

PISA

PISA 2022 Results (Volume IV)

Factsheets

The United Arab Emirates



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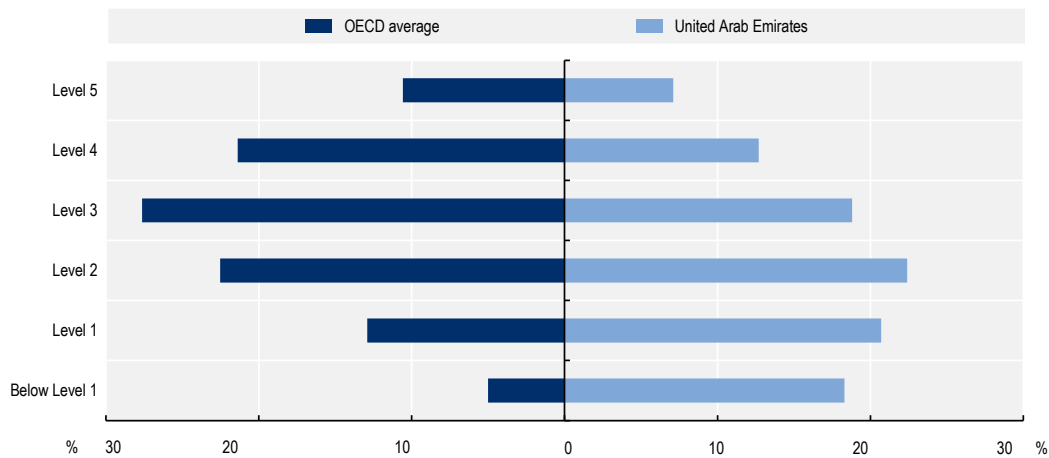
The Programme for International Student Assessment (PISA) is a survey of 15-year-old students that assesses the extent to which they have acquired the key knowledge and skills essential for full participation in society. In 2022, PISA measured financial literacy for the fourth time, after the assessments in 2012, 2015 and 2018. The United Arab Emirates participated in the PISA financial literacy assessment for the first time.

Results from this assessment provide insights into the level of money-related skills and knowledge students possess, their attitudes, behaviours and experience with financial matters, and the environments in which they learn about financial matters. For many 15-year-olds, finance is part of everyday life, as they hold bank accounts, shop online, or earn money for formal or informal small jobs. Results from this assessment can be used to improve their readiness to make sound financial decisions as they move into adulthood.

Financial literacy performance in the United Arab Emirates

- Students in the United Arab Emirates scored on average 441 points, which is below the OECD average in financial literacy (498 points).
- Some 39% of students in the United Arab Emirates do not reach the baseline level of proficiency (Level 2) in financial literacy, compared to 18% on average across OECD countries and economies. At best, these students can identify common financial products and terms, recognise the difference between needs and wants, and make simple decisions on everyday spending in contexts they are likely to have personally encountered. For instance, students performing below Level 2 in financial literacy can, at best, answer a question like INVOICE – Question 1 (available at <https://www.oecd.org/publication/pisa-2022-results>), which asks them to recognise the purpose of everyday financial documents, such as an invoice.
- Some 7% of students in the United Arab Emirates are top performers (Level 5) in financial literacy, compared to 11% on average across OECD countries and economies. These students can analyse complex financial products, solve non-routine financial problems and show an understanding of the wider financial landscape. For instance, students performing at Level 5 are able to answer a question like BANK ERROR – Question 1 (available at <https://www.oecd.org/publication/pisa-2022-results>), which asks them to identify and respond appropriately to a financial scam e-mail message.

Figure 1. Percentage of students at each level of proficiency in financial literacy



Source: OECD, PISA 2022 Database, Table IV.B2.2.2

Student performance in financial literacy in comparison with performance in reading and mathematics

- In the United Arab Emirates, around 80% of the variation in student performance in financial literacy could be explained by performance in mathematics and reading (compared to 80% on average across OECD countries and economies). This means that 20% of the variation in the financial literacy score in the United Arab Emirates reflect other factors, including aspects of financial literacy that are unique to the domain.
- Students in the UAE perform slightly worse in financial literacy than students who perform similarly in mathematics and reading. Students in the United Arab Emirates scored, on average, 4 points lower in financial literacy than what would have been expected based on their performance in mathematics and reading.

How performance varies across student characteristics

- In the United Arab Emirates, girls scored, on average, 12 points above boys in financial literacy. On average across participating OECD countries and economies, boys outperformed girls by just 5 score points.
- In the United Arab Emirates, advantaged students scored 85 points higher in financial literacy than disadvantaged students. The average performance gap associated with socio-economic status was 87 score points across OECD countries and economies.
- Some 7% of the variation in student performance in financial literacy in the United Arab Emirates is associated with socio-economic status, compared to 12% on average across OECD countries and economies.
- In 2022, some 53% of students in the United Arab Emirates had an immigrant background. The average difference in financial literacy performance between students with an immigrant background and those without an immigrant background was in favour of students with an immigrant background, by 105 points after accounting for socio-economic background.

Does financial literacy matter in the United Arab Emirates?

- Some 89% of students in the United Arab Emirates reported that they had saved money at least once a year in the 12 months prior to the survey (compared to 93% of students on average across OECD countries and economies.) Students in the United Arab Emirates who performed at Level 4 or 5 in financial literacy were more than twice as likely as those performing at Level 1 or below to report having saved into an account or at home in the 12 months prior to the survey, after accounting for student characteristics, bank account holding and attitudes towards saving.
- Some 75% of students in the United Arab Emirates reported they sometimes or always compare prices in different shops when thinking about buying something using their allowance (compared to 74% on average across OECD countries and economies). Students in the United Arab Emirates who performed at Level 4 or 5 in financial literacy were over three times as likely to report that they compare prices in different shops, as those who scored at Level 1 or below, after accounting for student characteristics and spending attitudes.
- Some 67% of students in the United Arab Emirates reported having bought something over the 12 months prior to the survey because their friends had it (compared to 60% on average across OECD participating countries and economies). Students in the United Arab Emirates who performed at Level 4 or 5 in financial literacy were 35% less likely than those scoring at Level 1 or below to report buying something because their friends had it, after accounting for student characteristics and attitudes.

Students' interactions with their parents about money matters

- Some 76% of students in the United Arab Emirates reported talking to their parents at least once a month about their own spending decisions (compared to 76% on average across OECD countries and economies). Other frequently discussed topics were shopping online, money for things students want to buy, students' own saving decisions, and how to use their allowance. Relatively fewer students reported discussing news related to economies or finance, or the family budget, with their parents.
- Students in the United Arab Emirates who reported that they discuss their own spending decisions with their parents on a weekly or monthly basis performed better in financial literacy by 13 points than students who reported never discussing these topics, after accounting for student characteristics (compared to 12 points on average across OECD countries and economies).
- Some 77% of students in the United Arab Emirates (83% on average across OECD countries and economies, and 80% on average across all countries and economies) reported that they could independently decide what to spend their money on. After accounting for student characteristics, these students scored higher in the financial literacy assessment than students who did not report so, by 38 points (compared to 30 points on average across OECD countries and economies).
- At the same time, 62% of students in the United Arab Emirates reported that they needed to ask their parents or guardians for permission before spending any money on their own.

Do students in the United Arab Emirates learn about financial matters at school?

- Close to three in five students in the United Arab Emirates reported that they had learnt about a budget (60%), a debit card (60%) or a bank loan (58%) in school over the preceding 12 months and still know what these terms mean. However, fewer than one in three 15-year-old students in the United Arab Emirates reported that they had learnt about diversification (27%) or depreciation (28%), and still know what they mean.

- In the United Arab Emirates, students who reported that they had learned and still know the terms “budget” or “bank loan” outperformed students who did not by 9 points in the PISA 2022 financial literacy assessment, after accounting for student and school characteristics, and students’ performance in mathematics and reading.
- Some 79% of students in the United Arab Emirates reported having been exposed sometimes or often to tasks exploring the difference between spending money on needs and wants (67% on average across OECD countries and economies), and some 73% of students in the United Arab Emirates reported having been exposed to tasks describing the purpose and uses of money (64% on average across OECD countries and economies).
- Some 52% of students in the United Arab Emirates reported that they had seen personal finance-related tasks in their mathematics classes (compared to 44% on average across OECD countries and economies). Some 42% of students in the United Arab Emirates reported that they had seen at least one of these personal finance-related tasks in a social science class (compared to 30% on average across OECD countries and economies), while 43% reported having seen such tasks in a class about economics or business (compared to 29% on average across OECD countries and economies).

Money and basic financial services: access and use

- In the United Arab Emirates, 28% of 15-year-old students reported holding an account with a bank, building society, post office or credit union (compared to 63% on average across OECD countries and economies).
- Some 30% of students in the United Arab Emirates reported holding a payment card or debit card, compared to 62% on average across OECD countries and economies.
- Students in the United Arab Emirates who reported holding an account scored 8 points lower in financial literacy than students who did not, after accounting for student characteristics and other experiences with money and basic financial products.
- Some 86% of students in the United Arab Emirates reported that they had bought something online (either alone or with a family member) during the 12 months prior to sitting the PISA 2022 financial literacy assessment, compared to 86% on average across OECD countries and economies. Buying something online was associated with a 39-point increase in financial literacy performance in the United Arab Emirates, after accounting for student characteristics and other experiences with money and basic financial products.
- Some 79% of students in the United Arab Emirates received gifts of money from friends or relatives at least once a year, 71% received an allowance or pocket money without having to do any chores, 49% received an allowance or pocket money for regularly doing chores at home, and 40% earned money from working in a family business.

Box 1. Legal framework for young peoples’ access to financial products

In the United Arab Emirates, children aged 15 can have a savings account, a current account and a payment card, however granting credit goes in hand with the age of majority.

Students' attitudes towards money matters

- Some 57% of students in the United Arab Emirates reported that they enjoy talking about money matters, however, 51% of students reported that money matters are not relevant for them right now. The United Arab Emirates was one of the countries with the largest proportion of students agreeing with both statements. This is not necessarily a contradiction – it is possible to enjoy talking about things that are not currently relevant to one's life.
- Some 76% of students in the United Arab Emirates felt confident about their ability to manage money, compared to 80% of students on average across OECD countries and economies.
- After accounting for student characteristics and exposure to financial education at home and in school, students in the United Arab Emirates who reported that they enjoy talking about money matters scored 7 points higher in financial literacy than students who did not. Students who felt confident in their ability to manage money scored 27 points higher than students who did not, after accounting for student characteristics and exposure to financial education at home and in school.
- More than a third (33%) of students in the United Arab Emirates agreed that their friends have a strong influence on their spending decisions, compared to 20% on average across OECD countries and economies. Close to half of students (48%) also reported that they often buy what their friends recommend, compared to 34% of students on average across OECD countries and economies. Significantly more boys than girls in the United Arab Emirates reported an influence of friends on their spending behaviours and attitudes.

Key Features of the PISA 2022 assessment of financial literacy

The PISA 2022 assessment of financial literacy was the fourth of its kind. Twenty countries and economies participated in the 2022 assessment, including 14 OECD countries and economies: Austria, the Flemish community of Belgium, eight provinces in Canada (Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Prince Edward Island), Costa Rica, Czechia, Denmark, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Spain and the United States; and 6 partner countries and economies: Brazil, Bulgaria, Malaysia, Peru, Saudi Arabia and the United Arab Emirates.

The assessment

- Financial literacy was assessed through a computer-based test. In countries and economies that conducted the financial literacy assessment, students in sampled schools were divided into two groups. One group was assessed in financial literacy and either mathematics or reading, and the other group was assessed in the core PISA subjects (mathematics, reading and science). Both groups were assessed for a total of 120 minutes.
- Test items were a mixture of multiple-choice questions and questions requiring students to construct their own responses. The items were organised into groups based on a passage of text describing a real-life situation.
- Students who sat the assessment of financial literacy also answered a background questionnaire that sought information about the students themselves, their attitudes, dispositions and beliefs, their homes, and their school and learning experiences. Students were also asked about their relationship with financial matters, including where they obtained information about financial matters, and their attitudes, behaviours and experiences with financial matters.

The students

- Some 690 000 students completed the main assessment in 2022, representing about 29 million 15-year-olds in the schools of the 81 participating countries and economies.
- The financial literacy sample in PISA 2022 was comprised of around 98 000 students, representing about 9.5 million 15-year-old students in the schools of the 20 participating countries and economies.
- In the United Arab Emirates, 14 604 students were part of the financial literacy assessment, representing 60 848 students.

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For more information about PISA 2022 visit www.oecd.org/pisa

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