The TIAA Institute-GFLEC Personal Finance Index (P-Fin Index) annually assesses financial literacy among the U.S. adult population. In addition to a robust measure of overall personal finance knowledge, it provides a nuanced analysis across eight areas in which individuals routinely function.

The 2023 P-Fin Index also examined how various dimensions of financial well-being among U.S. adults changed over the course of 2022, a year marked by historically high inflation.
Inflation and retirement savings

25% of workers decreased their retirement savings because of inflation

12% stopped saving completely

Decreased retirement savings most common among Hispanics

40% decreased savings

24% stopped saving

There was essentially no difference between men and women or across generations in the percentage of workers who decreased their retirement savings.

Comparing financial well-being among U.S. adults at the beginning of 2023 with the beginning of 2022

Typically find it difficult to make ends meet

January 2022: 24%  
January 2023: 30%

Debt prevents adequately addressing other financial priorities

January 2022: 20%  
January 2023: 26%

Lack non-retirement savings sufficient to cover one month of living expenses (among nonretirees)

January 2022: 32%  
January 2023: 39%

Spend 10 or more hours per week on personal finance issues

January 2022: 16%  
January 2023: 20%

Lower contributions to retirement savings could persist, amplifying the impact on long-term financial security.
Financial life is harder among those with low financial literacy

Compared to those with very high financial literacy, those with very low financial literacy are:

- **4x more likely to typically have difficulty making ends meet**
- **3x more likely to be debt constrained**
- **4x more likely to lack one month of living expenses in emergency savings**
- **3x more likely to spend 10 or more hours per week on issues related to personal finances**

Decreased retirement saving in response to inflation was more common among workers with low financial literacy:

- **HAVE VERY LOW FINANCIAL LITERACY**
  - 27% decreased savings
  
- **HAVE VERY HIGH FINANCIAL LITERACY**
  - 16% decreased savings

Unfortunately financial literacy remains low for too many adults

Over time U.S. adults have correctly answered approximately one-half of the P-Fin Index questions, on average.

- 49% in 2017
- 50% in 2018
- 51% in 2019
- 52% in 2020
- 50% in 2021
- 50% in 2022
- 48% in 2023

Financial literacy is lowest in the area of comprehending risk

Learn more

Financial education programs and resources could help close the knowledge gap and improve financial well-being as Americans navigate through turbulent times.

To learn more about the financial well-being and literacy of U.S. adults and its implications, visit the TIAA Institute and GFLEC websites to read the full P-Fin Index report.

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