

2023 P-FIN INDEX DATA BRIEF

An unrecognized barrier to retirement income security: Poor longevity literacy

Planning and saving for retirement is complex, particularly since no one knows how long their retirement will last. Nonetheless, decisions must be made in the context of this uncertainty. So how do U.S. adults perceive the retirement planning horizon? Do they have adequate longevity literacy?

This brief uses data from the 2023 *TIAA Institute-GFLEC Personal Finance Index (P-Fin Index)* to examine longevity literacy levels, as well as the relationship between longevity literacy and retirement readiness.



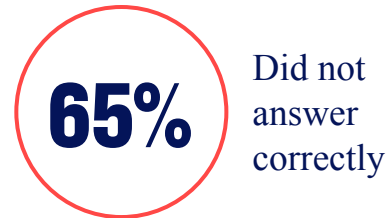
Longevity literacy is an understanding of how long people tend to live in retirement

Multiple choice questions assessed longevity literacy along three dimensions:

- Average number of years individuals live after reaching age 65
- Likelihood among 65-year-olds of living to an advanced age
- Likelihood among 65-year-olds of dying relatively early

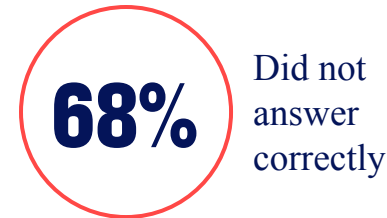
On average, how long will a 65-year-old live?

Correct answer:
Man: 84 years
Woman: 87 years



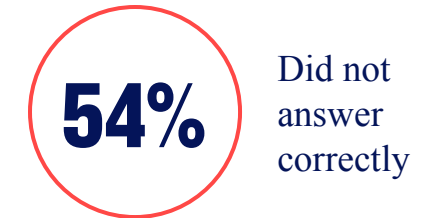
What is the likelihood that a 65-year-old will live at least until age 90?

Correct answer:
Man: ~30% Woman: ~40%



What is the likelihood that a 65-year-old will not live beyond age 70?

Correct answer:
Man: 5-10% Woman: < 5%

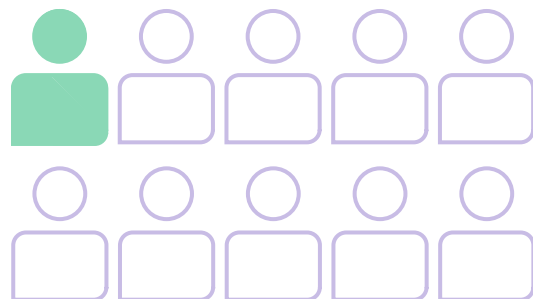


Longevity literacy among U.S. adults is very low

Aggregating responses across the three longevity questions provides a composite measure of longevity literacy.

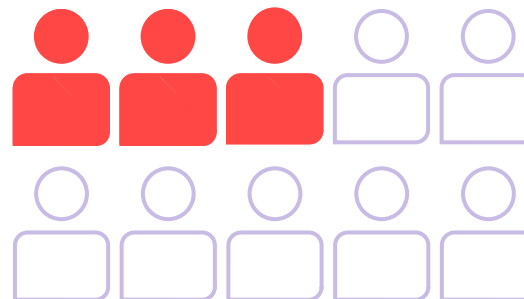
Only **12%** have strong longevity literacy

They correctly answered all three questions.



While **31%** have weak longevity literacy

They responded either “don’t know” or with an underestimate of life span for each question.



Weak longevity literacy is more common among men.

It is also more common among Blacks and Hispanics, as well as Gen Z and Gen Y.

Longevity literacy → Retirement readiness

Workers with strong longevity literacy tend to be better prepared for retirement



50% Strong longevity literacy
32% Weak longevity literacy

DETERMINED HOW MUCH THEY NEED TO SAVE FOR RETIREMENT



72% Strong longevity literacy
58% Weak longevity literacy

SAVING FOR RETIREMENT ON A REGULAR BASIS



76% Strong longevity literacy
66% Weak longevity literacy

CONFIDENT THEY ARE SAVING AN ADEQUATE AMOUNT (AMONG SAVERS)



69% Strong longevity literacy
53% Weak longevity literacy

CONFIDENT THEY WILL HAVE ENOUGH MONEY TO LIVE COMFORTABLY THROUGHOUT RETIREMENT

Retirees with strong longevity literacy tend to experience better retirement outcomes

LIFESTYLE MEETS OR EXCEEDS PRERETIREMENT EXPECTATIONS



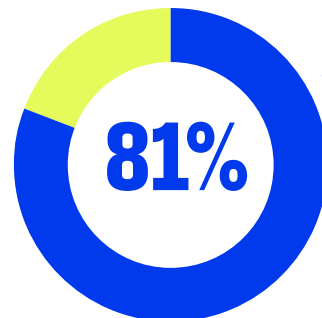
77% Strong longevity literacy

62% Weak longevity literacy

Terminology is an obstacle to improving longevity literacy

Providing individuals with information is not enough. Explaining terminology is also needed so information is interpreted properly.

Among adults with weak longevity literacy...



don't have a practical understanding of the term "life expectancy"

25% think the vast majority will not live past "life expectancy"

47% responded "don't know" when asked about "life expectancy"

9% think about one-half will die within a year or two of "life expectancy"



Learn more

To learn more about the longevity literacy of U.S. adults and its implications, visit the [TIAA Institute](#) and [GFLEC](#) websites to read the full report.