

P-Fin Index Insights: Improving financial resilience

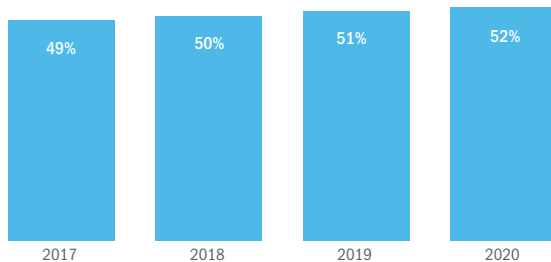
The TIAA Institute-GFLEC Personal Finance (P-Fin) Index demonstrates the precarious position of many U.S. adults just before the coronavirus pandemic.*

- One-third found it difficult to make ends meet in a typical month.
- One-quarter could not come up with \$2,000 if an unexpected need arose.
- Debt prevented 31% from adequately addressing other financial priorities.
- About 13% did not typically make loan and credit card payments in full and on time.

In addition, low financial literacy, particularly concerning risk and uncertainty, can hinder U.S. adults heading into the eventual recovery.

Financial literacy of U.S. adults is slowly rising, but still poor generally

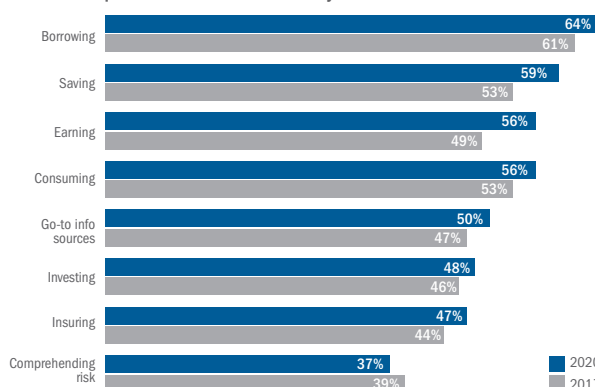
% of P-Fin questions answered correctly



On average, Americans could answer slightly more than half the P-Fin questions correctly.

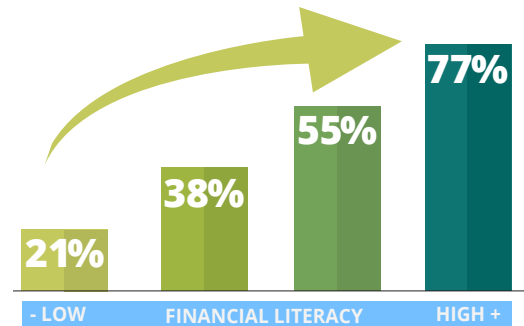
Understanding risk is Americans' greatest weakness in financial literacy

% of P-Fin questions answered correctly



This knowledge gap is particularly problematic in a time of extreme risk and uncertainty.

People with greater financial literacy are better able to handle a financial shock.

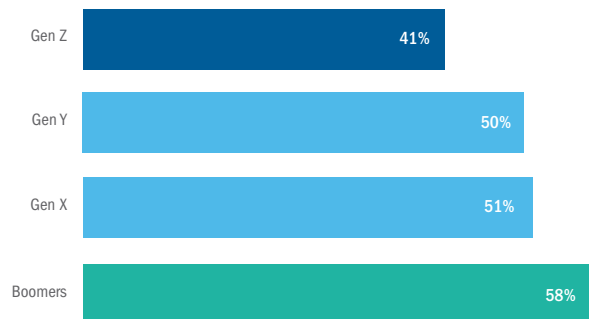


% who could certainly come up with \$2,000 if an unexpected need arose within the next month

Financial literacy is associated with financial resources in times of need.

Financial literacy differs by generation

% of P-Fin questions answered correctly



Financial literacy is highest among boomers and notably lower among Gen Z.

Implications in today's economic environment

Many Americans lack...

1. Basic knowledge to make sound personal finance decisions.
2. Emergency savings to use as a financial buffer in lean times.
3. Skills needed to build financial resilience, such as budgeting, saving and investing.

To learn more

[Click here](#) to view the full P-Fin Index report and related materials.

*Based on a nationally representative online survey of 1,008 U.S. adults, ages 18 and older, conducted in January 2020.