



## FPA Statement on Financial Literacy

The Financial Planning Association recognizes that financial literacy is a vital component of helping Americans live healthy financial lives, and that financial literacy education in the United States is a particularly important goal. FPA encourages schools to teach the basic components of personal financial management to help with vital financial functions such as understanding credit, savings, loans, home and rent responsibilities and how to manage debt responsibly. Doing so will help with the overall goal of preparing students for independence and financial wellness. FPA understands there are many avenues to achieving financial literacy and stands ready to assist in support of that task.

### **Supporting Financial Literacy Can Elevate the Financial Planning Profession**

As the premier membership organization for professional financial planners, FPA members work with people every day to provide comprehensive financial planning advice that is in the clients' best interest. FPA members work with clients on topics ranging from budgeting, debt management, student loans, credit card debt, insurance, taxes, retirement, investments and estate planning. FPA members are uniquely qualified to provide guidance and support to policy makers as they seek trusted financial planning experts to help address this critical issue.

Numerous studies<sup>1,23</sup> show that greater levels of financial literacy increase the probability of consulting with a financial advisor. Increased financial literacy may also help consumers identify qualified financial planning professionals if they are seeking comprehensive financial planning services.

### **Increased Financial Literacy May Grow the Number of Financial Planners**

Financial literacy initiatives may increase awareness and interest in financial service careers, including financial planning. This may help grow the number of qualified financial planning professionals to meet the increasing demand for comprehensive financial planning advice.

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<sup>1</sup> [https://krex.k-state.edu/dspace/bitstream/handle/2097/36325/Exploring%20the%20Demand%20for%20Retirement%20Planning%20Advice-%20The%20Role%20of%20Financial%20Literacy\\_clean.pdf?sequence=1&isAllowed=y](https://krex.k-state.edu/dspace/bitstream/handle/2097/36325/Exploring%20the%20Demand%20for%20Retirement%20Planning%20Advice-%20The%20Role%20of%20Financial%20Literacy_clean.pdf?sequence=1&isAllowed=y)

<sup>2</sup> <https://www.dartmouth.edu/~alusardi/Papers/FinancialLiteracy.pdf>

<sup>3</sup> <https://pdfs.semanticscholar.org/08cc/389952787f87628c3bba413ccf92d88d80b1.pdf>