



MDRT survey: Americans know their financial options, but aren't using them

Advisors can help consumers close the action gap and protect their financial well-being in the new year.

PARK RIDGE, IL. (December 12, 2024) – A slim majority of U.S. consumers consider themselves financially literate, but their use of basic financial accounts and insurance policies severely lags behind. According to a recent [MDRT](#) survey, 53.8% of Americans rate their own financial literacy as good (40.5%) or excellent (13.3%), including 59.2% of men and 49.3% of women. However, far fewer Americans report owning important financial tools, including retirement savings accounts, high-yield savings accounts and life insurance. As consumers prepare their New Year's resolutions, advisors should tout their ability to help clients close the gap between knowledge and action.

Aware of the options

Across the board, fewer than half of Americans have basic investment accounts and insurance policies, despite broad majorities saying they understand how such tools work. Only 35.3% of Americans have a 401(k) or Roth 401(k) account, the most popular tool included in the survey, and another 36.3% of Americans say they know how these accounts work. Other retirement savings tools are less popular. Slightly fewer Americans (31.6%) own stocks, though another 39.2% know how they work. Only 28.2% of Americans have an IRA or Roth IRA, and another 34.6% know how they work.

Basic personal insurance policies are even less popular than retirement savings accounts. Just 25.9% of Americans have term life insurance, though another 45.2% know how it works. This disparity is even greater with disability insurance, as 20% of Americans have it, but another 52% know how it works.

“Knowledge is not the same as action, especially when it comes to personal finance,” says Terri Krueger, a 10-year MDRT member with two Top of the Table qualifications. “These results clearly demonstrate that financial advisors have a responsibility and an opportunity to inspire Americans who already know what they should be doing.”

Advisors' impact

Americans who work with financial advisors are substantially more confident in their own financial capabilities than the general public. A strong 78.5% majority of Americans with advisors rate their own financial literacy as good (52.4%) or excellent (26.2%). This includes 81.7% of men with advisors and 75.7% of women with advisors.

Americans with advisors are also more likely to have basic investment accounts and insurance policies:

- 66.8% own stocks, and another 21.2% know how they work
- 66% have an IRA or Roth IRA, and another 20.7% know how they work
- 62.6% have a 401(k) or Roth 401(k) account, and another 27.7% know how they work
- 42.1% have term life insurance, and another 45.5% know how it works



- 30.4% have disability insurance, and another 57.3% know how it works

“Working with a financial advisor is one of the best ways to close the gap between knowing what is best for your finances and actually taking those steps,” says Krueger. “Having a qualified professional there to help can give consumers the confidence they need to get their personal finances in order.”

Financial advisors also rank among the public’s most trustworthy sources of personal finance education, with 63.1% of Americans deeming advisors generally trustworthy. Other sources deemed trustworthy by most Americans include family members and significant others (68.6%), personal finance classes (58.2%) and friends (57.8%). All four of these sources rank well above other options, including newspapers (39%), TV stations (31.8%), generative AI programs (25%) and social media (22%).

Effects of personal finance education

High school financial literacy classes are a commonly suggested education reform, but the survey results suggest they may not be as effective as proponents claim. According to survey results, 15.3% of Americans received personal finance education in high school, but their self-rated financial literacy is roughly the same as that of the general public.

In contrast, 10.1% of Americans received personal finance education in college, and 71.8% of them rate their financial literacy as good (48.5%) or excellent (23.3%). Additionally, 4.9% of Americans received personal finance education in elementary or middle school, and 74% of them rate their financial literacy as good or excellent.

The survey results suggest that secondary education may be the wrong time to formally educate Americans on personal finance. Instead, programming during early or tertiary education seems to have more beneficial impacts.

Each new year provides an opportunity for advisors to improve the lives of their clients. In an era of short attention spans, advisors can help clients stay focused and take definitive steps toward securing their financial security and well-being.

Survey methodology

This survey was conducted by Opinium on behalf of MDRT through a panel of individuals who have agreed to take part in surveys. Fieldwork was undertaken September 19-23, 2024, with a representative sample of 2,000 U.S. consumers, weighted on age, gender, region, race, ethnicity and education according to the 2020 U.S. Census.

About MDRT

MDRT (Million Dollar Round Table), The Premier Association of Financial Professionals®, is a global, independent association of the world's leading life insurance and financial services professionals from 85 nations and territories and more than 700 companies. MDRT members demonstrate exceptional



MDRT

The Premier Association
of Financial Professionals®

professional knowledge, strict ethical conduct and outstanding client service. MDRT membership is recognized internationally as the standard of excellence in the life insurance and financial services business. For more information, please visit mdrt.org.

Contact Information

Carmen Wong

MDRT Media Relations Specialist

cwong@mdrt.org

+1 847.585.2388

[Facebook](#)

[Instagram](#)

[LinkedIn](#)

Jack Miller

G&S Business Communications

mdrt@gscommunications.com

+1 321.648.6700 ext. 2150

[Facebook](#)

[Instagram](#)

[LinkedIn](#)

###