

The Early Advantage: How Economic Education Shapes Women's Financial Independence

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AUTHOR BIO

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ABSTRACT

Financial independence is an essential foundation for economic empowerment. However, unequal access to early economic education may limit individuals' ability to develop financial decision-making skills, potentially contributing to the existing gap in financial literacy between men and women. This paper evaluates the extent to which limited access to economic education among girls before the age of 18 may affect their preparedness to achieve financial independence as adults. The author uses a mixed-methods approach that combines a primary research survey on 62 individuals with a review of existing literature on economic education opportunities for youth and women. This analysis evaluates financial independence across three dimensions: personal spending and saving, household financial management, and long-term asset management. While existing literature attributes the gender financial literacy gap to factors such as confidence and risk preferences, this paper examines how unequal exposure to economic education represents an equally important underlying factor. This study's findings reveal an opportunity gap, with participants consistently indicating that they would have benefited from earlier exposure to economic and financial education, suggesting education's likely association with greater preparedness to manage financial responsibilities in adulthood. Ultimately, this paper aims to bring attention to the importance of integrating comprehensive economic and financial education into earlier stages of learning as one potential way to address the long-standing gender disparities in financial literacy.

Keywords: *Economics, Economic Education, Finance, Financial Literacy, Financial Independence, Money, Youth, Female Studies, Women*

INTRODUCTION

The gender gap in financial literacy has persisted across both developed and developing countries for decades. Studies have consistently shown that women score lower than men on standard financial literacy tests (Iwatsubo et al., 2025). Worldwide, this gap can be found in nearly every country. A survey conducted by S&P Global (2015) found that financial literacy rates averaged 35% among men, compared to 30% among women, revealing a five-percentage-point difference between the two genders. In some nations, this difference between genders can even be larger, with the United States exhibiting a 10-point gap.

Lower financial literacy may place women at a financial disadvantage. Already, compared to men, women tend to earn lower incomes over their generally longer lifespans (Fonseca et al., 2012). Consequently, the ability to effectively manage and accumulate wealth becomes especially important. However, a lack of financial understanding may create additional challenges in achieving and maintaining financial independence.

Several factors may contribute to the persistent gender gap in financial literacy. One commonly cited explanation is confidence: studies have found that women are more likely than men to say they are unsure of an answer rather than provide an incorrect response on financial literacy assessments (Bucher-Koenen et al., 2014). While confidence may play a role, unequal access to economic education may also contribute to this gap, particularly where opportunities to encounter these related educational opportunities are limited.

This paper asks to what extent a lack of access to early economics education among girls under the age of 18 may limit their ability and preparedness to reach financial independence as adults. For the purposes of this study, economic education refers to the teaching of economic principles and decision-making, including personal finance concepts like budgeting as well as broader topics such as opportunity cost, incentives, and behavioural economics (Moos van Wyk, 2015). While personal finance education focuses primarily on money management skills, economic education provides a wider understanding of how individuals and societies make choices and allocate resources. The outcomes of this education, or lack thereof, are manifested in financial literacy, defined as the set of knowledge and skills required to make informed money management decisions.

This paper will assess the relationship between economic education and financial independence through three dimensions, drawing findings from a primary research survey and a review of existing research. First, it will examine an individual's financial independence through their ability to manage personal spending and saving. Second, it will evaluate an individual's capacity to manage household finances as a broader indicator of financial autonomy. Third, it will consider the individual's ability to manage assets, including investments and loans, over time. Together, these three dimensions provide a framework for examining how early access to economic education may relate to women's ability to achieve financial independence in adulthood.

METHODS

This study analyzes existing literature while collecting both quantitative and qualitative data through a survey of two age groups: youth aged under 18, and adults aged 19-65+. This survey approach allows for an examination of participants' early exposure to economic education, whether access to such education may differ across generations, and adults' subsequent experiences with financial independence. The survey's questions were divided into sections addressing budgeting, spending, debt, and savings and investing, which were used to assess respondents' experiences and confidence across different components of financial independence. Quantitative data, including Likert scale and multiple-choice responses, were analyzed to identify patterns and allow comparisons between age groups. Qualitative data, such as open-ended responses on economic topics to which respondents had been exposed or topics they wished they had learned, provided greater insight into their perspective.

As part of the distribution process, data were collected online throughout July and August 2026, via SurveySwap, a specialized crowdsourcing platform designed for academic survey exchange. The inclusion criteria targeted individuals of all ages from around the world, with a particular focus on women. Social media was also used to expand the survey's reach and facilitate participation from those in diverse geographical areas. To protect participant privacy, the survey anonymized all respondents. A total of $N = 62$ responses were collected, with 27 youth and 35 adult respondents, resulting in a relatively even distribution between the two age groups. Of the total respondents, 46 were women.

For quantitative analysis, the survey's multiple-choice responses were evaluated by calculating the percentage of respondents selecting each option both within their specific age group, and across the full sample of 62 respondents. Likert-scale questions used a five-point scale to measure respondents' confidence in various aspects of financial management. For questions in which higher values represented higher confidence, responses of 3 or higher were categorized as indicating confidence. Qualitative data collected from open-ended responses were analyzed for recurring patterns and themes, particularly where respondents indicated similar areas of economic education or gaps in their early exposure. Overall, this method provides a comprehensive view of participants' educational exposure and subsequent financial experiences while allowing them to express their individual perspectives on the issue. These survey findings will complement the existing literature reviewed in this paper and provide evidence to address the research question.

FINDINGS

I. Personal Spending and Saving

Economic education can provide individuals with the knowledge needed for informed financial decision-making. Concepts ranging from budgeting and opportunity costs to behavioural economics can help individuals understand the factors influencing their choices (Saleh, 2025), tying to their ability to manage personal spending and saving. Therefore, limited access to economic education before adulthood may reduce opportunities for an individual to develop these skills, potentially affecting their ability to make informed day-to-day decisions that support financial independence later in life (Hvidberg, 2023).

The connection between early economic education and financial independence can be demonstrated through two fundamental aspects of personal finance: spending and saving.

Spending. Spending is influenced not only by an individual's income, but also by the way choices are presented and perceived. Behavioural economics examines this by incorporating a lens of psychology into traditional economic models of decision-making (Reisch & Zhao, 2017). Concepts such as heuristics, or mental short-cuts to decision-making, apply to how individuals make purchases, for example. In fact, consumers often rely on these heuristics and are thus subject to biases that contribute to impulsive spending (Shakerikhan & Mastorijah, 2026). For example, the anchoring effect can cause consumers to perceive a discounted price as more valuable when the product is being compared to the original price, even when the product's true value is a lot less, driving an irresponsible purchase (Boz, 2019). An understanding of these patterns can allow individuals to recognize these influences on their day-to-day spending habits.

Thus, without exposure to these concepts, individuals are less equipped to make rational financial decisions, and are set up to commit to spending decisions without knowing their consequences or motivations. In fact, up to 84% of shoppers admit to impulsive spending, prioritizing immediate satisfaction over rationality (Saleh, 2025). While economic education cannot eliminate irrational decision-making entirely, it can help individuals recognize and manage these financial tendencies.

The potential benefits of economic education are only available to individuals with access to such learning opportunities before adulthood. Economics, particularly behavioural economics, is often offered as a course at university. However, when discussing the impacts of a lack of this education before 18, only 58% of high school graduates in the US have ever taken an economics course before graduating (Walstad & Rebeck, 2012). It is also only a requirement in less than half of all US states (Council for Economic Education, 2026). Furthermore, access to economic education is not evenly distributed across genders. A study done in the United Kingdom by the Bank of England has found that boys are twice as likely to study economics before university, finding a 70/30 ratio of boys to girls for every level of economics in the General Certificate of Secondary Education (GCSE) (Strauss, 2025). Studies since the 1970s have also found that women have underperformed in economics programs, contributing less research to the field (Engelhardt et al., 2024). Consequently, unequal access to early economic education may further contribute to the gender differences in financial literacy, potentially reinforcing historic barriers and restricting women's understanding.

Savings. Beyond spending decisions, economic education also shapes individuals' ability to develop personal savings habits. Studies have shown that economic education leads individuals to utilize budgeting frameworks, such as the 50/30/20 Rule, promoted by the United Nations Federal Credit Union. Under this strategy, individuals are advised to allocate 50% of their after-tax income to needs, 30% to wants, and 20% to savings (UNFCU, n.d.). However, many are often first exposed to these strategies at the start of their financial journeys, or early adulthood, when they begin managing their own income and expenses. This delayed exposure can limit opportunities for individuals to adopt or create their own money management frameworks, hindering their ability to form saving habits and achieve financial independence from a younger age.

Survey respondents for this study further illustrated the importance of early access to economic education. Among the 27 youth respondents, a lack of interest in the topic, reported by 8 (29.6%), and limited early access to financial education in schools, reported by 6 (22.2%), were identified as the biggest limitations to developing economic and financial knowledge, compared with other challenges like sub-par quality education. The result was reflected in their reported experiences, with 44.4% of youth respondents stating that they had rarely learned about money management. Among adult participants, some reported only beginning to save parts of their income between ages 30-40, raising the possibility that earlier exposure to relevant concepts could have provided additional opportunities to develop saving habits. However, the survey cannot determine whether delayed saving was caused by limited economic education, as saving behaviour is also influenced by employment, income, family circumstances, and other factors.

While personal savings reflect day-to-day financial decisions, long-term savings mechanisms, such as retirement funds, further demonstrate the consequences of limited financial literacy. Existing research indicates that women are less likely than men to set aside retirement savings, but increased financial literacy among women is associated with greater participation in retirement planning (Iwatsubo et al., 2025). Educational content on retirement plans is accessible mainly through government websites, yet studies also show that less than 50% of women have sufficient knowledge of just how much retirement income they need (Sun Life Global Investments, 2023). This suggests that women face two interconnected barriers: limited access to economic education, in particular financial literacy education, as well as delayed exposure to the educational content that is available to them. Together, these drive lower participation in savings activities and may restrict women's ability to build financial independence without formal learning opportunities.

II. Budgeting, Billing, and Household Financial Management

Beyond individual spending and saving behaviours, economic education also influences an individual's ability to participate in broader household financial decision-making. This dimension of financial independence requires individuals to evaluate larger financial responsibilities, including budgeting for family expenses and future needs.

Nearly 50% of women report being their families' financial decision-makers (LoNardo, 2025). While some women assume this role by choice, others undertake these responsibilities due to expectations associated with caregiving and family management. In many developing regions, women are responsible for the day-to-day management of household finances, like children's education, groceries, and more (Biswas, 2025). However, when they lack access to economic education, they may have fewer opportunities to develop the knowledge required to make informed household financial decisions, potentially reinforcing the gender financial literacy gap.

Evidence suggests that this exposure gap persists across different contexts. In Canada, a smaller percentage of women involved in family finance decisions report having completed formal financial education compared to men (Fonseca & Lord, 2019). In developing countries, access to these opportunities can be structurally hindered by societal context. Findings from this study's survey respondents across North America, Europe, and Asia similarly suggest that limited exposure was the

biggest challenge they faced when it comes to economic education, with 18 (29.0%) participants, both youth and adults, citing lack of access, and 19 (30.6%) participants reporting inadequate practical financial experience. These findings suggest that incorporating hands-on, interactive learning opportunities, regardless of geographical location, may help students develop practical financial skills that can later be applied to household management and contribute to financial independence.

Without sufficient education, some women may prioritize immediate needs, such as bills and children's expenses, when managing family expenses while overlooking the importance of emergency savings (Barth, 2026). Research has also indicated that women may be less likely to participate in long-term household financial planning, such as estate planning (Kirkwood et al., 2024). Although these decisions are influenced by other social and economic factors, they illustrate how financial and economic knowledge, especially at an early age, can support women's ability to confidently plan their households' finances.

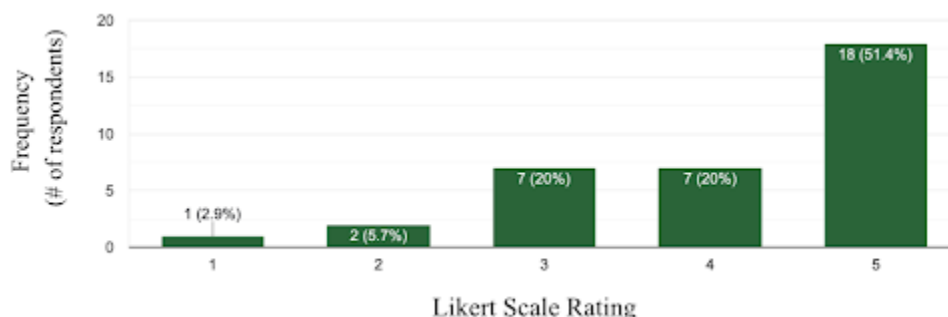
Furthermore, economic education may influence not only the quality of household financial decisions but also women's willingness to participate in these decisions. Research has found that women with higher levels of financial literacy tend to be more involved in intra-household financial decision-making (Grohmann & Schoofs, 2018). Conversely, women with lower financial confidence may be more likely to delegate major financial responsibilities to their spouses (Mattia et al., 2018). This tendency can reinforce financial dependence as women become less involved in decisions surrounding long-term household planning. Early education may therefore have implications beyond the financial knowledge itself, potentially helping individuals develop the confidence to participate in financial decisions affecting themselves and their households.

III. Asset Management/Growth

A third dimension of financial independence is an individual's ability to manage assets and financial obligations, including investments and loans. Among this study's adult survey respondents, 23 (65.7%) claimed that they had rarely or never been taught or exposed to money management before the age of 18, with 7 (20.0%) reporting that they had never received such exposure. This finding contrasts with responses from this survey's youth respondents, none of whom selected "Never," suggesting a possible indication of differences in exposure to money management education across generations. However, when asked to reflect on preferred preparation for adulthood, up to 21 respondents (60.0% of adults) stated they would have benefited from education on different investment options.

Investing, defined as the act of allocating money with the expectation to earn returns over time (Duggan, 2025), is a concept often covered in economics and financial education. Survey participants frequently reported learning about investing through family or independent research, rather than through formal schooling, suggesting that informal sources play an important role in financial education. Yet, many respondents expressed confidence in concepts such as interest rates. As shown in Figure 1, 18 adult participants (51.4%) assigned themselves the highest confidence rating on a five-point scale, with all but 3 respondents expressing some level of confidence. That said, this confidence may have developed later through self-directed learning after adulthood.

Figure 1
Respondents' Self-Reported Understanding of Interest



Note: 1 = Not at all Well; 5 Extremely Well

Still, importantly, all 35 adult participants indicated that they would have preferred earlier exposure to financial topics. When asked what they would have appreciated learning before adulthood, respondents identified areas such as: “all types of investments once you reach adulthood,” “basic economics,” and “compound interest and long-term investment strategies.” One participant emphasized the importance of practical application in economic education:

“I wish early economic education focused more on practical skills like budgeting, saving, compound interest, and basic investing principles. I think learning how to manage money in real life, rather than just economic theories, would have been much more helpful for building good financial habits from a young age.”

Comments like these suggest that earlier, more formalized education before the age of 18 could better equip individuals to make informed investment decisions throughout their lives.

The broader implications of limited investment knowledge may be particularly significant for women. In fact, studies from the current decade found that women in countries like Canada often report lower confidence in their investment knowledge than men, despite achieving comparable outcomes in financial markets (Fidelity Investments, 2023), a gap that can be bridged through education (Hibbert et al., 2013). While this trend has narrowed in recent years as female participation in investing has increased, studies continue to suggest that early, high-quality education may improve confidence in investment-related decisions and contribute to reducing the established gender investment knowledge gap.

Asset management simultaneously includes the ability to effectively manage debt and loans. Understanding concepts such as interest and repayment schedules is essential for making informed decisions and achieving financial independence. This study’s survey findings indicate that the majority of adult respondents did not develop an understanding of interest until their 20s or 30s, suggesting that these concepts were not widely introduced before adulthood. This delay may put individuals at a disadvantage, in particular when dealing with student loans and credit cards. With women also receiving a lower average income than men (Fonseca et al., 2012), an understanding of debt management may be especially

important. Early exposure to such education can provide individuals with the foundational knowledge necessary to evaluate their borrowing and repayment decisions and build greater financial independence and security later in adulthood.

DISCUSSION

The study found that limited access to economic education before adulthood was a recurring theme among respondents, with adult participants frequently indicating that they would have preferred earlier exposure to financial concepts such as saving, interest, and investing. Supported by the literature review, this lack of exposure may be particularly relevant for women given the persistent gender literacy gap. As a result, findings suggest that the timing of economic education may be particularly important, as earlier exposure may provide more opportunities to develop and practice skills related to money across the three dimensions of financial independence explored in this paper: personal finance management, household management, and asset management.

Several limitations should be considered when interpreting the findings of the paper. The gender financial literacy gap reflects broader trends found in the literature and is not a representation of all women's financial capabilities. Many women demonstrate high levels of financial literacy and independence, including many of the survey respondents in this study. In addition, some of the studies referenced were conducted over multiple decades, which means that certain findings may reflect historical conditions that have evolved with women gaining greater access to education and economic opportunities. Nevertheless, even if these gaps have narrowed over time, the persistence of any disparities is worth examining in order to better understand their causes and impacts. At the same time, the survey cannot establish a causal relationship between education and financial independence, as financial outcomes are influenced by external factors including income, employment, family situations, etc. Future research could build on these findings through larger and more representative samples, or longitudinal research to examine whether individuals who have received economic education before adulthood demonstrate different financial behaviours later in life.

CONCLUSION

This paper explored the extent to which a lack of economic education may affect three dimensions of financial independence: personal spending and savings, household financial management, and asset management. Across both the literature review and survey responses, findings identified a knowledge gap for individuals under 18, suggesting that each of these three areas can be strengthened with access to quality economic education. It is important to address this issue as a potential means to remove the recurring barrier that may contribute to and further reinforce the existing gender gap in financial literacy.

Based on these findings, this paper recommends increasing access to economics and personal finance education before adulthood. Concepts such as budgeting, interest, and even inflation could be introduced in curricula to better equip individuals with skills to manage their money before 18. Existing initiatives, such as *Money and Youth* developed by the Canadian Foundation for Economic Education (Canadian Foundation for Economic Education, n.d.) and the United States's Next Gen Personal Finance

program (Next Gen Personal Finance, 2026), demonstrate that access to early economic education can be effectively introduced through structured learning opportunities. This recommendation is further supported by the survey results that found that over 82.9% (29) of adult respondents said that their financial habits were shaped by what they learned about money before 18. Ultimately, while economic education cannot eliminate all barriers to financial independence, this paper hopes to draw attention to the limited availability of formal economic and financial education for youth despite its everyday relevance in adulthood.

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