



**2003 Consumer Experience Survey:  
Insights on Consumer Credit  
Behavior, Fraud and  
Financial Planning**



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**Insights on consumer credit behavior,  
fraud, and financial planning**

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AARP is a nonprofit, nonpartisan membership organization dedicated to making life better for people 50 and over. We provide information and resources; engage in legislative, regulatory and legal advocacy; assist members in serving their communities; and offer a wide range of unique benefits, special products, and services for our members. These include *AARP The Magazine*, published bimonthly; *AARP Bulletin*, our monthly newspaper; *AARP Segunda Juventud*, our quarterly newspaper in Spanish; *NRTA Live and Learn*, our quarterly newsletter for 50+ educators; and our Web site, [www.aarp.org](http://www.aarp.org). We have staffed offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.

The AARP Foundation is AARP's affiliated charity. Foundation programs provide security, protection and empowerment for older persons in need. Low-income older workers receive the job training and placement they need to re-join the workforce. Free tax preparation is provided for low- and moderate-income individuals, with special attention to those 60 and older. The Foundation's litigation staff protects the legal rights of older Americans in critical health, long-term care, consumer and employment situations. Additional programs provide information, education and services to ensure that people over 50 lead lives of independence, dignity and purpose. Foundation programs are funded by grants, tax-deductible contributions and AARP.

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# Methodology

The 2003 Consumer Experiences Survey is the fourth survey in a series of periodic studies conducted in the past 10 years. The three previous surveys of consumer behavior were conducted in 1993, 1999, and 2000.<sup>1</sup> The current study examined many of the same topics from the past three studies including buying experiences with products and services, knowledge about investment terms, and experience with major fraud or swindles. However, other pertinent issues have been added to the current study including privacy and identity theft, and predatory mortgage lending.

AARP commissioned Roper ASW to conduct this telephone survey of adults age 45 and older between December 26, 2002 and January 18, 2003. This survey contained a nationally representative sample of 1500 adults in the general population with 314 (including those in the general population) in an African-American over sample and 254 (including those in the general population) in the Hispanic over sample. Results based on the total sample have 95 percent confidence that any error due to sampling is within three percentage points. Larger margins of error apply for results based on smaller samples throughout the report.

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<sup>1</sup> Note: We compared 1993 and 1999 data to the current 2003 data. In 1999 the sample of 45+ respondents was n=1049; and in 1993, the sample of 45+ respondents was n=760.

## Executive Summary

The 2003 Consumer Experiences study surveyed 1500 45+ consumers including over samples of African-Americans and Hispanics. The purpose of this survey was to learn about overall experiences that consumers have when they interact with various aspects of the financial marketplace. AARP conducted research in a variety of areas including consumers’:

- experience with products and services
- experience with home repairs
- knowledge of basic credit scoring and its impact on the loan process
- knowledge about home equity loans
- knowledge about investments
- experience with identity theft and fraud
- perceptions of debt level
- ownership of legal documents
- use of alternative financial services such as check-cashing outlets and pawn shops

A brief description of the major findings follows:

- Forty-five plus consumers are somewhat knowledgeable about personal credit.
  - More than nine in ten (94%) 45+ consumers know that a missed credit card payment can be reported on their credit report.
  - More than eight in ten (88%) consumers correctly report that an individual’s bill paying history on their credit report affects their ability to get a *home* loan. However, only 61 percent know that their bill paying history affects the interest rates that lenders charge them.
  - Of the 82 percent of 45+ homeowners, at least two- thirds know that they can be sued in court for the value of a missed mortgage payment (62%); lenders can sue the borrower for the debt owed (77%), and the lender can report the non-payment on the homeowner’s credit report (88%).
- A preponderance of survey participants knows the basics of borrowing.
  - More than eight in ten 45+ respondents know that the lender must show the borrower documentation of fees before closing the loan. Three-quarters or greater know that the lender must reveal the loans annual percentage rate, the total dollar amount of the finance charge for the loan, and the total dollar amount of all fees the consumer must pay.
- Forty-five plus consumers are unsure or incorrect about basic investment concepts.
  - More than half (57%) correctly report that if you lose money in a mutual fund invested in a bank, the Federal Deposit Insurance Corporation will not cover their

loses. And half (52%) correctly report that diversification of investments decreases risk.

- Only four in ten (41%) consumers correctly report that a “no-load” mutual fund involves no sales charge but does have maintenance fees the consumer must pay.
  - In all questions, the “don’t know” answers represent at least a quarter of respondents.
- Respondents use several sources of information when making major purchases
- At least 4 in 10 45+ consumers use manufacturers, agencies, and consumer literature as sources that inform their buying decisions. Approximately two-thirds of adults age 45 and older report that information directly from the manufacturer or service provider is useful for helping them make decisions on buying major appliances or home repair services.
- Family and friends are the number one resource for financial information.
- When presented with a list of possible sources, most (45%) say they get financial advice from family and friends, followed by media sources (TV, radio, and newspapers) and banking professionals. Other financial resources, used by at least one-quarter of respondents, include information from magazines or books, financial planners, accountants, stockbrokers, and lawyers.
- Forty-five plus consumers have proactive financial behavior such as checking their credit card and bank statements regularly.
- An overwhelming ninety-eight percent of all 45+ consumers have taken at least one action in the past two years towards keeping abreast of their financial situations. Almost nine in ten respondents refused to give out personal information on the phone unless they initiate the call (87%). More than seven in ten limited the number of identification cards that they carry (72%). Seventy-one percent shredded or destroyed credit card receipts, applications and other financial statements. Approximately seven in ten (68%) regularly reviewed their credit card and other financial statements. Approximately one-third have contacted credit bureaus to reduce unsolicited credit offers by mail, or ordered and reviewed a copy of their credit report.

- The 45+ seem to manage their consumer debt fairly well but there is room for improvement.
  - Even though fewer than 2 in 10 have no personal debt, four in ten have about as much debt as they can handle. Less than one in ten says they have more debt than they can handle financially. Three in ten say that they can handle more debt.
- Forty-five plus consumers own a variety of investment products.
  - Most consumers own a 401K retirement plan (60%). The second most popular investment vehicle is a mutual funds account (39%) followed by individual stocks (36%). Just over one-quarter invest in money market accounts or certificates of deposit. One-fifth own government bonds or annuities. The fewest respondents own corporate bonds, the most stable among investments (14%).
- Consumers report that they have a variety of legal documents that provide financial protection for them and their families.
  - Not surprisingly, the most popular choice of documents to hold is the will, drafted by more than half of those 45+. Two in five 45+ consumers have a durable power of attorney for health care decisions (39%). Far fewer have a durable power of attorney for financial matters (27%) or a living trust (24%). Lawyers emerge as the most popular choice for help preparing these documents.
- Forty-five plus homeowners receive many offers to borrow against the equity in their homes. However, they are smart shoppers.
  - More than eight in ten (82%) of the 45+ consumers are homeowners. Overwhelmingly, 45+ homeowners receive offers to borrow money against the equity in their home via direct mail (87%), followed by telephone, television, non-specific advertisement, newspaper, and other types of solicitations. However, just under a third of homeowners (28%) have actually taken out a home equity loan in the past ten years.
  - More than seven in ten (74%) homeowners who took a loan in the past ten years comparison shopped before buying a home equity loan. More than three-quarters (77%) of 45+ homeowners inquired at their bank, savings and loan, or credit unions for a home equity lender. Far fewer went to their current mortgage lender to find a home equity loan (41%). Twenty-seven percent went to their mortgage broker. Even fewer went to a lender that their contractor recommended or responded to ads received in the mail or on the phone. Six percent shopped the internet for a loan.



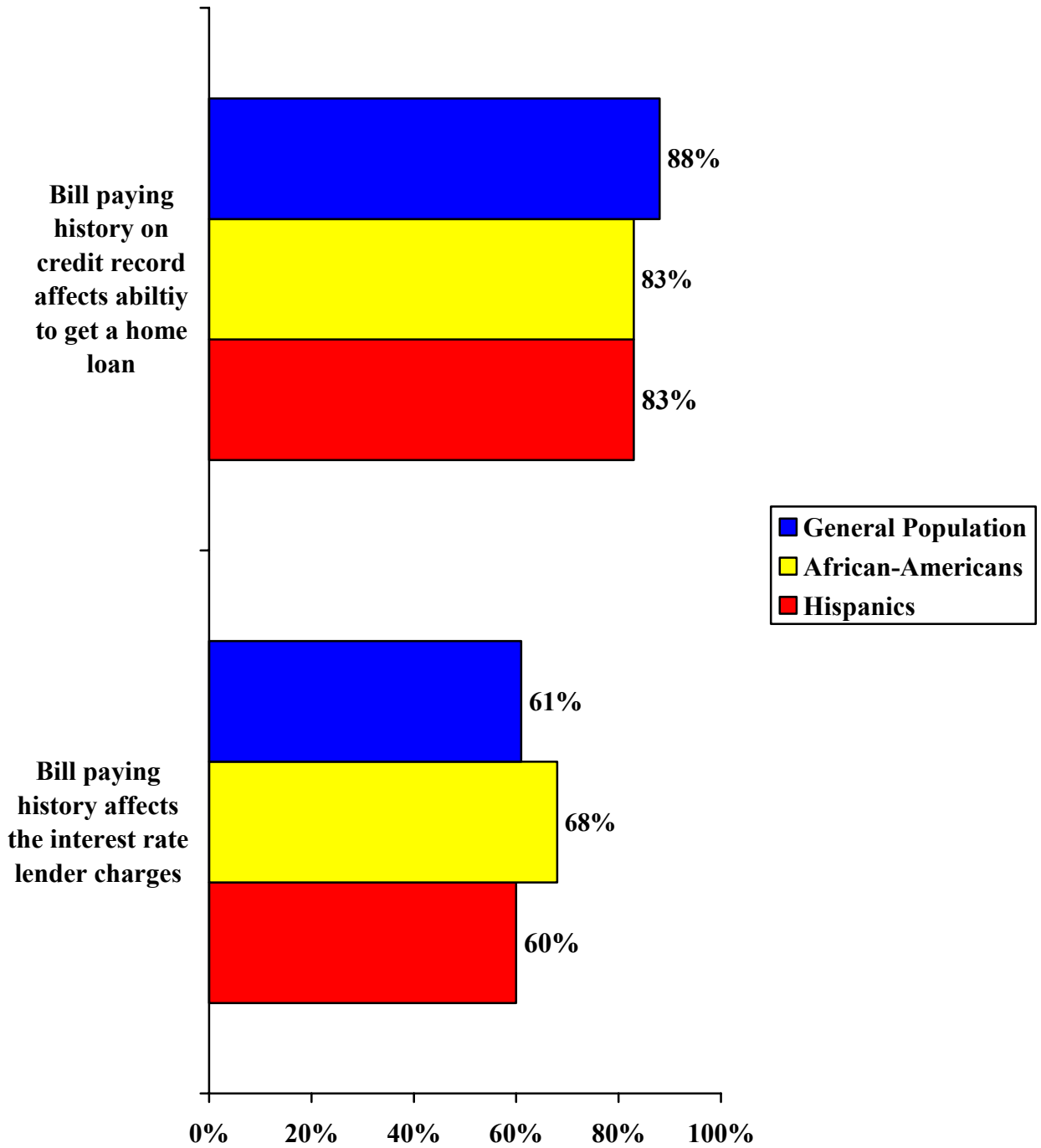
## **Detailed Findings**

### **Bill Paying History and Credit Record**

Forty-five plus consumers are fairly knowledgeable about how bill paying affects their credit report and thus subsequent favorable credit decisions. More than eight in ten consumers correctly report that an individual's bill paying history on their credit report affects their ability to get a home loan. They are slightly less knowledgeable about if their bill paying history affects the interest rates they get on loans. See Figure 1.

Men are more knowledgeable than women about if their bill paying history affects the interest rates they get on home loans and the interest rate that a lender charges them. African-Americans are generally more knowledgeable than the general population and Hispanics about the impact of bill paying history on their ability to get a home loan.

**Figure 1**  
**Bill Paying History and Credit Record**  
**(Weighted N=1,500)**



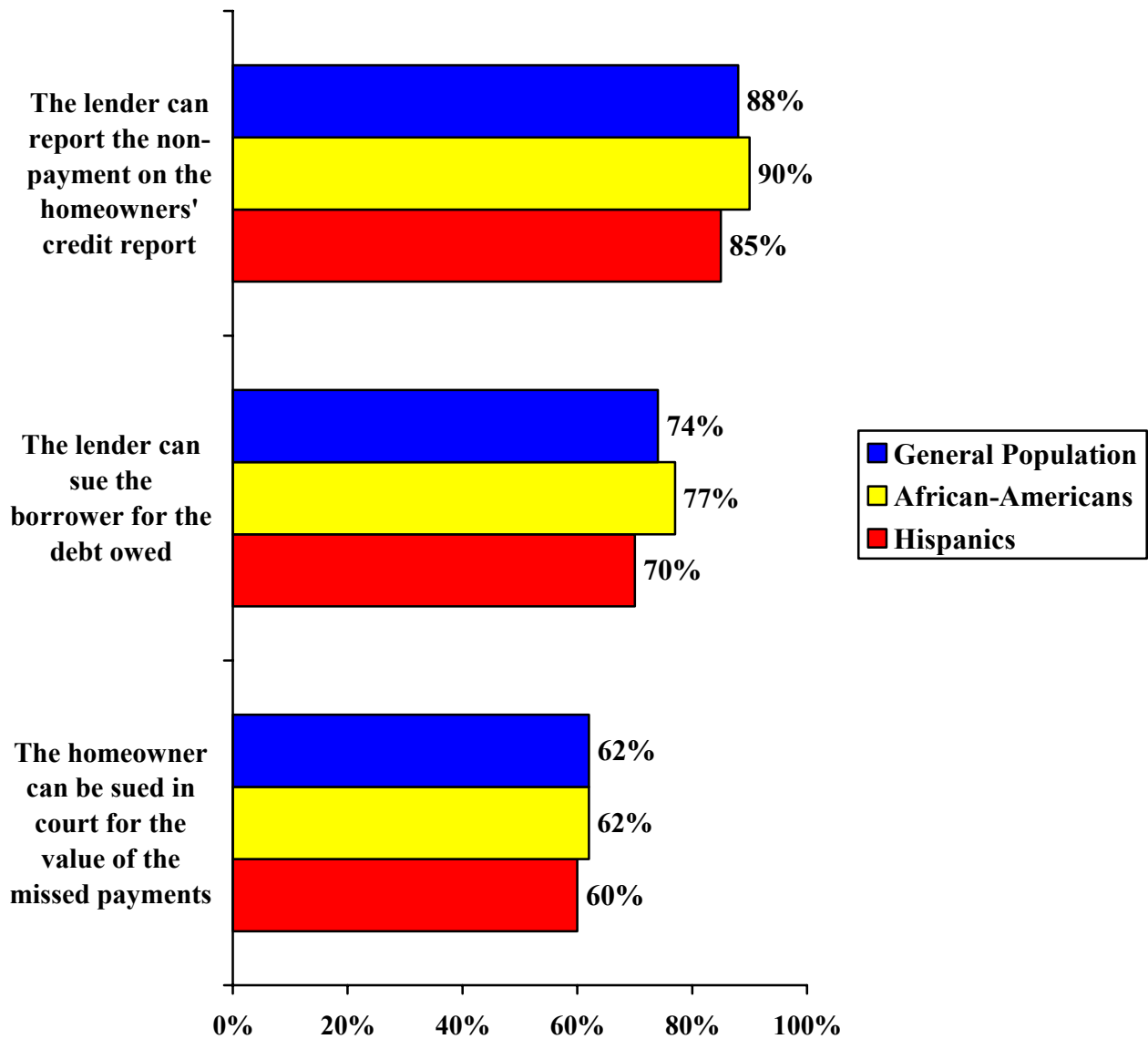
Q5. Please tell me if you believe the following statements to be true or false.  
Note: Percent answering correctly reported.

## **Knowledge about Lending**

Forty-five plus consumers make up a significant proportion of homeowners in the U.S. Eighty-two percent of the current 45+ respondents own their homes. Homeowners were presented with a series of questions regarding credit implications of borrowing against their home equity. At least two-thirds know that homeowners can be sued in court for the value of a missed payment (62%); lenders can sue the borrower for the debt owed (77%), and the lender can report the non-payment on the homeowner's credit report (88%). Noteworthy is that consumers are very knowledgeable about how non-payment specifically affects their credit report. See Figure 2.

Gender, marital status, and education level are important demographics affecting knowledge about mortgage lending. Men (77%) are more likely than women (72%) to correctly believe that mortgage lenders can sue the borrower for debt owed. Likewise, married people (76%) are more likely than not-married (70%) to correctly believe that lenders can sue borrowers for debt owed. College graduates are much more likely than those with some college or less to correctly say that a late mortgage payment can affect their ability to get a home loan (94% vs. 87%) or that an individual's bill paying history on their credit record affects the interest rate a lender charges them (67 vs. 60%).

**Figure 2**  
**Rules Pertaining to Lending for 45+ Consumers**  
**(Weighted N=1,500)**



Q5. Suppose a homeowner takes out a mortgage or a home equity loan and then does not make loan payments as required. Which of the following, if any, can happen:...

Note: Percent answering correctly reported

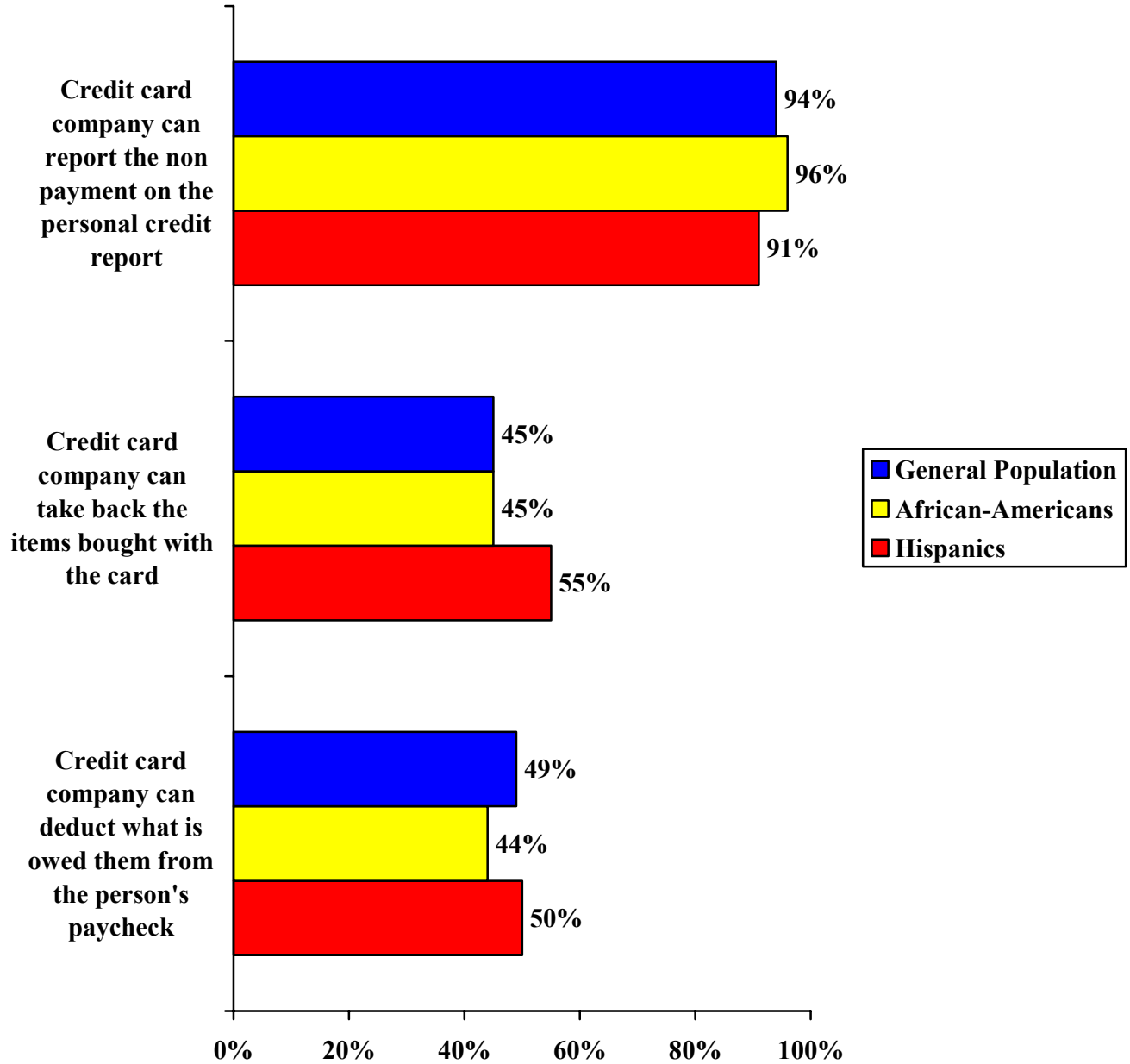
## **Knowledge about Credit Cards and Credit Scoring**

Most consumers are aware of the consequence of non-payment of credit card debt. While more than nine in ten (94%) 45+ consumers know that a missed credit card payment can be reported on their credit report. Fewer (88%) are aware that a lender can report a non-payment of a mortgage payment on the homeowner's credit report.

Approximately half of 45+ respondents correctly report that credit card companies cannot deduct what is owed from a person's paycheck and the credit card company cannot take back the items bought with the card. See Figure 3.

While African American are slightly more likely to believe all of these credit card repayment scenarios as presented (whether they are true or false), perhaps most noteworthy is that African-Americans are much more likely (9% greater than general population and 12% greater than Hispanics) to erroneously believe that their checks could be garnished to repay a credit card company for a credit card debt owed.

**Figure 3**  
**Rules Pertaining to Credit Card Payment for 45+ Consumers**  
**(Weighted N=1,500)**



Q6. If a person buys items with a credit card, and then does not pay any amount towards their credit card bill, which of the following, if any, can happen?

Note: Percent answering correctly reported

## **Truth in Lending Act**

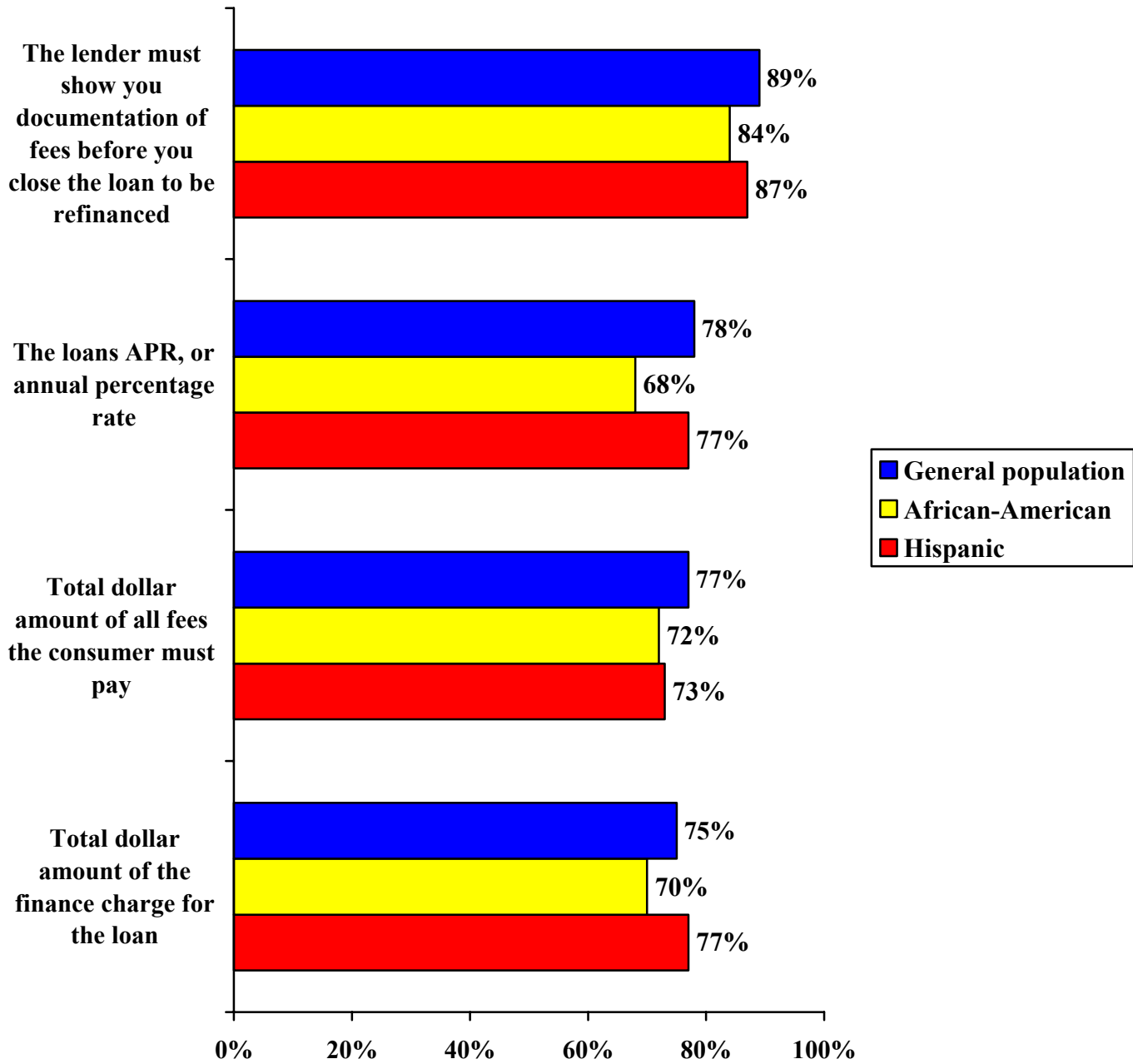
The Federal “Truth in Lending Act” requires financial institutions to provide certain information to consumers who apply for a loan. At least three-fourths of the 45+ survey population understands the basic requirements of the federal Truth in Lending Act. See Figure 4.

All survey participants were asked questions regarding different aspects of the loan application process. More than eight in ten 45+ respondents know that the lender must show borrowers documentation of fees before closing the loan. Three-quarters or greater know that the lender must reveal the loan’s annual percentage rate, the total dollar amount of the finance charge for the loan, and the total dollar amount of all fees the consumer must pay.

In general, younger respondents, those who are married, those with incomes above \$40K, and those who had had a bad buying experience in the past are more likely than their counterparts to answer these items correctly.

African-Americans are slightly less likely than the general population or Hispanics to answer correctly the “Truth in Lending” questions.

**Figure 4**  
**The Federal Truth and Lending Act**  
**(Weighted N=1,500)**



Q7. The Federal “Truth in Lending Act” requires financial institutions to provide certain information to consumers who apply for a loan. As far as you know, does the law require lenders to reveal...?

Note: Percent answering correctly reported



## Investment Knowledge

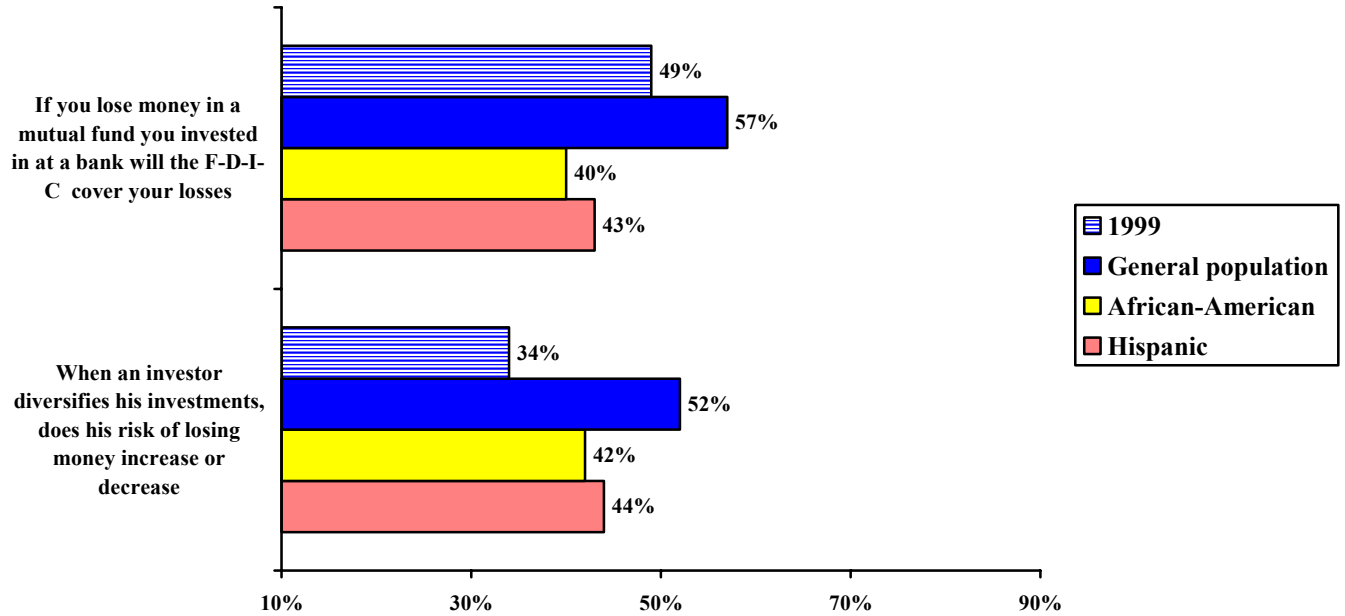
To protect their financial security, older persons should be knowledgeable about investments and investment terms. However, many either don't know or are wrong about basic investment concepts. Forty-five plus consumers answered four questions specifically about investment practices. Only four in ten (41%) consumers correctly say that a "no-load" mutual fund involves no sales charge but does have maintenance fees the consumer must pay. Almost one in five (19%) of the 45+ consumers incorrectly believe that if you lose money in a mutual fund invested in a bank, the Federal Deposit Insurance Corporation will cover their losses. One-fifth incorrectly believe that diversification of investments increases risk. In both questions, the "don't know" answers represent a quarter of respondents.

As low as these numbers are, there is some improvement over the past four years. Knowledge of investment practices has increased (as measured by three questions) since 1999. For example, 45+ consumers in 2003 are much more likely to know that diversification of investment decreases risk (52% in 2003 vs. 34% in 1999). Forty-five plus consumers, in 2003 are also more likely to know that the FDIC does NOT cover losses of mutual funds that are invested through a bank (57% in 2003 vs. 49% in 1999). They are also much more likely to know that financial planners are paid based on the amount and type of the investments they sell to their clients (72% in 2003 vs. 60% in 1999) rather than the quality of the investment or how much the investor earns. See Figures 5 & 6.

Several sub-group differences emerged. In general, men, younger consumers, married people, people with incomes above \$40K, and people who report having bad buying experiences are more likely than their counterparts to answer these questions correctly.

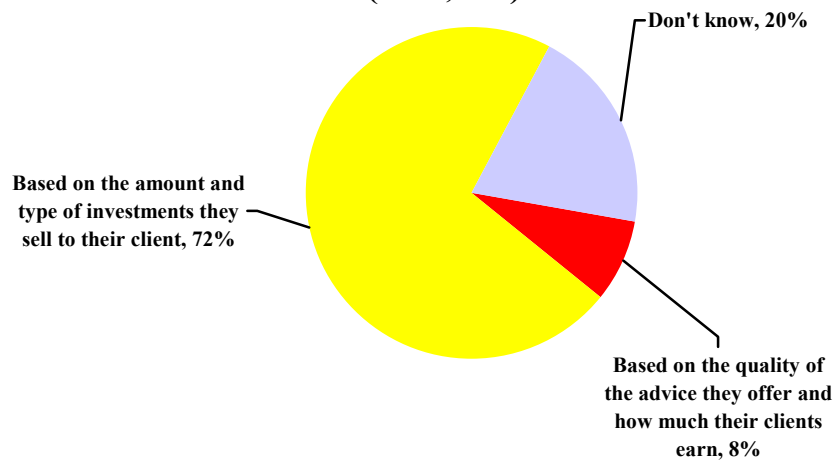
Findings also suggest that the general population is more knowledgeable about these financial questions than both African-Americans and Hispanics. Likewise, African-Americans and Hispanics are slightly more likely than the general population to indicate that they "don't know" on every question except the question about the sales fees and maintenances charges of no-load funds.

**Figure 5**  
**Familiarity with Investment Practices for 45+ Consumers**  
**(Weighted N=1,500)**



Q45. Please tell me whether you think the following statement is true or false.  
 Note: Percent answering correctly reported

**Figure 6**  
**Knowledge about Financial Professional's Compensation Process (Weighted**  
**(N=1,500)**

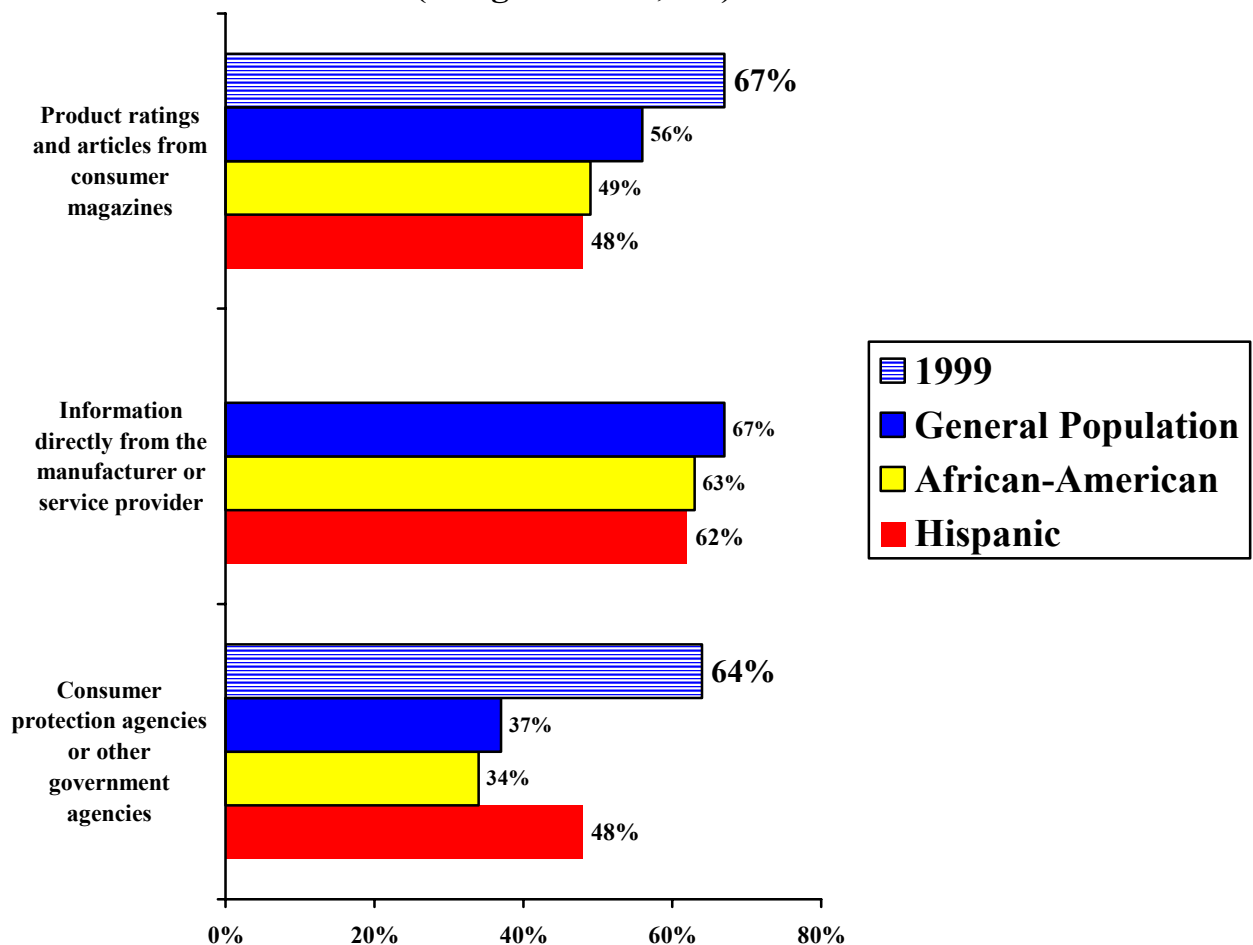


Q48. How do you think most full-service brokers and financial planners are paid?  
 Note: Percent answering correctly reported

## Getting Information on Products and Major Purchases

Forty-five plus consumers are major consumers of information for products and services. At least 4 in 10 use manufacturers, agencies, and consumer literature as sources that inform their buying decisions. Approximately two-thirds of adults age 45 and older report that information directly from the manufacturer or service provider is useful for helping them make decisions on buying major appliances or home repair services. Reliance on consumer protection agencies ten years ago was strong (64%), but has dropped to only 37 percent this year See Figure 7.

**Figure 7**  
**Information Sources Found to Be Very or Somewhat Useful When Making a Major Purchase**  
 (Weighted N=1,500)



Q4. For each one, tell me if this is a source you personally have found to be very useful, somewhat useful, or not useful? If ask about a source you haven't used, just tell me.

Note: Percent answering very useful or somewhat useful.

## Financial Sources of Information

Forty-five plus consumers seek financial advice from many different sources. When presented with a list of possible sources, more than 2 in 5 (45%) say they get financial advice from family and friends, followed by banking professionals and media sources (TV, radio, and newspapers). Other financial resources, used by at least one-quarter of respondents, include information from magazines or books, financial planners, accountants, stockbrokers, and lawyers. See Figure 8.

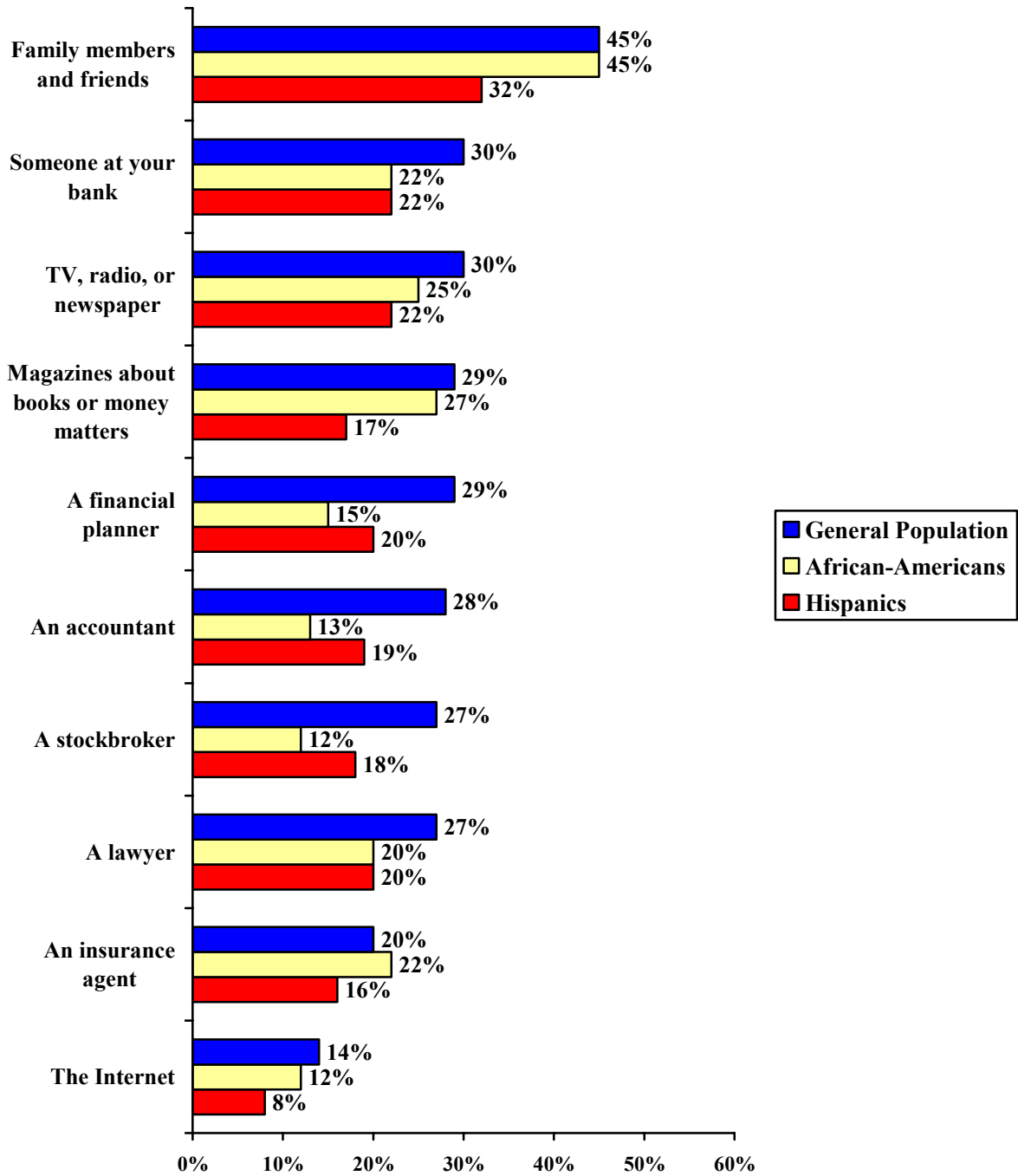
Several key demographic differences emerge. Men favor magazines and stockbrokers as financial resources much more than women. Consumers younger than 64 are more likely than those ages 65 and over to name informal channels such as family and friends and magazines or books about money as sources of financial information. Older respondents (>60) are more likely than younger respondents (<60) to name 'stockbroker' as a source of financial information. Note that those ages 60-64 are more likely to use a financial planner for financial advice than either the youngest respondents (<60) or the oldest respondents (65+).

Respondents' marital status also impacts the types of financial advice they use. Married people appear to be much more financially judicious than single people. Married people are far more likely than single people to get financial advice from all of the resources with the exception of friends and family, banking professionals, and lawyers. Similar differences appear for college graduates and those with incomes over \$40K.

In terms of race and ethnic differences, the general population and African-Americans are more likely than Hispanics to get financial advice from magazines or books about money matters. In addition, the general population is more likely than the other two groups to seek advice through the assistance of professionals such as stockbrokers, accountants, banking professionals, financial planners, and lawyers.

In general, forty-five plus consumers rely less on all sources presented for financial advice than they did four years ago. For example, reliance on family and friends for financial information is down 10%, from 55 percent in 1999 to 45 percent in 2003. Forty-five plus consumers also rely less on bankers (30% in 2003 vs. 43% in 1999) and insurance agents (20% in 2003 vs. 32% in 1999) for providing financial advice. However, there were two exceptions; reliance on books about money matters and financial planners held steady at approximately one third over the past 4 years.

**Figure 8**  
**Different Ways 45+ Consumers Get Financial Advice**  
**(Weighted N=1,500)**



Q45. As I read a list of different ways you can get financial advice, please tell me whether or not you have used each one for information about savings or investments in the past 2 years. Have you ever gotten advice from...

Note: Percent answering correctly reported

## Protecting Identity

AARP asked a series of questions to determine which actions 45+ consumers take to keep abreast of their personal financial matters. For example, consumers were asked to report whether they ordered or reviewed a copy of their credit report or whether they limited the number of identifications cards they carry. Ninety-eight percent of all 45+ consumers have taken at least one of these steps in the past two years.

Because protecting ones' privacy requires much more effort today than in past years, AARP polled forty-five plus consumers regarding six steps taken in the past two years.<sup>2</sup>

- Almost nine in ten respondents refuse to give out personal information on the phone unless they initiated the call (87%).
- More than seven in ten limit the number of identification cards that they carry (72%),
- Another seven in ten (71%) shred or destroy credit card receipts, applications and other financial statements.
- Just over two-thirds (68%) regularly review their credit card and other financial statements.
- Approximately one-third have contacted credit bureaus to reduce unsolicited credit offers by mail, or ordered and reviewed a copy of their credit report. See Figure 9.

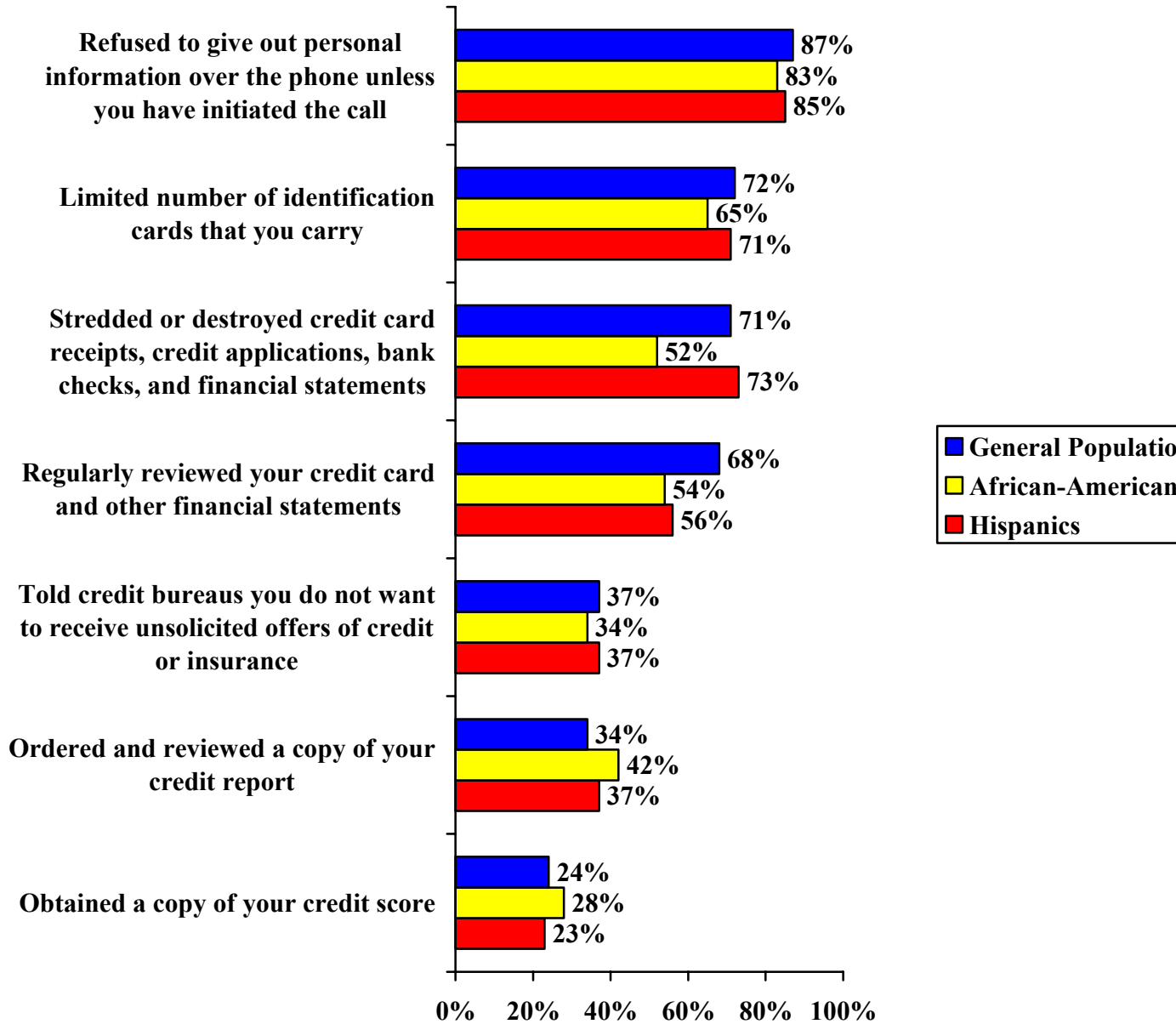
Differences emerge among sub-groups. Younger respondents tend to take these steps more than their older counterparts, especially reviewing their credit information regularly, and refusing to give out personal information on the phone unless they initiated the call. In addition, those living in the West are more likely to be proactive in privacy matters than those in the other regions. Also, college graduates, and those with incomes greater than \$40K also took more of these steps than those with some college and incomes less than \$40K. Forty-five plus consumers who report histories of bad experiences are more likely to take more steps than those who had not had bad experiences with products or services.

Ethnic differences in privacy issues also emerged. The general population is far more likely than African-Americans and Hispanics to regularly review their credit card and other financial statements (68% vs. 54% and 56%). African-Americans are least likely of the three groups to take all steps toward protecting their privacy, with exception of reviewing their credit report and obtaining a copy of their credit score.

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<sup>2</sup> Q19. "I would now like you to tell me if you have taken any of the following actions in the past 2 years." This question was asked in the context of other fraud questions. However, no reference to specifically "protecting ones' identity" was made. It is inferred that taking one or more of these steps might help consumers reduce their chances of being victimized by identity theft.

**Figure 9**  
**Steps Taken to Protect Credit and Identity**  
**(Weighted N=1,500)**



Q19. I would like you to tell me if you have taken any of the following actions in the past 2 years.  
 Note: Percent answering yes.

## Identity Theft Victims

Identity theft is one of the fastest growing crimes in the U.S. today. AARP wants older consumers to take measures to protect themselves from this invasive crime. Using a set of pre-determined items, the survey assessed 45+ consumers' experience with fraudulent activities that can be characterized as identity-theft-related crimes. Fewer than 10% (5%) respondents report that they had been the victims of several types of identity theft in the past two years. The top four offenses include "used your credit card or credit card number," "used your name to get phone, utility, or Internet service," "used your bank or checking account," and "got a new credit card in your name." Fewer respondents report being victimized by "having their name used in a crime," "someone opening a new bank account in their name," "someone getting a loan in their name" and "someone getting a social security card or drivers license in their name." Caution Small n.

Consumers often experience significant delays in discovering identity theft. It took more than two years or more for victimized respondents to find out that someone fraudulently got a new credit card in their name (20%), got a new bank or checking account in their name (23%), or got a loan in their name (61%). Previously existing accounts that provide recurrent monthly statements are discovered earliest, usually within one month (use of credit card 77%, and use of bank or checking account 66%). Interestingly, two items that neither generate recurring mail, nor provide existing phone and address contact are also frequently discovered within one month of the crime ("used name when committing a crime," 50% and "used name to get phone, utility, or Internet service," 50%). It took up to two years for victimized 45+ consumers to discover driver's license or social security card identity theft.

Forty-five plus victimized respondents were provided with a list of agencies to which they might report the fraud. Overall, victimized respondents are most likely to contact their creditors and to contact the fraud department at major credit bureaus about the fraud. They tend to be generally satisfied with the results of their contacts with the agencies. However, results are mixed.



## Opt-Out Notices

Banks, credit institutions, brokerages, mortgage companies and other financial institutions are required to notify consumers of the kinds of personal information that they collect about them and how they may use it. Less than half (46%) of all respondents *reported* receiving the notices (opt-out) in the last 12 months.<sup>3</sup> Of the consumers who report reading the notices, 81 percent says that the notice is understandable and 45 percent contacted the bank or credit card company to stop them from sharing information about them. While 85 percent of 45+ consumers report that they do read the notices, 14 percent do not.

Persons who receive the notices but **do not** read the notices report the following reasons:

**Table 1**

• 87% say the notice is too long
• 56% say the print is too small
• 53% say the notice is hard to understand
• 37% are not concerned about privacy
• 30% say the bank or credit card company would not give away their personal information

Those who **do not** contact the bank to stop them from sharing information about them report the following reasons:

**Table 2**

• 34% the instructions on the notice do not clearly explain what to do
• 25% do not think responding to the notice would stop the bank or credit card company from sharing information
• 16% want to continue receiving offers from affiliated companies
• 10% do not want to pay the postage needed to respond

A few differences emerge among those who receive but do not usually read the notices. Men are more than twice as likely (44%) as women (21%) to say that the bank or credit card company would not give away their personal information. Interestingly, those in the Midwest do not read the notices because they are less concerned about privacy than those in the South.

Several other demographics differences are worth noting. Respondents ages 50-59 are more likely to report having received the notice than the youngest (<50) and the oldest groups (>65). Older consumers (65+) are less likely to respond than younger consumers because they do not think that responding would stop the company from sharing information about them. Those with some college or less do not think that the notice clearly explains what to do.

<sup>3</sup> Note: Eighty-six percent of respondents report having a savings or a checking account. This financial relationship should generate an opt-out notice from the respective financial institutions.

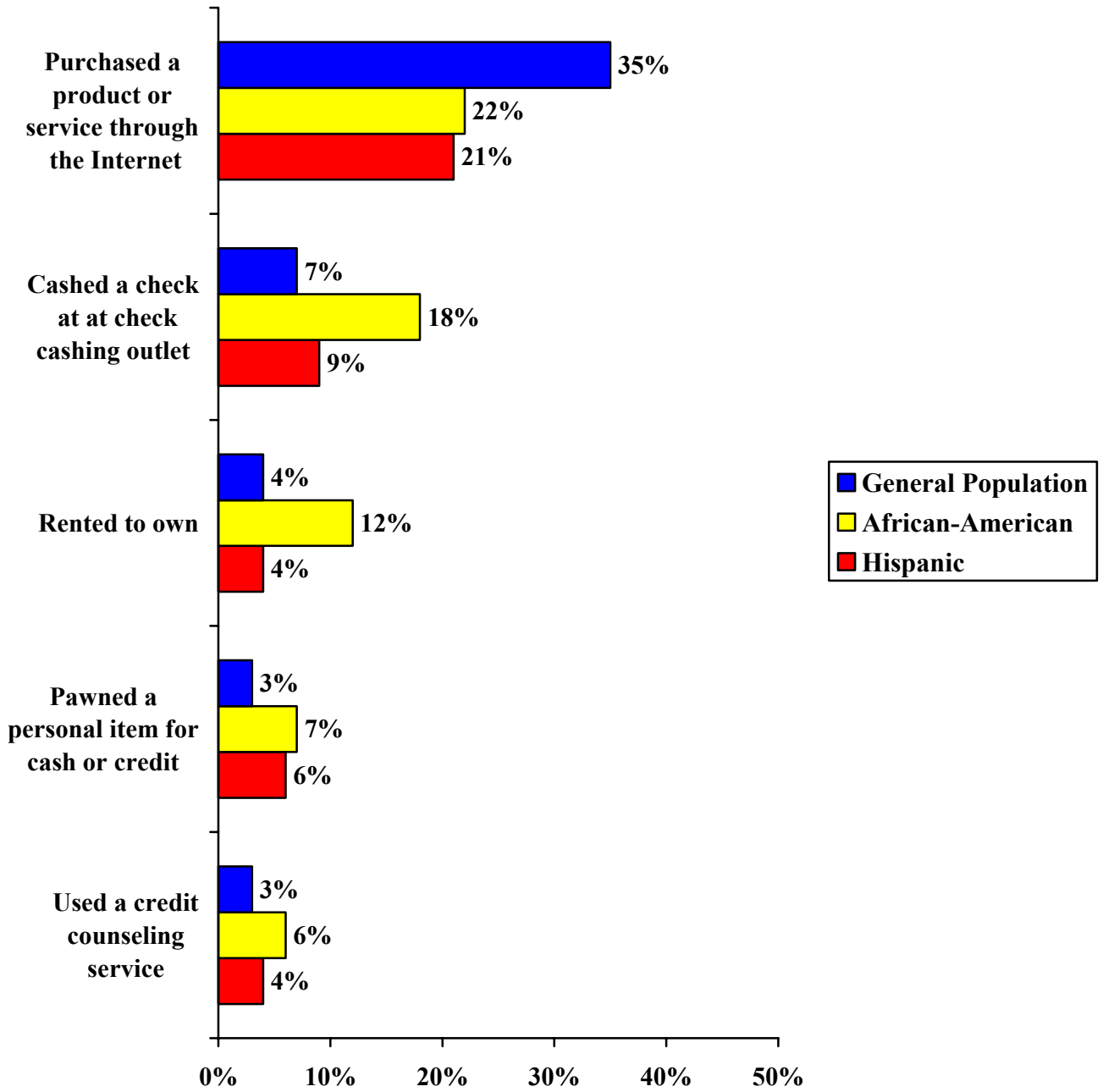
Regarding race/ethnic differences, African-Americans and Hispanics are much less likely to say they have received the notices, but equally as likely to have read them. In fact, African-Americans report being slightly more likely to have read these notices than the general population and Hispanics, and much less likely to contact the bank or credit card company to stop them from sharing information. In addition, African-Americans are consistently more likely than the general population and Hispanics to report that the reasons that they do not usually read the notices is because of the aforementioned problems. They are approximately 50 percent more likely than Hispanics and the general population to say that the notices are too hard to understand, 50 percent more likely than the general population to say they do not read the notices because the print is too small and they are not concerned with privacy. Of the three groups, Hispanics report being the most concerned about privacy.

### **Purchasing/Credit Behavior**

To get a better understanding of consumers' financial and purchasing behavior, AARP asked five questions about financial actions that 45+ consumers may have taken over the past two years. Of the items presented, 45+ consumers most often say that they have purchased a product or service through the internet (35%). Far fewer have used a check cashing outlet (7%), rented to own (4%), or pawned personal item for cash or credit (3%) or used a credit counseling service (3%). See Figure 10.

Younger consumers (<50) are more likely than older consumers (50-59) to report using "rent to own" services. Consumers ages 50-59 are more likely than those 65+ to report "pawning an item for cash or credit." Not surprisingly, consumers with lower incomes (<40K) are significantly more likely than those with higher income (>40K) to use check cashing outlets and to have pawned items for cash or credit.

**Figure 10**  
**Please Tell Me if You Have Done Any of the Following in the Past 2 Years**  
**(Weighted N=1,500)**

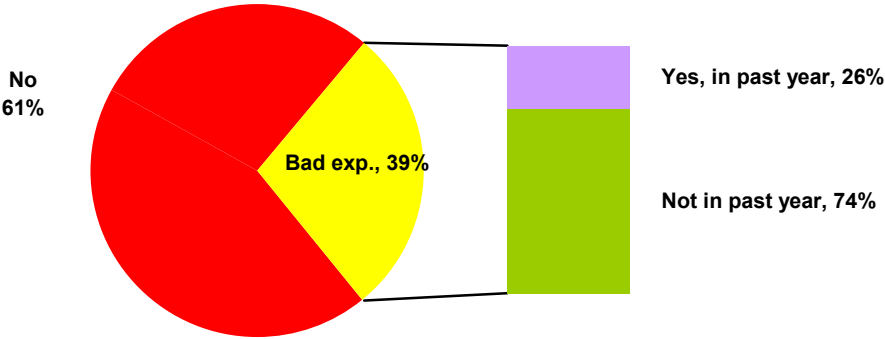


Q31. Please tell me if you have done any of the following in the past 2 years....  
 Note: Percent answering yes.

# Consumer Purchasing Problems

Approximately 4 in 10 consumers have *ever* had a bad experience when buying any kind of product or service (39% n=582). Of those, 26 percent (n=149) say that the bad experiences has been in the past year<sup>4</sup>.

**Figure 11**  
**45+ Consumers Who Have EVER Had a Bad Experience When Buying Any Kind of Product or Service (Weighted N=1,500)**



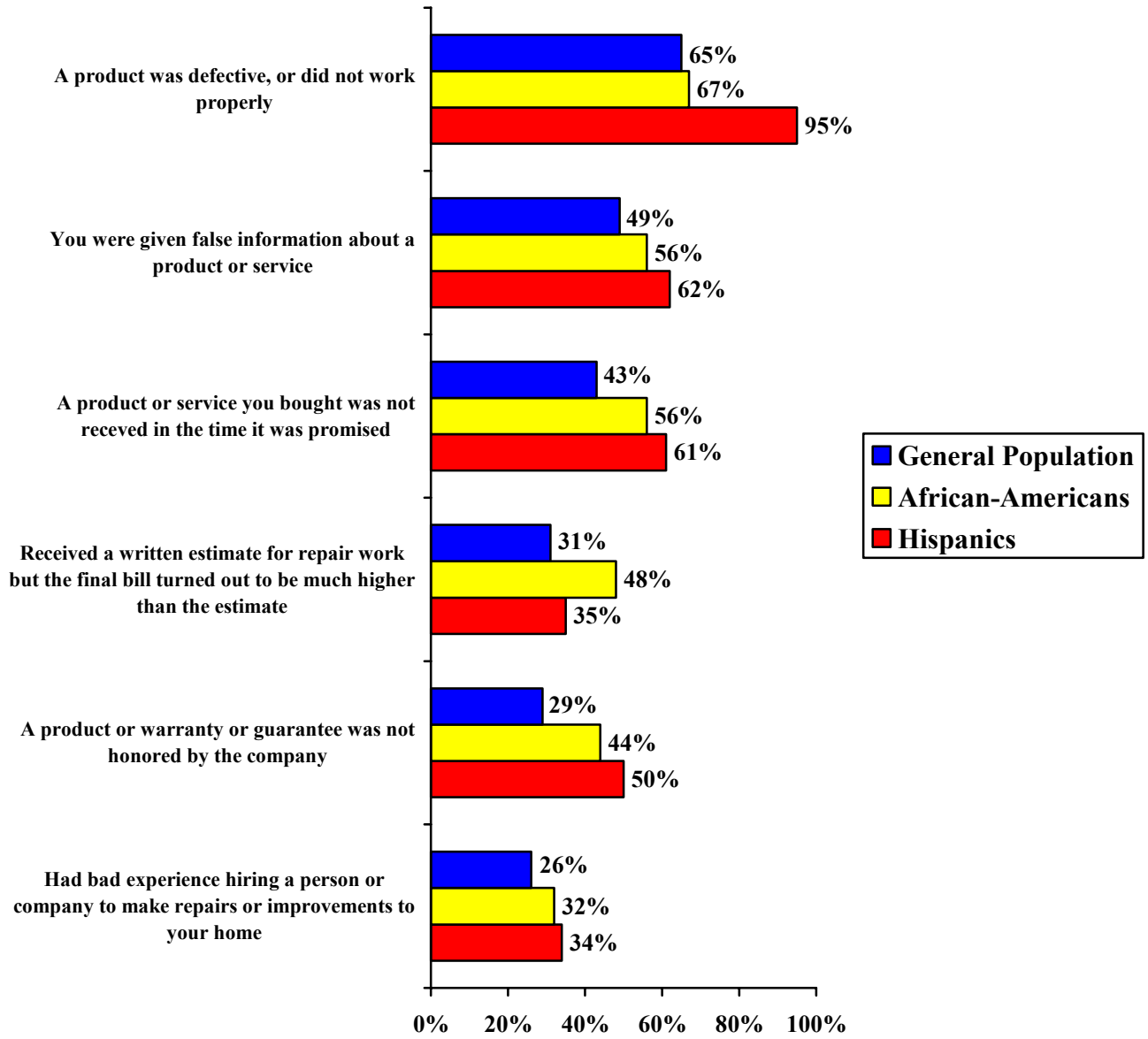
<sup>4</sup> Caution: Chart represents relatively small n's.

Consumers under age 60, those in the west region, and those with higher incomes (>40K), are significantly more likely to report ever having had a bad experience when buying any kind of product or service than their counterparts.

Respondents who report having had a bad experience in the past year were presented with a list of potential problems that they might have encountered with a product or service in the *past year*. Hispanics are more likely than the other two groups to report having a bad experience in the *past year* with all of the items listed with the exception of “being given a written estimate for repair work but the final bill turned out to be much higher.” Also, Hispanics are 50 percent more likely than the general population and African-Americans to say that in the past year they have received a product that was defective or did not work properly. See Figure 12.

The percentage of 45+ consumers who report having had a bad experience *in the past year* has increased over the past four years. In 2003 (and in 1999) the most frequently mentioned problem is a defective product (65%), an increase of 20 percentage points from 1999 (45%). Those who report receiving false information about a product has also increased 25 percentage points from 24 percent in 1999 to 49 percent in 2003. In addition, those who did not receive the product or service in the time it was promised has increased 12 percentage points from 1999 (31%) to 2003 (43%). Similarly, 45+ respondents who had a bad experience in the *past year* because a product warranty was not honored by the company, has increased from 17 percent in 1999 to 29 percent in 2003. Forty-five plus respondents who were given a written estimate for repair work but the final bill turned out to be much higher has increased 7 percentage points from 24 percent in 1999 to 31 percent in 2003.

**Figure 12**  
**45+ Consumers Who Had a Bad Experience in the *Past Year* When**  
**Buying Any Kind of Product or Service Report the Following**  
**(Weighted N=149)\***



Q10. Have you had a bad experience when buying any kind of product or service in the past year?

\*Note: Percent answering yes.

Caution small n's.

Forty-five plus consumers mention several actions that they took in response to their bad experiences in the *past year*. Not surprisingly, the largest proportion of complaints went to the first point of contact, the salesperson, manager, or company owner (30%, 1999 and 2003). In addition, the following four complaints have increased over the past four years including.

- Wrote letters 7% in 2003 vs. 1% in 1999
- Complaints to the Better Business Bureau 9% in 2003 up from 4% in 1999
- Stopped buying from company 9% in 2003 up from 4% in 1999
- Asked for refund or replacement 14 % in 2003 up from 8 % in 1999

One-fifth took some “unspecified” action in 2003 compared with 1 percent in 1999. Overall, respondents are slightly less satisfied in 2003 (35% somewhat, 21% very satisfied) than they were in 1999 (30% somewhat, 34% very satisfied) with the action that they took. Note, approximately one-third was dissatisfied with the action that they took for both years (34% in 2003 vs. 32% in 1999). And respondents are more than fifteen times more likely to take action in 2003 (2% do nothing) than just four years earlier (32% do nothing) as result of a bad experience.

Gender comparisons reveal that while women are much more likely than men to report writing letters, men are more likely to say that they do not know what action they took.

Racial differences reveal some differences worth noting. Hispanics and African-Americans are less likely to take action in general, but when they do, they go to higher business authorities. For example, Hispanics are much more likely than the general population or African-Americans to complain to a salesperson or manager. African-Americans are much more likely than the general population or Hispanics to contact the Better Business Bureau, take legal action, and write letters. African-Americans are also more likely to say that they do nothing. Although large proportions of African-Americans and Hispanics “do nothing” (25% vs. 17% respectively) compared to the general population (2%) it seems that these two groups, particularly African-Americans either took extensive action or took no action.

## **Bad Experiences with Home Repairs**

AARP probed 45+ consumers who had bad experiences in the *past year* about their experiences with hiring a person or company to make repairs or improvements to their home. Just over one-quarter of those consumers (who had a bad experience in the *past year*) say that they have had a bad experience with the person or company hired to make repairs or improvements to their home (26%). Just over one-third used the yellow pages to find the person who did the repairs. Another third received recommendations from friends and family followed by 26 percent who used promotional materials or advertisements. Ten percent say that they found the person or company to do the work on their home “some other way.”

Consistently across all items, African-Americans and Hispanics are more likely than the general population to report having had bad experiences in the *past year*. Noteworthy is that in the *past year*, African-Americans are approximately 50 percent more likely than their two counterparts to report having received a product that was defective. African-Americans and Hispanics are twice as likely as the general population to use family members and friends as resources for information on home repairs or improvements.

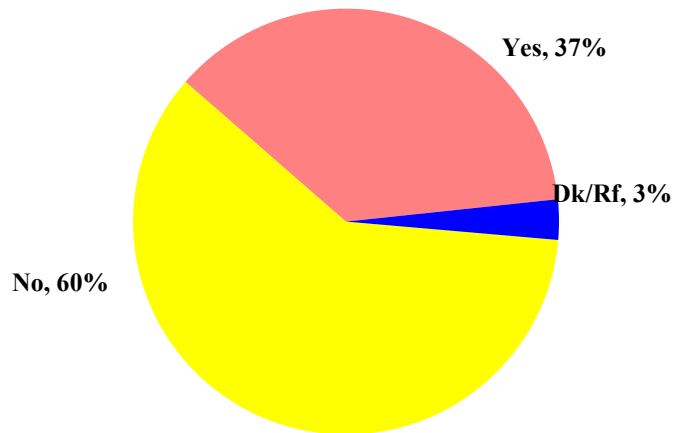


## Victims of Fraud

Respondents who say they had a bad experience in the *past year* (n=149), thirty-seven percent say they were victims of a major swindle or fraud. Of those victims, 48 percent (approximately two percent of this 45+ population), say that this fraud has cost them more than \$1000. See Figure 13.

Almost half (46%) of those who report *ever* having had a bad experience report that the bad experience occurred in the *past year*. Thirty percent say that it occurred more than five years ago. Seventeen percent experienced fraud two to three years ago. Six percent say their fraud occurred four or five years ago. Caution Small n's.

**Figure 13**  
**Victims of Fraud**  
**(Weighted N=149)\***



Q18. Was there ever a time you felt you were the subject of a major consumer swindle or fraud?

\*Caution small n's.

The most frequent types of fraud<sup>5</sup> reported by 45+ *victims* include car related/sold a lemon, false advertisement, purchased a product from a company that went out of business, and house contractor fraud. Fewer indicate that they were victims of telephone scams, overcharged for items, credit card, insurance scam, vacation scams, extended warranty not honored, and mail order scams.

In terms of race and ethnic differences, African-Americans are 30 percent more likely than the general population and 45 percent more likely than Hispanics to say this swindle or fraud cost them more than \$1000.

## **Debt Levels**

The debt perceptions of the 45+ population reflect mixed results. AARP asked 45+ consumers questions about personal debt levels. Figure 14 provides a sketch of how they view their debt levels. Even though fewer than 2 in 10 have no personal debt, 4 in 10 say that they have about as much debt as they can handle and less than 1 in 10 say they have more than they can handle financially. Three in ten say that they can handle more debt.

Forty-five plus consumers are not necessarily struggling because of their revolving credit debt; in fact, perceptions of debt levels are down from four years ago. Only 7 percent of respondents report more debt than they can handle financially (down 5 points from 12% in 1999). Most respondents say that have about as much debt as they can handle financially (41%) or that they could handle more debt than they currently have (32% in 2003 up 9 points from 23% in 1999). Sixteen percent have no personal debt.

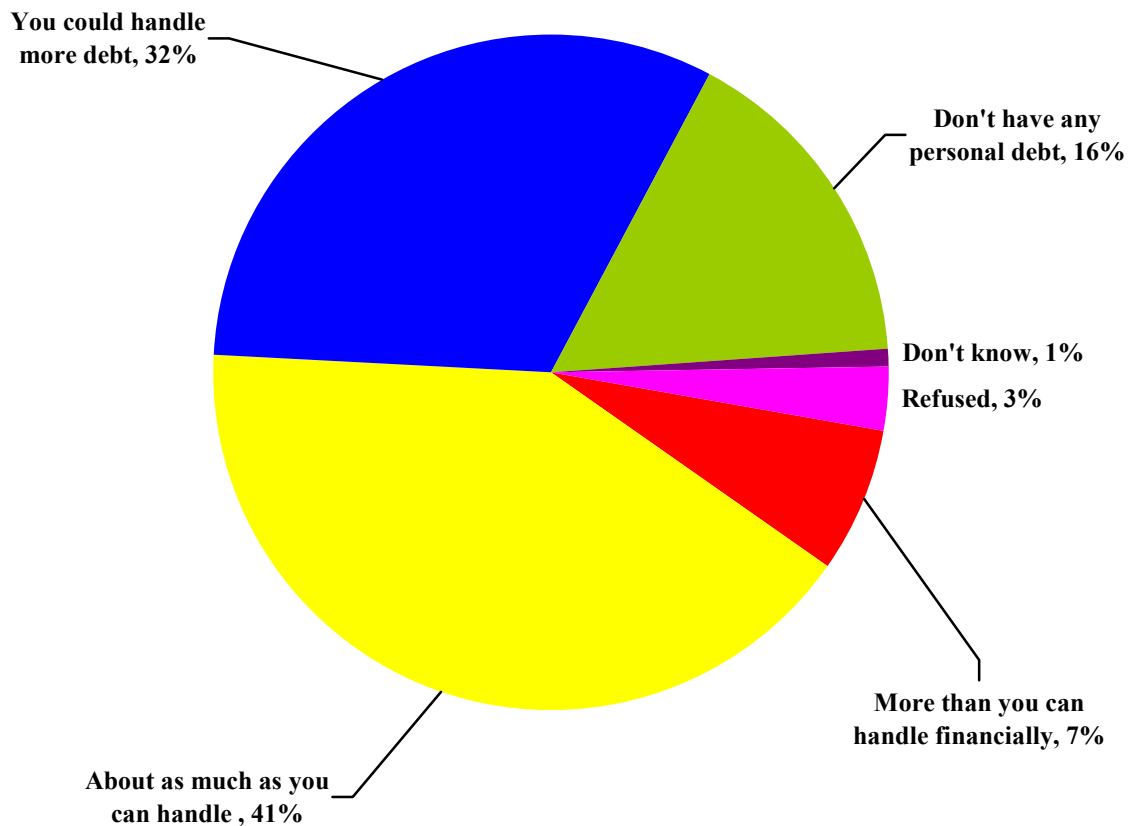
The debt burden for African-Americans and Hispanics is far bleaker than the debt burden of the general population. African-Americans and Hispanics are more likely than the general population to report that they have about as much or more debt than they can handle financially. The 45+ general population is more likely than African-Americans and Hispanics to say that they can handle more debt and that they don't have any personal debt. See Figure 15.

Older respondents report being more financially prepared and debt free than younger respondents. Similarly, married people, college graduates, and those with higher incomes are more likely to report being financially prepared than their counterparts.

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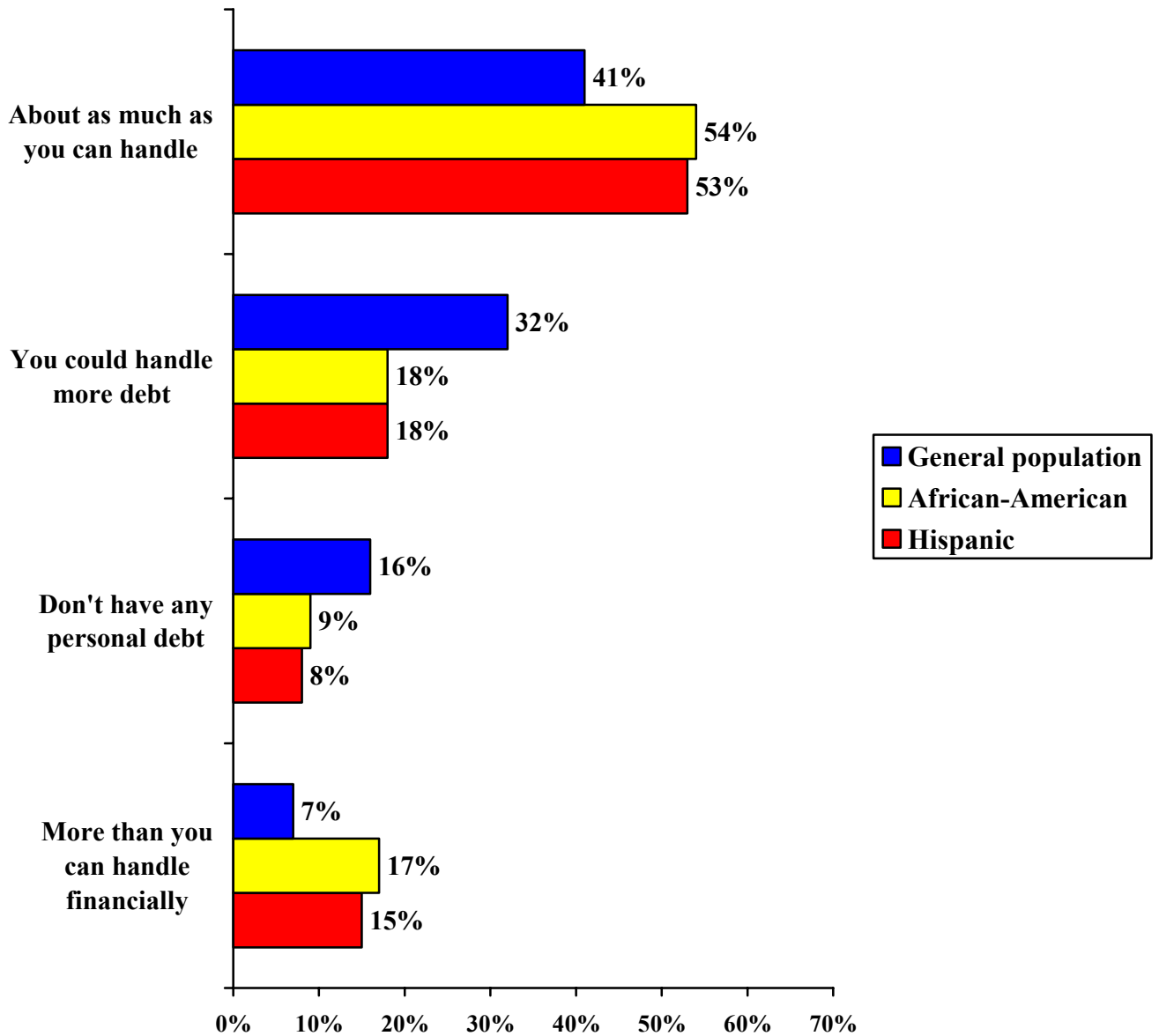
<sup>5</sup> This represents consumers' opinion of "major" fraud and bears no reference to losing one thousand dollars as defined in the survey as "major" fraud.

**Figure 14**  
**45+ Consumers Ability to Manage Debt**  
**(Weighted N=1,500)**



Q57. Think for a moment about your personal debt on which you currently make interest payments. I am talking about debts you partially pay off each month for things like mortgages, credit cards, personal loans or car loans. Would You Say the Amount of Debt that You Currently Have is....

**Figure 15**  
**Would You Say the Amount of Debt that You Currently Have is...**  
**(Weighted N=1,500)**



Q57. Think for a moment about your personal debt on which you currently make interest payments. I am talking about debts you partially pay off each month for things like mortgages, credit cards, personal loans or car loans. Would You Say the Amount of Debt that You Currently Have is....

## Financial Preparedness

Respondents were polled on issues concerning personal debt and cash flow that are relevant for day-to-day living, emergency situations and the future. Seven items provide insight into the financial preparedness of the 45+ consumer.

Respondents were asked if they thought they had enough money, have some, or have none at all to pay for various expenses. Three-quarters of respondents seem to have enough resources for managing their homes, including home insurance (75%) to protect against loss in case of fire or other disaster, and their immediate household bill needs (74%) including income to pay monthly bills such as electricity, telephone, and grocery bills. Just over half say that they have enough money set aside for funeral and burial services (56%). However, fewer 45+ consumers (49%) have money set aside to pay for major home repairs such as replacing a roof. Four in ten respondents have “some but not enough” set aside for retirement. See Figure 16.

Forty-five plus consumers seem least prepared for future expenses. Only 38 percent report having enough set aside for retirement. And only, 24 percent report having enough set aside for long-term care expenses<sup>6</sup>. Fifteen percent of respondents have “none at all” set aside for retirement.

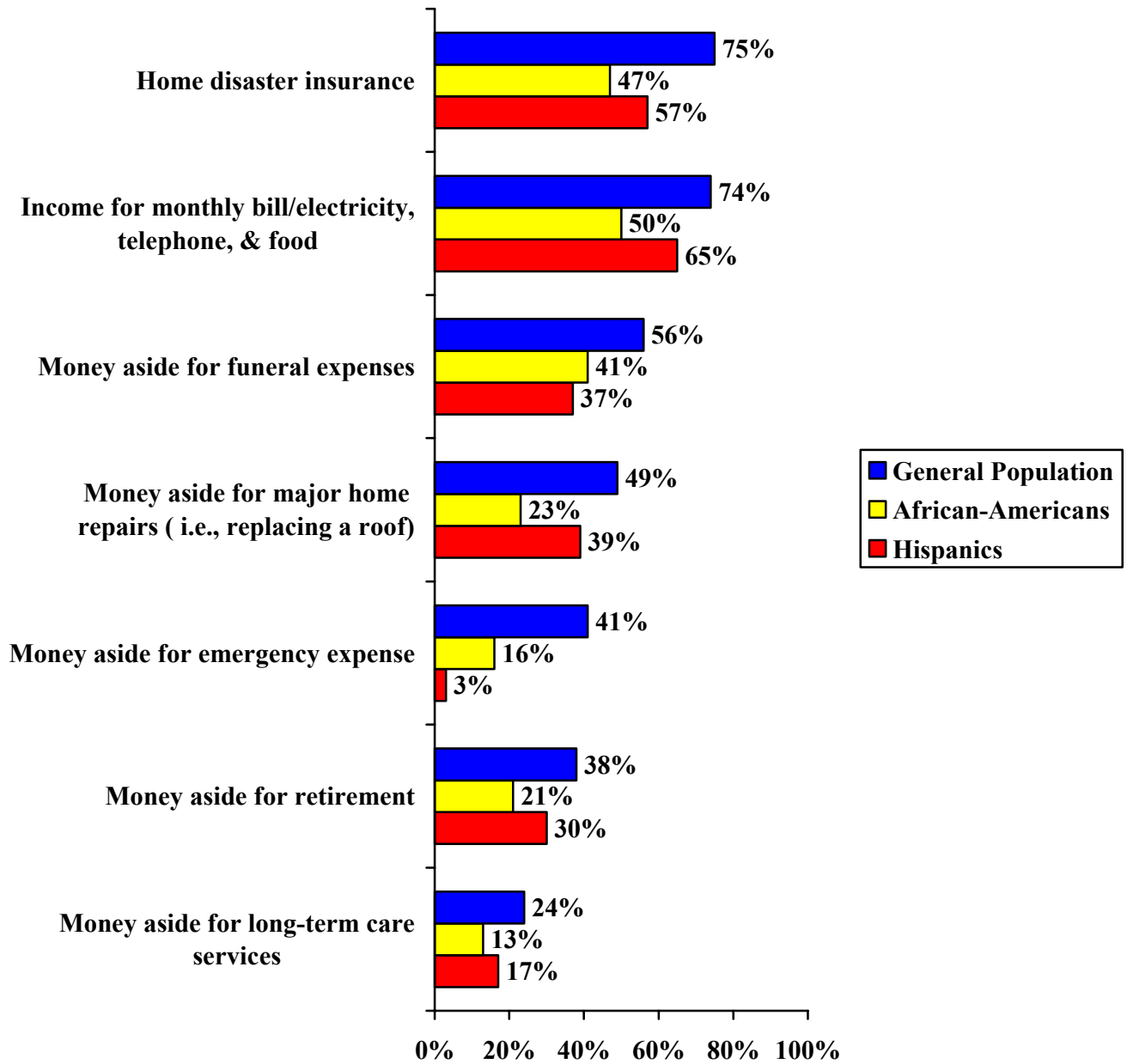
However, the trend suggests that slightly more forty-five plus consumers are financially prepared in 2003 than they were in 1999 for the few items that are listed. For example, the percent of consumers who report having enough money for home insurance has increased 5 percentage points from 70 percent in 1999 to 75 percent in 2003. And the percent of consumers who report having enough for major home repairs has increased 4 percentage points from 45 percent in 1999 to 49 percent in 2003.

African-Americans and Hispanics are much less likely to report having enough money for all items presented. Only 3 percent of Hispanics have enough money set aside for emergency expenses. Compared to the general population and Hispanics, African-Americans report not having enough money for all items except burial and emergency expenses. See Figure 16.

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<sup>6</sup> This figure might be inflated because consumers often mistake Medicare as long-term care services.

**Figure 16**  
**Please Tell Me if You Think You Have Enough of the Following...**  
**(Weighted N=1,500)**



Q56. For each of the following, please tell me if you think you have enough, have some, or have none at all....  
 Note: Percent who have enough reported.

## Financial Investment Vehicles

While the vast majority of consumers have a savings or checking account with a bank, credit union, or savings and loan (86%), many consumers also own a variety of financial investments. Most 45+ consumers own a 401K retirement plan (60%). The second most popular investment vehicle is a mutual funds account (39%) followed by individual stocks (36%). Just over one-quarter invest in money market accounts or certificates of deposit. One-fifth own government bonds or annuities. The fewest respondents own corporate bonds, the most stable among investments listed. See Figure 17.

In general, there is a small measurable upward trend in ownership of financial investments. Forty-five plus consumers report owning more financial products than they did in the past. For example, ownership of mutual funds has increased from 34 percent in 1999 to 39 percent in 2003. Likewise, ownership of stocks has increased slightly from 33 percent in 1999 to 36 percent in 2003. The number of forty-five plus consumers who invest in their company retirement plan has inched 2 percentage points from 58 percent in 1999 to 60 percent in 2003. The largest difference reflects a 50 percent decrease in the ownership of corporate bonds in the past four years, from 27 percent in 1999 to 14 percent in 2003.

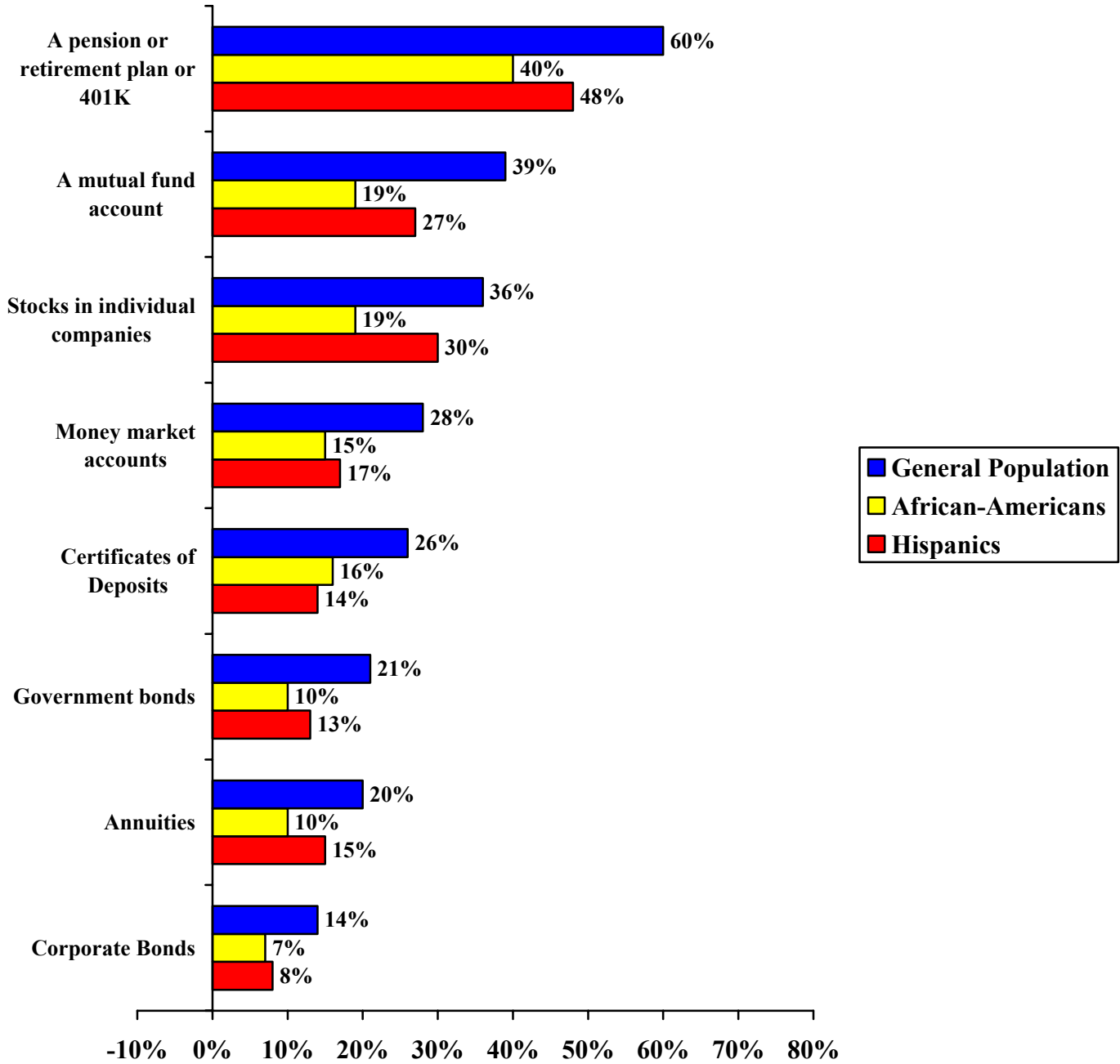
Overall, men are much more likely than women to own all of these investment vehicles except annuities. Similarly, married people, college graduates and those with incomes over \$40K are more likely to own these financial investment products. Older consumers (65+) are more likely than those 64 and younger to report investing in the more stable investments such as CD's, money market accounts, and annuities.

Also, the 45+ general population (86%) and Hispanics (81%) are much more likely than African-Americans (72%) to hold a savings or checking account. The oldest respondents (>65), those who are single, respondents with incomes less than \$40K or less, and those with some college or less are least likely to have a bank account.

Finally, Figure 17 reveals that the general population is much more likely to own all of these investment vehicles than African-Americans and Hispanics. Specifically, the general population is approximately twice as likely as African-Americans to own:

- Mutual funds
- Stocks in individual companies
- Government bonds
- Annuities
- Corporate bonds

**Figure 17**  
**Which of the Following Accounts and Investments, if any Do You Own Right Now?**  
**(Weighted N=1,500)**



Q34. Which of the following accounts and investments, if any, do you own right now?



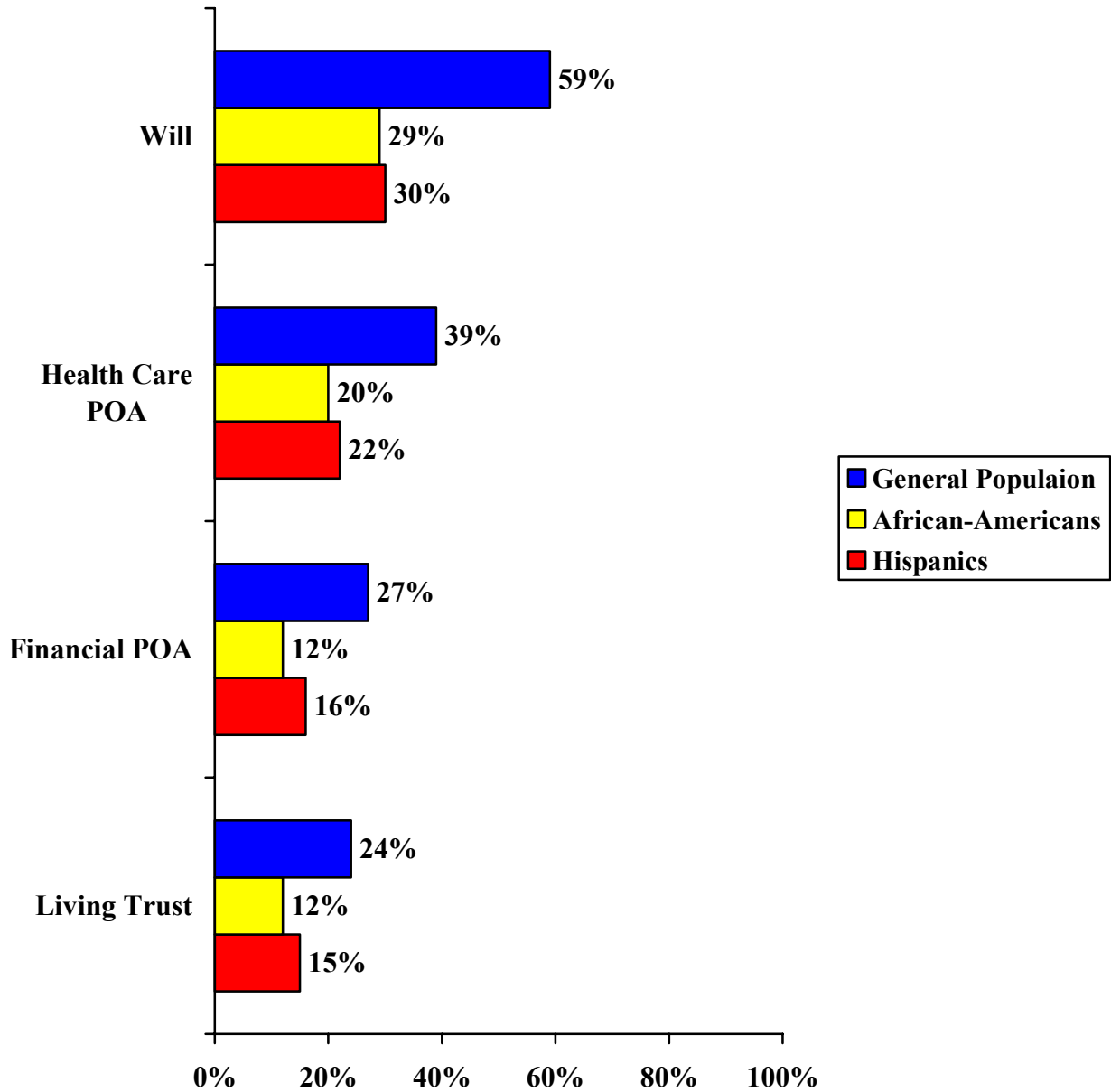
## Planning Documents

Financial and estate planning for 45+ consumers is a major component to securing their financial future. AARP polled respondents about several legal documents including wills, trusts and powers of attorney. Consumers report that they hold a variety of legal documents that provide financial protection for them and their families. Not surprisingly, the most popular choice of documents to hold is the will, drafted by more than half of those 45+. Two in five 45+ consumers hold a durable power of attorney for health care decisions (39%). Far fewer have a durable power of attorney for financial matters (27%) or a living trust (24%). Lawyers emerge as the most popular choice for help preparing these documents. The second most popular choice is the use of family members. See Figure 18.

A will is the most popular document of choice for all groups. Data reveal that older consumers are more likely than younger consumers to have these documents, even though health care and financial powers of attorney are useful for consumers of any age. By age 65+, four in ten consumers have drafted a will.

College graduates and those with incomes over \$40K are more likely than their counterparts to have any of these documents. Finally, the general population is more likely than African-Americans and Hispanics to have any of the legal documents. The general population is twice as likely as African-Americans to have a will, health care power of attorney, financial power of attorney, and living trust. Slightly more Hispanics than African-Americans have these legal documents.

**Figure 18**  
**45+ Consumers Who Have Created a Living Trust, A Will, Durable Power of Attorney for Health Care Decisions, or A Durable Power of Attorney for Financial Decisions\***  
**(Weighted N=1,500)**



Q35, 37, 39, 41. Have you created a will, living trust, durable power of attorney for health care decisions, or a durable power of attorney for financial decisions?

\*Note: The legal documents questions were asked independently on the survey, but presented together in this chart for ease of comparison.

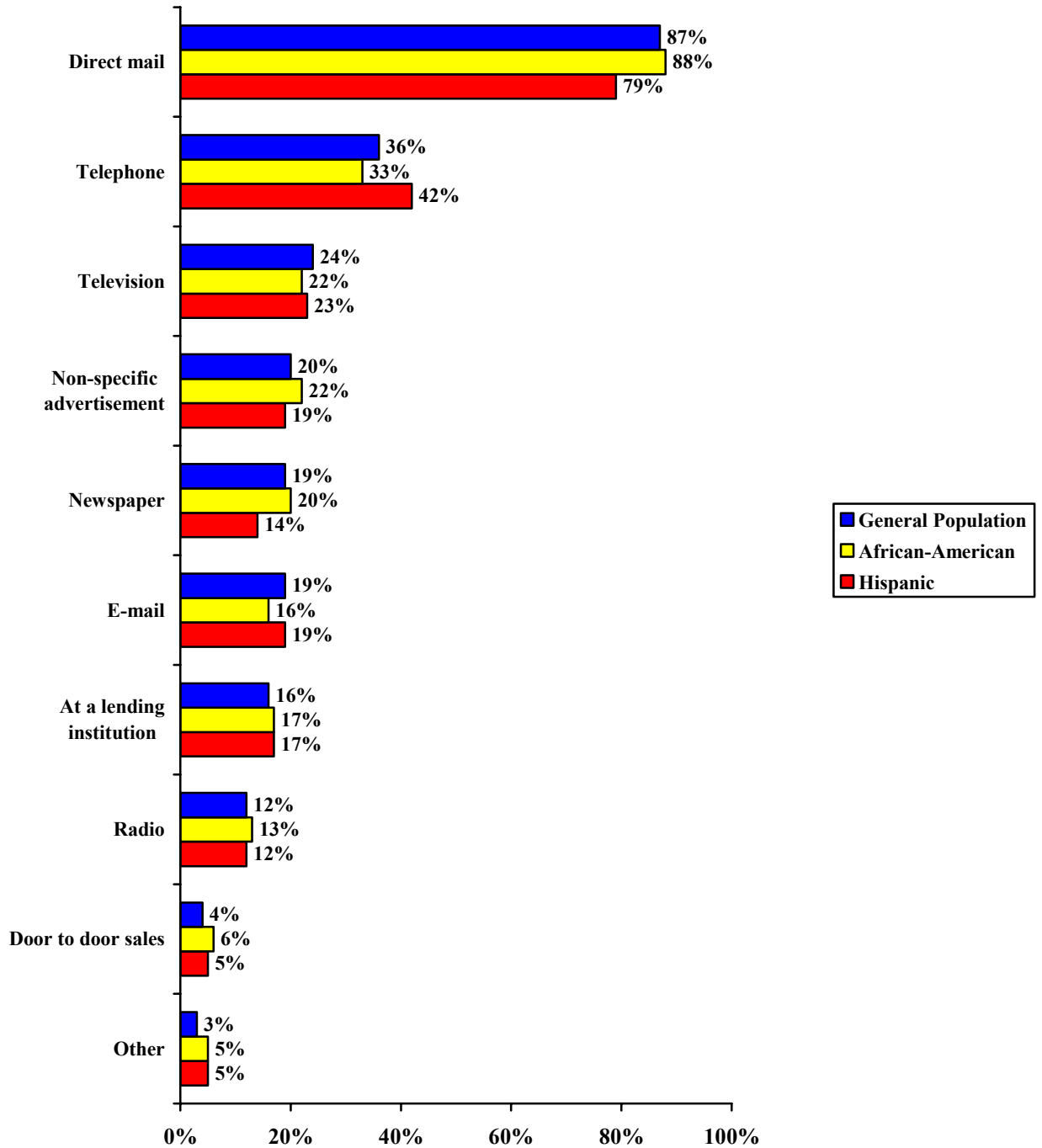
## **Marketing of Home Equity Loans**

The survey informed 45+ consumers that TV, radio, newspaper, and magazine advertisers have ads for lenders who say they will make it easy for a person to get a loan if they own their own home. Then the survey asked, “How likely it is that these ads are from a company that try to take advantage of people who own their own home? Most consumers (53%) believe that it is very likely, with another third (33%) reporting that it is somewhat likely that these ads are from companies that try to take advantage of homeowners.

Because more than 8 in 10 respondents own their own homes (82%), not surprisingly, 7 in 10 have received information offering them the opportunity to borrow money against the equity their home. Homeowners receive home loan solicitations via several methods. Solicited 45+ homeowners have overwhelmingly received offers via direct mail (87%), followed by telephone, television, non-specific advertisement, newspaper, and other types of solicitations. However, just under a third of solicited homeowners (28%) have actually taken out a home equity loan or borrowed against the equity in their home in the past ten years. See Figure 19.

While there are only a few ethnic differences, noteworthy is that African-Americans 45+ are 30 percent less likely (59%) than the general population (82%) and Hispanics (80%) to own their own home. Hispanics are slightly less likely than African-Americans and the general population to take out a home equity loan or borrow against the equity in their home. Also, Hispanics report being slightly more likely than both African-Americans and the general population to be targeted via the telephone, and less likely to be targeted via direct mail.

**Figure 19**  
**Ways 45+ Consumers are Solicited to Borrow Money Against Their Homes**  
**(Weighted N=1,232)**



Q51. Did you receive this information (offerring you an oppotunity to borrow against your home) via....

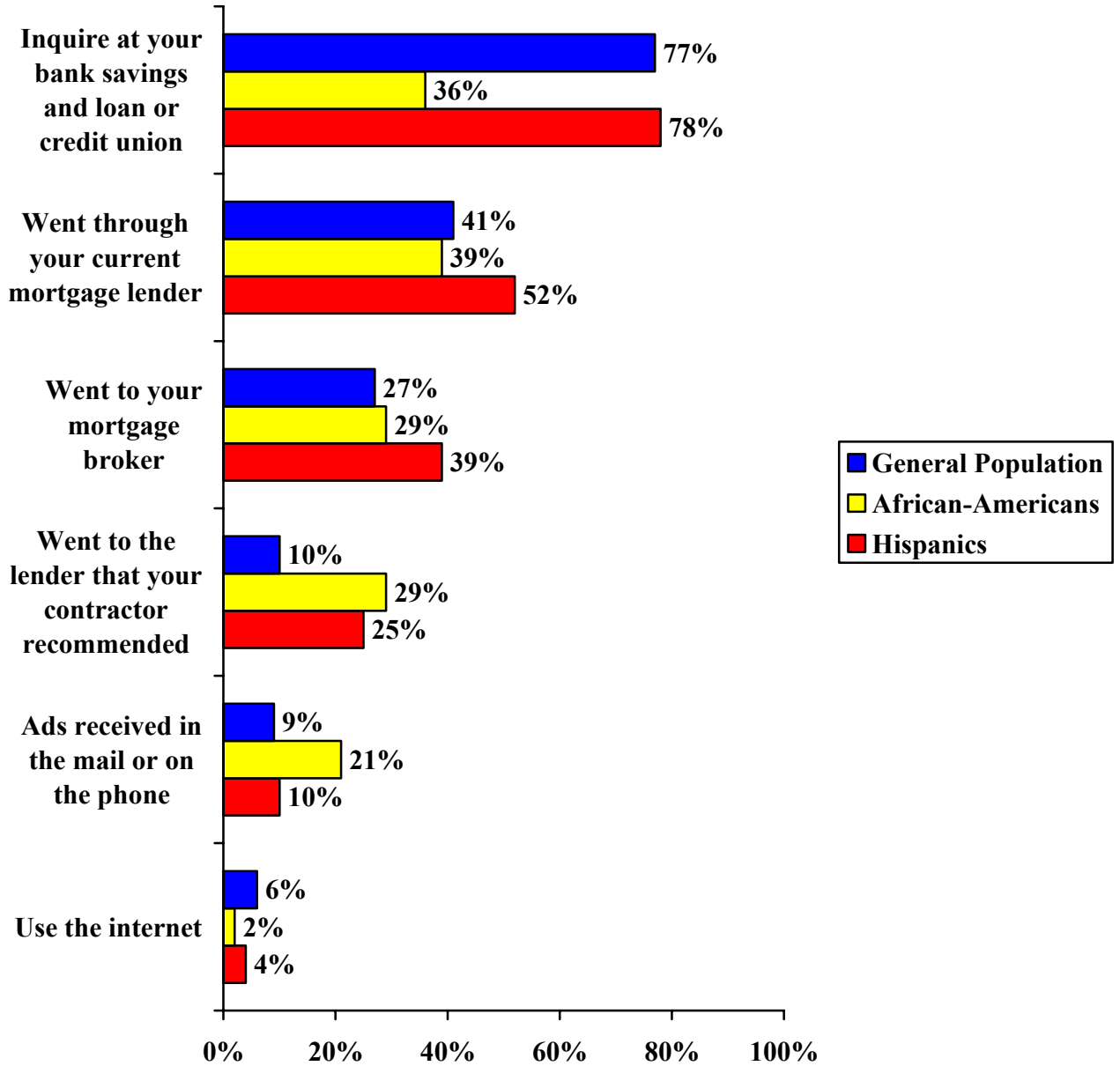
## Home Equity Loan Shopping

In 2003, mortgage refinancing and equity borrowing is thriving. And the vast majority of 45+ homeowners (borrowers) are smart shoppers. More than seven in ten homeowners (74%) comparison shopped, in the past ten years, before buying a home equity loan. AARP asked respondents about steps they took to find a home equity lender. Familiar banking institutions appeared to be the resource of choice. More than three-quarters (77%) of 45+ consumers inquired at their bank, savings and loan, or credit unions for a home equity lender. Far less went to a current mortgage lender to find a home equity loan (41%). Fewer (27%) went to their mortgage broker. Even fewer went to a lender that their contractor recommended or responded to ads received in the mail or on the phone. Six percent shopped the internet for a loan. See Figure 20.

College graduates and people who have *ever* had a bad buying experience with any kind of product or service in the past are more likely to comparison shop than their counterparts.

African-Americans are more than 50 percent *less* likely than Hispanics and the general population to shop for an equity lender at their own bank, savings and loan or credit union. They are also significantly *less* likely (72%) than Hispanics (81%) and the general population (88%) to have a savings or checking account with a bank, credit union, or savings and loan. In addition, African-Americans are three times *more* likely than the general population to go to a lender recommended by their contractor or respond to advertisements.

**Figure 20**  
**Steps 45+ Consumers Take to Find a Home Equity Lender**  
**(Weighted N=350)**



Q53. Which of the following steps did you take to find a home equity lender?

## Conclusions

A snapshot of 45+ consumers' financial knowledge reflects mixed results. While most 45+ consumers reflect some knowledge about credit reporting and the impact that it has on their credit report, many other consumers are very confused about how information and payment history can affect their credit. For example, only 88 percent of homeowners know that missed mortgage payments can show up on their credit report, but 95 percent know that missed credit card payments show up on one's credit report. Also, more than a third erroneously believes that credit card companies can either take back items bought with credit cards or can deduct payments from one's pay check.

For information about knowledge, products and services, 45+ consumers still rely heavily on friends and family for financial information and information about home repairs. Friends and family consistently rank among the top two resources that people seek out when they have questions that are most properly addressed by professionals. Consumers who have a history of bad buying experiences with major products and services are consistently more proactive and cautious about their behavior, credit, and financial situation versus those who have not had a bad experience.

In terms of investments, 45+ consumers' holdings are fairly consistent over the past four years. Most 45+ consumers hold employer sponsored plans (401K) stocks, money market accounts and mutual funds. However, their knowledge of how the investment process works is marginal with only 52 percent reporting correctly that diversification decreases risk. Also, 45+ consumers still hold a variety of legal document, with the will consistently being the number one planning document of choice for consumers.

Although forty percent of 45+ consumers have "ever" had a bad experience with products or services in the past, most have had experiences related to products working improperly or being misled about the product or service. When dissatisfied with services, 45+ consumers typically complain about their experience but are marginally satisfied with the results.

Respondents seem to be managing their debt levels well. A third could handle more debt, and two-fifths have as much as they can handle. Only seven percent have more than they can financially handle.

African-Americans and Hispanics fall behind the curve on financial knowledge, investment knowledge, and investment holdings compared with the general population. African-Americans and Hispanics in general are more likely to be in debt, less likely to hold financial investments, and more likely to have had bad experiences with major purchases and products. However, both African-Americans and Hispanics tend to go to higher business authorities when they complain about a product or service. Finally, African-Americans are more knowledgeable than the general population and Hispanics when it comes to appreciating the impact of their timely bill paying history on their credit record.

**APPENDIX A:  
DEMOGRAPHIC PROFILES**



**Demographic Profiles**  
N=1500

**Employment Status**

	<b>Total</b>	<b>&lt;50</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Employed full-time</b>	<b>36</b>	<b>60</b>	<b>60</b>	<b>24</b>	<b>5</b>
<b>Employed part-time</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>14</b>	<b>6</b>
<b>Retired</b>	<b>40</b>	<b>6</b>	<b>15</b>	<b>51</b>	<b>83</b>
<b>Not employed</b>	<b>9</b>	<b>16</b>	<b>11</b>	<b>6</b>	<b>3</b>
<b>Disabled</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>Other/refused</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>3</b>

**Marital Status**

	<b>Total</b>	<b>&lt;50</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Married</b>	<b>64</b>	<b>64</b>	<b>75</b>	<b>69</b>	<b>55</b>
<b>Living as married</b>	<b>3</b>	<b>6</b>	<b>3</b>	<b>*</b>	<b>2</b>
<b>Widowed</b>	<b>12</b>	<b>2</b>	<b>4</b>	<b>10</b>	<b>27</b>
<b>Divorced</b>	<b>11</b>	<b>13</b>	<b>11</b>	<b>11</b>	<b>9</b>
<b>Separated</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>*</b>
<b>Never married</b>	<b>6</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>4</b>
<b>Refused</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>

**AARP Membership**

	<b>Total</b>	<b>&lt;50</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Member</b>	<b>40</b>	<b>5</b>	<b>41</b>	<b>61</b>	<b>55</b>
<b>Non-member</b>	<b>56</b>	<b>93</b>	<b>57</b>	<b>38</b>	<b>42</b>
<b>Don't know</b>	<b>1</b>	<b>*</b>	<b>1</b>	<b>*</b>	<b>1</b>

### Educational Status

	<b>Total</b>	<b>&lt;50</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Less than high school graduate</b>	<b>10</b>	<b>9</b>	<b>8</b>	<b>9</b>	<b>14</b>
<b>High school graduate</b>	<b>39</b>	<b>40</b>	<b>36</b>	<b>41</b>	<b>43</b>
<b>Technical, trade or business school after high school</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>3</b>
<b>Some college or university - no graduate</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>21</b>	<b>19</b>
<b>Some college or university-graduate</b>	<b>14</b>	<b>16</b>	<b>19</b>	<b>12</b>	<b>11</b>
<b>Post graduate or professional schooling after college</b>	<b>10</b>	<b>9</b>	<b>13</b>	<b>12</b>	<b>7</b>
<b>Don't know/refused</b>	<b>3</b>	<b>2</b>	<b>*</b>	<b>1</b>	<b>3</b>

### Hispanic/Latino Background

	<b>Total</b>	<b>&lt;50</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Hispanic</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>3</b>	<b>4</b>
<b>Non-Hispanic</b>	<b>93</b>	<b>95</b>	<b>93</b>	<b>97</b>	<b>94</b>
<b>Don't know/refused</b>	<b>*</b>	<b>*</b>	<b>1</b>	<b>*</b>	<b>3</b>

### Race Ethnicity

	<b>Total</b>	<b>&lt;50</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>White</b>	<b>81</b>	<b>81</b>	<b>83</b>	<b>88</b>	<b>85</b>
<b>African-American or Black</b>	<b>10</b>	<b>10</b>	<b>8</b>	<b>3</b>	<b>7</b>
<b>Asian or Pacific Islander</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>*</b>
<b>Something else</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>4</b>

<b>Don't know/refused</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>
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**Income**

	<b>Total</b>	<b>&lt;50</b>	<b>50-59</b>	<b>60-64</b>	<b>65+</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Less than 10,000</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>7</b>	<b>8</b>
<b>\$10,000 to under \$20,000</b>	<b>9</b>	<b>6</b>	<b>6</b>	<b>10</b>	<b>15</b>
<b>\$20,000 to under \$30,000</b>	<b>10</b>	<b>8</b>	<b>9</b>	<b>16</b>	<b>12</b>
<b>\$30,000 to under \$40,000</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>12</b>	<b>12</b>
<b>\$40,000 to under \$60,000</b>	<b>16</b>	<b>19</b>	<b>20</b>	<b>19</b>	<b>11</b>
<b>\$60,000 to under \$100,00</b>	<b>14</b>	<b>18</b>	<b>21</b>	<b>12</b>	<b>7</b>
<b>\$100,00 or over</b>	<b>10</b>	<b>15</b>	<b>16</b>	<b>10</b>	<b>4</b>
<b>Don't know</b>	<b>19</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>8</b>
<b>Refused</b>	<b>4</b>	<b>15</b>	<b>14</b>	<b>13</b>	<b>23</b>

**APPENDIX B:  
ANNOTATED QUESTIONNAIRE**

RoperASW  
Time started \_\_\_\_\_

I.D.# \_\_\_\_\_(01-06)

**2002 Consumer Experience Survey**  
**# C205-008353**

Hello, my name is \_\_\_\_\_, and I am calling from RoperASW, a national public opinion firm. We are not selling anything. We are speaking with people today about a variety of important issues. We would like a few minutes of your time to get your insights and experiences. Again, we are not selling anything.

Read As Necessary.

- Your answers to this survey are completely confidential.
- We are a research company and we don't sell anything. No one will ever try to sell you something as a result of this survey.
- The survey should take about 20 minutes.

1. Generally, how would you say things are going in this country today? Are they going in ...

35 The right direction, or in  
51 The wrong direct  
1 Don't know (VOL.)  
13 Refused (VOL.)

A1. Our study requires that I speak to one particular person in your household. To know who that person is, would you tell me please how many people in your household are between the ages of 18 and 44?

\_\_\_\_\_ (CONTINUE)  
DON'T KNOW/REFUSED.....98 (CONTINUE)

A2. And how many are age 45 or older?

\_\_\_\_\_ (CONTINUE)  
None.....00 (THANK AND TERMINATE)  
DON'T KNOW/REFUSED.....98 (THANK AND TERMINATE)

**IF ONE PERSON 45 + YEARS OF AGE IN A2:**

- A3. May I speak with that person? (IF NEEDED: “The person who is age 45 or older”?)
- |                                   |   |                       |
|-----------------------------------|---|-----------------------|
| YES, RESPONDENT IS ON PHONE ..... | 1 | (GO TO A8)            |
| YES, SOMEONE ELSE ON PHONE .....  | 2 | (GO TO A7)            |
| NO, NOT AVAILABLE.....            | 3 | (SCHEDULE CALLBACK)   |
| NO, REFUSED .....                 | 8 | (THANK AND TERMINATE) |

**IF TWO OR MORE PEOPLE 45 + YEARS OF AGE IN A2:**

- A4. (IF MORE THAN ONE PERSON 45 + ) Thinking just about the people who are age 45 or older, how many are at home right now?

- |                          |   |                       |
|--------------------------|---|-----------------------|
| None .....               | 0 | (SCHEDULE CALLBACK)   |
| One .....                | 1 | (ASK A5)              |
| More than one .....      | 2 | (SKIP TO A6)          |
| DON'T KNOW/REFUSED ..... | 8 | (THANK AND TERMINATE) |

- A5. (IF ONE PERSON 45 + AT HOME NOW, IN A4) May I speak with that person? (IF NEEDED: The person who is age 45 or older and at home now?)

- |                                   |   |                       |
|-----------------------------------|---|-----------------------|
| YES, RESPONDENT IS ON PHONE ..... | 1 | (SKIP TO A8)          |
| YES, SOMEONE ELSE ON PHONE .....  | 2 | (SKIP TO A7)          |
| NO, NOT AVAILABLE.....            | 3 | (SCHEDULE CALLBACK)   |
| NO, REFUSED .....                 | 8 | (THANK AND TERMINATE) |

- A6. (IF MORE THAN ONE ELIGIBLE PERSON HOME NOW, IN A4) Then according to my instructions, I'm supposed to speak with the person age 45 or older who most recently had a birthday. May I speak with that person please?

- |                                     |   |                     |
|-------------------------------------|---|---------------------|
| YES, RESPONDENT IS ON PHONE .....   | 1 | (SKIP TO A8)        |
| YES, SOMEONE ELSE IS ON PHONE ..... | 2 | (ASK A7)            |
| NO, NOT AVAILABLE.....              | 3 | (SCHEDULE CALLBACK) |
| NO, REFUSED/DON'T KNOW .....        | 8 | (THANK & TERMINATE) |

- A7. (IF NEW PERSON ON LINE), “Hello, my name is \_\_\_\_\_. I'm calling from RoperASW, a national public opinion firm in \_\_\_\_\_. We are conducting a survey about a variety of issues. We would like a few minutes of your time to get your insights and experiences. We are not selling anything.”)

- A8. (CONFIRM:) Are you age 45 or older?

- |              |   |                     |
|--------------|---|---------------------|
| YES .....    | 1 | (CONTINUE)          |
| NO .....     | 2 | (REPEAT FROM A1)    |
| REFUSED..... | 8 | (THANK & TERMINATE) |

<p><b><i>AFRICAN AMERICAN SAMPLE, GO TO B1</i></b>  <b><i>HISPANIC SAMPLE, GO TO C1</i></b>  <b><i>GENERAL PUBLIC SAMPLE, GO TO Q4</i></b></p>
--

**AFRICAN AMERICAN SAMPLE**

B1. Are you of Hispanic or Latino origin or descent?

- YES.....1 (CONTINUE)
- NO.....2 (CONTINUE)
- DON'T KNOW.....7 (CONTINUE)
- REFUSED.....8 (THANK AND TERMINATE)

B2. What do you consider to be your race — are you ... (READ LIST)

- White,.....1 (THANK AND TERMINATE)
- African American or black,.....2 (GO TO Q4)
- Asian or Pacific Islander, or.....3 (THANK AND TERMINATE)
- Something else? (SPECIFY: \_\_\_\_\_) .4 (THANK AND TERMINATE)
- DON'T KNOW.....7 (THANK AND TERMINATE)
- REFUSED.....8 (THANK AND TERMINATE)

**HISPANIC SAMPLE**

C1. Are you of Hispanic or Latino origin or descent?

- YES.....1 (CONTINUE)
- NO.....2 (THANK AND TERMINATE)
- DON'T KNOW.....7 (THANK AND TERMINATE)
- REFUSED.....8 (THANK AND TERMINATE)

C2. What do you consider to be your race — are you ... (READ LIST)

- White,.....1 (GO TO Q4)
- African American or black,.....2 (GO TO Q4)
- Asian or Pacific Islander, or.....3 (GO TO Q4)
- Something else? (SPECIFY: \_\_\_\_\_) .4 (GO TO Q4)
- DON'T KNOW.....7 (GO TO Q4)
- REFUSED.....8 (GO TO Q4)

4. I am going to read a list of sources of information people sometimes use when they are thinking about buying something that costs a lot of money, like a major appliance or home repair services. For each one, tell me if this is a source you personally have found to be very useful, somewhat useful, or not useful. If I ask about a source you haven't used, just tell me. **(READ AND ROTATE)**

	GP	AA	Hisp
a. Information directly from the manufacturer or service provider			
Very useful	25	28	26
Somewhat useful	42	35	36
Not useful	-	8	7
Have not used	-	28	26
Don't know (VOL.)	-	4	5
Refused (VOL.)			
b. Product ratings and articles from consumer magazines			
Very useful	28	23	23
Somewhat useful	28	26	25
Not useful	-	11	8
Have not used	-	39	42
Don't know (VOL.)	-	1	2
Refused (VOL.)	-	-	-
c. Consumer Protection Agencies or other government agencies			
Very useful	13	16	21
Somewhat useful	24	28	27
Not useful	-	6	7
Have not used	-	47	45
Don't know (VOL.)	-	3	-
Refused (VOL.)	-	-	-

5. These next questions are about specific rules for businesses and consumers. If you are not familiar with something I mention just respond as best you can. Suppose a homeowner takes out a mortgage or a home equity loan and then does not make loan payments as required. Which of the following, if any, can happen: **(READ AND ROTATE)**

a. The homeowner can be sued in court for the value of the missed payments			
Yes, can happen	62	62	60
No can't happen	21	21	20
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-
b. The lender can sue the borrower for the debt owed			
Yes, can happen	74	77	70
No can't happen	15	12	20
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-



		GP	AA	Hisp
c.	The lender can report the non-payment on the homeowner's credit report			
	Yes, can happen	88	90	85
	No can't happen	5	4	4
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
6.	If a person buys items with a credit card, and then does not pay any amount toward their credit card bill, which of the following, if any, can happen: <b>(READ AND ROTATE)</b>			
		GP	AA	Hisp
a.	The credit card company can take back the items bought with the card			
	Yes, can happen	36	37	33
	No can't happen	45	45	55
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
b.	The credit card company can deduct what is owed them from the person's paycheck			
	Yes, can happen	34	43	31
	No can't happen	49	44	50
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
c.	The credit card company can report the non-payment on the person's credit report			
	Yes, can happen	94	96	91
	No can't happen	2	1	10
	Don't know (VOL.)	3	-	-
	Refused (VOL.)	-	-	-
7.	The Federal "Truth in Lending Act" requires financial institutions to provide certain information to consumers who apply for a loan. As far as you know, does the law require lenders to reveal...?			
a.	The loan's APR, or annual percentage rate			
	Yes	78	68	77
	No	7	13	6
	Don't know (VOL.)	15	19	17
	Refused (VOL.)	-	-	-
b.	the total dollar amount of the finance charge for the loan			
	Yes	75	70	77
	No	12	14	8
	Don't know (VOL.)	13	16	14
	Refused (VOL.)	-	-	-
c.	the total dollar amount of all fees the consumer must pay			
	Yes	77	72	73
	No	11	15	13
	Don't know (VOL.)	12	13	14
	Refused (VOL.)	-	-	-

GP AA Hisp

- d. The lender must show you documentation of fees before you close the loan (to be refinanced)
- |                   |    |    |    |
|-------------------|----|----|----|
| Yes               | 89 | 84 | 87 |
| No                | 3  | 5  | 5  |
| Don't know (VOL.) | 8  | 10 | 8  |
| Refused (VOL.)    | -  | -  | -  |

8. Have you **EVER** had a bad experience when buying any kind of product or service?

	GP	AA	Hisp	
Yes	39	43	32	ASK 9
No	60	57	67	GO TO Q. 19
Don't know (VOL.)	-	-	-	GO TO Q. 19
Refused (VOL.)	-	-	-	GO TO Q. 19

9. Have you had a bad experience when buying any kind of product or service **IN THE PAST YEAR?**

Yes	26	28	31	CONTINUE
No	74	72	65	GO TO Q. 19
Don't know (VOL.)	-	-	4	GO TO Q. 19
Refused (VOL.)	-	-	-	GO TO Q. 19

10. In the past year, have any of the following things happened to you when you were buying any kind of product or service? (**READ AND ROTATE**)

- a. A product was defective, or did not work properly?

Yes	65	67	95
No	34	33	5
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

- b. A product warranty or guarantee was not honored by the company?

Yes	29	44	50
No	-	56	50
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

- c. You were given false information about a product or service?

Yes	49	56	62
No	-	44	38
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

- d. A product or service you bought was not received in the time it was promised?

Yes	43	56	61
No	-	44	39
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

GP AA Hisp

e. You were given a written estimate for repair work, but the final bill turned out to be much higher than the estimate?

Yes	31	48	35
No	-	52	65
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

GP AA Hisp

f. You had a bad experience hiring a person or company to make repairs or improvements to your home.

Yes	26	32	34	SEE NOTE BEFORE Q11
No	-	68	66	SKIP TO Q12
Don't know (VOL.)	-	-	-	SKIP TO Q12
Refused (VOL.)	-	-	-	SKIP TO Q12

IF Q10F IS "YES", ASK Q11. OTHERWISE, SKIP TO Q12

11. How did you find out about the person or company that did this work on your home?  
Was it from . . .

GP AA Hisp

A friend or family member,	29	58	57
Promotional materials or an advertisement,	26	21	-
The yellow pages in the phone book	34	11	22
A salesperson who called you on the phone, OR	1	4	-
A salesperson who came to your door?	-	6	-
Some other way (VOL.) (SPECIFY: _____)	10	-	22
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

12. And what action, if any, did you take as a result of your bad experience buying any kind of product or service in the past year? **(DO NOT READ)**

GP AA Hisp

Complained to Better Business Bureau	9	18	5
Complained to consumer protection agency	2	2	0
Complained to salesperson, manager, or owner of company that sold product or service	30	22	38
Fired person/Hired someone else	1	1	8
Stopped buying from company	9	8	2
Took legal action	7	12	8
Refund / Asked for a refund or replacement	14	16	15
Refused payment	3	7	3
Wrote letters	7	19	10
Other (SPECIFY) _____	22	25	1
Nothing / Did nothing	SKIP TO 15	2	25 17
Don't know (VOL.)	SKIP TO 15	-	- -
Refused (VOL.)	SKIP TO 15	-	- -

GP AA Hisp

13. After you took some action, how satisfied were you with the results—very satisfied, somewhat satisfied, not too satisfied, or not satisfied at all?

Very satisfied	21	21	19
Somewhat satisfied	35	12	27
Not too satisfied	9	13	13
Not satisfied at all	26	46	41
Don't know (VOL.)	9	8	-

**NO Q14.**

15. Thinking about all the bad experiences you have EVER had when purchasing products or services, was there ever a time you felt you were the subject of a MAJOR consumer swindle or fraud? Do not include the general decline in the stock market.

	GP	AA	Hisp	
Yes	37	44	44	(CONTINUE)
No	60	52	51	(GO TO Q. 19)
Don't know (VOL.)	1	5	1	(GO TO Q. 19)
Refused (VOL.)	3	-	-	(GO TO Q. 19)

16. When did this happen? Was it . . . **(READ)**

During the past year,	46	65	59
Two to three years ago,	17	23	5
Four to five years ago, OR	6	9	15
More than five years ago?	30	3	12
Don't know (VOL.)	1	-	9
Refused (VOL.)	-	-	-

17. Can you tell me BRIEFLY what kind of fraud it was? **RECORD VERBATIM RESPONSE, ALLOW MULTIPLE RESPONSES**

Car related/Sold a lemon	11	32	19
Charitable donations scam	2	-	10
Credit card scam	5	16	25
Extended warranty not honored	2	-	-
False advertisement	11	27	-
House contractor	10	14	16
Identity Stolen	-	-	-
Insurance related	5	1	5
Mail order/Internet scam	2	6	-
Overcharged	6	-	17
Purchased item from a company that went out of business	10	5	-
Sold bad computer	-	-	-
Sold bad food product	-	-	-
Telephone scam	7	-	29

Vacation scam	4	-	-
Other (SPECIFY) _____	37	-	-
Don't know (VOL.)	3	-	-
Refused (VOL.)	-	-	-
		GP	AA Hisp

(IF MORE THAN ONE FRAUD/SWINDLE IN Q16, ASK Q18 AS:)

18. Would you say any of these swindles or frauds cost you more than \$1,000?			
Yes	28	*	57
No	72	100	43

(IF ONLY ONE FRAUD/SWINDLE IN Q16, ASK Q18 AS:)

18. Would you say this swindle or fraud cost you more than \$1,000?			
Yes	48	62	43
No	51	38	57
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

**ASK ALL**

19. I would now like you to tell me if you have taken any of the following actions in the past 2 years.

	GP	AA	Hisp
a. Regularly reviewed your credit card and other financial statements			
Yes	68	54	56
No	31	46	43
Don't know (VOL.)	1	-	-
Refused (VOL.)	-	-	-
b. Shredded or destroyed credit card receipts, credit applications, bank checks, and financial statements you are discarding			
Yes	71	52	73
No	28	47	27
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-
c. Limited the number of identification cards that you carry			
Yes	72	65	71
No	27	34	28
Don't know (VOL.)	1	-	-
Refused (VOL.)	-	-	-
d. Refused to give out personal information over the phone unless you have initiated the call			
Yes	87	83	85
No	12	17	15
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-

GP AA Hisp

e.	Ordered and reviewed a copy of your credit report			
	Yes	34	42	37
	No	65	57	61
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
f.	Told credit bureaus you do not want to receive unsolicited offers of credit or insurance			
	Yes	37	34	37
	No	62	65	61
	Don't know (VOL.)	1	-	-
	Refused (VOL.)	-	-	-

20. Next, please tell me if anyone has done these things to you in the past 2 years without your permission.

**(READ AND ROTATE)**

**(FOR EACH "YES" IN Q20, IMMEDIATELY ASK Q21, Q22, AND Q23 AS NECESSARY FOR THAT ITEM.)**

		GP	AA	Hisp
a.	Used your credit card or credit card number			
	Yes	5	3	7
	No	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
b.	Used your bank or checking account			
	Yes	2	3	1
	No	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
c.	Got a new credit card in your name			
	Yes	2	4	1
	No	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
d.	Got a new bank or checking account in your name			
	Yes	1	-	1
	No	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
e.	Got a loan in your name			
	Yes	-	-	-
	No	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-

GP AA Hisp

f.	Used your name to get a new drivers license or Social Security card			
	Yes	-	1	1
	No	-		
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
g.	Used your name when committing a crime			
	Yes	1	2	1
	No	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
h.	Used your name to get phone, utility, or Internet service			
	Yes	3	4	4
	No	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-

FOR EACH "YES" IN Q20, IMMEDIATELY ASK Q21 FOR THAT ITEM.

21. What was the length of time between the event and when you first discovered it?

a.	Used your credit card or credit card number	GP	AA	Hisp
	Within 1 month	77	57	84
	2 months to 1 year	16	38	16
	Between 1 and 2 years	2	4	-
	2 years or more	-	-	-
	Don't know (VOL.)	5	-	-
	Refused (VOL.)	-	-	-
b.	Used your bank or checking account			
	Within 1 month	66	-	-
	2 months to 1 year	24	-	-
	Between 1 and 2 years	-	-	-
	2 years or more	7	-	-
	Don't know (VOL.)	3	-	-
	Refused (VOL.)	-	-	-
c.	Got a new credit card in your name			
	Within 1 month	30	-	-
	2 months to 1 year	27	-	-
	Between 1 and 2 years	9	-	-
	2 years or more	20	-	-
	Don't know (VOL.)	14	-	-
	Refused (VOL.)	-	-	-

GP AA Hisp

d.	Got a new bank or checking account in your name			
	Within 1 month	25	-	-
	2 months to 1 year	24	-	-
	Between 1 and 2 years	13	-	-
	2 years or more	23	-	-
	Don't know (VOL.)	12	-	-
	Refused (VOL.)	4	-	-
e.	Got a loan in your name			
	Within 1 month	14	-	-
	2 months to 1 year	-	-	-
	Between 1 and 2 years	25	-	-
	2 years or more	61	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-



f.	Used your name to get a new drivers license or Social Security card			
	Within 1 month	-	-	-
	2 months to 1 year	36	-	-
	Between 1 and 2 years	64	-	-
	2 years or more	-	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
g.	Used your name when committing a crime	GP	AA	Hisp
	Within 1 month	50	-	-
	2 months to 1 year	23	-	-
	Between 1 and 2 years	21	-	-
	2 years or more	7	-	-
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-
h.	Used your name to get phone, utility, or Internet service			
	Within 1 month	50	-	-
	2 months to 1 year	24	-	-
	Between 1 and 2 years	7	-	-
	2 years or more	9	-	-
	Don't know (VOL.)	8	-	-
	Refused (VOL.)	-	-	-

(IF "YES" TO ANY IN Q20, ASK Q22 IMMEDIATELY AFTER ASKING Q21 FOR THAT ITEM)

22. What actions did you take when you discovered the event? Did you....

(REMIND INTERVIEWER OF Q20 ITEM BEING ASKED ABOUT)

- a. Contact the fraud department in a major credit bureau
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)
  
- b. Contact creditors about your accounts.
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)
  
- c. File a report with the police
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)

- d. Contact the Federal Trade Commission
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)
- e. Call the Better Business Bureau
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)
- f. Call a private attorney
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)
- g. Call your state attorney general
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)
- h. Call the Social Security Administration
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)
- i. Or did you do nothing
  - Yes
  - No
  - Don't know (VOL.)
  - Refused (VOL.)

ASK Q23 FOR EACH "YES" IN Q22 IMMEDIATELY IN SEQUENCE AFTER Q22 YES

23. After you took some action, how satisfied were you with the results—very satisfied, satisfied, or not satisfied?

(REMIND INTERVIEWER OF Q20 ITEM BEING ASKED ABOUT)

- a. Contacted the fraud department in a major credit bureau
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused

- b. Contacted creditors about your accounts.
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused
  
- c. Filed a report with the police
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused
  
- d. Contacted the Federal Trade Commission
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused
  
- e. Call the Better Business Bureau
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused
  
- f. Called Private Attorney
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused
  
- g. Called your state attorney general
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused

- h. Called the Social Security Administration
  - Very satisfied
  - Satisfied
  - Not satisfied
  - Don't know
  - Refused

**ASK ALL**

- 24. On another topic, banks, credit card companies, credit unions, brokerages, mortgage companies, and other financial institutions are required to notify customers about the kinds of information they collect about them and how they use it. These notices must also inform customers about their right to "opt-out" of having personal information about them shared with unrelated or "non-affiliated" companies.

(INTERVIEWER NOTE, IF ASKED WHAT "OPT-OUT" MEANS: "Opt-out" means the customer must contact the company and indicate that they do not want their information to be shared otherwise the company can share the information. Currently, the "opt-out" only applies to the sharing of information with unrelated companies. Customers cannot "opt-out" of sharing within a family of related or "affiliated" companies)

- 25. Have you received such a notice in the last 12 months?

	GP	AA	Hisp	
Yes	46	29	31	ASK Q.26
No	50	68	67	SKIP TO Q.31
Don't know (VOL.)	-	-	-	SKIP TO Q.31
Refused (VOL.)	-	-	-	SKIP TO Q.31

- 26. Do you usually read the notice?

Yes	85	92	85	SKIP TO Q.28
No	14	8	15	ASK Q.27
Don't know (VOL.)	-	-	-	SKIP TO Q.31
Refused (VOL.)	-	-	-	SKIP TO Q.31

- 27. Do you usually not read these notices because...(ASK ABOUT EACH)  
(ROTATE)

	GP	AA	Hisp
The print is too small			
Yes	56	86	61
No	40	14	39
Don't know (VOL.)	1	-	-
Refused (VOL.)	2	-	-

- The notice is too long to read

Yes	87	92	85
No	12	8	14
Don't know (VOL.)	1	-	-
Refused (VOL.)	1	-	-

	GP	AA	Hisp
It's hard to understand			
Yes	53	79	47
No	45	16	26
Don't know (VOL.)	2	5	27
Refused (VOL.)	-	-	-
You're not concerned about privacy			
Yes	37	58	13
No	61	42	81
Don't know (VOL.)	2	-	6
Refused (VOL.)	-	-	-
Your bank or credit card company would not give away your personal information			
Yes	30	38	15
No	62	57	81
Don't know (VOL.)	1	5	4
Refused (VOL.)	6	-	-

**(ALL IN Q.27, SKIP TO Q.31)**

28.	Did it clearly explain how to stop your bank or other financial institution from sharing information about you with unrelated companies?			
		GP	AA	Hisp
	Yes	81	83	85
	No	16	13	14
	Don't know (VOL.)	4	3	1
	Refused (VOL.)	-	-	-

29. After you got this notice, did you contact your bank or credit card company to stop them from sharing information about you with unrelated companies?

	GP	AA	Hisp	
Yes	46	33	57	SKIP TO Q.31
No	53	67	43	ASK Q.30
Don't know (VOL.)	1	-	-	SKIP TO Q.31
Refused (VOL.)	-	-	-	SKIP TO Q.31

30. Since you did not contact your bank or credit card company to stop them from sharing information about you, was it because....(ASK ABOUT EACH) (ROTATE)

a. The instructions on the notice did not clearly explain what to do

Yes	34	47	24
No	53	49	70
Don't know (VOL.)	11	3	6
Refused (VOL.)	-	-	-

b. You did not want to pay the postage needed to respond to the notice

Yes	10	10	8
No	87	89	87
Don't know (VOL.)	3	1	4
Refused (VOL.)	-	-	-

c. You want to continue receiving offers from companies who get information about you from your bank or credit card company

Yes	16	27	8
No	79	68	92
Don't know (VOL.)	5	5	1
Refused (VOL.)	-	-	-

d. You don't think responding to the notice will stop your bank or credit card company from sharing information about you

Yes	25	21	26
No	66	71	70
Don't know (VOL.)	9	9	5
Refused (VOL.)	-	-	-

31. Please tell me if you have done any of the following in the past 2 years. If I mention something that you've never heard of, just say so. First, have you ever/How about . . . **(READ AND ROTATE)?**

	GP	AA	Hisp
a. Rented to own			
Yes	4	12	4
No	95	88	94
Never heard of/Not familiar	-	-	-
Refused (VOL.)	-	-	-

	GP	AA	Hisp
b. Cashed a check at a check-cashing outlet			
Yes	7	18	9
No	93	82	90
Never heard of/Not familiar	-	-	-
Refused (VOL.)	-	-	-
c. Pawned a personal item for cash or credit			
Yes	3	7	6
No	97	93	94
Never heard of/Not familiar	-	-	-
Refused (VOL.)	-	-	-
d. Purchased a product or service through the Internet, World Wide Web or other online service			
Yes	35	22	21
No	65	78	79
Never heard of/Not familiar	-	-	-
Refused (VOL.)	-	-	-
e. Obtained a copy of your credit <b>score</b>			
Yes	24	28	23
No	73	71	76
Never heard of/Not familiar	-	-	-
Refused (VOL.)	-	-	-
f. Used a credit counseling service			
Yes	3	6	4
No	97	94	96
Never heard of/Not familiar	-	-	-
Refused (VOL.)	-	-	-
32. As far as you know, do you have the legal right to see any credit report that was used in a decision to deny you credit, insurance, or housing?			
Yes, you have the right	86	88	82
No, do not have the right	8	9	13
Don't know (VOL.)	7	3	5
Refused (VOL.)	-	-	-

		GP	AA	Hisp
33.	Do you have a savings or checking account with a bank, credit union, or savings and loan?			
	Yes	86	72	81
	No	11	24	16
	Don't know (VOL.)	3	-	-
	Refused (VOL.)	-	-	-
34.	And, which of the following accounts and investments, if any, do you own right now?			
a.	Corporate Bonds	GP	AA	Hisp
	Yes	14	7	8
	No	78	91	85
	Don't know (VOL.)	3	1	3
	Refused (VOL.)	5	1	4
b.	Government bonds			
	Yes	21	10	13
	No	72	89	82
	Don't know (VOL.)	2	1	4
	Refused (VOL.)	5	-	-
c.	A mutual fund account			
	Yes	39	19	27
	No	53	79	66
	Don't know (VOL.)	2	1	2
	Refused (VOL.)	5	2	5
d.	Stocks in individual companies			
	Yes	36	19	30
	No	57	79	64
	Don't know (VOL.)	1	1	1
	Refused (VOL.)	5	1	5
e.	A pension or retirement plan or 401K			
	Yes	60	40	48
	No	35	58	47
	Don't know (VOL.)	1	1	5
	Refused (VOL.)	5	1	1
f.	Certificates of Deposit			
	Yes	26	16	14
	No	67	81	79
	Don't know (VOL.)	2	6	4
	Refused (VOL.)	5	2	4



		GP	AA	Hisp	
g.	Money market accounts				
	Yes	28	15	17	
	No	65	83	76	
	Don't know (VOL.)	2	1	5	
	Refused (VOL.)	5	2	2	
h.	Annuities				
	Yes	20	10	15	
	No	73	86	78	
	Don't know (VOL.)	3	2	2	
	Refused (VOL.)	5	2	4	
35.	Have you created a living trust, or a trust into which you have placed or will place some of your assets during your lifetime?				
		GP	AA	Hisp	
	Yes	24	12	15	ASK Q.36
	No	73	87	80	SKIP TO Q.37
	Don't know (VOL.)	1	1	1	SKIP TO Q.37
	Refused (VOL.)	3	1	4	SKIP TO Q.37
36.	Who helped you prepare this living trust? (DO NOT READ. List only one)				
		GP	AA	Hisp	
	Family member	9	8	15	
	Financial advisor	7	20	4	
	Forms for a book or internet site	1	-	-	
	Insurance agent	2	-	1	
	Lawyer	72	58	48	
	Notary	-	-	-	
	Paralegal	1	-	3	
	Software (computer program)	-	1	3	
	Other (specify) _____	8	13	23	
	Don't remember	-	-	-	
	Refused	1	-	-	
37.	Have you created a will?				
	Yes	59	29	30	ASK Q.38
	No	40	69	68	SKIP TO Q.39
	Don't know (VOL.)	-	-	-	SKIP TO Q.39
	Refused (VOL.)	2	-	-	SKIP TO Q.39

38. Who helped you prepare your will? (DO NOT READ; List only one)

Family member	5	15	10
Financial advisor	1	3	2
Forms for a book or internet site	1	2	-
Insurance agent	-	-	-
Lawyer	81	54	69
Notary	-	-	-
Paralegal	-	-	1
Software (computer program)	-	4	2
Other (specify) _____	11	20	16
Don't remember	1	-	-
Refused	1	-	-

39. Have you created a durable power of attorney for health care decisions?

Yes	39	20	22	ASK Q.40
No	60	79	76	SKIP TO Q.41
Don't know (VOL.)	1	-	-	SKIP TO Q.41
Refused (VOL.)	2	-	-	SKIP TO Q.41

40. Who helped you prepare this durable power of attorney for health care decisions? (DO NOT READ; List only one)

	GP	AA	Hisp
Family member	11	20	24
Financial advisor	2	1	4
Forms for a book or internet site	2	4	-
Insurance agent	-	-	-
Lawyer	66	36	47
Notary	-	-	1
Paralegal	-	-	1
Software (computer program)	-	1	-
Other (specify) _____	19	-	31
Don't remember	2	-	-
Refused	1	-	-

41. Have you created a durable power of attorney for financial matters?

Yes	27	12	16	ASK Q.42
No	69	86	82	SKIP TO Q.43
Don't know (VOL.)	2	-	-	SKIP TO Q.43
Refused (VOL.)	2	-	-	SKIP TO Q.43

GP AA Hisp

42. Who helped you prepare this durable power of attorney for financial matters? (DO NOT READ; List only one )

Family member	11	21	32
Financial advisor	4	11	3
Forms for a book or internet site	1	-	-
Insurance agent	-	-	-
Lawyer	75	47	51
Notary	-	-	-
Paralegal	-	-	-
Software (computer program)	-	1	-
Other (specify) _____	10	-	22
Don't remember	1	-	-
Refused	1	-	-

ASK ALL

43. As I read a list of different ways you can get financial advice, please tell me whether or not you have used each one for information about savings or investments in the past 2 years. First/Next, have you ever gotten advice from . . . (READ AND ROTATE)

a.	Family members or friends	GP	AA	Hisp
	Yes	45	45	32
	No	54	55	67
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-
b.	Magazines or books about money matters			
	Yes	29	27	17
	No	70	73	82
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-
c.	TV programs, radio shows or newspaper columns that cover financial trends and give advice			
	Yes	30	25	22
	No	69	75	77
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-
d.	The Internet			
	Yes	14	12	8
	No	86	88	92
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-

		GP	AA	Hisp
e.	A stockbroker			
	Yes	27	12	18
	No	72	88	82
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-
f.	An accountant			
	Yes	28	13	19
	No	70	86	80
	Don't know (VOL.)	1	-	-
	Refused (VOL.)	1	-	-
g.	Someone at your bank			
	Yes	30	22	22
	No	69	77	78
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-
h.	An insurance agent			
	Yes	20	22	16
	No	79	77	84
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-
Q43 continued				
		GP	AA	Hisp
i.	A financial planner			
	Yes	29	15	20
	No	69	84	79
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-
j.	A lawyer			
	Yes	27	20	20
	No	72	80	79
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	1	-	-

44. The next few of questions are about specific issues related to financial products and services. If you are not familiar with something I mention just respond as best you can. It's okay if you Don't know all of the answers.

45. Please tell me whether you think the following statement is true or false:

A "no-load" mutual fund involves no sales charges, but has maintenance fees the consumer must pay.

	GP	AA	Hisp
True	41	34	29
False	13	25	25
Don't know (VOL.)	45	41	46
Refused (VOL.)	-	-	-

46. If you lose money in a mutual fund you invested in at a bank, will the F-D-I-C, that is the Federal Deposit Insurance Corporation, cover your losses?

Yes	19	32	26
No	57	40	43
Don't know (VOL.)	23	28	31
Refused (VOL.)	-	-	-

47. When an investor DIVERSIFIES his investments, does his RISK of losing money increase or decrease?

Increase	19	27	21
Decrease	52	42	44
Neither/Stays the same (VOL.)	2	2	1
Don't know (VOL.)	27	30	34
Refused (VOL.)	-	-	-

48. Next, how do you think most full-service brokers and financial planners are paid? Are they mainly paid . . . **(READ)**

Based on the quality of the advice they offer and how much their clients earn, or	8	17	13
Based on the amount and type of investments they sell to their clients?	72	55	58
Don't know (VOL.)	20	28	27
Refused (VOL.)	1	-	-

49. Frequently, TV, radio, newspapers, and magazines have ads for lenders who say they will make it easy for a person to get a loan if they own their home. How likely it is that these ads are from a company that tries to take advantage of people? Would you say it is...**(READ LIST)**

	GP	AA	Hisp
Very likely	53	57	57
Somewhat likely	33	30	26
Not very likely	4	3	8
Not at all likely	2	4	5
Don't know (VOL.)	8	6	4
Refused (VOL.)	1	-	-

2.	Do you currently own or rent your home?				
			GP	AA	Hisp
	Own		82	59	80
	Rent		15	36	16
	Don't know (VOL.)		1	-	-
	Refused (VOL.)		2	-	-

NOTE: ASK Q50 – Q54 OF HOMEOWNERS ONLY FROM Q2 ABOVE

50.	In the last year have you received any information offering you an opportunity to borrow money against the equity in your current home?				
	Yes	70	73	72	ASK Q.51
	No	29	27	28	SKIP TO Q.52
	Don't know (VOL.)	1	-	-	SKIP TO Q.52
	Refused (VOL.)	-	-	-	SKIP TO Q.52

51. Did you receive this information via... (READ LIST. ACCEPT MORE THAN ONE RESPONSE)

	GP	AA	Hisp
Telephone	36	33	42
Direct mail	87	88	79
Door to door salespeople	4	6	5
E-mail	19	16	19
Television	24	22	23
Newspaper	19	20	14
Radio	12	13	12
At a lending institution	16	17	17
Advertisements (non-specific)	20	22	19
Other (Specify) _____	3	6	5
Don't remember	-	-	-

52. In the past ten years, have you taken out a home equity loan or borrowed against your home? By this I mean a loan that uses your home for collateral.

Yes	28	25	20	ASK Q.53
No	71	75	80	SKIP TO Q.55
Don't know (VOL.)	-	-	-	SKIP TO Q.55
Refused (VOL.)	-	-	-	SKIP TO Q.55

53. Which of the following steps did you take to find a home equity lender? (READ LIST AND ROTATE)

	GP	AA	Hisp
a. Use the internet			
Yes	6	2	4
No	93	91	96
Don't know (VOL.)	-	-	-
Refused (VOL.)	-	-	-
b. Inquire at your bank, savings and loan or credit union			
Yes	77	36	78
No	23	64	22
Don't know (VOL.)	1	-	-
Refused (VOL.)	-	-	-
c. Went through your current mortgage lender			
Yes	41	39	52
No	56	61	48
Don't know (VOL.)	2	-	-
Refused (VOL.)	-	-	-
d. Responded to ads received in the mail or on the phone			
Yes	9	21	10
No	90	79	89
Don't know (VOL.)	1	-	-
Refused (VOL.)	-	-	-

		GP	AA	Hisp
e.	Went to your mortgage broker			
	Yes	27	29	39
	No	72	71	61
	Don't know (VOL.)	1	-	-
	Refused (VOL.)	-	-	-
f.	Went to the lender that your contractor recommended			
	Yes	10	29	25
	No	89	71	71
	Don't know (VOL.)	1	-	-
	Refused (VOL.)	-	-	-
54.	Before you decided on a loan, did you compare rates on loan provisions from more than one lender?			
	Yes	74	60	75
	No	26	40	25
	Don't know (VOL.)	-	-	-
	Refused (VOL.)	-	-	-

#### ASK ALL

55.	Please tell me if you believe the following statements to be true or false. (ROTATE)			
a.	An individual's bill paying history on their credit record affects their ability to get a home loan.			
		GP	AA	Hisp
	True	88	83	83
	False	5	6	9
	Don't know (VOL.)	7	10	8
	Refused (VOL.)	-	-	-
b.	An individual's bill paying history on their credit record affects the interest rate a lender charges them.			
	True	61	68	60
	False	23	14	26
	Don't know (VOL.)	15	17	17
	Refused (VOL.)	-	-	-
c.	An individual's bill paying history on their credit record affects the amount of the premium paid for auto insurance			
	True	37	43	40
	False	41	36	38
	Don't know (VOL.)	22	22	22
	Refused (VOL.)	-	-	-



56. For each of the following, please tell me if you think you have enough, have some, or have none at all. First/How about . . . (INSERT ITEMS. ROTATE)—do you have enough, some, or none at all?

	GP	AA	Hisp
a. Income to pay monthly bills such as electricity, telephone and grocery bills			
Have enough	74	50	65
Have some but not enough	19	37	26
Have none at all	4	10	7
Doesn't apply (VOL.)	-	2	-
Refused (VOL.)	-	1	2
b. Insurance on your home to protect against loss in case of fire or other disaster			
Have enough	75	47	57
Have some but not enough	12	27	22
Have none at all	8	21	18
Doesn't apply (VOL.)	2	4	2
Refused (VOL.)	2	1	1
c. Money set aside to pay for major home repairs such as replacing the roof			
Have enough	49	23	39
Have some but not enough	21	26	22
Have none at all	20	43	33
Doesn't apply (VOL.)	6	8	5
Refused (VOL.)	3	1	1
d. Money set aside for retirement (IF SAYS ALREADY RETIRED, READ: Money to live on in retirement)			
Have enough	38	21	30
Have some but not enough	41	39	41
Have none at all	15	36	27
Doesn't apply (VOL.)	2	3	1
Refused (VOL.)	3	1	1
e. Money set aside for emergency expense			
Have enough	41	16	3
Have some but not enough	38	44	38
Have none at all	17	38	31
Doesn't apply (VOL.)	-	1	-
Refused (VOL.)	3	2	2
f. Money set aside for funeral and burial services			
Have enough	56	41	37
Have some but not enough	19	30	22
Have none at all	22	25	36
Doesn't apply (VOL.)	1	2	3
Refused (VOL.)	3	2	2

	GP	AA	Hisp
g. Money set aside for long-term care services			
Have enough	24	13	17
Have some but not enough	31	31	23
Have none at all	40	52	56
Doesn't apply (VOL.)	2	3	2
Refused (VOL.)	4	1	2
57. Think for a moment about your personal debt on which you currently make interest payments. I am talking about debts you partially pay off each month for things like mortgages, credit cards, personal loans or car loans. Would you say the amount of debt you currently have is . . . <b>(READ)</b>			
	GP	AA	Hisp
More than you can handle financially,	7	17	15
About as much as you can handle financially, OR that	41	54	53
You could handle more debt than you currently have?	32	18	18
Don't have any personal debt (VOL.)	16	9	8
Don't know (VOL.)	1	1	3
Refused (VOL.)	3	1	3

## DEMOGRAPHICS

Finally, I have just a few questions so we can describe the people who took part in our survey...

D1. Are you now employed full-time, part-time, are you retired, or are you not employed for pay?

Employed full-time	36	40	45
Employed part-time	9	10	10
Retired	40	27	26
Not employed	9	14	12
Disabled (VOL.)	2	6	5
Other (VOL.)	1	1	1
Don't know (VOL.)	-	1	2
Refused (VOL.)	2	-	-

D2. Are you married, living as married, widowed, divorced, separated, or have you never been married?

Married	64	40	66
Living as married	3	5	3
Widowed	12	18	9
Divorced	11	16	7
Separated	2	6	2
Never married	6	12	10
Refused (VOL.)	3	3	3

D3. Are you (or is your husband/wife/partner) a member of A-A-R-P, the American Association of Retired Persons?

Yes	40	29	29
No	56	70	66
Don't know (VOL.)	1	-	2
Refused (VOL.)	3	1	3

D4. What is the last grade or class you completed in school? (DO NOT READ)

	GP	AA	Hisp
Less than high school graduate (Grades 11 or less)	10	23	24
High school graduate, Grade 12, or GED certificate	39	37	48
Technical, trade, or business school AFTER high school	3	2	3
Some college or university work, but no 4-year degree	20	21	12
College or university graduate (4-year degree received)	14	8	6
Post graduate or professional schooling after college	10	7	5
Don't know (VOL.)	-	1	2
Refused (VOL.)	3	1	

**NOTE: ASK D5 and D6 ONLY OF GENERAL PUBLIC SAMPLE. OVERSAMPLES SKIP TO D8.**

D5. Are you of Hispanic or Latino background (such as Mexican, Puerto Rican, or other Spanish background)

Yes	5
No	93
Refused (VOL.)	3

D6. What is your race? Are you white, African American or black, Asian or Pacific Islander, or something else?  
(NOTE: IF RESPONDENT SAYS HISPANIC OR LATINO, PROBE: Do you consider yourself a WHITE (Hispanic/Latino) or a BLACK (Hispanic/Latino)?)

White	82
African-American or Black	8
Asian or Pacific Islander	1
Something else (SPECIFY _____)	5
Don't know (VOL.)	1
Refused (VOL.)	4

D7. How many phone numbers, including this one, are there for your household – please do not count phone numbers that are used only for a computer or fax machine and please don't count cellular phones?

REFUSED

99

ASK ALL

D8. Which of the following categories best describes the combined annual income of all members of your household, including wages or salary, pensions, and all other sources before taxes? Would you say (READ LIST)

	GP	AA	Hisp
Less than 10,000	6	19	12
\$10,000 to under \$20,000	9	16	12
\$20,000 to under \$30,000	10	10	18
\$30,000 to under \$40,000	10	11	11
\$40,000 to under \$60,000	16	14	14
\$60,000 to under \$100,000	14	9	12
\$100,000 or over	10	5	5
Don't know (VOL.)	4	6	5
Refused (VOL.)	19	11	13

D8a. And finally, please tell me, how old are you?

\_\_\_\_\_

REFUSED 99

**That concludes our interview. Thank you very much for your cooperation. Have a wonderful evening/day.**

D9. SAMPLE GROUP

National cross-section  
 African American cross-section  
 Hispanic listed sample

D10. FROM SAMPLE: STATE

_____	_____	GP	AA	Hisp
		20	23	21
		17	16	25
		16	18	17
		10	7	11
		12	12	9
		9	8	5
		13	10	9