Women’s Financial Wellbeing and Literacy

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The George Washington University
Global Financial Literacy Excellence Center (GFLEC)
Our data: The P-Fin Index

The TIAA-Institute-GFLEC Personal Finance Index (P-Fin Index for short) is:

An annual barometer of knowledge and understanding which enable sound financial decision-making and effective management of personal finances.

2021 Report

Financial well-being and literacy in the midst of a pandemic

The 2021 TIAA Institute-GFLEC Personal Finance Index

Paul J. Volcker, TIAA Institute

Kawana N. Lewis, The George Washington University

Andrew I. Fisher, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)

2020 Report

Financial literacy and wellness among U.S. women

The 2020 TIAA Institute-GFLEC Personal Finance Index

Paul J. Volcker, TIAA Institute

Kawana N. Lewis, The George Washington University

Andrew I. Fisher, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)

2019 Report

Financial literacy, wellness and resilience among African Americans

The 2019 TIAA Institute-GFLEC Personal Finance Index

Paul J. Volcker, TIAA Institute

Kawana N. Lewis, The George Washington University

Andrew I. Fisher, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)

2018 Report

Millennial Financial Literacy and Fin-tech Use: Who Knows What in the Digital Era

The 2018 TIAA Institute-GFLEC Personal Finance Index

Paul J. Volcker, TIAA Institute

Kawana N. Lewis, The George Washington University

Andrew I. Fisher, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)

2017 Report

Financial literacy among U.S. Hispanic Households: A New Measure of Financial Literacy

The 2017 TIAA Institute-GFLEC Personal Finance Index

Paul J. Volcker, TIAA Institute

Kawana N. Lewis, The George Washington University

Andrew I. Fisher, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)
Unequal financial literacy

% of P-Fin questions answered correctly

Women: 46%
Men: 55%

Distribution of correct answers to P-Fin questions

22-28 correct
Women: 11%
Men: 24%

15-21 correct
Women: 33%
Men: 35%

8-14 correct
Women: 33%
Men: 23%

0-7 correct
Women: 23%
Men: 18%

Unequal financial literacy in critical areas

% of P-Fin questions answered correctly

- Borrowing: Women 58%, Men 65%
- Saving: Women 53%, Men 63%
- Consuming: Women 52%, Men 54%
- Earning: Women 49%, Men 56%
- Go-to info sources: Women 44%, Men 52%
- Investing: Women 40%, Men 54%
- Insuring: Women 40%, Men 50%
- Comprehending risk: Women 34%, Men 41%

Women’s financial literacy tends to lag that of men across all functional areas.

## Lack of confidence

% of P-Fin questions answered with “don’t know”

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing</td>
<td>22%</td>
<td>16%</td>
</tr>
<tr>
<td>Saving</td>
<td>25%</td>
<td>17%</td>
</tr>
<tr>
<td>Consuming</td>
<td>32%</td>
<td>15%</td>
</tr>
<tr>
<td>Earning</td>
<td>34%</td>
<td>27%</td>
</tr>
<tr>
<td>Go-to info sources</td>
<td>37%</td>
<td>27%</td>
</tr>
<tr>
<td>Investing</td>
<td>30%</td>
<td>24%</td>
</tr>
<tr>
<td>Insuring</td>
<td>32%</td>
<td>23%</td>
</tr>
<tr>
<td>Comprehending risk</td>
<td>32%</td>
<td>23%</td>
</tr>
</tbody>
</table>


Women are more likely than men to answer “don’t know” across all functional areas.
## Lower financial well-being among women

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find it difficult to make ends meet in a typical month</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>Cannot pay all bills in full and on time in a typical month</td>
<td>26%</td>
<td>18%</td>
</tr>
<tr>
<td>Lack emergency savings equal to one month of living expenses</td>
<td>45%</td>
<td>35%</td>
</tr>
<tr>
<td>Could not come up with $2,000 if an unexpected need arose</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>Debt prevents adequately addressing other financial priorities</td>
<td>32%</td>
<td>31%</td>
</tr>
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</table>

Financial knowledge matters (women sample)

Find it difficult to make ends meet in a typical month
- 31% Correctly answered 50% or less of P-Fin Index questions
- 14% Correctly answered over 50% of P-Fin Index questions

Cannot pay all bills in full and on time in a typical month
- 36%
- 13%

Lack emergency savings equal to one month of living expenses
- 58%
- 27%

Could not come up with $2,000 if an unexpected need arose
- 45%
- 20%

Debt prevents adequately addressing other financial priorities
- 37%
- 25%

Financial well-being among women is consistently linked to financial literacy.

Our new paper shows that both financial literacy and confidence can be linked to stock market participation.

Those who have less financial literacy and less confidence are less likely to invest in the stock market.

Women need to be ...more fearless.
The new strategy for the next 3 years will be particularly focused on women and the young.

Based in data and research.

Target vulnerable groups.
Thank you!