



**FOR IMMEDIATE RELEASE**  
**Tuesday, March 15, 2011**

**CONTACTS:**  
**Jack Gillis, CFA, 202-737-0766**  
**Kristine Snyder, Experian, 714-830-5192**  
[kristine.snyder@experian.com](mailto:kristine.snyder@experian.com)

## **NATIONAL SURVEY REVEALS THAT INDIVIDUALS WITH HIGH-COST DEBT ARE LIKELY TO FIND SAVING RELATIVELY DIFFICULT**

### ***America Saves to Utilize Its National Network to Publicize This Saving Barrier and Urge Automatic Saving***

Washington D.C. – In a recent national survey, America Saves and Experian<sup>®</sup> found that individuals with credit card, payday loan, and other high-cost consumer debt are more likely to have difficulty saving. The results show that these consumers are more likely to use credit to pay an unexpected expenditure, than those without this debt. The survey also revealed a surprisingly high percentage of Americans (16%) with very expensive payday, car title, or pawnshop loans.

In coming months, America Saves and Experian will raise awareness and encourage positive saving habits with educational materials promoted through the America Saves national network. Along with the message that carrying high-cost consumer debt tends to make saving more difficult, individuals and families will also be encouraged to save automatically through regular transfers from paychecks or checking into savings. “High cost consumer debt can be a financial nightmare. Regular contributions to a saving account can help consumers avoid the need for this type of credit,” said Nancy Register, America Save's national director.

“Good credit and solid savings habits are both essential to a person’s financial health and well-being,” said Maxine Sweet, Experian’s vice president of consumer education. “Cleaning up and paying off debts can make a positive impact on credit scores, and when a consumer is able to save, unexpected life events won’t force them into a financial crisis.”

Over half of those surveyed who receive a paycheck (55%) reported having difficulty saving a portion of each paycheck. The percentage of moderate-income households (\$25,000-50,000 annual incomes) receiving a paycheck who reported this difficulty (69%) was exceptionally high.

The survey results also reveals that difficulty saving is linked to carrying high-cost debt. About two-thirds of those with credit card debt (66%), but less than half of those without this debt (47%), reported difficulty saving a portion of their paycheck. Moreover, 63 percent of those with very expensive payday, car title, or pawnshop loans, but only 53% of those without these loans, reported difficulty saving.

Those having difficulty saving were also much more likely than those reporting little or no difficulty saving to use credit to pay for a \$1,000 car repair bill. As the table below indicates, 43% of those reporting great difficulty saving also said they would borrow to pay this bill. But only 13 percent of those reporting no difficulty saving said they would borrow to make the payment.

|                           | Pay With Own Money | Pay By Borrowing |
|---------------------------|--------------------|------------------|
| Saving very difficult     | 29%                | 43%              |
| Saving somewhat difficult | 54                 | 32               |
| Saving not very difficult | 61                 | 22               |
| Saving not difficult      | 70                 | 13               |

A surprisingly high percentage of individuals (16%) reported that they carry expensive payday, car title, or pawnshop loan debt. For individuals from middle-income households (\$25,000-75,000), this percentage was close to twenty. Moreover, since individuals surveyed were asked about their own loans and debt, not those of their entire household, the household figures are likely to be higher. That is illustrated by the fact that only 30 percent reported credit card debt, yet all indications are that this percentage for households is over 40 percent.

The survey also revealed that a relatively high percentage of Americans (46%) have looked at their credit report in the past year. This percentage was especially high for those 35-44 years old, those with incomes over \$75,000, and those using credit. Individuals can annually obtain free copies of their credit reports from the three credit bureaus -- Experian, Equifax, and TransUnion -- most easily by accessing the website.

Survey data on 1022 representative adult Americans were collected by the Opinion Research Corporation on November 5-8, 2010. The survey's margin of error is plus or minus three percentage points.

### **About America Saves**

America Saves, managed by the Consumer Federation of America (CFA), is a national initiative in which over 1,000 organizations encourage and assist Americans, especially lower-income households, to save and build wealth. [www.americasaves.org](http://www.americasaves.org).

### **About Experian**

Experian is the leading global information services company, providing data and analytical tools to clients in more than 90 countries. The company helps businesses to [manage credit risk](#), [prevent fraud](#), [target marketing offers](#) and automate decision making. Experian also helps individuals to check their [credit report](#) and [credit score](#) and protect against [identity theft](#).

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended March 31, 2010, was \$3.9 billion.

Experian employs approximately 15,000 people in 40 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; Costa Mesa, California; and São Paulo, Brazil.

For more information, visit [www.experianplc.com](http://www.experianplc.com).