Risk Literacy

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New data on financial literacy around the world

The data, designed in collaboration with the World Bank and GFLEC, was released on November 18, 2015

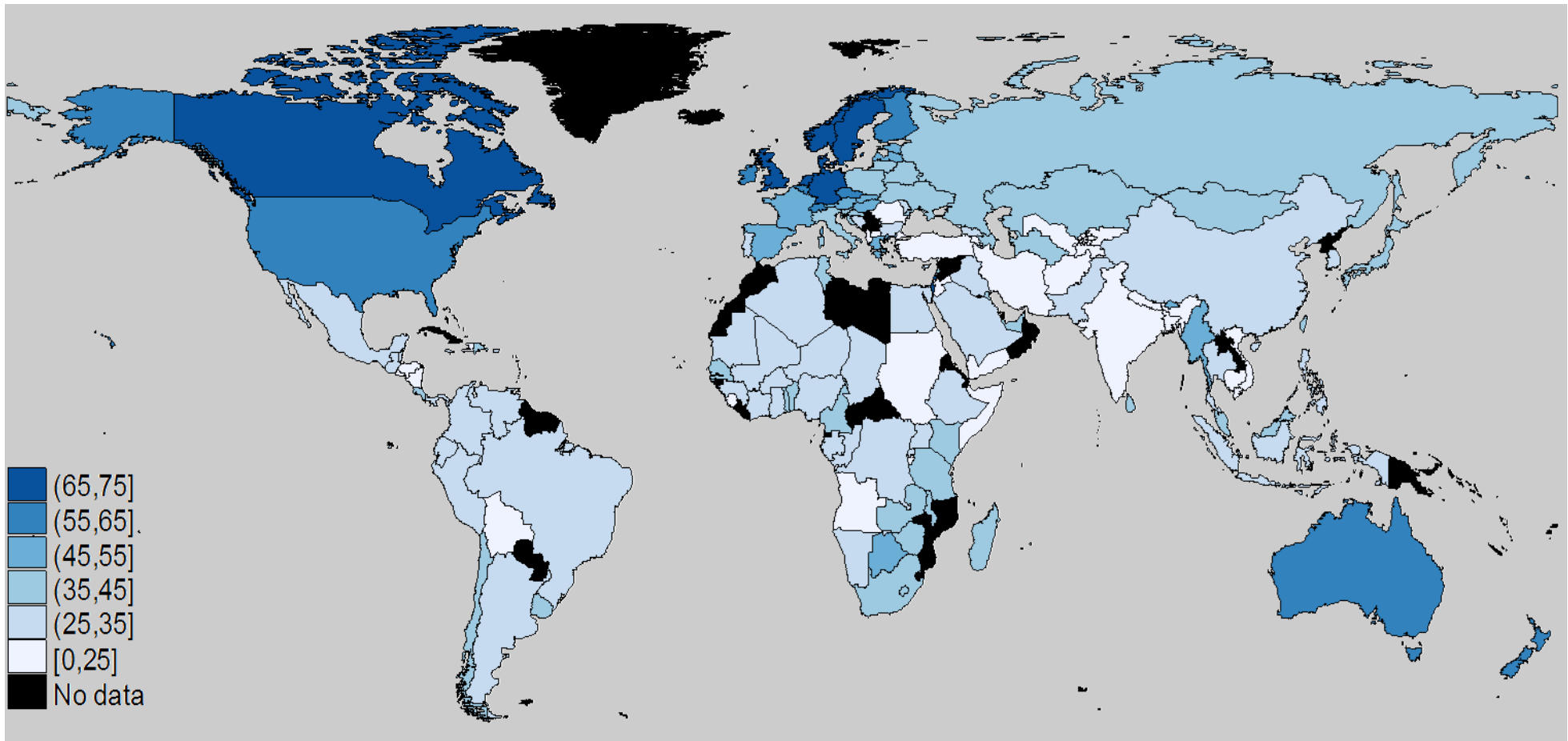# The S&P Global FinLit Survey

In 2014, Gallup interviewed adults (age 15 and older) in **more than 140 countries** around the world about their level of financial literacy.

The survey covers four topics:
- **Numeracy**
- **Interest compounding**
- **Inflation**
- **Risk diversification**

Financial literacy globally

% of adults who are financially literate

- **1 in 3 adults worldwide responded correctly to three topics out of four topics**

Global Ranking

*Norway, Denmark, and Sweden* **lead the world with 71% of adults answering three out of four topics correctly.**

In the US, 57% answer three out of four topics correctly. **US ranks 14th .**

GFLS Ranking	Country	at least 3 out of 4 topics answered correctly (%)
1	Norway	71%
1	Denmark	71%
1	Sweden	71%
2	Israel	68%
2	Canada	68%
71	Gabon	35%
72 (Median)	Bulgaria	35%
73	Côte d'Ivoire	35%
140	Angola	15%
141	Somalia	15%
142	Afghanistan	14%
143	Albania	14%
144	Yemen	13%

Financial literacy around the world: Which topics do people know?
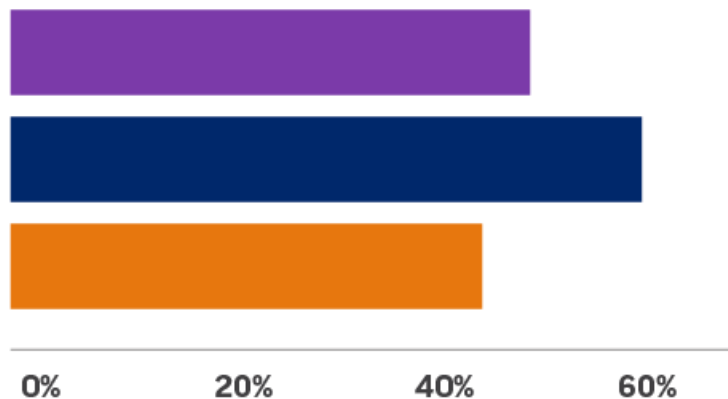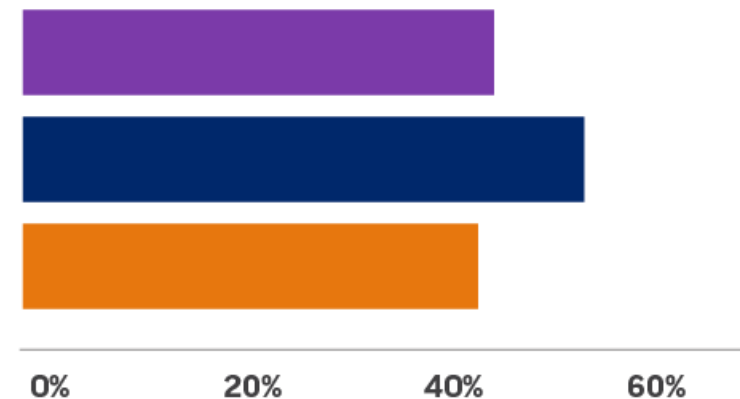
% of adults who are financially literate
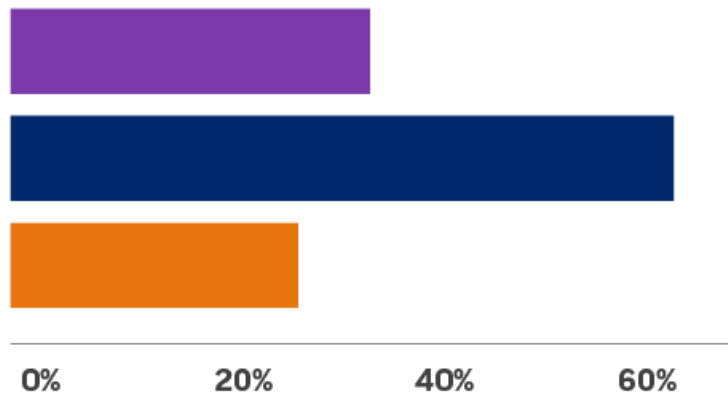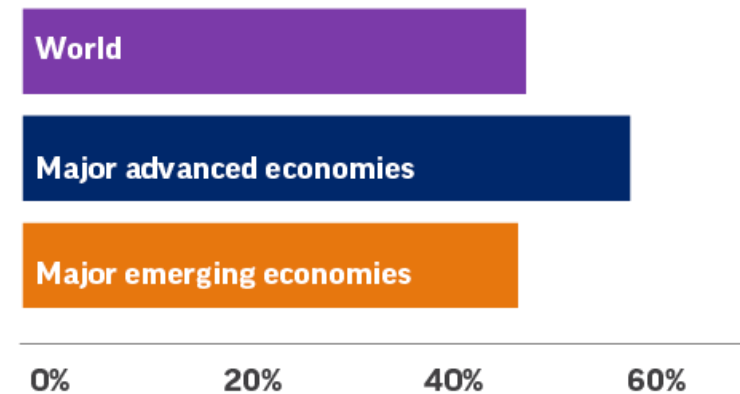
A program for the young

Five steps to planning success

- **Program targeted to young workers**
  - They are the ones with low financial literacy

- **Used new methods of communication**

  - Video and narratives

- **Kept the message free of economic/finance jargon**

  - Very important for women

- **Covered concepts, such as interest compounding and risk diversification, in a simple story**

Short video about risk

Risk diversification = don't put all your eggs in one basket

1:46 / 2:59   360p   CC

Link to Video **http://gflec.org/education/educational-videos/**

YouTube

Visual Analytic Tool (FinVis)

***Visualization*:** Research shows use of computer-supported representation of data amplifies cognition

- Increases cognitive resources and expands working memory

- Reduces search effort and time costs – represents large amount of data in small space

- Enhances recognition of trends

- Encourages exploration of the decision space

- Increases confidence

Visualizing risk
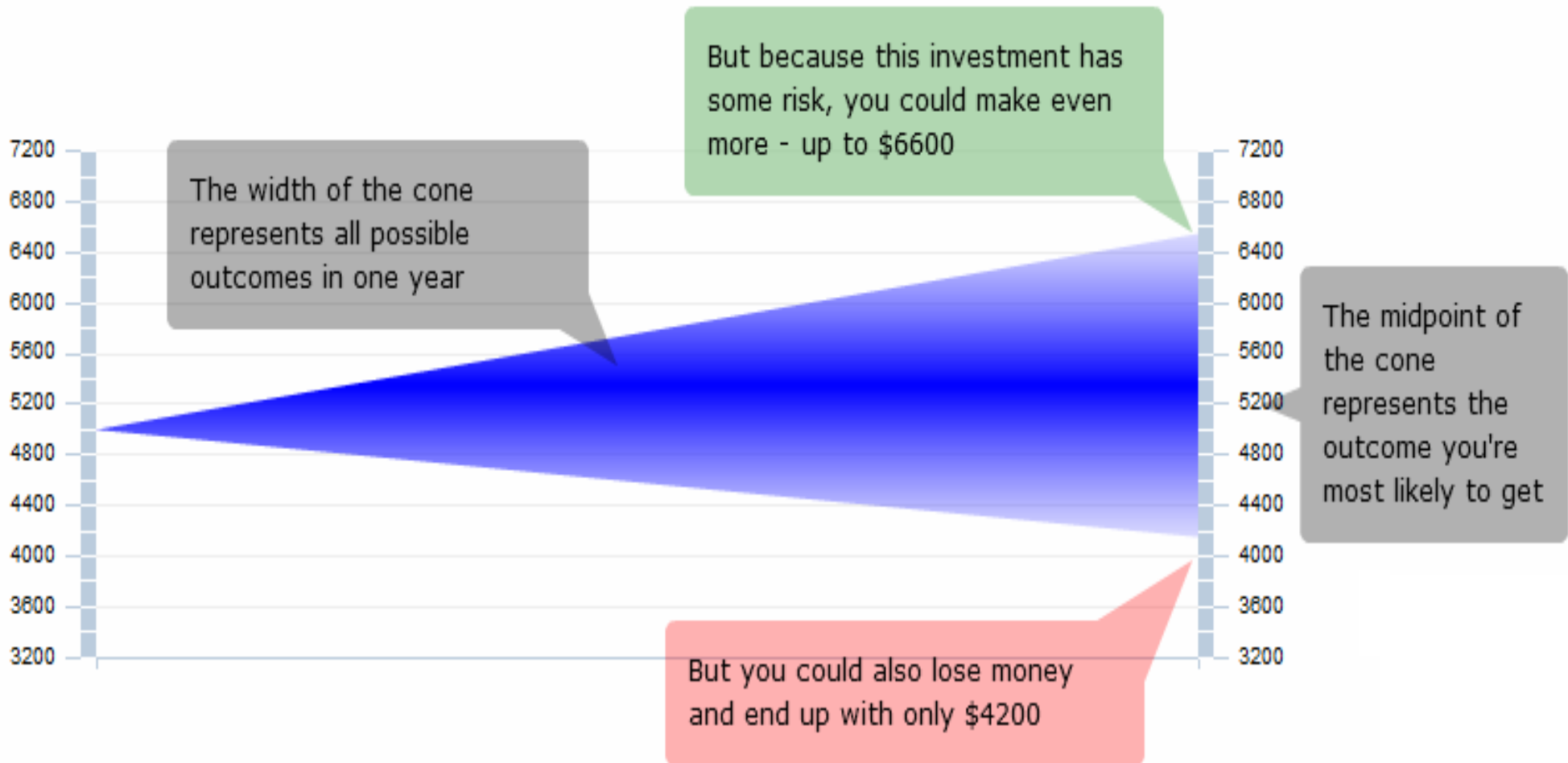
Don`t put all your savings in one basket

FinVis tutorial – Visualizing risk
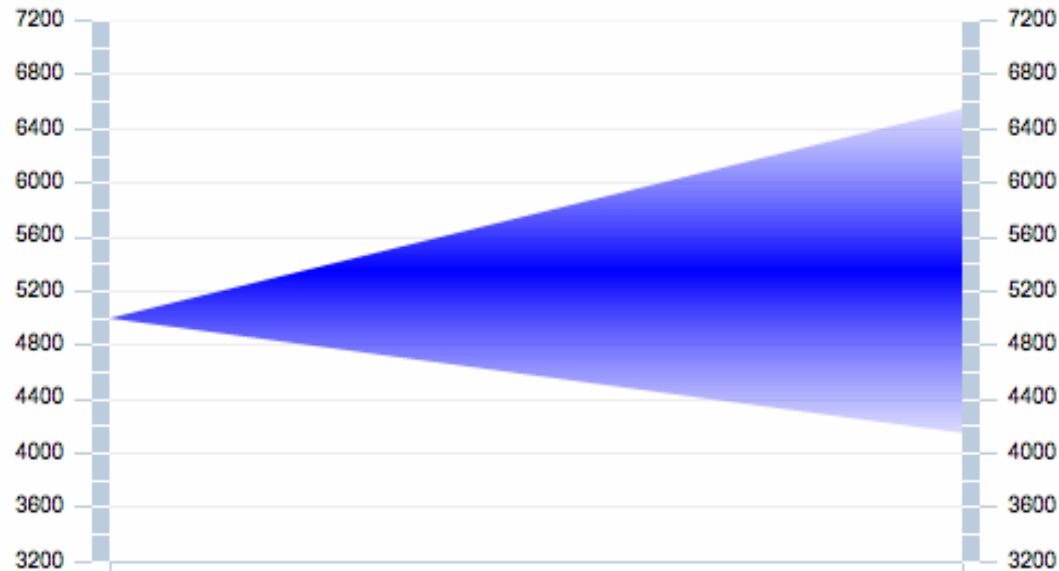
Beijing Financial Literacy Manifesto

"… the International Federation of Finance Museums is committed to promoting financial literacy globally, raising awareness that every individual in every country is in need of financial literacy."

Contact and sources of information

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