

What is Financial Literacy?

Financial literacy means having the skills and knowledge to make informed decisions about managing your money. Understanding basic financial concepts lets people know how to navigate the financial system. People with financial literacy skills make better financial decisions and manage money better than those without these skills.



Financial Literacy in Canada

- 55% of Canadians have unsuitable numeracy skills, which means that they may struggle with understanding written instructions that rely on charts, numbers and conditional statements (if-then statements) (*Conference Board of Canada, 2010*).
- 4 in 10 Canadians report that money is a daily concern, and a third of low-income Canadians report worrying about money almost constantly (*Canadians and their Money – Financial Planning Standards Council, 2016*).
- Less than half of Canadians (46%) have a budget (*Managing Money and Planning for the Future: Key Findings from the 2014 Canadian Financial Capability Survey – Financial Consumer Agency of Canada, 2015*).
- Nearly 6 out of 10 Canadian adults (59.6%) do not have a good idea of how much money they need to save to retire when and in the way that they want (*Financial Literacy and Retirement Well-Being in Canada: An Analysis of the 2014 Canadian Financial Capability Survey – Financial Consumer Agency of Canada, 2017*).
- People who have higher levels of financial confidence tend to have better results with day-to-day money and debt management than those with low levels of confidence (*The link between financial confidence and financial outcomes among working-age Canadians – Social Research and Demonstration Corporation, 2016*).