

***Exploring the Financial Landscape Facing  
Veterans in Nevada: Financial Literacy,  
Decision-making, and Payday Loans***

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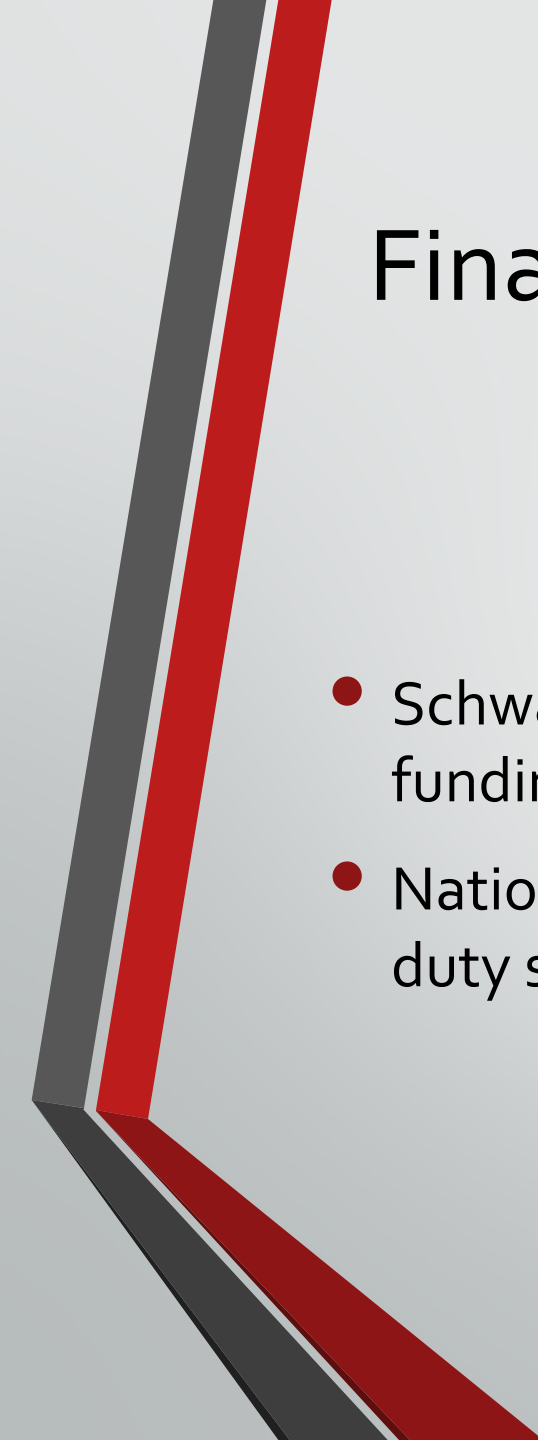
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# Abstract

- Financial studies on the stability and well-being of American veterans have focused on a variety of topics including the financial literacy, decision-making, and transitional preparedness.
- The financial literature began to assess the impact of predatory (payday) lending on active duty service members in the past two decades, which has led to Federal Legislation to help protect active duty personnel.
- This article summarizes data gathered by this UNLV survey, which found a high rate of payday lending usage by veterans in Nevada.
- The goal of this study is to provide a description of the financial landscape facing veterans in Nevada with the hope of encouraging future studies to further explore the results and relationships presented.



# Financial Landscape Facing Nevada Veterans: Problem and Investigation

- Schwab Bank along with the Veteran Policy Leadership Institute provide funding to UNLV-SEPA to conduct veteran financial stability study
- National Foundation for Credit Counseling national survey included active duty specific survey in 2014 (used as a baseline)

# Literature Review: Veteran Transition, Finance and Payday Lending, and Military Payday Lending

- Veteran financial issues have been reported since the Revolutionary Era
- Transitional Preparedness training formally began in 1960s and has been revised as recently as 2013.
- Early research noted differences in transitional experiences between military service eras
- 1990s – Payday lenders make entry into the financial market
- 2000s - \$40 to \$50 Billion in Profits
- Payday lenders commonly found at higher rates in military communities
- 2007 Military Lending Act – caps the maximum interest rate for payday loans at 36% (extended in 2015)

# Research Questions, Design, and Methodology

- What financial issues do veterans commonly face?
- Are they using payday lenders? If so, why, how often, for what reasons?
- The design sought to accomplish the study goal, which was to explore if there was a payday lending issue, while assessing the overall financial landscape of Nevada veterans.
- The survey was initially distributed by Veteran Program Offices at Nevada System of Higher Education institutions before posting online link.
- Selected questions from NFCC survey were modified and adapted to provide some comparison capacity.

# Results and Outcomes

**Table 1. Summary of Veteran Employment Status, (n=376)**

Employment Status	Frequency	Percent
Employed full-time	140	37.2
Employed part-time	64	17.0
Not employed, but looking for work	64	17.0
Not employed and not looking for work	30	8.0
Retired military/Second career	26	
Unable to work due to a disability or illness	26	
Stay at home spouse or partner	14	
Self employed	12	
<b>Total</b>	<b>376</b>	

**Table 2. Payday Lending Usage by Nevada County, (n=73)**

Nevada County	Frequency	Percent
Clark County	64	88.9
Washoe County	6	8.3
Elko County	1	1.4
Nye County	1	1.4
<b>Total*</b>	<b>72</b>	

\* One respondent record was reported as “Missing”

**Table 3. Reasons for Accessing a Payday Lending Service, (n=73)\***

Reason for Using Payday Loan	Frequency	Percent of Respondents	Percent of All Responses
Unexpected Expenses	41	56.2	24.3
Difficulty paying monthly bills (gas, heat, electricity)	34	46.6	20.1
Difficulty paying for housing	25	34.2	14.8
Difficulty paying for debt (credit card, vehicle loan, student loans)	24	32.9	14.2
Needed extra money for school supplies	15	20.5	8.9
Needed extra money for leisure (entertainment or travel)	11	15.1	6.5
Needed extra money for seasonal or holiday gifts	10	13.7	5.9
Medical Emergency	9	12.3	5.3
<b>Total</b>	<b>169</b>		

\*Question was asked to elicit multiple responses from survey participants.

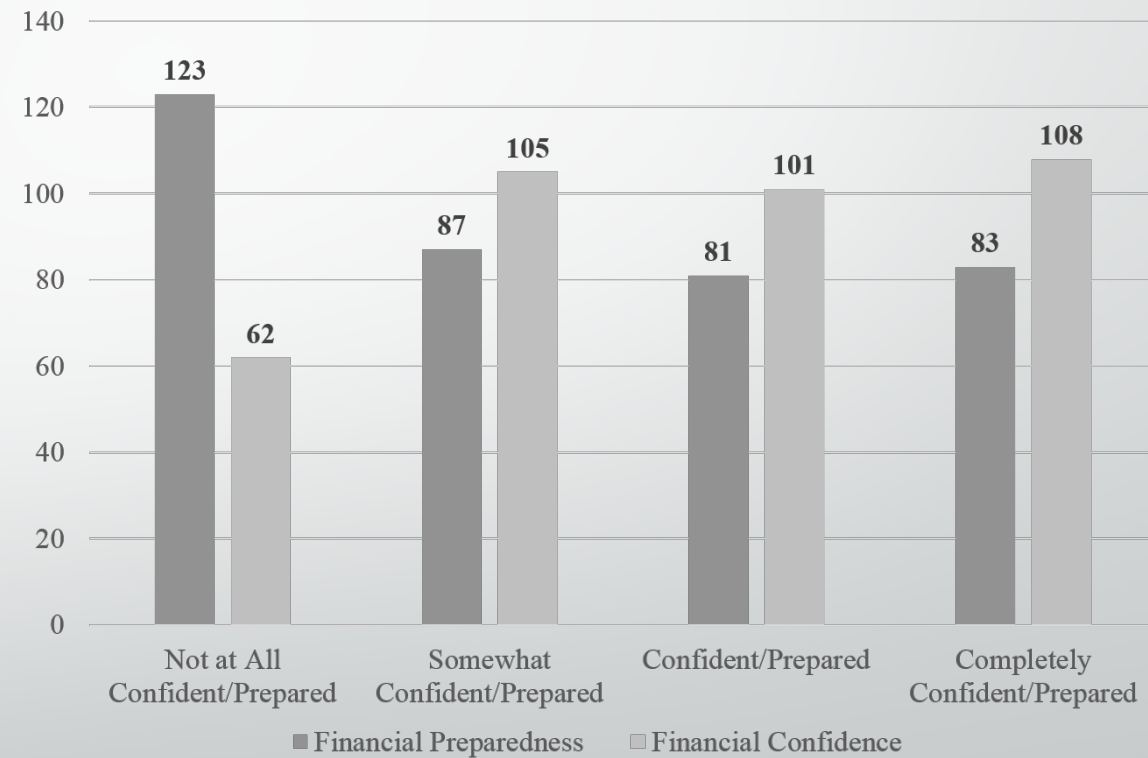
# Results and Outcomes

**Table 4. Source of Awareness of Payday Lending Services, (n=73)\***

Source of Payday Lending Awareness	Frequency	Percent of Respondents	Percent of All Responses
Television advertisement	26	35.6	25.2
Family and/or Friends	21	28.8	20.4
Previous experience	20	27.4	19.4
Billboard advertisement	16	21.9	15.5
Posted Flyer	13	17.8	12.6
Mailed Flyer	7	9.6	6.8
<b>Total</b>	<b>103</b>		

\*Question was asked to elicit multiple responses from survey participants.

**Chart 1. Summary of Financial Preparedness and Confidence**



# Results and Outcomes

- 79.3% from Clark County (72.6% of statewide population)
- 71.8% were students of which 78.9% were using GI Bill benefits
- 71% reported an annual salary of less than \$50,000
- 53.5% had a final rank between E5 to E9 with service length ranging from 1 to 34 years with 67.8% serving between 4 to 15 years.
- 19.4% of respondents had used a payday loan, 83.6% of whom made under \$50,000
- 57.5% accessed payday lending since leaving active duty, 49.3% in the past 12 months, and 38.4% reported an existing debt to a payday lender.
- 56.2% walked to the storefront to access payday loan



# Recommendations, Limitations, and Opportunities

- The study was limited by time (semester bound project), scope (reach was predominantly students), and exploratory design.
- Recommendations were to repeat with a more diverse group of veterans, which is on-going in concert with Nevada Department of Veterans Services.
- Assembly Bill 318 was proposed in the Nevada Legislative Session to extend Military Lending Act, 2007 interest rate cap to Nevada veterans.
- Opportunities exist in nearly every public policy related space, from future research (academic and professional) to program design, implementation and evaluation. Additionally, there is an opportunity to determine effective solutions for the financial issues facing Nevada veterans.

# On-going Related Research

- Results and outcomes led to additional funding to continue and expand these research efforts to include additional resource areas, qualitative data collection, and another survey.
- Focus group and survey were conducted this fall as part of a graduate level applied research course.
- Resource areas include: Finance, Education, Employment, Health, Mental Health, Housing, Homelessness, Legal, and Workforce
- Interviews were conducted with representatives from Veteran support organizations in Nevada and representatives from CFED.



Thank you and Call for Questions