

PISA

PISA 2022 Results (Volume IV)

Factsheets

United States



The United States

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. The United States participated previously in the 2012, 2015 and 2018 PISA financial literacy assessments.

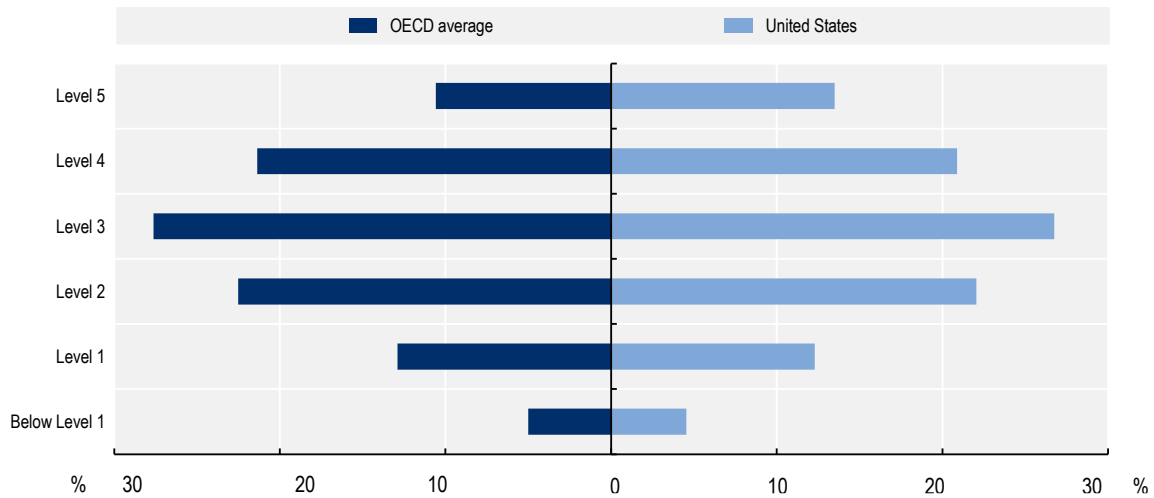
Results from this assessment provide insights into the level of money-related skills and knowledge students possess, their attitudes, behaviours and experience with financial matters, and the environments in which they learn about financial matters. For many 15-year-olds, finance is part of everyday 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.

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

Financial literacy performance in the United States

- Students in the United States scored, on average, 505 points, which is not significantly different from the OECD average in financial literacy (498 points).
- Some 17% of students in the United States 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 13.5% of students in the United States 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.
- Mean financial literacy performance in the United States was higher than that observed in PISA 2015 by 18 score points. Performance in 2022 was not statistically different from performance in 2012 and 2018.

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 United States, around 84% 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 16% 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 United States perform slightly better in financial literacy than students who perform similarly in mathematics and reading. Students in the United States scored, on average, 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 the United States

The National Standards for Personal Financial Education, authored by the Council for Economic Education and JumpStart Coalition (Council for Economic Education and JumpStart Coalition for Personal Financial Literacy, 2021^[1]) are used by many states and districts as guidelines when designing curricula for children in the primary and secondary education system. These standards are organised around six topics with related learning outcomes for each school grade: earning income, spending, saving, investing, managing credit and managing risk. A few states and cities have made financial literacy a requirement for lower secondary education (grades 6 to 8, i.e. children aged around 11 to 13). Currently, 35 states mandate a stand-alone course in financial literacy. In 25 states it is compulsory for children to take a course in personal finance in grades 9-12 to graduate from high school (Council for Economic Education, 2024^[2]).

How performance varies across student characteristics

- Average performance in financial literacy of boys and girls in the United States was not significantly different. On average across participating OECD countries and economies, boys outperformed girls by 5 score points.
- Socio-economic status was an important predictor of performance in financial literacy: in the United States, advantaged students scored, on average, 92 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 10% of the variation in student performance in financial literacy in the United States is associated with socio-economic status (compared to 12% on average across OECD countries and economies).
- In 2022, some 24% of students in the United States had an immigrant background. The average difference in financial literacy performance between students with an immigrant background and those without an immigrant background was not significant after accounting for socio-economic background.

Does financial literacy matter in the United States?

- Some 77% of students in the United States 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 more than 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 63% of students in the United States 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 United States who performed at Level 4 or 5 in financial literacy were 37% 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 83% of students reported talking to their parents at least once a month about money for things that the student wants to buy (compared to 83% on average across OECD countries and economies). Other frequently discussed topics were shopping online (79%), student's own spending decisions (79%), student's own saving decisions (77%), and how to use pocket money (69%). Relatively fewer students in the United States reported discussing the family budget (55%) or news related to economics or finance (53%) with their parents.
- Students in the United States who reported that they discuss some of these topics with their parents on a weekly or monthly basis displayed higher performance in financial literacy than students who reported never discussing these topics, after accounting for student characteristics, especially discussing the family budget (24 score points), news related to economics or finance (22 score points), how to use pocket money (19 score points), and students' saving decisions (12 score points).
- Some 87% of students in the United States (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 27 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 United States learn about financial matters at school?

- More than two in three students in the United States reported that they had learnt about a budget (75%), a debit card (74%) or a bank loan (70%) in school over the preceding 12 months and still know what these terms mean. However, fewer than one in three 15-year-old students in the United States reported that they had learnt about return on investment (31%), exchange rate (25%), compound interest (22%), depreciation (19%), pension plan (19%), dividend (19%), or diversification (13%) and still know what they mean.
- Students who reported that they had learned and still know most of these finance-related terms outperformed students who did not in the PISA 2022 financial literacy assessment, after accounting for student and school characteristics.
- Some 65% of students in the United States 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 61% of students reported having been exposed sometimes or often to tasks describing the purpose and uses of money (64% on average across OECD countries and economies).
- Some 39% of students in the United States reported that they had seen personal finance-related tasks in their mathematics classes (compared to 44% on average across OECD countries and economies). Some 34% of students reported that they had seen at least one of these personal finance-related tasks in a social sciences class, and 27% of students reported seeing at least one of these tasks in a course on economics or business.

Money and basic financial services: access and use

- In the United States, 49% 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). This was not significantly different from the percentage of students who reported holding such an account in PISA 2018 (47%).
- Some 52% of students reported holding a payment card or debit card in the United States, compared to 62% on average across OECD countries and economies. The percentage of students in the United States who reported holding a payment or debit card increased between 2012 and 2022, from 14.3% to 52.3%.
- Students in the United States who reported holding an account scored 17 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 91% of students in the United States 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 United States, buying something online was associated with a 44-point increase in financial literacy performance, after accounting for student characteristics and other experiences with money and basic financial products.
- Some 86% of students in the United States received gifts of money from friends or relatives at least once a year, while 50% received an allowance or pocket money at least once a year without having

to do any chores. Some 42% of students in the United States earned money from working outside school hours (e.g. a holiday job or part-time work) and 45% earned money from occasional informal jobs such as babysitting.

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

Most countries and economies require a child's parents to provide their consent to open a bank account. In the United States, parents can open an account for their child from birth and 15-year-olds can have a savings account and a current account. The United States also allows children aged 15 to use prepaid cards, i.e. payment cards that are pre-loaded with a specified amount of money rather than linked to an account. In the United States, fifteen-year-olds cannot have a credit card linked to an account.

Students' attitudes towards money matters

- Some 53% of students in the United States reported that they enjoy talking about money matters, however, 34% reported that money matters are not relevant for them right now.
- Some 81% of students in the United States 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 the United States who reported that they enjoy talking about money matters scored 18 points lower in financial literacy than students who did not, however students who felt confident in their ability to manage money scored 15 points higher in financial literacy than students who did not.

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 United States, 3 206 students were part of the financial literacy assessment, representing over 3.5 million 15-year-old students.

References

- Council for Economic Education (2024), *Survey of the States*, [2]
<https://www.councilforeconed.org/wp-content/uploads/survey-of-states-2024.pdf> (accessed on 29 March 2024).
- Council for Economic Education and JumpStart Coalition for Personal Financial Literacy (2021), *National Standards for Personal Financial Education*, [1]
<https://www.councilforeconed.org/wp-content/uploads/2021/10/2021-National-Standards-for-Personal-Financial-Education.pdf> (accessed on 29 March 2024).

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Member countries of the OECD.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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

Questions can be directed to Chiara Monticone at the OECD Directorate for Financial and Enterprise Affairs: chiara.monticone@oecd.org

This note was prepared by Rachel Karen, Directorate for Financial and Enterprise Affairs.

This work is available under the Creative Commons Attribution-NonCommercial-ShareAlike 3.0 IGO ([CC BY\[1\]NC-SA 3.0 IGO](https://creativecommons.org/licenses/by-nc-sa/3.0/)). For specific information regarding the scope and terms of the licence as well as possible commercial use of this work or the use of PISA data please consult Terms and Conditions on <http://www.oecd.org>