

The 2020 KeyBank Financial Wellness Survey:

Financial literacy snapshot

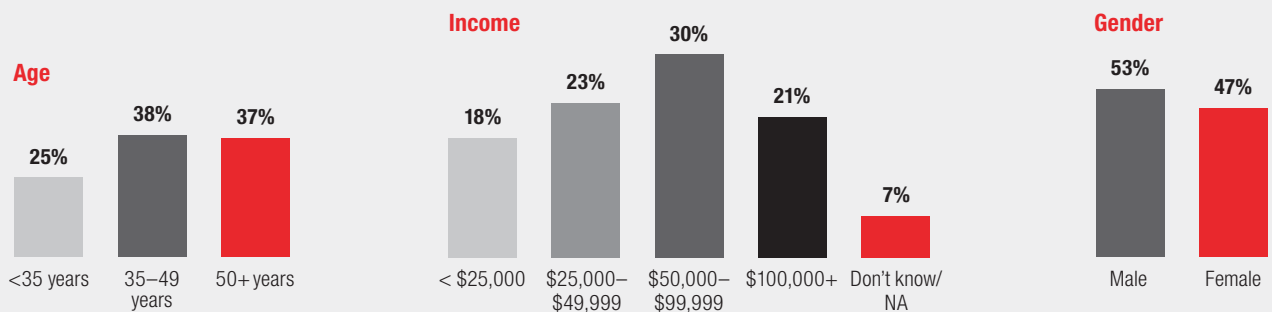
Financial Capability Month is a perfect time for Americans to develop strong financial literacy skills that build on their money smarts and help them accomplish their life's dreams and goals.

By asking Americans to answer the big three financial literacy questions,¹ KeyBank was able to cross-compare people's financial literacy skills with their likelihood to commit a financial "faux pas" and their ability to recover quickly from money missteps.

About the 2020 KeyBank Financial Wellness Survey

KeyBank partnered with Schmidt Market Research to survey 1,200 consumers nationwide on topics related to financial faux pas. Respondents were 18 to 70 years old with a checking or savings account coupled with sole or shared responsibility for household financial decisions. Survey responses were collected October 14–21, 2019.

Summary of respondents



Financial Savvy vs. Literacy

75% of Americans consider themselves financially savvy, but 36% don't know how, or prefer not, to answer basic financial literacy questions.



Financial Literacy Quiz Questions

Respondents who answered all financial literacy questions correctly were 29 percentage points less likely to say they had committed a "financial faux pas" at some point compared to those who didn't answer all the questions correctly (56% vs. 85%).



More Money Missteps

Respondents who failed to answer all financial literacy questions correctly also reported committing more than three times as many financial missteps as respondents who answered all the questions correctly (7 vs. 2).

Common Financial Missteps	Answered All Financial Literacy Questions:	
	Incorrectly	Correctly
Being afraid to check my account balance	42%	9%
Spending beyond my means	20%	22%
Spending my tax return, instead of saving the money	44%	20%
Not saving for an emergency	18%	20%
Rushing to pay off student loan debt (and therefore failing to build up savings)	40%	1%
Not saving enough to receive the full employer match in my company's 401(k) or similar employer retirement program	38%	11%
Drawing from investments without realizing the negative tax impact	22%	4%
Relying on non-experts to make financial decisions for me (e.g., parents, children, spouse, etc.)	40%	2%
Not knowing my credit score or not checking credit score often enough	32%	11%
Opening or closing a credit card I didn't need	36%	14%
Paying low interest debt first or putting off paying high interest debt	32%	7%
Not educating myself about how credit works	28%	7%
Insuring too much	38%	8%
Insuring too little	32%	9%
Opting out of insurance (e.g., renter's insurance, pet insurance, self/health insurance)	38%	7%

Summary of respondents

67% vs. 38%

Facing Financial Fears: 67% of those who correctly answered the financial literacy questions reported dealing with financial missteps head on, but only 38% of those who got the questions wrong did the same.

69% vs. 42%

Recovering from Financial Missteps: Of those who were able to answer all financial literacy questions correctly and also reported making a financial misstep, 69% were able to recover within a year, compared to just 42% of those who did not know how to answer the financial literacy questions.

For more information about the 2020 KeyBank Financial Wellness Survey, please see the fact sheet and infographic, [Fixing Financial Faux Pas: Americans' Money Missteps and Resolutions to Course Correct in 2020](#).

About KeyCorp

KeyCorp's roots trace back 190 years to Albany, New York. Headquartered in Cleveland, Ohio, Key is one of the nation's largest bank-based financial services companies, with assets of approximately \$145.0 billion at December 31, 2019. Key provides deposit, lending, cash management, and investment services to individuals and businesses in 15 states under the name KeyBank National Association through a network of approximately 1,100 branches and more than 1,400 ATMs. Key also provides a broad range of sophisticated corporate and investment banking products, such as merger and acquisition advice, public and private debt and equity, syndications and derivatives to middle market companies in selected industries throughout the United States under the KeyBanc Capital Markets trade name. For more information, visit key.com.



¹Lusardi, A., & Mitchell, O. S. (2011). Financial literacy around the world: an overview. *Journal of pension economics & finance*, 10(4), 497-508.
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