



GEORGETOWN UNIVERSITY
 McCourt School of Public Policy
 Center for Retirement Initiatives

FAST FACT SHEET #10

What Does FINRA Tell Us About the Financial Capability of Americans and Retirement?

Source: FINRA Investor Education Foundation, *Financial Capability in the United States 2016*, July 2016*

- ✓ Thirteen (13) percent of non-retired respondents with retirement accounts report having taken a loan from their account in the past year and 10 percent have taken a hardship withdrawal (p. 6).
- ✓ Fifty-six (56) percent of respondents have not tried to figure out how much they need to save for retirement (p.15).
- ✓ Only 19 percent of those with income under \$25,000 have tried to plan for retirement, compared to 60 percent of those with \$75,000 or more in income (p.15).
- ✓ Only 18 percent of respondents with less than \$25,000 have a retirement account, compared to 87 percent with \$75,000 or more income (p. 15).
- ✓ Forty-two (42) percent of respondents who feel they are working towards long-term financial goals have not calculated retirement savings needs (p.16).
- ✓ According to the National Institute on Retirement Security, 62 percent of workers between the ages of 55 and 64 have retirement savings that are less than one times their annual income (p.16).
- ✓ Women are somewhat more likely than men to be worried about retirement, and those between the ages of 35 and 64 are most likely to be worried overall (p. 16).
- ✓ Only 21 percent of Americans say they are willing to take financial risks when thinking of their financial investments (p.18).
- ✓ Only 14 percent of respondents are able to answer all five financial knowledge questions (interest rate, inflation, bond price, mortgage and risk) correctly, and 37 percent are able to answer at least four questions correctly (p.28).
- ✓ Only 31 percent of respondents report having been offered financial education at school, college, or workplace, and 21 percent say they participated (p.32).

*FINRA's 2015 Survey focuses on four key areas of financial capability: 1) making ends meet; 2) planning ahead; 3) managing financial products; and 4) financial knowledge and decision-making. Link to the FINRA report [here](#).