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# Financial Literacy in America Has Declined to Its Lowest Level in a Decade, New TIAA Institute-GFLEC Report Finds

As the Personal Finance Index marks its 10th anniversary, findings reveal a decade of persistent challenges in financial literacy and a clear roadmap for change

NEW YORK, June 1, 2026 – The TIAA Institute and the Global Financial Literacy Excellence Center (GFLEC) today released findings from the 2026 TIAA Institute-GFLEC Personal Finance Index (P-Fin Index), marking a decade of tracking financial literacy among U.S. adults. The report delivers a sobering milestone: Financial literacy has reached its lowest point in the survey's 10-year history but also points to a clear path forward for educators, employers, policymakers, and researchers committed to reversing the trend.

"Ten years of the P-Fin Index has given us an invaluable window into what Americans know about their personal finances and what they do not," says Surya Kolluri, Head of TIAA Institute. "Financial literacy has never been lower, and Gen Z is entering adulthood without the foundational knowledge they need to thrive. This anniversary is both a celebration of a decade of vital research and a clear call to act."

## Financial Literacy is Moving in the Wrong Direction

The decline is largely driven by an increase in the proportion of individuals with very limited financial knowledge, a trend that has steadily lowered overall financial literacy levels.

Generational and gender disparities persist, with more than one third of Gen Z falling into the very lowest knowledge category and women consistently scoring below men across nearly all areas of personal finance.

"Financial literacy is an essential life skill, like reading and writing. A decade of data shows we are not where we need to be, and this year's results make the urgency impossible to ignore," says Annamaria Lusardi, an economist from Stanford University and Academic Director of GFLEC.

Low financial literacy is not just an academic concern. Those scoring low are four times more likely to struggle to make ends meet and three times more likely to be financially fragile. Retirement fluency levels across all generations are equally sobering, with adults averaging only two correct answers out of six retirement related questions.

#### A Roadmap for a More Financially Literate Nation

The data also points toward what works. Adults who have received financial education score significantly higher than those who have not, and higher financial literacy is strongly associated with saving regularly, managing debt effectively, and feeling confident about retirement.

Among workers with higher retirement fluency, more than 80% save for retirement on a regular basis and 70% feel confident they will have enough money to live comfortably throughout retirement; a powerful reminder that knowledge, when made accessible, makes a powerful difference.

School-based (K-12) financial education is one of the most powerful tools available for reaching young people early. Employer sponsored wellness programs offer a scalable channel for working adults, and community-based initiatives can help close critical gaps among retirees. Targeted initiatives for demographics who consistently demonstrate lower scores can also make a meaningful difference. Emerging tools, including artificial intelligence, show early promise as accessible resources for personal finance information, particularly among younger adults.

TIAA's [Retirement Bill of Rights](#) and Policy Roadmap outline steps that workers, private and public sector employers, and policymakers can take to advance financial literacy and empower individuals to build a more secure retirement.

In addition to these efforts, the TIAA Institute and GFLEC developed the "P-Fin 8", an eight-question short quiz ([available here](#)) that produces a standardized measure of financial literacy that provides researchers, educators, and employers a practical tool to evaluate programs and track progress over time.

The full 2026 TIAA Institute-GFLEC Personal Finance Index report is available at [tiaainstitute.org](https://tiaainstitute.org) and [gflec.org](https://gflec.org).

#### [About TIAA Institute](#)

The TIAA Institute is a think-tank within TIAA, conducting cutting-edge research in the areas of financial literacy and longevity literacy, lifetime income, retirement plan design and behavioral finance in the context of retirement. The Institute provides consulting services for higher education and the broader nonprofit sector.

#### [About GFLEC](#)

The Global Financial Literacy Excellence Center (GFLEC) is committed to advancing research and developing solutions that promote universal financial literacy. As part of Stanford University's Initiative for Financial Decision-Making,

GFLEC serves as a global hub for innovative research in financial literacy and personal finance. Founded in 2011 in Washington, D.C., the center is now housed at the Stanford Graduate School of Business, where it continues to develop tools to measure financial literacy and conduct research that informs educational programs, policy, and national strategies worldwide. For more information, visit [www.gflec.org](http://www.gflec.org).

#### [About TIAA](#)

TIAA aims to provide secure retirements and outcome-focused investment solutions to millions of people and thousands of institutions.<sup>i</sup> It paid more than \$6.17 billion in lifetime income to retired clients in 2025<sup>ii</sup> and has nearly \$1.5 trillion in assets under management (as of 03/31/2026).<sup>iii</sup>

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TIAA Institute is a division of Teachers Insurance and Annuity Association of America (TIAA), New York, NY.

- i. Based on data in PLANSPONSOR's 2025 DC Recordkeeping Survey published June 25, 2025.
- ii. As of December 31, 2025, TIAA paid out \$6.17 billion in total annuity income. This figure represents all annuity income, including guaranteed and additional amounts, for all of TIAA's annuity products.
- iii. As of March 31, 2026, assets under management across Nuveen Investments affiliates and TIAA investment management teams are \$1,498 billion.