

**Understanding the Financial Knowledge Gap: A New Dimension of Inequality in Later
Life**

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Abstract

To understand the relationship between financial knowledge and financial behaviors, it is important to understand the financial knowledge gap – the distance between objectively and subjectively measured financial knowledge. Overestimating one’s financial knowledge can lead to risky financial behaviors and economic vulnerability. To date, limited empirical work has examined how the gap between one’s perception of their own financial knowledge and their actual knowledge varies across the life course. We analyze the size and nature of the financial knowledge gap and its variation across the life course. We use nationally representative data from the Canadian Financial Capability Survey (CFCS) and find robust evidence that older adults overestimate their financial knowledge. Social workers can assess the financial knowledge gap and inform and educate their clients to protect from financial fraud, exploitation, and, abuse. Furthermore, social workers can offer informational seminars, workshops, and financial planning and counseling sessions.

Keywords: Financial knowledge, financial knowledge gap, financial capability, life course, older adults, Canada

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Background

In recent years, social workers have focused on financial capability and asset building approaches to help individuals and families who experience increasing disparities of wealth and income. The financial capability framework includes both financial knowledge and financial inclusion – in other words, the ability to act, and the opportunity to act (Sherraden, 2013a). Considering that contemporary families – and especially those with low-income - are facing increasingly complex financial calculations and decisions to keep up with declining incomes and wealth (Sherraden, 2013b), social workers have sought effective approaches to building financial capability and assets in households. Moreover, building financial capability for all, and reducing extreme economic inequality have been identified as two of the twelve grand challenges for social work in the 21st century (American Academy of Social Work and Social Welfare, 2016).

Financial knowledge is important because it influences financial behaviours and practices. For example, high levels of financial knowledge are associated with better financial behaviours and practices, whereas low levels of financial knowledge place individuals at risk of financial insecurity and poverty (Collins, 2013; Grinstein-Weiss, Guo, Reinertson, & Russell, 2015; Hui, Nguyen, Palameta, & Gyarmati, 2016; Xiao, Chen, & Chen, 2014). Important for gerontological social workers, evidence suggests that older adults have lower levels of financial knowledge than other age groups (Finke, Howe, & Huston, 2011; Lusardi & Mitchell, 2011a, 2011b; Lusardi, Mitchell, & Curto, 2012) making them particularly vulnerable to financial insecurity and exploitation (Lusardi, 2012). As a consequence, concerted efforts have been made to increase financial knowledge in older age through educational seminars (e.g. retirement planning) and workshops. While these efforts are important, they presume that individuals accurately assess their need for more financial knowledge and see guidance and assistance as

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required. However, to date, no research has examined the relationship between perception of financial knowledge and actual knowledge across the life course.

In this study, we investigated people's financial knowledge from a broader perspective of knowledge and perception. Because people's perception mediates the relationship between their knowledge and actions (Bandura, 1982), it is equally important to understand how much a person knows about financial matters, as well as how a person perceives the extent of their own knowledge. Given the tendency for cognition to change with age (Horn & Cattell, 1967), the gap between actual knowledge and perception might vary across the life course. Understanding the nature of this gap, and its variation across the life course will help to identify how and when to intervene to improve the quality of older adults' financial lives.

Financial Knowledge

Financial knowledge is one's understanding of financial matters. Individuals need to be aware of the micro and macroeconomic environment and understand basic issues of everyday finance such as saving, investment, credit, interest rates, inflation, and pricing of consumer products, among others. As such, financial knowledge is a form of literacy about financial issues. In this area of research, the term financial knowledge is sometimes used interchangeably with financial literacy. For example, Kempson et al. (2005) define financial literacy as individuals' ability to obtain, understand, and evaluate financial information. In other cases, financial knowledge is understood as one component of financial literacy. For example, various authors have conceptualized financial literacy as being comprised of financial knowledge, skills, and attitudes, all of which influence people's financial behaviors (Lusardi, 2011; Lusardi & Mitchell, 2013; Xiao et al., 2014).

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Both subjective and objective assessments are used to measure financial knowledge. Objective financial knowledge is measured by assessing people's level of understanding of various components of financial markets and products, such as assets, debts, savings, and investments (Leskinen & Raijas, 2006). Xiao et al. (2014) measured objective financial knowledge using a knowledge quiz or a numeracy test on a specific domain. Lusardi and Mitchell (2014) identified three basic areas to measure objective financial knowledge: (i) numeracy and capacity to do calculations related to interest rates, (ii) understanding of inflation, and (iii) understanding of risk diversification. For simplicity, we use the term 'objective financial knowledge' in this study.

Subjective financial knowledge is understood as individuals' self-assessment of their levels of financial knowledge. Both the National Financial Capability Survey (NFCS) in the US and the Canadian Financial Capability Survey (CFCS) used a number of questions to assess the subjective financial knowledge of the respondents (FINRA Investor Education Foundation, 2009; Statistics Canada, 2009). To measure subjective financial knowledge, Xiao et al (2014) used a single item from the NFCS that asked on a one to seven scale: "how would you assess your overall financial knowledge?".

The level of financial knowledge matters because of its relationship to financial decision-making and behavior. Accordingly, low levels of financial knowledge can lead to greater risk of financial vulnerability amongst older adults, which is an important cause for concern. Studies of financial decision-making suggest differences across the life course. For example, compared to younger adults, older adults paid more for credit services (Laibson, Agarwal, Gabaix, & Driscoll, 2009), and were more likely to file for bankruptcy (Pottow, 2011). Overall, possessing financial

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knowledge can serve as a protective factor against potentially deleterious decision-making in older age (James, Boyle, Bennett, & Bennett, 2012).

Financial Vulnerability among Older Adults

Financial vulnerability in old age is a rising concern in society. In order to increase financial security and overall well-being, it is vital to understand the nature and extent of this vulnerability, and to identify risk factors for it. Teaster et al. (2006) found that approximately 20 percent of the substantiated cases of elder abuse were financial in nature. In a review, Rabiner, O'Keeffe and Brown (2005) found that risk factors for financial abuse amongst older adults include lack of a strong social network, social isolation, having recently experienced the loss of a loved one, limitations in activities of daily living, and cognitive impairment. However, in a study on consumer fraud, Ross, Grossmann and Schryer (2014) questioned the claim that financial abuse was more prevalent amongst older adults. The authors suggested that studies that focus on social and psychological factors related to vulnerability might miss the protective factors that guard older adults against financial exploitation. Broadly speaking, these factors point to a growing need to understand and address the financial experiences of older adults, who may be particularly vulnerable to financial insecurity.

In recent years, financial markets and products have become increasingly complex, and older adults are required to be increasingly self-sufficient regarding the planning and management of their financial lives. For example, the general shift from defined benefit to defined contribution retirement plans has made financial planning more complicated (Lusardi, 2012; McCallion, Ferretti, & Park, 2013). Moreover, older adults now need to ensure that whatever financial assets they have when they leave the workforce will last throughout retirement, which, for many, will be an increasingly long period (Lusardi, 2012). Older adults

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are likely to be at the peak of asset accumulation, yet have low financial knowledge, making them particularly susceptible to financial scams and abuse (Lusardi, 2012; McCallion, Ferretti, & Park, 2013). Further, because of barriers to re-entry into the workforce, such as stereotyping by age, race, and disability; disparities in education, skills and training; and deficits in community resources, older adults have limited means to recover from financial losses that result from fraud, exploitation, and abuse (Anderson, Richardson, Fields, & Harootyan, 2013). Importantly, some subgroups of older adults, such as recent immigrants to the US, are at particularly high risk of financial insecurity. Nam, Lee, Huang and Kim (2015) find that these older adults have less knowledge of, and experience with, complex financial institutions in their new country of residence, making it difficult for them to access important financial products and services.

Financial Knowledge Gap

Individuals' financial knowledge, as well as their perception about their own financial knowledge, can vary on different demographic and socioeconomic characteristics. Literature suggests that most people have low financial knowledge but are unaware of this, and, thus, overestimate their financial knowledge (Lusardi, 2011). As such, there is a disconnect between individual's subjective and objective financial knowledge. Lusardi and Tufano (2009) measured objective and subjective financial knowledge, and reported that older adults had lower levels of objective financial knowledge than subjective financial knowledge. Consistency in findings across countries suggested that the low level of financial knowledge amongst older adults was independent of country-specific economic trends, financial markets and products, and culture (Lusardi, 2012). When using alternative measures of financial knowledge – some of which measured very basic, as opposed to more complex, financial concepts – findings were similar (Finke et al., 2011; Lusardi et al., 2012).

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The distance between one's subjective and objective financial knowledge is considered the financial knowledge gap (FKG). The gap can go in either direction: an individual's subjective financial knowledge is greater than their objective financial knowledge (overestimation), or their subjective financial knowledge is lower than their objective financial knowledge (underestimation). Understanding the FKG distribution, and its variation across age groups, provides important insight into one dimension of financial insecurity, a social problem of increasing significance as societies age.

Overestimated valuation of financial knowledge may lead to risky financial practices, and in turn, can cause more vulnerability to financial fraud and exploitation. Lusardi (2012) suggested that higher levels of subjective financial knowledge – potentially leading to overconfidence in financial decision-making- may at least partially explain why older adults are targeted for financial exploitation. Sherraden and Marrow-Howell (2015) warned that despite high levels of financial confidence, older adults lack plans for managing financial affairs. The authors emphasized the importance of financial knowledge in old age because of the threat of financial abuse.

Research Questions

There has been much research on financial knowledge, in general, and in relation to financial behaviors and practices. However, to date, there has been little empirical work on the financial knowledge gap. Some studies have examined individuals' subjective financial knowledge to see its influence on financial behaviors (Robb & Woodyard, 2011; Xiao et al., 2014). Others have reported descriptive statistics such as mean and proportions of both objective and subjective financial knowledge, and observed differences in gender, ethnicity, and age groups (Lusardi, 2011; Lusardi & Tufano, 2009). However, to our knowledge, no studies have

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examined the construct of the gap, defined as the actual distance between subjective and objective financial knowledge. Analyzing the gap, as we do below, provides insight into financial knowledge in ways that previous research cannot. For example, the gap analysis allows us to understand important aspects of financial knowledge, such as the magnitude of the gap, the nature of the gap (i.e. overestimation or underestimation of financial knowledge), variation of the gap across age groups, and how this variation is related to other demographic and socio-economic factors. There are at least two major implications of understanding this gap. First, knowledge of the gap will help identify the groups who are overconfident in their financial knowledge, which is a risk factor for financial fraud, exploitation, and abuse. Second, knowledge of the gap will help inform prevention and treatment interventions that target the financially vulnerable. In this study, we have examined the financial knowledge gap from a life course perspective, and investigated the following research questions:

1. What is the size and nature of the financial knowledge gap?
2. How is the life course related to the financial knowledge gap?

Method

Data

The study is cross-sectional and used data from the 2009 and 2014 Canadian Financial Capability Survey (CFCS). Combined, these two cross-sectional surveys sampled 22,204 adult Canadians through a two-phase stratified random sample administered with computer-assisted telephone interviewing (Statistics Canada, 2009, 2014). In the first phase, households were selected using Random digit dialing (RDD), and in the second phase, one individual from each household was selected. The sampling frame excluded individuals living in institutional settings and individuals residing in Yukon, Northwest Territories, and Nunavut. The survey provided weights for adjustment of non-response, bias for selecting one individual in the household, and

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inconsistency in province-age-sex ratio with population estimates projected in the Census.

Hence, the findings we present are nationally representative. We pooled/stacked data from both years.

Measures

Subjective financial knowledge: Subjective financial knowledge is each person's self-rated level of knowledge of financial matters. In both years, one item in the CFCS asked: "How would you rate your level of financial knowledge?". Responses ranged from one to four with one corresponding to "very good" and four corresponding to "not very good". The item was reverse-scored so that a higher score indicated higher financial knowledge. We standardized the scale for comparison.

Objective financial knowledge: Objective financial knowledge was measured as the summary score of the 14-item financial literacy quiz. Each item was scored correct or incorrect. These questions covered a wide range of concepts on financial knowledge that included inflation, interest rate calculation, stock market, and financial products of savings, credit, and insurance. A sample question reads, "If the inflation rate is 5% and the interest rate you get on your savings is 3%, will your savings have at least as much buying power in a year's time?" The summary score was also standardized.

Financial knowledge gap (FKG): We define financial knowledge gap as the distance between subjective financial knowledge and objective financial knowledge. The FKG score was generated by subtracting the standardized objective financial knowledge scores from the standardized subjective financial knowledge scores. As such, a negative score indicates underestimation of financial knowledge, and a positive score suggests an overestimation of financial knowledge.

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Life course: We measured life course in six different groups representing chronological age. The categories ranged from 18 years to 65 years and above (1=18 - 24; 2= 25 - 34; 3= 35 - 44; 4= 45 - 54; 5= 55 – 64; 6= 65 and above).

Demographic variables: Demographic variables included gender, family structure, number of children, and immigration status. We created a variable of family structure by recoding marital status into three categories (1 = married, 2 = common law, 3 = single, divorced or separated, and widow or widower). We recoded the variable of the number of children in the household into two categories (0= no children, 1 = children). We used gender as dichotomous variable. We also coded immigration status with two categories (1 = born in Canada; 2 = immigrant).

Socioeconomic variables: Socioeconomic variables included education level, employment status, income level, and home ownership. We coded level of education with three categories (1= high school diploma or less; 2 = some college and college; 3= university degree or above). A variable for employment status was coded with four categories (1= employed; 2= unpaid work; 3= unemployed; 4= retired). We coded income with five categories (1= less than \$32,001; 2=\$32,001- \$54,999; 3=\$55,000-\$79,999; 4=\$80,000-\$119,999; 5=\$120,000 and over). We coded home ownership as a dichotomous variable (0 = renter or other housing status; 1 = home owner).

Analysis plan

As a starting point, we analyzed the distribution of the FKG. Next, we compared means of FKG scores over the life course. Then, we ran multivariate regression models predicting the FKG. The focus of the analysis was on the life course. In the first model, we regressed FKG on the life course only. In the second model, we controlled for demographic variables along with the life course. In the final model, in addition to demographics, we controlled for socioeconomic

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variables. All regressions in the pooled sample included a year dummy variable. Comparing both model coefficients and model fit statistics across models allowed us to test the research questions. Last, to illustrate the regression findings, we simulate FKG scores. The simulations were calculated as the predicted FKG among older adults. In all analyses, survey weights were used.

Results

The sample is presented in Table 1. The age distribution showed that 18 percent of the respondents were older adults (65 and over). The largest age group was respondents aged 45 to 55 years, and the smallest age group was respondents aged 18 to 25 years (each group making up 19 and 12 percent of the sample, respectively). Females made up 51 percent of the sample. The proportion of the respondents who were married was 51 percent, 11 percent were living in common-law union, and the rest were living single, separated, divorced or widowed. Most respondents reported that they did not have any children (68 percent) living in their households. Respondents born in Canada made up 79 percent, and 21 percent respondents migrated to Canada. The proportion of respondents that had a university degree was 26 percent, while 42 percent had a high school degree or less. More than half of the respondents (52 percent) were employed, while 12 percent were unemployed, and another 21 percent were retired. The income distribution showed that 18 percent of the respondents were living with an annual income of \$32,000 or less, while 21 percent had an annual income of \$120,000 and over. Most of the respondents reported owning a home (74 percent).

[insert Table 1 here]

The unstandardized mean scores of subjective and objective financial knowledge were 2.24 ($SD=.84$) and 8.01 ($SD=3.55$), respectively. After standardization, subjective and objective

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financial knowledge scores ranged from -1.52 to 2.06, and -2.32 to 1.70, respectively, with mean scores of 0 and standard deviations of 1.

The FKG score ranged between -3.22 and 4.39 with a mean of -.16 points ($SD= 1.24$). In results not shown but available by request, the FKG scores varied significantly across age groups at $p=.05$ level [$F(5, 20904) = 126.52, p<.001$]. Young adults (18 to 24) underestimated their financial knowledge with a mean of -.41 points ($SD= 1.18$). On the other hand, older adults (65 and over) overestimated their financial knowledge by .28 points ($SD= 1.29$). Other age groups also underestimated their level of financial knowledge.

Next, we turned to the regression results (see Table 2). The bivariate regression (Model 1) showed two findings with life course implications. First, older adults (65 and over) with reference to middle age adults (35 to 44) significantly overestimated their financial knowledge by .53 points ($\beta = .53; p < .001$). On the other hand, younger adults (18 to 24) significantly underestimated their financial knowledge by .16 points ($\beta = -.16; p < .05$). Variation of the financial knowledge gap was not statistically significant for other age groups. This model explained 3 percent of the variation of FKG across the life course.

After we entered demographic variables in the regression model (Model 2), the coefficient for older adults increased and remained statistically significant (overestimated the level of financial knowledge by .55 points; $\beta = .55; p < .001$). Younger adults significantly underestimated the level of financial knowledge in the same magnitude. In relation to middle age, other age groups were not statistically significantly different. Among the demographic variables, males were more likely than females to overestimate their financial knowledge by a difference of .10 points ($\beta = .10; p < .01$), and immigrants were more likely than Canadian-born

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to overestimate their financial knowledge by a difference of .33 points ($\beta = .33; p < .001$). The explanatory power of this model increases to 4 percent.

[insert Table 2 here]

In the final regression model (Model 3), we entered socioeconomic variables. When we controlled for all the demographic and socioeconomic variables, the coefficient for older adults decreased from .53 to .33 (38%) of the magnitude from Model 2 ($\beta = .33; p < .001$). Younger adults underestimated their financial knowledge by .20 points ($\beta = -.20; p < .01$). Again, the results for other age groups were not statistically significant. Of note, the coefficient for older adults was reduced while controlling for socioeconomic variables. Gender and immigration status were still significant with similar magnitude and direction. Education was related to the FKG. Compared to those with a university degree, respondents with a high school degree or less overestimated their financial knowledge by .27 points ($\beta = .27; p < .001$). Unemployed respondents compared to employed respondents overestimated their financial knowledge by .14 points ($\beta = .14; p < .05$). With reference to respondents with higher incomes (\$120,000 and over), those with low incomes (less than \$32,001) overestimated their financial knowledge by .12 points ($\beta = .12; p < .001$). This regression model (Model 3) explained 6 percent of the variation of the FKG across the life course, which is double the explanatory power of the bivariate regression model (Model 1).

Last, we calculated the predicted FKG of older adults in a series of scenarios that varied family structure, gender, presence of children in the family, and level of education (see Table 3).

[insert Table 3 here]

The postestimation test results showed that the predicted FKG varies significantly across family structures. Male older adults, regardless of their marital status and level of education

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overestimated their financial knowledge. For example, married older adults who had a high school degree or less overestimated their financial knowledge by .29 points. Holding other demographic characteristics constant, for male older adults who were single, the predicted FKG was .31 points. However, male older adults with higher education overestimated their financial knowledge much less than male older adults with lower education. For example, for married male older adults who had a university degree, the predicted FKG was .02. For respondents with the same characteristics but with a college degree, rather than university degree, this score was .10. For female older adults, a similar decreasing-with-education pattern was found. Female older adults with high levels of education did not overestimate their financial knowledge (i.e., predicted gap score was negative). Married female older adults who had a high school degree overestimated their financial knowledge by .19 points. Holding other characteristics constant, the predicted FKG for female older adults with a university degree was -.08.

Discussion

Demographic change is altering the landscape of the most vulnerable in society. As people live longer and financial options become more complex, financial exploitation of older adults is an emerging social welfare concern. We use nationally-representative survey data on financial capability collected by Statistics Canada in 2009 and 2014 to understand the financial knowledge gap across the life course. We define the FKG as the distance between subjective financial knowledge and objective financial knowledge. As such, the financial knowledge gap can go in either direction; people can either underestimate or overestimate their financial knowledge.

The size of the financial knowledge gap at the population level is not large, but the nature of the gap is surprising. Whereas others report that, on average, individuals tend to overestimate

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their financial knowledge (Lusardi, 2011), we find that Canadian adults underestimate their financial knowledge. Although not entirely, this pattern of underestimation of financial knowledge is contrary to the existing literature, and unique to the Canadian population. When we look at the variation of the financial knowledge gap across age groups, we find more significant and important findings that have implications for individuals' financial lives, especially for older adults.

Important for gerontological social workers, we find that there is significant variation of the FKG across the life course. Specifically, older Canadian adults overestimate their financial knowledge. This pattern was robust to controlling for a range of demographic and socioeconomic factors. Demographic factors such as gender and immigration status predict one's FKG in expected directions, but do not account for much change in the magnitude of the regression coefficients of the life course. Socioeconomic characteristics - particularly education and income levels – were more influential than demographics and moderated the relationship between age and FKG. However, above and beyond the influence of gender, education, and income, the FKG was still higher among older adults. Other mechanisms are likely to drive this overestimation among older adults. For example, risk preferences, future orientation, and self-regulation may be cognitive features related to financial knowledge but are not usually captured in national surveys such as the CFCS. Future research is needed to test plausible alternative explanations. Future research is also needed to better understand how the FKG is related to financial behaviors and outcomes, such as retirement security.

Our results further illuminate within-group risk of overestimation among older adults. The predicted financial knowledge gap varies significantly across family structures in combination with gender and level of education. Male older adults with a high school degree or

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less are more likely than other groups to overestimate their financial knowledge. Low educated older men are likely to have experienced cumulative and compounding disadvantage that place them at greater risk for economic uncertainty. Social workers and policy advocates might target vulnerable groups, and adopt practice and policy measures to protect them from the risks associated with financial vulnerability.

Practice implications

Building financial knowledge among older adults requires assessment of individuals' levels of financial knowledge and confidence; raising awareness of the financial knowledge gap and other risk factors for financial fraud, exploitation, and abuse; and encouraging participation in knowledge-building interventions. Because of their close involvement and concern with their clients' financial well-being, social workers are well-positioned to take part in this process.

Intervention can occur at the community level. Social workers can offer informational seminars, workshops, and financial planning and counseling sessions. These interventions should target the specific needs of older adults. Given the increasing presence of digital technologies in the financial product and services sector, an emphasis on helping older adults develop skills to make use of these technologies is particularly important. Further, because the focus at this stage of the life course is on maintaining, rather than building wealth, there should be an emphasis on budgeting, planning and consumer safety.

Older adults who are overconfident may not be motivated to participate in financial knowledge-building interventions. As such, making clients aware of the knowledge gap, and its relationship to financial vulnerability is vital for stimulating participation. Further, social workers can advocate for the financial rights of their clients, and help bridge the gap between

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individuals and financial institutions. Together, these action-oriented approaches can help protect older adults from financial fraud, exploitation, and abuse.

Policy implications

The pattern of overconfidence in financial knowledge among older adults requires a policy response. Governments in the United States and Canada have launched national strategies to promote financial capability with a special focus on financial literacy (FCAC, 2013; FINRAIEF, 2009). Community organizations have joined this initiative to promote financial knowledge among low-income and other vulnerable populations, including older adults. Our findings on the financial knowledge gap across the life course should encourage policymakers, community organizers, and financial institutions to adopt a life course perspective. This perspective considers individual trajectories within a broader social and historical context, and emphasizes the role of social structures and inequalities in shaping people's lives (McDaniel & Bernard, 2011).

Governments can require financial institutions to take special measures when servicing older adults in order to protect this vulnerable population from financial fraud and exploitation. For example, Siddiqi, Zdenek & Gorman (2015) have proposed "age-friendly" banking that includes helping older adults obtain financial education, financial counseling, protection from fraud and abuse, and assistance with aging in place. Further, financial institutions can offer customized financial products and services that would build capacity and reduce vulnerability in old age.

We also suggest that governments consider supporting public, private, non-profit, and community-based initiatives that provide financial information, education, and training. Further integrating financial capability interventions in the wider network of health and social services

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already used by older adults can make them more accessible to this population. However, financial education interventions vary considerably in their observed impact (Fernandes, Lynch, & Netemeyer, 2014). More evidence based approaches are needed to improve the effectiveness of interventions for building awareness and promoting financial knowledge among older adults (McCallion et al., 2013).

Limitations

This study used a cross-sectional design, which does not claim a causal relationship between the life course and the financial knowledge gap. A summary score for the objective financial knowledge scale and a single item for subjective financial knowledge were used for measurement. A latent variable approach such as Item Response Theory could be an alternative method for constructing the objective financial knowledge scale. Substantively, the pattern of overestimation of financial knowledge among older adults, and underestimation among younger adults can be accounted for by cognitive and psychological aging. However, this was beyond the scope of this study.

Conclusion

Financial vulnerability is a rising concern. Social workers are now actively engaged in building financial capability. This study uses a novel analysis of the financial knowledge gap to establish a new need for interventions to focus on older adults. Social workers can create equitable economic conditions, and enhance financial security and well-being in old age by building awareness of the financial knowledge gap.

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FINANCIAL KNOWLEDGE GAP

Table 1

Description of Sample

Variables	Proportion/ M(SD) N = 22,204
Demographic variables	
<i>Gender</i>	
Female	51
<i>Family type</i>	
Married	52
Living common law	11
Living single	37
<i>Children</i>	
Have children	32
<i>Immigration status</i>	
Born in Canadian	79
Socioeconomic variables	
<i>Education</i>	
High school and less	42
Some college and college	32
University	26
<i>Employment status</i>	
Employed	52
Unpaid work	16
Unemployed	11
Retired	21
<i>Income</i>	
Less than 32,001	18
32,001-54,999	20
55,000-79,999	21
80,000-119,999	21
120,000 and over	20
<i>Home ownership</i>	
Own home	74
Independent variable	
<i>Life course</i>	
18-24	12
25-34	18
35-44	17
45-54	19
55-64	16
65 and over	18
Dependent variables	
<i>Objective financial knowledge</i>	8.01 (3.55)
<i>Subjective financial knowledge</i>	2.24 (.84)
<i>Financial knowledge gap</i>	-.16 (1.24)

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Table 2

Regression Results Predicting the Financial Knowledge Gap

Variables	Model 1 $\beta(SE)$	Model 2 $\beta(SE)$	Model 3 $\beta(SE)$
<i>Life course</i>			
18-24	-.16(.06)*	-.16(.07)*	-.20(.07)**
25-34	-.02(.05)	-.03(.05)	-.02(.05)
35-44 (ref)			
45-54	.03(.04)	.06(.05)	.04(.04)
55-64	.07(.05)	.11(.05)*	.02(.05)
65 and over	.53(.05)***	.55(.05)***	.33(.07)***
Demographic			
<i>Gender</i>			
Male		.10(.03)**	.11(.03)***
<i>Family structure</i>			
Married (ref)			
Living common law		.07(.05)	.03(.05)
Living single		.10(.04)**	.01(.04)
<i>Children</i>			
Have children		.04(.04)	.03(.04)
<i>Immigration status</i>			
Immigrant		.33(.04)***	.33(.04)***
Socioeconomic			
<i>Education</i>			
High school and less			.27(.04)***
Some college and college			.07(.04)
University (ref)			
<i>Employment status</i>			
Employed (ref)			
Unpaid work			-.02(.04)
Unemployed			.14(.06)*
Retired			.12(.06)
<i>Income</i>			
Less than 32,001			.21(.06)***
32,001-54,999			.12(.05)*
55,000-79,999			.06(.05)
80,000-119,999			-.01(.04)
120,000 and over (ref)			
<i>Home ownership</i>			
Do not own home			.04(.04)
Model R²	.03	.04	.06

Note. Reference categories are female for gender, no children for children, born in Canada for immigration status, and own home for home ownership.

* $p < .05$, ** $p < .01$, *** $p < .001$

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Table 3

Predicted financial knowledge gap of older adults

Family structure	Men	Women
Married, high school degree or less	.29	.19
Living common law, high school degree or less	.32	.22
Single, high school degree or less	.31	.20
Married, have children, some college or a college degree	.10	-.01
Living common law, some college or a college degree	.12	.01
Single, some college or a college degree	.11	.01
Married, university degree	.02	-.08
Living common law, university degree	.05	-.06
Single, university degree	.04	-.07

Note. Predicted knowledge gap score estimated from the survey weighted regression reported in table 2 model 3. The predicted gap scores presented control for children, immigration status, employment status, income, and home ownership.