

PISA

# **PISA 2022 Results (Volume IV)**

Factsheets

**Peru**



# Peru

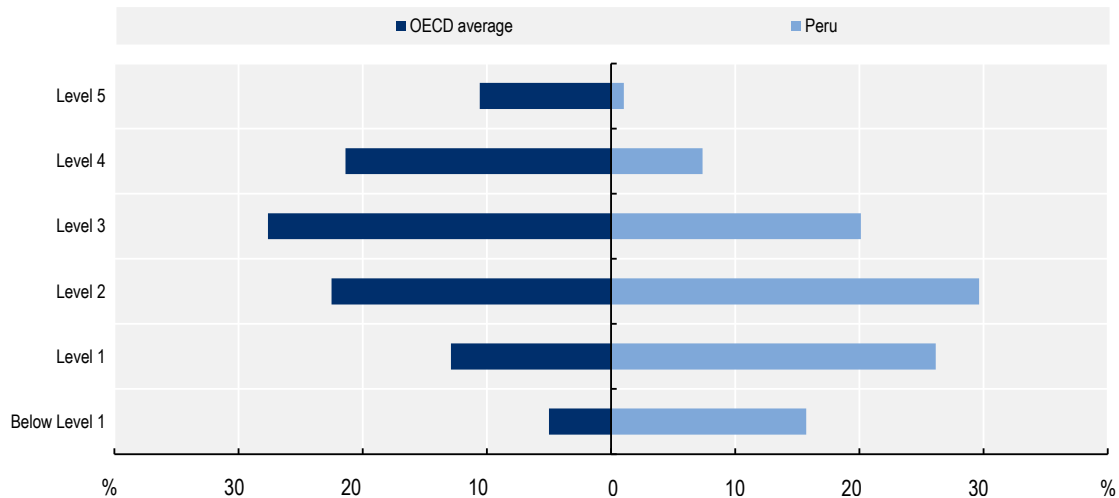
The Programme for International Student Assessment (PISA) is a survey of 15-year-old students that assesses the extent to which they have acquired the key knowledge and skills essential for full participation in society. In 2022, PISA measured financial literacy for the fourth time, after the assessments in 2012, 2015 and 2018. Peru participated previously in the 2015 and 2018 PISA financial literacy assessments.

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.

## Financial literacy performance in Peru

- Students in Peru scored, on average, 421 points, which was lower than the OECD average in financial literacy.
- Some 42% of students in Peru 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 1% of students in Peru 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.
- In Peru, mean financial literacy performance was higher than that observed in PISA 2018 by 10 score points, and higher than performance in PISA 2015 by 18 score points.

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 Peru, around 82% of the variation in student performance in financial literacy could be explained by performance in mathematics and reading, while 18% of the variation reflects other factors, including aspects that are unique to the domain.
- Students in Peru perform higher in financial literacy than students who perform similarly in mathematics and reading. Students in Peru scored 3 points higher in financial literacy than what would have been expected based on their performance in mathematics and reading.

#### Box 1. Financial education for young people in Peru

In Peru, financial education has been included in the national curriculum for basic education since 2016. Financial literacy lessons are integrated in the mandatory courses of “social individual” in primary education and “social sciences” in secondary education.

A study using a RCT among about 20 000 students in 300 high schools in Peru showed that in-class financial education improved children’s levels of financial knowledge as well as their financial behaviour. Improvements in financial behaviour were also observed three years after the course, showing the potential long-lasting impact of financial education for children (Frisancho, 2023<sup>[1]</sup>). The same data was used to study possible spillover effects from financial education programmes on parents’ behaviour. In particular, parents in disadvantaged households whose children received a financial education course improved their credit scores by 5% and reduced their default probabilities by 26% on average (Frisancho, 2023<sup>[2]</sup>).

## How performance varies across student characteristics

- In Peru, 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 5 score points.
- In Peru, advantaged students scored, on average, 105 points higher on financial literacy than disadvantaged students; this difference was 87 points on average across OECD countries and economies.
- Some 19% of the variation in student performance in financial literacy in Peru is associated with socio-economic status (compared to 12% on average across OECD countries and economies).

## Does financial literacy matter in Peru?

- Some 92% of students in Peru 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 Peru who performed at Level 4 or 5 in financial literacy, were at least four 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 72% of students in Peru 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 in Peru who performed at Level 4 or 5 in financial literacy were around 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 49% of students in Peru 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' interactions with their parents about money matters

- Some 63% of students in Peru reported talking to their parents at least once a month about their own spending decisions (compared to 76% on average across OECD countries and economies). Other frequently discussed topics in Peru were students' own saving decisions and money for things that the student wants to buy. Relatively fewer students in Peru reported discussing news related to economies or finance, or shopping online, with their parents.
- Students in Peru who reported that they discuss their own spending decisions with their parents on a weekly or monthly basis performed better in financial literacy by 21 points than students who reported never discussing these topics, after accounting for student characteristics. This performance difference was 12 points on average across OECD countries and economies).
- Some 64% of students in Peru (83% on average across OECD countries and economies) reported that they could independently decide what to spend their money on. After accounting for student characteristics, students in Peru who reported that they could independently decide what to spend their money on scored 18 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 Peru learn about financial matters at school?

- Most students in Peru reported that they had learnt about a wage (64%), bank loan (58%) or budget (59%) in school over the preceding 12 months and still know what these terms mean. The finance-related terms that students reported having learnt in school the least include diversification (15%) and depreciation (14%).
- Around 77% of students in Peru reported having been exposed sometimes or often to tasks describing the purposes and uses of money (compared to 64% of students on average across OECD countries and economies). Some 82% of students in Peru 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).
- Some 60% of students in Peru reported that they had seen personal finance-related tasks in their mathematics classes (compared to 44% on average across OECD countries and economies). Around 61% of students in Peru reported that they had seen at least one of these personal finance-related tasks in a class about social sciences.

## Money and basic financial services: access and use

- Some 13% of 15-year-old students in Peru 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 14% of students in Peru reported holding a payment card or debit card, compared to 62% on average across OECD countries and economies.
- Some 46% of students in Peru 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 Peru, 60% of students reported that they receive gifts of money from friends or relatives at least once a year. Around 52% received an allowance or pocket money for regularly doing chores, 48% of students received an allowance or pocket money without having to do any chores and 49% earned money from working outside school hours.

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

In **Peru**, children aged 15 years old can have a savings account and hold a payment card. However, unless a child aged under 18 is emancipated, his/her parents are the legal owners of an account opened in the child's name.

## Students' attitudes towards money matters

- Some 61% of students in Peru reported that they enjoy talking about money matters. However, around one in three students in Peru reported that money matters are not relevant for them right now.
- Some 71% of students in Peru felt confident about their ability to manage money, compared to 80% of students on average across OECD countries and economies.

- After accounting for student characteristics and exposure to financial education at home and in school, students in Peru who reported that they enjoy talking about money matters scored 14 points higher in financial literacy than students who did not. Students in Peru who felt confident in their ability to manage money scored 19 points higher than students who did not.

## References

- Frisancho, V. (2023), “Is School-Based Financial Education Effective? Immediate and Long-Lasting Impacts on High School Students”, *The Economic Journal*, Vol. 133/651, pp. 1147-1180, <https://doi.org/10.1093/ej/ueac084>. [1]
- Frisancho, V. (2023), *Spillover Effects of Financial Education: The Impact of School-based Programs on Parents*, <http://www.iadb.org>. [2]

## 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 Peru, 4 092 students were part of the financial literacy assessment, representing 493 760 15-year-old students.

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