



**GFLEC**  
GLOBAL FINANCIAL LITERACY  
EXCELLENCE CENTER

## Women's Financial Wellbeing and Literacy

Gender, Money and Finance  
May 21, 2021

**Annamaria Lusardi**  
The George Washington University  
Global Financial Literacy Excellence Center (GFLEC)

 @A\_Lusardi

 Annamaria Lusardi



# Our data: The P-Fin Index



The TIAA-Institute-GFLEC Personal Finance Index (**P-Fin Index** for short) is:

*An annual barometer of knowledge and understanding which enable sound financial decision-making and effective management of personal finances.*

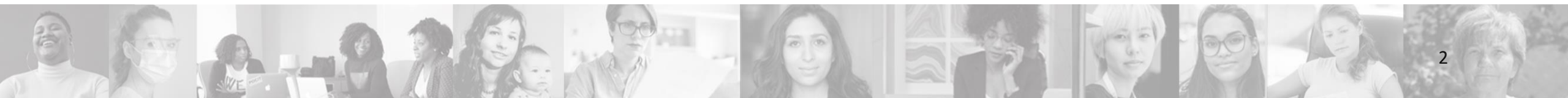
## 2021 Report

**Financial well-being and literacy in the midst of a pandemic**  
**The 2021 TIAA Institute-GFLEC Personal Finance Index**

Paul J. Yakobski, TIAA Institute  
 Annamaria Lusardi, The George Washington University and Global Financial Literacy Excellence Center (GFLEC)  
 Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)

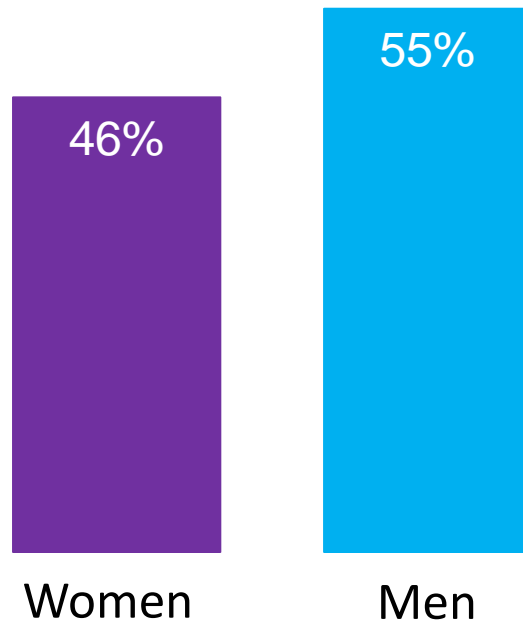


2020 Report	2019 Report	2018 Report	2017 Report
<p><b>The 2020 TIAA Institute-GFLEC Personal Finance Index</b>                      Many Do Not Know What They Do and Do Not Know</p> <p>Paul J. Yakobski, TIAA Institute                      Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>	<p><b>Financial Literacy in the United States and Its Link to Financial Wellness</b>                      The 2019 TIAA Institute-GFLEC Personal Finance Index</p> <p>Paul J. Yakobski, TIAA Institute                      Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>	<p><b>The 2018 TIAA Institute-GFLEC Personal Finance Index</b>                      The State of Financial Literacy Among U.S. Adults</p> <p>Paul J. Yakobski, TIAA Institute                      Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>	<p><b>The TIAA Institute-GFLEC Personal Finance Index: A New Measure of Financial Literacy</b></p> <p>Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Paul J. Yakobski, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>
<p><b>Financial literacy and wellness among U.S. women</b>                      Insights on underrepresented minority women</p> <p>Paul J. Yakobski, TIAA Institute                      Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>	<p><b>Financial literacy, wellness and resilience among African Americans</b></p> <p>Paul J. Yakobski, TIAA Institute                      Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>	<p><b>Millennial Financial Literacy and Fin-tech Use: Who Knows What in the Digital Era</b>                      New insights from the 2018 P-Fin Index</p> <p>Paul J. Yakobski, TIAA Institute                      Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>	<p><b>Financial Literacy among U.S. Hispanics: New Insights from the Personal Finance P-Fin Index</b></p> <p>Annamaria Lusardi, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Paul J. Yakobski, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)                      Andrea Hasler, The George Washington University School of Business and Global Financial Literacy Excellence Center (GFLEC)</p>

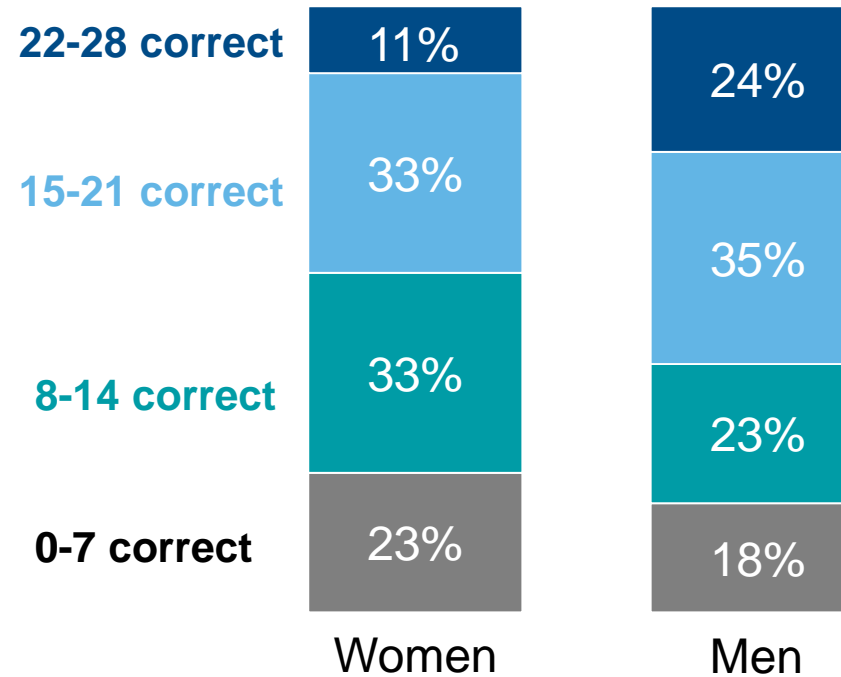


# Unequal financial literacy

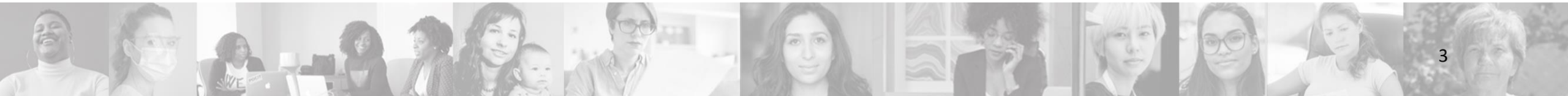
*% of P-Fin questions answered correctly*



*Distribution of correct answers to P-Fin questions*

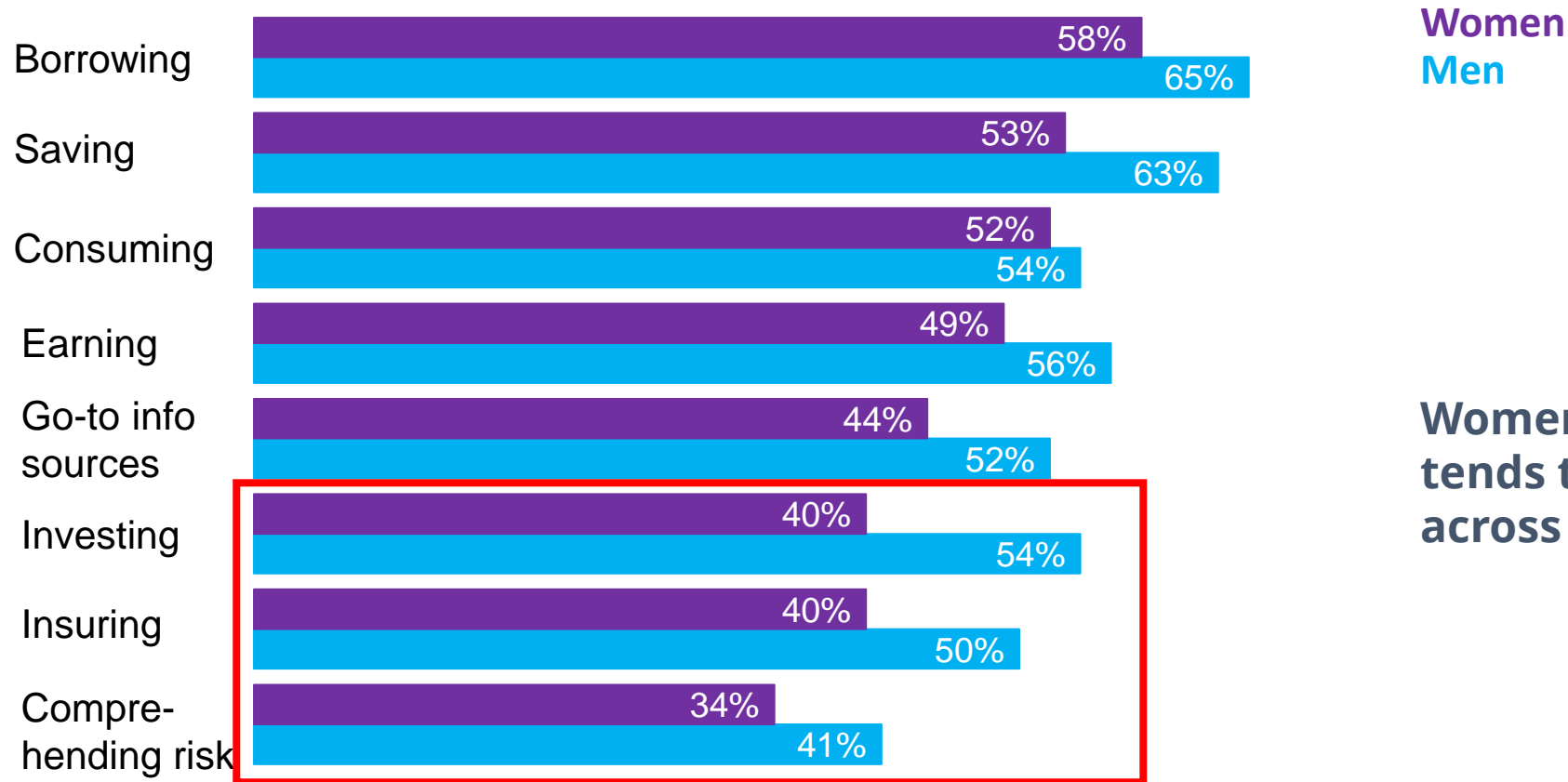


Source: TIAA Institute-GFLEC Personal Finance Index (2021).



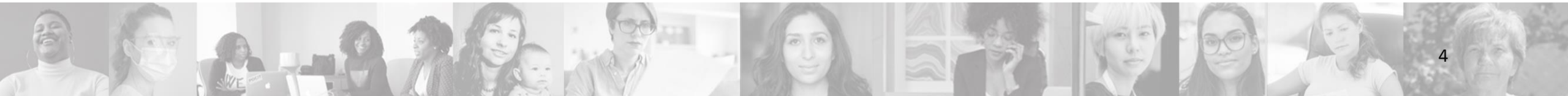
# Unequal financial literacy in critical areas

*% of P-Fin questions answered correctly*



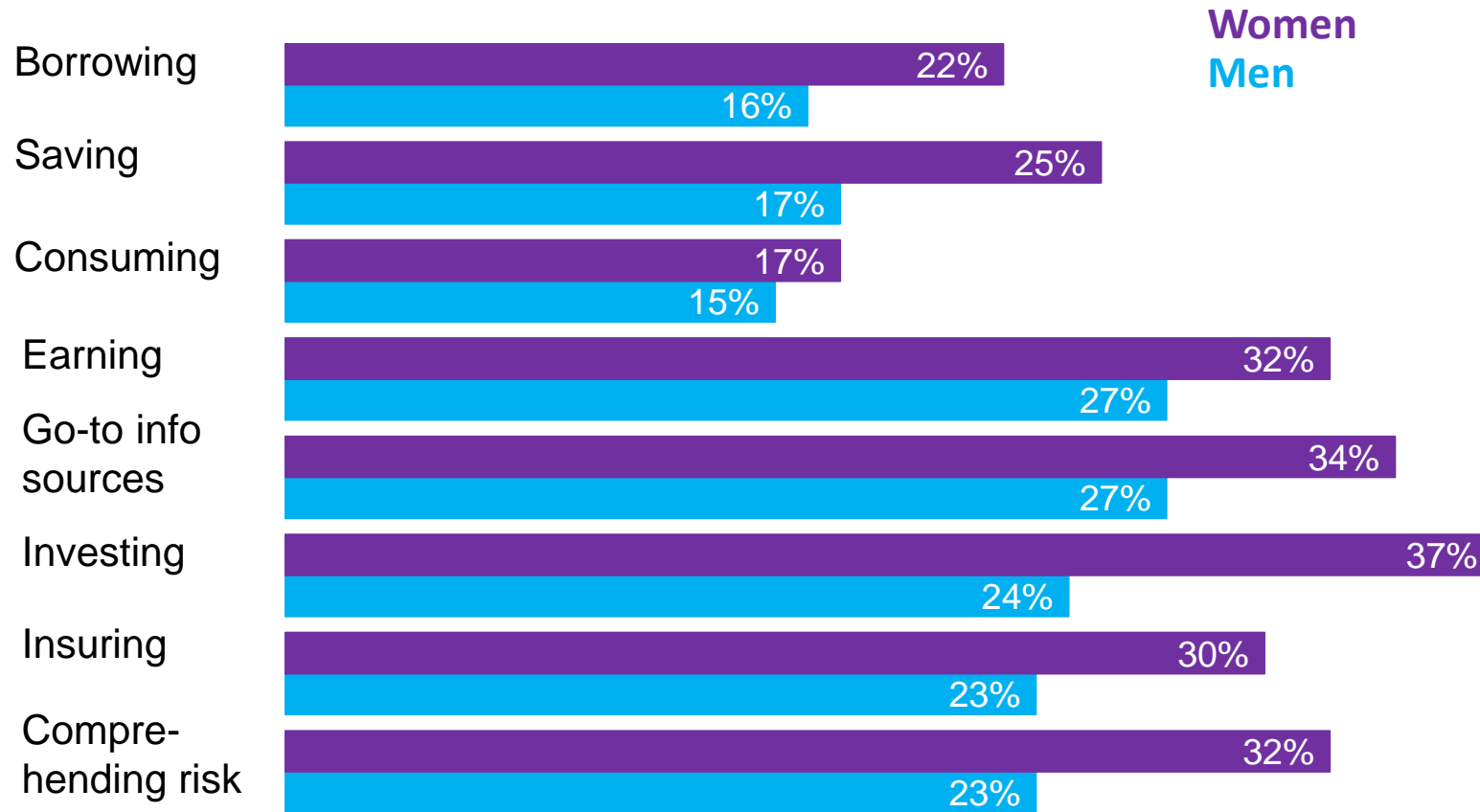
**Women's financial literacy tends to lag that of men across all functional areas.**

Source: TIAA Institute-GFLEC Personal Finance Index (2021).



# Lack of confidence

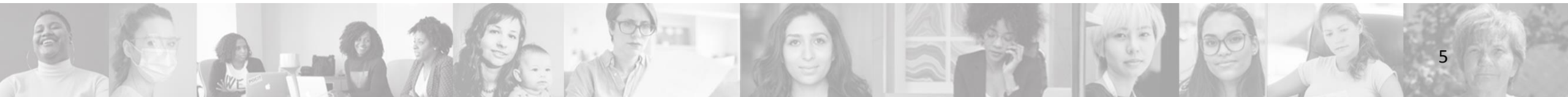
*% of P-Fin questions answered with “don’t know”*



**Women are more likely than men to answer “don’t know” across all functional areas.**

**In another paper, we took away the option to answer with “I do not know.” We found that women know more than they think they know.**

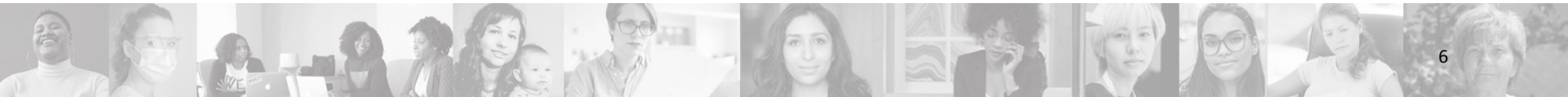
Source: TIAA Institute-GFLEC Personal Finance Index (2021).



# Lower financial well-being among women

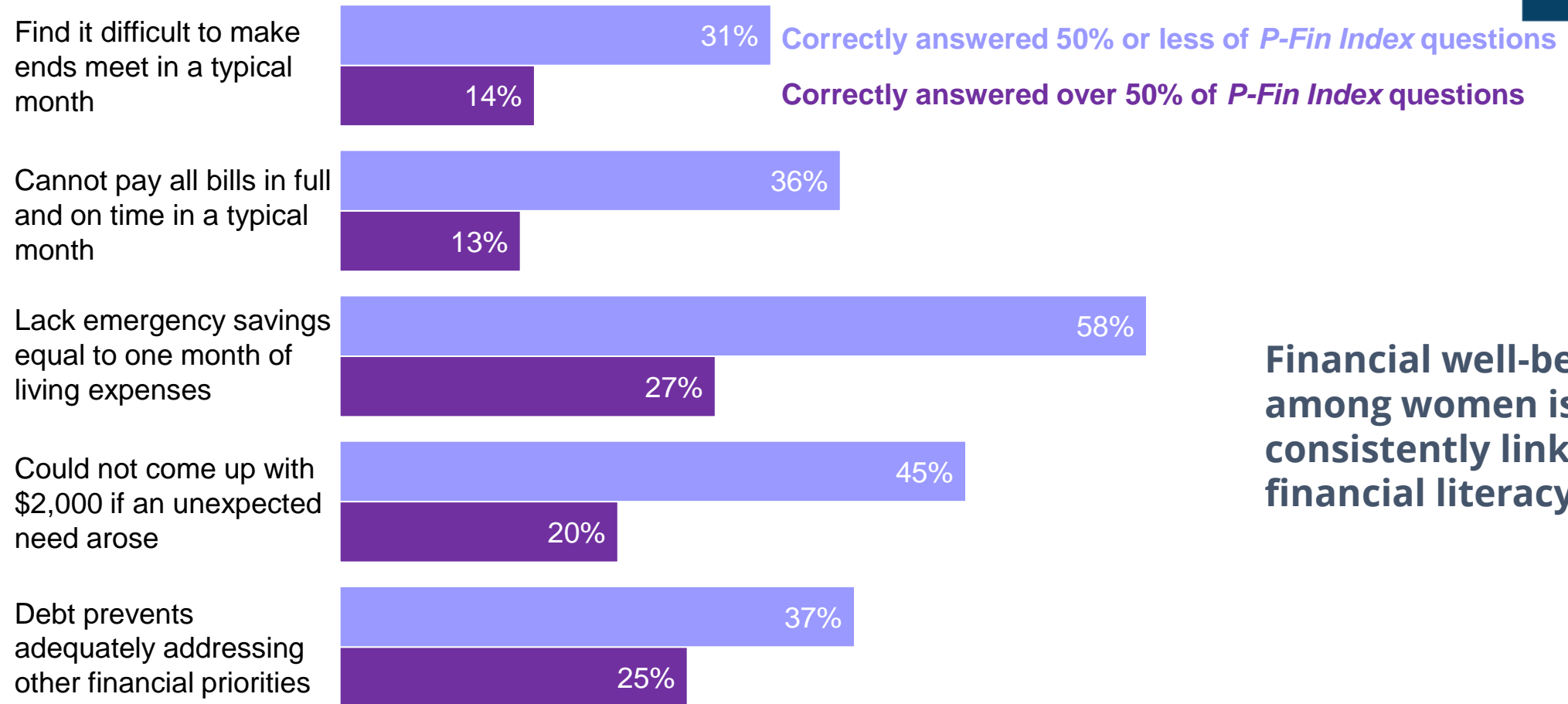
	Women	Men
Find it difficult to make ends meet in a typical month	24%	19%
Cannot pay all bills in full and on time in a typical month	26%	18%
Lack emergency savings equal to one month of living expenses	45%	35%
Could not come up with \$2,000 if an unexpected need arose	33%	27%
Debt prevents adequately addressing other financial priorities	32%	31%

Source: TIAA Institute-GFLEC Personal Finance Index (2021).



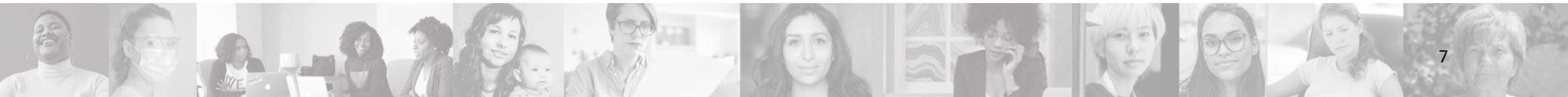


# Financial knowledge matters (women sample)



**Financial well-being among women is consistently linked to financial literacy.**

Source: TIAA Institute-GFLEC Personal Finance Index (2021).



# Fearless Woman!

**NEW RESEARCH**

RESEARCH

**GFLEC**  
GLOBAL FINANCIAL LITERACY  
EXCELLENCE CENTER



**Fearless Woman:  
Financial Literacy and Stock Market Participation**

March 2021

Authors:

**Tabea Bucher-Koenen**  
University of Mannheim

**Rob Alessie**  
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Global Financial Literacy Excellence Center,  
The George Washington University School of Business

**Maarten van Rooij**  
De Nederlandsche Bank

Women are less financially literate than men. It is unclear whether this gap reflects a lack of knowledge or, rather, a lack of confidence. Our survey experiment shows that women tend to disproportionately respond "do not know" to questions measuring financial knowledge, but when this response option is unavailable, they often choose the correct answer. We estimate a latent class model and predict the probability that respondents truly know the correct answers.

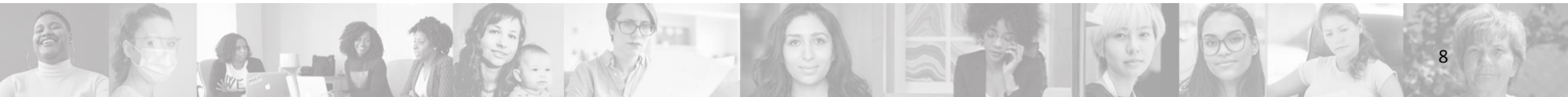
We find that about one-third of the financial literacy gender gap can be explained by women's lower confidence levels. Both financial knowledge and confidence explain stock market participation.

**GW** Business  
www.gflec.org

In a new paper, we shows that both financial literacy and confidence can be linked to stock market participation.

Those who have less financial literacy and less confidence are less likely to invest in the stock market.

Women need to be ...more fearless.





# Fearless Girl



**JUST PUBLISHED**

## Stereotypes in Financial Literacy: Evidence from PISA

**Stereotypes in Financial Literacy: Evidence from PISA\***

Laura Bottazzi      Annamaria Lusardi  
Bologna University and IGER      The George Washington University School of Business, NBER and CEPR

November 2, 2020

Volume 65, December 2020      ISSN 0929-1196

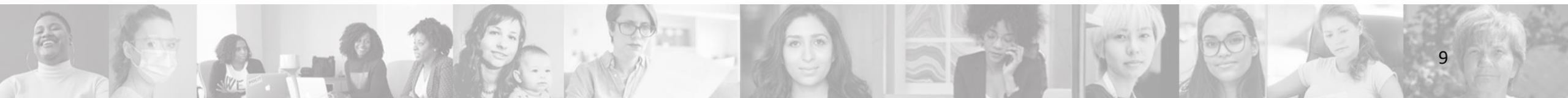
### Journal of CORPORATE FINANCE

**CONTENTS**

- Large shareholder ownership types and board governance: J. Ho, C.J. Hartz and C. Karakas 101715
- Voices and power: Do institutional shareholders make use of their 'vote' power? E. Cressini 101716
- Board monitoring, director connections, and credit quality: J. Sankhik 101726
- Albuquerque's informed short selling: Evidence from corporate financial literacy among high school students in Italy: A. Bottazzi and A. Lusardi 101727

**Abstract**

Financial literacy among high school students in Italy is measured using the International Student Assessment (PISA). Gender differences are examined among the young in Italy. They are present in the South and the Islands. Combining the rich data, we provide a thorough analysis of the potential social literacy. We find that parental background, in particular for the financial knowledge of girls. Moreover, we investigate in which girls and boys live plays a crucial role in showing that history matters. Moreover, we investigate the extent to which financial literacy is associated with financial attitudes favorable to the transformation of gender differences in financial literacy as well. We find the gap in financial knowledge among the young.



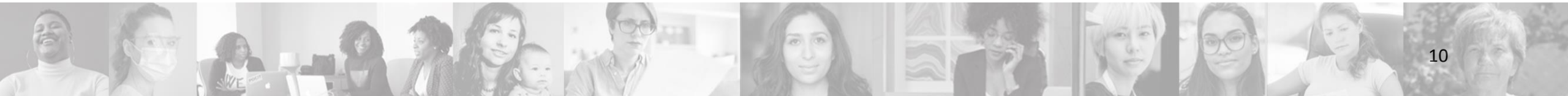
# National strategy for financial literacy in Italy



The new strategy of the Italian Committee for Financial Education that I chair is particularly focused on women and the young.

Our policy work is based on data and research.

Focusing on vulnerable groups and investing in financial education will help recovering from the pandemic.



# Thank you!

[www.gflec.org](http://www.gflec.org)

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