

[Home](#) > [Business Economics](#) > Article

Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education

The Problems are Serious, and Remedies are not Simple

| Article | Published: 01 January 2007

| Volume 42, pages 35–44, (2007) | [Cite this article](#)



[Business Economics](#)

[Aims and scope](#) →

[Submit manuscript](#) →


[Annamaria Lusardi](#)¹ & [Olivia S Mitchell](#)²

4828 Accesses **738** Citations **28** Altmetric **1** Mention [Explore all metrics](#) →

Abstract

Economists are beginning to investigate the causes and consequences of financial illiteracy to better understand why retirement planning is lacking and why so many households arrive close to retirement with little or no wealth. Our review reveals that many households are unfamiliar with even the most basic economic concepts needed to make saving and investment decisions. Such financial illiteracy is widespread: the young and older people in the United States and other countries appear woefully under-informed about basic financial concepts, with serious implications for saving, retirement planning, mortgages, and other decisions. In response, governments and several nonprofit organizations have

undertaken initiatives to enhance financial literacy. The experience of other countries, including a saving campaign in Japan as well as the Swedish pension privatization program, offers insights into possible roles for financial literacy and saving programs.

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this article

[Log in via an institution](#) →

[Buy article PDF 39,95 €](#)

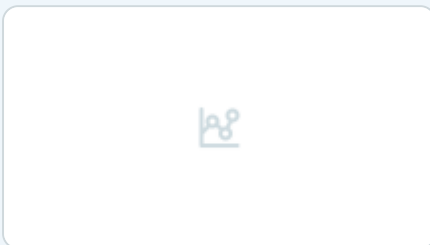
Price includes VAT (Poland)

Instant access to the full article PDF.

Rent this article via [DeepDyve](#) 

[Institutional subscriptions](#) →

Similar content being viewed by others



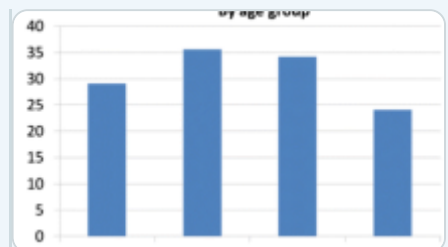
Financial Literacy and Preparation for Retirement

Article | 01 May 2016



Financial literacy, financial advice, and financial behavior

Article | Open access
04 March 2017



Financial Literacy and Asset Behaviour: Poor Education and Zero for Conduct?

Article | 13 February 2018

Authors and Affiliations

Department of Economics, Dartmouth University, Hanover, 03755, NH, USA

Annamaria Lusardi

Wharton School, University of Pennsylvania, Philadelphia, 19104, PA, USA

Olivia S Mitchell

Rights and permissions

[Reprints and permissions](#)

About this article

Cite this article

Lusardi, A., Mitchell, O. Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education. *Bus Econ* **42**, 35–44 (2007). <https://doi.org/10.2145/20070104>

Published

01 January 2007

DOI

<https://doi.org/10.2145/20070104>

Issue Date

01 January 2007

Keywords

[economics](#)

[finance](#)

[literacy.](#)

[consumers](#)

[risk](#)

[mortgage](#)

JEL Classifications

[A2, G2](#)

Search

Search by keyword or author



Navigation

Find a journal

Publish with us

Track your research

