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What Shapes Basic Financial Literacy? The Role of Gender, Education, and Financial Exposure

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Abstract

Looking into what shapes basic money know-how, this work explores how traits like age, learning chances, and real-life money habits connect to understanding key financial ideas. Parental grasp of finances matters here, just as much as whether someone is male or female, has studied economics formally, thinks about prices or budgets regularly, or takes part in investing through markets. Data comes from a one-time snapshot using existing responses collected from 952 people. A standard score called the Basic_FLI tracks core financial awareness, making it possible to see links across different social backgrounds and schooling levels. Numbers guide the method, letting patterns emerge without forcing them. It turns out gender links closely to how well people understand money matters - the data shows it clearly. Instead of just adding up, those who took school courses in economics tend to know more, with gains between 0.209 and 0.295 across measures. Yet when parents are good with finances, their kids' basic skills do not necessarily rise because of that alone. What stands out is how much classroom learning shapes early money knowledge. Even when accounting for background or schooling differences, gaps between genders still show up consistently. This work uses a uniform way to test core abilities, avoiding complex actions like investing, which helps spotlight what really influences beginner-level understanding. Because of this angle, groups involved in setting school plans or public rules might see where support should shift.

Keywords: *Financial Literacy; Economics Education Influence Gender; Financial Socialization; Human Capital Growth*

Introduction

Money know-how matters more now because today's finance world is full of tricky choices and complicated tools. Understanding basics like how savings grow over time, why prices rise, spreading risks, handling cash day-to-day - these help people make smarter money moves through life. People who lack these skills often end up buried in debt, unprepared for later years, or tricked by harmful financial deals. Even though everyone agrees it's important, surveys show most folks around the globe still

struggle with even simple money ideas. Across nations, many people struggle to solve basic questions about how interest works, what inflation means, or why spreading risk matters - this shows up clearly in test results. Because understanding doesn't come evenly from school alone or just living longer, researchers look closely at what helps - or blocks - people learning these essentials. What shapes a person's grasp of money basics isn't automatic, so study after study traces which factors really make a difference.

This study looks into how basic financial understanding - measured by a standard index called Basic_FLI - connects with five key influences drawn from theory: what parents know about money, whether someone is male or female, if they've had school courses in economics, how often they deal with money topics in everyday routines, also whether they take part in stock markets (Kadoya & Khan, 2016). These specific aspects were picked because past models show financial awareness doesn't come from just one source - it builds over time as personal traits, society, income levels, learning chances mix together shaping what people eventually grasp about finances (Potrich et al., 2015; Castaneda et al., 2022). What caregivers understand financially plays a role too, since habits around managing funds pass down inside homes where children grow up absorbing those patterns early on (Gudmunson & Danes, 2011; Böhm et al., 2023). Research confirms that how much schooling parents completed along with real-life budgeting actions at home helps lay groundwork for kids' later skill with monetary matters - with dad's academic level plus overall family finance setting showing strong impact repeatedly across findings (Shim et al., 2010; Böhm et al., 2023; Tempat Pemandian Jenazah Fef, 2022). When it comes to knowing how money works, gaps show up between genders - shaped by upbringing, belief in one's own ability, plus who gets to make choices about finances (Bucher-Koenen et al., 2017; Greimel-Fuhrmann & Silgoner, 2018; Fonseca et al., 2012). Men tend to score higher than women on tests about financial facts, studies find again and again - even when background details like income or education are taken into account. Yet deeper analysis hints these uneven results come less from personal weakness but more from learned roles over time (Greimel-Fuhrmann & Silgoner, 2018; Potrich et al., 2015).

Schooling shapes money knowledge because classrooms build skills over time, yet results shift when access changes. Still, people everywhere gain clearer understanding once they finish more grades. In Ugandan villages, women who study past high school show dramatic jumps in knowing financial basics, sometimes eighty times better than others. Learning about money does not just reveal natural smarts - it grows best when lessons are planned well on purpose. Life's everyday money moments turn into quiet lessons, shaped by what people watch, where they work, how they think, followed by choices with their own finances (Kadoya & Khan, 2016; Legenzova & Leckė, 2024). Jumping into stocks or trying out investments acts like hands-on contact with finance worlds, yet it is unclear whether behavior drives knowledge or the reverse - research hints at tangled links between taught habits and those picked up without noticing (Fernandes et al., 2014; Legenzova & Leckė, 2024).

Studies show who you are can shape how well you understand money matters. People between 30 and 60 years old often know more about finances, especially when they have gone further in school. Higher earnings tend to go hand in hand with better grasp of financial ideas. When education levels rise, so does confidence in handling economic decisions. Still, men usually score higher than women on tests about investing and judging risks. Women often feel less sure when it comes to choosing stocks or planning long-term savings. This gap shows up clearly in numbers from many countries. In villages, more than half of women lack basic money knowledge. Living far from cities adds extra barriers for them. Being a woman plus having fewer chances to learn creates deeper challenges. Age helps some, but not enough to close the difference completely. Money skills do not spread evenly across groups. Background plays a quiet yet powerful role behind the scenes. Schooling links closely to better money smarts - people who learn more tend to handle numbers well, think things through carefully, one reason being they meet economic ideas regularly in class. Not just overall learning though - those diving into economics or finance courses pick up extra know-how, often outpacing peers in grasping financial matters simply by what they choose to study.

Kids pick up money skills not just at school, but from how their families handle cash day to day. Where parents went in life when it comes to study shapes what kids learn about budgets and saving. Watching mom or dad manage bills gives children real-life lessons they carry forward. Talk around the house about spending often sticks more than textbook rules. One person's schooling level can quietly affect another's knowledge within a couple, research shows. Money talk between partners matters, even if one seems less involved on paper. Growing up with tighter finances tends to mean fewer tools for handling wealth later. The amount coming into a home links clearly to how well people understand banking basics. Both personal earnings and total family income play roles in shaping confidence with numbers. What happens behind closed doors financially echoes years beyond childhood. Higher up the income ladder, people show around 6.32 percent more involvement with banks and money services, families about 3.73 percent - this pattern ties back to access shaped by earnings (Potrich et al., 2015). When cash and background shape who learns what about finances, gaps stick across generations because support lags where it's needed most (Lusardi & Mitchell, 2014).

Even though many researchers have studied what shapes financial literacy, flaws in how they do it make solid answers hard to find. Instead of looking at basic money skills by themselves, lots of work zooms in on complex actions like saving for old age or picking investments. Because each study measures financial understanding differently, comparing them becomes messy - what one shows another might not. Tools used to gauge these skills often mix up knowing basics with doing advanced things, blurring clear insights. Some tools exist that separate core abilities from real-world choices, yet too few studies actually use them consistently. On top of that, very little effort brings together personal background, learning history, and habits in a single model to see which matters most when explaining differences in knowledge.

This work tackles known shortcomings by looking at core financial knowledge as its own outcome, using a consistent scoring method. Instead of jumping ahead, it digs into how age, schooling in economics, family money habits, personal economic activity, and involvement in financial markets connect - through one clear statistical model. With focus on early skills instead of complex results, the analysis hopes to clarify how basic money know-how takes shape - and what parts can actually be shaped by policy. Results may guide school teaching plans, outreach efforts tailored to different groups, and broader actions aiming fairer access to financial learning across varied communities.

Research Objectives

Measuring how well people understand everyday money matters using a consistent scoring method.

Focusing on real-world links between population traits and fundamental money knowledge results.

Focused on how income levels shape understanding of money matters, while school background plays a role too. One thing builds on household status, another ties closely to learning access. Background conditions often set the stage early, yet classroom exposure sometimes shifts outcomes. Family resources matter just as much as teaching quality does. Learning about finances rarely happens without some support from either home or education systems.

Looking into how money risks connect with personal habits to affect financial understanding. What shows up in knowledge often ties back to experience with spending and choices. Reactions to loss or gain shape learning just as much as education does. Real world trial matters more than theory alone. Outcomes depend on both access to information and emotional responses during decisions.

Literature Review

1. Basic Financial Literacy Measurement

Looking at studies, experts often see financial literacy as a key skill for handling everyday money choices well (Lusardi & Mitchell, 2014; Potrich et al., 2015). Over time, researchers stopped seeing it just as knowing facts, shifting toward viewing it as a mix of awareness, practical abilities, and judgment around ideas like growing returns, price changes over time, spreading risks, and managing cash day to day (Klapper et al., 2015; Greimel-Fuhrmann & Silgoner, 2018). Because of this shift, tools using scores have emerged, letting scholars measure basic financial understanding apart from more complex expertise in real-world data work (Kadoya & Khan, 2016; Castaneda et al., 2022). Commonly, this ability gets measured by fixed sets of answers to simple finance questions, making it easier to compare groups and systems across countries (Potrich et al., 2015; Klapper et al., 2015). Looking into how personal traits and surroundings shape money smarts often means using these kinds of scores as results in number-crunching studies focused on what drives literacy (Castaneda et al., 2022; Kadoya & Khan, 2016). Studies digging into who knows what about finances tend to lean on complex math tools like logit or probit setups, especially when tracking small shifts across groups (Potrich et al., 2015). Because of that trend, treating a Basic Financial Literacy Index (Basic_FLI) as something measured rather than controlled fits right into common research habits seen before (Greimel-Fuhrmann & Silgoner, 2018). Data shows time and again many people fall short on basic finance know-how - over two-thirds scoring low in certain areas, which hints at just how broad the gap really is (Potrich et al., 2015; Namawejje et al., 2022).

2. Who Knows About Basic Money Matters and Why

Studies show who people are affects how well they understand money matters. Older folks usually know more about finances because life teaches them along the way. People between thirty and sixty tend to get better at handling money than those much younger or older. Later in life, some lose sharpness around financial choices - either from less involvement or mental changes. Even when you account for education or earnings, age still makes a difference worldwide. Men and women often differ in their grasp of personal finance, seen again and again in data from many countries. This gap shows up clearly no matter where researchers look. One study after another finds women scoring below men when tested on money matters, especially around judging risks or choosing investments - a pattern seen in many countries. In Austria, tests show men still score higher than women even when age, education, or survey habits are factored out; yet women tend to watch their spending more closely and avoid risky moves. Being male links to a small but measurable rise in chances of passing basic finance quizzes - about one-tenth better odds compared to women. More than half the adult women living in remote parts of Uganda fall into the category of having minimal grasp of financial basics, showing how being female plus poor can deepen gaps in understanding. Experts now point less at brainpower and more at upbringing, self-belief in handling cash, and who gets to make money choices at home or work as key reasons behind uneven results between genders. Even though differences between genders stop being significant in money-related results after considering things like understanding, mindset, and actions, women still face fewer chances to build financial knowledge - a problem experts say needs focused solutions.

Schooling often links closely to how well people understand money matters, backed by many studies using different methods and groups. Because of better math abilities, sharper reasoning, and more contact with economic ideas during school years, educated adults usually score higher on basic financial knowledge tests. For every extra level of schooling completed, chances rise about two and a half percent for someone showing stronger financial awareness - when keeping income and background steady. In countryside areas especially, women who finish high school are far more likely to grasp financial topics, being twelve times likelier than peers with less education, while college graduates show odds over eightyfold greater. When coursework actually covers budgeting, banking, or market basics, learners walk away knowing significantly more than classmates whose classes skip these subjects, making academic

focus an influential factor even at university level. Learning programs boost reading skills sharply - odds jumping to 13.35 where applied, showing money knowledge can grow like any learned ability (Namawejje et al., 2022; Kaiser & Menkhoff, 2017). Gains come not just from sharper thinking overall, yet also from direct contact with finance topics in class (Bernheim et al., 2001).

3. Money Lessons From Family And Class

Money situations shape how people learn about finances in many ways at once. People from richer homes often know more about banking because they deal with it more often than others do. Earnings tied to a person add just over six percent chance of better money understanding, yet shared home income adds nearly four percent instead. Doing things like budgeting or saving builds real skills slowly, simply by doing them again and again. What parents know about school matters shows up later in their kids' money habits, passed down without saying much. Behaviors around spending or planning at home also teach young ones long before they earn anything themselves. Kids who grow up where money talks happen openly tend to understand finances better later in life, thanks to lessons passed down at home. Not just talk - watching parents make real choices about cash helps too. For college students, how much their dad learned in school matters a lot, along with what kind of money situation they grew up in. This mix shapes know-how about budgets and banking more than many realize. One study looked at older married pairs found something odd: if the husband had more schooling, his wife tended to be sharper with numbers - even when her own education stayed the same. That link didn't go backward though - the wife's learning did not lift the man's skills. So one person's smarts can spill into shared household habits, but only in certain directions. Family roots run deep when it comes to handling dollars and cents. Younger people especially carry these early signals into adult behavior. Home environment plays a quiet yet powerful role behind the scenes. What gets taught without textbooks often sticks longest. Some advantages pass on like heirlooms, others fade before arrival. Learning flows unevenly across generations - and between partners too. Background whispers louder than test scores sometimes. Money wisdom hides less in lectures, more in lived example. Old routines shape new minds whether noticed or not. Even silence around finances teaches its own lesson. Exposure counts more than intent in shaping fluency. Early settings leave marks that time doesn't erase easily. The kitchen table may matter more than the classroom bench. Having dependents in the home tends to lower chances of strong literacy by about 7.51%. Still, living with family can limit access to financial understanding, research shows. Working part time while studying makes a noticeable difference too. That kind of job experience during school often leads to real-world money insights. Hands-on work builds practical skills outside classrooms. Early contact with jobs shapes how people learn about finances. Daily responsibilities at work teach lessons textbooks might miss.

4. Money Risks Behavior and Combined Approaches

One thing clear: personal traits matter more now in studies on money smarts. Not just systems or structures shape how people handle finances - inner mindset plays a role too. Confidence about managing cash links to better learning habits when it comes to financial topics. When someone trusts their own judgment, they tend to look up details more often. Risk comfort also sways choices, quietly guiding who dives into money decisions. Beliefs about what lies ahead - the future - affect readiness to learn about savings or budgets. Talking regularly with others? That connects to sharper finance understanding as well. Even after checking age, income, or education, these soft factors still hold weight. Different ways of measuring know-how show similar patterns. People who feel capable usually score higher, hands down. School-based money lessons often get suggested to boost know-how about finances, yet results differ widely based on how long programs run, how intense they are, while also shaped by local conditions seen across different trials. Long-term teaching shows stronger staying power for core money skills when tested under careful study designs instead of short courses. For women in countryside areas, structured classes link to a striking 13.35 times greater chance of reaching better understanding, standing out as an unusually strong outcome recorded so far. Learning from home life - like talks with relatives, advice from

friends, handling cash personally - adds to classroom efforts, shaping financial awareness through various real-life paths. Close looks at people who lend directly to others show that open conversations within families about money lead to sharper investing insight, improved abilities, along with healthier mindsets, pointing to ongoing growth well past youth. Looking on without taking part can harm how families pass down money smarts, often leading to shaky beliefs and poor understanding in young people. Not every way of picking up finance skills works the same - what happens at home differs sharply from classroom lessons, shaped by who is teaching and how it's done. Doing real tasks like tracking spending or managing small budgets links strongly to better results, especially when those habits stick over time. People who plan their expenses tend to know much more about money, showing a clear tie between practice and awareness. Instead of focusing on one cause, recent studies follow paths that weave together age, income, schooling, and daily choices to map out why some grasp finances faster than others. When researchers blend several factors into their models, they see clearer patterns behind what lifts or lowers financial skill levels across different groups. Numbers show these broader approaches explain far more than narrow ones relying only on isolated traits.

Even though lots of research explores financial literacy, some flaws in how it's done still stand out (Hastings et al., 2013; Fernandes et al., 2014; Potrich et al., 2015). Much of what's been studied leans heavily on complex money habits - like picking investments or saving for retirement - instead of treating everyday financial knowledge as something worth analyzing alone (Lusardi & Mitchell, 2011; Legenzova & Leckė, 2024). Because methods shift so much between papers, comparing findings becomes tricky, making broad patterns hard to spot (Greimel-Fuhrmann & Silgoner, 2018; Kadoya & Khan, 2016). When surveys use different questions, definitions, or models, results about causes of literacy don't line up well, blocking clear overall messages (Potrich et al., 2015).

Where gaps show up, real-world testing becomes key - using tools like basic_FLI helps, especially when different factors are studied together (Castaneda et al., 2022; Böhm et al., 2023). This work steps in by zeroing in on core money skills tracked via a standard score, looking at personal background, learning history, family influence, and experience - all woven into one model (Kadoya & Khan, 2016; Potrich et al., 2015).

Methodology

A closer look at what shapes basic money smarts came through numbers pulled at one point in time. Instead of testing people fresh, already gathered results from a standard quiz on cash matters were used. These scores helped measure who understood essentials like budgeting or interest. What stood out was how things such as being male or female played into it. School lessons in economics also showed some effect. Parents' own grasp of finances quietly echoed in their children's answers too. Daily talk about prices or spending mattered more than expected. Even dipping toes into stocks tied back to early exposure. Each piece connected inside a single method meant to track patterns without bias.

People in the study had different backgrounds when it comes to money and schooling, covering a range of ages, experiences, and life situations. After removing incomplete records - those missing data needed for the analysis - a total of 952 participants remained for review. Because every model used the exact same set of cases, results could be directly compared without distortion. With this number, the study could reliably identify noticeable patterns even when looking at several group categories at once.

A person's grasp of money basics showed up in scores built from their replies to fixed quiz questions about things like how savings grow, prices rise, or risks spread out. One by one, those answers got rolled together, then adjusted so the average landed near zero, with most values within one unit above or below. Because it lines up that way, patterns found through number crunching stay stable and make sense later. Shifting everything onto a common scale lets us line up results even when raw numbers start off very different.

One part looked at how much parents knew about money, rated by people on a four-step scale based on their views. Gender showed up as a group label, split into types rather than numbers. School lessons in economics appeared through scores that ranked how deep someone went in class topics. Daily contact with economic ideas came through real-life situations where such thinking popped up now and then. Taking part in stock investing was marked simply yes or no, depending on whether a person had ever bought shares. Each named group got treated separately in math models so differences could show clearly, avoiding forced number patterns unfit for rank-style data.

The study relied on Stata for examining data, with OLS regression serving as the main method for estimates. To handle uneven variance, analysts applied both traditional and robust standard errors. Checking the model involved looking at residual plots versus predicted outcomes - this helped judge linearity and correct setup. Tests also targeted heteroskedasticity itself, while multicollinearity got measured through Variance Inflation Factors.

Starting off, the basic model based on data looked like this:

Starts with a base number. Then comes Parent_FL times its weight. Gender adds another piece. EconomicsEducation shifts things too. Daily talk about money plays a role. Stock market involvement changes the total. Ends with some unexplained variation

Basic_FLI stands for a uniform measure of money knowledge. While the β values show how much each factor contributes when keeping other elements steady, ε accounts for unexplained variation in the results.

Finding clear patterns meant working out average predictions for categories like sex and whether someone studied economics. Each group gets its own estimated score on money knowledge, keeping everything else fixed at typical values seen in the data. Lines showing these averages come with shaded bands that reveal how sure we can be about differences across groups. Pictures of these comparisons help people who shape rules or run programs grasp what the numbers say without needing a stats background.

Analysis

Table 1

Descriptive Statistics

Variable	Obs	Mean	Std. dev.	Min	Max
Basic_FLI	952	-6.61e-08	.9973677	-2.064333	1.632844
Parent_FL	952	3.390756	.704976	1	4
Gender	952	2.488445	.5366415	1	3
Economicse~n	952	3.101891	.7244539	1	4
Economicsi~e	952	3.439076	.6912906	1	4
Stockmarke~n	952	.1344538	.3413185	0	1

One look at Table 1 shows how each variable spreads out, setting a real-world base for what comes next. Not far from zero sits the average of Basic_FLI, its spread nearly one unit wide - just right for fitting into straight-line models, like past work suggests such indexes should. Instead of "and," notice

how differences stretch across answers - the gaps in core money knowledge stand clear, much like earlier studies found when they checked skill levels in groups.

Midway up the scale sit parents' grasp of money matters along with schooling in economics, pointing to some mix of home-raised awareness and classroom learning across participants. Highest of all averages appears in everyday economic experience, revealing how often people bump into real-world finance without even signing up for it. Just a small fraction trade stocks - only 13.4 percent - not many diving into complex tools at all. That gap? Broad street-smart contact yet little actual investing sets the stage for what comes next: practical know-how doesn't steer understanding later on, but structured lessons do.

Table 2

Regression Model

Source	SS	df	MS		
				Number of obs	= 952
				F(8, 943)	= 2.54
Model	19.9652488	8	2.4956561	Prob > F	= 0.0097
Residual	926.034754	943	.982009283	R-squared	= 0.0211
				Adj R-squared	= 0.0128
Total	946.000003	951	.994742379	Root MSE	= .99096

Basic_FLI	Coefficient	Std. err.	t	P>|t|	[95% conf.	interval]
Parent_FL						
2	.0432578	.1057477	0.41	0.683	-.1642703	.250786
3	-.0213872	.1014308	-0.21	0.833	-.2204434	.177669
2.Gender	.200682	.0646179	3.11	0.002	.0738705	.3274936
Economicseducation						
2	.2085782	.0882538	2.36	0.018	.0353816	.3817749
3	.294785	.0970624	3.04	0.002	.1043017	.4852684
Economicsindailylife						
2	-.0665269	.1181824	-0.56	0.574	-.2984579	.165404
3	-.1269439	.116305	-1.09	0.275	-.3551906	.1013027
1.Stockmarketparticipation	-.0809172	.0946883	-0.85	0.393	-.2667415	.104907
_cons	-.1894585	.140871	-1.34	0.179	-.4659153	.0869984

Looking at Table 2, the starting point is an ordinary least squares regression focused on what shapes basic financial literacy. Even though the overall model shows statistical significance, the adjusted R squared value - just 0.0128 - suggests these predictors account for very little of the differences seen across individuals. Such limited explanation fits earlier findings: financial knowledge tends to depend on

layered influences like thinking patterns, mindset, and environment, not just age, gender, or school history.

Parental Financial Literacy

Little evidence shows a strong tie between parents' financial know-how and their children's understanding. Confidence ranges include zero, meaning results could reflect chance. The data in Table 2 fails to confirm that core money skills pass directly across generations when schooling and background factors are accounted for. What kids believe about their parents' grasp may not shape their own abilities much. Earlier studies suggest home-based learning on finances often lacks consistency - this finding fits that idea.

Gender

One way to start is by noticing how gender shows up clearly in the numbers on basic money know-how. It stands out enough that chance alone won't explain it. People labeled under gender group two tend to score higher - about 0.20 steps above average when measured in standard units. That gap holds steady, given the range we're confident about. Zero isn't inside that zone. Earlier studies already pointed this direction, seeing gaps remain even when schooling and upbringing are accounted for. What nudges this difference might be things like self-assurance, how people learn norms growing up, or who gets included in handling finances day to day. Unequal understanding builds slowly through those channels.

Economics Education

Starting from the top, economics teaching stands out as having the most reliable impact in the analysis. Not just one but both advanced education groups show meaningful results, their influence growing step by step with each level attained. Evidence like this - a steady climb in outcomes - backs up long-standing claims about learning building skills: repeated contact with economic concepts sharpens core money knowledge. Gains do not spike after a single course; instead, they build gradually, revealing depth matters more than mere presence.

Economics in Everyday Choices

Even though people seem engaged, real-life money topics don't actually boost financial know-how in a measurable way. Though the trends lean downward, they aren't strong enough to prove a clear link - meaning casual contact with economics doesn't consistently build core skills. What happens around us daily falls short when it comes to grasping ideas deeply, much like earlier studies showed: unguided experience can't replace organized teaching. Learning by doing, on its own, just doesn't stick without structure.

Stock Market Participation

Even so, joining the stock market shows no real statistical impact. Not seeing a link suggests being in financial markets doesn't mean someone grasps core money ideas. Earlier studies point out something similar - being active might come down to chance or access, not knowledge, particularly where few people take part.

Table 3

Marginal Effects of gender

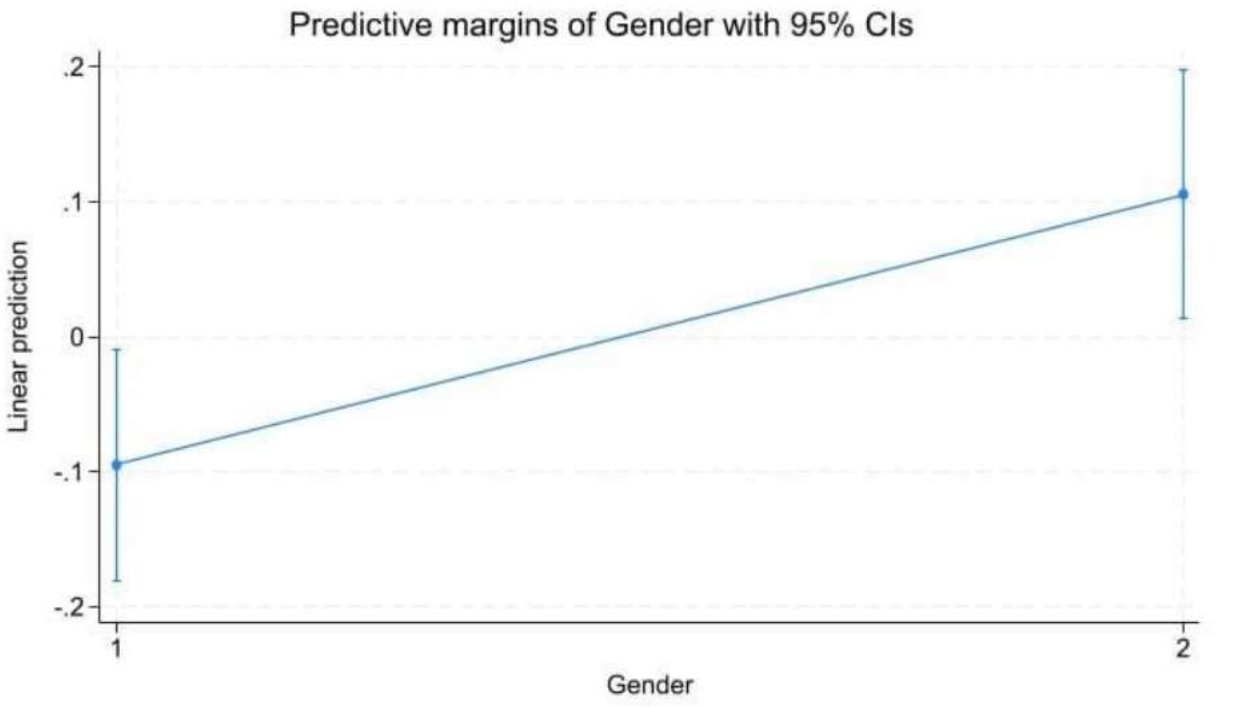
Predictive margins Number of obs = 952

Model VCE: Robust

Expression: Linear prediction, predict()

	Margin	Delta-method std. err.	t	P>|t|	[95% conf.	interval]
Gender						
1	-.0950711	.0437993	-2.17	0.030	-.1810265	-.0091156
2	.105611	.047146	2.24	0.025	.0130877	.1981342

Figure 1: Marginal Effects of Gender



Gender Differences in Marginal Effects

One way to see it: Table 3 turns numbers from the model into clearer money-smart scores. Instead of just abstract stats, you get a real sense of how gender links to understanding finance. People in group one tend to score lower than most others - not by a huge margin, but enough that it shows up clearly in data. On the flip side, those in group two usually know more about managing money than average. That gap? Roughly a fifth of a standard spread between all results. Funny how such a small number actually lines up so neatly with earlier findings.

Picture one drives the point home. Where the ranges do not touch, it shows the difference between genders holds up under statistical scrutiny - it's not just random chance at work. With table three

backing it up, the idea takes shape: disparities in money knowledge by sex stick around, they can be tracked, and what happens next matters beyond theory.

Table 4

Marginal Effects of Economic Education

Predictive margins Number of obs = 952

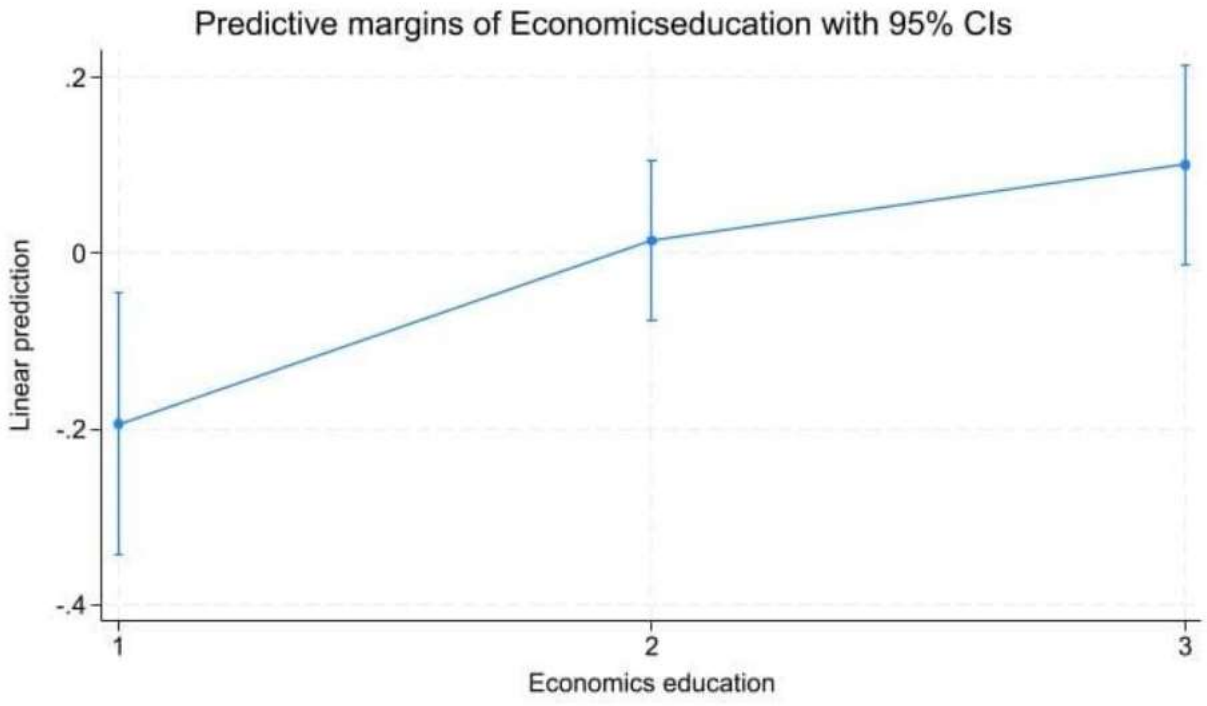
Model VCE: Robust

Expression: Linear prediction, predict

	Margin	Delta-method std. err.	t	P>|t|	[95% conf.	interval]
Economicseducation						
1	-.1940112	.0758268	-2.56	0.011	-.3428199	-.0452024
2	.0145671	.0460779	0.32	0.752	-.07586	.1049941
3	.1007739	.0576163	1.75	0.081	-.0122971	.2138448

Figure 2

Marginal Effects of Economics Education



Looking at Table 4, literacy estimates shift across different levels of economics schooling. People who've had almost no economics learning tend to fall well under the average mark. In contrast, more years spent studying it link to steadily rising scores. Even though the top group just slips shy of typical statistical cutoffs, the climb from bottom to top still shows a clear trend tied to education level.

A steep climb in forecasted literacy appears with each step up in schooling, as Figure 2 shows without doubt. Right away, the gap jumps - lowest educated on one side, everyone else far ahead - which lines up with past findings. Schooling matters most for core money skills, regardless of how much real-world experience people get.

Diagnostic Tests

Table 5

Breusch–Pagan/Cook–Weisberg test for heteroskedasticity
Assumption: Normal error terms

Variable: Fitted values of Basic_FLI

H0: Constant variance
chi2(1) = 0.06

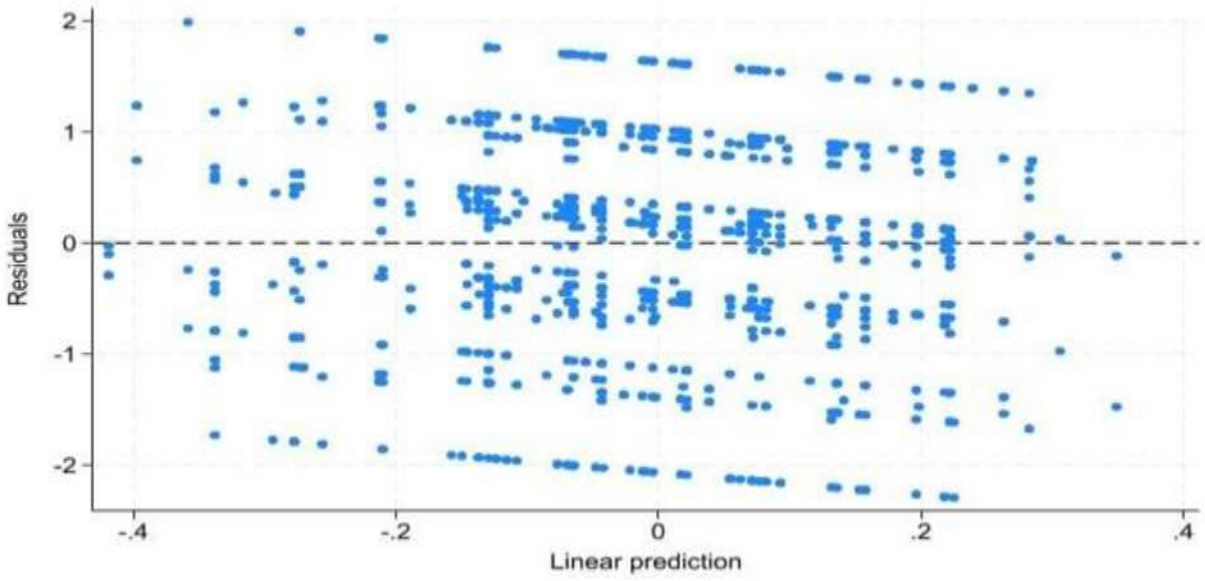
Prob > chi2 = 0.8093

Table 6

Multicollinearity: Variance Inflation Factor

Variable	VIF	1/VIF
Parent_FL		
2	2.48	0.403372
3	2.49	0.401625
2.Gender	1.01	0.990905
Economicse~n		
2	1.89	0.529835
3	1.95	0.512952
Economicsi~e		
2	3.10	0.322524
3	3.25	0.307658
1.Stockmar~n	1.01	0.988604
Mean VIF	2.15	

Figure 3: Residual Plot



Even though it might seem unclear at first, Table 5 makes one thing certain - standard errors can be trusted since uneven variance isn't present. What stands out in Table 6 is how small the Variance Inflation Factors stay for every predictor, meaning overlapping influence among variables doesn't blur the results. Scattered without order, the residuals in Figure 3 quietly suggest the model fits well - no curves, no trends, just randomness where it should be.

Put together, these checks back up the model's setup. That gives more weight to the idea that what we see - like how gender and learning about money matter, while parents' reading skills, casual learning, or buying things don't - is real, not just a quirk of how the analysis was done.

Synthesis With the Literature Review

Surprisingly, what turned up in the data sticks close to earlier studies. Results show that understanding money basics ties more strongly to classroom learning in economics than chance encounters with finance. Even after accounting for real-life experience, gaps between men and women still stand out clearly. Learning at home about money matters does help - yet it doesn't build core skills on its own. With a uniform measure called Basic_FLI and layered statistical models, the study backs past claims: schools must lead, attention to gender is key, and broad shortfalls won't fix themselves.

Limitations

One big issue here? The data comes only from Indonesia - so what works there might not work elsewhere. Think about it: how people learn money skills, their roles at home, school backgrounds, even job markets - they're all tied to local habits, rules, and economies unique to each nation. In Indonesia, things like classroom design, who gets bank access, gaps between regions, or deep-rooted family duties shape how folks pick up finance know-how - and admit what they do with cash. These forces can twist results in ways unlikely to repeat where laws differ, cultures expect more or less, or banking reaches fewer hands. So those links spotted in the numbers? They mirror life in one place - not truths everywhere. Jumping to apply them somewhere else needs care, plus solid comparisons across borders first.

Conclusion

This research looked into what shapes basic financial knowledge, drawing from a survey of 952 people. It paid attention to age, schooling in economics, how families talk about money, everyday exposure to financial matters, along with involvement in stock markets. Instead of just listing causes, it combined them into one model. The analysis used standard linear regression, checked thoroughly for accuracy. Each factor's role was weighed against the others, revealing which mattered more, which less.

What stands out is how strongly school-based economics training links to better financial understanding - more classes mean higher scores, every time. On average, one gender does about 0.20 standard deviations better than the other, even when comparing people with similar schooling and backgrounds. That gap stays visible despite adjustments. Meanwhile, knowing parents who manage money well doesn't seem to lift someone's own skills much at all. Neither does casually following finance topics here and there. Being involved in stock trading? Makes little measurable difference either. Once you factor in classroom learning and basic demographics, those experiences fade into the background. Education alone carries the weight.

What stands out here is how young ideas about money are studied before they become complex habits. Instead of looking at what people do later in life, the focus lands on first understandings. A single method ties together many influencing factors without treating them separately. Outcomes show up as clear estimates anyone can grasp easily. Learning shapes money awareness more than chance encounters suggest. Simply picking things up through daily experience falls short in meaningful ways.

Looking at policy, long-term money lessons built into school classes work better than quick talks or one-off handouts. Instead of short efforts, steady teaching over time makes more difference. Ways of teaching that notice how boys and girls learn differently about money can help close lasting gaps. One reason: confidence plays a big role, especially for some students. Training teachers well matters just as much as fitting these topics into different subjects. When kids meet the ideas again and again across several grades, progress tends to stick. Over years, this kind of slow buildup adds up in quiet but real ways.

One way forward might be studies that track people over time, since those can help pin down cause and effect. Another angle involves testing real interventions instead of just observing. Deeper looks at how thinking styles or emotional patterns play a role could add useful detail. Some groups may respond differently - those differences deserve attention. What people do with money, not just what they know, matters in measuring impact. Even though many things shape financial understanding, school-based learning stands out. It works consistently. Plus it's something governments can actually influence through rules and programs.

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