

[Working Papers](#)

Household Saving Behavior: The Role of Financial Literacy, Information, and Financial Education Programs

Annamaria Lusardi

SHARE      

WORKING PAPER 13824

DOI 10.3386/w13824

ISSUE DATE February 2008

Individuals are increasingly in charge of their own financial security after retirement. But how well-equipped are individuals to make saving decisions; do they possess adequate financial literacy, are they informed about the most important components of saving plans, do they even plan for retirement? This paper shows that financial illiteracy is widespread among the U.S. population and particularly acute among specific demographic groups, such as those with low education, women, African-Americans, and Hispanics. Moreover, close to half of older workers do not know which type of pensions they have and the large majority of workers know little about the rules governing Social Security benefits. Notwithstanding the low levels of literacy that many individuals display, very few rely on the help of experts or financial advisors to make saving and investment decisions. Low literacy and lack of information affect the ability to save and to secure a comfortable retirement; ignorance about basic financial concepts can be linked to lack of retirement planning and lack of wealth. Financial education programs can help improve saving and financial decision-making, but much more can be done to improve the effectiveness of these programs.

Download a PDF

[Information on access](#)

Acknowledgements and Disclosures 

Download Citation 

Non-Technical Summaries

[Financial Literacy, Planning, and Retirement Saving](#)

AUTHOR(S): [Annamaria Lusardi](#)

Individuals are increasingly responsible for making decisions that determine their financial security in retirement. With the shift in...

Published Versions

[“U.S. Household Savings Behavior: The Role of Financial Literacy, Information and Financial Education Programs,”](#) in C. Foote, L Goette, and S. Meier (eds), “ Policymaking Insights from Behavioral Economics ,” Federal Reserve Bank of Boston, 2009, pp. 109-149.

Related

TOPICS

[Microeconomics](#)

More from NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Retirement and Disability](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



16th Annual Martin Feldstein Lecture:

Lessons for Economists from the Pandemic

Cecilia E. Rouse, The Brookings Institution
and Princeton University
July 22, 2024

2024, 16th Annual Feldstein Lecture, Cecilia E. Rouse, "Lessons for Economists from the Pandemic"

FELDSTEIN LECTURE

PRESENTER: [CECILIA E. ROUSE](#)

Cecilia Rouse, president of the Brookings Institution and a professor at Princeton University, who chaired the Council...



Methods Lectures, Summer Institute 2024:

Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning

Susan Athey, Stanford University and NBER
July 25, 2024

2024 Methods Lecture, Susan Athey, "Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning"

METHODS LECTURES

PRESENTER: [SUSAN ATHEY](#)

Background Materials: [backgroundAthey, Susan, Undral Byambadalai, Vitor Hadad, Sanath Kumar Krishnamurthy, Weiwen Leung...](#)



Economics of Social Security Panel Discussion

Earnings Inequality and Payroll Tax Revenues

Karen Dynan, Harvard University

Karen Glenn, Social Security Administration

Stephen Goss, Social Security Administration

Fatih Guvenen, University of Minnesota and NBER

James Pearce, US Congressional Budget Office

NBER Summer Institute, July 24, 2024

2024, Economics of Social Security Panel, "Earnings Inequality and Payroll Tax Revenues"

PANEL DISCUSSION

PRESENTERS: [KAREN DYNAN](#), KAREN GLENN, STEPHEN GOSS, [FATIH GUVENEN](#) & [JAMES PEARCE](#)

National Bureau of Economic Research

[Contact Us](#)

1050 Massachusetts Avenue

Cambridge, MA 02138

[617-868-3900](tel:617-868-3900)

info@nber.org

webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW



