



FOR IMMEDIATE RELEASE

Johns Creek, GA – April 19, 2023

**World Financial Group Releases New Financial IQ Study
about Consumer Financial Resilience**

*Less Than Half of Americans Understand their Finances, While Concerned About
Day-to-Day Cost of Living*

World Financial Group (WFG) released the results of a new, independent Financial IQ™ study that assesses the financial resilience among the U.S. general population, WFG insurance agents, and WFG clients. The findings show that during a time of economic uncertainty and ongoing challenges with rising food and energy costs, a large percentage (66%) of Americans see the day-to-day cost of living being a top financial priority and less than half (48%) of households believe they are able to understand their personal finances. Additionally, almost a third (31%) of those who participated in the study do not have any financial plan in place, leaving them vulnerable to financial shocks such as job loss or healthcare costs.

The study asked questions that assess a person's attitude toward their finances and whether they're prepared to handle financial shocks that might come their way. The study questions poll an individual's understanding, control, preparedness, and confidence around finances to draw observations regarding financial resilience.

The responses were aggregated to create a Financial IQ score, ranging from low (0-3.9), medium (4-6) and high (6.1-10). The general population had a Financial IQ of 5.6, a medium ranking. WFG clients in the U.S. had a slightly higher score of 5.8. However, tenured WFG agents at the Senior Marketing Director level came in with a much higher average, 7.8. The Financial IQ score can be used to measure financial resiliency over time.

"The Financial IQ study highlights that people are experiencing cost-of-living challenges this country has not seen in more than a decade," said Todd Buchanan, WFG President. "World Financial Group is committed to helping people build and protect their financial wellbeing. We're proud that the study results show that WFG agents increase their clients' confidence, with 68% of U.S. WFG clients confident they will achieve their financial priorities and aspirations, a 15% point increase in confidence compared to the general population."

Additional findings of the Financial IQ Study include:

More than two thirds (66%) of the general population studied in the U.S. stated that managing the day-to-day cost of living was a key short-term financial priority.



- Even those with higher levels of wealth feel they need to prioritize their day-to-day spending in the near term. More than half (51%) of those earning more than \$80,000 said the cost of living was a financial priority. This increases significantly among those earning less. Seventy-three percent (73%) of those earning less than \$40,000 stated covering basic costs as a top financial priority.

During the last big financial shock to U.S. households caused by the pandemic, 20% of households sacrificed health care needs (such as routine checkups and medications), 20% accumulated new credit card debt and 20% borrowed money from others.

- Many back-up savings plans have already been exhausted and resilience has not been rebuilt. Less than half of the general population feel in control when managing their finances (47%) and confident that they will achieve financial security in the future (44%).

American households are not prepared for financial shocks, with less than one in four (23%) able to sustain basic financial outlays (such as mortgage payments, bills and food costs) for a year or more if met by an unexpected life event that prevents them from working.

- Only two thirds (66%) of the U.S. general population have some form of financial plan in place for the future.
- Twenty two percent (22%) of the general population in the U.S. and Canada could pay their bills for one month or less.

“The study shows that the knowledge WFG agents share with clients makes a positive difference,” added Buchanan. “U.S. WFG clients are answering financial literacy questions correctly at twice the rate of the U.S. general population, 49% compared to 24%. WFG will continue to measure the Financial IQ of clients and the general population in the future, to track the public and clients’ knowledge, confidence, and financial resilience in the years ahead.”

Individuals can view or download the full report at www.myfinancialIQ.com to test their level of financial resilience and learn their Financial IQ score. To learn more about WFG’s services and how [their financial professionals](#) can help you ensure you have a financial plan and protection in place to secure your short- and long-term financial future, visit www.WorldFinancialGroup.com.

Press Inquiries: WFGpressinquiries@transamerica.com

About World Financial Group (WFG)

World Financial Group’s 62,000 agents are dedicated to helping individuals, families, and businesses achieve financial security through life insurance, retirement, and wealth-building strategies.

In the United States, life insurance and fixed products are offered by independent agents of World Financial Group Insurance Agency, LLC, World Financial Group Insurance Agency of Hawaii, Inc., World Financial Group Insurance Agency of Massachusetts, Inc., in California dba World Financial Insurance Agency, LLC, and/or WFG Insurance



Agency of Puerto Rico, Inc. The WFG companies are wholly-owned indirect subsidiaries of Transamerica Corporation.

Residents of California who wish to be independent agents with World Financial Group Insurance Agency, LLC must already have a life license. Individuals who reside in California may become sales representatives with WFG Direct, a direct sales marketing platform offered through World Financial Group, Inc.

Those U.S. agents who are properly licensed may offer securities and investment advisory services through the affiliate broker/dealer, Transamerica Financial Advisors, Inc. (TFA), Member FINRA, MSRB, SIPC and Registered Investment Advisor.

The research agency, H/Advisors Cicero, is not affiliated with WFG.

To learn more, visit <http://www.WorldFinancialGroup.com/>

Study Methodology

The Financial IQ™ by WFG has been developed to assess the financial resilience of households and to measure their financial readiness to withstand financial shocks.

The Financial IQ provides an index score based on responses to five questions asked of more than 7,000 respondents in the U.S. and Canada as part of the research. FIQ ranks financial resilience on a scale from 0 to 10. A high index score is ranked above 6, scores from 4 to 6 are classified as medium, and a low score is under 4. To view and download results of the study, please visit MyFinancialIQ.com. The website also offers online tools that help users assess their own Financial IQ score.

WFG partnered with independent research agency H/Advisors Cicero to benchmark levels of financial resilience across the United States and Canada. H/Advisors Cicero undertook a study across three sample groups – WFG agents in the U.S. and Canada (1,677), WFG U.S. clients (522), and the general populations of the U.S. and Canada (5,004). This press release aggregates responses for study participants in the U.S. Fieldwork was conducted between July 21 and August 22, 2022.