Parents and adult guardians can play an important role in how a student learns and applies financial concepts. However, parents face challenges in speaking with their kids about money matters, as many adults lack adequate financial literacy themselves.

Financial Literacy among Adults
Percentage answering three financial literacy questions (about interest, inflation, and risk) correctly.

Financial knowledge increases very slowly with age.

LESS THAN 1/3 of adults know three basic concepts by age 40, even though many important decisions are made well before that age.

The financial topic that American adults understand the best is borrowing; risk is the least understood topic.

60% of questions about BORROWING were answered correctly.

35% of questions about COMPREHENDING RISK were answered correctly.

People with higher financial knowledge are...

MORE LIKELY TO INVEST
MORE PREPARED FOR FINANCIAL SHOCKS
MORE LIKELY TO PLAN FOR RETIREMENT
BETTER IN MANAGING DEBT
MORE LIKELY TO PLAN FOR RETIREMENT

Financial Literacy Matters
In every chapter of life, important financial decisions must be made, from whether to go to college to when to retire. How well individuals navigate these decisions is dependent, at least in part, on their financial literacy.
Students who speak regularly with their parents about money issues and who feel supported by their parents in educational activities tend to have higher financial literacy scores. This indicates parents can play an important role in improving their children’s financial literacy.

### Parent Support

Parents can also influence their students’ financial capability through support and encouragement of their school activities.

**My parents support my educational efforts and achievements.**

- **Strongly agree**
- **Agree**
- **Disagree**
- **Strongly disagree**

**My parents are interested in my school activities.**

- **Strongly agree**
- **Agree**
- **Disagree**
- **Strongly disagree**

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**How often do you discuss money matters with your parents/guardians or other adult relations?**

Source: PISA 2015

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Students who said they speak at least once or twice a month with their parents about money matters have better financial literacy scores than those who said they hardly or never speak with their parents.

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Source: PISA 2015