



The Financial Literacy Challenge

According to surveys from the World Economic Forum and Market Watch, **roughly half of Americans are not financially literate**, complicating their ability to create a household budget, track personal spending, manage debt, and plan for retirement. Compounding this trend is the fact that financial literacy rates have been steadily declining over the past decade.

Lacking these essential skills leads to numerous pitfalls, such as accumulating unmanageable debt, making unwise spending decisions, developing poor credit, risking housing foreclosure, and being vulnerable to fraud. Not surprisingly, each of these challenges are known contributors to stress that often results in personal strife, unstable relationships, and declining health, including coronary heart disease.



Financial Literacy: A Foundation for Security and Happiness

Financial literacy can provide a foundation for a lifetime of security and certainty. It instills confidence throughout life to make and navigate important, life-changing decisions. It empowers individuals to reach their goals; places them in strong positions to confront financial emergencies; and can prevent them from making devastating financial mistakes.

The Consequences of Financial Illiteracy

According to a 2024 survey by Bankrate:

- **More than 1 in 3 Americans** have more credit card debt than emergency savings.
- **56% of Americans** can't afford a \$1,000 emergency expense from their savings.
- **66% of Americans** say they would not be able to cover their living expenses over the next month if they experienced a sudden loss of income.



Financial Literacy's Link to Quality of Life and Retirement

Being financially literate enables individuals to enjoy the benefits of thoughtful budgeting, reduced financial stress, and understanding the security that protection products like life insurance, supplemental health policies (e.g., accident insurance, disability coverage, paid family leave), and annuities can provide.

When you are financially literate, you're better prepared to live within your means and plan for an enjoyable retirement. Having a strong financial foundation allows individuals to live life to its fullest, enjoy the friends who enrich their lives, and share their happiness with the families that make it all worthwhile.

Life insurers offer financial security at all stages of life, and we're here to provide it whenever and however we can.