INFE stocktake on baseline surveys: challenges and main lessons

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The review

- Undertaken to inform the INFE Financial Literacy Measurement sub-group

- Stage 1: an overview of 24 national and 2 cross-national surveys
  - 12 broad-ranging
  - 7 focussing on knowledge
  - 7 limited in scope

- Majority in high-income countries
  - but some middle-income too

Definitions and terminology used differ

The ability to make informed judgements and to take effective decisions regarding the use and management of money

- Operational definitions differ
  - knowledge alone
  - behaviour and attitudes as well

- Terminology differs
  - financial literacy
  - financial capability/culture/insight

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Five main subject areas covered

- Money management

- Financial planning

- Choosing and buying products

- Keeping informed

- Knowledge

Coverage differs across surveys

- Broad-ranging surveys (12)
  - money management; financial planning; choosing financial products
  - staying informed; financial knowledge

- Knowledge surveys (7)
  - only New Zealand has broader coverage as above

- Other surveys (7)
  - some coverage of money management; financial planning; choosing products and financial knowledge

Other points of importance

- Even similar questions differ in their wording

- The need for income and cultural sensitivity
  - in wording of individual questions
  - in replies that are considered 'capable'
  - in questions asked

- Pressure to meet other policy concerns
  - impact of economic downturn on behaviour
  - levels of use of different financial products (financial inclusion)

Survey design varies considerably

- Most survey adults aged over 18
  - but sampling methods vary
  - as do sample sizes
  - and whether minority languages covered
- Wide range of survey methods used
  - interviews (face-to-face and telephone)
  - self-completion (paper and web)
- Average length: broad-based surveys 30-45 mins
  - knowledge-based ones a lot shorter
- Response rates 60-65%

Analysis and reporting also varies widely

- Results reported using
  - Percentages
  - Scores (calculated in different ways)
    - A single score or more than one?
  - Segmentation (carried out on different characteristics)

- So, there is limited scope for comparing results between countries

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Overview

- A great deal of experience to draw on

- Two distinct approaches
  - knowledge only and broader-based

- Wide variation in survey methods
  - and in ways results analysed and reported

- Can we find a common framework that can
  - be adapted for countries with differing income levels, and
  - accommodate cultural differences between countries?

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Stage 2 Developing a common framework Best practice guidelines on survey design

- Who to survey

- Survey method

- Sampling

- Analysis and reporting

Stage 2 Developing a common framework A set of core questions

- Criteria for inclusion
  - Meet best practice generally
  - Included in a number of existing surveys
  - Apply across countries and populations
  - Correlate strongly with concept being measured

- Cover 4 broad areas
  - Day-to-day money management
  - Financial planning
  - Choosing appropriate products
  - Financial knowledge and understanding

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Next steps

- Develop agreed questions
- Test these across a range of countries
  - in surveys of individual adults aged 18 or over
- Discuss them with countries with existing surveys
- Develop methods of scoring and reporting the results
- Finalise guidelines
- Consider the practicalities of a cross national survey

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