



The Association between Financial Exposure and Financial Literacy/Status

Introduction

- Instilling a strong foundation of financial knowledge during formative years empowers individuals to make effective financial choices throughout their later life. (Borjas, M.-P., Ricardo, C., Escalante-Barrios, E. L., Valencia, J., & Aparicio, J. (2020, June 30).
- Improved financial literacy has the potential to significantly increase your ability to accumulate money over time. (Austin Telco)
- Studies show that early exposure to financial ideas has a major impact on an individual's adult financial outcomes/behaviors. (Wagner, Jamie Frances (2015)

Methods

Sample

- 6394 respondents were drawn from the National Financial Well-Being Survey

Measures

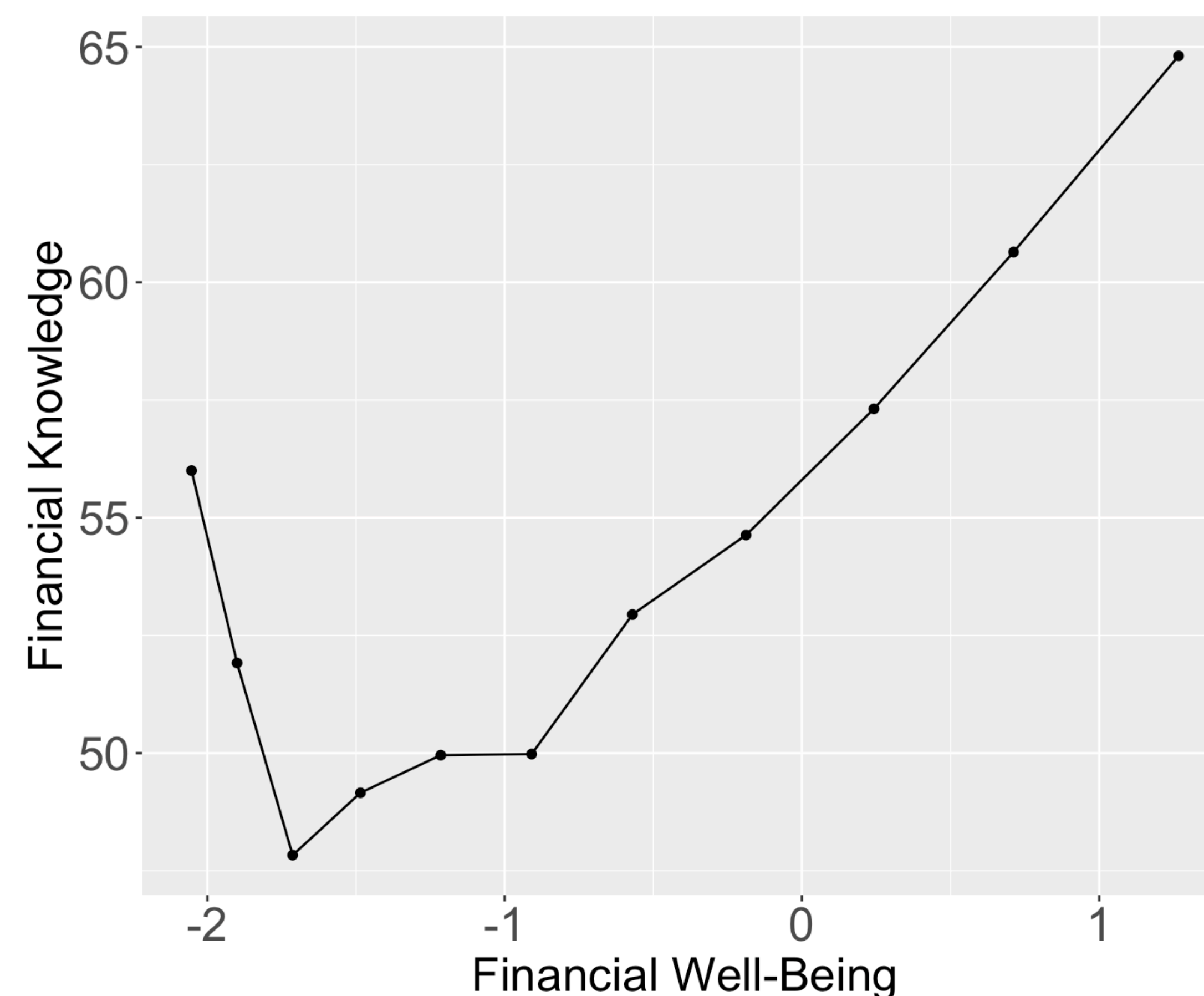
- Financial Knowledge Score: Rates financial knowledge based on assessment
- Financial Well-Being Score: The participants' self-reported financial well-being
- Financial Skills Score: A numerical value ranging from 0 to 100, that indicates participants' fundamental financial proficiency

1. What is the Association between Financial Exposure and Financial Literacy/Status as an Adult?

Results

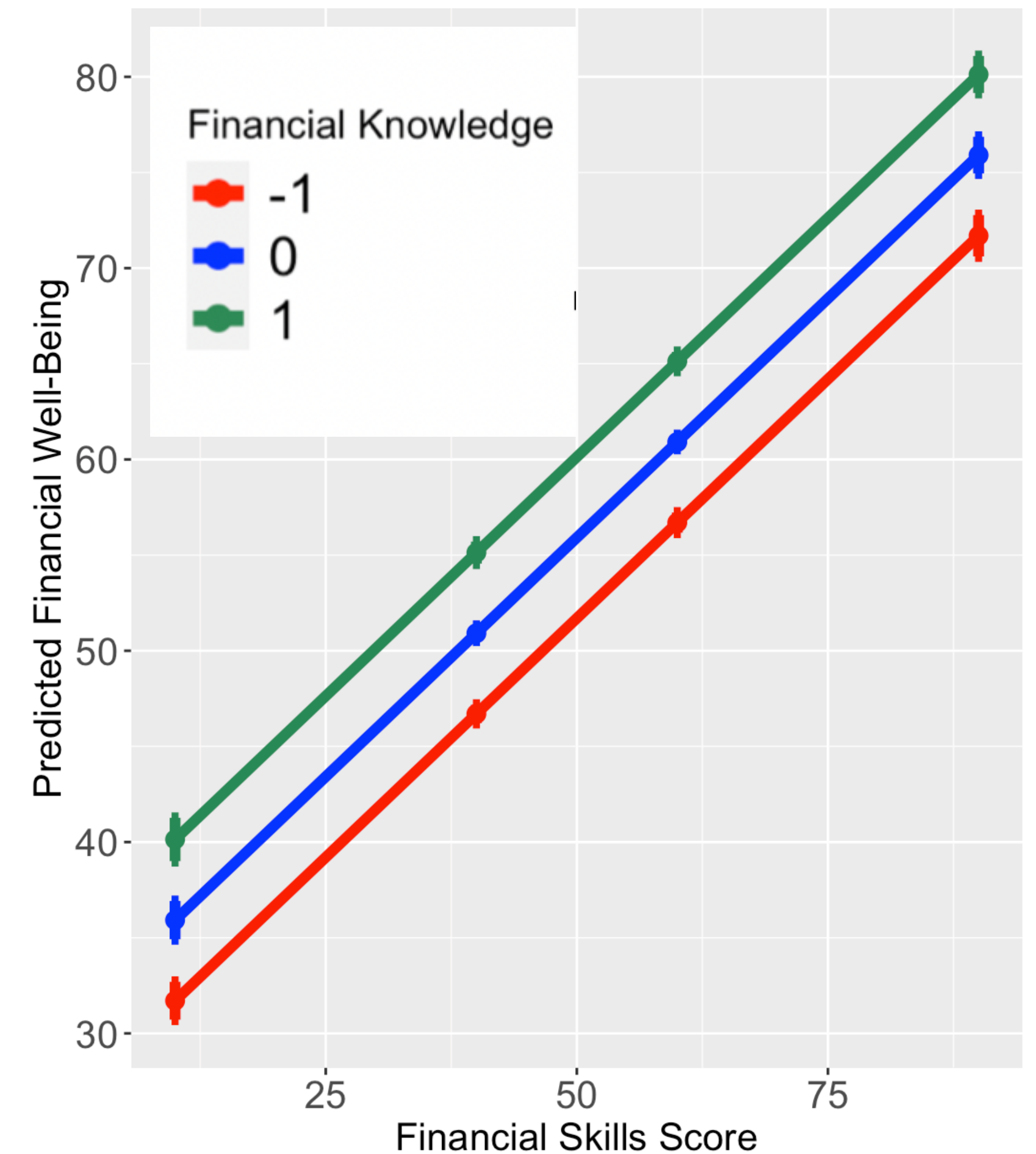
Bivariate

- The Pearson Correlation Test found significant positive correlations between financial knowledge and financial well-being as well as between financial skills and well-being.
- There was a positive correlation between higher levels of financial well-being and higher scores in financial abilities and knowledge.



Financial Well-Being vs. Financial Knowledge

Financial Skills vs. Financial Well-Being Controlling For Financial Knowledge



Multivariate

- Financial Knowledge Scores (Beta=4.21, CI 3.85-4.59, $p < .001$) and Financial Skills Scale (Beta=0.50, CI 0.48-0.52, $p < .001$) were significantly and positively associated with Financial Well-Being scores after controlling for other factors.
- R-Squared = 0.3013 (indicates that roughly 30.13% of the variation in financial well-being scores can be accounted for by the model's predictor variables)

Discussion

- Importance of Financial Education: The findings spotlight the useful results of economic education projects for young humans, which beautify their financial literacy and, in flip, their economic nicely-being.
- Educational Policy: This study brings into question how valuable the inclusion of comprehensive financial education level can be in the public school district.
- Technological Advancement: These findings also lead into the topic of technological advancements. It can be interesting to explore how digital tools and fintech innovations can continue to change the landscape of financial education and literacy.

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