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

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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
No measurable change in U.S. score since 2012
PISA LEVELS OF PROFICIENCY

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

2. Apply knowledge of common products, terms and concepts. Make financial decisions in contexts that are immediately relevant to them. Recognize value of a simple budget and interpret features of everyday financial documents.

3. Apply understanding of common products, terms and concepts. Begin to consider the consequences of financial decisions and make simple financial plans in familiar contexts.

4. Apply understanding of less common financial concepts and terms to contexts that will be relevant to them as they move towards adulthood, such as bank account management and compound interest in saving products.

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).

Top Performers

Scale Score

0 326 400 475 550 625 1000

NCES.ED.GOV
1

Identify common financial products and terms and interpret information relating to basic financial concepts. Make simple decisions on everyday spending.
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.
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
Which of these statements would be good advice for David?

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

<table>
<thead>
<tr>
<th>Statement</th>
<th>Is this statement good advice for David?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reply to the e-mail message and provide his Internet banking details.</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Contact his bank to inquire about the e-mail message.</td>
<td>Yes / No</td>
</tr>
<tr>
<td>If the link is the same as his bank’s website address, click on the link</td>
<td>Yes / No</td>
</tr>
<tr>
<td>and follow the instructions.</td>
<td></td>
</tr>
</tbody>
</table>
PISA LEVELS OF PROFICIENCY

Low Performers

Below

1 1

22%

Top Performers

5 10%
U.S. PISA Financial Literacy Results in More Depth
PISA FINANCIAL LITERACY: U.S. PERFORMANCE BY SOCIOECONOMIC STATUS

<table>
<thead>
<tr>
<th>Category</th>
<th>2015 Avg Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>75-100%</td>
<td>433</td>
</tr>
<tr>
<td>50-74.9%</td>
<td>470</td>
</tr>
<tr>
<td>25-49.9%</td>
<td>512</td>
</tr>
<tr>
<td>0-24.9%</td>
<td>543</td>
</tr>
<tr>
<td>U.S. Average</td>
<td>487</td>
</tr>
</tbody>
</table>

Percentage of U.S. Top and Low Performers by Percent of Students in School Eligible for Free or Reduced-Price Lunch

- **Lower Income Schools**
  - 75-100%
    - Top Performers: 3%
    - Low Performers: 38%
  - 50-74.9%
    - Top Performers: 7%
    - Low Performers: 26%
  - 25-49.9%
    - Top Performers: 13%
    - Low Performers: 14%
- **Higher Income Schools**
  - 0-24.9%
    - Top Performers: 16%
    - Low Performers: 45%
## PISA FINANCIAL LITERACY: U.S. PERFORMANCE BY RACE/ETHNICITY

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

<table>
<thead>
<tr>
<th>Category</th>
<th>2015 Avg Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Students</td>
<td>422</td>
</tr>
<tr>
<td>Hispanic Students</td>
<td>460</td>
</tr>
<tr>
<td>White Students</td>
<td>524</td>
</tr>
<tr>
<td>Asian Students</td>
<td>525</td>
</tr>
<tr>
<td>U.S. Average</td>
<td>487</td>
</tr>
</tbody>
</table>

#### 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**

- **Black**: Top Performers - 1%, Low Performers - 41%
- **Hispanic**: Top Performers - 5%, Low Performers - 28%
- **White**: Top Performers - 16%, Low Performers - 12%
- **Asian**: Top Performers - 14%, Low Performers - 20%

Source: NCES.ED.GOV
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

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

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

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

Note: *Italics* indicate non-OECD countries and education systems.
FINANCIAL LITERACY: PISA 2015 TOP PERFORMERS

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

Note: Italic indicates non-OECD countries and education systems. Countries ranked by the 2015 average score.
* p<.05. Significantly different from U.S. percentage.
**FINANCIAL LITERACY: PISA 2015 LOW PERFORMERS**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>12*</td>
</tr>
<tr>
<td>North Carolina</td>
<td>19</td>
</tr>
<tr>
<td>OECD Average</td>
<td>22</td>
</tr>
<tr>
<td>United States</td>
<td>22</td>
</tr>
<tr>
<td>B-S-J-G (China)</td>
<td>9*</td>
</tr>
<tr>
<td>Belgium (Flemish Community)</td>
<td>12*</td>
</tr>
<tr>
<td>Canadian Provinces</td>
<td>13*</td>
</tr>
<tr>
<td>Netherlands</td>
<td>19</td>
</tr>
<tr>
<td>Australia</td>
<td>20</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>11*</td>
</tr>
<tr>
<td>Poland</td>
<td>20</td>
</tr>
<tr>
<td>Italy</td>
<td>20</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>35*</td>
</tr>
<tr>
<td>Spain</td>
<td>25</td>
</tr>
<tr>
<td>Lithuania</td>
<td>32*</td>
</tr>
<tr>
<td>Chile</td>
<td>38*</td>
</tr>
<tr>
<td>Brazil</td>
<td>53*</td>
</tr>
<tr>
<td>Peru</td>
<td>48*</td>
</tr>
</tbody>
</table>

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.

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FOR MORE INFORMATION

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

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Patrick.Gonzales@ed.gov
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