focus Survey on Financial Behaviors among Adults 19-44 years old



Community Action of Nebraska launched the 2011 Community Assessment Survey May 2011, mailing 10,000 surveys to residents all across Nebraska. The purpose of this survey was to increase our understanding of financial decisions Nebraskans make and assess their knowledge and general attitudes about money. Community Action Agencies in Nebraska will use the results to evaluate and revise their financial literacy and educational programs and services to better fit the needs of their communities.

## Survey Topic: Financial Behaviors

- In households with children, one in four (27%) Often/Always ran out of money compared to one in five households without children (20%).
- Households with children were more likely to write a check without sufficient funds in the account and were more likely to pay bills and installment debt late;
- 44% of households with children were Often/Always emotionally stressed about money (compared to 37% of households without).

### Top Five Barriers to Getting Ahead

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|-------------------------------|---------------------|
| 1. Transportation             | 4. Pay off mortgage |
| 2. High utility bills         | 5. Medical expenses |
| 3. Day-to-day family expenses |                     |

### Top Five Ways Respondents Spent their Last Tax Refund

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|------------------------------|---|
| 1. Everyday Expenses, 39%    | 4. Paid down credit card debt, 19%                  |
| 2. Paying down debts, 36%    | 5. Major Household purchase, 16% /Home Repairs, 16% |
| 3. Put money in Savings, 24% |   |

### Top Five Sources of Debt:

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|------------------------|------------------------|
| 1. Personal loans, 65% | 4. Medical/dental, 40% |
| 2. Credit Card, 61%    | 5. Business loans, 13% |
| 3. College loans, 42%  |                        |

## Survey Topic: Financial Services

The survey addressed participant knowledge of programs and services available through banks.

- 31% said they were not confident in their knowledge of services offered by banks.
- 45% of those earning less than \$25,000 lacked confidence in their knowledge of financial services from banks and credit unions.

### Top Five Resources for "Getting By"

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|---|--|
| 1. The most frequent strategy (54%) was to work extra hours or take a second job. | 4. One in six used a debt repayment/consolidation plan.                        |
| 2. One third borrowed from friends and family.                                    | 5. About one in twenty households had either used a pawnshop or a payday loan. |
| 3. One in six had either received assistance for rent, food or fuel.              |  |

The Community Action Promise: Community Action changes people's lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community and we are dedicated to helping people help themselves and each other.

## Financial Services

### Top Five Financial Services

1. Financial planning, 34%
2. Assistance with opening checking/savings account, 29%
3. Money management classes, 15%
4. First time homebuyer classes, 10%
5. Free Debt Counseling, 9%

#### Checking or Savings Accounts

- Most (94%) of the responding households reported having a checking account.
- About three in four (76%) respondents reported having a savings account, while 24% did not.
- Of those earning less than \$25,000, nearly half (47%) did not have a savings account.

#### Emergency Funds

- Three of five households (59%) have low to non-existent emergency funds.

## Planning for the Future

For the households responding to this survey it appeared that a significant proportion were struggling to achieve financial goals.

- One third (33%) of the respondents indicated that they were not able to set and achieve financial goals.
- Nearly half (46%) did not regularly save or put money away for the future.
- For respondents with a bachelor's degree, 32% were unable to save, that increased to 54% for respondents with some college, and to 62% for those with a High School diploma or less.
- For those that earned less than \$25,000, two thirds (69%) were unable to save regularly, which decreases to 26% for those that earn more than \$60,000.

#### Retirement and Investment Accounts

- The proportion of households with retirement accounts increased with education from 51% for those with a High School diploma or less to 88% for those with a masters or professional degree.
- One third (32%) of those that earned less than \$25,000 had a retirement account, compared to 71% of those that earned \$25,000-\$60,000 and 90% of those that earned more than \$60,000.

#### Investments in CDs, Stocks, Bonds:

- About half (45%) of the households reported having investments.
- For those earning less than \$25,000, 21% reported having investments, which increased to 38% for those that earned \$25,000-\$60,000 and 66% for those that earned \$60,000 or more.

This focus survey report was intended to complement the more comprehensive State and Regional Community Assessment completed in 2010 and future documents developed by Community Action of Nebraska. The 2010 report is available at [www.canhelp.org](http://www.canhelp.org).

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