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GLOBAL FINANCIAL LITERACY EXCELLENCE CENTER

NEWS FLASH

JUST RELEASED

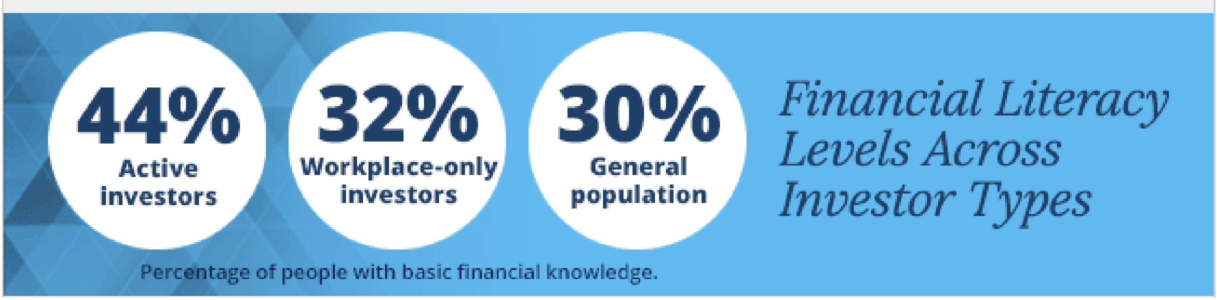
"New Evidence on the Financial Knowledge and Characteristics of Investors"

Study reveals substantial differences in financial knowledge exist across investor types.

GFLEC's new report—by Jill E. Fisch at Penn Law, Andrea Hasler and Annamaria Lusardi at GFLEC, and Gary Mottola at FINRA Investor Education Foundation—shows striking differences between types of investors. The report compares active investors—those who invest in financial markets via taxable accounts and/or self-directed retirement savings accounts—with those who only participate in employer-sponsored retirement plans.

Here are a few of the key findings.

- Workplace-only investors show strikingly lower financial literacy levels than active investors. Only 32% of workplace-only investors answered the Big Three questions correctly compared to 44% of active investors.
- Access to financial education programs may explain some of these differences. Among active investors, 42% were offered financial education in an educational institution or a workplace. For workplace-only investors, this drops to 28%.
- There is a gender gap among active investors. Women make up only 38% of the active investor population.
- Workplace-only investors are more likely to have lower income, less education, and to be divorced or separated.



This work was conducted with financial support from the FINRA Investor Education Foundation (FINRA Foundation) and is based on data from the National Financial Capability Study (NFCS). The NFCS is a project of the FINRA Foundation.