EUROPEAN CENTRAL BANK

EUROSYSTEM

Knowledge gaps, behaviour parity:

gender differences in financial literacy in Europe

Eurosystem financial literacy network



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Executive summary

This report examines gender differences in financial knowledge and behaviour across 20 EU Member States using data from a 2022 survey coordinated by the Organisation for Economic Co-operation and Development's International Network on Financial Education's (OECD/INFE). The analysis documents how large – and how diverse – these gaps are across Member States, identifies the individual and structural factors associated with financial knowledge and discusses the policy implications.

Why financial knowledge matters. Financial knowledge influences people's ability to manage day-to-day decisions, plan for the long term and protect themselves from financial risks such as fraud. Gender gaps in this knowledge contribute to unequal wealth accumulation and lower financial resilience among women. Addressing these gaps is important for individual well-being and broader financial prosperity.

What the data show across Member States. The gender gap in financial knowledge exists in almost all countries studied, but its magnitude varies widely. Member States also differ significantly in their overall levels of financial knowledge and in the share of low- and top-performing individuals. Nonetheless, women are consistently under-represented among top performers, especially in investment-related knowledge, where gaps are largest. By contrast, there is almost no gender gap in financial behaviour, with women often displaying more prudent financial habits.

What drives financial knowledge differences. Education, employment and age are all strongly linked to higher financial knowledge, but even considering these factors, women tend to score lower on knowledge and higher on prudent behaviour. Women are 11% less likely to be top performers and 4% more likely to be low performers than men with similar characteristics. The gap is therefore shaped by both socioeconomic factors and structural differences in how these characteristics translate into financial knowledge.

Consequences for resilience and investment. Financial knowledge is strongly associated with both financial resilience and investment participation. Women are less likely to hold investment products or be financially resilient in nearly half of the Member States studied. Moving from low to high levels of financial knowledge substantially raises the probability of being resilient or of holding investment products, highlighting the potential impact of targeted interventions.

Policy implications. The findings suggest three main directions for policymakers:

1. **Tailor financial education to Member State needs.** Wide differences across Member States mean that a single model is unlikely to work. Policy design should therefore account for each country's distribution of knowledge and the specific factors driving its gender gap.

2. **Build on women's strong financial behaviour.** Since women already demonstrate sound financial habits, interventions should focus on strengthening confidence and knowledge – especially regarding investment-related topics.

3. **Improve understanding of country-specific drivers.** Future research should identify institutional or structural characteristics behind cross-country differences, allowing policymakers to adapt successful strategies across contexts.

1 Introduction

Understanding gender differences in financial knowledge and financial behaviour is increasingly important, given their potential impact on economic resilience, financial inclusion and long-term well-being.

This impact extends beyond the individual level: the macroeconomic benefits of widespread financial literacy are increasingly recognised, as it enhances the effectiveness of monetary policy and supports the deepening of capital markets (Schnabel, 2025; European Commission, 2025).

A large and growing body of literature documents not only persistent gender gaps in financial literacy but also the economic consequences of this: women tend to accumulate less wealth, invest less in financial markets and are more exposed to financial vulnerability (Lusardi and Mitchell, 2014; Lusardi and Mitchell, 2008; Bucher-Koenen et al., 2025b; Bucher-Koenen et al., 2017).

In Europe, these disparities have gained prominence as financial markets deepen and individuals assume greater responsibility for long-term financial planning.

Meanwhile, the rapid expansion of information technology has not only increased access to financial services and products, but also made financial fraud more widespread, frequent and also more damaging to individuals' financial well-being.

In this context, financial literacy can play a crucial role in reducing vulnerability, including to fraud, by enhancing individuals' ability to recognise and avoid deceptive schemes. It is therefore essential to understand the root causes of the gender gap in order to identify effective policies to close it.

This study uses OECD/INFE survey data from 20 EU Member States to document cross-country patterns and explore what determines the gender gap in financial knowledge and behaviour (OECD, 2022).[1] Its objectives are to: (i) highlight key stylised facts on the gender gap in financial knowledge across EU Member States; (ii) analyse the individual characteristics most strongly associated with financial knowledge, examining also the decomposition of the gap both within and between EU Member States to ascertain country-specific factors beyond observable individual characteristics; (iii) assess the marginal contribution of financial knowledge to critical outcomes such as resilience and financial market participation; (iv) draw preliminary policy implications.

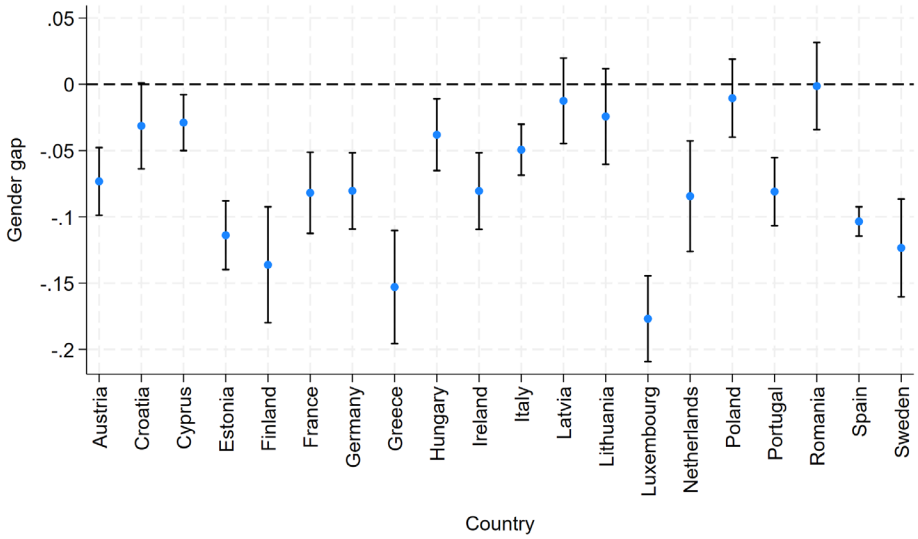
[1] Data are available from the OECD/INFE upon request or from individual Member States.

2 Stylised facts – cross-country evidence

The OECD (2022) measures financial knowledge using seven questions covering the following: (1) the time value of money, (2) interest on a loan, (3) simple interest calculation, (4) compound interest calculation, (5) risk and return, (6) inflation, and (7) risk diversification. A well-established finding in the literature is that females generally answer more questions incorrectly than males; this pattern also holds in Europe. The gender gap in financial knowledge is statistically significant in 18 out of 20 EU Member States considered (Figure 1). Countries in the sample differ markedly in their overall levels of financial knowledge.

Figure 1

Gender gap in financial knowledge by country



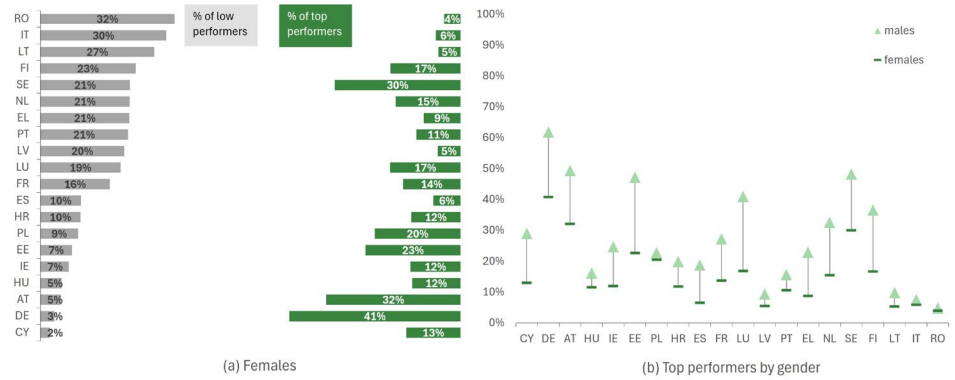
Notes: Unconditional average gender gap computed as female FK minus male FK score. The FK score is computed on seven questions (OECD/INFE toolkit, 2022) and normalised between 0 and 1.

Figure 2 presents the distribution of low and top performers in financial knowledge by country and gender. It reveals substantial cross-country heterogeneity in the shares of both low and top performers.[2]

[2] Please note that, as financial literacy knowledge is measured from a series of questions designed to assess the capacity to apply very standard concepts, top performers are not necessarily individuals with complex financial knowledge but simply those that applied all the concepts correctly.

Figure 2

Financial knowledge: percentage of top and low performers by gender and country



Notes: Low performers are defined as those answering fewer than three questions correctly, and top performers those answering all seven questions correctly.

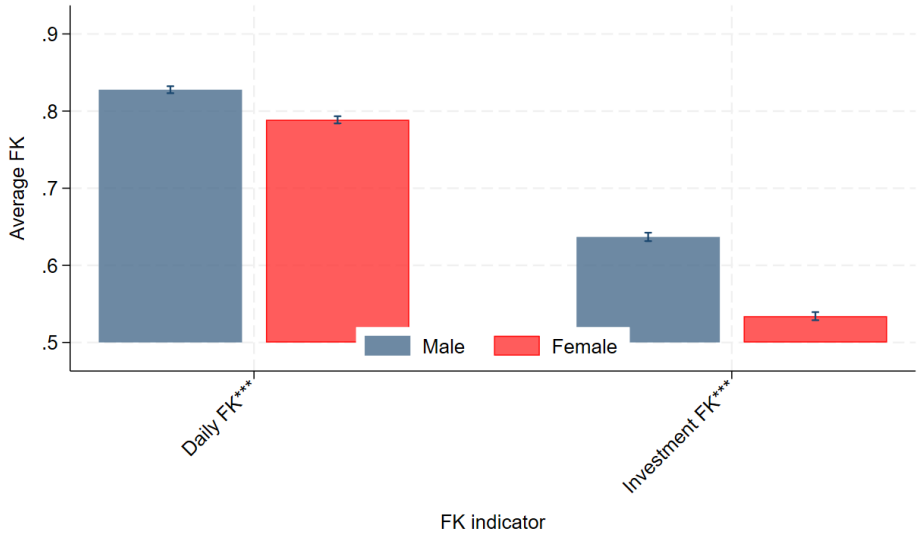
While there is a clear tendency for Member States with a high share of low performers to also have a low share of high performers, some exceptions are notable. For instance, relatively high percentages of women in Sweden belong to either group, suggesting a wider dispersion of results. Conversely, Cyprus has a low prevalence of belonging to both groups, signalling a more homogeneous distribution of financial knowledge among women. Nonetheless, in all countries studied, women are markedly under-represented among top performers.

From a policy perspective, these findings have important implications. Two Member States may have similar average scores but very different distributions. Looking at top and low performers makes it possible to understand whether the distribution is more or less equal towards the top or the bottom, indicating the extent of the required differentiation in targeting financial education intervention.

Overall, both men and women score higher on topics related to everyday financial decision-making and lower on those concerning investment decisions. The gender gap is more pronounced for the latter (16%, compared with 5%, Figure 3).

Figure 3

Average financial knowledge by type of knowledge

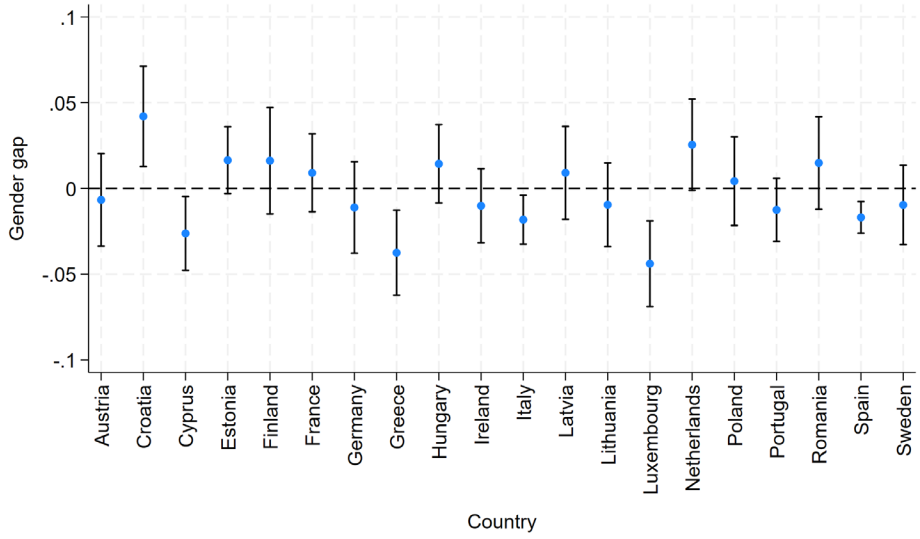


Notes: Daily FK sums correct answers on time value of money, interest on loan, inflation; Investment FK sums correct answers on simple and compound interest rates, risk/reward and diversification. Both are normalised 0-1.

Regarding financial behaviour, the gender gap is negligible or not statistically significant in all countries studied (Figure 4). On average, women perform better than men in managing budgets, making considered purchases, paying bills on time and keeping track of financial matters. A small gap emerges only in saving capacity and choosing financial products (Figure 5).

Figure 4

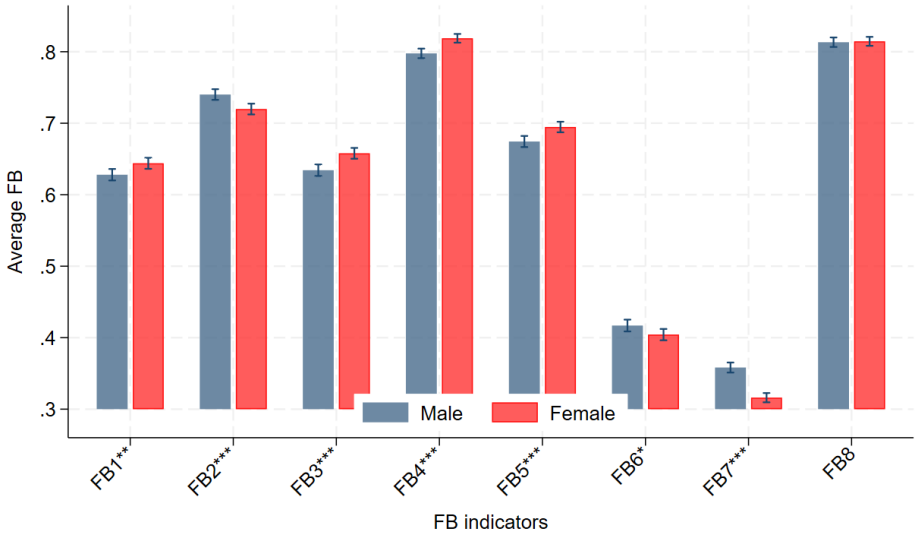
Gender gap in financial behaviour by country



Notes: Unconditional average gender gap computed as female FB minus male FB score. The FB score is computed on eight components (OECD/INFE toolkit, 2022) and normalised between 0 and 1.

Figure 5

Average financial behaviour by component



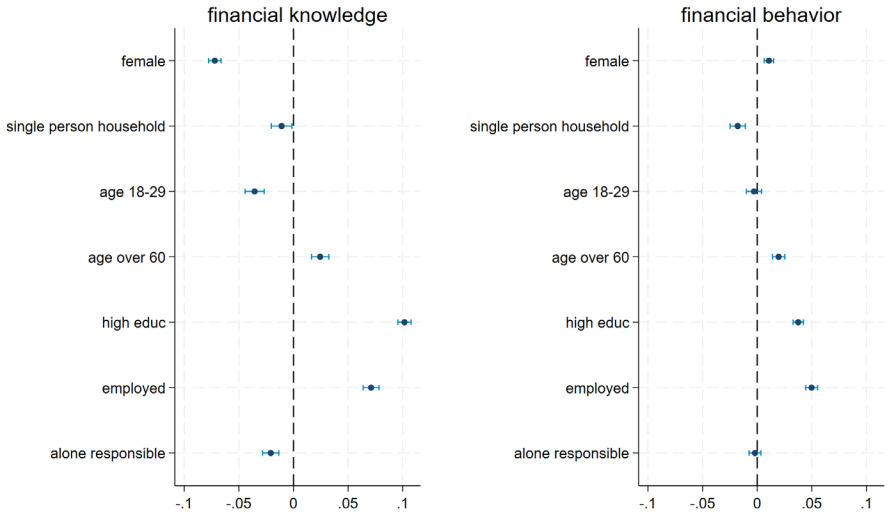
Notes: The figure reports the eight components of the financial behaviour score related to budgeting (FB1), active saving (FB2), making considered purchases (FB3), paying bills on time (FB4), keeping watch on financial affairs (FB5), striving to achieve goals (FB6), choosing products (FB7) and avoiding borrowing to make ends meet (FB8). Indicators are normalised between 0 and 1.

3 Basic correlations – linear and probit regressions

In this section, we examine how financial knowledge and financial behaviour are associated with basic population characteristics, treating these two dimensions as complementary. Figure 6 summarises simple ordinary least squares (OLS) regressions of financial knowledge and financial behaviour scores on standard socio-demographic variables. A striking and policy-relevant pattern emerges: women tend to score lower on financial knowledge, whilst reporting more prudent financial behaviour than men. In other words, the traditional gender gap in knowledge co-exists with a “reverse” gap in behaviour.

Figure 6
Estimated effects on financial knowledge (left) and financial behaviour (right)

(OLS with country fixed effects)



These estimates are purely correlational, but they are in line with the international literature, which shows that women’s weaker performance on knowledge questions does not automatically translate into less responsible financial conduct, even though it is strongly associated with lower self-confidence and higher risk aversion (see, for example, Cupák et al., 2021 and Bucher-Koenen et al., 2025a).

Financial knowledge is strongly and positively associated with higher educational attainment, being employed and – though to a lesser extent – age, with individuals

aged 60 and above tending to score higher on financial knowledge. These variables are also positively associated with financial behaviour, albeit with lower intensity.[3]

Figure 7 shows that the patterns observed for overall financial knowledge are robust when the index is decomposed into its two core components: day-to-day financial knowledge (daily FK) and investment-related financial knowledge (investment FK). The associations between these two sub-indices and population characteristics are qualitatively similar to those found for the aggregate measure. However, the coefficient associated with the gender gap is significantly stronger for the more complex investment-related topics.

Figure 7

Estimated effects on daily financial knowledge (left) and investment financial knowledge (right)

(OLS with country fixed effects)

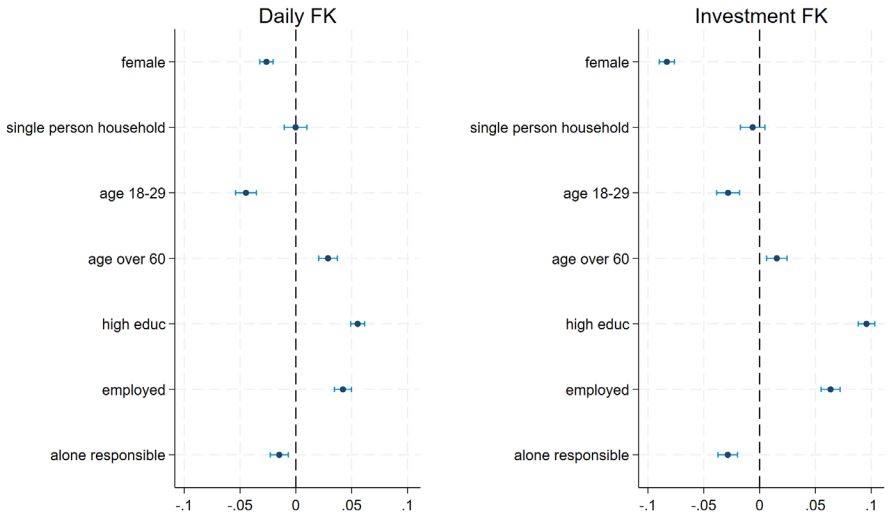


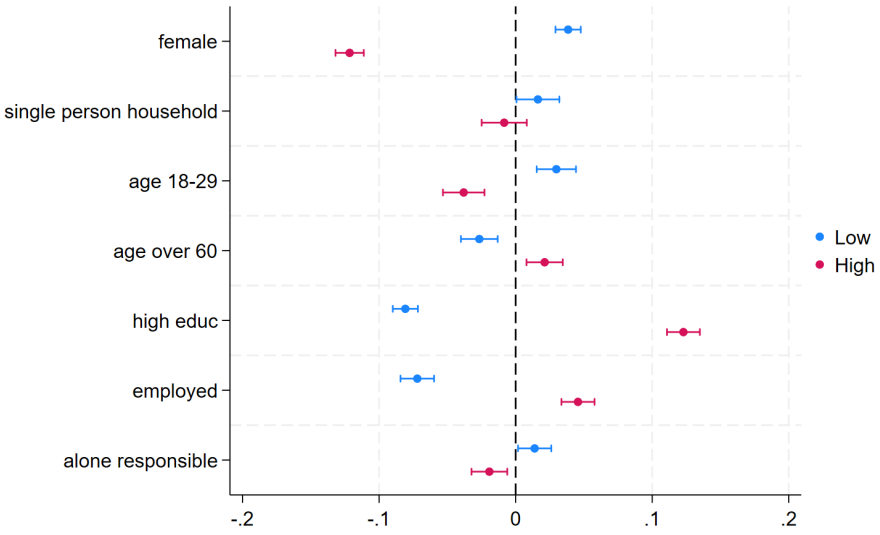
Figure 8 presents the individual characteristics correlated with the probability of belonging to either the high- or low-performing group. The estimates are based on cross-country probit regressions using equal country weights (senate). Even after controlling for the personal characteristics in the database (household type, educational attainment, employment status and role in financial decisions), women are, on average, 11% less likely to be among the top performers and 4% more likely to be in the low-performing group. Highly educated individuals are 12% more likely to be top performers and 8% less likely to belong to the low-performing group, whereas the opposite holds for those with lower levels of education. Employed individuals are 7% more likely to be among the top performers and 6.5% less likely to fall within the low-performing group.

[3] The results remain very similar whether Member States are weighted by population size or given equal weight (senate weights). In the regressions, we use senate weights.

Figure 8

Personal characteristics and probability of being a low or top performer

(cross-country probit with country fixed effects; senate weights).



4 Preliminary conclusions and policy implications

Our analysis confirms that socio-economic disparities strongly correlate with financial knowledge and account for most of the observed gender gap across the EU Member States examined, a pattern also confirmed by Demertzis et al. (2024). It also shows that although women have, on average, higher levels of education, they obtain lower returns on their education in terms of financial literacy.

We observe no gender gap in financial behaviour, which represents a meaningful strength on which to build interventions aimed at improving women's self-confidence in acquiring more financial knowledge. The absence of behavioural differences indicates that women and men make financial decisions with comparable levels of prudence and engagement, suggesting that the barriers to higher financial knowledge do not stem from a lack of interest or participation in daily financial decision-making. This behavioural parity provides a favourable basis for policy and educational initiatives.

Closing the gender gap in financial knowledge remains a priority because higher financial knowledge has a positive effect on financial resilience, wealth accumulation and financial inclusion. Doing so can therefore contribute to reducing the persisting socio-economic disparities between men and women (see, for instance, Lusardi, 2015), even when *controlling for* employment, education and age.

In nine out of 20 Member States, women are less likely than men to hold investment products (Figure 9); similarly, in a further nine out of 20 countries, women exhibit lower levels of financial resilience (Figure 10). Probit models indicate that moving from no financial knowledge to maximum raises the probability of being financially resilient from 12% to 41% and increases the probability of holding an investment product from 15% to 44% (Figure 11) respectively.[4]

[4] The impact of financial knowledge on resilience and wealth accumulation. Preliminary evidence is available from the author upon request.

Figure 9

Gender gap in investment by country. Investment holding is a dummy equal to 1 if the respondent owns investment products.

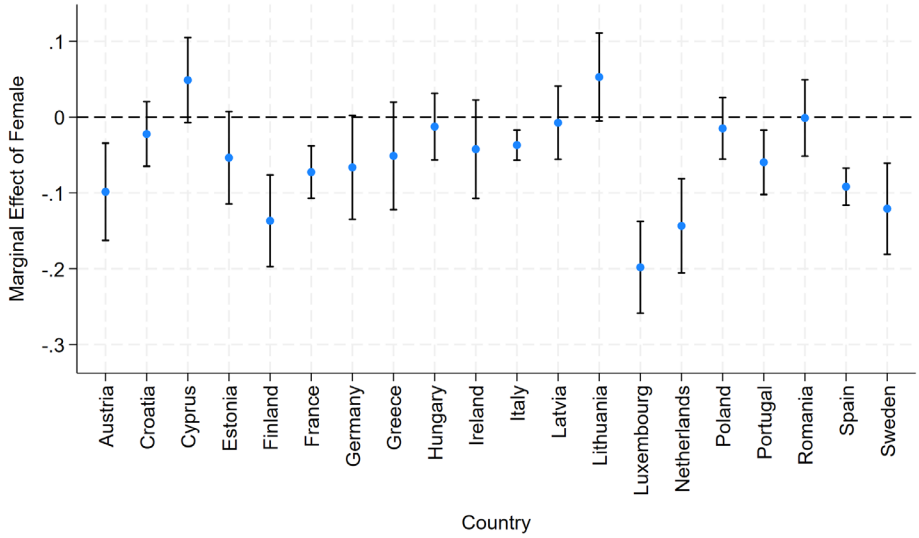


Figure 10

Gender gap in resilience by country. Resilience equals 1 if the respondent can cover unexpected expenditures and maintain expenses for at least three months after job loss.

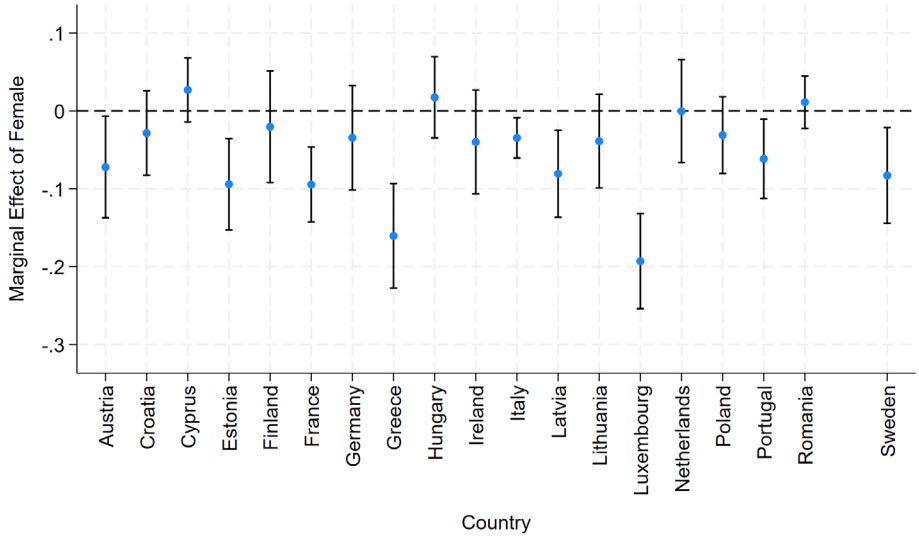
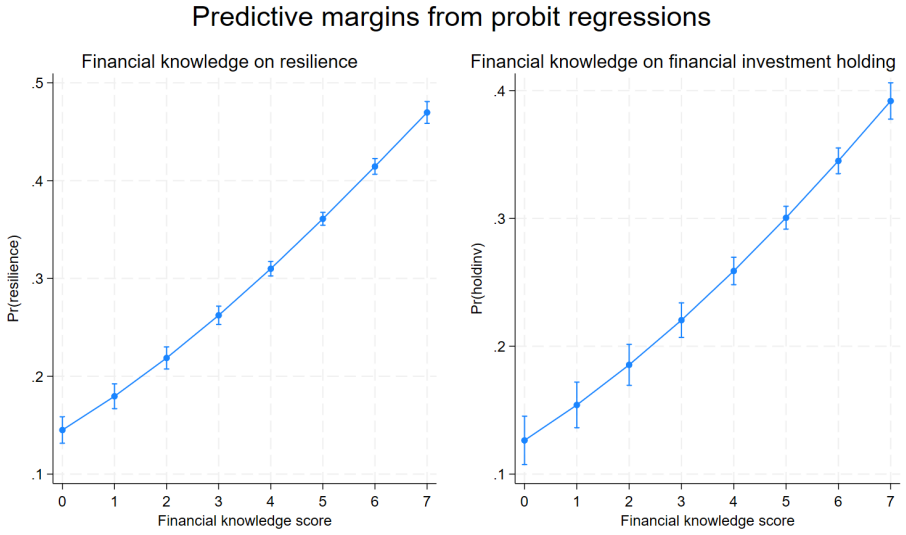


Figure 11

Marginal effects of financial knowledge on resilience and investment holding



Notes: Controls include gender, age, education, employment status, financial autonomy, country fixed effects. 95% confidence intervals.

Consequently, targeted financial education for women can play a pivotal role in reducing gender gaps in both financial literacy and wealth – particularly education on the investment-related concepts where we found more pronounced gender gaps and which are the most essential for building financial security.

To conclude, the analysis highlights substantial cross-country differences not only in the magnitude of the financial knowledge gender gap but also in its drivers – from the distribution of low and top performers to the role of education, income and employment. This underscores the need for country-specific financial education strategies and future research to understand which institutional and structural characteristics explain these disparities in order to adapt effective policies and transfer them across Member States.

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