



# PIE - Platform for Investor Education

## GFLEC - Gender and Financial Literacy-A Global Perspective

-Vidyashree Balagangadhariah, CCMRM



In concrete numbers, worldwide, 35% of men are financially literate compared with 30% of women (Figure 2). Moreover, this gender gap is found in both advanced economies, Figure 1, (e.g., Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States—the so-called G7) as well as emerging economies (e.g., Brazil, the Russian Federation, India, China, and South Africa—the so-called BRICS) around the world. Most of the points in Figure 1, are below the line implying there is an evident gap between financially literate women and financially literate men [2].

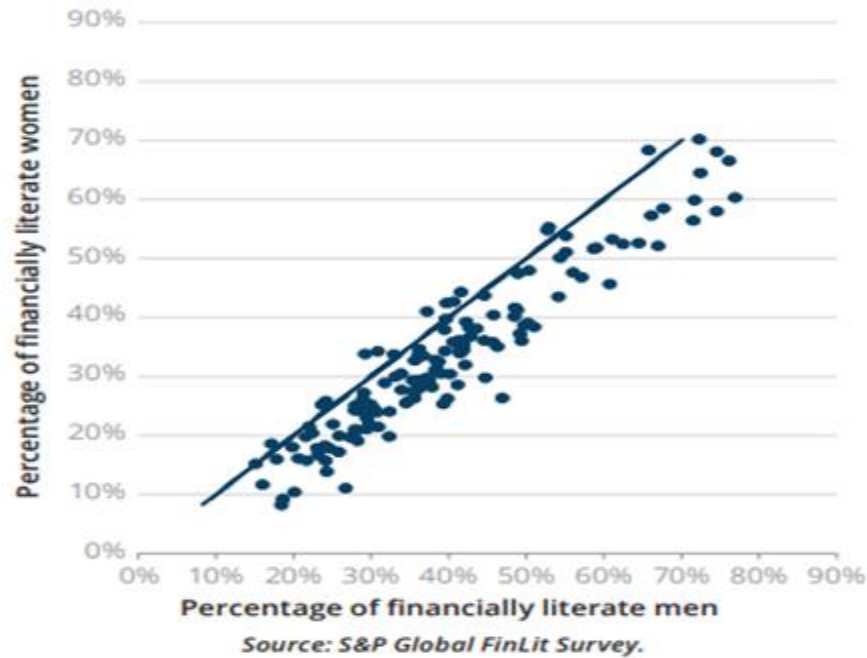


Figure 1

In the G7 countries, on average, 55% of adults are financially literate, whereas in the BRICS, on average, 28% of the adult population is financially literate. Thus, basic financial knowledge and skills differ enormously between the G7 and BRICS economies (Figure 2). However, despite these

differences, the gender gap in financial literacy **persistently** occurs across different countries within both advanced and emerging economies. The authors of the survey Klapper, Lusardi and von Oudheusden find that women are more sincere in accepting that they do not know rather than answer a wrong question.

Strikingly, this finding holds true across countries. The figure below, figure 2, shows the percentages of “do not know” responses of men and women globally and for major advanced and emerging economies. For all three breakdowns, the “do not know” responses are higher for women than men. While 27% of women don’t know the answer, only 25 % of women knew the correct topics. In major economies, 12% of women don’t know the topics and 51% of women were able to answer correctly. This finding is consistently observed in other studies as well. These studies show a clear indication that more women need to be educated in finance particularly in emerging economies have to be educated.

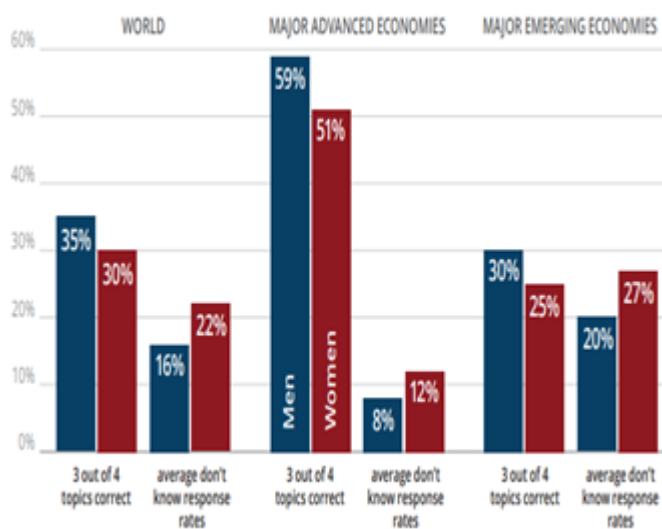


Figure 2

## Conclusion

We hope that their efforts will help the bureaucrats of the world to concentrate their efforts in improving the financial literacy of the world and help in building an investor protection mechanism leading to a better financial inclusion plan.



## References

[1] SEBI Investor Survey 2015, [https://www.sebi.gov.in/reports/investor-survey/apr-2017/sebi-investor-survey-2015\\_34539.html](https://www.sebi.gov.in/reports/investor-survey/apr-2017/sebi-investor-survey-2015_34539.html)

[2] Financial Literacy Around the World: Insights from the Standard & Poor's Rating Services Global Financial Literacy Survey,  
[https://gflec.org/wpcontent/uploads/2015/11/Finlit\\_paper\\_16\\_F2\\_singles.pdf](https://gflec.org/wpcontent/uploads/2015/11/Finlit_paper_16_F2_singles.pdf)