

Encore Capital Group

ECONOMIC FREEDOM STUDY

2022



Welcome to the Encore Economic Freedom Study



Dear Reader,

Our second Encore Economic Freedom Study, which surveyed 3,000 people across the United States and United Kingdom, was conducted at a challenging time for consumers. Inflation is impacting almost everyone, and an [increasing number](#) of people are spending more than they earn. Many people feel less positive about the economy than they did a year ago. These factors all point to a state of heightened consumer distress.

That's why this study is more important than ever. Our company works with distressed consumers every day. But in this economic climate, many more companies will have to engage with people who face financial challenges and hardship.

Through this study, we asked people about their finances and experiences with past-due debt, as well as how they work toward and prioritize economic freedom. The findings provide valuable insights that will help us further our understanding of consumers. We hope it will be equally helpful to any organization that seeks to be a better partner to consumers they serve.

One such insight is that people overwhelmingly believe in both the importance of paying back what they owe and that there needs to be continued access to affordable credit in the economy. This is a mutual goal we share and a positive starting point. From here, we can work together to find the best path for resolving past-due debt.

The good news is that the survey results affirmed many things we're already doing at Encore: leading with empathy, tailoring solutions to consumers' unique circumstances and ensuring people have access to support in times of hardship. Our Mission is to help all consumers achieve economic freedom, not just the ones we work with. But there's always more to learn as we strive to be an even better partner in our consumers' financial growth. We invite others who work with distressed consumers to join us on this journey.

Even in these challenging times, I was gratified to see that the people surveyed showed signs of optimism and resilience, and they continue to believe in their ability to reach a better financial future. It's our Mission to help them get there.

Sincerely,

Ashish Masih

President and Chief Executive Officer

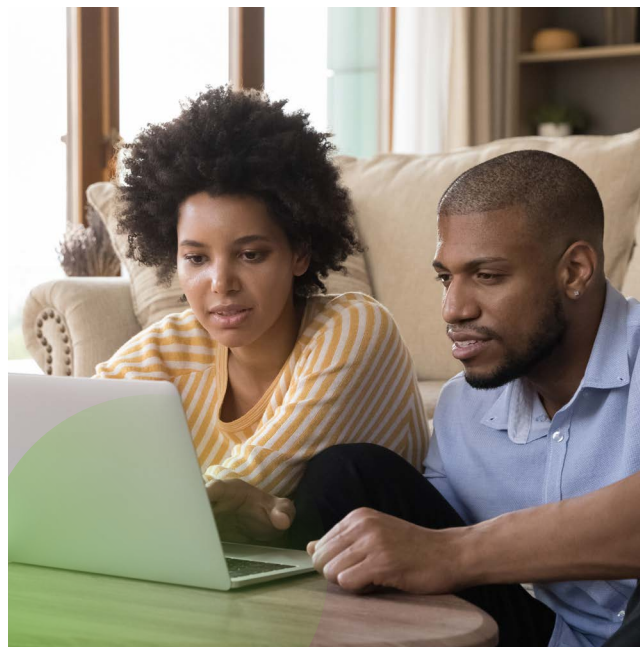
Encore Capital Group

Methodology

An online survey was commissioned by Encore Capital Group and conducted by Morning Consult from December 9 to December 22, 2022, among 3,000 adults, including 1,500 U.S. adults and 1,500 U.K. adults. The samples are weighted to reflect the demographics of the general population in each country. The margin of error for this study is plus or minus 3 percentage points in each country.

“**Low-income**” was defined as those with a household income of less than \$50,000 USD in the U.S. and less than £20,000 GBP in the U.K.

“**Past-due debt**” was defined as an outstanding debt that wasn’t paid by the date it was due.



About Encore Capital Group

Encore Capital Group is an international specialty finance company that provides debt recovery solutions and other related services across a broad range of financial assets. Through our subsidiaries around the globe, Encore purchases or services portfolios of receivables from major banks, credit unions and utility providers.

Through Midland Credit Management and its domestic affiliates (MCM), we’re a market leader in portfolio purchasing and recovery in the U.S. Through Cabot Credit Management and its subsidiaries and European affiliates (Cabot), we’re one of the largest credit management services providers in Europe and the U.K.

Executive Summary

Encore's Economic Freedom Study seeks to understand how consumers in the U.S. and U.K. feel about their finances, what causes them the most financial stress and the best ways to address their challenges. This year, it also explores the impact that high inflation has had on consumers' financial status and ultimately what economic freedom means to them.

Attitudes on Personal Finances and the Economy

- Inflation had a major impact on personal spending for more than **90%** of surveyed adults. In both the U.S. and the U.K., consumers report spending more on groceries, gas/fuel and housing, while also saving less or spending less on non-essential items such as restaurants, entertainment and apparel.
- While both U.S. and U.K. respondents stated that building their emergency savings was their most important financial priority, just **17%** of U.S. adults and **14%** of U.K. adults reported an increase in how much they contributed to their savings in 2022. Only **24%** of Americans and **14%** of U.K. adults believe they're better off financially than they were the year before.
- U.S. adults are more likely to have a positive outlook on their economic future compared to U.K. adults, who demonstrated a significant decrease in their confidence in the future of the economy. However, respondents tended to have a more positive outlook on the future of their own personal finances (**61%** U.S., **47%** U.K.) as opposed to the overall economy (**39%** U.S., **17%** U.K.).

Solutions for Achieving Economic Freedom

- More than one-third of Americans (**35%**) and **43%** of U.K. adults report having past-due debt, and adults in both countries are more likely to

be accumulating, rather than reducing, past-due debts. Adults with past-due debt report credit card debt as their top stressor.

- More adults in the U.S. (**59%**) than in the U.K. (**52%**) are confident in their ability to pay down debt in the coming year, but they're aligned on how to tackle their debt – pay it down in small increments over time.
- When asked about the barriers to reducing past-due debt, more than **75%** of adults cited inflation, unexpected expenses, and food costs as the largest barriers to getting out of past-due debt. U.S. and U.K. adults both believe that the biggest ways to help people reduce or eliminate their past-due debt would be more flexible payment plans and the ability to pause repayment in the event of hardship.

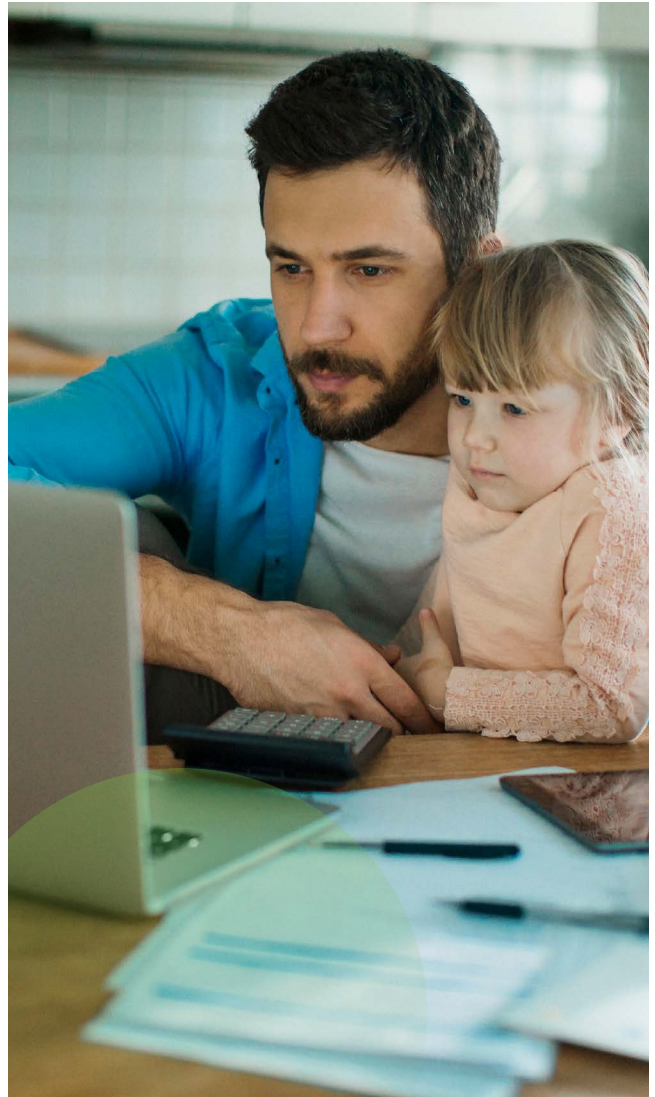
What it Means to Achieve Economic Freedom

- Almost all surveyed adults agree that economic freedom is a priority in their lives (**91%** U.S., **84%** U.K.). Americans are more likely than U.K. adults to name economic freedom as their top priority.
- Most people see financial planning and clear financial goals as important to achieving economic freedom. Low-income adults in the U.S. see improving their credit scores as their most important pathway to economic freedom.

Attitudes on Personal Finances and the Economy

SUMMARY

- Compared to the [2021 Encore Economic Freedom Study](#), in 2022, fewer adults in the U.S. and the U.K. believe they're better off financially than they were the year before. Most adults don't believe they're in a better financial state compared to last year, and less than half of respondents report feeling comfortable with their current financial state.
- Respondents tend to have a more positive outlook on the future of their own personal finances compared to the overall economy.
- U.S. adults are more likely to have a positive outlook on their economic future compared to U.K. adults, who demonstrated a significant decrease in their confidence in the future of the economy in 2022.
- Almost all adults say their spending has been impacted by high inflation. In both the U.S. and the U.K., consumers report spending more on groceries, gas/fuel, and housing, while saving less or spending less on non-essential items such as restaurants, entertainment and apparel.



PERSONAL FINANCES AND THE ECONOMY

Across the U.S. and the U.K., survey respondents reported a more negative outlook toward their current financial circumstances compared to last year, with inflation playing a large role in personal spending habits. Almost all adults (92% U.S., 93% U.K.) report that high inflation rates have impacted their spending habits, especially toward essential expenditures such as housing, utilities, groceries and gasoline.

Inflation's Impact on U.S. and U.K. Adults' Spending Habits

■ Yes, a major impact ■ Yes, some impact
■ Yes, a minor impact ■ No impact at all
■ Don't know / unsure

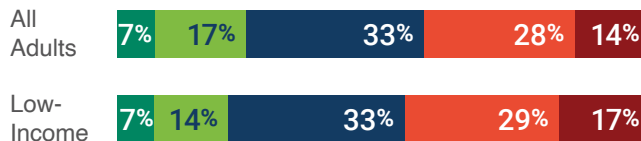


Alongside the impact of inflation rates, both American and U.K. adults were more pessimistic about the future of the economy and their own financial growth in the past year. When people were asked how they feel about their *current financial situation* compared to 2021, less than a quarter of all adults in both countries felt that they were better off financially than the year before – an 11 percentage point drop from 2021. In 2022, just 24% of Americans and 14% of U.K. adults reported that they were better off than the previous year. This is especially pronounced in low-income adults in the U.K., where just 11% report feeling better off than last year.

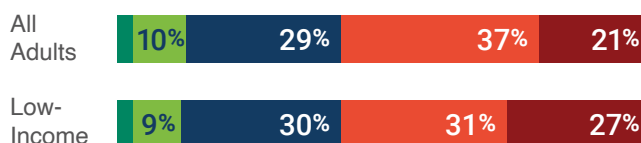
U.S. and U.K. Adults' Sentiment Toward Their Current Financial Situation Compared to Last Year

■ Much better off ■ A little better off ■ About the same
■ A little worse off ■ Much worse off

In the U.S.



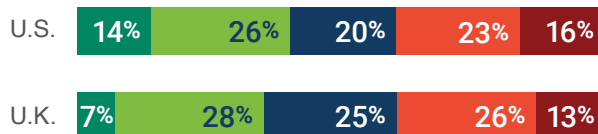
In the U.K.



Overall, Americans were slightly more positive than their U.K. counterparts compared to last year, though in both groups, less than half of surveyed adults were comfortable with their financial states (40% U.S., 35% U.K.). Notably, U.S. women and young adults (18-34) were less comfortable in their current financial states than average.

U.S. and U.K. Adults' Comfort in Their Personal Financial State

■ Very comfortable ■ Somewhat comfortable
■ Neither comfortable nor uncomfortable ■ Somewhat uncomfortable
■ Very uncomfortable ■ Don't know / unsure

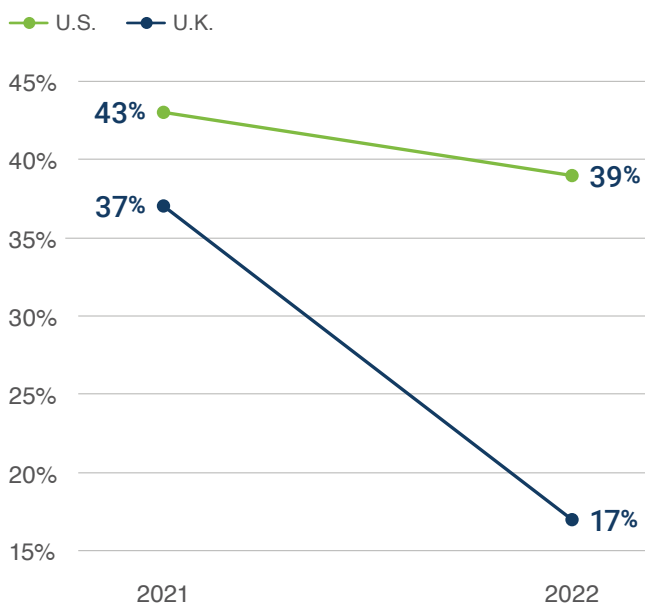


On the bright side, however, surveyed adults tended to be more positive about their personal financial futures, even if they didn't believe that their personal finances improved in the past year. Six in 10 Americans (61%) felt positive about their personal financial futures, even though just 39% of U.S. adults reported a positive outlook on the future of the economy.

There was some divergence between the U.S. and the U.K. in that U.K. adults felt less positive about their financial futures than last year. While 47% of U.K. adults felt positive about their personal financial futures, they also reported a significant decrease in their optimism regarding the future of the economy. In 2021, 37% of respondents had a positive outlook on the future of the economy. In 2022, that number dropped to just less than one-fifth (17%).

Across genders, men were more likely to have a positive outlook on the future of the economy (47% U.S., 23% U.K.) compared to women (32% U.S., 12% U.K.).

YOY Summary: Economic Outlook



THE IMPACT OF INFLATION ON CONSUMER BEHAVIOR

High inflation rates impacted spending habits for nearly all adults surveyed in both the U.S. and the U.K. At the time of this survey in December 2022, the U.S. reported an inflation rate of [6.5%](#), while the U.K.'s inflation rate hit [10.5%](#). As a result, over 90% of adults (92% U.S., 93% U.K.) reported that inflation impacted their spending habits.

While both U.S. and the U.K. respondents stated that building their emergency savings was their most important financial priority, just 17% of U.S. adults and 14% of U.K. adults reported an increase in how much they contributed to their savings in 2022. Additionally, 51% of Americans reported saving less in 2022 than they did in 2021.

Instead, when adults were asked to compare their spending to one year ago, more than half reported increased expenditures on groceries, gas/fuel, and utilities. Roughly two-thirds of Americans (69%) and U.K. adults (65%) spent more on groceries, while 65% of Americans and 52% of U.K. adults spent more on gas/fuel. Parents across both countries are spending more on credit card debt.

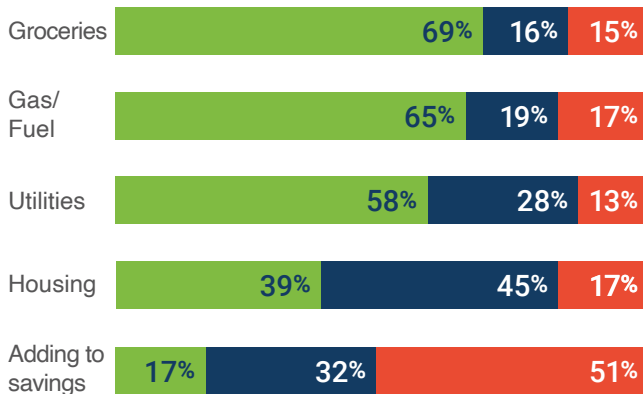
There was a marked difference between U.S. and U.K. respondents regarding utilities. While 58% of Americans reported spending more on utilities, this number increased to 71% for U.K. adults. This could be a result of Russia's invasion of Ukraine, as Russia is one of the largest suppliers of natural gas to countries across Europe. Sanctions against Russia and disrupted trading resulted in sharp [natural gas price increases](#), which will continue to have a significant impact on expenditures in the rest of Europe.

As most adults spent more on essentials, Americans reported spending less on non-essential items such as restaurants (45%), clothing (42%), travel (48%) and entertainment (46%).

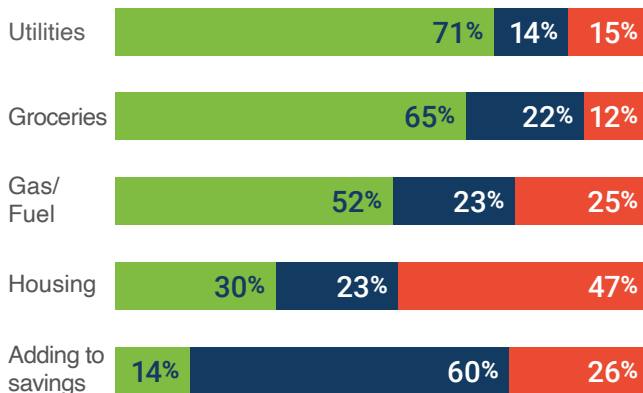
U.S. and U.K. Adults' Spending Compared to Last Year

■ Spending more ■ Spending about the same ■ Spending less

In the U.S.



In the U.K.

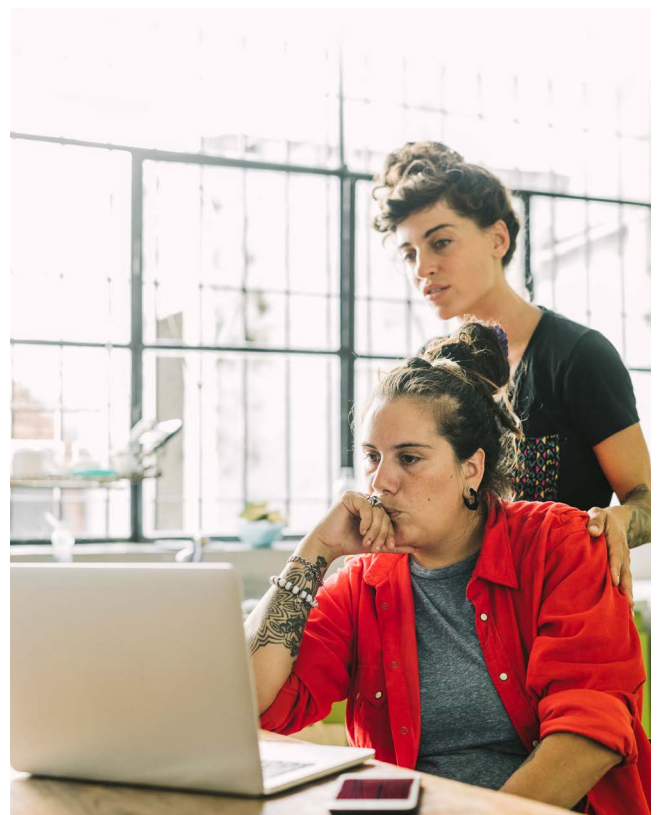


We also asked how respondents would spend their money if they had more to spend. Both U.S. and the U.K. respondents said they would prioritize contributing to savings and spending more on essentials; 65% of Americans and 69% of U.K. adults stated that they would spend more on groceries.

In contrast, when asked what they would cut out if they had less money to spend, both U.S. and U.K. adults reported that they would spend less on non-essentials, such as restaurants, entertainment, clothing and travel.

65% of U.S. adults and
69% of U.K. adults

stated that they would spend more on groceries, if they had more to spend.



Energy, Inflation and Differences Between the U.S. and U.K. Economies

Surveyed adults in the U.K. reported significantly more pessimism in the future of the economy and their personal finances than their U.S. counterparts, while also demonstrating more negative attitudes compared to U.K. adults in Encore's 2021 Economic Freedom Study.

It's important to note that the U.S. and U.K. economies and their respective inflation rates were trending in two different directions at the end of 2022. While still high, the U.S. inflation rate appeared to be slowing down from the 9.1% inflation rate reported in June 2022. It had decreased to [7.1%](#) by November 2022, which was lower than the 7.7% that economists predicted. It fell to [6.5%](#) in December 2022.

On the other hand, the U.K.'s consumer price index indicates that inflation rates remain high, and the country reported an inflation rate

of [10.7%](#) in November 2022 and [10.5%](#) in December 2022.

A large portion of the country's rising inflation costs can be linked back to the soaring cost of energy, as well as the rising cost of fresh food. Annual food inflation in the U.K. hit nearly 17% in December 2022, which remains at one of the highest levels in 40 years. In addition to the ongoing war in Ukraine causing increasing grain prices, the U.K.'s exit from the European Union led to a [6% increase](#) in food import costs over the past two years, which is an important figure considering that most of the U.K.'s grains, meat, dairy and eggs are EU imports.

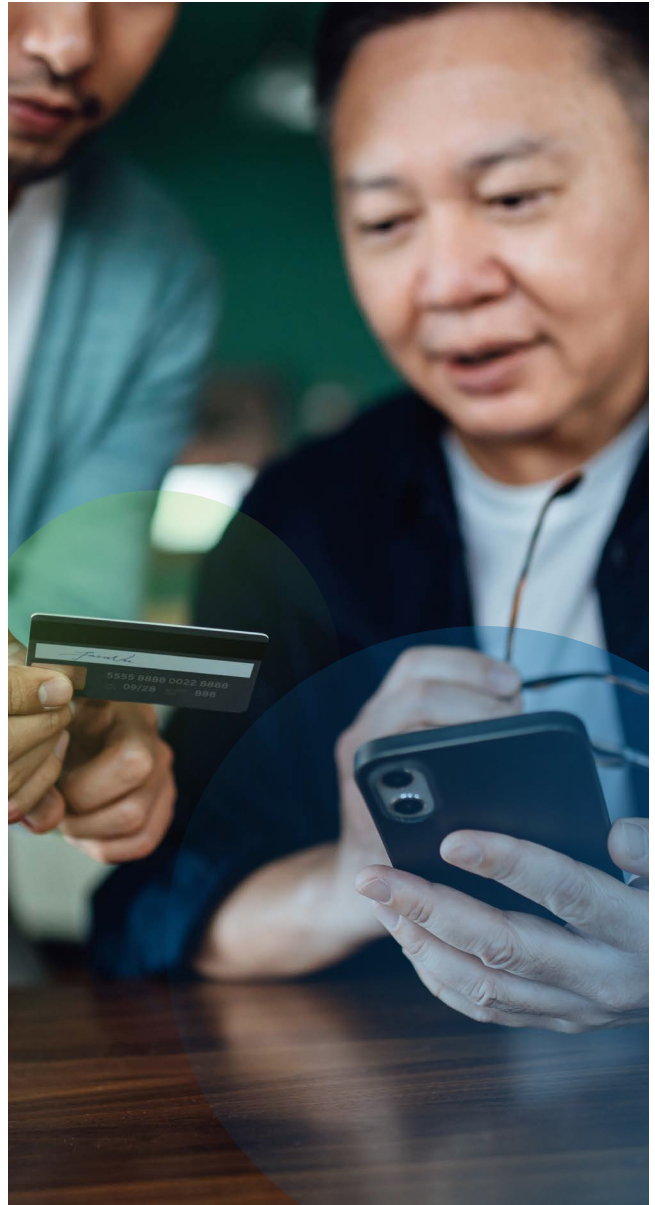
In comparison, the U.S. is the world's [top producer](#) of natural gas. The U.S. is also less dependent on natural gas for heating during the winter compared to Europe.



Solutions for Tackling Debt and Achieving Economic Freedom

SUMMARY

- More than one-third of adults report having past-due debt, and many report that dealing with debt can be overwhelming. In both the U.S. and U.K., adults are more likely to be accumulating, rather than reducing, their past-due debt.
- Surveyed adults cite credit card debt as their most common type of past-due debt, but the U.S. and U.K. diverge in other types of past-due debt. U.S. adults are more stressed about medical debt, while U.K. adults are more concerned with phone and utility bills.
- Inflation continues to be a major factor for people. Most cite it as one of their top reasons for getting into past-due debt and one of their top barriers to getting out of debt.
- There's a divergence in perception, education and personal experience in the market that suggests a lack of awareness or education regarding debt collection agencies' abilities to help consumers reduce their past-due debt.
- When it comes to responsible and ethical debt collection, most consumers want flexible payment plans and hardship policies to help people through unexpected issues, such as a job loss or illness.



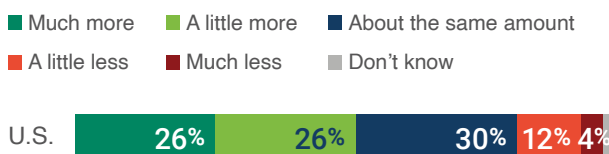
SOURCES OF DEBT STRESSORS AND BARRIERS TO PERSONAL DEBT REDUCTION

Thirty-five percent of Americans and 43% of U.K. adults report having past-due debt, and adults in both countries are more likely to be *accumulating*, rather than reducing, past-due debts. In the U.S., just 16% of Americans report having less past-due debt compared to the year before. While fewer-than-average respondents aged 65+ reported past-due debt across both countries, adults with dependents were more likely than average to report having past-due debt.

U.S. and U.K. Adults with Past-Due Debt in 2022

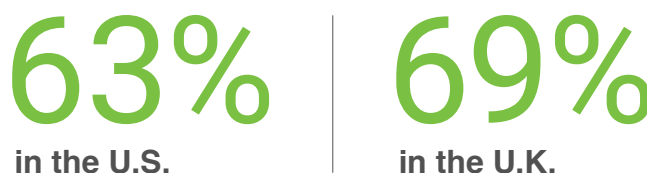


U.S. Adults' Past-Due Debt Compared to One Year Ago (among those with past-due debt)



MORE THAN 85%
of people surveyed believe that access to affordable credit is important for the overall economy.

Credit card debt is the most common type of past-due debt:



At the same time, more than 85% of people surveyed believe that access to affordable credit is important for the overall economy. Notably, just as many adults believe that it is important for the overall economy that individuals pay off their past-due debts.

There are some notable differences between U.S. and U.K. adults regarding past-due debt. Credit card debt is the most common type of past-due debt in both the U.S. (63%) and U.K. (69%). However, in the U.S. medical debt is the second-most common type of past-due debt (37%). In the U.K., medical debt accounts for just 2% of past-due debt.

Instead, phone or utility bills account for the second-largest type of past-due debt in the U.K. (26%), especially for low-income adults (42%). These discrepancies can be seen as a reflection of the two countries' different healthcare models, as well as sharply rising [utility bills](#) in the U.K.

Past-due debt can be a large stressor for adults in both the U.S. and U.K. More than half of adults stated that dealing with debt can be overwhelming, and many adults perceive their debt as too large to reduce or eliminate. What's more, the fear of legal action is also a significant stressor for low-income adults in the U.K. (33%) compared to the overall population.

When asked about the source of past-due debt and the barriers to reducing it, adults overwhelmingly cited unexpected expenses and inflation as the two top culprits in both categories. Young adults (age 18-34) in the U.S. are more likely to name a job loss or high housing prices as sources of debt; more than 70% of young adults cited the cost of housing as a contributing factor to their debt.

When it comes to getting out of past-due debt, approximately 60% of U.S. adults were confident that they can reduce or eliminate their debt in the next year, while U.K. adults are slightly less confident (52%).

In terms of how they plan to pay off their past-due debts, adults in the U.S. and U.K. agree that they plan to tackle it in small increments over time.

HOW CONSUMERS WANT TO ADDRESS PAST-DUE DEBT

Few adults are likely to go to a debt settlement company for aid on past-due debt. If unable to pay their past-due debt, consumers are most likely to shoulder the burden themselves by working additional jobs or hours.

Surveyed adults reported that if they did turn to others for help to reduce or eliminate their debts, they would most likely go to friends or family, or to a financial advisor or bank. Fewer than 15% of adults with current debt are working with a debt collection agency to pay their past-due debt.

When asked what would be most helpful for reducing or eliminating their past-due debts, surveyed adults cited lower inflation rates as one of the most important factors. However, U.S. and U.K. adults diverge on which other factors would be most helpful to get out of debt; U.S. adults believe higher-paying jobs would provide the most benefit (45%).

On the other hand, U.K. adults cited lower food costs as the most helpful factor to reducing their past-due debts (52%), especially for lower-income adults (59%). Notably, [food inflation rates](#) have outpaced general inflation in the U.K., with food prices soaring 16.8% at the time this study was conducted, compared to the U.K.'s general inflation rate of 10.5%.

Most Helpful for Getting Out of Debt (among those with current past-due debt)

■ U.S. ■ U.K.

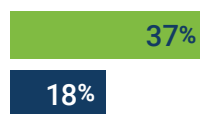
Higher-paying job



Lower inflation



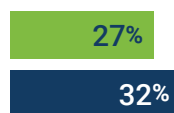
More consistent income



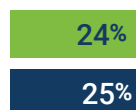
Lower food costs



Fewer unexpected expenses



Lower housing costs



We also asked respondents to rank options that would help them reduce or eliminate their past-due debt. Four in five adults (82% U.S., 84% U.K.) agreed that the most helpful option would be more time to pay off debt. Respondents also agreed that the ability to pause debt repayment and the option to provide a discount on debt owed would be more helpful than working with a financial advisor or education regarding better financial habits.

Debt Reduction (ranked top three solutions)

■ U.S. ■ U.K.

More time to pay off debt



Ability to pause debt repayment



Discount on debt owed



Learning better financial habits



Working with a financial advisor



However, while financial education resources didn't reach the top of their lists, roughly 60% of adults still believed that access to resources or incentives for creating stronger financial habits would help them build better financial futures. This is especially true for American young adults (age 18-35), who placed higher value on financial education compared to the general population.

ROUGHLY 60%
of adults still believed that access to resources or incentives for creating stronger financial habits would help them build better financial futures.



Encore's Approach to Engaging with Consumers

These findings are in complete alignment with Encore's approach to supporting consumers. We work with our consumers to tailor payment plans in increments and timeframes that work for them. Midland Credit Management (MCM), Encore's U.S. subsidiary, published its [Consumer Bill of Rights](#) more than a decade ago, and it remains the only one of its kind in our industry. It clearly defines how we will suspend collection activities when a consumer demonstrates that they are experiencing significant financial hardship due to medical issues, natural disasters, job loss or other challenges.

Similarly, Cabot Credit Management, Encore's U.K. and European subsidiary, has a Sensitive Support Team in the U.K., which includes specialists trained to work with consumers facing mental or physical illness and financial hardship. The team's goal is to ensure a consumer's debts don't become a barrier to their physical or financial recovery or well-being. The team is able to offer payment holidays for various lengths of time while consumers get the support they need to work on their financial, mental or physical health.



DEBT COLLECTION AGENCIES: PUBLIC PERCEPTIONS AND ETHICS

In general, there seems to be a disconnect between adults' perceptions of debt collection agencies and their personal experiences. In the U.S. and U.K., less than a quarter of adults had negative experiences with debt collection agencies, but half of adults had negative perceptions of such agencies.

Furthermore, when surveyed about debt collection agencies, 15-20% of respondents had no opinion regarding their perceptions of debt collection agencies and their employees. Both of these gaps indicate that there may be a lack of broader awareness of debt collection agencies, as well as an educational opportunity for the public to better understand an agency's capacity to help consumers resolve their debts.

When asked about ethics and responsibility in debt collection agencies, adults ranked flexible payment plans and hardship policies as the most important priorities. The U.S. respondents also prioritized debt forgiveness (44%), while U.K. adults felt more strongly regarding flexible communication methods (43%).

Additionally, most U.S. and U.K. adults prefer email or phone for interactions with a debt collection agency, even though they prefer interacting with banks in person. Young adults (18-34) in the U.S. are more likely to prefer mobile app, text messages or phone call interactions compared to the general population.

Overall, surveyed adults prefer personal interactions. Especially in the U.K., attitudes are more favorable toward debt collection employees over agencies. People want to be heard – they want debt collectors to be understanding regarding hardships or unexpected circumstances and provide flexibility in their payment options.

Responsibility and Ethics Perception Drivers for Debt Collection Agencies (ranked in top three)

■ U.S. ■ U.K.

Provides flexible payment plans that can spread payments out over years



Has a hardship policy that helps people through unexpected issue



Offers debt forgiveness



Clearly defines consumers' rights and resources



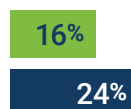
Protects people's data and privacy



Offers flexible ways to engage (phone, text, email, online chat, etc.)



Is socially responsible





YOUNG ADULTS (18-34)

in the U.S. are more likely to prefer mobile app, text messages or phone call interactions compared to the general population.



'Show Them You're a Real Person': How Account Manager Patricia G. Helps Her Peers

Patricia G. is a skilled U.S. Account Manager at Midland Credit Management (MCM). (Account Manager is a title we give to those working directly with consumers needing support.) She's known among her peers as somebody who specializes in connecting with consumers to help develop a plan to resolve their debt.

She previously worked in social services but made the switch to MCM over 20 years ago when her neighbor referred her for a job. She said her background in social work and her own personal challenges in life have helped her connect with consumers on a personal level.

"I tell consumers, 'You've got one of the best companies in the world calling to help you. I don't have a canned plan or answer. I customize everything. The more you open up to me, the better solution we can find together.' When you can relate to a consumer, you can be certain they'll keep the conversation going because they want to be heard."

Patricia added that MCM's Mission, Vision and Values help the company stand apart from other collection firms when interacting with consumers.

"I think the biggest thing is that we do care," she said. "It's one thing to sit in a chair and tell people we care, but it's another to stand behind that statement."

[Click here](#) to learn more about Patricia's story.



Using Consumer Feedback to Improve Client Solutions

Encore constantly monitors consumer satisfaction and collects valuable feedback through surveys and interviews. Following a call with our company, consumers are given the option to provide feedback, which is then reviewed by our customer satisfaction team to generate insights and improvement recommendations.

In 2021, 89% of U.S. consumers and 85% of Cabot U.K. consumers rated their calls with a positive score of 8 or 9 (on a 0-9 scale). Additionally, the independent U.K. Institute of

Customer Service (ICS) analyzes interactions and experiences between consumers and our U.K. operations annually. ICS provides an objective, third-party score benchmarked against financial peers. In 2021, ICS's analysis determined an 80.6 satisfaction score, which is several points higher than the average for our industry (78.3) and that of all companies monitored countrywide (76.8).

Encore reports on consumer satisfaction and a number of other key metrics in our [Environmental, Social and Governance \(ESG\) Report](#).



What it Means to Achieve Economic Freedom

SUMMARY

- Across the board, when asked about their financial goals, adults prioritized reducing debt and saving money for emergency funds or retirement.
- Almost all surveyed adults agree that economic freedom is a priority in their lives; Americans are more likely than U.K. adults to name economic freedom as their top priority.
- Most people see financial planning and clear financial goals as important to achieving economic freedom. Low-income adults also prioritize lowering their credit scores.
- Encore is committed not only to helping create pathways to economic freedom for the consumers we work with but also for our employees and people in our communities.



THE UNIVERSAL IMPORTANCE OF ECONOMIC FREEDOM

Encore's Mission is to help consumers create pathways to economic freedom. We wanted to understand through this research what priority people place on economic freedom, as well as the various factors, barriers and incentives that consumers experience as they work toward their financial goals.

Our findings indicate that adults in the U.S. and U.K. have similar financial priorities. They believe having an emergency fund is their most important financial goal, followed closely by reducing and eliminating personal past-due debt.

With tackling debt a major priority for so many people, it's critical that consumers have clear paths toward affordable credit and debt reduction.

Consumers want to prepare for the future, but debt can act as a large stressor in their lives. As we've described, less than half of adults are comfortable in their current financial state, and approximately half of indebted adults are accumulating past-due debts, rather than paying them off. Most adults also say that dealing with debt can be overwhelming.

Despite these stressors, more people are optimistic about their financial futures than their current financial state. They believe in pathways toward economic comfort and freedom.

When asked about their priorities in life, nearly half of adults in the U.S. place economic freedom at the top of their lists (48%). Slightly fewer adults in the U.K. name economic freedom as a top priority in life (41%), but adults in both countries agree that it's important. Just 5% of surveyed adults do not consider economic freedom a significant priority.

Priority of Economic Freedom for U.S. and U.K. Adults

■ U.S. ■ U.K.

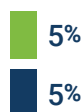
Top priority



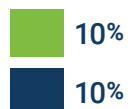
Middle priority



Bottom priority



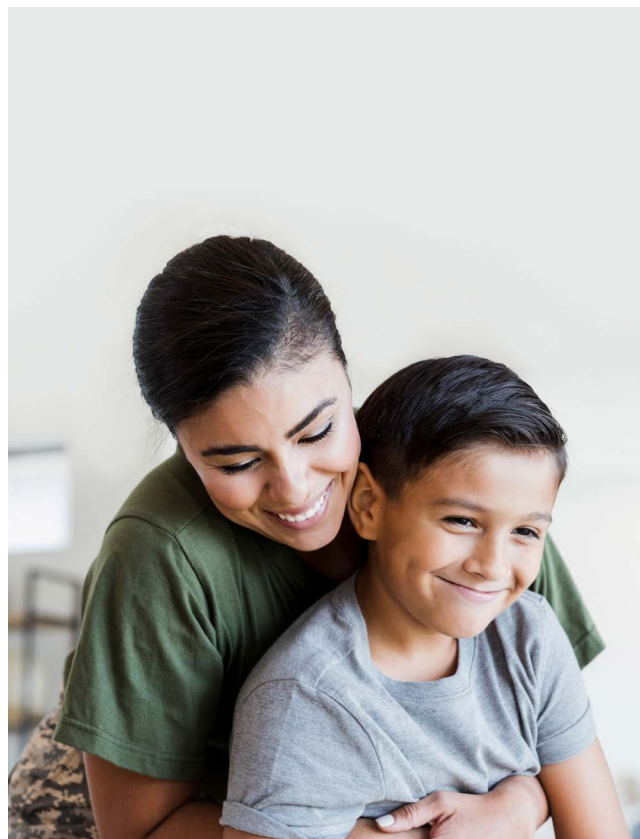
Don't know



HOW TO ACHIEVE ECONOMIC FREEDOM

We asked people what would be most valuable to them in achieving economic freedom. In the U.S., the top answer was developing a financial plan for the future. For low-income adults in the U.S., improving their credit scores was the most important factor in achieving economic freedom. Other important factors included developing clear financial goals and finding flexible and manageable ways to resolve their debt.

In the U.K., low-income adults placed clear financial goals as their most valuable tool to achieving economic freedom. Low-income adults in the U.K. also prioritized improving their credit scores more than the general population. Other adults in the U.K. cited financial planning as the most important factor for economic freedom, while other top factors in the U.K. included budgeting services or tools and flexible ways to resolve their debts.



How Encore Supports Financial Education and Pathways to Economic Freedom

Encore not only helps create pathways to economic freedom for the consumers we work with, but also for our employees and people in our communities. We're proud that our efforts align with what we learned in this study. Some of these efforts are described below:

"Financial literacy should be a part of everyone's education."— Darin Herring, Senior Vice President of Operations for MCM and volunteer Money Matters instructor

- **Money Matters:** Through this program, in the U.S. and in Costa Rica, MCM promotes financial literacy in schools by having employee volunteers teach high school and college students about credit and the basics of personal finance.
- **Skills-4-Bills:** In the U.K., we provide an experiential way of teaching youth money skills in schools. Through an interactive game, employee volunteers help students learn how financial decisions may impact their lives.

ENCORE CAPITAL GROUP

BETTER SOLUTIONS. BETTER LIFE.

About Encore Capital Group

Encore Capital Group is an international specialty finance company that provides debt recovery solutions and other related services for consumers across a broad range of financial assets. Through its subsidiaries around the globe, Encore purchases portfolios of consumer receivables from major banks, credit unions, and utility providers.

Encore partners with individuals as they repay their debt obligations, helping them on the road to financial recovery and ultimately improving their economic well-being. Encore is the first and only company of its kind to operate with a Consumer Bill of Rights that provides industry-leading commitments to consumers. Headquartered in San Diego, Encore is a publicly traded NASDAQ Global Select company (ticker symbol: ECPG) and a component stock of the Russell 2000, the S&P Small Cap 600 and the Wilshire 4500. More information about the company can be found at encorecapital.com.