

NATIONAL CENTER FOR EDUCATION STATISTICS



A First Look at the 2015 Program for International Student Assessment Financial Literacy Results

Peggy G. Carr, Ph.D.

Acting Commissioner

Institute of Education Sciences, National Center for Education Statistics

U.S. Department of Education

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Roughly **1 in 5** U.S. 15-year-olds don't understand basic financial concepts.

45% of students in higher income schools were top performers, compared to just 3% of students in lower income schools.

Financial literacy is:

-  the knowledge and understanding of financial concepts and risks, and
-  the skills, motivation, and confidence to apply such knowledge and understanding.

Why assess financial literacy at age 15?

- Many young people already face complex financial decisions, and are consumers
- 15-year-olds are beginning to consider continuing education, and how to pay for it
- Will soon perform more financial operations and activities

PISA FINANCIAL LITERACY ASSESSMENT FRAMEWORK



Content

- Money and transactions
- Planning and managing finances
- Risk and reward
- Financial landscape

Processes

- Identify financial information
- Analyze information in a financial context
- Evaluate financial issues
- Apply financial knowledge and understanding

Contexts

- Education and work
- Home and family
- Individual
- Societal

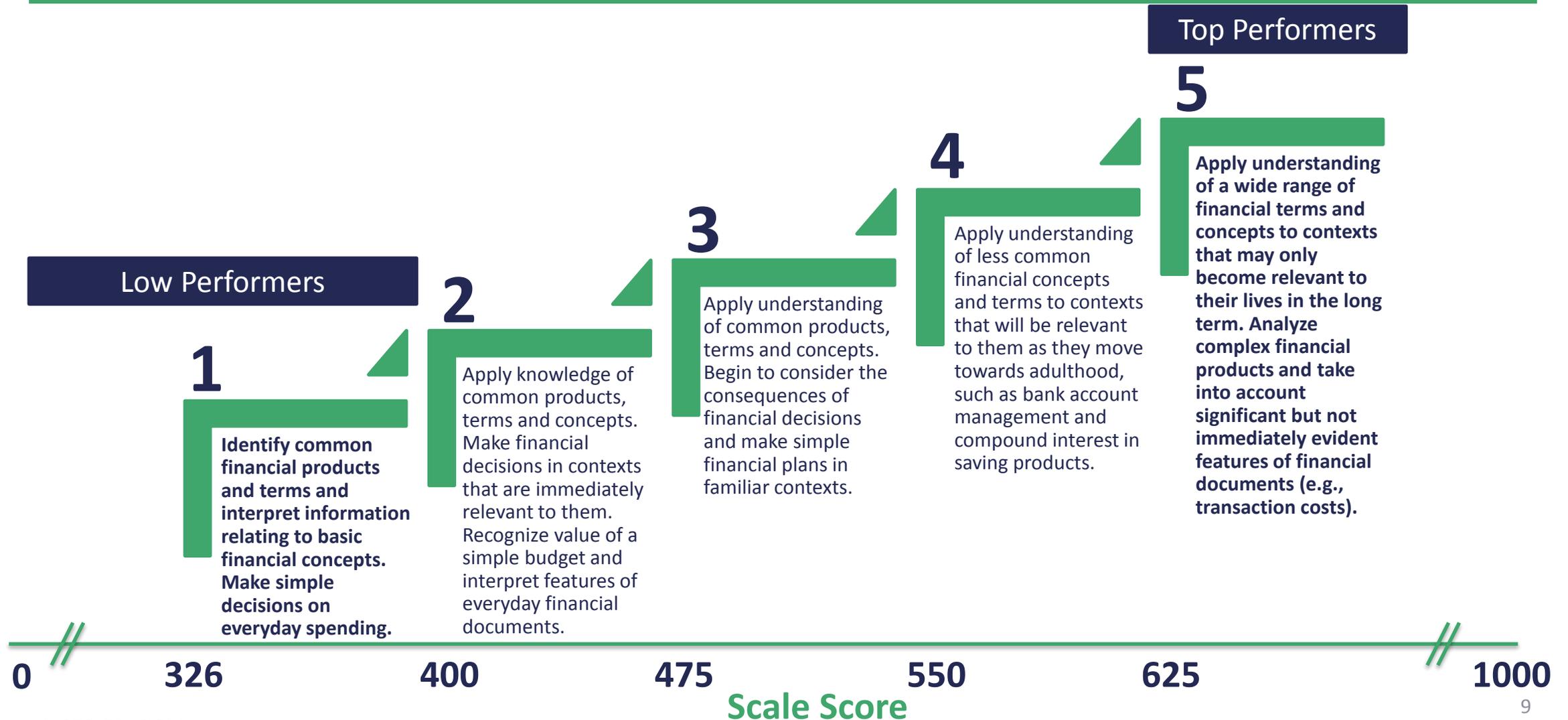
Overview of U.S. Results

U.S. AVERAGE SCORE

**No measurable change
in U.S. score since 2012**



PISA LEVELS OF PROFICIENCY



PISA LEVELS OF PROFICIENCY

1

Identify common financial products and terms and interpret information relating to basic financial concepts. Make simple decisions on everyday spending.

PISA LEVELS OF PROFICIENCY

5

Apply understanding of a wide range of financial terms and concepts to contexts that may only become relevant to their lives in the long term. Analyze complex financial products and take into account significant but not immediately evident features of financial documents (e.g., transaction costs).

SAMPLE PISA FINANCIAL LITERACY LEVEL 1 ITEM: AT THE MARKET

You are at the market.

You can buy tomatoes by the kilogram or by the box.

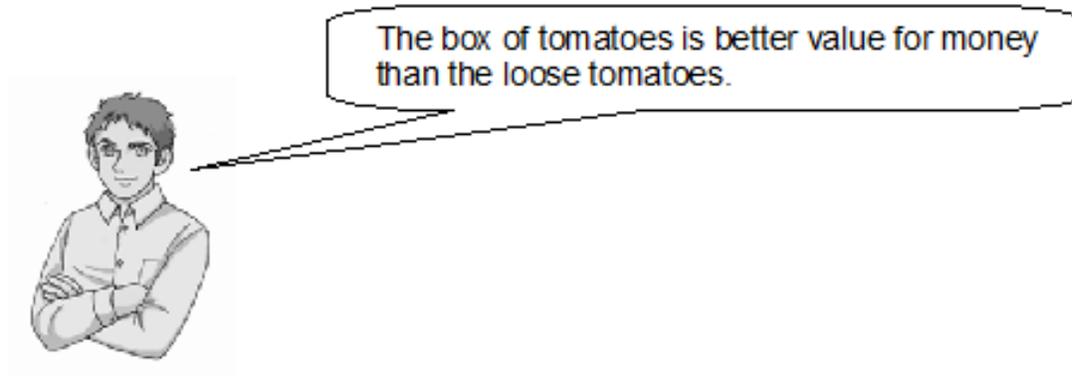


2.75 zeds per kg



22 zeds for a 10 kg box

SAMPLE PISA FINANCIAL LITERACY LEVEL 1 ITEM: AT THE MARKET



Give a reason to support this statement:

Sample full credit response:

- It is 2.75 zeds per kg for the loose tomatoes but only 2.20 zeds per kg for the boxed tomatoes.

Sample no credit response:

- The box is always better value.

SAMPLE PISA FINANCIAL LITERACY LEVEL 5 ITEM: BANK ERROR

David banks with ZedBank. He receives this e-mail message:

Dear ZedBank member,

There has been an error on the ZedBank server and your Internet login details have been lost.

As a result, you have no access to Internet banking.

Most importantly your account is no longer secure.

Please click on the link below and follow the instructions to restore access. You will be asked to provide your Internet banking details.

<https://ZedBank.com>

The logo for ZedBank, featuring the name "ZedBank" in a stylized, handwritten-style font inside a rectangular button with a gradient background.

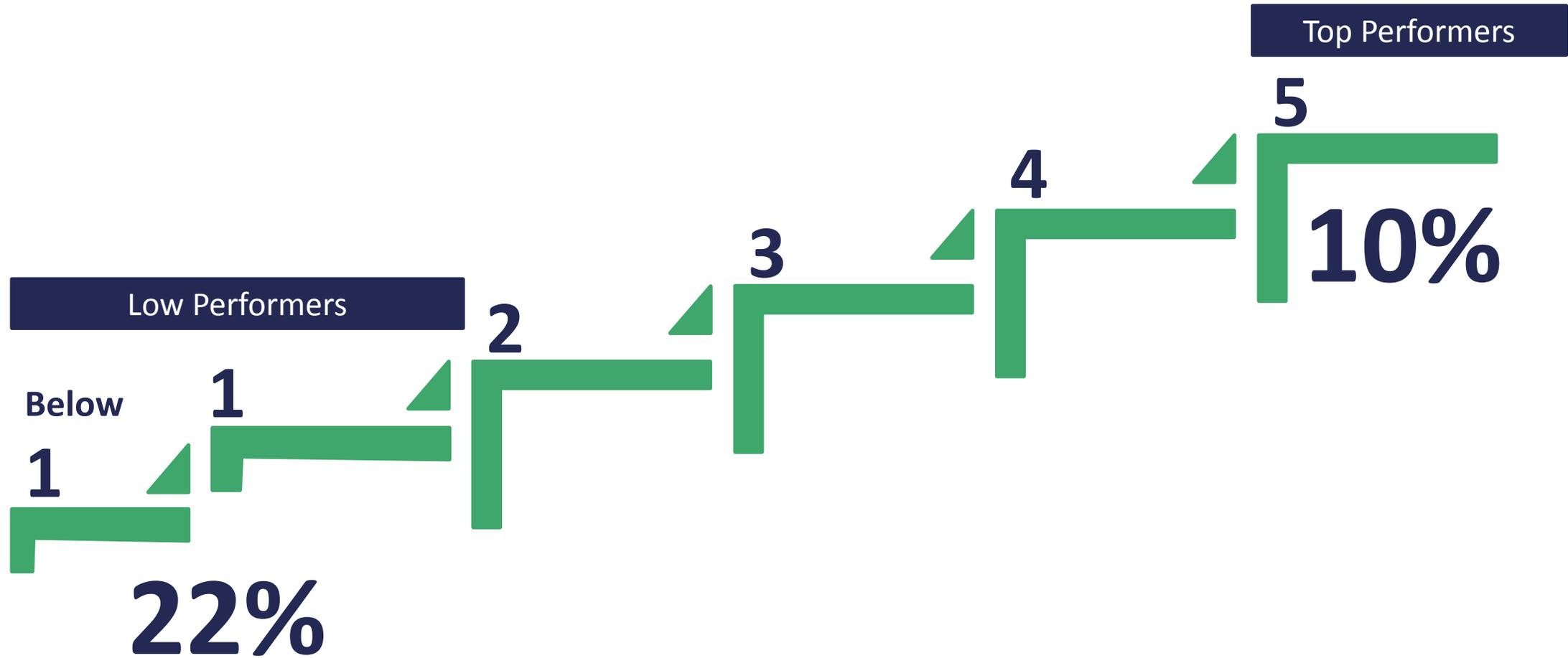
SAMPLE PISA FINANCIAL LITERACY LEVEL 5 ITEM: BANK ERROR

Which of these statements would be good advice for David?

Circle “Yes” or “No” for each statement.

Statement	Is this statement good advice for David?
Reply to the e-mail message and provide his Internet banking details.	Yes / <input checked="" type="radio"/> No
Contact his bank to inquire about the e-mail message.	<input checked="" type="radio"/> Yes / No
If the link is the same as his bank’s website address, click on the link and follow the instructions.	Yes / <input checked="" type="radio"/> No

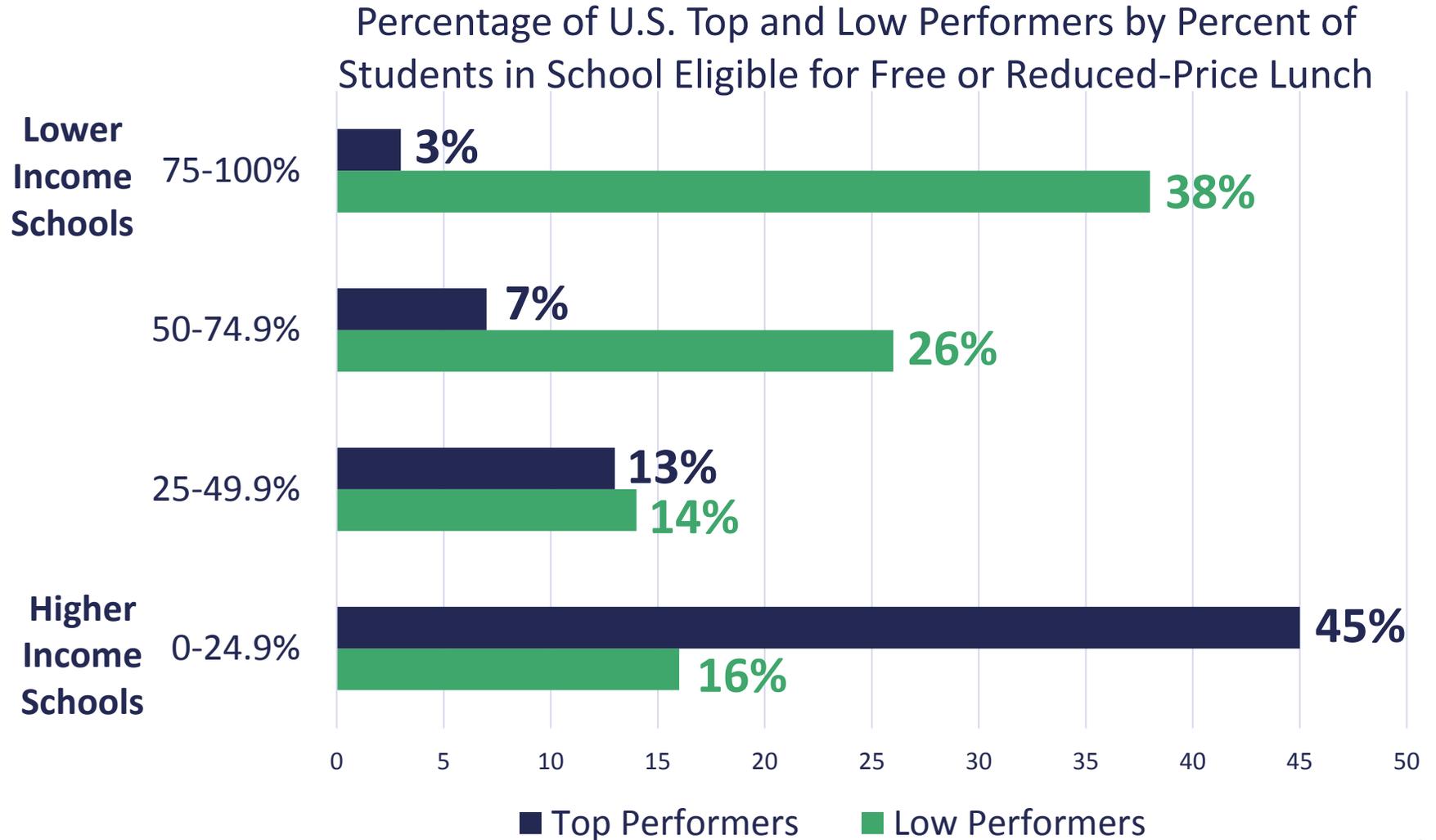
PISA LEVELS OF PROFICIENCY



U.S. PISA Financial Literacy Results in More Depth

PISA FINANCIAL LITERACY: U.S. PERFORMANCE BY SOCIOECONOMIC STATUS

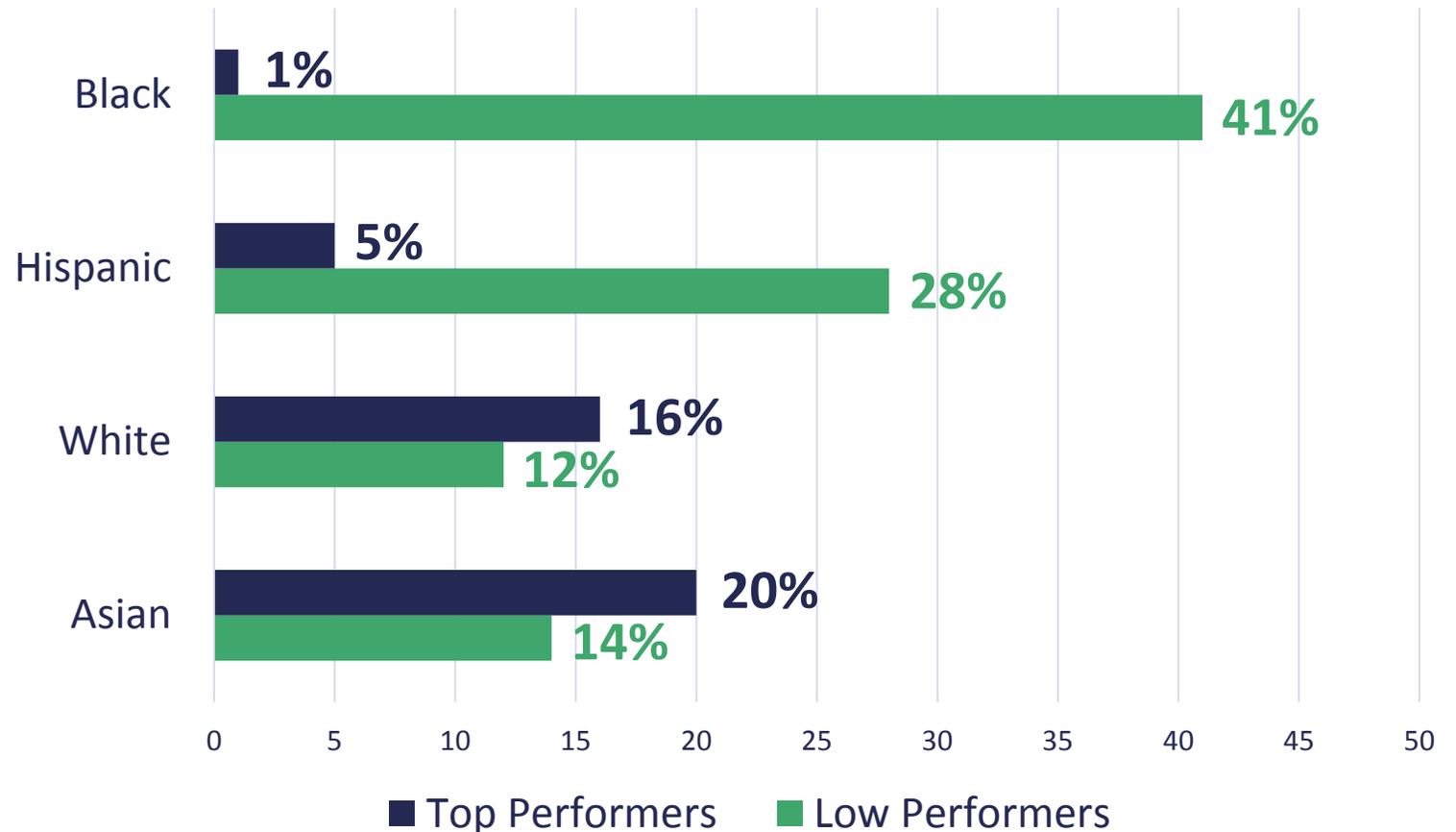
Category	2015 Avg Score
75-100%	433
50-74.9%	470
25-49.9%	512
0-24.9%	543
U.S. Average	487



PISA FINANCIAL LITERACY: U.S. PERFORMANCE BY RACE/ETHNICITY

Category	2015 Avg Score
Black Students	422
Hispanic Students	460
White Students	524
Asian Students	525
U.S. Average	487

Percentage of U.S. Top and Low Performers by Race/Ethnicity



U.S. 15-year-olds report:



88% discuss money matters with parents

Students who discuss money with parents almost every day scored 41 points higher on average vs. those who did monthly or weekly



53% have a bank account

Students with a bank account scored 42 points higher on average vs. those who did not

67% of students in higher income schools reported having a bank account vs. 18% of students in lower income schools

International Comparisons

FINANCIAL LITERACY: PISA 2015 AVERAGE SCORES

U.S. 15-year-old students' average score **not different** than OECD average

North Carolina (496)

Average Score		
<i>B-S-J-G (China)</i>	566	▲
Belgium (Flemish Community)	541	▲
Canadian provinces	533	▲
<i>Russian Federation</i>	512	▲
Netherlands	509	▲
Australia	504	▲
United States	487	
Poland	485	
Italy	483	
Spain	469	▼
<i>Lithuania</i>	449	▼
Slovak Republic	445	▼
Chile	432	▼
<i>Peru</i>	403	▼
<i>Brazil</i>	393	▼

Massachusetts (523)

OECD average (489)

▲ $p < .05$. Average score is **higher** than U.S. average score

▼ $p < .05$. Average score is **lower** than U.S. average score

Note: *Italics* indicate non-OECD countries and education systems.

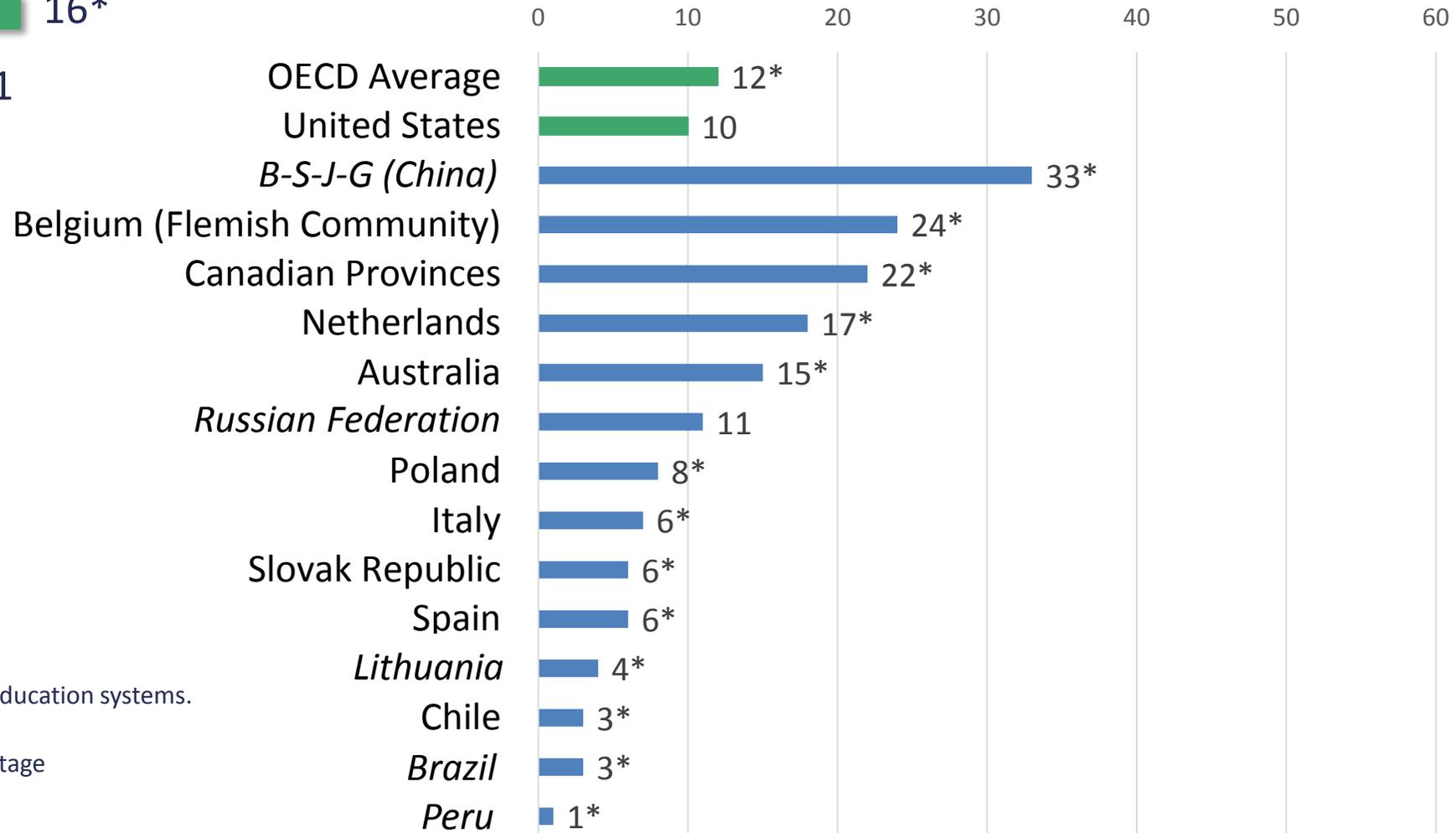
FINANCIAL LITERACY: PISA 2015 TOP PERFORMERS

PISA 2015 Percentage of Top Performers (At Level 5)

Massachusetts 16*

North Carolina 11

**10 percent of U.S.
15-year-olds
scored at
Proficiency Level 5**



Note: *Italics* indicate non-OECD countries and education systems. Countries ranked by 2015 average score.

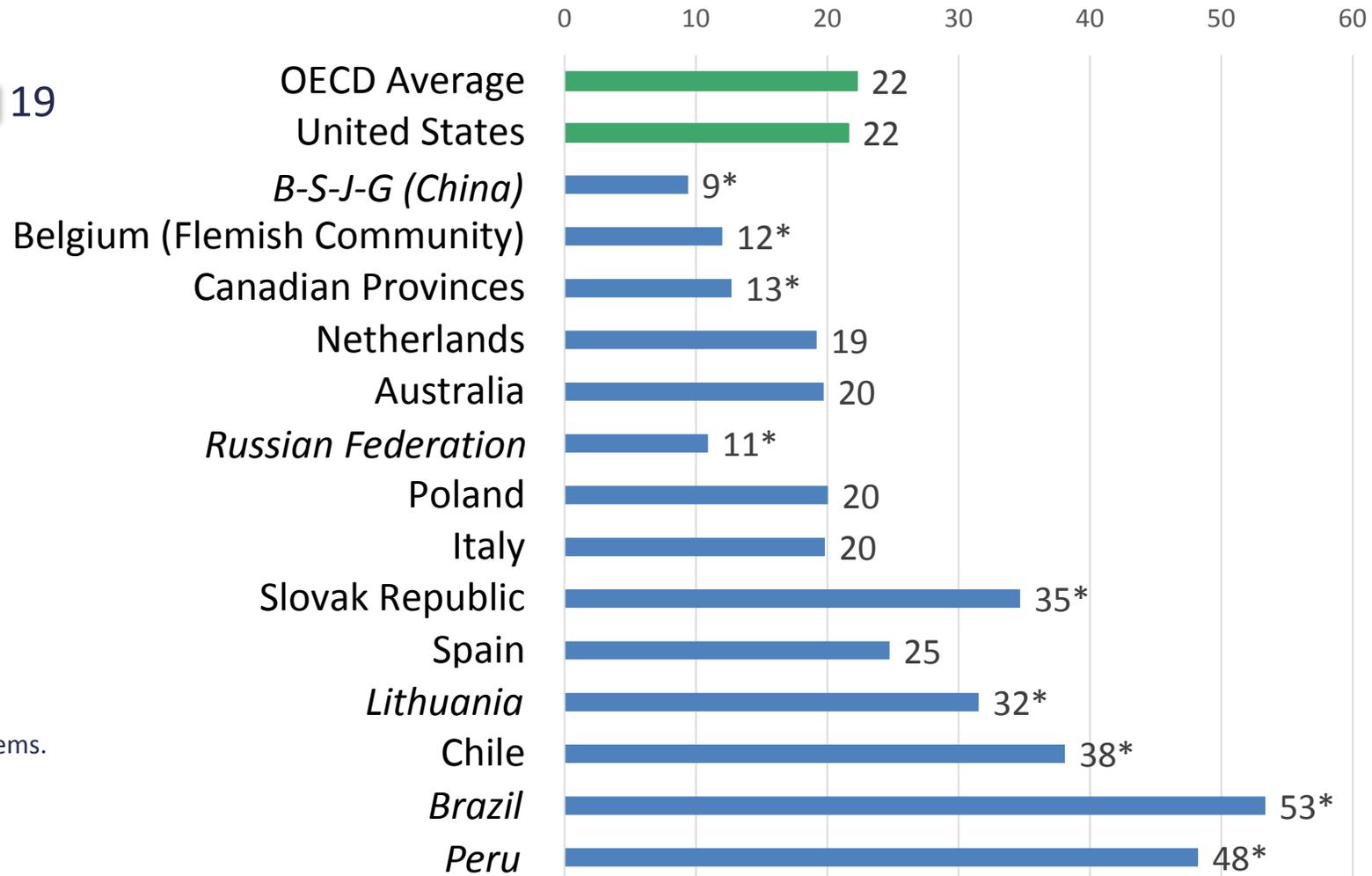
* $p < .05$. Significantly different from U.S. percentage

FINANCIAL LITERACY: PISA 2015 LOW PERFORMERS

PISA 2015 Percentage of Low Performers (Below Level 2)



22 percent of U.S. 15-year-olds scored below Proficiency Level 2



Note: *Italics* indicate non-OECD countries and education systems. Countries ranked by 2015 average score.

* $p < .05$. Significantly different from U.S. percentage

FOR MORE INFORMATION

PISA at NCES:
<http://nces.ed.gov/surveys/pisa>



Contact:

Patrick Gonzales

NCES

415-920-9229

Patrick.Gonzales@ed.gov

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