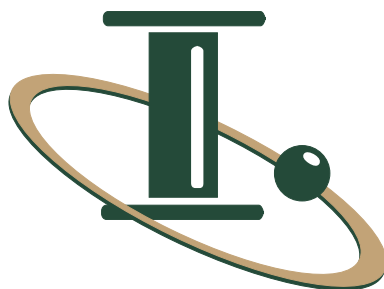


Payday Advance Customer Research Cumulative State Research Report

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Prepared for:
Community Financial Services Association of America

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Executive Summary

Introduction

Io Data Corporation ("Io") was commissioned by the Community Financial Services Association of America ("CFSA") to compile and present consolidated and comparative results of customer surveys performed in various states on the topic of payday advances. Accordingly, state-specific data and results contained herein have previously appeared elsewhere in documents prepared by Io.

The objective of this report is to provide consolidated payday advance customer information regarding the following:

- Customer demographics
- Customer motives for obtaining a payday advance
- Customer perceptions of credit alternatives

Permission was received to use portions of a recent national study performed by the Credit Research Center, McDonough School of Business, Georgetown University (April 2001). The Georgetown Study has been used to validate certain findings in the state studies by comparing payday advance customers in each state to the national customer sample. Herein, consolidated state findings are compared to those in the national sample.

Cumulative Reporting

More than 3,000 payday advance customers have had the opportunity to respond to similar survey questions in the national and state studies. In the six state studies conducted by Io, as many as 2,600 customer re-responded during seven survey waves. This Cumulative Report provides results for those questions common to the majority of survey documents. Cumulative counts and percentages are provided in this report to assist the reader in the following ways:

- Cumulative results provide an overall view of the responses of the 2,600 customers in the state studies;
- Cumulative results facilitate comparisons between the respondents within the various states; and
- Cumulative results facilitate comparisons between the respondents in the state studies and those in the national Georgetown Study.

Payday advance customer studies have been conducted in the states of California, Colorado, Illinois, North Carolina, Utah, and Washington. Specific results from these surveys appear in tables of the Detail section of the report. These tables present counts and percentages for each state. Counts and percentages that are significantly different from the cumulative average for all states are highlighted with shading (please see Methodology).

For purposes of this report, the term “cumulative reporting” does not mean “national reporting,” nor is the cumulative reporting contained herein intended to have any statistical representation. State results, however, do have statistical representation within their respective states.

Customer Demographics

- A majority of the respondents are female (60%). Additionally, 60% of respondents have children under the age of 18 living at home.
- The average age of respondents is 38. 14% were ages 18 - 24, 31% were 24 - 34, 26% were 35 - 44, 17% were 45 - 54, 6% were 55 - 64 and only 2% were 65 or older.
- The median income for respondents is approximately \$34,764 and the average income is approximately \$40,594. 25% of respondents had a household income of \$25,000 or less, 39% report incomes between \$25,000 and \$50,000, and 23% report incomes higher than \$50,000.
- 88% of respondents are high school graduates - 55% attended some college. 21% are college graduates.
- 56% of respondents rent their residence, while 34% are homeowners. 76% have lived in their current residence for at least one year, 50% from one to five years, and 26% for five years or more.
- 74% of respondents have held their current job for at least one year, 45% between one to five years, and 29% for five years or more.
- 41% of respondents said they belong to a credit union, 4% said they are members of the military on active duty, and 12% said they were members of a labor union.

Customer motives for obtaining a payday advance

Respondents gave the following information about obtaining payday advances:

- 89% said that payday advance companies provide a useful service. Only 9% said these companies do not provide a useful service.
- 70% took out a payday advance for an unexpected expense, including a temporary reduction in income (18%). 10% took out the payday advance for expected expenses, and 19% took out a payday advance for other reasons.
- 54% had outstanding payday advances at the time of the survey, while 46% did not.
- The average payday advance amount for the consolidated group is \$321. The median payday advance amount is \$300. The average fee for all respondents was \$63, with a median fee of \$50. When results from Illinois are subtracted, the average fee for the remaining states drops to \$50, and the median fee drops to \$45. (Due to IL state regulations that restrict certain short-term loan transactions, the majority of participating companies offer 31-33 day loans at correspondingly higher fee amounts.)
- 56% said that their most recent payday advance was a renewal of an existing payday advance, while 40% said that their most recent payday advance was new. Of those renewing an advance, 68% had a renewed payday advance outstanding for four weeks or less, and 45% were outstanding for two weeks or less. (The term ‘renewal’ was not defined in the survey and, therefore, could include any type of transaction defined by the customer as such.)



- 82% said they were given "information on the annual percentage rate of interest" when they obtained the payday advance. 15% said they did not receive this information.
- 43% said they considered other borrowing alternatives to a payday advance. Of those who considered alternatives, 39% said they considered going to a bank or savings & loan, and 32% said they considered asking a friend or relative for the money.
- 56% of respondents said that the most important reason they chose a payday advance was for reasons of convenience. Only 10% said the most important reason they chose a payday advance was because no other alternative existed.
- 57% said that the lack of collateral requirements influenced their selection of a payday advance.
- 85% of respondents said that they had not been late in paying back a payday advance in the last 12 months.
- 74 % gave a "Satisfied" rating on their payday advance experience, 18% gave a neutral rating, and only 8% gave a "Dissatisfied" rating.

Customer perceptions of various borrowing options, including payday advances

Survey respondents related the following perceptions and circumstances:

- 55% of respondents have a major credit card.
- Only 19% of respondents "almost always" pay their credit card balances in full each month, 63% pay these balances "sometimes" or "hardly ever."
- 67% reported that during the last five years, they had wanted to apply for credit but did not for fear of being turned down.
- 77% believe that government should not limit the number of annual payday advances.
- 37% believe that government should not limit fees if it means fewer consumers will be able to get credit. Additionally, 37% believe that government should limit payday advance fees, and 21% expressed a neutral opinion.

Methodology

Overall Objective

The objective of this research project was to produce cumulative information from payday advance customer studies conducted for the states of California, Colorado, Illinois, North Carolina, Utah, and Washington. These studies obtained customer information regarding the following:

- Customer demographics
- Customer motives for obtaining a payday advance
- Customer perceptions of credit alternatives

CFSA and/or individual state associations provided Io with membership lists. The Credit Research Center of Georgetown University authorized Io to include in state and consolidated reports references, comparisons and other information obtained for a national study of payday advance customers dated April 2001.

Io prepared a survey document for each state survey, incorporating a number of elements from the Georgetown Study. Io then prepared a survey specifications document for each state survey. This document incorporates the survey methodology, including the following elements:

Source type: Public Opinion

Interview Method: Centralized Computer Assisted Telephone Interviewing

Quota: 200 to 400 surveys for each of the seven survey waves

Readers are referred to the Methodology sections of each component survey report for information about sampling processes, sample populations, survey participation, and other pertinent information. (National and state studies may be obtained through CFSA at (703) 684-1029 or email CFSA@multistate.com)

Cumulative Reporting

Io received over 130,000 records of unique customers who had recently obtained a payday advance from the CFSA or state association member companies in the six states surveyed. The fields that were provided for each customer included the following: Store #, Customer Name, Telephone Number and Address. This information has only been used for the purpose of conducting these surveys and for providing summary data in the state and cumulative reports.



Please refer to the methodology sections of each state report. Io has surveyed 2,600 payday advance customers from the following states:

- California - 600 (400 in the First Wave, 200 in the Second Wave).
- Colorado - 400
- Illinois - 400
- North Carolina - 400
- Utah - 400
- Washington - 400

Cumulative counts and percentages are provided in this report to assist the reader in the following ways:

- Cumulative results provide an overall view of the responses of the 2,600 customers in the state studies;
- Cumulative results facilitate comparisons between the respondents within the various states; and
- Cumulative results facilitate comparisons between the respondents in the state studies and those in the national Georgetown Study.

This Cumulative Report provides results for those questions common to the majority of survey documents. The research and/or analytical objective of this report is to present consolidated payday advance survey results from participating states, to identify certain individual state results which are at conspicuous variance with other state results and to compare the consolidated results with those in the national Georgetown Study. It is beyond the scope of this study to speculate about or explain why differences exist.

Variance

In the tables within the Detail portion of this report, some state results are highlighted with shading, indicating a variance between the state and the cumulative results. Variance is calculated using the statistical error rates presented for each study.

For example, assume that the cumulative result for a question is 50%, and that the Utah result for that question was 45%. Assuming 400 customers were asked this question in the Utah study, the error rate, at a 95% level of confidence, is $\pm 5\%$. Given that the Utah result is somewhere between 40% and 50%, Utah's result includes the cumulative result of 50% and is not at variance with the cumulative number. If, however, Utah's result had been 44%, it would be shaded because the range, including the error rate, of 39% to 49% does not include the cumulative result of 50%.

The error rates for the state surveys were made using the following formula:

Where:

$$e = z \sqrt{\frac{\pi(1 - \pi)}{n}}$$

n = the sample size

e = the error term

π = the population proportion

z = z-value determined according to the specified confidence level

Using the formula, we can estimate the maximum state survey error rates using a confidence level of 95%. For example, as shown below, a sample size of 600 yields an error of $\pm 4\%$, a sample size of 400 yields an error rate of $\pm 5\%$, and a sample size of 200 yields an error of $\pm 7\%$.

Sample Size=600
($\pm 4\%$)

$$.04 = 1.96 \sqrt{\frac{.5(1 - .5)}{600}}$$

Sample Size=400
($\pm 5\%$)

$$.05 = 1.96 \sqrt{\frac{.5(1 - .5)}{400}}$$

Sample Size=200
($\pm 7\%$)

$$.07 = 1.96 \sqrt{\frac{.5(1 - .5)}{200}}$$



Detail

Customer Motives

In the last 12 months, did you take out or make payments on a home mortgage loan, a car loan, a payday advance loan or deferred deposit loan, a car title loan, or a home equity line of credit?

Borrowing Profile

To get an idea about the borrowing profile of payday advance customers, respondents were asked if they had utilized certain forms of credit during the previous 12-month period. As can be seen from the first of the accompanying tables, 100% of respondents said that they had utilized payday advance credit during the past year. Since this was a qualifying condition for participation in the balance of the state and national surveys, the response was identical. Use of remaining forms of credit varied across states.

Payday Advance

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%
No	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Cumulative Customer Study

Home Mortgage Loan

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	666	26%	99	17%	109	27%	128	32%	111	28%	130	33%	89	22%
No	1,930	74%	500	83%	291	73%	272	68%	288	72%	268	67%	311	78%
DK/RF	4	0%	1	0%	0	0%	0	0%	1	0%	2	1%	0	0%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Car Loan

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	1,291	50%	253	42%	221	55%	202	51%	204	51%	225	56%	186	47%
No	1,308	50%	346	58%	179	45%	198	50%	196	49%	175	44%	214	54%
DK/RF	1	0%	1	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Car Title Loan

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	315	12%	60	10%	58	15%	51	13%	49	12%	57	14%	40	10%
No	2,253	87%	533	89%	331	83%	348	87%	345	86%	342	86%	354	89%
DK/RF	32	1%	7	1%	11	3%	1	0%	6	2%	1	0%	6	2%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Home Equity Line of Credit

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	118	5%	23	4%	19	5%	19	5%	20	5%	20	5%	17	4%
No	2,475	95%	576	96%	380	95%	379	95%	379	95%	380	95%	381	95%
DK/RF	7	0%	1	0%	1	0%	2	1%	1	0%	0	0%	2	1%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%



Do you believe that payday advance companies provide a useful service for consumers?

Usefulness of payday advance companies

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	2,325	89%	558	93%	364	91%	348	87%	348	87%	350	88%	357	89%
No	228	9%	34	6%	33	8%	45	11%	39	10%	40	10%	37	9%
DK/RF	47	2%	8	1%	3	1%	7	2%	13	3%	10	3%	6	2%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Perception of Value

By an overwhelming margin, respondents agreed that payday advance companies provide a useful service for consumers (89%). Only 9% of respondents believe that payday advance companies do not provide a useful service. Results of the national survey conducted by Georgetown University were similar, in that 92% of respondents "strongly" or "somewhat" agreed. The overwhelmingly favorable response to this question strongly suggests that payday advance companies serve a real economic need for their customers (Georgetown Study 2001).

Do you have a payday advance outstanding now?

Existing payday advance

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	1,392	54%	380	63%	210	53%	224	56%	176	44%	184	46%	218	55%
No	1,198	46%	215	36%	190	48%	176	44%	223	56%	212	53%	182	46%
DK/RF	10	0%	5	1%	0	0%	0	0%	1	0%	4	1%	0	0%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Current Use

In the aggregate, 54% of respondents said they had a payday advance outstanding at the time they were surveyed. Significant variation exists between states regarding the current use of payday advances. Three states fell outside of the nominal range, including California (63%), North Carolina (44%), and Utah (46%).

In the Georgetown Study, 53% of respondents said they had an outstanding advance at the time they were surveyed.



Is your most recent payday advance a new advance or a renewal of a previous advance?

New advance or renewal

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Renewal	1,449	56%	355	59%	235	59%	214	54%	245	61%	158	40%	242	61%
New Advance	1,034	40%	227	38%	150	38%	169	42%	131	33%	215	54%	142	36%
DK/RF	117	5%	18	3%	15	4%	17	4%	24	6%	27	7%	16	4%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Type of Advance

56% of respondents said that their most recent payday advance was a renewal of an existing advance. With the exception of Utah (40%), a majority of respondents in each state said that their most recent payday advance was a renewal of an existing advance. In the Georgetown Study, 68% of respondents said their recent advances were renewals. It should be noted, however, that the term ‘renewal’ was not defined within the survey document. As such, customer responses to this question could include 1) rollovers, in which an advance is extended by paying just the fee; 2) same-day advances, in which the customer takes out a new advance on the same day s/he repays an outstanding advance in full; or 3) any other type of transaction defined by the customer as a renewal.

How many weeks in a row was, or is, this payday advance outstanding?

How long outstanding

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
Average	5.1		4.5		5.6		5.5		4.1		3.8		7.1	
Median	2.0		2.0		3.0		4.0		2.0		2.5		2.0	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
1 week	146	10%	44	12%	17	7%	16	7%	19	8%	22	14%	28	12%
2 weeks	502	35%	147	41%	81	34%	32	15%	106	43%	52	33%	84	35%
3-4 weeks	344	24%	69	19%	57	24%	86	40%	44	18%	43	27%	45	19%
5+ weeks	286	20%	47	13%	58	25%	51	24%	41	17%	31	20%	58	24%
DK/RF	171	12%	48	14%	22	9%	29	14%	35	14%	10	6%	27	11%
Total	1,449	100%	355	100%	235	100%	214	100%	245	100%	158	100%	242	100%

Renewal Duration

Of payday advances that had been renewed (56% of most recent payday advances - see previous question), 68% were outstanding for four weeks or less (compared to 70% in the Georgetown Study), and 45% were outstanding for two weeks or less (compared to 47% in the Georgetown Study). The average number of weeks outstanding for renewed payday advances is 5.1 weeks. The median number of weeks outstanding for renewed payday advances is 2 weeks. This suggests that most respondents do not allow their payday advances to become long-term transactions.

Generally, respondents from California, North Carolina, and Utah have shorter loan durations than respondents from Colorado, Illinois, and Washington. Duration patterns within states vary greatly, with relatively similar distributions observed in Colorado, Utah, and Washington, and irregular distributions observed in California, Illinois, and North Carolina.



What was the initial reason for getting the payday advance?

Reason for getting payday advance

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Unexpected expense	1,361	52%	318	53%	208	52%	217	54%	229	57%	197	49%	192	48%
Temporary reduction in income	458	18%	103	17%	81	20%	69	17%	59	15%	70	18%	76	19%
Expected expense	258	10%	58	10%	47	12%	43	11%	33	8%	46	12%	31	8%
Some other reason	497	19%	114	19%	64	16%	68	17%	77	19%	79	20%	95	24%
DK/RF	26	1%	7	1%	0	0%	3	1%	2	1%	8	2%	6	2%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Purpose

In what might be considered by some to be the most striking comparison in this report, respondents in all six states agreed, without exception, on the reasons for getting a payday advance as well as the frequency ranking of these reasons. 70% of respondents said that they utilize payday advances for unexpected expenses, including a temporary reduction of income. More discretionary uses of payday advances included those for expected expenses (10%) and other general reasons (19%).

State results were similar to those in the Georgetown Study, in which 66% use payday advance for unexpected expenses, including a temporary reduction in income, 12% for an expected expense and 23% for some other reason.

In your most recent advance, what was the dollar amount you borrowed, not including the fee?

How much did you borrow last time? (w/o fee)

	Cumulative		California		Colorado		Illinois		North Carolina		Washington	
Average	\$321		\$249		\$387		\$308		\$259		\$358	
Median	\$300		\$250		\$300		\$300		\$295		\$300	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
\$1-\$100	144	8%	9	5%	24	6%	45	11%	32	8%	34	9%
\$101-\$200	433	24%	64	32%	59	15%	118	30%	112	28%	80	20%
\$201-\$300	612	34%	113	57%	113	28%	97	24%	207	52%	82	21%
\$301-\$400	135	8%	4	2%	27	7%	40	10%	10	3%	54	14%
\$401-\$500	353	20%	3	2%	155	39%	49	12%	16	4%	130	33%
Over \$500	55	3%	1	1%	10	3%	33	8%	4	1%	7	2%
DK/RF	68	4%	6	3%	12	3%	18	5%	19	5%	13	3%
Total	1,800	100%	200	100%	400	100%	400	100%	400	100%	400	100%

Size of Advance

State laws generally limit the maximum size of payday advances, with more than two thirds limiting the advance amount to \$500 or less (CFSA 2002).

Average dollar amounts borrowed were highest in Colorado (\$387) and lowest in California (\$249). This compares to the composite average of \$321. Overall, 58% of advances are between \$100 and \$300, compared to 73% in the Georgetown Study.

Of those who provided an amount in response to this question, 69% received advances of \$300 or less and 31% received more than \$300. This compares to the Georgetown Study results of 80% and 20%, respectively.

Note: This question was not asked in the California (First Phase) and Utah studies.



What was the dollar amount of the fee you paid to get this advance?

What was the fee for this advance?

	Cumulative		California		Colorado		Illinois		North Carolina		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Average	\$63		\$41		\$62		\$114		\$43		\$49	
Median	\$50		\$45		\$60		\$88		\$45		\$45	
1-\$20	148	8%	10	5%	17	4%	33	8%	44	11%	44	11%
\$21-\$40	410	23%	76	38%	73	18%	32	8%	129	32%	100	25%
\$41-\$60	531	30%	96	48%	109	27%	41	10%	172	43%	113	28%
\$61-\$80	349	19%	3	2%	173	43%	35	9%	11	3%	127	32%
Over \$80	254	14%	7	4%	10	3%	215	54%	19	5%	3	1%
DK/RF	108	6%	8	4%	18	5%	44	11%	25	6%	13	3%
Total	1,800	100%	200	100%	400	100%	400	100%	400	100%	400	100%

What was the fee for this advance? (Excluding Illinois)

	Cumulative		California		Colorado		North Carolina		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%
Average	\$50		\$41		\$62		\$43		\$49	
Median	\$45		\$45		\$60		\$45		\$45	
1-\$20	115	8%	10	5%	17	4%	44	11%	44	11%
\$21-\$40	378	27%	76	38%	73	18%	129	32%	100	25%
\$41-\$60	490	35%	96	48%	109	27%	172	43%	113	28%
\$61-\$80	314	22%	3	2%	173	43%	11	3%	127	32%
Over \$80	39	3%	7	4%	10	3%	19	5%	3	1%
DK/RF	64	5%	8	4%	18	5%	25	6%	13	3%
Total	1,400	100%	200	100%	400	100%	400	100%	400	100%

Fee Amount

Due to Illinois state regulations that restrict certain short-term loan transactions, the majority of participating companies offer 31-33 day loans at correspondingly higher fee amounts (CFSA 2002). Illustrating this point, Illinois respondents said they paid an average fee of \$114 compared to the cumulative average of \$50 for the remaining states. Because of this extreme variation specific to only one state in the nation, a second table is presented without Illinois.

In comparing the advance table on the previous page and the fee tables above, it appears that the ranges of reported fees roughly correspond to the ranges of reported advance amounts in accordance with the fees allowed by state law. This suggests that respondents are aware of and retain the dollar cost associated with obtaining a payday advance.

Note: This question was not asked in the California (First Phase) and Utah studies.

Were you given any information on the annual percentage rate of interest when you got this payday advance?

Given APR information?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	2,123	82%	461	77%	331	83%	345	86%	339	85%	317	79%	330	83%
No	401	15%	130	22%	57	14%	41	10%	53	13%	67	17%	53	13%
DK/RF	76	3%	9	2%	12	3%	14	4%	8	2%	16	4%	17	4%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

APR Disclosure

Overall, 82% reported being given information on the annual percentage rate of interest for the most recent payday advance. 15% said they did not receive APR information, and 3% didn't know or declined to respond.

Regarding the 15% who said they did not receive annual percentage rate information, it is possible, as numerous national studies suggest, that customers of this type of service are more interested in the dollar cost of the advance and, therefore, fail to retain APR information even if it is presented. It is also possible, of course, that required APR disclosures were not effectively made in some or all of these cases.

In comparison, 78% of respondents in the Georgetown Study recalled receiving information on the annual percentage rate for their most recent new advance.



Before you received your most recent payday advance, did you consider sources other than payday advance companies for borrowing the cash?

Other sources considered?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	1,108	43%	227	38%	192	48%	183	46%	162	41%	190	48%	154	39%
No	1,483	57%	370	62%	206	52%	216	54%	238	60%	208	52%	245	61%
DK/RF	9	0%	3	1%	2	1%	1	0%	0	0%	2	1%	1	0%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Other Sources

43% of respondents considered lending sources other than payday advance companies before receiving their most recent payday advance. This compares to 38% in the Georgetown Study.

What other sources did you consider?

What sources? (First Mentions)

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Bank or S&L	397	36%	67	30%	77	40%	86	47%	59	36%	55	29%	53	34%
Friend or Relative	303	27%	83	37%	47	24%	30	16%	41	25%	61	32%	41	27%
Credit Card Company	56	5%	13	6%	13	7%	4	2%	7	4%	12	6%	7	5%
Finance Company	50	5%	7	3%	3	2%	16	9%	14	9%	7	4%	3	2%
Credit Union	42	4%	8	4%	5	3%	8	4%	5	3%	10	5%	6	4%
Pawn Shop	24	2%	6	3%	9	5%	3	2%	0	0%	5	3%	1	1%
Car Title Loan	16	1%	1	0%	3	2%	5	3%	1	1%	5	3%	1	1%
Other Source	161	15%	32	14%	27	14%	19	10%	26	16%	20	11%	37	24%
DK/RF	59	5%	10	4%	8	4%	12	7%	9	6%	15	8%	5	3%
Total	1,108	100%	227	100%	192	100%	183	100%	162	100%	190	100%	154	100%

What sources? (Total Mentions)

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Bank or S&L	437	39%	75	33%	87	45%	90	49%	66	41%	65	34%	54	35%
Friend or Relative	358	32%	98	43%	53	28%	39	21%	47	29%	76	40%	45	29%
Credit Card Company	81	7%	19	8%	15	8%	9	5%	11	7%	17	9%	10	6%
Finance Company	77	7%	13	6%	6	3%	25	14%	18	11%	8	4%	7	5%
Credit Union	65	6%	14	6%	9	5%	12	7%	7	4%	17	9%	6	4%
Pawn Shop	33	3%	6	3%	12	6%	3	2%	1	1%	8	4%	3	2%
Car Title Loan	31	3%	2	1%	5	3%	9	5%	5	3%	8	4%	2	1%
Other Source	189	17%	41	18%	37	19%	27	15%	32	20%	4	2%	48	31%
DK/RF	51	5%	10	4%	8	4%	12	7%	9	6%	7	4%	5	3%
Total	1,322	n=1108	278	n=227	232	n=192	226	n=183	196	n=162	210	n=190	180	n=154



Credit Alternatives

39% of respondents mentioned they had considered getting the money from a bank or savings and loan (36% of first mentions), and 32% had considered asking a relative or friend for the money (27% of first mentions). 7% had considered using a credit card, and 7% had considered using a finance company. Only 3% had considered a Pawn Shop or Car Title Loan.

Responses between states were remarkably similar, both with regard to credit alternatives considered and the frequency ranking of these alternatives. Variances include Illinois, where respondents shifted about ten percentage points of alternative consideration from Friends or Relatives to Bank or S&L. However, the total for both categories in Illinois was still very similar to equivalent totals in other states. Also, a material number of respondents in Washington (31%, Total Mentions) said they had considered alternative sources of credit not enumerated in specific survey categories.

The number of respondents who said they considered asking friends or relatives for a loan (32%) represents one of the few discrepancies between the state studies and the Georgetown Study, in which only 5% considered asking a friend or relative. Also of note, finance companies were mentioned by 30% of the Georgetown respondents, versus only 7% of the cumulative state study respondents.

A major similarity between the national and state studies is the low consideration of pawn shops and car title loan companies. These findings suggest that respondents do not consider these short-term lenders as comparable alternatives to a payday advance.

What was the most important reason for choosing a payday advance rather than another source?

Most important reason for choosing a payday advance

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Quick and easy process	622	29%	79	23%	124	31%	119	30%	127	32%	44	23%	129	32%
Convenient location	321	15%	52	15%	51	13%	75	19%	59	15%	27	14%	57	14%
Faster approval	234	11%	41	12%	34	9%	53	13%	43	11%	19	10%	44	11%
No other alternative	221	10%	35	10%	46	12%	35	9%	41	10%	22	12%	42	11%
Short term, no revolving debt	56	3%	11	3%	8	2%	10	3%	14	4%	6	3%	7	2%
Less harm to credit	55	3%	8	2%	10	3%	6	2%	9	2%	9	5%	13	3%
Less expensive than other sources	33	2%	4	1%	6	2%	4	1%	11	3%	7	4%	1	0%
Less paper work	27	1%	6	2%	6	2%	3	1%	5	1%	4	2%	3	1%
Greater privacy	23	1%	6	2%	4	1%	2	1%	4	1%	2	1%	5	1%
More respectful employees	8	0%	2	1%	1	0%	3	1%	1	0%	0	0%	1	0%
Some other reason	462	22%	90	26%	99	25%	76	19%	76	19%	36	19%	85	21%
DK/RF	79	4%	17	5%	11	3%	14	4%	10	3%	14	7%	13	3%
Total	2,141	100%	351	100%	400	100%	400	100%	400	100%	190	100%	400	100%

Rationale for Choice

Survey respondents in each of the six states generated remarkably similar reasons for choosing a payday advance rather than some other source. As is the case with each of the individual state surveys, the data in the accompanying table confirms that respondents prefer payday advances for reasons of convenience. 56% of respondents selected reasons of convenience including “Quick and easy process” (29%), Convenient location (15%), Faster approval (11%), and Less paper work (1%). 10% of the aggregate sample said a payday advance was chosen because there was no other alternative.

Compare this to 70% in the Georgetown Study who identified an element of convenience and 6% who stated no other sources of credit were available.



Payday advances do not require collateral. Was this a factor in your choice to obtain a payday advance?

Was collateral a factor?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	1,477	57%	343	57%	227	57%	233	58%	248	62%	214	54%	212	53%
No	1,077	41%	243	41%	170	43%	159	40%	148	37%	176	44%	181	45%
DK/RF	46	2%	14	2%	3	1%	8	2%	4	1%	10	3%	7	2%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Collateral Issues

57% of respondents said that the lack of a collateral requirement influenced their selection of a payday advance. Frequencies for each state were similar to the cumulative result.

Please note that, according to survey methodology, responses to the previous question were volunteered by respondents without benefit of having been provided possible choices by the surveyor. There were not a material number of respondents to the previous question who volunteered that collateral considerations played any role in their decision to obtain payday advances. The response to this question should be viewed in this light.

How would you rate your overall experience with your most recent payday advance?

Satisfaction - payday advance

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Satisfied	1,923	74%	478	80%	296	74%	271	68%	298	75%	267	67%	313	78%
Neutral	459	18%	91	15%	64	16%	95	24%	59	15%	93	23%	57	14%
Dissatisfied	201	8%	29	5%	37	9%	33	8%	38	10%	39	10%	25	6%
DK/RF	17	1%	2	0%	3	1%	1	0%	5	1%	1	0%	5	1%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Overall Satisfaction

Respondents were asked to rate their overall experience with their most recent payday advance on a scale of 1 to 5, where 5 is VERY SATISFIED and 1 is VERY DISSATISFIED. Overall, respondents were generally satisfied with their payday advance experience (74% rating their experience a 4 or 5 on a 5-point scale). California respondents were more likely to be satisfied (80%), while Illinois (68%) and Utah (67%) respondents were less likely to be satisfied.

Overall, only 8% of respondents stated that they were dissatisfied with their recent payday advance experience. No state varied significantly from the overall dissatisfaction result.

In comparison, 75% of the respondents in the Georgetown Study were satisfied, 13% were neutral, and 12% were dissatisfied with their payday advance experience.



In the last 12 months, have you ever been late in paying back a payday advance?

Late paying payday advance?

	Cumulative		California		Colorado		Illinois		North Carolina		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	264	15%	35	18%	54	14%	48	12%	66	17%	61	15%
No	1,535	85%	165	83%	346	87%	351	88%	334	84%	339	85%
DK/RF	1	0%	0	0%	0	0%	1	0%	0	0%	0	0%
Total	1,800	100%	200	100%	400	100%	400	100%	400	100%	400	100%

Delinquency Rate

85% of respondents said they had not been late in paying back a payday advance during the last 12 months. Each of the state survey results were strikingly similar:

In comparison, 76% of payday advance borrowers responding to the Georgetown Study repaid on time.

Note: This question was not asked in the California (First Phase) and Utah studies.

Customer Perceptions of Borrowing Options

Do you have a Visa, Master Card, Discover Card, or Optima Card?

Credit Cards?

	Cumulative		California		Colorado		Illinois		North Carolina		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	984	55%	125	63%	237	59%	202	51%	202	51%	218	55%
No	807	45%	74	37%	161	40%	196	49%	195	49%	181	45%
DK/RF	9	1%	1	1%	2	1%	2	1%	3	1%	1	0%
Total	1,800	100%	200	100%	400	100%	400	100%	400	100%	400	100%

Credit Card Ownership

Overall, 55% of respondents said that they had at least one of the listed credit cards. Only California fell outside of the nominal range, where 63% said they had one of the cards.

In comparison, 57% of respondents in the Georgetown Study reported having at least one of these credit cards.

Note: This question was not asked in the California (First Phase) and Utah studies.



Thinking about your credit cards, would you say that you almost always, sometimes, or hardly ever pay off the total balance in full each month?

Monthly payment of credit card balances in full

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Almost always	353	19%	88	15%	58	24%	41	20%	57	28%	54	14%	55	25%
Sometimes	283	15%	86	14%	32	14%	41	20%	31	15%	58	15%	35	16%
Hardly ever	888	48%	245	41%	128	54%	110	54%	105	52%	183	46%	117	54%
DK/RF	335	18%	181	30%	19	8%	10	5%	9	4%	105	26%	11	5%
Total	1,859	100%	600	100%	237	100%	202	100%	202	100%	400	100%	218	100%

Credit Card Payment Habits

19% of respondents “almost always” pay off the total balance of their credit cards each month; 15% “sometimes” and 48% “hardly ever” pay off their credit card balances.

Respondents in North Carolina (28%) and Washington (25%) are more likely to “almost always” pay credit card balances in full when compared with the six-state sample (19%). Utah respondents are the least likely to pay off credit card balances (14%) followed by California (15%). Material percentages of respondents in California (30%) and Utah (26%) said they “didn’t know” or declined a response altogether.

Note that variances of California and Utah to this question are likely the result of different methodological approaches. In those studies, all respondents were asked this question. In other state studies, only respondents who reported having a credit card (see previous question) were asked this question.

In comparison, nearly 25% of respondents in the Georgetown Study pay their credit card balances in full and 55% hardly ever pay off their balances in full.

During the last five years, did you ever want to apply for credit, but decided not to because you thought you'd be turned down?

Afraid to ask for credit?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	1,747	67%	409	68%	242	61%	272	68%	285	71%	273	68%	266	67%
No	837	32%	187	31%	156	39%	128	32%	112	28%	124	31%	130	33%
DK/RF	16	1%	4	1%	2	1%	0	0%	3	1%	3	1%	4	1%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Borrowing Apprehension

Overall, respondents reported substantially similar levels of apprehension about requesting credit (67%). This compares to 68% of respondents in the Georgetown Study who stated that they didn't apply for credit because they thought they would be turned down.



Should the government make it harder to get payday advances by limiting how many payday advances you can get in a year?

Should government limit yearly payday advances?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	417	16%	85	14%	55	14%	74	19%	74	19%	66	17%	63	16%
No	1,993	77%	466	78%	319	80%	288	72%	296	74%	305	76%	319	80%
DK/RF	190	7%	49	8%	26	7%	38	10%	30	8%	29	7%	18	5%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Regulation of Number of Advances

A significant percentage of respondents (77%) do not want the number of annual payday advances limited by governmental intervention. Every state's response to this question fell within the nominal range.

In comparison, 69% of respondents in the Georgetown Study said that the number of annual payday advances should not be limited.

Do you agree or disagree with the following statement:
 “Government should limit fees that payday advance companies charge even if it means fewer consumers will be able to get credit.”

Should government limit payday advance fees?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Agree	958	37%	209	35%	152	38%	183	46%	162	41%	118	30%	134	34%
Neutral	541	21%	105	18%	92	23%	93	23%	87	22%	81	20%	83	21%
Disagree	972	37%	245	41%	138	35%	107	27%	130	33%	183	46%	169	42%
DK/RF	129	5%	41	7%	18	5%	17	4%	21	5%	18	5%	14	4%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Regulation of Fees

37% of respondents agreed that government should limit fees even if this results in restricted credit availability, and another 37% disagreed. Illinois respondents were more likely to agree that government should limit fees (46%). This response is understandable in that Illinois state regulations restrict certain short-term loan transactions, resulting in the majority of participating companies offering 31-33 day loans at correspondingly higher fee amounts.



Demographics

Do you own your home, rent, or have some other living arrangements?

Own or rent?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Own	883	34%	129	22%	140	35%	172	43%	166	42%	161	40%	115	29%
Rent	1,443	56%	404	67%	222	56%	189	47%	176	44%	200	50%	252	63%
Other	258	10%	61	10%	37	9%	38	10%	54	14%	37	9%	31	8%
DK/RF	16	1%	6	1%	1	0%	1	0%	4	1%	2	1%	2	1%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Home Ownership

34% of respondents own their own homes (compared to 42% in the Georgetown Study), although the percentages of home ownership vary widely from state to state. Of all six states, only Colorado's results fell entirely within the nominal range. 67% of respondents in California rent while only 44% of North Carolina respondents rent their residence.

How long have you lived in your current residence?

Time at residence

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Less than 1 year	591	23%	108	18%	105	26%	73	18%	72	18%	125	31%	108	27%
Between 1-3 years	885	34%	219	37%	145	36%	120	30%	130	33%	136	34%	135	34%
Between 3-5 years	419	16%	118	20%	60	15%	69	17%	65	16%	52	13%	55	14%
Between 5-10 years	357	14%	78	13%	47	12%	81	20%	63	16%	36	9%	52	13%
10 years or more	323	12%	69	12%	41	10%	54	14%	64	16%	48	12%	47	12%
DK/RF	25	1%	8	1%	2	1%	3	1%	6	2%	3	1%	3	1%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Time at Current Residence

Survey respondents had similar length of residency profiles from state to state. 76% of respondents have lived in their current residence for over one year, 50% have lived in their current residence from one to five years, and 26% for five years or more.



What is the last level of education that you have completed?

Education

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Grade School or less	39	2%	9	2%	4	1%	5	1%	9	2%	7	2%	5	1%
Some High School	226	9%	47	8%	31	8%	49	12%	39	10%	25	6%	35	9%
High School Graduate	776	30%	174	29%	119	30%	133	33%	113	28%	120	30%	117	29%
Vocational/Technical School	86	3%	26	4%	11	3%	5	1%	13	3%	13	3%	18	5%
Some College	895	34%	213	36%	134	34%	139	35%	125	31%	146	37%	138	35%
College Graduate	463	18%	96	16%	84	21%	55	14%	83	21%	70	18%	75	19%
Some Postgraduate Work	31	1%	10	2%	4	1%	2	1%	5	1%	6	2%	4	1%
Postgraduate Degree or more	48	2%	16	3%	8	2%	7	2%	5	1%	8	2%	4	1%
DK/RF	36	1%	9	2%	5	1%	5	1%	8	2%	5	1%	4	1%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Education

The educational makeup of respondents is quite similar for each state. 88% graduated from high school, 55% attended some college, and 21% are college graduates.

Georgetown Study results were similar, with 94% having at least a high school degree, 56% having attended college and 19% having a college degree.

How long have you been in your current job?

Employment tenure

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Less than 1 year	369	14%	71	12%	65	16%	54	14%	45	11%	81	20%	53	13%
Between 1-3 years	772	30%	169	28%	131	33%	104	26%	116	29%	119	30%	133	33%
Between 3-5 years	403	16%	93	16%	62	16%	70	18%	58	15%	57	14%	63	16%
Between 5-10 years	372	14%	99	17%	55	14%	57	14%	57	14%	56	14%	48	12%
10 years or more	380	15%	124	21%	41	10%	59	15%	66	17%	36	9%	54	14%
DK/RF	304	12%	44	7%	46	12%	56	14%	58	15%	51	13%	49	12%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Employment Tenure

74% of respondents have held their current job for at least one year, 45% between one to five years, and 29% for five years or more. Length of employment results were substantially similar in all states, with the exception that Utah exhibits somewhat less employment stability than the aggregate sample, while California exhibits somewhat greater employment stability compared with the other states in the survey.



Are you a member of a credit union? The military, on active duty? A labor union?

Member of credit union?

	Cumulative		California		Colorado		Illinois		North Carolina		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	731	41%	79	40%	165	41%	150	38%	180	45%	157	39%
No	1,043	58%	115	58%	231	58%	245	61%	214	54%	238	60%
DK/RF	26	1%	6	3%	4	1%	5	1%	6	2%	5	1%
Total	1,800	100%	200	100%	400	100%	400	100%	400	100%	400	100%

Member of active duty military?

	Cumulative		California		Colorado		Illinois		North Carolina		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	71	4%	6	3%	18	5%	7	2%	22	6%	18	5%
No	1,701	95%	188	94%	379	95%	387	97%	372	93%	375	94%
DK/RF	28	2%	6	3%	3	1%	6	2%	6	2%	7	2%
Total	1,800	100%	200	100%	400	100%	400	100%	400	100%	400	100%

Member of labor union?

	Cumulative		California		Colorado		Illinois		North Carolina		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	214	12%	32	16%	31	8%	68	17%	16	4%	67	17%
No	1,559	87%	162	81%	365	91%	327	82%	378	95%	327	82%
DK/RF	27	2%	6	3%	4	1%	5	1%	6	2%	6	2%
Total	1,800	100%	200	100%	400	100%	400	100%	400	100%	400	100%

Affiliations

Overall, 41% of respondents are credit union members (compared to 49% in the Georgetown Study), 4% (2% in the Georgetown Study) are members of the active-duty military, and 12% are labor union members. Various state respondents belonged to the subject organizations in equal proportion, with the exception of respondents in North Carolina who said they belong to a labor union (4%), compared with the aggregate survey result (12%).

Note: This question was not asked in the California (First Phase) or Utah studies.

Are there any children under the age of 18 currently living in your household?

Children under 18 at home?

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Yes	1,572	60%	347	58%	253	63%	260	65%	226	57%	246	62%	240	60%
No	997	38%	245	41%	144	36%	135	34%	166	42%	152	38%	155	39%
DK/RF	31	1%	8	1%	3	1%	5	1%	8	2%	2	1%	5	1%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Family Profile

60% of all respondents said there were children under 18 currently living at home (compared to 64% in the Georgetown Study). No state's response fell outside of the nominal range.



Household Income

In order to determine the household income of payday advance customers, the respondents were asked the following question: “To get a picture of people’s financial situation we need to know the general range of income of the people we interview. Now, thinking about (your/your family’s) total income from all sources, including your job, disability, social security, and stock dividends, how much did (you/your family) receive in 2000/2001?”

Household Income

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Average	\$40,594		\$44,800		\$41,300		\$35,950		\$37,200		\$41,000		\$41,100	
Median	\$34,764		\$39,485		\$36,500		\$32,066		\$31,900		\$35,000		\$33,720	
\$0-\$15,000	255	10%	46	8%	33	8%	63	16%	44	11%	30	8%	39	10%
\$15,000-\$24,999	393	15%	72	12%	63	16%	60	15%	70	18%	59	15%	69	17%
\$25,000-\$34,999	487	19%	99	17%	74	19%	75	19%	75	19%	82	21%	82	21%
\$35,000-\$49,999	514	20%	102	17%	85	21%	88	22%	75	19%	88	22%	76	19%
\$50,000-\$74,999	424	16%	125	21%	78	20%	42	11%	53	13%	68	17%	58	15%
\$75,000-\$99,999	107	4%	31	5%	14	4%	18	5%	10	3%	14	4%	20	5%
\$100,000-\$149,999	52	2%	19	3%	9	2%	5	1%	6	2%	1	0%	12	3%
\$150,000+	15	1%	1	0%	1	0%	1	0%	2	1%	7	2%	3	1%
DK/RF	353	14%	105	18%	43	11%	48	12%	65	16%	51	13%	41	10%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Income

Of those respondents who offered income information, 25% of respondents reported incomes of \$25,000 or less, 39% report incomes between \$25,000 and \$50,000, and 23% report incomes greater than \$50,000. The average household income among respondents is approximately \$40,594 and the median household income is approximately \$34,764.

Respondent income profiles are quite similar from state to state. Only California and Illinois have single variances. When considering geography and the inherent differences between states, this similarity is extraordinary.

In comparison, 23% of Georgetown Study respondents reported incomes of \$25,000 or less, 52% reported incomes between \$25,000 and \$50,000, and 25% reported incomes greater than \$50,000.

What is your age?

Age

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Average	38		38		37		39		39		34		37	
Median	36		37		36		38		37		32		35	
18-24	351	14%	63	11%	46	12%	35	9%	46	12%	99	25%	62	16%
25-34	805	31%	182	30%	135	34%	124	31%	117	29%	122	31%	125	31%
35-44	688	26%	153	26%	111	28%	112	28%	105	26%	99	25%	108	27%
45-54	449	17%	115	19%	63	16%	73	18%	76	19%	56	14%	66	17%
55-64	163	6%	41	7%	24	6%	29	7%	32	8%	13	3%	24	6%
65 +	60	2%	17	3%	10	3%	16	4%	7	2%	6	2%	4	1%
DK/RF	84	3%	29	5%	11	3%	11	3%	17	4%	5	1%	11	3%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Age

The average age of the respondents is 38. The median age is 36. 73% of respondents reported their ages from 18-44. The remaining respondents were mostly in the 45-54 age group. Only 2% were 65 years or older.

Respondent age profiles are very similar from state to state. Only Utah exhibits a single result outside of the nominal range with more respondents between the ages of 18 and 24 (25%) than the cumulative (14%).

That payday advance customers tend to be younger than the general population is consistent with the Georgetown Study. 68% reported ages 44 or younger, and only 3.5% were 65 years or older.



Respondent Gender

Gender

	Cumulative		California		Colorado		Illinois		North Carolina		Utah		Washington	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
Male	1,028	40%	225	38%	188	47%	141	35%	140	35%	154	39%	180	45%
Female	1,572	60%	375	63%	212	53%	259	65%	260	65%	246	62%	220	55%
Total	2,600	100%	600	100%	400	100%	400	100%	400	100%	400	100%	400	100%

Gender

Survey respondents are predominantly female (60%), although this difference is less pronounced in Colorado where 53% of respondents are female. Georgetown results were similar where 59% of respondents are female.

Appendix

Survey Document

Payday Advance Survey

Hello, my name is _____ with Io Data Corporation, a market research firm located in Salt Lake City, Utah. We are conducting a short survey about different types of loans and credit and would like to include your opinions. We want to assure you that your responses will be kept confidential.

1. In the last 12 months, did you take out or make payments on . . . (READ LIST)

	<u>YES</u>	<u>NO</u>	<u>DK/RF</u>
a) A home mortgage loan	1	2	9
b) A car loan	1	2	9
c) A payday advance loan or deferred deposit loan	1	2	9
(IF 1c≠1, THANK AND CLOSE)			
d) A car title loan	1	2	9
e) A home equity line of credit	1	2	9

2. You mentioned that you recently received a payday advance and we would like your opinions about payday advances. Do you believe that payday advance companies provide a useful service for consumers?

- 1) YES
- 2) NO
- 9) DK/RF

3. Now, we would like to ask you a few questions on your experiences with payday advances. Do you have a payday advance outstanding now?

- 1) YES
- 2) NO
- 9) DK/RF

4. Is your most recent payday advance a new advance or a renewal of a previous advance?

- 1) RENEWAL (PROCEED TO Q4a)
- 2) NEW ADVANCE (SKIP TO Q5)
- 9) DK/RF (SKIP TO Q5)

4a. How many weeks in a row was, or is, this payroll advance outstanding?

_____ WEEKS (Range 1-52) 99) DK/RF



5. What was the initial reason for getting the payday advance? Was it for (READ LIST 1-4)
- 1) An unexpected expense
 - 2) An expected expense
 - 3) Getting through a temporary reduction in income
 - 4) Some other reason
 - 9) DK/RF
6. In your MOST RECENT advance, what was the dollar amount you borrowed, not including the fee?
- \$ _____ 9999) DK/RF
7. What was the dollar amount of the fee you paid to get this advance?
- \$ _____ 9999) DK/RF
8. Were you given any information on the annual percentage rate of interest when you got this payday advance?
- 1) YES
 - 2) NO
 - 9) DK/RF
9. Before you received your most recent payday advance, did you consider sources other than payday advance companies for borrowing the cash?
- 1) YES (PROCEED TO Q10)
 - 2) NO (SKIP TO Q11)
 - 9) DK/RF (SKIP TO Q11)
10. What other sources did you consider?
(DO NOT READ LIST. RECORD ANY MENTIONED) Any other sources?
- 1) Bank or Savings and Loan
 - 2) Car Title Loan
 - 3) Credit Card Company
 - 4) Credit Union
 - 5) Finance Company
 - 6) Loan from a Friend or Relative
 - 7) Pawn Shop
 - 8) Other Source
 - 9) DK/RF

11. What was the MOST IMPORTANT reason for choosing a payday advance rather than another source? (DO NOT READ LIST. ACCEPT ONE ANSWER ONLY)

- 1) A more convenient location
- 2) Greater privacy
- 3) Less paper work
- 4) Faster approval
- 5) More respectful employees
- 6) Quick and easy process
- 7) A short term, or no revolving debt
- 8) Less harm to my credit
- 9) Less expensive than other sources for borrowing cash
- 10) No other alternative source for borrowing cash
- 11) Some other reason
- 12) DK/RF

12. Payday advances do not require collateral. Was this a factor in your choice to obtain a payday advance instead of using other sources of borrowing?

- 1) YES
- 2) NO
- 9) DK/RF

13. On a scale from 1 to 5, where 5 is VERY SATISFIED and 1 is VERY DISSATISFIED, how would rate your overall experience with your most recent payday advance?

VERY DISSATISFIED					VERY SATISFIED	DK/RF
1	2	3	4	5		9

14. In the last 12 MONTHS, have you ever been late in paying back a payday advance?

- 1) YES
- 2) NO
- 9) DK/RF

15. Do you have a VISA, Master Card, Discover Card, or Optima Card?

- 1) YES (PROCEED TO Q18)
- 2) NO (SKIP TO Q19)
- 9) DK/RF (SKIP TO Q19)

16. Thinking about your credit cards, would you say that you ALMOST ALWAYS, SOMETIMES, or HARDLY EVER pay off the total balance in full each month?

- 1) ALMOST ALWAYS
- 2) SOMETIMES
- 3) HARDLY EVER
- 4) DK/RF



17. During the last five years, did you ever want to apply for credit, but decided not to because you thought you'd be turned down?

- 1) YES
- 2) NO
- 9) DK/RF

18. Should the government make it harder to get payday advances by limiting how many payday advances you can get in a year?

- 1) YES
- 2) NO
- 9) DK/RF

19. On scale from 1 to 5, where 5 is STRONGLY AGREE and 1 is STRONGLY DISAGREE, how do you feel about the following statement: "Government should limit fees that payday advance companies charge even if it means fewer consumers will be able to get credit."

STRONGLY DISAGREE						STRONGLY AGREE	DK/RF
1	2	3	4	5			9

20. (IF Q1a≠1, ASK; OTHERWISE SKIP TO Q23) Do you own your home, rent, or have some other living arrangements?

- 1) OWN
- 2) RENT
- 3) OTHER
- 9) DK/RF

21. How long have you lived in your current residence?
(DO NOT READ LIST. RECORD ONE ANSWER ONLY).

- 1) Less than 1 year
- 2) Between 1-3 years
- 3) Between 3-5 years
- 4) Between 5-10 years
- 5) 10 years or more
- 9) DK/RF

22. What is the last level of education that you have completed? (DO NOT READ LIST. RECORD ONE ANSWER ONLY)

- | | |
|-------------------------|--------------------------------|
| 1) Grade School or Less | 6) College Graduate |
| 2) Some High School | 7) Some Postgraduate Work |
| 3) High School Graduate | 8) Postgraduate Degree or More |

- 4) Vocational/Technical School 9) DK/RF
- 5) Some College

23. How long have you been in your current job? (DO NOT READ LIST. RECORD ONE ANSWER ONLY)

- 1) Less than one year 4) Between 5-10 years
- 2) Between 1-3 years 5) 10 years or more
- 3) Between 3-5 years 9) DK/RF

24. Are you a member of(READ LIST)

	<u>YES</u>	<u>NO</u>	<u>DK/RF</u>
a. A credit union	1	2	9
b. The military, on active duty	1	2	9
c. A labor union	1	2	9

25. Are there any children under the age of 18 currently living in your household?

- 1) YES
- 2) NO
- 9) DK/RF

26. To get a picture of people's financial situation we need to know the general range of income of the people we interview. Now, thinking about (your/your family's) total income from all sources, including your job, disability, social security, and stock dividends, how much did (you/your family) receive in 2001? (DO NOT READ LIST).

- 1) \$0-\$15,000 6) \$75,000-\$99,000
- 2) \$15,000-\$24,999 7) \$100,000-\$149,999
- 3) \$25,000-\$34,999 8) \$150,000 +
- 4) \$35,000-\$49,999 9) DK/RF
- 5) \$50,000-\$74,999

27. What is your age?

_____ years old 99) DK/RF

29. Record Gender:

- 1) Male 2) Female

That completes our survey. Again, this is _____ with Io Data Corporation. Thank you very much for your time and opinions.



Research Specifications

Community Financial Services Association Recent Customers Research Specifications

Study Type	Public Opinion Survey
Interview Method	Centralized, computer-assisted telephone interviewing (CATI or CRT).
Time of Interview	Daytime and evenings (respondent local time) and Saturday. Up to four attempts to complete interview. Surveying must be terminated at 8:30 p.m. (respondent local time).
Interview Period	Complete as soon as possible (see quota).
Length of Interview	Approximately 8 minutes (see attached survey).
Sample Type	Listing of customers who recently obtained payday or deferred deposit loans.
Sample Format	Sample provided separately for each state. Tab delimited with following format: Io #, First Name, Last Name, Phone (#####).
Quota	n=400 per state (Phase 1 of California) n=200 for Phase 2 of California Project total: n=2,600.
Qualifications	Person listed on the sample. Question 1 is a qualifying question.
Incidence	Estimated average incidence of 39%.
Sample Management	Upon receipt, sample is checked for completeness in terms of phone number.
Reporting Requirements	<u>Field Management</u> Daily report on number of completes per state to Io Data. <u>Database Management</u> Tab file of data formatted to export to a PC based spreadsheet format and transmitted via electronic mail. One data file per state is required. Return Io # field with data file.