



# OECD/INFE toolkit to measure financial literacy and inclusion

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**GUIDANCE, CORE QUESTIONNAIRE  
AND SUPPLEMENTARY QUESTIONS**



**OECD/INFE TOOLKIT TO MEASURE FINANCIAL LITERACY AND FINANCIAL INCLUSION:  
GUIDANCE, CORE QUESTIONNAIRE AND SUPPLEMENTARY QUESTIONS**



## FOREWORD

Assessing the levels of financial literacy in the population and identifying target groups are key components of a successful national strategy on financial education, enabling policy makers to identify gaps and design appropriate responses. International comparisons increase the value of such an assessment by enabling countries to benchmark themselves with other countries. Where similar patterns are identified across countries, national authorities can work together to find common methods for improving financial literacy within their respective populations.

To address policy makers' challenges in this area, the OECD launched its financial education project in 2002, developing policy analysis and recommendations on principles and good practices for financial education and awareness with a focus on specific sectors such as credit, insurance and private pensions.

Building on this experience, the OECD established in 2008 the International Network on Financial Education (INFE) which facilitates information sharing, research and the development of policy instruments and analytical tools. More than 240 public institutions from over 107 countries are members of the INFE and collaborate in the development of data, comparative analysis and global policy instruments in a consistent and systematic way.

Under the support of the Russia/WB/OECD Trust Fund for Financial Literacy and Education, the OECD has led the development and worldwide dissemination of the following three main types of products and tools:

- Broad and detailed reviews and inventories of effective financial education activities and policies worldwide, thanks to the wide membership and involvement of the OECD/INFE.
- Policy, analytical and comparative reports and research highlighting good practices and detailed case studies on financial education and literacy across member countries.
- Criteria, standards, principles and guidelines as well as practical tools to facilitate and improve strategic financial education efforts.

This work included a detailed review of existing approaches to financial literacy measurement to inform the development of a survey instrument that could be used to capture key information about financial behaviours, knowledge and attitudes in a wide range of countries with different income level and allow international comparisons. Of the 26 financial literacy surveys considered, 18 were identified as particularly relevant and analysed in depth.

The resulting good practice instrument draws on input from INFE members, international academics and experts from national statistical offices and incorporates a set of 24 core questions designed to capture financial knowledge, behaviour and attitudes. Supplementary questions have also been developed to allow countries the opportunity to increase the breadth of their national questionnaire whilst ensuring international comparability through the core component.

This final toolkit incorporates information on data collection (chapters 1 and 2) and both sets of questions (chapters 3 and 4). It provides directions for briefing interviewers so that they gather information of a high quality and criteria for ensuring that the data sample collected is comparable across countries.

Based on this toolkit, the OECD/INFE Financial Literacy Core Questionnaire has been successfully employed in 14 countries with different income level participating in the first ever cross-national study of financial literacy. A separate publication entitled “Financial literacy and inclusion: Results of OECD/INFE survey across countries and by gender” contains the results of this cross-country financial literacy measurement project.

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## INTRODUCTION

This document presents the OECD financial literacy questionnaire and methodological guidance<sup>1</sup> developed by the International Network on Financial Education (INFE). The questionnaire has been created to help public authorities and other organisations to collect data that will enable:

1. an initial measure of financial literacy to identify national levels of financial literacy, provide a baseline and set benchmarks for national strategies or particular programmes;
2. a description of levels of financial literacy in terms of key socio-demographic groups and explanatory variables that will enable policymakers to identify the needs of the population, the groups with the greatest needs and the gaps in provision;
3. the opportunity to conduct repeat measures of financial literacy to identify change over time; and
4. a comparison of levels of financial literacy across countries.

### Definition

Financial literacy is defined as follows:

‘A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.’ (Atkinson and Messy, 2012)<sup>2</sup>.

OECD/INFE members agreed that the various terms used to describe this concept (including in particular financial literacy and financial capability, but also financial culture and financial insight) could be used relatively interchangeably as they reflect similar perceptions of the reality they aim to cover. It was therefore decided to use the most common international term, “financial literacy”, for the purpose of this measurement survey.

### The development process

The questionnaire and proposed methodology are based on the definition above, recommendations developed in an OECD working paper<sup>3</sup> and two internal OECD/INFE discussion papers. These

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<sup>1</sup> The Core Questionnaire in Chapter 3 updates OECD (2011), “OECD Financial Literacy Measurement Questions and Socio- Demographic Questions” in *Improving Financial Education Efficiency: OECD-Bank of Italy Symposium on Financial Literacy* following lessons learnt during the first measurement project.

<sup>2</sup> Atkinson, A. and Messy, F-A. (2012), “Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study”, *OECD Working Papers on Finance, Insurance and Private Pensions*, No. 15, OECD Publishing. <http://dx.doi.org/10.1787/5k9csfs90fr4-en>

recommendations were the result of a stock take exercise of 18 existing surveys on financial literacy from 16 countries. They represent international good practice in financial literacy measurement.

The recommendations identify the types of questions that could be included in an internationally representative survey taking into consideration the various elements of financial literacy identified in the definition. The OECD secretariat, with the support and guidance of the expert subgroup on financial literacy measurement, developed a survey instrument (questionnaire) based on these recommendations.

The questionnaire development process incorporated several rounds of comments followed by a large scale measurement project undertaken in 13 countries (a 14<sup>th</sup> country also used the questions independently and submitted data for analysis).

This final version of the questionnaire has been created following feedback from the countries participating in the measurement project, the views of expert subgroup members, and the results of the analysis process.

The questionnaire fully meets the goals outlined above. The questions cover a mixture of attitudes and knowledge as well as capturing behaviour relating to topics such as money management, planning for short and longer term financial goals and awareness and choice of financial products.

The questionnaire is specifically designed to be applicable across people of different education and income levels as well as in markets with different levels of financial inclusion. The first measurement project confirmed that it can be applied successfully across very different countries and throughout diverse populations within countries.

It achieves this in the following ways:

- The questionnaire is based on a widely accepted working definition of financial literacy which stresses general behaviours, attitudes and knowledge that could be attained in a variety of ways.
- The questions are designed to be read aloud by an interviewer: there is no requirement for the respondent to be able to read and a respondent would not be considered more financially literate simply because they have high levels of literacy.
- Where Likert-type scales are used (such as *strongly agree* through to *strongly disagree*) instructions tell the interviewer to probe well, and to provide the respondent with a hard-copy printed scale if the respondent finds it cognitively difficult to put themselves on a scale without a visual aid.
- The question about individual's capacity to draw on savings is *relative* rather than *absolute* – focusing on the amount of time they could manage for, rather than the amount of money they have saved.

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<sup>3</sup> 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)

- Market-specific questions, such as product awareness and access to information about products are designed to be edited as appropriate in order to be context specific. This will ensure that all countries have internationally comparable data whilst also having information of relevance to their specific market.
- Questions about financial product awareness are asked before questions on product holding, to provide a filter for later questions. This ensures that respondents are not made to feel financially excluded, by being asked repeatedly about products that they do not know exist.
- The question response codes are designed to allow for a wide range of responses that cut across income bands and levels of financial inclusion– for example an individual may be considered to be saving whether they are doing so informally or investing in stocks and shares.

Each of the core questions provides useful information about a particularly aspect of financial literacy. The responses to various questions can also be combined to produce a financial literacy score using the methodology devised by the OECD/INFE. The questions can be further complemented by drawing on the OECD/INFE set of supplementary questions in chapter 4 of this publication to add context and additional depth to national surveys.

Important methodological information about how to employ this questionnaire including guidance on how to prepare interviewers to undertake the survey can be found in chapters 1 and 2. This is followed by the core questionnaire itself in chapter 3. A set of additional, supplementary questions is then provided in chapter 4 for countries seeking to increase the breadth of topics addressed through their national survey.



*Chapter 1*

**METHODOLOGY**



The Financial Literacy Questionnaire can be used to collect information about financial literacy within a country, and to compare levels of financial literacy across countries.

The same data collection process should be used in every case in order to collect internationally comparable data. In particular:

- The survey should be of adults. For the sake of international comparison we suggest that the survey is of individuals aged between 18 and 79.
- The interviews should be personal interviews, undertaken by telephone or face-to-face.
- A minimum *achieved* sample size of **1,000 participants per country** should be considered in order to analyse the data by key socio-demographics such as gender and age. In order to interview 1,000 participants we recommend that survey agencies have an original sample of 1,700 individuals from which to draw participants.
- There are various approaches to using the core questions contained within the questionnaire, depending on whether they will be used alone, or in combination with questions from other sources:
  - If the core questions will be added to a larger survey, they should be grouped with other questions that address similar topics.
  - If additional questions are going to be added to the core questions they should either be placed after the financial literacy questions and before the socio-demographic questions, or grouped with similar topics within the financial literacy questions – this will depend on the topics to be covered.
  - If the core questions are used without any additional questions, the question order should be retained.
  - In all cases, it is important to remember to avoid providing any information that might influence responses to the core questions or provide the answer to particular questions, whether through discussion with the respondent before beginning the survey, or through additional questions.

### **Commissioning the fieldwork**

Organisations using this questionnaire (described herein as *commissioning bodies*) are responsible for arranging their own fieldwork, data preparation and analysis, although some support and guidance may be available from the OECD/INFE secretariat on a case-by-case basis. Commissioning bodies are strongly encouraged to inform the OECD/INFE if they intend to undertake fieldwork in order to ensure a) that they have the most up-to-date questionnaire and b) that their data can be incorporated with that from other national datasets in order to identify opportunities to compare across countries.

Commissioning bodies should identify a reputable survey agency (this may be a private company or government agency), with proven experience of undertaking such surveys.

## **Achieving a robust sample**

It is important to discuss with the survey agency how the sample will be drawn. It should be possible to draw a sample where each individual has a known probability of being selected. In some cases it may also be necessary to stratify the population to reach particular groups, or even to replace probability sampling with quotas in order to ensure that the sample includes certain minorities. A good survey agency will be able to recommend the best approach for your country<sup>4</sup>. In many countries, the approach taken is to randomly select locations to sample from, and then set a quota to make sure that the interviewees are representative of the groups of interest. Discuss with survey agencies the benefit of setting quotas and/or including booster samples of hard to reach groups. Also consider the policy implications of (not) having robust data on certain subgroups.

The survey agency should have a reputation for ensuring good response rates. A good survey agency will draw a sample of people and, using professionalism and integrity make sure that they interview as many of them as possible; this is known as maximising response rates. We recommend that survey agencies are given a target response rate of 60% - that means that at least 60% of the people that they contact to take part in the survey should be interviewed.

## **Preparing the questionnaire for fieldwork**

The questionnaire, including all interviewer instructions, should be translated into national languages.

It is important that questions are translated so that they retain the same meaning; translators should have a good understanding of idiosyncratic phrases such as 'keeping an eye on' or 'making ends meet'. It is advisable to have more than one translator work on the document in parallel, and to discuss any discrepancies/disagreements with the commissioning body before fielding the translated document.

Whether or not the questionnaire will be translated, it will be necessary to modify contextual information and some examples given on specific questions– these questions are indicated in the questionnaire.

The translated and modified questions should be tested on a few individuals before starting fieldwork to make sure that the translation is easy to understand and the options are clear. If the questions are not well understood, or there is any concern that the question wording is ambiguous, then this must be addressed before fieldwork begins.

A small number of questions ask the respondent about their household. For the purpose of this survey, please consider a household to be represented by the following basic definition: *A household is composed of either a) a group of people (adults and/or children) living in the same dwelling space who each acknowledge the authority of the same person or couple as the head(s) of household or b) a lone individual.*

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<sup>4</sup> For further information on sampling refer to Dorofeev, S. and P, Grant, 2006 *Statistics for Real-life Sample Surveys* Cambridge University Press, Cambridge.



## **Data collection**

The survey agency will either contact the people that they need to interview by telephone or make a personal call to their home (depending on the method chosen). They will describe the survey to the potential participant and encourage them to take part in this important research. The authority must work with the agency to ensure that the description is clear and unambiguous.

It is important that interviews are conducted at different times of day and throughout the week. It is also important to try to make contact with the identified person several times, if the first attempt is unsuccessful. Without these steps, it is very likely that certain types of people, such as the elderly, homemakers, students or the unemployed, will be more likely to participate than would be the case in a truly random selection and the results may well be biased.

When introducing the questionnaire, the interviewer should make it clear to the respondent that the commissioning body is interested in their own personal situation and views rather than that of the household or main earner, unless otherwise stated. For languages that differentiate between 'you' in the singular, and 'you' in the plural, the singular version should be used for translation purposes in all questions that do not explicitly ask for information about the household.

The interviewers should ask the questions in the order that they are laid out in the questionnaire, without changing the wording and they should immediately record the responses. Participants will not be expected to read any of the questions or write down their answers, and they must never be put under pressure to answer anything that they don't want to answer.

Inform the interviewer that they should not read out response category options that are written in italics. However, if the response given matches an option that is written in italics, the interviewer should record this accordingly.

## **Data handling and preparation for analysis**

The information provided by participants will become the raw data for the financial literacy measure. This raw data will need to be held in a software package such as Excel or SPSS in order to facilitate analysis. It is strongly advisable to use the coding guide provided in the right hand column of the questionnaire when inputting data in order to have comparable data that are easily prepared for analysis.

Make sure that the data are stored and handled securely and in accordance with appropriate national or international data protection regulations and guidelines. At a minimum, do not store any financial data alongside personal information, and ensure that none of the contact details collected during fieldwork will be used for any purpose other than to validate the survey responses or to follow up the respondent during the next phase of fieldwork (if conducting a longitudinal study). Data confidentiality statements should be provided to participants.

The survey agency will be responsible for providing appropriate weights, taking into account the probability of selection and making sure that the data is representative of the country in terms of i) individuals (not households) ii) gender mix and iii) age profile. It may also be necessary to weight the data according to region; if this is likely to be the case the survey agency should ensure that this information is recorded. It is important that the weights are labelled appropriately, and that documentation is created describing how they were established, and their purpose, with clear instructions for use.

The survey agency will need to *clean* the raw data to prepare it for analysis (by checking that values have been entered correctly, for example). They should be instructed to create basic tables to show that each of the questions has been asked, and to report the responses to each question. This will enable the commissioning body to check the quality of the data.

It is important that the commissioning body also has the opportunity to go back to the original records collected by survey agency, and to individual interviewers if necessary, in order to clarify any issues that are highlighted by the analysis process. We recommend that this is written into any contract with the survey agency for a minimum of 4 months after the receipt of data.

### **Data analysis**

The commissioning body and/or survey agency can analyse the data in a number of ways. In particular, it will be possible to explore how particular questions are answered, and whether there are notable differences by socio-demographic status, using either bivariate, or multivariate techniques. The OECD/INFE secretariat will provide guidance on creating cross comparable scores for financial literacy, and enable countries to compare their results with existing findings.

*Chapter 2*

**INTERVIEWER BRIEFINGS**



Interviewers and their managers should be provided with a thorough briefing before undertaking the financial literacy survey, to ensure that they fully understand the purpose of the survey and the mechanics of the questionnaire. The interviewers are working on behalf of the commissioning body, and a poorly prepared interviewer will not only collect low quality data, but will also risk damaging the public image of the body commissioning the research.

This section details a recommended approach for such a briefing.

### **What is an interviewer briefing?**

An interviewer briefing is typically a structured meeting between representatives of the commissioning body and fieldwork agency staff held in advance of fieldwork<sup>5</sup>. The meeting provides an opportunity for the fieldwork team to discuss the project directly with the authority; this opportunity for conversation can help to create a common sense of purpose which will encourage the fieldwork team to collect data of the highest quality.

Note that if the fieldwork will be conducted in several languages it is important to make sure the briefing(s) reflect this.

### **Who should conduct the briefing?**

The briefing should be conducted by someone who can represent the commissioning body, or 'client'; in other words, it should be given by someone who has detailed knowledge of the purpose of the survey, and some experience of research processes. This person (or team) will need to understand why the data is required and how it will be used.

### **Where and when should the briefing occur?**

Ideally the briefing should occur in the offices of the fieldwork agency or in a nearby facility, to maximise the number of interviewers that can be briefed. It may be necessary to return on more than one occasion if the interviewers tend to work shifts.

If it is not possible to undertake onsite/local briefings (perhaps because the agency uses regional interviewers) an alternative approach would be to use a teleconference or even a video conference if technology permits.

Other methods of briefing the interviewers are possible. For example, it is possible to video a briefing to share with remote workers or part-time staff. Alternatively a written guidebook can be useful. Both of these methods will be less effective than a two-way conversation because the interviewers will be less likely to refer to the commissioning body at a later date to ask questions and seek clarification, but they do have the distinct advantage of providing a reference tool that can be returned to on numerous occasions and that can be accessed at a time that suits. Indeed such materials are of value in all cases for interviewers who were unable to attend the briefing or who would welcome the opportunity to prepare further.

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<sup>5</sup> The term fieldwork here refers to the data collection process, which may occur in people's homes, or via the telephone.

It is a good idea to plan for the briefing to occur about a week before fieldwork begins. This means that the discussion will be fresh in the minds of the interviewers, but still gives the commissioning body time to get back to interviewers with responses to unanswered questions and solutions to issues raised.

However, if it is necessary to use inexperienced interviewers, do take into account the fact that the interviewer briefing will only be one part of the preparation for fieldwork. Interviewers will also need to be trained appropriately and fully supervised.

Note that there is also a small possibility that the briefing session highlights concerns over the choice of fieldwork agency or the interviewers that have been assigned to the survey. In such cases it will be essential to allocate time to address these difficulties before fieldwork begins even if this puts pressure on timelines.

### **Who should attend the briefing?**

The briefing is designed to ensure that the interviewers know why they are conducting the survey, what the rules and expectations are, and how to deal with any issues that might arise during the survey process. It is therefore important that the briefing is attended by all staff who anticipate working on the survey, and it is imperative that their managers attend as well, so that they fully appreciate the purpose of the survey and hear first-hand any concerns of their staff in order to properly monitor the survey process to ensure consistency and rigour.

### **How should the briefing be structured?**

A briefing will typically have two components:

- a motivational presentation to make the interviewers feel involved and engaged with the project, and
- an instructional seminar that makes sure that the survey process is undertaken consistently and professionally. This should also include plenty of time for discussion, practice and questions.

It is beneficial to circulate the questionnaire amongst the interviewers before the briefing so that they have time to read it and make a note of any questions they may be uncomfortable with or uncertain about.

For the briefing itself, we recommend the following structure, tailored to fit the time and resources available (note that this assumes an interactive briefing, but a similar format could be employed for paper/video based briefings):

#### ***Opening remarks***

- Introduce individuals, the commissioning body, and the purpose of the commissioning body.
- Provide an overview of the issues that led to the survey being commissioned – making points that will resonate with the interviewers, in order to make them enthusiastic about the project.

### ***Overview of the survey***

- Explain that the survey has a small number of questions that are designed to understand what people know about financial matters and how well people control their finances, make ends meet, plan for their future and choose financial products.
- Explain that the survey is being undertaken around the world, and stress that this is why it is so important that they follow the agreed approach. They might be interested to know which other countries will be participating.

It is essential that the overview of the survey provides the interviewers with a clear message about its importance. This message can then be developed into an introduction for the interviewers to use when speaking to potential participants in order to encourage participation.

### ***In-depth discussion of the questions***

It is worth going through each question in turn during the briefing session, or talking about a few questions that work as a cluster of items asking about similar things.

- First of all, read the question out loud. Let the interviewers hear the sound of it, and the intonations used to stress various elements of the question. Some of them may want to mark-up a questionnaire to make sure that they ask the question in the same way. For example, underlining a word that may otherwise be overlooked, or stressing a phrase that needs contemplating carefully.
- Ask them to consider how they would respond, and then to look at the response codes. If they feel that there are any gaps in the codes, make a note of them, and advise them on how to code answers that do not easily fit within the existing categories. If the question allows contextual changes, this can also provide an opportunity to edit questions.
- Explain the purpose of the question. It is much easier for the fieldworker to ask a question and listen to the answer if they understand *why* they are asking it.
- Pay particular attention to questions that require probing. The interviewers are sometimes expected to listen to the answers given, and probe for additional answers. Many of them will be very experienced at doing this. It is often worth letting them come up with ideas of how to approach such questions. This has two advantages. First, it allows some of them to show their skills, which will build their own confidence, and second, it helps those less experienced members of the fieldwork team to learn from their colleagues. However, if they cannot come up with any suggestions, you will need to be able to offer guidance. One solution may be to get them to role play these questions during the briefing session.
- Check that the interviewers are comfortable with the idea of asking each of the questions. Some interviewers may feel that the survey is very personal and private. If necessary, allow the interviewers time to discuss how they might deal with sensitive questions and encourage them to propose solutions.

### ***Addressing potential issues***

Interviewers will be experienced at undertaking interviews on a range of topics, acting in a professional manner to make sure that the respondents feel comfortable and respected. However, it is still important to address specific issues that they may face whilst undertaking this specific survey and making sure that the necessary procedures and measures are in place to ensure the wellbeing of the respondent and the fieldworker.

- Discuss how the interviewers are going to encourage participation. Go over the way in which the interviewers will introduce themselves and the survey to potential respondents.
- It is particularly important that participants do not feel that their participation will be linked to any services or privileges provided by the state, or privately such as social benefits, bankruptcy proceedings or access to financial services. If necessary, provide the interviewers with some suggested words to make sure that the respondent feels that they are not under any obligation to take part, and that they will not receive or lose any benefits or goodwill from doing so.
- If the interviewers are going to be visiting people at home, discuss ways to ensure the personal safety of the interviewers (the fieldwork agency almost certainly has a policy on this, but this shows that the commissioning body also cares about the welfare of the interviewers).
- Ask the interviewers to try to ensure that they can conduct the interview in private, or away from distractions. This is not always possible, but the respondent is less likely to answer honestly if there are people who might overhear. If people are close enough to overhear the conversation it may be necessary to stop the interview to protect confidentiality.
- Whether the interview is conducted by phone or face-to-face, it is possible that the respondent will indicate that they have serious financial problems, or that they have an unmet need for information. It is good practice to have leaflets, telephone numbers or addresses to give to respondents, but only if you have good, reliable, reputable, impartial agencies that you are comfortable recommending. At no time and under no circumstances should the interviewer provide any kind of advice or guidance to the respondent, or try to access any service on their behalf. If they are asked their opinion they should politely explain that they are not allowed to provide this as they do not have the necessary training.

Do remember to give the interviewers plenty of opportunity to discuss the process with each other and with you. Provide them with your contact details so that they can get in touch if they have additional questions or concerns, and make sure that any questions that you couldn't answer immediately are recorded and answered before fieldwork begins.



*Chapter 3*

**CORE OECD/INFE QUESTIONNAIRE**



<u>Questions</u>	<u>Data coding instructions</u>
<p><b>INTERVIEWER: BEGIN BY INTRODUCING YOURSELF AND THE SURVEY USING PRE-DETERMINED TEXT; THEN</b>  <b>READ OUT: I would like to start by asking you a few background questions, so that we can put the main part of the survey into context.</b></p>	
<p><b>QDi)</b> Interviewer to record gender</p> <p>a) Male b) Female</p>	<p><b>Variable name: QDi</b>  <b>Label: Gender</b>  <b>Values:</b>  <b>1 Male</b>  <b>0 Female</b></p>
<p><b>QDii)</b> Interviewer to record or ask and record rural/urban  <b>If asked: Which of these best describes the community you live in?</b></p> <p><i>READ OUT LIST, and mark first relevant response</i></p> <p>a) A village, hamlet or rural area (fewer than 3 000 people)  b) A small town (3 000 to about 15 000 people)  c) A town (15 000 to about 100 000 people)  d) A city (100 000 to about 1 000 000 people)  e) A large city (with over 1 000 000 people)  f) <i>Don't know</i>  g) <i>Refused</i></p>	<p><b>Variable name: QDii</b>  <b>Label: Urban</b></p> <p><b>Values:</b>  <b>1</b>  <b>2</b>  <b>3</b>  <b>4</b>  <b>5</b>  <b>-97</b>  <b>-99</b></p>
<p><b>QDiii)</b> Interviewer to record the language used in the interview.  Agency to add own codes</p>	<p><b>Variable name: QDiii</b>  <b>Label: Language</b></p>

<p><b><u>ASK ALL</u></b></p> <p><b>QD1) Please could you tell me your marital status?</b></p> <p>a) Married  b) Single  c) Separated/divorced  d) Living with partner  e) Widowed  f) <i>Don't know</i>  g) <i>Refused</i></p>	<p><b>Variable name: QD1; Label: Marital status</b></p> <p><b>Values:</b></p> <p>1  2  3  4  5  -97  -99</p>
<p><b><u>ASK ALL</u></b></p> <p><b>QD2_a) How many children under the age of 18 live with you, in your household?</b></p> <p><b>Record number ---</b></p> <p>a) <i>Don't know</i>  b) <i>Refused</i></p>	<p><b>Variable name: QD2_a; Label: Number of Children</b></p> <p>-97  -99</p>
<p><b><u>ASK ALL</u></b></p> <p><b>QD2_b) How many people aged 18 and over live with you, in your household. Please do not count yourself [Add if necessary: including your partner]?</b></p> <p><b>Record number ---</b></p> <p>a) <i>Don't know</i>  b) <i>Refused</i></p>	<p><b>Variable name: QD2_b; Label: Number of Adults</b></p> <p>-97  -99</p>

<p><b>READ OUT:</b> Now I am going to move on to ask about money matters. In these questions I may ask about you personally, or about your 'household'. Please can you start by telling me:</p>	
<p><b>QF1) Who is responsible for day-to-day decisions about money <u>in your household</u>?</b></p> <p><i>INTERVIEWER: READ OUT a- f:</i></p> <p>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) <i>Nobody</i>  h) <i>Don't know</i>  i) <i>Refused</i></p>	<p><b>Variable name: QF1;</b></p> <p><b>Label: Who is responsible for day to day decisions about money</b></p> <p><b>1</b>  <b>2</b>  <b>3</b>  <b>4</b>  <b>5</b>  <b>6</b>  <b>7</b>  <b>-97</b>  <b>-99</b></p>
<p><b><u>ASK ALL</u></b></p> <p><i>Note to agency: This question is intended to ask whether the household has a budget, rather than whether the individual has budgeted their own personal money (although in single adult households this will be the same thing).</i></p> <p><b>READ OUT:</b> This next question is about household budgets. A household budget is used to decide what share of your household income will be used for spending, saving or paying bills.</p> <p><b>QF2) Does your household have a budget?</b></p> <p>a) Yes  b) No  c) <i>Don't know</i>  d) <i>Refused</i></p>	<p><b>Variable name: QF2;</b></p> <p><b>Label: Household budget</b></p> <p><b>1</b>  <b>0</b>  <b>-97</b>  <b>-99</b></p>

***GUIDANCE ON PRODUCT QUESTIONS (IN TABLE ON FOLLOWING PAGE):***

***Note to agency: The list of product types used in your questionnaire will need to be specific to your country, and should cover retirement savings, other savings and investments, credit (unsecured and secured if relevant) and insurance products. If necessary, give examples.***

***Order of questions:***

***I) QC1\_a should be asked of every product, and used to create a filter for the list of products for the following 2 questions***

***II) QC1\_b should then be asked of all relevant products using the filter. Do not ask the respondent if they hold a particular product if they have already said they have not heard of it.***

***III) QC1\_c should then be asked of all relevant products using the filter from QC1\_a. Do not ask the respondent if they have chosen a particular product if they have already said they have not heard of it. This question is asking about recent product choice, **irrespective** of current product holdings***

		<u>ASK ALL respondents filtering products on QC1 a=Yes</u>	<u>ASK ALL respondents filtering products on QC1 a=Yes</u>	Variable names: QC1_a_ /QC1_b_ / QC1_c_;
	QC1_a) Please can you tell me whether you have heard of any of these types of financial products.	QC1_b) and now can you tell me whether you currently hold any of these types of products (personally or jointly)?	QC1_c) and In the last two years, which of the following types of financial products have you chosen (Personally or jointly) <u>whether or not you still hold them</u> ...Please do not include products that were renewed automatically.	Labels: Heard of [followed by product]; Currently holds [ ]; Recently chosen [ ].
A pension fund	<u>1</u>	<u>1</u>	<u>1</u>	For each question, create one variable for each product using the appropriate suffix, plus one variable for don't know, another for refused and one for 'none of the above'. Note that a missing value (no value at all) will then reflect those for whom the question was not relevant.  For example, the first question will have one variable named QC1_a_1 and labelled Heard of a Pension Fund. This variable will take the value 0 if respondent says No, and 1 if respondent says Yes.
An investment account, such as a unit trust	<u>2</u>	<u>2</u>	<u>2</u>	
A mortgage	<u>3</u>	<u>3</u>	<u>3</u>	
A bank loan secured on property	<u>etc</u>	<u>etc</u>	<u>etc</u>	
An unsecured bank loan				
A credit card				
A <current> account				
A savings account				
A microfinance loan				
Insurance				
Stocks and shares				
Bonds				
Mobile phone payment account				
Prepaid payment card				
<i>Don't know response given to the question as a whole</i>	<u>97</u>	<u>97</u>	<u>97</u>	
<i>Refused to respond to the question as a whole</i>	<u>99</u>	<u>99</u>	<u>99</u>	
<i>Record if the respondent has (heard of /holds/ chose) none of the above</i>	<u>0</u>	<u>0</u>	<u>0</u>	

**ASK ALL THOSE WHO ANSWERED YES AT any QC1 c excluding stocks, shares and bonds, if asked OR WHO ANSWERED YES AT any QC1 b excluding stocks, shares and bonds, if asked :**

**QC2) Which of the following statements best describes how you last chose a [TAKE A PRODUCT AT RANDOM FROM POSITIVE RESPONSES TO QC1\_c: if none: TAKE A PRODUCT AT RANDOM FROM POSITIVE RESPONSES TO QC1\_b]?**

Note to agency: Only use products from QC1\_b if the respondent has not chosen anything in the last 2 years (i.e. Has not answered Yes at any QC1\_c). Please record the product being discussed, indicating whether it was chosen from QC1\_c or QC1\_b. Do not ask this question about stocks, shares or bonds as the question codes will not work.

**INTERVIEWER: READ OUT a-d**

- a) I considered several [Use the most appropriate word: products/loans/policies/accounts] from different companies before making my decision **1**
- b) I considered the various [products/loans/policies/accounts] from one company **2**
- c) I didn't consider any other [products/loans/policies/accounts] at all **3**
- d) I looked around but there were no other [products/loans/policies/accounts] to consider **4**
- e) *Don't know* **-97**
- f) *Not applicable* **-98**
- g) *Refused* **-99**

**Variable name: QC2;**

**Label: Shopping around**

**Variable name: QC2\_FLAG**

**Label: Product being discussed. Include a category for 'no relevant product'**



**ASK ALL THOSE WHO WERE ASKED QC2, including those who refused or responded 'don't know'**

**QC3) and which sources of information do you feel most influenced your decision about which one to take out?**

Note to agency: Please edit with country specific options under each category. Category headings are for guidance: DO NOT READ OUT

INTERVIEWER: WAIT FOR RESPONSE. READ OUT LIST IF NECESSARY. CODEALL.

**1 Product-specific information**

- a) Unsolicited information sent through the post
- b) Information picked up in a branch
- c) Product specific information found on the internet
- d) Information from sales staff of the firm providing the products (including quotes)

**2 Best-buy guidance**

- e) Best-buy tables in financial pages of newspapers/magazines
- f) Best-buy information found on the internet
- g) Specialist magazines/publications
- h) Recommendation from independent financial adviser or broker

**3 General advice**

- i) Advice of friends/relatives (not working in the financial services industry)
- j) Advice of friends/relatives (who work in the financial services industry)
- k) Employer's advice

**4 Media coverage**

- l) Newspaper articles
- m) Television or radio programmes

**5 Adverts**

- n) Newspaper adverts
- o) Television adverts
- p) Other advertising

**6 Other**

- q) My own previous experience
- r) Other source
- s) *Don't know*
- t) *Not applicable (no recent choice)*
- u) *Refused*

Variable names: QC3\_

Labels: Information influenced decision: [ ].

This is multi-coded. Create a single 0, 1 variable for each category.

For example QC3\_1 Information influenced decision: Unsolicited information.

This variable will take the value 0 if respondent says 'No', and 1 if respondent says 'Yes'.

Note that for the purpose of measuring financial literacy it is possible to have fewer response codes, by grouping a,b and c; e and f; l and m; n, o and p. However, the more detailed information may be useful for policy makers.

Remember to create Yes/no variables to identify whether the respondent refused, or said 'don't know', and one to identify whether the question was not applicable because the respondent had not made a recent choice.

<p><i>READ OUT:</i> I now have some more general questions about money. Remember that there are no particular wrong or right answers; everyone has their own way of doing things.</p>	
<p><b><u>ASK ALL (rotate questions)</u></b></p> <p><b>QMP1) I am going to read out some attitude and behaviour statements. I would like to know how much you agree or disagree that each of the statements applies to you, personally. Please use a scale of 1 to 5, where 1 tells me that you completely agree that the statement describes you and 5 shows that you completely disagree:</b></p> <p><i>INTERVIEWER: READ OUT EACH STATEMENT AND WAIT FOR RESPONSE. Repeat the scale as many times as necessary. If respondent answers (dis)agree: check 'Would you say you completely (dis)agree'? If they say they don't know, check whether they feel they neither agree nor disagree (3 on scale), or if they are really uncertain. If necessary, face to face interviewers can provide a card with the scale marked on it, and ask the respondent to point to the appropriate position.</i></p> <ol style="list-style-type: none"> <li>1. Before I buy something I carefully consider whether I can afford it Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>)</li> <li>2. I tend to live for today and let tomorrow take care of itself Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>)</li> <li>3. I find it more satisfying to spend money than to save it for the long term Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>)</li> <li>4. I pay my bills on time Completely agree, 2, 3, 4, completely disagree (<i>Don't know, not applicable, refused</i>)</li> <li>5. I am prepared to risk some of my own money when saving or making an investment Completely agree, 2, 3, 4, completely disagree (<i>Don't know, not applicable, refused</i>)</li> <li>6. I keep a close personal watch on my financial affairs Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>)</li> <li>7. I set long term financial goals and strive to achieve them Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>)</li> <li>8. Money is there to be spent Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>)</li> </ol>	<p><b>Variable names:</b> QMP1_ ; Label using the statement</p> <p><b>Values:</b> 1 to 5; -97 -98 -99.</p> <p><b>Variable labels take the following suffixes:</b></p> <p><b>_1</b></p> <p><b>_2</b></p> <p><b>_3</b></p> <p><b>_4</b></p> <p><b>_5</b></p> <p><b>_6</b></p> <p><b>_7</b></p> <p><b>_8</b></p>

<p><u>Note to agency: The questions below relate to the individual, not necessarily the household. Reassure respondent about confidentiality if necessary</u></p>	
<p><b>ASK ALL.</b></p> <p><b>QM2) Sometimes people find that their income does not quite cover their living costs. In the last 12 months, has this happened to you?</b></p> <p>a) Yes  b) No  c) <i>Don't know</i>  d) <i>Not applicable (I don't have any personal income)</i>  e) <i>Refused</i></p>	<p><b>Variable name: QM2</b></p> <p><b>Label: In last 12 months income has not always covered living costs.</b></p> <p><b>1</b>  <b>0</b>  <b>-97</b>  <b>-98</b>  <b>-99</b></p>

**ASK If yes at QM2**

Note to agency: Please add in/edit country specific options under each category. Category headings are for guidance when creating categories: DO NOT READ OUT headings.

**QM3) What did you do to make ends meet the last time this happened?**

INTERVIEWER: Probe with: Did you do anything else?  
Mark all that are relevant.

**DO NOT READ OUT OPTIONS: although examples can be given**

*1 Existing resources*

- a) Draw money out of savings or transfer savings into current account
- b) Cut back on spending, spend less, do without
- c) Sell something that I own

*2 Creating resources*

- d) Work overtime, earn extra money

*3 Access credit by using existing contacts or resources*

- e) Borrow food or money from family or friends
- e2) Take food or basic goods on credit from retailer
- f) Borrow from employer/salary advance
- g) Pawn something that I own
- h) Take a loan from my savings and loans clubs
- i) Take money out of a flexible mortgage account
- j) Apply for loan/withdrawal on pension fund

*4 Borrow from existing credit line*

- k) Use authorised, arranged overdraft or line of credit
- l) Use credit card for a cash advance or to pay bills/buy food

*5 Access new line of credit*

- m) Take out a personal loan from a financial service provider (including bank, credit union or microfinance)
- n) Take out a payday loan
- o) Take out a loan from an informal provider/moneylender

*6 Fall behind/ go beyond arranged amount*

- p) Use unauthorised overdraft
- q) Pay my bills late; miss payments

*7 Other responses*

- r) *Other*
- s) *Don't know*
- t) *Refused*

Variable names: QM3\_

Labels: Making ends meet:

**This is multi-coded. Create a single 0,1 variable for each category, plus a variable for 'don't know' and one for 'refused'.**

It is possible to reduce the number of categories. However, it is important to have at least 1 category under each of the headings \_1 through to \_5.

<p><b><u>ASK ALL: Rotate list</u></b></p> <p><b>QP1) In the past 12 months have you [personally] been saving money in any of the following ways, whether or not you still have the money?</b></p> <p><i>Note to agency: Please do not include pension savings in this question. Please replace &lt;informal savings club&gt; with appropriate term. If necessary, remind the participant that this is entirely confidential, and their data will be anonymised.</i></p> <p><i>INTERVIEWER: Read categories to respondent. Mark all that apply. Only mark categories in italics if no other categories are appropriate.</i></p> <ul style="list-style-type: none"> <li>a) Saving cash at home or in your wallet</li> <li>b) Building up a balance of money in your bank account</li> <li>c) Paying money into a savings account</li> <li>d) Giving money to family to save on your behalf</li> <li>e) Saving in &lt;an informal savings club&gt;</li> <li>f) Buying financial investment products, other than pension funds [ give examples such as bonds, investment trusts, stocks and shares]</li> <li>g) Or in some other way (including remittances, buying livestock or property)</li> <li>h) <i>Has not been actively saving (including I don't save/I have no money to save)</i></li> <li>i) <i>Don't know</i></li> <li>j) <i>refused</i></li> </ul>	<p>Variable names: QP1_</p> <p>Labels: Actively saving: This is multi-coded. Create a single 0, 1 variable for each category, plus variables for 'not actively savings' 'don't know' and 'refused'. Use the value 0 if respondent says No, and 1 if respondent says Yes.</p> <p>For example, QP1_1 Actively saving: saving cash at home or in wallet.</p>
<p><b><u>ASK ALL</u></b></p> <p><b>QP2) If you lost your main source of income, how long could you continue to cover living expenses, without borrowing any money or &lt;moving house&gt;?</b></p> <p><i>Note to agency: If necessary, remind the participant that this is entirely confidential, and their data will be anonymised. If the respondent does not have personal income, this question will relate to their household income. If necessary, rephrase the term &lt;moving house&gt;.</i></p> <p><i>INTERVIEWER: READ OUT a-e</i></p> <ul style="list-style-type: none"> <li>a) Less than a week</li> <li>b) At least a week, but not one month</li> <li>c) At least one month, but not three months</li> <li>d) At least three months, but not six months</li> <li>e) More than six months.</li> <li>f) <i>Don't know</i></li> <li>g) <i>Refused</i></li> </ul>	<p>Variable name: QP2</p> <p>Label: If lost main income, how long could respondent cover living expenses</p> <p>1 2 3 4 5 -97 -99</p>

<p><b>READ OUT:</b> The next section of the questionnaire is more like a quiz. The questions are not designed to catch you out, so if you think you have the right answer, you probably do. <b><u>If you don't know the answer, just say so.</u></b></p>	
<p><b><u>ASK ALL</u></b></p> <p><i>Note to agency: Change to local currency. Change the relationship between the individuals, if this is likely to be culturally sensitive and provide a note of this for international comparisons. Note that each question has a category -999 for irrelevant answers. These might include: 'it depends how old the brothers are'. It is not necessary to record the irrelevant response itself.</i></p> <p><b>QK1) Imagine that five &lt;brothers&gt; are given a gift of \$1,000. If the &lt;brothers&gt; have to share the money equally how much does each one get?</b></p> <p>INTERVIEWER: READ QUESTION AGAIN IF ASKED</p> <p><b>Record response numerically (currency symbol not necessary) - - -</b></p> <p>a) <i>Don't know</i>  b) <i>Refused</i>  c) <i>Irrelevant answer</i></p>	<p>Variable name: QK1</p> <p>Label: Imagine that five &lt;brothers&gt; are given a gift of X. (Fill in X with appropriate amount and currency)</p> <p>Correct response=200</p> <p>-97  -99  -999</p>
<p><b><u>ASK ALL</u></b></p> <p><i>Note to agency: Change to local currency. Keep the same relationship as in the previous question. Add in current inflation rate in your country and provide a note on the rate used and the date from which this was taken. Note that <b>d</b> can be considered to be correct but should not be read out.</i></p> <p><b>QK2) Now imagine that the &lt;brothers&gt; have to wait for one year to get their share of the \$1,000 and inflation stays at X percent. In one year's time will they be able to buy:</b></p> <p>INTERVIEWER: READ OUT a-c</p> <p>a) More with their share of the money than they could today;  b) The same amount;  c) Or, less than they could buy today.  d) <i>It depends on the types of things that they want to buy</i>  e) <i>Don't know</i>  f) <i>Refused</i>  g) <i>Irrelevant answer</i></p>	<p>Variable name: QK2</p> <p>Label: Brothers have to wait for one year with inflation at X percent. (Fill in X with appropriate inflation)  Correct response will generally be c</p> <p>1  2  3  4  -97  -99  -999</p>

<p><b><u>ASK ALL</u></b></p> <p><i>Note to agency: Change to local currency; and consider whether the term interest is appropriate if respondent is Muslim (possibly replace the second sentence with 'What is the return you have earned on this loan').</i></p> <p><b>QK3) (INT) You lend \$25 to a friend one evening and he gives you \$25 back the next day. How much interest has he paid on this loan?</b></p> <p>INTERVIEWER: READ QUESTION AGAIN IF ASKED</p> <p><b>Record response numerically (percentage symbol not necessary) - - -</b></p> <p>a) <i>Don't know</i>  b) <i>Refused</i>  c) <i>Irrelevant answer</i></p>	<p><b>Variable name: QK3</b></p> <p><b>Label: Interest on loan</b>  <i>Correct responses will include 'none' 'zero' and 'nothing' as well as 'zero percent'. All can be recorded as 0.</i></p> <p><b>Correct response=0</b></p> <p>-97  -99  -999</p>
<p><b><u>ASK ALL</u></b></p> <p><i>Note to agency: Change to local currency. Do not change percentage rate. If savings accounts incur fees in your country, please include a phrase to reflect the wording in &lt;&gt; and provide a note to this effect for international comparisons.</i></p> <p><b>QK4_a) Suppose you put \$100 into a &lt;no fee&gt; savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made?</b></p> <p>INTERVIEWER: READ QUESTION AGAIN IF ASKED</p> <p><b>Record response numerically (currency symbol not necessary) - - -</b></p> <p>a) <i>Don't know</i>  b) <i>Refused</i>  c) <i>Irrelevant answer</i></p>	<p><b>Variable name: QK4_a</b></p> <p><b>Label: Suppose you put X into a &lt;no fee&gt; savings account with a guaranteed interest rate of 2% per year.</b>  <b>(Fill in X with appropriate amount and currency)</b></p> <p><b>Correct response=102</b></p> <p>-97  -99  -999</p>

<p><u>Note to agency: Change to local currency. Note that this question is intended to indicate whether the respondent knows about compound interest, and so the amount in each of the options must be exactly equal to the total interest without compounding.</u></p> <p><b>QK4_b) and how much would be in the account at the end of five years [add if necessary: remembering there are no fees]? Would it be:</b></p> <p>INTERVIEWER: READ LIST a-d</p> <p>a) More than \$110  b) Exactly \$110  c) Less than \$110  d) Or is it impossible to tell from the information given  e) <i>Don't know</i>  f) <i>Refused</i>  g) <i>Irrelevant answer</i></p>	<p>Variable name: QK4_b  Label: how much would be in the account at the end of five years.</p> <p>Correct response=a  1  2  3  4  -97  -99  -999</p>
<p><b><u>ASK ALL</u></b></p> <p><b>QK5) I would like to know whether you think the following statements are true or false:</b></p> <p>a) True  b) False  c) <i>Don't know</i>  d) <i>Refused</i></p> <p>INTERVIEWER: READ OUT EACH STATEMENT AND WAIT FOR RESPONSE</p> <p>a) <b>An investment with a high return is likely to be high risk</b></p> <p><u>Note to agency: if the word 'risk' is difficult to translate, we recommend using the following question. It would be advisable to test both versions if possible:</u>  <b>a_alt) If someone offers you the chance to make a lot of money there is also a chance that you will lose a lot of money.</b></p> <p>b) <b>High inflation means that the cost of living is increasing rapidly</b></p> <p>c) <b>It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares.</b></p> <p><u>Note to agency: For countries/regions where the stock market will not be widely understood this version may be more appropriate. It would be advisable to test both versions if possible:</u>  <b>C_alt) It is less likely that you will lose all of your money if you save it in more than one place.</b></p>	<p>Variable names: QK5_  Values: For each variable  1  0  -97  -99</p> <p>Correct response=True in each case  Variable labels take the following suffixes:  _1  _1_alt  _2  _3  _3_alt</p>



<p><i>READ OUT:</i> I would now like to ask you a few more questions about yourself and your household. We want to make sure that we have talked to people from all kinds of households, to reflect our national population.</p>	
<p><b><i>ASK everyone the questions in this section, if used</i></b></p>	
<p>Note to agency: <u>OPTIONAL question</u></p> <p><b>QD3) Please could you tell me how old you are, currently?</b></p> <p>RECORD AGE --- a) <i>Refused</i></p>	<p><b>Variable name: QD3</b> <b>Label: Age</b></p> <p><b>-99</b> <b>This question is optional. The following age bands could be used in all cases</b></p>
<p>IF REFUSED AT QD3 (or not asked) Ask:</p> <p><b>QD3_a) Would you {instead} tell me which of these age bands you fall into?</b></p> <p>a) 18-19 b) 20-29 c) 30-39 d) 40-49 e) 50-59 f) 60-69 g) 70-79 h) <i>Refused</i></p>	<p><b>Variable name: QD3_a</b></p> <p><b>Label: Age bands</b></p> <p><b>1</b> <b>2</b> <b>3</b> <b>4</b> <b>5</b> <b>6</b> <b>7</b> <b>-99</b></p>

<p><u>Note to agency: if the respondent is a student, code current education level. This question relates to highest level of schooling, rather than highest qualification</u></p> <p><b>QD4) What is the highest educational level that you have attained?</b></p> <p><i>READ OUT THE LIST, stop and mark the first that applies (REVERSE ORDER IF MORE APPROPRIATE IN YOUR COUNTRY – make sure values are also reversed)</i></p> <p><u>Note to agency: the interviewers may need some indication as to which professional qualifications are equivalent to these academic levels of education.</u></p> <p>a) University-level education  b) Technical/vocational education beyond secondary school level  c) Complete secondary school  d) Some secondary school  e) Complete primary school  f) Some primary school  g) No formal education  h) Refused</p>	<p>Variable name: QD4  Label: Educational level</p> <p>1  2  3  4  5  6  7  -99</p>
<p><u>Note to agency: stress the word <b>best</b> in case the respondent has several occupations. The question should capture how the respondent would describe themselves</u></p> <p><b>QD5_a) And which of these <u>best</u> describes your current work situation?</b></p> <p><i>INTERVIEWER: READ OUT if necessary; stop and mark the first that applies</i></p> <p>a) Self employed [work for yourself]  b) In paid employment [work for someone else]  c) Looking for work  d) Looking after the home  e) Unable to work due to sickness or ill-health  f) Retired  g) Student  h) Not working and not looking for work  i) Apprentice  j) Other  k) Don't know  l) Refused</p>	<p>If multiple responses are allowed, also ask which is the <b>best</b> description.</p> <p>Variable name: QD5_a  Label: Work situation</p> <p>1  2  3  4  5  6  7  8  9  10  -97  -99</p>
<p><b>Ask if in work at QD5_a (response a or b).</b></p> <p><b>QD5_b) How many hours did you work last week?</b></p> <p>Record value _</p> <p>a) Don't know  b) Refused</p>	<p>Variable name: QD5_b; Label: Work hours</p> <p>-97  -99</p>

<p><u>Notes to agency: question should use the appropriate national wording and give country-specific instructions to the interviewer.</u></p> <p><i>READ OUT:</i> People get income from a wide range of sources. This might include &lt;wages and salaries, benefit payments, pensions or maintenance payments&gt;.</p> <p><b>QD6) Considering all of the sources of income coming into your household each month, would you say that your household income is regular and reliable?</b></p> <p>a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i></p>	<p><b>Variable name: QD6</b></p> <p><b>Label: Income stability</b></p> <p><b>1</b> <b>0</b> <b>-97</b> <b>-99</b></p>
<p><b>QD7) And finally, can you tell me which of these categories your household income usually falls into [<i>Use as appropriate: before/after tax</i>]?</b></p> <p><i>FIELDWORK COMPANY TO ADD IN CODES:</i> <u>Notes to agency: Please make sure that median, and not mean averages are used. Please provide information with the dataset to describe the source and date of the median income data, and the monetary amounts. Stress confidentiality, and that the data is needed to make sure that the sample is representative of the population. Please create a table of household income before and after tax if necessary in order to be able identify the correct bands regardless of how the respondent chooses to answer. It may also be necessary to create a conversion table of weekly or fortnightly income. Change currency as appropriate.</u></p> <p>a) Up to \$X a month b) between \$X and \$Y a month c) \$Y or more a month d) <i>Don't know</i> e) <i>Refused</i></p>	<p><b>Variable name: QD7</b></p> <p><b>Label: Household income</b></p> <p><b>The bands should reflect:</b></p> <p>a) [Low income ( up to 75% of median household income)] b) [Average income] c) [High income (more than 125% of median household income)]</p> <p><b>1</b> <b>2</b> <b>3</b> <b>-97</b> <b>-99</b></p>



*Chapter 4*

**SUPPLEMENTARY QUESTIONS: ADDITIONAL, OPTIONAL SURVEY QUESTIONS TO  
COMPLEMENT THE OECD FINANCIAL LITERACY CORE QUESTIONS**



## **Introduction**

This document provides authorities with supplementary questions to complement the core questions provided in the previous chapter of this document. The questions have been chosen to reflect good practice, and are mostly drawn from national surveys, as indicated in the Annex. 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 authorities 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**

Authorities 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.

Authorities might choose to include one or several of these supplementary questions in their 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.

As individual supplementary questions will be of use in only a subset of countries they cannot be used in the international OECD/INFE measure of financial literacy. However, where particular questions are relevant in more than one country, it is anticipated that responses to these questions will be compared across those countries that incorporate them in their survey. For this reason, it is important that the questions are not altered, other than to change the language and any contextual information such as the names of financial products.

### Finding appropriate questions

The table 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.

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

Product	Question number
Overdraft	S13, S14
Credit card	S15, S16, S17, S53
Savings and investments	S24, S25, S54, S55, S56, S57, S58, S59, S61
Insurance (including life, health and other)	S26, S27, S28, S29, S50
Retirement plans	S42, S43, S44, S52
Mortgage	S21, S22, S60
Loans and other (non credit card) credit	S18, S19, S20
Questions about various products	S4, S5, S6, S7, S23, S32, S35, S37, S38

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.

Financial control and checking records	S2, S4, S8
Managing month by month	S13
Using credit and its impact	S14, S18, S19, S22
Monitoring financial products	S23, S25
Health and general insurance	S27, S28, S29
Taking advice	S31, S33, S35
Making decisions and complaining	S37, S39
Emergency funds and retirement	S41, S43, S44
Financial knowledge – self reported and tested	S45, S47, S52, S58
Attitude to, and knowledge of, risk	S54, S56
Attitudes	S62



## 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><b>ASK ALL:</b>  <b>SD1) Who owns your current home?</b>  <b>INTERVIEWER: read out options, and stop at first mention</b></p> <ul style="list-style-type: none"> <li>a) You (and/or your partner) own it outright</li> <li>b) You are buying it with a mortgage/home loan</li> <li>c) You rent your home from a private landlord</li> <li>d) You rent it from a local authority or housing association</li> <li>e) Your parents/grandparents/other family members</li> <li>f) Your employer</li> <li>g) Someone else</li> <li>h) <i>Don't know</i></li> <li>i) <i>Refused</i></li> </ul>	<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><b>ASK ALL:</b>  <b>SD2) What is the <u>main</u> source of income in your household?</b>  <b>INTERVIEWER: Read out, code one only</b></p> <ul style="list-style-type: none"> <li>a) Wages or salary</li> <li>b) Self employed earnings or proceeds from a business</li> <li>c) Government benefit(s) or allowance(s)</li> <li>d) Superannuation/Pension/Retirement income</li> <li>e) Transfers from family members (not living in same household)</li> <li>f) Transfers from someone else outside the household (such as maintenance payments)</li> <li>g) Other</li> <li>h) <i>Don't know</i></li> <li>i) <i>Refused</i></li> </ul>	<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 QD6 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>

## 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
<b><i>Taking responsibility for finances</i></b>		
<p><b><u>ASK IF QD2 a (in core questions) is greater than 0 or QD2 b is greater than 0:</u></b>  <b>S1) Who is responsible for the task of bill payment in your household?</b>  <b>INTERVIEWER: READ OUT a- f:</b></p> <ul style="list-style-type: none"> <li>a) You</li> <li>b) You and your partner [do not read out if no partner at QD1]</li> <li>c) You and another family member (or family members)</li> <li>d) Your partner [do not read out if no partner at QD1]</li> <li>e) Another family member or (or family members)</li> <li>f) Someone else</li> <li>g) Nobody</li> <li>h) <i>Don't know</i></li> <li>i) <i>Refused</i></li> </ul>	<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><b><u>ASK ALL:</u></b>  <b>S2) Which ONE of the following best describes the extent to which you personally monitor your regular expenses?</b>  <b>INTERVIEWER: READ OUT ALL OPTIONS</b></p> <ul style="list-style-type: none"> <li>a) I don't keep an eye on expenses at all</li> <li>b) I keep my eye on expenses a bit</li> <li>c) Without keeping written records, I keep a fairly close eye on expenses</li> <li>d) I use written records to keep a close eye on expenses</li> <li>e) <i>Don't know</i></li> <li>f) <i>Refused</i></li> </ul>	<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><b>ASK ALL:</b>  <b>S3) Do you enjoy dealing with financial matters?</b></p> <p>a) Always  b) Usually  c) Sometimes  d) Never  e) <i>Don't know</i>  f) <i>Refused</i></p>	<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>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>
<p><b>Keeping and checking records</b></p>		
<p><b>ASK ALL (or filter using QC1 b):</b>  <b>S4) Which of these financial documents do you keep copies of (either electronically or in hard copy)?</b>  For each document record  Yes, No <i>Don't know, refused</i></p> <p>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>	<p>Options b or c could be filtered out if the respondent does not have the product</p>	<p>Behaviour</p> <p>It is considered to be financially literate to keep records; which includes having copies of important financial agreements to refer to.</p> <p>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><b>ASK ALL:</b>  <b>S5 In the past 12 months, have you obtained a copy of your credit report?</b>  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> <p>a) Yes  b) No  c) <i>Don't know</i>  d) <i>Refused</i></p>		<p>Behaviour; actively checking records</p> <p>It is considered to be good practice to check credit records in countries where people have access to such records.</p>

<p><b><u>ASK ALL with a product that could have a positive/negative balance at QC1 b (in CORE QUESTIONS):</u></b></p> <p><b>S6) How often do you usually check your &lt; PRODUCT &gt; balance(s)?</b></p> <ul style="list-style-type: none"> <li>a) Daily</li> <li>b) Weekly</li> <li>c) Every two weeks</li> <li>d) Monthly</li> <li>e) Yearly</li> <li>f) Never</li> <li>g) <i>Don't know</i></li> <li>h) <i>Refused</i></li> </ul>	<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><b><u>ASK ALL with a product that could have a positive/negative balance at QC1 b (in CORE QUESTIONS) – remember that they may have more than one of the product – consider using plurals:</u></b></p> <p><b>S7) and How do you typically check the balance(s) for your &lt; PRODUCT &gt;?</b></p> <p><b>INTERVIEWER:</b> Probe. Do not read out. Mark all that apply.</p> <ul style="list-style-type: none"> <li>a) check the bank statement sent in the mail</li> <li>b) check the statement online (internet banking)</li> <li>c) check through telephone banking</li> <li>d) call the bank and ask for your balance</li> <li>e) ask for your balance, statement or bankbook update at a bank branch</li> <li>f) ask for balance, statement or bankbook update at an ATM/cash machine</li> <li>g) receive a text message from the bank</li> <li>h) <i>Never check</i></li> <li>i) <i>Don't know</i></li> <li>j) <i>Refused</i></li> </ul>	<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>

<b>Knowing how much money is available</b>		
<p>Note to Authority/Agency: Change currency and use reasonable increments</p> <p><b>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 <u>accurately</u> you know how much money you have.</b></p> <p><b>INTERVIEWER: CODE ONLY ONE.</b></p> <ul style="list-style-type: none"> <li>a) I have no idea at all</li> <li>b) Approximately, but not within \$500</li> <li>c) I know within \$500</li> <li>d) I know within \$100</li> <li>e) I know within \$50</li> <li>f) I know within \$10</li> <li>g) I know within a dollar or two</li> <li>h) <i>Don't know</i></li> <li>i) <i>Refused</i></li> </ul>	<p>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</p> <p>The size of the increments should be adjusted as necessary</p>	<p>Behaviour</p> <p>It will not be possible to check responses for accuracy/ honesty; and this should be taken into account when reporting the results.</p> <p>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</p>

## 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
<b><i>Managing month by month</i></b>		
<p><b>ASK ALL:</b>  <b>S9)</b> In the last 12 months, <b>how often</b> has your family:            INTERVIEWER: Ask each in turn</p> <ul style="list-style-type: none"> <li>a) Gone without enough food to eat</li> <li>b) Gone without medicine or medical treatment that was needed</li> <li>c) Gone without a cash income</li> <li>d) Gone without good shelter</li> <li>e) Gone without fuel for heating or to cook food</li> </ul> <p>For each one:</p> <ul style="list-style-type: none"> <li>a) Often</li> <li>b) Sometimes</li> <li>c) Never</li> <li>d) <i>Don't know</i></li> <li>e) <i>Refused</i></li> </ul>	<p>It is not necessary to ask each of these options – some countries may want to use a subset of them. 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. This question may be a better indicator of making ends meet than questions looking at bill payments in economies where the vast majority of transactions are in 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><b>ASK ALL:</b>  <b>S10) Overall, thinking of your assets, debts and savings, how satisfied are you with your current personal financial condition?</b>  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"> <li>a) 1 Not at all satisfied</li> <li>b) 2</li> <li>c) 3</li> <li>d) 4</li> <li>e) 5 Extremely satisfied</li> <li>f) Don't know</li> <li>g) Refused</li> </ul>		<p>Attitude  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><b>ASK ALL:</b>  <b>S11) During the past 12 months, did you:</b>  <b>INTERVIEWER:</b> read out a-d and code one answer:</p> <ul style="list-style-type: none"> <li>a) Save money from your income</li> <li>b) Just get by on your income</li> <li>c) Spend some of your savings</li> <li>d) Spend some of your savings and borrow money to get by</li> <li>e) Don't know</li> <li>f) Refused</li> </ul>	<p>This question is similar to QM3 but it is a more general question that does not require information about whether someone has run short of money. It would need to be asked before QM2 to avoid appearing repetitive</p>	<p>Outcome  This question provides information about those that are doing better than just making ends meet, as well as those who are borrowing, and can be used as a scale – with a taking the highest value, and d and e the lowest (because not knowing how you managed over the past year also indicates a low level of financial literacy)</p>
<p><b>ASK ALL:</b>  <b>S12) In a typical month, how difficult is it for you to cover your expenses and pay all your bills?</b>  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"> <li>a) 1 Not at all difficult</li> <li>b) 2</li> <li>c) 3</li> <li>d) 4</li> <li>e) 5 Extremely difficult</li> <li>f) Don't know</li> <li>g) Refused</li> </ul>	<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>

***Using credit and its impact***

**ASK if respondent has account for general money management at QC1 b:**

**S13) Is there an agreed overdraft facility on your <day to day bank> account?**

- a) Yes
- b) No
- c) *Don't know*
- d) *Refused*

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)

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><b><u>ASK if has account for general money management at QC1 b:</u></b></p> <p><b>S14) 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?</b></p> <p>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><b><u>ASK if respondent has at least 1 card that offers a credit facility other than an overdraft at QC1 b:</u></b></p> <p><u>Note to interviewer</u>, please count all credit cards, whether or not they are being used.</p> <p><b>S15) How many credit cards do you have? Please include store and gas station credit cards but NOT &lt;debit cards&gt;.</b>  Numerical response __  a) <i>Don't know</i>  b) <i>Refused</i></p>	<p>Check the understanding of these words (credit card, store card etc and debit card) before including this question.  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><b><u>ASK if has at least 1 credit card at S15 (if S15 is asked):</u></b>  <b>S16) In the last 12 months, which of the following statements describe your experience with your credit cards?</b>  <u>INTERVIEWER:</u> Read in order: Mark all those that apply</p> <ul style="list-style-type: none"> <li>a) you have not used a credit card at all in the last 12 months (IF YES DO NOT READ FOLLOWING OPTIONS)</li> <li>b) In some months, you used a credit card to withdraw cash from an ATM</li> <li>c) In some months you used your credit card to get a cash advance</li> <li>d) In some months, you used a credit card cheque to pay bills or to purchase items</li> <li>e) you always paid your credit card bills in full (IF YES DO NOT READ FOLLOWING OPTIONS)</li> <li>f) In some months, you carried over a balance and were charged interest (IF NO DO NOT READ FOLLOWING OPTIONS)</li> <li>g) In some months, you paid the minimum payment only</li> <li>h) In some months, you were charged a <i>late</i> fee for late payment</li> <li>i) In some months, you were charged an <i>over the limit</i> fee for exceeding your credit line</li> </ul>	<p>It may be necessary to state that the question relates only to cards for personal use, rather than business use</p> <p>Some options may not be relevant in every country</p>	<p>Behaviour</p> <p>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.</p> <p>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><b><u>ASK if has at least 1 credit card at S15 (if S15 is asked):</u></b>  <b>S17) What is the highest rate of interest charged on any of the credit cards that you have?</b>  Numerical response __ (to 1 decimal place)</p> <ul style="list-style-type: none"> <li>a) <i>Don't know</i></li> <li>b) <i>Refused</i></li> </ul>	<p>Created to capture knowledge of products held</p> <p>This question straddles products and knowledge</p> <p>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</p> <p>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><b><u>ASK ALL:</u></b>  <b>S18) Have you personally used credit for any of the following purposes in the past 12 months and paid interest on the balance?</b>  <u>INTERVIEWER:</u> Read out and mark all those that apply</p> <ul style="list-style-type: none"> <li>a) To pay regular bills</li> <li>b) To pay for food</li> <li>c) For everyday spending</li> <li>d) To make a donation to charity</li> <li>e) To help support family or friends outside your immediate household</li> <li>f) To buy something on impulse</li> <li>g) To buy a gift for someone</li> </ul>		<p>Behaviour</p> <p>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.</p> <p>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><b><u>IF yes at any S18 above:</u></b>  <b>S19) And in total, how often have you used credit for that purpose/those purposes in the last 12 months</b></p> <ul style="list-style-type: none"> <li>a) Just once</li> <li>b) More than once but less than 5 times</li> <li>c) 5 times or more</li> <li>d) <i>Don't know</i></li> <li>e) <i>Refused</i></li> </ul>		

<p><b><u>ASK ALL:</u></b>  <b>S20) In which of the following circumstances would you personally use credit?</b></p> <ul style="list-style-type: none"> <li>a) If the interest rate on credit is higher than the one on deposit</li> <li>b) If you can borrow money at a low interest rate to invest</li> <li>c) If a shop is selling something that you need at a reduced price</li> <li>d) If you or a family member need to pay for education or training to get a better paid job</li> <li>e) If you wanted a holiday but didn't have the money available</li> <li>f) <i>Don't know</i></li> <li>g) <i>Refused</i></li> </ul>	<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>Behaviour (option a is also testing knowledge)</p> <p>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><b><u>ASK ALL with a mortgage/home loan at QC1 b:</u></b></p> <p><b>S21) Do you currently have any of these types of mortgage on your main home, either in your own name or jointly with a partner?</b></p> <ul style="list-style-type: none"> <li>a) Repayment mortgage</li> <li>b) Endowment mortgage</li> <li>c) Interest-only mortgage with savings or investment which will repay capital</li> <li>d) Interest-only mortgage with no savings or investment in place to repay the capital</li> <li>e) Some other type of mortgage</li> <li>f) <i>Don't know</i></li> <li>g) <i>refused</i></li> </ul>	<p>This question could just be asked of those who say they have a mortgage in main survey  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><b><u>ASK ALL with a mortgage/home loan at QC1 b:</u></b>  <b>S22) Thinking about the mortgage on your main home, do any of the following statements apply?</b>  <b>INTERVIEWER: Rotate order:</b>  <b>Mark all that apply</b></p> <ul style="list-style-type: none"> <li>a) I could pay off the balance of my mortgage today from my savings</li> <li>b) I do not think I will be able to pay the balance of my mortgage at any point in my life</li> <li>c) I sometimes make additional mortgage payments so that the balance reduces more quickly</li> <li>d) I sometimes miss payments on my mortgage without prior arrangement</li> <li>e) I sometimes ask my mortgage lender if I can reduce or miss my monthly payment</li> <li>f) If I sold my house at market value today I could not repay my mortgage</li> </ul>	<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>
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## 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
<b>Monitoring financial products</b>		
<p><b><u>ASK as appropriate using QC1 b):</u></b>  <b>S23) How often do you personally check whether your &lt;product type&gt; still meets your needs?</b></p> <p>a) At least once a year  b) Less often  c) Never  d) <i>Don't know</i>  e) <i>Refused</i></p>	<p>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</p>	<p>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.</p>
<p><b><u>ASK ALL (or filter using QC1 b):</u></b>  <b>S24) Do you currently earn interest on your savings?</b></p> <p>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></p>	<p>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.</p>	<p>Behaviour (monitoring one's own products)  It is considered financially literate to know whether interest is earned.</p>

<p><b><u>ASK ALL who answered yes at S24, if asked. If not ask all with savings:</u></b></p> <p><b>S25) Do you know how much interest your savings are currently earning?</b></p> <p>INTERVIEWER: read out, mark one</p> <ul style="list-style-type: none"> <li>a) Yes – you know exactly what the interest rate(s) is/are</li> <li>b) Yes, you know approximately what the interest rate(s) is/are</li> <li>c) No</li> <li>d) Other answer</li> <li>e) <i>Don't know</i></li> <li>f) <i>Refused</i></li> </ul>	<p>Note that responses to this question cannot be double checked without asking for documentation</p>	<p>Behaviour (monitoring one's own products)</p> <p>It is considered financially literate to know how much interest is earned.</p>
<p><b><i>Health insurance</i></b></p>		
<p><b><u>ASK ALL:</u></b></p> <p><b>S26) Are you covered by health insurance?</b></p> <ul style="list-style-type: none"> <li>a) Yes</li> <li>b) No</li> <li>c) <i>Don't know</i></li> <li>d) <i>Refused</i></li> </ul>	<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>It may be useful to add additional text to distinguish between private and employer provision.</p>

<p><b><u>ASK ALL who do not have health insurance at S26 or QC1 b (if asked):</u></b>  <b>S27) What are the main reasons that you do not have health insurance cover? PROBE, DO NOT PROMPT</b>  <b>Do not read out; mark all that apply</b></p> <ul style="list-style-type: none"> <li>a) I am happy to use free/national health care</li> <li>b) I am healthy</li> <li>c) I have not thought about taking out health insurance</li> <li>d) I have been unable to find <i>any</i> company that will cover me</li> <li>e) I have not been able to find <i>affordable</i> cover</li> <li>f) I do not have a bank account from which to make the monthly payments</li> <li>g) I do not have a regular income</li> <li>h) I do not trust insurance companies</li> <li>i) I can go home/to another country for medical care</li> <li>j) I can afford to pay my own health care costs</li> <li>k) My religion forbids the use of insurance</li> <li>l) Other</li> <li>m) <i>I am covered on someone else's policy (recode the question above if this response is given)</i></li> <li>n) <i>Don't know</i></li> <li>o) <i>Refused</i></li> </ul>	<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.</p> <p>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.</p> <p>Some options indicate low levels of financial literacy (such as answering <i>I am healthy</i>).</p>
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<b>General insurance</b>		
<p><b><u>ASK ALL:</u></b>  <b>S28) Are you covered by &lt; INSERT TYPE&gt; insurance?</b>  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><b><u>ASK ALL those with insurance at S28:</u></b>  <b>S29) Now thinking about &lt;TYPE OF&gt; insurance, which of these factors do you take into consideration when FIRST taking out or setting up a new policy</b>  INTERVIEWER: 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>

<b>Taking advice</b>		
<p><b><u>ASK ALL:</u></b>  <b>S30) Do you have trouble getting good and relevant financial advice?</b>  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><b><u>ASK ALL:</u></b>  <b>S31) Thinking about the last time you tried to get good financial advice; do you think any of the following statements apply to your experience?</b></p> <p>INTERVIEWER: Read out and mark all that apply</p> <ul style="list-style-type: none"> <li>a) You did not know where to look for advice</li> <li>b) You could not find the advice you were looking for</li> <li>c) You could not get advice at a time to suit you</li> <li>d) You did not understand the advice you were given</li> <li>e) There were so many advisers available you didn't know which to choose</li> <li>f) You asked advice from several people and found that they gave different answers</li> <li>g) You got advice but you didn't know whether to trust it or not</li> <li>h) You followed the advice you were given and later regretted it</li> </ul>	<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 S35 (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><b>ASK ALL:</b>  <b>S32) In the last 12 months, have you asked &lt;a financial professional&gt; for financial advice in relation to any of the following?</b></p> <p><u>INTERVIEWER:</u> Mark all those that apply  [RANDOMIZE]</p> <ul style="list-style-type: none"> <li>a) Savings or investments</li> <li>b) Taking out a mortgage or a loan</li> <li>c) Insurance of any type</li> <li>d) Tax planning</li> <li>e) Managing credit/debt</li> <li>f) <i>Don't know</i></li> <li>g) <i>Refused</i></li> </ul>	<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  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><b>ASK if yes on any S32 (if asked):</b>  <b>S33) Thinking about the professional you have used (most often) for financial advice, was this an..</b></p> <p><u>INTERVIEWER:</u> Mark only one</p> <ul style="list-style-type: none"> <li>a) Independent Financial Adviser</li> <li>b) Manager or adviser at a bank or building society</li> <li>c) Manager or adviser at an insurance company</li> <li>d) Accountant</li> <li>e) Other</li> <li>f) <i>Don't know</i></li> <li>g) <i>Refused</i></li> </ul>	<p>This question could be asked for each category in S32, 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 &lt;savings or investments&gt;</i></p>	<p>Behaviour  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><b>ASK if responses indicate any professional at S32 or S33</b>  <b>S34) Did you pay a fee for (any of) this advice?</b></p> <ul style="list-style-type: none"> <li>a) Paid for advice</li> <li>b) Entirely free</li> <li>c) <i>Don't know</i></li> <li>d) <i>Refused</i></li> </ul>	<p>This question could be asked for each category in S32, 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 &lt;savings or investments&gt;, did you pay for....</i></p>	<p>Behaviour (type of advice used)  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.  It may be necessary to differentiate between fees charged directly to clients and fees taken out as commission</p>

<p><b>S35) Thinking about the last time you tried to get good financial advice; do you think any of the following statements apply to your experience?</b></p> <p>INTERVIEWER: Read out and mark all that apply</p> <ul style="list-style-type: none"> <li>a) You felt that the adviser understood your needs</li> <li>b) You got the advice that you needed</li> <li>c) You were able to understand exactly what the adviser was recommending</li> <li>d) The adviser behaved professionally</li> <li>e) <i>Don't know</i></li> <li>f) <i>Refused</i></li> </ul>	<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><b><u>ASK ALL:</u></b></p> <p><b>S36) In the last 12 months, have you asked friends or family for financial advice in relation to any of the following?</b></p> <p>INTERVIEWER: Mark all those that apply</p> <p>[RANDOMIZE]</p> <ul style="list-style-type: none"> <li>a) Savings or investments</li> <li>b) Taking out a mortgage</li> <li>c) Taking out a loan or credit agreement</li> <li>d) Insurance of any type</li> <li>e) Tax planning</li> <li>f) Managing credit/debt</li> <li>g) <i>Don't know</i></li> <li>g) <i>Refused</i></li> </ul>	<p>It may be necessary to stress that this should not include friends and family acting in a professional capacity.</p>	<p>Behaviour</p> <p>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>

<b><i>Making decisions</i></b>		
<p><b><u>ASK ALL:</u></b>  <b>S37) How much do you agree or disagree with the following statements:</b></p> <p>(_a) I've got a clear idea of the sorts of financial products or services that I need without consulting a financial adviser</p> <p>(_b) I always research my choices thoroughly before making any decisions about financial products or services</p> <p><i>Totally agree, tend to agree, tend to disagree, totally disagree</i></p> <p>a) <i>Don't know</i>  b) <i>not applicable</i>  c) <i>Refused</i></p>		<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><b><u>ASK ALL:</u></b>  <b>S38) In the last 12 months, have you made a decision about any of the following that you later regretted?</b>  <b>Mark all that apply</b></p> <p>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>	<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>

<b>Complaining</b>		
<p><b>ASK ALL:</b>  <b>S39) How confident are you that you know how to make an effective complaint against a bank or financial institution?</b></p> <p><b>INTERVIEWER: READ LIST</b></p> <ul style="list-style-type: none"> <li>a) Very confident</li> <li>b) Fairly confident</li> <li>c) Not very confident</li> <li>d) Not at all confident</li> <li>e) <i>Don't know</i></li> <li>f) <i>Refused</i></li> </ul>	<p>Similar questions could be asked for different kinds of providers, if appropriate</p>	<p>Attitude/confidence</p> <p>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.

	<b>Notes</b>	<b>What the question is capturing and how responses relate to financial literacy</b>
<b>Emergency funds</b>		
<p><b>ASK ALL:</b>  <b>S40) 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?</b></p> <ul style="list-style-type: none"> <li>a) Yes</li> <li>b) No</li> <li>c) <i>Don't know</i></li> <li>d) <i>Refused</i></li> </ul>	<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</p> <p>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. 3 months is commonly used, but is not a necessary element of the question for national studies.</p>

<p><b><u>ASK IF NO AT QM2:</u></b>  <b>S41) What would you have do to make ends meet if something happened that meant you needed to find money equivalent to one month's income?</b></p> <p><b><u>INTERVIEWER:</u> Probe; do not read out. Mark all that apply.</b></p> <ul style="list-style-type: none"> <li>a) Use up my savings</li> <li>b) Sell my assets (e.g. car, business, household goods, livestock)</li> <li>c) Borrow money (including salary advance, pawning, cheque cashing)</li> <li>d) Depend on charity (e.g. from church, mosque, Red Cross)</li> <li>e) Ask family members to help</li> <li>f) There's nothing I could do</li> <li>g) Find a job/additional jobs/better paying job</li> <li>h) Other</li> <li>i) <i>Don't know</i></li> <li>j) <i>Refused</i></li> </ul>	<p>This is similar to QM3 in the core questions but this is <b>hypothetical</b>, 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.</p> <p>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</p> <p>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>
<p><b><i>Retirement</i></b></p>		
<p><b><u>ASK ALL:</u></b>  <b>S42) At what age do you think people should begin to make a financial plan for their retirement?</b></p> <p><b>NUMERIC VALUE_____</b></p> <ul style="list-style-type: none"> <li>a) <i>Don't know</i></li> <li>b) <i>Refused</i></li> </ul>		<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><b><u>ASK ALL:</u></b>  <b>S43) Which of the following are included in your financial plan for retirement?</b></p> <p><u>INTERVIEWER: Read categories to respondent. Mark all that apply.</u></p> <ul style="list-style-type: none"> <li>a) Government pension/ old age benefits</li> <li>b) Occupational or workplace pension plan benefits</li> <li>c) Personal retirement savings plan benefits</li> <li>d) Obtaining a reverse mortgage</li> <li>e) Moving to a cheaper property in the same area</li> <li>f) Moving to a cheaper area</li> <li>g) Sell your financial assets (such as: stocks, bonds or mutual funds)</li> <li>h) Sell your non-financial assets (such as: a car, property, art, jewels, antiques, etc.)</li> <li>i) Use an inheritance</li> <li>j) Rely on your spouse</li> <li>k) Rely on your children</li> <li>l) Rely on financial support from your wider family</li> <li>m) Drawing an income from your own business</li> <li>n) Earnings from employment in retirement</li> <li>o) Other – Specify</li> <li>p) <i>Don't know</i></li> <li>q) <i>Refused</i></li> </ul>	<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>
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<p><b>ASK ALL</b>  <b>S44) 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 throughout retirement?</b></p> <p><u>INTERVIEWER:</u> Read categories to respondent.</p> <ul style="list-style-type: none"> <li>a) Very confident</li> <li>b) Fairly confident</li> <li>c) Not very confident</li> <li>d) Not at all confident</li> <li>e) <i>Don't know</i></li> <li>f) <i>Refused</i></li> </ul>	<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
<b><i>Self-rated knowledge</i></b>		
<p><b>ASK ALL</b>  <b>S45) 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?</b></p> <p><u>INTERVIEWER:</u></p> <ul style="list-style-type: none"> <li>a) 1 Not at all knowledgeable</li> <li>b) 2</li> <li>c) 3</li> <li>d) 4</li> <li>e) 5 Very knowledgeable</li> <li>f) <i>Don't know</i></li> <li>g) <i>Refused</i></li> </ul>	<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 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</p> <p>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><b><u>ASK ALL</u></b>  <b>S46) 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...?</b>  (_a)... keeping track of your money  (_b) ...making ends meet  (_c)... shopping around to get the best financial product such as loans or insurance rates  (_d) ...staying informed about financial issues</p> <p><b><u>INTERVIEWER:</u></b> 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  <i>f) Don't know</i>  <i>g) 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>
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<b><i>Following financial news and indicators</i></b>		
<p><b><u>ASK ALL:</u></b>  <b>S47) Do you personally keep an eye on financial matters, such as changes in ...?</b></p> <p><u>INTERVIEWER:</u> Read categories to respondent. Mark all that apply.</p> <ul style="list-style-type: none"> <li>a) The housing market</li> <li>b) The stock market</li> <li>c) The currency (money) market</li> <li>d) Interest rates</li> <li>e) Inflation</li> <li>f) Taxation</li> <li>g) The job market</li> <li>h) Pension plans</li> <li>i) Government benefits</li> <li>j) <i>Don't know</i></li> <li>k) <i>Refused</i></li> </ul>	<p>The list of financial matters may need editing to be relevant in a particular country.</p> <p>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</p> <p>It is considered to be financially literate to keep an eye on a range of financial/economic indicators.</p> <p>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><b><u>ASK ALL:</u></b>  <b>S48) How do you tend to monitor these things?</b></p> <p><u>INTERVIEWER:</u> Read categories to respondent. Mark all that apply.</p> <ul style="list-style-type: none"> <li>a) General newspapers</li> <li>b) Financial/business pages in newspapers</li> <li>c) Financial/business magazines (e.g. Forbes, The Economist, Les Affaires)</li> <li>d) Current event magazines (e.g. Maclean's, Actualité, Times, Newsweek)</li> <li>e) Radio and television business and financial programming</li> <li>f) Internet (email, web, newsfeeds, etc.)</li> <li>g) Financial advisor</li> <li>h) Other</li> <li>i) <i>Don't know</i></li> <li>j) <i>refused</i></li> </ul>	<p>Edit categories and examples as necessary, adding new categories if relevant.</p>	<p>Behaviour</p> <p>This may be useful for policy makers seeking to provide impartial information to consumers – particularly if further analysed by socio-demographic group</p>

<b>Testing knowledge</b>		
<p><u>ASK ALL:</u>  <b>S49) If a single man currently has an income of \$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?</b>  a) \$30,000  b) Less than \$30,000  c) More than \$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><u>ASK ALL</u>  <b>S50) If each of the following persons had the same amount of annual income after tax, who would need the greatest amount of life insurance?</b>    <u>INTERVIEWER:</u> Read categories to respondent.  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><b><u>ASK ALL</u></b>  <b>S51) Which of these can affect the amount of interest that you would pay on a bank loan?</b></p> <p><u>INTERVIEWER:</u> Read categories to respondent. Mark all that apply</p> <ul style="list-style-type: none"> <li>a) Your credit rating</li> <li>b) How much money you have in savings</li> <li>c) How much you earn</li> <li>d) Your health</li> <li>e) Your age</li> <li>f) How much you borrow</li> <li>g) How long you take to repay the loan</li> <li>h) All of the above</li> <li>i) <i>Don't know</i></li> <li>j) <i>Don't understand the question</i></li> <li>k) <i>Refused</i></li> </ul>	<p>Countries should choose the options that are relevant before implementing this question</p>	<p>Knowledge of loan decisions</p>
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<p><b><u>ASK ALL</u></b>  <b>S52) 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?</b></p> <p><b><u>INTERVIEWER:</u></b> DON'T READ [MULTIPLE RESPONSE]  <b>Probe with</b> What else? Anything else?</p> <ul style="list-style-type: none"> <li>a) Length of time before retirement</li> <li>b) Current savings</li> <li>c) Eligibility for the pension or government benefits</li> <li>d) Expected earnings from investments</li> <li>e) Expected superannuation benefits</li> <li>f) Intention to still do some paid work while in retirement</li> <li>g) Desired standard of living in retirement</li> <li>h) What costs might need to be met during retirement</li> <li>i) Expected life span</li> <li>j) Value of assets upon retirement</li> <li>k) Current cost of living</li> <li>l) Whether they own their own home or not</li> <li>m) Other (record response)</li> <li>n) <i>Don't know</i></li> <li>o) <i>Don't understand the question</i></li> <li>p) <i>Refused</i></li> </ul>	<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>Knowledge of considerations in relation to retirement planning</p>
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<p><b><u>ASK ALL</u></b>  <b>S53) Please tell me whether each of the following statements are true or false.</b>  For each record:  True/False <i>Don't know, refused</i>  (_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>	<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>
<p><b><i>Knowledge of, and attitude to risk</i></b></p>		
<p><b><u>ASK ALL, or ASK ALL WITH INVESTMENTS:</u></b>  <b>S54) When thinking about making a financial investment, how willing are you to take risks?</b>  Please use a 5-point scale, where 1 means "Not At All Willing" and 5 means "Very Willing."  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>	<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><b>ASK ALL, or ASK ALL WITH SAVINGS OR INVESTMENTS:</b></p> <p>Note to Authority/Agency: Change currency and use reasonable increments</p> <p><b>S55) Suppose you have \$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?</b></p> <p><b>Note to interviewer: Read the question again if necessary</b></p> <ul style="list-style-type: none"> <li>a) A guaranteed return of \$12,000 in five years time (capital plus interest)</li> <li>b) A five year investment with an expected return in the range of \$0 to \$100,000.</li> <li>c) A five year investment with an expected return in the range \$8,000 to \$14,000</li> <li>d) <i>Don't know</i></li> <li>e) <i>Don't understand the question</i></li> <li>f) <i>Refused</i></li> </ul>	<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</p> <p>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.</p> <p>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>
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### 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><b><u>ASK ALL</u></b>  <b>S57) Suppose you had \$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?</b></p> <p><u>INTERVIEWER:</u> READ LIST</p> <ul style="list-style-type: none"> <li>a) More than \$102</li> <li>b) Exactly \$102</li> <li>c) Less than \$102</li> </ul>	<p>Note that this question is very similar to QK5_b and so should be kept separate from that question</p>
<p><b><u>ASK ALL</u></b>  <b>S58) 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?</b></p> <p><u>INTERVIEWER:</u> READ LIST</p> <ul style="list-style-type: none"> <li>a) More than today</li> <li>b) Exactly the same</li> <li>c) Less than today</li> </ul>	
<p><b><u>ASK ALL</u></b>  <b>S59) If interest rates rise, what will typically happen to bond prices?</b></p> <p><u>INTERVIEWER:</u> READ LIST</p> <ul style="list-style-type: none"> <li>a) They will rise</li> <li>b) They will fall</li> <li>c) They will stay the same</li> <li>d) There is no relationship between bond prices and the interest rate</li> </ul>	
<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]</p> <p><b><u>ASK ALL</u></b>  <b>S60) 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.</b></p> <p><u>INTERVIEWER:</u> READ LIST</p> <ul style="list-style-type: none"> <li>a) True</li> <li>b) False</li> </ul> <p><b><u>ASK ALL</u></b>  <b>S61) Buying a single company's stock usually provides a safer return than a stock mutual fund.</b></p> <p><u>INTERVIEWER:</u> READ LIST</p> <ul style="list-style-type: none"> <li>a) True</li> <li>b) False</li> </ul>	

## 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 most useful.

### **ASK ALL**

**S62) 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.

## ANNEX

The following surveys were used to inform this list of possible supplementary questions

Country	Title	Hyperlinks to questionnaire or report
Australia	ANZ Survey of Financial Literacy in Australia (October 2008)	<a href="http://www.anz.com/Documents/AU/Aboutanz/AN_5654_Adult_Fin_Lit_Report_08_Web_Report_full.pdf">http://www.anz.com/Documents/AU/Aboutanz/AN_5654_Adult_Fin_Lit_Report_08_Web_Report_full.pdf</a>
Austria	Financial capability of Austrian households (Q3, 2007)	<a href="http://oenb.at/en/presse_pub/period_pub/volkswirtschaft/geldpolitik/monetary_policy_and_the_economy_07q3.jsp">http://oenb.at/en/presse_pub/period_pub/volkswirtschaft/geldpolitik/monetary_policy_and_the_economy_07q3.jsp</a>
Canada	Canadian Financial Capability Survey (2009)	<a href="http://www.statcan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&amp;SDDS=5159&amp;lang=en&amp;db=imdb&amp;adm=8&amp;dis=2">http://www.statcan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&amp;SDDS=5159&amp;lang=en&amp;db=imdb&amp;adm=8&amp;dis=2</a>
Fiji	Financial capability, financial competence and wellbeing in rural Fijian households; (NB this survey uses the Money Attitude Scale)	<a href="http://www.uncdf.org/english/microfinance/uploads/technical/UNDP%20Financial%20Capability_Executive%20Summary.pdf">http://www.uncdf.org/english/microfinance/uploads/technical/UNDP%20Financial%20Capability_Executive%20Summary.pdf</a>
Iceland	Financial literacy in Iceland (2009)	<a href="http://www.fe.is/index_files/Page524.htm">http://www.fe.is/index_files/Page524.htm</a>
Ireland	Financial capability in Ireland (2009)	<a href="http://www.financialregulator.ie/publications/Documents/Financial%20Capability%20Questionnaire.pdf">http://www.financialregulator.ie/publications/Documents/Financial%20Capability%20Questionnaire.pdf</a>
Italy	Financial education in Italy (2008)	<a href="http://www.ambrosetti.eu/_modules/download/download/it/documenti/ricerca/112008_ExSum_PattiChiari_ITA.pdf">http://www.ambrosetti.eu/_modules/download/download/it/documenti/ricerca/112008_ExSum_PattiChiari_ITA.pdf</a>
Kenya	Understanding Kenya's financial landscape	<a href="http://www.fsdkenya.org/finaccess/">http://www.fsdkenya.org/finaccess/</a>
Netherlands	Financial insight amongst the Dutch	<a href="http://www.wijzeringeldzaken.nl/media/13191/summary_financial_insight_amongst_the_dutch.pdf">http://www.wijzeringeldzaken.nl/media/13191/summary_financial_insight_amongst_the_dutch.pdf</a>
New Zealand	ANZ-Retirement Commission 2009 financial knowledge survey (2009)	<a href="http://www.financialliteracy.org.nz/sites/default/files/wefbm/Research/fl-surveysummary.pdf">http://www.financialliteracy.org.nz/sites/default/files/wefbm/Research/fl-surveysummary.pdf</a>
Singapore	Financial literacy levels in Singapore (2005)	<a href="http://www.mas.gov.sg/resource/news_room/press_releases/2005/Financial%20Literacy%20Levels%20in%20Singapore.%20Full%20Report.pdf">http://www.mas.gov.sg/resource/news_room/press_releases/2005/Financial%20Literacy%20Levels%20in%20Singapore.%20Full%20Report.pdf</a>
UK	Financial capability in the UK (2006)	<a href="http://www.pfrc.bris.ac.uk/publications/Reports/Fincap_baseline_questionnaire_06.pdf">http://www.pfrc.bris.ac.uk/publications/Reports/Fincap_baseline_questionnaire_06.pdf</a> <a href="http://www.pfrc.bris.ac.uk/publications/Reports/Fincap_baseline_results_06.pdf">http://www.pfrc.bris.ac.uk/publications/Reports/Fincap_baseline_results_06.pdf</a> <a href="http://www.pfrc.bris.ac.uk/publications/Reports/Fincap_baseline_BMRB_06.pdf">http://www.pfrc.bris.ac.uk/publications/Reports/Fincap_baseline_BMRB_06.pdf</a> <a href="http://www.pfrc.bris.ac.uk/publications/completed_research/Reports/Fincap_June05.pdf">http://www.pfrc.bris.ac.uk/publications/completed_research/Reports/Fincap_June05.pdf</a>
USA	National financial capability study (2009)	<a href="http://www.finrafoundation.org/resources/research/p120478">http://www.finrafoundation.org/resources/research/p120478</a>
OECD	World Values Survey	<a href="http://www.worldvaluessurvey.org/">http://www.worldvaluessurvey.org/</a>



The Russia Financial Literacy and Education Trust Fund was established in 2008 at the World Bank with funding provided by the Ministry of Finance of the Russian Federation. The work supported by the Trust Fund is jointly managed by the World Bank and the Organisation for Economic Co-operation and Development (OECD) and is directed toward improving public policies and programs to enhance financial knowledge and capabilities in low- and middle-income countries. This effort has focused on the review of national strategies for financial education, the development of methods for the measurement of financial knowledge and capabilities, methods for evaluating the impact and outcome of programs, and research applying these methods to programs in developing countries. The products of this program of work can be found at the Trust Fund website at:

[www.finlitedu.org](http://www.finlitedu.org)

