

## Finra survey reveals state with lowest financial IQ

Residents of Kentucky, Montana know the least about managing their finances, regulator finds

**By Mark Schoeff Jr.**

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Residents of New York, New Jersey and New Hampshire know the most about managing their personal finances, while denizens of Kentucky and Montana know the least, according to nationwide survey sponsored by Finra.

The Financial Industry Regulatory Authority Inc. launched a [website](#) Wednesday that analyzes financial capability nationwide as well as by state, region and demographic group. It illustrates the level of financial knowledge and financial decision-making behavior.

The financial literacy component is based on Hoosier scores on a quiz consisting of five questions designed to gauge financial knowledge.

The findings are gleaned from an online survey of 28,146 respondents between June and October of 2009. The results will help the Finra Investor Education Foundation develop financial education initiatives.

“The study aims to assess and establish a baseline measure of the financial capability of adults in the United States by exploring how individuals manage their resources and make financial decisions,” Finra said in a statement. “The state-by-state results highlight how many Americans are disadvantaged by their lack of financial capability, and break down financial decisions and literacy by gender, age bracket and region.”

Finra worked with the Treasury Department and the President's Advisory Council on Financial Literacy in developing the study. Last week, the Obama administration released a national strategy aimed at guiding federal and private efforts to make sure Americans are equipped with the financial skills needed to attain economic security and stability

The Finra website will help shape the national financial literacy effort by providing a wide

and deep trove of granular data, according to John Gannon, president of the Finra foundation.

“There are certain issues that affect some states more than others,” Mr. Gannon said in a conference call with reporters.

The online resource is also whetting the appetite of academics, who will be able to study financial decision making along demographic and geographic dimensions.

“It's an incredible source of information,” said Annamaria Lusardi, professor of economics at Dartmouth College. “There is the potential to do important research on such an important topic.”

Ms. Lusardi is especially eager to take advantage of the opportunity “to look at the demographic groups that are the most vulnerable.”