



RealSense

RealSense Participant Survey – Report #5 What's In Your Financial Future?

*Day-of-Class and Six-Month Follow-Up Surveys, March 2010 – November 2013
Presented June 3, 2014*



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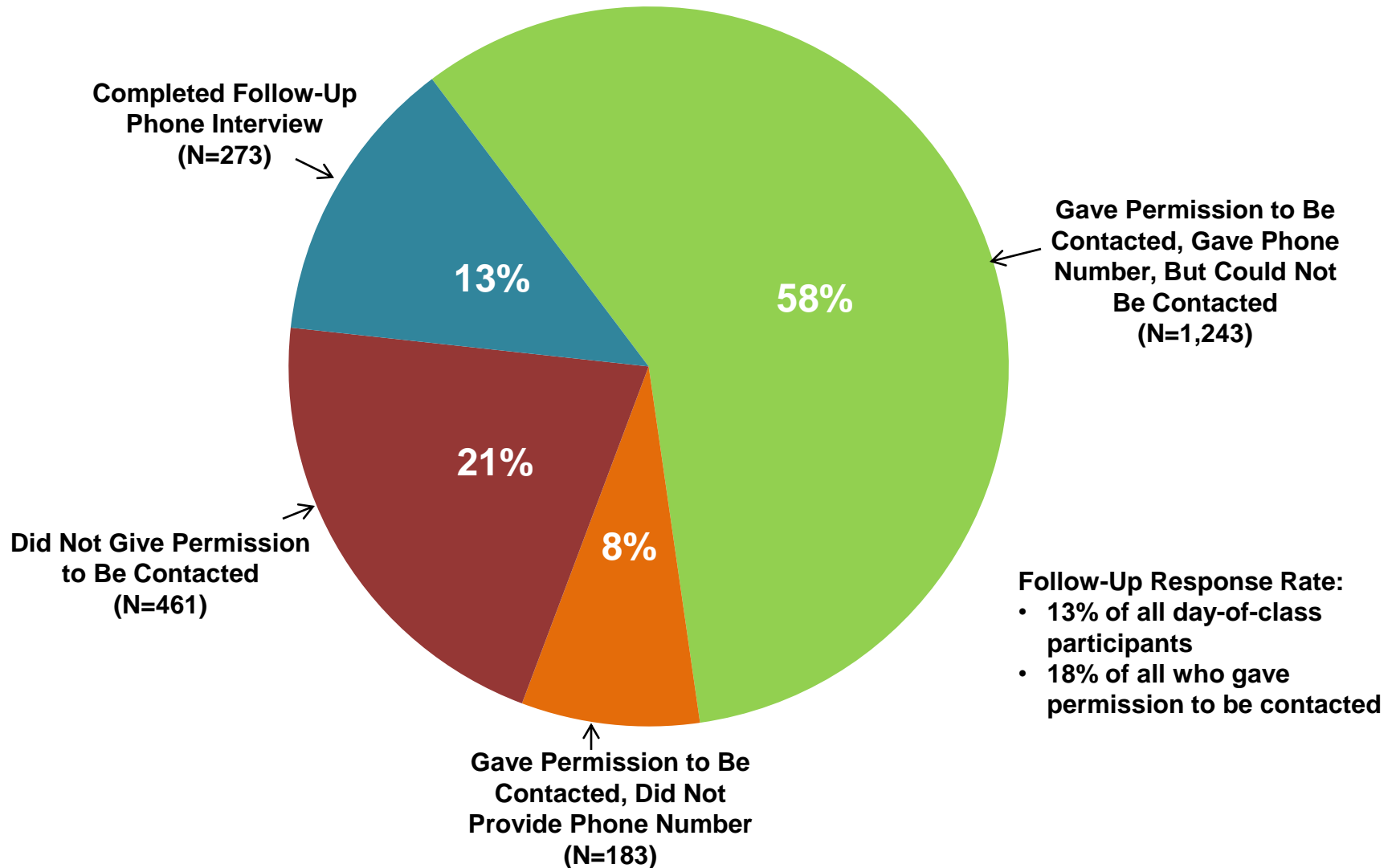
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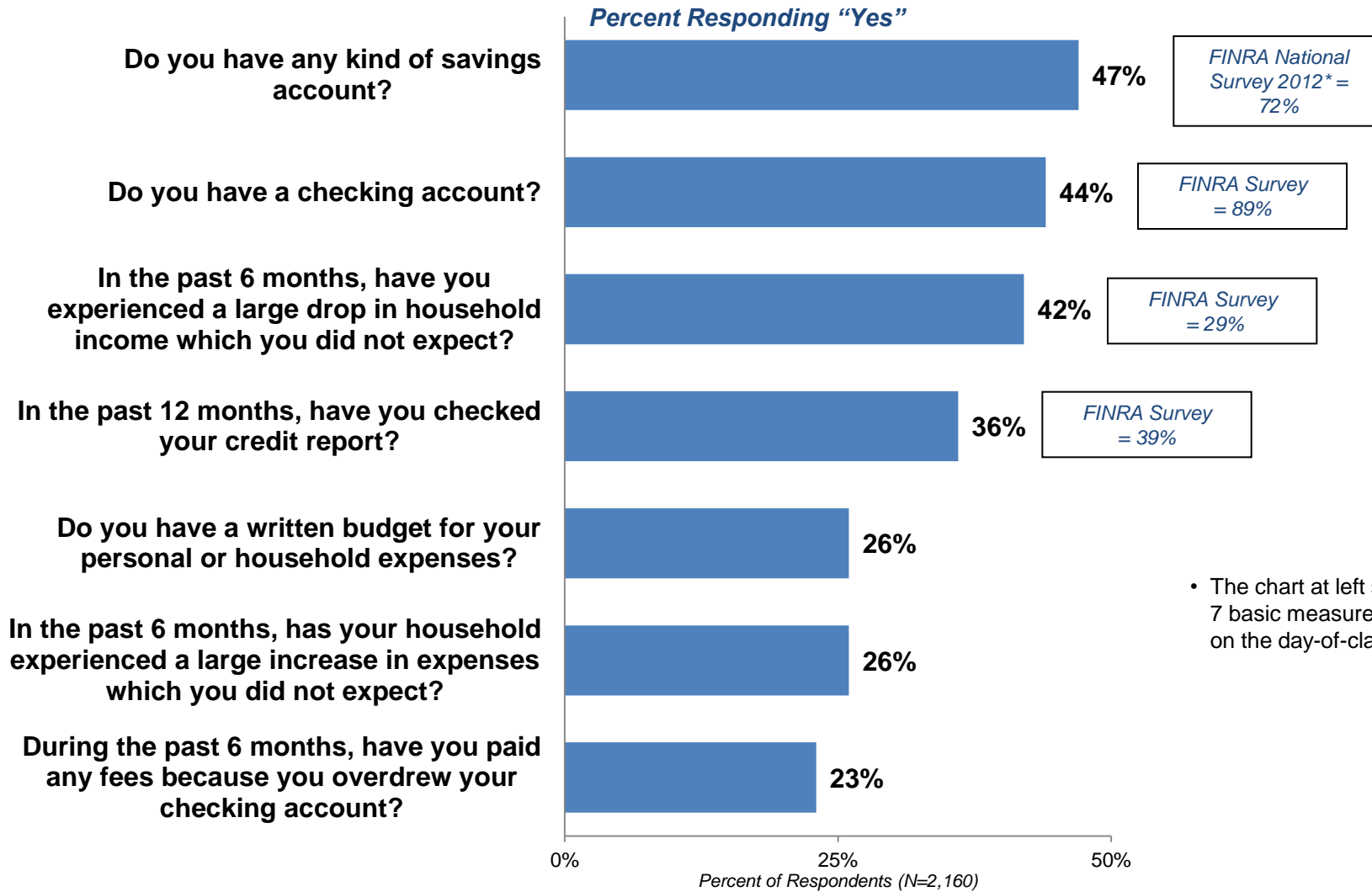
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273 Follow-Ups Completed Out of 2,160 Participants From March 2010 to November 2013

2,160 Day-of-class survey respondents had been eligible for the follow-up survey as of May 30, 2014.



Summary of Measures of Financial Behavior – Day-of-Class Survey

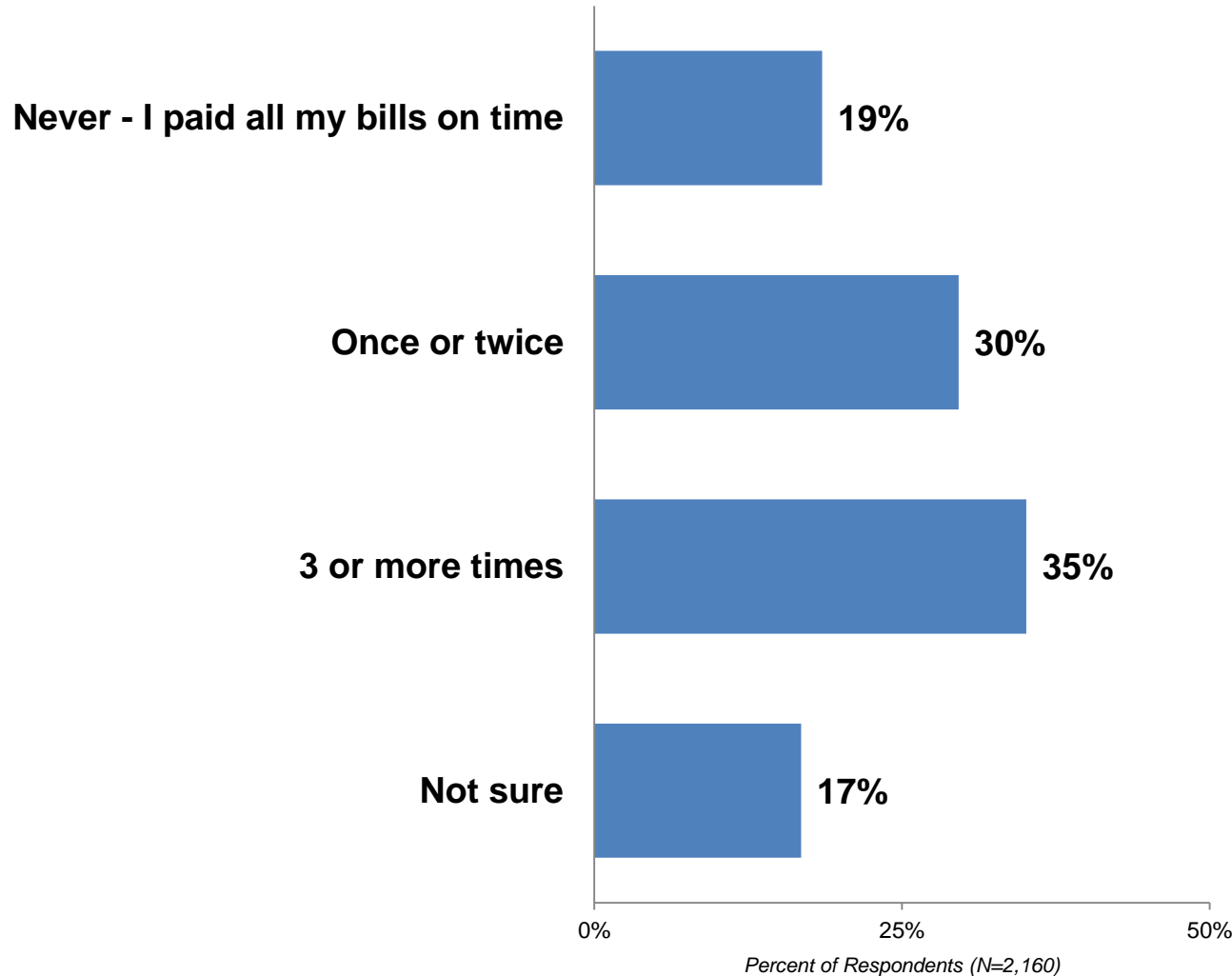


- The chart at left summarizes 7 basic measures collected on the day-of-class surveys.

*FINRA Investor Education Foundation, "Financial Capability in the United States, Report of Findings from the 2012 National Financial Capability Study, May 2013.

Have Respondents Been Unable to Pay Any of Their Bills? – Day-of-Class Survey

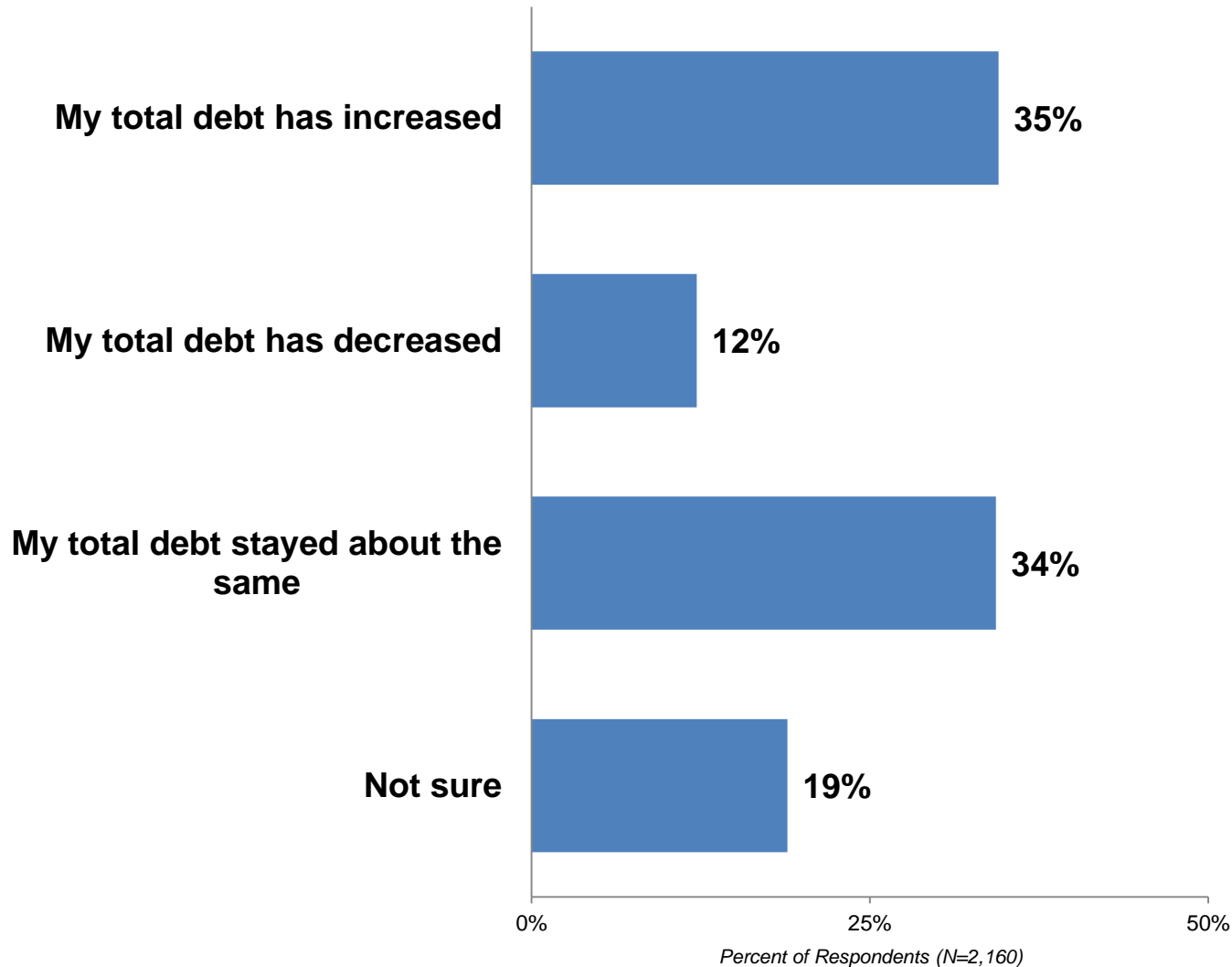
"As far as you remember, how many times have you been unable to pay any of your bills by their due date during the past 6 months?"



- 19% of the respondents to the day-of-class survey reported that they had paid all of their bills on time during the previous 6 months.
- 65% had been unable to pay their bills at least once, including 30% who were unable to pay “once or twice” and 35% who had been unable to pay “3 or more times.”

Have Respondent Debts Increased in the Past Six Months? – Day-of-Class Survey

"Compared to six months ago, would you say that the total amount of money you owe in debts has increased, decreased, or stayed about the same?"

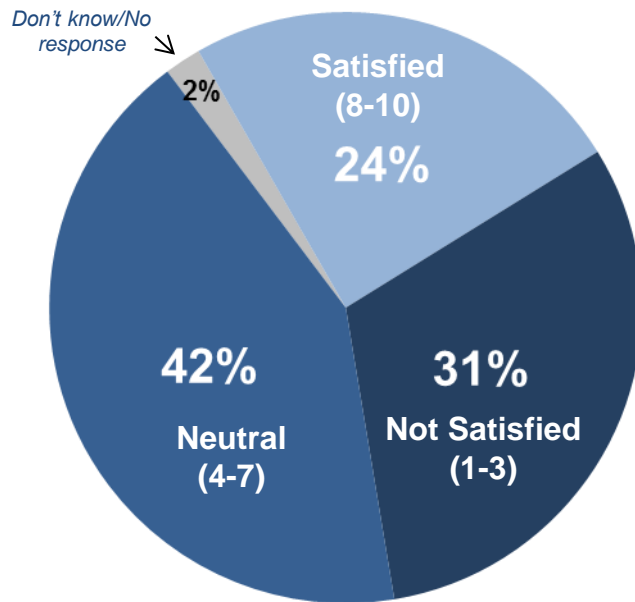


- 35% of the respondents to the day-of-class survey reported that their total debt had increased in the previous 6 months, while 12% said their debt had decreased.

Satisfaction With Current Financial Condition – Day-of-Class Survey

FINRA National Survey, 2012

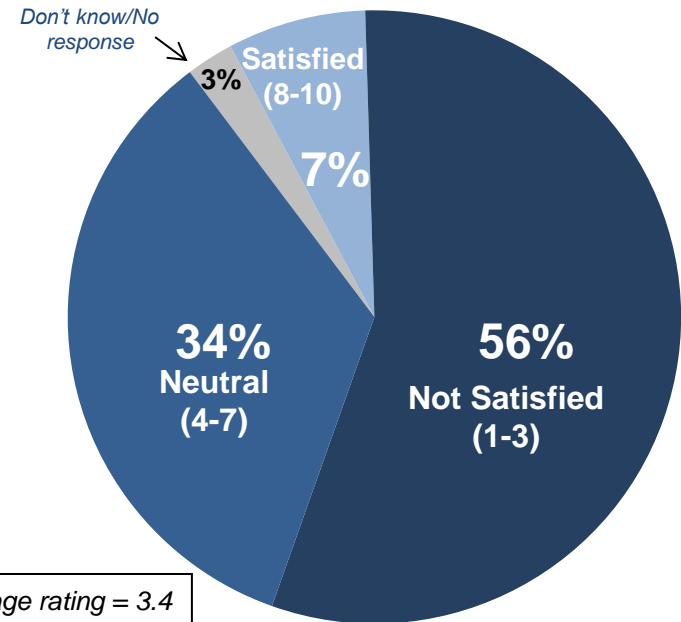
“Overall, thinking of your assets, debts, and savings, how satisfied are you with your current personal financial condition? Please use a 10-point scale, where 1 means “Not at all satisfied” and 10 means “Extremely satisfied.”



Source: FINRA Investor Education Foundation, 2012 National Survey: “Financial Capability in the United States” (N=25,509). An average rating was not available in the survey because the findings were reported as grouped data.

RealSense Participant Survey

“Overall, thinking of your assets, debts, and savings, how satisfied are you with your current personal financial condition? Circle the number from 1 to 10 that represents your level of satisfaction.”

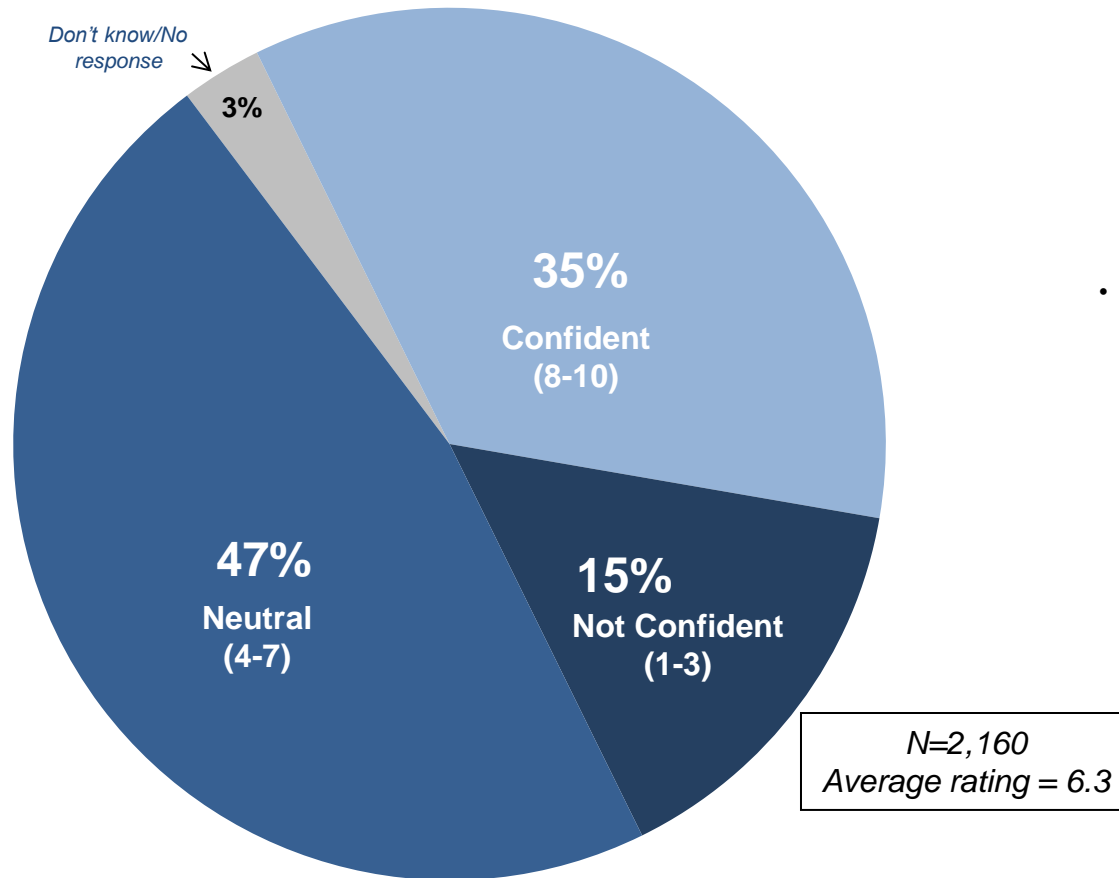


Source: RealSense Participant Survey, Report #5 (N=2,160)

- Participants in RealSense classes were more likely to be dissatisfied with their current financial condition than respondents to a national survey conducted in 2012 by the FINRA Investor Education Foundation.

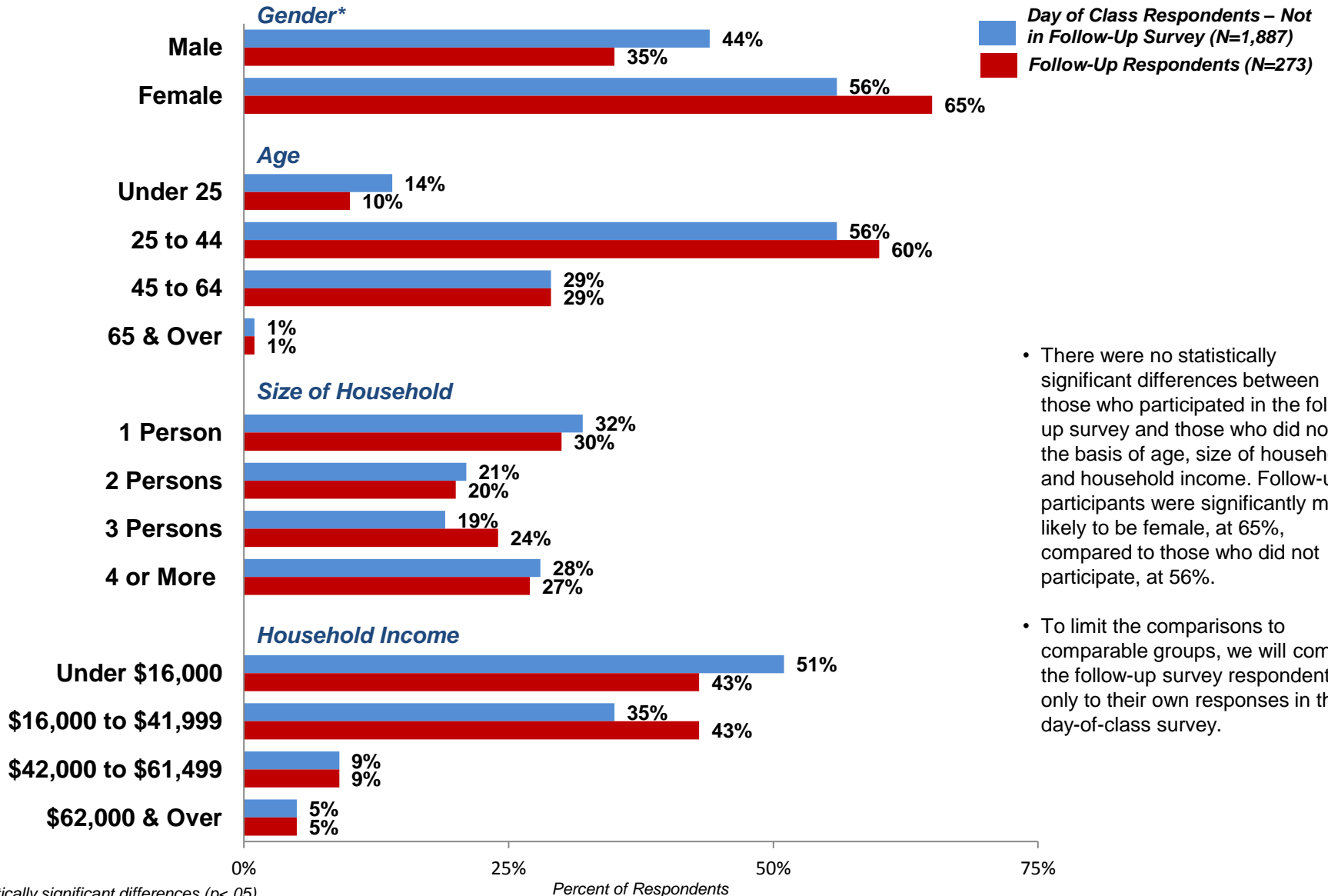
Respondent Confidence in Ability to Manage Personal Finances – Day-of-Class Survey

"Overall, how confident are you in your ability to manage your personal finances?"
1 = "Not at all confident," 10 = "Extremely confident"



- 15% of the class participants were "not confident" with their ability to manage their finances (based on FINRA's scale), while 47% were "neutral" and 35% were "confident."

Demographic Profile – Follow-Up Survey Respondents Compared to Non-Respondents



- There were no statistically significant differences between those who participated in the follow-up survey and those who did not on the basis of age, size of household, and household income. Follow-up participants were significantly more likely to be female, at 65%, compared to those who did not participate, at 56%.
- To limit the comparisons to comparable groups, we will compare the follow-up survey respondents only to their own responses in the day-of-class survey.

*Statistically significant differences ($p < .05$)

Follow-Up Survey: Do You Have a Checking Account?

“Do you have a checking account?”

Percent responding “Yes”

Day of Class 46%

Follow-Up Survey 74%

Statistically significant increase (p<.000)

Changes from day of class to follow-up survey:

Had checking day of class, still do 43%

Did not have checking day of class, now do 30%

Had checking day of class, now don't 3%

Did not have checking day of class, still don't 24%

74% (rounded)

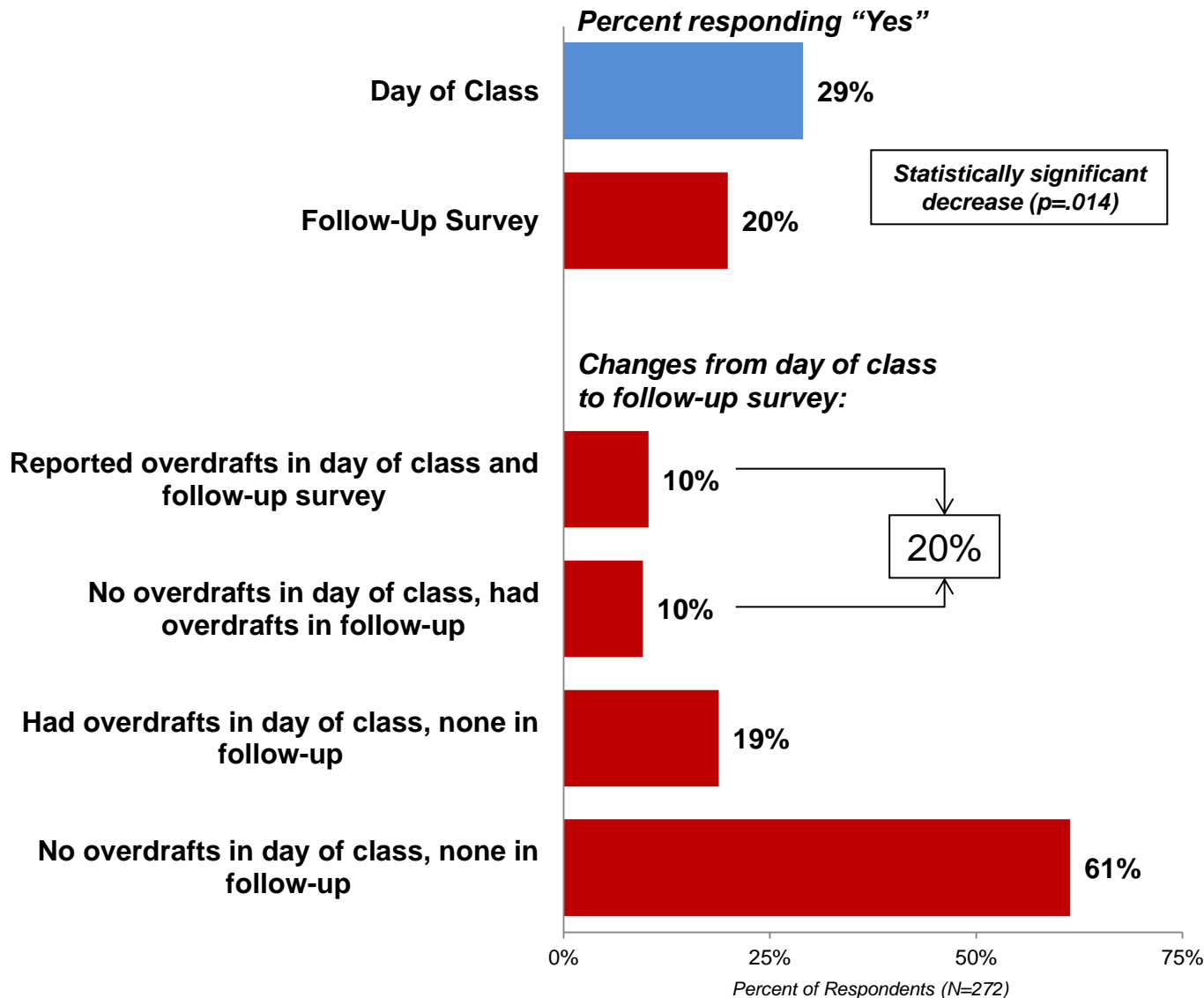
- The percentage of participants who had a checking account increased from 46% in the day-of-class survey to 74% in the follow-up survey.

0% 20% 40% 60% 80%

Percent of Respondents (N=272)

Follow-Up Survey: Incidence of Overdrafts

“During the past 6 months, have you paid any fees because you overdrew your checking account?”



- The percentage of participants who had paid overdraft fees in the previous 6 months declined from 29% in the day-of-class survey to 20% in the follow-up survey.

Follow-Up Survey: Do You Have a Savings Account?

“Do you have any kind of savings account?”

Percent responding “Yes”

Day of Class

52%

Follow-Up Survey

70%

Statistically significant increase ($p < .000$)

Changes from day of class to follow-up survey:

Had savings day of class, still do

42%

Did not have savings day of class, now do

27%

**70%
(rounded)**

Had savings day of class, now don't

10%

Did not have savings day of class, still don't

22%

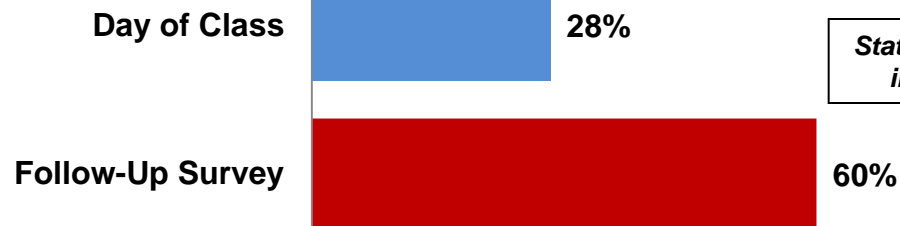
0% 20% 40% 60% 80%
Percent of Respondents (N=272)

- The percentage of participants who had a savings account who increased from 52% in the day-of-class survey to 70% in the follow-up survey.

Follow-Up Survey: Do You Have a Written Budget?

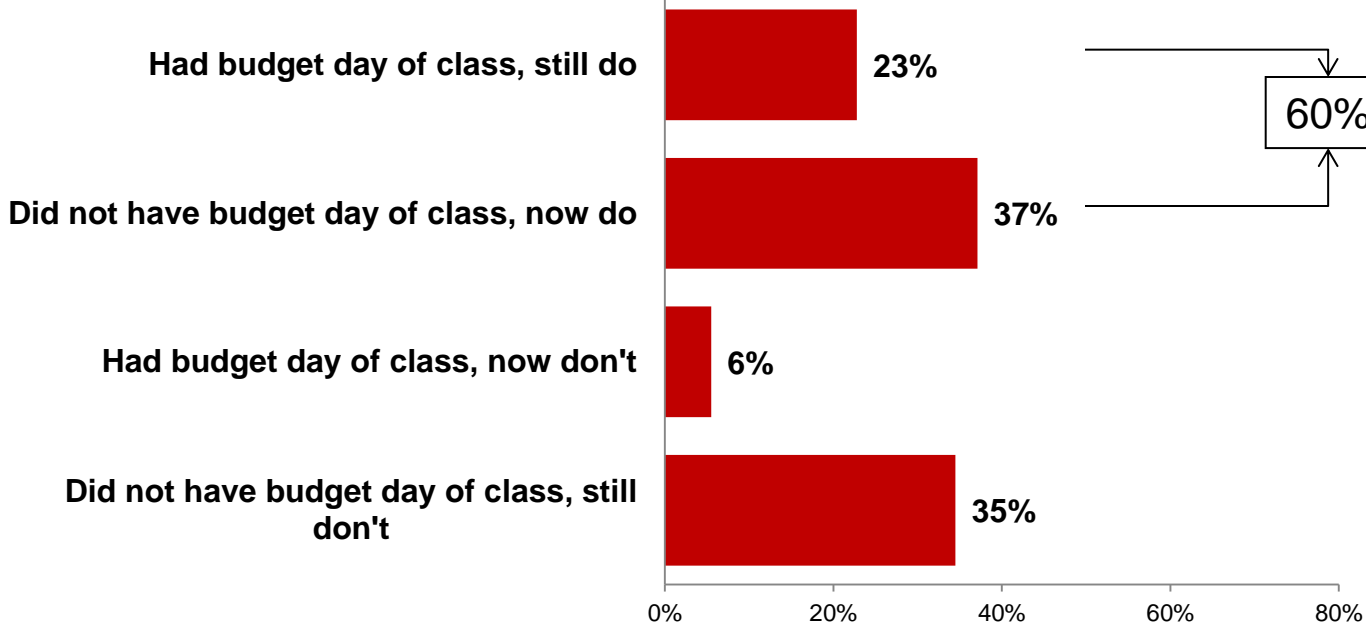
“Do you have a written budget for your personal or household expenses?”

Percent responding “Yes”



Statistically significant increase ($p < .000$)

Changes from day of class to follow-up survey:



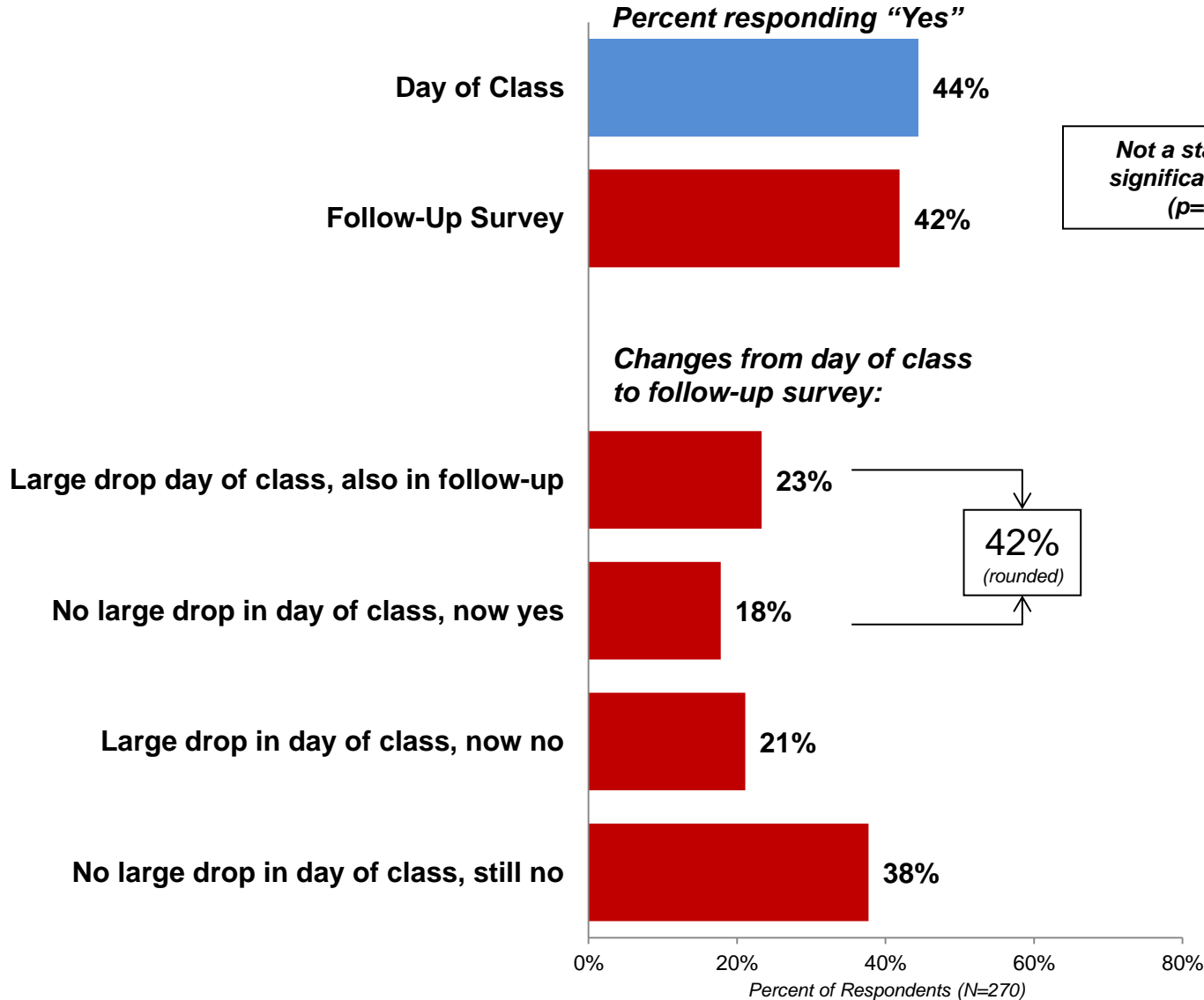
60%

- 60% of the follow-up survey respondents reported that they had a written budget, compared to 28% in the day-of-class survey.

Percent of Respondents (N=272)

Follow-Up Survey: Have You Experienced a Large Drop in Income?

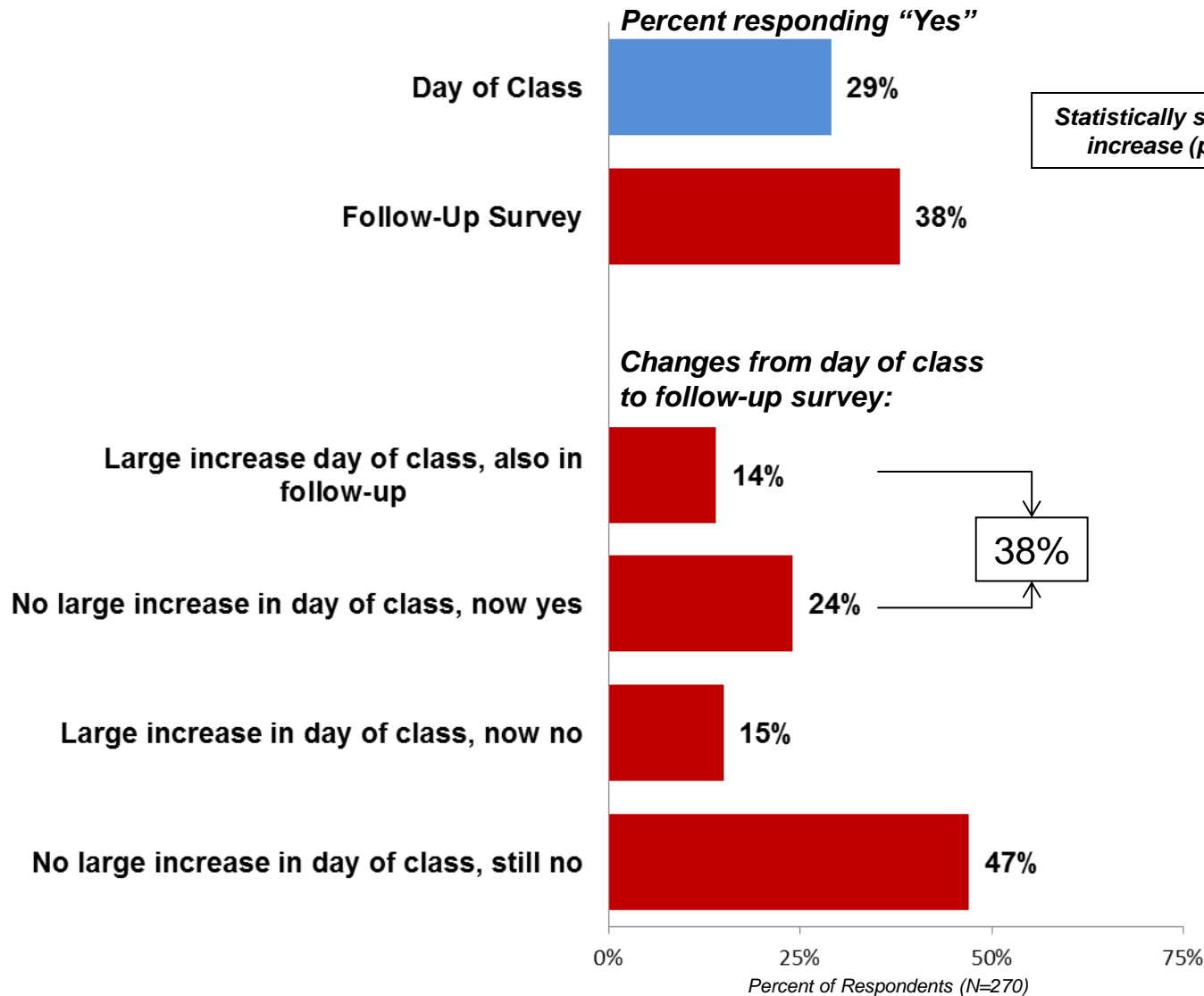
“In the past 6 months, have you experienced a large drop in household income which you did not expect?”



- The percentage of participants who reported a “large drop in income” during the previous 6 months changed very little, from 44% in the day-of-class survey to 42% in the follow-up survey.
- Only 23%, however, reported a large drop in income in the day-of-class survey and in the follow-up survey. This shows shifting financial status of the participants during the six-month period.

Follow-Up Survey: Have You Experienced a Large Increase in Expenses?

“In the past 6 months, have you experienced a large increase in expenses which you did not expect?”

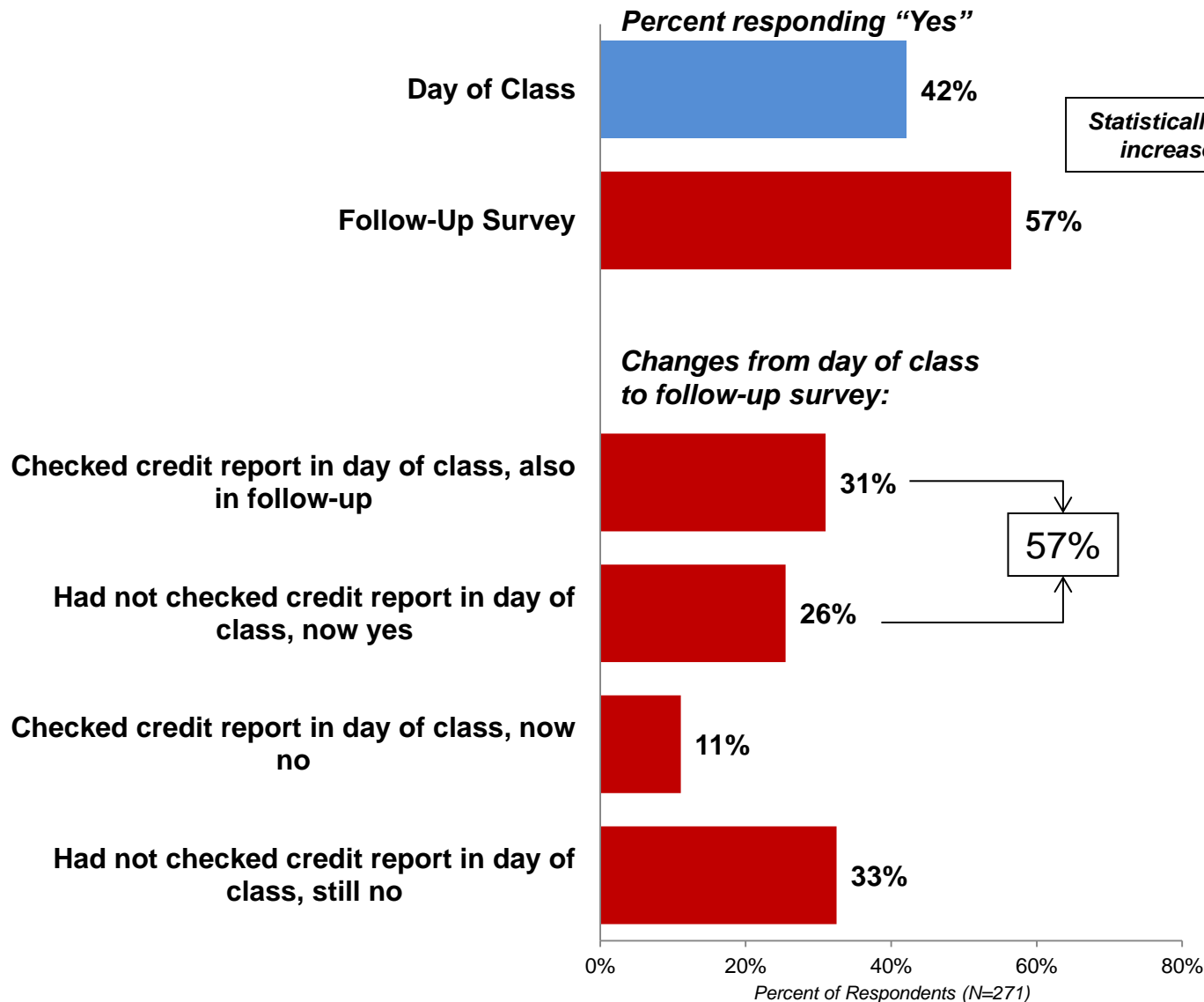


Statistically significant increase (p=.027)

- The percentage of participants who reported a “large increase in expenses” during the previous 6 months increased from 29% to 38%. The change was statistically significant.

Follow-Up Survey: Have You Checked Your Credit Report?

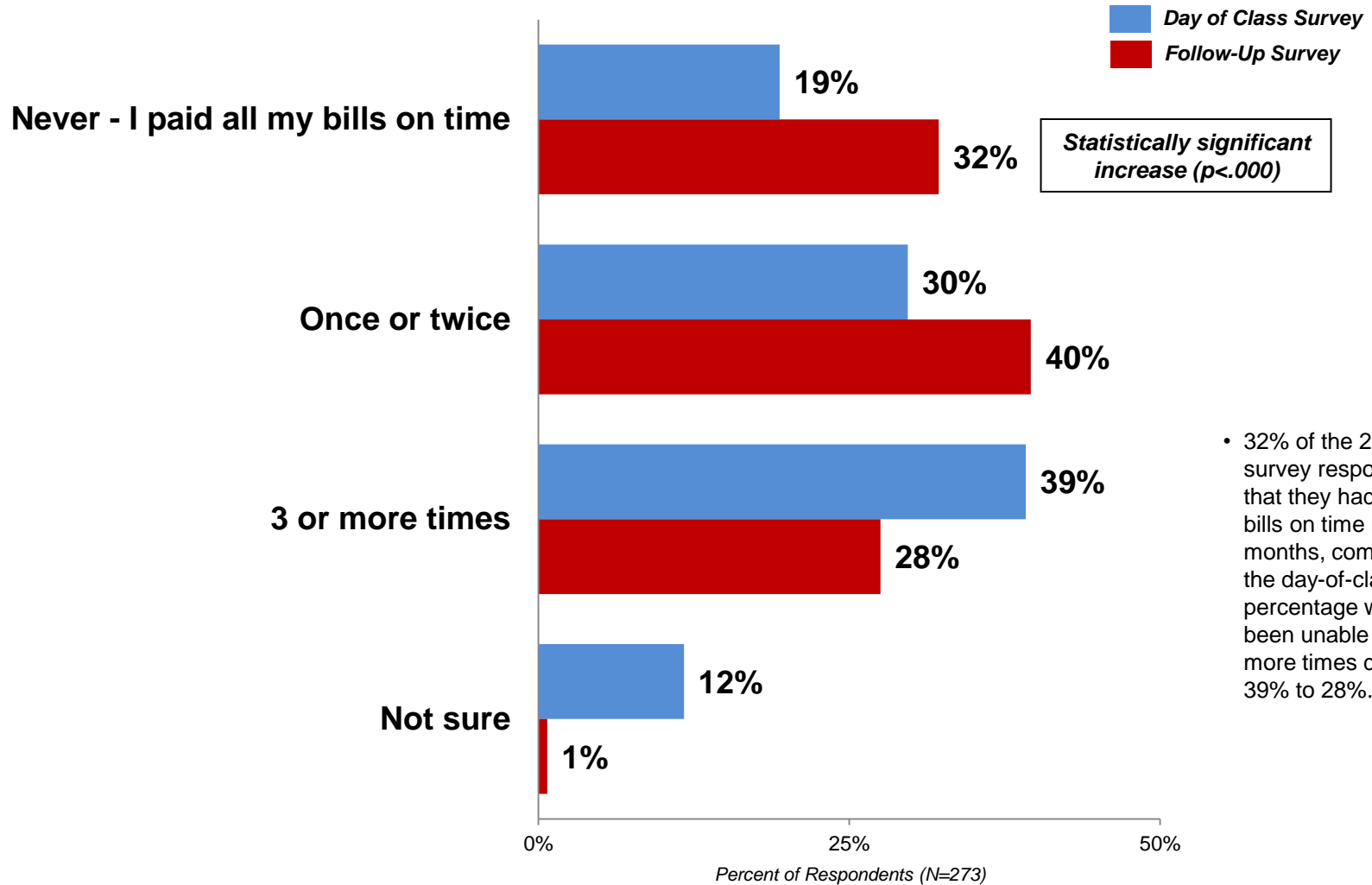
“In the past 12 months, have you checked your credit report?”



- The percentage of participants who said they had checked their credit report in the previous 12 months increased from 42% in the day-of-class survey to 57% in the follow-up survey.

Follow-Up Survey: Have You Been Unable to Pay Any of Your Bills?

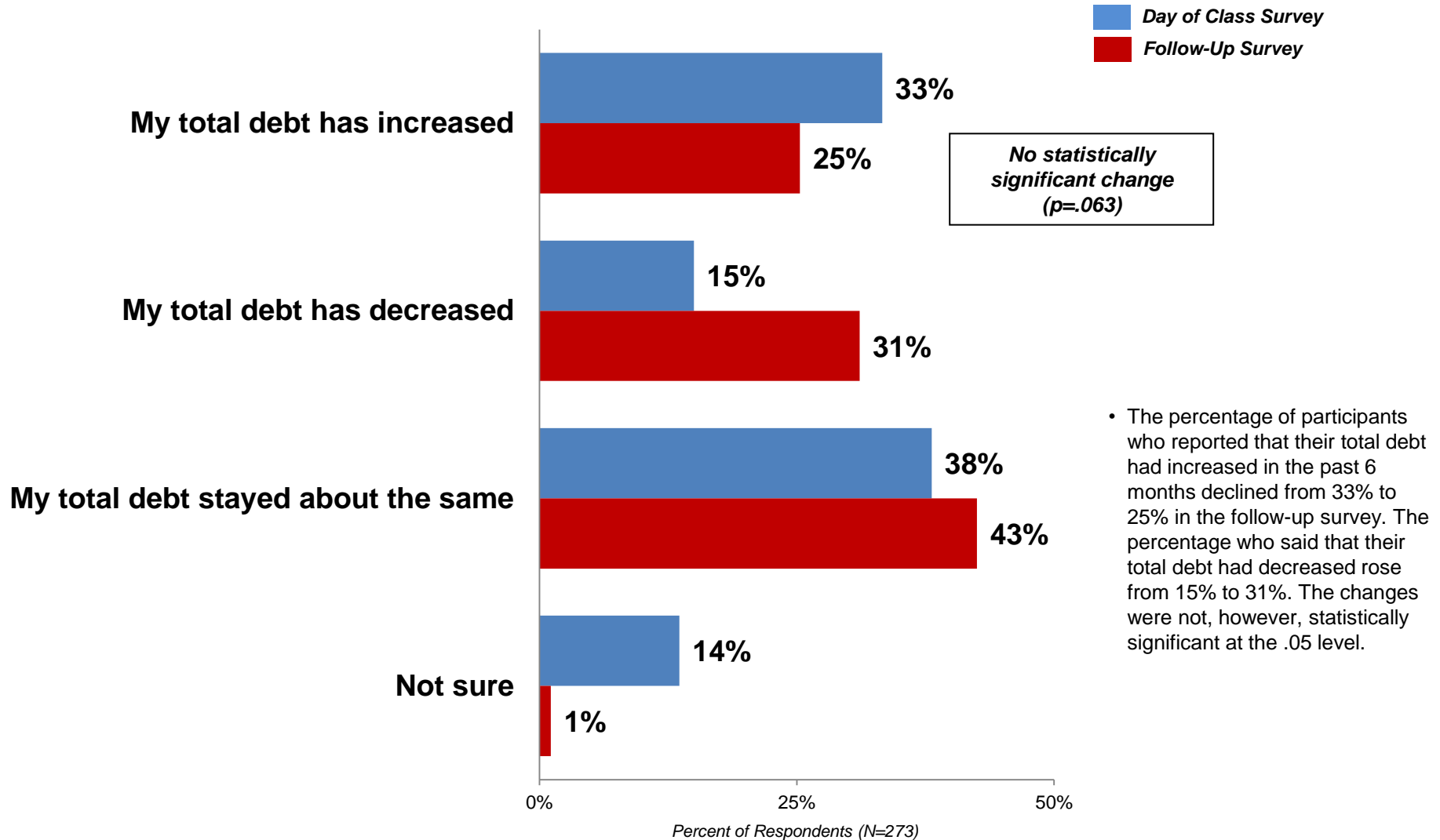
“As far as you remember, how many times have you been unable to pay any of your bills by their due date during the past 6 months?”



- 32% of the 273 follow-up survey respondents reported that they had paid all of their bills on time in the previous 6 months, compared to 19% in the day-of-class survey. The percentage who said they had been unable to pay bills 3 or more times dropped from 39% to 28%.

Follow-Up Survey: Has Your Total Debt Increased, Decreased, or Stayed the Same?

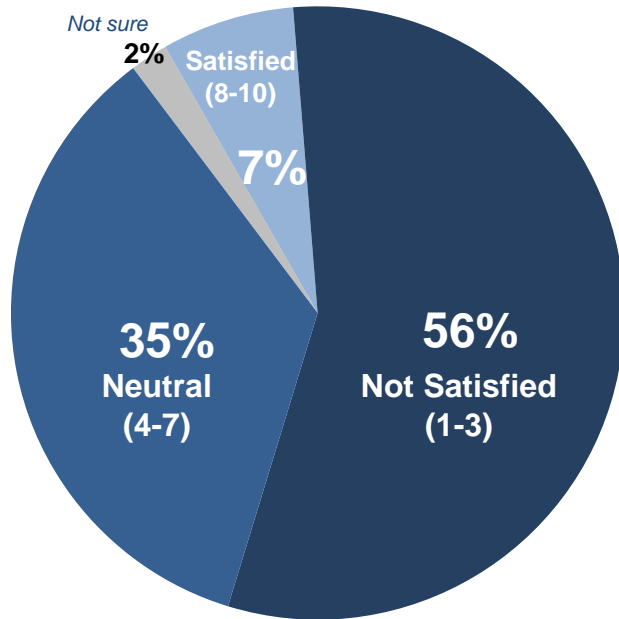
“Compared to 6 months ago, would you say that the total amount of money you owe in debts has increased, decreased, or stayed about the same?”



Follow-Up Survey: Satisfaction with Personal Financial Condition

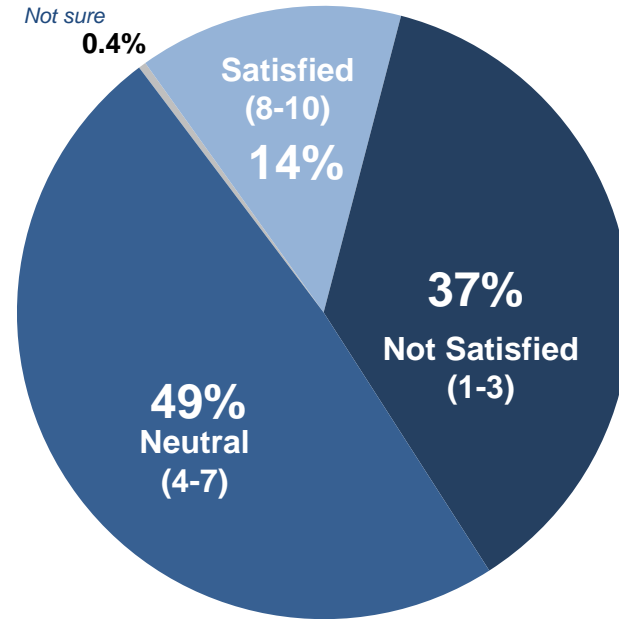
“Overall, thinking of your assets, debts, and savings, how satisfied are you with your current personal financial condition?
Circle the number from 1 to 10 that represents your level of satisfaction.”

Day-of-Class Survey



N=273
Average rating = 3.3

Follow-Up Survey



N=273
Average rating = 4.5

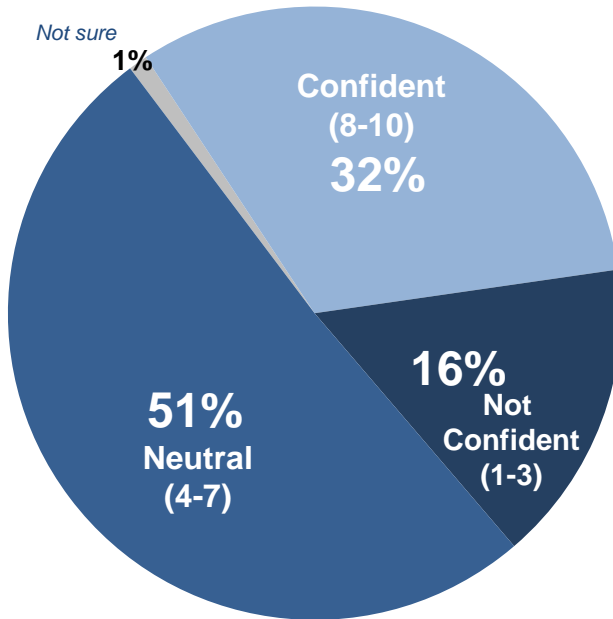
Statistically significant change ($p < .000$) →

- The percentage of participants who could be described as “satisfied” with their current financial condition rose from 7% in the day-of-class survey to 14% in the follow-up survey. The percentage who were “not satisfied” dropped from 56% to 37%.

Follow-Up Survey: Confidence in Ability to Manage Personal Finances

“Overall, how confident are you in your ability to manage your personal finances?
Circle the number from 1 to 10 that represents your level of confidence.”

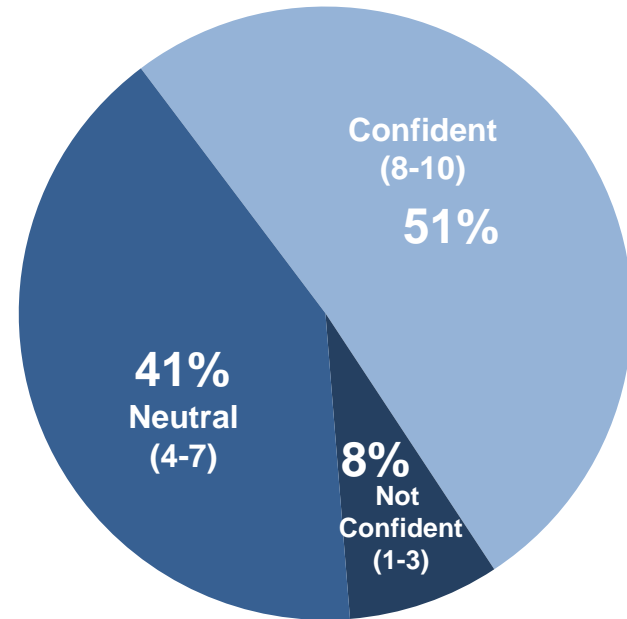
Day-of-Class Survey



N=273
Average rating = 6.1

Statistically significant change ($p < .028$) →

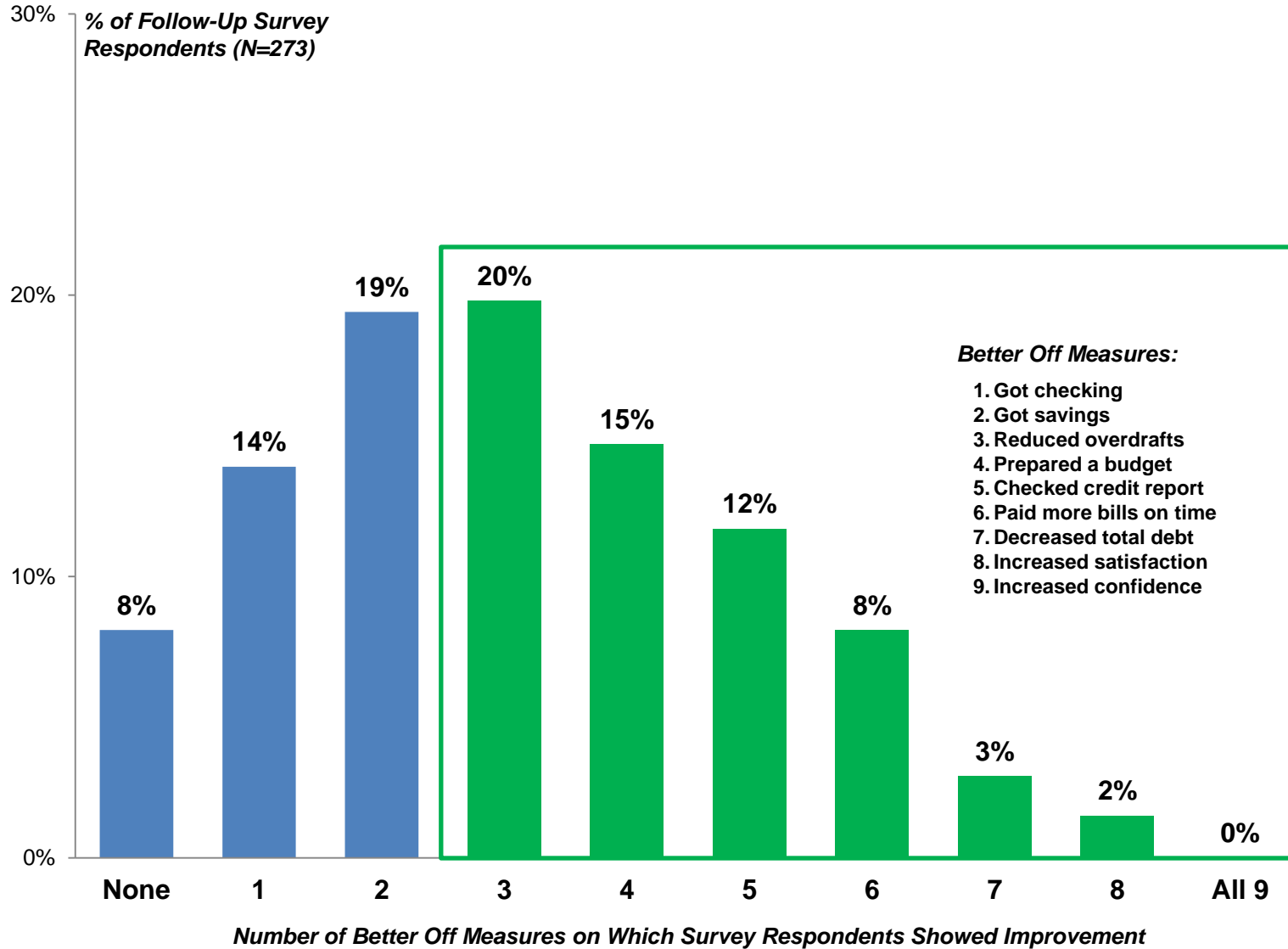
Follow-Up Survey



N=273
Average rating = 7.0

- The percentage of participants who could be described as “confident” in their ability to manage their finances rose from 32% in the day-of-class survey to 51% in the follow-up survey. The percentage who were “not confident” dropped from 16% to 8%.

59% Were Better Off on at Least 3 Out of 9 Measures



Summary of Findings

1. Report #5 in our series of “Better Off Measures” surveys found statistically significant improvements on 8 measures. The percentage of respondents that . . .
 - Have a checking account increased from 46% to 74%.
 - Incurred overdraft fees dropped from 29% to 20%.
 - Have a savings account increased from 52% to 70%.
 - Have a written budget increased from 28% to 60%.
 - Checked their credit report increased from 42% to 57%.
 - Paid all of their bills on time increased from 19% to 32%.
 - Felt satisfied with their financial condition increased from an average of 3.3 to 4.5 on a 10-point scale.
 - Felt confident in their ability to manage their finances increased from an average of 6.1 to 7.0 on a 10-point scale.

2. The survey found a positive, but not statistically significant, change on the movement of total debt for the participants:
 - The percentage who said their total debt had increased during the previous six months dropped from 33% to 25%.
 - The percentage who said their total debt had decreased during the previous six months increased from 15% to 31%.