

Lack of Financial Knowledge Costs Americans Money – Over \$1,015 on Average in 2024, Survey Shows

LOS ANGELES, CA, UNITED STATES, January 8, 2025 /EINPresswire.com/ -- It's no secret that the world of personal finance is changing rapidly, or that people all around the world lack adequate skill sets to navigate this increasingly complex financial landscape. But how much does financial illiteracy cost? According to a new survey conducted by the National Financial Educators Council (NFEC), that figure can be substantial.



Financial illiteracy cost Americans over \$243 billion in 2024, highlighting the urgent need for comprehensive financial education to empower individuals and strengthen our economy.”

Vince Shorb, CEO, National Financial Educators Council

The survey asked a sample of adults across the U.S. a single question: “During the past year (2024), about how much money do you think you lost because you lacked knowledge about personal finances?” Between December 26 and December 30 2024, among the 1,200 individuals who participated in the survey, the estimated average amount of money lost due to lack of financial knowledge was \$1,015.42.

The NFEC separates survey respondents into six age groups, calculates the average amount of money lost, and

then extrapolates the total amount of money lost due to financial illiteracy, based on the 240 million adults currently residing in the U.S. That figure exceeded \$243 billion in 2024.

See the full survey results here: [Cost of Financial Illiteracy Survey](#)

The poll was conducted using Organic Sampling, a sampling methodology that operates on a delivery framework called Random Device Engagement (RDE). This approach engages participants through randomized interactions with digital devices, ensuring a representative and diverse sample population while reducing bias.

In further findings, a proportion of 50.17% of survey participants said lack of financial knowledge cost them more than \$500 last year, with 15.25% of them reporting losing more than \$2,500. The NFEC calculates these results by averaging the total number of participants who choose each response category, using the lowest number in the range.

“Financial illiteracy in the U.S. has reached epidemic proportions,” Vince Shorb, the NFEC’s CEO, says. “We have never needed widespread financial education more than we do today. We must help all Americans gain knowledge and provide our youth a practical financial education that will empower them to handle the real-world decisions they need to make. The future of our economy and society depends on it.”

The NFEC began gathering [financial literacy survey data](#) in 2018 as part of its research exploring the status of financial literacy in the country and uses the results to advocate for greater economic empowerment. In previous years’ surveys – 2018 through 2023 – Americans said they lost \$1,230 to \$1,819, respectively, due to lack of personal finance knowledge.

The need for more financial education in the U.S. is underscored by the current rates of credit card debt (over \$1 trillion), lack of emergency savings funds, and shortfalls in retirement savings. It’s important to note that the losses reported in this survey may be underestimated, as people with low levels of financial literacy may not know how much money it actually costs them. For example, lack of financial knowledge can lead to high interest rates, bank overdraft fees, identity theft, and vehicle impoundment – which may not be included in the estimates.

The [National Financial Educators Council \(NFEC\) is a Certified B Corporation](#) and Accredited Provider through IACET, the leading continuing education accreditation entity. The NFEC advocates for greater financial wellness and distributes financial education resources on a global basis. Through its research efforts, the NFEC characterizes people’s financial health across the U.S. and around the world. In previous studies, the organization has clarified strong links between personal finance capability and positive financial behaviors.

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