

Financial capability and low-income adults' financial behaviors at the verge of retirement

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Americans approaching retirement are not well prepared for this new phase in their lives, especially those with limited incomes and low wealth. The current study directly responds to this concern about the financial vulnerability of older adults in pre-retirement. The aim of this study is to examine how their financial capability is related to financial behaviors in financial management, saving and credit use. Using the 2015 National Financial Capability Study, we analyze the data of pre-retirees aged over 55 and whose annual income below \$25,000. Results suggest that financial inclusion indicating an access to formal financial service is significantly associated with desirable financial behaviors in all three areas, while financial education has little impact on improved financial behaviors.

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