

We Try Hard. We Fall Short. Americans Assess Their Saving Habits

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- 77% say they always try to save; 63% say they don't save enough.
- Those with lower incomes more prone to describe themselves as savers; those with higher incomes more prone to say they're actually saving enough.
- Food and dining out are the expenses people say they splurge on most.

Paul Taylor, Executive Vice President
Cary Funk, Senior Researcher
April Clark, Research Associate

MEDIA INQUIRIES CONTACT:
Pew Research Center
202 419 4328
<http://pewresearch.org>

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A Social Trends Report

We Try Hard. We Fall Short. Americans Assess Their Saving Habits

At a time when the personal savings rate in this country has fallen into negative territory for the first time in modern history, more than three-quarters (77%) of all Americans describe themselves as the kind of person who “always looks for ways to save money.”

This paradox is not as stark as it may seem, for nearly two-thirds (63%) of Americans also acknowledge they don’t save enough, and more than a third say that they often (11%) or sometimes (25%) spend more than they can afford.

Asked what they splurge on, people most frequently cite food and restaurant dining, followed by entertainment and recreation, then shopping and personal items.

The findings are from a nationwide Pew Research Center telephone survey conducted from October 18 through November 9, 2006 among a nationally representative sample of 2000 adults; it has a margin of sampling error of plus or minus 2.5 percentage points.

One central finding of the survey is hardly a surprise: the less income people have, the more trouble they have with saving and spending. People with lower incomes are more likely to say they always look for ways to save but less likely to say they succeed. They’re more prone to worry about money. They’re more likely to have piled up credit card debt. And they argue about money more often with their spouses.

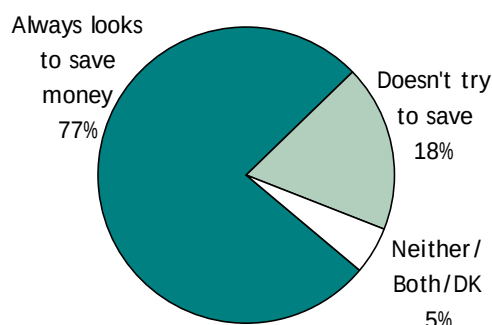
But income levels, this survey finds, are not the only demographic characteristic strongly correlated with people’s habits and attitudes about saving and spending. Age and life cycle also matter a great deal.

Older Americans (those ages 65 and above) are much more likely than the rest of the adult population to say they save and invest enough. Also, they’re less likely to say they worry about money, or that they spend more than they can afford.

As for the rest of the adult population, difficulties with low savings rates are widely shared by virtually all income and demographic groups. Among people under age 65, majorities of high income adults as well as lower income adults say they don’t save enough. So do majorities of men as well as women; whites as well as blacks

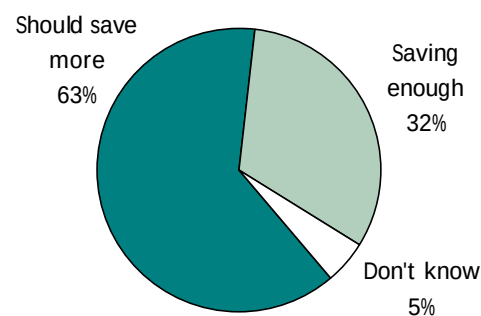
Most Are Always Trying to Save...

Which kind of person are you?



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But Most Think They Should be Saving More



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and Hispanics; married people as well as singles, the employed as well as the unemployed; and college graduates as well as those with less education.

These concerns are borne out by government data. The U.S. Commerce Department's Bureau of Economic Analysis has estimated that, since April of 2005, the American public has been spending more money than it has earned after taxes—an unprecedented development in the past half century.¹ As recently as the early 1980s, Americans on average had been saving more than 10 percent of their after tax earnings.

Also, the Federal Reserve System reports that total household debt has risen sharply in the past decade, due largely to increases in mortgage debt.²

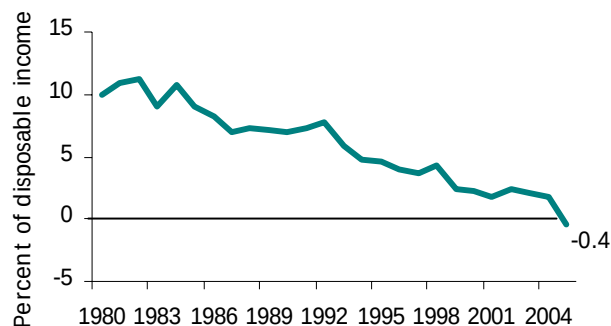
However, despite both the negative savings rates and the growth in household debt, the median financial wealth of families has continued to rise, due mainly to increases in the value of peoples' homes and/or their stock holdings.³ Indeed, economists have argued that this “wealth effect” may at least partly explain today's historically low savings rates. As people have seen value of their assets grow, this theory goes, they may feel more freedom to spend and less need to save.

The Pew survey offers little more than marginal support for this hypothesis. It finds that about half of all homeowners (46%) say that the value of their home has increased “a lot” in recent years. In their saving and spending habits, this group does differ a bit from the rest of the population.

They are a bit less likely to say they often or sometimes spend more than they can afford (27% versus 35% among other homeowners and 47% among renters). They also report a slightly lower propensity to worry about money. But they're no different from the rest of the population in their inclination in their description of themselves as the kind of person who is always looking for ways to save.

Similarly, respondents who are market investors worry less about money than do those who don't have any such financial investments. They're also more likely to say they save and invest enough, and they're less likely to say they spend more than they can afford. It should be noted, however, that market investors are also more likely to

Personal Savings Rate Hits Record Low



Personal savings rate is aggregate personal saving as a percentage of disposable personal income. Aggregate personal savings are computed as total personal income after taxes minus total consumption.

Source: U.S. Bureau of Economic Analysis. 1980-2004 figures from 2006 Economic Report of the President, Table B-30. 2005 figure from the U.S. Bureau of Economic Analysis

¹ For more on the measure of personal savings see the U.S. Bureau of Economic Analysis FAQ's on personal savings at www.bea.gov. Also see Marquis, Milton. "What's Behind the Low U.S. Personal Saving Rate?" Federal Reserve Bank of San Francisco (FRBSF) Economic Letter, 2002-09, March 29, 2002. Verma, Satyendra and Jules Lichtenstein. "The Declining Personal Saving Rate: Is there Cause for Alarm?" AARP Public Policy Institute, March 2000.

² See table 703, Federal Reserve System, Flow of Funds Accounts of the United States for the Household and Nonprofit Organization Sector. Statistical Abstract of the United States: 2007.

³ For median net worth of families over time see Table 702, Statistical Abstract of the United States: 2007. Federal Reserve System, Survey of Consumer Finances.

have high incomes, and having a high income also correlates independently with these same saving and spending characteristics.

Money and Marriage. A majority of husbands and wives share the same basic attitudes toward saving with their spouse, but a significant minority – three in ten – has different views. The breakdown is as follows: among married adults, 56% say that both they and their spouse always look for ways to save money and 6% say that both they and their spouse don’t try particularly hard to save. However, fully 30% say that they and their spouse have different attitudes about saving. And – no great surprise here – these are the couples most likely to argue about money. Some 52% of these couples say they often or sometimes disagree about money, compared with 38% of all married couples.

Most Couples in Sync on Savings Tendencies	
Assessment of your own and your spouses' tendency to "always look for ways to save money"	
	All Adults
	%
Both look for ways to save money	56
Both don't particularly try very hard to save	6
Husband and wife differ on saving habits	30
Neither (vol.)/Don't know	8
	100
Notes: Based on 1,115 married respondents.	
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Spending Patterns. When it comes to spending patterns, Americans say that the expenses they have the most trouble affording are the familiar “big ticket” items: home and housing (16%) and cars (11%). Farther down the list come bills and utilities (10%), entertainment and recreation (6%), medical (5%), children and school (4%), food and dining out (3%), taxes (3%) and shopping and personal items (2%).

The list order is much different, however, when the public is asked to name the items they splurge most on. Here, three kinds of expenses dominate: food and dining out (25% of responses), entertainment and recreation (17%); and shopping and personal items (15%). People also cite these same three items as the ones they’d be most inclined to cut back on if necessary, with entertainment and recreation (21%) edging out food and restaurant dining (19%) at the top of this list.

The survey also finds that peoples’ attitudes about which everyday consumer products are necessities and which are luxuries have changed in the past decade in ways that would seem to create added pressure to spend.⁴

Americans are much more inclined now than in 1996 to describe a wide range of products as necessities – from air conditioning to microwave ovens to computers to cell phones.

Where Does It Hurt?

Which of your regular and other expenses do you have the most trouble affording?

	%
Home and housing	16
Cars (NET)	11
Bills and utilities (NET)	10
Entertainment and recreation (NET)	6
Medical (NET)	5
Children and schooling (NET)	4
Food and dining out (NET)	3
Taxes (NET)	3
Shopping and personal items (NET)	2
Insurance (general mentions)	1
Luxury items (general mentions)	1
Credit card payments	1
Other	5
Nothing	28
Don’t know	10

Where’s the Splurge?

Which kind of expense do you splurge the most on?

	%
Food and dining out (NET)	25
Entertainment and recreation (NET)	17
Shopping and personal items (NET)	15
Home and housing (NET)	7
Children and schooling (NET)	7
Bills and utilities (NET)	4
Cars (NET)	3
Medical (NET)	1
Luxury items (general mentions)	*
Credit card payments	*
Insurance (general mentions)	*
Taxes (NET)	*
Other	4
Nothing	14
Don’t know	6

Notes: Based on half-sample of 1,008 respondents. Responses total to more than 100% because respondents could offer more than one answer to these open-ended questions.

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⁴ See “Luxury or Necessity?: Things We Can’t Live Without: The List Has Grown in the Past Decade,” December 2006. Pew Research Center. <http://pewresearch.org/social>

The Sting of Unexpected Expenses. About a third of adults say they had an unexpected expense in the past year that “seriously set [them] back financially.” Among this group, the most oft-cited such expense is medical (34%), followed by car-related expenses (24%) and home and housing related-expenses (20%).

Had Any Unexpected Expenses?

Have you had any unexpected expenses in the past year that seriously set you back financially?

	All Adults
	%
Yes	34
No	66
Don't know	*
	100

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Unexpected Expenses

Kinds of unexpected expenses in the past year

	Among those with an unexpected expense
	%
Medical (NET)	34
Cars (NET)	24
Home and housing (NET)	20
Life events & children (NET)	9
Work related (NET)	3
Travel/vacation	2
Taxes	2
Pets/veterinary bills	1
Other	9
Don't know	1

Notes: Based on 663 respondents who had an unexpected expense in the past 12 months that seriously set them back financially. Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

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Saving, Spending, Splurging

America's best-known aphorism about thrift advises that "a penny saved is a penny earned," but if its author, Ben Franklin, were somehow able to review the findings of this survey, he'd probably find them bittersweet.

On the one hand, large majorities of Americans describe themselves as savers by instinct, temperament and inclination. On the other hand, most Americans also acknowledge they usually fail to live up to this self-image.

The survey posed three questions about people's saving and spending habits: How closely do you watch the amount of money you spend? Are you the kind of person who always looks for ways to save money? Are you the kind of person who is always aware of how much money you're spending?

Lopsided majorities give what amounts to the "thrifty" response to each of these questions. Nearly nine in ten say they watch their spending either "very closely" (47%) or "fairly closely" (41%). Nearly eight in ten (77%) say they always look for ways to save money. And two-thirds (67%) say they are always aware of how much money they're spending.

Yet when respondents were asked whether they are saving and investing as much as they should, nearly two-thirds (63%) said they aren't.

Moreover, this gap between self-image and behavior deepens when one looks at the demographic profiles of the respondents to each of the questions. The survey finds that the kinds of people most likely to describe themselves as savers (across a three-item index) are not the same as the kinds of people most likely to say they save enough.

A Nation of Self-Described Savers

	All Adults
	%
Are you the kind of person who...	
Always looks for ways to save money	77
Doesn't particularly try very hard to save money	18
Neither/both (vol.)	4
Don't know	<u>1</u>
	100
Are you the kind of person who...	
Always aware of how much spending	67
Just have a general idea about how much spending	31
Neither/both (vol.)	1
Don't know	<u>1</u>
	100
How closely do you watch the amount spend?	
Very closely	47
Fairly closely	41
Not too closely	8
Not at all closely	3
Don't know	<u>1</u>
	100
Index of Saving Habits*	
Self-described saver	36
Mixed habits	63
Don't know	<u>1</u>
	100
Saving and investing...	
Saving as much as should	32
Should be saving more	63
Don't know	<u>5</u>
	100

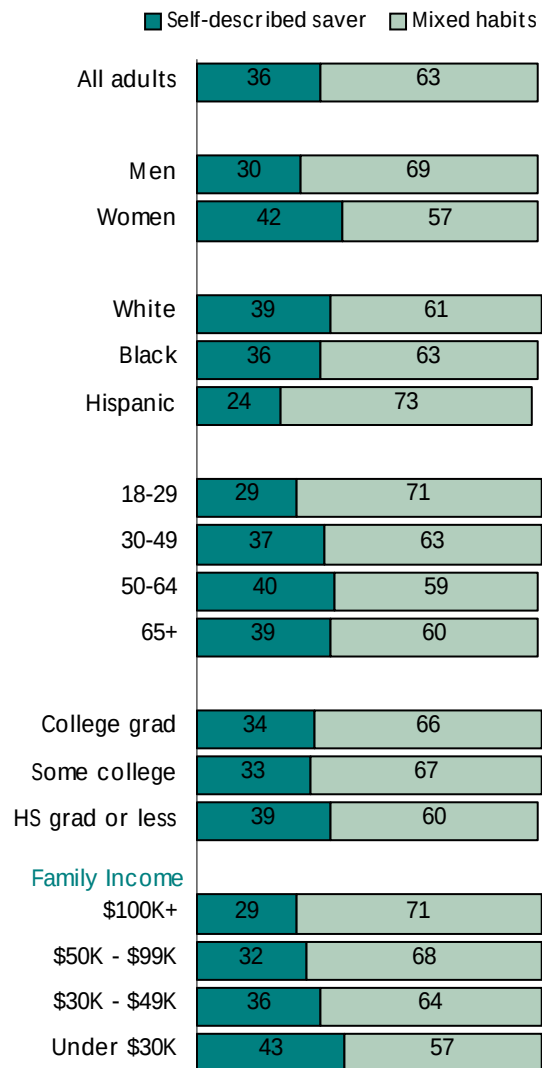
Notes:*Saving habits is an index of three items on saving and spending practices. Self-described savers are those who "always look for ways to save money" and are "always aware of how much money they're spending" and watch the amount of money they spend "very closely." Mixed habits consists of all others.

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The people who describe themselves as savers (on a three-item index) tend to have lower incomes, and to say they've had a problem with debt. In short, these self-described savers are the people with the greatest need to save. Also, women are more likely than men to say they are savers.

Meanwhile, those who say they actually do save enough tend to have higher incomes and college educations, and they're likely to be older than the rest of the population. In short, they save more because they have more. But, perhaps because they feel less pressure than others to watch every penny, they're a bit less inclined to describe themselves as savers.

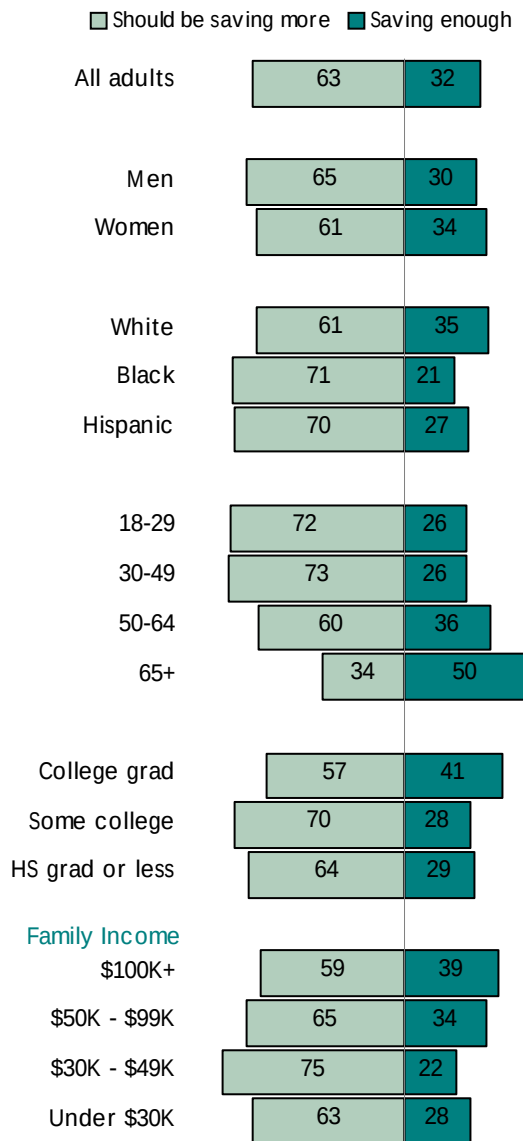
Index of Saving Habits



Notes: Saving habits is an index of three items on saving and spending practices. Self-described savers are those who “always look for ways to save money” and are “always aware of how much money they’re spending” and watch the amount of money they spend “very closely.” Mixed habits consists of all others. Whites include only non-Hispanic whites. Blacks include only non-Hispanic blacks. Hispanics are of any race. Don’t know responses are not shown.

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Saving and Investing Enough?

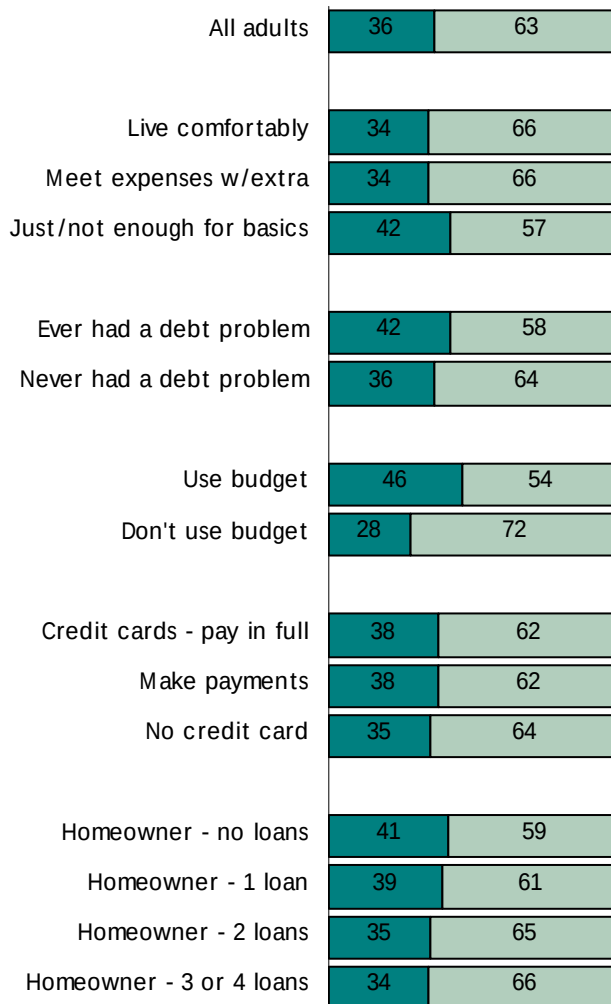


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Index of Saving Habits

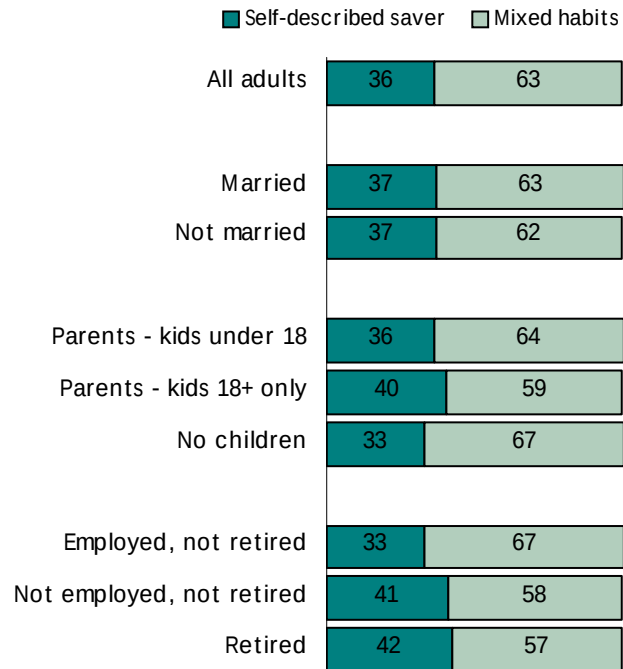
■ Self-described saver ■ Mixed habits



Notes: Saving habits is an index of three items on saving and spending practices. Self-described savers are those who "always look for ways to save money" and are "always aware of how much money they're spending" and watch the amount of money they spend "very closely." Mixed habits consists of all others. Debt problem consists of people who have used a credit consolidator or declared bankruptcy in the past. The number of loans consists of homeowners who say they have any of the following monthly expenses: mortgage, second mortgage, car loan or school loan. Don't know responses are not shown.

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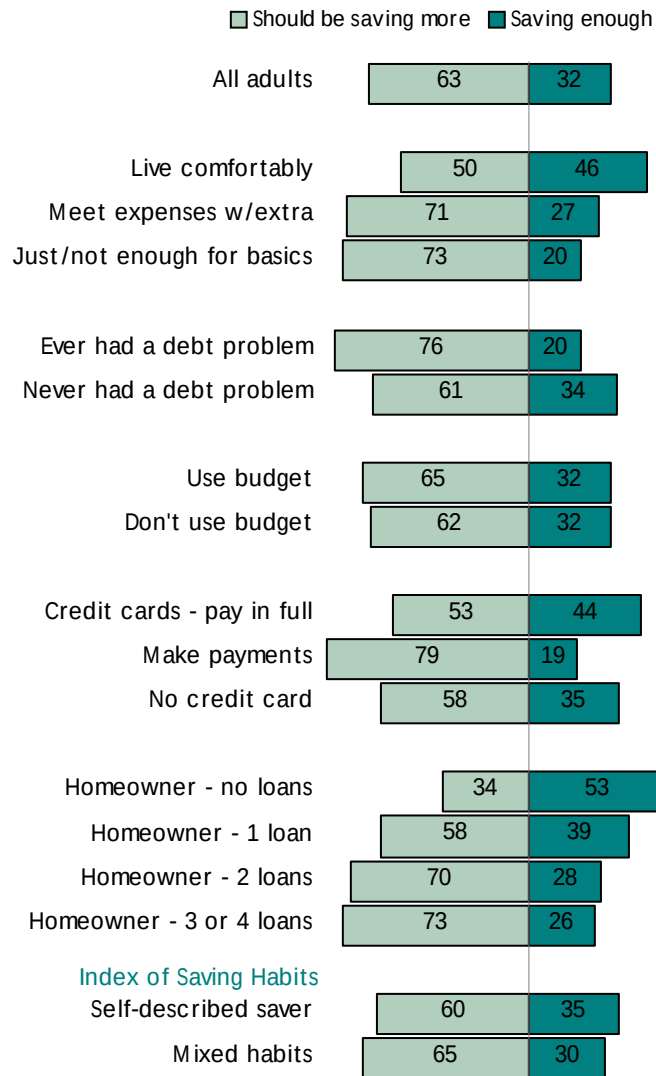
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Saving and Investing Enough?

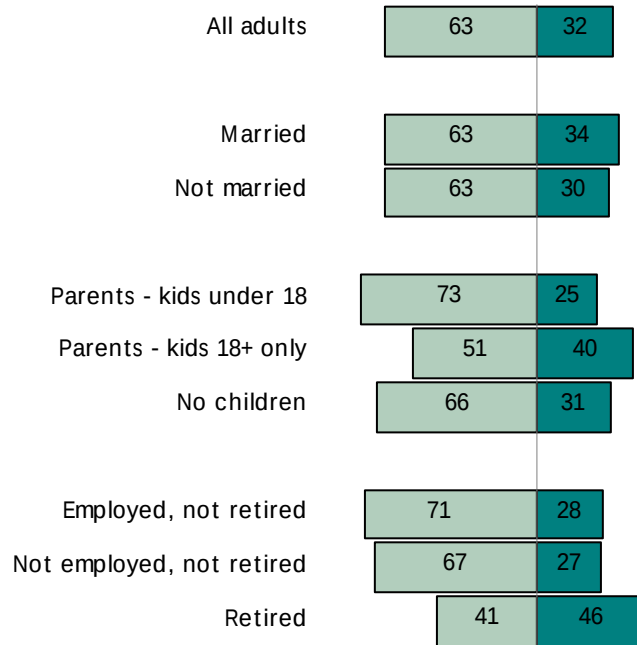


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Saving and Investing Enough?

Should be saving more Saving enough



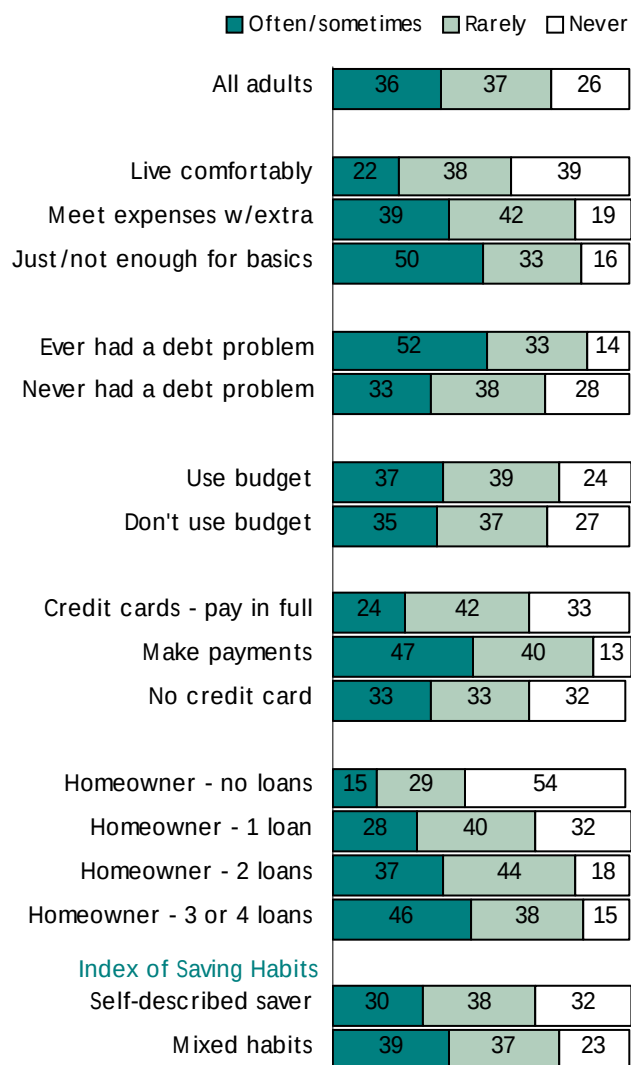
Notes: Don't know responses not shown.

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Financial Problems and Worries

More than one-in-three (36%) Americans say they often or sometimes spend more than they can afford. Among the groups most inclined to say this are lower-income adults, younger adults, blacks, people who carry credit card debt, and self-described savers. As with the findings on savings cited above, saying you are someone who tries to watch what you spend is not the same as actually spending within your means.

How Often Spend More Than Can Afford?

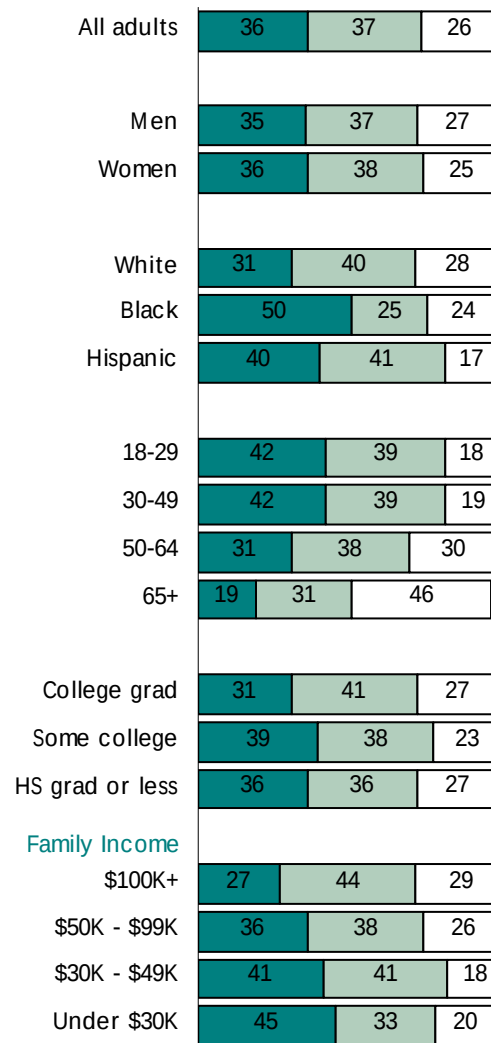


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How Often Spend More Than Can Afford?

■ Often/sometimes ■ Rarely □ Never

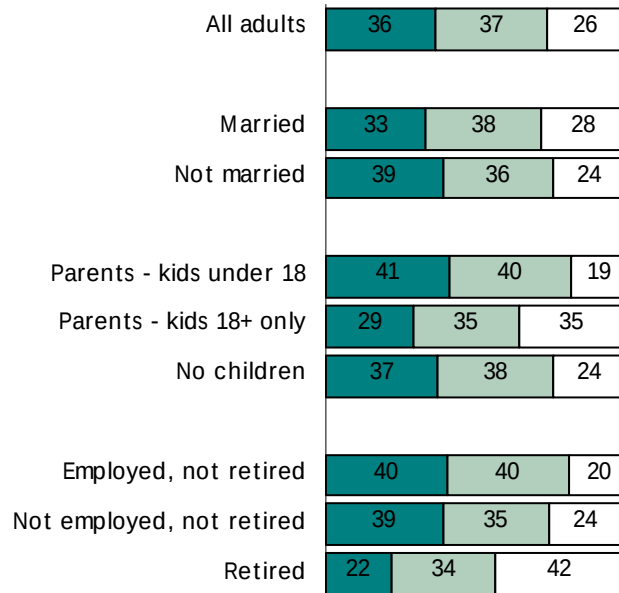


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How Often Spend More Than Can Afford?

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Notes: Don't know responses are not shown.

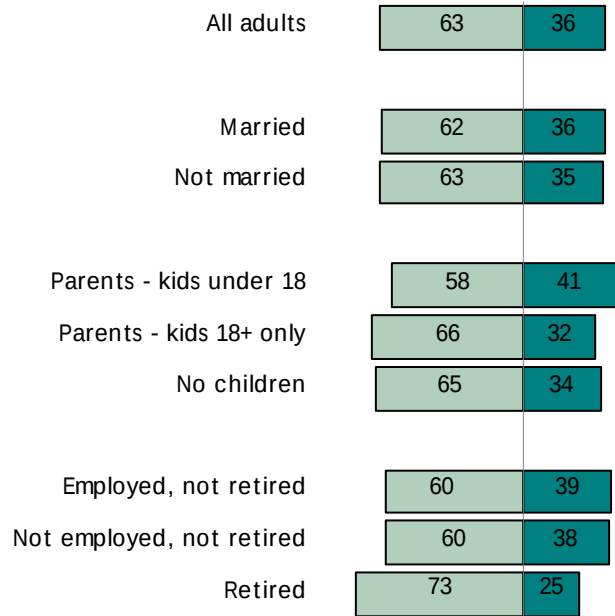
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More than one-in-three (36%) Americans also say that they have at some point in their lives felt their financial situation was out of control. There is very little variance in this question by income level (38% of those with incomes below \$30,000 say so, but so do 33% of those with incomes at \$100,000 and above). There's a bit more variance by age, race and parenting status. People ages 30 to 49 are more prone than others to have felt this way (45%); so are parents of children under age 18 (41%); and blacks (46%).

Financially Out of Control?

Have you ever felt that your financial situation was out of control, or haven't you ever felt this way?

■ Haven't felt this way ■ Have felt out of control



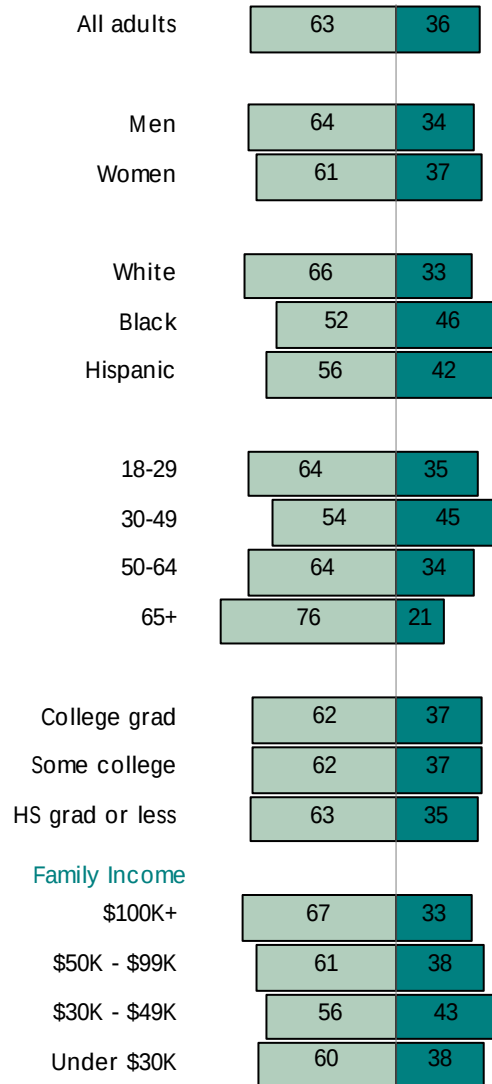
Notes: Don't know responses are not shown.

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Financially Out of Control?

Have you ever felt that your financial situation was out of control, or haven't you ever felt this way?

□ Haven't felt this way ■ Have felt out of control



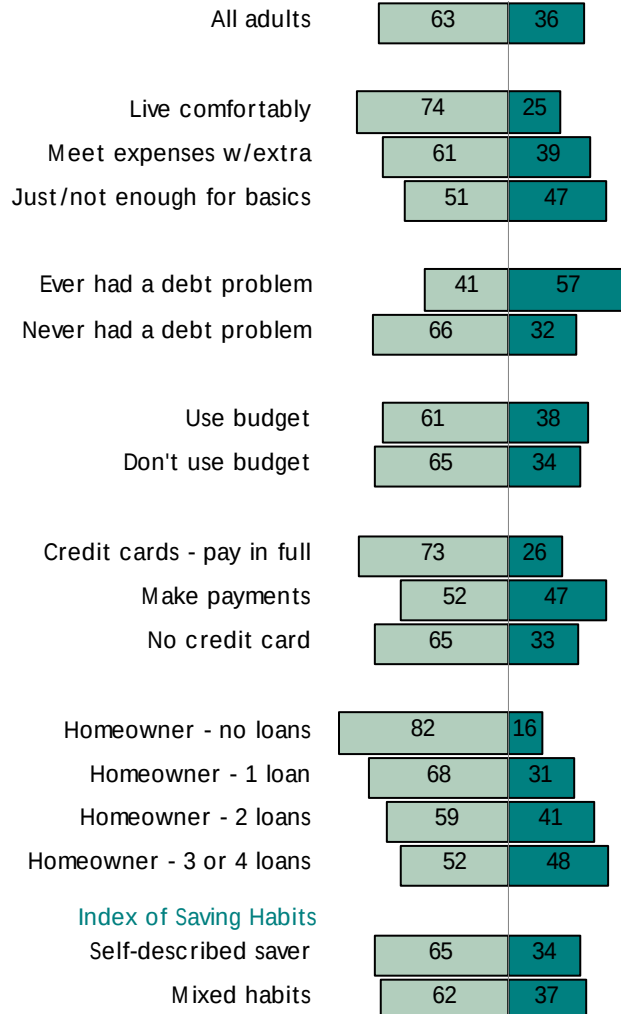
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Financially Out of Control?

Have you ever felt that your financial situation was out of control, or haven't you ever felt this way?

□ Haven't felt this way ■ Have felt out of control

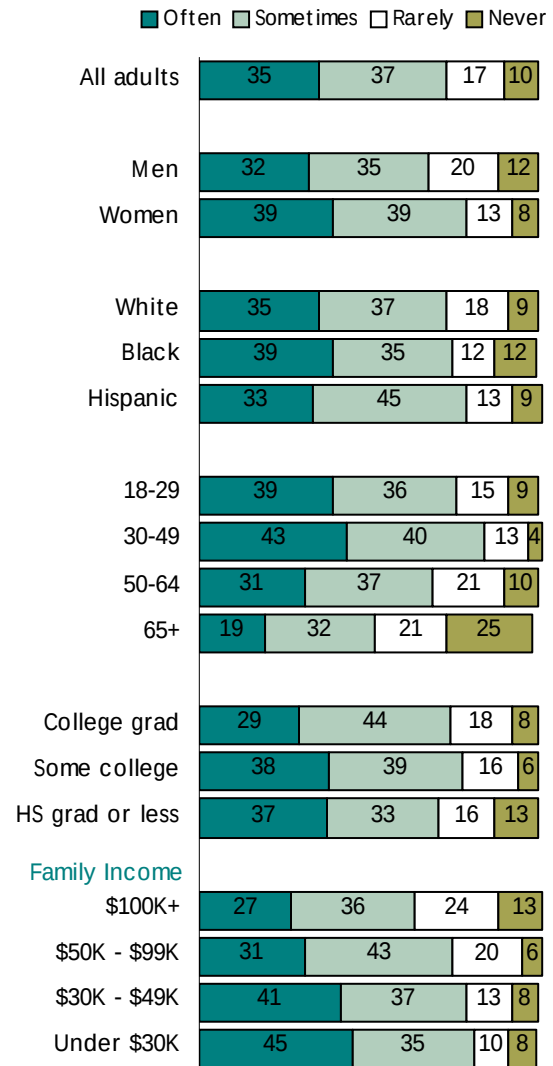


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More than seven-in-ten Americans say they worry about money, either often (35%) or sometimes (37%). Among the groups most inclined to worry a lot are those with lower incomes and those with credit card debt. Women worry more than men; younger adults worry more than older adults, and people who think of themselves as savers worry more than people who don't.

How Often Do You Worry About Money?

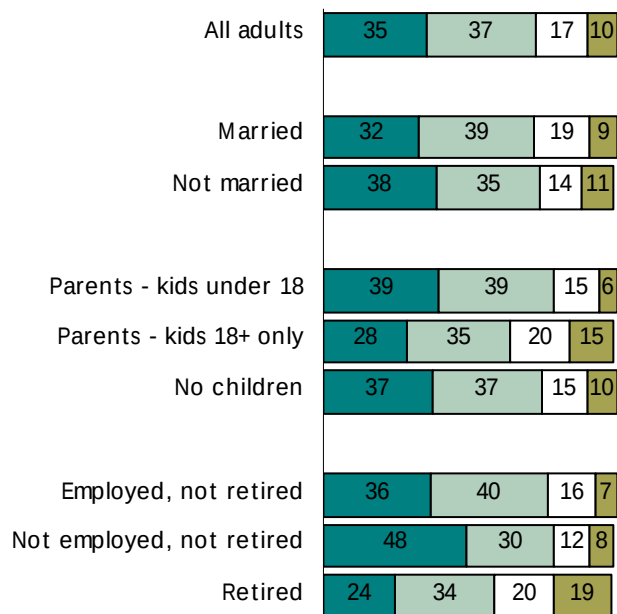


Notes: Whites include only non-Hispanic whites. Blacks include only non-Hispanic blacks. Hispanics are of any race. Don't know responses are not shown.

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How Often Do You Worry About Money?

■ Often ■ Sometimes □ Rarely ■ Never

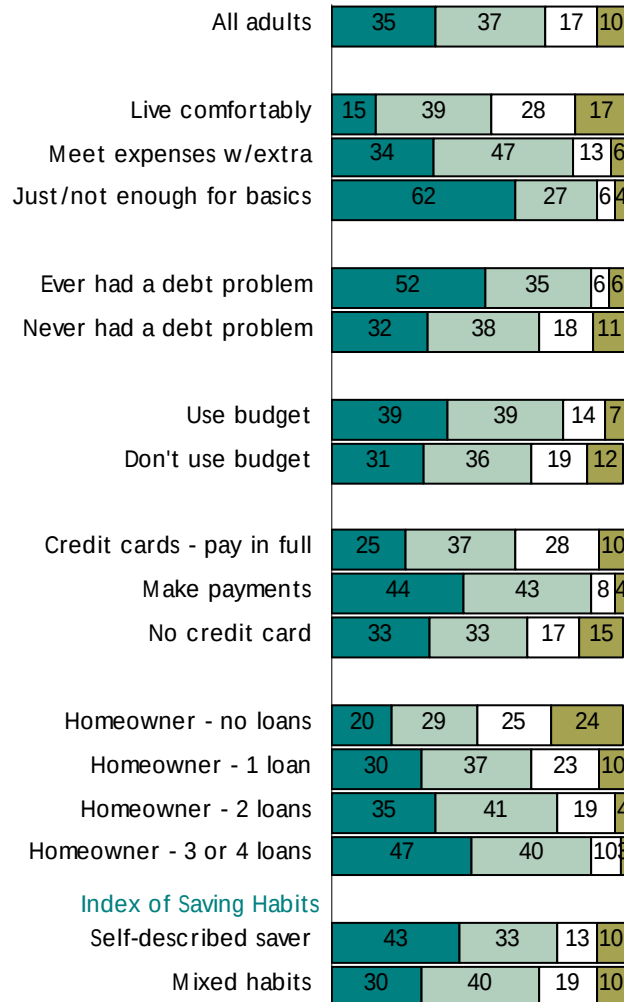


Notes: Don't know responses are not shown.

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How Often Do You Worry About Money?

■ Often ■ Sometimes □ Rarely ■ Never



Notes: Debt problem consists of people who have used a credit consolidator or declared bankruptcy in the past. The number of loans consists of homeowners who say they have any of the following monthly expenses: mortgage, second mortgage, car loan or school loan. Saving habits is an index of three items on saving and spending practices. Self-described savers are those who "always look for ways to save money" and are "always aware of how much money they're spending" and watch the amount of money they spend "very closely." Mixed habits consists of all others. Don't know responses are not shown.

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Splurging

For all their self-described watchfulness on spending practices, Americans are also aware that some expenses are a bit of a “splurge.” When the public is asked to name the items they splurge on the most, three kinds of expenses dominate: food and dining out (25% of responses); entertainment and recreation (17%); and shopping and personal items (15%).

People also cite these same three categories as the ones they’d be most inclined to cut back on if necessary. The most oft-cited mentions for cut backs are entertainment and recreation (21% of responses) and food and restaurant expenses (19%), followed by shopping and personal items (12%).

Spending assessments vary by gender, age and income. Women are more inclined than men to say they splurge on – and if necessary would cut back on – shopping and personal items. Men are more likely than women to say they splurge on entertainment and recreation expenses.

Younger adults (especially those under age 30) are more likely than their elders to say they splurge on shopping and personal items. Adults in the middle age groups are a bit more likely than their younger or older counterparts to say they splurge on entertainment and recreation expenses. All age groups are about equally likely to say they splurge on food and dining expenses.

Those with higher incomes (family incomes of at least \$100,000) are more likely than others to say they splurge most on entertainment and recreation expenses.

Where’s the Splurge?

Which kind of expense do you splurge the most on?

	%
Food and dining out (NET)	25
Entertainment and recreation (NET)	17
Shopping and personal items (NET)	15
Home and housing (NET)	7
Children and schooling (NET)	7
Bills and utilities (NET)	4
Cars (NET)	3
Medical (NET)	1
Luxury items (general mentions)	*
Credit card payments	*
Insurance (general mentions)	*
Taxes (NET)	*
Other	4
Nothing	14
Don’t know	6

Notes: Based on half-sample of 1,008 respondents. Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

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Belt Tightening

If you needed to cut back, which expense would you cut back on?

	%
Entertainment and recreation (NET)	21
Food and dining out (NET)	19
Shopping and personal items (NET)	12
Bills and utilities (NET)	10
Cars (NET)	7
Home and housing (NET)	3
Luxury items (general mentions)	2
Children and schooling (NET)	1
Credit card payments	1
Medical (NET)	1
Taxes (NET)	*
Insurance (general mentions)	*
Other	5
Nothing	13
Don’t know	9

Notes: Based on half-sample of 1,008 respondents. Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

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Where's the Splurge, by Gender

Which kind of expense do you splurge the most on?

	All Adults	Men	Women
	%	%	%
Food and dining out (NET)	25	26	24
Entertainment and recreation (NET)	17	21	13
Shopping and personal items (NET)	15	9	19
Home and housing (NET)	7	8	6
Children and schooling (NET)	7	5	8
Bills and utilities (NET)	4	5	4
Cars (NET)	3	4	2
Medical (NET)	1	*	1
Luxury items (general mentions)	*	0	1
Credit card payments	*	*	*
Insurance (general mentions)	*	*	0
Taxes (NET)	*	0	*
Other	4	4	4
Nothing	14	14	15
Don't know	6	6	6
Number of respondents	1,088	463	545

Notes: Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

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Where's the Splurge, by Age

Which kind of expense do you splurge the most on?

	All Adults	Adults 18-29	Adults 30-49	Adults 50-64	Adults 65+
	%	%	%	%	%
Food and dining out (NET)	25	23	28	24	25
Entertainment and recreation (NET)	17	8	18	23	15
Shopping and personal items (NET)	15	27	14	8	8
Home and housing (NET)	7	10	7	7	1
Children and schooling (NET)	7	4	9	6	5
Bills and utilities (NET)	4	6	3	6	3
Cars (NET)	3	4	3	3	2
Medical (NET)	1	0	1	*	2
Luxury items (general mentions)	*	1	1	*	0
Credit card payments	*	0	0	1	0
Insurance (general mentions)	*	0	0	0	*
Taxes (NET)	*	0	0	*	0
Other	4	4	4	6	2
Nothing	14	11	10	16	26
Don't know	6	5	4	4	11
Number of respondents	1,088	125	332	277	249

Notes: Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

PewResearchCenter

Where's the Splurge, by Income

Which kind of expense do you splurge the most on?

	All Adults	-----Family Income-----			
		Under \$30K	\$30K- \$49K	\$50K- \$99K	\$100K & over
	%	%	%	%	%
Food and dining out (NET)	25	21	28	30	27
Entertainment and recreation (NET)	17	8	16	20	31
Shopping and personal items (NET)	15	13	22	15	7
Home and housing (NET)	7	9	7	2	10
Children and schooling (NET)	7	6	5	8	7
Bills and utilities (NET)	4	8	3	4	2
Cars (NET)	3	4	1	3	5
Medical (NET)	1	1	*	*	0
Luxury items (general mentions)	*	*	*	0	1
Credit card payments	*	1	0	0	0
Insurance (general mentions)	*	*	0	0	0
Taxes (NET)	*	*	0	0	0
Other	4	5	2	5	3
Nothing	14	20	12	9	6
Don't know	6	7	6	5	4
Number of respondents	1,088	249	176	239	162

Notes: Responses total to more than 100% due to multiple responses to this open-ended question.

PewResearchCenter

Belt Tightening, by Gender

If you needed to cut back, which expense would you cut back on?

	All Adults	Men	Women
	%	%	%
Entertainment and recreation (NET)	21	23	18
Food and dining out (NET)	19	20	18
Shopping and personal items (NET)	12	5	19
Bills and utilities (NET)	10	11	10
Cars (NET)	7	10	4
Home and housing (NET)	3	3	3
Luxury items (general mentions)	2	2	2
Children and schooling (NET)	1	1	2
Credit card payments	1	1	1
Medical (NET)	1	*	2
Taxes (NET)	*	1	*
Insurance (general mentions)	*	*	*
Other	5	4	5
Nothing	13	13	14
Don't know	9	10	9
Number of respondents	1,088	463	545

Notes: Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

PewResearchCenter

Belt Tightening, by Age

If you needed to cut back, which expense would you cut back on?

	All Adults	Adults 18-29	Adults 30-49	Adults 50-64	Adults 65+
	%	%	%	%	%
Entertainment and recreation (NET)	21	16	24	25	13
Food and dining out (NET)	19	18	23	16	11
Shopping and personal items (NET)	12	19	11	12	7
Bills and utilities (NET)	10	12	12	10	7
Cars (NET)	7	10	5	9	4
Home and housing (NET)	3	3	4	2	1
Luxury items (general mentions)	2	1	3	1	2
Children and schooling (NET)	1	4	1	*	1
Credit card payments	1	1	1	2	1
Medical (NET)	1	0	1	1	2
Taxes (NET)	*	0	*	1	0
Insurance (general mentions)	*	0	1	1	0
Other	5	6	3	5	7
Nothing	13	5	11	14	27
Don't know	9	9	5	7	21
Number of respondents	1,088	125	332	277	249

Notes: Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

PewResearchCenter

Belt Tightening, by Income

If you needed to cut back, which expense would you cut back on?

		-----Family Income-----			
	All Adults	Under \$30K	\$30K- \$49K	\$50K- \$99K	\$100K & over
	%	%	%	%	%
Entertainment and recreation (NET)	21	8	24	28	35
Food and dining out (NET)	19	16	20	22	19
Shopping and personal items (NET)	12	9	12	11	14
Bills and utilities (NET)	10	15	12	11	3
Cars (NET)	7	9	6	7	5
Home and housing (NET)	3	3	5	1	3
Luxury items (general mentions)	2	3	2	1	2
Children and schooling (NET)	1	3	*	1	1
Credit card payments	1	2	*	1	1
Medical (NET)	1	2	1	0	0
Taxes (NET)	*	1	1	0	0
Insurance (general mentions)	*	0	0	*	2
Other	5	5	5	5	7
Nothing	13	21	12	8	7
Don't know	9	9	8	6	6
Number of respondents	1,088	249	176	239	162

Notes: Responses total to more than 100% due to multiple responses to this open-ended question.

PewResearchCenter

Where Does It Hurt?

Which of your regular and other expenses do you have the most trouble affording?

	%
Home and housing (NET)	16
Cars (NET)	11
Bills and utilities (NET)	10
Entertainment and recreation (NET)	6
Medical (NET)	5
Children and schooling (NET)	4
Food and dining out (NET)	3
Taxes (NET)	3
Shopping and personal items (NET)	2
Insurance (general mentions)	1
Luxury items (general mentions)	1
Credit card payments	1
Other	5
Nothing	28
Don't know	10

Notes: Based on half-sample of 1,008 respondents.
Responses total to more than 100% because respondents could offer more than one answer to this open-ended question.

PewResearchCenter

About the Pew Social Trends Reports

The Pew social trends reports explore the behaviors and attitudes of Americans in key realms of their lives – family, community, health, finance, work and leisure. Reports analyze changes over time in social behaviors and probe for differences and similarities between key sub-groups in the population.

The surveys are conducted by the Pew Research Center, a nonpartisan “fact tank” that provides information on the issues, attitudes and trends shaping America and the world.

Survey reports are the result of the collaborative effort of the social trends staff, which consists of:

Paul Taylor, Executive Vice President
Cary Funk, Senior Researcher
April Clark, Research Associate

About the Survey

Results for this survey are based on telephone interviews conducted with a nationally representative sample of adults, ages 18 years and older, living in continental U.S. telephone households.

- Interviews conducted Oct. 18 – Nov. 9, 2006
- 2,000 interviews
- Margin of sampling error is plus or minus 2.5 percentage points for results based on the total sample at the 95% confidence level. The margin of sampling error is higher for results based on subgroups of respondents.

Survey interviews conducted under the direction of Princeton Survey Research Associates International. Interviews were conducted in English and Spanish.

Bear in mind that question wording and practical difficulties in conducting surveys can introduce error or bias in the findings of opinion polls.

Related Reports from the Pew Research Center

Most Americans Moderately Upbeat About Family Finances 2007. January 2007. Pew Research Center.
<http://pewresearch.org/social>

Luxury or Necessity?: Things We Can't Live Without: The List Has Grown in the Past Decade. December 2006. Pew Research Center. <http://pewresearch.org/social>

As Home Prices Cool Down, Homeowners Temper Their Optimism. December 2006. Pew Research Center.
<http://pewresearch.org/social>

Online Banking 2006: Surfing to the Bank. June 2006. Pew Internet & American Life Project.
http://www.pewinternet.org/pdfs/PIP_Online_Banking_2006.pdf

PEW SOCIAL TRENDS
FINAL TOPLINE
OCTOBER 18 - NOVEMBER 9, 2006
N=2,000

QUESTIONS 1 THROUGH 3 IN PREVIOUS RELEASE OR HELD FOR FUTURE RELEASE

Q.4 How would you describe your own personal financial situation? Would you say you **(READ)**

- 38 Live comfortably
 - 28 Meet your expenses with a little left over for extras
 - 23 Just meet your basic living expenses
 - 9 Don't even have enough to meet expenses
 - 2 Don't know/Refused **(VOL.)**
- 100

QUESTIONS 5 THROUGH 6 IN PREVIOUS RELEASE

Q.7 How often do you worry about money matters? **(READ)**

- 35 Often
 - 37 Sometimes
 - 17 Rarely
 - 10 Never
 - 1 Don't know/Refused **(VOL.)**
- 100

Q.8 On the whole, how often would you say that you spend more money than you can afford? **(READ)**

- 11 Often
 - 25 Sometimes
 - 37 Rarely
 - 26 Never
 - 1 Don't know/Refused **(VOL.)**
- 100

Q.9 Have you ever felt that your financial situation was out of control, or haven't you ever felt this way?

- 36 Yes, out of control
 - 63 No
 - 1 Don't know/Refused **(VOL.)**
- 100

QUESTIONS 10 THROUGH 13 IN PREVIOUS RELEASE

ASK ALL:**RANDOMIZE Q14A to Q14C**

Q.14a How closely do you watch the amount of money you spend **(READ)**?

- 47 Very closely
 - 41 Fairly closely
 - 8 Not too closely
 - 3 Not at all closely
 - 1 Don't know/Refused **(VOL.)**
- 100

Q.14b Are you the kind of person who always looks for ways to save money OR are you the kind of person who doesn't particularly try very hard to save money?

- 77 Always looks for ways to save money
 - 18 Doesn't particularly try very hard to save money
 - 4 Neither/both equally **(VOL.)**
 - 1 Don't know/Refused **(VOL.)**
- 100

Q.14c Are you the kind of person who is always aware of how much money you're spending OR do you just have a general idea about how much money you're spending?

- 67 Always aware of how much money spending
 - 31 Have a general idea about how much money spending
 - 1 Neither/both equally **(VOL.)**
 - 1 Don't know/Refused **(VOL.)**
- 100

ASK FORM 1 ONLY [N=1008]:

Q.15F1 Thinking about all of your regular and other expenses, which do you have the most trouble affording? **[OPEN END; RECORD ANSWER; ACCEPT UP TO THREE RESPONSES]**

- 16 Home and housing (NET)
- 11 Cars (NET)
- 10 Bills and utilities (NET)
- 6 Entertainment and recreation (NET)
- 5 Medical (NET)
- 4 Children and schooling (NET)
- 3 Food and dining out (NET)
- 3 Taxes (NET)
- 2 Shopping and personal items (NET)
- 1 Insurance (general mentions)
- 1 Luxury items (general mentions)
- 1 Credit card payments
- 5 Other
- 28 Nothing
- 10 Don't know/Refused

Figures add to more than 100% due to multiple responses.

ASK FORM 1 ONLY [N=1008]:

Q.16F1 If you needed to cut back on your expenses, which kind of expense would you cut back on? **[OPEN END; RECORD ANSWER; ACCEPT UP TO THREE RESPONSES]**

- 21 Entertainment and recreation (NET)
- 19 Food and dining out (NET)
- 12 Shopping and personal items (NET)
- 10 Bills and utilities (NET)
- 7 Cars (NET)
- 3 Home and housing (NET)
- 2 Luxury items (general mentions)
- 1 Children and schooling (NET)
- 1 Credit card payments
- 1 Medical (NET)
- * Taxes (NET)
- * Insurance (general mentions)
- 5 Other
- 13 Nothing
- 9 Don't know /Refused

Figures add to more than 100% due to multiple responses

ASK FORM 1 ONLY [N=1008]:

Q.17F1 Which kind of expense do you think you splurge the most on? **[OPEN END; RECORD ANSWER; ACCEPT UP TO THREE RESPONSES]**

- 25 Food and dining out (NET)
- 17 Entertainment and recreation (NET)
- 15 Shopping and personal items (NET)
- 7 Home and housing (NET)
- 7 Children and schooling (NET)
- 4 Bills and utilities (NET)
- 3 Cars (NET)
- 1 Medical (NET)
- * Luxury items (general mentions)
- * Credit card payments
- * Insurance (general mentions)
- * Taxes (NET)
- 4 Other
- 14 Nothing
- 6 Don't know /Refused

Figures add to more than 100% due to multiple responses.

ASK ALL:

OWNRENT Do you own or rent your home?

		<u>June 2006</u>	<u>Feb 2006</u>	<u>Oct 2005</u>
68	Own	68	68	68
27	Rent	27	27	26
5	Other arrangement (VOL.)	4	4	6
*	Don't know/Refused (VOL.)	1	1	*
100		100	100	100

Q.18 For this survey we'd like to know what people regularly spend money on. As I read each item, tell me if this is one of your household's regular expenses, or not. First, **[INSERT ITEM; DO NOT RANDOMIZE]**

READ IF NECESSARY: Is this one of your household's regular expenses, or not?

(FOR Q18F: IF R SAYS "PAY IN FULL" PROBE TO CLARIFY)

	Yes	No	Does not apply (VOL.)	DK/Ref
ASK IF OWNRENT=1				
BASED ON HOMEOWNERS [N=1500]:				
a. Mortgage	67	32	1	*=100
ASK IF Q18A=1				
BASED ON THOSE WHO REGULARLY PAY A MORTGAGE [N=948]:				
b1. Do you also pay for a second mortgage or for a home equity loan, or not?	30	70	0	*=100
ASK IF OWNRENT=1				
BASED ON HOMEOWNERS [N=1500]:				
b2. Maintenance fees for a condo or homeowner's association	20	79	*	1=100
ASK IF OWNRENT=2				
BASED ON RENTERS [N=423]:				
c. Rent	97	3	0	0=100
ASK ALL:				
d. A car loan	42	57	*	1=100
e. A store payment plan for home furnishings or electronics	12	87	*	1=100
f. A credit card payment	58	41	*	1=100
g. Alimony or child support	7	92	1	*=100
h. Child care	13	86	1	*=100
i. School tuition	25	75	*	*=100
j. A school loan	16	84	*	*=100
k. Cable or satellite television	78	22	*	*=100
l. Cell phone	74	26	*	*=100
m. Internet service	65	35	*	*=100
n. Health club or other sports facility	21	79	*	*=100

Q.18 CONTINUED...

	Yes	No	Does not apply (VOL.)	DK/Ref
o. Landscaping or lawn maintenance	19	81	*	*=100
p. Housecleaning	16	83	*	1=100

QUESTION 19 THROUGH 22 HELD FOR FUTURE RELEASE**ASK ALL:**

Q.23 Have you had any unexpected expenses in the past 12 months that seriously set you back financially, or hasn't this happened to you?

34 Yes
 66 No
 * Don't know/Refused (VOL.)
 100

ASK IF YES (Q23=1):

Q.24 What kind of expenses were these? [OPEN END; RECORD ANSWER; ACCEPT UP TO THREE RESPONSES]

BASED ON THOSE WHO HAD UNEXPECTED EXPENSES IN THE PAST 12 MONTHS [N=663]:

34 Medical (NET)
 24 Cars (NET)
 20 Home and housing (NET)
 9 Life events & children: wedding, divorce, birth, death, moving (NET)
 3 Work related (NET)
 2 Travel/vacation
 2 Taxes
 1 Pets/vetinary bills
 9 Other
 1 Don't know/Refused

Figures add to more than 100% due to multiple responses.

ASK ALL:

Q.25 Do you have a budget to guide your household expenses or don't you rely on a formal budget?

48 Yes, have a budget
 51 No, don't rely on a formal budget
 1 Don't know/Refused (VOL.)
 100

QUESTION 26 HELD FOR FUTURE RELEASE

MARITAL Are you currently married, living with a partner, divorced, separated, widowed, or have you never been married?
(IF R SAYS "SINGLE," PROBE TO DETERMINE WHICH CATEGORY IS APPROPRIATE)

	<u>June 2006</u>	<u>Feb 2006</u>	<u>Oct 2005</u>
53 Married	51	52	55
6 Living with a partner	7	8	6
10 Divorced	11	10	9
3 Separated	2	3	2
9 Widowed	9	8	8
19 Never been married	20	18	18
* Don't know/Refused (VOL.)	*	1	2
100	100	100	100

ASK IF MARITAL=1:

Q.27 How often do you and your (IF SEX=2: husband/IF SEX=1: wife) disagree about money? (READ)

BASED ON THOSE WHO ARE MARRIED [N=1115]:

13 Often
25 Sometimes
39 Rarely
23 Never
* Don't know/Refused (VOL.)
100

Q.28 Is your (IF SEX=2: husband/IF SEX=1: wife) the kind of person who always looks for ways to save money OR doesn't (IF SEX=2: he/IF SEX=1: she) particularly try very hard to save money?

BASED ON THOSE WHO ARE MARRIED [N=1115]:

69 Always looks for ways to save money
27 Doesn't particularly try very hard to save money
3 Neither/both equally (VOL.)
1 Don't know/Refused (VOL.)
100

SUMMARY OF Q.28 AND Q.14B COMBINED

BASED ON THOSE WHO ARE MARRIED [N=1115]:

56 Both husband and wife always look for ways to save
6 Both don't try very hard to save
30 Husband and wife differ on savings habits
8 Don't know/Refused /Other (VOL.)
100

QUESTIONS 29 THROUGH 35 IN PREVIOUS RELEASE OR HELD FOR FUTURE RELEASE
NO QUESTION 36

ASK IF (Q18F=1) CREDIT CARD A REGULAR EXPENSE:

Thinking about how you use your credit cards

Q.37 Generally, do you pay your credit card bills in full each month or do you make a payment?

BASED ON THOSE WHO HAVE A CREDIT CARD AS A REGULAR EXPENSE [N=1222]:

- 41 Pay in full
 53 Make a payment
 4 Depends **(VOL.)**
 2 Don't know/Refused **(VOL.)**
 100

QUESTIONS 38 THROUGH 41 IN PREVIOUS RELEASE OR HELD FOR FUTURE RELEASE**ASK IF OWNRENT=1**Q.42 **[READ IF OWNRENT=1 & Q40=1: Thinking about your primary residence...]**Has the value of your home increased or decreased over the past few years? Would you say it **(READ)****BASED ON HOMEOWNERS [N=1500]:**

		<i>US News & World Report</i>	
		<u>May 1992</u>	<u>Jan 1992</u>
46	Increased a lot	21	20
38	Increased a little	45	43
5	Decreased a little	13	14
2	Decreased a lot	10	7
3	Stayed the same (VOL.)	8	8
6	Don't know/Refused (VOL.)	3	8
100		100	100

QUESTIONS 43 THROUGH 47 IN PREVIOUS RELEASE

Q.48 On the whole, would you say you are saving and investing as much money as you should, or do you feel you should probably be saving and investing more?

- 32 Saving and investing as much as you should
 63 Should be saving and investing more
 5 Don't know/Refused **(VOL.)**
 100

Q.49 Do you have a retirement plan besides Social Security? **[IF YES: Is any of your retirement money in the stock market through stocks, mutual funds or a 401k plan?]**

		<u>May 2005</u>	<u>Early Oct 2002</u>
45	Yes, retirement plan in the stock market	46	47
14	Yes, but not in stock market	13	13
38	No, no retirement plan	40	37
3	Don't know/Refused (VOL.)	1	3
100		100	100

Q.50 **[IF 1,2 IN Q.49 READ: Aside from retirement accounts...]** Do you currently own shares in a mutual fund that includes stock?

		May <u>2005</u>	Early Oct <u>2002</u>
34	Yes	37	36
62	No	61	60
<u>4</u>	Don't know/Refused (VOL.)	<u>2</u>	<u>4</u>
100		100	100

Q.51 Do you currently own stock in any INDIVIDUAL COMPANIES besides a company that you or someone else in your household works for?

		May <u>2005</u>	Early Oct <u>2002</u>
22	Yes	23	23
76	No	75	74
<u>2</u>	Don't know/Refused (VOL.)	<u>2</u>	<u>3</u>
100		100	100

SUMMARY OF Q.49, Q.50 AND Q.51 COMBINED

		May <u>2005</u>	Early Oct <u>2002</u>
55	Market investor (any market investment in Q49, Q50, Q51)	56	57
<u>45</u>	No market investment/DK/Ref	<u>44</u>	<u>43</u>
100		100	100

Q.52 Have you used a payday lender in the past 12 months, or not?

2	Yes
94	No
<u>4</u>	Don't know/Refused (VOL.)
100	

Q.53 Have you ever used a credit consolidator to help pay off your debt, or not?

7	Yes
92	No
<u>1</u>	Don't know/Refused (VOL.)
100	

BANK Have you ever had to declare bankruptcy, or hasn't this happened to you?

		<u>May 2005</u>
9	Yes	10
91	No	89
<u>*</u>	Don't know/Refused (VOL.)	<u>1</u>
100		100