

# Financial training

**Presentation to the *International Conference – The milestones of the Integral Ecology for a Human Economy*  
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# Connecting to previous presentations

- Moving toward an *Integral Ecology for a Human Economy*
- Sustainable growth, green economy, technology at the service of people
- We have limited resources and we have to use them well
- The crisis is an opportunity to reimagine our future
- The need for financial training

# Main message of my presentation

- Financial training is key to meet the global challenges and change the current statistics
- We need to invest in people, in particular our youth and women
- Financial training plays a decisive role in promoting the centrality of the human person
- The link between financial training and financial resilience and financial inclusion thanks to new data collected in the last few years

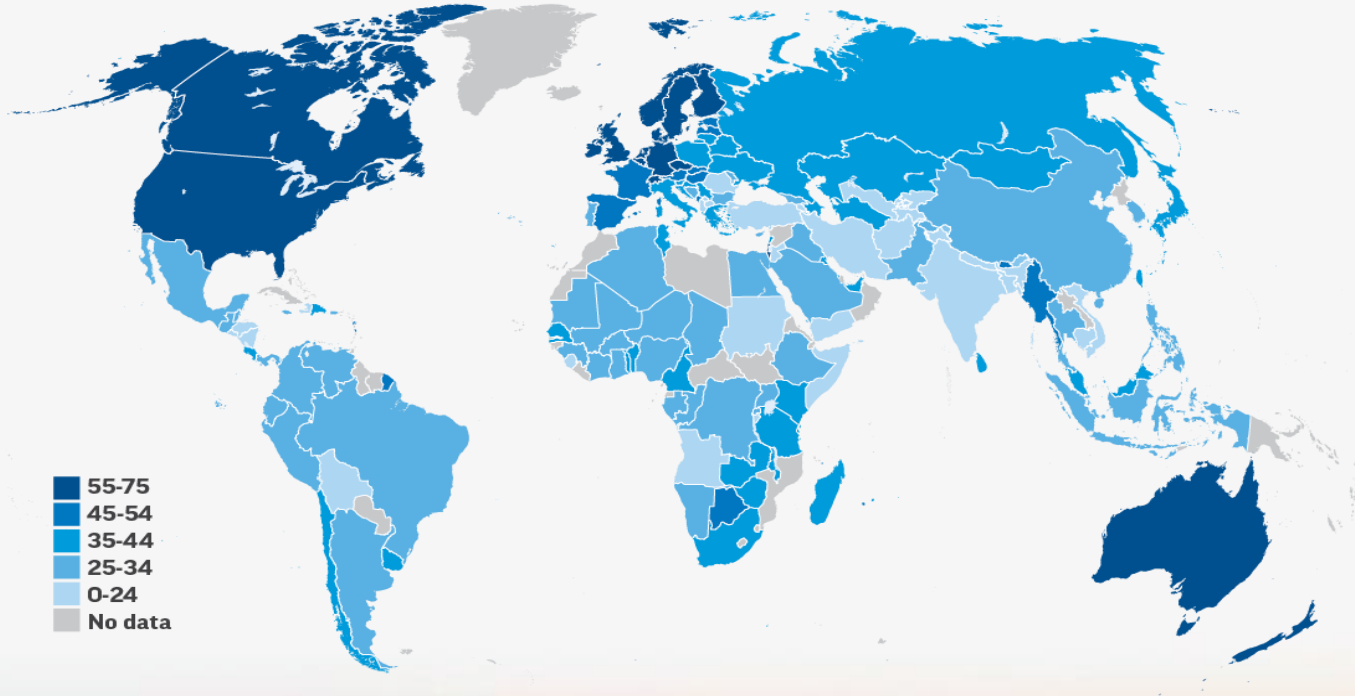
**To get started**

A number:

**1/3**

# Financial Literacy across the Globe (S&P Global Finlit Survey)

% of financially literate adults

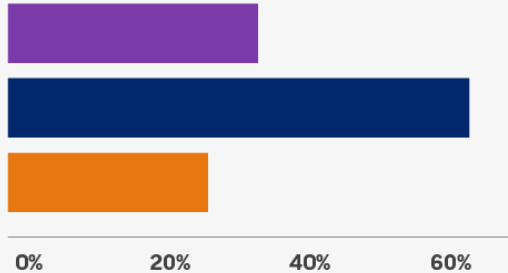


Only 1 in 3 adults worldwide have basic financial literacy

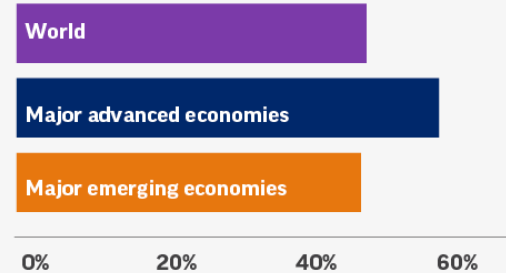
# Financial literacy by topic

% of adults answering correctly

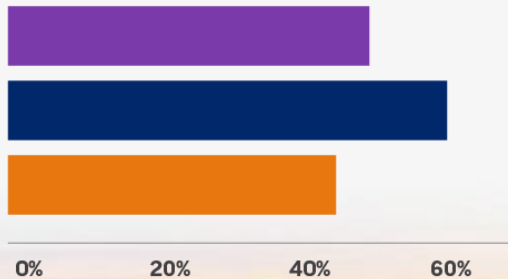
## RISK DIVERSIFICATION



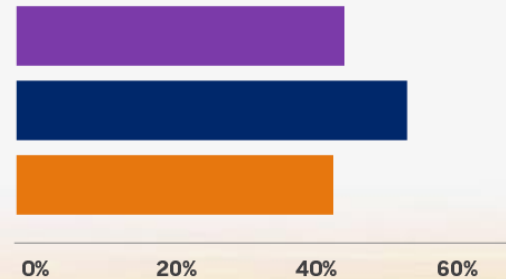
## NUMERACY (INTEREST)



## INFLATION



## COMPOUND INTEREST



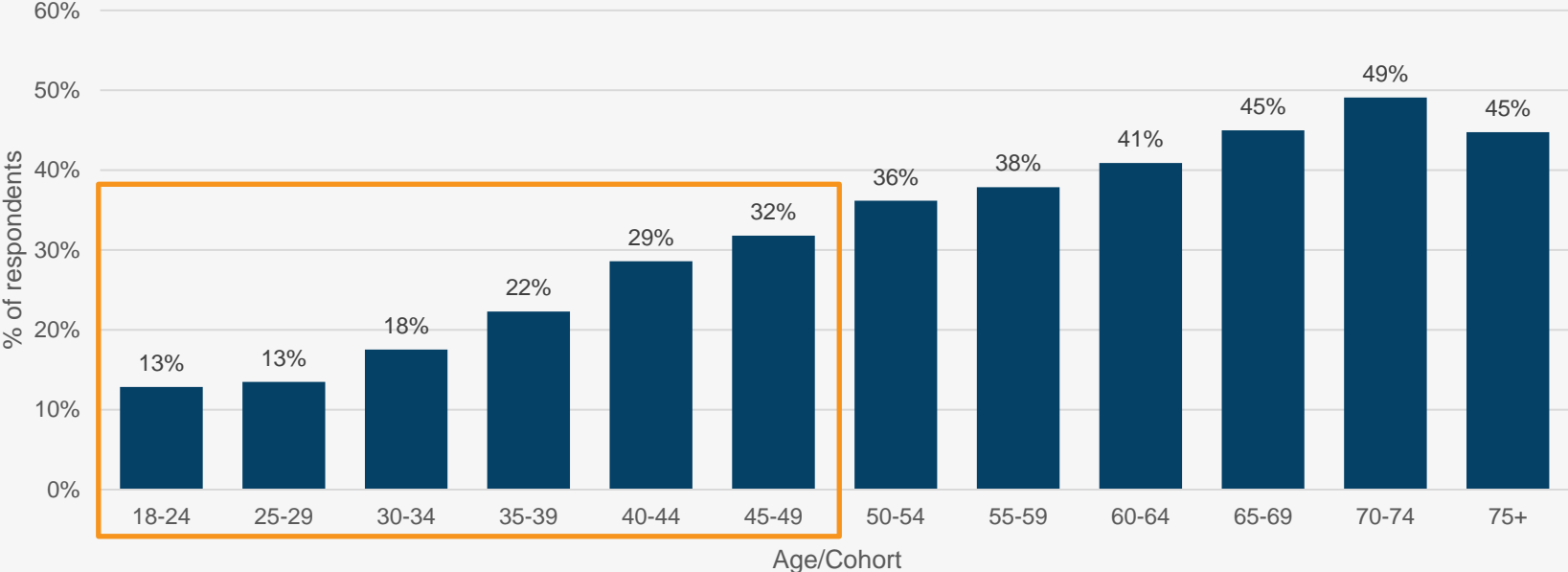
Low financial literacy even among major advanced economies

Risk diversification is what people know the least and where countries differ the most

Source: S&P Global Finlit

# Financial literacy: Age and experience are not good teachers

Percentage answering 3 basic financial literacy questions correctly

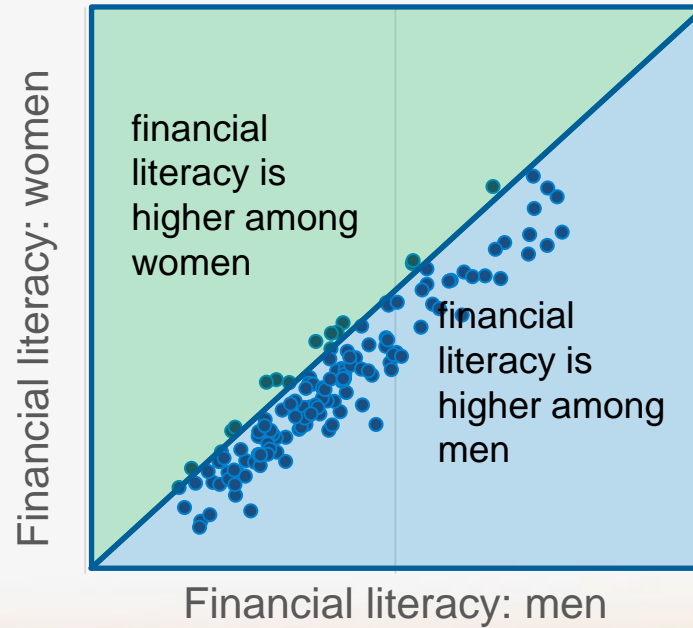
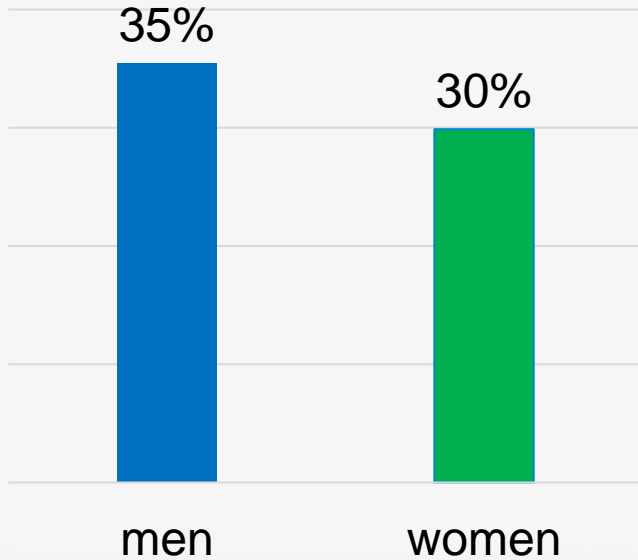


Source: US 2018 NFCS

About 1/3 of Americans know 3 basic financial concepts by age 50 even though many financial decisions are made well before that age

# The gender gap in financial literacy

**% of adults who are financially literate**

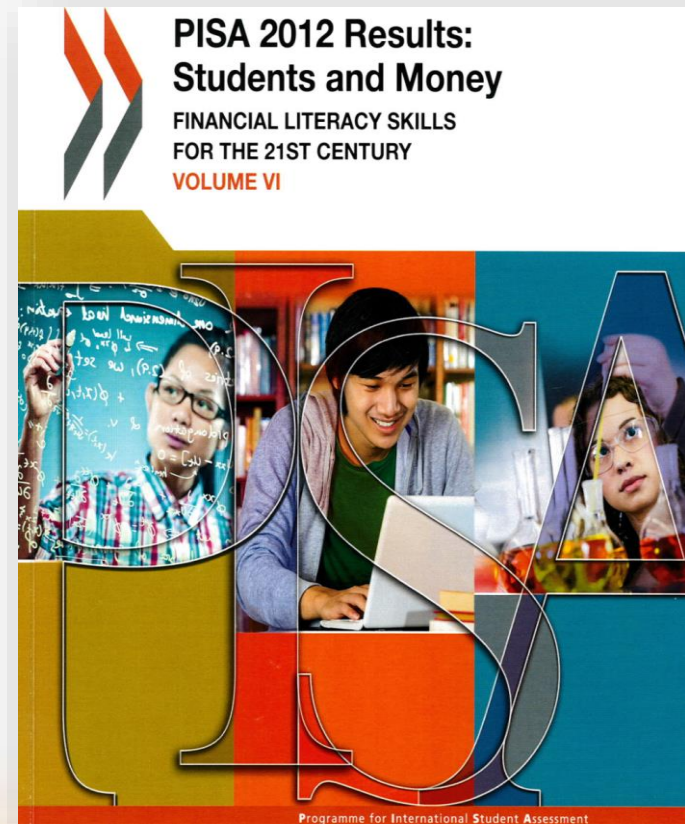




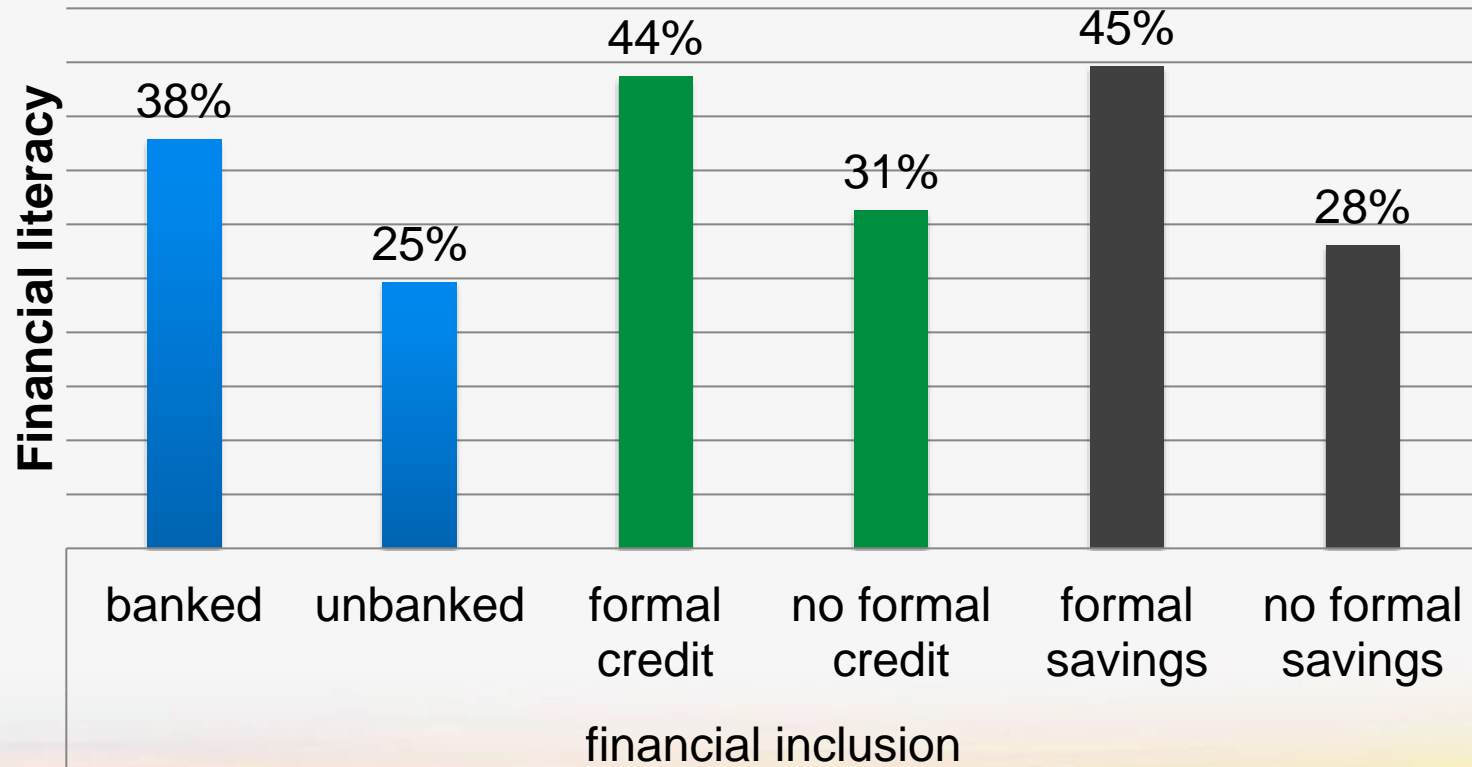
# Financial literacy is low among the young: OECD-PISA data

Financial literacy is like **reading** and **writing**: it is an essential skill to thrive in the 21<sup>st</sup> century

- Many young people do not have that basic knowledge
- Differences in financial literacy are strongly linked to socio-economic background



# Financial literacy and financial inclusion (S&P Global Finlit Survey)



# New evidence from the pandemic: financial literacy is a shield to protect against shocks, to make families more financially resilient



Comitato per la programmazione  
e il coordinamento delle attività  
di educazione finanziaria



## EMERGENZA COVID-19: GLI ITALIANI TRA FRAGILITÀ E RESILIENZA FINANZIARIA



# Financial knowledge and wealth inequality



- In countries with well-developed financial markets, financial literacy provides a major advantage
- Financial literacy is a crucial determinant of wealth accumulation
- But also of wealth inequality: **30-40%** of U.S. retirement wealth inequality can be attributed to differences in financial knowledge

# Toward a new ecosystem

## Building a financially resilient society

- Policy makers should focus on well-being
- Add financial literacy to indicators of well-being
- Toward a more inclusive society



# Improving access to financial training

## Large and scalable programs

- Financial education in school, follow the example of countries that made financial training mandatory
- Financial education programs in the workplace
- Financial education in the community (libraries, museums, theaters, municipalities, other places where people go to learn)

# Financial training is particularly important for girls and women



# Rebuilding better

Short definition of financial literacy: **A vision for the future**

The question is: **Which future do we want to build?**

