

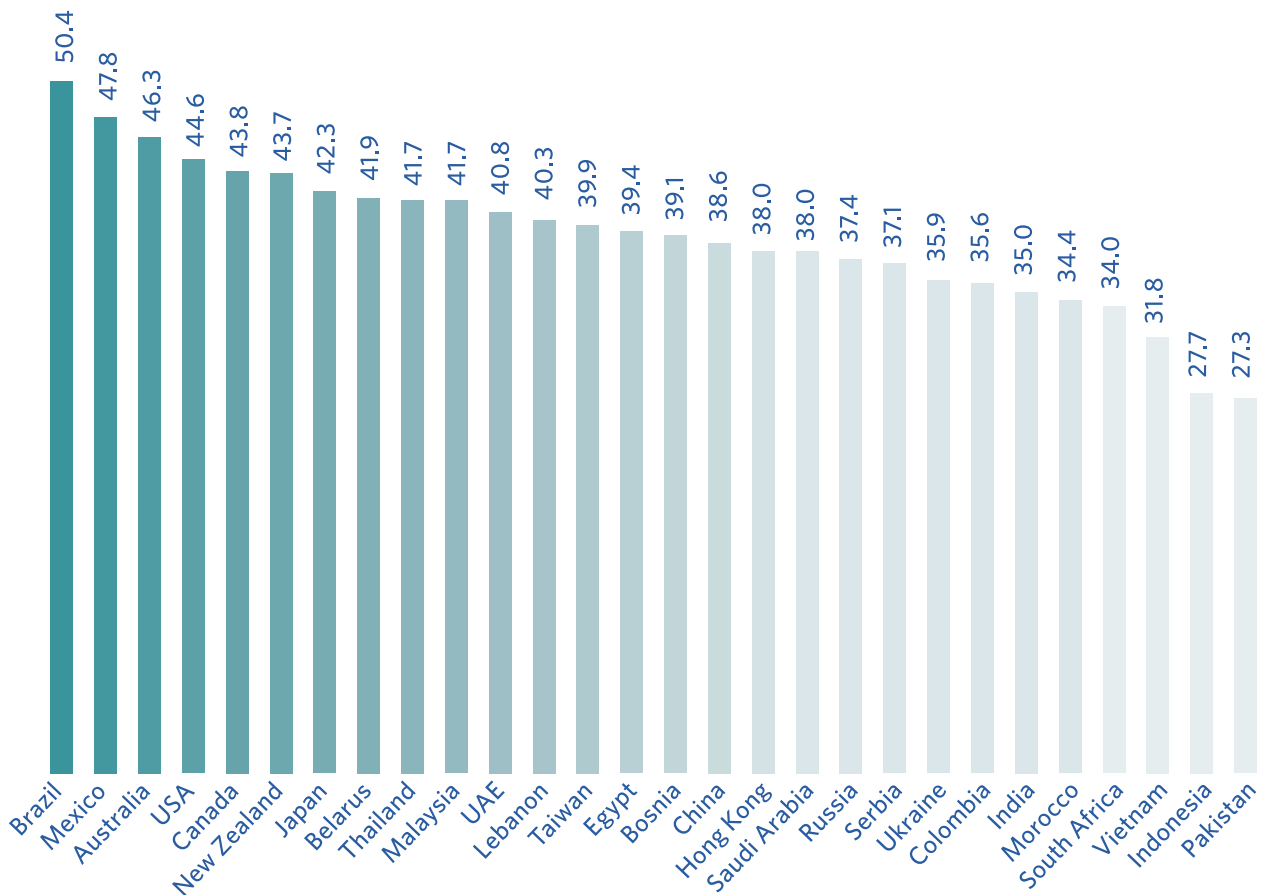
Visa's International Financial Literacy

BAROMETER 2012

Introduction

Visa wanted to gauge the strength and weaknesses of financial education worldwide in order to identify opportunities for improvement. Visa conducted a survey between February and April of 2012 with 25,500 participants in 28 countries.

OVERALL COUNTRY RANKING (Most financially literate, left to right.)

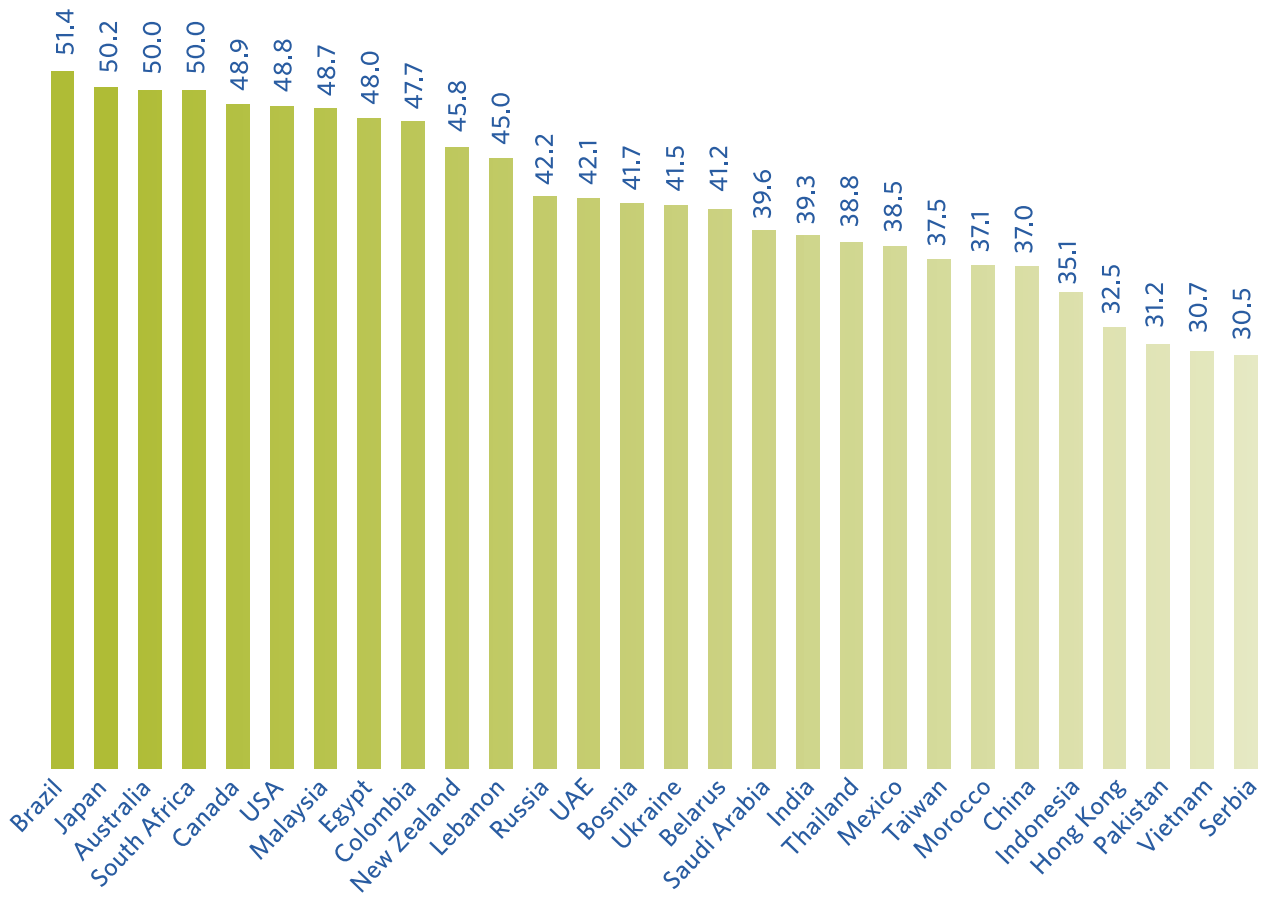


Brazil topped out the field, scoring 50.4 out of 100. Mexico, Australia, the United States and Canada rounded out the top five. Five survey questions were included in the rankings. Questions 1, 2 and 3 each contributed 25% to the overall score. Questions 4 and 5 contributed 12.5%. Scoring was based on a 0-100 scale, with 100 equaling a perfect score.



The Question Asked

Do you have and follow a household budget?

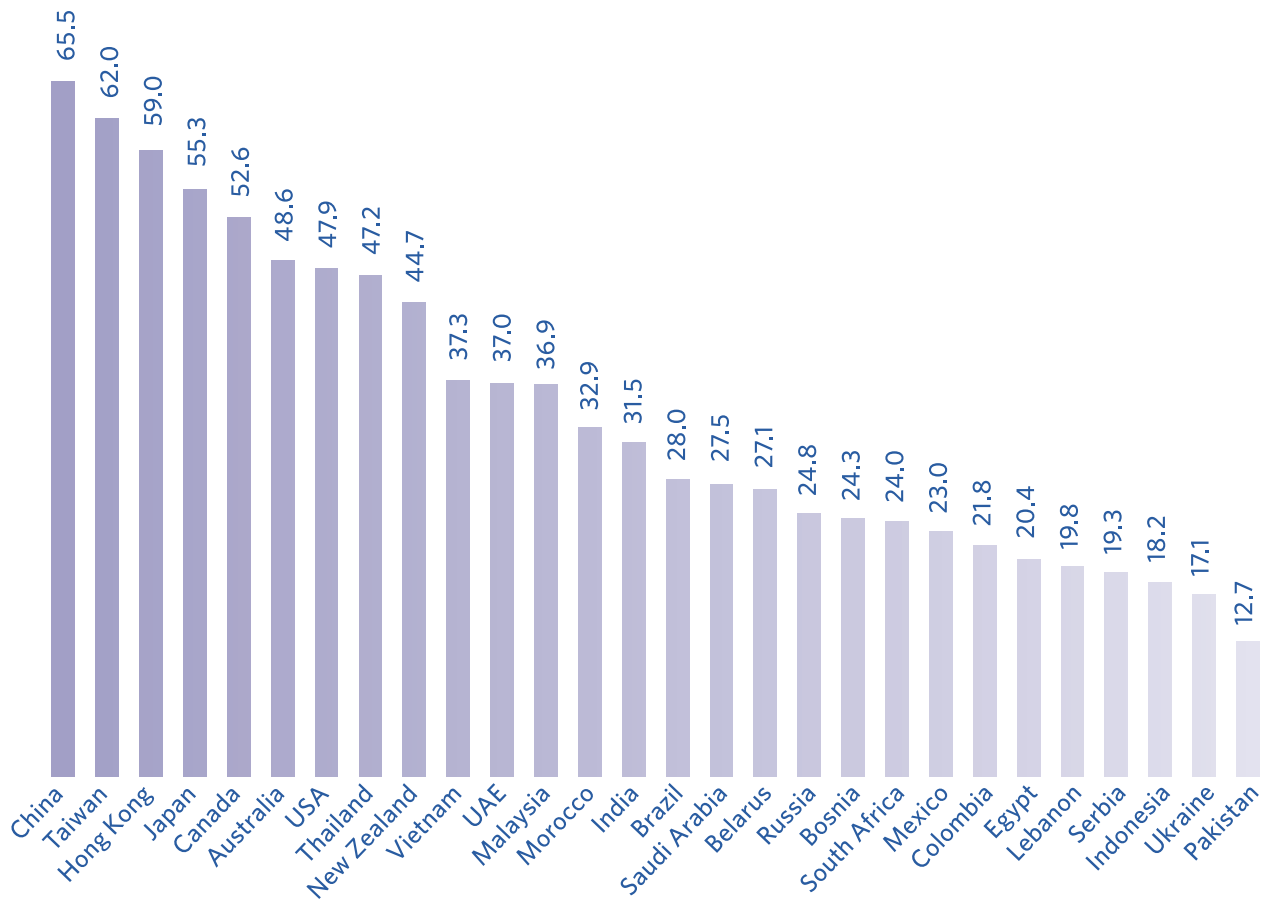


Question 1 contributed 25% to the overall score. The score is based on a 0-100 scale, with 100 equal to a perfect score.

QUESTION 2

The Question Asked

How many months worth of savings do you have set aside for an emergency?

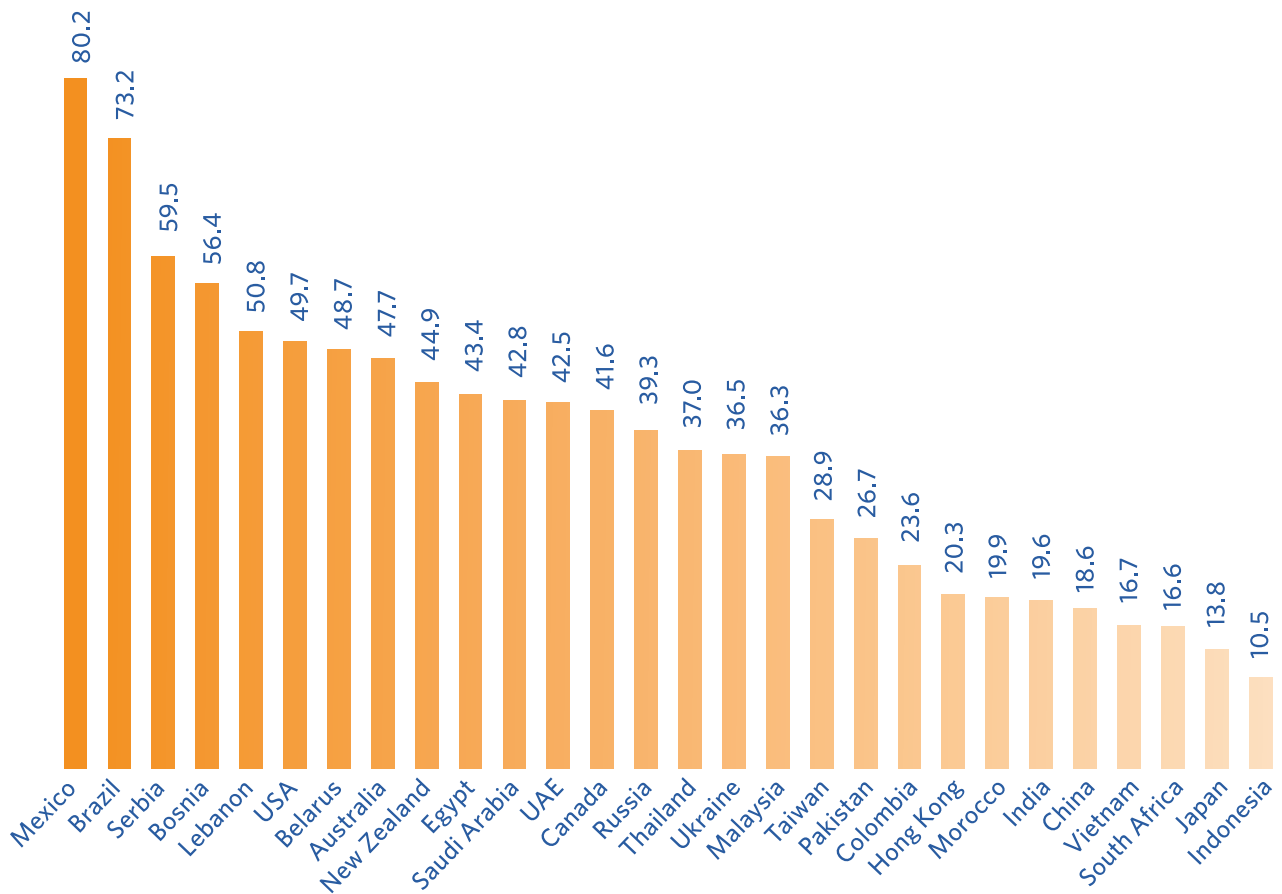


Only citizens in China, Taiwan, Hong Kong, Japan & Canada had more than 3 months of savings.

Question 2 contributed 25% to the overall score. The score is based on a 0-100 scale, with 100 equal to a perfect score.

The Question Asked

How often do you talk to your children ages 5-17 about money management issues?

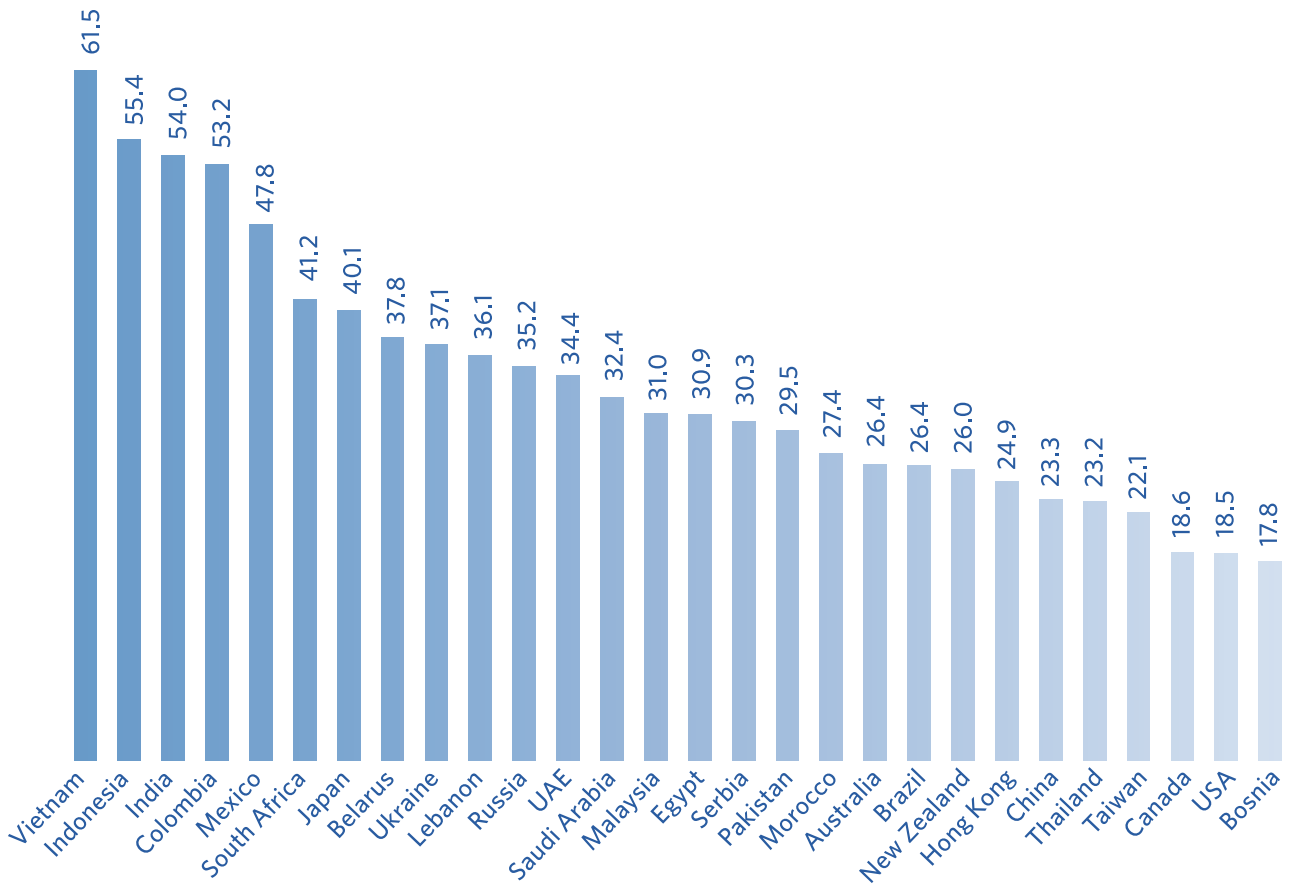


Mexicans respondents talked to their kids at least 41.7 days a year; Brazilians 38.1.

Question 3 contributed 25% to the overall score. The score is based on a 0-100 scale, with 100 equal to a perfect score.

The Question Asked

To what extent would you say that teenagers and young adults in (Country) understand money management basics and are adequately prepared to manage their own money?

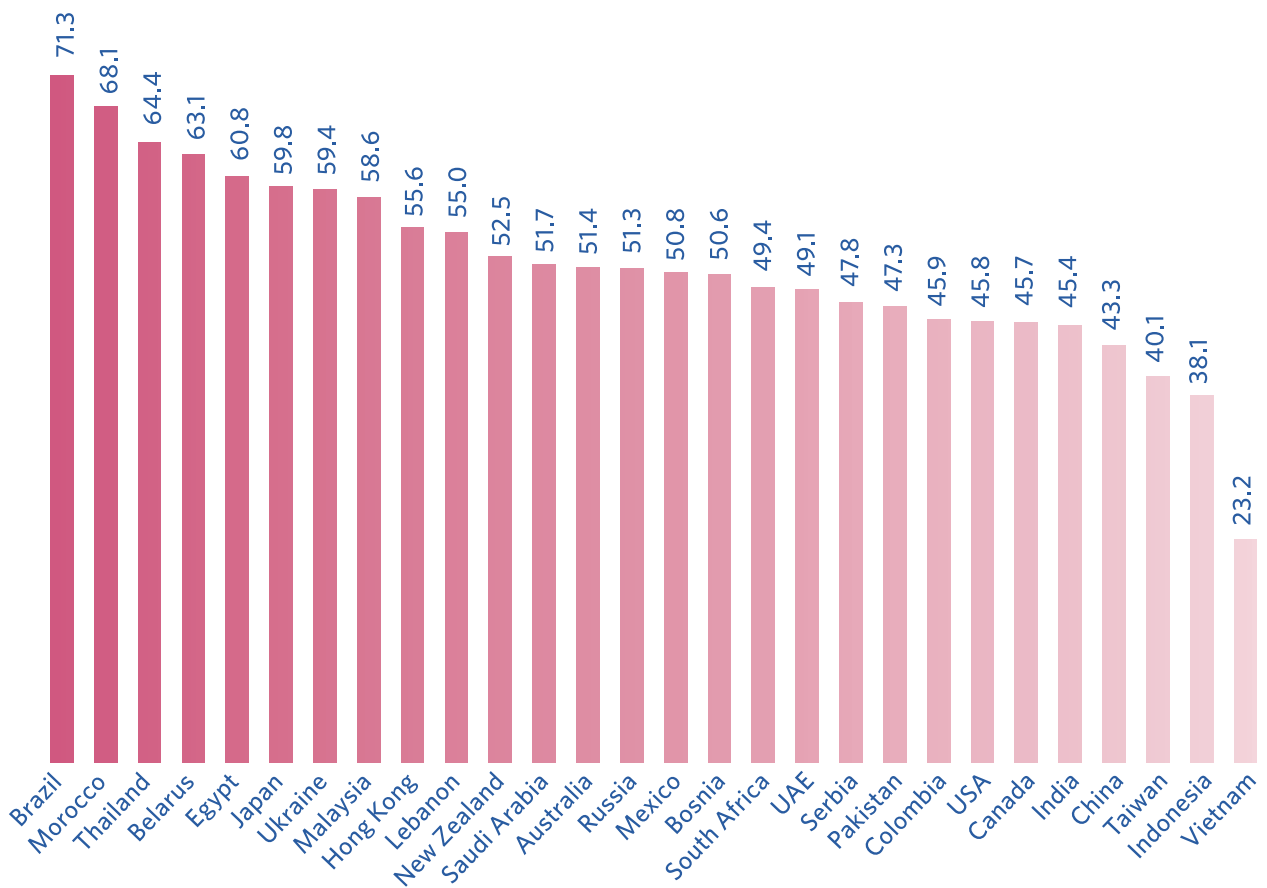


In over half of the countries, a majority believe that, overall, teens and young adults do not understand financial basics.

Question 4 contributed 12.5% to the overall score. The score is based on a 0-100 scale, with 100 equal to a perfect score.

The Question Asked

At what age do you think governments should require schools to teach financial literacy to children, so that they can better understand money management issues?



The worldwide average was 11.3 years old.

Question 5 contributed 12.5% to the overall score. The score is based on a 0-100 scale, with 100 equal to a perfect score.

Australia, Canada, New Zealand, the United States, and the United Arab Emirates (UAE)

1. More than half of the citizens in New Zealand, the UAE, Australia, Canada and the United States cannot financially survive a personal economic emergency lasting more than three months.

Belarus, Brazil, India, Malaysia, Morocco, Russia and South Africa

1. More than 70 percent of survey respondents in these countries cannot endure a personal economic emergency spanning more than three months.
2. The situation is worse in countries such as Indonesia, Lebanon, Pakistan and Serbia, where only 13 to 14 percent of the population could endure a personal economic emergency lasting more than three months.
3. Based on survey results, Asian respondents have the best chance of surviving a personal financial struggle
 - In Hong Kong and Taiwan, nearly 60 percent of survey respondents could survive a personal economic downturn lasting more than three months, and a third or more could survive a personal economic emergency that spanned more than six months.
 - In China, about half of respondents could survive a personal financial calamity lasting six months or longer.
4. When it comes to ensuring that their children will be financially savvy, parents from the most economically stressed situations are among those spending the most time talking with their children about money management, budgeting, saving, responsible spending and debt.
 - When it comes to speaking with children about finances, some of the highest-ranking countries include Brazil, Lebanon, Pakistan and the UAE.
 - In wealthier countries, many parents don't speak as regularly with their children about the financial future, and the United States falls into the middle of this group.
 - Most countries also outrank the United States with regard to the amount of emphasis citizens believe the government and schools should put on economic education and financial literacy skills.
 - In Brazil, for example, more than half of the people surveyed believe government and school-supported financial education should begin before children reach the age of nine. Other high-ranking countries in this regard include Morocco and Thailand.

KEY FINDINGS

Age is also extremely relevant to survey findings and is clearly associated with risk.

1. Not surprisingly, across the globe, the youngest and oldest individuals surveyed are most at risk.
2. In addition, the data shows a clear peak in respondents within the 35-49 age category with regard to saving, financial wellbeing, and support for educating children about financial literacy.

Income is not necessarily indicative of financial wellbeing.

1. Among individuals across the globe who report that they do not have enough resources to cover a personal emergency lasting less than three months, a significant percentage fall into high-income categories. In Canada, for example, 39 percent of individuals with less than three months' worth of living expenses saved fall into the high-income category, while 34 percent fall into the low-income category.
2. In Russia, there are more individuals in the high-income category who have less than three months of expenses saved than there are in the low-income category. And in countries like Serbia, individuals in the low-income category outpace savers in all other income categories.

KEY FINDINGS

- Chinese respondents were the best at saving, with an average of 3.9 months of expenses saved.
- The remaining top five in terms of months' expenses saved were Taiwan, Hong Kong, Japan and Canada, with an average of more than 3 months of expenses saved.
- Pakistani respondents had the least saved, with 0.8 months of expenses set aside.
- In the U.S., the average person had 2.9 months of expenses saved.
- Mexico and Brazil topped the list of places that parents talk to their kids about money often, with Mexicans talking to their kids at least 41.7 days a year and Brazilians 38.1.
- Indonesian respondents talked to their kids about money the least—5.5 days a year.
- American families talked to their kids about finances 25.8 weeks out of the year.
- Brazilian respondents believe that financial education should start the earliest, with most believing that the government should require schools to start providing financial education when children are 9 years old.
- Vietnamese respondents believed that the government shouldn't require financial education in schools until children were 14.4, the oldest average age.
- In the U.S., the average age when people felt the government should require kids to start learning about money was 11.9.

UNITED STATES KEY FINDINGS

- The United States doesn't break into the top 5 in any single category, and bottoms out at 27th on question number 4, "To what extent would you say teenagers and young adults in (Country) are adequately prepared to manage their own money?"
- The United States has the worst opinion of its teenagers' money management skills, with 70.5% of respondents saying that U.S. teens don't understand money management basics.
- 54% of respondents said that they follow a budget closely or most of the time.
- 44.4% said that they didn't have a budget.
- High-income and low-income respondents had similar rates in terms of failure to budget, with 24.8% of those earning under \$20k per year and 24.7% of those earning over \$75k per year saying they did not maintain a budget.
- A total of 59.3% of people earning less than \$20k said that they don't budget.
- 37.7% people earning under \$20k say that they do have a budget that they follow at least most of the time. The percentage of those that budget rises with income. In the top income bracket (\$75k+), 60.6% of respondents said they have a budget that they stick to at least most of the time.
- 75.7% of people said that they had at least one month of expenses saved and over a quarter of people (25.5%) said that they had over 6 months' saved.
- The higher the income, the higher the savings. 49.8% of those making under \$20k said that they had no savings, while 35.8% of those making over \$50k said they had over 6 months of expenses saved and 41% of those making over \$75k reported that they had over 6 months of expenses saved.
- 66.1% said that they talked to their kids about money at least once a month.