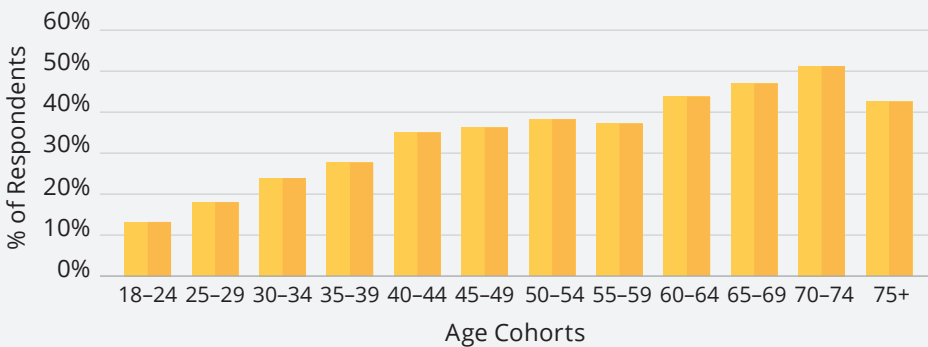


# Financial Literacy in the U.S.

Parents and adult guardians can play an important role in how a student learns and applies financial concepts. However, parents face challenges in speaking with their kids about money matters, as many adults lack adequate financial literacy themselves.

## Financial Literacy among Adults

Percentage answering three financial literacy questions (about interest, inflation, and risk) correctly.

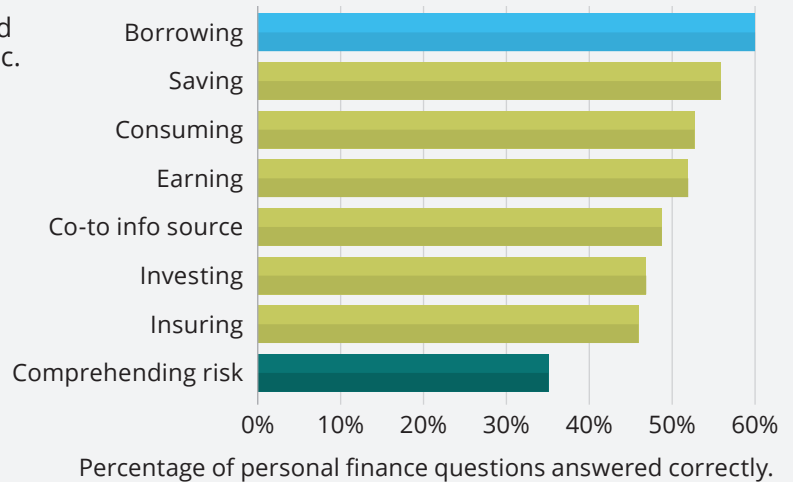


Financial knowledge increases very slowly with age.

**LESS THAN 1/3** of adults know three basic concepts by age 40, even though many important decisions are made well before that age.

Source: National Financial Capability Study 2015

The financial topic that American adults understand the best is borrowing; risk is the least understood topic.



Source: The TIAA Institute-GFLEC Personal Finance Index (2018)

## PEOPLE WITH HIGHER FINANCIAL KNOWLEDGE ARE...



Source: The TIAA Institute-GFLEC Personal Finance Index (2018)

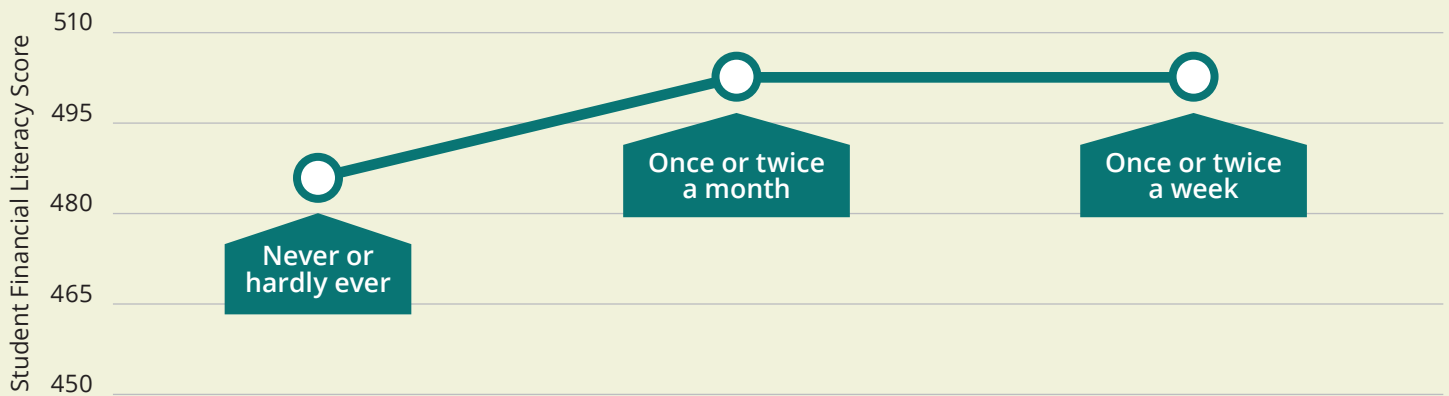
## Financial Literacy Matters

In every chapter of life, important financial decisions must be made, from whether to go to college to when to retire. How well individuals navigate these decisions is dependent, at least in part, on their financial literacy.



Students who said they speak at least once or twice a month with their parents about money matters have better financial literacy scores than those who said they hardly or never speak with their parents.

How often do you discuss money matters with your parents/guardians or other adult relations?

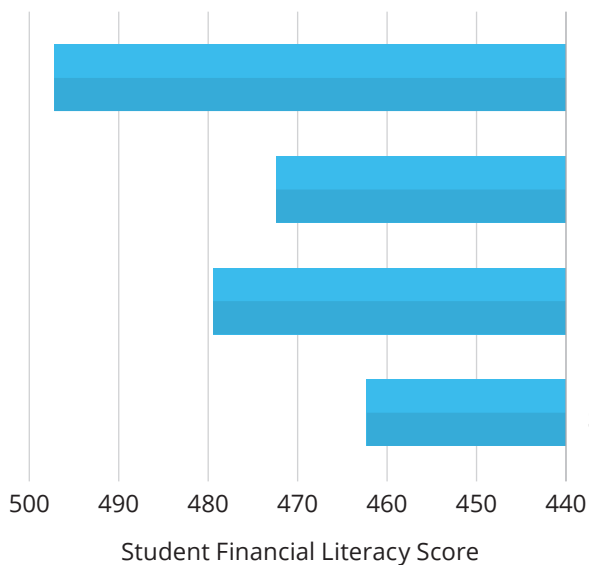


Source: PISA 2015

## Parent Support

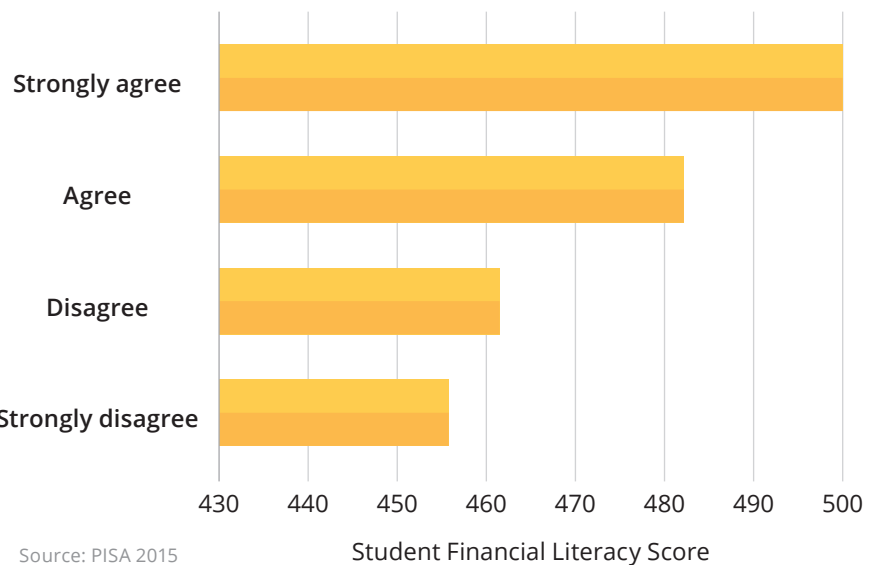
Parents can also influence their students' financial capability through support and encouragement of their school activities.

My parents support my educational efforts and achievements.



Source: PISA 2015

My parents are interested in my school activities.



Students who speak regularly with their parents about money issues and who feel supported by their parents in educational activities tend to have higher financial literacy scores. This indicates parents can play an important role in improving their children's financial literacy.

[www.gflec.org](http://www.gflec.org)