



FINANCIAL LITERACY AND RETIREMENT FLUENCY

New insights for improving financial well-being

The 2024 TIAA Institute-GFLEC Personal Finance Index

The TIAA Institute-GFLEC Personal Finance Index (P-Fin Index) annually assesses financial literacy, i.e., knowledge that enables sound financial decision making, among the U.S. adult population.

In addition to a robust measure of overall financial literacy, it provides a nuanced analysis of personal finance knowledge across eight areas in which individuals routinely function.

For the first time, the 2024 *P-Fin Index* also assessed basic retirement fluency, i.e., knowledge that promotes financial well-being in retirement.



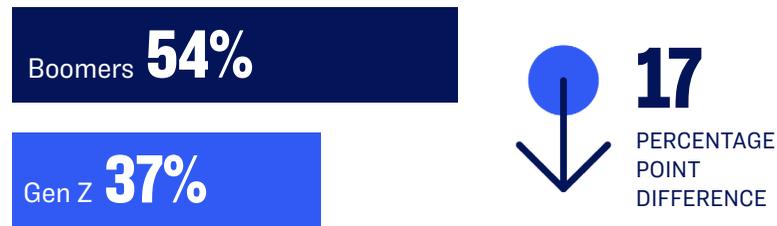
Financial literacy remains low for too many adults

Over time, U.S. adults have correctly answered approximately one-half of the *P-Fin Index* questions, on average.



35%
CORRECT
Financial literacy is lowest in the area of comprehending risk

Financial literacy tends to be lowest among the youngest*



Financial literacy tends to be lower among Black and Hispanic Americans*



*Percentage of *P-Fin Index* questions answered correctly

Financial life is harder among those with low financial literacy

Compared to those with very high financial literacy, those with very low financial literacy are:

2x
more likely to be debt constrained

3x
more likely to be financially fragile

4x
more likely to lack one month of living expenses in emergency savings

3x
more likely to lack any confidence in having enough money for a comfortable retirement

3x
more likely to spend 10 or more hours per week on issues related to personal finances

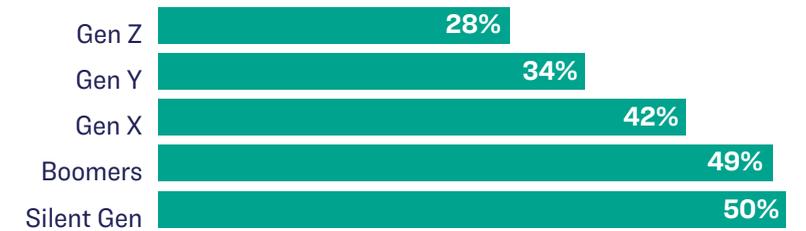
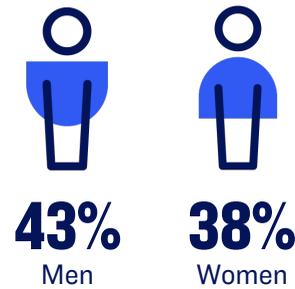


Five questions covering distinct topics used to gauge retirement fluency.

- Social Security benefits (42% answered correctly)
- Medicare coverage of healthcare expenses (30% answered correctly)
- Employment-based retirement savings (44% answered correctly)
- Ensuring lifetime income (53% answered correctly)
- Life expectancy in retirement (32% answered correctly)

U.S. adults lack retirement fluency as well

U.S. adults correctly answered 40% of the retirement related questions, on average.



Greater retirement fluency → Greater retirement income confidence

% confident about having enough money to live comfortably throughout retirement

80%
of those who correctly answered each question



41%
of those who incorrectly answered each question



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.