

[Working Papers](#)

Numeracy, financial literacy, and financial decision-making

Annamaria Lusardi

SHARE   

WORKING PAPER 17821

DOI 10.3386/w17821

ISSUE DATE February 2012

Financial decisions, be they related to asset building or debt management, require the capacity to do calculations, including some complex ones. But how numerate are individuals, in particular when it comes to calculations related to financial decisions? Studies and surveys implemented in both the United States and in other countries that are described in this paper show the level of numeracy among the population to be very low. Moreover, lack of numeracy is not only widespread but is particularly severe among some demographic groups, such as women, the elderly, and those with low educational attainment. This has potential consequences for individuals and for society as a whole because numeracy is found to be linked to many financial decisions. Now more than ever, numeracy and financial literacy are lifetime skills necessary to succeed in today's complex economic environment.

[Download a PDF](#)

Acknowledgements and Disclosures



Download Citation



Published Versions

“Numeracy, Financial Literacy, and Financial Decision-Making,” in *Numeracy*, 5(1), Article 2, January 2012. [Winner of the inaugural Steen Award]

Related

TOPICS

[Microeconomics](#)

[Behavioral Economics](#)

PROGRAMS

[Economics of Aging](#)

More from NBER

In addition to [working papers](#), the NBER disseminates affiliates’ latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Retirement and Disability](#), the [Bulletin on Health](#), and the [Bulletin on Entrepreneurship](#) — as well as online [conference reports](#), [video lectures](#), and [interviews](#).



16th Annual Martin Feldstein Lecture:

Lessons for Economists from the Pandemic

Cecilia E. Rouse, The Brookings Institution
and Princeton University
July 22, 2024

2024, 16th Annual Feldstein Lecture, Cecilia E. Rouse, "Lessons for Economists from the Pandemic"

FELDSTEIN LECTURE

PRESENTER: [CECILIA E. ROUSE](#)

Cecilia Rouse, president of the Brookings Institution and a professor at Princeton University, who chaired the Council...



Methods Lectures, Summer Institute 2024:

Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning

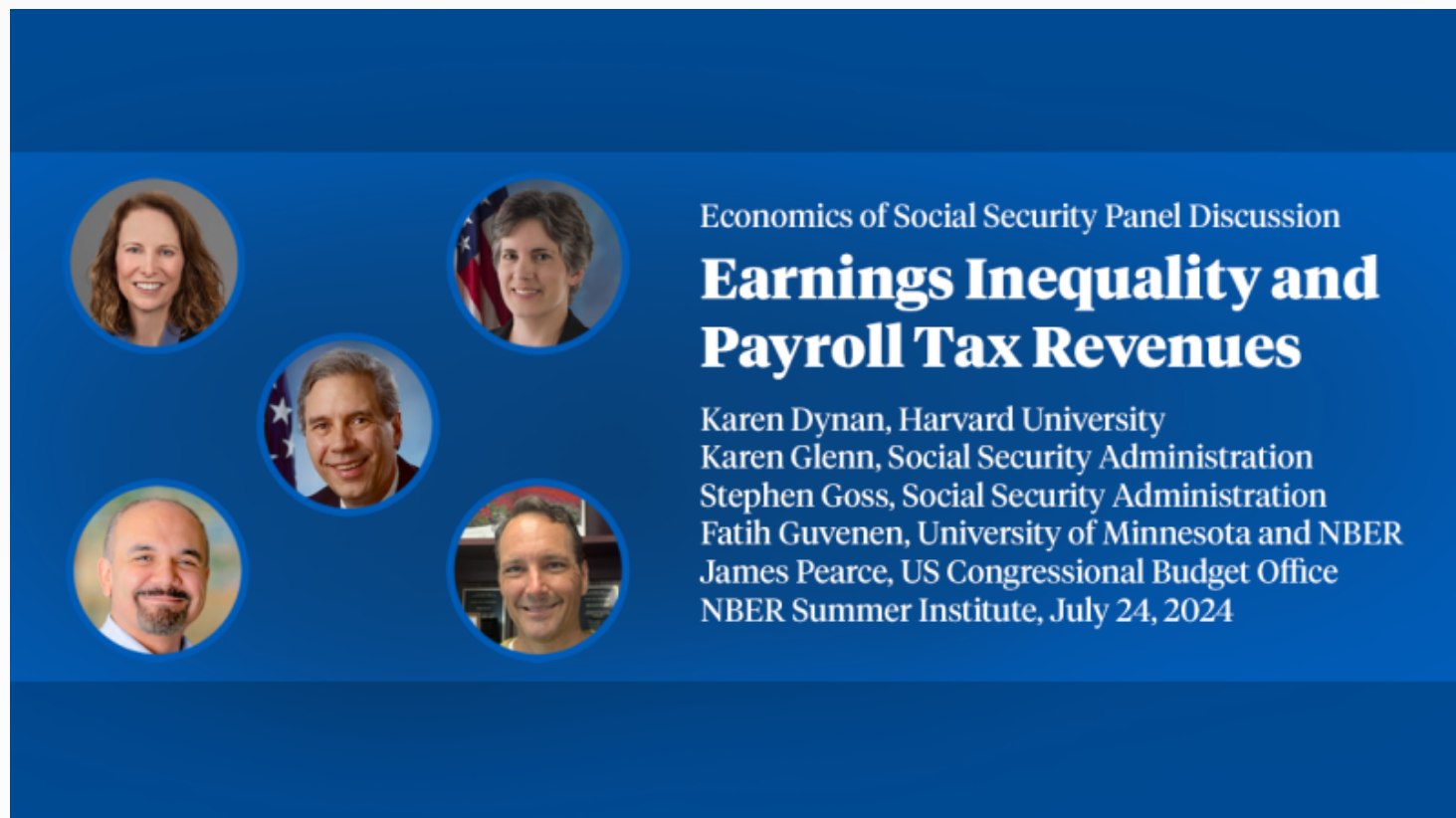
Susan Athey, Stanford University and NBER
July 25, 2024

2024 Methods Lecture, Susan Athey, "Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning"

METHODS LECTURES

PRESENTER: [SUSAN ATHEY](#)

Background Materials:backgroundAthey, Susan, Undral Byambadalai, Vitor Hadad, Sanath Kumar Krishnamurthy, Weiwen Leung...



Economics of Social Security Panel Discussion
Earnings Inequality and Payroll Tax Revenues
Karen Dynan, Harvard University
Karen Glenn, Social Security Administration
Stephen Goss, Social Security Administration
Fatih Guvenen, University of Minnesota and NBER
James Pearce, US Congressional Budget Office
NBER Summer Institute, July 24, 2024

2024, Economics of Social Security Panel, "Earnings Inequality and Payroll Tax Revenues"

PANEL DISCUSSION

PRESENTERS: [KAREN DYNAN](#), KAREN GLENN, STEPHEN GOSS, [FATIH GUVENEN](#) & [JAMES PEARCE](#)

National Bureau of Economic Research

Contact Us

1050 Massachusetts Avenue

Cambridge, MA 02138

617-868-3900

info@nber.org

webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW



© 2024 NATIONAL BUREAU OF ECONOMIC RESEARCH. ALL RIGHTS RESERVED.