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TIAA Institute, GFLEC Report Offers Deeper Understanding of Hispanic Financial Literacy

Initiatives that distinguish U.S.-born and foreign-born Hispanics are likely to accelerate impact

NEW YORK (October 11, 2017) – As the economic importance of the U.S. Hispanic population continues to grow, Hispanics are set apart from the general population by gaps in financial literacy. A report issued today by the TIAA Institute and the Global Financial Literacy Excellence Center (GFLEC) at the George Washington University found a notable difference in the level of financial literacy between U.S.-born and foreign-born Hispanics, concluding that financial literacy programs that separately address U.S.-born and foreign-born Hispanics are likely to drive better results for both groups.

“Financial Literacy among U.S. Hispanics: New Insights from the Personal Finance (P-Fin) Index” used the inaugural wave of the TIAA Institute-GFLEC Personal Finance Index (P-Fin Index) to examine the current state of financial literacy among Hispanic adults. The report found that although personal finance knowledge among Hispanics is lower than that of the U.S. adult population as a whole, there is a notable difference in financial literacy within the Hispanic population between those born in the U.S. and those foreign born. Yet, the Hispanic community overall continues to make strides in educational attainment and financial security.

“We are delighted to continue our partnership with GFLEC on the release of this important nuanced examination of financial literacy among U.S. Hispanics,” said Stephanie Bell-Rose, Head of TIAA Institute. “The economic importance of the U.S. Hispanic population will continue to grow as its size expands and its demographics shift. Therefore, the financial literacy of Hispanics has both macro implications for the economy as a whole and micro implications for the financial well-being of individual households.”

“The new findings reveal substantially low levels of knowledge and understanding of personal finance concepts among Hispanics,” said Annamaria Lusardi, Academic Director of GFLEC. “We hope that targeted financial education programs for Hispanics born in the U.S. and for those born outside the U.S. will reduce the financial literacy gap we see and also allow both the Hispanic and the general population to rise above the modest financial literacy knowledge levels we witness overall among U.S. adults.”

The *P-Fin Index* measures knowledge and understanding, which enable sound financial decision-making and effective management of personal finances, and Hispanics were oversampled during fielding of the survey. It is unique in its capacity to examine financial literacy across eight areas of personal finance in

which individuals routinely function (earning, consuming, saving, investing, borrowing/managing debt, insuring, comprehending risk, and go-to information sources).

The report with new insights on financial literacy levels of Hispanics was authored by Paul Yakoboski, Senior Economist at the TIAA Institute, Annamaria Lusardi, Academic Director at GFLEC, and Andrea Hasler, Assistant Research Professor in Financial Literacy at GFLEC.

To view the report in full, please click [HERE](#).

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About the TIAA Institute

The TIAA Institute helps advance the ways individuals and institutions plan for financial security and organizational effectiveness. The institute conducts in-depth research, provides access to a network of thought leaders, and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success. For more information about the TIAA Institute, visit www.tiaainstitute.org.

About TIAA

TIAA (TIAA.org) is a unique financial partner. With an award-winning track record for consistent investment performance, TIAA is the leading provider of financial services in the academic, research, medical, cultural and government fields. TIAA has \$954 billion in assets under management (as of 6/30/2017) and offers a wide range of financial solutions, including investing, banking, advice and education, and retirement services.

About GFLEC

Founded in 2011 at the George Washington University School of Business, the Global Financial Literacy Excellence Center (GFLEC) has positioned itself to be the world's leading center for financial literacy research and policy. Through rigorous scholarship and research, wide-reaching education, and global policy services, the Center works with partners in Washington, D.C., throughout the United States, and across the globe to raise the level of financial knowledge. GFLEC builds on more than 20 years of academic research by Professor Annamaria Lusardi, an early contributor to financial literacy as a field of study. The Center collaborates on policy work with key institutions such as the FINRA Investor Education Foundation, the Organization for Economic Cooperation and Development (OECD), and the Italian Financial Education Committee. For more information about GFLEC, visit www.gflec.org.