

MEDIA RELEASE

Australian teens show financial nous: PISA

9 July 2014: Australia is in the top five in the world's first international assessment of young people's financial literacy, a report released today by the Australian Council for Educational Research (ACER) reveals.

Conducted in 2012 as part of the Programme for International Student Assessment (PISA) of the OECD with support from the Australian Securities and Investments Commission as the Australian Government agency responsible for financial literacy, the supplementary PISA financial literacy assessment measured 15-year-olds' knowledge of personal finances and ability to apply it to financial problems. A total of 29 000 students from 18 countries and economies participated in the assessment, including approximately 3300 Australian students from 768 schools.

According to the ACER report, *Financing the Future: Australian students' results in the PISA 2012 Financial Literacy assessment*, Australian students achieved an average score of 526 points, significantly above the OECD average of 500 points.

After accounting for non-significant differences between countries and economies, Australia performed equal third, behind Shanghai-China, with an average score of 603 points, and the Flemish community of Belgium, with an average score of 541 points. Estonia and New Zealand performed at a similar level to Australia, with average scores of 529 and 520 points respectively.

Almost 90 per cent of Australian students met or exceeded the baseline proficiency (level 2), the level of performance that will enable students to actively participate in life situations. The average Australian student achieved at PISA's proficiency level 3, compared to level 4 in Shanghai-China.

Releasing the supplementary report, ACER's Director of Educational Monitoring and Research, Dr Sue Thomson welcomed the results, but said there is more work to be done since 19 per cent of students performed at the baseline rate and 10 per cent performed below it.

"There is a significant benefit for young people in being financially literate. From the age of 15, they face important financial decisions, and it is important that they have higher-order knowledge and skills they need for financial transactions like managing bank accounts, understanding compound interest and setting up a loan."

Australia's performance was significantly higher than the Czech Republic, Poland, Latvia, the United States, the Russian Federation, France, Slovenia, Spain, Croatia, Israel, Slovak Republic, Italy and Colombia.

Sixteen per cent of Australian students were top performers, compared to 43 per cent of students in Shanghai-China, 20 per cent of students in Belgium and 10 per cent of students across the OECD.

Ten per cent of Australian students were low performers in financial literacy, the same as for students in Belgium and a lower percentage than for students across the OECD (15 per cent), while for students in Shanghai-China the proportion was two per cent.

Australian students in metropolitan schools achieved an average score of 535 points, significantly higher by 32 score points than students in provincial schools and higher by 69 score points than students in remote schools.

In general, the higher the level of a student's socioeconomic background, the better the student's performance in financial literacy. Students in the highest socioeconomic quartile achieved an average score of 569 points, 87 score points on average higher than students in the lowest socioeconomic quartile.

Australia's participation in the PISA 2012 financial literacy study was managed by ACER and funded by the Australian Securities and Investment Commission. 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.edu.au/ozpisa >.

Financing the Future: Australian students' results in the PISA 2012 Financial Literacy assessment (PDF: 78 pages, 4.5 MB)

Sue Thomson

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