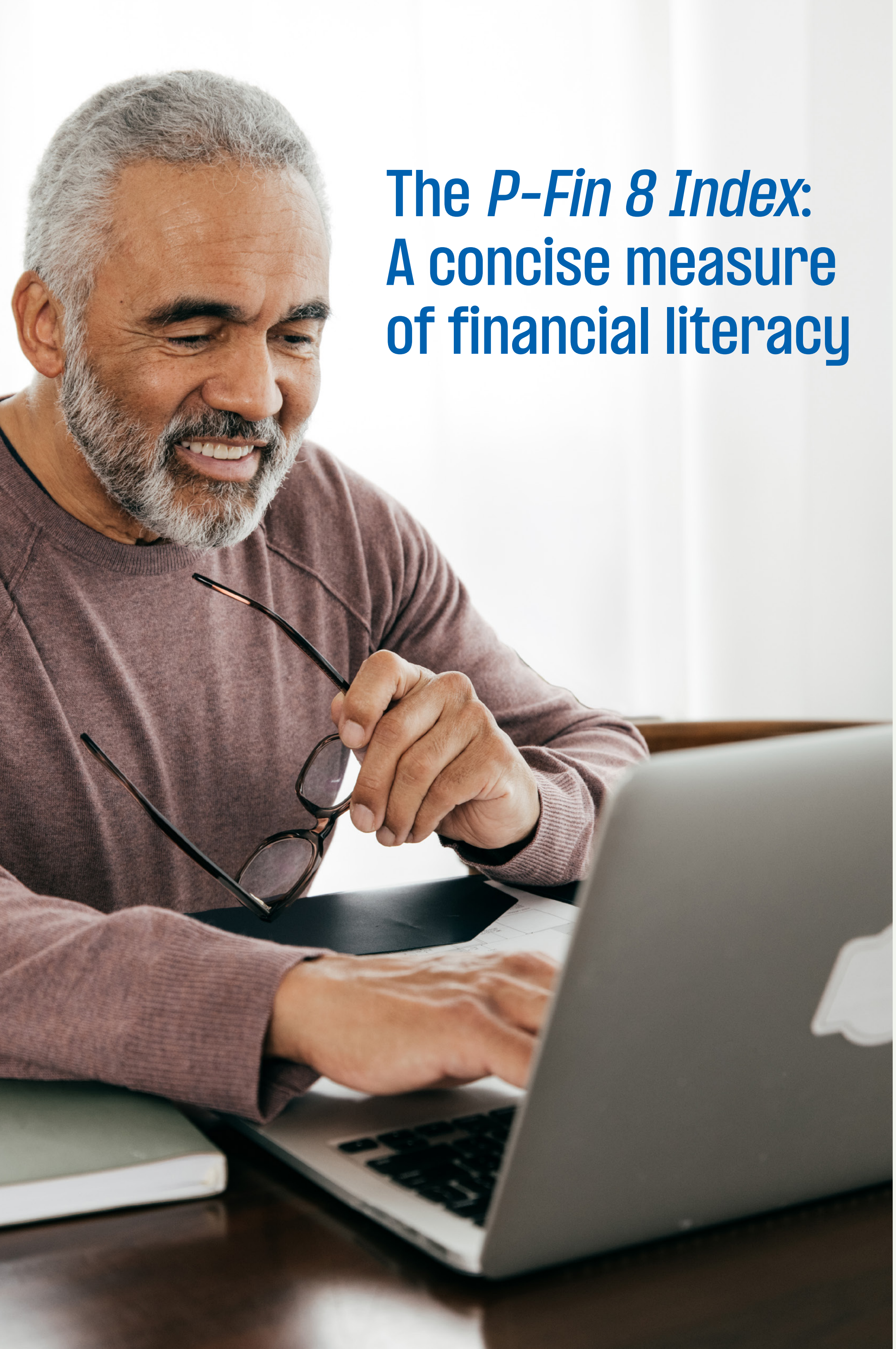

The *P-Fin 8 Index*: A concise measure of financial literacy

The ***P-Fin 8 Index*** is a publicly available, eight-question measure of financial literacy developed by the TIAA Institute and the Global Financial Literacy Excellence Center (GFLEC). Introduced in 2026 as part of the 10th anniversary of the *TIAA Institute-GFLEC Personal Finance Index (P-Fin Index)*, it offers a practical way to quickly measure financial literacy.

The full *P-Fin Index* uses 28 questions to assess knowledge across eight areas of personal finance: **earning, consuming, saving, investing, borrowing and managing debt, insuring, comprehending risk, and go-to information sources.** The *P-Fin 8* consists of one question from each area, selected through empirical analysis that identified the best combination to proxy the full 28-question index.

Why use the *P-Fin 8 Index*?

The *P-Fin 8* provides **researchers, educators, employers, and individuals** with a concise set of questions that produce a standardized measure of financial literacy. Users can benchmark results against the national survey findings reported in the annual *P-Fin Index* study.

What did the *P-Fin 8 Index* find in 2026?

The *P-Fin 8 Index* performs similarly to the full *P-Fin Index*, highlighting analogous patterns of low financial literacy among adults.

- **U.S. adults correctly answered only 46% of the *P-Fin 8* questions, on average**—nearly identical to the **47%** average on the full 28-question index.
- **60% of adults correctly answered four or fewer of the eight questions** and **36% demonstrated very low financial literacy** by answering two or fewer questions correctly.
- Only **15% demonstrated very strong financial literacy** by answering seven or eight questions correctly.
- **Gender and generational gaps**: Men averaged 49% correct on the *P-Fin 8* compared with **42%** among women. Gen Z averaged fewer correct answers than older generations—just **38%** correct, with nearly half (48%) answering two or fewer questions correctly.

These findings are consistent with a decade of *P-Fin Index* data showing that financial literacy in America has remained persistently low. This is problematic because financial well-being is strongly linked to financial literacy.

TIAA Institute

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Global Financial Literacy Excellence Center

TAKE THE *P-FIN 8* QUIZ. *Answer each question by selecting one option. An answer key and national results for U.S. adults follow the quiz.*

1. Mark's salary has increased over the past two years. What would be a plausible reason for this?

A. The number of workers with Mark's skills increased where he lives and works
B. New technology reduced the demand for workers with Mark's skills
C. Mark completed several training courses at a local college
D. Don't know

2. A household budget cannot be used for which of the following?

A. To track household financial assets
B. To plan for necessary household expenses
C. To plan household discretionary spending
D. Don't know

3. Akiko has $1,000 in savings that earns a 2% rate of return over the course of the year. The inflation rate during the year is 3%. Which statement is true?

A. She can afford to buy fewer things at the end of the year
B. She can afford to buy more things at the end of the year
C. It's not clear whether she can afford to buy more things or fewer things at the end of the year
D. Don't know

4. Which statement about investing is correct?

A. Investing in the stock of a single company is typically safer than investing in a mutual fund that holds shares of many companies in multiple industries
B. Investing in a mutual fund that holds shares of many companies in multiple industries is typically safer than investing in the stock of a single company
C. Investing in the stock of a single company and investing in a mutual fund that holds shares of many companies in multiple industries are typically equally safe
D. Don't know

5. José owes $1,000 on a loan that has an interest rate of 20% per year compounded annually. If he makes no payments on the loan, at this interest rate, how many years will it take for the amount he owes to double?

A. Less than 5 years
B. 5 to 10 years
C. More than 10 years
D. Don't know

6. Katherine is a single 25-year-old worker who is in good health. What type of insurance coverage is she most likely to need in the near term?

A. Life insurance
B. Disability insurance
C. Long-term care insurance
D. Don't know

7. Lottery A pays a prize of $200 and the chance of winning is 5%. Lottery B pays a prize of $90,000 and the chance of winning is 0.01%. Expected winnings are greater in which lottery?

A. Lottery A
B. Lottery B
C. They are equal
D. Don't know

8. Which of the following appears to be inappropriate investment advice for the respective individual?

A. A stock index fund to a 30-year-old worker saving for retirement
B. A bond fund to a 60-year-old worker for some of her retirement savings
C. A stock fund that invests in small start-up businesses to a 75-year-old retiree
D. Don't know

ANSWER KEY

	Correct answer	% of U.S. adults who got it right (2026)
Q.1	**C**: Completing training courses increases Mark's skills and earning potential	56%
Q.2	**A**: A budget plans spending and expenses; it is not designed to track financial assets	49%
Q.3	**A**: Because inflation (3%) exceeds Akiko's return (2%), her purchasing power decreases	48%
Q.4	**B:** A diversified mutual fund is typically safer than a single stock	54%
Q.5	**A**: At 20% compounded interest, the debt doubles in less than 5 years	40%
Q.6	**B**: A young worker is most likely to need disability insurance to protect her income if she cannot work	27%
Q.7	**A**: Lottery A's expected value is $10 (5% × $200); Lottery B's is $9 (0.01% × $90,000)	46%
Q.8	**C**: High-risk growth stocks are generally inappropriate for a 75-year-old retiree	46%

RESULTS AMONG U.S. ADULTS IN 2026

Percentage correctly answered:

- 7–8 questions: **15%**
- 5–6 questions: **24%**
- 3–4 questions: **24%**
- 0–2 questions: **36%**

Source: 2026 *TIAA Institute-GFLEC Personal Finance Index*.

(06/26)