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ARTICLE

The FINRA Foundation's National Financial Capability Study: Unpacking 12 years of data on U.S. financial capability

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Abstract

The National Financial Capability Study (NFCS) is a large-scale, ongoing research project of the FINRA Foundation that provides a broad range of stakeholders the ability to examine and better understand the financial capability of U.S. adults. First introduced in 2009, the NFCS has dozens of publicly available reports and data sets that are free to download. Data from the NFCS contain information on people's ability to make ends meet, their management of financial products and services, the extent to which they plan ahead, their financial knowledge and decision-making, and numerous other topics. This paper provides an overview of the history, methodology, and some insights gained from the NFCS over the years. In addition, given the NFCS' unique role as the birthplace of the Big 5 financial literacy questions that are present in all waves of the NFCS, we discuss the role of the NFCS in aiding our understanding of financial knowledge in the United States. The paper concludes with a look toward the future of the NFCS.

Keywords: National Financial Capability Study; financial capability; financial literacy; NFCS

JEL Codes: G50; G51; G53; I30

1. Introduction

The National Financial Capability Study (NFCS) is a project led and funded by the FINRA Investor Education Foundation (FINRA Foundation). Conceived in 2008 with input from the U.S. Department of Treasury and the President's Advisory Council on Financial Literacy established by President George W. Bush, the NFCS was the first large-scale survey to provide national benchmarks on key financial capability indicators and show how these can differ based on underlying demographic, behavioral, attitudinal, and financial literacy characteristics (Mottola and Kieffer 2017). The FINRA Foundation has since administered the NFCS triennially, with five waves of data available to date (2009, 2012, 2015, 2018, and

The FINRA Foundation has provided funding for all waves of the National Financial Capability Study (NFCS) and hired research firms that have been affiliated with Judy T. Lin and Christopher Bumcrot to conduct all waves of the NFCS. Correspondence concerning this article should be addressed to Olivia Valdes, 1700 K Street, NW Washington, DC 20006, or via email at olivia.valdes@finra.org. Any opinions provided herein are those of the authors and do not necessarily reflect the views of the institutions the authors are affiliated with.

2021). The fielding of the sixth wave began in June of 2024. The NFCS data has been widely used or cited by academics over the years; for example, searching "National Financial Capability Study" on Google Scholar returns 1,920 results (between 2009 and 2023).

The NFCS has several components. The flagship product is the State-by-State Survey, which allows researchers to assess financial capability at both the national and state levels. Other components examine specific populations within the United States, for example, the Investor Survey, Asian American Data Set, and Puerto Rico Survey. The NFCS also includes a longitudinal data set collected via RAND's American Life Panel (ALP). The nature and size of the NFCS – that is, the various components and five waves of data spanning 12 years with over 25,000 observations per wave – provide researchers with the ability to explore many questions, including some that are not possible with other data sets. Importantly, among its unique contributions, the NFCS is the birthplace of the Big 5 financial literacy questions, a set of five items assessing people's knowledge of fundamental financial concepts. These five items are in all waves of the NFCS, making it possible to track the financial literacy of U.S. adults dating back to 2009.

This multiyear project has resulted in dozens of reports and papers that can be used by a variety of stakeholders, including policymakers and educators. The data sets, codebooks, methodological documents, and reports are available for free download at FINRAFoundation.org/NFCS. The website also contains video tutorials on how to access and use the NFCS data and features interactive data visualizations. In addition, the FINRA Foundation has researchers on staff who are available to answer questions about the NFCS.[1] In the remainder of the paper, the NFCS and the various components that comprise it are described in detail. We also explore high-level trends in financial knowledge, including a comparison of financial knowledge measured in the NFCS relative to other data sources, and conclude with a look at financial capability over a 12-year period.

2. NFCS State-by-State Survey

The State-by-State Survey assesses the financial capability of a nationally representative sample of adults across the United States. The sample for each wave is composed of approximately 500 respondents per state and the District of Columbia, with an overall sample size upward of 25,000. Additional details on the sample and weighting methodologies are provided in Section 2.2 below. Given the size and nature of the State-by-State Survey, it provides opportunities to examine financial capability at both the national and state levels and to make state-by-state comparisons (e.g., Consumer Financial Protection Bureau 2019; Urban et al. 2015). Beyond geographic analyses, the large sample affords researchers the ability to explore the financial capability of low-incidence demographic populations (e.g., American Indian and Alaska Native adults) and nuanced subsamples (e.g., young Black women) at a national level. Although the State-by-State Survey is not a longitudinal study, the repeated cross sections (i.e., the waves) enable researchers to evaluate how the financial capability of adults in the U.S. trends over a 12-year period, which will be extended to 15 years when the 2024 wave of data is released.

To protect the anonymity of respondents, some demographic variables in the publicly available data sets are aggregated (e.g., age is captured as a continuous variable but is converted to a categorical variable for use in the public data set) or made unavailable, including zip code. Qualified researchers interested in using more granular demographic variables, zip codes, or other variables not included in the publicly available data can

[1] Questions about the National Financial Capability Study and inquiries about the data sets, methodology, and reports can be directed to FINRAFoundation@finra.org.

request access by contacting the FINRA Foundation.[2] Some of these variables, like age and zip code, afford researchers opportunities to merge NFCS data with external data sources, allowing for analytic approaches that can shed light on causality (e.g., using instrumental variables; Kim et al. 2022).

2.1. Development and maintenance of the NFCS State-by-State Survey

The topics covered in the State-by-State Survey are determined by a multidisciplinary team of researchers and policymakers convened by the FINRA Foundation. In past years, researchers have included academics across such fields as economics, consumer sciences and personal finance, psychology, and social work. Policymakers have included representatives from the Consumer Financial Protection Bureau (CFPB), the Securities and Exchange Commission, the Department of Defense, the U.S. Treasury, and the Federal Reserve Board. The questions cover a wide array of financial behaviors and attitudes, many of which align with the four components of financial capability described below. With each wave, questions that are seldom used, for which measurement issues have been identified, or that are no longer pertinent are removed from the questionnaire. These are replaced with items addressing new and emerging issues (e.g., student loan crisis, propagation of fintech, emergence of COVID-19). Whenever possible, new items are obtained or adapted from existing surveys. The questionnaire is designed to take an average of 15 minutes to complete.

The State-by-State Survey has evolved over the years, both in structure and content, but the overarching aims of the study have remained unchanged. At its core, the State-by-State Survey (and other NFCS components) strives to monitor the financial capability of adults living in the United States. While no single, agreed-upon definition of financial capability exists, the State-by-State Survey focuses on the following four components:

1) *Making Ends Meet* – This component explores respondents' ability to cover daily expenses and remain financially afloat. It contains items on topics like financial fragility, financial anxiety, medical expenses, and income volatility.
2) *Planning Ahead* – This component examines savings behaviors for coping with known and unforeseen events. It includes items on topics like investing, retirement planning, and rainy-day funds.
3) *Managing Financial Products* – This component examines the financial products respondents use and how they use them. It contains items on topics like banking and payments, homeownership, fintech, and different forms of debt (e.g., credit cards, student loans, mortgages).
4) *Financial Knowledge and Decision-Making* – This component explores respondents' financial knowledge and self-perceptions of their knowledge, behaviors, and numeracy skills. It includes items on topics such as objective and self-perceived financial knowledge, self-perceived financial capability, and participation in financial education.

The State-by-State Survey also collects a wide variety of demographic information (e.g., gender, income, educational attainment) and attitudinal data (e.g., risk tolerance, financial satisfaction, perceptions of debt) that may fall outside the four pillars of financial capability. In addition to items that can be analyzed individually, the State-by-State Survey contains questions that form multi-item scales. For instance, since 2018, the State-by-State

[2] Researchers interested in nonpublic NFCS data variables are asked (via a form) to provide information about their credentials, describe their research question(s), and specify the variable(s) they need access to. If the request is approved, the researcher is asked to sign a data usage agreement before receiving the data.

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Survey has included the CFPB's abbreviated five-item financial well-being scale, a set of questions developed to identify consumers' own perspectives on their financial lives. Created with input from experts and consumers and developed using rigorous psychometric methods, the scale provides a reliable measure of an individual's financial well-being. More information on the scoring and technical details of the financial well-being scale can be found here: https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/.

2.2. NFCS State-by-State Survey methodology

Respondents for the State-by-State Survey are drawn from established non-probability online research panels using quota sampling. These panels consist of millions of individuals who are offered incentives in exchange for participating in online surveys.[3] Each uses industry-standard techniques to promote data quality, verifying panel members' identities and ensuring the validity of panelists' demographic characteristics. Quotas are set to approximate Census distributions for age by gender, ethnicity, education level, and income within each state based on data from the Census Bureau's American Community Survey. The State-by-State Survey (and other NFCS components) does not specifically target heads of households or primary decision-makers. For each wave of data, the State-by-State Survey is typically fielded from June through October. Starting with the 2021 wave, Institutional Review Board (IRB) exemptions were obtained from an independent IRB, and all future waves will seek IRB exemptions or approvals, as well. IRB determination letters can be obtained by contacting the FINRA Foundation.

The State-by-State Survey data set includes three weights that are based on data from the American Community Survey and created via raking.

1) *National Weights* – National weights can be applied to represent the national population in terms of age, gender, ethnicity, education, and Census Division.
2) *Regional Weights* (i.e., Census Division) – Regional weights can be applied to represent each Census Division in terms of age, gender, ethnicity, education, and state.
3) *State Weights* – State weights can be applied to represent each of the 50 states and the District of Columbia in terms of age, gender, ethnicity, and education.

To promote the use and interpretability of the State-by-State Survey (and other NFCS components), the data sets include variable and value labels (for SPSS and Stata statistical software), detailed and well-documented codebooks, and methodological documentation. All data sets are available in .csv, .dat (Stata), and .sav (SPSS) formats. The data sets are free to download at https://finrafoundation.org/knowledge-we-gain-share/nfcs/data-and-downloads.

3. Additional components and data sets

Alongside the triennial State-by-State Survey, the NFCS has several supplemental projects that examine specific populations within the United States. Together, they offer many unique analytical opportunities. Below are four examples.

[3] Sample providers for the State-by-State Survey use survey router techniques in which potential respondents are directed to one of several open surveys, contingent on sample needs and qualification criteria. Thus, email invitations are not direct invitations to the NFCS survey. As the online research panel industry has evolved, survey routers are increasingly used to distribute sample more efficiently and to manage panel participation and retention.

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3.1. NFCS investor survey

Since 2015, the NFCS has included an Investor Survey component. The Investor Survey is a follow-up study to the State-by-State Survey targeting respondents who report owning taxable investment accounts outside of retirement accounts. The survey includes questions about investor-specific issues that are outside the scope of the State-by-State Survey. The data provide an opportunity to better understand the behaviors, attitudes, knowledge, and decision-making processes of investors. While respondents are not told the Investor and State-by-State Surveys are linked, the two data sets can be merged to provide a comprehensive picture of the investing behaviors, financial capability, and demographics of those who complete the Investor Survey. All qualifying individuals in the State-by-State survey are invited to take the Investor survey, yielding approximately 3,000 respondents. The Investor Survey data set includes weights to approximate the age and education distributions of the investing population in the corresponding State-by-State survey. To date, three Investor Surveys have been conducted (2015, 2018, 2021), and the fielding of the 2024 Investor Survey began in July of 2024. For each wave, the Investor Survey typically begins fielding about one month after the start of the State-by-State Survey.

3.2. 2021 NFCS Asian American data set

To supplement the limited sample size of Asian American/Pacific Islander respondents within the 2021 State-by-State Survey data set (n=1,193), the 2021 State-by-State Survey questionnaire was administered to an additional sample of 1,001 U.S. adults who identified their ethnicity as Asian or Pacific Islander. The 2021 NFCS Asian American/Pacific Islander data set combines the two samples of Asian American/Pacific Islander respondents for a total sample of 2,194 respondents. This supplemental data set includes weights that enable researchers to approximate the U.S. population of Asian American/Pacific Islander adults in terms of age, gender, ethnicity, education, and Census Division based on the American Community Survey. More information about this data set is available upon request.

3.3. 2021 NFCS Puerto Rico survey

To shed light on the financial capability of adults living in Puerto Rico, an often-understudied geographic segment of the U.S. population, a modified version of the 2021 State-by-State Survey questionnaire, was fielded to a sample of 1,001 adults living in Puerto Rico. The questionnaire was nearly identical to the State-by-State Survey questionnaire, with a few geography-specific screening questions. The 2021 Puerto Rico Survey questionnaire was offered in English and Spanish. The data set includes weights that researchers can use to approximate Census distributions for Puerto Rico in terms of age, gender, ethnicity, and education based on the American Community Survey. The 2021 Puerto Rico Survey questionnaire was fielded from June to December 2021. More information about the NFCS Puerto Rico Survey data set is available upon request.

3.4. Longitudinal NFCS American Life Panel data

In 2012, the State-by-State Survey questionnaire was administered to 2,075 respondents in RAND's ALP, a nationally representative probability-based panel consisting of about 6,000 adults ages 18 and older. The same survey respondents who took the survey in 2012 were assessed six years later in 2018 and will again be surveyed in 2024. This cross-lagged panel design provides an opportunity to measure intraindividual changes in financial capability. Further, because ALP panelists are often interviewed online for research purposes, the longitudinal NFCS ALP data can be combined with other existing ALP data, increasing the scope of questions that can be answered. These data sets can be found at https://www.rand.org/education-and-labor/survey-panels/alp.html. The 2012 wave is data set number 284 (NFCS), and the 2018 data set is number 504 (NFCS [W2]). Both are available for free download.

4. Insights gained from the National Financial Capability Study

4.1. Financial knowledge over time

With the financial landscape in the United States becoming increasingly complex, having the knowledge and skills to process financial information and make informed decisions is crucial. As such, one pillar of financial capability, "Financial Knowledge and Decision-Making," has received significant attention over the years: respondents' objectively measured financial knowledge. More specifically, since 2009, the State-by-State Survey has included a five-item quiz that tests respondents' knowledge of fundamental financial concepts. These questions include the Big 3 created by Lusardi and Mitchell (2011) that assess a respondent's knowledge of simple interest, inflation, and diversification. To further differentiate respondents' financial literacy levels and cover other areas of financial knowledge, the State-by-State Survey incorporated two additional items into this battery: one on mortgages and another on bond prices. Together, these five items are referred to as the Big 5 and have been asked in all waves. The Big 5 provides information on the state of financial literacy in the United States and its evolution over the years. The large-scale nature of the State-by-State Survey also affords researchers the ability to explore nuances in financial literacy across geographic, demographic, behavioral, and attitudinal characteristics, an important benefit of the State-by-State Survey given the heterogeneity present in financial literacy (Lusardi and Mitchell 2011).

Newer waves of the State-by-State Survey have additional questions designed to measure financial knowledge. Since 2015, there has been an item that assesses respondents' understanding of the role of compound interest as it applies to debt. In 2021, an item assessing respondents' understanding of probability was added, given the important role that understanding probability plays in comprehending risk, a key component of financial decision-making. The Big 3, Big 5, and full financial literacy quiz can be found in Table A.I in the Appendix.

Since the start of the NFCS, financial literacy rates have been low and steadily decreasing. Figure 1 shows two measures of financial literacy from 2009 to 2021: (1) the mean number of correct answers on the Big 5 financial literacy quiz and (2) the percentage of respondents who correctly answered at least four of the Big 5 quiz questions (defined here as having "high" financial literacy). In 2009, the respondents on average answered 3.0 of 5 questions correctly. By 2021, this number had fallen to 2.6. The proportion of respondents displaying high financial literacy has also declined – from 42 percent in 2009 to fewer than one-third (32 percent) of respondents in 2021. The decline is also evident when examining the proportion of respondents correctly responding to all five questions – from 15 percent in 2009 to 12 percent in 2021. While the largest drops occurred for questions on inflation and risk, declines were observed for all questions (Urban and Valdes 2022).

Low levels of financial literacy are a concern because they are associated with adverse financial behaviors and outcomes (Angrisani et al. 2023). While declines in financial literacy stem in part from an increase in the number of incorrect responses to these questions, they are also a result of a steady increase in the selection of "don't know" as a response option, which is often treated as an incorrect response by researchers. Similarly, Angrisani et al. (2024) report a small rise in the percentage of respondents answering

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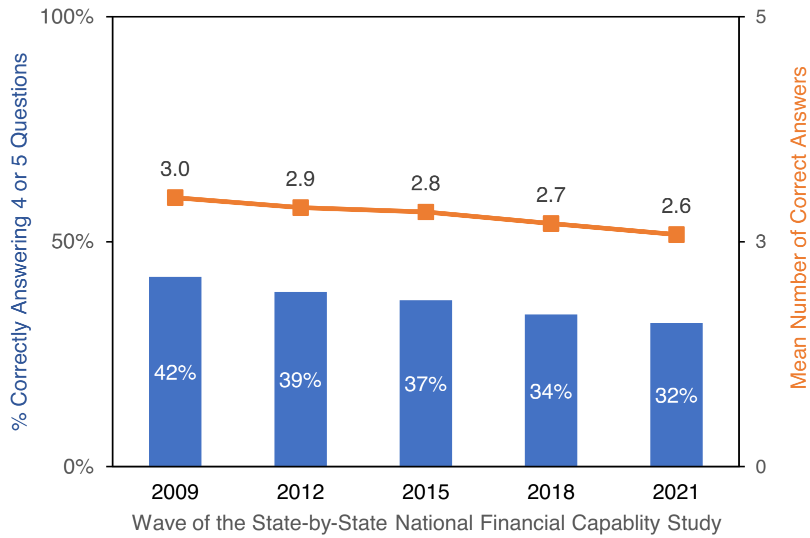

Figure 1. Respondents' performance on Big 5 financial literacy quiz, by year.

"don't know" to all of the Big 3 questions in the Understanding American Study between 2014 and 2023. In the NFCS data, the rise in "don't know" responses accounts for 75 percent of the drop in financial knowledge from 2009 to 2021. The rise in "don't know" responses is particularly evident for certain questions, namely, on interest, a rise from 10 to 15 percent, and mortgage, from 15 to 22 percent. While the underlying reasons behind the declines in financial literacy rates or increases in "don't know" response rates are unclear, one hypothesis under examination includes the possibility that the increased use of mobile phones for survey completion may lead to a rise in the selection of "don't know" for cognitively demanding questions, like knowledge-based questions. In any case, the data provide evidence of the vital role of high-quality, accessible financial education (Urban and Valdes 2022).

While low levels of financial literacy have been widely reported, specific rates of financial knowledge can differ across data sets. These differences are present when comparing responses to the Big 5 questions in the 2012 NFCS State-by-State Survey data set and the 2012 NFCS data collected via RAND's ALP, a probability-based panel. On average, ALP respondents answered 3.3 questions correctly, compared to 2.9 questions answered correctly by respondents in the 2012 State-by-State Survey. The percentage of respondents who demonstrated high financial literacy (correctly answering four or five questions) was also higher in the ALP, 49 percent in the ALP compared to 39 percent in the NFCS.

While financial literacy levels are lower in the NFCS than in the ALP, the two data sources show similar associations between financial literacy and financial capability measures. Figure 2 shows how three measures of financial capability: emergency savings, planning for retirement, and financial fragility (see Table A.II in the Appendix for these three financial capability questions) vary with financial literacy levels. In both samples, respondents who report having emergency savings or having done some planning for retirement, on average, tend to answer more financial literacy questions correctly than those without emergency savings or those who have not done any planning for retirement, while respondents who report financial fragility tend to score lower than their counterparts who are not financially fragile. For instance, those who reported having emergency savings correctly answered, on average, 3.3 and 3.7 Big 5 questions in the NFCS

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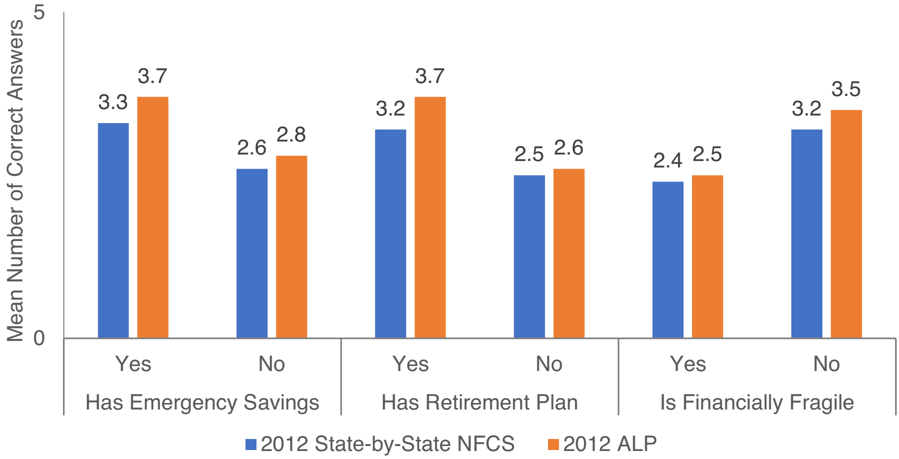

Figure 2. Associations between the Big 5 and financial capability by sample.

and ALP, respectively. Those without emergency savings, in turn, answered only 2.6 and 2.8 correctly. The direction and magnitude of the differences between the two samples for the planning for retirement variable and financial fragility variable are also similar.

Though the Big 5 is not present in many other data sets, limiting the ability for direct comparisons, as Figure 3 shows, there is a fair amount of variation in responses to the Big 3 questions across six different samples. Four of the samples were obtained from probability-based panels, one was primarily collected via phone with some in-person interviewing, and the last sample studied was the State-by-State 2021 NFCS. Data for the six samples were collected between 2020 and 2023. Using range and standard deviation as measures of sample-to-sample variation, we identified that the Diversification question varies most across samples (*range* = 42%–66% correct, *SD* = 11%), followed by the Inflation question (*range* = 69%–84% correct, *SD* = 10%). The least variability occurs for the Interest question, with a standard deviation of 7 percent. The NFCS has the lowest mean level of correct answers across the three questions (55 percent) followed by the Probability 1 sample (59 percent). Respondents from the other four sources show higher levels of financial literacy, ranging from 69 percent to 75 percent.

Sample estimates may vary for a number of reasons. One notable factor is that the NFCS is a non-probability-based sample while the others are probability-based, and research shows that probability-based samples tend to provide more accurate population estimates (Mercer et al. 2024). Other factors include the timing of survey administration, which could affect responses through history effects (Cook and Campbell 1979) both within and between samples. The mode of administration could also play a role – for example, surveys administered online could result in different responses than surveys administered over the phone or in person (AAPOR 2024). Survey context can also affect how subjects respond to survey questions (Beals et al. 2017; Tourangeau et al. 2000). That is, survey questions that come before the Big 3 could, arguably, affect how subjects answer the Big 3. Finally, differences in survey length and question placement (i.e., early in the survey or late in the survey) could play a role via increased dropout rates and lower levels of respondent engagement (Jeong et al. 2023; Revilla and Höhne 2020). Of course, this is not an exhaustive list of factors that could affect the different results shown in Figure 3, and while a robust empirical analysis of what drives variation in sample estimates for the Big 3 is beyond the scope of this paper, the field could benefit from such an analysis.

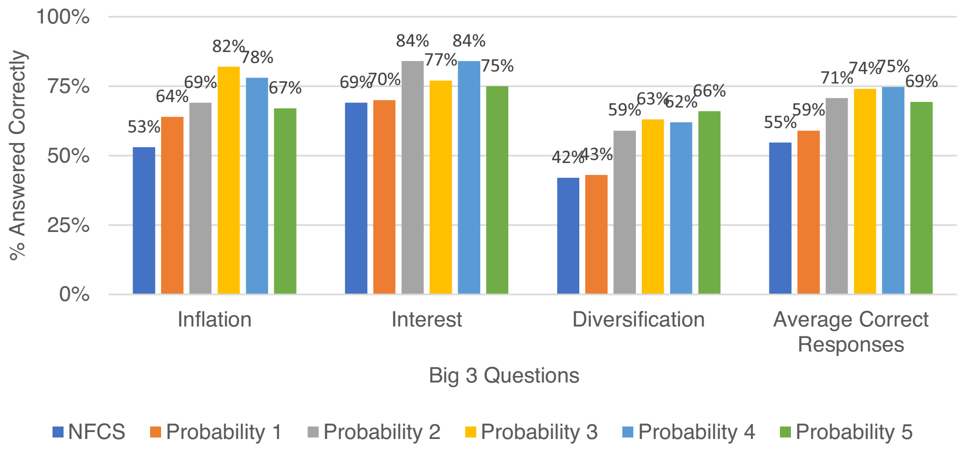

Figure 3. Big 3 financial literacy performance by sample.

Despite differences in the estimated financial literacy rates, multiple studies have found financial literacy varies by demographic and behavioral characteristics. On average, those without a college degree and with lower income tend to have lower financial literacy (Lusardi 2019). Behaviorally, financial literacy is correlated with activities that are indicative of financial capabilities – such as having emergency savings and saving for retirement (Lin et al. 2022). There is also evidence that financial literacy is predictive of downstream financial behaviors. For example, using longitudinal NFCS data from the ALP, Angrisani et al. (2023) found that financial literacy was predictive of future financial outcomes. Specifically, respondents with higher levels of financial literacy in 2012 reported that they were more able to handle a financial shock, more likely to plan for retirement, and were more satisfied with their financial condition in 2018. These findings were statistically significant even after controlling for a wide range of variables. However, using longitudinal data from the Health and Retirement Study (HRS), Schmeiser and Seligman (2013) found that the Big 3 questions were not significantly related to changes in wealth over time, though the HRS sample only includes those aged 50 and over.

4.2. Other measures of financial capability over time

Unlike changes in financial knowledge, trend data from the State-by-State Survey suggests improvements in other aspects of U.S. adults' financial capability from 2009 to 2021 (Lin et al. 2022). Even considering the economic disruptions of the COVID-19 pandemic in 2020, we find steady increases in the proportion of respondents reporting no difficulty covering monthly expenses or bills (36 percent in 2009 to 54 percent in 2021), a twofold increase in those indicating satisfaction with their personal financial situation (from 16 percent in 2009 to 33 percent in 2021), a rise in those paying their credit cards in full (from 41 percent in 2009 to 59 percent in 2021), and a steady increase in the proportion of respondents who have set aside three months' worth of emergency funds (35 percent in 2009 to 53 percent in 2021). These improvements in financial capability may reflect the broader economic recovery in the United States and, for the 2018 to 2021 time period, government support during the pandemic. The first wave of the State-by-State Survey, collected in 2009, occurred in the wake of the Great Recession, a particularly challenging economic time in the United States. Increases in financial capability from 2009 to 2021 align well with the economic recovery that transpired post-recession. However, while these findings are encouraging overall, there are wide and persistent disparities across populations. Younger

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respondents, those with lower educational attainment, and Black/African American and Hispanic/Latino respondents show higher levels of vulnerability across various measures of financial capability.

5. Conclusion

This paper describes the NFCS, its various components, and the resources available to researchers using NFCS data. It also provides detailed information on important methodological aspects of the project, including survey construction and sampling. The NFCS is the birthplace of the Big 5 financial literacy questions, so we provide a 12-year look at how performance on the Big 5 has changed over time. We find that financial literacy as measured by the Big 5 has steadily declined over the last dozen years and that this decline is associated with a concomitant rise in the percentage of respondents answering "don't know" for the questions. We further compare performance on the Big 5 from the 2012 NFCS State-by-State Survey to the Big 5 from the 2012 NFCS administered through RAND's ALP and find that performance on the Big 5 is somewhat lower in the State-by-State data than in the ALP data. We extend the analysis by comparing Big 3 performance on the 2021 State-by-State Survey with Big 3 data from other samples and find a fair amount of sample-to-sample variation and discuss possible reasons for this variation. We conclude by looking at several measures of financial capability over the 2009 to 2021 time period and find that financial capability generally increased during this 12-year window.

5.1. Limitations

There are several limitations researchers and stakeholders should be aware of when using the NFCS. As noted above, most NFCS data sets are based on non-probability sampling, and research suggests that non-probability samples can result in population estimates that are less accurate than probability samples. Second, while NFCS data sets contain data on asset ownership, there is no data on the amount of money they hold in any specific account. Third, while the identity of the respondents is corroborated by the panel companies used for sampling, the survey responses are self-reported and uncorroborated with administrative data. Fourth, while ample efforts are made to make each survey question and the overall survey as succinct and clear as possible to reduce respondent fatigue and measurement error, like all surveys, the NFCS is subject to possible measurement error. Fifth, because participants can only take the survey online, the findings may not be representative of those without broadband connections or people with certain disabilities who may not be able to take the survey. Finally, the three-year window between administrations of the NFCS limits the extent to which researchers can document trends that may last shorter time periods.

5.2. Advantages of the NFCS

In spite of these limitations, the characteristics of the NFCS provide a unique set of advantages for those seeking to further understand and promote financial capability in the United States. As described above, the large and nationally representative sample of the State-by-State NFCS allows for the disaggregation of financial behaviors, attitudes, and experiences by a variety of sociodemographic, geographic, and knowledge characteristics. Second, because the NFCS follows a repeated cross-sectional framework, with data collected triennially since 2009, the NFCS offers the opportunity to analyze trends in financial capability variables of major social importance, such as financial fragility, retirement and emergency savings, and financial knowledge. Together, the nature of the

NFCS makes it an instrumental data project for academics and policymakers and a platform to help design a national strategy for promoting financial knowledge and well-being.

5.3. The future of the NFCS

To continue shedding light on existing and emerging issues related to U.S. adults' financial capability, the FINRA Foundation is conducting a 2024 wave of the NFCS, which will include a State-by-State Survey and an Investor Survey. The FINRA Foundation also plans to resurvey the respondents in the ALP, which will provide researchers with three waves of cross-lagged panel data spanning 12 years – a particularly valuable data set given the time, cost, and difficulty of collecting longitudinal data. Reports and data sets for the 2024 wave of the NFCS are expected to be released in mid-to-late 2025, and like all NFCS data sets, they will be free to download and use.

The NFCS is, at its core, a mechanism for measuring and improving people's financial well-being. Learnings from the NFCS help the FINRA Foundation and others provide households across the nation with the knowledge, skills, and tools needed to make sound financial decisions. Over the years, the NFCS has been used in hundreds of research studies, cited in policy proposals, and leveraged to create educational interventions. We aim to encourage and support the continued and innovative use of the NFCS by researchers, policymakers, practitioners, and other stakeholders so that it can further serve as an instrument for bettering people's lives.

Supplementary material. The supplementary material for this article can be found at https://doi.org/10.1017/flw.2024.22.

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