Why Doesn't Every Student Learn This?

A Comparative Study of Personal Finance Education in the United States and India, with a Case Study of Mumbai High School Students

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September 2026

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Introduction: Why Does Financial Literacy Matter?

Every day, people make money decisions. Should I save this money or spend it? Is this loan a good idea? Should I put my money in a bank account or somewhere else? These questions sound simple, but research shows that most adults around the world struggle to answer them correctly. This is called the problem of financial illiteracy, and it has real consequences for how people live their lives.

The most well-known study on this topic is by two economists, Annamaria Lusardi and Olivia Mitchell. They tested financial literacy in eight countries using three simple questions about compound interest, inflation, and risk diversification. These are now famously known as the "Big Three" questions. Their research found something surprising: financial illiteracy is not just a problem in poor countries. Even in rich countries with modern banks and stock markets, like Germany, Japan, and Sweden, most adults could not answer all three questions correctly (Lusardi & Mitchell, 2011).

This matters because the same research found that people who understand basic financial concepts are far more likely to plan for their retirement, and people who plan for retirement end up with roughly three times more savings than people who do not (Lusardi & Mitchell, 2011). In the United States, a study by the Federal Reserve Bank of New York found that people who took a mandatory personal finance class in high school made better financial decisions as adults, like paying off credit card debt faster and being more likely to refinance their home loans when interest rates dropped (Council for Economic Education, 2026).

This paper examines how two countries, the United States and India, teach (or don't teach) high school students about money. The US has rapidly been adding laws that require personal finance classes. India has almost none. To understand what this gap actually looks like on the ground, this paper also includes a small original survey of 22 high school students in Mumbai, testing their knowledge using the same Big Three questions used in global research. The goal is to describe what each country is doing and to analyze why the differences exist, whether they matter, and what a good path forward for India could look like.

2. How Do We Actually Measure Financial Literacy?

Before comparing countries, it is worth asking a basic question: how do researchers even measure something as broad as "financial literacy"? Different organizations use different tools, and knowing the difference between them is important. The table below summarizes the major frameworks used around the world.

Framework	Source	Who runs it	What it measures	Who is tested
The "Big Three"	Lusardi & Mitchell (2011); GFLEC	GFLEC (George Washington University)	3 questions: compound interest, inflation, risk diversification	Adults, 20+ countries
S&P Global FinLit Survey	S&P Global [1]	Standard & Poor's / World Bank	4 concepts: numeracy, compound interest, inflation, risk diversification	150,000+ adults, 140+ countries

[1] https://gflec.org/initiatives/sp-global-finlit-survey/

Framework	Source	Who runs it	What it measures	Who is tested
OECD/INFE framework	OECD [2]	OECD	Composite score: knowledge + behavior + attitude	Adults, used by many national surveys
NCFE Financial Literacy & Inclusion Survey (FLIS)	NCFE	National Centre for Financial Education, India	Same OECD/INFE knowledge-behavior-attitude model, adapted for India	75,000+ Indian adults
PISA Financial Literacy Assessment	OECD [3]	OECD	Computer-based test of financial knowledge and real-life application	15-year-old students, 20 countries (includes the US; India does not participate)
National Financial Literacy Test	National Financial Educators Council (NFEC)	National Financial Educators Council (US)	30-question test across 10 money-management topics	US students and adults, 100,000+ test-takers since 2014

Table 1. Major frameworks used globally to measure financial literacy.

Two things stand out from this table and matter for the rest of this paper. First, most "adult" surveys (Big Three, S&P, OECD/INFE, NCFE-FLIS) do not tell us much about teenagers specifically - they mostly test working-age and older adults. Second, and more importantly for this project: India does not take part in the PISA Financial Literacy Assessment, which is the only major international test built specifically for 15-year-old students. This means there is no official, internationally comparable data on how financially literate Indian teenagers actually are. This is a real gap in the research, and it is exactly the gap that this paper's own 22-student Mumbai survey tries to fill in a small way, using the same Big Three question format so the results can at least be compared to the global adult surveys.

3. How Did Personal Finance Education Evolve?

3.1 United States: A Fast, Legislature-Driven Story

Personal finance education in the US did not start as a formal graduation requirement. For decades, it existed in bits and pieces, mostly seen in general "consumer education" classes. The real shift towards mandatory, standalone courses is recent and remarkably fast. In 2020, only 8 US states required a standalone personal finance course to graduate from high school. By 2026, that number had grown to 30 states, with 39 states requiring some form of personal finance coursework (meaning either standalone or embedded in another subject) according to the Council for Economic Education's 2026 Survey of the States (Council for Economic Education, 2026).

[2] https://www.oecd.org/en/publications/oecd-infe-toolkit-for-measuring-financial-literacy-inclusion-and-well-being-2026_92f2d439-en.html
[3] https://www.oecd.org/en/publications/oecd-infe-toolkit-for-measuring-financial-literacy-inclusion-and-well-being-2026_92f2d439-en.html

Year	States requiring a standalone personal finance course
2020	8
2022	17–18
2023	21–24 (rapid growth: Louisiana, Oregon, Connecticut, Minnesota, Indiana, West Virginia, Wisconsin, Pennsylvania all added)
2024	26 (California becomes the 26th state)
2025	29–30 (Kentucky, Texas, Colorado, Delaware, Hawaii all added)
2026	30 standalone / 39 any format

Table 2. Growth in the number of US states requiring personal finance education for graduation, 2020–2026.

Source: Next Gen Personal Finance State Tracker; Council for Economic Education 2026 Survey of the States.

A few forces helped to speed this up. After the financial crisis of 2008 and the COVID-19 pandemic, there was growing concern about how financially fragile American households are, supported by organized advocacy from groups like Next Gen Personal Finance (which runs a public campaign called "Mission 2030") and the Council for Economic Education. This is a state-by-state, legislature-driven process: no single US federal law requires this. Each state passed its own law and on its own timeline. This is why the rollout looks so uneven.

3.2 India: A Slow, Regulator-Driven Story

India's story is completely different. There has never been a national or state law requiring a personal finance course for high school graduation. Instead, progress has come from financial sector regulators like the Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI), the Insurance Regulatory and Development Authority (IRDAI), and the Pension Fund Regulatory and Development Authority (PFRDA) — working primarily through financial literacy initiatives and partnerships with education bodies such as CBSE.

- 2005–2006: Banks set up Financial Literacy and Credit Counselling Centres (FLCCs) in rural areas, and RBI launched an early awareness campaign called Project Financial Literacy (RBI; VP Research Company, 2025).
- 2012: CBSE (India's largest school board) agreed "in principle" to introduce financial literacy content into school education, and formed an expert committee to design it. (VP Research Company, 2025).
- 2013: The National Centre for Financial Education (NCFE) was formally set up, jointly promoted by RBI, SEBI, IRDAI, and PFRDA, to lead financial literacy efforts nationally (VP Research Company, 2025).
- 2016: NCFE and CBSE jointly launched a set of Financial Education Workbooks for Classes VI–X. (NCFE, 2026)
- 2019–2021: CBSE, partnering with the National Payments Corporation of India (NPCI), launched "Financial Literacy" as a formal elective subject starting at Class VI, focused heavily on digital payments (UPI, cards, wallets) and banking basics. (CBSE Skill Education, 2026).
- 2020 & ongoing: India's National Strategy for Financial Education (NSFE) has run in cycles (2013–2018, 2020–2025, with a new cycle reportedly being planned) — but these are strategy documents that guide regulators, not binding curriculum law for schools. (VP Research Company, 2025).

The contrast is clear: the US pathway runs through state legislatures making it compulsory; the India pathway runs through financial regulators making it optional and elective. This single structural difference explains almost everything else this paper finds about the two countries' current situations.

4. The Current Situation in the United States

As of 2026, 30 US states require a standalone, one-semester (or half-credit) personal finance course to graduate high school, and 39 states require some form of personal finance coursework when embedded courses are included (Council for Economic Education, 2026). Press coverage often blurs this distinction: the 39-state number includes 13 states where personal finance content is folded into another required course (like Economics or a general "College and Career Readiness" class), not taught as its own subject. Research consistently shows that embedded content is weaker than a standalone course (Next Gen Personal Finance, 2026), so this paper treats 30 as the more meaningful number.

State	Standalone requirement effective	Notes
Utah	First state ever to require it	Long-standing model course
Tennessee	Class of 2013 onward	One of the longest-running mandates
Florida	Class of 2027	Half-credit; covers saving, investing, taxes, insurance, budgeting
North Carolina	Class of 2024	Full-credit "Economics and Personal Finance" course
Ohio	Class of 2026	Half-credit; public schools only
Oregon	2023 law	Half of a new "Life Skills" one-year course
Wisconsin	Dec 2023 law	Also covers insurance and "financial mindset" (psychology of money)
Pennsylvania	Dec 2023 law	Half-credit standalone course
California	26th state, 2024 law	Rollout targeted by 2027, mandatory by 2030
Kentucky	Class of 2029	Upgraded from embedded to standalone in 2025
Texas	Class starting 2026–27	29th state; half-credit within social studies requirement
Colorado	2025 law	28th state
Delaware	Class of 2026–27	30th state (October 2025 law)
Hawaii	2025 law	Newly added
Georgia	Class of 2028	Can double-count toward math or social studies credit

Table 3. Selected US states and their personal finance graduation requirements (illustrative, not all 30 states shown).

Source: Council for Economic Education 2026 Survey of the States; Next Gen Personal Finance State Tracker; Ramsey Solutions state-by-state summary.

Typical content across these state courses includes budgeting, saving, credit scores and debt, taxes and paycheck literacy, and basic investing (compound interest, retirement accounts)[4]. A smaller number of states go further. Wisconsin, for example, adds insurance and "financial mindset," recognizing that money habits are partly

[4] Source: *Source: Council for Economic Education 2026 Survey of the States; Next Gen Personal Finance State Tracker; Ramsey Solutions state-by-state summary.*

psychological, not just informational. For example, Florida's half-credit financial literacy requirement covers saving, investing, taxes, insurance, and budgeting. However, the available state-level descriptions do not provide a standardized percentage breakdown of instructional time across these topics. Therefore, this paper identifies the topics covered rather than assigning unsupported percentages to them.

4.1 Does Requiring the Course Actually Work?

If mandatory courses were solving the problem, we would expect US teen financial literacy scores to be climbing sharply alongside the growth in state mandates shown in Table 2. The data does not show that. The National Financial Educators Council (NFEC) has run a standardized 30-question test since 2014. In 2014, US high schoolers averaged around 58–60% (a failing grade by normal classroom standards). By 2023, the average for 15–18-year-olds was 64.04%. By 2026, after the biggest wave of new state mandates in US history, the average was 64.39% — and still less than 49% of test-takers actually passed (National Financial Educators Council, 2026).

The NFEC data, however, do not separate students according to whether they completed a state-mandated personal finance course. Therefore, these aggregate scores cannot establish whether mandatory courses caused any change in financial-literacy outcomes. In addition, many recent mandates have not yet been fully implemented, with some rollout periods extending to 2027–2030. Their effects may therefore not yet appear in national test results.

In other words, the number of states with a mandate roughly quadrupled between 2020 and 2026, but the average teen test score barely moved. This suggests that simply passing a law requiring a course is not sufficient by itself to demonstrate improved financial literacy. What likely matters alongside the mandate is how the course is taught, how rigorous it is, whether teachers are properly trained, and how long the course has been implemented. This is a useful lesson for India: making a course mandatory may be an important first step, but the quality and implementation of the course are likely to matter just as much.

5. The Current Situation in India

The single most important fact in this section is simple: no Indian state requires a personal finance course for high school graduation. What exists instead is a patchwork of optional electives, mostly offered through CBSE (India's largest school board), plus a set of non-curricular awareness programs run by financial regulators.

Class level	Subject / program	Status	What it covers
Class VI–VIII	"Financial Literacy" (Skill subject code 904)	Elective	Banking basics, digital payments (UPI, cards, wallets), role of RBI
Class IX–X	"Introduction to Financial Markets" (code 405) & "Banking and Insurance" (code 411)	Elective (vocational stream)	Basic financial markets, banking and insurance products
Class VI–X	NCFE–CBSE Financial Education Workbooks (since 2016)	Voluntary school adoption via Money Smart School Program	Needs vs. wants, spending, saving, investing basics, banking history

Class level	Subject / program	Status	What it covers
Class XI–XII	"Financial Literacy" skill elective, alongside AI, Yoga, Data Science	Elective	Builds on middle-school financial literacy content
Class VI–XII (any student, opt-in)	National Financial Literacy Assessment Test (NFLAT)	Voluntary annual test, run by NCFE since 2013–14	Tests financial knowledge; not tied to grades or graduation

Table 4. India's financial literacy offerings in school, by class level (elective/voluntary throughout).

Source: CBSE Skill Education Curriculum; NCFE Money Smart School Program; CBSE-NPCI Financial Literacy curriculum documents.

5.1 What the Adult Data Tells Us (and Why It Should Worry Us for Students)

Since India has no youth-specific national data (India does not take part in PISA Financial Literacy), the best lens we have is the NCFE Financial Literacy and Inclusion Survey (FLIS) 2019, a large study of over 75,000 Indian adults using the OECD/INFE knowledge-behavior-attitude model. Its headline number: only 27% of Indian adults are financially literate (VP Research Company, 2025, citing NCFE-FLIS 2019). The breakdown by group is where the analysis gets interesting.

Category	Group	Financial literacy rate
Gender	Men	29%
Gender	Women	21%
Region	West	37%
Region	North-East	33%
Region	North	32%
Region	South	30%
Region	Central	21%
Region	East	20%
Location	Urban	33%
Location	Rural	24%
Age	18–29	30%
Age	70–79	23%
Education	University degree	43%
Education	No formal education	13%
Occupation	Government salaried	45%
Occupation	Students	26%
Occupation	Housewives	16%
Occupation	Agricultural labourers	13%

Table 5. NCFE Financial Literacy and Inclusion Survey (FLIS) 2019: financial literacy rate by demographic group, India (n = 75,000+ adults).

Source: NCFE-FLIS 2019, as reported in VP Research Company (Tatvita Analysts), National Financial Literacy Strategy for India: 2025 Onwards.

Two analytical points stand out. First, the gap between the 18–29 age group (30%) and the general population (27%) is small — meaning being young in India does not, by itself, protect someone from financial illiteracy the way it might in a country with mandatory school-level education. However, the US evidence discussed in Section 4.1 also shows that mandatory education alone does not necessarily produce higher financial-literacy outcomes; the quality and implementation of the education matter as well. Second, and more strikingly, the "Students" occupational category scores only 26%, essentially the national average, and well below groups like government employees (45%) or even private salaried workers (37%). It is important to note that this is a survey of adults rather than specifically of high school students. Because of that, the "Students" category should not be interpreted as representing Indian high school students as a whole, and the 18–29 age group likewise includes adults beyond high school age. These figures provide indirect evidence about younger Indians, but they cannot establish the financial-literacy level of Indian high school students specifically. This suggests that young Indians may not be entering adulthood substantially more financially prepared than the general population, although the adult nature of the data prevents a direct conclusion about high school students.

This gap between access and capability shows up again in other Indian data sources. The All-India Debt and Investment Survey (AIDIS) 2019 found that 35% of rural households and 22.4% of urban households carry outstanding debt, with states like Andhra Pradesh (62.8% rural incidence of debt) and Kerala (average outstanding debt of ₹2.41 lakh per indebted rural household) showing particularly high exposure (VP Research Company, 2025, citing AIDIS 2019). Outstanding debt should not itself be treated as evidence of financial illiteracy, as debt can result from factors like medical expenses, agricultural needs, housing, business investment, or income volatility, particularly in rural areas. Meanwhile, bank account ownership itself is nearly universal — 84.4% of rural adults and 85.2% of urban adults hold a deposit account (AIDIS 2019). These AIDIS figures therefore demonstrate financial exposure and access to financial products, but they do not establish that households lack the knowledge to use those products wisely. Put together, these numbers describe what researchers call an "access-capability gap": Indian households have been brought into the formal financial system through accounts and government schemes (over 140 crore total enrollments across schemes like PMJDY, PMJJBY, and Atal Pension Yojana), , while the low financial-literacy rates reported by NCFE-FLIS provide separate evidence that financial capability has not increased to the same extent as financial access (VP Research Company, 2025). This is the core problem that school-based financial education is meant to prevent before it starts.

6. Primary Research: A Survey of Mumbai High School Students

To add original, India-specific youth data to this paper (filling the gap left by India's absence from PISA), a short survey was conducted among 22 Mumbai high school students, aged 14 to 18. The survey used the exact "Big Three" questions developed by Lusardi and Mitchell and used in over 20 countries, plus an original risk-perception question asking students to rank seven common Indian investment options from riskiest to safest.

6.1 Methodology and a Necessary Caveat

This survey is small (n = 22) and was not randomly sampled - respondents were classmates or students from a similar school environment, English-medium, and relatively higher income. This means the results cannot be

generalized to "Indian high schoolers" as a whole. They are best read as an illustrative case study, not a representative national sample.

6.2 Big Three Results

Question	Concept tested	Correct answers	Score
Q1	Compound interest	19 of 22	86%
Q2	Inflation	18 of 22	82%
Q3	Risk diversification	18 of 22	82%
All three correct	Overall literacy	14 of 22	64%

Table 6. Big Three financial literacy question results, Mumbai high school survey (n = 22).

At first glance, this looks like very good news - a 64% "all three correct" rate would outperform the NCFE-FLIS national adult average of 27% and would even be competitive with the US teen NFEC test average of about 64%. But this is exactly the kind of result that calls for caution, for two reasons:

- Selection bias: as noted above, this is very likely a higher-income, urban, English-medium sample — probably one of the least representative slices of the Indian teenage population for this question.
- Small sample size: with only 22 responses, a handful of guesses in either direction would meaningfully change the percentages.

So the more responsible conclusion is: this sample of Mumbai students does reasonably well on the Big Three, which tells us financial literacy is achievable for Indian teens under the right conditions but it should not be read as evidence that Indian high schoolers in general are financially literate.

6.3 Risk-Perception Ranking

Students were also asked to rank seven asset types from riskiest (1) to safest (7): Crypto, Shares, Real Estate, Mutual Funds, Gold/Silver, Fixed Deposits/Bonds, and Savings Accounts. Of the 22 responses, 18 were usable after removing blank or unreadable entries.

Asset	Average rank (1 = riskiest)	Ranked in top-2 riskiest
Crypto	1.22	17 of 18 (94%)
Shares	2.83	11 of 18 (61%)
Real Estate	3.50	—
Mutual Funds	4.22	—
Gold / Silver	4.67	—
Fixed Deposits / Bonds	5.28	—
Savings Account	6.28	14 of 18 ranked bottom-2 safest (78%)

Table 7. Risk-perception ranking results, Mumbai high school survey (n = 18 valid responses).

The pattern here is analytically useful. Students show strong, near-unanimous agreement at the extremes — Crypto is almost universally seen as riskiest, and Savings Accounts as safest. But the middle three categories (Real Estate, Mutual Funds, Gold) show far less agreement, with average ranks bunched close together. These perceptions broadly align with conventional risk characteristics: savings accounts and fixed deposits are

generally lower-risk, while crypto is substantially more volatile. The uncertainty around shares, mutual funds, gold, and real estate suggests weaker understanding of more nuanced risk differences. This mirrors the Big Three finding exactly: students seem confident distinguishing "very risky" from "very safe," but far less confident with nuanced, in-between concepts like diversification — which was also tied for their weakest of the three knowledge questions. Risk diversification was tied with inflation for the lowest-performing Big Three question: 18 of 22 students (82%) answered both questions correctly, compared with 19 of 22 (86%) for compound interest. The difference is therefore small, with only one additional correct response separating compound interest from the other two concepts. Nevertheless, the risk-perception results provide additional evidence that students may have less confidence with nuanced investment concepts than with clearly identifiable high- and low-risk options.

7. Comparative Analysis: United States vs. India

7.1 Structural Comparison

Dimension	United States	India
Legal status	Mandatory in 30 states (standalone)	Not mandatory anywhere
Who decides	State legislatures (education law)	Financial regulators (RBI, SEBI, IRDAI, PFRDA) via NCFE, working with CBSE
Typical format	Half-credit, one-semester standalone course	Elective subject (Classes VI–XII), voluntary school adoption
Core content	Credit/debt, taxes, budgeting, investing	Digital payments (UPI), banking basics, saving, investing
Measurement	NFEC test, state-level tracking, PISA participation	NCFE-FLIS (adults only); no PISA participation; NFLAT (voluntary, ungraded)
Recent trend	Rapid growth: 8 states (2020) → 30 states (2026)	Slow, incremental elective expansion since 2016

Table 8. Structural comparison of personal finance education, US vs. India.

7.2 Why Some of This Difference Is Justified, Not Just a "Gap"

It would be too simple to say India is just "behind" the US. Some of the content differences reflect real, legitimate differences between the two financial systems, and a good India-specific course should not just copy the American model.

- Credit culture: The US financial system relies heavily on consumer credit — credit cards, mortgages, and student loans — while India's retail payments environment is more heavily shaped by UPI and mobile payments. This difference helps explain why Indian financial education places greater emphasis on digital payment safety than American courses do.
- Savings and investment habits: Indian households have historically preferred gold, real estate, and bank deposits over equities (VP Research Company, 2025). This paper's own survey supports this too — Savings Accounts and Fixed Deposits were seen as clearly "safe," while Real Estate and Mutual Funds produced much less agreement, suggesting real unfamiliarity rather than differing risk appetite. A good

Indian curriculum needs to spend more time here than a US course would, not because Indian students are behind, but because their starting financial environment is different.

- Retirement and social security: The US has Social Security and widespread employer-sponsored retirement plans. India's equivalent systems — the Employees' Provident Fund (EPF) and National Pension System (NPS) — have far lower and more uneven coverage; NPS itself has only 2.02 crore subscribers out of India's enormous working-age population of over 100 crores (VP Research Company, 2025). This arguably makes retirement-planning education more urgent in India since Indian citizens have a thinner safety net to fall back on if they do not plan for themselves.

7.3 Where India Genuinely Lags: International Benchmarking

Some gaps are not just "different priorities" — they are genuine shortfalls. The S&P Global FinLit Survey, the largest cross-country financial literacy study ever conducted (over 150,000 adults across 140+ countries), found the United States at 57% financially literate and the United Kingdom at 67%, compared to India at just 24% (S&P Global FinLit Survey, 2015; Cafemutual, 2015). The global average across all countries was about 33%, meaning India sits well below the world average, not just below the US.

Country	Adult financial literacy rate (S&P Global FinLit Survey)
United Kingdom	67%
Singapore	59%
United States	57%
Japan	43%
Hong Kong	43%
Global average	33%
China	28%
India	24%

Table 9. Adult financial literacy rates by country, S&P Global FinLit Survey.

Source: S&P Global FinLit Survey (2015), as reported by Business Standard and Cafemutual.

It is important to be careful with this comparison, though. The S&P survey is from 2014–15, and the NCFE-FLIS 2019 survey (India's own more recent data) puts Indian adult literacy slightly higher at 27%. Even using the more generous, more recent number, the analytical conclusion holds: India's financial literacy problem is not just about lacking a graduation requirement like the US has — it is a broader, deeper gap that shows up across every major international measurement tool available.

8. What Should an Ideal Personal Finance Course for India Include?

Combining the global research, the India-specific adult data, and this paper's own student survey, four priorities stand out as the most evidence-backed starting point for a future Indian curriculum:

- 1. Risk and diversification, taught concretely through Indian products: Both the NCFE-FLIS data (S&P Global FinLit Survey found only 14% of Indian adults could correctly answer the risk diversification question, the weakest of the four concepts tested) and this paper's own survey (weakest, least-consistent area) point to the same gap. A course should walk through what actually differentiates Mutual Funds, Real Estate, and Gold as asset classes using real Indian examples, not abstract theory.
- 2. Inflation and real returns, tied to Indian savings instruments: Concepts like inflation should be taught directly against Fixed Deposits, PPF (Public Provident Fund), and EPF, so students understand why a "safe" 6% return can still lose value after inflation.
- 3. Digital payment safety and fraud awareness: This is India's genuinely distinct area of exposure compared to the US, given the scale of UPI adoption. The CBSE-NPCI elective already does some of this well; a mandatory course should build directly on that existing content rather than starting from scratch.
- 4. Long-horizon retirement planning: Given India's thinner social security safety net compared to the US, students should leave school understanding basic concepts like compounding over decades, EPF/NPS mechanics, and why starting early matters, even though retirement feels far away at age 16.

A proposed allocation for a one-semester Indian personal finance course would be 20% for risk and diversification, 15% for inflation and real returns, 20% for digital payment safety and fraud awareness, 20% for long-term retirement planning and compounding, and 25% for other core topics such as budgeting, saving, credit and debt, taxes, insurance, and consumer protection. These percentages are a proposed curriculum design rather than an empirically established optimal allocation.

None of these four priorities requires simply importing the US curriculum wholesale. They require an India-specific course, built from India-specific data - which is itself an argument for why India needs its own research and its own national student assessment (something closer to a PISA-style test), rather than relying only on adult surveys and small independent projects like this one.

9. A Policy Proposal for India

India's path to a mandatory personal finance course cannot copy the US model of individual state legislatures, because Indian school curriculum authority is structured very differently — shared between NCERT (which sets national curricular guidance), CBSE and other central boards, and individual state education boards. A workable, realistic proposal has to follow this existing structure rather than fight it.

9.1 Who Has the Authority

- NCERT sets the National Curriculum Framework that guides what "counts" as core content across India.
- CBSE, as the most centralized major board (and the one that already runs the Financial Literacy elective), is the most realistic first mover — far more tractable than trying to convince 28+ separate state boards simultaneously.
- State boards, through their State Councils of Educational Research and Training (SCERTs), would need to follow separately, likely with incentives like free NCFE-provided curriculum and workbooks to lower the cost of adoption.

9.2 A Phased, Realistic Rollout

- Phase 1: NCERT and NCFE formally recommend elevating "Financial Literacy" from elective to compulsory status within the National Curriculum Framework, backed by evidence from this kind of research.
- Phase 2: CBSE converts the existing Class IX–X elective into a mandatory half-credit course, mirroring the format most common in successful US states (Table 3). This age group is the most sensible target, since students are old enough to grasp the concepts but still one or two years from making independent financial decisions.
- Phase 3: A 2–3 state pilot (chosen to include at least one state with a lower NCFE-FLIS literacy score, such as an Eastern or Central state, alongside a higher-performing state) tests implementation before a full SCERT rollout nationwide.

This proposal leans on an existing policy hook rather than asking for something entirely new. India's National Education Policy (NEP) 2020 already emphasizes skill-based, practical education. Making personal finance mandatory is not a philosophical shift for Indian education policy — it is simply completing a project that NEP 2020 and the NCFE-CBSE partnership have already started.

10. Conclusion

This paper set out to compare how the United States and India teach high school students about money, and to understand what that comparison actually means rather than just describing it. Three conclusions stand out.

First, the US and India are not just at different points on the same path — they are on structurally different paths. The US model is legislated and mandatory, growing fast (8 states in 2020 to 30 in 2026); India's model is regulator-led, voluntary, and has grown far more slowly since 2013. Second, having a law is not the same as solving the problem: US teen test scores have stayed roughly flat even as state mandates quadrupled, which is an important caution for India as it considers its own policy path. Implementation quality matters as much as the mandate itself. Third, this paper's own small Mumbai survey, while not representative of India as a whole, adds a useful original data point. It shows Indian teenagers are capable of strong Big Three performance under the right conditions, and it independently confirms, through a completely different question format, the same specific weak spot (risk diversification and mid-risk asset understanding) that shows up in India's national adult data and in the global S&P Global FinLit Survey.

Financial literacy is not simply a nice-to-have life skill. As the Lusardi and Mitchell research shows across eight countries, and as India's own NCFE-FLIS and AIDIS data confirm, the ability to understand interest, inflation, and risk is directly tied to whether people build wealth, avoid harmful debt, and plan for their own future. India has built extraordinary financial access over the last decade — more than 140 crore enrollments across government financial inclusion schemes. What it has not yet built is the matching capability to use that access wisely. A mandatory, well-designed, India-specific personal finance course, starting at the high school level, is the most direct way to close that gap before today's students become tomorrow's financially stressed adults.

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