Financial literacy among U.S. women

The TIAA Institute-GFLEC Personal Finance Index (P-Fin Index) annually assesses financial literacy among the U.S. adult population. In addition to a robust measure of overall personal finance knowledge, it provides a nuanced analysis across eight areas in which individuals routinely function. This brief examines financial literacy among U.S. women, including variations across generations.
Women tend to have lower financial literacy than men

Financial literacy among women lags that of men across generations

The financial literacy gender gap is smallest among Gen Z.

Wide gender gaps across areas of financial literacy

<table>
<thead>
<tr>
<th>Area</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing</td>
<td>55%</td>
<td>66%</td>
</tr>
<tr>
<td>Saving</td>
<td>64%</td>
<td>53%</td>
</tr>
<tr>
<td>Insuring</td>
<td>41%</td>
<td>49%</td>
</tr>
<tr>
<td>Investing</td>
<td>40%</td>
<td>54%</td>
</tr>
<tr>
<td>Comprehending Risk</td>
<td>32%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Most women could not correctly answer more than one-half of the P-Fin Index questions.

On average, women correctly answered 45% of the P-Fin Index questions in 2022 compared with 55% among men.

Percentage point difference between women and men in P-Fin Index questions answered correctly.

BORROWING: 11% difference
SAVING: 11% difference
INSURING: 14% difference
INVESTING: 14% difference
COMPREHENDING RISK: 12% difference

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INVESTING: 14% difference
COMPREHENDING RISK: 12% difference
Younger women tend to have lower financial literacy

% of P-Fin Index questions answered correctly

<table>
<thead>
<tr>
<th>Generation</th>
<th>BABY BOOMERS</th>
<th>GEN X</th>
<th>46%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GEN Y</td>
<td>41%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>GEN Z</td>
<td>38%</td>
<td></td>
</tr>
</tbody>
</table>

Comprehending risk is a particular weakness in women’s financial literacy across generations

% of P-Fin Index questions on comprehending risk answered correctly

<table>
<thead>
<tr>
<th>Generation</th>
<th>Gen Z</th>
<th>Gen Y</th>
<th>Baby boomers</th>
<th>Silent generation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31%</td>
<td>30%</td>
<td>33%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Financial literacy is even lower in the area of insuring among Gen Z women.

Women with very low financial literacy are:

(compared to women with very high financial literacy)

- 5x more likely to have difficulty making ends meet
- 3x more likely to spend 10 or more hours per week on issues related to personal finances
- 3x more likely to be debt constrained
- 5x more likely to be unable to cope with a $2,000 financial shock

Learn more
Visit the TIAA Institute and GFLEC websites to find all reports based on the P-Fin Index since the project’s inception in 2017.