



Women, Debt and the Recession

A Snapshot of the Changing Face of Debt in America from CareOne Debt Relief Services.





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Executive Summary

Traditionally, the world of finance has been dominated by men. Mentions of Wall Street and investment bankers conjure images of power suits and old boys clubs. But on Main Street, the Great Recession has put women on center stage. Women and men alike are dealing with financial stress, threats of home foreclosure and loss of income. One of the major impacts has been the increase in Americans who need extra help dealing with debt. Frequently that debt comes in the form of high interest rates and other fees on credit cards, and a growing number of women are seeking assistance in dealing with this debt.

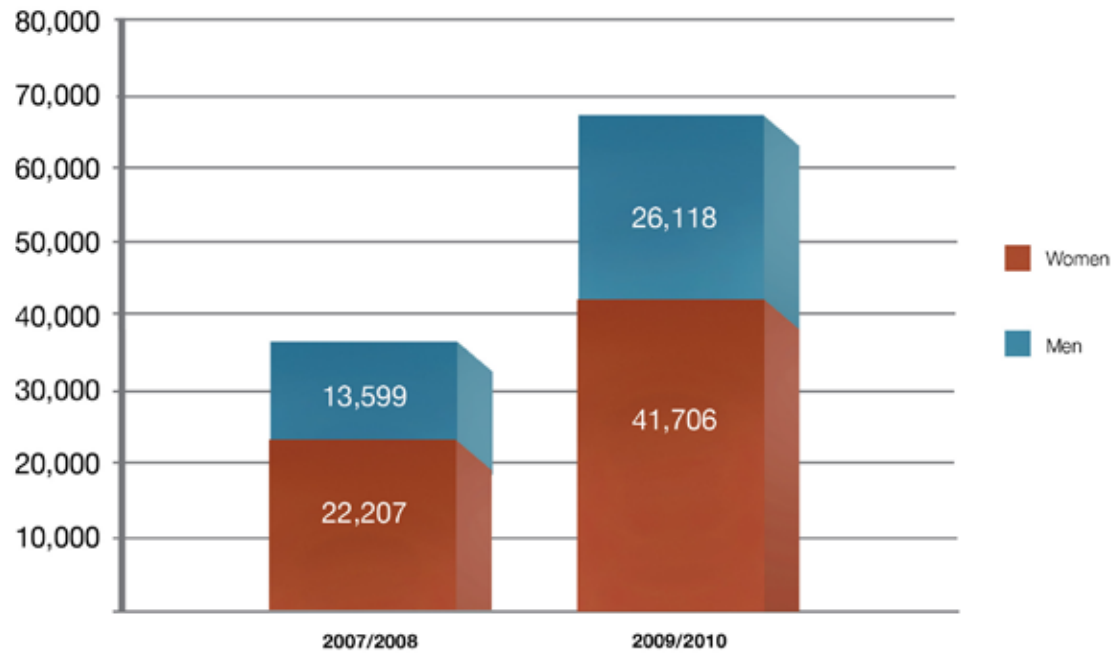
The providers of CareOne Debt Relief Services one of the nation's largest debt relief networks, reviewed data from more than 50,000 customers over two separate six-month periods – one stretching from October 2007 through March 2008 and the other from October 2009 through March 2010. The findings demonstrate that the recession has seriously increased the amount of debt women are carrying and it has created a drastic shift in the types of women seeking debt relief.

Among the key findings:

- ▶ *On average, women are carrying significantly more debt now than just two years ago.*
- ▶ *The number of middle and upper income women struggling with debt has risen faster than the number of lower income women struggling with debt.*
- ▶ *There has been a significant increase in the percentage of widowed and divorced women seeking debt relief.*

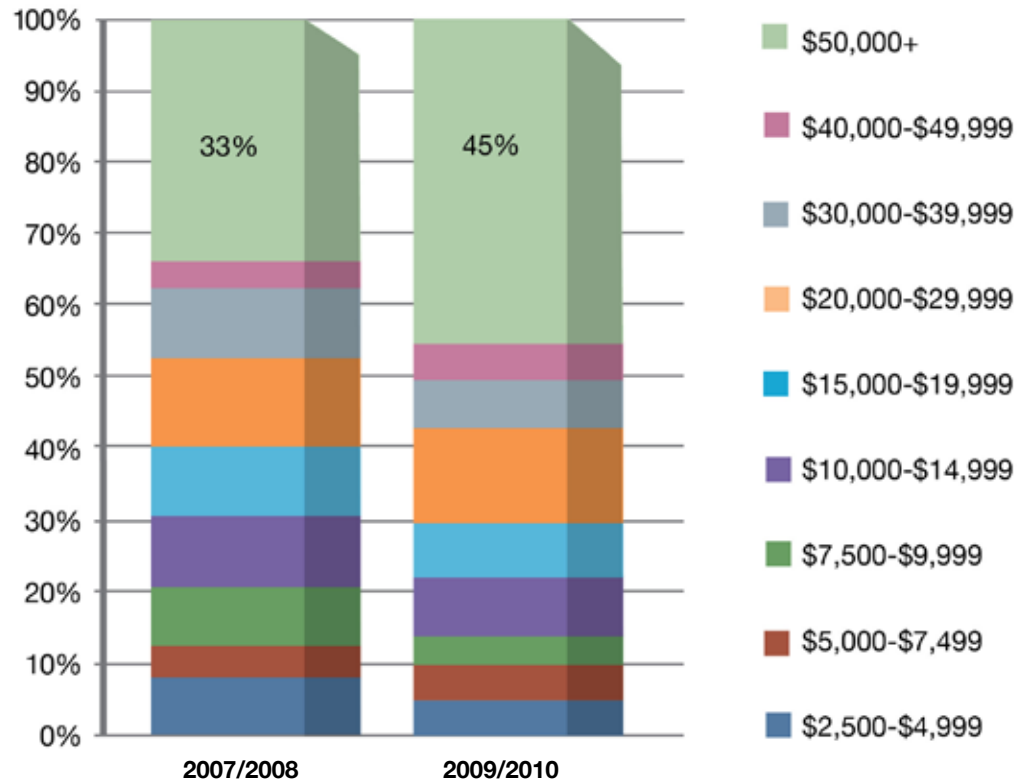


Women Make Up the Majority of Individuals Seeking Help



CareOneSM has seen a 50 percent increase in the number of people seeking out help with their debt over the course of recession. Women make up nearly two-thirds of those seeking relief.

Debt is Piling Up

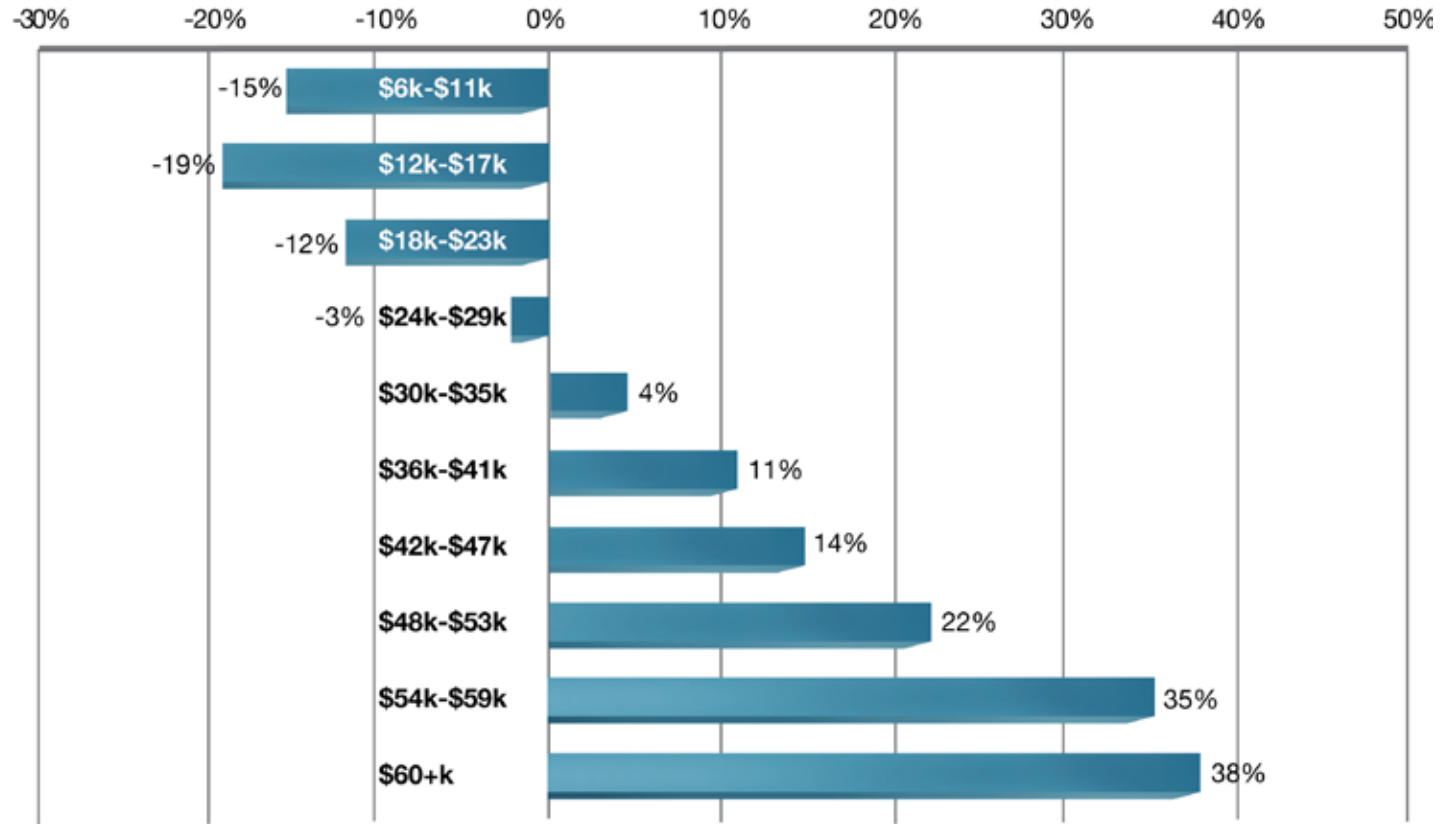


The percentage of women with more than \$50,000 in total household debt increased dramatically during the two-year time period. Meanwhile, the percentage of women with lesser amounts of debt (under \$10,000) has actually gone down significantly.

Chart reflects the percent of women carrying debt by the amount of debt.



More Upper Income Women Are Seeking Assistance



As the amount of debt has increased, so has the number of higher income individuals seeking relief. The percentage of women in middle income households (more than \$42,000 annual household income) and upper income households (more than \$60,000 annual household income) seeking debt assistance has risen drastically over the last two years. In fact, the largest growth came from upper income households, which saw a 38 percent increase in the share of women seeking help.

Chart reflects the percent change in the share of women seeking debt relief among various income brackets in the selected timeframes between 2007/2008 and 2009/2010.

Debt Increase by Women in Select States

For select time periods in 2007/2008 and 2009/2010 all regions across the U.S. saw states with significant growth in the number of women with more than \$50,000 in total household debt. Here is a look at the states where CareOne providers saw the largest increase in female customers with more than \$50,000 in total household debt.

More than 50% Growth

Maryland – 58%
Oregon – 57%
Pennsylvania – 51%
Washington – 50%

40 – 44 %

Georgia – 48%
Florida* – 46%
Connecticut – 45%
Virginia – 45%

35 – 39 %

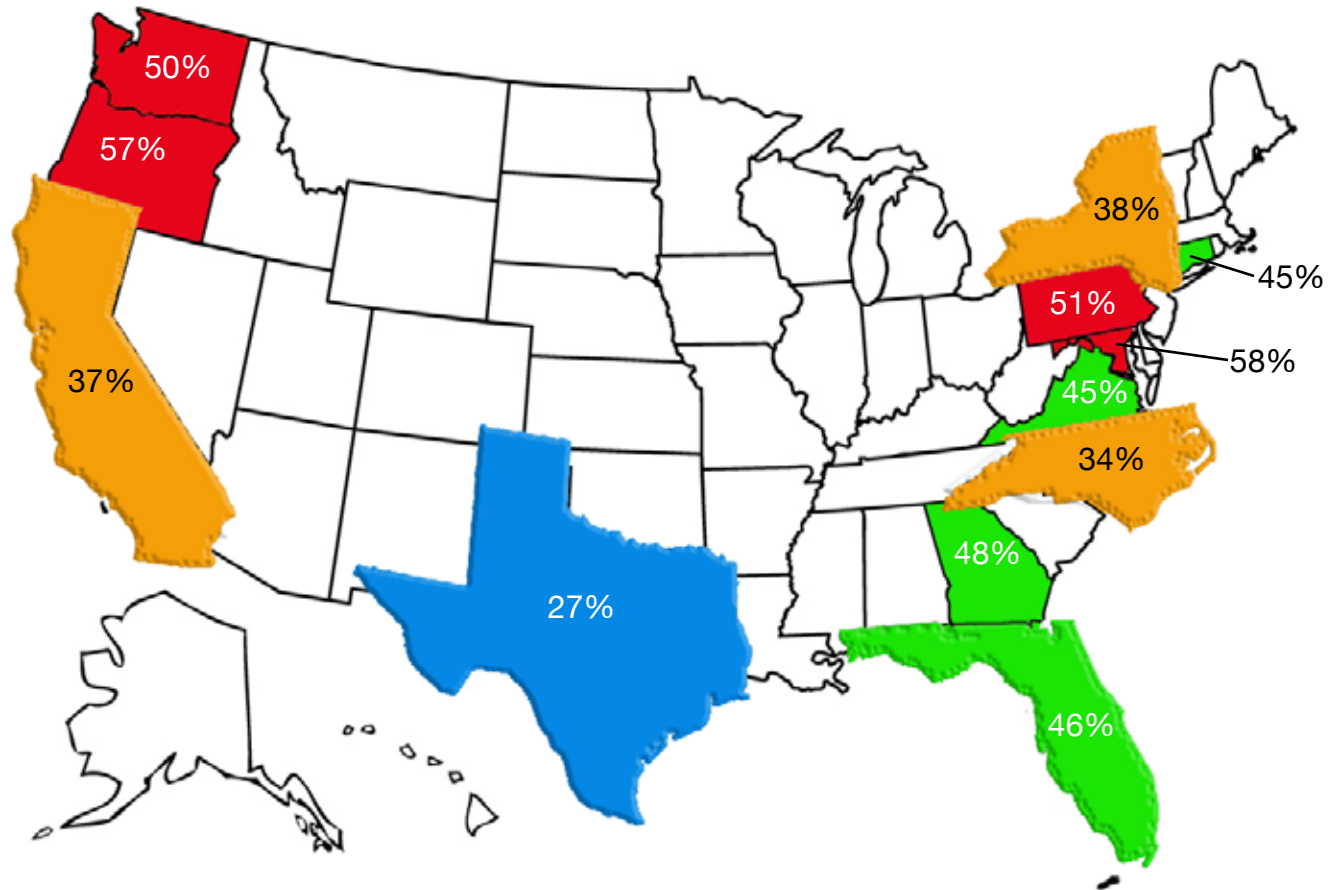
New York* – 38%
California* – 37%

30 – 34 %

North Carolina* – 34%

25 – 29 %

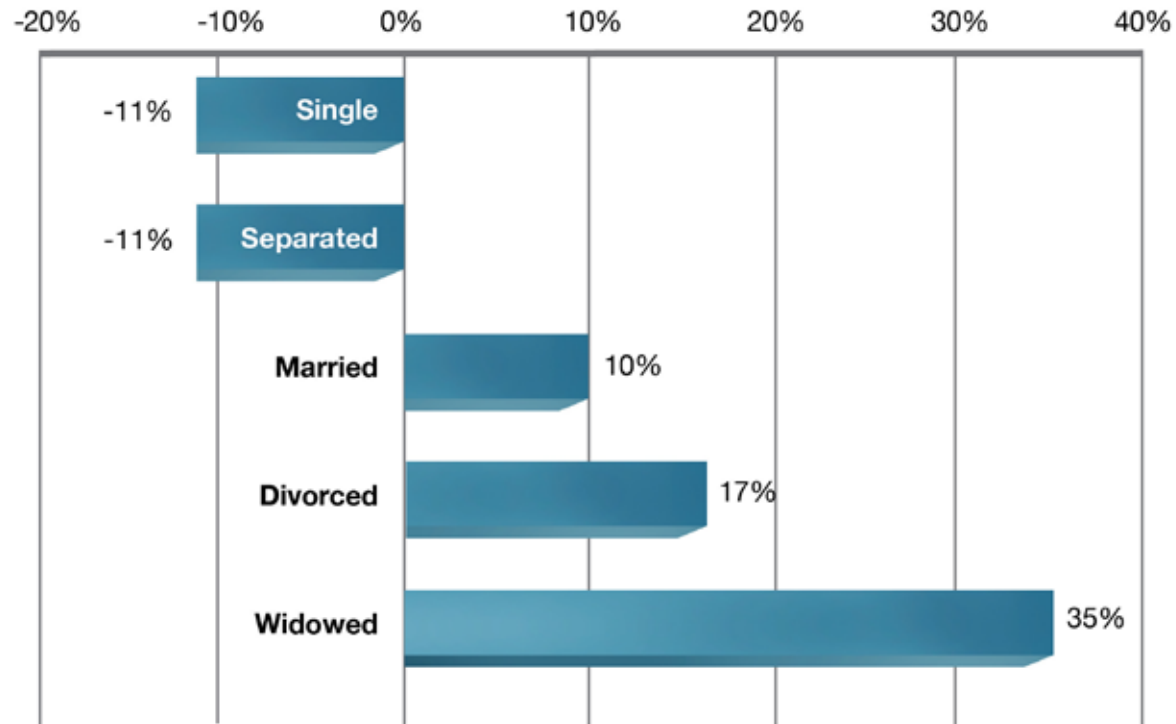
Texas* – 27%



* Denotes one of the five largest states by number of customers served.



More Divorced and Widowed Women Seeking Debt Relief

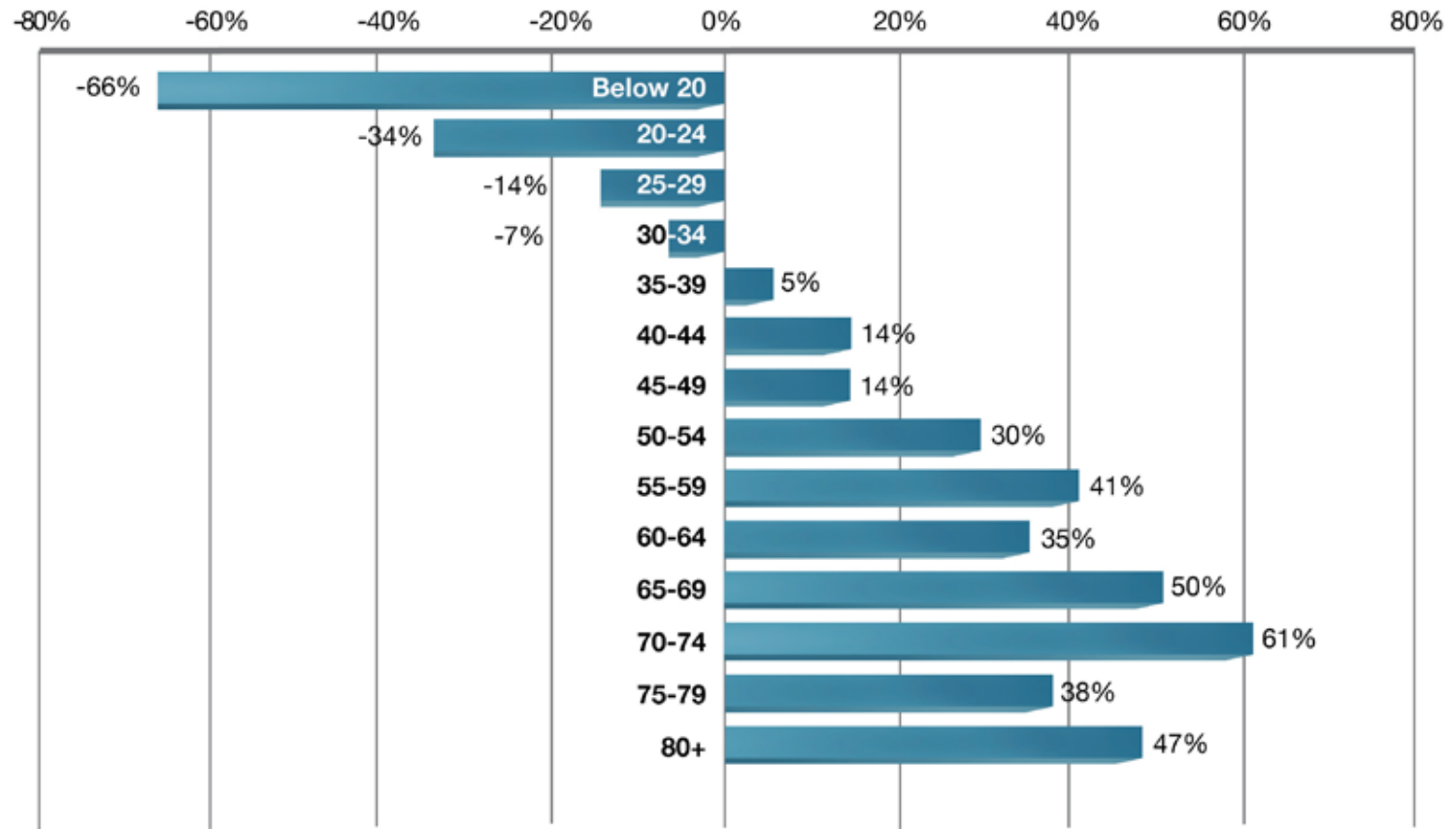


Women who are widowed and divorced, are now seeking out debt relief in greater numbers than before the recession.

Chart reflects the percent change in the share of women of different marital status seeking debt relief assistance in select timeframes during 2007/2008 and 2009/2010



Older Women Seeking More Help with Debt Relief



The percent change in the share of women in debt rose most drastically for those who are either preparing to enter retirement or who are early into their retirement. These ages also saw the greatest increase in the percentage of women with more than \$50,000 in debt.

Chart shows the percent change in the share of women seeking debt relief among various age groups for the time periods selected by the study.



Answers from CareOne

- ▶ *Make a budget and stick to it. Your monthly expenses should be less than your monthly income to allow you to save for unplanned expenses, retirement and other long-term financial needs, as well as splurges like vacations. This may mean making tough decisions on spending now and cutting back on some costs, whether that is reducing your cable TV bill or eliminating the weekly pedicure.*
- ▶ *Before you put something on a credit card think carefully about if it is something you absolutely need or something you just want. Then, unless it's a true emergency, wait a day or two before purchasing it to make sure you still feel the same.*
- ▶ *In today's economy, it's chic to be frugal. Cut coupons, order water rather than other beverages when you go out to eat and look for other little ways to control costs. Saving a few pennies here and a few dollars there can really add up.*
- ▶ *There's no place like home. Rather than going out to the movies with friends, have people over for some home cooking and rent a DVD; many places have movie rentals for as little as \$1 a night and to cut down on the grocery bill you can ask everyone to bring a dish to share.*



Methodology

CareOne Debt Relief Service providers completed a study on the trends seen in women and from the end of 2007 to early 2010, looking at customers during two six-month windows – from October 2007 through March 2008 and from October 2009 through March 2010. The study was led by Jenny Realo, CareOne chief product management officer and executive vice president. Data was drawn from more than 50,000 records in CareOne's consumer database in June 2010. All individual records were blinded to preserve customer privacy.

CareOne's customer database is one of the largest detailed databases with information about consumers in debt; however it may not be a statistically valid sample of all consumers in the United States.



About CareOne

Providers of CareOne Debt Relief Services have helped 4.5 million people across the United States deal with their debt. In 2009 alone, CareOne providers helped consumers pay down more than \$719 million in debt.

CareOne providers take a holistic approach to assisting customers with their debt and review each situation to create achievable financial solutions. CareOne provides a full range of services including credit counseling, debt management, debt settlement, as well as free referrals to bankruptcy attorneys if that is in the best interest of the consumer.

For more information, visit CareOneCredit.com