

PISA

PISA 2022 Results (Volume IV)

Factsheets

**Canadian provinces (Alberta, British Columbia, Manitoba,
New Brunswick, Newfoundland and Labrador,
Nova Scotia, Ontario and Prince Edward Island)**

Canadian provinces

The Programme for International Student Assessment (PISA) is a survey of 15-year-old students that assesses the extent to which they have acquired the key knowledge and skills essential for full participation in society. In 2022, PISA measured financial literacy for the fourth time, after the assessments in 2012, 2015 and 2018. Eight Canadian provinces (hereafter to as "Canadian provinces") participated in the PISA 2022 financial literacy assessment: Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island. Seven Canadian provinces participated previously in the 2015 and 2018 PISA financial literacy assessments (the same provinces, excluding Alberta).

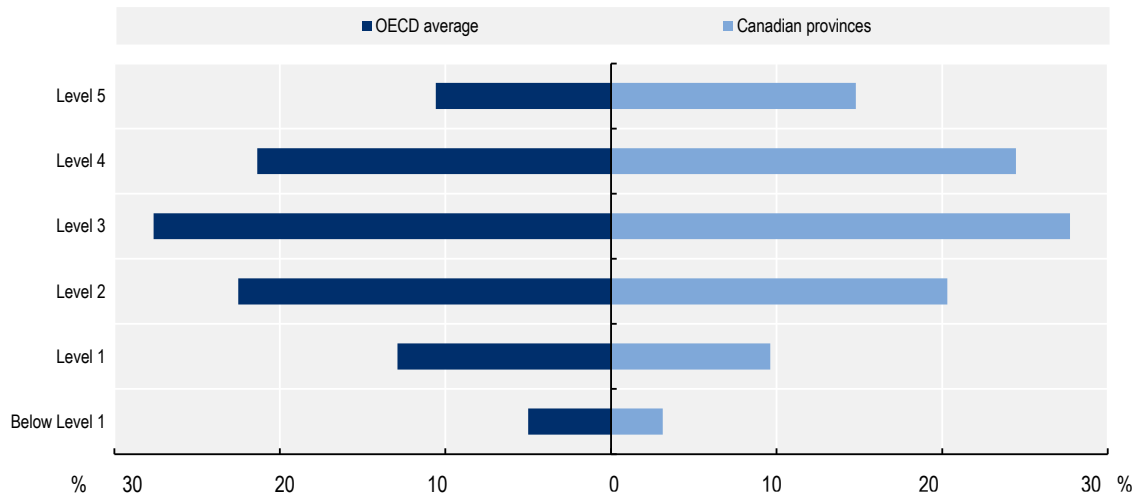
Results from this assessment provide insights into the level of money-related skills and knowledge students possess, their attitudes, behaviours and experience with financial matters, and the environments in which they learn about financial matters. For many 15-year-olds, finance is part of everyday life, as they hold bank accounts, shop online, or earn money for formal or informal small jobs. Results from this assessment can be used to improve their readiness to make sound financial decisions as they move into adulthood.

Caution is required when interpreting estimates for the Canadian provinces because one or more PISA sampling standards were not reached for Canada overall. Further information can be found in the Reader's Guide and in Annexes A2 and A4 of PISA 2022 Volume IV.

Financial literacy performance in the Canadian provinces

- Students in the Canadian provinces scored, on average, 519 points, which was above the OECD average in financial literacy (498 points).
- Some 13% of students in the Canadian provinces do not reach the baseline level of proficiency (Level 2) in financial literacy, compared to 18% on average across OECD countries and economies. At best, these students can identify common financial products and terms, recognise the difference between needs and wants, and make simple decisions on everyday spending in contexts they are likely to have personally encountered. For instance, students performing below Level 2 in financial literacy can, at best, answer a question like INVOICE – Question 1 (available at <https://www.oecd.org/publication/pisa-2022-results>), which asks them to recognise the purpose of everyday financial documents, such as an invoice.
- Some 15% of students in the Canadian provinces are top performers (Level 5) in financial literacy, compared to 11% on average across OECD countries and economies. These students can analyse complex financial products, solve non-routine financial problems and show an understanding of the wider financial landscape. For instance, students performing at Level 5 are able to answer a question like BANK ERROR – Question 1 (available at <https://www.oecd.org/publication/pisa-2022-results>), which asks them to identify and respond appropriately to a financial scam e-mail message.

Figure 1. Percentage of students at each level of proficiency in financial literacy



Source: OECD, PISA 2022 Database, Table IV.B2.2.2

Student performance in financial literacy in comparison with performance in reading and mathematics

- In the Canadian provinces, around 77% of the variation in student performance in financial literacy could be explained by performance in mathematics and reading (compared to 80% on average across OECD countries and economies), while 23% of the variation in the financial literacy score reflects other factors, including aspects of financial literacy that are unique to the domain. Students in the Canadian provinces perform the same in financial literacy than students who perform similarly in mathematics and reading.

Box 1. Financial education for young people in the Canadian provinces

Canada has had a national strategy for financial literacy since 2015, with a specific focus on young people.

In the Canadian provinces, financial education is provided to children as part of curricular teaching in several provinces, including six out of the eight provinces participating in the PISA 2022 financial literacy assessment, (British Columbia, Manitoba, New Brunswick, Nova Scotia, Ontario and Prince Edward Island). In Alberta and Newfoundland and Labrador it is taught through compulsory extracurricular activities.

- In Manitoba for example, financial literacy is part of the mathematics curriculum, which is compulsory at every grade level, and the provincial government has also defined a personal finance course for grade 10 students (aged around 15).
- In Ontario, the development of mandatory learning in financial literacy in the Ontario curriculum was informed by the PISA financial literacy assessment framework (OECD, 2019^[15]). Financial education is provided within the mathematics curriculum for grades 1 to 9, within the career studies course in grade 10, and as part of cross-curricular learning across all grades, subjects and disciplines of the curriculum.

How performance varies across student characteristics

- The average difference in financial literacy performance between boys and girls was not significant. On average across participating OECD countries and economies, boys outperformed girls by just 5 score points.
- In the Canadian provinces, advantaged students scored, on average, 68 points higher on financial literacy than disadvantaged students. The average performance gap associated with socioeconomic status was 87 score points across OECD countries and economies.
- Some 7% of the variation in student performance in financial literacy in the Canadian provinces is associated with socio-economic status (compared to 12% on average across OECD countries and economies).
- In 2022, some 37% of students in the Canadian provinces had an immigrant background. The average difference in financial literacy performance between students with an immigrant background and those without an immigrant background was 19 score points, after accounting for socio-economic background.

Does financial literacy matter in the Canadian provinces?

- Some 93% of students in the Canadian provinces reported that they had saved money at least once a year in the 12 months prior to the survey (compared to 93% of students on average across OECD countries and economies.) Students in the Canadian provinces who performed at Level 4 or 5 in financial literacy were more than three times as likely as those performing at Level 1 or below to report having saved into an account or at home in the 12 months prior to the survey, after accounting for student characteristics, bank account holding and attitudes towards saving.
- Some 77% of students in the Canadian provinces reported they sometimes or always compare prices in different shops when thinking about buying something using their allowance (compared to 74% on average across OECD countries and economies). Students who performed at Level 4 or 5 in financial literacy were almost twice as likely to report that they compare prices in different shops, as those who scored at Level 1 or below, after accounting for student characteristics and spending attitudes.
- Some 66% of students in the Canadian provinces reported having bought something over the 12 months prior to the survey because their friends had it (compared to 60% on average across OECD participating countries and economies). Students in the Canadian provinces who performed at Level 4 or 5 in financial literacy were 49% less likely than those scoring at Level 1 or below to report buying something because their friends had it, after accounting for student characteristics and attitudes.

Students' interactions with their parents about money matters

- Some 81% of students reported talking to their parents at least once a month about money for things that they want to buy (compared to 83% on average across OECD countries and economies). Other frequently discussed topics were the student's own spending decisions (77%), the student's own saving decisions (77%), shopping online (74%), and how to use pocket money (69%). Relatively fewer students in the Canadian provinces reported discussing the family budget or news related to economics or finance with their parents.
- Students in the Canadian provinces who reported that they discuss the family budget or how to use pocket money with their parents on a weekly or monthly basis performed better in financial

literacy by over 20 score points than students who reported never discussing these topics, after accounting for student characteristics.

- Some 86% of students in the Canadian provinces (83% on average across OECD countries and economies, and 80% on average across all countries and economies) reported that they could independently decide what to spend their money on. After accounting for student characteristics, these students scored around 21 points higher in the financial literacy assessment than students who did not report so (compared to 30 points on average across OECD countries and economies).

Do students in the Canadian provinces learn about financial matters at school?

- More than seven in ten students in the Canadian provinces reported that they had learnt about a budget (78%), a debit card (77%), a wage (75%), or a bank loan (73%) in school over the preceding 12 months and still know what these terms mean. However, fewer than one in four 15-year-old students in the Canadian provinces reported that they had learnt about compound interest (25%), dividend (24%), depreciation (21%) or diversification (20%), and still know what they mean.
- Students who reported that they had learned and still know finance-related terms such as “exchange rate”, “depreciation” or “bank loan” outperformed students who did not by at least 14 points in the PISA 2022 financial literacy assessment, after accounting for student and school characteristics, and students’ performance in mathematics and reading.
- Some 79% of students in the Canadian provinces reported having been exposed sometimes or often to tasks exploring the difference between spending money on needs and wants (67% on average across OECD countries and economies), and 75% of students reported having been exposed to tasks describing the purpose and uses of money (64% on average across OECD countries and economies).
- Some 49% of students in the Canadian provinces reported that they had seen personal finance-related tasks in their mathematics classes (compared to 44% on average across OECD countries and economies). 36% of students reported that he or she had seen at least one of these personal finance-related tasks in classes about citizenship and 36% in classes about economics or business.

Money and basic financial services: access and use

- In the Canadian provinces, 61% of 15-year-old students reported holding an account with a bank, building society, post office or credit union (compared to 63% on average across OECD countries and economies).
- Some 71% of students reported holding a payment card or debit card in the Canadian provinces, compared to 62% on average across OECD countries and economies.
- Students in the Canadian provinces who reported holding an account scored 14 points higher in financial literacy than students who did not, after accounting for student characteristics and other experiences with money and basic financial products.
- Some 87% of students in the Canadian provinces reported that they had bought something online (either alone or with a family member) during the 12 months prior to sitting the PISA 2022 financial literacy assessment, compared to 86% on average across OECD countries and economies. In the Canadian provinces, buying something online was associated with a 25-point increase in financial literacy performance, after accounting for student characteristics and other experiences with money and basic financial products.

- Some 87% of students in the Canadian provinces received gifts of money from friends or relatives at least once a year, 51% received an allowance or pocket money without having to do any chores, 48% received allowance or pocket money for regularly doing chores at home, 50% earned money from working outside school hours (e.g. a holiday job or part-time work).

Box 2. Legal framework for young peoples' access to financial products

Children aged 15 can have a savings account, and a current account. In the Canadian provinces there is no minimum age set by law for opening a bank account so this may vary across financial institutions, but parents are held responsible for their child's account and have access to it until the child reaches the age of 18.

Children aged 15 in the Canadian provinces can use prepaid cards, i.e. payment cards that are pre-loaded with a specified amount of money rather than linked to an account.

In most participating countries and economies, granting credit normally goes in hand with the age of majority. However, in the Canadian provinces, financial institutions may authorise 15-year-olds to be registered users on their parents' credit card.

Students' attitudes towards money matters

- Some 50% of students in the Canadian provinces reported that they enjoy talking about money matters, however, 39% reported that money matters are not relevant for them right now.
- Some 80% of students in the Canadian provinces felt confident about their ability to manage money, compared to 80% of students on average across OECD countries and economies.

Key Features of the PISA 2022 assessment of financial literacy

The PISA 2022 assessment of financial literacy was the fourth of its kind. Twenty countries and economies participated in the 2022 assessment, including 14 OECD countries and economies: Austria, the Flemish community of Belgium, eight provinces in Canada (Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island), Costa Rica, Czechia, Denmark, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Spain and the United States; and 6 partner countries and economies: Brazil, Bulgaria, Malaysia, Peru, Saudi Arabia and the United Arab Emirates.

The assessment

- Financial literacy was assessed through a computer-based test. In countries and economies that conducted the financial literacy assessment, students in sampled schools were divided into two groups. One group was assessed in financial literacy and either mathematics or reading, and the other group was assessed in the core PISA subjects (mathematics, reading and science). Both groups were assessed for a total of 120 minutes.
- Test items were a mixture of multiple-choice questions and questions requiring students to construct their own responses. The items were organised into groups based on a passage of text describing a real-life situation.
- Students who sat the assessment of financial literacy also answered a background questionnaire that sought information about the students themselves, their attitudes, dispositions and beliefs, their homes, and their school and learning experiences. Students were also asked about their relationship with financial matters, including where they obtained information about financial matters, and their attitudes, behaviours and experiences with financial matters.

The students

- Some 690 000 students completed the main assessment in 2022, representing about 29 million 15-year-olds in the schools of the 81 participating countries and economies.
- Around 98 000 students were part of the PISA 2022 financial literacy assessment, representing about 9.5 million 15-year-old students in the schools of the 20 participating countries and economies.
- In the Canadian provinces, 9 474 students were part of the financial literacy assessment, representing 257 422 15-year-old students.

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For more information about PISA 2022 visit www.oecd.org/pisa

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