Precautionary savings, retirement planning and misperceptions of financial literacy

Anders Anderson, Forest Baker, David T. Robinson

PII: S0304-405X(17)30155-1
DOI: 10.1016/j.jfineco.2017.07.008
Reference: FINEC 2801


Received date: 29 December 2015
Revised date: 13 June 2016
Accepted date: 12 July 2016


This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.
Precautionary savings, retirement planning and misperceptions of financial literacy

Anders Anderson\textsuperscript{a,}\textsuperscript{*}, Forest Baker\textsuperscript{b}, David T. Robinson\textsuperscript{c}

\textsuperscript{a}Swedish House of Finance at the Stockholm School of Economics, Drottninggatan 98, SE-111 60 Stockholm, Sweden, Phone: +46-8-736 9110. Facsimile: Phone: +46-8-736 9111.
\textsuperscript{b}LinkedIn Corporation, 2029 Stierlin Ct, Mountain View, CA 94043, Phone: +1-415-970 5166.
\textsuperscript{c}Fuqua School of Business, 100 Fuqua Drive, Durham, NC 27708, Phone: +1-919-660-8023.

Abstract

We measure financial literacy among LinkedIn members, complementing standard questions with additional questions that allow us to gauge self-perceptions of financial literacy. Average financial literacy is surprisingly low given the demographics of our sample: fewer than two-thirds of chief financial officers, chief executive officers, and chief operating officers complete the test correctly. Financial literacy, precautionary savings and retirement planning are positively correlated, but this is mostly driven by perceived, not actual, literacy: controlling for self-perceptions, actual literacy has low predictive power. Perceptions drive decision-making among low-literacy respondents and are associated with mistaken beliefs about financial products and less willingness to accept financial advice.

Keywords: Financial literacy, overconfidence, optimism.

JEL codes: G18, D18
دریافت فوری متن کامل مقاله

امکان دانلود نسخه تمام متن مقالات انگلیسی
امکان دانلود نسخه ترجمه شده مقالات
پذیرش سفارش ترجمه تخصصی
امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
امکان دانلود رایگان ۲ صفحه اول هر مقاله
امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
دانلود فوری مقاله پس از پرداخت آنلاین
پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات