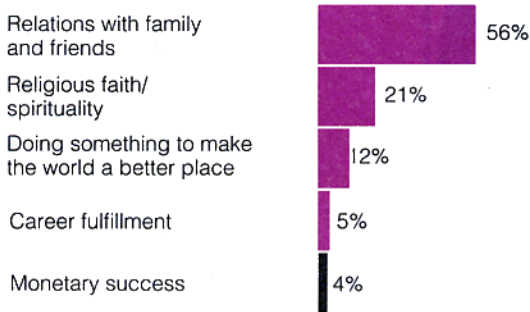


AMERICANS AND THEIR MONEY

Money ranks far behind family and friends and religious faith as being most important in life. It represents security and a way to help our children, not social status or power. Our financial requirements continue to be modest.

Question: **Which of the following things is most important in life?**

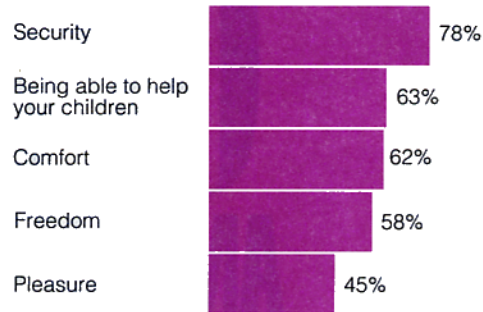
Most important in life



Note: In a July 1994 Princeton Survey Research Associates survey for Times Mirror, 15% of Americans completely agreed with the statement: "money is one of my most important concerns", 25% partially agreed with it, 36% mostly disagreed with it, and 24% completely disagreed with it.
Source: Survey by Louis Harris and Associates for *Money and Today's Family*, July 27-August 8, 1993. This survey, cited throughout this section, was conducted for the Lutheran Brotherhood.

Question: **Money represents different things to different people. I'd like to find out what it represents to you personally. Here is a list. For each item, please tell me if it is a very important aspect of what money represents to you, a somewhat important aspect, or an unimportant aspect?**

Very important aspect of what money represents to you



Note: Top five categories shown. Social status and power ranked last as very important aspects of what money represents. They were cited by 14 and 13 percent respectively.
Source: Survey by Roper Starch Worldwide Inc., May 15-22, 1993.

Question: **Thinking about the needs of you and your family, how much income per year would you say you and your family need to live in reasonable comfort? How much income per year do you feel your family would need just to get by? And how much income per year would you say you and your family would need to fulfill all your dreams?**

Income you and your family need



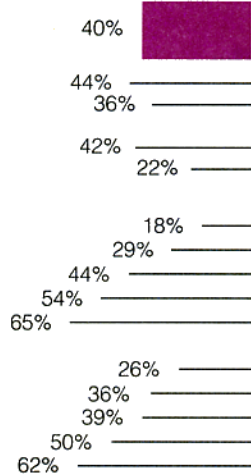
Note: Response are medians. In 1993, Americans were asked by Roper for *Worth* what they would need to be "really wealthy". The median response was \$565,000.
Source: Surveys by Roper Starch Worldwide Inc., latest that of April 16-23, 1994.

How It's Going

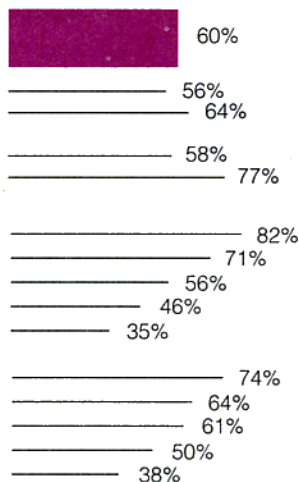
Even though six in ten say they are not earning enough money to live the kind of lives they want to lead, and nearly eight in ten say two people have to work to maintain their living standards, a solid majority say they are better off than their parents were at their age.

Question: **Do you now earn enough money to lead the kind of life you want, or not?**

Earn enough money to lead the kind of life you want



Do not



Question: **I'm going to read you some more statements on a different topic. Please tell me how much you agree or disagree with each of these**

I often don't have enough money to make ends meet



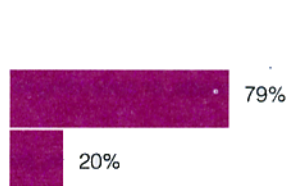
Note: Of the 60% who said they did not earn enough to lead the kind of life they wanted, 34% expected to be able to earn enough money in the future to do so, 24% did not. Asked of those employed full- or part-time = 67% of the sample.

Source: Survey by Princeton Survey Research Associates for the Times Mirror Center for the People & The Press, July 12-15, 1994.

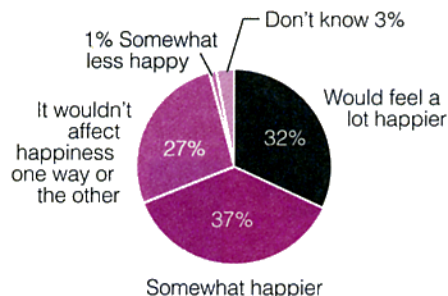
Question: **Do you and your partner both have to work to maintain the standard of living you desire, or not?**

You and your partner both have to work to maintain the standard of living you desire

Do not

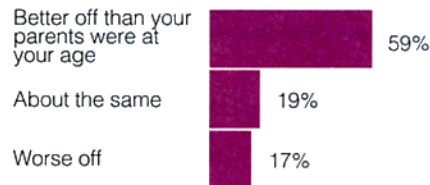


Question: **You've heard the old saying "Money can't buy happiness." Some people believe it, others disagree. Thinking realistically about your own family's situation, if your family had twice as much household income as it does now, which of these statements best describes how you personally would feel?**



Question: **Are you better off, worse off, or about the same financially as your parents were at your age?**

Financially are...



Note: Majorities in all income groups agreed that both needed to work to maintain their standard of living, though there were some differences by income. Ninety-seven percent of those making \$25,000 or less said they both needed to work compared to 69% of those making \$50,000 or more. Sample=respondent and partner working full or part time.

Source: Survey by Louis Harris and Associates for *Money and Today's Family*, July 27-August 8, 1993.

Source: Survey by Roper Starch Worldwide Inc. for *Worth*, November 6-13.

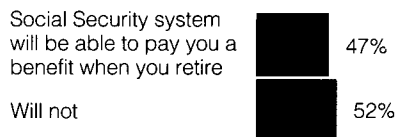
Source: Survey by Louis Harris and Associates for *Money and Today's Family*, July 27-August 8, 1993.

Looking Ahead

Perhaps because of doubts about the viability of the Social Security system, non-retired respondents say they are saving. An overwhelming 90 percent say that parents should pay a large part of their children's college costs, but most maintain as well that kids should make a substantial contribution.

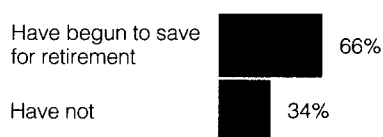
Question: **Do you think the Social Security system will be able to pay you a benefit when you retire?**

Non-retired respondents



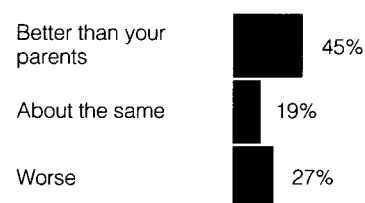
Question: **Have you begun to save money for your retirement?**

Non-retired respondents



Question: **Now, thinking about your retirement—Do you think overall that your retirement will be better than your parents, worse, or will it be about the same as your parents?**

Retirement will be...



Source: Survey by the Gallup Organization for the Employee Benefit Research Institute, January 1994.

Source: Survey by the Tarrance Group and Mellman/Lazarus/Lake, August 16–18, 1994.

Baby boomers and retirement

★ 65% described their finances as secure
35% as shaky

★ 58% said they were prepared financially for their eventual retirement
43% said they were unprepared

★ 14% said they saved nothing for retirement
20% one to five percent of their yearly household income
30% six to ten percent
34% more than ten percent

★ Percentage of money you will need to retire that you have already saved
22% said they have saved none of it
26% one to five percent of it
16% six to ten percent of it
13% eleven to twenty percent of it
10% twenty one to thirty percent of it
10% more than thirty percent of it

★ Median expectation of money baby boomers say they would need to retire today (if they were 65 years old) \$150,001–\$250,000

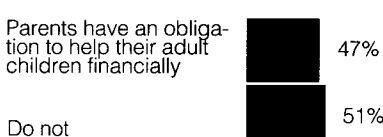
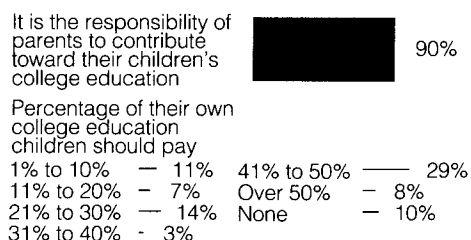
★ Think your standard of living will be
Better than those currently in retirement 29%
Same 34%
Worse 36%

Source: Survey by Luntz Research companies for Merrill Lynch, August 1993.

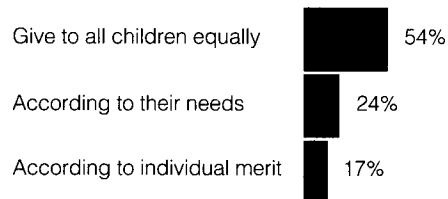
Question: **Do you feel that it is... What percentage of their own college education should children pay?**

Question: **Do you feel that parents have an obligation to help their adult children financially, or not?**

Question: **In planning their estate, should parents give to their children equally, according to their needs, or according to individual merit?**



In planning their estates, parents should...

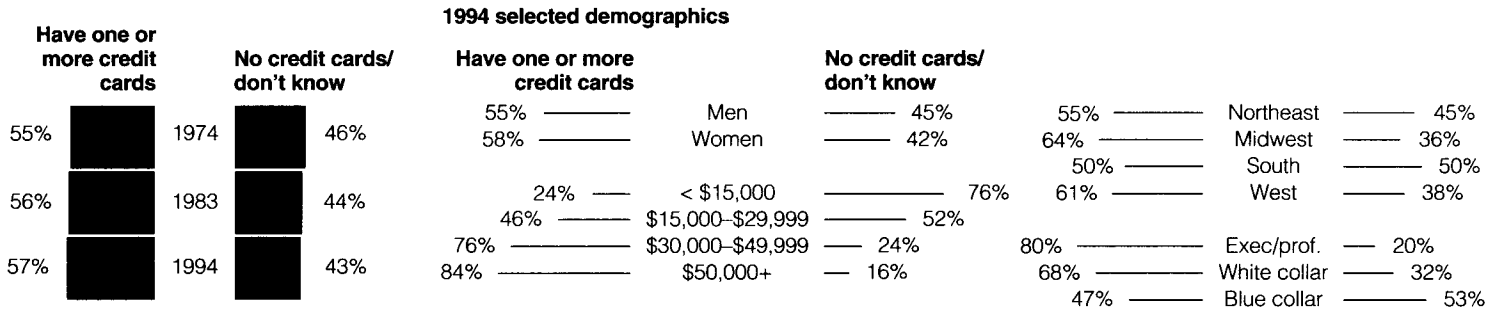


Source: Survey by Louis Harris and Associates for Money and Today's Family, July 27–August 8, 1993.

Credit And Debt

The number of Americans who have one or more credit cards has held steady for 20 years. Higher-income and professional Americans are more likely to have cards than other groups. The major reason for not having cards is that having them encourages going into debt.

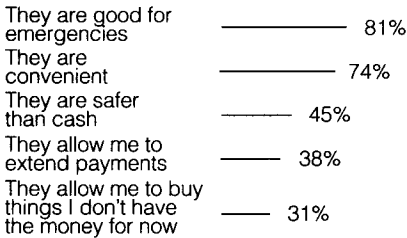
Question: **Do you have any credit cards that you yourself use—from department stores or banks or credit companies or gasoline companies, etc.?**



Question: **There are many different reasons why people use credit and charge cards. Would you please read down this list and for each item tell me whether it is a major reason why you (use/don't use) credit cards, a minor reason, or not really a reason at all?**

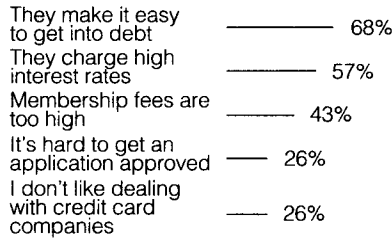
Of those who have one or more credit cards (57%)

Major reason for having credit cards



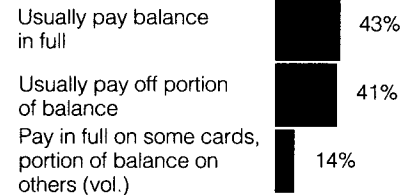
Of those who do not have credit cards (43%)

Major reason for not having them



Question: **In general do you usually pay your credit card balance in full, or do you pay off a portion of the balance each month?**

Of those who have one or more credit cards (57%)



Source: Survey by Roper Starch Worldwide Inc., latest that of March 19-26, 1994.

Distribution of amount of debt of all families	Percent of families who have this kind of debt						Families without checking accounts = 12.5%		
	All	By income						Reasons	
		<\$10,000	\$10,000-24,999	\$25,000-49,999	\$50,000-99,999	\$100,000 and more			
Home mortgage and home equity lines of credit	63%	39%	10%	22%	47%	66%	68%	Do not write enough checks to make it worthwhile	28%
Investment real estate mortgages	22	8	*	4	7	14	35	Do not have enough money	22
Installment loans	9	46	30	47	55	50	35	Do not like dealing with banks	15
Credit card balances	3	44	24	43	55	49	33	Service charges are too high	12
Other	2	9	5	6	11	10	15		
Other lines of credit	1	3	*	2	3	4	4		

Note: * = less than one percent.

Source: Survey by National Opinion Research Center for the Survey of Consumer Finances 1992, as reported in the Federal Reserve Bulletin, October 1994.

The Public's Portfolio

The median net worth of Americans is \$52,500 with significant variations by education and age. Over eight in ten having checking accounts, nearly four in ten have retirement accounts, and slightly over a third have life insurance.

Percentage of families who saved some money in the last year

57%



Most important reasons for saving

Liquidity	42%
Retirement	27
Education	14
Purchases	10
Investments	10
Other	8
Buying own home	6
For the family	4

Note: Figures add to more than 100% because some families cited more than one reason as most important for saving.

Median net worth of families

\$ 52,200

By income

Less than \$10,000	\$ 3,900
\$10,000-\$24,999	23,400
\$25,000-\$49,999	58,300
\$50,000-\$99,999	139,600
\$100,000 and more	569,000

By education

0-8 grade	\$21,100
9-12 grade	21,200
H.S. graduate	40,800
Some college	55,600
College graduate	113,000

By age

Less than 35 years	\$10,400
35-44	46,300
45-54	97,100
55-64	133,300
65-74	103,600
75 and older	87,000

Percentage of families having

		By income				
		Less than \$10,000	\$10,000-\$24,999	\$25,000-\$49,999	\$50,000-\$99,999	\$100,000 or more
Checking accounts	88%	64%	84%	95%	99%	99%
Retirement accounts	39	7	22	45	71	79
Life insurance	35	16	26	41	48	60
Savings bonds	23	7	13	28	40	32
CDs	17	11	15	17	22	20
Stocks	18	4	9	18	31	49
Mutual funds	11	3	6	12	19	30
Bonds	5	1	2	4	7	22

Source: Survey by the National Opinion Research Center for the Survey of Consumer Finances 1992, as reported in the Federal Reserve Bulletin, October 1994.

Installment, credit card, and mortgage/home equity debt are the major kinds of debts we have, and the median value of that debt is \$4,500, \$1,000, and \$44,000 respectively. Total debt payments represent 15 percent of current income.

Percentage of families holding these nonfinancial assets

		Median value of that debt
Vehicles	87%	\$6,900
Primary residence	64	81,800
Investment real estate	20	50,000
Business	15	50,000
Other	9	7,200

Debt as a percentage of current income



Percentage of families holding this kind of debt

		Median value of that debt
Installment debt	46%	\$4,500
Credit card debt	43	1,000
Mortgage and home equity debt	39	44,000
Other debt	9	2,500

Ratio of family debt payments to family income (median)

15.4%

By income

Less than \$10,000	11.6
\$10,000–\$24,999	14.8
\$25,000–\$49,999	16.7
\$50,000–\$99,999	16.2
\$100,000 or more	13.7

By age

Less than 35 years	15.2
35–44	18.1
45–54	16.5
55–64	14.2
65–74	9.7
75 and older	2.6

Source: Survey by National Opinion Research Center for the *Survey of Consumer Finances* 1992, as reported in the *Federal Reserve Bulletin*, October 1994.

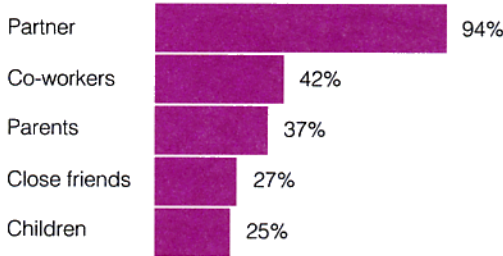
Erratum: In our September/October section called "European Union", the Market & Opinion Research International (MORI) survey was conducted for *The European*. Lansdowne is the correct name of the Irish survey research firm.

Money And Relationships

We tell our partners how much money we make, but we don't share that information with many others. Money and what to watch on TV are what couples fight about most. Only 4 percent of Americans have assets they keep secret from their partners.

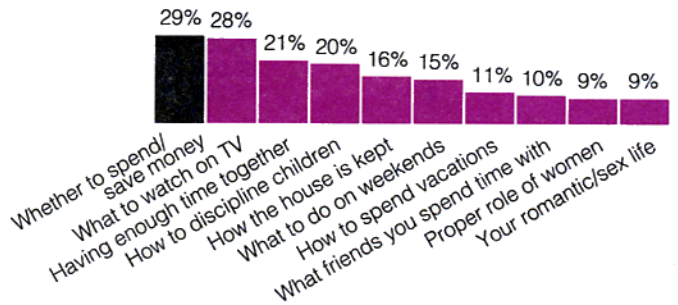
Question: **[Do/Does] your...know how much money you make at your job, or not?**

Knows how much money you make at your job



Source: Survey by Louis Harris and Associates for *Money and Today's Family*, July 27-August 8, 1993.

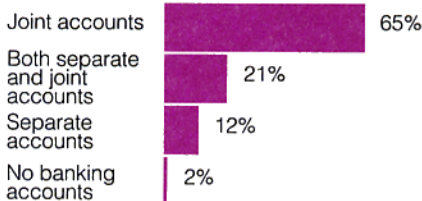
Question: **Most married couples disagree about at least a few things. Here is a list.... Would you read down that list and call off those things that you and your (husband/wife) frequently disagree on. Any others?**



Note: Asked of married respondents = 57% of sample.
Source: Survey by Roper Starch Worldwide Inc. for *Worth*, November 6-13, 1993.

Question: **Do you and your partner maintain separate banking accounts, joint banking accounts, or both separate and joint banking accounts?**

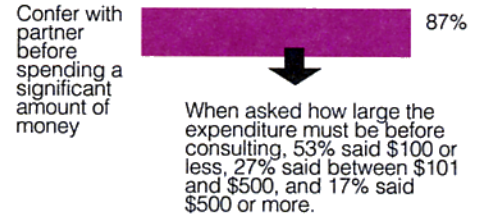
You and spouse/or person you have a committed relationship with have



Question: **Do you have secret financial assets, such as a savings account or investment or money which is hidden away, which your partner does not know about, or not?**



Question: **Do you confer with your partner before spending a significant amount of money?**

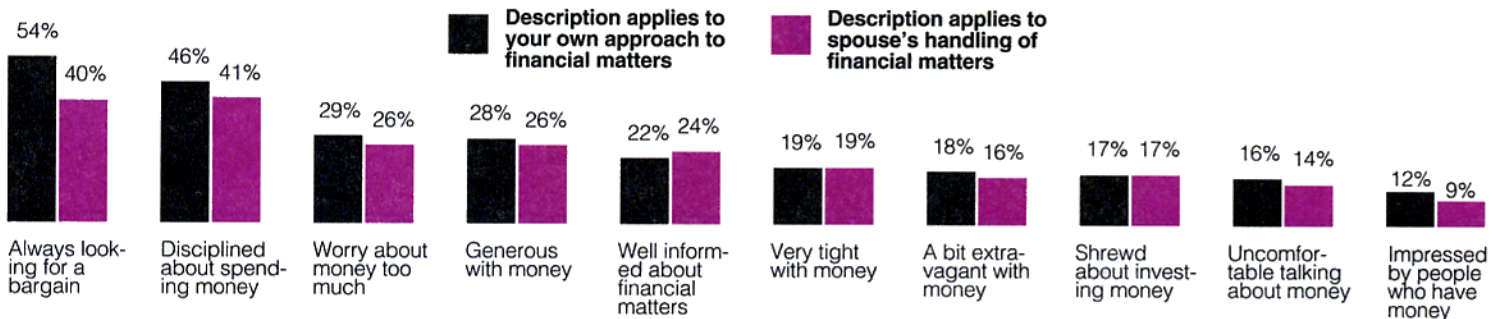


Note: Sample=those who are married or in a committed relationship.

Source: Survey by Louis Harris and Associates for *Money and Today's Family*, July 27-August 8, 1993.

Source: Survey by Louis Harris and Associates for *Money and Today's Family*, July 27-August 8, 1993.

Question: **Here is a list of descriptions or qualities that might apply to the way any person deals with money and financial matters. Please look it over and call off the letters of all the descriptions you think describe your own approach to financial matters. ...Finally, would you please call off the letters of all the descriptions that you think describe your (husband's/wife's) approach to financial matters.**



Source: Survey by Roper Starch Worldwide Inc. for *Worth*, November 6-13, 1993.