

## States Ranked Most and Least Likely to Engage in Five Key Measures of Financial Capability

### Making Ends Meet

Individuals who report spending less than their household income (not including the purchase of a new home, car or other big investment) are saving money. Individuals who are not saving by balancing monthly income and expenses may find themselves struggling to make ends meet.

#### *Spending vs. Saving*

Spend less than income		
1	New Jersey	48.7%
2	New York	46.2%
3	Washington	44.9%
4	Maryland	44.8%
5	California	44.6%
US Average		41.6%

Spend less than income		
1	Montana	30.1%
2	Idaho	34.6%
3	Vermont	35.5%
4	South Dakota	35.8%
5	Oklahoma	36.1%
US Average		41.6%

### Planning Ahead

Individuals who have a “rainy day” fund demonstrate that they are planning ahead for their financial future. Those who lack a “rainy day” fund, however, do not have money set aside to cover expenses for three months, in case of emergencies such as sickness, job loss or economic downturn. Individuals without this emergency savings lack a buffer against unexpected financial shocks, threatening their personal financial stability, as well as decreasing stability of the economy as a whole.

#### *Rainy Day Funds*

Have emergency funds		
1	New Jersey	47.8%
2	New York	45.1%
3	Washington	43.1%
4	New Hampshire	41.7%
5	Massachusetts	41.1%
US Average		35.3%

Do not have emergency funds		
1	Oklahoma	71.5%
2	Kentucky	67.2%
2	Montana	67.2%
4	Arkansas	66.9%
5	Maine	66.6%
US Average		60.4%

## Managing Financial Products

Non-bank borrowing methods such as taking out an auto title loan or a payday loan, getting an advance on a tax refund or using a pawn shop or rent-to-own store are likely to come with high interest rates, and often attract individuals with poor credit histories, lack of access to more traditional sources of credit, or both. Sound borrowing practices and management of financial products are crucial to financial capability.

### Non-Bank Borrowing

Have used one or more non-bank borrowing methods		
1	New Jersey	13.8%
2	New Hampshire	15.4%
3	Massachusetts	15.6%
4	New York	17.7%
5	California	17.8%
US Average		24.3%

Have used one or more non-bank borrowing methods		
1	Montana	36.6%
2	Oklahoma	36.0%
3	Wyoming	34.6%
4	Mississippi	33.8%
5	South Carolina	32.9%
US Average		24.3%

## Financial Knowledge and Decision-Making

Study participants were asked five questions covering concepts of economics and finance expressed in everyday life. Results were tabulated to gauge knowledge of fundamental financial concepts. Individuals need at least a fundamental level of financial knowledge.

### Financial Literacy

Average number of correct answers		
1	New Hampshire	3.304
2	Minnesota	3.276
3	South Dakota	3.267
4	Idaho	3.188
5	Vermont	3.172
US Average		2.989

Average number of correct answers		
1	Louisiana	2.750
2	West Virginia	2.835
3	Kentucky	2.843
4	Arkansas	2.852
5	Tennessee	2.858
US Average		2.989

### Comparison Shopping

This knowledge, paired with the application of sound financial decision-making skills such as comparison shopping for credit cards, can best ensure an individual's financial capability.

Compared credit cards		
1	Rhode Island	41.3%
2	District of Columbia	37.7%
3	Idaho	37.0%
4	New Hampshire	36.7%
5	Wisconsin	36.5%
US Average		32.3%

Did not compare credit cards		
1	Missouri	67.4%
1	North Carolina	67.4%
3	Arizona	66.2%
3	Kentucky	66.2%
5	Texas	65.9%
US Average		62.0%