

Startling Facts

- 20% of employees are unable to carry out normal work activities three days per week due to financial concerns (<http://www.remtech.biz/FactsAndStats.htm>).
- The personal saving rate went negative for the first time ever in 1998. Americans are spending \$100.20 for every \$100.00 they bring home (<http://www.remtech.biz/FactsAndStats.htm>).
- 2 out of 3 households will probably not be able to accomplish one of their major life goals because they did not plan for the future (<http://www.remtech.biz/FactsAndStats.htm>).
- In the United States, the most affluent 1% of the population holds more wealth than the entire bottom 90% combined, according to U.S. Federal Reserve research (*The Futurist*, July-August 2005).
- There are all kinds of ways to describe today's 30-year-olds. But what may really come to distinguish them is that they could be the most indebted generation in modern history (*BusinessWeek*, November 14, 2005).
- The most-honored captains of industry – Fortune 500 CEOs – routinely make more in a morning than their average employees earn in a year (*The Futurist*, July-August 2005).
- It costs the average American family over \$200,000 to raise a child to 18 (*US Department of Agriculture*; <http://www.remtech.biz/FactsAndStats.htm>).
- In the 2004, U.S. presidential election campaign, President George W. Bush made no apologies for his tax cuts that, in 2004 alone, meant an extra \$170,000 for average taxpayers in the nation's most affluent 1% (*The Futurist*, July-August 2005).
- Approximately 57% of all divorces are due to arguments over money (<http://www.remtech.biz/FactsAndStats.htm>).
- The American Savings Education Council's 2004 report, Saving and Retirement in America, states that among all workers, 45 percent have less than \$25,000 in savings and investments (aside from equity in primary residences). In the age group 25-34, 64 percent have less than \$25k in savings; in the age group 35-44, 48 percent have less than \$25k; in the age group 45-54, 30 percent have less than \$25k. According to a 2002 survey by the Consumer Federation of America, 25 percent of U.S. households have net assets of less than \$10,000 (<http://www.mdmproofing.com/iym/hfstats.shtml>).
- America is the richest country in the world, yet, ironically, we have the highest percentage of people living paycheck to paycheck. A recent study from ACNielsen

revealed that about one in every four Americans say they don't have any spare cash ("Escape the Credit Card Trap," Kiplinger, 10/6/2005).

- In 1943, America's very richest, according to U.S. Internal Revenue Service statistics, paid 78% of their total incomes in federal income tax. In 2003, by contrast, they paid a mere 17.5% of their total incomes in federal tax (*The Futurist*, July-August 2005).
- The U.S. federal minimum wage currently stands at \$5.15 an hour or \$10,712 over the course of a year. A couple, with each spouse earning minimum wage, earns twice that, or \$21,424. In 2003, the incomes of the richest 1% of U.S. citizens averaged \$1.082 million for the year. In 2003, the middle 20% of income earners averaged \$36,000 per household, less than twice the income for a minimum-wage worker (*The Futurist*, July-August 2005).
- Compared to average weekly filings of 30,000 to 35,000 during the month of October in recent years, Lundquist Consulting, Inc. (Burlingame, CA) reported over 205,000 filings for the week that ended on October 15. However, even that leap in filing volume didn't capture all of the activity in bankruptcy courts the last few days before the October 17th implementation. According to Fitch Ratings, "[f]ilings made on the weekend, as well as a large backlog, were processed in the week ended Oct. 21, which clocked in with 315,017 filings (<http://www.spotlightonfinance.org/2005/November/forecast-story3.htm>).
- From 1992-2000, disposable personal income rose 47%, but personal spending increased 61% (<http://www.remtech.biz/FactsAndStats.htm>).

College Tuition

- College students make up 10 to 15% of those seeking money-management help (<http://www.remtech.biz/FactsAndStats.htm>).
- The cost of higher education, however, has increased so dramatically in the past decade and a half – up by 63% at public schools and 47% at private – which more students borrow tens of thousands of dollars to attend, ensuring that many of them are paying off those loans well into their 40s. The median debt-to-income ratio now is about 8%. But fully one-quarter of graduates are paying more than 12% of their income, a level many financial experts regard as worryingly high (*BusinessWeek*, November 14, 2005).
- The price of public colleges, where about 80% of all students are enrolled, increased 28% in the past five years alone, far more than in any five-year period since 1975. At private colleges, the total cost increased by 17% (*BusinessWeek*, November 14, 2005).

- The average college student who takes out student loans graduates with a debt burden of \$20,000 (<http://www.remtech.biz/FactsAndStats.htm>).
- Since 2000 real earnings for college grads, age 25 to 34, have fallen almost 10% (*BusinessWeek*, November 14, 2005).
- Almost two-thirds of students have to borrow money to get through school; as many as one-quarter may be accumulating credit-card debt to help pay for tuition. The median debt for college graduates in 2004 was \$15,162, an increase of 66.5 percent since 1993. That may not seem like a crippling sum, but plenty of individuals owe much more. Back in 1993, only 4.2 percent of graduates had loans exceeding \$25,000. A decade later, 17 percent did (*BusinessWeek*, November 14, 2005).

Retirement

- Americans' number one fear is running out of money during retirement (*USA Today Survey*; <http://www.remtech.biz/FactsAndStats.htm>).
- More than half of us are not putting aside enough to maintain anything like our present standard of living upon retirement. By the year 2010, 78 million Americans will be 65 or older. One in three has no retirement savings (*Senator Paul Sarbanes, Maryland, Chairman of the Senate Banking, Housing and Urban Affairs Committee*; <http://www.remtech.biz/FactsAndStats.htm>).
- Women are twice as likely as men during retirement to receive income below the poverty level ("*A Financial Warmup*", *U.S. Department of Labor*).
- 55% of American workers have no idea how much they will need to save to make their retirement dreams a reality (<http://www.remtech.biz/FactsAndStats.htm>).
- The average personal savings rate is now less than 2% of income, and the average household has a net worth of just \$264,000 at retirement, not including home equity (*Money*, December 2004, pg. 94; <http://www.mdmproofing.com/iy/hfstats.shtml>).
- The average American will spend 18 years in their retirement phase. By 2050, they will spend greater than 30 years in their retirement phase (<http://www.remtech.biz/FactsAndStats.htm>).
- Less than 1/2 of American workers have attempted to calculate how much they need to save for retirement (<http://www.remtech.biz/FactsAndStats.htm>).
- Social Security only covers 40% of the retirement expenses for the average American (<http://www.remtech.biz/FactsAndStats.htm>).

Financial Literacy

- Only 5% of investors believe they know everything they need to know to make good investment decisions (<http://www.remtech.biz/FactsAndStats.htm>).
- The likelihood on being on welfare is inversely proportional to financial literacy levels (<http://www.remtech.biz/FactsAndStats.htm>).
- Only 32% of American parents talk to their children regularly about personal finance (<http://www.remtech.biz/FactsAndStats.htm>).
- In 1999, 66% of high school seniors taking a basic economic literacy test failed. The results were worse in 2000 and 2001 (<http://www.remtech.biz/FactsAndStats.htm>).
- 43% of adults at the lowest level of financial literacy live in poverty, compared to only 4% of those at the highest level of financial literacy (<http://www.remtech.biz/FactsAndStats.htm>).
- More than one-third (36.1 percent) of Americans report that they do not use a budget to manage their family's expenses (<http://www.remtech.biz/FactsAndStats.htm>).
- September 6, 2005 - Despite the fact that 65.1 percent of Americans consider themselves "very" or "highly" knowledgeable when it comes to personal finance, many fall short in a number of key areas according to the results of a new survey by consumer advocacy group Consumer Action and leading financial services provider Capital One: (http://www.consumer-action.org/English/PressReleases/2005_09_06_PR.php).
- Sixty-two percent of Americans report that they are saving and/or investing. However, more than 40 percent of all Americans save less than 5 percent of their annual household income. Sixteen percent save between 5 and 10 percent. Only nine percent save more than 20 percent of their annual income (Jean Chatzky, *You Don't Have to Be Rich*, 2003; <http://www.mdmproofing.com/iym/hfstats.shtml>).
- Younger Americans are more inclined to use a budget compared to older Americans. Nearly 80 percent (79.7) of 18-19 year olds use a budget, compared to only 46.6 percent of Americans aged 70+ (plus) (http://www.consumer-action.org/English/PressReleases/2005_09_06_PR.php).

(The survey polled 1002 men and women nationwide ranging in age from 18 to older than 70. It gauged respondents' knowledge of the basics of personal finance such as budgeting, saving habits, credit principles, and basic personal finance responsibilities).

Credit

- Capital One and Consumer Action find the majority of Americans lack basic understanding of credit scores and the fundamentals of personal finance (http://www.consumer-action.org/English/PressReleases/2005_09_06_PR.php).

- The average American household with at least one credit card carried a balance of \$7942 in 2000 (<http://www.remtech.biz/FactsAndStats.htm>).
- Older Americans have a poorer understanding of credit scores compared to younger Americans. Only 13.6 percent of 70+ Americans correctly identified 700 as a “good” score. By comparison, more than 43 percent of Americans in their thirties were able to correctly identify 700 as a good credit score (http://www.consumer-action.org/English/PressReleases/2005_09_06_PR.php).
- Approximately 60 percent of Americans revolve balances. The average revolving balance, among individuals with at least one credit card, is now \$3,815. Households in the \$75,000-to-\$100,000 income bracket carry the heaviest debt loads, shouldering nearly \$8,000 per person (CardTrak, April 2004).
- Approximately 35 million Americans pay only the required minimum — as low as 2 percent — of their balance each month (<http://www.pbs.org/wgbh/pages/frontline/shows/credit/eight/>).
- The average credit-card debt in among 25-to-34-year-olds was \$52,000 in 2004, 98% higher than in 1992 (*BusinessWeek*, November 14, 2005).
- Last year 76% of college students had credit cards and their average debt was \$2,169 (*BusinessWeek*, November 14, 2005).
- The average credit-card debt among 25-to-34-year-olds was \$5,200 in 2004, 98 percent higher than in 1992 (*BusinessWeek*, November 14, 2005).
- A majority of Americans surveyed either did not know (31.7 percent) or responded incorrectly (35.1 percent) when asked to define a good credit score (700) (<http://www.remtech.biz/FactsAndStats.htm>).
- Fifty-four (54) percent of those surveyed wrongly stated that age is a factor considered in determining credit scores (<http://www.remtech.biz/FactsAndStats.htm>).
- A majority of Americans (52 percent) do not regularly review their credit report each year. Twenty-three percent of Americans have never reviewed their credit report (<http://www.remtech.biz/FactsAndStats.htm>).
- More than 7 million Americans already have second jobs, according to the Bureau of Labor Statistics. Nearly three out of every 10 people who hold more than one job say they do so to meet household expenses or pay off debt (Chatzky, J.; September 2004; Weapons of mass debt destruction. *Money*, p. 57).

- According to CNN, the average credit card debt per household reached a record \$9,312 in 2004. That's an increase of 116 percent over the past 10 years (CNN/Money, October 12, 2005).