

Predicting the Unpredictable: Personal Finance in 2036

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*“It’s tough to make predictions...especially
about the future.”*

Yogi Berra

A Little Background

Why 2036?

- 14 years from now is not *too* far out
- GFLEC will be 25 years old



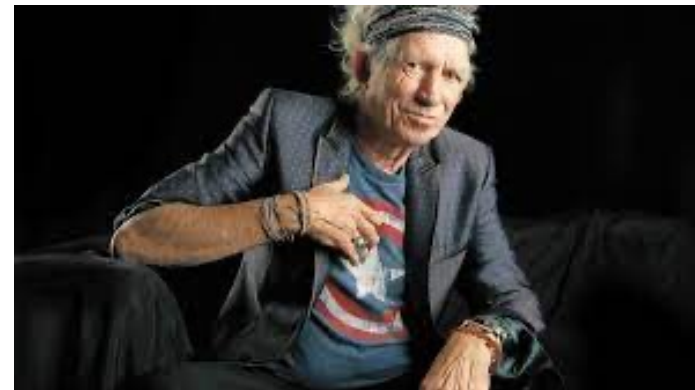
Putting 2036 in perspective

- “Big Three” will be 32 years old
- Tenth wave of NFCS—data spanning 27 years
- The oldest Gen Zers will be 39

2036 Predictions

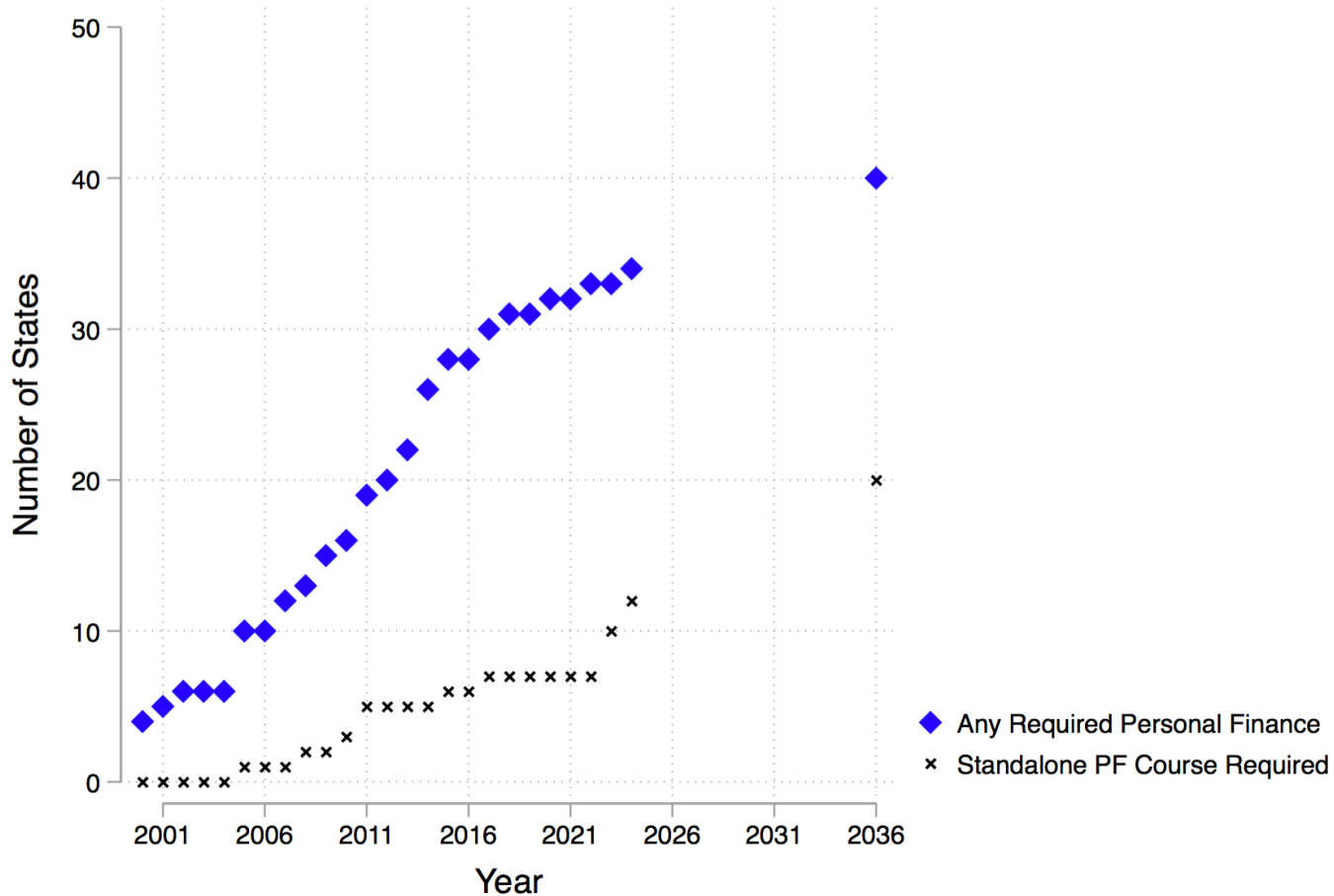
- World Population is over 9 billion
- The last gas-powered car in the U.S. rolls off the assembly line
- Keith Richards is still on tour

But what about personal finance?



Prediction 1

How many U.S. States will mandate financial education in high school?
Prediction: Trend says 40; we say all!



Rationale

- Upward trend steepens
- Bipartisan appeal
- It works

What might undo the prediction?

Prediction 2

African Americans and Hispanics/Latinos will not be under-represented in the investor ranks



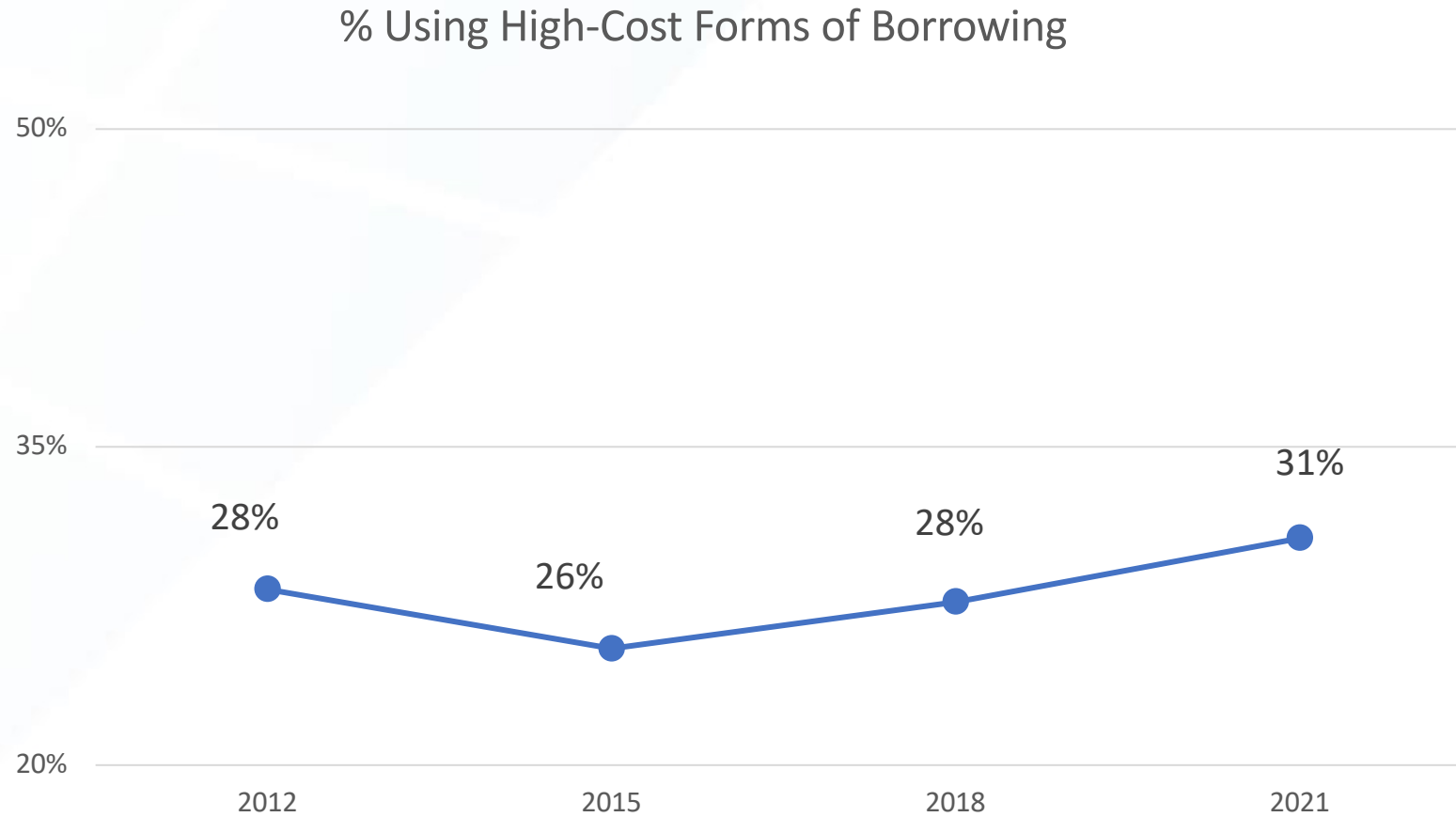
Rationale

- Data is trending up
- Barriers to investing are falling
- DEI initiatives
- “New investors” are more diverse

What might undo the prediction?

Prediction 3

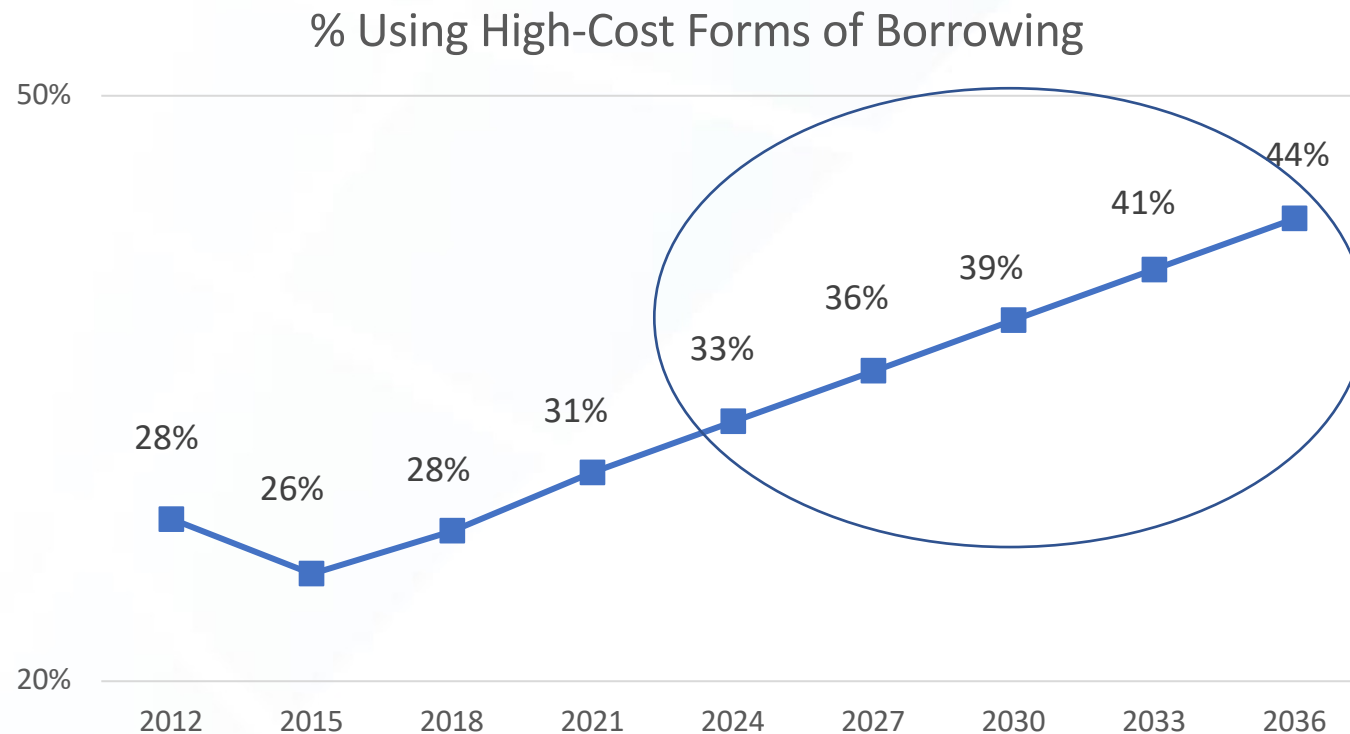
What percent of Americans will use high-cost forms of borrowing in 2036?



Prediction 3 (cont.)

What percent of Americans will use high-cost forms of borrowing in 2036?

Prediction: Almost half (aggressive prediction)



Rationale

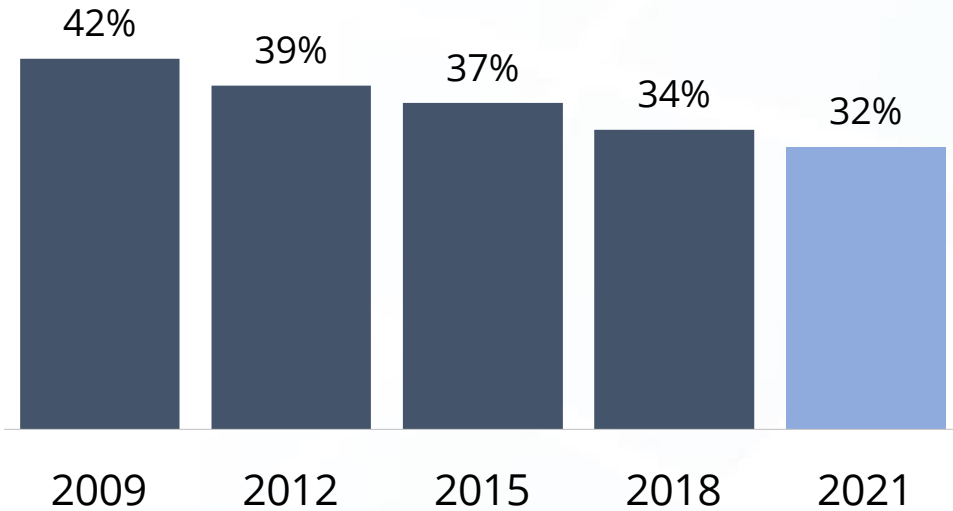
- Trending up
- Distrust of traditional financial services
- Lack of emergency savings
- Ease of access

What might undo the prediction?

Prediction 4

Gap between what we know and how we feel will widen

% High Financial Literacy
(3+ out of 5 correct)



From 2009 to 2021 “Don’t Know” responses Increased by **31%**

Financial satisfaction from 2009 to 2021 increased by **19%**

Rationale

- Financial literacy as measured by The Big 5 is falling
- “Don’t Knows” are increasing
- Yet, Financial Satisfaction is increasing
- What’s going on? Is ignorance bliss? Spurious correlation?

What might undo the prediction?

Your turn...

What's your prediction? Which financial capability indicators will improve? Which will grow worse?

1. Consumer debt
2. Race-based wealth inequality
3. Gender gap in financial knowledge
4. Retirement preparedness
5. Student loan debt

Any others?

Better

Worse