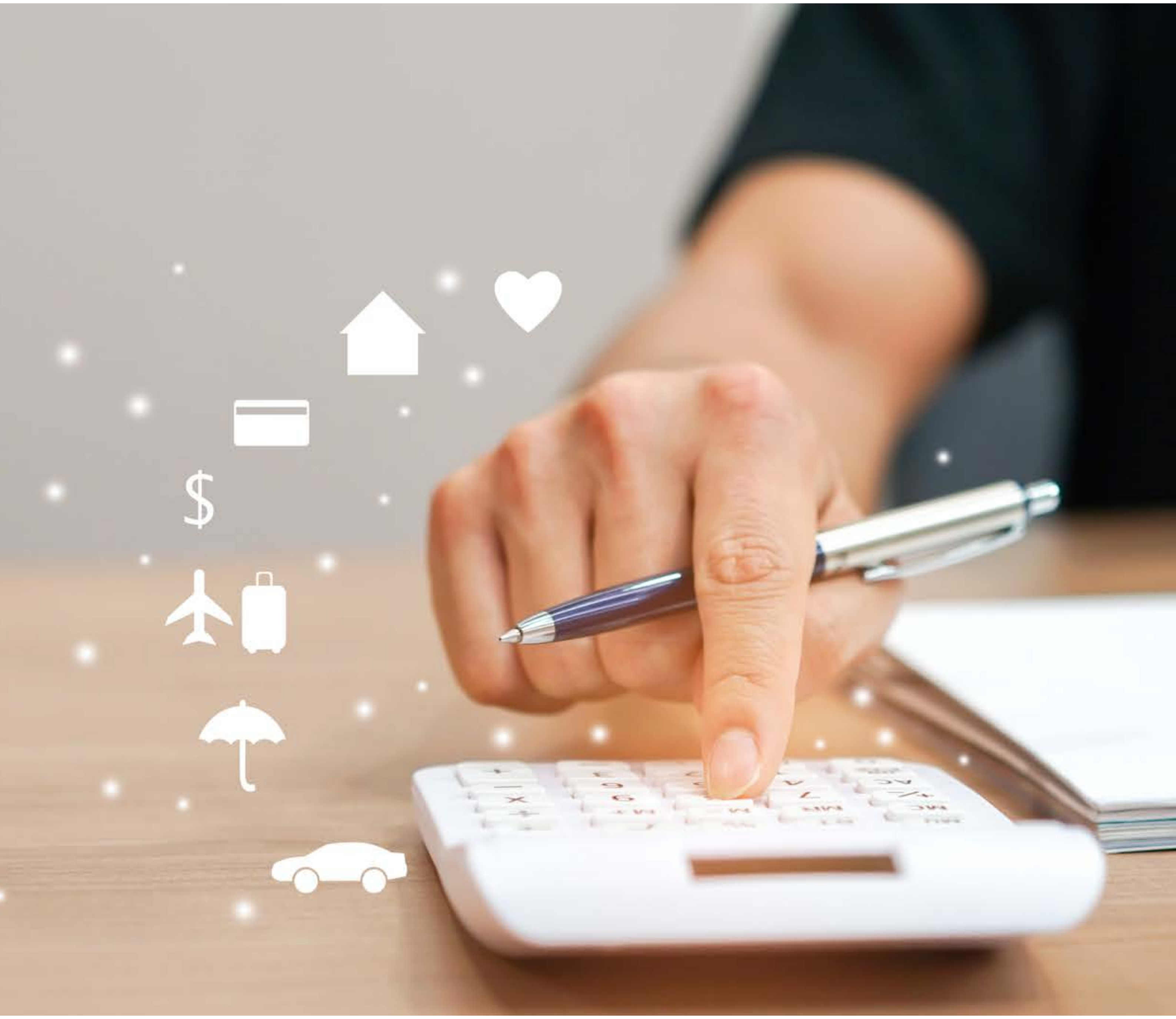
OECD/INFE 2020 International Survey of Adult Financial Literacy



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OECD/INFE 2020 International Survey of Adult Financial Literacy

Please cite this publication as:

OECD (2020), *OECD/INFE 2020 International Survey of Adult Financial Literacy*

www.oecd.org/financial/education/launchoftheoecdinfeglobalfinancialliteracysurveyreport.htm

Foreword

Financial education, financial consumer protection and financial inclusion are recognised at the highest policy level as three essential ingredients for the financial empowerment of individuals and the overall stability of the financial system, as highlighted through three sets of high-level principles endorsed by G20 leaders: Innovative Financial Inclusion (2010); Financial Consumer Protection (2011); and National Strategies for Financial Education (2012).

As indicated in the High-level Principles on National Strategies, developed by the OECD International Network on Financial Education (OECD/INFE), assessing the financial literacy competencies of the population is a key component of a successful national strategy. The opportunity to collect data using an internationally relevant instrument through a co-ordinated exercise further increases the value of such an assessment by enabling economies to benchmark themselves, identify common patterns and work together to find solutions for improving financial literacy and well-being within their respective populations.

Some 26 countries and economies (of which 12 OECD member countries), drawn from Asia, Europe and Latin America, participated in this second international survey of financial literacy competencies using the globally recognised OECD/INFE toolkit. This worldwide exercise is a key achievement for the OECD/INFE, which set the development of a method to measure and compare financial literacy as one of its three initial objectives. The results provide information about financial literacy that go beyond knowledge, covering aspects of financial behaviour and attitudes. Trends of financial inclusion are reported. Particular attention has been paid to elements that provide insights into the financial resilience of individuals, an important characteristic that is proving very pertinent during times of economic and financial volatility. A novel score for financial well-being has been computed. The report also seeks to identify potential target groups within the populations by differentiating financial literacy scores by individuals' characteristics (such as gender, age, digital use and level of savings as an approximation of financial resilience).

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Executive summary

Twenty-six countries and economies across three continents (Asia, Europe and Latin America), including 12 OECD member countries, participated in this international survey of financial literacy, using the updated 2018 OECD/INFE toolkit to collect cross-comparable data.[1] These survey results report the overall financial literacy scores, as computed following the OECD/INFE methodology and definition, and their elements of knowledge, behaviour and attitudes. Patterns of product awareness and holding are reported as an illustration of financial inclusion. A comprehensive section on the outcomes of financial education explores elements of financial resilience (defined by the availability of financial cushion, coping with a financial shortfall and stress, and behavioural traits promoting long-term planning and saving, keeping control over money, taking care with expenditure and avoiding financial fraud) and reports on a novel score of financial well-being. In response to the unprecedented crisis currently unfolding due to the COVID-19 pandemic this section also describes some of the counter measures taken by policy makers and some recommendations of further solutions/initiatives that can support consumers in difficult economic times. A section with tailored policy recommendations is offered at the end.

Key survey results

- *Financial literacy is low across the sampled economies*: The overall financial literacy score, as computed using the OECD/INFE scoring methodology and defined in the OECD/INFE 2018 Toolkit, measures a set of basic financial skills, behaviours and attitudes. Scoring the maximum of 21 effectively means that an individual has acquired a basic level of understanding of financial concepts and applies some prudent principles in their financial dealings. Achieving the maximum thus suggests a basic knowledge of and use of finance.

  Individuals across the entire sample on average scored only 12.7 or just under 61% of the maximum financial literacy score, which represents a basic set of knowledge concepts and financially prudent behaviours and attitudes. The average across participating OECD member countries is only marginally higher at 13.0 (62% of the maximum). The highest score achieved by any country or economy was 14.8 by Hong Kong, China, or 71% of the maximum, and a minimum of 11.1 was scored by Italy (53% of the maximum). The majority of economies (15) scored between 12 and 14.

  These scores suggest that there is plenty of room for improvement across all the elements of financial literacy:

  - *Knowledge*: The average obtained knowledge score across all individuals was 63% of the maximum possible. A mere 26% across all adults responded correctly to questions on simple and compound interest together – crucial concepts that affect basic money management and

[1] 2018 OECD/INFE Financial Literacy Measurement Toolkit (http://www.oecd.org/financial/education/2018-INFE-FinLit-Measurement-Toolkit.pdf)

the accumulation of saving. Only 53% of surveyed adults achieved the minimum target score of 5 or more (or 70%) and only 57% of individuals in OECD member countries achieved this.

Only about 17% of surveyed adults self-assessed their knowledge as high, 53% suggested it is average and 26% estimated their own knowledge as low.

- *Behaviour*: The average obtained behaviour score was 5.3 (out of 9) across the total sample and across OECD member countries only. This represents 59% of the maximum possible. Key behaviour concepts include saving, planning for the long-term, keeping watch and control over one's finances. Only some 49% of adults in this survey were able to score the minimum target behaviour score, thus recognising and acting on these concepts.
- *Attitude*: The average obtained attitude score across all individuals was 3 (out of 5) across all individuals and 3.1 across adults in OECD member countries. This represents 59% of the maximum possible (62% across adults in OECD member countries) and only 43% scored the minimum target attitude score (47% across adults in OECD member countries).

- *Product awareness is relatively high across the surveyed 26 countries and economies; however, use is relatively low* - less than half of the respondents purchased a financial product or service. Payment products are the most widely used, while insurance products the least.
  - More than 80% of the adults surveyed (83% for the whole sample and 86% for OECD member countries) responded they are aware of at least five different financial products. Less than 50% (46% for the total sample and 41% across OECD member countries) purchased a financial product or service in the past year. About one fifth (23% for the total sample and 18% across OECD member countries) turned to close family, friends, or their network of relatives to borrow or save money, thus avoiding the formal financial system.
  - Most utilised were payment products with 69.6% of respondents suggesting they used a payment card, account, or a mobile payment service (81.2% across OECD member countries). For the entire sample, least used were insurance products, only 37.3% of adults suggesting having purchased one in the past year. Across OECD member countries this was true for credit products, where 43.3% of adults used any type of formal loan. Around half of adults (51.3% of the total sample and 49.6% across OECD member countries) used a savings, investment, or a retirement products that was not mandatory in their jurisdiction.
- *Large groups within many economies have limited financial resilience*: Availability of savings is important to meet any financial shocks during the lifetime of individuals. The survey suggests that one-third or some 28% of adults across the entire sample report only having a financial cushion of about one week, if they lose their main income.

  There are large differences between the economies in the survey, however, with the highest percent being 51% and the smallest 6%.

  Some 25% report they would be able to support themselves for about one month, 15% between three months and six months, and 18% for more than six months. Just over 14% respond they do not know, which in itself is revealing of either unpreparedness to consider such eventuality or lack of resources for a financial cushion.

  Just under 4% of adults on average across the entire sample report falling victims to some type of financial fraud (such as Ponzi schemes, phishing, or financial identity theft, for example) or received such poor service from a financial service provider that caused financial loss. There is high disparity between the proportions of fraud victims among countries and economies.
- *Financial stress is common*: Across the sample, 42% of individuals noted that they worry about meeting their everyday living expenses. Some 40% are concerned about their financial situation and 37% report they are just getting by financially. There are differences across the economies

and yet even the lowest percent of adults who report they just get by financially in any one country is 18% (the highest is 66%). While these responses may reflect individual perceptions, biases and cultural traits, they do suggests that a significant portion of the populations surveyed experience financial stress and worry about money matters persistently in their daily lives.

- *The average financial well-being average score of all the participants is below 50% of the maximum* (47.4% for the total sample and 49.4% for OECD member countries). This suggests that on average the surveyed individuals do not consider their financial situation to contribute positively to their well-being, but rather to add stress and worry. This measure is constructed from a set of self-assessed statements and thus would tend to the mean and not to the extremes. A score below the average, however, means that respondents are more insecure over control of their finances, feel less confident about their ability to absorb financial shocks in the future, are more inclined to agree that their finances restrict their life choices and they are ultimately lagging behind their long-term financial plans. There is plenty of room for improvement.

  The range of scores is from highs of 57% of the maximum possible (Austria and the Czech Republic) and 55% (Hong Kong, China), to lows of 35% (Georgia) and 40% (North Macedonia). Adults in seven countries/economies scored over 50%, with the individuals in the rest of them scoring below the mean. This illustrates individuals' substantial discomfort with their own financial situation.

- The split into *possible vulnerable groups* that may constitute policy targets for financial education is instructive:
  - On average across the entire sample, *men appear to have statistically greater financial knowledge and financial well-being scores*. In absolute terms, they also appear to have higher overall financial literacy scores across all economies; however, this difference is not statistically significant. There is some heterogeneity in the behaviour and attitude scores, where a number of the significant differences appear to be where women have higher behaviour scores (such as in Poland and Russia) and attitude scores (Georgia, Korea, Portugal, Russia and Thailand).
  - *Young people* (aged 18-29) appear to have lower financial literacy and financial attitude scores than the rest of the sample consistently and significantly. They also tend to have lower financial knowledge and less prudent financial behaviour. The well-being scores of young people are mixed – the majority of statistically significant differences tend to be when well-being scores of youth are higher (for example in Georgia, Estonia, Colombia, Peru, Portugal and Moldova). The reverse is true for Hong Kong, China; Czech Republic; Italy and Korea. The group of *middle aged* (aged 30-59) has significantly higher scores in financial literacy and its elements, as well as financial well-being. *Seniors* (aged 60 and above) on the other hand have lower financial literacy and financial well-being across almost all economies in the sample, with very few exceptions. Seniors in Austria and Germany have significantly higher financial well-being. Financial behaviour of seniors also tends to be less prudent, visible from their significantly lower behaviour scores across the sample of economies.
  - *Respondents who used digital devices or services* have consistently and significantly, higher financial literacy, knowledge, behaviour and well-being scores. Attitude scores, however, are either not significantly different or where they are, appear lower. This suggests that digital use may be consistent with higher financial knowledge and more prudent financial behaviour patterns, however with more short-term attitudes.
  - Perhaps unsurprisingly, *individuals who report availability of savings of more than three months* have consistently and significantly higher scores across the board – across all economies and each of the financial scores.

- *These results highlight that large groups of citizens are lacking the necessary financial literacy and financial resilience* to deal effectively with everyday financial management. This is particularly concerning at the time of the unfolding crisis as a result of the COVID-19 pandemic, which is likely to put considerable economic and financial pressures on individuals and test their ability to preserve their financial well-being. Policy makers need to use the opportunity of the crisis and, bearing in mind the results of this survey:
    - Focus on recalling basic financial literacy concepts (budgeting, planning and saving). They could utilise effective communication channels, digital tools and innovative techniques (such as behavioural insights) to provide financial education programmes tailored to their citizens' needs.
    - Respond to the urgency of the COVID-19 induced crisis by providing timely and appropriate advice and counselling services to those that are worst affected.
    - Cooperate and coordinate with peers from the financial education community who may have experienced similar challenges and already tested and/or implemented innovative solutions. The OECD and its INFE are a platform committed to such activities.

Introduction

This report provides an analysis of the financial literacy data from 26 countries and economies.[2] It primarily reports the financial literacy scores and their elements of knowledge, behaviour and attitude, as calculated using the OECD/INFE methodology and definition of financial literacy.[3]

The data used in this report are drawn from national surveys undertaken using the OECD/INFE toolkit and submitted to the OECD as part of a co-ordinated measurement exercise; as well as data gathered by the OECD as part of the OECD/INTE Technical Assistance Project for Financial Education in South East Europe.[4] Every effort has been taken to ensure that the data are largely comparable, but differences in sampling and data collection methods should be taken into account when considering the results.[5] The international analyses presented here take into account responses from people aged from 18 and above. Sample sizes range from 1 000 to 84 000.[6] In total, 125 787 adults were interviewed using the same core questions.[7]

The report consists of:

- Section 1. Financial literacy and its components:
    - Financial knowledge
    - Financial behaviours

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[2] Participating countries and economies in alphabetical order are: Austria; Bulgaria; Colombia; Croatia; Czech Republic; Estonia; France; Georgia; Germany; Hong Kong, China; Hungary; Indonesia; Italy; Korea; Malaysia; Malta; Moldova; Montenegro; Peru; Poland; Portugal; Republic of North Macedonia; Romania; Russia; Slovenia; and Thailand. OECD member countries that took part in the survey are: Austria; Colombia; Czech Republic; Estonia; France; Germany; Hungary; Italy; Korea; Poland; Portugal; and Slovenia.

[3] For the definition, see page 4 of the 2018 OECD/INFE Financial Literacy Measurement Toolkit (publicly available here: http://www.oecd.org/financial/education/2018-INFE-FinLit-Measurement-Toolkit.pdf). For the methodology, see Annex A on page 34 in the same document.

[4] The OECD and its International Network on Financial Education (OECD/INFE) is leading a five-year (2018-2022) Technical Assistance Project for Financial Education in the Constituency Program of the Ministry of Finance of the Netherlands. The project works with 7 countries of the Dutch Constituency Program - Bulgaria, Croatia, Georgia, Moldova, Montenegro, Republic of North Macedonia and Romania – and is conducted with the financial support of the Ministry of Finance of the Netherlands.

[5] Some datasets exclude certain questions, either because a previous version of the questionnaire was used, or due to decisions taken at the national level.

[6] The OECD/INFE suggests to participants to collect data from at least 1 000 respondents to facilitate this comparative study. Some countries or economies collected additional data to enable them to look at particular regions or subgroups of the population in more detail.

[7] The majority of participating economies have surveyed between 1 000 and 2 000 adults aged 18 and above. Exceptions are the Russian Federation, which surveyed 83 478 adults, and Thailand, where 11 129 adults were surveyed. See Table 1 for the sample sizes of all participating countries and economies.

    - Attitudes to longer-term financial planning
- Section 2. Financial inclusion measures
- Section 3. Outcomes of financial education policies: Elements of financial resilience and financial well-being
- Section 4. Potential vulnerable groups
- Section 5. Lessons and policy recommendations

The Annex contains tabulated data used in the figures throughout the text for reference.

1 Financial literacy and its components

Financial literacy is low across the sampled countries and economies. The overall financial literacy score, as computed using the OECD/INFE scoring methodology and defined in the OECD/INFE 2018 Toolkit, measures a set of basic financial skills, behaviours and attitudes. Scoring the maximum of 21 effectively means that an individual has acquired a basic level of understanding of financial concepts and applies some prudent principles in their financial dealings. Achieving the maximum thus suggests a basic knowledge of and use of finance.

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These scores suggest that there is plenty of room for improvement across all the elements of financial literacy:

- Knowledge: The average obtained knowledge score across all individuals was 63% of the maximum possible. A mere 26% across all adults responded correctly to questions on simple and compound interest together – crucial concepts that affect basic money management and the accumulation of saving. Only 53% of surveyed adults achieved the minimum target score of 5 or more (or 70%), and only 57% of individuals in OECD member countries achieved this.

  Only about 17% of surveyed adults self-assessed their knowledge as high, 53% suggested it is average and 26% estimated their own knowledge as low.
- Behaviour: The average obtained behaviour score was 5.3 (out of 9) across the total sample and across OECD member countries only. This represents 59% of the maximum possible. Key behaviour concepts include saving, planning for the long-term, keeping watch and control over one's finances. Only some 49% of adults in this survey were able to score the minimum target behaviour score, thus recognising and acting on these concepts.
- Attitude: The average obtained attitude score across all individuals was 3 (out of 5) and 3.1 across adults in OECD member countries. This represents 59% of the maximum possible (62% across adults in OECD member countries) and only 43% scored the minimum target attitude score (47% across adults in OECD member countries).

Financial literacy scores

The financial literacy score is a derived value that ranges between 1 and 21. It is calculated following the methodology described in the OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion (Annex A and Table A.1 in the same annex) and consist of the sum of three elements:

1. Financial knowledge score (takes the range 0 to 7)
2. Financial behaviour score (takes the range 0 to 9)
3. Financial attitude score (takes the range 1 to 5)

Each of the three score variable is itself computed as a result of the responses to a number of questions set to ascertain these attributes.

Table 1 and Figure 1 present the overall financial literacy scores for the participating economies and the elements of knowledge, behaviour and attitude.

The average score across all participating countries and economies is just 12.7 out of a possible 21 and 13.0 for OECD member countries only, showing significant room for improvement.[8] These scores represent 60.5% for the total sample and 62.0% for the OECD participants from the maximum possible.

The averages hide important disparities. Higher scores were achieved by adults in Hong Kong, China (14.8), Slovenia (14.7) and Austria (14.4), for example, while low scores were obtained by adults in Italy (11.1), Romania (11.2) and Colombia (11.2). However, even the highest overall financial literacy score (obtained by adults in Hong Kong, China) was only 71.1% of the total (see Table 2), which itself represents a basic level of financial knowledge, financially prudent behaviour and some key long-term attitudes towards saving and money handling. Some 13 countries or economies, half of the entire sample of 26, scored in the range of 50%-60% from the total financial literacy score.

Further important heterogeneity exists between the components of financial literacy (knowledge, behaviour and attitude) within the economies. Some - with relatively high levels of basic financial knowledge, such as Georgia, Poland and Russia, for example, score average when it comes to overall levels of financial literacy due to their financial behaviour and attitude scores.

Countries such as Thailand (with the highest attitude score in the sample), Indonesia and Malaysia (with the highest and third highest behaviour scores) may need to target knowledge to ensure that their populations understand the principles and become more active money managers, and help individuals fully understand the decisions they are making.

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[8] As a comparison with the OECD/INFE 2016 survey, the average scores for financial literacy for the entire sample of participating economies and the participating OECD member countries were 13.2 and 13.7. Importantly, these scores are not directly comparable as the 2016 survey used the OECD/INFE 2015 Toolkit (which has some substantial differences in the questions and scoring methodology, especially the financial behaviour score). The 2016 report also contained a sample of 30 countries and economies as opposed to 25 in the current sample, and a number of economies which participated then did not participate in the current sample, while a large group of new countries/economies participated in the 2020 survey. The reference scores can be found here: https://www.oecd.org/daf/fin/financial-education/OECD-INFE-International-Survey-of-Adult-Financial-Literacy-Competencies.pdf

Table 1. Financial literacy scores

In alphabetical order

	Number of participants	Financial Literacy Score	Knowledge	Behaviour	Attitude
Austria	1418	14.4	5.3	6.0	3.1
Bulgaria	1047	12.3	4.1	5.3	2.9
Colombia	1200	11.2	3.8	4.8	2.6
Croatia	1079	12.3	4.5	5.0	2.8
Czech Republic	1003	13.0	4.5	5.3	3.1
Estonia	1005	13.3	4.9	5.3	3.1
Georgia	1056	12.1	4.5	5.1	2.5
Germany	1003	13.9	5.2	5.7	3.1
Hong Kong, China	1002	14.8	6.2	5.8	2.9
Hungary	1001	12.3	4.6	4.5	3.3
Indonesia	1000	13.3	3.7	6.3	3.3
Italy	2036	11.1	3.9	4.2	3.0
Korea	2400	13.0	4.6	5.4	3.1
Malaysia	2818	12.5	3.7	6.1	2.7
Moldova	1074	12.6	4.0	5.5	3.1
Montenegro	1030	11.5	4.1	4.7	2.6
Peru	1205	12.1	4.1	5.1	2.9
Poland	1000	13.1	5.0	5.5	2.6
Portugal	1480	13.1	4.0	5.9	3.2
North Macedonia	1076	11.8	3.9	5.1	2.8
Romania	1060	11.2	3.5	5.0	2.7
Russia	83478	12.5	4.8	4.9	2.8
Slovenia	1019	14.7	4.8	6.3	3.6
France *	2155		4.8		
Malta **	1013	10.3	2.2	5.2	2.8
Thailand ***	11129		3.9		3.9
Average ^		12.7	4.4	5.3	3.0
Average (OECD-12) ^^		13.0	4.6	5.3	3.1

Notes: Peru, attitude score - one of the three statements included in the financial attitude score for Peru uses different wording to assess long term attitude to money.

* France has gathered data only for financial knowledge in this round of data collection.

**Malta asked only 4 knowledge questions and 7 behaviour ones, so overall, knowledge and behaviour scores are not comparable. These scores are not comparable given that the Malta survey was carried out in between OECD's 2016 and 2018 survey cycles, hence the Malta survey research instrument was designed on a draft OECD questionnaire, which was not yet finalised. The next Malta survey is planned to sync with OECD's next survey cycle.

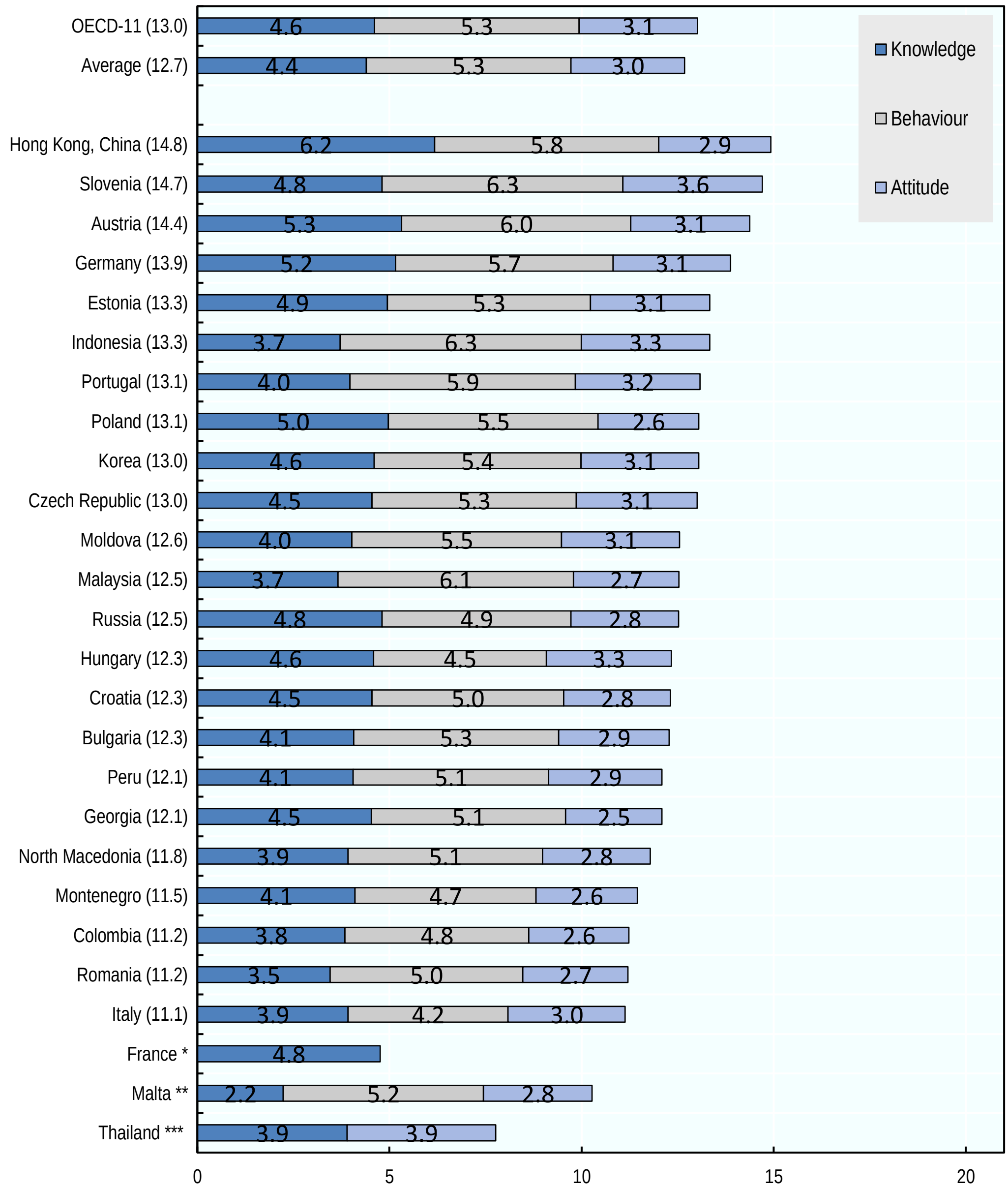
** Thailand has used the 2015 OECD Toolkit and the behaviour score is thus not comparable.

^ excludes France, Malta and Thailand

^^ OECD-12 refers to the average for OECD member countries, only when France is included in the data; otherwise the OECD member countries' average is referred to as OECD-11. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 1. Financial literacy scores

Sorted by total financial literacy scores (given in parenthesis)



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*** Thailand has used the 2015 OECD Toolkit and the behaviour score is thus not comparable.

Averages exclude France, Malta and Thailand. The OECD-11 average includes the OECD member countries in the sample for which there is data, which are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Table 2. Financial literacy scores, normalised to 100

In alphabetical order.

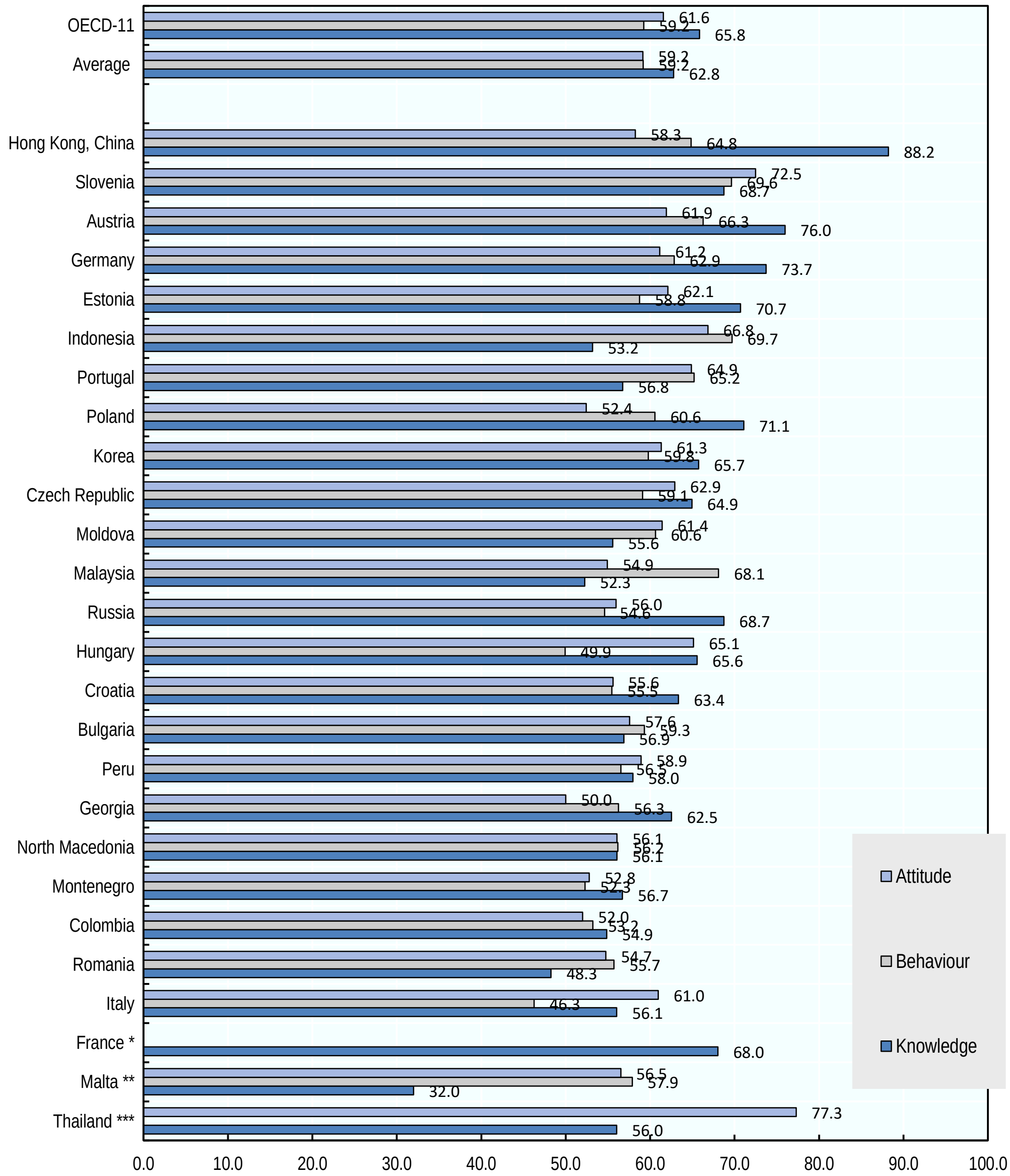
Financial literacy (21=100); Knowledge (7=100), Behaviour (9=100), Attitude (5=100)

	Financial Literacy Score	Financial Knowledge	Financial Behaviour	Financial Attitude
Austria	68.5	76.0	66.3	61.9
Bulgaria	58.5	56.9	59.3	57.6
Colombia	53.5	54.9	53.2	52.0
Croatia	58.6	63.4	55.5	55.6
Czech Republic	62.0	64.9	59.1	62.9
Estonia	63.5	70.7	58.8	62.1
Georgia	57.6	62.5	56.3	50.0
Germany	66.1	73.7	62.9	61.2
Hong Kong, China	71.1	88.2	64.8	58.3
Hungary	58.8	65.6	49.9	65.1
Indonesia	63.5	53.2	69.7	66.8
Italy	53.0	56.1	46.3	61.0
Korea	62.1	65.7	59.8	61.3
Malaysia	59.7	52.3	68.1	54.9
Moldova	59.8	55.6	60.6	61.4
Montenegro	54.5	56.7	52.3	52.8
Peru	57.6	58.0	56.5	58.9
Poland	62.1	71.1	60.6	52.4
Portugal	62.3	56.8	65.2	64.9
North Macedonia	56.1	56.1	56.2	56.1
Romania	53.4	48.3	55.7	54.7
Russia	59.6	68.7	54.6	56.0
Slovenia	70.0	68.7	69.6	72.5
France *		68.0		
Malta **	48.9	32.0	57.9	56.5
Thailand ***		56.0		77.3
Average ^	60.5	62.8	59.2	59.2
OECD-11 ^^	62.0	65.8	59.2	61.6

Note: Peru, attitude score - one of the three statements included in the financial attitude score for Peru uses different wording to assess long term attitude to money.
* France has gathered data only for financial knowledge in this round of data collection.
** Malta asked only 4 knowledge questions and 7 behaviour ones, so overall, knowledge and behaviour scores are not comparable. These scores are not comparable given that the Malta survey was carried out in between OECD's 2016 and 2018 survey cycles, hence the Malta survey research instrument was designed on a draft OECD questionnaire, which was not yet finalised. The next Malta survey is planned to sync with OECD's next survey cycle.
*** Thailand has used the 2015 OECD Toolkit and the behaviour score is thus not comparable.
Averages exclude France, Malta and Thailand. The OECD-11 average includes the OECD member countries in the sample for which there is data, which are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 2. Financial literacy scores, normalised to 100 (score of 21=100)

Sorted by financial literacy score (see Table 2)



Note: Peru, attitude score - one of the three statements included in the financial attitude score for Peru uses different wording to assess long term attitude to money.

* France has gathered data only for financial knowledge in this round of data collection.

** Malta asked only 4 knowledge questions and 7 behaviour ones, so overall, knowledge and behaviour scores are not comparable. These scores are not comparable given that the Malta survey was carried out in between OECD's 2016 and 2018 survey cycles, hence the Malta survey research instrument was designed on a draft OECD questionnaire, which was not yet finalised. The next Malta survey is planned to sync with OECD's next survey cycle.

*** Thailand has used the 2015 OECD Toolkit and the behaviour score is thus not comparable.

Averages exclude France, Malta and Thailand. The OECD-11 average includes the OECD member countries in the sample for which there is data, which are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Financial knowledge

Financial knowledge is an important component of financial literacy for individuals to help them compare financial products and services and make appropriate, well-informed financial decisions. A basic knowledge of financial concepts and the ability to apply numeracy skills in a financial context, ensures that consumers can navigate with greater confidence financial matters and react to news and events that may have implications for their financial well-being.

This section looks at the levels of basic financial knowledge, focusing on responses to seven questions designed to test different aspects of knowledge that are widely considered to be useful to individuals when making financial decisions. It first looks at the responses to individual questions, before reporting on the distribution of financial knowledge scores and looking at the proportion of the population scoring at least 70% (considered to be the minimum target score).

Financial knowledge questions

The survey toolkit contains seven financial knowledge questions that participants are expected to answer. A financial knowledge score is created by allocating one point for each correct answer with the maximum possible being seven. Providing correct answers requires basic knowledge of financial concepts like inflation (the time value of money), both simple (the price of money across time) and cumulative (the benefits of long-term saving/investing) interest and risk (the cost of financial return).

On average across the sample, understanding simple interest charged on a loan proves to have been the question most widely answered correctly (84.4% of all adults gave correct answer; and 87.5% of adults of OECD member countries). Understanding both simple and compound interest, however, has proven to be a very challenging concept. Only about one-third of the respondents (26.3% average for the entire sample; 28.8% across OECD member countries participating in the survey) were able to show understanding of both. Around 80% (79.0% across all economies and 80.9% for OECD member countries) of adults identified the correct meaning of inflation, however only 59.9% on average (65.5 across OECD member countries) were able to apply this definition to identifying the value of money across time. The concept of risk and uncertainty were explored in two questions: first question on seeking understanding of the relationship between risk and return, and the second looking for understanding of risk and diversification. Surveyed adults coped better with the first one with 77% (79% for OECD member countries) giving a correct answer to the question on risk and return. Considerably fewer (58.9%, or 63.3 for OECD member countries) gave a correct answer to the second question on risk and diversification.

Table 3 provides the percentages of adults from each participating countries who provided correct response to the seven financial knowledge questions.

Figure 3 shows the distribution of financial knowledge scores across countries/economies.

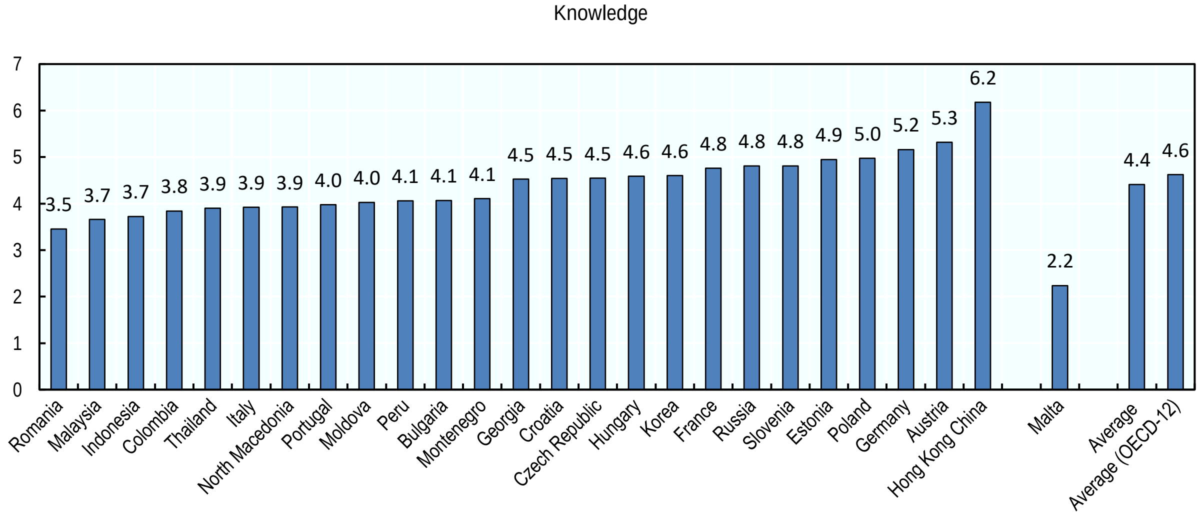
Table 3. Correct answers to the seven financial knowledge questions (%)

Percentages of respondents who gave correct answers to the seven financial knowledge questions. Weighted data. Countries/Economies are listed alphabetically

	Time value of money	Understanding interest paid on a loan	Simple interest calculation	Understanding correctly both simple and compound interest	Understanding risk and return	Understanding the definition of inflation	Understanding risk diversification
Austria	73.4	89.0	78.6	49.0	91.7	88.9	61.3
Bulgaria	51.7	71.5	52.7	30.3	76.5	78.6	45.4
Colombia	49.7	93.4	10.7	1.8	84.3	86.9	57.3
Croatia	60.8	89.3	63.7	24.4	74.7	76.4	65.0
Czech Republic	71.9	84.0	50.4	21.0	78.1	80.2	69.0
Estonia	81.9	84.4	66.4	36.7	77.5	86.1	61.7
France	55.9	87.8	64.9	33.6	80.4	79.2	74.3
Georgia	75.9	88.7	43.5	23.6	79.3	87.4	54.2
Germany	85.9	91.5	62.6	40.0	80.2	85.2	70.8
Hong Kong, China	84.3	98.9	95.9	71.1	93.3	94.3	79.7
Hungary	66.8	90.4	55.9	18.3	81.2	84.7	61.6
Indonesia	45.7	70.2	47.7	12.2	75.3	76.0	45.1
Italy	50.5	78.2	59.4	23.1	64.7	65.1	51.3
Korea	60.5	89.6	62.6	25.9	79.9	76.9	64.7
Malaysia	35.7	56.1	42.9	24.8	77.6	76.5	52.1
Malta *	14.7	92.8	89.7	26.7			
Moldova	67.5	80.0	43.5	14.2	74.4	68.2	54.6
Montenegro	61.4	87.4	65.8	13.9	75.9	70.4	35.9
Peru	55.2	92.5	21.5	6.3	82.6	85.7	62.0
Poland	60.8	88.0	71.2	36.5	86.7	83.0	71.4
Portugal	55.8	87.4	42.6	19.8	72.0	74.7	45.1
North Macedonia	60.8	72.9	44.8	12.3	68.6	78.2	55.1
Romania	36.9	76.5	41.3	14.3	64.9	65.2	46.2
Russia	65.4	91.5	74.2	35.0	77.1	68.4	69.4
Slovenia	72.7	85.1	60.5	39.3	71.7	80.5	71.3
Thailand	55.0	77.1	71.4	29.1	59.2	53.2	47.3
Average	59.9	84.4	57.1	26.3	77.1	78.0	58.9
OECD-12 ^^	65.5	87.4	57.2	28.8	79.0	80.9	63.3

Note:
* Malta asked only 4 knowledge questions.
^ Excludes Malta
^^ The OECD member countries listed in this table are: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 3. Financial knowledge score



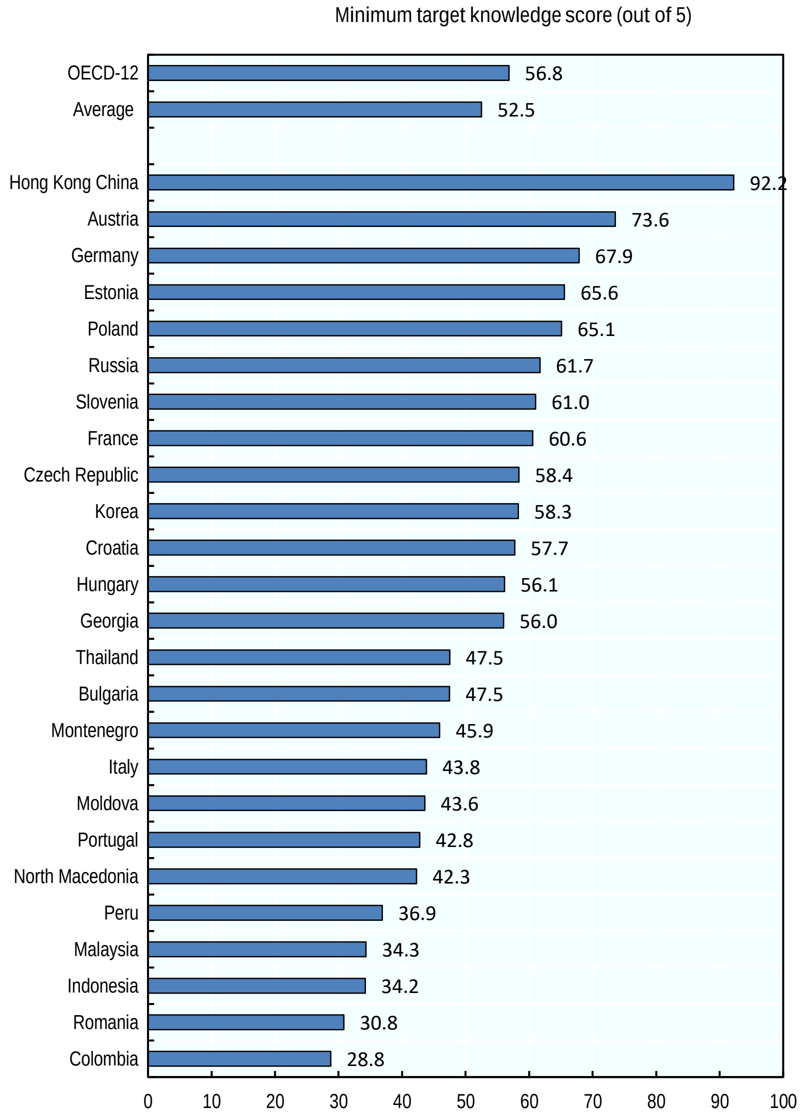
Note: Averages exclude Malta (Malta asked only 4 knowledge questions). The OECD-12 average includes current OECD member countries in the sample: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia

Minimum knowledge target score

Across the global sample, 52.5% of the respondents gave five or more correct answers, reaching what is considered the minimum score for a financially knowledgeable person. This share was higher (56.8%) across adults in OECD member countries participating in the survey. Some 92.2% of adults in Hong Kong, China reached the minimum target score, while in 12 economies (just under half of the sample of 26) less than 50% of the adults were able to answer at least 5 financial knowledge questions correctly (see Figure 4).

Figure 4. Minimum target score (5 or more) on financial knowledge

Percentages of respondents who gave correct answers to five or more question on financial knowledge.



Note: Malta asked only 4 knowledge questions and is not included in this calculation.
The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

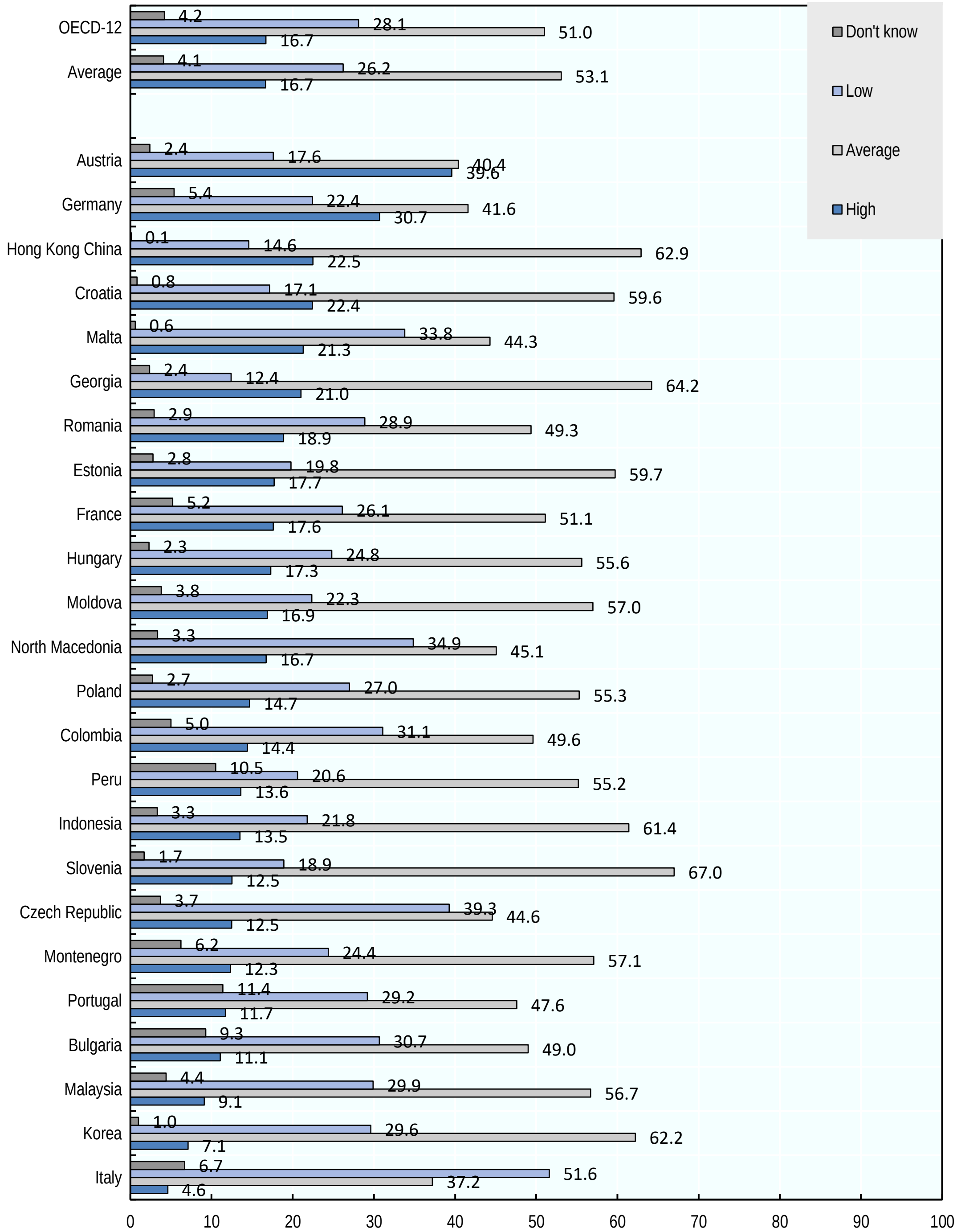
Self-reported financial knowledge

The survey asked participants to rank their own financial knowledge. This question is used to understand how confident individuals are in their own financial knowledge, which may lead them to more active use of financial products and services, but also riskier behaviour.

The results of the self-reported financial knowledge question is illustrated in the Figure 5.

Figure 5. Self-reported financial knowledge

Percentages of respondents self-assessing their financial knowledge. Sorted by the answer: high.



Note: Excludes Russia and Thailand who did not ask this question.
The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Clearly, the largest number of respondents preferred to assess their own financial knowledge as average, some 53.1% (51.0% among adults in the OECD). Only 16.7% of the respondents were confident in their financial knowledge, while 26.2% (28.1% across OECD member countries) ranked their own knowledge as low. Only in Austria did an equal proportion of respondents rank their own financial knowledge as high and average (both groups were around 40% of adults interviewed in Austria). The least confident respondents were in Italy, where 4.6% suggested their financial knowledge is high, 37.2% suggested it is average and as many as 51.6% self-assessed low knowledge (6.7% replied they did now know, which in itself may be a self-assessment). This matches to reality as Italy has a low proportion of adults being able to reach the minimum target score (43.6%) and on average adults scored only 56.1% of the possible knowledge score. On the other hand, Hong Kong, China (22.5%), Austria (39.6%) and Germany (30.7%) have high proportion of people who are confident in their financial knowledge and adults there scored high in the financial knowledge score (achieving 88.2%, 76.0% and 73.7% of the maximum respectively).

There is, however, substantial variation in the responses across the individual economies (see Figure 5). In Hong Kong, China; Croatia; Germany and Austria, a greater proportion of adults assessed their own financial knowledge as high than as low. In the rest of the countries/economies in the sample, the reverse tendency is observed.

Financial behaviour

Consumers' actions and behaviour are important in shaping their financial situation and well-being; as well as having the greatest impact on the financial literacy score as calculated according to the OECD/INFE methodology. Some types of behaviour, such as failing to actively save money, putting off bills payment, failing to plan future expenditures or choosing financial products without shopping around, may impact negatively on an individual's financial situation and well-being.

The OECD/INFE Toolkit measures financial behaviour by incorporating a variety of questions to find out about three potentially prudent financial behaviours such as:

- *Saving and long-term planning*: a set of questions look to understand if individuals are actively saving, if they borrow or avoid borrowing to make ends meet in case of a short-term financial shortfall, as well as whether they set themselves long-term financial goals.
- *Making considered purchases*: questions explore if individuals have sought independent information or advice when considering making a purchase (of financial products and services); if they consider multiple options when selecting; and if they look to make informed decisions by shopping around rather than purchasing the most readily available product or service.
- *Keeping track of cash flow*: questions seek to understand if individuals keep a watch of financial affairs, and if they pay their bills on time and avoid falling into arrears.

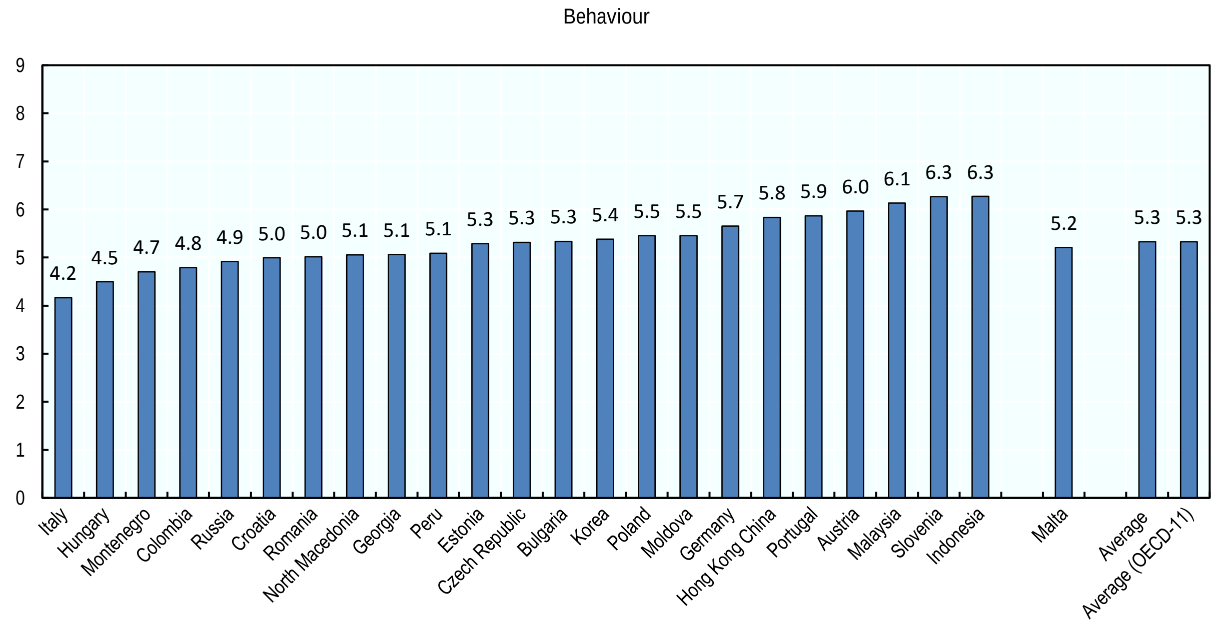
The financial behaviour questions together give an insight into individuals' actions related to their finances that if conducted may allow individuals to live a life with minimal financial stress. Planning and saving can ensure that individuals have some financial cushion in times of a shortfall of a sudden crisis. Making purchases that are necessary and avoiding excess, as well as looking for the best products for a good price, allows individuals to make their money "go a long way" and also live within their means and avoid indebtedness. Monitoring inflows and outflows of money, as well as meeting essential expenditure first also allows individuals to avoid falling into debt. These insights are grouped into the financial behaviour score, illustrated in Figure 6.

Out of the maximum behaviour score of 9, on average adults scored about 5.3 across the whole sample and across adults of OECD member countries. The highest behaviour scores, above 6 (or over two thirds of the score), were achieved by adults in Indonesia (6.3), Slovenia (6.3), Malaysia (6.1) and Austria (6.0).

The lowest scores, all under 5 (or about 56% of the total) were in Russia (4.9), Colombia (4.8), Montenegro (4.7), Hungary (4.5) and Italy (4.2).

Figure 6. Financial behaviour

Financial behaviour score calculated from a number of statements related to budgeting, shopping around for products, saving money, carefully controlling expenditure and avoiding indebtedness. Maximum possible score is 9.

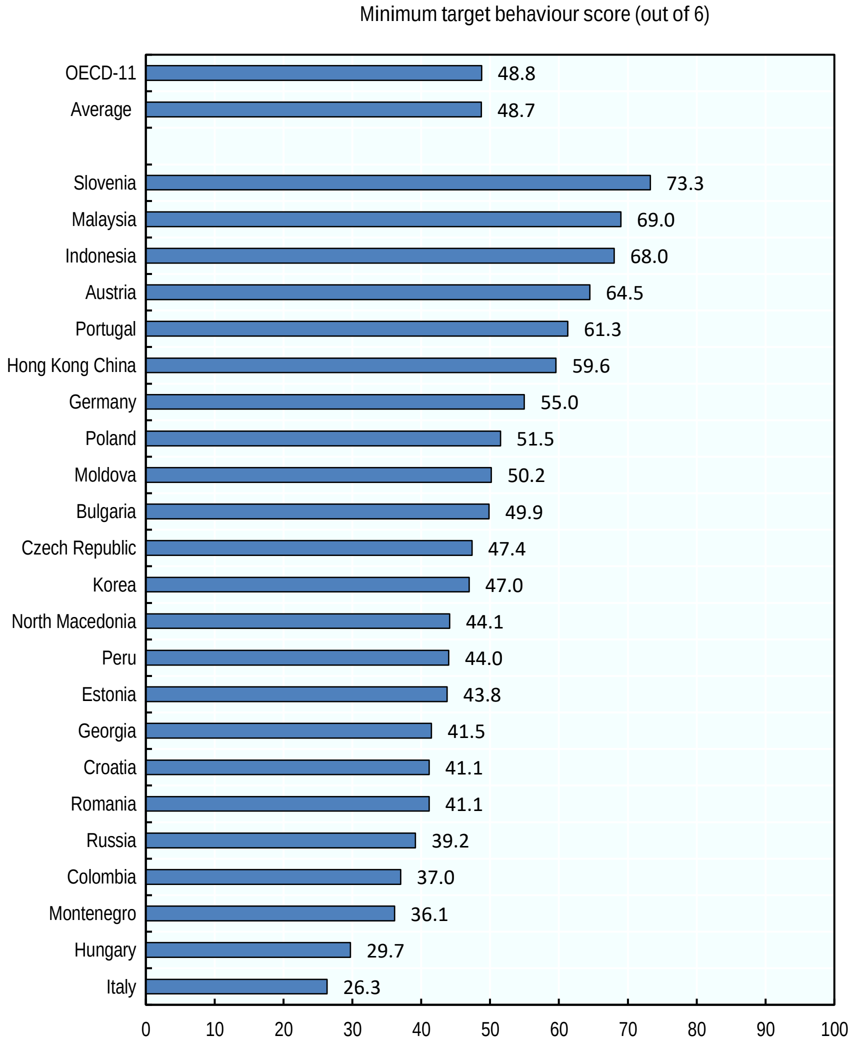


Note: Malta asked 7 out of the 9 behaviour questions; Thailand is excluded from this charts because it has used the 2015 OECD Toolkit and the behaviour score cannot be calculated consistent with other participants from existing data; France did not gather behaviour data and is excluded from this chart.

Averages exclude Malta. OECD averages related to financial knowledge and self-assessed knowledge include 12 economies in total because they include data for France. All OECD averages, other than those of financial knowledge and self-assessed knowledge, include 11 economies, as they exclude France, which did not submit such data. The OECD=11 average includes current OECD member countries in the sample: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 7. Minimum target behaviour score

Percentages of respondents who scored six or more on the question on financial behaviour.



Note: Excludes France, Malta and Thailand who either did not collect data on behaviour, or did not ask sufficient behaviour questions to be included in the behaviour score.
The OECD member countries in this chart are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 7 lists the percentage of adults who achieved the minimum target behaviour score (6 or higher out of 9). On average, half the adults in the sample were able to achieve this (just under 49%). There was very large dispersion in the percentage of adults achieving the minimum score among economies. About 73.3% of adults in Slovenia scored 6 or above in financial behaviour, while only 26.3% in Italy and 29.7% in Hungary.

Important elements of financial behaviour included in the financial behaviour score are characteristic of financial resilience (such as saving, being in control of money, avoiding financial shortfalls and the resultant indebtedness). These are explored in detail in Section 3.

Financial attitude: attitudes to longer-term financial planning

The OECD/INFE definition of financial literacy recognises that even if an individual has sufficient knowledge and ability to act in a financially prudent way, their attitudes will influence their decision of whether or not to act: "A combination of awareness, knowledge, skills, attitudes and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being."[9]

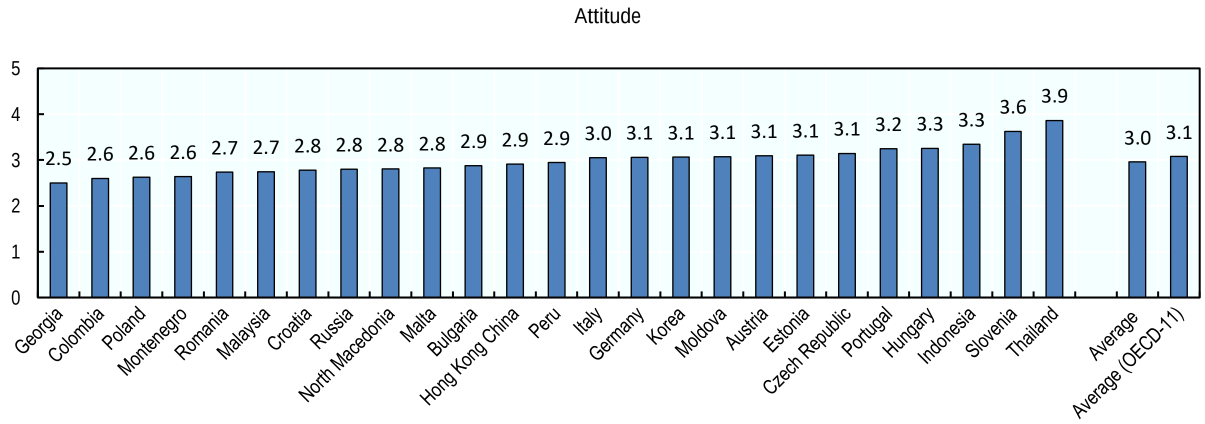
The OECD/INFE Toolkit therefore includes three attitude statements to gauge respondents' attitudes towards money and planning for the future. A higher score is given to those respondents that exhibit more positive attitudes towards the long-term and towards saving. The questions ask people to use a scale to indicate whether they agree or disagree with the following statements:

- "I tend to live for today and let tomorrow take care of itself" (long-term).
- "I find it more satisfying to spend money than to save it for the long-term" (saving and the long-term).
- "Money is there to be spent" (long-term and saving).

Each of the statements focuses on preferences for the short-term through 'living for today' and spending money. These kinds of preferences are likely to hinder behaviours that could lead to improved financial resilience and well-being. The toolkit aims to capture the extent to which people show more financially literate attitudes: that is, the extent to which people disagree with the statements.

Across the surveyed sample of economies, adults scored 3.0 (3.1 for OECD member countries) on average out of a maximum of 5 (Figure 8) and yet only 42.5% (46.9 for OECD member countries) of adults were able to achieve the minimum target score of over 3 (Figure 9). The highest scores were achieved by adults in Thailand (3.9) and Slovenia (3.6), while the lowest – Georgia (2.5) and Colombia, Poland and Montenegro (all with 2.6).

Figure 8. Financial attitude score



Note: This chart excludes France, which did not gather data on attitudes.
The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

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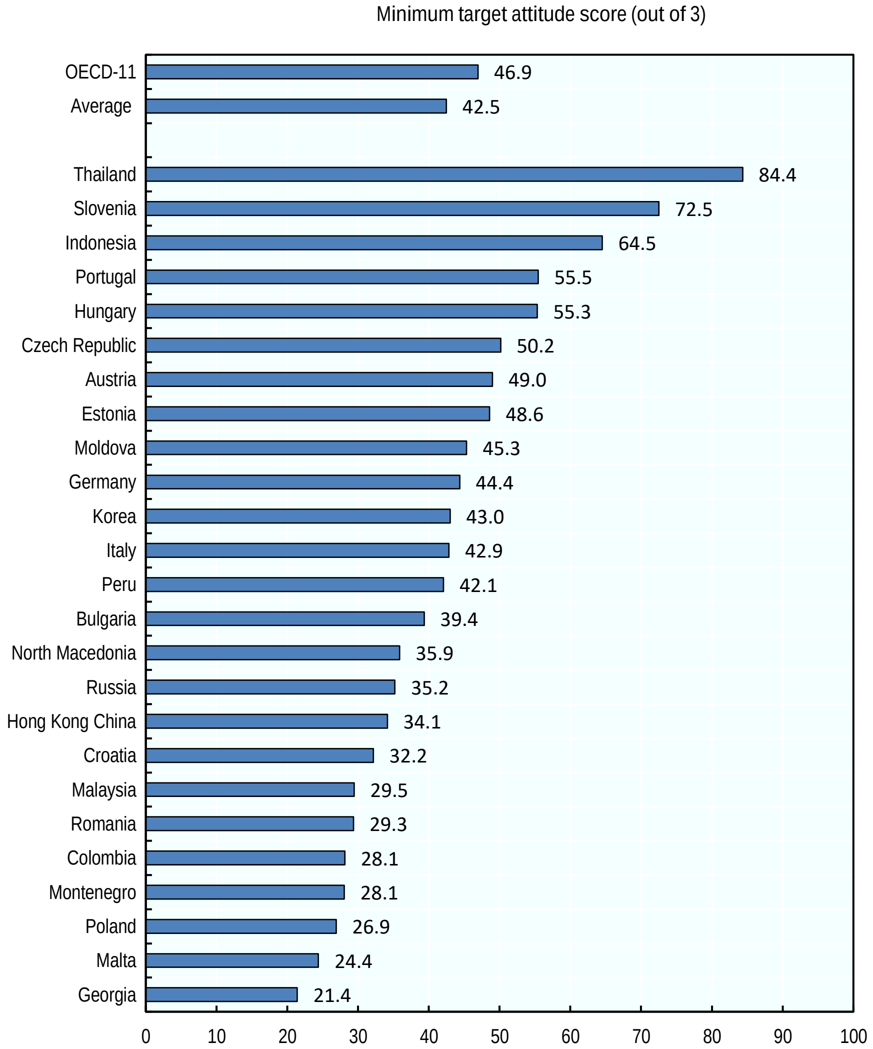
[9] OECD (2018), OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion.

Figure 9. Minimum target score (more than 3) on financial attitudes

Percentages of respondents who scored four and five in the attitude score.



Note: This chart excludes France, which did not gather data on attitudes;
The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

2 Financial inclusion measures

It is globally recognised that financial literacy and financial inclusion,[10] along with a robust financial consumer protection framework, are vital to the empowerment of individuals and can contribute the overall stability of the financial system. It is therefore valuable for policy makers to have information about the levels of financial inclusion of consumers alongside a measure of their financial literacy.

This section provides additional insights into the extent to which survey respondents are active financial consumers.[11] It focuses on measures designed to go beyond simple supply side discussion of access and provides a more nuanced view of financial inclusion from the consumer's perspective.

Product awareness appears high across the surveyed 26 countries and economies; however use is relatively low - less than half of the respondents purchased a financial product or service. Payment products are most widely used, while insurance products the least.

More than 80% of the adults surveyed (83% for the whole sample and 86% for OECD member countries) responded they are aware of at least five different financial products. Less than 50% (46% for the total sample and 41% across OECD member countries) purchased a financial product or service in the past year. About one fifth (23% for the total sample and 18% across OECD member countries) turned to close family, friends, or their network of relatives to borrow or save money, thus avoiding the formal financial system.

Most utilised were payment products with 69.6% of respondents suggesting they used a payment card, account, or a mobile payment service (81.2% across OECD member countries). For the entire sample, least used were insurance products, only 37.3% of adults suggesting having purchased one in the past year. Across OECD member countries this was true for credit products, where 43.3% of adults used any type of formal loan. Around half of adults (51.3% of the total sample and 49.6% across OECD member countries) used a savings, investment, or a retirement products that was not mandatory in their jurisdiction.

Product awareness and choice

Financial inclusion is a two-sided process, requiring the provision of appropriate financial products on the supply side and awareness of those products on the demand side. Figure 10 shows that awareness is not an issue in most of the economies covered in this study, with 83% of respondents, on average, being

[10] Financial inclusion refers to the process of promoting affordable, timely and adequate access to a wide range of regulated financial products and services and broadening their use by all segments of society through the implementation of tailored existing and innovative approaches including financial awareness and education with a view to promoting financial well-being as well as economic and social inclusion (Atkinson and Messy, 2013).

[11] These data are not designed to be directly comparable to other national and global measures of financial inclusion due to the questions asked. For example, some other measures of access to a bank account combine information about payment products and savings accounts, whereas this report keeps the two separate

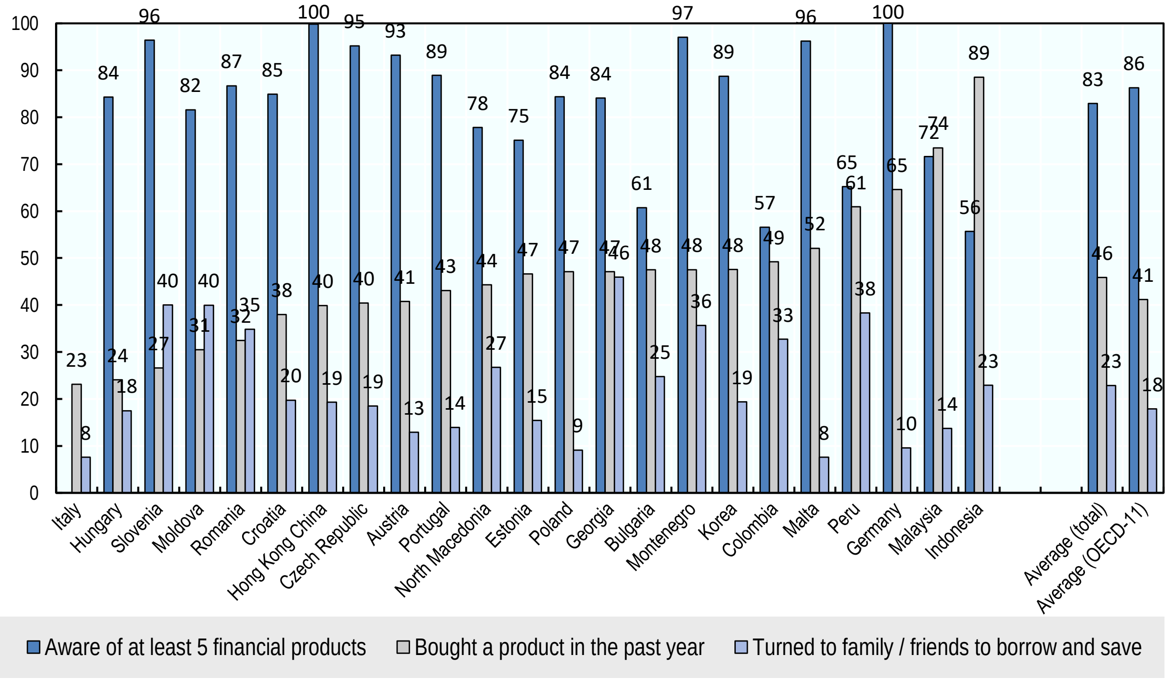
aware of at least 5 types of product listed in the questionnaire. Across the 11 OECD participating economies, the average percentage of awareness was even higher, 86%.

About 46% of individuals globally (41% across the OECD-11) bought financial products in the last year before being interviewed. The variations between individuals' economies are large. Over 70% of adults in Indonesia (89%) and Malaysia (74%) report recently buying a financial product; in the majority of economies between 40% and 50% of adults have purchased a product over the past year, while in Italy (23%), Hungary (24%) and Slovenia (27%) – under 30% of adults have done so.

The third indicator used in Figure 10 seeks to highlight the extent to which individuals may also have been turning to family and friends to provide services that could be provided by the financial sector. Whilst there are many potential advantages from receiving support from family members, there are also risks. This indicator can also illustrate the level of informality in the financial sectors of the participating economies. Some 23% of adults on average (18% across the OECD-11) report turning to their family network for financial services. The highest proportion are reported in Georgia (46%), Slovenia (40%) and Moldova (40%); while the lowest in Italy (8%), Malta (8%) and Poland (9%).

Figure 10. Indicators of financial inclusion

Base: all respondents. % included on each measure. Multiple categories possible. Sorted by "Bought a product in the past year".



Note: Derived variables; France, Russia and Thailand have not provided financial inclusion data. There is no data for product awareness for Italy. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Product holding

A set of four indicators identify respondents who currently hold:

- saving, investment or retirement products, which are not mandatory (such as state pension, obligatory health insurance, or others);
- payment products (or transaction accounts), such as a current account or mobile money (excluding credit cards, which are counted as a credit product and other types of accounts that may offer payment facilities such as savings accounts),debit cards or pre-paid payment cards ;[12]
- insurance products (vehicle, health, personal liability or home contents); and
- credit product (any formal bank loan, or mortgage).

The most widely held products are payment products. On average 70% of individuals reported holding such products, rising to over 80% for the OECD-11. Around half of the respondents from the total sample (51%) hold savings, investment, or retirement products, 44% hold credit products and the smallest proportion (37%) – insurance products. Of the respondents in the OECD member countries, about 50% report holding insurance products or savings, investment and retirement products; and 44% - credit products.

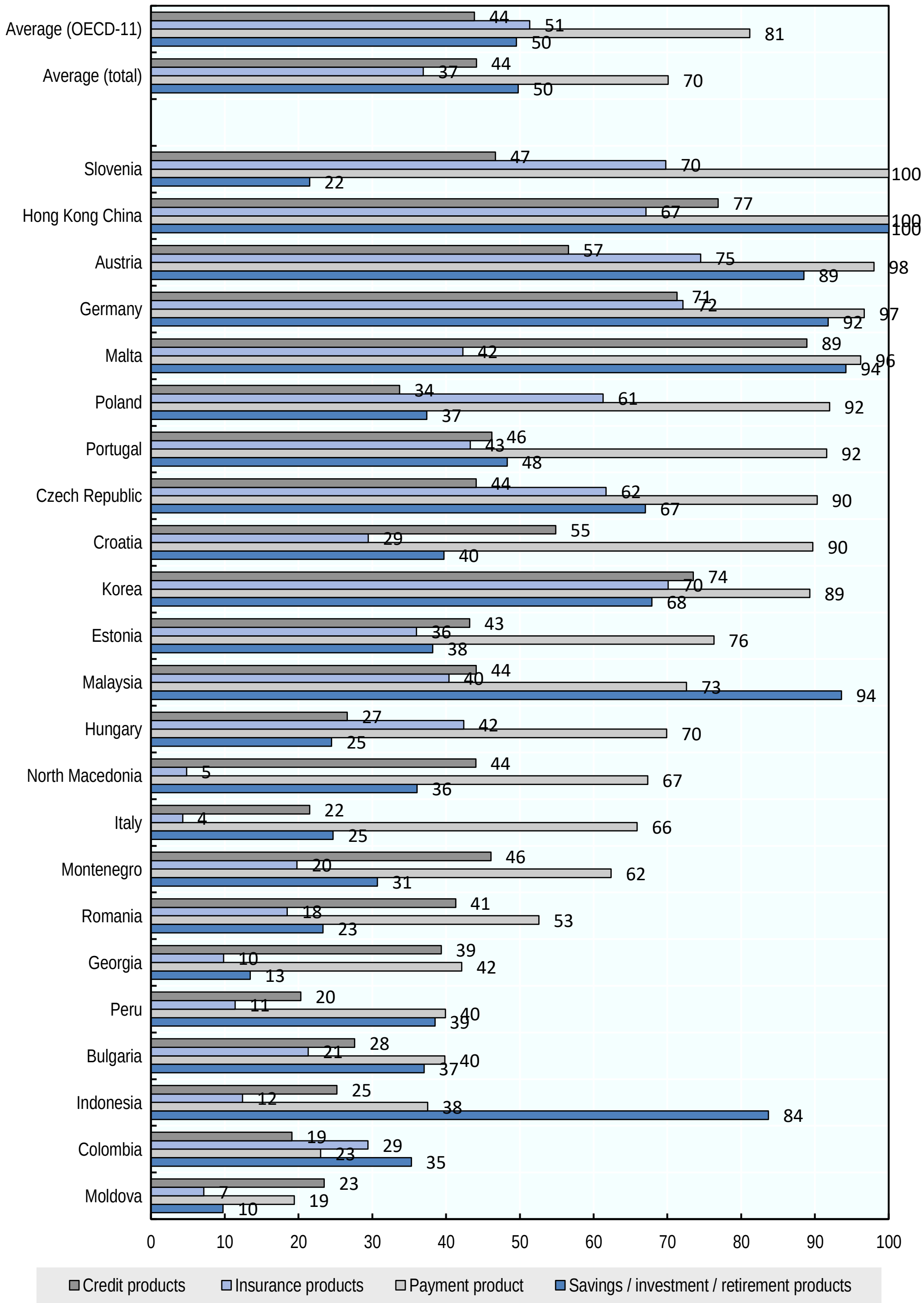
There is great heterogeneity in product holding across countries and economies. For instance, only 20% of adults in Moldova responded holding a formal payment product versus all of the adults participating in the survey in Hong Kong, China and Slovenia. There is also large variation in holding of formal savings, investment and private retirement products. Few adults in Moldova (10%) and Georgia (13%) hold such products, as about one quarter of adults in Slovenia (22%), Romania (23%) and Hungary (25%); while over 90% of adults in Hong Kong, China (100%), Malaysia (94%) and Malta (94%) do so.

The variation in holding credit products is smaller but still important. Between 15% and one-quarter of adults in six countries – Peru (15%), Colombia (19%), Italy (22%), Moldova (23%), Indonesia (25%) and Hungary (27%) – hold credit. In more than two-thirds of the countries/economies participating in the survey over 40% of adults hold credit or mortgage products.

[12] The four measures use pre-defined categories of products and do not count the same response in more than one measure, and so for example, products designed primarily for other reasons but which include payment facilities are not included in ‘payment products’. Note also, that as the payment products categorisation separates out savings accounts and payment accounts, it is not comparable to measures of ‘banked’ and ‘unbanked’ consumers, which typically combine both.

Figure 11. Product holding

Base: all respondents. % of respondents holding each type of product; sorted by "Payment product".



Note: Derived variables; France, Russia and Thailand have not provided financial inclusion data. There is no data for product awareness for Italy. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

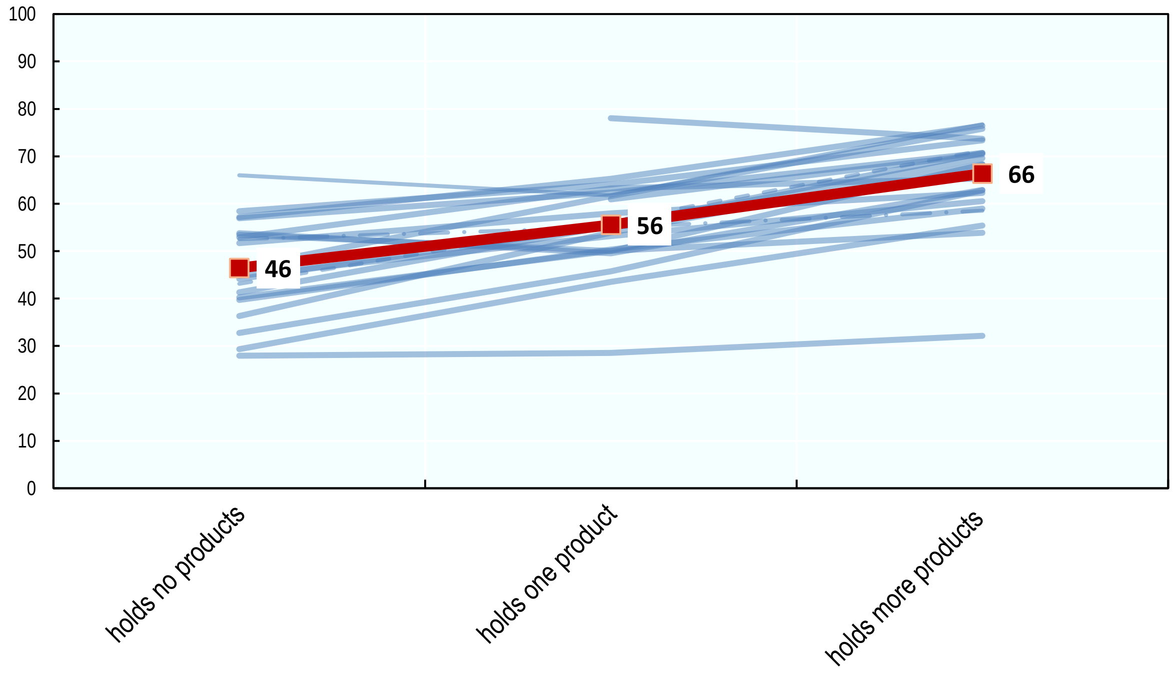
Financial knowledge levels and financial product holding

Figure 12 and Table 4 report the average levels of financial knowledge by product holding, by looking at the number of product types held across payment products, savings and investment, insurance and credit. It shows that financial knowledge is higher among the more financially included. The pattern is very similar across almost all the economies, even though the levels of financial literacy vary.[13]

This illustration does not aim to suggest a statistical association between financial inclusion and financial knowledge. It aims to show a trend, which is consistent across individuals in most of the countries/economies participating in this survey with very few exceptions.

Figure 12. Financial knowledge score, as a percentage of maximum, by number of products held

Base: all respondents. Financial knowledge score of adults split by product holding, as a percent of maximum score. Maximum financial knowledge score is 7.



[13] Malta is the exception at the bottom of the chart, however it only asked 4 knowledge questions, thus the data is not directly comparable.

Table 4. Financial knowledge score (% of maximum, by number of products held)

All respondents. Financial knowledge score of adults split by product holding, as a percent of maximum score. Maximum financial knowledge score is 7.

	holds no products	holds one product	holds more products
Austria	66	62	77
Bulgaria	43	56	71
Colombia	53	55	59
Croatia	44	55	70
Czech Republic	36	54	68
Estonia	57	65	76
Georgia	58	64	73
Germany		78	74
Hong Kong, China			88
Hungary	57	62	71
Indonesia	40	50	59
Italy	41	55	71
Korea	53	50	68
Malaysia	29	44	55
Malta	28	29	32
Moldova	53	63	65
Montenegro	54	50	63
Peru	52	58	62
Poland	47	62	76
Portugal	33	46	63
North Macedonia	45	53	61
Romania	40	50	54
Slovenia		61	70
Average (total sample)	46	56	66

Note: Missing data in this table indicates that in some economies there were no individuals who fall into the relevant category of product holding. For example, in Germany all individuals responded they hold at least one product.

3 Outcomes of financial education: resilience and well-being

Financial education aims to make individuals better prepared at managing their money, reaching their financial goals and avoiding stress related to financial problems, thus ultimately improving their financial well-being. Financial education policy is widely recognised as a core component of the financial empowerment and resilience of individuals, as well as contributing to the overall stability of the financial system.

This section looks at elements of financial resilience that are included in the OECD/INFE Toolkit. It also reports on a novel financial well-being score developed following the methodology of the Consumer Financial Protection Bureau (USA), a score that is calculated for the first time in the OECD/INFE's financial literacy reports. This section also includes a discussion and identifies some policy lessons that can be drawn by looking at the socio-economic consequences of the COVID-19 pandemic.

Large groups within many countries/economies have limited financial resilience.

- Availability of savings is important to meet any financial shocks during the lifetime of individuals. The survey suggests that one-third or some 28% of adults across the entire sample report only having a financial cushion of about one week, if they lose their main income. There are large differences between the economies in the survey, however, with the highest percent being 51% and the smallest 6%.
- Some 25% report they would be able to support themselves for about one month, 15% between three months and six months, and 18% for more than six months. Just over 14% respond they do not know, which in itself is revealing of either unpreparedness to consider such eventuality or lack of resources for a financial cushion.
- Just under 4% of adults on average across the entire sample report falling victims to some type of financial fraud (such as Ponzi schemes, phishing, or financial identity theft, for example) or received such poor service from a financial service provider that caused financial loss. There is high disparity between the proportions of fraud victims among economies.
- Financial stress is common. Across the sample, 42% of individuals noted that they worry about meeting their everyday living expenses. Some 40% are concerned about their financial situation and 37% report they are just getting by financially. There are differences across economies and yet even the lowest percent of adults who report they just get by financially in any one country is 18% (the highest is 66%). While these responses may reflect individual perceptions, biases and cultural traits, they do suggests that significant portion of the populations surveyed experience financial stress and worry about money matters persistently in their daily lives.

The average financial well-being average score of all the participants is about 50% of the maximum (47.4% for the total sample and 49.4% for OECD member countries). The range of scores is from highs of 57% of the maximum possible (Austria and the Czech Republic) and 55% (Hong Kong, China), to lows of 35% (Georgia) and 40% (North Macedonia). Adults in seven countries/economies scored over 50%, with the individuals in the rest of them score below the mean. This illustrates individuals' substantial discomfort with their financial and their financial situation. It should be kept in mind that this a subjective self-assessment of the individual's relation with money, based on the statements.

Elements of financial resilience

Financial resilience is an essential characteristic for citizens everywhere. It is needed to ensure individuals can cope with the predictable financial choices and difficulties in life, such saving enough over a very long period of time for a comfortable retirement, but also with unpredictable and highly unexpected shocks such as the current COVID-19 pandemic.

Individual financial resilience can be thought of as composed of six elements:

- *Keeping control over money*: keeping a regular watch on one's financial situation and avoiding indebtedness can minimise the risks of financial stress.
- *Taking care with expenditure*: a mark of financially prudent and thus resilience individuals is taking a good care with expenditure and considering the need and affordability of purchases.
- *Availability of financial cushion*: the availability of savings and the ability to support oneself for a period of time without income is important. Individuals are likely to experience periods when they have to live on their savings and while some are planned (periods of study or training, for instance), others like the currently unfolding economic crisis caused by the COVID-19 pandemic are unplanned and likely to result in loss of income for segments of societies globally.
- *Coping with a financial shortfall*: the frequency of experiencing a shortfall and the worry about one are revealing of the financial resilience of individuals.
- *Planning individual finances*: actively saving and pursuing long-term financial goals tend to be actions that boost the financial resilience of individuals.
- *Fraud awareness*: being aware of financial scams and possible fraud and taking care not to fall victim to one is a characteristic of a financially resilience (and literate) individual.

This section looks at each of these elements in turn.

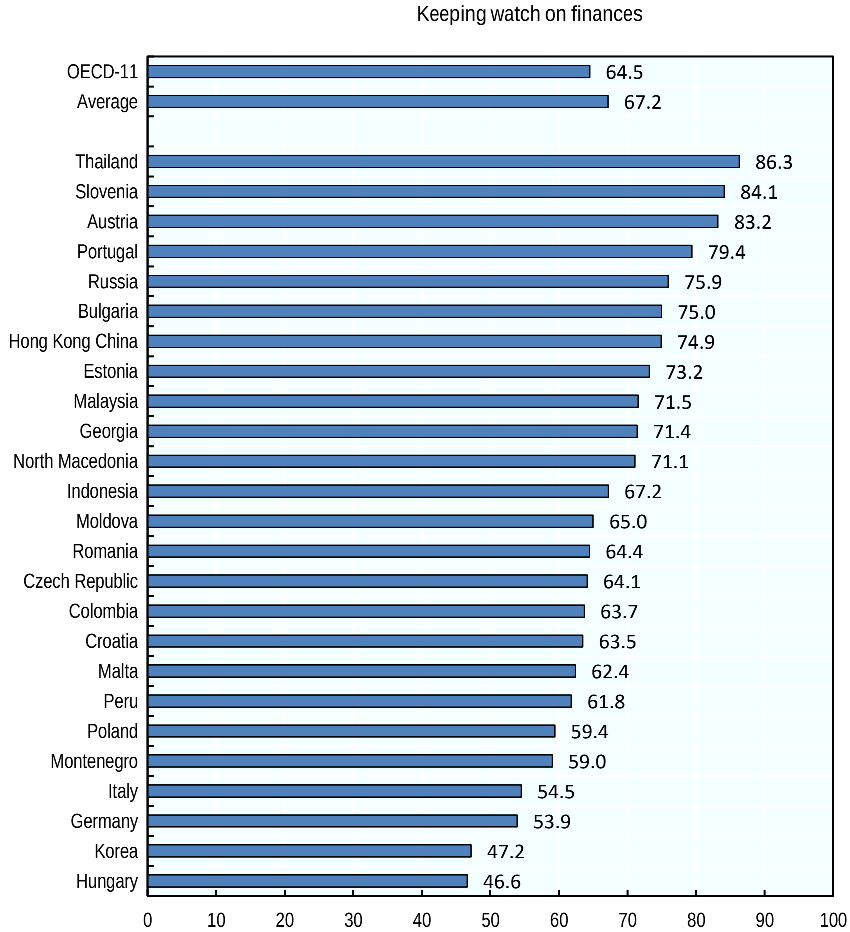
Keeping control of money

Keeping track of money flows, like planning and recording expenses, keeping a budget, making sure income matches or is greater than expenditure is a crucial characteristic of financial resilience. A further way of controlling ones' finances is avoiding indebtedness, especially for regular and conspicuous consumption. Debt taken out to cover every day consumption of the purchase of rapidly depreciating items tends to be short-term, costly and unsustainable in the long run.

Figure 13 shows that the majority of adults in the global sample indicate they keep a keen watch over their finances (the average for the total sample is 67.2% and for OECD member countries, 64.5%). Three countries report an average higher than 80%: Thailand (86.3), Slovenia (84.1), and Austria (83.2%). While there are differences among economies, only two report an average lower than 50% - Hungary (46.6%) and Korea (47.2).

Figure 13. Keeping watch over finances

Percentage of respondents who suggested they keep a keen watch over their finances.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

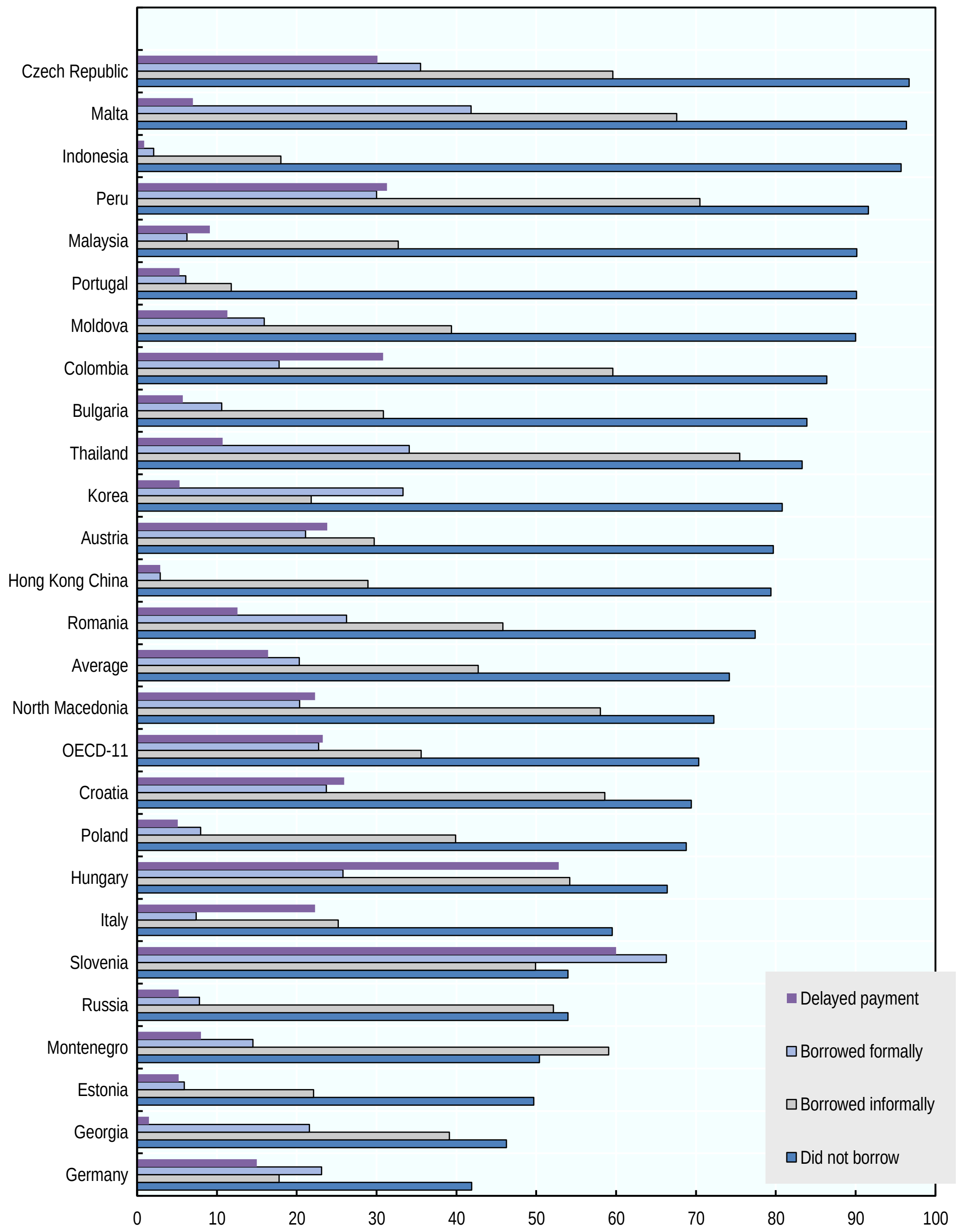
Figure 14 provides information on the methods of dealing with a financial shortfall. It records the responses of those who said they experienced a shortfall over the past 12 months (see Figure 19) and groups them into three categories: (i) borrowed formally; (ii) borrowed informally); and (iii) did not borrow.

The majority of people in all countries and economies (with the exception of Montenegro) avoided borrowing money to cover a temporary financial shortfall, but instead used savings, took on extra work, or sold possessions. On average, across the sample some 74.2% of respondents opted not to borrow when facing a financial shortfall, 42.9% borrowed informally (from family and friends, from an informal loan provider, other informal or non-regulated and licenced institutions), 20.3% borrowed from banks or formal loan companies and 16.4% delayed payment (or utilised an unauthorised overdraft).

The high proportion of informality may be a source of concern for policy makers. In Montenegro most respondents borrowed from informal sources (59.1%), while across Thailand (79.6%), Russia (52.1%), Slovenia (49.9%) and Georgia (39.1%), almost as many respondents opted to borrow from informal sources as those who opted not to borrow.

Figure 14. Ways of dealing with a financial shortfall (% of those who responded positively to having had a shortfall in the past 12 months)

Percentage of respondents who reported their ways of dealing with a financial shortfall. Statements grouped into (i) Borrowed formally, (ii) Borrowed informally, (iii) Did not borrow, and (iv) Delayed payment. Economies sorted by "Did not borrow". Respondents could provide more than one answer and percentages do not add up to 100%. See the Annex for tabulated data.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

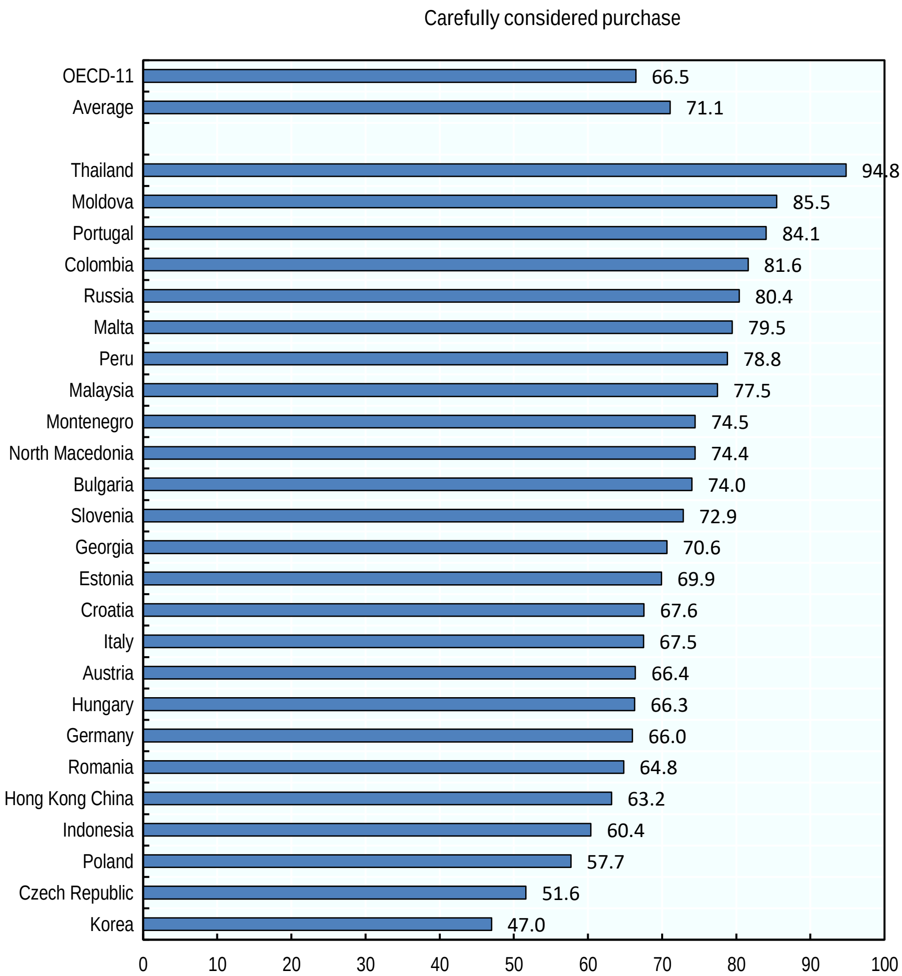
Taking care with expenses

Carefully considering expenditure against necessities and meeting financial obligations on time to avoid surcharges and transaction costs are marks of financial prudence and resilience.

The vast majority of respondents to the survey reported they carefully considered every purchase (over 70%) and paid their bills on time (about 80%) – see Figure 15 and Figure 16.

Figure 15. Carefully considering expenditure

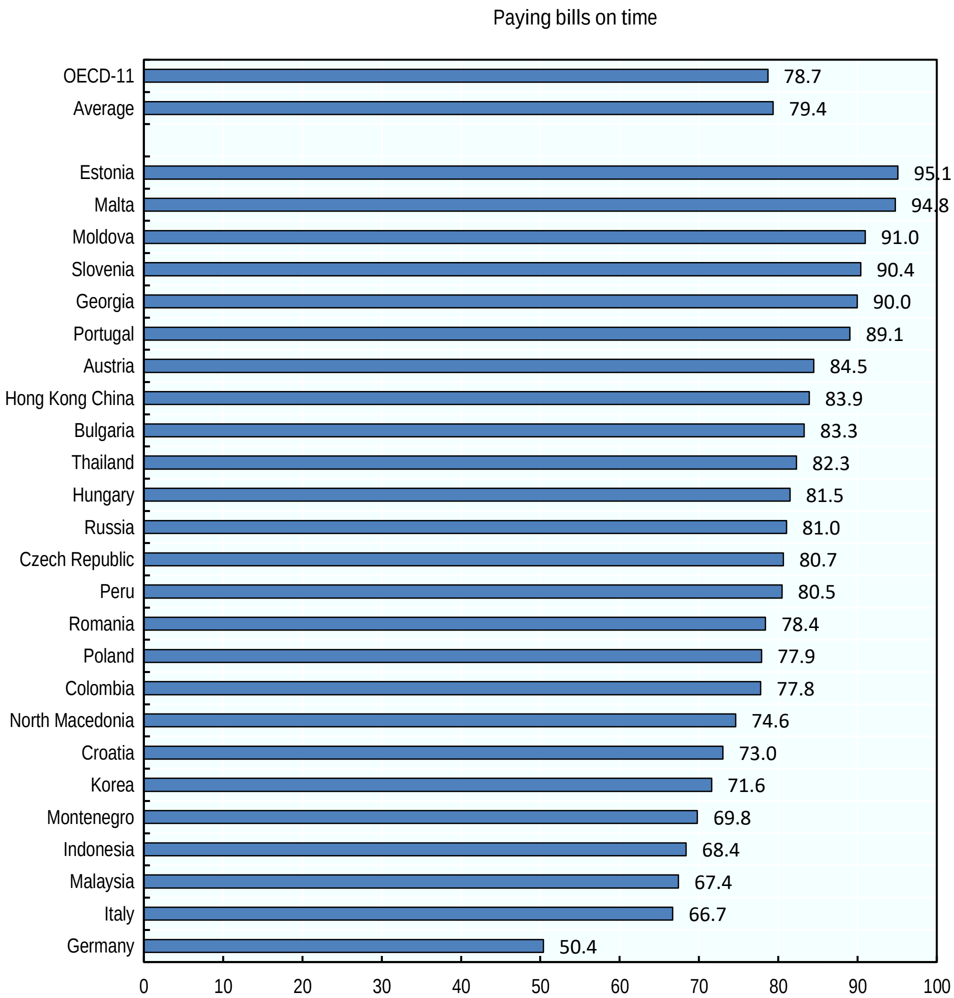
Percentage of adults who responded they carefully consider every purchase.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 16. Paying bills on time

Percentage of adults who reported paying their bills on time and without delays.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Financial cushion

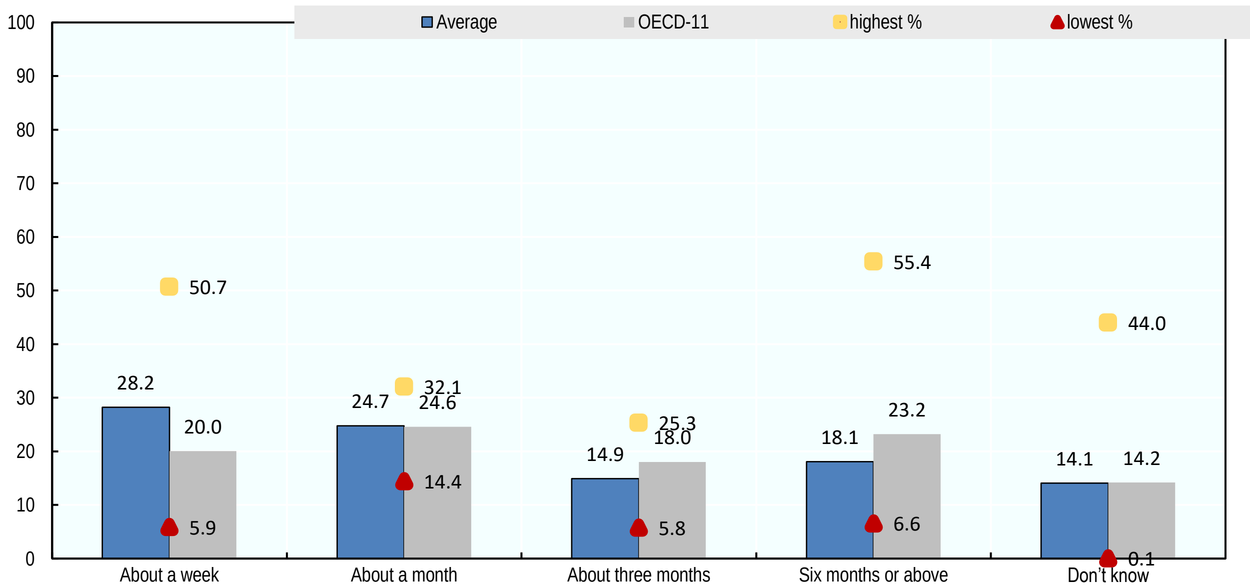
The OECD toolkit asks participants in surveys about the time period they could sustain themselves in times of loss of their main income: "If you lost your main source of income, how long could you continue to cover your living expenses, without borrowing any money or moving house?".

Table 5 presents the percentages of respondents who answered with a time period from under a week to over six months. Figure 17 illustrates the average percentage of respondents for each time period. It also presents the highest percentage of respondents from an economy in the sample that answered with a particular time period. This makes evident the large disparities behind the averages. Some 50.7% of respondents in Montenegro suggested they have a financial cushion for about one week in case of a loss of main income (without resorting to borrowing), while only 5.9% of adults in Hong Kong, China gave the same response. At the other end of the time scale - six months or above - some 55.4% of adults in Hong Kong, China provided this response and 6.6% of adults in Romania.

Figure 18 illustrates the disparity of available savings across all of the countries and economies that participated in the survey. The visible disparity is exemplified by the percentage of respondents who have a cushion of six months or longer in contrast to the percentage of those with a cushion of one week or less. The gap between the two is large - on average among the economies in the sample it is 20% between those respondents who have a financial cushion of six months or longer (18.1%) versus those with one with one week (28.2%). The gap of the average across OECD member countries is considerably smaller (only 3.2%). This gap may be illustrative of the availability of savings among adults in the different economies and their wealth, as well as possible financial precarity.

Figure 17. Availability of a financial cushion in case of loss of income

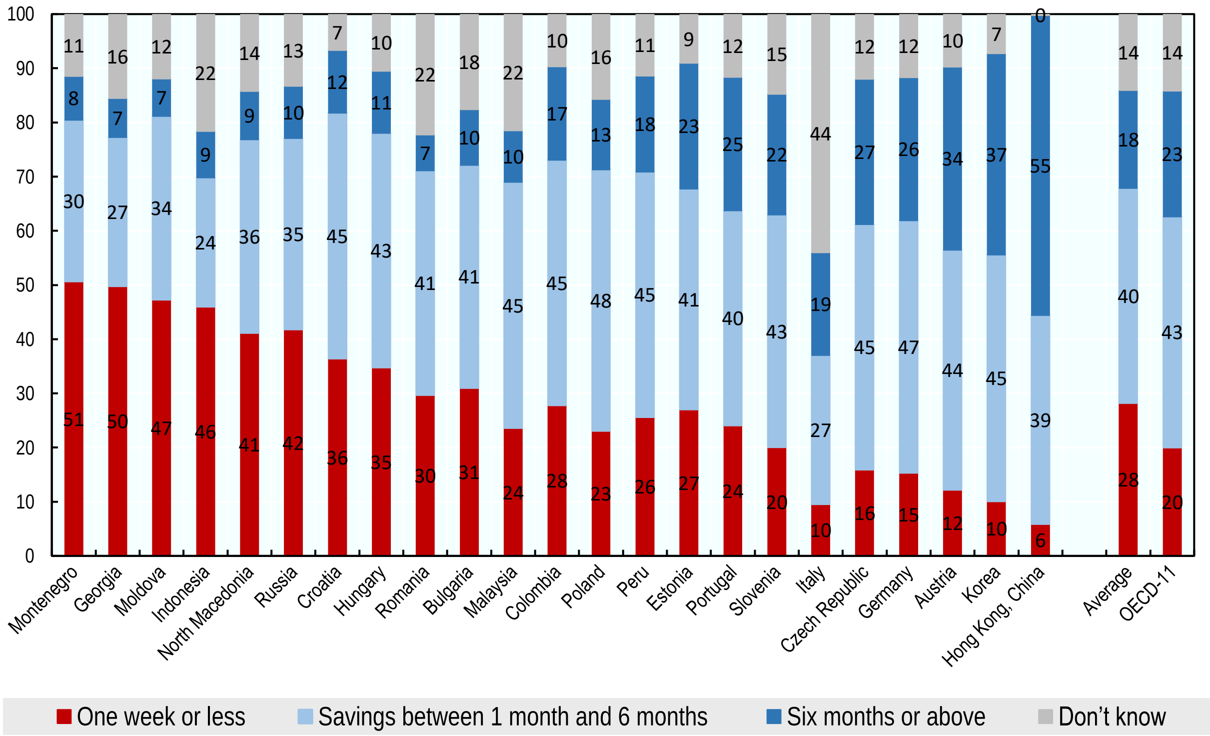
Percentage of adults who responded with the time they would be able to support themselves with current savings in case of loss of income. Average represents the mean of all the country responses; OECD-10 average represents the mean of adult respondents in the OECD member countries participating in the survey; Highest and lowest percent respectively represent a country with the highest and lowest percentage of respondents that mentioned each time period.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 18. Differences in available financial cushion

Percentages of adults who responded they have a financial cushion to last them (i) One week or less; (ii) Savings between 1 month and 6 months; and (iii) Savings of 6 months or above; and (iv) answers with don't know. Sorted by the size of the gap between (iii) and (i)



Note: Malta and Thailand did not ask this question in their surveys and are not in this figure. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Table 5. Availability of a financial cushion in case of loss of income

Availability of a financial cushion in case of loss of income. Economies in alphabetical order.
(percentage of respondents in each country)

%	About a week	About a month	About three months	Six months or above	Don't know
Austria	12.2	22.9	21.4	33.8	9.7
Bulgaria	31.0	26.2	14.9	10.3	17.6
Colombia	27.8	32.1	13.2	17.3	9.7
Croatia	36.4	29.7	15.7	11.6	6.7
Czech Republic	16.0	22.2	23.0	26.8	12.0
Estonia	27.1	25.2	15.5	23.2	9.1
Georgia	49.8	20.1	7.4	7.2	15.5
Germany	15.4	21.2	25.3	26.4	11.7
Hong Kong, China	5.9	16.3	22.2	55.4	0.1
Hungary	34.8	27.8	15.5	11.5	10.5
Indonesia	46.0	18.0	5.8	8.6	21.6
Italy	9.6	14.4	13.0	19.0	44.0
Korea	10.1	25.8	19.6	37.2	7.3
Malaysia	23.6	29.9	15.5	9.5	21.5
Moldova	47.3	25.3	8.6	6.9	11.9
Montenegro	50.7	21.5	8.3	8.1	11.5
Peru	25.6	32.0	13.3	17.8	11.4
Poland	23.1	29.2	19.0	13.0	15.7
Portugal	24.1	25.1	14.5	24.7	11.6
North Macedonia	41.2	23.9	11.8	8.9	14.2
Romania	29.7	30.2	11.2	6.6	22.3
Russia	41.8	25.5	9.8	9.6	13.3
Slovenia	20.1	24.6	18.3	22.3	14.7
Malta					
Thailand					
Average	28.2	24.7	14.9	18.1	14.1
OECD-11	20.0	24.6	18.0	23.2	14.2

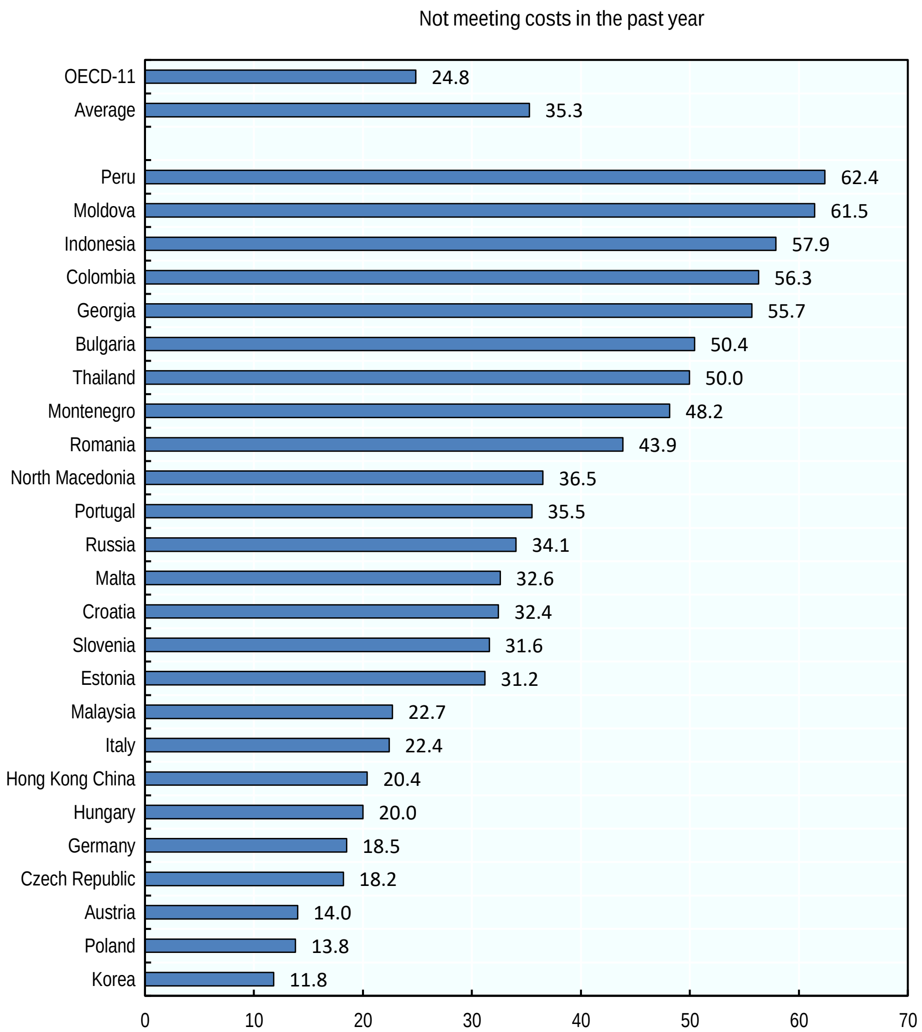
Note: Malta and Thailand did not ask this question. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Experiencing financial stress

Figure 19 illustrates the percentages of adults who responded that they experienced a financial shortfall (where expenses were higher than income at a particular time period) over the past 12 months. On average about 35.3% of adults in the sample experienced a shortfall and 24.8% of those in the OECD. However, there is a very large disparity among respondents in different economies. Some 62.4% of adults in Peru suggested they experienced a shortfall, while only 11.8% of those in Korea. In seven of the participating countries and economies (which is just under one third of all the participating economies in the survey) over 50% of adults report experiencing a shortfall (Peru, Moldova, Indonesia, Colombia, Georgia, Bulgaria, Thailand).

Figure 19. Experiencing financial shortfall

Percentage of respondents who report experiencing financial shortfall (expenses are higher than income) in the past 12 months.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

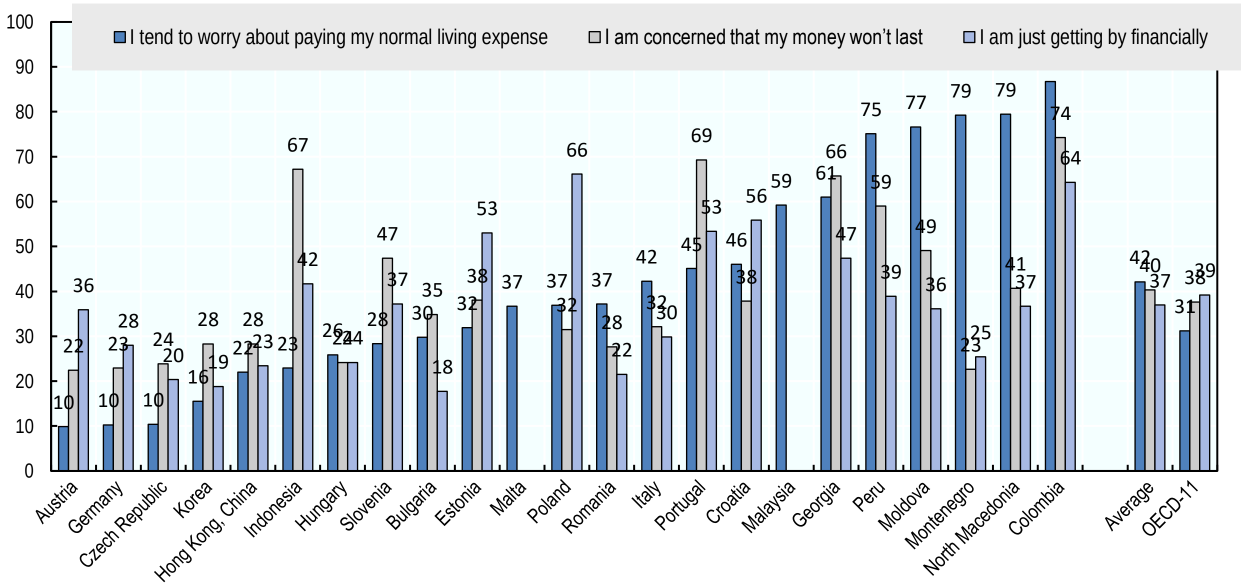
The OECD toolkit also asks how adults think about their financial situation. Figure 20 illustrates the proportion of adults who agreed with the following statements that reveal financial stress and financial precarity:

- "I tend to worry about paying my normal living expenses."
- "I am concerned my money won't last."
- "I am just getting by financially".

While these statements can be interpreted differently by respondents they are designed to allow respondents to express stress they feel due to financial matters. The averages for the entire sample and the OECD member countries illustrate this argument. Between 30%-40% of respondents tends suggest they feel under stress in their daily lives due to financial issues.

Figure 20. Experience of financial stress and concern

Percentage of adults who agree with the statements of financial stress and concern. Sorted by percentage those responding “I tend to worry about paying my normal living expenses”. More than one response possible and percentages do not add up to 100%.



Note: Thailand has not asked these questions in their survey so is excluded from this figure. Malta and Malaysia only asked the first question “I tend to worry about paying my normal living expense”. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Financial planning

Core competencies of financial literacy typically stress the importance of having/building up ‘rainy day’ savings, as well as saving for longer-term goals.[14] Regular and active saving builds up a financial cushion and allows individuals to pursue long-term financial goals.

Figure 21 and Figure 22 illustrate the responses of surveyed adults who reported actively saving and planning towards financial goals in the future. On average 70.4% of adult respondents were identified as active savers. This average is lower for OECD member countries (68.9%). There is a large disparity between economies. Over 90% of adults in Indonesia (99.7%), Poland (98.2), Korea (96.0%), Thailand (92.6%) and Malta (92.0%), reported being active savers. On the contrary, under 40% of adults in Colombia (37.0%), Russia (37.6%) and Italy (39.1%) reported actively saving.

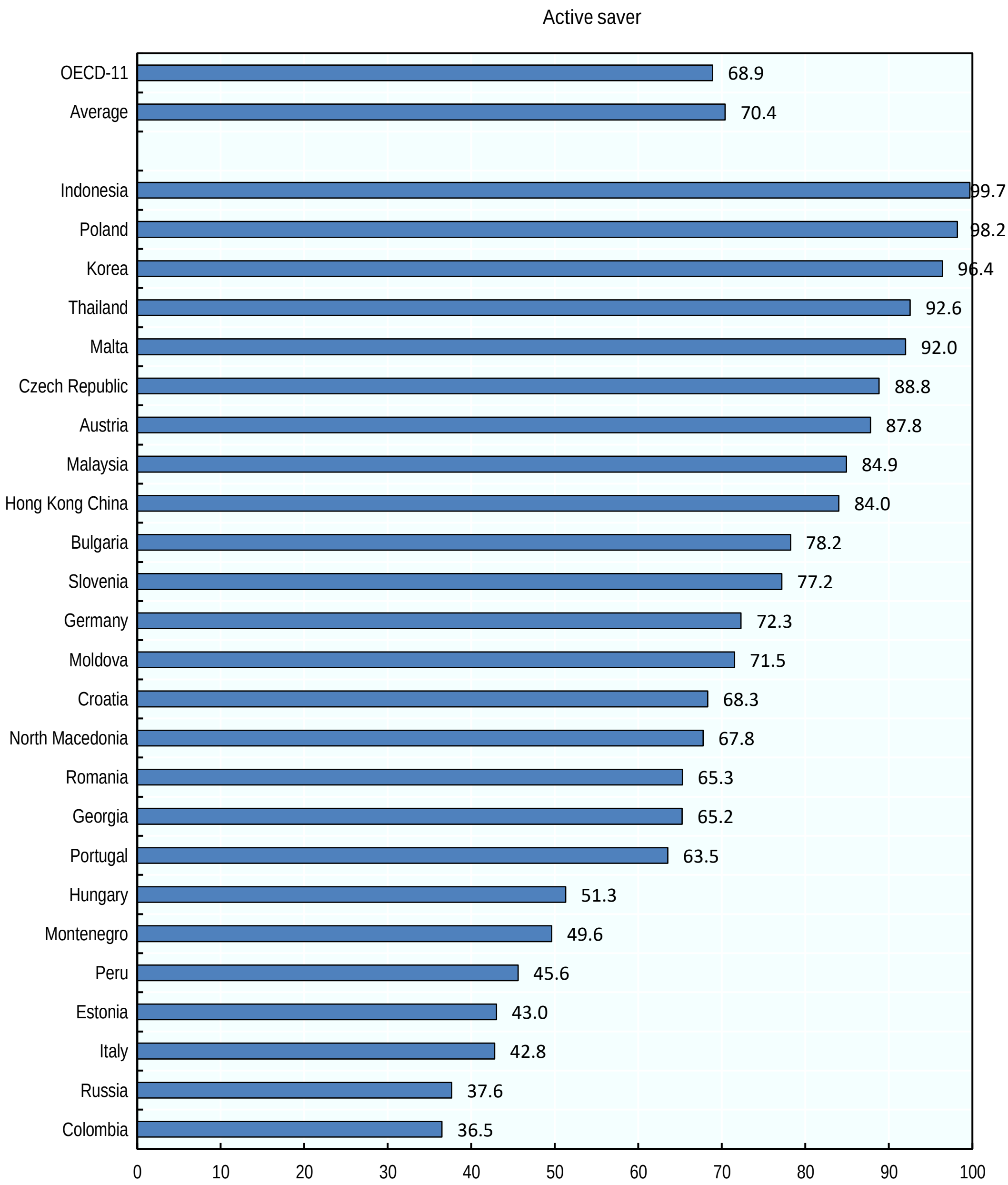
Fewer adults report financially planning for the future. The entire sample average was 48.8% (44.9% for OECD member countries). Most adults in Thailand (72.4%) and Indonesia (70.5%) report financial planning for the long-term. Interestingly, some economies where a large proportion of adults report saving, like

[14] See for instance the OECD (2016), G20/OECD INFE Core competencies framework on financial literacy for adults (https://www.oecd.org/finance/Core-Competencies-Framework-Adults.pdf).

Czech Republic for instance (88.9%), have very low proportion of adults reporting they plan for the long-term (32.8%). A further, reverse, example is Colombia where 62.9% of adults report planning for the long-term, but only 37.9% were actively saving to achieve these plans. It may require further research and analysis to understand such disparities.

Figure 21. Active saving

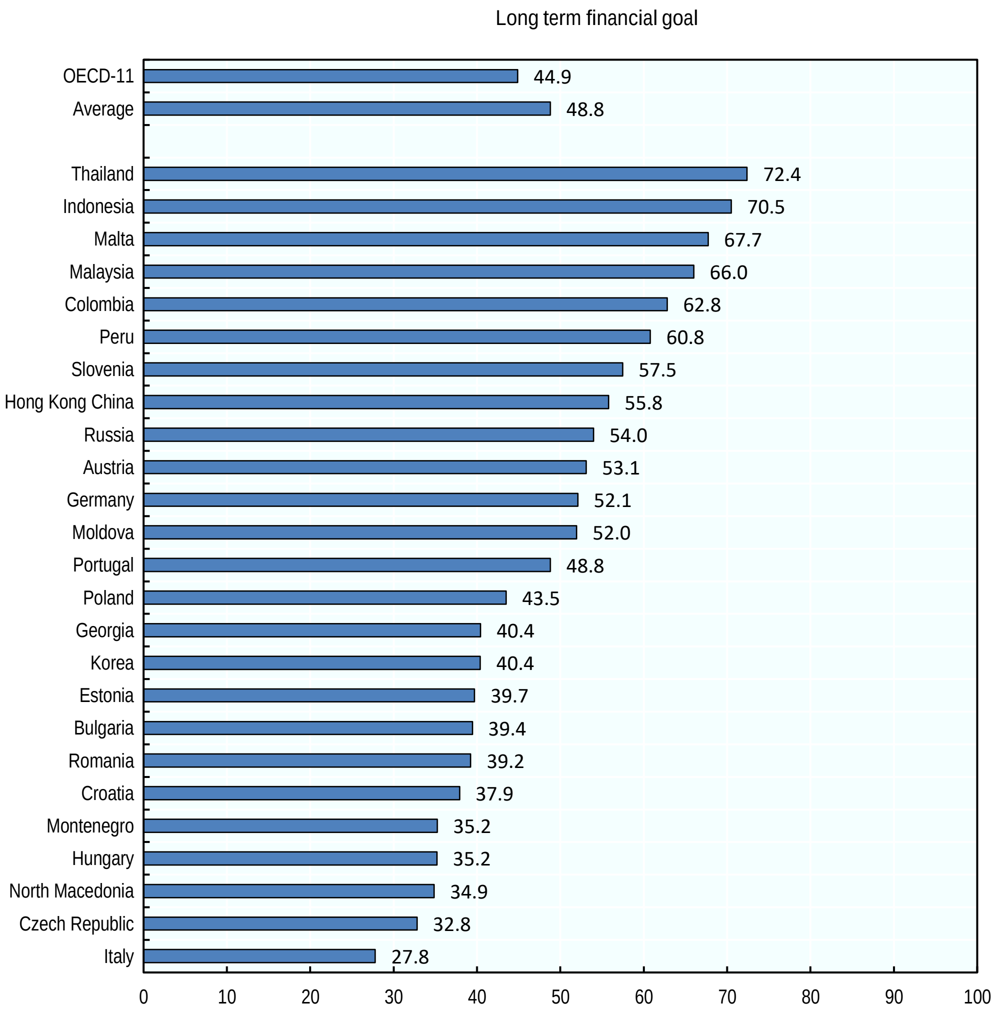
Percentage of adults who responded they were actively saving money.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Figure 22. Planning for the long-term

Percentage of respondents who suggested they have a long-term financial goal towards which they plan and save.



Note: The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Fraud awareness

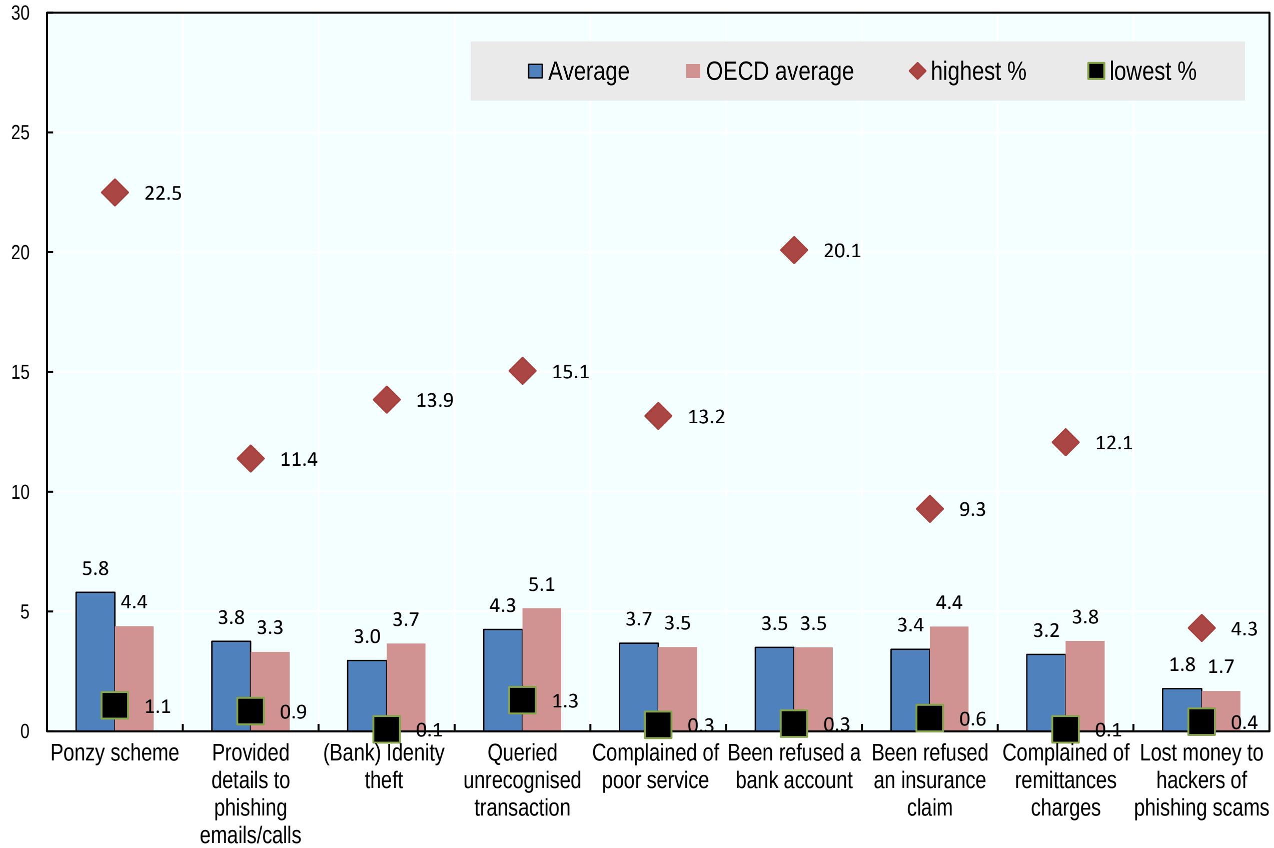
Being aware of financial scams or possible fraud and taking care not to fall victim to these is a characteristic of a financially literate and resilience individual. This is a particularly important skill in times of heightened financial stress, such as an economic and financial crisis when individuals may need temporary financial safety nets and be willing to take greater risks with their personal finances.

Figure 23 and Table 6 illustrate the percentages of adults who reported falling victim to a particular type of financial fraud. Figure 23 suggests that on average between 2% and 6% of surveyed adults have fallen victim to certain financial crime, however there is big heterogeneity between economies. Some have high percentages of adults reporting falling victim to fraudulent or Ponzi schemes (for example some 22.5% reported this in Indonesia and 15.1% suggested they had reported a fraudulent transaction on their bank account in Germany). Many adults also appear to fail to meet the bureaucratic requirements of the formal financial system and may feel excluded or deceived by officials – 20.1% of Colombian respondents reported being refused a bank account. A sizeable minority reports poor service and/or high fees – 13.2% of Colombian respondents reported poor service when dealing with financial institutions and 9.3% reported a refused insurance claim. About 12.1% of adults in Germany reported high charges and transaction fees when using remittances services, which again may be a cause of frustration and feelings of exclusion and deceit.

It is important to note the large spread among the reported percentages. While 22.5% of Indonesian adults reported falling victims to fraudulent financial advice, under 2% of adults in Hong Kong, China, as well as Croatia, Georgia and Portugal report the same. While about 4% of adults in Italy, Romania, Peru and Colombia report losing money to hackers or phishing scams, under 1% report such crimes in Austria, Montenegro and Poland for example.

Figure 23. Falling victim to fraud

Percentage of people who responded with YES; Capped at 30% for better presentation.



Note: Czech Republic, Russia, Slovenia and Thailand are missing from the chart as they did not ask these questions. The OECD member countries in the sample are: Austria, Colombia, Estonia, Germany, Hungary, Italy, Korea, Poland and Portugal.

Table 6. Falling victim to fraud

Percentage of people who responded with YES to each of the questions below

	Accepted advice to invest in a financial product that you later found to be a scam, such as a Ponzi scheme?	Accidently provided financial information in response to an email or phone call that you later found out was not genuine?	Discovered that someone has used your details to pay for goods without your authorisation?	Queried a transaction listed on your bank or credit card statement that you did not recognise?	Made a formal complaint about the service you have received from a bank or other financial institution?	Tried to open a bank account and been refused for any reason?	Been refused a claim on an insurance product that you expected to cover you?	Complained to a remittance provider about high charges when sending or receiving money?	Lost money as a result of hackers or phishing scams?
Austria	3.2	1.1	1.0	4.8	2.1	0.9	6.1	2.0	0.8
Colombia	13.5	6.8	5.6	4.9	13.2	20.1	9.3	6.2	4.2
Estonia	2.8	1.5	1.5	1.7	1.1	1.9	1.4	0.3	1.2
Germany	5.3	8.1	13.9	15.1	1.3	3.6	8.4	12.1	1.6
Hong Kong, China	1.2	0.9	0.1	3.7	0.3	0.3	0.6	0.1	
Hungary	2.3	1.6	0.8	2.1	1.9	1.4	3.4	4.3	0.9
Indonesia	22.5	11.4	3.7	3.7	2.3	1.7	1.3	1.1	0.9
Italy	4.8	4.4	4.5	7.4	4.8		6.7	6.0	4.3
Korea	3.0	1.8	1.3	3.4	1.6	1.6	1.8	1.8	0.8
Malaysia	15.9	9.0	4.9	5.5	5.7	4.9	3.5	3.3	-
Peru	13.5	7.4	5.0	6.5	11.1	8.8	8.5	7.5	4.1
Poland	3.6	3.3	2.5	1.3	2.8	1.2	1.0	0.7	0.4
Portugal	1.1	1.4	1.9	5.6	2.9	0.9	1.2	0.5	1.1
Bulgaria	4.3	1.4	1.8	1.9	3.8	1.5	2.0	1.1	0.9
Croatia	1.8	1.5	1.5	3.0	1.6	1.0	1.0	2.8	0.9
Georgia	1.6	0.9	0.8	2.7	1.0	6.2	3.9	0.4	1.5
North Macedonia	2.4	1.0	0.6	3.3	3.3	1.6	1.8	1.3	1.3
Moldova	3.4	3.4	1.9	2.8	2.0	1.0	1.0	1.9	2.5
Montenegro	2.3	1.7	0.8	1.7	5.0	1.9	1.7	5.9	0.6
Romania	7.5	6.7	5.3	4.2	6.0	6.0	4.0	5.0	4.1
Average	5.8	3.8	3.0	4.3	3.7	3.5	3.4	3.2	1.8
OECD average	4.4	3.3	3.7	5.1	3.5	3.5	4.4	3.8	1.7

Note: Czech Republic, Russia, Slovenia and Thailand are missing from the chart as they did not ask these questions. The OECD member countries in the sample are: Austria, Colombia, Estonia, Germany, Hungary, Italy, Korea, Poland and Portugal.

Box 1. The COVID-19 pandemic

The COVID-19 pandemic affected households and businesses in the first half of 2020. It has proven to be a severe test on individuals' financial resilience. For policy makers it put financial resilience and financial well-being at the fore of the agenda and provided an opportunity to re-focus on the essential elements of financial literacy. Furthermore, the economic and financial crisis that is a legacy of the health emergency resulting from the COVID-19 pandemic may prove very challenging to individuals/small businesses and their financial situation:

- The restrictive measures already taken to prevent the further spread of the virus, such as temporary closure of businesses, schools, public facilities and social distancing measures, have already had a strong negative impact on business activity and individuals' well-being. Immediate effects have been loss of income, trouble paying bills or meeting other financial obligations, or heightened risk of falling victim to financial scams and fraud.
- The prolonged ceasure of economic activity and the longer-term effects of interrupted and broken economic links may have a lasting impact on jobs and incomes and put a severe test on individuals' financial resilience.

Policy makers have stepped in rapidly and are using all current financial safety nets in place. They have looked to provide temporary unemployment benefits and / or easier access to individual finance at subsidised cost, as well as providing 'credit holidays' by requiring banks to defer the payment dates of loan instalments in full. Further to supporting the financial cushion of individuals, providing immediate and accessible advice and counselling services on financial literacy can boost individuals' ability to handle financial stress and boost trust and confidence. The unprecedented situation has focused the attention of individuals and may present a unique teachable moment.

- *Recalling basic financial literacy concepts*: Only 50% of the adults in this survey reached the minimum target score in knowledge. Thus basic skills of budgeting, medium and long-term planning, the benefits of compound interest and consistent savings behaviour, would be the first 'line of defence' against interruptions in income and the need to meet fixed individual costs (like rents/mortgages, childcare, others).
- *Accessible and effective communication channels*: Digital channels have been rapidly adopted and individuals are already following a steady stream of government advice. Policy makers may encourage the use of existing online financial education resources to support citizens in the current crisis, to help them build longer-term financial resilience and to further support financial inclusion. They can ensure efficient and effective use of trusted personal finance apps to help people find relevant information and keep up-to-date with financial advice, products and services. Fittingly, in time of financial stress, policy makers could point to suitable anti-fraud advice and step up measure that counter financial scams. Information must be short and to the point, providing easy to remember rules and advice based on behavioural research insights.

Policy makers could use this critical and challenging moment as a potential trigger to motivate individuals to invest in their human capital and understand the short-term and long-term benefits of increasing their financial literacy and, if appropriate, to change behaviours that might negatively affect their financial resilience and well-being.

- *Harness existing international cooperation*: Financial education policies would be most beneficial to consumers if coordinated in a world where financial markets trigger global changes, while the health crisis impacts economic sectors as much as geographic areas. The results of this survey illustrate that economies have coped with different degree of success to the common challenge of financially educating their citizens and positively affecting their financial behaviour. Policy makers can share experiences, success stories and working methods of implementation, and the OECD/INFE is a unique platform to enable and support this.

Sources: OECD Policy note: Financial consumer protection responses to COVID-19 and Supporting the financial resilience of citizens throughout the COVID-19 crisis. (https://www.oecd.org/finance/financialconsumerprotection.htm and http://www.oecd.org/coronavirus/en/)

Financial well-being

The main focus of this report and the OECD/ONFE Toolkit is obtaining a financial literacy score made up of its defined components of knowledge, behaviour and attitude. This score has been developed to provide a comprehensive look at the financial capabilities of individuals as per the OECD/INFE definition of financial literacy: ‘A combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being’. This definition suggests that the goal of financial education is then to boost financial literacy, which in turn would enable individuals to enhance their financial well-being. The OECD/INFE Toolkit recognises that financial well-being is the ultimate objective of financial literacy, in accordance with the OECD/INFE definition of financial literacy quoted above, and includes a number of statements that seek to describe it.

The latest version of the OECD/INFE Toolkit, updated in 2018, used statements that were designed by the Consumer Financial Protection Bureau (CFPB) of the USA, which has developed a definition of financial well-being and has proposed a way of constructing a financial a well-being measure.[15] These statements also formed an important part of a framework for exploring financial well-being proposed by the OECD.[16] The aim by both the CFPB and the OECD has been to be able to produce a measure of financial well-being that is based on analytical principles, would provide policy makers discuss financial well-being in a consistent manner internationally while also maintaining flexibility at the national level; and can help policy makers tailor their policies alongside the measures of financial literacy and its elements, as well as other measures produced by the survey such as the financial inclusion indicators.

The CFPB has proposed the following definition of financial well-being: “a state wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life”.[17] In looking to define financial well-being, the CFPB found that “consumers perceived financial well-being as a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and is able to make choices that allow them to enjoy life”.[18] Combined with a review of research and consultation with leading experts, the CFPB found that financial well-being includes the following elements:

- Having control over one’s finances in terms of being able to pay bills on time, not having unmanageable debt and being able to make ends meet.
- Having a financial “cushion” against unexpected expenses and emergencies. Having savings, health insurance and good credit, and being able to rely on friends and family for financial assistance were factors that increase consumers’ capacity to absorb a financial shock.
- Having financial goals—such as paying off one’s student loans within a certain number of years or saving a particular amount towards one’s retirement—and being on track to meet those financial goals also made people feel like they were in good shape financially.

[15] The methodology and the way it is derived is described in the CFPB report of 2015 “Financial well-being: The goal of financial education”, see CFPB (2015).

[16] (OECD, 2019)

[17] CFPB (2015)

[18] CFPB (2015), page 6.

- Being able to make choices that allow one to enjoy life—such as taking a vacation, enjoying a meal out now and then, going back to school to pursue an advanced degree, or working less to spend more time with family—was also deemed an essential ingredient in financial well-being.

In other words, the CFPB definition of financial well-being implies having financial security and financial freedom of choice, in the present and in the future.

After developing a consumer-driven definition of financial well-being and its main components, CFPB converted that definition into a concrete measurement scale that can be used globally, across consumers of various cultures and economic contexts, and time. CFPB's main scale contains ten statements, however a shorter scale has also been developed that contains five statements. This report uses the shorter five statement scale.[19]

The five statement version of the score also corresponds to the core elements of the OECD-proposed operational framework of financial well-being that include: financial control, day-to-day financial life, long-term financial planning.[20] The OECD-proposed framework is broader than the CFPB one, as it includes elements of financial literacy such as financial knowledge, skills, consumer self-control, which form part of the financial literacy score. Thus the financial well-being score reported below can be seen as a complement to the financial literacy score reported in the first section of this report.

Both scales incorporate consumers' perceptions of financial well-being to deliver a single financial well-being score that captures the four elements of financial well-being. The scale is constructed so that it is possible to compare different people's scores directly, or to see how an individual's financial well-being changes over time, if surveyed at regular intervals.

The five statements that were used to create a financial well-being score in this report are listed in Table 7.

[19] Regarding the choice of scale, CFPB states that the "standard 10-item version of the CFPB Financial Well-Being Scale provides a higher level of precision and reliability of estimates, and is therefore better able to detect changes in a person's financial well-being over time. Most practitioners will want to use this standard version of the scale. However, if the standard scale is not an option due to space or time, you may use the abbreviated 5-item version of the CFPB Financial Well-Being Scale questionnaire. The scores from the abbreviated scale can be compared directly to the scores from the standard version". See the CFPB explanation on their financial well-being resources site: https://www.consumerfinance.gov/practitioner-resources/financial-well-being-resources/.

[20] OECD (2019)

Table 7. Statements that make up the financial well-being score

This table lists the statements, the question number that appears in the OECD/INFE toolkit and the scoring of answers

Because of my money situation, I feel like I will never have the things I want in life	Question QS3_3	Scoring is from 0 (complete agreement) to 4 (complete disagreement)
I am just getting by financially	Question QS3_10	Scoring is from 0 (complete agreement) to 4 (complete disagreement)
I am concerned that my money won't last	Question QS3_9	Scoring is from 0 (complete agreement) to 4 (complete disagreement)
I have money left over at the end of the month	Question QS2_4	Reverse coded, Scoring is from 4 (complete agreement) to 0 (complete disagreement)
My finances control my life	Question QS2_2	Scoring is from 0 (complete agreement) to 4 (complete disagreement)

Each of the five statements can give up to four points to the respondent or no points, depending on the answer. Thus the maximum achievable financial well-being score is 20 and the minimum 0.[21]

The CFPB suggests to interpret a higher score as an indication of a higher level of measured financial well-being. However, as this is a score based on a self-assessed scale there is not a specific cut-off for a "good" or "bad" financial well-being score. Most people's scores would tend to fall somewhere in the middle—extremely low or extremely high scores would be uncommon.

Figure 24 presents the financial well-being scores, as developed by the OECD/INFE, of all the participating economies, which asked the relevant questions and Table 8 lists the scores and the scores as a percentage of the total.

The average score of all the participants is 9.5 (or 47.4%) with the average of OECD-11 being slightly higher at 9.9 (or 49.4%). This suggests that on average the surveyed individuals do not consider their financial situation to contribute positively to their well-being, but rather to add stress and worry. This measure is constructed from a set of self-assessed statements and thus would tend to the mean and not to the extremes. A score below the average, however, means that respondents are more insecure over control of their finances, feel less confident about their ability to absorb financial shocks in the future, are more inclined to agree that their finances restrict their life choices and they are ultimately lagging behind their long-term financial plans. There is plenty of room for improvement.[22]

The range of scores is from 11.4 (Austria and the Czech Republic) and 11.1 (Hong Kong, China), to 6.9 (Georgia) and 7.9 (North Macedonia). This is a very wide spread, as the lowest scores are close to 1/3 of the maximum (see Table 8), while the highest are a little below 2/3 of the maximum.

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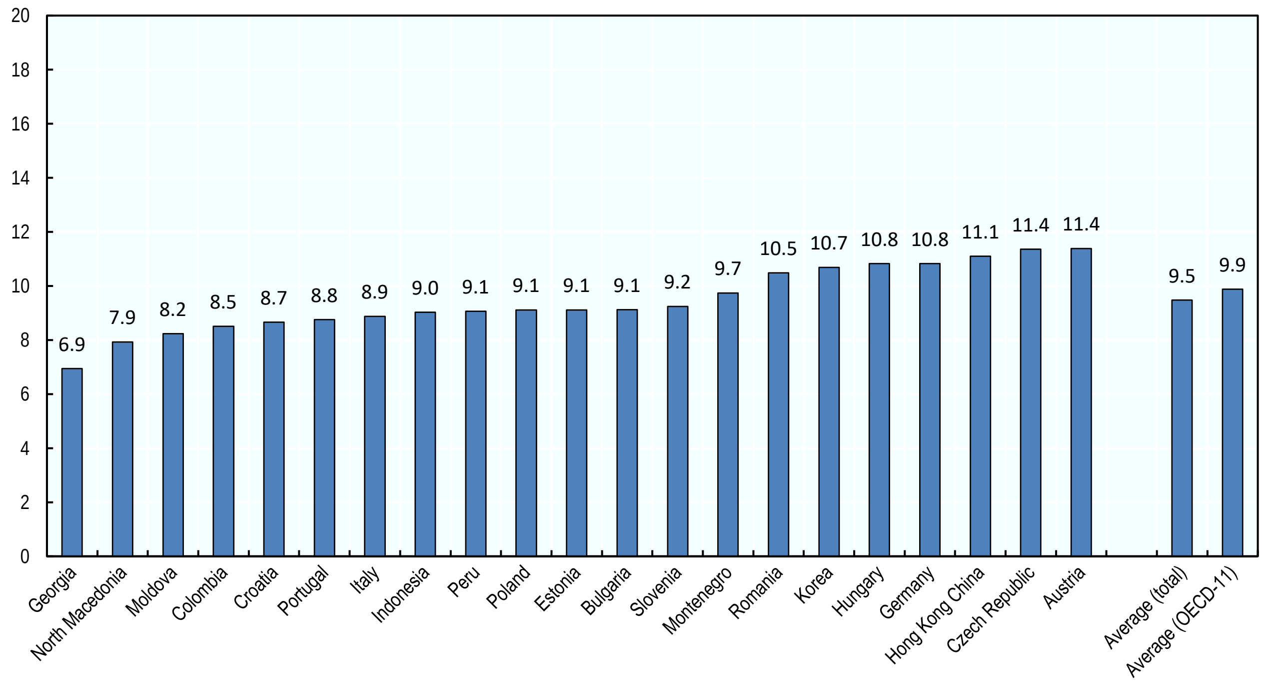
[21] The scoring of CFPB is slightly different in that they take the score made up of the answers to the statements and convert it into a scale that varies slightly depending on the age group and data collection mode of the respondents. This report, in the first instance it calculates a financial well-being score, uses the aggregate score obtained directly from the responses to the statements without altering them without any adjustments. There are a number of reasons for this: it is not always possible to know the precise manner of administering the survey (one of the methods of adjustment proposed by the CFPB); the aggregate score is a simple way of recording the respondent's sentiment. For future studies, the OECD may consider adjusting the score by age of respondents, if it is deemed more precise.

[22] Importantly, these scores were calculated from data collected throughout 2019 and the first quarter of 2020; i.e. before the effects of the COVID-19 pandemic and the resulting economic crisis were strongly felt. Average scores below the mean would seem even more worrisome from a policy makers perspective in this regard, as the situation is likely to have worsened in the latter part of 2020.

Figure 24. Financial well-being score



Note: France, Malaysia, Malta, Russia, Thailand did not ask the set of well-being questions and as a result are not included in this score.

Adults in seven countries/economies scored over 50%, with the individuals in the rest appearing below the mean. This illustrates individuals' substantial discomfort with their financial and their financial situation. It should be kept in mind that this a subjective self-assessment of the individual's relation with money, based on the statements.

The chart below illustrates the averages across the four statements. Just over half of respondents across the total sample (as well as the OECD-11) disagreed with the first statement: "I have no money left at the end of the month" which may be thought of as illustrating the availability of financial resources. Half and less than half of the individuals disagreed with the rest of the statements, which describe stress and worry caused by financial matters to a various degree.

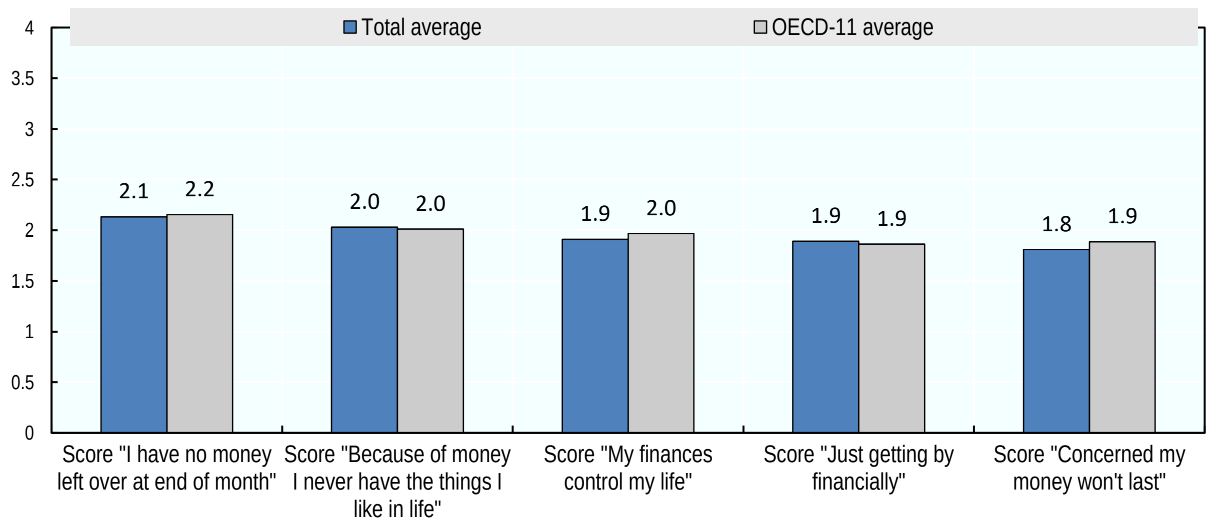
The limited range of the scores, from 35% to 57% of the total possible and the relatively low maximum obtained score (just over the arithmetic mean of the financial well-being score) may suggest to policy makers that financial stress and worry over individual financial matters is prevalent globally, including in high-income economies.

Table 8. Financial well-being score

	Score	Score as % of maximum (20 points)
Austria	11.4	56.9
Czech Republic	11.4	56.8
Hong Kong, China	11.1	55.5
Germany	10.8	54.1
Hungary	10.8	54.1
Korea	10.7	53.4
Romania	10.5	52.4
Montenegro	9.7	48.7
Slovenia	9.2	46.2
Bulgaria	9.1	45.6
Estonia	9.1	45.6
Poland	9.1	45.6
Peru	9.1	45.3
Indonesia	9.0	45.2
Italy	8.9	44.4
Portugal	8.8	43.8
Croatia	8.7	43.3
Colombia	8.5	42.5
Moldova	8.2	41.2
North Macedonia	7.9	39.7
Georgia	6.9	34.7
Average (total)	9.5	47.4
Average (OECD-11)	9.9	49.4

Note: France, Malaysia, Malta, Russia, Thailand did not ask the set of well-being questions and as a result are not included in this score.

Figure 25. Average scores across the five well-being statements



4 Potential vulnerable groups

This section looks at the significant differences in financial literacy and its elements – knowledge, behaviour and attitude, as well as financial well-being, among some of the groups that can be identified in the sample. The potentially vulnerable groups, or those than may need special attention by policy makers are identified by:

- **Gender**: the sample is split into women and men.
- **Age**: the sample is split into young adults (those aged 18 to 29), middle age adults (aged 30 to 59) and ageing adults (ages 60 and above).
- **Digital use**: the sample is split into those who used a digital device or service (computer, email service, internet service, mobile phone or a smart device) in the past week.
- **Financial resilience**: for the purpose of identifying a group, the sample is split into those who are more financially resilient (measured by having savings for more than three months) and those who are not (who haves savings for less than three months) defined by the availability of financial cushion.

The section provides the value of the scores by the groups above and also indicates the statistical significance of the difference between a particular group and the rest of the sample. The statistical significance is determined by a T-statistic test (signified in the tables below by a star "*") conducted between a particular group and the rest of the sample at the 95% confidence level. The T-test is usually used to determine if the means of two sets of data are statistically significantly different from each other and is appropriate in this case to support arguments for important differences between potentially vulnerable groups. The financial knowledge average for OECD member countries includes France, which is excluded in all the other cases for lack of data.

On average across the entire sample, as well as the OECD member countries, men appear to have statistically greater financial knowledge and financial well-being scores. In absolute terms, they also appear to have higher overall financial literacy scores across all the economies, however this difference is not statistically significant. There is some heterogeneity in the behaviour and attitude scores, where a number of the significant differences appear to be where women have higher behaviour scores (such as in Poland and Russia) and attitude scores (Georgia, Korea, Portugal, Russia, Thailand).

Young people appear to have lower financial literacy and worse financial attitude scores than the rest of the sample consistently and significantly. They also tend to have lower financial knowledge and less prudent financial behaviour. The well-being scores of young people are mixed – the majority of statistically significant differences tend to be when well-being scores of youth are higher (for example in Georgia, Estonia, Colombia, Peru, Portugal and Moldova). The reverse is true for Hong Kong, China; Czech Republic; Italy and Korea. The group of middle aged has significantly higher scores in financial literacy and its elements, as well as financial well-being. Seniors on the other hand have lower financial literacy and financial well-being across almost all economies in the sample, with very few exceptions. Seniors in Germany and Austria, for instance have significantly higher financial well-being. Financial behaviour of seniors also tends to be less prudent.

Respondents who used digital devices or services have consistently and significantly, higher financial literacy, knowledge, behaviour and well-being scores. Attitude scores, however, are either not significantly different or where they are, appear lower. This suggests that digital use may be consistent with higher financial knowledge and more prudent financial behaviour patterns, however with more short-term attitudes.

Perhaps unsurprisingly, individuals who report savings of more than three months have consistently and significantly higher scores across the board – across all economies and each of the financial scores.

Gender

It is important to consider gender differences in financial literacy, inclusion and financial well-being. Gender disparities in financial literacy compound women's difficulties in securing their financial future and well-being and in participating confidently in economic and financial activities. Women also have particular financial literacy needs, notably because they tend to live longer and earn less than men, therefore being more likely to face financial hardship in old age.[23]

On average across the entire sample, as well as the OECD member countries, men appear to have statistically greater financial knowledge and financial well-being scores. This is also true across all the participating economies, which is instructive to financial education professionals. In absolute terms, they also appear to have higher overall financial literacy scores across all the economies, however this difference is not statistically significant.

Financial behaviour and attitude scores appear to differ in their gender split. Not only is there heterogeneity across economies, but a number of the significant differences appear to be where women have higher behaviour scores (such as in Poland and Russia) and attitude scores (Georgia, Korea, Portugal, Russia, Thailand).

[23] OECD (2013)

Table 9. Absolute scores by gender and the statistical significance between them

	Financial literacy			Financial knowledge			Financial behaviour			Financial attitude			Financial well-being		
	Female	*Male*	*t-statistic*	*Female*	*Male*	*t-statistic*	*Female*	*Male*	*t-statistic*	*Female*	*Male*	*t-statistic*	*Female*	*Male*	*t-statistic*
Austria	14.2	14.6	*	5.1	5.6	*	5.9	6.0		3.0	3.1	*	11.4	11.4	
Bulgaria	12.3	12.3		4.0	4.1		5.4	5.3		2.9	2.8		8.6	9.7	*
Colombia	10.9	11.6	*	3.8	3.9	*	4.6	5.0	*	2.6	2.6		8.2	8.9	*
Croatia	12.2	12.4		4.4	4.7	*	5.1	4.9		2.8	2.8		8.3	9.2	*
Czech Republic	13.0	13.0		4.5	4.6		5.3	5.3		3.2	3.1		11.1	11.6	
Estonia	13.3	13.4		4.8	5.1	*	5.4	5.2		3.1	3.1		8.8	9.5	*
France				4.4	5.1	*									
Georgia	12.1	12.1		4.4	4.7	*	5.1	5.1		2.6	2.4	*	6.7	7.4	*
Germany	13.7	14.1	*	5.0	5.4	*	5.7	5.6		3.0	3.1	*	10.8	10.9	
Hong Kong, China	14.7	15.2	*	6.1	6.3	*	5.7	6.0	*	2.9	2.9		10.8	11.5	*
Hungary	12.4	12.3		4.5	4.7		4.6	4.4		3.3	3.2		10.6	11.1	
Indonesia	13.3	13.4		3.6	3.8		6.3	6.2		3.3	3.3		8.9	9.1	
Italy	10.9	11.4	*	3.8	4.1	*	4.1	4.3	*	3.1	3.0		8.7	9.1	
Korea	13.0	13.1		4.5	4.7	*	5.4	5.4		3.1	3.0	*	10.8	10.6	
Malaysia	12.5	12.6		3.6	3.8	*	6.2	6.1		2.8	2.7				
Malta	10.2	10.3		2.1	2.3	*	5.2	5.2		2.8	2.8				
Moldova	12.4	12.8	*	3.9	4.2	*	5.5	5.5		3.1	3.1		7.9	8.7	*
Montenegro	11.2	11.7	*	3.9	4.3	*	4.6	4.8		2.7	2.6		9.3	10.2	*
Peru	11.9	12.3	*	3.9	4.2	*	5.1	5.1		3.0	2.9		8.8	9.3	*
Poland	13.2	12.9		5.0	5.0		5.6	5.3	*	2.7	2.6		9.1	9.2	
Portugal	12.7	13.5	*	3.5	4.5	*	5.8	5.9		3.3	3.1	*	8.3	9.3	*
North Macedonia	11.6	12.0	*	3.7	4.1	*	5.0	5.1		2.8	2.8		7.8	8.1	
Romania	11.2	11.2		3.4	3.5		5.0	5.0		2.8	2.7		10.5	10.5	
Russia	12.6	12.4	*	4.8	4.9	*	5.0	4.8	*	2.8	2.7	*			*
Slovenia	14.4	15.0		4.5	5.2	*	6.2	6.3		3.7	3.6		8.8	9.6	*
Thailand				3.9	4.0	*				3.9	3.8	*			
Average (total)	12.5	12.7		4.2	4.5	*	5.3	5.3		3.0	3.0		9.2	9.8	*
Average (OECD-11)	12.9	13.2	*	4.5	4.8	*	5.3	5.3		3.1	3.1		9.7	10.1	*

Note: The t-statistic test illustrated by a star (*) shows a statistical significance of the difference between one group and the rest of the sample at the 95% confidence level. The t-test is usually used to determine if the means of two sets of data are statistically significantly different from each other.

Age

Dividing the sample according to age groups provides three categories with potentially different characteristics that may require different financial education approaches. Young people tend to have little experience with finance and yet are about to start receiving earned income, handling debt (like student loans for instance) and paying taxes. Middle aged people tend to hold the majority of disposable income (and sometimes savings) in an economy and thus potentially high financial literacy would bring most benefits for the rest of the economy. Ageing people may be those most unsettled by rapid developments in modern consumer finance, while also handling substantial savings. To observe the specificities of financial literacy across age groups, the sample is split according to the categories just described: young people (18-29 years old); middle aged (30-59 years old); and seniors (60 years old and over).

Young people appear to have lower financial literacy and worse (or as per the OECD/INFE definition, shorter term) financial attitude scores than the rest of the sample consistently and significantly. They also tend to have lower financial knowledge and less prudent financial behaviour. This is with very few exceptions. Young people in Thailand, Russia and Korea, for example, have significantly better financial knowledge scores. The well-being scores of young people are mixed – the majority of statistically significant differences tend to be when well-being scores of youth are higher (for example in Georgia, Estonia, Colombia, Peru, Portugal and Moldova). The reverse is true for Hong Kong, China; Czech Republic; Italy and Korea.

The group of middle aged individuals has significantly higher scores in financial literacy and its elements, as well as financial well-being, where the difference is significant. Individuals in this age group have consistently scored higher with very few exceptions. The financial attitude of middle aged individuals in Colombia is significantly lower than the rest of the sample, while their well-being in Peru is also significantly lower.

Seniors on the other hand have lower financial literacy and financial well-being across almost all economies in the sample, with very few exceptions. Seniors in Germany and Austria, for instance have significantly higher financial well-being. Financial behaviour of seniors tends to be less prudent with significantly lower behaviour scores across all counties, while attitude on the other hand exhibits the opposite trend where ageing individuals appear to have better scores than the rest of the individuals in the sample.

Table A.4 (see Annex) lists all the scores split by age group and the statistical significance of any difference.

Digital use

In this sample split, the report approximates digitally literate or technologically savvy people with respondents who report having used a computer, an email service, an internet service, or a mobile/smart device in the past week (for a financial transaction or not). The patterns exhibited suggest that those respondents have consistently and significantly higher financial literacy, knowledge, behaviour and well-being scores. Attitude scores, however, are either not significantly different or where they are, appear lower.

This suggests that digital use may be consistent with higher financial knowledge and more prudent financial behaviour patterns, however also with more short-term attitudes.

It is of note that half of the economies that participated in this coordinated data-gathering exercise did not ask the relevant question for use of digital products and services and are thus not part of this result.

Table A.5 (see Annex) reports all the scores by the split into those respondents who used digital products or services and those who did not.

Financial resilience

Some of the most vulnerable people in general, but especially in times of unexpected economic crises, tend to be those with lower incomes and little or no wealth, who work pay check to pay check and who, for whatever reason, are not able to save. Section 3 discusses various elements of financial resilience, one key element being the availability of financial cushion or savings that can support the livelihood of individuals if their incomes cease.

A resilient and a less resilient groups have been created by splitting the sample into individuals who report having savings or financial cushion to sustain their lives for longer than three months or less than three months, if their incomes suddenly stops.

Table A.6 (see Annex) illustrates the financial scores of individuals across these two groups. Perhaps unsurprisingly, individuals who report savings of more than three months have consistently and significantly higher scores across the board – across all economies and each of the financial scores. There are some instances where the difference is not statistically significant, like for examples the difference between the financial behaviour scores of individuals from these groups in Indonesia and Peru or the attitude scores of the two groups in Malaysia.

This may present a clear indication to policy makers that saving behaviour is to be encouraged and that the availability of savings is a crucial element in the financial resilience of individuals. It also appears an essential element in minimising financial stress among individuals and boosting their financial well-being.

Table A.6 reports all the scores by the split into those respondents who reported savings that could last them longer than three months and those who reported lower savings.

5 Lessons and policy recommendations

The key highlights from this OECD/INFE survey among adults globally reflect the significant variations in these competencies across economies and between groups within each one. They illustrate the relatively low levels of financial literacy, the high levels of financial stress experienced by individuals in their daily dealings with money and the low financial resilience across certain groups. Significant differences exist between the financial literacy and well-being of men and women, with the latter performing less well. Young people and seniors often exhibit lower financial literacy levels, similarly to those who do not use digital devices or services. Individuals with little or no savings appear vulnerable not only because they have no financial cushion in crisis times, but also because they appear to have consistently lower financial knowledge and exhibit imprudent financial behaviours and short-term financial attitudes.

The results of the latest OECD/INFE survey confirm that financial literacy levels are low across participating economies. Individuals across the entire sample on average scored only 12.7 or **just under 61% of the maximum financial literacy score**. The average across participating OECD member countries is only marginally higher at 13.0 (62% of the maximum).

- Financial Knowledge: The average obtained knowledge score across all individuals was 63% of the maximum possible. A mere 26% across all adults responded correctly to questions on simple and compound interest together – crucial concepts that affect basic money management and the accumulation of saving. Only 53% of surveyed adults achieved the minimum target score of 5 or more (or 70%) and only 57% of individuals in OECD member countries achieved this.
- Financial Behaviour: The average obtained behaviour score was 5.3 (out of 9) across the total sample and across OECD member countries only. This represents 59% of the maximum possible. Key behaviour concepts include saving, planning for the long-term, keeping watch and control over one's finances. Only some 49% of adults in this survey were able to score the minimum target behaviour score, thus recognising and acting on these concepts.
- Financial Attitude: The average obtained attitude score across all individuals was 3 (out of 5) across all individuals and 3.1 across adults in OECD member countries. This represents 59% of the maximum possible (62% across adults in OECD member countries) and only 43% scored the minimum target attitude score (47% across adults in OECD member countries).

Among the elements of financial inclusion, product awareness is high across the surveyed economies; however, use is lower:

- More than 80% of the adults surveyed (83% for the whole sample and 86% for OECD member countries) responded they are aware of at least five different financial products. Less than 50% (46% for the total sample and 41% across OECD member countries), however, purchased a financial product or service in the past year. About one fifth (23% for the total sample and 18% across OECD member countries) turned to close family, friends, or their network of relatives to borrow or save money. Effective financial education can encourage the use of appropriate products in a safe way and contribute to improving financial inclusion.

- Most utilised were payment products with 70% of respondents suggesting they used a payment card, account, or a mobile payment service (81% across OECD member countries). For the entire sample, least used were insurance products, only 37% of adults suggesting having purchased one in the past year. Across OECD member countries this was true for credit products, where 43% of adults used any type of formal loan.

Large groups within many economies have limited financial resilience: The survey suggests that 28% of adults across the entire sample report only having a financial cushion of about one week, if they lose their main income. There are large differences between the economies in the survey, however, with the highest percent being 51% and the smallest 6%. Across the sample, 42% of individuals noted that they worry about meeting their everyday living expenses. Some 40% are concerned about their financial situation and 37% report they are just getting by financially. The analysis of groups of potentially vulnerable individuals suggests that young people and seniors scored lower on financial well-being, a measure which incorporates financial worry. Women are more likely to fall into this category too, as well as those who do not use digital products/services on a regular basis.

The average financial well-being average score of all the participants is about 50% of the maximum (47% for the total sample and 49% for OECD member countries). The range of scores is from highs of 57% of the maximum possible (Austria and the Czech Republic) and 55% (Hong Kong, China), to lows of 35% (Georgia) and 40% (North Macedonia).

The split into possible vulnerable groups point at important differences:

- Gender: On average across the entire sample, men appear to have statistically greater financial knowledge and financial well-being scores. In absolute terms, they also appear to have higher overall financial literacy scores across all economies; however, this difference is not statistically significant.
- Age groups: Young people (aged 18-29) appear to have lower financial literacy and financial attitude scores than the rest of the sample consistently and significantly. They also tend to have lower financial knowledge and less prudent financial behaviour. The group of middle aged (aged 30-59) has significantly higher scores in financial literacy and its elements, as well as financial well-being. Seniors (aged 60 and above) on the other hand have lower financial literacy and financial well-being across almost all economies in the sample, with very few exceptions.
- Digital use: Respondents who used digital devices or services have consistently and significantly, higher financial literacy, knowledge, behaviour and well-being scores.
- Financial resilience: Individuals who report availability of savings of more than three months have consistently and significantly higher scores across the board – across all economies and each of the financial scores.

This evidence, especially in the context of the current crisis, highlights the need to continue to focus on programmes and policies that seek behavioural change and that take into account the needs of the most vulnerable groups. Financial education policies and initiatives could in particular address ways to enhance individual financial resilience and well-being, mindful of the disparate needs of potentially vulnerable groups.

Strengthen basic financial knowledge to ensure good budgeting, planning and saving practices:

- Look into priority areas of financial knowledge. The results indicate that, at least in some economies, the areas of basic knowledge to be addressed as a priority are simple interest and interest compounding, as well as risk diversification, which are particularly important for consumers choosing and using savings and credit products. Potential target groups for tailored financial knowledge support can be women, young people and seniors.

Encourage positive financial behaviours and attitudes to improve financial resilience and pursue long-term financial well-being.

- Strive to improve financial behaviour and increase the numbers of active savers. Using simple tools with proven efficiency in the first instance may encourage consumers to behave in financially literate ways, while in the long-term work towards creating a culture of financial prudence, planning and aiming to achieve long-term financial goals. Digital technologies (such as online calculators, simulators, reminders and commitments devices) could help people focusing on their longer-term priorities and support them in planning.[24] Given the disparity in financial literacy, resilience and well-being between digitally savvy individuals and those who do not use such technologies, financial education in such instances could go hand-in-hand with digital education.
- Behavioural insights can help incentivise and encourage people to set long-term goals and commit to them.[25] Encouraging people to commit to saving or using calculators could help active savings and longer-term planning. Adequately time and frame messages to put people on the right path, avoid short-lived changes and encourage long-term adjustment.
- Promote even small, but consistent contributions of funds to emergency savings, which could have a large impact in mitigating the negative consequences of unforeseen expenses. This would support a shift from risk-based to resilience-based approach in financial education and increase the ability of financial consumers to anticipate and recover from, as well as adapt to various types of financial distress.

Take account of different needs of certain groups:

- Target potentially vulnerable groups in order to provide support or apply different and tailored approaches compared to financial education provision to others. The results point to gender differences across financial knowledge and well-being scores, where men consistently and significantly outperform women. This is an important disparity to note and address, as indicated by previous OECD research.[26] This report also suggests that young people and seniors need targeted help to improve their financial knowledge and behaviour. Those without sufficient savings and those without access to or the skills to use digital tools and services appear extremely vulnerable. They will need support to improve their financial literacy, alongside possible support through incomes policy and digital education.
- To support young people, start financial education early given the lower financial knowledge of youth. Such provision will need to start as early as possible, ideally in schools (OECD, 2005),[27] in order to embed the knowledge of basic financial concepts comprehensively in the population.[28]

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[24] The G20/OECD INFE Policy Guidance on Digitalisation and Financial Literacy (2018) can help policy makers seeking to utilise digital tools in their financial education policies, as well as to address the emerging risks from digital financial services.

[25] IOSCO's and OECD's "The Application of Behavioural Insights to Financial Literacy and Investor Education Programmes and Initiatives "(2018) is designed to support policy makers seeking to utilise

[26] OECD (2013)

[27] OECD (2005)

[28] OECD (2020a); Discussed in the latest OECD PISA 2018 Financial Literacy Volume: http://www.oecd.org/daf/pisa-2018-results-volume-iv-48ebd1ba-en.htm

Seek to understand better what constitutes the financial well-being of individuals and make this a goal of financial education policies.

- The OECD/INFE promotes policies that support individuals towards lower stress caused by financial matters, towards better management techniques of their money and a greater understanding of money as means to a better life rather than a life aim itself.
- Note and research further the important differences in financial well-being scores. Men scored consistently and significantly higher in the financial well-being measure than women. Those who used digital products/services and those with relatively large savings also scored consistently and significantly higher across all economies. Seniors scored lower across the entire sample in most economies. Young people, interestingly, scored higher across half of the economies and lower in the other half. This is a finding than needs to be researched further and qualified in order to explain the differences.

Annex A. Tabulated data used for the charts in the main text

Table A.1. Minimum target scores in percentages

	Minimum target scores in %		
	Minimum target knowledge score (out of 5)	Minimum target behaviour score (out of 6)	Minimum target attitude score (out of 3)
Austria	73.6	64.5	49.0
Bulgaria	47.5	49.9	39.4
Colombia	28.8	37.0	28.1
Croatia	57.7	41.1	32.2
Czech Republic	58.4	47.4	50.2
Estonia	65.6	43.8	48.6
France *	60.6		
Georgia	56.0	41.5	21.4
Germany	67.9	55.0	44.4
Hong Kong, China	92.2	59.6	34.1
Hungary	56.1	29.7	55.3
Indonesia	34.2	68.0	64.5
Italy	43.8	26.3	42.9
Korea	58.3	47.0	43.0
Malaysia	34.3	69.0	29.5
Malta *			24.4
Moldova	43.6	50.2	45.3
Montenegro	45.9	36.1	28.1
Peru	36.9	44.0	42.1
Poland	65.1	51.5	26.9
Portugal	42.8	61.3	55.5
North Macedonia	42.3	44.1	35.9
Romania	30.8	41.1	29.3
Russia	61.7	39.2	35.2
Slovenia	61.0	73.3	72.5
Thailand *	47.5		84.4
Average	52.5	48.7	42.5
OECD-11 *	56.8	48.8	46.9

Note: * France has only gathered data on financial knowledge; Malta asked only 4 knowledge and 7 behaviour questions, so overall, knowledge and behaviour scores are not comparable. Thailand used the 2015 OECD Toolkit and the behaviour score is thus not comparable. The averages are calculated excluding the missing data from the respective countries or economies. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Table A.2. Financial stress and concern

Percentage of adults agreeing with the financial stress statements. More than one answer is possible and percentages do not add to 100%.

	I tend to worry about paying my normal living expense	I am concerned that my money won't last	I am just getting by financially
Austria	9.9	22.4	35.9
Bulgaria	29.8	34.9	17.8
Colombia	86.8	74.3	64.3
Croatia	46.1	37.8	55.9
Czech Republic	10.4	23.8	20.3
Estonia	31.9	38.0	53.0
Georgia	61.0	65.7	47.3
Germany	10.3	22.9	28.0
Hong Kong, China	22.0	28.3	23.4
Hungary	25.9	24.2	24.2
Indonesia	22.9	67.2	41.7
Italy	42.2	32.1	29.9
Korea	15.5	28.3	18.8
Malaysia	59.2		
Malta	36.7		
Moldova	76.6	49.1	36.1
Montenegro	79.2	22.6	25.4
Peru	75.1	59.0	38.9
Poland	36.9	31.5	66.1
Portugal	45.1	69.3	53.4
Republic of North Macedonia	79.5	40.7	36.7
Romania	37.2	27.6	21.5
Slovenia	28.3	47.4	37.2
Average	42.1	40.3	36.9
OECD-11	31.2	37.6	39.2

Note: * There is no relevant data for France, Russia and Thailand and they are not included in this table. The averages are calculated excluding the missing data from the respective countries or economies. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia.

Table A.3. Statements associated with financial resilience

Percentage of adults who agree with the statements. More than one answer is possible and percentages do not add up to 100%.

	Financial planning		Keeping control of money	Taking care with expenses		Not meeting costs in the past year	...of which			
	Active saver	*Long-term financial goal*	*Keeping watch on finances*	*Paying bills on time*	*Carefully considered purchase*		*Did not borrow*	*Borrowed informally*	*Borrowed formally*	*Delayed payment*
Austria	87.8	53.1	83.2	84.5	66.4	14.0	79.7	29.7	21.1	23.8
Bulgaria	78.2	39.4	75.0	83.3	74.0	50.4	83.9	30.9	10.6	5.7
Colombia	36.5	62.8	63.7	77.8	81.6	56.3	86.4	59.6	17.8	30.8
Croatia	68.3	37.9	63.5	73.0	67.6	32.4	69.4	58.6	23.7	25.9
Czech Republic	88.8	32.8	64.1	80.7	51.6	18.2	96.7	59.6	35.5	30.1
Estonia	43.0	39.7	73.2	95.1	69.9	31.2	49.7	22.1	5.9	5.2
Georgia	65.2	40.4	71.4	90.0	70.6	55.7	46.3	39.1	21.6	1.5
Germany	72.3	52.1	53.9	50.4	66.0	18.5	41.9	17.8	23.1	15.0
Hong Kong China	84.0	55.8	74.9	83.9	63.2	20.4	79.4	28.9	2.9	2.9
Hungary	51.3	35.2	46.6	81.5	66.3	20.0	66.4	54.2	25.8	52.8
Indonesia	99.7	70.5	67.2	68.4	60.4	57.9	95.7	18.0	2.1	0.9
Italy	42.8	27.8	54.5	66.7	67.5	22.4	59.5	25.2	7.4	22.3
Korea	96.4	40.4	47.2	71.6	47.0	11.8	80.8	21.8	33.3	5.3
Malaysia	84.9	66.0	71.5	67.4	77.5	22.7	90.2	32.7	6.3	9.1
Malta	92.0	67.7	62.4	94.8	79.5	32.6	96.4	67.6	41.8	7.0
Moldova	71.5	52.0	65.0	91.0	85.5	61.5	90.0	39.4	15.9	11.3
Montenegro	49.6	35.2	59.0	69.8	74.5	48.2	50.4	59.1	14.5	8.0
North Macedonia	67.8	34.9	71.1	74.6	74.4	36.5	72.3	58.0	20.4	22.3
Peru	45.6	60.8	61.8	80.5	78.8	62.4	91.6	70.5	30.0	31.3
Poland	98.2	43.5	59.4	77.9	57.7	13.8	68.8	39.9	8.0	5.1
Portugal	63.5	48.8	79.4	89.1	84.1	35.5	90.1	11.8	6.1	5.3
Romania	65.3	39.2	64.4	78.4	64.8	43.9	77.4	45.8	26.2	12.6
Russia	37.6	54.0	75.9	81.0	80.4	34.1	54.0	52.1	7.8	5.2
Slovenia	77.2	57.5	84.1	90.4	72.9	31.6	54.0	49.9	66.3	60.0
Thailand	92.6	72.4	86.3	82.3	94.8	50.0	83.3	75.5	34.1	10.7
Average	70.4	48.8	67.2	79.4	71.1	35.3	74.2	42.7	20.3	16.4
OECD-11	68.9	44.9	64.5	78.7	66.5	24.8	70.4	35.6	22.8	23.2

Note: * There is no relevant data for France and it is excluded from the table. The OECD member countries in the sample are: Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia

Table A.4. Absolute scores by age and the statistical significance between them

	Financial literacy							Financial knowledge						
	total sample	*youth (18-29)*	*t-statistic*	*middle age (30-59)*	*t-statistic*	*ageing (60 +)*	*t-statistic*	*total sample*	*youth (18-29)*	*t-statistic*	*middle age (30-59)*	*t-statistic*	*ageing (60 +)*	*t-statistic*
Austria	14.4	13.6	*	14.8	*	14.2		5.3	5.0	*	5.4	*	5.4	
Colombia	11.2	11.3		11.4		10.6	*	3.8	3.7	*	3.9	*	3.8	
Czech Republic	13.0	12.0	*	13.2		13.3		4.5	4.3		4.7	*	4.4	
Estonia	13.3	13.3		13.7	*	12.8	*	4.9	4.7		5.2	*	4.6	*
Germany	13.9	13.7		13.9		14.0		5.2	5.2		5.1		5.3	
Hong Kong, China	14.8	13.8	*	15.6	*	13.9	*	6.2	6.2		6.3	*	5.9	*
Hungary	12.3	12.1		12.8	*	11.6	*	4.6	4.7		4.8	*	4.1	*
Indonesia	13.3	13.3		13.4		12.8		3.7	3.8		3.7		3.4	
Italy	11.1	9.8	*	11.6	*	11.0		3.9	3.9		4.1		3.7	
Korea	13.0	12.9		13.4	*	12.2	*	4.6	4.8	*	4.7	*	4.1	*
Malaysia	12.5	12.3	*	12.7	*	12.2		3.7	3.7		3.7		3.5	
Malta	10.3	9.9	*	10.6	*	10.0	*	2.2	2.1		2.4	*	2.0	*
Peru	12.1	12.1		12.2		11.4	*	4.1	4.0		4.1	*	3.8	
Poland	13.1	12.9		13.3	*	12.6	*	5.0	5.2		5.1	*	4.6	*
Portugal	13.1	12.7	*	13.9	*	12.1	*	4.0	4.1		4.4	*	3.3	*
Russia	12.5	12.4	*	12.8	*	11.9	*	4.8	4.8	*	4.9	*	4.5	*
Slovenia	14.7	14.2	*	14.7		15.1	*	4.8	4.4	*	4.9		5.0	
Thailand								3.9	4.3	*	4.3	*	3.1	*
France								4.8	4.1	*	4.8		5.1	*
Bulgaria	12.3	11.2	*	12.9	*	11.7	*	4.1	4.0		4.4	*	3.5	*
Croatia	12.3	11.5	*	12.5	*	12.7		4.5	4.1	*	4.6		4.9	*
Georgia	12.1	12.2		12.6	*	11.2	*	4.5	4.5		4.7	*	4.3	*
North Macedonia	11.8	11.1	*	12.2	*	11.4	*	3.9	3.8		4.2	*	3.6	*
Moldova	12.6	12.9	*	12.8	*	11.8	*	4.0	3.9		4.2	*	3.8	*
Montenegro	11.5	10.9	*	11.9	*	10.8	*	4.1	4.2		4.3	*	3.4	*
Romania	11.2	10.6	*	11.5	*	10.8		3.5	3.3		3.6	*	3.0	*
Average (total)	*12.6*	*12.2*	*	*12.9*	*	*12.2*	*	*4.3*	*4.3*		*4.5*	*	*4.1*	*
Average (OECD-11)	*13.0*	*12.6*	*	*13.3*	*	*12.7*	*	*4.6*	*4.5*		*4.8*	*	*4.4*	*

Note: The t-statistic test illustrated by a star (*) shows a statistical significance of the difference between one group and the rest of the sample at the 95% confidence level. The t-test is usually used to determine if the means of two sets of data are statistically significantly different from each other.

Table 13 continued.

	Financial behaviour							Financial attitude						
	total sample	youth (18-29)	t-statistic	middle age (30-59)	t-statistic	ageing (60 +)	t-statistic	total sample	youth (18-29)	t-statistic	middle age (30-59)	t-statistic	ageing (60 +)	t-statistic
Austria	6.0	5.8		6.2	*	5.7	*	3.1	2.8	*	3.2	*	3.1	
Colombia	4.8	4.8		4.9	*	4.2	*	2.6	2.7	*	2.5	*	2.5	
Czech Republic	5.3	4.8	*	5.4		5.5		3.1	2.8	*	3.1		3.4	*
Estonia	5.3	5.5		5.4		5.0	*	3.1	3.1		3.1		3.2	
Germany	5.7	5.6		5.7		5.6		3.1	2.9	*	3.1		3.1	
Hong Kong, China	5.8	5.1	*	6.3	*	5.0	*	2.9	2.6	*	3.0	*	3.0	*
Hungary	4.5	4.3		4.7	*	4.2	*	3.3	3.1	*	3.3		3.4	
Indonesia	6.3	6.3		6.3		6.2		3.3	3.3		3.4		3.3	
Italy	4.2	3.3	*	4.4		4.1		3.0	2.7	*	3.1		3.2	
Korea	5.4	5.2	*	5.6	*	4.9	*	3.1	2.9	*	3.1	*	3.2	*
Malaysia	6.1	5.9	*	6.2	*	5.8	*	2.7	2.7	*	2.8	*	3.0	*
Malta	5.2	4.9	*	5.3		5.2		2.8	2.8		2.9	*	2.7	*
Peru	5.1	5.1		5.1		4.8		2.9	3.1	*	2.9	*	2.8	
Poland	5.5	5.3		5.6	*	5.3	*	2.6	2.4	*	2.6		2.8	*
Portugal	5.9	5.6	*	6.2	*	5.5	*	3.2	3.0	*	3.3	*	3.3	
Russia	4.9	4.8	*	5.1	*	4.6	*	2.8	2.7	*	2.8	*	2.8	
Slovenia	6.3	6.1		6.3		6.4		3.6	3.7		3.6		3.7	*
Thailand								3.9	3.7	*	3.9		3.9	*
France														
Bulgaria	5.3	4.8	*	5.6	*	5.0	*	2.9	2.4	*	2.8		3.2	*
Croatia	5.0	4.8		5.1		4.8		2.8	2.6	*	2.8		2.9	*
Georgia	5.1	5.0		5.4	*	4.5	*	2.5	2.7	*	2.5		2.4	*
North Macedonia	5.1	4.7	*	5.2		5.0		2.8	2.6	*	2.8		2.9	
Moldova	5.5	5.9	*	5.6	*	5.0	*	3.1	3.2	*	3.0		3.0	
Montenegro	4.7	4.4	*	5.0	*	4.3	*	2.6	2.3	*	2.6		3.1	*
Romania	5.0	4.9		5.1	*	4.7	*	2.7	2.5	*	2.7		3.0	*
Average (total)	5.3	5.1	*	5.5	*	5.1	*	3.0	2.9	*	3.0		3.1	
Average (OECD-11)	5.3	5.1		5.5	*	5.1	*	3.1	2.9	*	3.1		3.2	

Table 13 continued.

	Financial well-being						
	total sample	youth (18-29)	t-statistic	middle age (30-59)	t-statistic	ageing (60 +)	t-statistic
Austria	11.4	10.0	*	11.4		12.0	*
Colombia	8.5	9.4	*	8.3		7.2	*
Czech Republic	11.4	9.8	*	11.6		11.8	
Estonia	9.1	10.5	*	9.0		8.3	*
Germany	10.8	10.4		10.7		11.3	*
Hong Kong, China	11.1	9.8	*	11.6	*	10.7	
Hungary	10.8	10.8		11.1		10.5	
Indonesia	9.0	8.8		9.1		9.2	
Italy	8.9	8.0	*	9.1		9.0	
Korea	10.7	10.2	*	10.8	*	10.7	
Malaysia							
Malta							
Peru	9.1	10.1	*	8.6	*	7.9	*
Poland	9.1	9.6	*	9.3		8.5	*
Portugal	8.8	10.1	*	9.0		7.8	*
Russia							
Slovenia	9.2	9.7		9.2		9.1	
Thailand							
France							
Bulgaria	9.1	8.8		9.9	*	7.8	*
Croatia	8.7	9.0		8.8		8.1	*
Georgia	6.9	9.2	*	7.3	*	5.4	*
North Macedonia	7.9	8.6		8.1		7.3	*
Moldova	8.2	10.2	*	8.4		6.5	*
Montenegro	9.7	9.7		10.0		9.1	
Romania	10.5	10.7		10.6		9.9	
Average (total)	9.5	9.7		9.6		9.0	*
Average (OECD-11)	9.9	9.9		9.9		9.7	

Table A.5. Scores and their statistical differences based on the use of digital device or service in the past week

	Financial literacy			Financial knowledge			Financial behaviour			Financial attitude			Financial well-being		
	no	*yes*	*t-statistic*	*no*	*yes*	*t-statistic*	*no*	*yes*	*t-statistic*	*no*	*yes*	*t-statistic*	*no*	*yes*	*t-statistic*
Austria															
Colombia	9.2	11.4	*	3.2	3.9	*	3.4	4.9	*	2.6	2.6		7.0	8.6	*
Czech Republic															
Estonia	11.0	13.5	*	3.6	5.0	*	4.2	5.4	*	3.1	3.1		6.4	9.3	*
Germany															
Hong Kong, China															
Hungary	10.3	12.6	*	3.5	4.7	*	3.6	4.6	*	3.2	3.3		9.6	11.0	*
Indonesia															
Italy															
Korea															
Malaysia															
Malta															
Peru	9.6	12.3	*	3.2	4.1	*	3.3	5.3	*	3.1	2.9		8.0	9.2	*
Poland	10.3	13.1	*	3.1	5.0	*	4.3	5.5	*	2.9	2.6		7.9	9.2	*
Portugal															
Russia															
Slovenia	8.0	14.7	*	1.1	4.8	*	3.9	6.3	*	3.0	3.6		4.6	9.3	*
Thailand															
France															
Bulgaria	9.9	12.6	*	2.3	4.3	*	4.5	5.5	*	3.1	2.8	*	5.7	9.6	*
Croatia	10.7	12.4	*	3.3	4.6	*	4.4	5.0	*	3.0	2.8		6.7	8.8	*
Georgia	8.9	12.3	*	2.9	4.6	*	3.8	5.2	*	2.3	2.5	*	4.7	7.1	*
North Macedonia	9.4	12.0	*	2.6	4.0	*	4.0	5.1	*	2.8	2.8		5.4	8.1	*
Moldova	10.4	12.8	*	2.8	4.1	*	4.5	5.6	*	3.1	3.1		5.9	8.5	*
Montenegro	9.3	11.5	*	2.7	4.2	*	3.1	4.8	*	3.4	2.6	*	7.4	9.8	*
Romania	10.0	11.2	*	2.3	3.5	*	4.3	5.0	*	3.4	2.7	*	8.6	10.5	*
Average (total)	9.8	12.5	*	2.8	4.4	*	3.9	5.2	*	3.0	2.9		6.8	9.1	*
Average (OECD-11)	8.1	10.9	*	2.4	3.9	*	3.2	4.4	*	2.5	2.5		5.9	7.9	*

Note: Germany provided data, but only 12 adults can be classified in the digital group and this number is insufficient for meaningful statistical comparison. The t-statistic test illustrated by a star (*) shows a statistical significance of the difference between one group and the rest of the sample at the 95% confidence level.

Table A.6. Average scores and their statistical significance based on the availability of financial cushion (more or less than 3 months)

	Financial literacy			Financial knowledge			Financial behaviour			Financial attitude			Financial well-being		
	< 3 months	*> 3 months*	*t-statistic*	*< 3 months*	*> 3 months*	*t-statistic*	*< 3 months*	*> 3 months*	*t-statistic*	*< 3 months*	*> 3 months*	*t-statistic*	*< 3 months*	*> 3 months*	*t-statistic*
Austria	13.2	15.4	*	5.0	5.8	*	5.4	6.4	*	2.9	3.2	*	8.3	13.6	*
Colombia	11.0	12.2	*	3.8	4.0		4.6	5.5	*	2.5	2.7	*	7.7	10.2	*
Czech Republic	11.7	14.3	*	4.1	5.0	*	4.7	5.9	*	2.9	3.4	*	8.7	13.7	*
Estonia	12.8	14.4	*	4.7	5.5	*	5.1	5.7	*	3.0	3.3	*	7.7	11.3	*
Germany	13.5	14.1	*	5.1	5.2		5.4	5.8	*	3.0	3.1		9.9	11.6	*
Hong Kong, China	13.2	15.4	*	5.7	6.3	*	4.9	6.1	*	2.6	3.0	*	8.3	11.9	*
Hungary	11.7	14.0	*	4.5	5.0	*	4.2	5.4	*	3.1	3.7	*	8.9	14.8	*
Indonesia	13.3	14.7	*	3.6	4.5	*	6.4	6.5		3.3	3.7	*	8.7	10.8	*
Italy	10.4	12.4	*	3.8	4.5	*	3.7	4.9	*	3.0	3.0		7.0	10.8	*
Korea	12.4	13.4	*	4.3	4.7	*	5.1	5.6	*	3.0	3.1	*	9.9	11.3	*
Malaysia	12.2	14.1	*	3.6	4.4	*	6.0	6.6	*	2.7	3.1				
Peru	11.8	12.9	*	4.0	4.3		4.9	5.7		2.9	2.9		8.6	10.0	*
Poland	12.9	13.9	*	4.9	5.2	*	5.2	6.1	*	2.8	2.5	*	8.7	9.5	*
Portugal	12.4	14.5	*	3.8	4.5	*	5.5	6.6	*	3.1	3.4	*	7.1	10.9	*
Russia	12.4	13.6	*	4.8	5.1	*	4.8	5.5	*	2.8	3.0	*			*
Slovenia	14.0	16.0	*	4.6	5.4	*	6.1	6.7	*	3.4	3.9	*	7.2	11.7	*
Bulgaria	11.4	15.0	*	3.8	5.2	*	4.9	6.5	*	2.7	3.3	*	7.6	12.7	*
Croatia	11.7	13.8	*	4.4	5.1	*	4.6	5.9	*	2.7	2.9	*	7.9	10.6	*
Georgia	12.0	13.3	*	4.5	5.0	*	5.0	5.9	*	2.5	2.4		6.1	10.4	*
North Macedonia	11.4	13.5	*	3.8	4.4	*	4.8	6.0	*	2.7	3.0	*	6.7	10.8	*
Moldova	12.3	14.1	*	3.9	4.7	*	5.4	6.2	*	3.0	3.1	*	7.6	10.8	*
Montenegro	11.0	13.8	*	4.0	4.6	*	4.5	5.9	*	2.5	3.2	*	8.7	14.3	*
Romania	11.1	12.8	*	3.4	4.2	*	5.0	5.9	*	2.7	2.8		9.7	13.1	*
Average (total)	*12.2*	*14.0*	*	*4.3*	*4.9*	*	*5.1*	*6.0*	*	*2.9*	*3.1*	*	*8.1*	*11.6*	*
Average (OECD-11)	*12.6*	*14.1*	*	*4.6*	*5.0*	*	*5.1*	*5.9*	*	*2.9*	*3.2*	*	*8.3*	*11.5*	*

Note: France, Malta and Thailand are missing data and are not in this table. The t-statistic test illustrated by a star (*) shows a statistical significance of the difference between one group and the rest of the sample at the 95% confidence level. The t-test is usually used to determine if the means of two sets of data are statistically significantly different from each other.

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