



PUBLIC POLL FINDINGS AND METHODOLOGY

Over one in three Americans are not considered financially literate

A new Ipsos poll on behalf of Money Masters finds that financial literacy increases with age

Topline Findings

Washington, DC, April 27, 2022 - An Ipsos poll, conducted on behalf of Money Masters, finds that the average American rates themselves as moderately financially literate, a finding supported by the share deemed financially literate* based on correctly answering questions on financial concepts. However, when comparing self-reported financial literacy to the results of the quiz, there is a segment of the population that is overconfident in their financial prowess. The quiz's concepts include risk diversification, inflation, numeracy, and compounding interest. The poll also found demographic differences in financial literacy along the lines of age, household income, and education.

Detailed Findings

1. The average American is only moderately confident in their level of financial literacy, while some are overconfident.
 - The average American rates their level of financial literacy as a 6.2 out of ten.
 - Boomers (6.1), Gen X (6.3), and Millennials (6.1) rate themselves as more financially literate than Gen Z (5.4).
 - Those with a college degree (6.7) believe themselves to be more financially literate than those without one (5.7), as do Americans with higher household incomes compared to those with lower household incomes.
 - Roughly one in four that consider themselves financially literate were found not to be based on the results of the quiz.
2. Though the majority of Americans are financially literate, a sizable minority are not. Self-rated demographic differences in financial literacy are borne out by the share answering questions across financial concepts correctly.
 - Just under two-thirds of Americans (64%) are financial literate, while over one in three (36%) are not.
 - Financially literate Americans are led by Baby Boomers (71%), Gen X (63%), and Millennials (59%) while Gen Z (42%) trails behind.
 - Americans with a college degree are significantly more financially literate than those without one (74% and 55%, respectively).
 - Three out of four Americans with a household income of over \$100K are deemed financially literate (74%), while only half (50%) of Americans with a household income of under \$50K are. Those with a household income of \$50K to less than \$100K fall in between (67%).

**Financial literacy is defined as having answered three out of the four concepts asked about correctly. This includes risk diversification (Q2), inflation (Q3), numeracy (Q4), and compound interest (Q5-Q6). Answering either Q5 or Q6 correctly counted as credit for the compound interest concept. These questions and the definition for financially literate came from the [S&P Global FitLit Survey](#).*

These are the findings of an Ipsos poll conducted on behalf of Money Masters between September 3-9, 2021. For this survey, a sample of 4,018 adults ages 18+ from the continental U.S., Alaska, and Hawaii was interviewed online in English. The poll has a credibility interval of plus or minus 1.8 percentage points for all respondents.





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For full results, please refer to the following annotated questionnaire:

Full Annotated Questionnaire

1. How would you rate your level of financial literacy? Select one

	Total (N=4018)
10 = I am an expert in finance	3%
9	8%
8	19%
7	21%
6	15%
5	14%
4	7%
3	6%
2	4%
1 = I don't know anything about finance	3%
Mean	6.2

2. Suppose you have some money. Is it safer to put your money into one business or investment, or to put your money into multiple businesses or investments? Select one

	Total
One business or investment	10%
Multiple businesses or investments [CORRECT]	65%
Don't know	22%
Refuse to answer	3%

3. Suppose over the next 10 years the prices of the things you buy double. If your income also doubles, will you be able to buy less than you can buy today, the same as you can buy today, or more than you can buy today? Select one

	Total
Less	12%
The same [CORRECT]	63%
More	13%
Don't know	10%
Refuse to answer	2%





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4. Suppose you need to borrow 100 US dollars. Which is the lower amount to pay back: 105 US dollars or 100 US dollars plus three percent? Select one

	Total
105 US dollars	18%
100 US dollars plus three percent [CORRECT]	70%
Don't know	11%
Refuse to answer	2%

5. Suppose you put money in the bank for two years and the bank agrees to add 15 percent per year to your account. Will the bank add more money to your account the second year than it did the first year, or will it add the same amount of money both years?

	Total
More [CORRECT]	68%
The same	20%
Don't know	11%
Refuse to answer	2%

6. Suppose you had 100 US dollars in a savings account and the bank adds 10 percent per year to the account. How much money would you have in the account after five years if you did not remove any money from the account?

	Total
More than 150 dollars [CORRECT]	61%
Exactly 150 dollars	21%
Less than 150 dollars	7%
Don't know	10%

7. "mnymstrs.com (pronounced Money Masters) offers a free guided online financial literacy course"

How interested would you be in using this free web-based app to improve your financial literacy? Select one [1-Not at all interested : 5-Very Interested]

	Total
5 – Very interested	14%
4	17%
3	26%
2	13%
1 – Not at all interested	31%
Mean	2.7





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About the Study

These are the findings of an Ipsos poll conducted on behalf of Money Masters between September 3-9, 2021. For this survey, a sample of 4,018 adults ages 18+ from the continental U.S., Alaska, and Hawaii was interviewed online in English.

The sample was randomly drawn from [Ipsos' online panel](#), partner online panel sources, and ["river" sampling](#) and does not rely on a population frame in the traditional sense. Ipsos uses fixed sample targets, unique to each study, in drawing a sample. After a sample has been obtained from the Ipsos panel, Ipsos calibrates respondent characteristics to be representative of the U.S. Population using standard procedures such as raking-ratio adjustments. The source of these population targets is U.S. Census 2018 American Community Survey data. The sample drawn for this study reflects fixed sample targets on demographics. Posthoc weights were made to the population characteristics on gender, age, race/ethnicity, region, and education.

Statistical margins of error are not applicable to online non-probability polls. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error and measurement error. Where figures do not sum to 100, this is due to the effects of rounding. The precision of Ipsos online polls is measured using a credibility interval. In this case, the poll has a credibility interval of plus or minus 1.8 percentage points for all respondents. Ipsos calculates a design effect (DEFF) for each study based on the variation of the weights, following the formula of Kish (1965). This study had a credibility interval adjusted for design effect of the following (n=4,018, DEFF=1.5, adjusted Confidence Interval=+/- 3.3 percentage points).

For more information on this news release, please contact:

Mallory Newall
Vice President, US
Public Affairs
+1 202 420-2014
mallory.newall@ipsos.com

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Our passionately curious research professionals, analysts and scientists have built unique multi-specialist capabilities that provide true understanding and powerful insights into the actions, opinions and motivations of citizens, consumers, patients, customers or employees. We serve more than 5000 clients across the world with 75 business solutions.

Founded in France in 1975, Ipsos is listed on the Euronext Paris since July 1st, 1999. The company is part of the SBF 120 and the Mid-60 index and is eligible for the Deferred Settlement Service (SRD).

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