Background

The 2017 Planning & Progress Study seeks to provide unique insights into U.S. adults’ attitudes and behaviors toward money, financial decision-making, and the broader landscape issues impacting people’s long-term financial security.

The study is based on an online survey of 2,749 U.S. adults conducted from February 14-22, 2017 (2,117 interviews with U.S. adults age 18+ in the General Population and an oversample of 632 interviews with U.S. Millennials age 18-34).

Data were weighted to be representative of the U.S. population (age 18+) based on Census targets for education, age/gender, race/ethnicity, region and household income.
About half of Americans with debt have balances of at least $25,000 (excluding mortgages), averaging roughly $37,000. Notably, more than 1 in 10 say their debt exceeds $100,000. The most common sources of debt are mortgages and credit card bills.

**Amount of Debt**

- $1 to $5,000: 16%
- $5,001 to $25,000: 36%
- $25,001 to $50,000: 21%
- $50,001 to $100,000: 11%
- More than $100,000: 15%
- Don't know: 2%

**Main Sources of Debt**

- Mortgage: 29%
- Credit card bills: 19%
- Personal educational loans: 7%
- Car loan: 6%
- Home equity loan/line of credit: 3%
- Educational expenses for children/family members: 3%
- Other: 6%
- I have no debt: 27%

**BASE: THOSE WITH SOME DEBT - Gen Pop: (n=1086)**

**QDB2. How much do you estimate your debt to be?**

**BASE: ALL QUALIFIED RESPONDENTS – 2016 Gen Pop: (n=2026); 2017 Gen Pop: (n=2117)**

**QPAW10. What is your main source of debt?**
...and It’s Taking a Toll on Their Finances

More than 4 in 10 Americans with debt (45%) spend up to half of their monthly income on debt repayment.

**BASE: THOSE WITH SOME DEBT - Gen Pop: (n=1597)**

QDB1. What percentage of your monthly income goes to paying off debt (excluding your primary home mortgage)?

- 1% to 24% 26%
- 25% to 49% 19%
- 50% to 74% 10%
- 75% to 100% 8%
- Mortgage is my only debt 15%
- Not sure 21%
A Good Number Expect to be in Debt for a While

More than one-third of adults with debt (36%) anticipate that they will be in debt for 6 to 20 years; 14% expect to be in debt for the rest of their lives.

- 1 to 5 years: 39%
- 6 to 10 years: 21%
- 11 to 20 years: 15%
- For the rest of my life: 14%
- Don't know: 11%

*BASE: THOSE WITH SOME DEBT - Gen Pop: (n=1597) QDB4. How many more years do you expect to be in debt?*
**When it Comes to Repayment, There is No Silver Bullet**

There is no one universal strategy that Americans are using to manage debt.

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>I pay as much as I can on each of my debts each month</td>
<td>35%</td>
</tr>
<tr>
<td>I pay off debts with highest interest first and make minimum payments to others</td>
<td>19%</td>
</tr>
<tr>
<td>I pay what I can when I can</td>
<td>18%</td>
</tr>
<tr>
<td>I make minimum monthly payments for each creditor</td>
<td>17%</td>
</tr>
<tr>
<td>Pay all bills monthly/on time</td>
<td>3%</td>
</tr>
<tr>
<td>I'm working with a professional to address my debt</td>
<td>2%</td>
</tr>
<tr>
<td>Auto loan/Pay car payment on time/monthly</td>
<td>1%</td>
</tr>
<tr>
<td>I borrow money or use credit cards to pay debt</td>
<td>1%</td>
</tr>
<tr>
<td>I don't pay at all</td>
<td>1%</td>
</tr>
<tr>
<td>Pay more than required payment</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
</tbody>
</table>

**BASE: THOSE WITH SOME DEBT - Gen Pop: (n=1086)**

QDB3. Which of the following best describes your strategy for managing your debt?
Americans Recognize the Downside of Debt...

About 4 in 10 American adults say debt has a “substantial” or “moderate” impact on their financial security. The same number say debt is a “high” or “moderate” source of anxiety.

BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)
QDB5. How much impact is debt having on your ability to achieve long-term financial security?
QFA1. What level of anxiety do you experience as a result of each of the following?
...and Would Like To Relieve the Pressure

When Americans were asked to select one factor that would have the most significant impact on their financial situation, eliminating debt, was a top mention. Additionally, 4 in 10 said they’d use a $2,000 windfall to pay down debt.

**Changes that Would Impact Finances Positively**

- Earning significantly more income: 29%
- Eliminating all my debt: 26%
- Owning my own home mortgage-free: 12%
- Having my older children gain financial independence: 7%
- Getting additional income from another job/an additional wage-earner: 7%
- Having a comprehensive financial plan: 7%
- Learning more about finances, investing, etc.: 6%
- Getting help from a financial professional: 2%

**Spending a $2,000 Windfall**

- Pay off/pay down some bills: 40%
- Put it in savings: 40%
- Take a vacation: 6%
- Buy something new for my home/fund a home-improvement project: 6%
- Spend it on my kids/other family member: 4%
- Buy new clothes: 1%
- Buy top of the line tickets to see my favorite sports team, musical performer or entertainer: 0%

*BASE: ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)*

QIFA9. What one change do you think would make the most significant impact on your financial situation, and allow you to live your life differently?

QNWS5. If you suddenly received $2,000 to spend as you like, what would you do with it? Please select one.
However, the Urge to Splurge Remains Strong

Aside from basic necessities, on average, Americans spend about 40% of their monthly income on discretionary expenses such as leisure travel and hobbies. In fact, one quarter cite “frivolous/excessive spending” as a financial pitfall.

<table>
<thead>
<tr>
<th>How Monthly Income Is Spent (Summary of Means)</th>
<th>Gen Pop (n=2117)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary expenses (e.g., entertainment, leisure travel, hobbies, etc.)</td>
<td>40%</td>
</tr>
<tr>
<td>Paying off debt (e.g., credit cards, personal or educational loans; excludes primary mortgages)</td>
<td>33%</td>
</tr>
<tr>
<td>Healthcare expenses</td>
<td>20%</td>
</tr>
<tr>
<td>Childcare</td>
<td>4%</td>
</tr>
<tr>
<td>Eldercare (i.e., care for an elderly loved one)</td>
<td>3%</td>
</tr>
</tbody>
</table>

Financial Pitfalls

- Starting too late to plan/save: 34%
- Too much debt: 33%
- Excessive/frivolous spending: 24%
- Lack of planning/inertia: 22%
- Poor credit: 17%
- Borrowing from personal: 16%
- Focusing too much on growth or risk: 10%
- None/I’ve made no mistakes: 24%

**BASE:** ALL QUALIFIED RESPONDENTS - Gen Pop: (n=2117)

**QNW6.** Outside of basic necessities (housing, food, transportation), approximately what percentage of your total monthly income goes to each of the following categories? (Percentages must sum to 100%.)

**QFF1.** What commonly accepted financial pitfalls are you most prone to? Please select up to 3.