Learning When Households Decide: Financial Education and Asset Building over the Life Course

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Abstract

In aging societies, households must build the assets a long retirement demands largely on their own, yet the capability to do so is unevenly distributed, and weakest among households with the fewest resources. Governments increasingly turn to schools to close this gap; Japan made personal finance compulsory in high school in 2022. But does school-age financial education surface later in household asset building, or is the strongest footprint in adult learning? Pooling two nationally sampled waves of Japan's Yu-cho Foundation survey (N = 3,175), which record financial-education exposure at six life stages with a knowledge test and household behaviors, we ask where, and for whom, financial-education exposure is linked to asset building. The footprint lies not in the classroom but in adulthood: employer training and self-directed study—the channels closest to decisions—track higher financial assets, a 17–18 percentage-point lower chance of holding none, and greater participation, while schooling leaves little detectable footprint in today's adults (too early to evaluate the new mandate). About a quarter of the adult-stage gradient is absorbed by measured literacy, and the link is uneven: it is strongest where households have the means to act, so late-stage capability gradients may reinforce, rather than narrow, existing wealth gaps. Because the most elective channel carries the largest association, we read these gradients as selection-aware, upper-bound-like associations rather than clean causal effects. Schooling is a foundation, not a finish line: its reach may be strengthened by adult reinforcement, when households decide, and by reaching those most at risk of building nothing.

Keywords: Financial education; Household asset building; Household saving; Financial literacy; Life-course; Wealth inequality; Risk-asset participation

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