



96% of Americans Believe at Least One Money Myth According to LendingTree Survey

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More than one-third think they know more about money than their parents do

CHARLOTTE, N.C., Feb. 1, 2021 /PRNewswire/ -- According to the [latest survey](#) by LendingTree®, the nation's largest online financial services marketplace, Americans are less financially literate than they believe, with 96% holding at least one false belief about money management. For example, 45% believe that carrying a credit card balance helps your credit score, and more than a quarter of those 40 and younger don't think they need to be saving for retirement.



LendingTree surveyed 1,550 consumers in January 2021 to gauge consumer knowledge of common money myths and to understand where Americans are learning about personal finance.

Key findings

- **Americans know less about money than they think they do.** When asked to rate their financial literacy on a scale of 1 to 5, most (87%) rated themselves at a 3 or higher. However, when asked if they believe six different money myths, 96% thought at least one was true.
- **Americans are taught financial literacy at home, not at school.** About half (47%) learned about finances from their parents or other family members, and 39% are self-taught. Just 29% learned about money in high school, even though 56% of people think you should.
- **27% of Gen Z learn about money from social media.** That's nearly double the overall average of 14% across all respondents. Interestingly, 15% of Gen Z who learned a false money myth said that they learned it on social media — 21% of millennials said the same.
- **35% Americans think they know more about money than their parents do.** Those most likely to believe so include six-figure earners (54%), baby boomers (45%), college graduates (47%) and men (42%).

LendingTree asked Americans to rate their perceived financial literacy on a scale of 1 to 5, with 5 being extremely financially literate and 1 being not financially literate at all. **About a fifth (21%) of people think they are extremely financially literate, while 5% said they're not at all financially literate.** The vast majority of Americans (87%) rated themselves at a 3 or higher.

- About a quarter (27%) of men rated themselves as extremely financially literate, compared to 15% of women.
- Perceived financial literacy rises with age. Baby boomers were the most likely to rate themselves as extremely financially literate, while Gen Z were the most likely to rate themselves not at all financially literate.

Common Money Myths

1. Myth: Carrying a balance on your credit card will help your credit score.
 - 73% have heard this statement before
 - 45% think it's true
2. Myth: It's bad to use a credit card. You should always use cash or debit.
 - 69% have heard this statement before
 - 31% think it's true
3. Myth: It's best to change your tax withholdings to '0' so you get a bigger paycheck.
 - 65% have heard this statement before

- 40% think it's true
4. Myth: Renting is just throwing money away.
 - 77% have heard this statement before
 - 57% think it's true
 5. Myth: You shouldn't invest until you've paid off all your debt.
 - 63% have heard this statement before
 - 42% think it's true
 6. Myth: There is no reason to save for retirement if you're under the age of 40.
 - 58% have heard this statement before
 - 21% think it's true

Where consumers learn about money

- Parents or other family members (47%)
- Self-taught (39%)
- High school (29%)
- College (22%)
- Friends or coworkers (16%)
- Social media (14%)
- Books or magazines (13%)
- Romantic relationship/spouse (11%)
- Newspapers or online news outlets (10%)
- Personal finance blogs (10%)
- Podcasts (7%)
- Reddit (3%)

27% of Gen Z Americans learned about money on social media

About a quarter (27%) of Gen Z Americans learned about money from social media apps, such as TikTok and Twitter. That's nearly double the overall average of 14% across all respondents. According to survey findings, **15% of Gen Z who learned an untrue money myth said that they learned it on social media.** That's pretty on par with Americans as a whole (17%).

For the full survey report, please visit: <https://www.lendingtree.com/personal/financial-literacy-survey/>.

Methodology

LendingTree commissioned Qualtrics to field an online survey of 1,550 Americans, conducted Jan. 8-11, 2021. The survey was administered using a non-probability-based sample, and quotas were used to ensure the sample base represented the overall population. All responses were reviewed by researchers for quality control.

We defined generations as the following ages in 2021:

- Generation Z: 18 to 24
- Millennial: 25 to 40
- Generation X: 41 to 55
- Baby boomer: 56 to 75

While the survey also included consumers from the silent generation (defined as those 76 and older), the sample size was too small to include findings related to that group in the generational breakdowns.

About LendingTree

LendingTree (NASDAQ: TREE) is the nation's leading online marketplace that connects consumers with the choices they need to be confident in their financial decisions. LendingTree empowers consumers to shop for financial services the same way they would shop for airline tickets or hotel stays, comparing multiple offers from a nationwide network of over 500 partners in one simple search, and can choose the option that best fits their financial needs. Services include mortgage loans, refinances, auto loans, personal loans, business loans, student refinances, credit cards and more. Through the My LendingTree platform, consumers receive free credit scores, credit monitoring, customized recommendations to improve credit health, and notification when there are opportunities to save money. In short, LendingTree's purpose is to help simplify financial decisions for life's meaningful moments through choice, education and support. LendingTree, LLC, is a subsidiary of LendingTree, Inc. For more information, go to www.lendingtree.com, dial 800-555-TREE, like our Facebook page and/or follow us on Twitter @LendingTree.

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