

Grohmann, Antonia; Wittenberg, Erich

## Article

# "On average, women know less about financial matters than men do in most countries": Seven questions for Antonia Grohmann

DIW Economic Bulletin

## Provided in Cooperation with:

German Institute for Economic Research (DIW Berlin)

*Suggested Citation:* Grohmann, Antonia; Wittenberg, Erich (2016) : "On average, women know less about financial matters than men do in most countries": Seven questions for Antonia Grohmann, DIW Economic Bulletin, ISSN 2192-7219, Deutsches Institut für Wirtschaftsforschung (DIW), Berlin, Vol. 6, Iss. 46/47, pp. 538-

This Version is available at:

<https://hdl.handle.net/10419/148079>

## Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

## Terms of use:

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



Antonia Grohmann, Research Associate in the Department of International Economics, DIW Berlin

## SEVEN QUESTIONS FOR ANTONIA GROHMANN

»On average, women know less about financial matters than men do in most countries«

1. Ms. Grohmann, you have examined the gender gap in financial literacy. In general, do women know more or less about financial matters than men do? On average, women know less about financial matters than men in most countries. There are exceptions – Thailand and Russia, for example – but in 135 out of 144 countries, women know less about finances than men.
2. How do you explain this? I can't give you just one reason for this gender gap. In our report, we looked at three possible reasons. One is the difference in socio-demographic variables such as income or education. The second possibility is that women are more likely to have less experience with financial matters than men and assume less responsibility for the household finances. We also examined whether there are any country-specific or cultural reasons why women have less knowledge of financial matters than men. In conclusion, we can say that these three reasons combined only partly explain the gender gap. Of course it is possible that there are even more reasons.
3. How is financial literacy measured? In most studies, financial literacy is measured by three questions that yield a score of financial literacy. The three questions have been used in many countries. The first question measures knowledge of interest, the second measures knowledge of inflation, and the third question measures understanding of stocks, mutual funds, and the diversification of risk.
4. How do women perform in comparison to men? That depends. In our study we focused on three countries in particular: Germany, the US, and Thailand. Looking at Germany and the US, it becomes apparent that fewer

women can answer the questions correctly than men. Another striking finding is that in Germany, the more difficult the question, the larger the knowledge gap between women and men. In the US, however, women perform worse on all questions. Especially noteworthy is the lack of a gender gap in Thailand. Women and men perform equally well there. A partial explanation for this is that in Bangkok, where the data is from, women are often responsible for the household finances.

5. To what extent are traditional gender roles a factor? Gender roles are not the sole reason for the gap. If that were the case, there would be no difference in financial literacy between unmarried men and women. However, when we compare unmarried men with unmarried women, the unmarried men still outperform the unmarried women.
6. Does income level have an effect on the results? We attempted to find out whether women's education or income levels causes the gender gap. Our findings show that the gender gap in financial literacy between men and women with higher education and income levels is narrower, but still exists.
7. What can be done to increase women's financial literacy levels? That is a complex challenge. In the first place, we need to improve girls' education and their numeracy. The PISA studies show that in most countries, boys perform better than girls on mathematics tests. Secondly, financial literacy could become a school subject, and this could have a particular focus on trying to increase girls' interest in the subject at an early age. I also see a third option: to continue advancing gender equality in general. When women are more thoroughly integrated into the labor market and earning more money, they will also become more involved in financial matters.

Interview by Erich Wittenberg



DIW Berlin – Deutsches Institut  
für Wirtschaftsforschung e. V.  
Mohrenstraße 58, 10117 Berlin  
T +49 30 897 89 -0  
F +49 30 897 89 -200

#### Publishers

Prof. Dr. Pio Baake  
Prof. Dr. Tomaso Duso  
Dr. Ferdinand Fichtner  
Prof. Marcel Fratzscher, Ph.D.  
Prof. Dr. Peter Haan  
Prof. Dr. Claudia Kemfert  
Dr. Kati Krähnert  
Prof. Dr. Lukas Menkhoff  
Prof. Karsten Neuhoff, Ph.D.  
Prof. Dr. Jürgen Schupp  
Prof. Dr. C. Katharina Spieß  
Prof. Dr. Gert G. Wagner

#### Reviewer

Norma Burow

#### Editors in chief

Sabine Fiedler  
Dr. Gritje Hartmann  
Dr. Wolf/Peter Schill

#### Editorial staff

Renate Bogdanovic  
Dr. Franziska Bremus  
Prof. Dr. Christian Dreger  
Sebastian Kollmann  
Ilka Müller  
Mathilde Richter  
Miranda Siegel  
Dr. Alexander Zerrahn

#### Layout and Composition

eScriptum GmbH & Co KG, Berlin

#### Sale and distribution

DIW Berlin  
ISSN 2192-7219

Reprint and further distribution—including excerpts—with complete reference and consignment of a specimen copy to DIW Berlin's Communications Department (kundenservice@diw.berlin) only.  
Printed on 100% recycled paper.