

MEDIA RELEASE

Students' financial literacy: PISA

24 May 2017: Australia is equal fifth in an international assessment of young people's financial literacy, according to a report released today by the Australian Council for Educational Research (ACER).

Conducted in 2015 as part of the OECD Programme for International Student Assessment (PISA) with funding from the Australian Securities and Investments Commission (ASIC) as the Australian Government agency responsible for financial literacy, the PISA financial literacy assessment measured 15-year-olds' knowledge of personal finances and their ability to apply this knowledge to financial problems. A total of 53 000 students from 15 economies participated in the assessment, including 14 530 Australian students from 758 schools.*

According to the ACER report, Australian students achieved an average score of 504 points, significantly above the OECD average of 489 points but significantly lower than the average score of 526 points that Australian students achieved in the first PISA financial literacy assessment in 2012.

The Australian average score was significantly higher than the United States, Poland, Italy, Spain, the Slovak Republic, Chile, Lithuania, Peru and Brazil, but significantly lower than the average score for the participating Chinese provinces, as well as Belgium, Canada and the Russian Federation.

ACER Chief Executive Prof Geoff Masters AO said students' financial literacy depended in part on their overall mathematical and reading literacy.

"On average, for Australia, around 29 per cent of the financial literacy score reflected factors that were uniquely captured by the financial literacy assessment, while the remaining 71 per cent reflected skills in mathematical or reading literacy," Prof Masters said.

The *PISA 2015: Financial literacy assessment* report also reveals:

- Italy and the Russian Federation showed a significant improvement since 2012, while Australia, Poland, the Slovak Republic and Spain showed significant declines.
- The difference between socioeconomically advantaged and disadvantaged students was 107 points – or about three years of schooling.
- Australia's Indigenous students achieved an average score 97 points lower than non-Indigenous students – a larger gap than in scientific literacy (76 points), mathematical literacy (70 points) or reading literacy (71 points).

The *PISA 2015: A first look at Australia's results* report released late last year showed that the science, reading and mathematics achievements of Australian students were declining.

"This report shows that financial literacy is also declining. In general, high performers in mathematics and reading are also high performers in financial literacy, while low performers in mathematics and reading are low performers in financial literacy," Prof Masters said.

Australia's participation in the PISA 2015 financial literacy study was managed by ACER and supported by ASIC. The Australian report was released to coincide with the launch of the international PISA financial literacy assessment study by the OECD in Paris and is available from the Australian PISA website < www.acer.org/ozpisa >.

PISA 2015: Financial literacy in Australia (PDF: 100 pages, 2.3MB)

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* In Australia, all students sampled for PISA were also sampled for the financial literacy assessment.

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