

# BACKGROUND: FINANCIAL LITERACY & GLOBAL ECONOMIC HEALTH

## Personal Financial Literacy

ability to understand and effectively use financial skills, including personal financial management, budgeting, and investing; foundation of individuals' relationship with money, meaning that all current and future financial decisions are based on this knowledge.

## GDP (Gross Domestic Product)

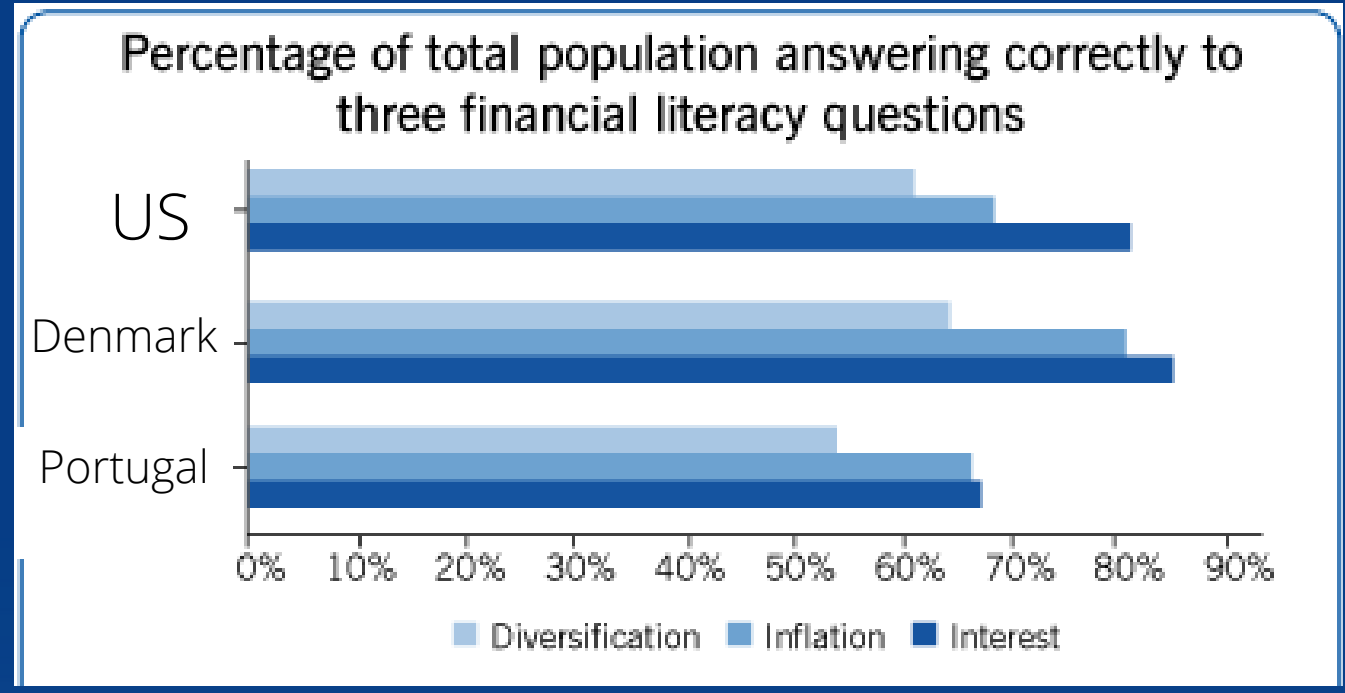
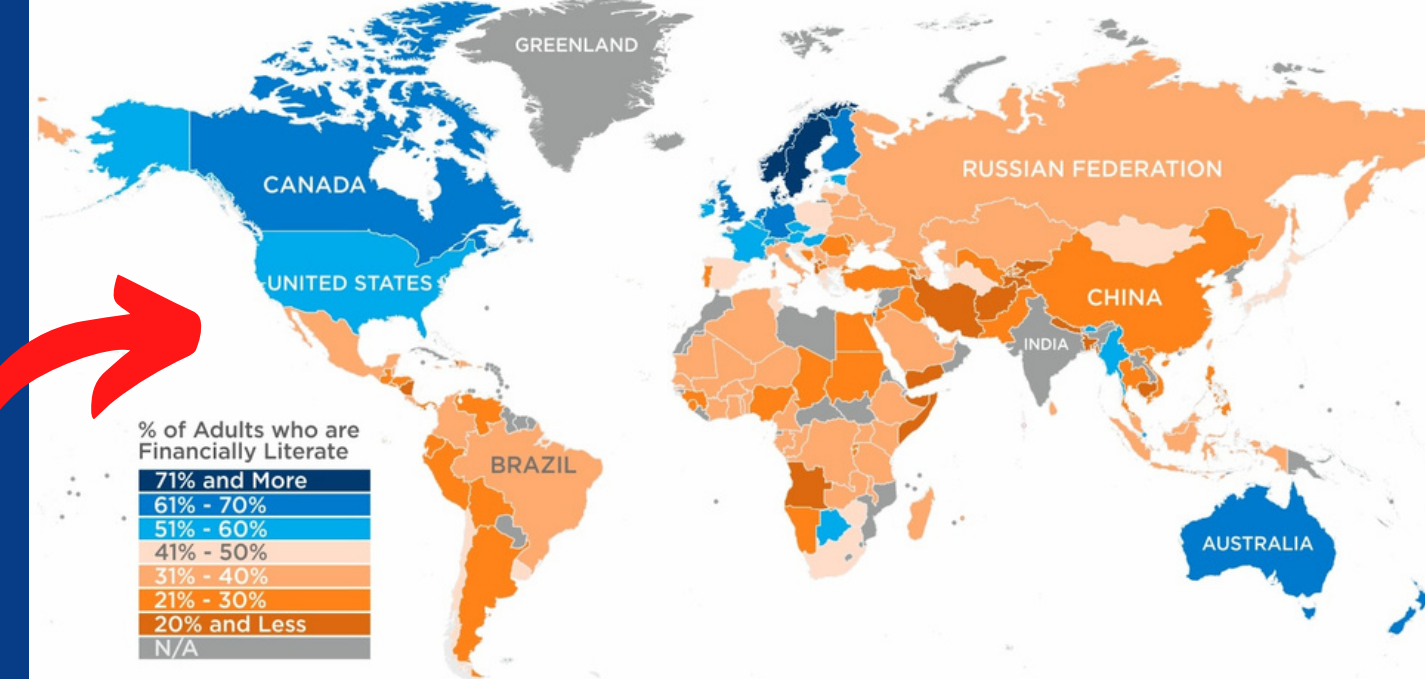
total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period; functions as a comprehensive scorecard of a given country's economic health.



**Statistical Question**  
Is there a correlation between personal financial literacy scores and economic growth (GDP) of different countries of the world?

## Tiers of Financial Literacy Benefits

## Financial Literacy Globally



### Action Plans

**Denmark: High GDP + High Scores**

- Danish Financial Curriculum
- Digital Security
- Digital Footprint Initiative
- Interactive learning Platform

**Portugal: Low GDP + Low Scores**

- Worst in Euro Zone
- No Financial Curriculum
- Low Bank Supervision
- No Risk Diversification



## Conclusion

Regression model suggests a slight positive correlation between literacy and GDP per capita. The correlation coefficient is relatively strong (**R= 0.675**). This makes sense, given that literacy is an indicator of education level and earning potential of individuals in a country.

