



**40%** On average, U.S. adults correctly answered two out of five retirement fluency questions

**FINANCIAL LITERACY AND RETIREMENT FLUENCY**

# New insights for improving financial well-being

*The 2024 TIAA Institute-GFLEC Personal Finance Index*

**Retirement fluency is knowledge that promotes financial well-being in retirement.**

Five questions in the 2024 P-Fin Index survey gauged retirement fluency, each covering a distinct topic:

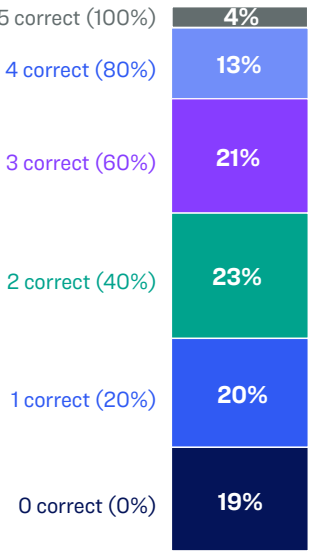
- Social Security benefits
- Medicare coverage of healthcare expenses
- Employment-based retirement savings
- Ensuring lifetime income
- Life expectancy in retirement

On average, U.S. adults correctly answered two questions out of the five.

The share who correctly answered none of the questions (19%) matched the share who correctly answered four or five questions (17%).

**RETIREMENT FLUENCY**

Distribution of correct answers to retirement-related questions



Source: TIAA Institute-GFLEC Personal Finance Index (2024).

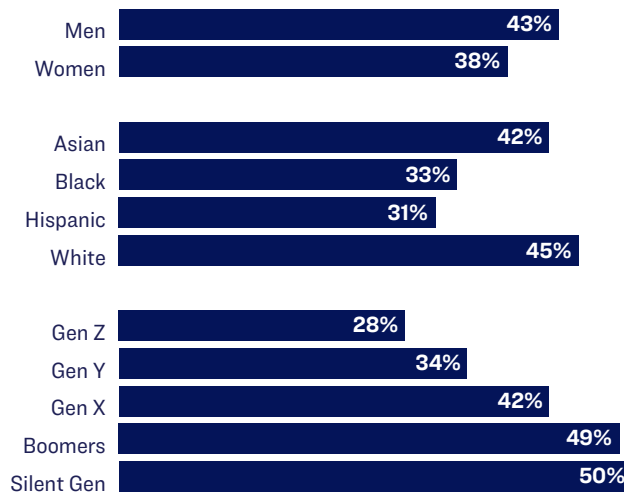


**Demographic variations in retirement fluency are apparent.**

On average, men correctly answered more retirement-related questions than women. Likewise, Asians and Whites tended to correctly answer more questions than Blacks and Hispanics, and so too older generations compared with younger generations.

**RETIREMENT FLUENCY**

Percentage of retirement-related questions answered correctly



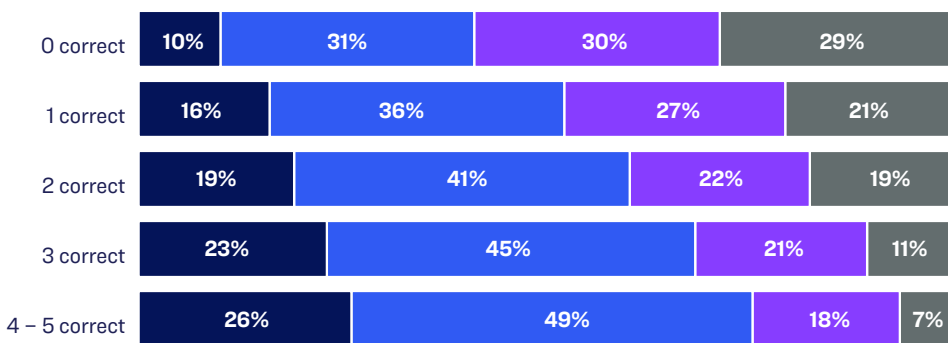
Source: TIAA Institute-GFLEC Personal Finance Index (2024).

**RETIREMENT FLUENCY AND RETIREMENT INCOME CONFIDENCE**

How confident are you that you will have enough money to live comfortably throughout your retirement years?



# of retirement-related questions answered correctly



Source: TIAA Institute-GFLEC Personal Finance Index (2024).

**Retirement income security is linked to retirement fluency—individuals with greater retirement fluency tend to be more confident that they will have enough money to live comfortably throughout retirement.**

Twenty-six percent of those who correctly answered four or five of the retirement-related questions are very confident in this regard, while only 7% are not at all confident. These figures are essentially flipped among those who correctly answered none of the questions—10% are very confident and 29% are not at all confident.

This finding demonstrates the importance of retirement fluency. Certainly, other factors matter as well in realizing a financially secure retirement, for example, the opportunity to save through an employment-based retirement savings plan. At the same time, an ability to make sound retirement-related decisions matters too.





## Learn more

To learn more about the retirement fluency of U.S. adults visit the [TIAA Institute](#) and [Global Financial Literacy Excellence Center \(GFLEC\)](#) websites to read the full report.

### Methodology

The *TIAA Institute-GFLEC Personal Finance Index (P-Fin Index)* has served as an annual barometer of financial literacy among U.S. adults since 2017. The 2024 survey was completed online in January by a sample of 3,876 individuals, ages 18 and older. The survey data were weighted to be nationally representative.

### Questions measuring retirement fluency

Which statement about Social Security is false?

- **The amount someone receives in Social Security benefits depends upon his/her earnings during the last two years of full-time employment. (42% correct)**
- A worker receives Social Security benefit payments if he/she becomes disabled before retiring.
- Social Security benefit payments will continue as long as an individual is alive, no matter how long he/she lives.
- Don't know.

Susan worries about living a long life and running out of money. What is the best way for her to address that possibility?

- **Buy an annuity. (53% correct)**
- Buy life insurance.
- There is nothing she can do about this.
- Don't know.

On average, Medicare and other government programs cover how much of an individual's health care expenses in retirement?

- Over 90%.
- **About 2/3. (30% correct)**
- About 1/2.
- Don't know.

Latisha plans to start saving for retirement by setting aside \$2,000 this year. Her employer offers a 401(k) plan and fully matches a worker's contributions up to \$5,000 each year. Under which scenario does Latisha have the largest amount in retirement savings at year-end?

- **She contributes \$2,000 to the 401(k) plan and invests the money in a mutual fund that earns a 5% return during the year. (44% correct)**
- She contributes \$2,000 to an IRA (individual retirement account) and invests the money in a mutual fund that earns a 5% return during the year.
- It does not matter—she will have the same amount of year-end savings either way.
- Don't know.

On average in the U.S., how long will a 65-year-old man/woman live?

- Man age 79/Woman age 82.
- **Man age 84/Woman age 87. (32% correct)**
- Man age 89/Woman age 92.
- Don't know.