



The *P-Fin 8 Index*: A proxy for the full 28-question *P-Fin Index*

To expand the use of the *P-Fin Index* on its 10-year anniversary, we created an abbreviated measure of the *P-Fin Index*—the *P-Fin 8 Index*—and are making it publicly available. The *P-Fin 8 Index* includes one question from each of the eight functional knowledge areas and is designed to serve as a proxy for the full 28-question *P-Fin Index*. It's intended for researchers and practitioners who want to include a short, standardized measure of financial literacy in surveys, evaluations, or program assessments, and then benchmark their results against the national statistics reported in this study.

Figure 6 lists the *P-Fin 8* questions and response data from the 2026 survey.¹³

FIGURE 6. *P-FIN 8* QUESTIONS

Functional area	Question wording – <i>P-Fin 8</i> (correct answers are in bold)	2026 survey responses
Earning	<p>“Mark’s salary has increased over the past two years. What would be a plausible reason for this?”</p> <ul style="list-style-type: none"> • Mark completed several training courses at a local college • The number of workers with Mark’s skills increased where he lives and works • New technology reduced the demand for workers with Mark’s skills • Don’t know 	<p>Correct response: 56% Incorrect response: 14% Don’t know: 30% No response: 1%</p>
Consuming	<p>“A household budget cannot be used for which of the following?”</p> <ul style="list-style-type: none"> • To track household financial assets • To plan for necessary household expenses • To plan household discretionary spending • Don’t know 	<p>Correct response: 49% Incorrect response: 24% Don’t know: 26% No response: 1%</p>
Saving	<p>“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?”</p> <ul style="list-style-type: none"> • She can afford to buy fewer things at the end of the year • She can afford to buy more things at the end of the year • It’s not clear whether she can afford to buy more things or fewer things at the end of the year • Don’t know 	<p>Correct response: 48% Incorrect response: 25% Don’t know: 25% No response: 2%</p>
Investing	<p>“Which statement about investing is correct?”</p> <ul style="list-style-type: none"> • 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 • 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 • 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 • Don’t know 	<p>Correct response: 54% Incorrect response: 10% Don’t know: 35% No response: 1%</p>
Borrowing and managing debt	<p>“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?”</p> <ul style="list-style-type: none"> • Less than 5 years • 5 to 10 years • More than 10 years • Don’t know 	<p>Correct response: 40% Incorrect response: 29% Don’t know: 30% No response: 1%</p>

13 Unless stated otherwise, the statistics in this report refer to the full 28-question *P-Fin Index*. The results shown in Figures 6, 7, and 8 refer to the *P-Fin 8 Index*.

FIGURE 6. P-FIN 8 QUESTIONS (CONTINUED)

Functional area	Question wording – P-Fin 8 (correct answers are in bold)	2026 survey responses
Insuring	<p>“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?”</p> <ul style="list-style-type: none"> • Disability insurance • Life insurance • Long-term care insurance • Don’t know 	<p>Correct response: 27%</p> <p>Incorrect response: 46%</p> <p>Don’t know: 26%</p> <p>No response: 2%</p>
Comprehending risk	<p>“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?”</p> <ul style="list-style-type: none"> • Lottery A • Lottery B • They are equal • Don’t know 	<p>Correct response: 46%</p> <p>Incorrect response: 22%</p> <p>Don’t know: 30%</p> <p>No response: 2%</p>
Go-to information sources	<p>“Which of the following appears to be inappropriate investment advice for the respective individual?”</p> <ul style="list-style-type: none"> • A stock fund that invests in small start-up businesses to a 75-year-old retiree • A stock index fund to a 30-year-old worker saving for retirement • A bond fund to a 60-year-old worker for some of her retirement savings • Don’t know 	<p>Correct response: 46%</p> <p>Incorrect response: 16%</p> <p>Don’t know: 36%</p> <p>No response: 2%</p>

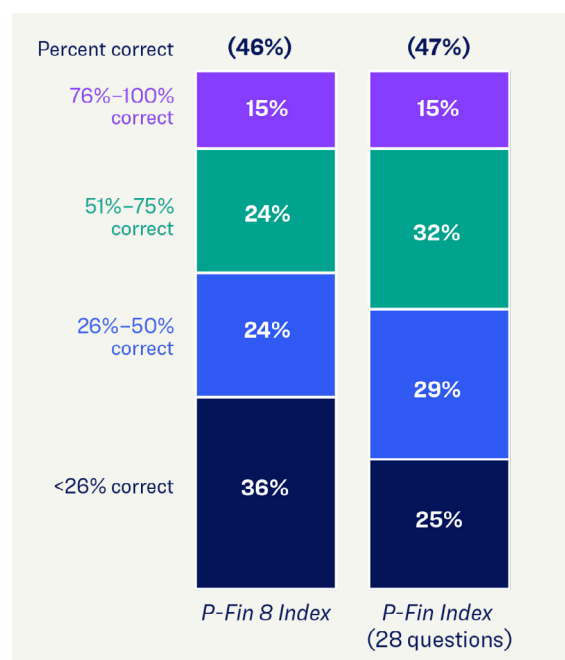
Source: TIAA Institute–GFLEC Personal Finance Index (2026).

The P-Fin 8 questions were selected based on extensive empirical analysis to identify the eight questions that, taken together, best proxy the full 28-question P-Fin Index, subject to the constraint that one question comes from each functional area. A detailed description of the methodology and results is provided in Kaiser et al. (2026).

In summary, the P-Fin 8 Index performs similarly to the P-Fin Index. In 2026, U.S. adults correctly answered 46% of the P-Fin 8 questions, on average, compared with 47% of the 28 questions comprising the full index. The distribution of correct answers to the P-Fin 8, while not identical, highlights analogous patterns of low financial literacy among adults as the full P-Fin Index (Figure 7). Most adults (60%) correctly answered half or fewer of the P-Fin 8 questions, and one-third (36%) correctly answered 25% or less. At the upper end of the spectrum, 15% demonstrated very strong financial literacy by answering seven or eight questions correctly.

FIGURE 7. P-FIN 8 INDEX COMPARED WITH THE FULL P-FIN INDEX

Distribution of correct answers



Source: TIAA Institute–GFLEC Personal Finance Index (2026).

The *P-Fin 8 Index* also shows similar results when measuring financial literacy across demographic groups. Again, while not identical, the *P-Fin 8* results highlight the core patterns documented in the full *P-Fin Index*, such as higher financial literacy among older adults and systematic gender differences (Figure 8).

FIGURE 8. P-FIN 8 INDEX BY GENDER AND GENERATION

	Men	Women	Gen Z	Gen Y	Gen X	Baby boomers	Silent Generation
Percentage of <i>P-Fin 8 Index</i> questions answered correctly	49%	42%	38%	45%	47%	52%	44%
Distribution of correct answers to the <i>P-Fin 8 Index</i> questions							
7–8 correct (76%–100%)	19%	12%	11%	16%	16%	19%	13%
5–6 correct (51%–75%)	26	23	20	22	26	30	22
3–4 correct (26%–50%)	22	26	21	24	24	25	28
0–2 correct (<26%)	33	40	48	38	35	27	37

Source: TIAA Institute–GFLEC Personal Finance Index (2026).

The *P-Fin 8 Index* also shows a strong link between financial literacy and a range of financial behaviors and outcomes, including financial fragility, retirement planning, nonretirement emergency savings, and time spent managing personal finances.

The correlation between the *P-Fin 8* and the full 28-question *P-Fin Index* exceeds 0.9, meaning the two measures move almost in lockstep—individuals who score high (low) on one tend to score high (low) on the other. This very strong relationship provides further corroboration that results from the eight questions closely track results from the 28 questions.

Together, these results support using the *P-Fin 8 Index* as a good proxy for the 28-question *P-Fin Index*.



Excerpted from *A decade of tracking financial literacy in America: Findings from the 2026 TIAA Institute–GFLEC Personal Finance Index* (2026).