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Sep. 05, 2018

We can't all be financial wizards, that is unfortunately and undoubtedly true. But as we navigate through different life stages, the urgency to acknowledge and grasp what numerous financial terms mean becomes ever apparent when making tough financial decisions.

Considering words and phrases in areas such as banking, investment, mortgages and savings are more than likely to feature a lot in an individual's management of their personal finances – the hope would be for them to have a firm education of commonly used financial jargon. Unfortunately, this does not seem to be the case, as shockingly **only 16% of Americans have a high level of financial literacy** according to research by financial services organization '*TIAA: Investing, Advice, Retirement and Banking.*'

- **American public are most confident (88%) about the meaning of a 'savings account'**
- **Thereafter, Americans (76%) are assured by the true connotation of a 'credit union'**
- **Conversely, the cryptocurrency 'Bitcoin' is the financial term that the majority of Americans (52%) are uncertain about**
- **Just 67% of Americans know what a 'recession' is, despite the fallout from the 2008 financial crisis causing a severe global economic downturn for several years**
- **Shockingly, only 16% of Americans have a high level of financial literacy**

Interested in the financial competency of everyday Americans, training and

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Interestingly, the main two aspects needed to work out someone's 'net worth' – **'assets'** (e.g. homes, cars, jewellery etc) minus **'liabilities'** (e.g. credit card debt, cars loans, mortgages etc) – **70%** of US citizens were **equally confident** about what is entailed within each of their true definitions.

Moreover, despite the fallout from the 2008 financial crisis causing a severe global economic downturn for several years, **just 67% of Americans** are surprisingly sure what a **'recession'** really is in terms of an important stage in the **economic lifecycle**.

On the other end of the scale, **more than half of Americans (52%)** are **uncertain** about what **'Bitcoin'** really is. Perhaps unexpected, given **'Bitcoins'** **prominent position in the cryptocurrency market** and its value noticeably rocketing to sky-high levels at the end of last year (2017). Closely by, **49% are unsure** about the proper connotation of an **'index fund'**. Further on, **44% of American public** lack certainty about what an **'asset allocation'** is – a strategy which aims to diversify an asset portfolio based on an investor's investment objectives and risk appetite.

Joseph Scott, a spokesperson from the TheKnowledgeAcademy.com commented:

“Every industry is riddled with jargon, none more so then in the tricky world of finance. It can therefore feel like a confusing mind field when dealing with financial terminology. Regardless of the difficulty, various financial terms have a considerable presence and impact in the minor as well as major saving and spending decisions of Americans. Consequently, a lack of knowledge on financial terms will mean Americans not having the awareness and competencies to make the best possible decisions when handling a range of situations relating to savings, investments and property management. For many, acquiring better knowledge on financial terminology will be essential for them to achieve a higher standard and quality of living”.

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