

Measuring Financial Literacy: Questionnaire and Guidance Notes for Conducting an Internationally Comparable Survey of Financial Literacy



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This document presents the OECD financial literacy questionnaire and methodological guidance developed by the International Network on Financial Education (INFE).

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OECD INFE (2011) Measuring Financial Literacy: Core Questionnaire in *Measuring Financial Literacy: Questionnaire and Guidance Notes for conducting an Internationally Comparable Survey of Financial literacy*. Paris: OECD.

Users of the questionnaire are requested to inform the OECD of their intentions prior to fieldwork in order to facilitate international comparisons.

INTRODUCTION

This document presents the OECD financial literacy questionnaire and methodological guidance¹ 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

The OECD INFE has defined financial literacy as follows:

‘A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing.’

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 (Kempson 2009)² and two internal OECD/INFE discussion papers.

¹ The document updates the OECD Financial Literacy Measurement Questions and Socio Demographic Questions reported in Improving Financial Education Efficiency: OECD-Bank of Italy Symposium on Financial Literacy OECD 2011, following an international pilot test.

These 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 pilot project in 13 countries.

This final version has been created following feedback from the countries participating in the pilot, 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 pilot exercise 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.
- 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.

² 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)

- 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. 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 questions³ to add context and additional depth to national surveys.

Important methodological information about how to employ this questionnaire can be found in the following section. This is followed by the questionnaire itself. The annex of this document contains guidance on how to prepare interviewers to undertake the survey.

³ Available at www.financial-education.org

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 people 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 country⁴. 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 1 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*

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

each acknowledge the authority of the same person or couple as the head(s) of household or b) a lone individual.

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 that 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.

CORE QUESTIONNAIRE

<u>Questions</u>	<u>Data coding instructions</u>
<p>INTERVIEWER: BEGIN BY INTRODUCING YOURSELF AND THE SURVEY USING PRE-DETERMINED TEXT> THEN 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.</p>	
<p>QDi) Interviewer to record gender</p> <p>a) Male b) Female</p>	<p>Variable name: QDi Label: Gender Values: 1 Male 0 Female</p>
<p>QDii) Interviewer to record or ask and record rural/urban If asked: Which of these best describes the community you live in?</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>Variable name: QDiii Label: Urban</p> <p>Values: 1 2 3 4 5 -97 -99</p>
<p>QDiii) Interviewer to record the language used in the interview. Agency to add own codes</p>	<p>Variable name: QDiv Label: Language</p>

<p><u>ASK ALL</u></p> <p>QD1) Please could you tell me your marital status?</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>Variable name: QD1; Label: Marital status</p> <p>Values:</p> <p>1 2 3 4 5 -97 -99</p>
<p><u>ASK ALL</u></p> <p>QD2_a) How many children under the age of 18 live with you, in your household?</p> <p>Record number --- a) <i>Don't know</i> b) <i>Refused</i></p>	<p>Variable name: QD2_a; Label: Number of Children</p> <p>-97 -99</p>
<p><u>ASK ALL</u></p> <p>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]?</p> <p>Record number --- a) <i>Don't know</i> b) <i>Refused</i></p>	<p>Variable name: QD2_b; Label: Number of Adults</p> <p>-97 -99</p>

<p><i>READ OUT:</i> 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>QF1) Who is responsible for day-to-day decisions about money <u>in your household</u>?</p> <p><i>INTERVIEWER: READ OUT a- f:</i></p> <ul style="list-style-type: none"> a) You b) You and your partner [do not read out if no partner at QD1] c) You and another family member (or family members) d) Your partner [do not read out if no partner at QD1] e) Another family member or (or family members) f) Someone else g) <i>Nobody</i> h) <i>Don't know</i> i) <i>Refused</i> 	<p>Variable name: QF1;</p> <p>Label: Who is responsible for day to day decisions about money</p> <ul style="list-style-type: none"> 1 2 3 4 5 6 7 -97 -99
<p><u>ASK ALL</u></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><i>READ OUT:</i> 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>QF2) Does your household have a budget?</p> <ul style="list-style-type: none"> a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i> 	<p>Variable name: QF2;</p> <p>Label: Household budget</p> <ul style="list-style-type: none"> 1 0 -97 -99

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. 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>	

<p><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 :</u></p> <p>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]?</p> <p><i>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</i></p> <p>INTERVIEWER: READ OUT a-d</p> <p>a) I considered several [Use the most appropriate word: products/loans/policies/accounts] from different companies before making my decision</p> <p>b) I considered the various [products/loans/policies/accounts] from one company</p> <p>c) I didn't consider any other [products/loans/policies/accounts] at all</p> <p>d) I looked around but there were no other [products/loans/policies/accounts] to consider</p> <p>e) <i>Don't know</i></p> <p>f) <i>Not applicable</i></p> <p>g) <i>Refused</i></p>	<p>Variable name: QC2;</p> <p>Label: Shopping around</p> <p>Variable name: QC2_FLAG</p> <p>Label: Product being discussed. Include a category for 'no relevant product'</p> <p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>-97</p> <p>-98</p> <p>-99</p>
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<p><u>ASK ALL THOSE WHO WERE ASKED QC2, including those who refused or responded 'don't know'</u></p> <p>QC3) and which <u>sources of information</u> do you feel most influenced your decision about which one to take out?</p> <p><i>Note to agency: Please edit with country specific options under each category. Category headings are for guidance: DO NOT READ OUT</i></p> <p>INTERVIEWER: WAIT FOR RESPONSE. READ OUT LIST IF NECESSARY. CODEALL.</p> <p>1 Product-specific information</p> <ul style="list-style-type: none"> 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) <p>2 Best buy guidance</p> <ul style="list-style-type: none"> 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 <p>3 General advice</p> <ul style="list-style-type: none"> 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 <p>4 Media coverage</p> <ul style="list-style-type: none"> l) Newspaper articles m) Television or radio programmes <p>5 Adverts</p> <ul style="list-style-type: none"> n) Newspaper adverts o) Television adverts p) Other advertising <p>6 Other</p> <ul style="list-style-type: none"> q) My own previous experience r) Other source s) <i>Don't know</i> t) <i>Not applicable (no recent choice)</i> u) <i>Refused</i> 	<p>Variable names: QC3_</p> <p>Labels: Information influenced decision: [].</p> <p>This is multi-coded. Create a single 0, 1 variable for each category. For example QC3_1 Information influenced decision: Unsolicited information.</p> <p>This variable will take the value 0 if respondent says 'No', and 1 if respondent says 'Yes'.</p> <p>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.</p> <p>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>
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<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><u>ASK ALL (rotate questions)</u></p> <p>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:</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"> 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>) 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>) 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>) 4. I pay my bills on time Completely agree, 2, 3, 4, completely disagree (<i>Don't know, not applicable, refused</i>) 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>) 6. I keep a close personal watch on my financial affairs Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>) 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>) 8. Money is there to be spent Completely agree, 2, 3, 4, completely disagree (<i>Don't know, refused</i>) 	<p>Variable names: QMP1_ ; Label using the statement</p> <p>Values: 1 to 5; -97 -98 -99.</p> <p>Variable labels take the following suffixes:</p> <p>_1</p> <p>_2</p> <p>_3</p> <p>_4</p> <p>_5</p> <p>_6</p> <p>_7</p> <p>_8</p>

<p><i>Note to agency: The questions below relate to the individual, not necessarily the household. Reassure respondent about confidentiality if necessary</i></p>	
<p>ASK ALL.</p> <p>QM2) Sometimes people find that their income does not quite cover their living costs. In the last 12 months, has this happened to you?</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>Variable name: QM2</p> <p>Label: In last 12 months income has not always covered living costs.</p> <p>1 0 -97 -98 -99</p>

ASK If yes at QM2

Note to agency: Please add in 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
- 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><u>ASK ALL: Rotate list</u></p> <p>QP1) In the past 12 months have you been [personally] saving money in any of the following ways, whether or not you still have the money?</p> <p><i>Note to agency: Please do not include pension savings in this question. Please replace <informal savings club> 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"> a) Saving cash at home or in your wallet b) Building up a balance of money in your bank account c) Paying money into a savings account d) Giving money to family to save on your behalf e) Saving in <an informal savings club> f) Buying financial investment products, other than pension funds [give examples such as bonds, investment trusts, stocks and shares] g) Or in some other way (including remittances, buying livestock or property) h) <i>Has not been actively saving (including I don't save/I have no money to save)</i> i) <i>Don't know</i> j) <i>refused</i> 	<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><u>ASK ALL</u></p> <p>QP2) If you lost your main source of income, how long could you continue to cover living expenses, without borrowing any money or <moving house>?</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 <moving house>.</i></p> <p><i>INTERVIEWER: READ OUT a-e</i></p> <ul style="list-style-type: none"> a) Less than a week b) At least a week, but not one month c) At least one month, but not three months d) At least three months, but not six months e) More than six months. f) <i>Don't know</i> g) <i>Refused</i> 	<p>Variable name: QP2</p> <p>Label: If lost main income, how long could respondent cover living expenses</p> <ul style="list-style-type: none"> 1 2 3 4 5 -97 -99

<p>READ OUT: 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. <u>If you don't know the answer, just say so.</u></p>	
<p><u>ASK ALL</u></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>QK1) (Imagine that five <brothers> are given a gift of \$1,000. If the <brothers> have to share the money equally how much does each one get?</p> <p>INTERVIEWER: READ QUESTION AGAIN IF ASKED</p> <p>Record response numerically (currency symbol not necessary) - - -</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 <brothers> 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><u>ASK ALL</u></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 d can be considered to be correct but should not be read out.</i></p> <p>QK2) Now imagine that the <brothers> 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:</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><u>ASK ALL</u></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>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?</p> <p>INTERVIEWER: READ QUESTION AGAIN IF ASKED</p> <p>Record response numerically (percentage symbol not necessary) - - -</p> <p>a) Don't know b) Refused c) Irrelevant answer</p>	<p>Variable name: QK3</p> <p>Label: Interest on loan <i>Correct responses will include 'none' 'zero' and 'nothing' as well as 'zero percent'. All can be recorded as 0.</i></p> <p>Correct response=0 -97 -99 -999</p>
<p><u>ASK ALL</u></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 <> and provide a note to this effect for international comparisons.</i></p> <p>QK4_a) Suppose you put \$100 into a <no fee> 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?</p> <p>INTERVIEWER: READ QUESTION AGAIN IF ASKED</p> <p>Record response numerically (currency symbol not necessary) - - -</p> <p>a) Don't know b) Refused c) Irrelevant answer</p>	<p>Variable name: QK4_a</p> <p>Label: Suppose you put X into a <no fee> savings account with a guaranteed interest rate of 2% per year. (Fill in X with appropriate amount and currency)</p> <p>Correct response=102 -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>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:</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><u>ASK ALL</u></p> <p>QK5) I would like to know whether you think the following statements are true or false:</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) An investment with a high return is likely to be high risk</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> 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.</p> <p>b) High inflation means that the cost of living is increasing rapidly</p> <p>c) It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares.</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> C_alt) It is less likely that you will lose all of your money if you save it in more than one place.</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>ASK everyone the questions in this section, if used</p>	
<p><u>Note to agency: OPTIONAL question</u></p> <p>QD3) Please could you tell me how old you are, currently?</p> <p>RECORD AGE --- a) <i>Refused</i></p>	<p>Variable name: QD3 Label: Age</p> <p>-99 This question is optional. The following age bands could be used in all cases</p>
<p>IF REFUSED AT QD3 (or not asked) Ask: QD3_a) Would you {instead} tell me which of these age bands you fall into?</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>Variable name: QD3_a</p> <p>Label: Age bands</p> <p>1 2 3 4 5 6 7 -99</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>QD4) What is the highest educational level that you have attained?</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) <i>Refused</i></p>	<p>Variable name: QD5 Label: Educational level</p> <p>1 2 3 4 5 6 7 -99</p>
<p>QD5_a) And which of these best describes your current work situation?</p> <p><i>INTERVIEWER: READ OUT 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) <i>Don't know</i> l) <i>Refused</i></p>	<p>Variable name: QD6_a Label: Work situation</p> <p>1 2 3 4 5 6 7 8 9 10 -97 -99</p>
<p>Ask if in work at QD5_a (response a or b).</p> <p>QD5_b) How many hours did you work last week?</p> <p>Record value _</p> <p>a) <i>Don't know</i> b) <i>Refused</i></p>	<p>Variable name: QD6_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 <wages and salaries, benefit payments, pensions or maintenance payments>.</p> <p>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?</p> <p>a) Yes b) No c) <i>Don't know</i> d) <i>Refused</i></p>	<p>Variable name: QD7</p> <p>Label: Income stability</p> <p>1 0 -97 -99</p>
<p>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>]?</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>Variable name: QD8</p> <p>Label: Household income</p> <p>The bands should reflect:</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>1 2 3 -97 -99</p>

ANNEX: 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 fieldwork⁵. 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.

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

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.

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.

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This is the final version.

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