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**OECD financial literacy study finds many adults struggle with money matters**

12/10/2016 – Adults in many countries around the world display low levels of financial knowledge, fail to engage in financial behaviours that could improve their financial security and have financial attitudes oriented towards the short-term, as shown in the *OECD/INFE International Survey of Adult Financial Literacy Competencies* released today.

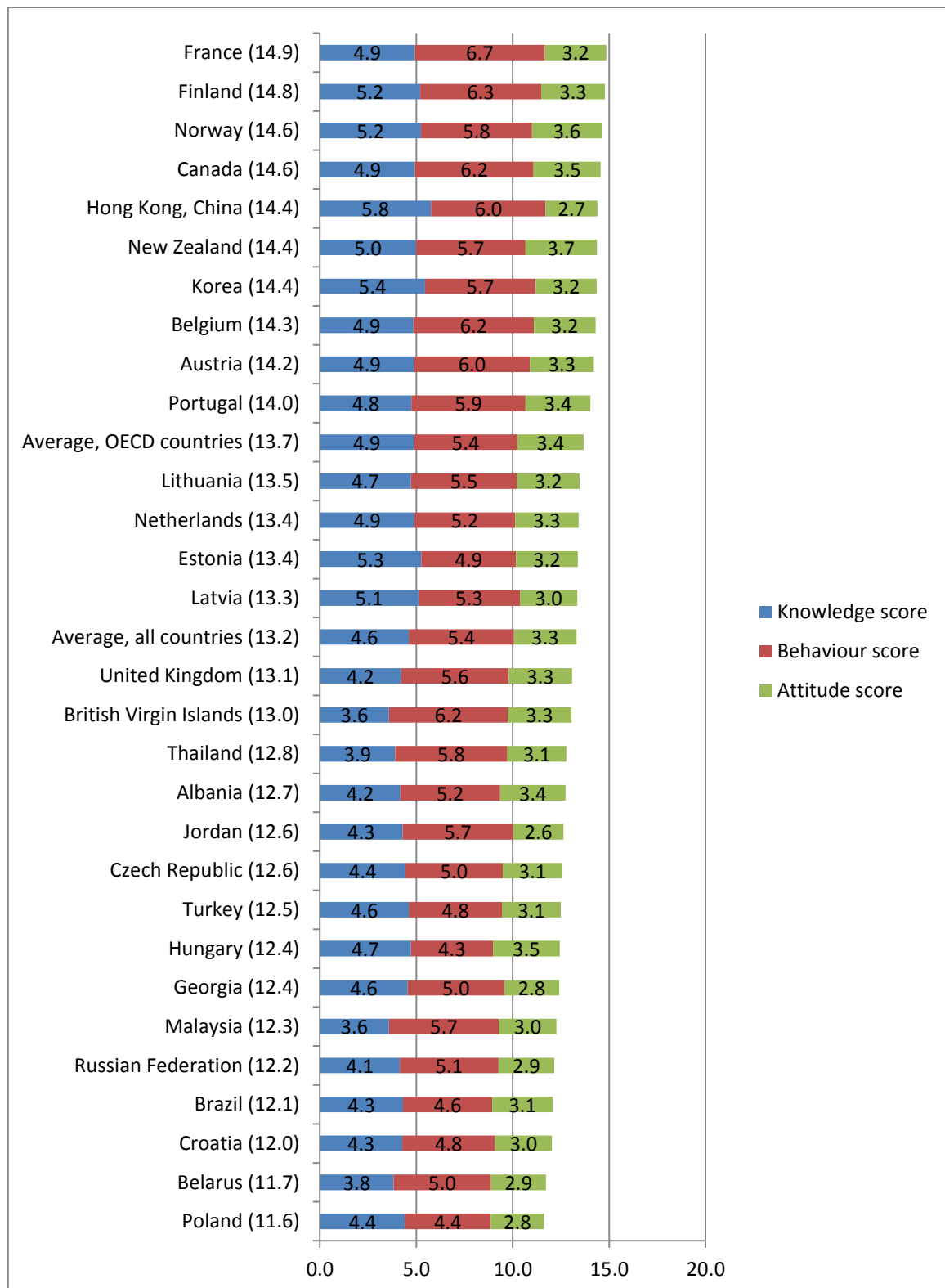
Some 30 countries and economies, drawn from Africa, Asia, Europe, Australasia, North America and South America, have collected data for this study measuring their levels of financial knowledge, behaviours and attitudes. In total, 51,650 adults aged 18 to 79 have been interviewed for this study.

The large number of countries and economies opting to participate in the survey indicates the widespread recognition of the value of undertaking an international comparative study and the growing interest in developing evidence-based financial education policies, in accordance with OECD/INFE High-level Principles on National Strategies for Financial Education, endorsed by G20 Leaders in 2012.

**Overall levels of financial literacy - indicated by combining scores on knowledge, attitudes and behaviour - are relatively low.** The average score across all participating countries and economies is just 13.2 (out of a possible 21), and 13.7 across OECD countries.

**Financial knowledge, attitudes and behaviour (average scores)**

Stacked points (weighted data): all respondents, sorted by overall score (reported in parenthesis)



Notes: Average, all countries and Average, OECD countries report the mean of the country/economy percentages. Each country/economy is therefore given equal weight. South Africa is not included in the chart, as it did not ask all the behaviour questions.

**Average levels of financial knowledge show room for improvement, whilst there is wide variation between countries.** On average, just 56% of adults across participating countries and economies achieved a score of at least five out of seven (63% across OECD countries), considered to be the minimum target score. Over four out of every five (84%) adults in Hong Kong, China were able to answer at least five out of seven knowledge questions correctly. However, in stark contrast, fewer than one in two adults achieved this minimum target score on financial knowledge in Albania, Belarus, Brazil, the British Virgin Islands, Croatia, Jordan, Malaysia, the Russian Federation, South Africa, Thailand and the United Kingdom.

**Low levels of understanding of the accumulation of interest on savings and of diversification are a particular concern.** Even in the highest scoring countries, at least one in five respondents could not calculate the balance of an account after 2% interest had been added. And, with the exception of adults in Hong Kong, China (52%), the Netherlands (56%) and Norway (58%), only a minority was also able to correctly identify the impact of compounding on such interest payments over time. No more than half of respondents understood the financial concept of diversification in the Russian Federation, Thailand, Malaysia and the British Virgin Islands.

**Gender differences in financial knowledge are noteworthy.** In 19 of the 30 participating countries and economies, men are statistically significantly more likely than women to achieve the minimum target score on the financial knowledge questions.

**The survey also reveals considerable variation in the extent to which people behave in financially literate ways.** Across participating countries and economies, on average just one in two (51%) respondents achieved the minimum target score of at least six out of nine on financial behavior. The average across participating OECD countries is only slightly higher, at 54%.

**The weakest areas of financial behaviour across these measures appear to be related to budgeting, planning ahead, choosing products and using independent advice.** On average, across participating countries and economies, only 60% of adults reported having a household budget (57% across the OECD); and only about 50% set long-term goals and tried to achieve them (51% across the OECD). Among those who had chosen a financial product in the last two years, only 44% made an attempt to shop around on average across all participating countries and economies (46% across OECD countries), and only 19% used independent information (20% across OECD countries).

**In a similar vein, analysis of financial attitudes also shows that many people have a tendency towards short-termism.** On average, just 50% of adults across participating countries and economies achieved the minimum target score for financial attitude (that is, one that shows a tendency to favour the longer term), compared with an average of 55% across OECD countries. In Jordan, Hong Kong, China and Poland, fewer than three in ten people indicated an attitude that tends to favour the longer term. In contrast, in Albania, Hungary, Portugal, Canada, Norway and New Zealand, more than six in ten did so.

**These high-level findings make it possible to draw a first set of policy conclusions.** The overall low level of financial literacy stresses the importance of starting financial education early and, ideally, in schools. Moreover, public authorities need to improve financial resilience and long-term planning, support smart choice of financial products, and more generally strengthen knowledge, skills and behaviours of adults, through effective financial

education, in combination with appropriate financial regulation, inclusion and consumer protection policies.

Findings from this new publication were presented at the [NZ-OECD High-level Global Symposium](#) on Financial Education in Auckland today by Flore-Anne Messy, Head of the Financial Affairs Division of the Directorate of Financial and Enterprise Affairs at the OECD.

Download the [OECD/INFE International Survey of Adult Financial Literacy Competencies](#) for more information on the measurement and findings.

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#### **Countries and economies that participated in the Survey**

Albania, Austria, Belarus, Belgium, Brazil, British Virgin Islands, Canada, Croatia, Czech Republic, Estonia, Finland, France, Georgia, Hong Kong, China, Hungary, Jordan, Korea, Latvia, Lithuania, Malaysia, the Netherlands, New Zealand, Norway, Poland, Portugal, the Russian Federation, South Africa, Thailand, Turkey, United Kingdom.

OECD/INFE Toolkit for measuring financial literacy and financial inclusion

[www.oecd.org/daf/fin/financial-education/2015\\_OECD\\_INFE\\_Toolkit\\_Measuring\\_Financial\\_Literacy.pdf](http://www.oecd.org/daf/fin/financial-education/2015_OECD_INFE_Toolkit_Measuring_Financial_Literacy.pdf)

OECD/INFE International Survey of Adult Financial Literacy Competencies

<http://www.oecd.org/finance/financial-education/oecd-infe-survey-adult-financial-literacy-competencies.htm>

OECD/INFE High-level Principles on National Strategies for Financial Education

<http://www.oecd.org/finance/financial-education/nationalstrategiesforfinancialeducation.htm>