

“Review of Gender-based Differences in Financial Literacy”

Nikolaos Philippas

University of Piraeus, Greece

Argyri Katopodi

University of Piraeus, Greece

Aphrodite-Emma Stathopoulou

University of Piraeus, Greece

Abstract:

Traditionally, personal finance has been a male-dominated field. This dominance has persisted over time and led to a gender gap in financial literacy. Increasingly, it has inadvertently led women to avoid taking active part in financial decision-making and to delegate the economics of the household to their partners or husbands. Therefore, it has impeded women's financial empowerment and independence, leaving them eventually unprepared for retirement. The main aim of this review is to go over the studies on the gender-based-differences in financial literacy (Atkinson & Messy, 2012), therefore helping researchers plan out the next steps for the further exploration of this important dimension of the field of financial literacy. Based on the reviewed studies in a number of countries, in particular Austria, Sweden, Germany, Italy, Spain, America, Australia, and the 26 OECD member-states, all researchers appear to agree that the gender gap in financial literacy is evident from an early age and continues into adulthood due to a variety of factors, such as gender-based norms, societal stereotypes, and women's risk aversion to investments and financial decision-making. However, many studies, through various surveys and multiple experiments of a varying nature, have come to the conclusion that women's shortcomings in financial literacy may be due mainly to their lack of confidence. The main takeaway of our review is that women perform worse in financial literacy surveys; whether this phenomenon is due to a lack of financial knowledge, to women being less confident, or other factors that have yet to be explored, this topic needs to be researched further in the future and more concrete conclusions need to be drawn with a view to shrinking this gap. Also, an important insight for policymakers and other interested parties is that the majority of the population, and especially certain subgroups of the population such as women, could benefit from tailor-made financial education programs that cater to their specific needs and contribute to their financial empowerment and independence. As a result, it will lead to the shrinking of the gender gap specifically, and social inequality in the larger scheme. This review was conducted in the framework of

the National Strategy for Financial Literacy in Greece that showcased great levels of gender disparity in financial literacy amongst adults and teenagers alike.

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Keywords:

Financial literacy, gender gap, financial literacy gender gap, financial education, financial empowerment, financial independence.