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DISCUSSION PAPER SERIES

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JANUARY 2022

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# Culture, Gender, and Financial Literacy

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## ABSTRACT

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### Culture, Gender, and Financial Literacy\*

Using a nationally representative US sample of 9,623 adults from 27 countries of ancestries, we find that the higher the degree of gender convergence in financial knowledge in the country of ancestry, the higher the financial knowledge of women in the US relative to their male counterparts. After ruling out gender differences in cognitive and non-cognitive skills as potential mechanisms, we find that higher patience and lower altruism in the country of ancestry are associated with greater financial knowledge for men but not for women in the US. Once we remove any country-of-ancestry gender variation from these preferences, gender convergence in financial knowledge continues to be associated with women's (relative and absolute) greater financial literacy in the US, underscoring that gender differences in financial literacy are socially constructed. This relative and absolute female improvement is particularly robust for knowledge related to inflation and risk-diversification.

**JEL Classification:** D1, J16, G53, Z10

**Keywords:** financial literacy, gender, epidemiological approach, and preferences

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## Introduction

Despite women's and men's convergence in many economic outcomes such as high-school performance [1], college enrollment and graduation [2], labor force participation [3], and wages [4], women consistently display lower levels of financial literacy than men.<sup>1</sup> Particularly severe and widespread across many countries [5, 6], this gender gap is of great concern given the relevance of financial literacy on day-to-day financial management skills.<sup>2</sup> Furthermore, because women are more likely to earn less than men, experience more work interruptions due to child-rearing, and have longer life expectancies, their lower financial skills, combined with their reduced financial resources, create a perfect storm for women's financial insecurity and poverty, especially after retirement [7]. Hence, understanding the channels through which financial literacy may be acquired is the first step towards designing policies that aim to improve women's (and men's) financial knowledge.

In this paper, we study the relevance of cultural beliefs regarding gender differences in financial knowledge in accounting for the gender gap in financial literacy in the United States. To do so, we apply the approach developed by Fernández (2008) in the context of female participation and fertility and apply it to the financial-knowledge literature [8]. We compare the financial literacy of a nationally representative sample of men and women who live and were (mostly) born in the United States, and hence, share the same institutional (including educational and financial) settings, but who identify with different countries of ancestry, and hence, are influenced by “customary beliefs and values that ethnic, religious, and social groups transmit fairly unchanged from generation to generation” [9]. To prevent picking up confounding factors that impact men and women in the same way, such as economic development or human capital development specific to each country, we exploit variation across genders within a country-of-ancestry in addition to variation across countries of ancestry as in [10]. If the US gender gap in financial knowledge is mainly a factor of the institutional and normative background in the US (after controlling for socio-demographic characteristics known to be associated with financial sophistication), the gender gap in financial literacy or preferences from the country of ancestry should be irrelevant. Evidence that country-of-ancestry gender differences in financial literacy or preferences are associated with the gender gap in financial knowledge in the US would provide strong evidence that culture, transmitted across generations and/or through social networks, matters.

Using a sample of 9,623 individuals who identify with 27 different ancestries, we first analyze whether coming from countries of ancestry with greater gender differences in financial knowledge is associated with a higher financial illiteracy for women in the US relative to their male counterparts. We find that greater gender convergence in financial literacy in the country-of-ancestry reduces the gender gap in financial literacy in the US. This suggests that cultural beliefs regarding gender differences in financial knowledge shape differentially men's and women's financial knowledge in the US. Notably, we find that this greater convergence in gender financial

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<sup>1</sup> Financial literacy is defined as the “ability to process economic information and make informed decisions about financial planning, wealth accumulation, debt, and pensions” [5].

<sup>2</sup> See [5] for a review of relevant studies on financial literacy and financial behavior.

knowledge in the US is driven by a decrease in men's (absolute) financial knowledge, with no effect on women's (absolute) financial knowledge.

We then proceed to identify the mechanisms behind these results. First, we rule out that these findings are driven by confounding factors related to gender differences in economic or human capital development in the countries of ancestries or to gender differences in respondents' socio-demographic characteristics, parental wealth and financial sophistication, or cognitive or non-cognitive skills.

Second, we identify which gender-differentiated cultural preferences shape men's and women's financial knowledge in the US using a novel dataset on Global Preference Survey [11]. We find that men's lower financial knowledge in the US and women's higher financial knowledge relative to their male counterparts appears to be associated with greater gender convergence in country-of-ancestry patience, a trait more salient among men, and in country-of-ancestry altruism, a trait more salient among women.

Importantly, netting out these preferences from country-of-ancestry financial-literacy gap reveals that greater convergence in financial knowledge increases women's relative and absolute financial knowledge in the US, with no impact on men. Together these findings suggest that: (1) cultural beliefs regarding gender convergence in financial knowledge beyond those associated with patience and altruism are associated with women's (relative and absolute) greater financial literacy in the US; and (2) more patience and less altruism in the country of ancestry is associated with greater financial knowledge for men but not for women in the US. The relative and absolute female improvement is particularly robust for knowledge related to inflation and risk-diversification.

Our work blends two strands of the literature: studies analyzing the cultural dimension of financially literacy [12,13] and studies analyzing the cultural dimension of gender differences in cognitive skills [8, 14]. It also complements recent work showing that the salience of social and cultural environment in which girls and boys live for the gender gap in financial literacy [15]. By studying the cultural component behind the gender gap in financial literacy and identifying its driving mechanisms, we advance knowledge that ought to help design policies to improve financial literacy among both men and women.

## **Data**

The National Longitudinal Survey of Youth (NLSY hereafter), a nationally representative study of different cohorts of individuals followed over time since they were teenagers, provides us with a representative snapshot of financial literacy in the US. Both the NLSY97 cohort (adults born between 1980-1984) and the NLSY79 one (adults born between 1957-1961) answered a one-time module of three financial literacy questions on inflation, risk diversification, and interest rate.<sup>3</sup> Using this information, we measure respondents' financial literacy with a dummy variable equal to one if the respondent answered the three NLSY questions regarding inflation, risk

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<sup>3</sup> The NLSY97 cohort answered the questions in 2007, while the NLSY79 in 2012.

diversification, and interest rate correctly; and zero otherwise as in [7]—see Table A.1 in the Appendix for the wording of the three questions.

We restrict the analysis to individuals who self-identify with a specific country of ancestry. By using the question "What ethnic group do you identify with most?"<sup>4</sup>, we assign country-of-ancestry information to a sample of 9,623 individuals who identify with 27 different ancestries—Appendix Section A.1 provides detailed information on the NLSY and the study's sample restrictions. The advantages of using self-identified ancestry rather than parents' country of origin, as is usually done in this literature, are multiple. First, we collect information for a relatively large sample of individuals, highly representative of the US population. Second, we mitigate issues related to the possible self-selection of specific individuals in the country of destination, a concern that often affects analyses focused on first-generation immigrants. Finally, as individuals are asked about their preferred ethnicity in the NLSY, they are likely to report the one that truly influences them the most, reflecting the set of norms and beliefs that they conform and associate with [13]. In addition, the NLSY provides rich information about the respondents' socio-demographics<sup>5</sup>, their parents' education, economic, and financial background when respondent was 14 years old, and their cognitive and non-cognitive skills, all factors which may partially drive gender differences in financial knowledge and that we control for in the sensitivity analyses—see Table A.2 for a complete list of NLSY covariates and their summary statistics.

The NLSY data set is merged with country-of-ancestry measures of gender differences in financial literacy and preferences, derived from the S&P Global FinLit Survey and the Global Preference Survey. Both Surveys are large-scale, cross-country, nationally representative surveys. The S&P Global FinLit Survey, collected in 2014, is the most comprehensive measurement of financial literacy around the globe and it allows to create a representative measure of the financial knowledge gap for each country of ancestry. It measures the share of a country's adult population that is financially knowledgeable<sup>6</sup> both overall and by gender. Using this information, we measure the gender gap in financial literacy in the country of ancestry as the difference between the proportions of women and men who are financially literate in each country [6]. The Global Preference Survey provides ex-ante experimentally validated individual-level measures of economic preferences, including patience and risk-taking, and social preferences, such as positive reciprocity, and altruism [11]. Using such information, we create representative measures of preferences for each country of ancestry by gender. Detailed information about these datasets, as well as other country-of-ancestry variables employed in the analysis, are available in the Appendix section A.2 and Table A.4.

Column 1 of Table A.5 shows that women tend to be less financially literate than men in the countries of ancestry, as twenty of the twenty-seven country-of-ancestry gender gaps in financial

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<sup>4</sup> In the public-use NLSY, there is no information on the country of birth of the parents.

<sup>5</sup> Socio-demographic covariates include individual's age, education, region of residence, marital and employment status, family size, whether the individual is born abroad, and his or her mother's education and employment when the respondent was 14 years old.

<sup>6</sup> See Table A.3 for the exact wording of the financial literacy questions in the S&P Global FinLit Survey.

literacy are negative. Also, in our NLSY sample, a gender gap in financial literacy emerges<sup>7</sup> (column 2 in Table A.5), with an average magnitude of -11.21 percentage points. Given that male average financial literacy in the US is 48%, women underperform men by roughly 23%. Figure 1 plots the NLSY respondents' financial-literacy gender gap by their country of ancestry against the country-of-ancestry gender gap in financial knowledge. The raw data in Figure 1 suggest that coming from a country of ancestry with a smaller gender gap in financial literacy is associated with a smaller gender gap in financial literacy in the US. The correlation is 0.424 and is statistically significant at conventional levels.

## Empirical Methodology

To investigate whether culture is associated with the gender gap in financial literacy in the United States, we exploit variation in country-of-ancestry outcomes to identify the salience of culture for individuals born and raised in the US as in [8]. Since these individuals have been exposed to a common educational system, similar and interconnected labor markets, and the same laws and regulations, any association between their behavior and that of their country-of-ancestry contemporaries can only be explained by cultural beliefs transmitted across generations. We further expand this approach by focusing on the association between country-of-ancestry gender gaps and those in the country of residence as in [10]. These authors exploit variation across country-of-ancestry differences between men and women, “washing” out any confounding factors that impact men and women in the same way, such as economic development or human capital development specific to each country.

To analyze whether differences in financial knowledge between men and women across countries of ancestry are associated with the gender gap in financial literacy in the US, we estimate the following OLS equation:

$$FL_{irjt} = \beta_0 + \beta_1 Female_{irjt} + \beta_2 S\&PFL\_GGap_j + \beta_3 S\&PFL\_GGap_j * Female_{irjt} + X'_{irjt}\beta_4 + Z'_j\beta_5 + \gamma_r + \gamma_t + \varepsilon_{irjt} \quad (1)$$

, where  $FL_{irjt}$  is a dummy indicating whether individual  $i$ , living in US region  $r$ , from country of ancestry  $j$ , and interviewed in year  $t$  answered correctly the three questions regarding inflation, risk diversification, and interest rate.  $S\&PFL\_GGap_j$  is the gender gap (difference between proportion of women and proportion of men who are financially literate) in the country of ancestry  $j$ . The vectors  $X_{irjt}$  and  $Z_j$  include a rich set of individual and country-of-ancestry covariates that vary with the estimated specification (see Table A.2 and A.4 for a complete list).  $\gamma_r$  and  $\gamma_t$  are US

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<sup>7</sup> We measure the gender gap in financial literacy in the US by estimating ancestry-country-level linear regressions, where the financial literacy dummy is the dependent variable, and a female dummy is the control variable. A negative gender gap (i.e., a negative estimated coefficient associated with the female dummy) indicates that women are, on average, less financially knowledgeable than men for a given ethnicity of ancestry.



region-of-residence and survey-year fixed effects, respectively. Robust standard errors are clustered at the country-of-ancestry level, which is the source of identification. Because our outcome variable is a dummy variable, we conduct robustness checks with non-linear models (logit).

The estimate of interest,  $\hat{\beta}_3$ , measures the differential impact of the country-of-ancestry gender gap in the S&P FL Survey on females' financial literacy relative to that of males in the US. A positive and statistically significant  $\hat{\beta}_3$  would indicate that coming from a country of ancestry where women's financial knowledge converges to or outperforms that of men increases women's financial knowledge in the US relative to men from the same country of ancestry relative to women and men coming from countries of ancestries where women underperform men in financial knowledge. To put it differently, a positive and significant  $\hat{\beta}_3$  would suggest that greater gender convergence in financial knowledge in the country of ancestry is associated with higher financial knowledge among women relative to men in the US, closing the negative gender gap in financial literacy in the US.

If the gender gap in financial knowledge in the US were mostly driven by the country's institutions or cultural beliefs or by individuals' socio-demographic characteristics known to be associated with financial literacy, the country-of-ancestry gender gaps in financial knowledge should be irrelevant, and hence,  $\hat{\beta}_3$  would be close to zero and statistically insignificant. Evidence that country-of-ancestry differences are associated with the gender gap in financial knowledge in the US would instead provide strong evidence that cultural beliefs regarding gender differences in financial literacy, transmitted across generations, matter.

Two other coefficients of interest are  $\hat{\beta}_1$  and  $\hat{\beta}_2$ . The former captures the female differential in financial literacy in the US with a negative and statistically significant  $\hat{\beta}_1$  indicating women's underperformance relative to men. The coefficient  $\hat{\beta}_2$  informs us on the association between the country-of-ancestry gender gap in financial knowledge and men's financial knowledge in the US. A negative and statistically significant  $\hat{\beta}_2$  would reveal that men in the US who come from countries of ancestry where women and men converge in financial knowledge or where women outperform men are less financially literate than men from countries of ancestry with a larger gender gap in financial knowledge. Finally,  $(\hat{\beta}_2 + \hat{\beta}_3)$  is the (absolute) effect of country-of-ancestry gender gap in financial knowledge on women's financial knowledge in the US.

## **Gender Differences in Financial Knowledge Are Socially Constructed**

Gender differences in financial literacy in the US are found to be strongly associated with the gender gap in financial knowledge in the country of ancestry (Table 1). Based on our baseline

specification, which controls for respondents' socio-demographic characteristics<sup>8</sup> and is shown in column 2, a one-standard-deviation increase in the gender gap in financial literacy in the country of ancestry (i.e., greater gender convergence as the gender gap is negative) is associated with an increase in women's financial literacy in the US of 3.1 percentage points relative to that of men. This effect represents the equivalent of a reduction in the financial literacy gender gap in the US of 28%<sup>9</sup> or of an increase in women's financial literacy of 9% over the NLSY average female financial literacy rate of 34%. This effect is statistically significant at the 1 percent level. To put this estimate into context, the effect of country-of-ancestry financial literacy gender gap on female respondents' financial literacy in the US is as large as one tenth of the effect of having a college degree (relative to dropping out from high school) on women's financial literacy as having a college degree almost doubles (86% increase) the financial literacy rate in our NLSY sample of women relative to being a high-school dropout.<sup>10</sup>

The gender convergence in financial knowledge in the US when there is higher country-of-ancestry convergence may result from a reduction in males' knowledge, an increase in females' knowledge, or both. Interestingly, this greater convergence in gender financial knowledge in the US is mainly driven by a reduction in men's over-performance relative to women from the same ancestry. These results hold even if we hold constant the country-of-ancestry level of financial literacy (column 3 in Table 1 and Appendix Table A.7). Indeed, a one-standard-deviation increase in the gender gap in the country of ancestry is associated with a *reduction* in men's financial knowledge in the US of about 2.7 percentage points (or a decrease of 5.6% over the NLSY average male financial literacy rate of 48%), the equivalent of a reduction in the negative gender gap of 25%.<sup>11</sup> To put it differently, the effect of country-of-ancestry financial literacy gender gap on male respondents' financial literacy in the US is one eleventh of the effect of a college degree (relative to no high-school degree) on men's financial literacy in our NLSY sample.<sup>12</sup> However, in contrast with higher education, which is positively associated with respondent's financial knowledge, greater gender convergence in country-of-ancestry financial knowledge is associated with lower male financial literacy in the US.

Taken together, we find that greater country-of-ancestry gender convergence in financial knowledge is associated with a smaller gender gap in financial knowledge in the US driven by a decrease in men's (absolute) financial knowledge, with no effect on women's (absolute) financial knowledge. Others have found that greater gender equality in the country of ancestry reduces the

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<sup>8</sup> Socio-demographic covariates include individual's age, education, region of residence, marital and employment status, family size, whether the individual is born abroad, and his or her mother's education and employment when the respondent was 14 years old (for a complete list of estimated coefficients see Appendix Table A.6).

<sup>9</sup> The effect is calculated as:  $\frac{(\beta_3) * \text{Origin Country S\&PGapStDev}}{\text{NLSY FL GENDER GAP}_{\text{mean}}} = \frac{0.561 * 0.0553}{-0.1121} = \frac{0.031}{-0.1121} = -0.2767$

<sup>10</sup> The coefficient on the college dummy in Appendix Table A.6. is 0.293 and the average NLSY female financial literacy rate is 34%.

<sup>11</sup> The effect is calculated as:  $\frac{(\beta_2) * \text{Origin Country S\&PGapStDev}}{\text{NLSY FL GENDER GAP}_{\text{mean}}} = \frac{-0.497 * 0.0553}{-0.1121} = \frac{-0.027}{-0.1121} = +0.2452$

<sup>12</sup> The coefficient on the college dummy in Appendix Table A.6. is 0.293 and the average NLSY male financial literacy rate is 48%.

math gender gap in the country of residence [10, 14]. However, in such a case, the smaller math gender gap was associated with an increase in country-of-residence math performance for both boys and girls, although the gains were twice as large for females [14].

## Mechanisms

### 1. Unmeasured Human Capital

To identify the potential mechanisms behind these results, we first rule out that these findings are driven by confounding factors related to gender differences in economic or human capital development in the countries of ancestries or gender differences in respondents' socio-demographic characteristics, parental wealth and financial sophistication, or cognitive and non-cognitive skills.

In addition to controlling for socio-demographic characteristics known to be associated with financial knowledge [7, 16], our results are robust to controlling for country-of-ancestry measures of quality and quantity of education (columns 4 and 5 in Table 1 and Appendix Table A.7), as well as country-level legal, economic, and financial development measures (columns 6 to 8 in Table 1 and Appendix Table A.8). The results also hold when using a Logit instead of a linear regression and controlling for the whole set of covariates (column 9), or when estimating a country-of-ancestry fixed effects model (column 10).

To address concerns that our results may be driven by the disproportionate size of some of the country-of-ancestry groups in the US (shown in the last column in Appendix Table A.5), we estimate our baseline specification dropping the five biggest ethnicity groups in our sample, one at a time (shown in Appendix Table A.9). Doing so has little impact on our main findings.

Importantly, our results are robust to the following robustness checks. First, to account for the fact that our findings may reflect omitted variable bias, we re-estimated our baseline specification, adding the following covariates: father's education and employment, household's wealth and financial sophistication<sup>13</sup> when the respondent was 14 years old (shown in Appendix Table A.10).

A related concern is that our results are driven by gender differences in respondents' cognitive and non-cognitive skills across countries of ancestry (as opposed to country-of-ancestry gender differences in financial knowledge). To address this, we added to our baseline specification different measures of respondents' cognitive and non-cognitive skills (such as respondents' position in the IQ distribution, risk aversion, hard work, or locus of control, among others) interacted with the female dummy (shown in Appendix Table A.11). In all these specifications, our main findings hold, suggesting that gender differences in IQ, attitudes towards risks, or personality

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<sup>13</sup> Measures of financial sophistication include parents' homeownership, stock ownership, savings and debt when the respondent was 14 years old.

traits are not driving our findings. See the Appendix Section A.3 for more detailed information on the robustness tests.

Importantly, we conduct a falsification test to explore the extent to which our country-of-ancestry financial literacy gender gap variable may be picking up gender differences in human capital accumulation, reflecting gender differences in the inter-generational transmission of human capital as opposed to gender differences in the inter-generational transmission of financial information. Our falsification test re-estimates our baseline specification replacing the left-hand-side variable with different dimensions of the respondents' human capital unrelated to their financial knowledge, namely, height, weight, employment status, and whether they were ever arrested. As none of the  $\hat{\beta}_2$  and  $\hat{\beta}_3$  in Appendix Table A.12 are statistically significantly different from zero, it is unlikely that our main finding is capturing confounding factors such as gender differences in unmeasured human capital.

## 2. Cultural Gender Difference in Patience and Altruism

Next, we analyze which gender differences in preferences may be driving the negative association between greater convergence in the country-of-ancestry financial gender gap and men's (but not women's) lower financial knowledge in the US. To do so, we re-estimate our baseline specification substituting country-of-ancestry gender gaps in financial literacy with country-of-ancestry gender gaps in preferences as in [17]. We focus on gender differences in: (1) patience, which captures preferences over the intertemporal timing of rewards; (2) the willingness to take risks; (3) altruism; and (4) positive reciprocity, which captures the costly willingness to reward kind actions. Panel B in Table 2 shows that country-of-ancestry men are, on average, more patient and risk-taking than country-of-ancestry women, while the opposite is true for altruism and positive reciprocity.

In column 1 of Table 2 we find that greater gender convergence in patience in the country of ancestry, a trait more salient among men, is associated with men's lower financial knowledge in the US and women's (absolute) lower financial knowledge as  $(\hat{\beta}_2 + \hat{\beta}_3) < 0$ . Similarly, greater gender convergence in altruism in the country of ancestry also decreases men's financial literacy in the US and women's (absolute) financial knowledge (column 3). Since the country-of-ancestry gender gap in altruism is positive, a greater convergence would imply a decrease in the gender gap. However, in the case of altruism, the decrease with higher gender convergence in altruism is smaller for women than for men as  $\hat{\beta}_3 < 0$ .

In column 5 in Table 3, we re-estimate our baseline model using country-of-ancestry financial literacy gender gap (net of the aforementioned preferences) and no longer find a negative and statistically significant effect of country-of-ancestry financial literacy on men's financial knowledge in the US. In contrast, the association between country-of-ancestry financial literacy and women's financial knowledge relative to that of men ( $\hat{\beta}_3$ ) remains large and statistically significant at the 1 percent level. These results suggest that cultural beliefs regarding gender

convergence in financial knowledge beyond those associated with patience and altruism are associated with greater women's (relative and absolute) financial knowledge in the US. These results, taken together with those from Table 2, underscore that higher patience and lower altruism are beneficial for men's financial knowledge in the US but not for that of women.

To further explore which elements of financial knowledge drive the above results, we re-estimate the specification in column 5 in Table 3 replacing our left-hand-side variable with respondents' knowledge in each of the three components of financial literacy: inflation, risk diversification, and interest rate (Table 4)<sup>14</sup>. Country-of-ancestry gender gap in financial literacy (after removing gender variation in country-of-ancestry patience and altruism) is most salient for the gender gap in inflation and risk-diversification knowledge in the US. Greater gender convergence in the country-of-ancestry financial literacy is associated with women's higher (relative and absolute) knowledge of both inflation and risk-diversification in the US, with no effect on that of men. Appendix Table A.13 shows that this relative and absolute female improvement holds when allowing for gender differences in patience and altruism in our country-of-ancestry gender gap measure. However, in the case of risk-diversification, greater convergence in patience and altruism in the country of ancestry is associated with some reduction in men's literacy in the US.

## Concluding Remarks

There is a persistent gender divide in financial knowledge across surveys and countries [5, 7] with women underperforming relative to men. Previous studies have not been able to explain the roots of this concerning disparity as traditional socio-economic factors [18, 19] and personality and non-cognitive skills [20] only partially help close the gender gap in financial knowledge. We add to the above literature by analyzing the salience of culture for the gender gap in financial literacy in the US.

Using a nationally representative US sample of 9,623 adults from 27 countries of ancestries, we find that the higher the degree of gender convergence in financial knowledge in the country of ancestry, the higher the financial understanding of women in the US relative to their male counterparts. After ruling out gender differences in cognitive and non-cognitive skills as a potential mechanism, we find that higher patience and lower altruism in the country of ancestry are associated with higher financial knowledge for men but not for women in the US. After we remove any country-of-ancestry gender variation from these preferences, cultural beliefs regarding gender convergence in financial knowledge continue to be associated with women's (relative and absolute) greater financial literacy in the US, suggesting that gender differences in financial knowledge in

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<sup>14</sup> In the public-use S&P Global FinLit Survey there is no information about answers to the single questions of the survey by the gender of the respondent. Hence, we use country-of-ancestry gender gap in financial literacy as RHS variable, rather than the, in principle more appropriate, country-of-ancestry gender gap in interest rate, in inflation and in risk-diversification.

the US are socially constructed. This relative and absolute female improvement is particularly robust for knowledge related to inflation and risk-diversification.

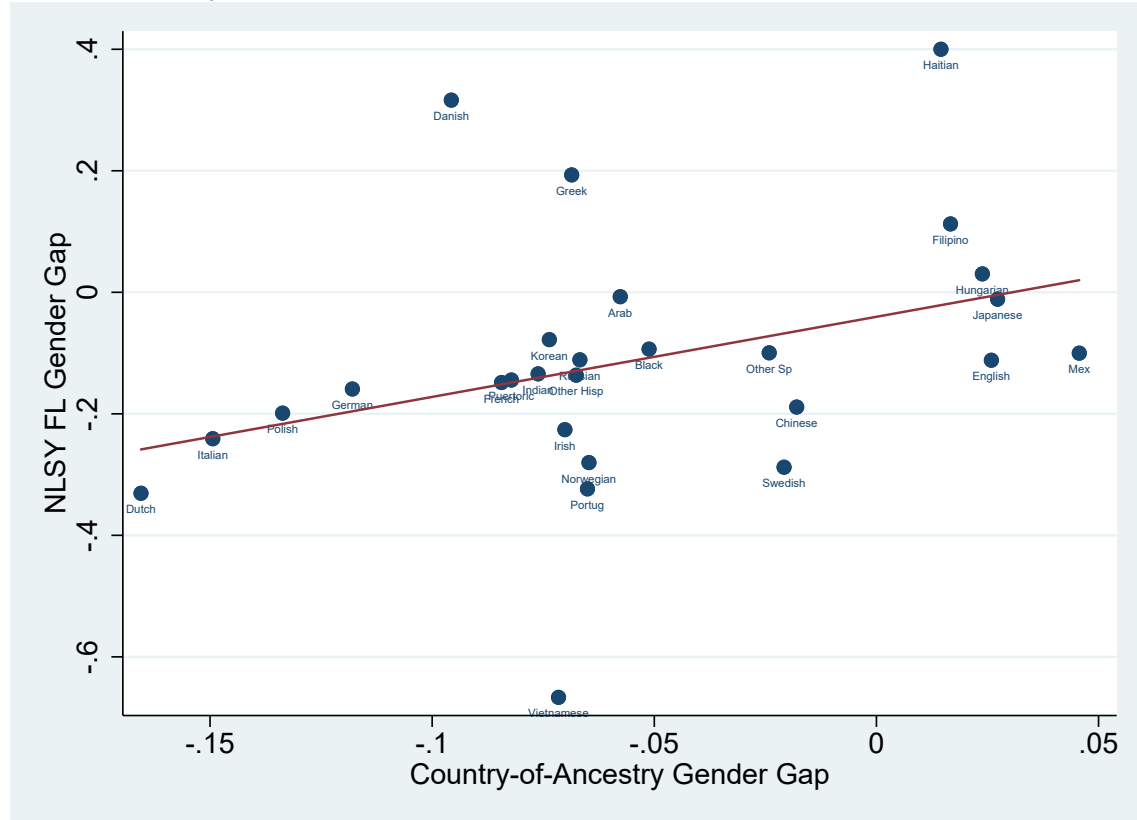
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## Tables and Figures

Figure 1: Gender Gap in Financial Literacy in the US and Country-of-Ancestry Gender Gap in Financial Literacy



Notes: Correlation between the average financial literacy gender gap and the gender gap in the country of ancestry (correlation between the two variables equals 0.424, with a standard error of 0.135). On the  $x$ -axis, we plot the difference between the proportion of financially literate females and proportion of financially literate males in each country of ancestry, using to the S&P financial literacy index. More negative values imply worse women performances in the country as compared to men. The "NLSY FL Gender Gap" on the  $y$ -axis was obtained estimating linear regressions where our financial literacy dummy variable is the LHS variable and a female dummy is the RHS variable, according to the ethnic group NLSY respondents identify with. Results are weighted.



Table 1: Country-of-Ancestry Gender Gap in Financial Literacy and Financial Knowledge in the US

	OLS (1)	OLS (2)	OLS (3)	OLS (4)	OLS (5)	OLS (6)	OLS (7)	OLS (8)	Alt FF (9)	OLS (10)
Female	-0.116*** (0.010)	-0.123*** (0.008)	-0.100*** (0.032)	0.008 (0.039)	0.040 (0.050)	-0.058 (0.057)	-0.129*** (0.022)	-0.142*** (0.009)	-0.117*** (0.009)	-0.123*** (0.008)
Origin country <i>S&amp;P</i> gap	-0.543 (0.387)	-0.497*** (0.225)	-0.545*** (0.114)	-0.453*** (0.115)	-0.318*** (0.065)	-0.487*** (0.135)	-0.167 (0.254)	-0.741*** (0.156)	-0.473*** (0.111)	
Female $\times$ Origin country <i>S&amp;P</i> gap	0.462*** (0.126)	0.561*** (0.094)	0.576*** (0.123)	0.539*** (0.102)	0.471*** (0.120)	0.549*** (0.103)	0.612*** (0.162)	0.855*** (0.155)	0.635*** (0.155)	0.551*** (0.099)
N	9,623	9,623	9,604	9,604	9,285	9,623	9,623	9,354	9,266	9,623
Survey Year FE	X	X	X	X	X	X	X	X	X	X
Individual controls		X	X	X	X	X	X	X	X	X
Level of FL			X							
Literacy Rate				X					X	
Numeracy Rate					X				X	
Log GDP						X			X	
Social Contr.							X		X	
Legal origins								X	X	
Country FE										X

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions in the NLSY correctly. "Origin Country *S&P* Gap" refers to the difference between the proportion of financially literate females and males in the country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). "Alt FF" in column (9) stands for *Alternative functional form* (a Logit model for the left-hand side variable). Individual controls (from column (2) to (10)) include information about age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment (for a complete list of estimates see Appendix Table A.6). Columns (3) to (9) add controls at the country-of-ancestry level (for a complete list of estimate see Appendix Tables A.7 and A.8). All country-level variables are also interacted with the gender dummy. Column (10) adds country of ancestry fixed effects. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 2: Gender Gap in Financial Literacy in the US and Gender Gap in Preferences in the Country of Ancestry

<b>Panel A: OLS estimates</b>					
	(1)	(2)	(3)	(4)	(5)
Female	-0.131*** (0.019)	-0.161*** (0.021)	-0.133*** (0.011)	-0.145*** (0.015)	-0.156*** (0.028)
Patience gap	-0.318*** (0.076)				0.006 (0.114)
Female×Patience gap	0.070 (0.071)				-0.182 (0.169)
Risk-Taking gap		-0.053 (0.113)			
Female ×Risk-Taking gap		-0.077 (0.081)			
Altruism gap			0.290*** (0.028)		0.295*** (0.080)
Female×Altruism gap			-0.112** (0.047)		-0.230* (0.130)
Pos. Reciprocity gap				-0.076 (0.176)	
Female× Pos. Reciprocity gap				-0.038 (0.123)	
N	8501	8501	8501	8501	8501
Individual controls	X	X	X	X	X
<b>Panel B: Average preferences in the country of ancestry</b>					
	Patience	Risk-taking	Altruism	Pos. reciprocity	
Average Preference Male	0.171 (0.437)	0.026 (0.231)	-0.157 (0.315)	-0.121 (0.311)	
Average Preference Female	0.063 (0.383)	-0.190 (0.271)	-0.046 (0.326)	-0.103 (0.330)	
Gender Gap	-0.073 (0.185)	-0.159 (0.256)	0.060 (0.204)	-0.035 (0.202)	

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions in the NLSY correctly. Each column in Panel A controls for country-of-ancestry gender gap in a preference measure (i.e. the difference between the average female country-of-ancestry-level preference and the male country-level preference, taken from the GPS survey). Individual controls include information about survey year, age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment (for a complete list of estimates see Appendix Table A.6). Panel B reports the average measure of preferences at the country of ancestry level, by gender. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 3: Country-of-Ancestry Gender Gap in Financial Literacy Net of Preferences and Financial Knowledge in the US

Residuals from	(1) Patience	(2) Risktaking	(3) Altruism	(4) Pos. Reciprocity	(5) Altruism and Patience	(6) All
Female	-0.150*** (0.009)	-0.146*** (0.007)	-0.145*** (0.007)	-0.144*** (0.008)	-0.151*** (0.009)	-0.150*** (0.010)
Origin Country <i>S&amp;P</i> Gap Residuals	-0.317 (0.240)	-0.442* (0.229)	-0.445* (0.258)	-0.424 (0.260)	0.317 (0.253)	-0.290 (0.261)
Female×Origin Country <i>S&amp;P</i> Gap Residuals	0.501*** (0.094)	0.506*** (0.088)	0.528*** (0.099)	0.535*** (0.101)	0.514*** (0.107)	0.559*** (0.117)
$\hat{\beta}_2 + \hat{\beta}_3$	0.183 (0.191)	0.064 (0.232)	0.083 (0.225)	0.111 (0.223)	0.197 (0.191)	0.269 (0.183)
N	8858	8858	8858	8858	8858	8858
Individual controls	X	X	X	X	X	X

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions in the NLSY correctly. "Origin Country *S&P* Gap Residuals" are the residuals from a country level regression of country-of-ancestry gender gap in financial literacy (difference between the proportion of financially literate females and males in the country of ancestry, taken from the S&P FinLit survey) on male and female country-of-ancestry preferences measures (taken from the Global Preference Survey). In column (1) the ancestry country gender gap in financial literacy is regressed on patience levels and its residuals are used as control variable. A similar procedure is applied in column (2), (3) and (4), with different measures of preferences. In column (5) the ancestry country gender gap in financial literacy is regressed on patience and altruism levels, and its residuals are used as control variable. In column (6) a similar procedure is applied, using all the four preferences. Individual controls include information about survey year, age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment (for a complete list of estimates see Appendix Table A.6). Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table 4: Country-of-Ancestry Gender Gap in Financial Literacy Net of Preferences and Types of Financial Knowledge in the US

	(1) Interest rate	(2) Inflation	(3) Risk Diversification
Female	-0.064*** (0.005)	-0.095*** (0.006)	-0.114*** (0.011)
Origin Country <i>S&amp;P</i> Gap Residuals	-0.048 (0.086)	-0.128 (0.216)	-0.226 (0.152)
Female × Origin Country <i>S&amp;P</i> Gap Residuals	0.052 (0.055)	0.226** (0.103)	0.608*** (0.098)
N	8858	8858	8858
Individual controls	X	X	X

Notes: Each column presents OLS estimates of our model with a different LHS variable: whether the respondent has answered correctly the question on interest rate (column 1), inflation (column 2), or risk diversification (column 3) in the NLSY. "Origin Country *S&P* Gap Residuals" are the residuals from a country level regression of country-of-ancestry gender gap in financial literacy (difference between the proportion of financially literate females and males in the country of ancestry, taken from the S&P FinLit survey) on male and female country-of-ancestry measures of patience and altruism (taken from the Global Preference Survey). Individual controls include information about survey year, age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment (for a complete list of estimates see Appendix Table A.6). Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses.

\*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$

## Appendix

This Appendix provides details on the data used and evidence on the robustness of the analysis presented in the paper.

### *A.1 Sample restrictions*

To define our sample we use information collected by the NLSY on which country/region of ancestry the respondent self-identifies the most with. The exact wording of the question in the survey is: "What ethnic group do you identify with most?". This question was asked in 1979 to NLSY79 respondents and revised in 2002. For NLSY97 respondents, it was asked in 1999<sup>1</sup>.

The question was asked to all respondents and allowed them to give up to three possible answers in their order of preference. When available, we used the first and most preferred ethnic group to identify the respondent's country of ancestry. For those not responding to this first choice or responding that they were American, we used the second possible answers, ending up with country-of-ancestry information for a sample of 9,623 individuals, 5,929 of which from the NLSY79. As we do not have access to the geo-coded information from NLSY, we are unable to map immigrants' self-identified ancestry with the county of birth of their parents or grandparents. However, we do observe whether the respondent and his or her parents were foreign born. Using this information, as outlined in detail in [2], we can conclude that our sample is mostly focused on second- or higher-generations immigrants, mitigating both the self-selection of specific individuals in the country of destination and the possible exposure to country-of-ancestry institutions, which may affect our outcome of interest. Our approach has the advantage that it gives information on country of ancestry for a relatively larger sample of individuals, as compared to studies focusing exclusively on first- or second- generation individuals.

We restricted our sample to those countries/regions of ancestry with at least 5 cases of individuals, a standard restriction in this literature [3, 4]<sup>2</sup>, and we also excluded from our analysis those who identify with Hawaiian descent as no financial literacy is available for Hawaii in the S&P Survey.<sup>3</sup> In addition, for those ethnic groups that are not directly relatable to a country from the S&P Global FinLit Survey, we computed averages across countries.<sup>4</sup>

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<sup>1</sup> In the public-use NLSY there is no explicit information on the country of birth of the parents.

<sup>2</sup> This implied losing 3 individuals of Taiwanese ancestry and 4 of Vietnamese ancestry.

<sup>3</sup> Those of Hawaiian descent represent less than 1 percent of the full sample.

<sup>4</sup> Respondents declaring Arab descent were assigned as country-of-ancestry S&P FL Index the average score across the 15 Arab countries in the S&P Survey (Jordan, Palestine, Lebanon, Mauritania, Algeria, Tunisia, Sudan, Somalia, Egypt, Saudi Arabia, Yemen, Bahrain, Kuwait, Iraq, and the United Arab Emirates). Similarly, individuals stating Latin or Hispanic descent were assigned a value corresponding to the average financial literacy score across 16 Latin American countries (Brasil, Argentina, Colombia, Peru, Venezuela, Chile, Guatemala, Ecuador, Bolivia, Dominican Republic, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, and Uruguay). Those who reported being African American were assigned the average financial score across 31 countries in the African continent available in the S&P Survey (Algeria, Angola, Benin, Burundi, Burkina Faso, Botswana, Cameroon, Chad, Democratic Republic of Congo, Republic of Congo, Cote d'Ivoire, Gabon, Ghana, Kenya,

Individuals in our sample come from 27 different countries/regions of ancestry, covering four continents and different levels of development. Appendix Table A.5 provides a list of the countries, the number of observations and the average financial literacy in regions of ancestry and in the US. Countries of ancestry are ordered from highest to lowest gender gaps in financial literacy, measured as the proportion of financially literate women minus the proportion of financially literate men. It can be observed in the table that there is a large variation in the financial literacy gender gap across countries of ancestry. From the measure of financial literacy gender gap estimated using NLSY data<sup>5</sup>, we observe that a financial literacy gender gap is present in most of the country-of-ancestry groups across our sample of respondents. Figure 1 in the text plots the correlation between the financial literacy gender gap in the country of ancestry and the average gap among our sample of ethnically diverse Americans taking part in the NLSY. We observe a positive correlation between the two indicators revealing that the higher the proportion of financially literate women in the country of ancestry the better the relative performance in financial literacy in the US of women with respect to men. Based on the raw data in Figure 1, the regression line has slope of 0.424 with a standard error of 0.135.

## ***A.2 Country-level data:***

### ***Standard & Poor's Ratings Services Global Financial Literacy Survey***

Our main explanatory variable, a proxy for country-level social norms regarding the financial knowledge gender gap, is derived from the Standard & Poor's financial literacy index (S&P FL Index hereafter). The index is calculated using data from the 2014 Standard & Poor's Ratings Services Global Financial Literacy Survey, designed by the World Bank, Gallup, and the George Washington University, and it is the most comprehensive measurement of financial literacy around the globe [5]. The S&P index measures the share of a country's adult population that is financially knowledgeable by asking five questions on four basic financial concepts to more than 150,000 adults living in over 140 countries. The four financial concepts are risk diversification, inflation, interest and interest compounding and they measure concepts similar to the ones captured by the NLSY financial literacy index (the complete wording of the questions can be found in Appendix Table A.3). A respondent is defined as financially literate according to the S&P FL Index if she demonstrates understanding at least three out of the four financial concepts. Our measure for financial literacy gender gap in the country of ancestry is the difference between the share of women and the share of men that are financially literate in each country [6]. The Standard & Poor's Survey is the only available data source providing a comparable measure of financial literacy worldwide. Hence, we cannot use a past measure of country-of-ancestry financial literacy gender gap. However, following [3, 4], the use of

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Madagascar, Malawi, Mali, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, South Africa, Sudan, Tanzania, Togo, Uganda, Zambia, Zimbabwe).

<sup>5</sup> The gender gap in the NLSY sample is obtained from estimating at the ethnic group level the coefficient associated with the gender of the respondents in a linear regression where our financial literacy dummy variable is the dependent variable and a female dummy is the control variable.

contemporaneous measures is not uncommon in the epidemiological literature and to the extent that culture evolves slowly over time [7], using a contemporaneous measure is less problematic.

### ***Global Preference Survey***

The Global Preference Survey (GPS) was collected as part of the Gallup World Poll 2012, in the first comprehensive attempt to measure economic and social preferences at a global scale. The GPS elicited measures of preferences across countries in a comparable way by using a cross-culturally validated standardized protocol, about 80,000 participants distributed over 76 countries, and a median sample size of 1,000 participants per country. The GPS covers all continents, different levels of development and 90% of the global population [8].

Preferences in the following domains are measured: (1) patience and (2) risk-taking, which both capture preferences over the intertemporal timing of rewards; (3) positive reciprocity, which capture the costly willingness to reward kind actions; and (4) altruism. All domains were individually measured through 12 qualitative and quantitative questions items, ex-ante experimentally validated and pre-tested to cultural heterogeneities to provide comparable cross-countries measures of preferences. The GPS dataset provides individual-level standardized measures of preferences, such that each preference in the individual-level world sample has a mean of zero and a standard deviation of one. Our analysis collapsed each preference at the country-by-gender level using the sampling weights provided by Gallup following the same procedure as in [9]. We define the gender difference in preferences as the country-of-ancestry difference between average female and average male measure of a given preference. Precise descriptions of each of the domain and the average preferences in our sample are in Appendix Table A.4.

### ***Other variables***

To control for other characteristics that may influence the overall level of financial literacy at the country level, while also affecting individuals' financial literacy in the United States, we also collected a battery of additional country-of-ancestry variables on GDP per capita, education, institutional and cultural characteristics of the country. Definitions, data sources and basic descriptive statistics for these country-of-ancestry variables are shown in Appendix Table A.4.

### ***A.3 Results and robustness checks***

Table 1 in the text reports the association between respondents' financial literacy and gender differences in financial knowledge in the country of ancestry. The results presented are the

coefficients of an ordinary least squares regression (OLS) where the left-hand side variable (LHS) is financial literacy at the individual level. Table A.6 in the Appendix reports all the estimated coefficients for the individual-level variables included in the model in column 2, Table 1. Including regional and rural dummies (column 2) controls for economic and institutional regional differences that may correlate with financial literacy (such as differences across individuals from different educational systems or urban densities). Columns 3 and 4 control for age and educational levels to account for systematic cohort or education level differences across ancestries. Concerns that family structure differs systematically across countries/regions of ancestry and at the same time affects individuals' financial knowledge are addressed in column 5. Columns 6 and 7 address concerns that our coefficient of interest may be picking up differences in employment status of respondents or parental education or employment status when the respondents were teenagers.

Table A.7 and A.8 show that our results are also robust to the addition of a wide variety of country-level covariates. In fact, it may be that our estimates are capturing other country-of-ancestry characteristics, potentially correlated with both country-of-ancestry financial literacy gender gap and individuals' own financial knowledge in the U.S. For instance, female respondents from more economically developed countries of ancestries might be more financially literate for reasons unrelated to the average financial literacy gender gap in the country of ancestry. To account for this possibility, first we introduce in Table A.7 controls for different measures of ancestry-level quality or quantity of education, added one at a time and interacted with the gender dummy. Second, Table A.8 re-estimates our preferred specification adding country/region-of-ancestry legal, economic and financial development measures, following [11]. A complete description of the included controls can be found in Table A.4. Our coefficient of interest,  $\beta_3$ , ranges between 0.366 and 0.678, implying that adding ancestry-level controls either reduces our estimate by at most one third or increases it by a fifth, depending on the specification (given that in our preferred specification in column 2, Table 1,  $\beta_3 = 0.561$ ). The results, robust to country-level controls, confirm that greater gender convergence in the ancestry country is associated with an increase in women's financial literacy in the US relative to that of men (as indicated by a statistically significant and positive  $\beta_3$ ). Moreover, this effect is mostly driven by a reduction in men's over-performance relative to women from the same ancestry (as emerging from the statistically significant and negative estimate of  $\beta_2$ ).

Our main findings are also robust to a battery of robustness checks:

First, Appendix Table A.9 re-estimates our preferred specification (with individual controls as in Table A.6, column 2) after dropping a particular country/region of ancestry, one at a time. This exercise allows us to explore whether our results are driven by individuals from one of the largest cultures of ancestry in our sample (African Americans, Germans, English, Irish, and Mexicans).

One concern of our analysis is that the gender difference in financial knowledge in each country may reflect, more generally, gendered attitudes towards human capital accumulation or systematic gender differences across ancestries in unmeasured dimensions of human capital. To control for the possibility that our results may be driven by unmeasured human capital, we

conduct three additional checks. Appendix Table A.10 includes more controls for parents' education, wealth, and financial sophistication when the respondent was a teenager (information about whether parents were homeowners, invested in stock, had debt, or had savings when the respondent was 14 years old is only available for the NLSY97, hence, the sample is considerably reduced in columns 2 to 5). Despite a smaller sample size, the association between culture and the financial literacy gender gap remains robust. Appendix Table A.11 estimates our preferred specification with additional controls for respondents' cognitive and non-cognitive skills. Cognitive ability is measured with the respondent's position in the I.Q. distribution and non-cognitive skills are measures of respondents' risk-taking attitudes, interest in contemporary issues, and personality traits (some of these measures were only available for one of the two NLSY cohorts). Our coefficient of interest remains statistically significant at the 1 percent level, suggesting that these newly introduced individuals' characteristics are not driving our findings. Finally, we conduct several falsification checks, in Appendix Table A.12, replacing the left-hand-side variable with different dimensions of the respondent's human capital which are likely to differ across genders but are not directly related to financial literacy, such as respondent's height, weight, employment status, and criminal records. Evidence of a relationship between these alternative outcomes and the country-of-ancestry financial literacy gender gap would suggest that the S&P FL index has a general explanatory power for respondents' outcomes and not for individuals' financial literacy per se. While the outcomes differ between genders, none of the estimated interactions between gender and S&P literacy gender gap are significant, suggesting that our main finding is not capturing other confounding factors such as unmeasured human capital.

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## Appendix Tables

Table A.1: NLSY Financial Literacy Questions

Question	Possible answers
<i>Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, would you be able to buy more than, exactly the same as, or less than today with the money in this account?</i>	more, the same, less, don't know; refused to answer
<i>Do you think that the following statement is true or false? Buying a single company stock usually provides a safer return than a stock mutual fund</i>	true, false, don't know; refused to answer
<i>Suppose you had 100 dollars in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?</i>	more than 102, exactly 102, less than 102, don't know; refused to answer

Note: Financial literacy questions from the NLSY79 and NLSY97.

Table A.2: Summary Statistics of Key Variables

	Mean	Std.	Min	Max	N
NLSY FL Index	0.41	0.49	0	1	9,623
Female Financial Literacy	0.34	0.47	0	1	4,978
Male Financial Literacy	0.48	0.50	0	1	4,645
Survey 1979 (older cohort)	0.73	0.44	0	1	9,623
Age	44.32	11.98	22	60	9,623
Female	0.49	0.50	0	1	9,623
Family size	2.70	1.39	1	16	9,623
<i>Marital status:</i>					
Single	0.19	0.38	0	1	9,623
Married	0.16	0.37	0	1	9,623
Divorced	0.65	0.48	0	1	9,623
<i>Degree:</i>					
at most High School	0.58	0.49	0	1	9,623
Junior College	0.10	0.30	0	1	9,623
College	0.21	0.41	0	1	9,623
College+	0.09	0.29	0	1	9,623
Employed	0.79	0.41	0	1	9,623
Northeast	0.17	0.38	0	1	9,623
Northcentral	0.29	0.45	0	1	9,623
West	0.20	0.40	0	1	9,623
South	0.35	0.48	0	1	9,623
Rural	0.22	0.42	0	1	9,623
Urban	0.8	0.42	0	1	9,623
Born Abroad	0.04	0.19	0	1	9,623
<i>Mother:</i>					
at most High School	0.77	0.41	0	1	9,623
Some College	0.11	0.32	0	1	9,623
College+	0.11	0.31	0	1	9,623
Employed	0.60	0.29	0	1	9,623
<i>Father:</i>					
at most High School	0.71	0.45	0	1	8,518
some College	0.11	0.31	0	1	8,518
College+	0.18	0.38	0	1	8,518
Employed	0.94	0.24	0	1	7,398
Life Satisfaction	0.64	0.48	0	1	9,060
<i>IQ:</i>					
1 <sub>st</sub> quartile	0.25	0.43	0	1	9,414
2 <sub>nd</sub> quartile	0.25	0.43	0	1	9,414
3 <sub>rd</sub> quartile	0.25	0.43	0	1	9,414
4 <sub>th</sub> quartile	0.25	0.43	0	1	9,414
Years of Education	13.82	2.59	0	20	9,591
Ever arrested	0.19	0.39	0	1	9,464
Risk-Taker(1)	5.03	2.63	0	10	9,272
Risk-Taker(2)	3.50	2.90	0	10	9,546
Interested in News	4.51	2.03	0	7	5,885
Locus of Control	8.49	2.39	4	16	5,925
Hard Worker	1.86	1.41	1	7	3,659
Following Rules	4.61	1.77	1	7	3,659
<i>Parental wealth/financial sophistication:</i>					
Owning a house	0.72	0.45	0	1	3,840
Having debt	0.57	0.49	0	1	3,646
Having savings	0.70	0.46	0	1	3,660
Owning stocks	0.19	0.39	0	1	3,647

Note: Average, standard deviation, minimum and maximum values, and number of observation for each NLSY variable used in the analysis. The variation in sample size for some of the variables is due to certain items being present only in NLSY79 or NLSY97. Means are weighted to represent the US population.

Table A.3: Financially Literacy Questions in the 2014 Standard & Poor's Ratings Services Global Financial Literacy Survey

Concept	Question	Possible answers
<b>Risk Diversification</b>	<i>Suppose you have some money. Is it safer to put your money into one business or investment, or to put your money into multiple businesses or investments?</i>	one business or investment; multiple businesses or investments; don't know; refused to answer
<b>Inflation</b>	<i>Suppose over the next 10 years the prices of the things you buy double. If your income also doubles, will you be able to buy less than you can buy today, the same as you can buy today, or more than you can buy today?</i>	less; the same; more; don't know; refused to answer
<b>Compound Interest</b>	<i>Suppose you put money in the bank for two years and the bank agrees to add 15 percent per year to your account. Will the bank add more money to your account the second year than it did the first year, or will it add the same amount of money both years?</i> <i>Suppose you had 100 US dollars in a savings account and the bank adds 10 percent per year to the account. How much money would you have in the account after 5 years if you did not remove any money from the account?</i>	more; the same; don't know; refused to answer  more than 150 dollars; exactly 150 dollars; less than 150 dollars; don't know; refused to answer
<b>Numeracy</b>	<i>Suppose you need to borrow 100 US dollars. Which is the lower amount to pay back: 105 US dollars or 100 US dollars plus three percent?</i>	105 US dollars; 100 US dollars plus three percent; don't know; refused to answer

Note: Financial Literacy questions used by the 2014 Standard & Poor's Ratings Services Global Financial Literacy Survey.

Table A.4: Summary Statistics of Country-Level Variables

Variable	Definition and Source	Mean	SD
S&P FL Index	Percentage of adults that answered correctly at least 3 out of 4 questions from the 2014 Standard & Poor's Ratings Services Global Financial Literacy Survey ([5]).	0.432	0.168
Origin Country Female FL	Proportion of women who are financially literate in a given country, as measured by the the 2014 Standard & Poor's Ratings Services Global Financial Literacy Survey ([9]).	0.404	0.166
Origin Country Male FL	Proportion of men who are financially literate in a given country, as measured by the the 2014 Standard & Poor's Ratings Services Global Financial Literacy Survey ([9]).	0.459	0.176
Origin Country S&P Gap	Difference between proportion of women and men who are financially literate in country of ancestry, from the 2014 Standard & Poor's Ratings Services Global Financial Literacy Survey ([9]).	-0.054	0.055
Literacy Rate	Percentage of the population age 15 and above who can read and write a short, simple statement on their everyday life. This indicator is calculated by dividing the number of literates aged 15 years and over by the corresponding age group population and multiplying the result by 100. Averaged over the period 2000-2007 and the result was formatted as a number between 0 and 1. Source: World Bank Development Indicators, CIA factbook and <a href="https://world.bymap.org/LiteracyRates.html">https://world.bymap.org/LiteracyRates.html</a> .	0.92	0.12
Numeracy Rate	Average score of 15-year-old students on the PISA mathematics scale. The metric for the overall mathematics scale is based on a mean for OECD countries of 500 points and a standard deviation of 100 points. The test score is the average of the 2012 and 2015 tests. Source: World Bank Development Indicators.	477.09	56.19
PISA 2012	Average score of 15-years-old students on the PISA 2012 reading scale. The metric for the overall mathematics scale is based on a mean for OECD countries of 500 points and a standard deviation of 100 points. Source: OECD.	485.05	54.94
Secondary Enrollment	Ratio of total enrollment, regardless of age, to the population of the age group that officially corresponds to the level of education shown. Source: UNESCO Institute for Statistics.	101.93	20.26
Per student expenditures	General government expenditure on education (current, capital, and transfers) expressed as a percentage of total general government expenditure on all sectors (including health, education, social services, etc.). Source: UNESCO Institute for Statistics.	22.36	18.62

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Table A.4 – *Continues from previous page*

Variable	Definition and Source	Mean	SD
log (GDP per capita)	PPP Converted GDP Per Capita (Laspeyres), derived from growth rates of c, g, i, at 2005 constant prices measured in 2005 International \$ per person; averaged over the period 2000–2005 and then its log is taken. Source: Alan Heston, Robert Summers and Bettina Aten, Penn World Table Version 7.1 Center for International Comparisons of Production, Income and Prices at the University of Pennsylvania, November 2012.	4.03	0.63
Social Contribution Rate	Social contributions (% of revenues) include social security contributions by employees, employers, and self-employed individuals, and other contributions whose source cannot be determined. They also include actual or imputed contributions to social insurance schemes operated by governments. The values between 2006 and 2015 were averaged. Source: World Bank Development Indicators	18.14	15.93
Legal Rights	Strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. The index ranges from 0 to 10, with higher scores indicating that these laws are better designed to expand access to credit. We use the 2004–2005 average index. Source: Warnock & Warnok (2008)	5.95	2.04
Credit Information Index	Depth of credit information index measures rules affecting the scope, accessibility, and quality of credit information available through public or private credit registries. The index ranges from 0 to 6, with higher values indicating the availability of more credit information, from either a public registry or a private bureau, to facilitate lending decisions. We use the 2003–2005 average index. Source: Warnock & Warnok (2008).	4.13	1.64
Capitalization	Stock Market Capitalization of listed domestic companies as % of GDP. Market capitalization (also known as market value) is the share price times the number of shares outstanding (including their several classes) for listed domestic companies. We use the 1996–2010 average. Source: World Bank Development Indicators.	0.52	0.29

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Table A.4 – *Continues from previous page*

Variable	Definition and Source	Mean	SD
Credit to GDP ratio	Domestic credit to private sector (as a % of GDP) refers to financial resources provided to the private sector by financial corporations, such as through loans, purchases of nonequity securities, and trade credits and other accounts receivable, that establish a claim for repayment. Values averaged between 2000 and 2007, then expressed as a value between 0 and 1. Source: World Bank Development Indicators.	0.82	0.45
Ease of Doing Business Index	Lower values indicate better regulations for businesses and stronger protections of property rights. Source: World Bank's Doing Business Reports.	69.42	11.79
Investment Freedom	The Index evaluates a variety of regulatory restrictions imposed on investment. Points are deducted from an the ideal score of 100 for each of the restrictions found in a country's investment regime. The values between 2000-2005 were averaged. Source: Index of Economic Freedom.	59.68	16.92
Business Freedom	The index measures the extent to which the regulatory and infra-structure environments constrain the efficient operation of businesses. It is a number between 0 and 100, with 100 indicating the freest business environment. The values between 2000-2005 were averaged. Source: Index of Economic Freedom.	66.25	12.07
Patience Gap	Combination of quantitative and qualitative answers on the willingness to wait (difference between average patience of women in country of origin and average patience of men in country of origin). Source: Global Preferences Survey [8].	-0.073	0.185
Risk-taking Gap	Quantitative and qualitative questions aiming to measure the individual's certainty equivalent (difference between average score of women in country of origin and average men score in country of origin). Source: Global Preferences Survey [8].	-0.159	0.256
Positive Reciprocity Gap	Respondents' propensities to act in a positively reciprocal way (difference between average women score in country of origin and average men score). Source: Global Preferences Survey [8].	-0.035	0.202
Altruism Gap	Combination of one qualitative and one quantitative item, both of which are related to donations (difference between average altruism of women in country of origin and average men altruism in country of origin). Source: Global Preferences Survey [8].	0.060	0.204

Table A.5: Financial Literacy Gaps by Ancestry Country

	Financial Literacy Gap		N
	in Country of Ancestry	in NLSY	
Dutch	-0.1655	-0.3307	92
Italian	-0.1494	-0.2409	331
Polish	-0.1337	-0.1988	173
German	-0.1180	-0.1591	1,439
Danish	-0.0957	0.3162	22
French	-0.0844	-0.1485	424
Puerto Rican	-0.0821	-0.1444	269
Indian	-0.0762	-0.1342	59
Korean	-0.0736	-0.0779	23
Vietnamese	-0.0716	-0.6666	17
Irish	-0.0701	-0.2260	675
Greek	-0.0686	0.1931	27
Latin American	-0.0675	-0.1364	205
Russian	-0.0668	-0.1111	60
Portuguese	-0.0650	-0.3235	33
Norwegian	-0.0647	-0.2802	68
Arab	-0.0577	-0.0072	41
African American	-0.0512	-0.0935	2,700
Spanish	-0.0241	-0.0996	103
Swedish	-0.0208	-0.2878	60
Chinese	-0.0179	-0.1889	38
Haitian	0.0145	0.4	10
Filipinos	0.0167	0.1125	57
Hungarian	0.0238	0.0303	20
English	0.0258	-0.1118	1,678
Japanese	0.0273	-0.0114	19
Mexican	0.0457	-0.1001	1,245
Mean	-0.0545	-0.1121	
SD	0.0553	0.2094	
Total			9,623

Notes: Financial literacy gap in the country of ancestry is the difference between the proportion of financially literate women and financially literate men in a given country. The financial literacy gap in the NLSY data is obtained by estimating linear regressions for each ancestry group, where the financial literacy dummy is the LHS variable and a female dummy is the RHS variable. A negative gender gap (i.e., a negative estimated coefficient associated with the female dummy) indicates that women are, on average, less financially knowledgeable than men for a given ethnicity of ancestry. Means for the sample are weighted.



Table A.6: Gender Gap in Financial Literacy in the US and in the Country of Ancestry: Individual Controls

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Female	-0.116*** (0.010)	-0.117*** (0.010)	-0.117*** (0.010)	-0.127*** (0.008)	-0.129*** (0.008)	-0.124*** (0.008)	-0.123*** (0.008)
Origin Country <i>S&amp;P</i> Gap	-0.543 (0.387)	-0.478 (0.418)	-0.484 (0.419)	-0.454* (0.254)	-0.481* (0.243)	-0.479* (0.236)	-0.497** (0.225)
Female $\times$ Origin Country <i>S&amp;P</i> Gap	0.462*** (0.126)	0.447*** (0.129)	0.450*** (0.129)	0.523*** (0.106)	0.548*** (0.106)	0.562*** (0.100)	0.561*** (0.094)
NLSY79	0.127*** (0.012)	0.125*** (0.011)	0.058 (0.046)	0.090* (0.045)	0.049 (0.043)	0.056 (0.043)	0.033 (0.047)
Northeast		0.033 (0.021)	0.033 (0.021)	0.019 (0.018)	0.021 (0.017)	0.019 (0.017)	0.019 (0.015)
Northcentral		0.042 (0.031)	0.042 (0.031)	0.039 (0.026)	0.039 (0.026)	0.038 (0.026)	0.037 (0.024)
West		0.023 (0.028)	0.024 (0.028)	0.021 (0.020)	0.021 (0.018)	0.021 (0.018)	0.017 (0.017)
Rural		-0.036** (0.016)	-0.036** (0.016)	-0.020** (0.010)	-0.023** (0.009)	-0.023** (0.009)	-0.021** (0.009)
Age			0.016* (0.009)	0.009 (0.008)	0.005 (0.008)	0.005 (0.008)	0.008 (0.008)
Age $\times$ Age			-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)
Education: <i>Junior College</i>				0.104*** (0.023)	0.103*** (0.023)	0.100*** (0.023)	0.093*** (0.023)
<i>College</i>				0.318*** (0.008)	0.319*** (0.009)	0.315*** (0.010)	0.293*** (0.011)
<i>College+</i>				0.368*** (0.024)	0.367*** (0.025)	0.362*** (0.025)	0.333*** (0.025)
Married					0.025 (0.017)	0.027 (0.016)	0.026 (0.016)
Divorced					0.088*** (0.025)	0.087*** (0.025)	0.085*** (0.025)
Family Size					-0.000 (0.003)	-0.000 (0.003)	-0.001 (0.002)
Born Abroad					0.039 (0.042)	0.039 (0.042)	0.047 (0.041)
Employed						0.028** (0.012)	0.027** (0.013)
Mother education: <i>Some college</i>							0.055** (0.020)
<i>College+</i>							0.099*** (0.013)
Mother Employed							-0.016** (0.007)
Constant	0.358*** (0.043)	0.347*** (0.050)	-0.012 (0.193)	-0.031 (0.151)	0.009 (0.150)	-0.037 (0.147)	-0.071 (0.148)
N	9623	9623	9623	9623	9623	9623	9623
r2	0.035	0.038	0.039	0.127	0.130	0.133	0.136

Notes: OLS estimates are reported. The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions correctly in the NLSY. "Origin Country S&P Gap" is the difference between the proportion of financially literate women and proportion of financially literate men in country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses.\*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table A.7: Gender Gap in Financial Literacy in the US and in the Country of Ancestry: Country-of-Ancestry Human Capital Controls

	(1) Financial Literacy	(2) Literacy	(3) Numeracy	(4) PISA 2012	(5) Secondary Enrollment (%)	(6) Per student Expenditures	(7) All
Female	-0.100 *** (0.032)	0.040 (0.032)	0.031 (0.034)	0.020 (0.036)	-0.040** (0.018)	-0.101*** (0.031)	-0.183 (0.191)
Origin country <i>S&amp;P</i> Gap	-0.545*** (0.014)	-0.392*** (0.135)	-0.255*** (0.087)	-0.257** (0.097)	-0.503*** (0.141)	-0.521*** (0.182)	-0.236** (0.098)
Female $\times$ <i>S&amp;P</i> gap	0.576*** (0.123)	0.426*** (0.088)	0.366*** (0.098)	0.370*** (0.098)	0.471*** (0.087)	0.477*** (0.084)	0.610*** (0.081)
Female $\times$ Financial Literacy	-0.042 (0.054)						-1.43*** (0.029)
Female $\times$ Literacy Rate		-0.176*** (0.037)					0.231 (0.399)
Female $\times$ Numeracy Rate			-0.000*** (0.000)				-0.007** (0.003)
Female $\times$ PISA 2012				-0.000*** (0.000)			0.007** (0.003)
Female $\times$ Enrollment					-0.001*** (0.000)		-0.002 (0.001)
Female $\times$ Expenditures						-0.001 (0.001)	0.001** (0.000)
N	9,623	11722	11283	11283	11687	11061	10573
r <sup>2</sup>	0.142	0.142	0.143	0.142	0.142	0.137	0.145
Individual controls	X	X	X	X	X	X	X

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions correctly in the NLSY. "Origin Country *S&P* Gap" refers to the difference between the proportion of financially literate females and males in the country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Individual controls include information about year of survey, age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment. Each column add a different control variable measured at the country of origin level, and its interaction with the gender dummy. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table A.8: Gender Gap in Financial Literacy in the US and in the Country of Ancestry:Country-of-Ancestry Economic and Financial Development Controls

	(1) GDP	(2) Social Contributions	(3) Credit to GDP ratio	(4) Capitalization	(5) Ease of Business Index	(6) Investment Freedom	(7) Business Freedom	(8) Legal Rights	(9) Credit Info	(10) All
Female	-0.058 (0.057)	-0.129*** (0.022)	-0.085*** (0.020)	-0.095*** (0.020)	-0.019 (0.038)	-0.053 (0.041)	0.017 (0.058)	-0.095** (0.036)	-0.085** (0.033)	0.016 (0.125)
Origin country <i>S&amp;P</i> gap	-0.487*** (0.135)	-0.167 (0.254)	-0.643*** (0.105)	-0.531*** (0.181)	-0.660*** (0.082)	-0.301** (0.135)	-0.767*** (0.099)	-0.835*** (0.140)	-0.553*** (0.166)	-1.235*** (0.129)
Female × <i>S&amp;P</i> gap	0.549*** (0.103)	0.612*** (0.162)	0.615*** (0.143)	0.678*** (0.140)	0.601*** (0.140)	0.484*** (0.113)	0.657*** (0.127)	0.617*** (0.150)	0.567*** (0.118)	1.177*** (0.118)
Female × log(GDP/CAPITA)	-0.016 (0.014)									-0.020 (0.100)
Female × Social Contributions		0.000 (0.001)								0.004*** (0.001)
Female × Credit to GDP ratio			-0.037* (0.018)							-0.065 (0.070)
Female × Capitalization				-0.032* (0.018)						-0.008 (0.069)
Female × Ease of Business Index					-0.001** (0.001)					-0.007 (0.006)
Female × Investment Freedom						-0.001 (0.001)				0.000 (0.002)
Female × Business Freedom							-0.002** (0.001)			0.005* (0.003)
Female × Legal Rights								-0.003 (0.004)		0.011 (0.015)
Female × Credit Info									-0.007 (0.006)	-0.002 (0.010)
Constant	-0.314* (0.172)	-0.079 (0.155)	-0.172 (0.142)	-0.158 (0.150)	-0.336** (0.151)	-0.225 (0.159)	-0.388** (0.175)	-0.183 (0.157)	-0.157 (0.165)	-0.285* (0.161)
N	9623	9623	9563	9344	9623	9354	9354	9623	9613	9284
Individual controls	X	X	X	X	X	X	X	X	X	X

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions correctly in the NLSY. "Origin Country *S&P* Gap" refers to the difference between the proportion of financially literate females and males in the country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Individual controls include information about survey year, age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment. Each column adds a different control variable measured at the country of ancestry level, and its interaction with the gender dummy. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table A.9: Gender Gap in Financial Literacy in the US and in the Country of Ancestry: Different Samples

The following group is excluded:					
	(1) African Americans	(2) English	(3) Germans	(4) Mexicans	(5) Irish
Female	-0.129*** (0.007)	-0.115*** (0.020)	-0.123*** (0.010)	-0.124*** (0.010)	-0.118*** (0.008)
Origin Country <i>S&amp;P</i> Gap	-0.491*** (0.162)	-1.109*** (0.206)	-0.378 (0.247)	-0.408* (0.212)	-0.469* (0.238)
Female $\times$ Origin Country <i>S&amp;P</i> Gap	0.546*** (0.102)	0.621*** (0.160)	0.681*** (0.122)	0.556*** (0.104)	0.530*** (0.084)
N	6923	8189	8184	8378	8948
Individual controls	X	X	X	X	X

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions correctly in the NLSY survey. "Origin Country *S&P* Gap" refers to the difference between the proportion of financially literate women and men in the country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Individual controls include information about survey year, age, education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment. Each column excludes the specified country of ancestry. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table A.10: Effect of Country-of-Ancestry Financial Literacy: Parents' Education and Financial Sophistication

	(1) Father education	(2) Homeowners	(3) Stocks	(4) Debt	(5) Savings
Female	-0.128*** (0.008)	-0.126*** (0.023)	-0.120*** (0.021)	-0.126*** (0.022)	-0.122*** (0.023)
Origin Country <i>S&amp;P</i> Gap	-0.465** (0.184)	-0.855*** (0.223)	-0.795*** (0.207)	-0.813*** (0.224)	-0.792*** (0.215)
Female $\times$ Origin Country <i>S&amp;P</i> Gap	0.561*** (0.087)	1.077*** (0.167)	1.069*** (0.159)	1.045*** (0.162)	1.062*** (0.171)
Father education <i>Some college</i>	0.037* (0.019)				
<i>College+</i>	0.034* (0.020)				
Father employed	0.071*** (0.010)				
Parents homeowners		0.037* (0.021)			
Parents with stocks			0.066*** (0.015)		
Parents with debt				0.011 (0.014)	
Parents saving					0.062*** (0.013)
N	6851	3480	3647	3646	3660
Individual controls	X	X	X	X	X

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions correctly in the NLSY survey. "Origin Country *S&P* Gap" refers to the difference between the proportion of financially literate women and men in the country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Individual controls include information about survey year, age, education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment. Each column adds controls related to parents characteristics when the respondents were 14 years old (father having an education (1), parents being homeowners (2), having stocks (3), debts (4) or savings(5)). Columns (3) to (5) are restricted to NLSY97 for data availability. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table A.11: Effect of Country-of-Ancestry Financial Literacy: Cognitive and Non-Cognitive Skills

	(1)	(2)	(3)	(4)	(5)
	Full Sample		NLSY79		NLSY97
Female	-0.082*** (0.011)	-0.083*** (0.019)	-0.047 (0.058)	-0.092*** (0.031)	-0.121** (0.045)
Origin Country <i>S&amp;P</i> Gap	-0.311*** (0.068)	-0.502** (0.236)	-0.307 (0.212)	-0.330 (0.224)	-0.674*** (0.144)
Female $\times$ Origin Country <i>S&amp;P</i> Gap	0.467*** (0.135)	0.554*** (0.090)	0.311*** (0.103)	0.317*** (0.097)	1.084*** (0.157)
IQ ( $2^{\text{nd}}$ quantile)	0.076*** (0.009)				
IQ ( $3^{\text{rd}}$ quantile)	0.241*** (0.018)				
IQ ( $4^{\text{th}}$ quantile)	0.434*** (0.030)				
Female $\times$ IQ ( $2^{\text{nd}}$ quantile)	0.013 (0.020)				
Female $\times$ IQ ( $3^{\text{rd}}$ quantile)	-0.069** (0.032)				
Female $\times$ IQ ( $4^{\text{th}}$ quantile)	-0.079*** (0.025)				
Risk Taker (1)		0.000 (0.003)			
Risk Taker (2)		0.015*** (0.003)			
Female $\times$ Risk Taker (1)		-0.008* (0.005)			
Female $\times$ Risk Taker (2)		0.003 (0.006)			
Interested in news			0.025** (0.010)		
Female $\times$ Interested in news			-0.015 (0.013)		
Locus of Control				-0.012*** (0.003)	
Female $\times$ Locus of Control				-0.003 (0.003)	
Hard worker					-0.009 (0.009)
Following rules					0.011 (0.008)
Female $\times$ Hard worker					0.005 (0.012)
Female $\times$ Following rules					-0.002 (0.009)
N	9414	9264	5885	5925	3659
Individual controls	X	X	X	X	X

Notes: The dependent variable is a dummy equal to one if the respondent has answered all three financial literacy questions correctly in the NLSY survey. "Origin Country *S&P* Gap" refers to the difference between the proportion of financially literate women and men in the country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Individual controls include information about survey year, age, education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment. Column (1) adds controls for IQ quartiles; column (2) add controls for a general attitude towards risk in life (Risk Taker(1)), and a specific risk attitude in financial matters (Risk Taker(2)). Columns (3) and (4) are restricted to NLSY79 for data availability and add controls for interest in reading newspapers and locus of control. Column (5) is restricted to NLSY97 and controls for hard-working and rule-abiding attitudes. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table A.12: Effect of Country-of-Ancestry Financial Literacy on Other Outcomes: Falsification Test

	(1) Height (inch)	(2) Weight (pound)	(3) Employed	(4) Ever Arrested
Female	-1.317*** (0.235)	-33.883*** (2.276)	-0.083** (0.011)	-0.195*** (0.013)
Origin Country <i>S&amp;P</i> Gap	1.647 (1.451)	-21.528 (14.407)	-0.040 (0.171)	0.098 (0.093)
Female $\times$ Origin Country <i>S&amp;P</i> Gap	-3.027 (3.054)	15.794 (19.672)	-0.226 (0.147)	-0.189 (0.148)
N	9060	9591	9623	9464
Individual controls	X	X	X	X

Notes: The dependent variable is, respectively, (1) height in inches, (2) weight in pounds, (3) whether the individual is employed and (4) whether the individual has ever been arrested. "Origin Country *S&P* Gap" refers to the difference between the proportion of financially literate females and males in the country of ancestry, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Individual controls include information about survey year, age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .

Table A.13: Country-of-Ancestry Gender Gap in Financial Literacy and Types of Financial Knowledge in the US

	Interest Rate (1)	Inflation (2)	Risk Diversification (3)
Female	-0.066*** (0.007)	-0.086*** (0.006)	-0.081*** (0.009)
Origin country <i>S&amp;P</i> gap	-0.124 (0.074)	-0.271 (0.176)	-0.320** (0.129)
Female $\times$ Origin country <i>S&amp;P</i> gap	0.038 (0.068)	0.230** (0.103)	0.630*** (0.138)
N	9623	9623	9623
Baseline controls	X	X	X

Notes: Each column presents OLS estimates of our model as in Equation (1) with a different dependent variable: whether the respondent has answered correctly the question on interest rate (column 1), inflation (column 2), or risk diversification (column 3) in the NLSY. "Origin Country *S&P* Gap" refers to the difference between the average female country-of-ancestry-level financial literacy and the male country-level financial literacy, taken from the S&P FinLit survey (% of adult population who answered correctly 3 out of 4 financial literacy questions). Baseline controls include information about age, individual's education, place of residence, marital and employment status, family size, whether the individual is born abroad, mother's education and employment. Results are weighted and errors are clustered at the country of ancestry level. Standard errors in parentheses. \*  $p < 0.1$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ .