



New Poll Shows African Americans and Hispanics Particularly Concerned About Growing Consumer Indebtedness and Eager for Government Solutions

A bipartisan poll of 1,000 adults on public attitudes toward consumer debt was conducted jointly by Greenberg Quinlan Rosner Research and Public Opinion Strategies and sponsored by the Center for American Progress, the Center for Responsible Lending, the National Military Families Association, and AARP. The poll found that Americans of all races recognize that household debt levels are rising and that consumer debt poses a serious problem for the United States.

African-American and Hispanic respondents were especially likely to view the debt problem as a result of poor economic conditions, a rising cost of living, and a failure of government policy. Although the public as a whole is overwhelmingly in favor of public policy solutions to the debt crisis, African-American and Hispanic respondents were particularly supportive of efforts to alleviate the problem through consumer education programs and initiatives that would decrease the cost of living and lessen the squeeze on middle class families.

KEY FINDINGS

African Americans

- 56% of African Americans described debt levels as a “serious problem.” By the end of the survey, 70% of African Americans described debt as a “serious problem,” compared to only 56% of all respondents. African-American respondents were much less likely to see household debt as a “middle class” issue. Only 54% said that debt is an issue that faces middle class families as well as low-income households, compared to 79% of all respondents.
- 39% of African-American respondents thought the economy was most responsible for the debt problem, compared to only 24% of all respondents.
- African-American respondents were most concerned about not being able to have a secure retirement (43% “very worried”) and not having enough money to pay the bills (34%). By contrast, only 22% worried about losing their home in a natural disaster, and only 20% worried about being hurt or killed in a terrorist attack.
- A total of 28% of African-American respondents reported personal debt over \$20,000, including 12% who reported debt in excess of \$40,000.
- On average, African-American respondents rated collection agencies 22 on a scale of 0 to 100 (0 being very unfavorable). African Americans also had very cool feelings toward credit card companies (36), debt consolidation companies (35), and payday lenders (34). African Americans had relatively favorable views of credit unions (58) and large banks (52).
- 77% of African-American respondents “strongly favored” government efforts to alleviate debt by expanding access to affordable housing, health care, and student loans. African Americans also “strongly favored” expanding consumer education (79%), and cracking down on abusive lending practices (76%).

Hispanics

- 42% of Hispanic respondents described debt levels as a “serious problem.” By the end of the survey, 57% of Hispanics described debt as a “serious problem.” Hispanics overwhelmingly (75%) said that debt was a problem for the middle class and not just for low income families.
- A plurality of 37% of Hispanic respondents thought the government was most responsible for the debt problem, compared to only 23% of all respondents.
- Hispanic respondents were most concerned about not being able to have a secure retirement (47% “very worried”) and not having enough money to pay the bills (39%). By contrast, only 17% worried about losing their home in a natural disaster, and only 21% worried about being the victim of a violent crime.
- A total of 25% of Hispanic respondents reported personal debt over \$20,000, including 14% who reported debt in excess of \$40,000.
- On average, Hispanic respondents rated debt consolidation companies 28 on a scale of 0 to 100 (0 being very unfavorable). Hispanics also had very cool feelings toward payday lenders (29), credit card companies (33), and collection agencies (34). Hispanics had relatively favorable views toward credit unions (54), mortgage brokers (51), and big corporations (50).

- 78% of Hispanic respondents “strongly favored” government efforts to alleviate debt by expanding access to affordable housing, health care, and student loans. Hispanics also “strongly favored” providing savings incentives (82%), consumer education initiatives (75%), and tightening lending regulations (74%).

Whites

- 46% of whites described debt levels as a “serious problem.” By the end of the survey, 53% of whites described debt as a “serious problem.” 83% of whites said debt was a problem for the middle class and not just a problem for low income families.
- A plurality of white respondents (40%) thought that individual borrowers were most responsible for the debt problem.
- White respondents were most concerned about not being able to have a secure retirement (24% “very worried”) and identity theft (20%). By contrast, only 8% worried about losing their home in a natural disaster, and only 6% worried about being hurt or killed in a terrorist attack.
- A total of 20% of white respondents reported personal debt over \$20,000, including 10% who reported debt in excess of \$40,000.
- On average, white respondents rated payday lenders 20 on a scale of 0 to 100 (0 being very unfavorable). Whites also had very cool feelings toward collection agencies (28), credit card companies (36), and used card dealers (39). Whites had relatively favorable views of credit unions (65), large banks (49), and mortgage lenders (49).
- 68% of white respondents “strongly favored” government efforts to alleviate debt by expanding access to affordable housing, health care, and student loans. Whites also “strongly favored” expanding savings incentives (78%), cracking down on abusive lending practices (74%), and expanding consumer education (68%).

For additional details on the responses of African-American and Hispanic survey participants, please see the racial cross tabulation summary document, also available from the Center for American Progress.

Debt Poll Racial Crosstabs Summary

Assessment of Debt Problem

- **Initially, Hispanic respondents were slightly less likely than whites to describe consumer debt as a “very serious” problem, while African-American respondents were more likely to describe consumer debt as a serious problem than whites.**

Q4: *How would you describe the issue of household debt on things like credit cards, car loans, home mortgages and payday loans in this country--a very serious problem, a somewhat serious problem, not too serious a problem, or not a problem at all?*

Percent responding “serious problem”:

Total: 47% Whites: 46% African Americans: 56% Hispanics: 42%

Percent responding “not a problem”:

Total: 5% Whites: 4% African Americans: 1% Hispanics: 12%

- **However, when the question was asked again at the end of the poll, Hispanics were more concerned about debt than whites.**

Q71: *After hearing all this, how would you describe the problem household debt on things like credit cards, car loans, home mortgages and payday loans in this country--a very serious problem, a somewhat serious problem, not too serious a problem, or not a problem at all?*

Percent responding “serious problem”:

Total: 56% Whites: 53% African Americans: 70% Hispanics: 57%

Percent responding “not a problem”:

Total: 1% Whites: 1% African Americans: 1% Hispanics: 1%

- **A higher proportion of African-American respondents than white respondents were “very worried” about every issue tested. Hispanic respondents were more concerned than whites about every threat except identity theft. African Americans and Hispanics tended to express more concern over financial security issues in particular.**

Q5-Q17: *For the following list, please tell me how concerned you are that this might happen to you personally.*

Percent responding “very worried”:

<i>Concern</i>	Total	Whites	African Americans	Hispanics
Not being able to have a secure retirement	30	24	43	47
Being the victim of identity theft	21	20	29	15
Not having enough money to pay bills	19	13	34	39
Getting cancer	18	14	27	29
Falling deep into debt because of medical expenses	15	12	22	23
Having to take on a lot of debt to pay for college	12	8	22	21
Being the victim of a violent crime	11	7	32	21
Losing your home in a natural disaster	11	8	22	17
Being hurt or killed in a terrorist attack	11	6	20	31
Falling deep into debt because of mortgage payments	10	6	22	21
Falling behind on mortgage payments and losing your home	10	5	15	31
Falling deep into debt because of credit card payments	9	6	17	19
Having to file for bankruptcy	8	4	19	18

- **Americans of all races recognize that personal and consumer debt has gone up recently.**

Q33: Over the past five years, do you believe the number of Americans having trouble with household debt on things like credit cards, car loans, payday loans and home mortgage loans has gone up, gone down or stayed about the same?

Percent responding "gone up":

Total: 86% Whites: 85% African Americans: 89% Hispanics: 89%

- **African Americans were considerably less likely than whites and Hispanics to say the debt problem was an issue facing middle class families.**

Q.39 Do you believe the problem of rising household debt in this country is primarily a problem for lower income families or do you believe the problem of debt is also a problem for middle class families, say, those earning around \$50,000 a year?

Percent responding "problem for middle class families too":

Total: 79% Whites: 83% African Americans: 54% Hispanics: 75%

Personal Responsibility

- **At the beginning of the poll, white respondents tended to place the blame for the debt problem on individual borrowers more than African-American and Hispanic respondents.** Hispanic respondents tended to place primary responsibility on the government rather than the economy, whereas African-American respondents thought the economy was more to blame than the government by a 39%-27% margin.

Q.38 And what do you think is the most responsible for this problem: the economy, government, individual borrowers, or lenders and lending institutions?

	Total	Whites	African Americans	Hispanics
Individual Borrowers	35	40	21	22
The Economy	24	21	39	27
Government	23	19	27	37
Lenders and Lending Institutions	10	11	7	9

- **When asked again at the end of the poll, African Americans were less likely to say individuals were primarily responsible, but Hispanics were *more* likely to place the blame on individual borrowing habits.** The proportion of African-American respondents placing primary responsibility on individual borrowers decreased 10 percentage points. However, the proportion of Hispanic respondents pointing toward irresponsible borrowing habits *increased* 11 percentage points from the beginning of the poll. The proportion of African-American respondents who blamed the government increased 10 points, and the proportion who blamed the economy decreased 10 points. Meanwhile, the proportion of Hispanics who placed primary responsibility on the government *dropped* 6 percentage points.

Q.81 After everything we talked about, who do you think is primarily responsible for this growing problem: the economy, government, individual borrowers, or lenders and lending institutions?

	Total	Whites	African Americans	Hispanics
Individual Borrowers	34	38	29	32

The Economy	17	14	11	19
Government	26	24	37	31
Lenders and Lending Institutions	11	12	12	10

- **Americans of all races generally have similar feelings about creditors, with a few exceptions (Q18-Q31). African American, white, and Hispanic respondents had similar opinions of mortgage lenders, car finance companies and credit card companies.** Hispanic respondents tended to have cooler feelings about large banks compared to respondents of other racial backgrounds. Hispanics also were much cooler toward debt consolidation companies than whites and African Americans. African-American and Hispanic respondents had notably warmer feelings toward payday lenders than white respondents.

Q.18 Now, I'd like to rate your feelings toward some people, organizations, and things, with one hundred meaning a VERY WARM, FAVORABLE feeling; zero meaning a VERY COLD, UNFAVORABLE feeling; and fifty meaning not particularly warm or cold. You can use any number from zero to one hundred, the higher the number the more favorable your feelings are toward that person or organization. If you have no opinion or have never heard of that person, thing or organization, please say so.

	Total	Whites	African Americans	Hispanics
Credit Unions	63	65	58	54
Better Business Bureau	61	65	49	56
Mortgage Lenders	48	49	47	47
Large Banks	48	49	52	39
Mortgage Brokers	44	44	37	51
Car Finance Companies	42	43	41	39
Big Corporations	41	41	37	50
Used Car Dealers	39	39	41	42
Debt Consolidation Companies	39	41	35	28
Credit Card Companies	35	36	36	33
Collection Agencies	28	28	22	34
Payday Lenders	23	20	34	29

Financial Behavior and Literacy

- **African-American and Hispanic respondents were more likely to have difficulty paying their bills.**

Q.45 I am going to read you a series of statements about several issues. After each one I read, please tell me if you agree, disagree or if you neither agree, nor disagree.

Percentage agreeing:

Statement	Total	Whites	African Americans	Hispanics
Sometimes because I am short of money, I fall behind on my monthly payments and pay bills late.	29	24	62	27
Frequently because I am short of money, I fall behind on my monthly payments and pay bills late.	23	17	54	32
I have checked my credit rating on	44	44	42	44

line or ordered a credit report in the past year.				
Most financial products such as mortgage loans and credit cards are too complicated and lengthy for me to fully understand.	38	36	34	46
I almost always pay off my entire credit card bill every month.	51	54	33	49

- **African-American respondents were most likely to carry high debt. Hispanic respondents also carried higher debt than whites.**

Q.41 About how much debt do you currently carry? This would include things like credit cards, car loans, student loans, doctor and hospital bills, finance companies, home equity loans and educational loans. Would you say it is none, less than \$1,000, between \$1,000 and \$5,000, between \$5,000 and \$10,000, between \$10,000 and \$20,000, between \$20,000 and \$40,000 or over \$40,000?

Percent with debt over \$20,000:

Total: 20% Whites: 20% African Americans: 28% Hispanics: 25%

Percent with debt over \$40,000:

Total: 10% Whites: 10% African Americans: 12% Hispanics: 14%

- **African-American and Hispanic respondents were less likely to correctly answer questions about personal finance.**

Q.50 Do you know if interest earned in a savings account is taxed like other income or is it NOT subject to federal income tax?

Percent responding "Yes, taxed like other income":

Total: 59% Whites: 64% African Americans: 41% Hispanics: 46%

Q.51 In the last ten years, which of the following do you believe generated the most financial growth: a U.S. Savings Bond, a savings account, a checking account, stocks/mutual funds?

Percent responding "stocks and mutual funds":

Total: 69% Whites: 72% African Americans: 50% Hispanics: 63%

Policy Solutions

- **Clear majorities of *all* racial groups "strongly" support all policy proposals tested, except for proposals to increase competition between payday lenders and more reputable lending institutions.**
- **White and Hispanic respondents were most receptive to proposals that would create incentives for families to save. African Americans were somewhat less receptive to proposals to increase savings incentives.**
- **African-American respondents were most receptive to providing education and counseling to consumers. Hispanic respondents also strongly favored consumer education campaigns, as did white respondents, albeit to a lesser extent.**

- **Hispanic and African-American respondents were considerably more likely than whites to support efforts to reduce the cost of living, although a strong majority of white respondents still supported such measures.**
- **African-American respondents were also somewhat less supportive of implementing a cap on interest rates**

Percentage “strongly favoring…”

<i>Statement</i>	Total	Whites	African Americans	Hispanics
...providing more incentives for people to save money.	77	78	67	82
...creating stronger requirements that companies explain their charges in simple, uncomplicated language.	76	77	74	69
...cracking down on abusive practices by lending companies.	74	74	76	67
...lowering the cost of living with things like affordable health care, housing assistance and low-cost student loans.	70	68	77	78
...providing more education and counseling to consumers.	69	68	79	75
...passing rules that would prevent lending institutions from engaging in abusive practices that would put consumers in unaffordable debt.	69	69	62	74
...putting a cap or limit on the rate of interest credit card companies can charge, even if it means some people will not have access to credit cards.	65	67	56	64
...providing an easy to understand government rating system on financial products that tells people how fair a product is to consumers.	62	63	58	64
...banning credit card companies from raising your interest rates if you make all your payments on time, even if you miss payments on other debts you owe.	61	63	63	52
...increasing competition by giving incentives to reputable lending institutions to compete with pay-day lenders in low-income neighborhoods.	41	40	43	49