TEEN

FACTUAL

Education: early leavers aged 18-24

The countries with the highest percentage of early leavers from education and training between age 18 and 24 (above 15% of the population 18-24) in 2018 were...

A. Spain, Malta, Italy for men; Romania, Malta,Bulgaria for women
B. Portugal, Poland for men; Italy, Croatia, Romania for women
C. Netherlands, Poland for men; Romania, Spain, Finland for women

INTERMEDIATE

TEEN

FACTUAL

Household net income by educational level

In the EU, the difference in median net disposable income for households with Upper Secondary and Tertiary Education compared to those with Only Primary Education or less, in 2019 was...

A. 15% for Upper Secondary and 20% for Tertiary Education
B. 25% for Upper Secondary and 70% for Tertiary Education
C. 60% for Upper Secondary and 100% for Tertiary Education

INTERMEDIATE

TEEN

FACTUAL

Status of the 20-24 years old in the EU

What was, in 2019, the status of the population aged 20-24 in the EU, in terms of being in education, employed or NEET (Not in Employment, Education or Training)?

A. 26% in education, 41% in Employment, 33% NEET
B. 65% in education, 28% in Employment, 7% NEET
C. 46% in education, 37% in Employment, 17% NEET

INTERMEDIATE

TEEN

FACTUAL

NEETs, males and females

In the age group 20-24, the percentage of NEETs (youth Not in Employment, Education, or Training) in 2020 in the EU was...

A. Almost identical for males and females (about 14%)
B. 21% for males and 14 % for females
C. 14% for males and 21% for females

INTERMEDIATE

TEEN

FACTUAL

Tertiary educational attainment at ages 30-34

What was, in the EU in 2019, the percentage of persons aged 30 to 34 who had a tertiary (university or other post-secondary) degree?

A. 20% in 2009 and 50% in 2019
B. 30% in 2009 and 40% in 2019
C. 35% in 2009 and 30% in 2019

INTERMEDIATE

TEEN

FINANCIAL LITERACY

Loan repayment

You take out a loan that can be repaid over one year, over two years or over three years. The annual interest rate is the same. The total interest paid will be larger for a loan over...

A. three years
B. two years
C. one year

INTERMEDIATE

TEEN

FINANCIAL LITERACY

Reimbursing a loan

Suppose you need to borrow €1,000. If you double the amount of the monthly instalments, how long will it take to repay the loan?

A. More than half the time
B. Half the time
C. Less than half the time

INTERMEDIATE

TEEN

NUMERACY

Probability

There's a 50/50 chance that your car will need engine repairs, which cost €1,000. There is a 10% chance that you will need to replace the air conditioning unit, which costs €4,000. Which poses the greater risk in terms of higher expected costs?

A. The air conditioning replacement
B. The engine repair
C. There is no way to tell in advance

INTERMEDIATE

TEEN

NUMERACY

Study loans

You consider taking a study loan for five years, €10,000 per year. You have 20 years to pay off the loan, paying €2,500 each year. Is this a good deal?

A. This is a good deal since it implies a zero-interest rate on the loan
B. Poor deal since I benefit 5 years but pay for it during 20 years
C. This is as good as paying a negative interest rate

INTERMEDIATE

ANSWER

C
Less than half the time

WHY?

Compounding works against you if you're paying off debt. Paying down the principal in less time on a fixed-rate loan reduces the interest you'll pay. Even small additional principal payments can help. This is why if you double the amount of the monthly instalments to repay the loan, it will be repaid in less than half the time.

ANSWER

B
The engine repair

WHY?

Expected cost = cost x probability the cost occurs
Engine repair = €1,000 x 50% = €1,000 x 0.5 = €500
Air conditioning replacement = €4,000 x 10% = €4,000 x 0.1 = €400
Even if you are not familiar with expected probabilities for events in the future and cannot estimate the cost, you need an emergency savings account to buffer you.

ANSWER

C
This is a good deal since it implies a zero-interest rate on the loan

WHY?

It's a good deal because the interest rate on the loan is 0. Original loan is €10,000 x 5 = €50,000 and repayment is €2,500 x 20 = €50,000. Generally, a loan is an amount of money that is borrowed and repaid, with interest, on a specified repayment schedule. A loan may be an appropriate choice for an individual or a business to pay for an expensive item and spread out the cost over time.

ANSWER

C
14% for males and 21% for females

WHY?

A gender gap is already apparent in the 20-24 age group. Women tend to be less involved in employment. This can be seen as negative if they are willing to work but discouraged, but it may also mean they choose to concentrate on their family.
Source: Eurostat

ANSWER

B
30% in 2009 and 40% in 2019

WHY?

Tertiary education occurs after obtaining a secondary degree. In our "knowledge economy" it is very important. It spans from vocational and technical, to STEM (science, technology, education and maths) and liberal professions (health, justice, security, language and art). Tertiary education has spread but differences remain across the EU.
Source: Eurostat

ANSWER

A
three years

WHY?

The total interest paid will be larger for a loan over three years because interest is paid over a longer period even if the monthly repayments will be smaller.

ANSWER

A
Spain, Malta, Italy for men; Romania, Malta,Bulgaria for women

WHY?

Early leaving from education and training - a sign that systems are less efficient and effective - characterises especially some Mediterranean and Eastern European countries and is different for men and women. In Spain, Romania and Italy early leavers are above 15% of the 18-24 youth population for men and above 10% for women.
Source: Eurostat.

ANSWER

B
25% for Upper Secondary and 70% for Tertiary Education

WHY?

Tertiary education (e.g. university) pays. Secondary education (e.g. high school) also, though less so. Total disposable income is the total amount of money households have available for spending and saving after subtracting income taxes and pension contributions. Median income corresponds to the household that stands in the middle of each distribution.
Source: Eurostat

ANSWER

C
46% in education, 37% in Employment, 17% NEET

WHY?

In the EU, close to 50% of youth in the 20-24 age group studies. Over one out of three works. Unfortunately, close to one in five youth aged between 20 and 24 is neither employed nor in education, a real handicap for their future, should this condition last for too long.
Source: Eurostat

TEEN

NUMERACY

Study loans

You consider taking a study loan for five years, €10,000 per year. You have 20 years to pay off the loan and should repay €5,000 each year. Which of the following considerations is (probably) correct?

A. Poor deal since the (implicit) interest rate on the loan is very large
B. Poor deal since you benefit 5 years but pay for it during 20 years
C. This is a good deal since it implies a zero-interest rate on the loan

INTERMEDIATE

TEEN

FINANCIAL LITERACY

Trade-offs

Any relevant life-cycle choice involves trade-offs: study or work; choose one profession or another; buy or rent; consume or save... In evaluating trade-offs, one should...

A. make a detailed list of costs and benefits of each alternative
B. be guided by one's instinct
C. just follow an expert's or somebody else's advice

INTERMEDIATE

TEEN

NUMERACY

Saving timelines

You save €500 a year for 10 years, compounded annually. Your brother saves nothing for 10 years but then receives a €5,000 gift, which he saves. Both of you earn the same return, who will have more money after 20 years?

A. You
B. Your brother
C. Both will have the same amount of money

INTERMEDIATE

ANSWER

A

Poor deal since the (implicit) interest rate on the loan is very large

WHY?

A rule of thumb is: multiply annual payments by the number of payment years and derive the interest payments by difference. Providers should make interest rates clear and comparable. A study loan may pay off because of the higher earnings it is likely to provide once you start working.

ANSWER

A

make a detailed list of costs and benefits of each alternative

WHY?

Each choice involves giving up an alternative. The cost of a foregone activity is called "opportunity cost". Costs should be compared to long term benefits. Some choices can be irreversible. So one should take careful personal responsibility for key life-cycle choices. Gut feelings can be misleading and so can friends' or "expert"'s advice.

ANSWER

A

you

WHY?

Because of compound interest, after 10 years, if you have saved €500 a year, you will have more than €5,000 in your account. Each time interest is paid and you add it to the total capital, the added interest also receives interest from then on.