



Visa's International Barometer of Women's Financial Literacy

April 17, 2013

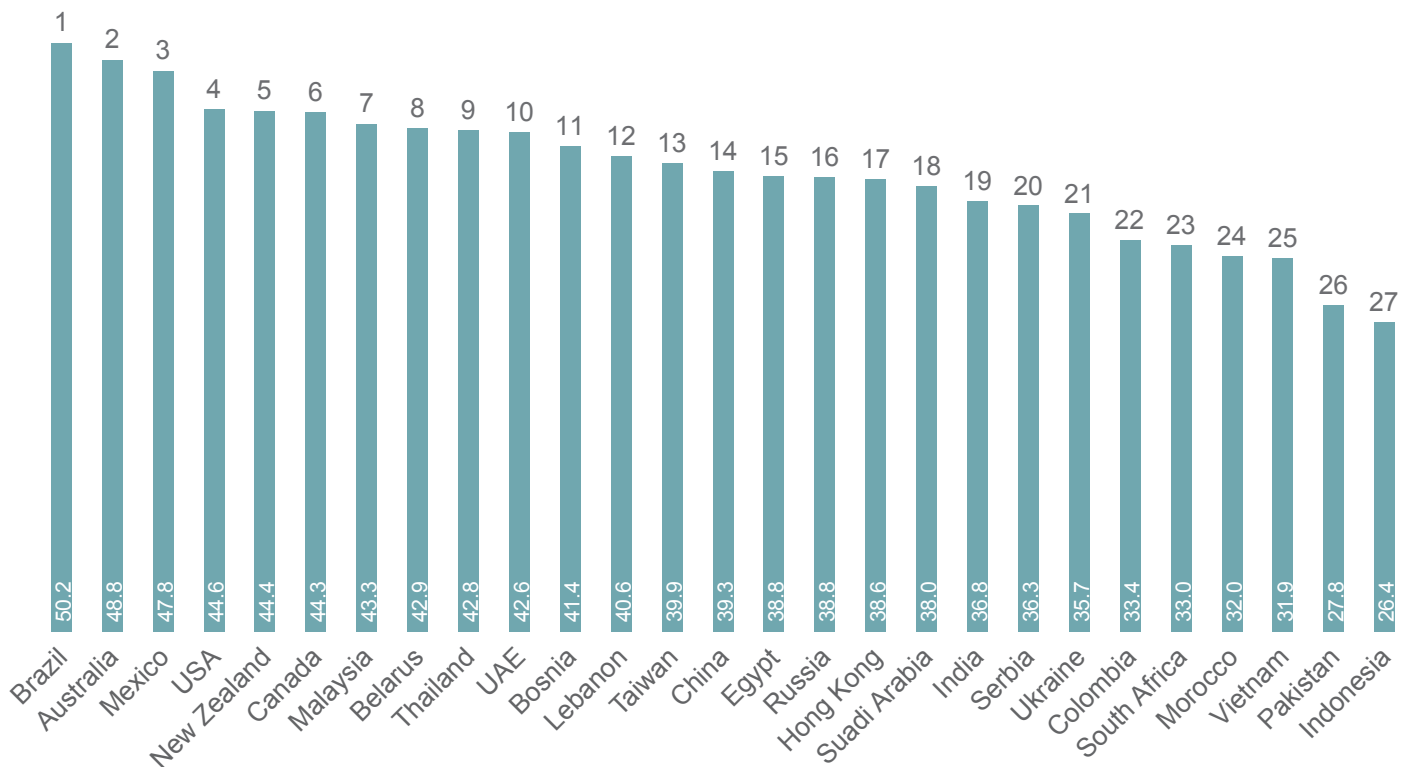


INTRODUCTION

Visa wanted to gauge the strength and weaknesses of financial education worldwide in order to identify opportunities for improvement. In 2012 Visa conducted a survey with 25,000 participants in 27 countries. Roughly equal numbers of men and women were surveyed in each country and not surprisingly, the types of responses given varied, both by gender overall and by gender within particular countries. The charts and data that follow show rankings for each country based on women's responses.

WOMEN'S OVERALL RANKING BY COUNTRY *(Most financially literate, left to right.)*

HIGHLIGHTS: Women in Brazil topped the field in overall rankings, with Australia, Mexico, the United States and New Zealand rounding out the Top 5. Interestingly, women's overall rankings in Brazil were slightly lower than men's, slightly higher in Mexico and New Zealand, virtually identical in the U.S., and significantly higher in Australia.

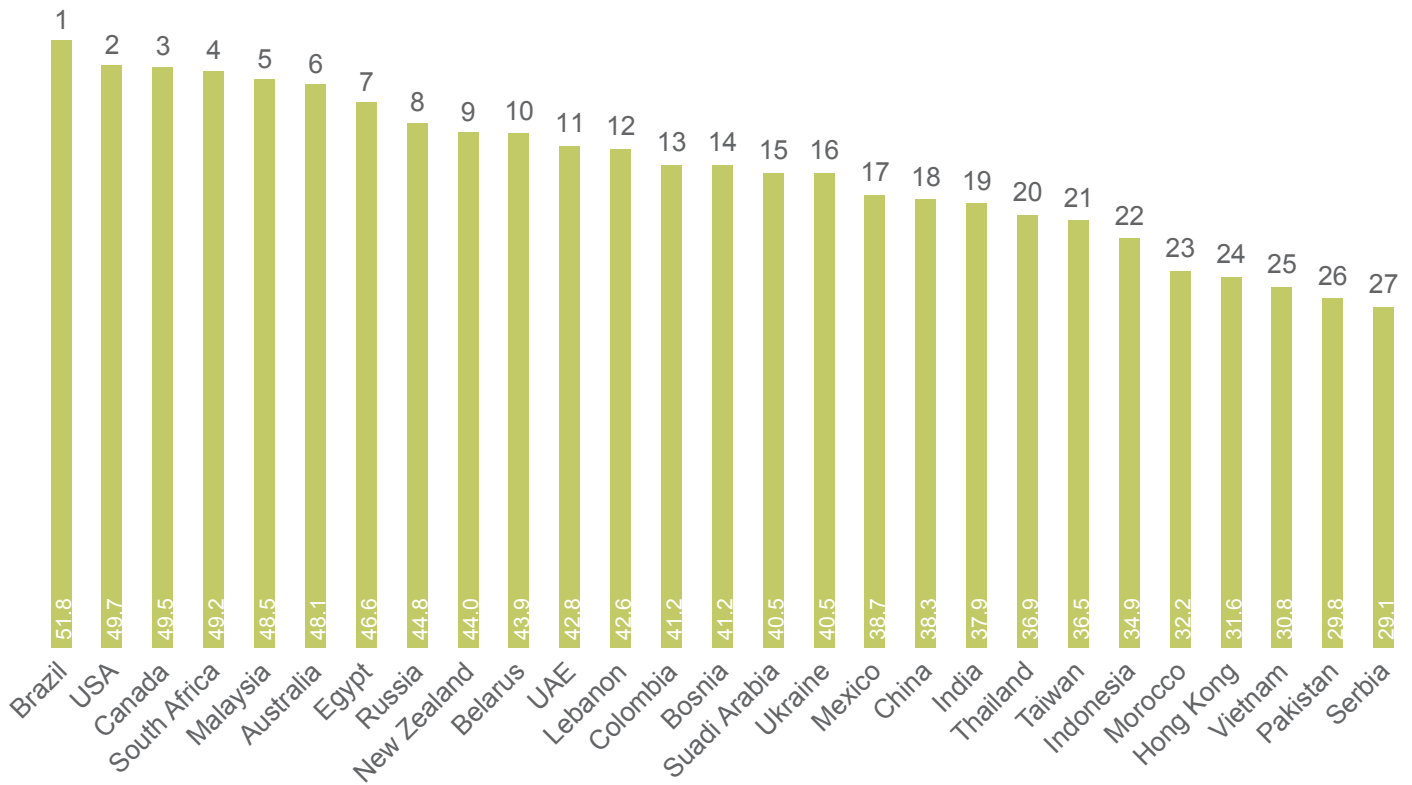


The overall country scoring is a 0-100 index based on the five individual 0-100 scores for **budgeting** (25%), **emergency savings** (25%), **frequency in talking to children about money** (25%), **perception of young peoples' money skills** (12.5%), and the **desired age to begin formal personal finance lessons** (12.5%).

Q1: Visa Asked Women in 27 Countries

Do you have and follow a household budget?

HIGHLIGHTS: Women from Brazil, the U.S., Canada and South Africa scored the highest. Overall, women in 17 of 27 countries score less favorably than men when it comes to budgeting.



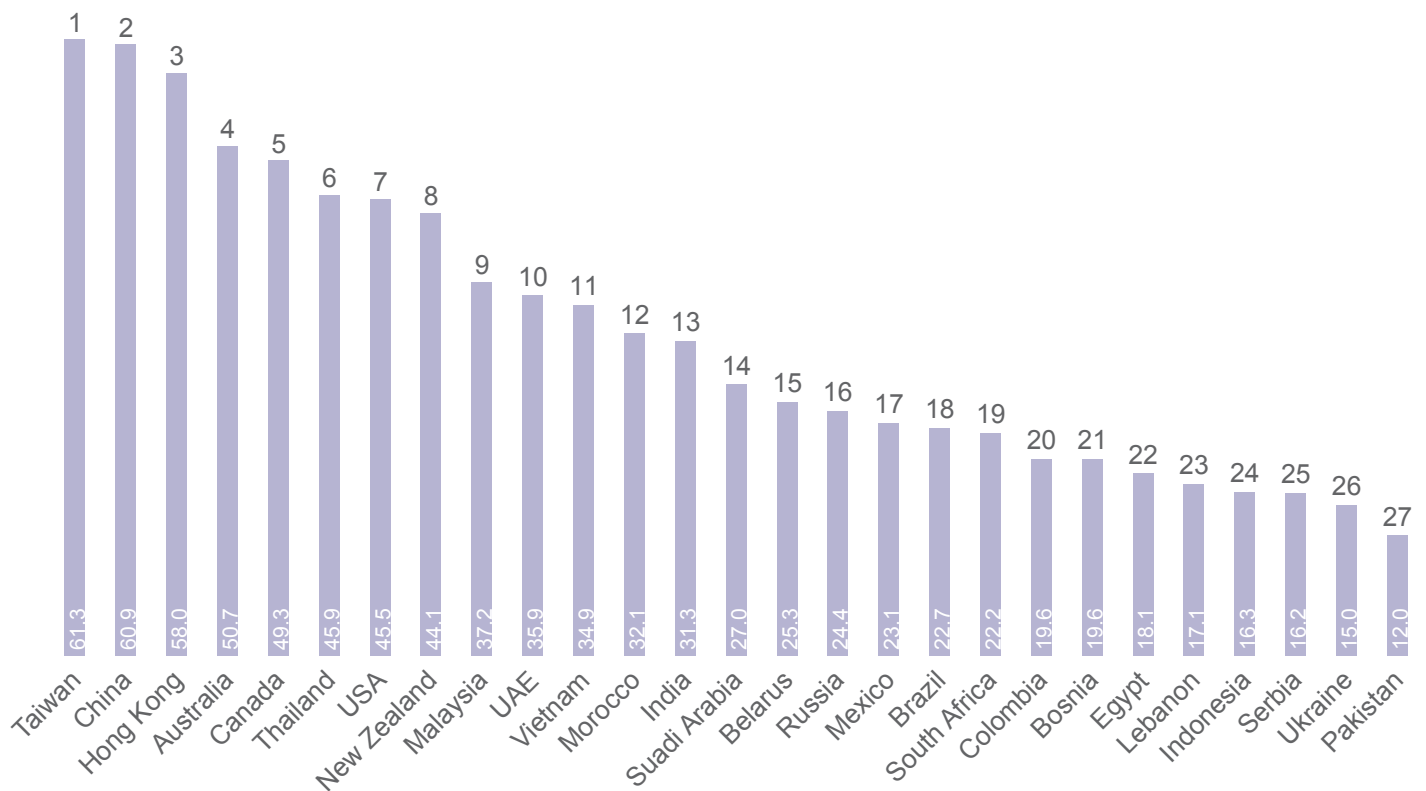
The scoring for **budgeting** is an index score from 0-100, with 100 = a perfect score. Responses for 'following a budget very closely' were given the highest weight (100), while 'not having a budget' scored the lowest (0).

QUESTION 2

Q2: Visa Asked Women in 27 Countries

How many months' worth of savings do you have set aside for an emergency?

HIGHLIGHTS: Only women in Taiwan, China and Hong Kong had accrued more than an average of 3 months of savings. And, only women from Australia reported saving more money for emergencies than did men.

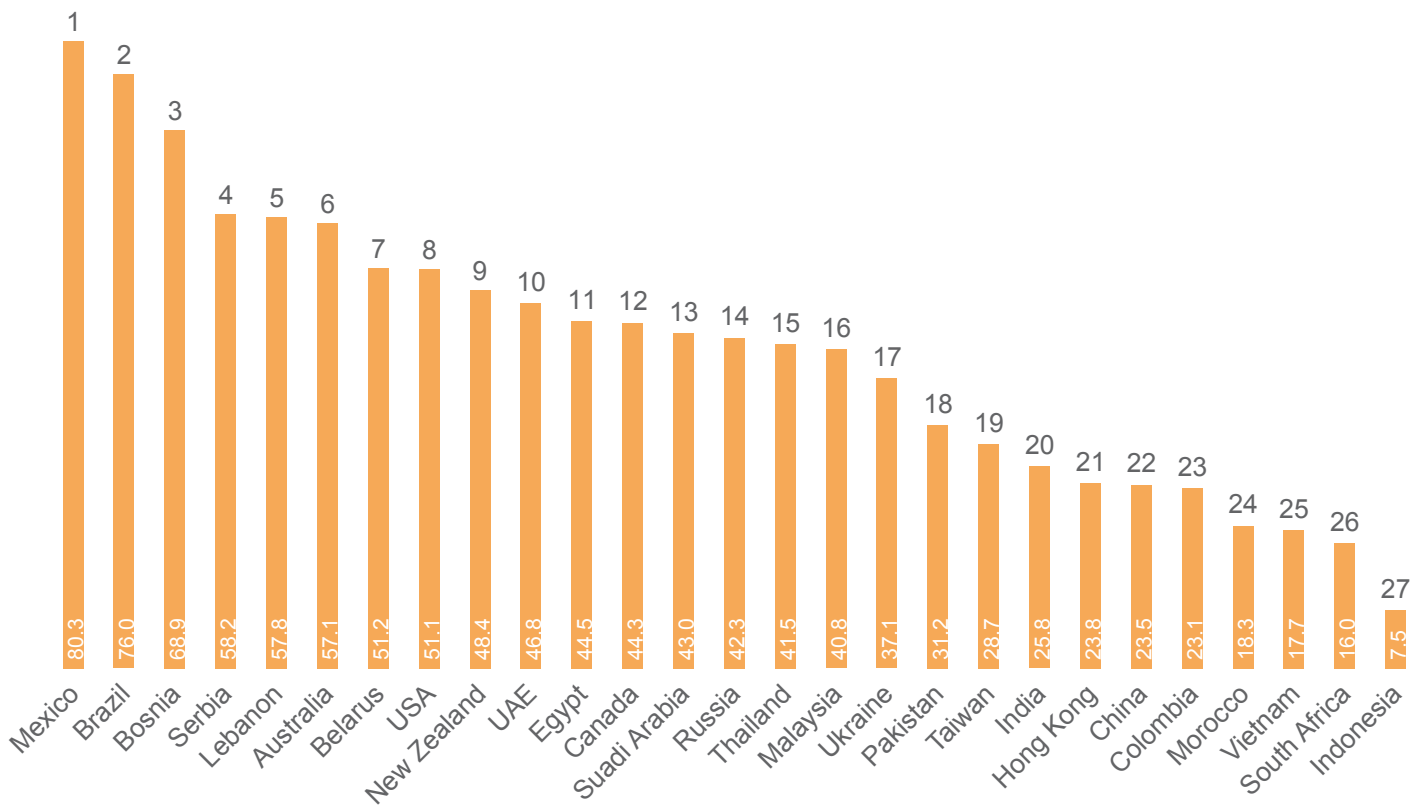


The scoring for **emergency savings** is an index score from 0-100, with 100 = a perfect score. The index is based on the average months of savings people had. Responses for 'savings over six months' were given the highest weight (100), while 'having no savings' scored the lowest (0).

Q3: Visa Asked Women in 27 Countries

How often do you talk to your children ages 5-17 about money management issues?

HIGHLIGHTS: Leading the group, Mexican women respondents talk to their children about money management issues at least 41.7 weeks a year, followed by Brazilians at 39.5 weeks.

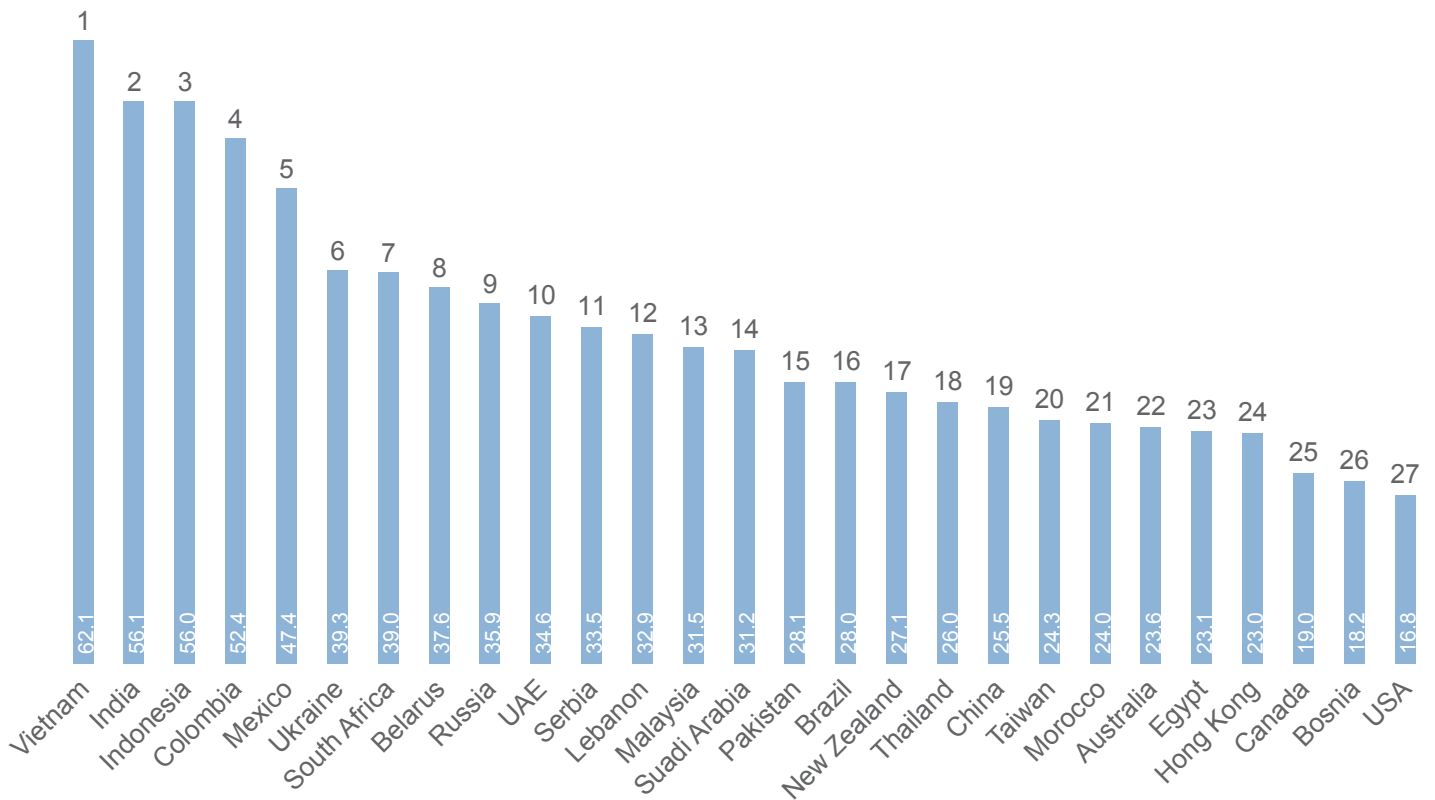


The scoring for **frequency in talking to children about money** is an index score from 0-100, with 100 = a perfect score. The index is based on the average number of weeks per year a mother talks to their 5-17 year old children about money skills. An average of 52 weeks per year (every week) were given the highest weight (100), while responses of 'never/no weeks per year' scored the lowest (0).

Q4: Visa Asked Women in 27 Countries

To what extent would you say that teenagers and young adults in your country understand money management basics and are adequately prepared to manage their own money?

HIGHLIGHTS: Vietnamese women ranked #1 on this question. In more than half of the countries, 17 out of 27, a majority of women believe that, overall, teens and young adults do not understand financial basics.

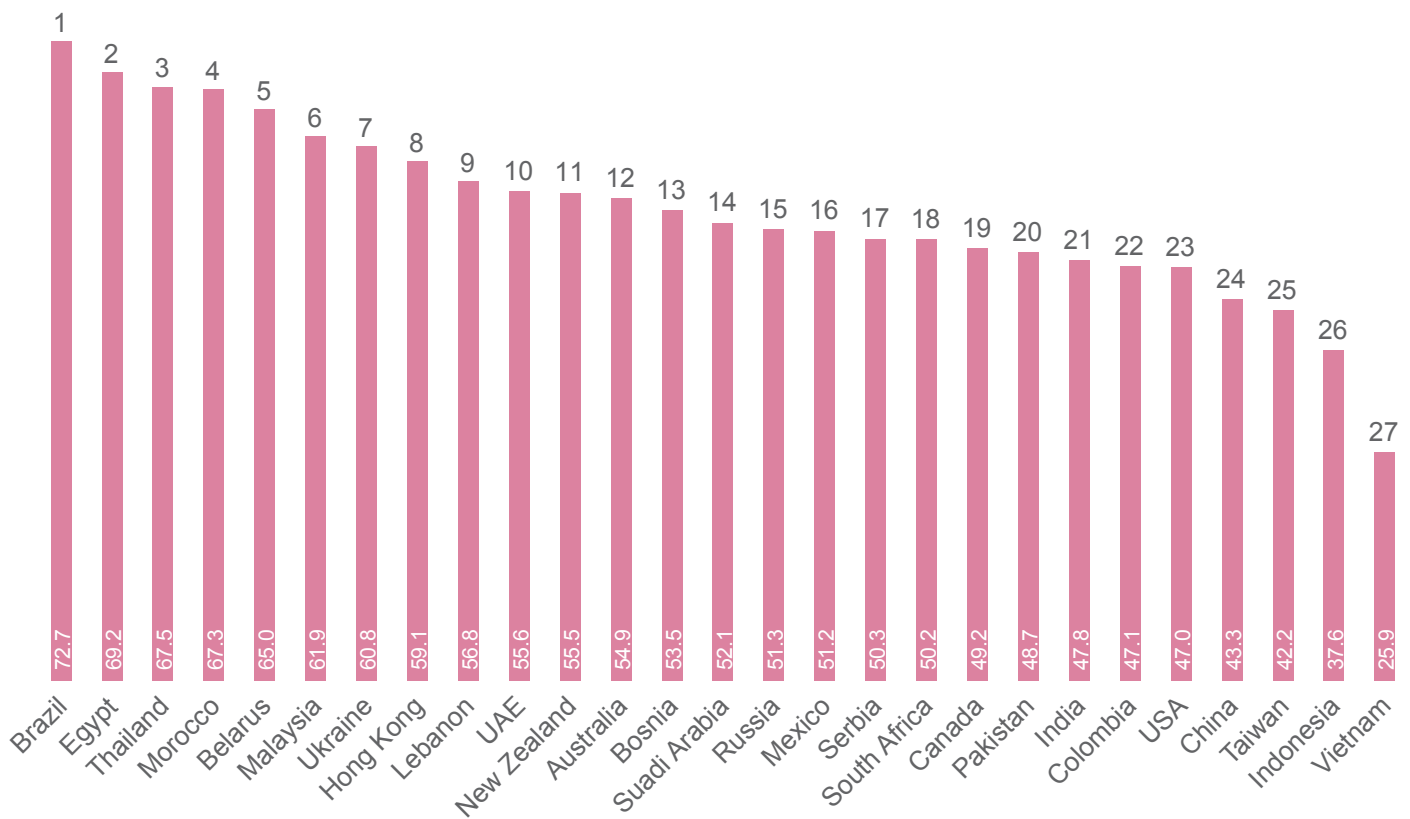


The scoring for **perception of young peoples' money skills** is an index score from 0-100, with 100 = a perfect score. Responses for 'Most teenagers and young adults understand money management basics' were given the highest weight (100), while 'Overall, most teenagers and young adults do NOT understand money management basics' scored the lowest (0).

Q5: Visa Asked Women in 27 Countries

At what age do you think governments should require schools to teach financial literacy to children, so that they can better understand money management issues?

HIGHLIGHTS: The worldwide average among women respondents was 11.1 years old. Brazilian women reported the earliest age (8.7 years old) and Vietnam the oldest (13.8 years old).



The scoring for **desired age to begin formal personal finance lessons** is an index score from 0-100, with 100 = a perfect score. The index is based on the age government should begin teaching children about basic money skills. The youngest age, 5 years old, was given the highest score (100), while the oldest age, 17 years old, score lowest (0).

KEY INTERNATIONAL FINDINGS

- Having enough money saved to cover emergencies is a key indicator of an individual's economic stability, regardless of their level of wealth. The level of personal economic stability as measured by emergency reserves is very low around the world, among both women and men. In fact, women in only one country, **Australia**, have saved more for emergencies than men – and only just barely.
- On the issue of household budgets, our data found that in only four countries do a majority of women follow a budget most of the time. In the remaining 23 countries a majority of women either have no budget, or think they are unable to budget for economic reasons. In just two countries, **Russia** and **Belarus**, are women clearly more likely than men to follow a budget most of the time.
- Survey data reveal that when it comes to ensuring that their children are better prepared for the economic world they will encounter (Question 3), women outperform men in many countries. But men are marginally more likely than women to have two of the cornerstones of financial literacy—a budget that they routinely follow and emergency reserves.
- In general, both men and women cited lack of funds as the primary reason for not having a budget.
- Based on survey results, female Asian respondents have the best chance of surviving a personal financial struggle, as measured by months of living expenses saved.
 - Women from **Taiwan** and **China** performed best, with an average of 3.7 months saved.
 - The remaining Top 5 in terms of months' expenses saved were **Hong Kong**, **Canada** and **Australia**, each with an average of 3 or more months of expenses saved.
 - In 22 countries, a majority of women have less than 3 months' savings or none at all. For example, in **Egypt**, **Serbia** and **Ukraine**, more than 90% of women have less than 3 months' savings.
 - **Pakistani** women had the least saved, with an average of 0.7 months of expenses set aside.
- When it comes to ensuring that their children will grow up to be financially savvy, female parents from the most economically stressed situations are among those who spent the most time talking with their children about money management, budgeting, saving, responsible spending and debt.
 - The highest-ranking countries were **Mexico**, **Brazil**, **Bosnia** and **Serbia**. **Mexican** mothers have those conversations at least 41.7 weeks a year, and **Brazilians** 39.5 weeks.
 - **Indonesian** mothers talked to their children about money the least – 3.9 weeks a year.
- With regard to the age at which women want government and schools to begin teaching economic education and financial literacy, most countries outrank the **U.S.** (#23 at age 11.8).
 - In **Brazil**, for example, the women surveyed believed, on average, that government and school-supported financial education should begin when children are 8.7 years old. Other high-ranking countries in this regard include **Egypt**, **Morocco** and **Thailand**.
 - **Vietnamese** mothers believed that the government shouldn't require financial education in schools until children were 13.8, the oldest average age.

OTHER HIGHLIGHTS, BY NATION

Australia – Australian women rank 2nd overall in financial literacy driven by Top 10 showings in “having a budget,” “having emergency savings,” and “talking to their children about finances,” where they far surpass Australian men. In fact, Australian women were the only ones surveyed who save more than men – just barely. While 51% of Australian mothers talk to their children about money each week, only 31% of Australian fathers do so.

Brazil – Brazilian women rank #1 in overall financial literacy, driven by high scores for “having a budget” (#1), “talking to their children about finances” (#2) and “desired age for children to learn about money” (#1). In each of these measures, Brazilian women rank on par with Brazilian men. However, they lag when it comes to saving for emergencies (#18). More than half of Brazil’s women (51%) have no savings, higher than the percentage of Brazilian men without savings (41%).

Canada – Canadian women rank 3rd when it came to having a budget and they are more likely to have a budget than Canadian men, who rank 7th. Also, 14% of Canadian women don’t have a budget compared to 21% of Canadian men who don’t.

Egypt – Egyptian women rank 2nd in terms of wanting their children to be taught financial skills at an early age – on average by age 9.3. This desire to get an early start may be triggered by their perception that Egyptian teens lack sound financial skills (ranked 23rd). Nearly two-thirds of Egyptian women (65%) said most teenagers and young adults do NOT understand money management basics. It may also be due to their own dire economic situation: Women in Egypt rank 22nd in emergency savings, where 40% had no savings at all.

Lebanon – Lebanese mothers want their children to be more financially literate. They ranked 9th when it comes to starting financial education younger (average age 10.8), and talking to their children about money (5th). On average, Lebanese moms talk to their children about money 30 weeks out of the year. This desire to start early discussions could reflect their own inability to save money. Ranked 23rd, over half of Lebanese women (53%) had no emergency savings.

Malaysia – Women in Malaysia rank 7th in overall financial literacy, the highest in Asia, driven by their success in budgeting (5th). Nearly three-quarters of Malaysian women report trying to stick to a budget. Malaysian women are among the few at parity with men when it comes to emergency savings. On average they have enough to survive 2.2 months (ranked 9th). And while Asian mothers generally rank low when it comes to talking to their children about money, Malaysian moms (16th), nearly tied with Thai moms (15th) for talking to their kids most frequently (on average 21 weeks a year) about money among all Asian countries.

Mexico – Mexican women rank 3rd overall due mostly to Mexican mothers’ frequent talks about money with their kids (ranked 1st, on average 42 weeks a year). Likely as a result of this constant intervention, only a small minority of Mexican women believe that most teens and young adults in Mexico do not have basic money skills. Compare this to Australian women, ranked overall just above Mexico at #2, where 64% of women think their young people lack money basics. However, Mexican women still lag behind those in many countries when it comes to budgeting (17th) and saving for emergencies (17th); on average they have only enough savings to last 1.4 months.

Pakistan – There are few bright spots for Pakistani women when it comes to financial literacy. They rank next to last overall out of 27 countries. Nearly 40% do not have a budget (ranked 26th). Nearly half have no savings, and most of those that do have enough to last less than month (ranked 27th). On their best score, just half of Pakistani mothers are talking to their kids about money at least once a month (ranked 18th). On every score, Pakistani women lag behind Pakistani men.

South Africa – While women in South Africa face financial literacy challenges overall (ranked 23rd), they excel at budgeting (4th). But South African mothers do not frequently engage their children in money conversations (26th). Just 16% of South African mothers talk to the kids at least once a month about money skills.

OTHER HIGHLIGHTS, BY NATION

United States – Interestingly, U.S. women break into the Top 5 in only one category, budgeting (#2). They have among the worst opinions of their teenagers' money management skills, with 72.9 % of respondents saying that U.S. teens don't understand money management basics. Also, 53.4 % said that they follow a budget closely or most of the time and 24.2 % said they either don't have a budget or don't have enough money to follow a budget.

Vietnam – Vietnamese mothers rank #1 on the question of how prepared they thought Vietnamese teenagers and young adults are to manage their own money. On the flip side, they ranked last in terms of the age at which they believe the government should begin require financial education in schools – 13.8, the oldest average age.

Overall rankings were determined by a weighted average among the five questions asked: Questions 1, 2 and 3 each contributed 25% to the overall score. Questions 4 and 5 contributed 12.5%. Scoring was based on a 0-100 scale, with 100 equaling a perfect score.