



The *P-Fin 8 Index*: A concise measure of financial literacy

The ***P-Fin 8 Index*** is a publicly available, eight-question measure of financial literacy developed by the TIAA Institute and the Global Financial Literacy Excellence Center (GFLEC). Introduced in 2026 as part of the 10th anniversary of the *TIAA Institute-GFLEC Personal Finance Index (P-Fin Index)*, it offers a practical way to quickly measure financial literacy.

The full *P-Fin Index* uses 28 questions to assess knowledge across eight areas of personal finance: **earning, consuming, saving, investing, borrowing and managing debt, insuring, comprehending risk, and go-to information sources**. The *P-Fin 8* consists of one question from each area, selected through empirical analysis that identified the best combination to proxy the full 28-question index.

Why use the *P-Fin 8 Index*?

The *P-Fin 8* provides **researchers, educators, employers, and individuals** with a concise set of questions that produce a standardized measure of financial literacy. Users can benchmark results against the national survey findings reported in the annual *P-Fin Index* study.

What did the *P-Fin 8 Index* find in 2026?

The *P-Fin 8 Index* performs similarly to the full *P-Fin Index*, highlighting analogous patterns of low financial literacy among adults.

- **U.S. adults correctly answered only 46% of the *P-Fin 8* questions, on average**—nearly identical to the **47%** average on the full 28-question index.
- **60% of adults correctly answered four or fewer of the eight questions and 36% demonstrated very low financial literacy** by answering two or fewer questions correctly.
- Only **15% demonstrated very strong financial literacy** by answering seven or eight questions correctly.
- **Gender and generational gaps:** Men averaged 49% correct on the *P-Fin 8* compared with **42%** among women. Gen Z averaged fewer correct answers than older generations—just **38%** correct, with nearly half (48%) answering two or fewer questions correctly.

These findings are consistent with a decade of *P-Fin Index* data showing that financial literacy in America has remained persistently low. This is problematic because financial well-being is strongly linked to financial literacy.

TAKE THE P-FIN 8 QUIZ. Answer each question by selecting one option. An answer key and national results for U.S. adults follow the quiz.

1. **Mark's salary has increased over the past two years. What would be a plausible reason for this?**
 - A. The number of workers with Mark's skills increased where he lives and works
 - B. New technology reduced the demand for workers with Mark's skills
 - C. Mark completed several training courses at a local college
 - D. Don't know

2. **A household budget cannot be used for which of the following?**
 - A. To track household financial assets
 - B. To plan for necessary household expenses
 - C. To plan household discretionary spending
 - D. Don't know

3. **Akiko has \$1,000 in savings that earns a 2% rate of return over the course of the year. The inflation rate during the year is 3%. Which statement is true?**
 - A. She can afford to buy fewer things at the end of the year
 - B. She can afford to buy more things at the end of the year
 - C. It's not clear whether she can afford to buy more things or fewer things at the end of the year
 - D. Don't know

4. **Which statement about investing is correct?**
 - A. Investing in the stock of a single company is typically safer than investing in a mutual fund that holds shares of many companies in multiple industries
 - B. Investing in a mutual fund that holds shares of many companies in multiple industries is typically safer than investing in the stock of a single company
 - C. Investing in the stock of a single company and investing in a mutual fund that holds shares of many companies in multiple industries are typically equally safe
 - D. Don't know

5. **José owes \$1,000 on a loan that has an interest rate of 20% per year compounded annually. If he makes no payments on the loan, at this interest rate, how many years will it take for the amount he owes to double?**
 - A. Less than 5 years
 - B. 5 to 10 years
 - C. More than 10 years
 - D. Don't know

6. **Katherine is a single 25-year-old worker who is in good health. What type of insurance coverage is she most likely to need in the near term?**
 - A. Life insurance
 - B. Disability insurance
 - C. Long-term care insurance
 - D. Don't know

7. **Lottery A pays a prize of \$200 and the chance of winning is 5%. Lottery B pays a prize of \$90,000 and the chance of winning is 0.01%. Expected winnings are greater in which lottery?**
 - A. Lottery A
 - B. Lottery B
 - C. They are equal
 - D. Don't know

8. **Which of the following appears to be inappropriate investment advice for the respective individual?**
 - A. A stock index fund to a 30-year-old worker saving for retirement
 - B. A bond fund to a 60-year-old worker for some of her retirement savings
 - C. A stock fund that invests in small start-up businesses to a 75-year-old retiree
 - D. Don't know

ANSWER KEY

| | Correct answer | % of U.S. adults who got it right (2026) |
|-----|---------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Q.1 | C: Completing training courses increases Mark's skills and earning potential | 56% |
| Q.2 | A: A budget plans spending and expenses; it is not designed to track financial assets | 49% |
| Q.3 | A: Because inflation (3%) exceeds Akiko's return (2%), her purchasing power decreases | 48% |
| Q.4 | B: A diversified mutual fund is typically safer than a single stock | 54% |
| Q.5 | A: At 20% compounded interest, the debt doubles in less than 5 years | 40% |
| Q.6 | B: A young worker is most likely to need disability insurance to protect her income if she cannot work | 27% |
| Q.7 | A: Lottery A's expected value is \$10 (5% × \$200); Lottery B's is \$9 (0.01% × \$90,000) | 46% |
| Q.8 | C: High-risk growth stocks are generally inappropriate for a 75-year-old retiree | 46% |

RESULTS AMONG U.S. ADULTS IN 2026

Percentage correctly answered:

- 7–8 questions: **15%**
- 5–6 questions: **24%**
- 3–4 questions: **24%**
- 0–2 questions: **36%**



Source: 2026 TIAA Institute-GFLEC Personal Finance Index.