

Supplementary Questions: Optional Survey Questions for the OECD INFE Financial Literacy Core Questionnaire

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This is the final version.

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TABLE OF CONTENTS

SUPPLEMENTARY FINANCIAL LITERACY QUESTIONS	2
Introduction	2
Core financial literacy measurement questions	2
Supplementary questions	3
Using the supplementary questions	3
Finding appropriate questions.....	4
SUPPLEMENTARY QUESTIONS.....	5
Finding appropriate questions.....	5
Additional demographic information	7
Financial control.....	9
Making ends meet	14
Choosing appropriate financial products.....	20
Financial planning	29
Financial knowledge and understanding	32
Standard knowledge test questions	38
Money attitude scale	39
REFERENCES	40

SUPPLEMENTARY FINANCIAL LITERACY QUESTIONS

Introduction

In recent years, numerous organisations and authorities have expressed concern about the poor level of financial literacy amongst citizens, particularly given the increasing expectation that individuals will take care of their own financial wellbeing and the complexity of the financial markets that they must operate within. The recent economic crisis has also led to recognition that a lack of financial literacy amongst individuals could have tremendous negative spillover effects if ill-informed financial decisions aggregate across the economy. Consequently, financial literacy is now globally acknowledged as a key life skill and as an important element of economic and financial stability and development.

As a result of the importance that is now placed on financial literacy, governments and other stakeholders are keen to be able to measure levels of financial literacy across their population in order to inform policy, set targets and track progress. There is also considerable demand for figures that can show how levels of financial literacy in one country compare to those in other countries and to learn from international experiences. The OECD International Network on Financial Education (INFE) has therefore established an expert subgroup on financial literacy measurement to address the need for a measure of financial literacy that adequately captures the underlying phenomenon and can be used to draw comparisons across countries. The benefits of such a measure are that:

- It can be used to measure financial literacy **at a national level**, to set benchmarks and to measure progress;
- It can be used to analyse differences in levels of financial literacy **across various socio-demographic groups** within countries;
- It enables countries to **compare their own levels of financial literacy with those in other countries** either at the national level or within certain subgroups.

Core financial literacy measurement questions

The INFE subgroup has commissioned research in order to inform the development of an international measure of financial literacy¹. It has subsequently applied findings from this research along with the outcomes of a range of meetings and discussions with subgroup members and experienced survey designers in order to develop a core questionnaire that can provide a comprehensive measure by capturing indicators of different aspects of financial literacy².

¹ Kempson, E. (2009), "Framework for the Development of Financial Literacy Baseline Surveys: A First International Comparative Analysis", OECD Working Papers on Finance, Insurance and Private Pensions, No. 1, OECD Publishing. doi: [10.1787/5kmddpz7m9zq-en](https://doi.org/10.1787/5kmddpz7m9zq-en).

² Measuring Financial Literacy: Questionnaire and guidance notes for conducting an internationally comparable survey of Financial Literacy, OECD 2011.

Supplementary questions

The research also identified a number of questions that could provide information about financial literacy within a country but that were not suitable for an international comparison. Several authorities indicated that they would like to use some of these questions in their own survey of financial literacy, and the OECD INFE subgroup agreed that it would be valuable to create a separate document listing these additional good practice questions and discussing how they might be used.

This document therefore provides public authorities and other bodies interested in measuring financial literacy with supplementary questions chosen to reflect good practice, and are mostly drawn from national surveys, as indicated in the Appendix. The benefit of using questions from other surveys is that the questions have been tested in at least one language, and they are widely acknowledged to be of relevance to financial literacy.

Each question that has been included in this supplementary set can capture an element of financial literacy or provide information about the types of people exhibiting particular behaviours/attitudes. The questions can therefore be used to add depth to financial literacy surveys, and to provide data related to issues of specific interest within countries. Which questions are used will depend on the financial markets of particular countries, and policy concerns – for example, market differences will dictate whether countries see value in exploring the use of credit cards or health insurance.

The questions capture aspects of financial control, making ends meet, financial planning, choosing appropriate financial products and financial knowledge and understanding. They cover important topics including insurance, credit use and appetite for risk. As with the core questions, they are, for the most part, designed to be used at the level of the individual rather than household (exceptions to this generalisation include the questions on income and housing tenure, where it is useful to know about the circumstances of the household in which an individual resides). Alongside each question there are notes explaining the benefit of including that question, and identifying potential issues or limitations that authorities may wish to consider before adopting the question in their own survey.

These supplementary questions were not included in the core financial literacy measurement questionnaire for several reasons. Some of the questions are only relevant in certain countries, and some are only relevant to certain groups of people. Other questions are included to offer commissioning bodies the option of exploring the financial literacy of their population in greater depth, but they do not cover substantively different issues from those covered by the core questions, and so they are not essential to create an indicator of levels of financial literacy.

Using the supplementary questions

Commissioning bodies choosing appropriate supplementary questions from this document to ask alongside the core questions will gain valuable additional information. However, it should be remembered that this document is intended to supplement the core questionnaire, not replace it. The questions included on the core questionnaire have been picked to capture the key aspects of financial literacy, and a survey that omitted those questions would be of little value in measuring levels of financial literacy.



It is feasible to include one or several of these supplementary questions in a national survey of financial literacy. It is not recommended that all the questions are used, as the survey would be far too long – longer surveys are more expensive, and they also risk reducing the quality of the data as respondents get weary. There are also ethical issues to consider if a large number of questions are asked without justification.

When some of the supplementary questions are used alongside the core questions, care should be taken to group questions together in a way that flows well for the interviewer and feels logical to the respondent. The headings used in this document reflect those used in the discussion documents and core questionnaire, and should therefore help to identify where the questions should be positioned.

Finding appropriate questions

The list of contents below allows users to find questions related to specific aspects of financial literacy. However, it should be noted that some questions straddle more than one issue (such as using financial products and making ends meet), and so it is strongly recommended that users of this document consider each of the questions included before making a decision about which, (if any), to use.

SUPPLEMENTARY QUESTIONS

Finding appropriate questions

For those authorities interested in questions on particular product types and knowledge related to using them, the following table may prove useful.

Questions related to specific product types	Question number
Overdraft	S12, S13
Credit card	S14, S15, S16, S52
Savings and investments	S23, S24, S53, S54, S55, S56, S57, S59
Insurance (including life, health and other)	S25, S26, S27, S28, S49
Retirement plans	S41, S42, S43, S51
Mortgage	S20, S21, S58
Loans and other (non credit card) credit	S17, S18, S19
Questions about various products	S3, S4, S5, S6, S22, S31, S34, S36, S37

We believe that all of these questions can add value but we recognise that it can be difficult to make choices amongst a great number of similar questions. We have therefore highlighted those questions that we think are most likely to be chosen by more than one country, and which will therefore not only provide valuable information at the country level, but add value as a comparative question. These questions are included below.

Topic areas of international interest	Question number
Financial control and checking records:	S1, S3, S7
Managing month by month:	S12
Using credit and its impact:	S13, S17, S18, S21
Monitoring financial products:	S22, S24
Health and general insurance:	S26, S27, S28
Taking advice:	S30, S32, S34
Making decisions and complaining:	S36, S38
Emergency funds and retirement:	S40, S42, S43
Financial knowledge – self reported and tested:	S44, S46, S51, S56
Attitude to, and knowledge of, risk:	S53, S55
Attitudes:	S60



The list of questions below begins with 4 questions designed to capture additional socio-demographic information. These questions represent a selection of the additional information that could be collected; the final decision about which questions to use – and whether to draw on questions from other sources – should take into account issues such as the likely target groups of financial education and the need for data to recreate standard socio-demographic segmentations used within the country.

Additional demographic information

Demographic questions give authorities the necessary information to identify certain types of people. This allows them to analyse the levels of financial literacy within certain groups and to compare across groups. The core questionnaire includes a number of demographic questions, but the two below may also prove useful in some countries.

	Notes	What the question is capturing and how responses relate to financial literacy
<p>ASK ALL SD1) Who owns your current home? INTERVIEWER: READ OUT OPTIONS, AND STOP AT FIRST MENTION</p> <ul style="list-style-type: none"> a) You (and/or your partner) own it outright b) You are buying it with a mortgage/home loan c) You rent your home from a private landlord d) You rent it from a local authority or housing association e) Your parents/grandparents/other family members f) Your employer g) Someone else h) <i>Don't know</i> i) <i>Refused</i> 	<p>The phrase local authority/housing association needs replacing with local terms for social housing, where relevant.</p>	<p>Housing tenure. It may be particularly useful to consider differences by housing tenure when looking at the range of product types held (since home owners often require more products), and a person's level of knowledge (since homeowners may have had to make more complex decisions).</p>
<p>ASK ALL SD2) What is the <i>main</i> source of income in your household? INTERVIEWER: READ OUT, CODE ONE ONLY</p> <ul style="list-style-type: none"> a) Wages or salary b) Self employed earnings or proceeds from a business c) Government benefit(s) or allowance(s) d) Superannuation/Pension/Retirement income e) Transfers from family members (not living in same household) f) Transfers from someone else outside the household (such as maintenance payments) g) Other h) <i>Don't know</i> i) <i>Refused</i> 	<p>This question is intended to be asked at the household level – i.e. source of income for the respondent and partner (if relevant). For students, it should not be the parent's source of income but their own. Options may need to be edited/added. Ask after QD4 in main questionnaire.</p>	<p>Income sources. This information may be useful in explaining certain types of behaviour such as saving for the future. Note that the core questionnaire asks about levels of income.</p>
<p>ASK ALL SD3) How would you describe your race/ethnicity? AGENCY TO ADD IN CODES</p> <ul style="list-style-type: none"> a) <i>Don't know</i> b) <i>Refused</i> 	<p>Allow the respondent to choose the category that he/she most identifies with.</p>	<p>In some countries it may be appropriate to target particular ethnic groups with financial education.</p>

<p>SD4) Interviewer to record or ask and record region</p>		<p>Research indicates that financial inclusion varies by geographical location. This variable may also be necessary to ensure that the sample is representative of the population.</p>
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Financial control

Financial control is an aspect of money management. It includes budgeting and record keeping as well as more general awareness of one's own financial position. The questions provided in this section would enable authorities to have a better understanding of the extent to which households share responsibility for financial control (S1) as well as collecting information about the respondent's own attitudes and behaviour in relation to financial control.

	Notes	What the question is capturing and how responses relate to financial literacy
Taking responsibility for finances		
<p>S1) Who is responsible for the task of bill payment in your household? INTERVIEWER: READ OUT a-f:</p> <ul style="list-style-type: none"> a) You b) You and your partner [do not read out if no partner at QD1] c) You and another family member (or family members) d) Your partner [do not read out if no partner at QD1] e) Another family member or (or family members) f) Someone else g) Nobody h) No bills to pay i) <i>Don't know</i> j) <i>Refused</i> 	<p>It is suggested that this question is asked only of people who are living with a partner, as it is assumed that single people take responsibility for their own bills. However, the question could be asked of everyone.</p> <p>Note that the core questions include a similar question, but this one is specific to bills.</p>	<p>Behaviour; taking responsibility; exposure to financial tasks (bill payment).</p> <p>This may help to explain different levels of financial literacy.</p>
<p>ASK ALL S2) Which ONE of the following best describes the extent to which you personally monitor your regular expenses? INTERVIEWER: READ OUT a-d:</p> <ul style="list-style-type: none"> a) I don't keep an eye on expenses at all b) I keep my eye on expenses a bit c) Without keeping written records, I keep a fairly close eye on expenses d) I use written records to keep a close eye on expenses e) <i>Don't know</i> f) <i>Refused</i> 	<p>This question can identify financial literacy by assuming that option a) is not literate, but it cannot be used to differentiate between various <i>levels</i> of financial literacy unless it is assumed that a person who keeps written records is more (or less) financially literate than one who uses mental accounting.</p>	<p>Behaviour; method of keeping track.</p> <p>Keeping track of one's expenses is considered to be financially literate behaviour.</p> <p>Note that additional UK research has shown that people sometimes monitor expenses without attempting to control them, reiterating that this is just one aspect of financial literacy.</p>

<p>ASK ALL</p> <p>S3) Do you enjoy dealing with financial matters?</p> <ul style="list-style-type: none"> a) Always b) Usually c) Sometimes d) Never e) <i>Don't know</i> f) <i>Refused</i> 	<p>Responses to this question are likely to be affected by where it is positioned in the questionnaire, making it difficult to compare across countries. For this reason, the question should only be asked if it is felt to provide useful country level information.</p> <p>It is better to ask this question near the beginning of a questionnaire, rather than near the end, so that it captures usual attitudes rather than fatigue.</p> <p>As the scale has 4 points, it may be appropriate to rescale this before analysis by considering 'don't know' to be the midpoint.</p>	<p>Attitude.</p> <p>There may be a group of people who enjoy dealing with finances but could benefit from financial literacy training – this would be useful to know.</p> <p>Note that enjoyment may be correlated with higher levels of financial literacy. If it is, it may be that people with high levels of financial literacy start to enjoy dealing with financial issues, or that those that enjoy doing so seek to improve their level of financial literacy so caution is needed when reporting the results.</p>
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Keeping and checking records		
<p>S4) Which of these financial documents do you keep copies of (either electronically or in hard copy)? For each document record Yes, No <i>Don't know, refused</i></p> <ul style="list-style-type: none"> a) Receipts for major purchases b) Bank statements c) Loan or hire purchase statements d) Tax records e) Major bills such as electricity or school fees f) Financial service agreements and contracts, such as loan agreements g) Other h) <i>Not applicable (no financial documents received)</i> 	<p>Options b or c could be filtered out if the respondent does not have the product.</p>	<p>Behaviour. It is considered to be financially literate to keep records; which includes having copies of important financial agreements to refer to. If people consistently say they do not know whether they have such records then they are quite disengaged, and therefore would not be considered to be financially literate in this regard.</p>
<p><u>ASK ALL</u> S5) In the past 12 months, have you obtained a copy of your credit report? Note to interviewer: if respondent is confused or asks for clarification, state that this is not your credit score but your credit report/record.</p> <ul style="list-style-type: none"> a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i> 		<p>Behaviour; actively checking records. It is considered to be good practice to check credit records in countries where people have access to such records.</p>

<p><u>ASK ALL with a product that could have a positive/negative balance at QC1 b (core questionnaire)</u></p> <p>S6) How often do you usually check your < PRODUCT > balance(s)?</p> <ul style="list-style-type: none"> a) Daily b) Weekly c) Every two weeks d) Monthly e) Yearly f) Never g) <i>Don't know</i> h) <i>Refused</i> 	<p>QC1_b asks about different product types, but people may have more than one product within each type (for example they may hold 2 credit types). Consider whether the question will work if the respondent holds several products of the same type. One option is to add in the word MAIN e.g. How often do you usually check your main current account balance?</p>	<p>Behaviour.</p> <p>This question is designed to find out whether people are regularly keeping track of their financial situation. It may not be necessary to check the balance of some accounts more often than once a year and this should be taken into account when analysing the findings.</p>
<p><u>ASK ALL with a product that could have a positive/negative balance at QC1 b (core questionnaire) – remember that they may have more than one of the product – consider using plurals</u></p> <p>S7) and How do you typically check the balance(s) for your < PRODUCT >?</p> <p>INTERVIEWER: PROBE. DO NOT READ OUT. MARK ALL THAT APPLY</p> <ul style="list-style-type: none"> a) Check the bank statement sent in the mail b) Check the statement online (internet banking) c) Check through telephone banking d) call the bank and ask for your balance e) Ask for your balance, statement or bankbook update at a bank branch f) Ask for balance, statement or bankbook update at an ATM/cash machine g) Receive a text message from the bank h) <i>Never check</i> i) <i>Don't know</i> j) <i>Refused</i> 	<p>Note as above</p>	<p>Behaviour.</p> <p>This question does not identify financial literacy, but it does provide additional information about the behaviour of people who are keeping track of their finances. It can be asked regardless of whether S7 is asked, by using the option for “I never check”.</p> <p>When interpreting the results of this question it is important to remember that behaviour will be related to availability of the various options, as well as demand for them.</p>

Knowing how much money is available

AGENCY TO CHANGE CURRENCY AND USE REASONABLE INCREMENTS

S8) Which of these best describes how accurately you know how much money you have available to spend. I'm not interested in how much money you have, just how accurately you know how much money you have.

INTERVIEWER: CODE ONLY ONE

- a) I have no idea at all
- b) Approximately, but not within USD 500
- c) I know within USD 500
- d) I know within USD 100
- e) I know within USD 50
- f) I know within USD 10
- g) I know within a dollar or two
- h) *Don't know*
- i) *Refused*

If this question is used, it should be made clear to interviewers that the focus should be on liquid, available cash, not on money tied up in property etc. The size of the increments should be adjusted as necessary.

Behaviour.

It will not be possible to check responses for accuracy/ honesty; and this should be taken into account when reporting the results.

Given the difficulties in comparing responses in different currencies, only headline findings from this question will be comparable across countries. However, it will be useful for looking at the distribution in scores (what does the average person do), and to see whether it is correlated with other aspects of financial literacy.

Making ends meet

Making ends meet, like financial control is an aspect of money management and being able to live within ones means is considered to be an important aspect of financial literacy. This section therefore includes questions that consider the extent to which individuals are struggling to make ends meet and the strategies that they employ when/if they run short of money.

	Notes	What the question is capturing and how responses relate to financial literacy
Managing month by month		
<p>ASK ALL S9) In the last 12 months, have you personally: INTERVIEWER: ASK EACH IN TURN</p> <ul style="list-style-type: none"> a) Gone without enough food to eat b) Gone without medicine or medical treatment that was needed c) Gone without a cash income d) Gone without good shelter e) Gone without fuel for heating or to cook food <p>For each one:</p> <ul style="list-style-type: none"> a) Often b) Sometimes c) Never d) <i>Don't know</i> e) <i>Refused</i> 	<p>It is not necessary to ask each of these options – some countries may want to use a subset of them.</p> <p>This question looks at various indicators of being unable to make ends meet. Whether facing these difficulties is a result of poor money management skills or other difficulties (such as extreme low income, ill health, lack of resources in local area, political unrest etc) would need to be determined before assuming that the question indicates financial literacy.</p>	<p>Recent periods of being unable to make ends meet.</p> <p>These questions may be a better indicator of making ends meet than questions looking at bill payments in economies where the vast majority of transactions are paid for (probably in cash) at the time of purchase.</p> <p>Responses can be used to indicate ability to make ends meet by looking at individual demographics of the respondent such as income and region as well as considering national characteristics. For example, it is possible to look at average responses by income/region and then identify people who are doing less well than average. These people are failing to manage their money as effectively as others in similar circumstances.</p>
<p>ASK ALL S10) Overall, thinking of your assets, debts and savings, how satisfied are you with your current personal financial condition? Please use a 5-point scale, where 1 means “Not At All Satisfied” and 5 means “Extremely Satisfied”.</p> <ul style="list-style-type: none"> a) <i>1 Not at all satisfied</i> b) <i>2</i> c) <i>3</i> d) <i>4</i> e) <i>5 Extremely satisfied</i> f) <i>Don't know</i> g) <i>Refused</i> 		<p>Attitude.</p> <p>Responses to this question can be combined with answers to questions asking whether someone has fallen behind with payments to gain a deeper insight into the feelings of people in different circumstances. It will also be interesting to look at levels of financial literacy compared with satisfaction.</p>

<p><u>ASK ALL</u> S11) In a typical month, how difficult is it for you to cover your expenses and pay all your bills? Please use a 5-point scale, where 1 means "Not At All difficult" and 5 means "Extremely difficult".</p> <ul style="list-style-type: none"> a) 1 Not at all difficult b) 2 c) 3 d) 4 e) 5 Extremely difficult f) <i>Don't know</i> g) <i>Refused</i> 	<p>This is similar to QM2 but would need to be asked after QM3 to make sense, as it is drilling down to the level of month by month.</p>	<p>Outcome/ attitude. This question is an alternative to S10 in higher income countries to capture the extent to which people are struggling to make ends meet.</p>
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Using credit and its impact		
<p><u>ASK if respondent has account for general money management at QC1 b (core questionnaire)</u> S12) Is there an agreed overdraft facility on your <day to day bank> account? a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i></p>	<p>This question needs to describe the account in a way that will be familiar to the respondent (e.g. bank account, current account, card account).</p>	<p>This question is primarily designed to lead into the following question, but if the respondent answers don't know, this suggests a lack of engagement.</p>
<p><u>ASK if has account for general money management at QC1 b (core questionnaire)</u> S13) On a scale of 1 to 5, where one is constantly, and five is never, how often you have been overdrawn on your day to day bank account in the last 12 months? a) 1 Constantly b) 2 c) 3 d) 4 e) 5 Never f) <i>Don't know</i> g) <i>Refused</i></p>	<p>This question can be asked regardless of whether the respondent has an <i>agreed</i> overdraft, as many accounts are set up in such a way that it is possible to access unauthorised overdrafts.</p>	<p>Using an overdraft is a behaviour. Being constantly overdrawn is also an outcome of being unable to make ends meet. Responses to this question could be combined with other making ends meet questions to give an indication of financial difficulties and financial literacy. For example, if someone is constantly overdrawn, and unable to make ends meet, then they are facing serious problems. If they say they are constantly overdrawn but also say they are not borrowing, then they are showing signs that they are not financially literate.</p>
<p><u>ASK if respondent has at least 1 card that offers a credit facility other than an overdraft at QC1 b (core questionnaire)</u> INTERVIEWER: PLEASE COUNT ALL CREDIT CARDS, WHETHER OR NOT THEY ARE BEING USED S14) How many credit cards do you have? Please include store and gas station credit cards but NOT <debit cards>. Numerical response ___ a) <i>Don't know</i> b) <i>Refused</i></p>	<p>Be careful to check the understanding of these words in pilot tests (credit card, store card etc and debit card) before including this question in a main survey. It may be necessary to state that these are cards for personal use, rather than business use.</p>	<p>Behaviour – accepting multiple credit offers. A larger number of credit cards are known to be associated with over-indebtedness. This question also provides necessary background information for the following question.</p>

<p><u>ASK if has at least 1 credit card at S14 (if S14 is asked)</u> S15) In the last 12 months, which of the following statements describe your experience with your credit cards? <u>INTERVIEWER:</u> READ IN ORDER: MARK ALL THOSE THAT APPLY</p> <ul style="list-style-type: none"> a) You have not used a credit card at all in the last 12 months (IF YES DO NOT READ FOLLOWING OPTIONS) b) In some months, you used a credit card to withdraw cash from an ATM c) In some months you used your credit card to get a cash advance d) In some months, you used a credit card cheque to pay bills or to purchase items e) You always paid your credit card bills in full (IF YES DO NOT READ FOLLOWING OPTIONS) f) In some months, you carried over a balance and were charged interest(IF NO DO NOT READ FOLLOWING OPTIONS) g) In some months, you paid the minimum payment only h) In some months, you were charged a <i>late</i> fee for late payment i) In some months, you were charged an <i>over the limit</i> fee for exceeding your credit line 	<p>It may be necessary to state that the question relates only to cards for personal use, rather than business use. Some options may not be relevant in every country. The final two options may need editing to reflect the typical charging structure.</p>	<p>Behaviour. Credit card behaviour can indicate low levels of financial literacy (particularly if penalty fees are incurred), and may also indicate an inability to make ends meet. It will be interesting to analyse the responses to this question in conjunction with the likelihood of saving, and questions relating to making ends meet.</p>
<p><u>ASK if has at least 1 credit card at S14 (if S14 is asked)</u> S16) What is the highest rate of interest charged on any of the credit cards that you have? Numerical response __ (to 1 decimal place)</p> <ul style="list-style-type: none"> a) <i>Don't know</i> b) <i>Refused</i> 	<p>Created to capture knowledge of products held. This question straddles products and knowledge. If the respondent rounds the amount to the nearest whole number ask if they know it more accurately, and if not enter it as a numerical response.</p>	<p>Behaviour/ outcome. We would consider someone to be more financial literate if they knew the interest rate charged on their credit cards, particularly if their responses to other questions indicate that they are currently using the credit facility.</p>

<p>ASK ALL S17) Have you personally used credit for any of the following purposes in the past 12 months and paid interest on the balance? INTERVIEWER: READ OUT AND MARK ALL THOSE THAT APPLY</p> <ul style="list-style-type: none"> a) To pay regular bills b) To pay for food c) For everyday spending d) To make a donation to charity e) To help support family or friends outside your immediate household f) To buy something on impulse g) To buy a gift for someone 	<p>This question relates a wide range of credit, for example store credit, a loan, a credit card or overdraft. It is important to add the phrase ‘and paid interest on the balance’ as people may use a credit card as a means of smoothing expenditure or gaining reward points and pay the balance in full each month – in this case they would not be paying interest on the balance, and their behaviour does not indicate an inability to make ends meet.</p>	<p>Behaviour. Some credit behaviours can indicate low levels of financial literacy (particularly if people are paying interest on non-essential purchases), and may also indicate an inability to make ends meet, particularly if credit is being used for food and regular bills. It will be interesting to analyse the responses to this question in conjunction with the likelihood of saving, use of overdrafts and questions relating to how well people feel they are making ends meet.</p>
<p>ASK IF yes at any S17 above S18) And in total, how often have you used credit for that purpose/those purposes in the last 12 months?</p> <ul style="list-style-type: none"> a) Just once b) More than once but less than 5 times c) More than 5 times d) <i>Don't know</i> e) <i>Refused</i> 		
<p>ASK ALL S19) In which of the following circumstances would you personally use credit?</p> <ul style="list-style-type: none"> a) If the interest rate on credit is higher than the one on deposits b) If you can borrow money at a low interest rate to invest c) If a shop is selling something that you need at a reduced price d) If you or a family member need to pay for education or training to get a better paid job e) If you wanted a holiday but didn't have the money available f) <i>Don't know</i> g) <i>Refused</i> 	<p>Some or all of the options could be used. The phrase ‘use credit’ may need to be replaced with ‘borrow’ or something similar, depending on usual use of the word credit.</p>	<p>Attitude/Behaviour (option a is also testing knowledge). This question is hypothetical, but it may be useful in identifying how people feel about the use of credit, and whether they would use it under these circumstances. It would be interesting to compare this to current credit use, and attitudes to risk.</p>

<p><u>ASK ALL with a mortgage/home loan at QC1 b (core questionnaire)</u> S20) Do you currently have any of these types of mortgage on your main home, either in your own name or jointly with a partner?</p> <ul style="list-style-type: none"> a) Repayment mortgage b) Endowment mortgage c) Interest-only mortgage with savings or investment which will repay capital d) Interest-only mortgage with no savings or investment in place to repay the capital e) Some other type of mortgage f) <i>Don't know</i> g) <i>Refused</i> 	<p>The word mortgage may need replacing with loan, or similar. The types of mortgage will need to reflect financial products in each country.</p>	<p>Use of product. This is primarily for information, but those with interest only mortgages might be considered less financially literate if they do not have savings in place.</p>
<p><u>ASK ALL with a mortgage/home loan at QC1 b (core questionnaire)</u> S21) Thinking about the mortgage on your main home, do any of the following statements apply? INTERVIEWER: ROTATE ORDER: MARK ALL THAT APPLY</p> <ul style="list-style-type: none"> a) I could pay off the balance of my mortgage today from my savings b) I do not think I will be able to pay the balance of my mortgage at any point in my life c) I sometimes make additional mortgage payments so that the balance reduces more quickly d) I sometimes miss payments on my mortgage without prior arrangement e) I sometimes ask my mortgage lender if I can reduce or miss my monthly payment f) If I sold my house at market value today I could not repay my mortgage 	<p>This is not based on a particular survey but reflects common concerns in relation to using mortgages.</p>	<p>Answers will reflect current circumstances, and some options (b, d, f) indicate likelihood of future financial difficulties or inability to make ends meet.</p>

Choosing appropriate financial products

The way in which people choose financial products is an important indicator of their level of financial literacy. However, many individuals are inactive consumers, using products that they have held for many years and accepting automatic renewals of yearly policies such as car insurance. Other individuals are largely or entirely excluded from financial services and products and operate entirely in cash. This makes it difficult to ask questions about financial products that are of relevance to everyone, either as part of this section on choosing products, or in other sections such as the financial control questions. It is for this reason that the core questionnaire includes questions that explore the extent to which the individual is engaged with various financial services and products, before asking additional questions.

In this section we have included questions that focus on particular types of products. Some of these will be particularly relevant in a subset of countries.

	Notes	What the question is capturing and how responses relate to financial literacy
Monitoring financial products		
<u>ASK as appropriate using QC1 b)</u> S22) How often do you personally check whether your <product type> still meets your needs? <ul style="list-style-type: none"> a) At least once a year b) Less often c) Never d) <i>Don't know</i> e) <i>Refused</i> 	This question could be asked of all appropriate products (where it makes sense to check that the product is still appropriate), of one particular product or of a random selection.	Behaviour (monitoring one's own products). It is considered financially literate to check periodically that certain financial products such as current accounts, investments or insurance provide the necessary service/ cover/ income.
<u>ASK ALL (or filter using QC1 b)</u> S23) Do you currently earn interest on your savings? <ul style="list-style-type: none"> a) Yes b) No c) Other answer d) <i>Don't know</i> e) <i>Refused</i> f) <i>Not applicable (no savings of any kind)</i> 	It is possible to ask this question of everyone, but if they have already told the interviewer that they do not have any savings it could cause frustration. A better option would be to ask the question of those with a savings account.	Behaviour (monitoring one's own products). It is considered financially literate to know whether interest is earned.

<p><u>ASK ALL who answered yes at S23, if asked. If not ask all with savings</u></p> <p>S24) Do you know how much interest your savings are currently earning?</p> <p><u>INTERVIEWER:</u> READ OUT, MARK ONE</p> <ul style="list-style-type: none"> a) Yes – you know exactly what the interest rate(s) is/are b) Yes, you know approximately what the interest rate(s) is/are c) No d) Other answer e) <i>Don't know</i> f) <i>Refused</i> 	<p>Note that responses to this question cannot be double checked without asking for documentation.</p>	<p>Behaviour (monitoring one's own products). It is considered financially literate to know how much interest is earned.</p>
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Health insurance		
<p>ASK ALL S25) Are you covered by health insurance? a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i></p>	<p>This question leads into the follow up. If it has already been asked in the core questions (which allow flexibility for context specific question such as this) do not repeat the question.</p>	<p>In countries where everyone needs health insurance, this question may provide useful insights, particularly if responses are cross tabulated with socio-demographics to explore <i>who</i> is insured.</p>
<p>ASK ALL who do not have health insurance at S25 or QC1 b (if asked) S26) What are the main reasons that you do not have health insurance cover? INTERVIEWER: PROBE, DO NOT PROMPT. DO NOT READ OUT; MARK ALL THAT APPLY a) I am happy to use free/national health care b) I am healthy c) I have not thought about taking out health insurance d) I have been unable to find <i>any</i> company that will cover me e) I have not been able to find <i>affordable</i> cover f) I do not have a bank account from which to make the monthly payments g) I do not have a regular income h) I do not trust insurance companies i) I can go home/to another country for medical care j) I can afford to pay my own health care costs k) My religion forbids the use of insurance l) Other m) <i>I am covered on someone else's policy (back code to S26)</i> n) <i>Don't know</i> o) <i>Refused</i></p>	<p>This question draws from a range of existing questions, but is not based on a specific questionnaire. It may not be necessary to include all the options in some countries. It may be relevant to add some options in some cases, if there is a likelihood that most people will answer 'other'.</p>	<p>This question indicates behaviour/ and reasoning. It is useful to policy makers seeking to understand the reasons for being uninsured. Some options indicate low levels of financial literacy (such as answering <i>I am healthy</i>).</p>

General insurance		
<p><u>ASK ALL</u> S27) Are you covered by < INSERT TYPE> insurance? a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i></p>	<p>Some countries may have sufficient information about insurance from the core questionnaire. If that is the case, do not ask this question. This question may be repeated for home/contents insurance, car insurance, travel insurance etc.</p>	
<p><u>ASK ALL those with insurance at S27</u> S28) Now thinking about <TYPE OF> insurance, which of these factors do you take into consideration when FIRST taking out or setting up a new policy? <u>INTERVIEWER:</u> READ OUT, MARK ALL THAT APPLY a) The premium b) The excess c) The overall level of cover d) The extent to which the cover meets your needs e) The details in the small print/ contract f) The brand or reputation of the supplier g) The benefits included h) Other i) None j) <i>Don't know</i> k) <i>Refused</i></p>	<p>This question may be repeated for home/contents insurance, car insurance, travel insurance etc Insurance questions typically straddles financial planning and products.</p>	<p>Behaviour. It is considered to be good practice to consider more than just the cost. In particular it is useful to know whether the respondent focused entirely on the premium, without considering the level of cover.</p>

Taking advice		
<p>ASK ALL S29) Do you have trouble getting good and relevant financial advice? a) Yes b) No c) <i>Question not relevant/never tried</i> d) <i>Don't know</i> e) <i>Refused</i></p>	<p>This is a quick and easy question to ask, but it does not identify whether or not advice is needed.</p>	<p>Experience/ perception. This question will provide useful information about the extent to which the respondent feels financial advice is available.</p>
<p>ASK ALL S30) Thinking about the last time you tried to get good financial advice; do you think any of the following statements apply to your experience? INTERVIEWER: READ OUT, MARK ALL THAT APPLY a) You did not know where to look for advice b) You could not find the advice you were looking for c) You could not get advice at a time to suit you d) You did not understand the advice you were given e) There were so many advisers available you didn't know which to choose f) You asked advice from several people and found that they gave different answers g) You got advice but you didn't know whether to trust it or not h) You followed the advice you were given and later regretted it</p>	<p>This question provides more detail about the extent to which people find it difficult to access financial advice. It could be asked as a follow on to S34 (filtering on those who said they have trouble), or used alone. Note that this question specifically focuses on the most recent episode of advice seeking.</p>	<p>This question provides useful additional information to policy makers seeking to ensure that good quality advice is available to consumers. Where consumers are facing problems accessing good quality advice there may also be a greater demand for financial education and information. This question gives some indication of levels of financial literacy in option a, but is primarily suited to identifying unmet needs.</p>

<p>ASK ALL</p> <p>S31) In the last 12 months, have you asked <a financial professional> for financial advice in relation to any of the following?</p> <p>INTERVIEWER: MARK ALL THOSE THAT APPLY</p> <p>[RANDOMIZE]</p> <ul style="list-style-type: none"> a) Savings or investments b) Taking out a mortgage or a loan c) Insurance of any type d) Tax planning e) Managing credit/debt f) <i>Don't know</i> g) <i>Refused</i> 	<p>The term <i>financial professional</i> will need to be replaced with a suitable term to identify someone who works in the financial services industry, rather than (non finance-profession) friends and family.</p>	<p>Behaviour.</p> <p>This is useful for gauging the extent to which people are seeking different kinds of advice. This doesn't necessarily indicate financial literacy – more information would be needed to explore whether the respondent had any need for advice – some people may have unmet needs.</p>
<p>ASK if yes on any S32 (if asked):</p> <p>S32) Thinking about the professional you have used (most often) for financial advice, was this an...</p> <p>INTERVIEWER: MARK ONLY ONE</p> <ul style="list-style-type: none"> a) Independent Financial Adviser b) Manager or adviser at a bank or building society c) Manager or adviser at an insurance company d) Accountant e) Other f) <i>Don't know</i> g) <i>Refused</i> 	<p>This question could be asked for each category in S31, or as a general question. If it is general, include the words in parenthesis. If it is specific, it should start with, <i>thinking about the professional you have used for advice about <savings or investments></i>.</p>	<p>Behaviour.</p> <p>Depending on the extent to which independent advice is available, this may indicate financial literacy (this would have to be ascertained at the country level). It may also provide useful background data for countries developing financial education and information services.</p>
<p>ASK if responses indicate any professional at S31 or S32</p> <p>S33) Did you pay for (any of) this advice or was it entirely free?</p> <ul style="list-style-type: none"> a) Paid for advice b) Entirely free c) <i>Don't know</i> d) <i>Refused</i> 	<p>This question could be asked for each category in S31, or as a general question. If it is general, include the words in parenthesis. If it is specific, it should start with, <i>thinking about the advice you asked for in relation to <savings or investments>, did you pay for...</i></p>	<p>Behaviour (type of advice used).</p> <p>This will indicate the extent to which people are currently paying for advice. This does not indicate financial literacy but it may provide useful background data for countries developing financial education and information services.</p>

<p>ASK ALL S34) Thinking about the last time you tried to get good financial advice; do you think any of the following statements apply to your experience? <u>INTERVIEWER:</u> READ OUT AND MARK ALL THAT APPLY</p> <ul style="list-style-type: none"> a) You felt that the adviser understood your needs b) You got the advice that you needed c) You were able to understand exactly what the adviser was recommending d) The adviser behaved professionally e) <i>Don't know</i> f) <i>Refused</i> 	<p>This question provides more detail about the experience of accessing financial advice. Note that this question specifically focuses on the most recent episode of advice seeking.</p>	<p>This question provides useful additional information to policy makers seeking to ensure that good quality advice is available to consumers. Using appropriate advice is seen as being financially literate.</p>
<p>ASK ALL S35) In the last 12 months, have you asked friends or family for financial advice in relation to any of the following? <u>INTERVIEWER:</u> MARK ALL THOSE THAT APPLY [RANDOMIZE]</p> <ul style="list-style-type: none"> a) Savings or investments b) Taking out a mortgage c) Taking out a loan or credit agreement d) Insurance of any type e) Tax planning f) Managing credit/debt g) <i>Don't know</i> h) <i>Refused</i> 	<p>It may be necessary to stress that this should not include friends and family acting in a professional capacity.</p>	<p>Behaviour. This is useful for gauging the extent to which people are seeking different kinds of advice, and can be analysed in combination with S33 and S34 if asked, to provide an overall view of advice seeking.</p>

Making decisions		
<p><u>ASK ALL</u> S36) How much do you agree or disagree with the following statements:</p> <ul style="list-style-type: none"> a) I've got a clear idea of the sorts of financial products or services that I need without consulting a financial adviser b) I always research my choices thoroughly before making any decisions about financial products or services <p><i>Totally agree, tend to agree, tend to disagree, totally disagree</i></p> <ul style="list-style-type: none"> a) <i>Don't know</i> b) <i>Not applicable</i> c) <i>Refused</i> 		<p>Attitude/confidence and behaviour.</p> <p>This type of question is a useful approach to asking about decision making that can be asked of everyone.</p>
<p><u>ASK ALL</u> S37) In the last 12 months, have you made a decision about any of the following that you later regretted? <u>INTERVIEWER:</u> MARK ALL THAT APPLY</p> <ul style="list-style-type: none"> a) Saving and investment b) Taking out a mortgage c) Taking out a loan or credit agreement d) Insurance of any type e) Tax f) Managing credit/debt g) <i>Don't know</i> h) <i>Refused</i> 	<p>We recommend careful testing of this question to explore understanding of 'decision' so that countries know exactly what the data is telling them.</p>	<p>Outcome of behaviour.</p> <p>It would be wrong to conclude that regretting a decision was because someone was not financially literate, but responses to this question could be compared with other questions to provide greater depth. For example, if the questions about advice seeking are asked, then this question may indicate poor advice.</p>

Complaining		
<p><u>ASK ALL</u> S38) How confident are you that you know how to make an effective complaint against a bank or financial institution? <u>INTERVIEWER: READ LIST</u></p> <ul style="list-style-type: none"> a) Very confident b) Fairly confident c) Not very confident d) Not at all confident e) <i>Don't know</i> f) <i>Refused</i> 	<p>Similar questions could be asked for different kinds of providers, if appropriate.</p>	<p>Attitude/confidence. This question can provide policy makers with useful information about the extent to which people are likely to complain if they feel the need, but it does not help to identify financially literate individuals, as people can have misplaced confidence and may overestimate their effectiveness.</p>

Financial planning

The extent to which people have plans in place to ensure their future financial wellbeing is an important indicator of their levels of financial literacy.

	Notes	What the question is capturing and how responses relate to financial literacy
Emergency funds		
<p><u>ASK ALL</u> S39) Have you set aside emergency or rainy day funds that would cover your expenses for 3 months, in case of sickness, job loss, economic downturn, or other emergencies? a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i></p>	<p>It may be necessary to state which expenses the fund would need to cover – such as living costs, ordinary household bills. Note that the focus of financial literacy is on the individual – the question is asking if the individual set aside funds. However, the expenses are very likely to be at the household level. One way of thinking about this is to consider the following – if the respondent was left to pay the bills unexpectedly (perhaps following separation/divorce) do they have any money put aside?</p>	<p>Behaviour. This question indicates the amount of money that people have in savings <i>relative to their normal outgoings</i>. It is considered to be good practice to have an emergency fund. Three months is commonly used, but is not a necessary element of the question for national studies.</p>
<p><u>ASK IF NO AT QM2</u> S40) What would you have to do to make ends meet if something happened that meant you needed to find money equivalent to one month's income? INTERVIEWER: PROBE; DO NOT READ OUT. MARK ALL THAT APPLY a) Use up my savings b) Sell my assets (e.g. car, business, household goods, livestock) c) Borrow money (including salary advance, pawning, cheque cashing) d) Depend on charity (e.g. from church, mosque, Red Cross) e) Ask family members to help f) There's nothing I could do g) Find a job/additional jobs/better paying job h) Other i) <i>Don't know</i> j) <i>Refused</i></p>	<p>This is similar to QM3 in the core questions but this is hypothetical, whereas QM3 is reporting past behaviour. The options could be changed. Note that 1 month's income is not necessarily the same as 1 month's expenses and so this question does not directly map onto S38. The focus of financial literacy is on the individual – what actions would the individual take? However, the household income may come primarily from a partner. One way of thinking about this is to consider whether the respondent could identify a strategy if the partner was hospitalised without pay, for example.</p>	<p>Anticipated behaviour. People who do not have a strategy may be seen as less financially literate than those who do. However, it will not be possible to double check how realistic their strategy is. Some responses may provide particularly useful information to policy makers, such as relying on charity or borrowing money, because they indicate an extreme lack of forward planning.</p>

Retirement		
<p>ASK ALL</p> <p>S41) At what age do you think people should begin to make a financial plan for their retirement?</p> <p>NUMERIC VALUE _____</p> <p>a) <i>Don't know</i></p> <p>b) <i>Refused</i></p>		<p>Attitude.</p> <p>This question gives some indication of the importance that people place on planning ahead, and will be particularly useful when compared with the age of the respondent.</p>
<p>ASK ALL</p> <p>S42) Which of the following are included in your financial plan for retirement?</p> <p>INTERVIEWER: READ CATEGORIES TO RESPONDENT. MARK ALL THAT APPLY</p> <p>a) Government pension/ old age benefits</p> <p>b) Occupational or workplace pension plan benefits</p> <p>c) Personal retirement savings plan benefits</p> <p>d) Obtaining a reverse mortgage</p> <p>e) Moving to a cheaper property in the same area</p> <p>f) Moving to a cheaper area</p> <p>g) Sell your financial assets (such as: stocks, bonds or mutual funds)</p> <p>h) Sell your non-financial assets (such as: a car, property, art, jewels, antiques, etc.)</p> <p>i) Use an inheritance</p> <p>j) Rely on your spouse</p> <p>k) Rely on your children</p> <p>l) Rely on financial support from your wider family</p> <p>m) Drawing an income from your own business</p> <p>n) Earnings from employment in retirement</p> <p>o) Other – Specify</p> <p>p) <i>Don't know</i></p> <p>q) <i>Refused</i></p>	<p>It may be necessary to decide what is meant by retirement – ‘old age’ may be a more appropriate phrase in some countries.</p> <p>This question can be asked even of those who are already retired. If respondent asks whether they should include things they have already done, the interviewers should say Yes.</p> <p>Some options could be dropped, but it may also be necessary to add additional options if the ‘other’ category becomes large.</p>	<p>Behaviour.</p> <p>This question helps to identify the overall strategy employed by individuals to cope with retirement.</p>

<p><u>ASK ALL</u></p> <p>S43) Taking all of the various sources of retirement income into account (including government sources as well as personal and occupational pensions and provisions), how confident are you that your income will give you the standard of living you hope for <u>throughout</u> retirement?</p> <p><u>INTERVIEWER:</u> READ CATEGORIES TO RESPONDENT. MARK ONE</p> <ul style="list-style-type: none"> a) Very confident b) Fairly confident c) Not very confident d) Not at all confident e) <i>Don't know</i> f) <i>Refused</i> 	<p>It may be necessary to decide what is meant by retirement – ‘old age’ may be a more appropriate phrase in some countries.</p> <p>This question can be asked even of those who are already retired, providing appropriate stress is put on the phrase THROUGHOUT retirement.</p>	<p>Attitude/confidence.</p> <p>This is indicative of financial planning, but it cannot be double checked against actual plans for retirement without asking for documentation.</p>
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Financial knowledge and understanding

It is widely acknowledged that knowledge is an essential element of financial literacy. These questions offer a range of possibilities for capturing financial knowledge and understanding, including questions that have been tested in several countries. They can be used to provide benchmarks and should be chosen according to national priorities.

	Notes	What the question is capturing and how responses relate to financial literacy
Self-rated knowledge		
<p>ASK ALL S44) How would you rate your level of financial knowledge on a scale of 1 to 5 where 1 is not at all knowledgeable and 5 is very knowledgeable? a) 1 Not at all knowledgeable b) 2 c) 3 d) 4 e) 5 Very knowledgeable f) <i>Don't know</i> g) <i>Refused</i></p>	<p>Responses to this question may change depending on where it is positioned in the questionnaire. Ideally it would be asked twice: near the beginning, and again after the knowledge questions to explore the extent to which people reassess their own knowledge once they have answered the questions.</p>	<p>Attitude/confidence. Self reported confidence is most useful when it can be cross checked against ability – this will be possible by checking with the core knowledge questions.</p>
<p>ASK ALL S45) On a scale of 1 to 5, where 1 is not good at all, and 5 is very good, how would you rate yourself on each of the following areas of financial management...? (S45_a) keeping track of your money (S45_b) making ends meet (S45_c) shopping around to get the best financial product such as loans or insurance rates (S45_d) staying informed about financial issues INTERVIEWER: REMIND THE RESPONDENT OF THE CATEGORIES AS MANY TIMES AS NECESSARY For each one: a) 1 Not good at all b) 2 c) 3 d) 4 e) 5 Very good f) <i>Don't know</i> g) <i>Refused</i></p>	<p>This question is likely to be affected by where it is positioned in the questionnaire – ideally it would be asked near the beginning; and possibly again at the end to identify changes in confidence over the course of the questionnaire.</p>	<p>Attitude/confidence. Self reported confidence is most useful when it can be cross checked against ability – this will be possible by checking with the core questions on each of these aspects of financial literacy.</p>

Following financial news and indicators

<p>ASK ALL S46) Do you personally keep an eye on financial matters, such as changes in...? INTERVIEWER: READ CATEGORIES TO RESPONDENT. MARK ALL THAT APPLY</p> <ul style="list-style-type: none"> a) The housing market b) The stock market c) The currency (money) market d) Interest rates e) Inflation f) Taxation g) The job market h) Pension plans i) Government benefits j) <i>Don't know</i> k) <i>Refused</i> 	<p>The list of financial matters may need editing to be relevant in a particular country. The list is in no particular order, but some countries may wish to rank the items according to those that they think are most important.</p>	<p>Behaviour. It is considered to be financially literate to keep an eye on a range of financial/economic indicators. It is also useful for policy makers to know which indicators people feel are most important, and it may be helpful to cross check these with product holding (do mortgage holders keep an eye on the housing market), or with questions related to making ends meet to ask whether people are better prepared if they keep an eye on financial matters?</p>
<p>ASK ALL S47) How do you tend to monitor these things? INTERVIEWER: READ CATEGORIES TO RESPONDENT. MARK ALL THAT APPLY</p> <ul style="list-style-type: none"> a) General newspapers b) Financial / business pages in newspapers c) Financial magazines (Forbes, The Economist, Les Affaires) d) Current event magazines (Maclean's, Actualité, Times, Newsweek) e) Radio and television business and financial programming f) Internet (email, web, newsfeeds, etc.) g) Financial advisor h) Other i) <i>Don't know</i> j) <i>Refused</i> 	<p>Edit categories and examples as necessary, adding new categories if relevant.</p>	<p>Behaviour. This may be useful for policy makers seeking to provide impartial information to consumers – particularly if further analysed by socio-demographic group.</p>

Testing knowledge		
<p>ASK ALL S48) If a single man currently has an income of USD 30 000 a year, and inflation is 4%, how much income will he need in five years time to be able to have the same living standard? <u>INTERVIEWER:</u> READ CATEGORIES TO RESPONDENT. MARK ONE RESPONSE a) USD 30 000 b) Less than USD 30 000 c) More than USD 30 000 d) <i>Don't know</i> e) <i>Don't understand the question</i> f) <i>Refused</i></p>	<p>This question assumes that inflation remains stable and that the man remains single. If these two assumptions seem unrealistic, then it is best not to use such a question.</p>	<p>Knowledge of the impact of inflation. This is a relatively simple question to explore the extent to which people realise the impact of inflation.</p>
<p>ASK ALL S49) If each of the following persons had the same amount of annual income after tax, who would need the greatest amount of life insurance? <u>INTERVIEWER:</u> READ CATEGORIES TO RESPONDENT. MARK ONE RESPONSE a) A young single woman with two young children b) A young single woman without children c) An elderly retired man, with a wife who is also retired d) A young married man without children e) <i>Don't know</i> f) <i>Don't understand the question</i> g) <i>Refused</i></p>	<p>This is quite a complex question to read out, because the respondent needs to keep in mind all of the options; it would work best in a face to face interview with a showcard, providing the respondent can read well.</p>	<p>Knowledge of when life insurance is most appropriate.</p>
<p>ASK ALL S50) Which of these can affect the amount of interest that you would pay on a bank loan? <u>INTERVIEWER:</u> READ CATEGORIES TO RESPONDENT. MARK ALL THAT APPLY a) Your credit rating</p>	<p>Countries should choose the options that are relevant before implementing this question.</p>	<p>Knowledge of loan decisions.</p>

<ul style="list-style-type: none"> b) How much money you have in savings c) How much you earn d) Your health e) Your age f) How much you borrow g) How long you take to repay the loan h) All of the above i) <i>Don't know</i> j) <i>Don't understand the question</i> k) <i>Refused</i> 		
<p><u>ASK ALL</u> S51) Please tell me what factors someone would need to take into account if they were trying to calculate whether their current arrangements were enough for future retirement? <u>INTERVIEWER:</u> DON'T READ [MULTIPLE RESPONSE] PROBE WITH WHAT ELSE? ANYTHING ELSE?</p> <ul style="list-style-type: none"> a) Length of time before retirement b) Current savings c) Eligibility for the pension or government benefits d) Expected earnings from investments e) Expected superannuation benefits f) Intention to still do some paid work while in retirement g) Desired standard of living in retirement h) What costs might need to be met during retirement i) Expected life span j) Value of assets upon retirement k) Current cost of living l) Whether they own their own home or not m) Other (record response) n) <i>Don't know</i> o) <i>Don't understand the question</i> p) <i>Refused</i> 	<p>If respondents give an answer that is not listed, it will be necessary to record it so that it can later be verified.</p> <p>The response codes are for guidance only. Countries that use this question are encouraged to edit the existing codes or add additional codes to make sure that the information gathered is appropriate and comprehensive.</p> <p>It may be decided to record a maximum of 2 responses, to reduce the burden of probing and the cost of data collection. In this case, interviewers would have to record the first 2 responses mentioned if the respondent listed many factors without stopping.</p>	<p>Knowledge of considerations in relation to retirement planning.</p>

<p>ASK ALL S52) Please tell me whether each of the following statements are true or false. <u>INTERVIEWER:</u> FOR EACH RECORD, MARK TRUE/FALSE <i>DON'T KNOW</i>, <i>REFUSED</i></p> <ul style="list-style-type: none"> a) If a person pays off the full amount on their credit card each month they get interest-free days on purchases b) If a person pays just the minimum payment on their credit card they will be charged interest on their credit card balance c) If a person withdraws money from a cashpoint with their credit card they get charged interest on that money 	<p>This question will not be appropriate in every country, but is very useful as a gauge of knowledge in those countries where credit cards are commonly used.</p>	<p>Knowledge. The responses to this question could be compared against credit card holding and use of other forms of credit.</p>
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Knowledge of, and attitude to risk		
<p><u>ASK ALL, or ASK ALL WITH INVESTMENTS</u> S53) When thinking about making a financial investment, how willing are you to take risks? Please use a 5-point scale, where 1 means "Not At All Willing" and 5 means "Very Willing".</p> <ul style="list-style-type: none"> a) 1 Not at all willing b) 2 c) 3 d) 4 e) 5 Very willing f) <i>Don't know</i> g) <i>Not applicable (no financial investments)</i> h) <i>Refused</i> 	<p>Note that if this is asked of all people it is worth cross checking whether they said they have investments. Those who say they are willing to take risks but do not have investments may not be giving realistic responses.</p>	<p>Attitude towards taking risk. This question may be useful when thinking about the kinds of pension funds or longer term savings vehicles that would appeal to people.</p>
<p><u>ASK ALL, or ASK ALL WITH SAVINGS OR INVESTMENTS</u> <i>Note to Authority/Agency: Change currency and use reasonable increments.</i> S54) Suppose you have EUR 10 000 of your own money available to invest in a savings or investment. Which of the following savings or investment offers would appeal to you most? <u>INTERVIEWER:</u> READ THE QUESTION AGAIN IF NECESSARY</p> <ul style="list-style-type: none"> a) A guaranteed return of EUR 12 000 in five years time (capital plus interest) b) A five year investment with an expected return in the range of 0 to EUR 100 000. c) A five year investment with an expected return in the range EUR 8 000 to EUR 14 000 d) <i>Don't know</i> e) <i>Don't understand the question</i> f) <i>Refused</i> 	<p>This is a complex question designed to differentiate between people with different taste for risk. As it is relatively complex it will work best as a showcard in face to face interviews.</p>	<p>Attitude to risk. This question will help to identify those who think they would be prepared to gamble and those who would be risk averse. However, it must be remembered that it is a hypothetical question and may not reflect actual behaviour. It would be interesting to see whether the responses vary by income category and whether they vary according to whether or not people have investments.</p>

Standard knowledge test questions

The following questions have been used widely to test knowledge. They have been included on several surveys in the US, and in Russia, the Ukraine and the Netherlands. We do not recommend making adjustments to the questions (other than translation and currency changes) as their value comes from being able to compare results with existing studies.

<p><u>ASK ALL</u> S55) Suppose you had USD 100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow? <u>INTERVIEWER: READ LIST</u> a) More than USD 102 b) Exactly USD 102 c) Less than USD 102</p>	<p>Note that this question is very similar to QK4_b and so should be kept separate from that question.</p>
<p><u>ASK ALL</u> S56) Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account? <u>INTERVIEWER: READ LIST</u> a) More than today b) Exactly the same c) Less than today</p>	
<p><u>ASK ALL</u> S57) If interest rates rise, what will typically happen to bond prices? <u>INTERVIEWER: READ LIST</u> a) They will rise b) They will fall c) They will stay the same d) There is no relationship between bond prices and the interest rate</p>	
<p>I'm going to read you two statements. Please tell me whether each statement is true or false. If you don't know, just say so. [RANDOMIZE S60 AND S61] <u>ASK ALL</u> S58) A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less. <u>INTERVIEWER: READ LIST</u> a) True b) False <u>ASK ALL</u> S59) Buying a single company's stock usually provides a safer return than a stock mutual fund. <u>INTERVIEWER: READ LIST</u> a) True b) False</p>	

Money attitude scale

This is a widely accepted scale identifying five factors: Power/Prestige, Retention Time; Distrust-Consumer Competency; anxiety, Bargain-conscious/compulsive. The original version of this scale includes 28 statements. We can supply them all, but have identified the following as being the most relevant for financial literacy.

ASK ALL

S60) Please tell me how well each of the following statements applies to you on a scale of 1 to 7 where 1 is *always* and 7 is *never*. For example if I was to read out the statement I enjoy thinking about money; If you always enjoy thinking about money you should answer 1. If you sometimes enjoy thinking about money you should answer 4. If you never enjoy thinking about money you should answer 7. Would you like me to repeat what I just said?

- a) I must admit that I purchase things because I know they will impress others.
- b) People I know tell me that I place too much emphasis on the amount of money a person has as a sign of success.
- c) I put money aside on a regular basis for the future.
- d) I do financial planning for the future.
- e) I argue or complain about the cost of things I buy.
- f) I hesitate to spend money, even on necessities.
- g) I show worrisome behaviour when it comes to money.
- h) I show signs of nervousness when I don't have enough money.
- i) I am bothered when I have to pass up a sale.
- j) It's hard for me to pass up a bargain.

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