

INFE stocktake on baseline surveys: challenges and main lessons

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The review

- Undertaken to inform the INFE Financial Literacy Measurement sub-group
- Stage 1: an overview of 24 national and 2 cross-national surveys
 - 12 broad-ranging
 - 7 focussing on knowledge
 - 7 limited in scope
- Majority in high-income countries
 - but some middle-income too



Definitions and terminology used differ

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

- Operational definitions differ
 - knowledge alone
 - behaviour and attitudes as well
- Terminology differs
 - financial literacy
 - financial capability/culture/insight



Five main subject areas covered

- Money management
- Financial planning
- Choosing and buying products
- Keeping informed
- Knowledge



Coverage differs across surveys

- Broad-ranging surveys (12)
 - money management; financial planning; choosing financial products
 - staying informed; financial knowledge
- Knowledge surveys (7)
 - only New Zealand has broader coverage as above
- Other surveys (7)
 - some coverage of money management; financial planning; choosing products and financial knowledge



Other points of importance

- Even similar questions differ in their wording
- The need for income and cultural sensitivity
 - in wording of individual questions
 - in replies that are considered ‘capable’
 - in questions asked
- Pressure to meet other policy concerns
 - impact of economic downturn on behaviour
 - levels of use of different financial products (financial inclusion)



Survey design varies considerably

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



Analysis and reporting also varies widely

- Results reported using
 - Percentages
 - Scores (calculated in different ways)
 - A single score or more than one?
 - Segmentation (carried out on different characteristics)
- So, there is limited scope for comparing results between countries



Overview

- A great deal of experience to draw on
- Two distinct approaches
 - knowledge only and broader-based
- Wide variation in survey methods
 - and in ways results analysed and reported
- Can we find a common framework that can
 - be adapted for countries with differing income levels, and
 - accommodate cultural differences between countries?



Stage 2 Developing a common framework

Best practice guidelines on survey design

- Who to survey
- Survey method
- Sampling
- Analysis and reporting



Stage 2 Developing a common framework

A set of core questions

- Criteria for inclusion
 - Meet best practice generally
 - Included in a number of existing surveys
 - Apply across countries and populations
 - Correlate strongly with concept being measured
- Cover 4 broad areas
 - Day-to-day money management
 - Financial planning
 - Choosing appropriate products
 - Financial knowledge and understanding



Next steps

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



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