Financial literacy at every stage of life

It's more important than ever for Americans to take charge of their financial health but in a recent global financial literacy survey, the US didn't score in the top 5 in any single category.[1] Here are some facts and stats on financial literacy at every stage of life.

Our youngest citizens

Talk to your kids about money and involve them in small transactions. Help them open their first bank account, encourage them to save for something special and teach the difference between needs and wants. A weekly allowance for doing chores can lay the foundation for financial responsibility.

Did you know?

43% of parents don't admit to their kids that they're worried about money[2]

High school and college students

Planning for college is the perfect time for teens to become more financially literate. They can review postsecondary options and weigh the costs, complete financial aid applications and start to save for the future. If student loans are unavoidable, help your teens grasp the consequences of borrowing money at a young age.

Did you know?

82% of Americans believe a course in personal finance should be a high school graduation requirement but only 4 states have that requirement in place[3]

Millennials and Generation Y

Many in this group are saddled with student debt but establishing and honoring loan payments will teach a lot about financial literacy. When they get their first real job, they need to understand the value of spending less than they earn, the need for an emergency fund and the advantages of starting to save now.

Did you know?

36% of Millennials have student loan debt and 55% of those are worried they won't be able to pay it back[4]

Parents of young children

Becoming a parent is often a crash course in budgeting because you learn to sacrifice your own desires for education savings plans and childcare. While many parents go into 'survival mode' during this time, you can protect your loved ones by setting aside an emergency fund, buying life insurance and creating a will.

Did you know?

It costs an average of $245,000 to raise a child to the age of 18 (not including postsecondary education)[5]

Feathering your empty nest

When the last child leaves home, it's time to review your overall financial plan and revisit retirement goals. Extra money from reduced grocery bills, etc. should be used to pay off debts or enhance retirement savings. Complete a retirement needs calculation to determine when you want to retire, how much money you need and what changes you can make now to meet your goals.

Did you know?

Only 42% of American workers have completed a retirement needs calculation[6]

Your sunset years

With longer life expectancy and fewer pension plans, 3 in 5 new middle-class retirees can expect to outlive their financial assets if they try to maintain their pre-retirement lifestyle.[7] To stay on track, consider an annuity, which can provide monthly payments. If you are able to work on a part-time or freelance basis, take advantage of it. Resist the urge to bail out adult children who are in financial trouble. They can recover from a financial crisis; you may not.

Did you know?

One in 3 US adults (32%) don't save any portion of their household income for retirement[8]

Foresters Financial

[1] Visa Inc. and Kiplinger's Personal Finance Magazine: 2012 Global Financial Literacy Barometer
[2] T. Rowe Price 2012 Parents, Kids & Money Survey
[3] Visa Inc: Financial Education Survey, March 2011
[4] Council for Economic Education: Economic and Personal Finance Education in our Nation's Schools, 2014
[5] U.S. Department of Agriculture: 2014 Expenditures on Children by Families report.
[6] 2014 Retirement Confidence Survey, Employee Benefit Research Institute and Greenwald & Associates
[7] Retirement Vulnerability of New Retirees: The likelihood of outliving their assets, Ernst & Young, 2008
[8] NFCC: 2014 Consumer Financial Literacy Survey