

Are Americans Financially Educated On Retirement Savings?

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Financial education helps people learn about savings, credit, and loans. It also helps prepare people for life changes and weather the unexpected. Financial knowledge is essential when planning for retirement.

So, how prepared are adults in the United States for their retirement? The National Endowment for Financial Education (NEFE) conducts polls on key issues, like retirement savings, that affect a person's financial past, present, and future.

Here's what we have learned over the past year:

- In a financial well-being poll conducted during the COVID-19 pandemic, 85% of respondents confirmed that some aspect of their personal finances was causing them stress. For 31% of respondents, that concern was “having enough saved for retirement.”

- In that same poll, 70% said they made financial adjustments due to the COVID-19 pandemic. Of that group, 27% increased contributions to their emergency savings, retirement savings, or other savings or investments. In comparison, 21% tapped into emergency savings—or borrowed against retirement savings.

- In a poll about financial education mandates, 80% of adults said they wish they were required to complete a semester- or year-long course focused on personal finance education during high school. Also, 88% think their state should require a semester- or year-long course for high school graduation.

- In that same poll, 84% of those approaching retirement age said “spending and budgeting” should be taught in schools.

Lifetime financial education can be a helpful tool in preparing for retirement. This includes understanding Social Security retirement benefits and making the most of retirement income. You can learn more on our Retirement page at www.ssa.gov/retirement.

A personal my Social Security account should be a part of your financial plan. With a secure my Social Security account, you can verify your earnings history, get personalized retirement benefit estimates, and more. If you don't have an account, you can easily create one at www.ssa.gov/myaccount. To learn more about NEFE's mission, visit their website at www.nefe.org. Please share this information with friends and family.

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