

A man and a woman are sitting on the back of a dark green car, looking at a smartphone together. They are in a scenic coastal location with a blue ocean and a town built on a hillside in the background. The man is wearing a striped shirt and sunglasses, and the woman is wearing a white t-shirt and denim shorts. A blue graphic element is visible in the upper right corner.

2022 PERSONAL FINANCE INDEX

How knowledge charts a course to financial well-being

The TIAA Institute-GFLEC Personal Finance Index (P-Fin Index) is an annual study of financial literacy levels among U.S. adults. Now in its sixth year, the P-Fin Index examines knowledge in eight areas of personal finance, as well as the relationship between financial literacy and financial well-being.

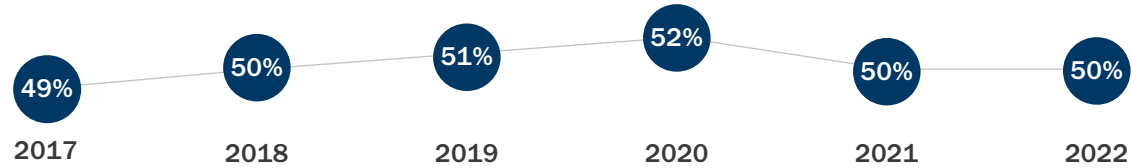
 TIAA Institute


GLOBAL FINANCIAL LITERACY
EXCELLENCE CENTER

Consistently low financial literacy



U.S. adults have correctly answered only about **1/2 of the index questions** each year*



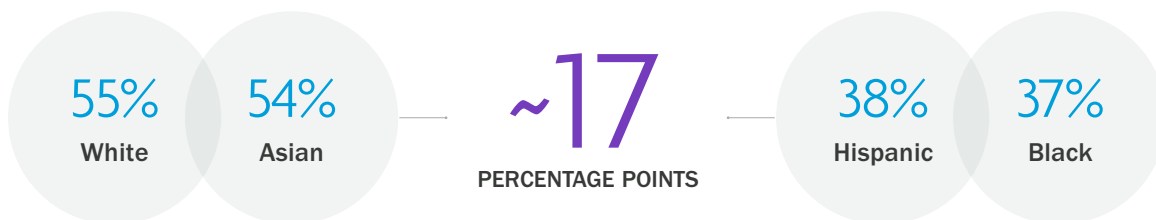
Off to a slow start

Financial literacy tends to be lowest among the youngest.*

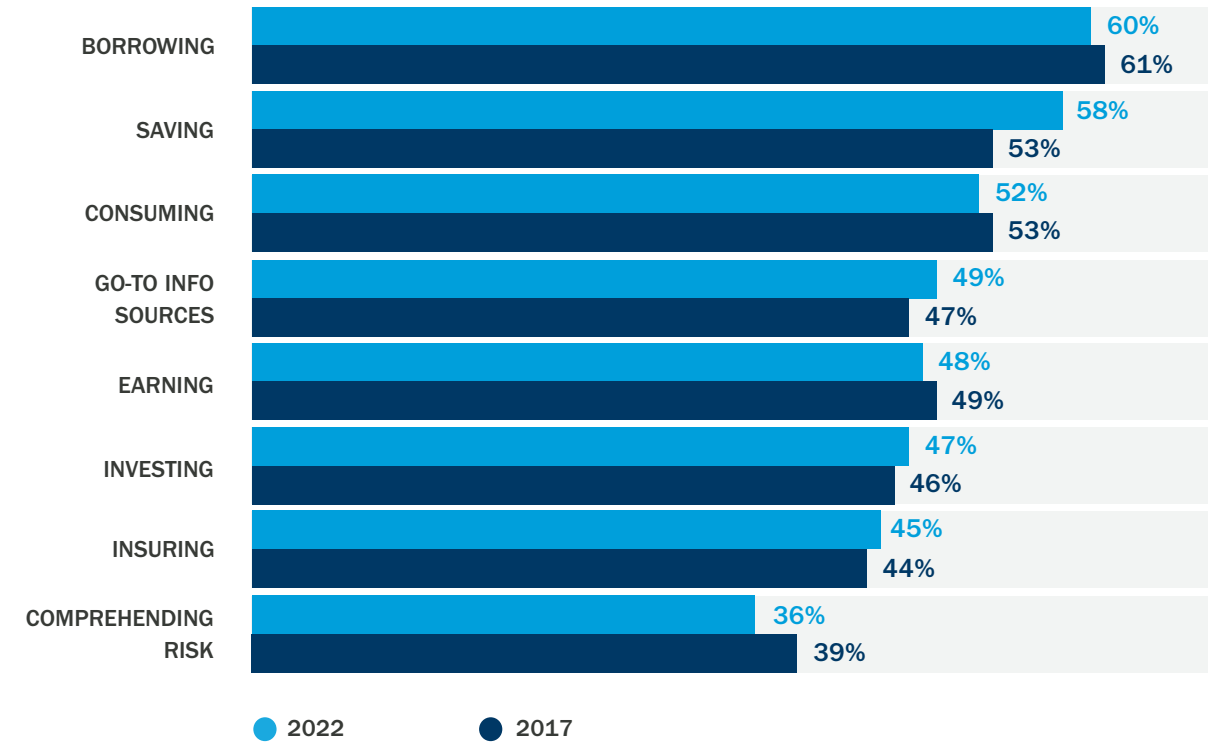


A gap to bridge

Financial literacy tends to be lower among Black and Hispanic Americans.*



Little change in functional knowledge levels*



* % of correctly answered P-Fin Index questions



Better grasp of borrowing

can be useful when it comes to managing existing debt and taking on new debt.



Low understanding of risk

is problematic because uncertainty is inherent in financial decision-making.

The link between financial literacy and financial well-being

Compared to individuals with very high financial literacy, those with very low financial literacy levels are



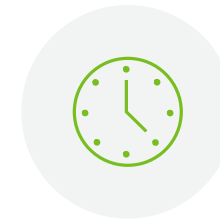
6x more likely to have trouble making ends meet



3x less likely to cope with a \$2,000 financial shock



3x more likely to be debt constrained



4x more likely to spend 10+ hrs./week thinking about personal finances

1 in 10 with very low financial literacy is very satisfied with their financial situation



40% with very low financial literacy typically find it hard to make ends meet

Learn more about the value of financial knowledge

Read the full P-Fin Index report by Paul Yakoboski, TIAA Institute, and Annamaria Lusardi and Andrea Hasler of The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC).

[Download full report](#)