
Financial literacy of the youth in the South Pacific: the role of socialization and cognitive abilities

Patrick Roger^{*1}, Steve Agnew[†], and Tristan Roger[‡]

¹Large Research Center, EM Strasbourg – EM Strasbourg Business School, Strasbourg University
(LaRGE) – France

Résumé

The link between financial literacy and quality of economic and financial decisions is largely documented in the literature. Less well understood are the driving factors of financial literacy, especially among teenagers and young adults. This topic is important because many governments have launched costly financial education programs on the basis of the above link, without knowing whether it reveals a correlation or a causality between financial literacy and financial education. In this empirical paper, we show that the main determinants of financial literacy among New Zealand teenagers (15 to 19 years old) are financial socialization (family and friends) and multidimensional cognitive abilities, mainly fluid intelligence, cognitive reflection and approximate numeracy. These determinants remain valid after controlling for a large set of potential confounding factors.

Mots-Clés: financial literacy, socialization, cognitive abilities

*Intervenant

†Auteur correspondant: steve.agnew@canterbury.ac.nz

‡Auteur correspondant: tristan.roger@icn-artem.com