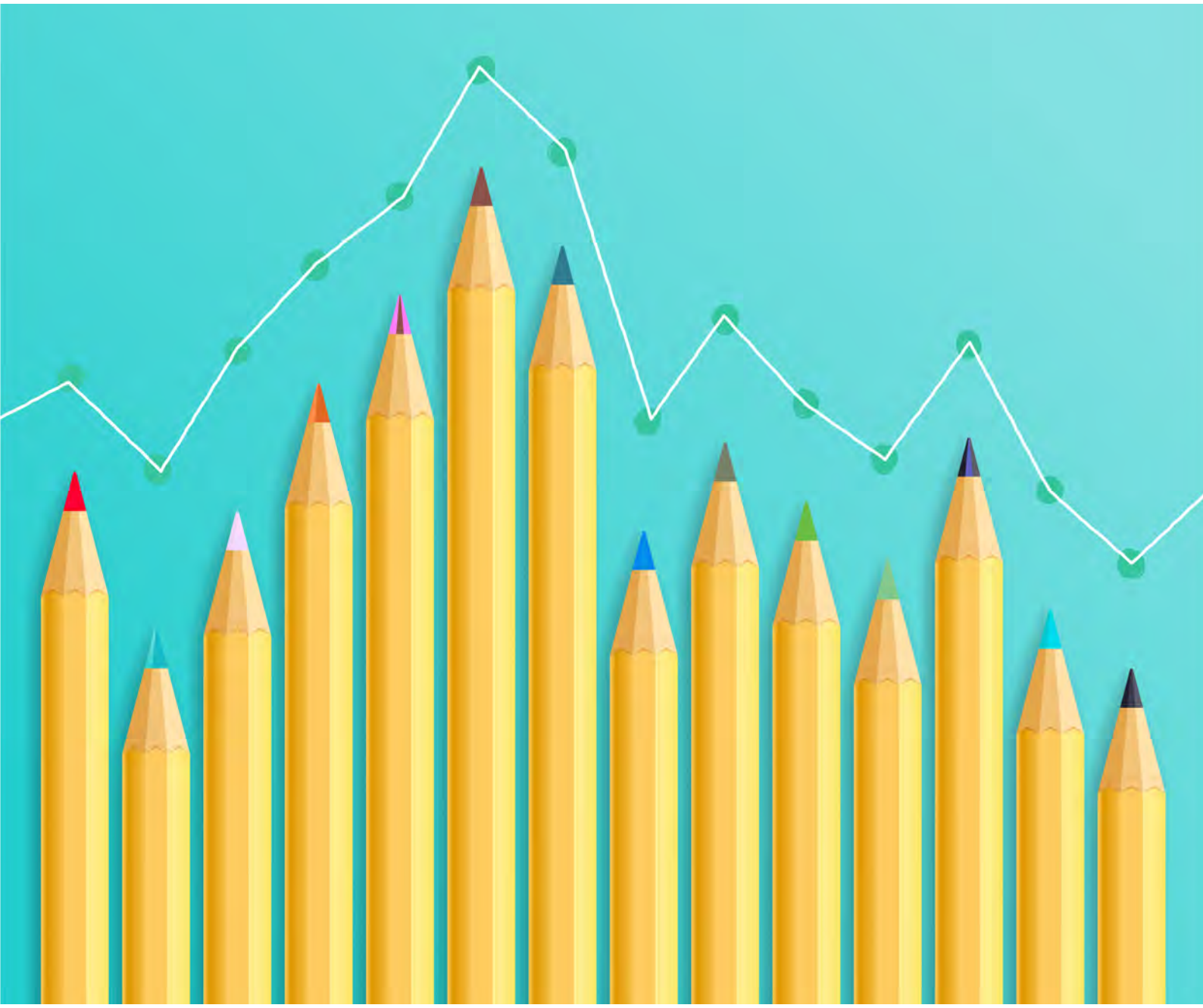
Financial Literacy of Adults in South East Europe



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Financial Literacy of Adults in South East Europe

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The publication was prepared by Kiril Kossev with oversight by Flore-Anne Messy, Adele Atkinson, and Elena Miteva in the Insurance, Private Pensions and Financial Markets Division of the OECD Directorate for Financial and Enterprise Affairs. Data collection was undertaken by ACT Global (Tbilisi, Georgia).

Executive summary

The OECD conducted a survey of levels of financial literacy in the South East European Region (namely across the countries of Bulgaria, Croatia, Georgia, North Macedonia, Moldova, Montenegro, and Romania) collecting primary data using its globally-vetted OECD/INFE Toolkit. This survey is part of the OECD/INFE Technical Assistance Project for Financial Education in the Constituency Program of the Netherlands Ministry of Finance, which aims to provide tailored research and policy support to the region.

The survey was conducted on a statistically representative sample of over seven thousand adults within the age range of 18-79. It sought to gather information on each of the elements of financial literacy according to the OECD definition: knowledge, behaviour, and attitude; allowing for the calculation of the globally comparable OECD financial literacy score. It further inquired into financial inclusion, as well as elements of financial well-being. It pays special attention to attributes of individual financial resilience, a key part of prudent financial behaviour and attitudes, by reporting attitudes to active saving and behaviours that aim to avoid indebtedness and focus on the long term.

The total possible score in financial literacy according to the OECD's methodology corresponds to basic financial literacy competencies. **Adults in South East Europe scored on average about 57% of the maximum possible.** This is lower than comparable scores obtained through the same methodology from surveys of the EU and OECD economies (about 64% and 65% respectively).

The average hides important heterogeneity between and within countries. Adults in Georgia and Croatia are relatively strong in terms of financial knowledge, both when compared with adults in other countries and compared to levels of consumer behaviour and attitudes domestically. In Moldova, behaviour and attitude scores are considerably higher than the knowledge score and also the highest across the region, helping make the Moldovan financial literacy score highest in the region overall. Financial knowledge in Romania is low compared to the other countries in the sample, while adults in Bulgaria and North Macedonia exhibit almost identical strengths across all three components of financial literacy. The financial knowledge score of adults in Montenegro is relatively stronger than either their consumer behaviour or attitude scores.

Other elements of the survey results provide further insights:

- **Financial resilience is boosted by good budgeting and short term planning skills, but it is undermined by lack of trust in retirement plans and high informality:** Budgeting behaviour is relatively high, with over 60% of adults across the 7 countries responding they have financial control in the household and regularly plan a budget. On the other hand, confidence in retirement plans is low. Only 25% of adults across the region on average are confident in their pension plans. While the majority appear to rely on government pension schemes – 75% of respondents across South East Europe – an important share, some 30%, report

reliance on family and children (percentages go over 100% as respondents could provide more than one answer across the survey).

  - **Levels of informality appear high** with over 30% of adults suggesting they rely on family or close relatives for borrowing needs, while 55% on average suggest they save in cash. The element of informality looks particularly acute in the sphere of retirement planning. Between a quarter and a third of adults suggested they will need to rely on family or own savings for their pension needs.

- **In terms of financial inclusion, awareness of financial products is high but usage is average**. Over 80% of adults in the region on average are aware of at least five financial products across payment, investment, saving, insurance, or credit products. Close to 40% recently bought such products. Between 30% and 40% report they use formal accounts at financial institution for their saving needs.

  - **Financial inclusion through digital financial products can be beneficial for the region as the use of novel technologies is associated with high financial literacy**: Digitally literate respondents appear to have consistently, and significantly, higher financial knowledge and behaviour scores.

- **Financial well-being is undermined by high levels of financial stress**: Financial worry is prominent among adults in the region when discussing their current financial situation and their ability to meet living expenses. Some 41% of adults suggested there are unsatisfied with their present financial situation and only a third agree they are satisfied. This appears not to be caused by excessive debt (64% reject this statement), but more likely low incomes relative to the cost of living. Just under 60% responded they are worried about meeting their current expenses and agree that money tends to control their lives.

These findings suggest that policy makers should:

- Focus their efforts on **further developing the key financial literacy skills** of budgeting, understanding of interest and in particular the benefits of compounding, inflation, and risk diversification, as well as planning and saving for the short and long term through the formal system.

- **Distinguish between certain groups**, like women and the elderly, which will need better provision of financial education, and entrepreneurs, who will require different competencies to consumers. Financial knowledge of migrants and their families (recipients of remittances) would need boosting in some of the countries in the region.

- **Encourage a positive culture of long term planning and savings attitudes alongside prudent financial behaviours** to improve financial resilience and support consumers in the pursuit of long-term rewards.

In doing so, it will be important to:

- **Utilise novel but also proven financial education tools**, such as digital ones and behaviour insights for instance, to ensure effective delivery.

- **Measure outcomes on a regular basis and consider the need to disseminate the results of surveys widely** in order to improve transparency and confidence in governing institutions and the formal financial system.

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1. Introduction

Financial education has gained a prominent position in the global policy agenda. It is now universally recognised as a core component of the financial empowerment and resilience of individuals, as well as the overall stability of the financial system. The value of financial knowledge that allows individuals to strive towards control over their finances, active saving, avoiding indebtedness, and understanding of financial and economic risks and shocks, has been illustrated starkly since the 2008 Global Financial Crisis and is being confirmed during the current crisis. Three sets of high-level principles endorsed by G20 Leaders reflect this: Innovative Financial Inclusion (2010), Financial Consumer Protection (2011), and National Strategies for Financial Education (2012).

The OECD is widely recognised as the global leader in terms of financial literacy and financial education, and has developed a number of policy instruments and tools, as well as research and guidance to support the development of national strategies and targeted approaches to financial education. Empirical evidence is at the heart of the OECD approach, and this requires robust tools to capture data. The OECD/INFE has therefore developed a toolkit to measure the financial literacy and financial inclusion among adults; recognising the value of such a tool, the toolkit was welcomed by G20 leaders at their summit in St Petersburg in September 2013.

The OECD/INFE toolkit was recently used in two co-ordinated financial literacy measures by the OECD, resulting in a report covering 30 countries and economies in 2016 (OECD, 2016[1]), and a dedicated G20 report in 2017 (OECD, 2017[2]). It was also used in a regional survey of financial literacy and inclusion in Eurasia ((OECD, 2018[3])). The OECD is preparing a global report on financial literacy based on surveys conducted by INFE members over 2019 and the first quarter of 2020.

This report provides the seven countries participating in the OECD/INFE Technical Assistance Project for Financial Education in the Constituency Program of the Netherlands Ministry of Finance with an opportunity to see how their financial literacy levels compare to the other countries in the project. These countries are Bulgaria, Croatia, Georgia, North Macedonia, Moldova, Montenegro, and Romania.

Data from the seven countries were collected by ACT Global between July 2019 and October 2019 and analysed by the OECD using the standard OECD methodology, which provides comparative, descriptive statistics that can be easily replicated.

2. Measuring financial literacy

Financial literacy is a complex phenomenon and the sections that follow aim to discuss different factors as independent components and combined into meaningful scores to facilitate comparison and make it possible to identify specific similarities and differences.

The OECD defines financial literacy as "a combination of awareness, knowledge, skill, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial wellbeing". The report follows this definition and looks into the individual elements of financial literacy in the order of knowledge, behaviour, attitudes, and then considers the overall scores of financial literacy. It then looks into elements of financial inclusion and financial well-being. Finally, the analysis reports on the financial literacy scores of various possible target groups, and in particular the groups that formed the booster samples of this survey: owners and managers of MSMEs, migrants and their families, residents in rural areas.

The tables below illustrate the composition of the sample of respondents identified and surveyed for this analysis. The share of respondents from each country is about events and corresponds to about 14% of the total 7422 individual adults between the ages of 18 to 79 who were interviewed in person[1]. Further, the three booster samples introduced represented as follows[2]:

- Owners and/or directors of MSMEs: about 9% of the total sample.
- Migrants and their families: about 21% of the total sample.
- Rural residents: about 40% of the total sample.

[1] While the number of respondents form each country is about even, for the purposes of the analysis, when percentage shares and differences were calculated, weighting was introduced. Two types of weights were used: (1) normalized weight variable for all countries used in the analysis of the total sample, and (2) country level weights that were used look on country level data and not for all countries.

[2] The booster samples were used to increase the number of individuals who fall into each of the three categories (MSME owners, migrants, rural residents) to make any descriptive statistics or inference statistically meaningful. The booster samples required that each category needs to be about 10 percent of the total sample for each country (which means about 100 individuals from 1000 interviewed). The percentages quoted here represents all the individuals in the total survey who identified as part of each of these categories; and these are the percentages that have been used in the analysis. There are overlaps between the booster samples, i.e. individuals who are part of one, two, or all three categories. These overlaps are not problematic as in this report we seek to show descriptive statistics about financial literacy and inclusion of various groups of individuals, and these statistics, as well as the underlying behaviours, may often also be similar across groups.

Table 2.1. Sample breakdown by country

The table reports the absolute number of respondents per country and the percentage share of each country.

Country	Frequency	Percent
Bulgaria	1047	14.1
Croatia	1079	14.5
Georgia	1056	14.2
North Macedonia	1076	14.5
Moldova	1074	14.5
Montenegro	1030	13.9
Romania	1060	14.3
Total	*7422*	*100.0*

Source: OECD (2020)

Table 2.2. Main sample and booster samples

The table reports the absolute numbers of respondents per booster sample group and the percent of the total sample they form.

	MSMEs owners / directors		Migrants		Rural residents	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Target Groups	660	8.9	1558	21.0	2954	39.8
Other	6762	91.1	5864	79.0	4468	60.2
Total	*7422*	*100.0*	*7422*	*100.0*	*7422*	*100.0*

Note: **MSME** owners and directors have been identified by replying to questions on their corporate role, as well as the size of their enterprise. As MSMEs have been identified enterprises with 250 or fewer employees, following the EU and OECD definitions.
The OECD has been developing financial literacy tools for migrants and their families, thus for the purposes of this survey '**migrants'** is more accurately described as migrants and their families - a group that combines those respondents who have reported to have worked abroad in the past year or have received remittances from abroad in the past year.
The measure for **rural residents** differentiates rural/urban according to the survey data for place of residence and its size, and corrected based on the official classification of rural locations.
Source: OECD (2020)

Thus, the report contains descriptive text, tables and figures, as follows:

- Section 3 reports an overall score for financial literacy for each country.
- Section 4 reports levels of financial knowledge.
- Section 5 discusses financial behaviours.
- Section 6 focuses on attitudes to longer-term financial planning.
- Section 7 provides analysis on aspects of financial inclusion.
- Section 8 provides insights into aspects of financial well-being.
- Section 9 focuses on particular target groups.

3. Overall levels of financial literacy

Financial literacy is considered to be a complex phenomenon, made up of a combination of knowledge, attitudes and behaviours, as presented in Figure 3.1.

This chapter provides an indication of overall financial literacy as measured through a sum of the three components of financial literacy discussed in the following chapters in this report.[3] The score is driven primarily by financial behaviour, which contributes up to 9 of the 21 possible points, or almost 43% of the overall score. This reflects the general understanding that financial well-being results primarily from positive behaviours and that financial education therefore needs to ultimately change behaviour to improve financial well-being.

For simplicity and ease of comparison across the three aspects of financial literacy, the average results for each country are reported as a percentage of the maximum score on each component and the overall score.

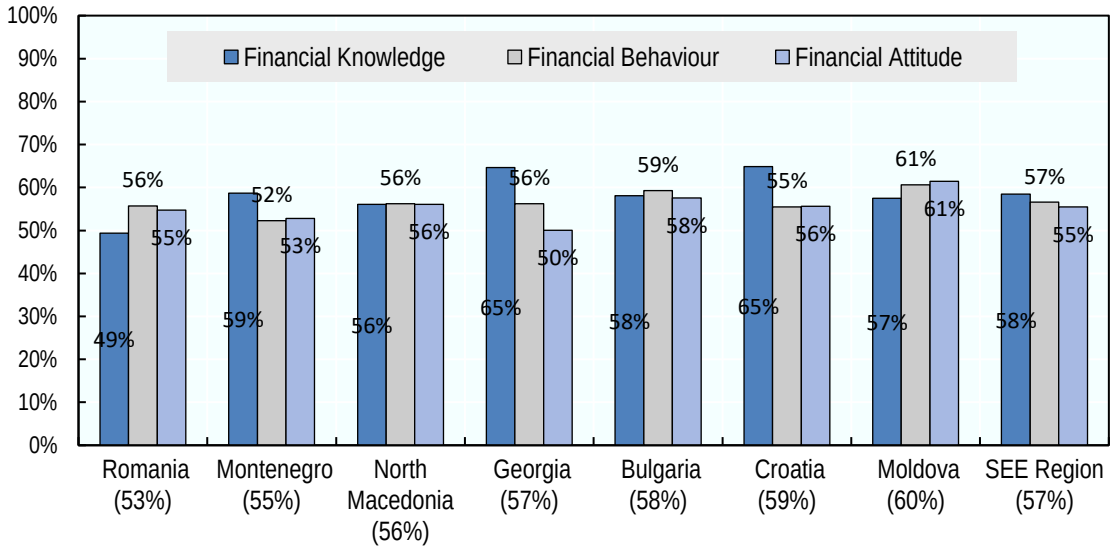
Figure 3.2 shows that overall levels of financial literacy vary across countries, but never exceed 60% (a score of 12.6 out of the 21 available points).

There is also variability in the relative strengths of participants in different countries. In particular, adults in Georgia and Croatia (correctly answering 65% of the knowledge questions, on average) are relatively strong in terms of financial knowledge, both when compared with adults in other countries and compared to levels of consumer behaviour and attitudes domestically. In Moldova, performance on behaviour (61%) and attitude (61%) is considerably higher than on knowledge and also the highest across the region, helping make the Moldovan financial literacy score highest in the region overall. Financial knowledge in Romania (49%) is particularly low compared to the other countries in the sample, while adults in Bulgaria and North Macedonia exhibit relatively similar strengths across all three components of financial literacy. The financial knowledge score of adults in Montenegro is relatively stronger than either their consumer behaviour or attitude scores.

[3] The basis for combining the three components of financial literacy is based on the definition of financial literacy, not on the statistical properties or the particular economic importance of such a combination. As countries have some relative strengths and weaknesses in terms of the three components there is considerable benefit in considering each separately.

Figure 3.1. Components of overall financial literacy

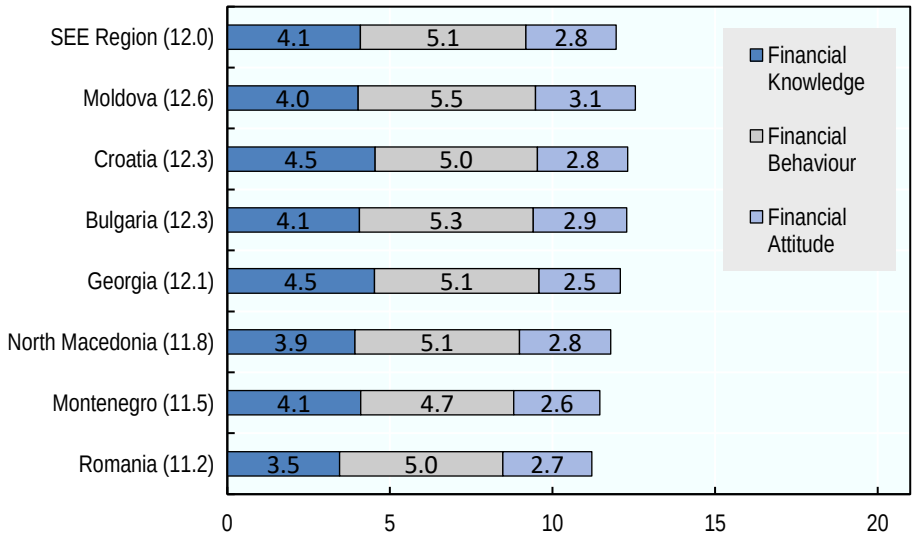
Base: all respondents. Average knowledge, behaviour and attitude scores as a % of maximum possible scores, financial knowledge, financial behaviour and financial attitudes. Sorted by % of overall score (reported in parentheses).



Source: OECD, (2020).

Figure 3.2. Financial literacy scores and their components

Sorted by total score. Total score for each country reported in parenthesis.



Source: OECD, (2020).

4. Financial knowledge

Financial knowledge is an important component of financial literacy, necessary for undertaking activities such as following news about the economy and financial landscape, comparing financial products and services and making appropriate, well-informed financial decisions. A basic knowledge of financial concepts and the ability to apply numeracy skills in a financial context ensure that consumers can act autonomously to manage their financial matters and react to news and events that may have implications for their financial well-being. The evidence indicates that higher levels of financial knowledge are associated with positive outcomes such as planning for retirement, as well as a reduction in negative outcomes such as debt accumulation [see for example Hastings, Madrian and Skimmyhorn (2013[4]) for a summary of this literature, Mahdzan and Tabiani (2013[5]) for details of a study in Malaysia; Clark, Lusardi and Mitchell (2017[6]) for a study of retirement savings in the United States].

The responses to seven questions (see Table 4.1) are used in this report to compare levels of financial knowledge[4]. Some of the questions require basic numeracy and others focus on definitions and understanding.

Table 4.1. Questions used to measure financial knowledge

Question	Possible responses	Purpose
Five brothers are going to be given a gift of $1,000 [question is normally asked in local currency] in total to share between them. Now imagine that the <brothers> have to wait for one year to get their share of the $1,000 and inflation stays at <X> percent. How much would they be able to buy in one year's time?	Multiple choice [correct response depends on inflation used]	To test ability to understand how inflation impacts on purchasing power
You lend $25 to a friend one evening and he gives you $25 back the next day. How much interest has he paid on this loan?	Open response [correct response 'none'/'zero/'0]	To test understanding of interest without difficult arithmetic
Suppose you put $100 into a <no fee, tax free> savings account with a guaranteed interest rate of 2% per year. You don't make any further payments into this account and you don't withdraw any money. How much would be in the account at the end of the first year, once the interest payment is made?	Open response [correct response $102]	To test ability to calculate simple interest on savings

[4] The OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion, a globally-vetted instrument for measuring financial literacy and inclusion was welcomed by the G20 Leaders in 2013. It contains all the relevant questions and can be found here. http://www.oecd.org/financial/education/2018-INFE-FinLit-Measurement-Toolkit.pdf. A version adapted to the South East European region, taking into account the comments of the countries participating in this survey, was used to gather the data for this report.

Question	Possible responses	Purpose
….and how much would be in the account at the end of five years [add if necessary: remembering there are no fees or tax deductions]? Would it be…more than $110, exactly $110 or less than $110?	Multiple choice [Correct response More than $110, but only taken into account if previous question is correct]	To test whether respondent is aware of the additional benefit of compounding
An investment with a high return is likely to be high risk/ or *If someone offers you the chance to make a lot of money it is likely that there is also a chance that you will lose a lot of money.*	True/False [Correct response to both versions is *true*]	To test whether respondent understands the typical relationship between risk and return
High inflation means that the cost of living is increasing rapidly	True/False [Correct response is *true*]	To test understanding of the meaning of the term inflation
It is usually possible to reduce the risk of investing in the stock market by buying a wide range of stocks and shares	True/False [Correct response to both versions is *true*]	To test whether respondent is aware of the benefit of diversification

Note: The words or phrases in < > can be edited to fit the national context. Currency can also be changed. Each question has equal weighting in the financial knowledge scores reported.

4.1. Knowledge of different concepts and terms

Analysis of the 7 knowledge questions used to measure financial knowledge show some interesting variations (Figure 4.1). The charts report the percentages of respondents who gave correct responses to the financial knowledge questions, as well as the percentage of respondents who did not wish to even attempt to answer and responded with "don't know". The size of the latter groups is instructive as a comparison to correct answers, as it shows a lack of confidence in the understanding of these basic financial concepts.

4.1.1. Purchasing power and inflation

On average across the 7 countries fewer than half of respondents (49%) correctly responded to a question on the **purchasing power of money** if inflation stayed at the same rate for one year, but only 16% said they did not know. The percentage giving a correct answer varied widely by country, from the highest correct response rate of 76% in Georgia to the lowest of 37% in Romania.

4.1.2. Interest

Almost four out of five respondents (78%), on average, showed an understanding of the **concept of interest on a loan** and correctly identified that none had been paid in the question posed. There was relatively little difference in the proportion giving a correct response in each country, with the highest being again in Georgia (89%) and also in Croatia (88%), and the lowest in Bulgaria (70%). On average 11% of respondents replied that they did not know the answer, rising to 19% in Bulgaria.

The calculation of **simple interest on savings** proved marginally more difficult than the question relating to borrowing. Only 45% got this question right, on average, with 23% responding they did not know the answer. However, the variation across countries is large, with a 25 percentage-point difference between the lowest (Romania, 39%) and highest performer (Montenegro, 64%).

Compound interest proved to be a difficult concept to grasp for the respondents. Less than one third of the respondents (30%) gave a correct response to the **multiple choice question**

on interest compounding, This question also resulted in sizeable proportions of do not know responses, ranging from 31% in Montenegro (which also had the second lowest correct response rate of 24%) through to 4% in Croatia. The latter consistently exhibits lowers percentage of "don't know" answers, which may show a good level of confidence among Croatian consumers, backed up by the financial knowledge self-assessment, see figure 3.3 below.

Given the difficulty in answering the two questions relating to interest on savings, it is no surprise, that on average just 19% of respondents were able to **do the simple interest calculation correctly AND correctly identify that the value of interest following 5 years of compounding** would be more than five times the simple interest. A total of 30% did not know the answers of both of these questions or did not attempt the questions. Respondents in Bulgaria (30%), Croatia (24%), and Georgia (24%) provided the highest percentage of correct answers, but the percentage of those who responded with "don't know" was higher than those who responded correctly in all the countries but Croatia (which appears an outlier with 10% responding 'don't know' or not attempting the question, versus 24% correct answers).

4.1.3. Concepts and definitions

The majority of the respondents in the South East European Region understood the basic relationship between **risk and return**; 69% gave the correct answer across the countries studied and only 15% did not wish to attempt an answer. Some 70% or more respondents gave correct answer across the countries with the exception of North Macedonia (where correct answers were given by 68%) and Romania (with the lowest percentage of correct answers – 64%).

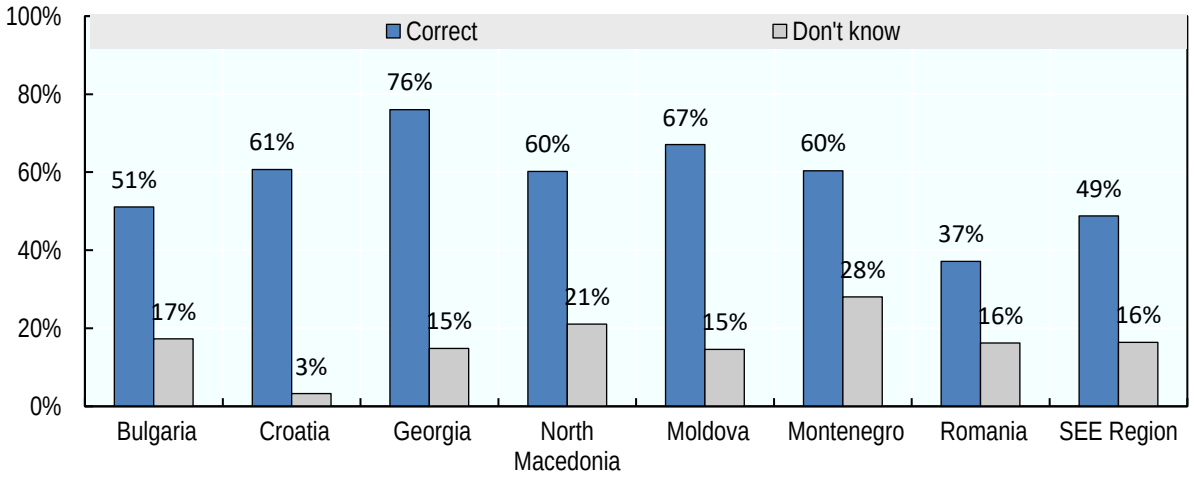
The **definition of inflation** was a well-known and understood concept in all countries with 70% correct answers on average in the region and lowest in Romania with 64%, which is close to two-thirds of the respondents.

Interestingly, **diversification** was not so well understood with less than half of the respondents providing correct answers (48%). Lowers correct response rates are recorded in Montenegro (35%), Bulgaria and Romania (with 44% in both countries). In Bulgaria, the same percentage of respondents (44%) suggested they did not know the answer.

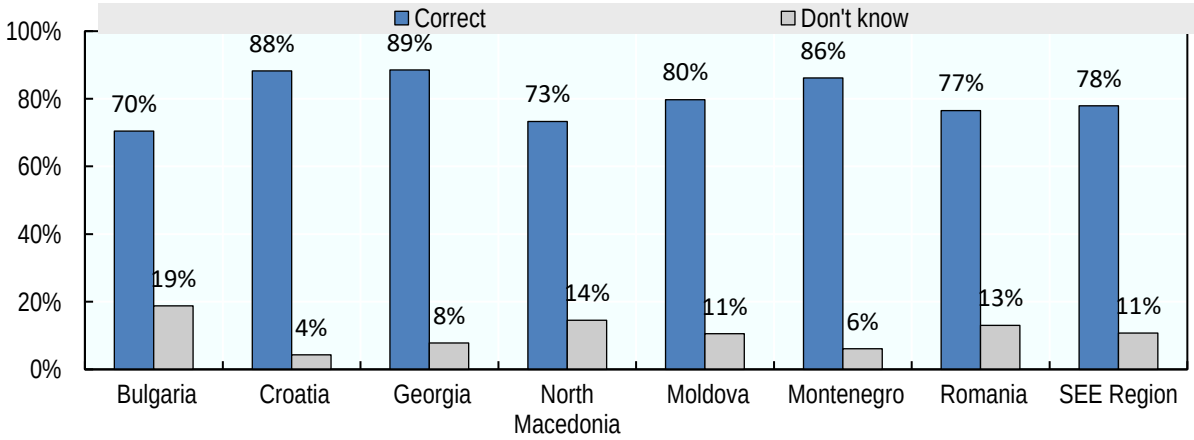
Figure 4.1. Financial knowledge

Base for all charts below: all respondents. % giving correct response, and % reporting that they do not know

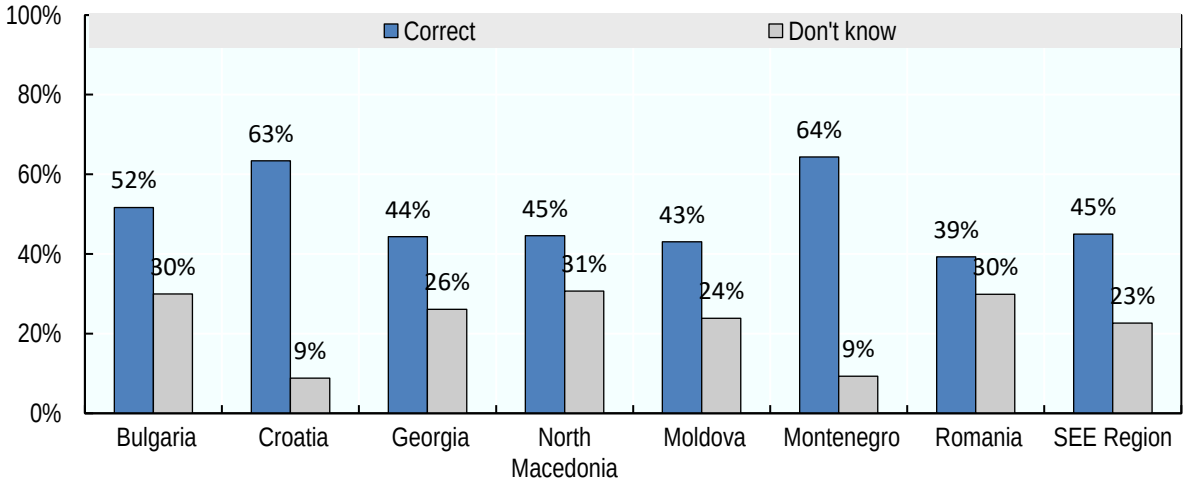
Time Value of Money



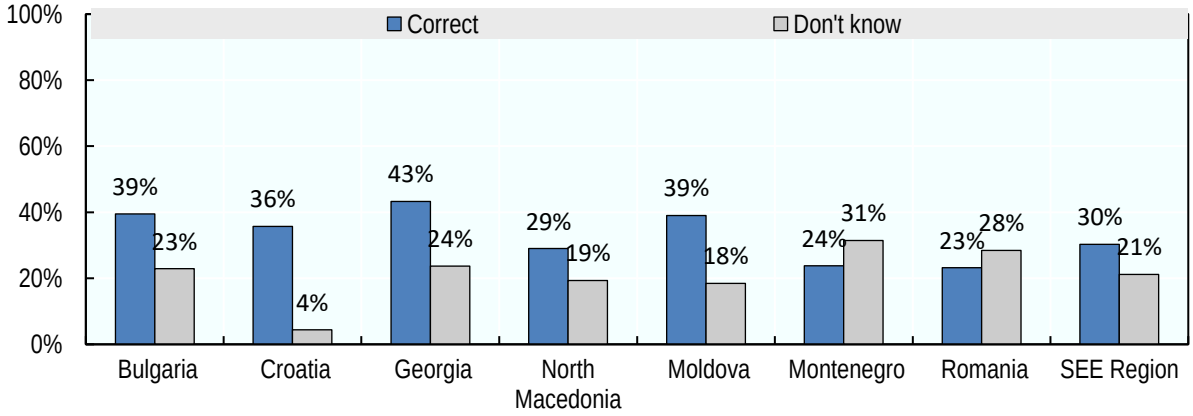
Interest paid on a loan



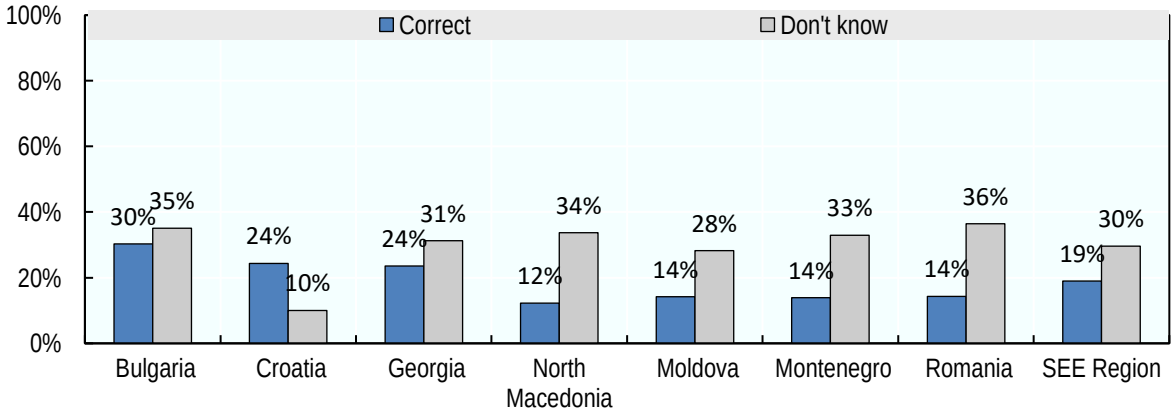
Simple interest calculation



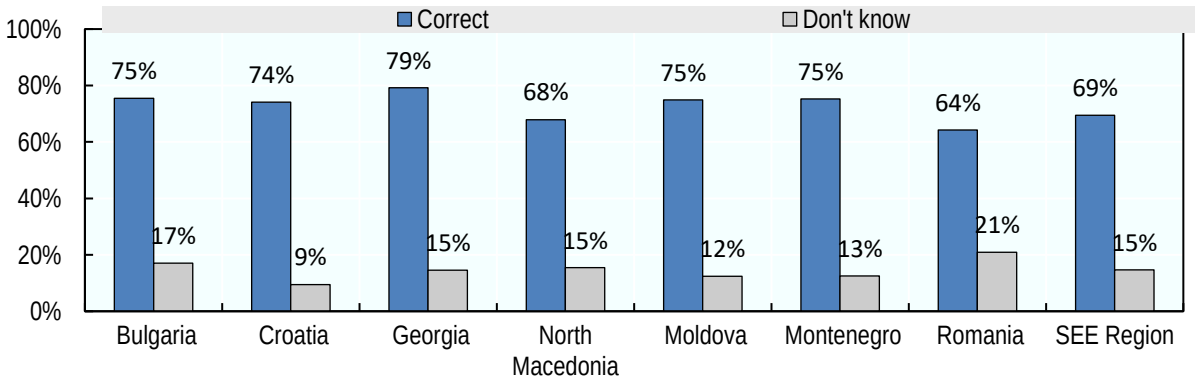
Understanding compound interest



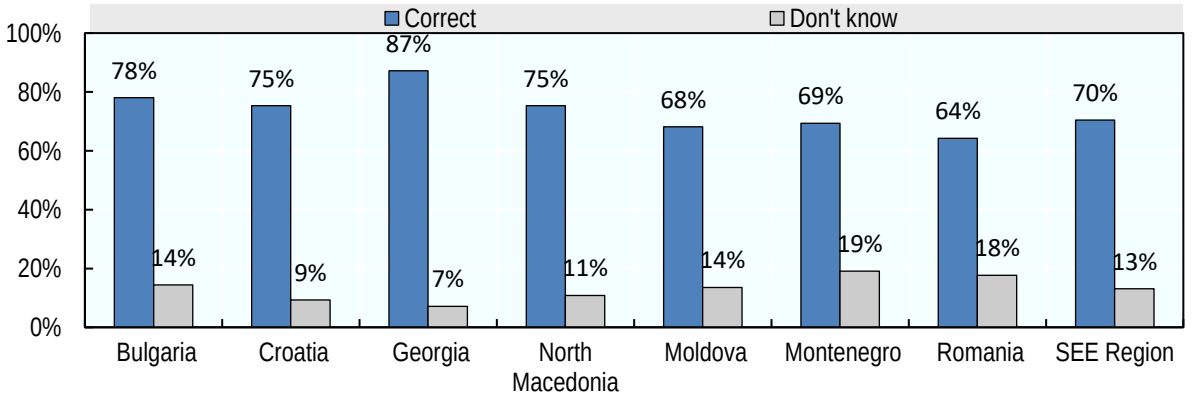
Understanding correctly both simple and compound interest (don't know both concepts)



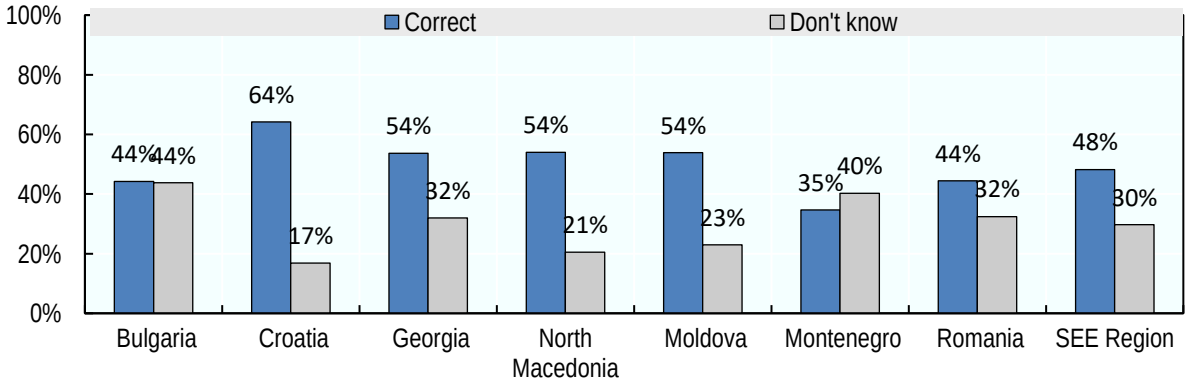
Understanding of risk and return



Understanding of inflation



Understanding of risk diversification



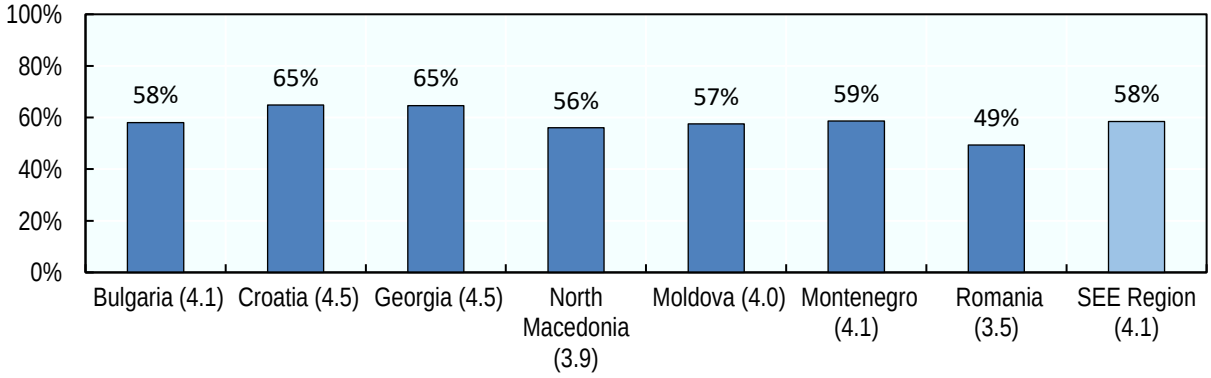
Note: The SEE Region measure refers to the average or mean of the seven SEE countries as reported by the answers to the respective questions in the total sample.
Source: OECD, (2020).

4.2. Financial knowledge score

Figure 4.4, below, present the overall financial knowledge score computed from the answers to all the seven financial knowledge questions. Overall the score in the region was 4.1, meaning that on average, people answered 58%of the questions correctly. Respondents in Georgia and Croatia (65% of the questions answered correctly in both countries) achieved the highest score (4.5), while those in Romania (49% answered correctly) achieved the lowest score (3.5). In contrast, the G20 average score was 4.3 (61%)[5].

Figure 4.2. Financial knowledge score

Percentage of financial knowledge questions answered correctly (out of 7). Actual score is in parenthesis.



Source: OECD, (2020).

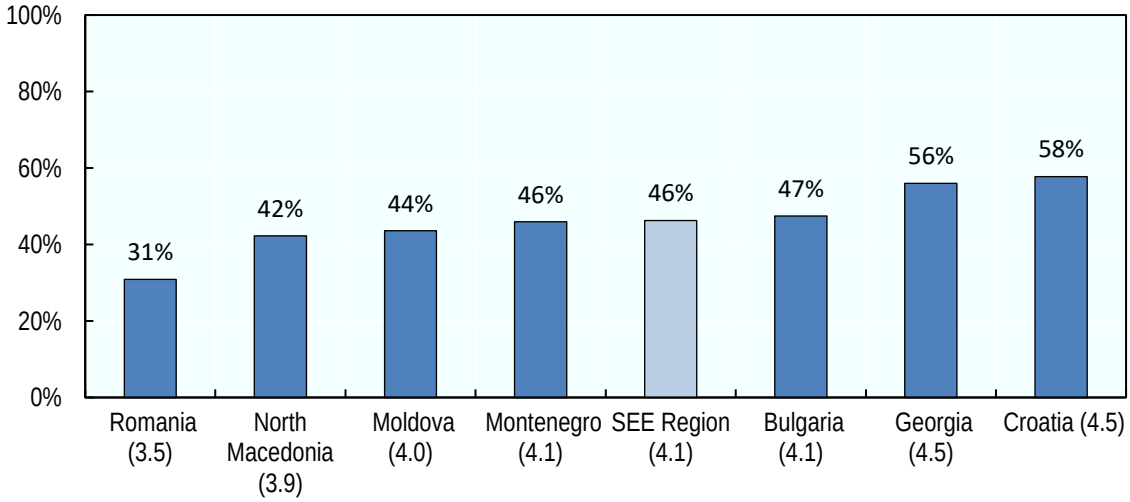
4.3. Minimum target score for financial knowledge

As discussed above, on average, respondents in the SEE region managed to answer just over half of the financial knowledge questions correctly. It is interesting to expand on this and explore what proportion of the population achieved at least the minimum score that could be considered financially literate (5 out of 7). Under half (46%) of the adults in this study achieved the minimum target score (Figure 4.3). In contrast, slightly more – some 48% - of adults across G20 countries with available data achieved the minimum target score. The lowest percentage of respondents to achieve the minimum target score was in Romania (31%), considerably lower than Croatia (58%) and Georgia (56%).

[5] OECD (2017), G20/OECD INFE report on adult financial literacy in G20 countries http://www.oecd.org/daf/fin/financial-education/G20-OECD-INFE-report-adult-financial-literacy-in-G20-countries.pdf

Figure 4.3. Achieving minimum target score for financial knowledge

Base: all respondents. % of respondents achieving minimum target score of 5 out of 7. Average country-level score reported in parenthesis.



Source: OECD, 2020.

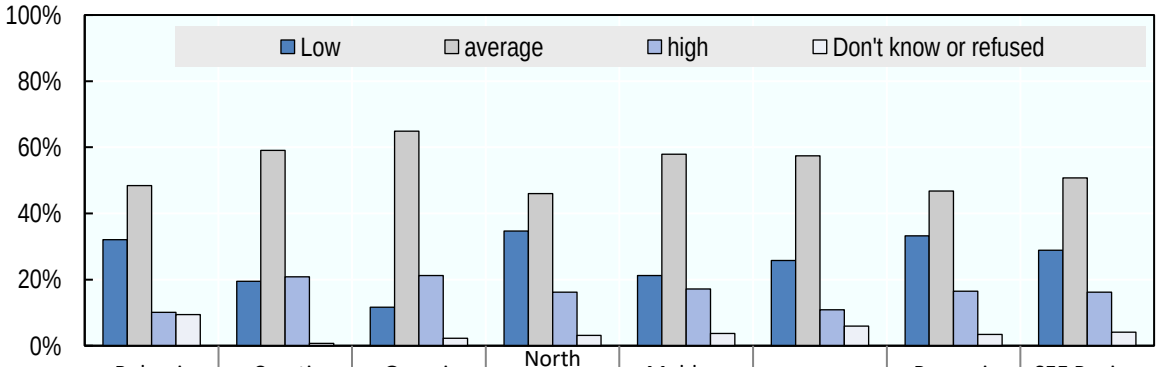
4.4. Self-reported financial knowledge

The majority of respondents across the SEE region believe they are about average in terms of financial knowledge. Figure 4.4 presents the self-reported financial knowledge responses. Respondents in Croatia and Georgia are most confident, with 21% reporting high or very high financial knowledge and only 19% and 12% respectively assessing their knowledge as low. Interestingly, as noted above, the highest percentage of respondents in Croatia and Georgia achieved the minimum target score, but also fairly consistently responded correctly to the financial knowledge questions.

Largest percentage of respondents in North Macedonia, Romania, and Bulgaria self-estimated their financial knowledge as low or very low, 35%, 33%, 32% respectively.

Figure 4.4. Self-reported financial knowledge

Base: all respondents (excluding non-responses). % of respondents reporting that their financial knowledge is lower, about average or higher than other adults in their country.



	Bulgaria	Croatia	Georgia	North Macedonia	Moldova	Montenegro	Romania	SEE Region
Low	32%	19%	12%	35%	21%	26%	33%	29%
average	48%	59%	65%	46%	58%	57%	47%	51%
high	10%	21%	21%	16%	17%	11%	16%	16%
Don't know or refused	9%	1%	2%	3%	4%	6%	3%	4%

Note: The % may not sum to 100% due to rounding.
Source: OECD, (2020).

5. Financial behaviour

Actions and behaviours shape consumers' financial resilience and well-being in both the short and longer-term. Some types of behaviour, such as putting off bill payments, choosing financial products without shopping around or using credit to make up a shortfall in income are likely to have a negative impact on financial resilience and financial well-being in the long term.

At the same time, the changing financial landscape, including the digitalisation of finance, is altering consumers' interactions with a vast array of (new) financial providers, increasing the need to understand behaviour and identify emerging trends (OECD, 2017[7]). It is therefore essential to try to assess financial behaviour in a survey of financial literacy.

This report looks at a range of positive and negative behaviours such as thinking before making a purchase, paying bills on time, budgeting, saving, and borrowing to make ends meet, showing considerable variation in such behaviours within and across countries as well as common trends.

5.1. Financial control

There are many day-to-day or regular actions that people can take to be in control of their finances and build their financial resilience, with a view to maximising their financial well-being. Several such behaviours are considered below.

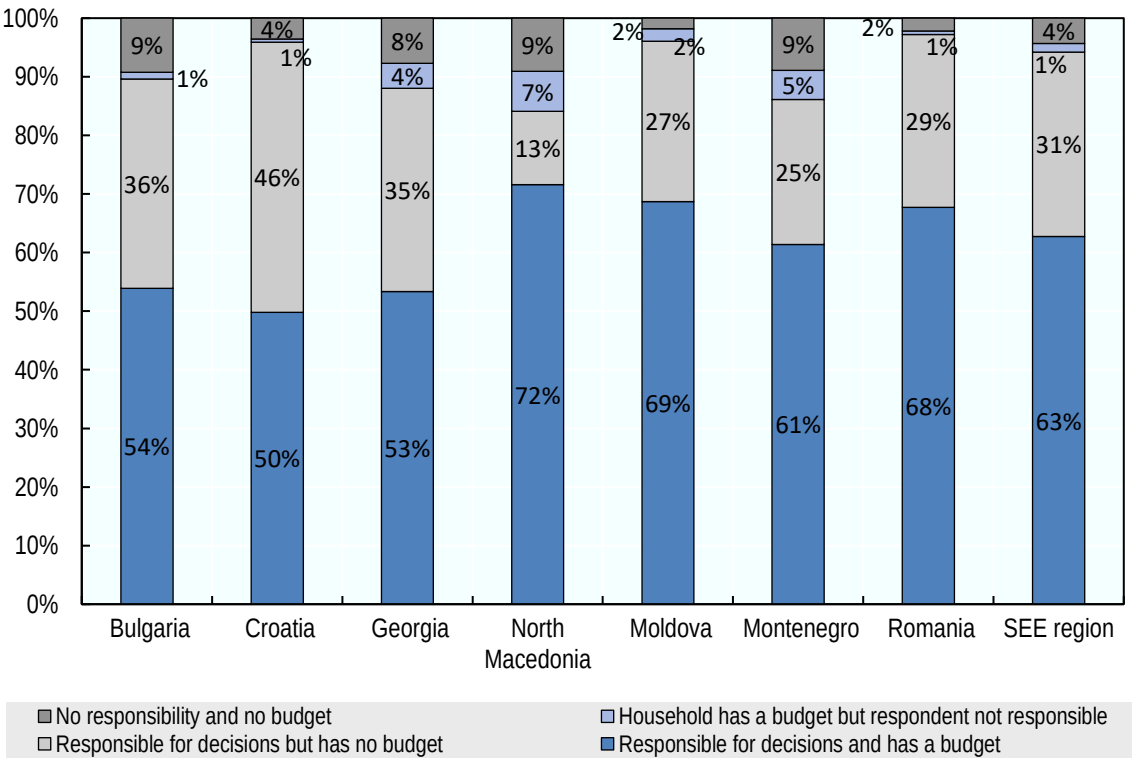
5.1.1. Taking responsibility for financial decisions and using a budget

Financially literate people take some responsibility for money matters, even when tasks are shared across family or household members. It is beneficial to have some awareness of the household financial situation in case of a change of circumstance, such as the loss of a spouse. One of the most practical ways of doing this is by drawing up a budget (either alone or with others) and taking practical steps to stick to it. Indeed, budgeting is considered to be an important component of financial literacy, as indicated in the G20/OECD INFE Core Competencies Framework on Financial Literacy for Adults developed in 2016 (OECD, 2016[8]).

Figure 5.1 below combines information from two related questions: 'Who is responsible for making day-to-day decisions about money in your household?' and, 'Do you do any of the following for yourself or your household: (1) make a plan to manage your income and expenses.' which is then interpreted as an attempt to budget. The results show that adults in North Macedonia (72%), Moldova (69%), and Romania (68%) are most likely to take responsibility and have a budget, compared with just 50% in Croatia, and 53% in Georgia and 54% in Bulgaria. Overall in the region, 63% of the respondents took the lead in budgeting. Worryingly, a considerable proportion of people in every country that take responsibility report that they do not have a budget. On average in the SEE Region one third (31%) of the respondents fell into this category. The highest percentage of adults who had financial responsivities in their household but did not budget was in Croatia (46%), and also in Bulgaria (36%) and Georgia (35%).

Figure 5.1. Financial responsibility and budgeting

Base: all respondents. % of respondents reporting that they take responsibility for money management and/or that their household has a budget.



Notes: The % may not sum to 100% due to rounding.
Derived variable based on responses to two questions.
Source: OECD, (2020).

5.1.2. Making considered purchases

Impulsive purchases can significantly weaken financial resilience, and run counter to the notion of money management and budgeting. Positively, among the countries in this report, the majority of respondents carefully considered their purchases[6] – the average across the 7 countries is 71%. The largest share of adults in Moldova (85%) reported making considered purchases, while some 67% of Romanian adult respondents did the same (Figure 5.2).

5.1.3. Paying bills on time

Timely bill payment is a financially literate behaviour that is essential to ensure a positive credit record (where relevant), and to avoid a range of negative consequences such as the likelihood of facing charges or fines, the reduction or loss of essential utilities and services, the inability to access credit in the future, and the possibility of having property repossessed. Thus, even though people fall behind with bills for a number of reasons from

[6] Based on the proportion completely agreeing, or agreeing with the statement 'Before I buy something I carefully consider whether I can afford it'.

time to time, including a lack of available money due to low or fluctuating income or a physical barrier such as lack of available transport, financially literate people will avoid doing so regularly. A high percentage of adults in the SEE Region (81%) reported paying their bills on time, with those in Moldova (91%) and Georgia (88%) showing the highest positive response (Figure 5.2).

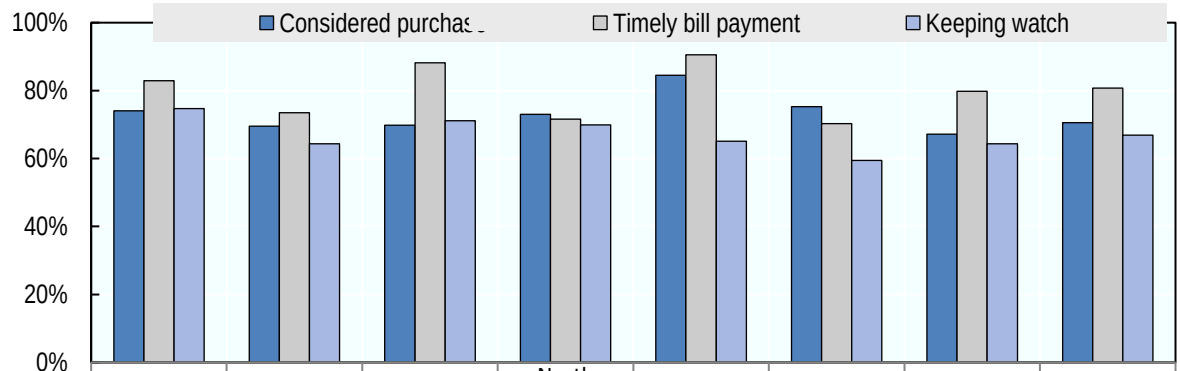
5.1.4. Keeping watch of financial affairs

Keeping watch of financial affairs is necessary for people to identify a range of issues in a timely manner. For example, regular checks make it possible to identify the need to make adjustments to expenditure to stay within budget, verify that all expected income has been received and identify errors or fraudulent behaviour on bank accounts.

Interestingly, fewer people were keeping an eye on their financial affairs[7] than undertaking the other two behaviours discussed above – however the proportion is still large (67% on average across the countries in the SEE Region) and suggests a general tendency in most countries to be aware of one's financial situation. There is a noticeable range across countries with 75% agreeing they keep a watch on their finances in Bulgaria, but some 59% in Montenegro.

Figure 5.2. Financial control

Base: all respondents. % of respondents agreeing or completely agreeing to behaviour statements relating to financial control.



	Bulgaria	Croatia	Georgia	North Macedonia	Moldova	Montenegro	Romania	SEE region
Considered purchase	74%	70%	70%	73%	85%	75%	67%	71%
Timely bill payment	83%	74%	88%	72%	91%	70%	80%	81%
Keeping watch	75%	64%	71%	70%	65%	59%	64%	67%

Note: Derived variable based on those putting themselves in the first 2 of 5 categories from Completely Agree to Completely Disagree. Missing responses are recoded to the middle category before deriving the variable.
Source: OECD, (2020).

[7] Based on the proportion completely agreeing, or agreeing with the statement 'I keep a close personal watch on my financial affairs'.

5.2. Financial resilience

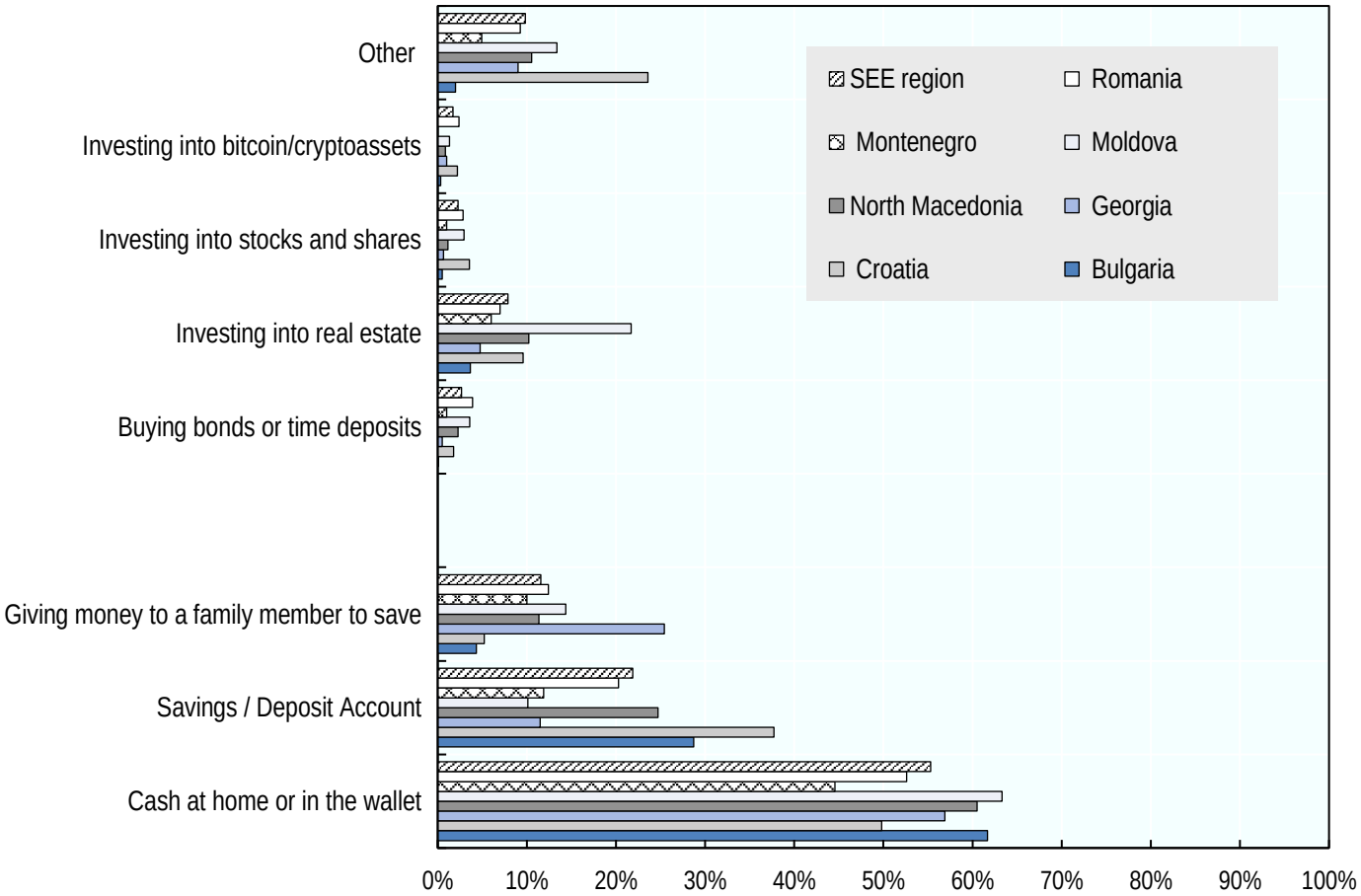
5.2.1. Active saving and investment

Core competencies on financial literacy typically stress the importance of rainy day saving as well as saving for longer-term goals. Similarly, investing mitigates some of the risks of inflation, ensures the money does not stay idle, and can contribute to long term financial goals. There are many ways in which people save, from the most rudimentary one of keeping cash at home to holding bank savings accounts; and investing means buying financial investments (such as long term or low risk products like bonds, or more risky assets such as shares). Figure 5.3 shows that most of the active savers (55% across the 7 countries) were holding at least some of their savings in cash.[8] Over 60% did so in Moldova, North Macedonia, and Bulgaria. This percentage falls to 45% in Montenegro. More than 1 in 5 people (22%) used savings accounts in banks. Very few, on average 12% in the region had used relatives or family to conduct savings on their behalf, with the exception of Georgia (where 25% did so). This may point to a slightly higher reliance on the family and informal network for savings in Georgia and less so on the formal banking system, where only 11% of Georgian respondents suggested they held money.

[8] Based on the following question: 'In the past 12 months have you been [personally] saving money in any of the following ways, whether or not you still have the money?'

Figure 5.3. Methods of saving and investing in the last 12 months

Base: all respondents. % of respondents saying they have used each savings and investment approach.
Multiple responses possible.



	Cash at home or in the wallet	Savings / Deposit Account	Giving money to a family member to save		Buying bonds or time deposits	Investing into real estate	Investing into stocks and shares	Investing into bitcoin/crypto assets	Other
SEE region	55%	22%	12%		3%	8%	2%	2%	10%
Romania	53%	20%	12%		4%	7%	3%	2%	9%
Montenegro	45%	12%	10%		1%	6%	1%	0%	5%
Moldova	63%	10%	14%		4%	22%	3%	1%	13%
North Macedonia	61%	25%	11%		2%	10%	1%	1%	11%
Georgia	57%	11%	25%		0%	5%	1%	1%	9%
Croatia	50%	38%	5%		2%	10%	4%	2%	24%
Bulgaria	62%	29%	4%		0%	4%	0%	0%	2%

Note: More than 1/5th of the respondents in Bulgaria refused to answer this questions (22%), while on average under 1% of the respondents in other countries refused to provide a response.
Note: Totals are not equal to 100% as respondents may have given more than one answer.
Source: OECD, (2020).

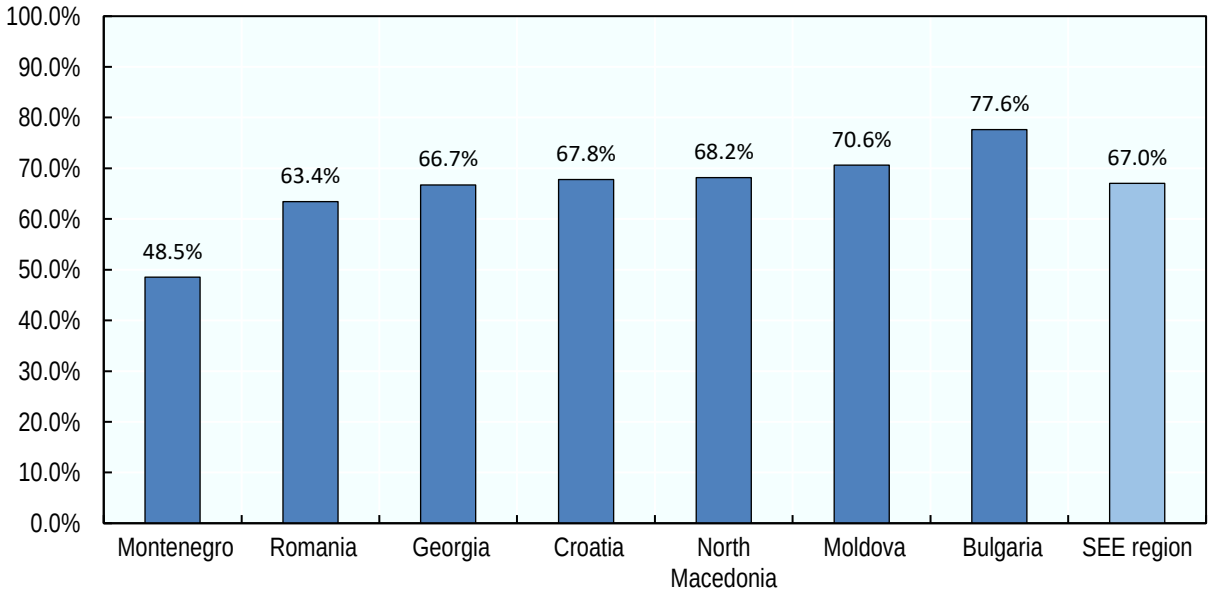
The only important investment class identified by respondents appears to be real estate. Some 8% across the region responded they put some of their money into real estate or housing as investment. This percentage was highest in Moldova (22%), and more than double the average in North Macedonia (10%) and Croatia (10%). The other investment classes appear negligible.

The indicator used in the financial behaviour score and reported in Figure 5.4 combines information on the various ways in which people may be actively saving reported in Figure 5.3 above to create a dichotomous (yes/no) variable for active saving.

On average across the 7 countries, 67% were active savers; although there was variation across countries, with fewer than half of respondents in Montenegro (48%) reportedly saving in any of the ways listed. In contrast, more than 77% were doing so in Bulgaria.

Figure 5.4. Active savers

Base: all respondents. % of respondents reporting that they had saved in any of the ways listed in Fig 5.3 in the previous 12 months.



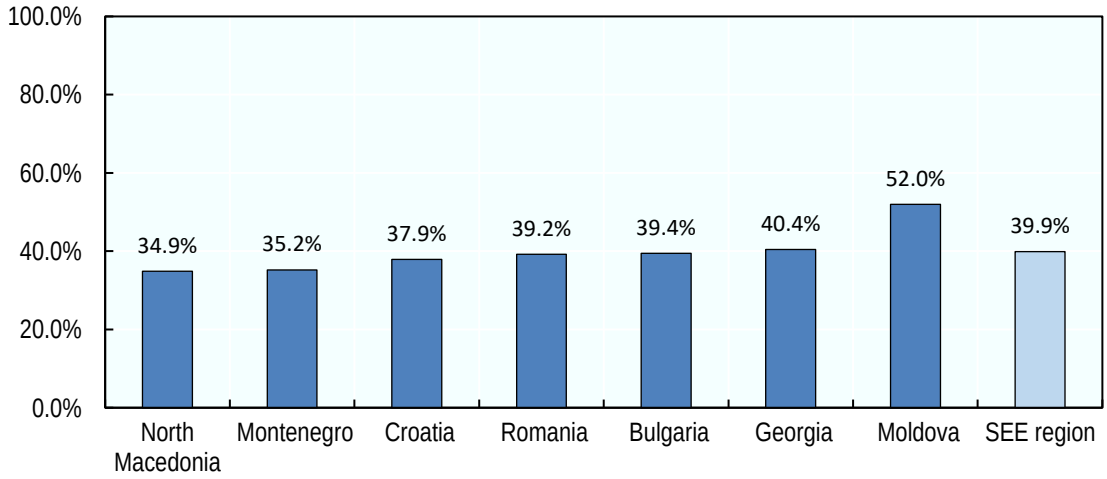
Source: OECD, (2020).

5.2.2. Striving to achieve long-term goals

Under 40% of respondents across the 7 countries agreed that they set long-term goals and strive to achieve them (Figure 5.5). Beyond Moldova, where 52% of the respondents agreed or completely agreed with the statement 'I set long term financial goals and strive to achieve them', there is little variation across the rest of the countries.

Figure 5.5. Striving to achieve long-term goals

Base: all respondents. % of respondents agreeing or completely agreeing to behaviour statement.



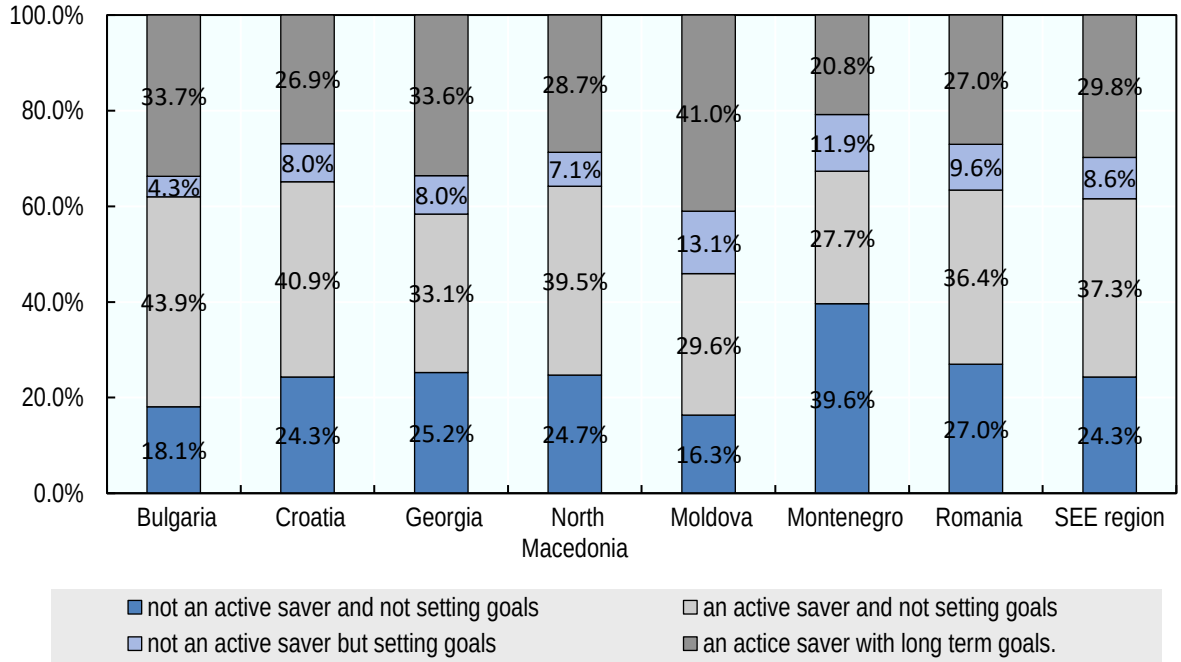
Note: Derived variable based on those putting themselves in the first 2 of 5 categories from Completely Agree to Completely Disagree. Missing responses are recoded to the middle category before deriving the variable.
Source: OECD, (2020).

Combining the data on active saving with that on long-term goals suggests for the majority of countries, respondents were active savers but did not set long term goals (on average 37% in the SEE region) (Figure 5.6).The exceptions were Georgia (about 34% were active savers with long germ goals) and Moldova (41% were active savers with long term goals), where active savers with long term goals were the leading category. In contrast, in Montenegro, the highest proportion of respondents neither suggested they are actively saving nor have long term financial goals (close to 40%).

Positively, very few respondents fell into the category of not actively saving but setting long term financial goals. This may point to the fact that the majority of individuals realised the need to act on their plans and that saving even very small amounts of money on a regular basis can lead to accumulation of funds and to achieving long term life goals related to finance. Respondents in Moldova have the highest proportion of this category, some 13%, as well as an overall highest percentage of respondents who did not actively save (over 54%).

Figure 5.6. Active saving and setting long-term goals

Base: all respondents. % reporting that they are saving in one of a variety of ways and % reporting that they set long-term goals.



Note: Derived variable based on responses to two questions.
Source: OECD, (2020).

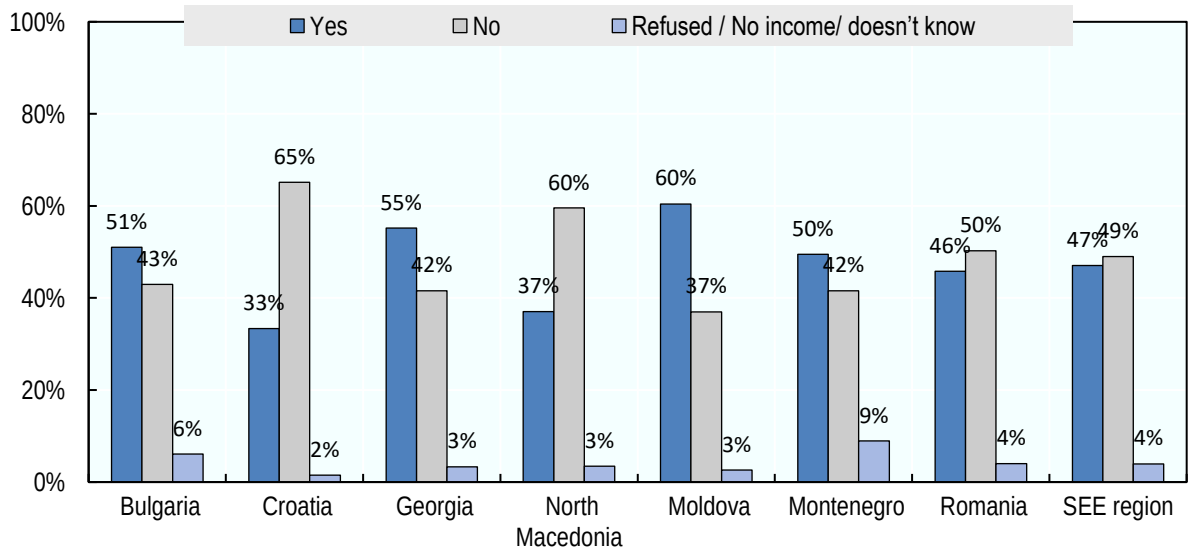
5.2.3. Making ends meet

There are a number of reasons why money coming in may be less than expenditure from time to time, including irregular income created by self-employment or seasonal work, a decision to live on accumulated wealth ('dis-saving') or a reliance on ad hoc or in-kind support from family and friends. Expenditure may also fluctuate over time. This may happen during periods of study (either at an early stage in life or when a person is changing or upgrading qualifications), illnesses and unexpected medical expenses, or a period of unemployment or transition between jobs, for instance. An individual's ability to make ends meet when income or expenditure fluctuates depends on a number of factors including their savings behaviour, resourcefulness and adaptability. This section looks at the extent to which people are making ends meet and their reported behaviours, particularly borrowing, when income does not quite cover living costs.

Across the seven countries, almost half of the respondents (some 47%) reported that their income had not always covered their living costs[9] (see the figure below). In Moldova, this percentage was the highest (60%), while in Croatia it was the lowest (33%).

[9] Based on the question 'Sometimes people find that their income does not quite cover their living costs. In the last 12 months, has this happened to you, personally?'

Figure 5.7. Respondents who reported a financial shortfall in the past 12 months



Source: OECD, (2020).

5.2.4. Strategies for dealing with a shortfall

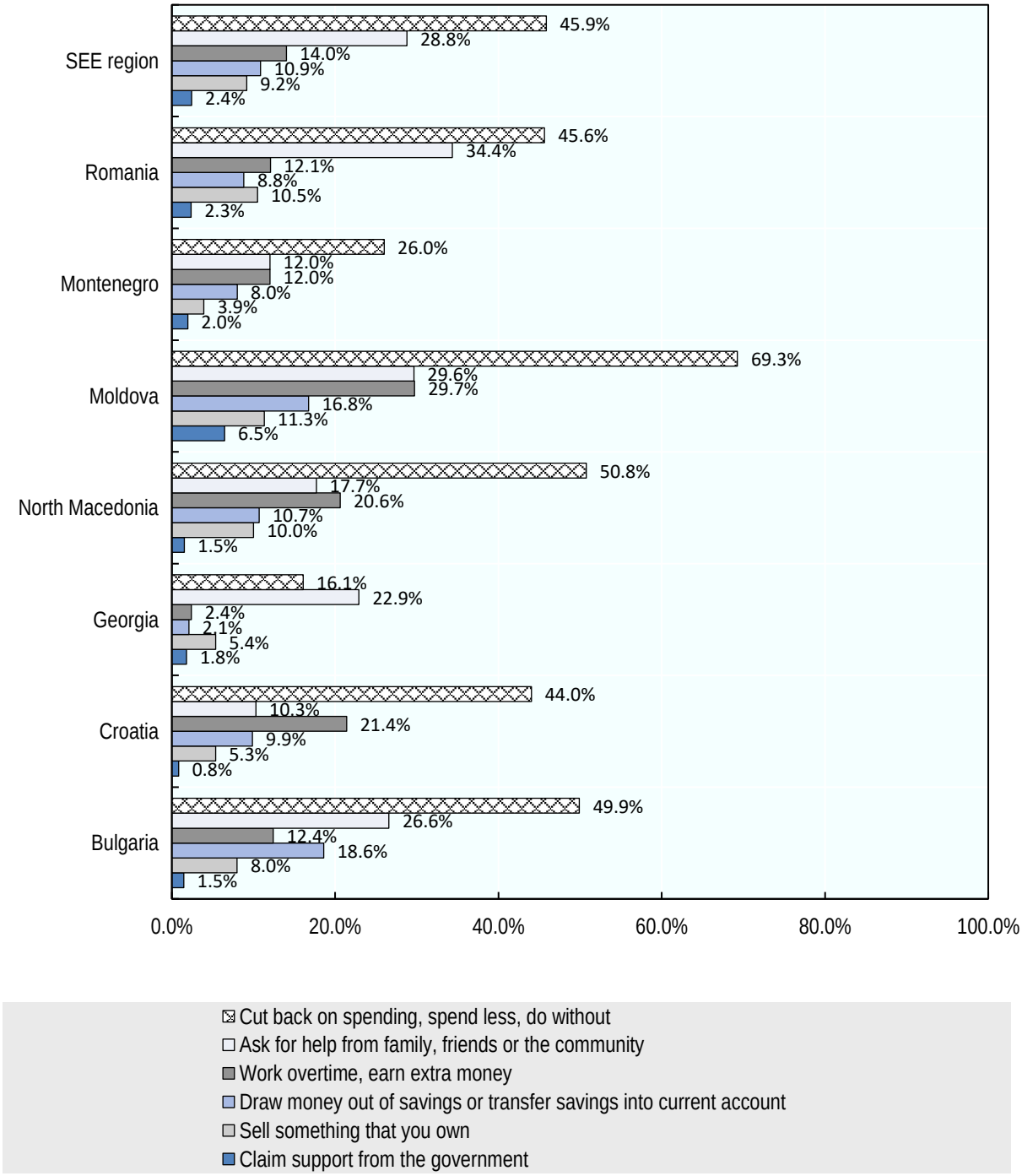
The following three charts, below, suggest that most respondents across the region opted for non-borrowing approaches to cover a financial shortfall (some 46% across the SEE region, for instance, cut back on spending). A large group still resorted to borrowing (around 30% in the highest category), however from *informal sources* (like family, friends, or the community). The smallest group of respondents opted to borrow from formal sources, including banks; 7% took a payday loan.

The data show that people typically apply several approaches to deal with a shortfall that do not involve borrowing (Figure 5.8).[10] Most people had cut back on spending when their income failed to meet their living costs (around 46% across the entire region), and close to one in three respondents (29% across the 7 countries) were able to ask family, friends, or the community for help. Around 15% of the respondents opted to work overtime and earn extra, while two further groups of around 10% each drew money out of savings or sold some assets. Almost negligible 2.4% suggested they looked for government financial support. This pattern is strongest in Moldova, where 70% reported cutting back on spending. The pattern is different in Georgia where just 16% cut back on spending, but 23% asked their family and personal network for help. This may suggest a particularly high level of informality and reliance on family and personal connections in financial matters.

[10] Based on the follow-up question 'What did you do to make ends meet the last time this happened?'.

Figure 5.8. Actions to make ends meet other than borrowing (1: Non-debt approaches)

Base: Actions to make ends meet other than borrowing (from respondents who experienced a financial shortfall over the past 12 months)



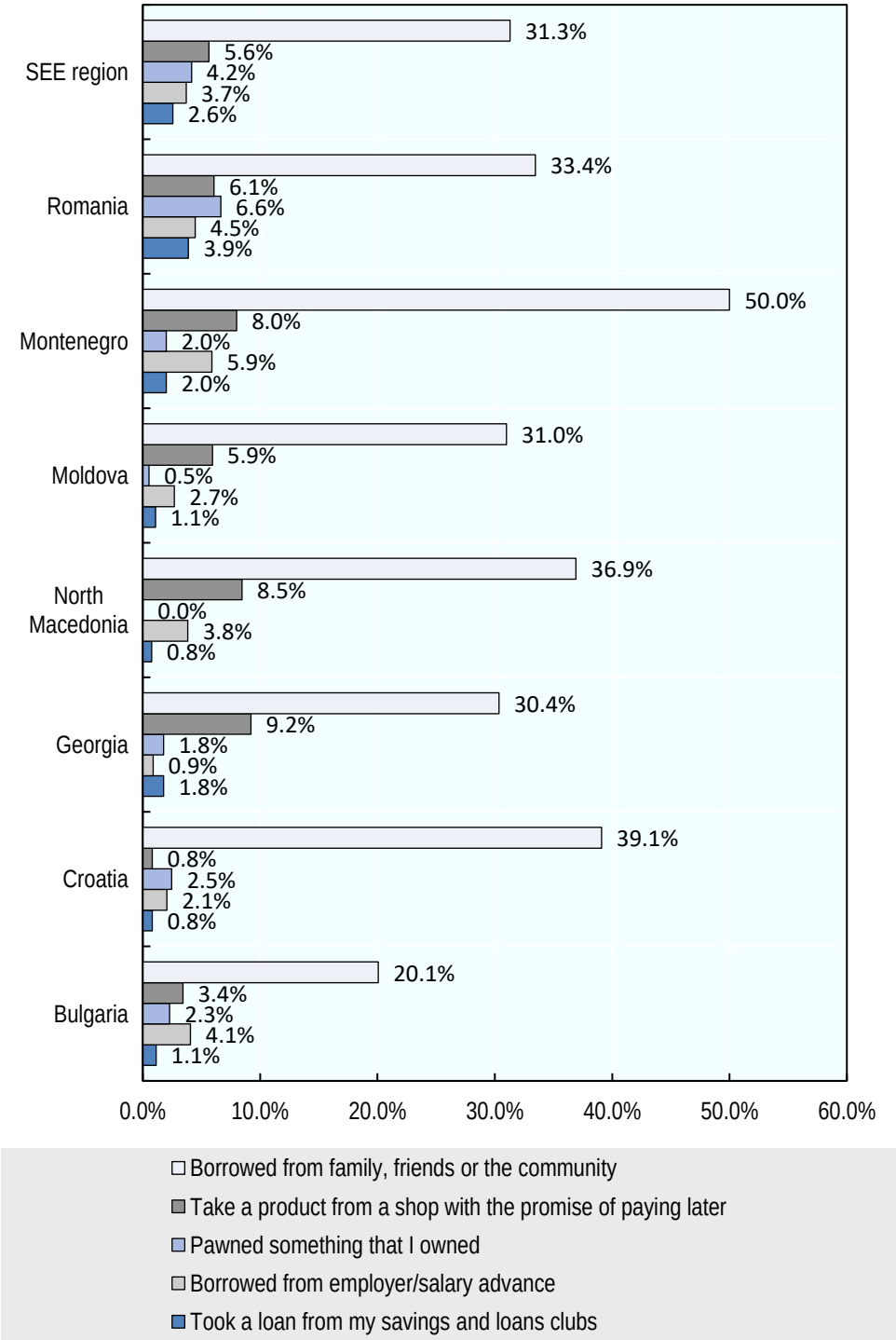
Note: Note that respondents may also have reported strategies listed in Figures 5.9 and 5.10
Source: OECD, (2020).

Among informal borrowing methods, family/friends/community was by far the most popular source of financial support. With the exception of Montenegro (where 50% of respondents pointed to this method for solving a financial shortfall) and Bulgaria (where only 20% did so), on average in the region and across the rest of the fixe countries around one third (30%) of adults responded they preferred to borrow from family. Other modes of informal borrowing were a lot less important. For instance, under 10% of adults in Georgia responded they borrowed from a shop, promising to pay later, but only between 1% and 2% responded they pawned something they owned or borrowed from employer, for instance.

Formal borrowing results appear rather heterogeneous (See Figure 5.10). While 12% of adults in Romania reported they took out pay day loans, around 8% of respondents in Moldova (8.4%) and Georgia (7.7%) took out personal loans from banks (or other authorised lenders), and some 15% of adults in Croatia used an overdraft as credit. Between 1% and 2.6% of respondents in Bulgaria reported using any method of formal borrowing.

Figure 5.9. Ways of making up a shortfall in income (2: informal credit)

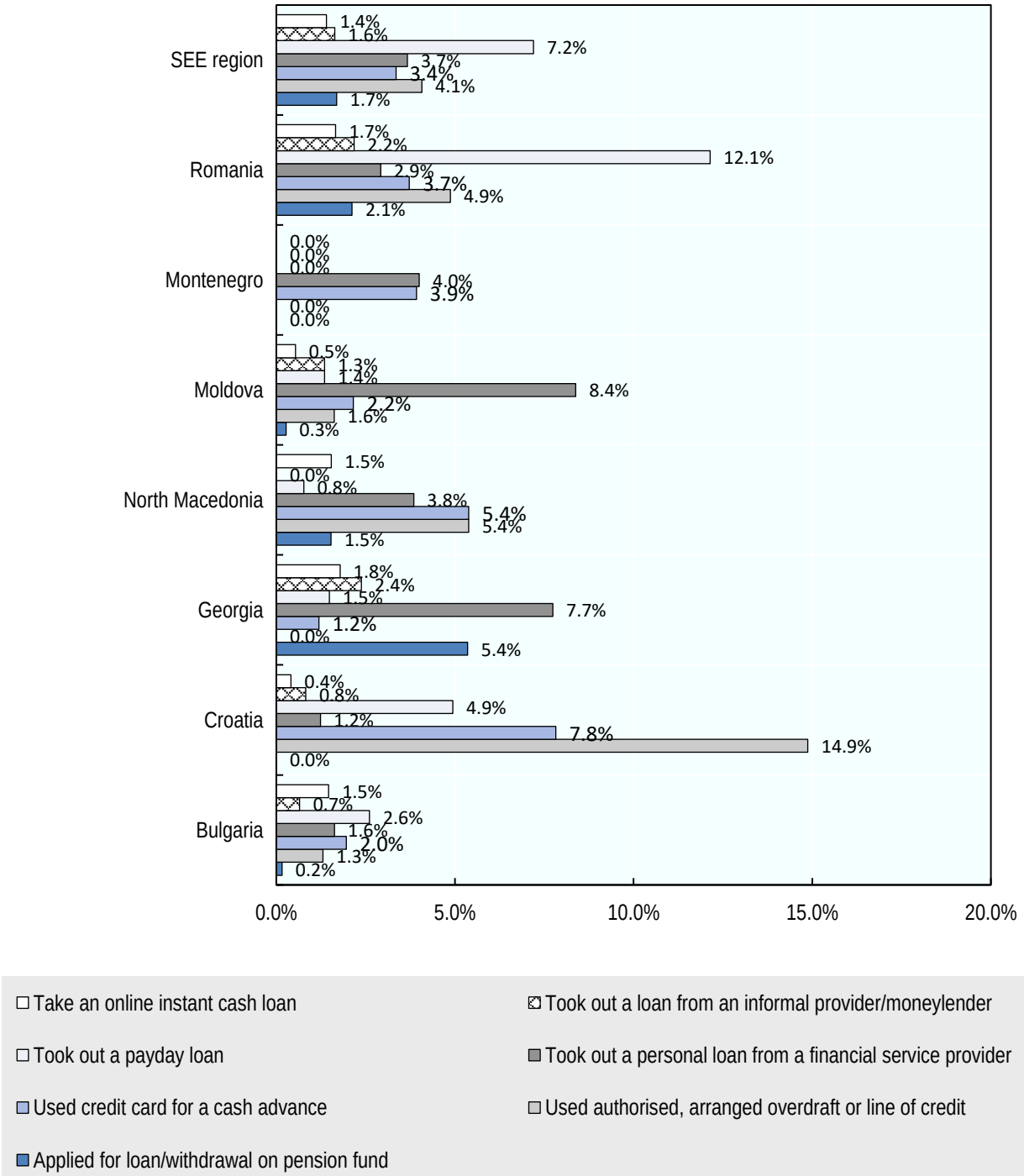
Base: all respondents who reported that income did not always meet living costs. % of respondents using this method. Multiple responses possible. The X-axis goes up to 60% for visual effect.



Note: Note that respondents may also have reported strategies listed in Figures 5.8 and 5.10
Source: OECD, (2020).

Figure 5.10. Ways of making up a shortfall in income (3: formal credit)

Base: all respondents who reported that income did not always meet living costs. % of respondents using this method. Multiple responses possible. The X-axis goes up to 20% for better visual effect.



Note: Note that respondents may also have reported strategies listed in Figures 5.8 and 5.9
Source: OECD, (2020).

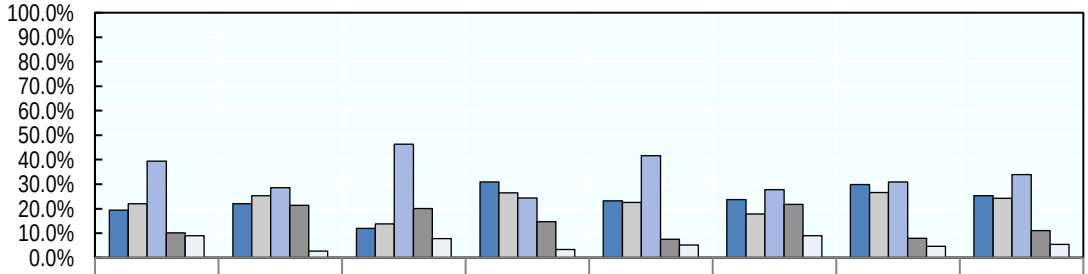
5.3. Retirement planning

Worryingly, a sizeable proportion of adults in the region responded they do *not* have confidence in their retirement plans (see the chart below). Some 34% on average report there are not confident, while 25% suggest they are confident, in the region. The highest percentage of those who are not confident appears in Georgia (46%), Moldova (42%), and Bulgaria (39%). Those most confident appear in North Macedonia (31%) and Romania (30%).

In terms of retirement plans, the vast majority of the respondents will rely on government provided pension schemes (some 75% of respondents on average in the region – see table below). The next highest percentage appears to be plans to continue working (38%) and plans to draw on savings (37%). Reliance on family and relatives is high – some 30% will rely on partners or spouses, while 25% plan to rely on children or other family members. Family reliance appears exceptionally high in Georgia (56% and 69% report plans to rely on partner and children respectively).

Figure 5.11. Confidence in retirement plans

Percentage of adults across the SEE region who responded to the question about how confident they are in their retirement plans.



	Bulgaria	Croatia	Georgia	North Macedonia	Moldova	Montenegro	Romania	SEE Region
Confident	19.5%	22.1%	12.0%	31.0%	23.2%	23.8%	29.8%	25.3%
Neutral	22.0%	25.2%	13.8%	26.4%	22.5%	17.8%	26.6%	24.2%
Not confident	39.4%	28.5%	46.4%	24.4%	41.6%	27.7%	30.9%	33.9%
No plans	10.1%	21.4%	20.1%	14.8%	7.5%	21.8%	7.9%	11.1%
Don't know or refused to answer.	8.9%	2.7%	7.7%	3.4%	5.2%	8.9%	4.7%	5.5%

Source: OECD, (2020).

Table 5.1. Percentage of people who replied positively to having/holding a particular retirement plan or product

	Drawing a government pension/ old-age benefit	Occupational or workplace pension plan	Private pension plan	Selling financial assets	Selling non-financial assets	Income from financial or non-financial assets	Relying on a spouse or partner to support you	Relying on children or other family members	Draw on savings	Continue to work	Revenues of own business
Bulgaria	78.6%	6.7%	8.8%	0.6%	2.4%	4.1%	17.0%	11.9%	22.2%	26.7%	5.3%
Croatia	76.5%	22.3%	12.2%	3.0%	10.5%	5.8%	22.2%	12.9%	20.6%	22.2%	4.2%
Georgia	62.8%	15.4%	24.1%	1.0%	4.8%	5.7%	55.6%	68.7%	40.2%	53.2%	13.0%
North Macedonia	78.4%	0.0%	13.9%	2.3%	4.8%	5.1%	24.1%	21.6%	24.7%	31.2%	9.9%
Moldova	71.1%	38.8%	7.0%	2.4%	6.7%	7.2%	33.7%	30.8%	55.1%	64.2%	13.7%
Montenegro	62.4%	3.9%	6.9%	3.0%	11.0%	4.9%	34.7%	41.0%	29.7%	23.8%	3.0%
Romania	75.5%	30.0%	20.2%	4.0%	7.1%	6.1%	30.3%	23.8%	43.0%	39.0%	3.8%
SEE Region	74.7%	23.2%	16.3%	2.9%	6.4%	5.7%	29.5%	25.2%	37.2%	38.0%	5.9%

Note: Percentages are not equal to 100% as respondents could give more than one answer.
Source: OECD, (2020).

5.4. Making informed financial product choices

The G20/OECD INFE Core Competencies Framework on Financial Literacy for Adults indicates that actively seeking information about the relevant features of a financial product when making a choice is an underpinning competency (OECD, 2016[8]). Ideally such information should be provided in an impartial way, in order to make comparisons across products and providers.

The OECD/INFE questionnaire asks various questions on product awareness, holding and choosing (also see Section on Financial inclusion, below). Follow-up questions on how the most recent product was chosen are then included to explore financial behaviour.[11]

The table below shows that on average across the 7 countries from the respondents who had recently chosen/acquired a financial product, about 30% had sought independent advice and about 20% had tried to compare across providers (rather than act on instinct, following their banking clerk's suggestion, others). This average is reasonably representative of all the countries with the exceptions of Romania and Moldova, where about 28% looked for independent advice and 16% tried a genuine comparison.

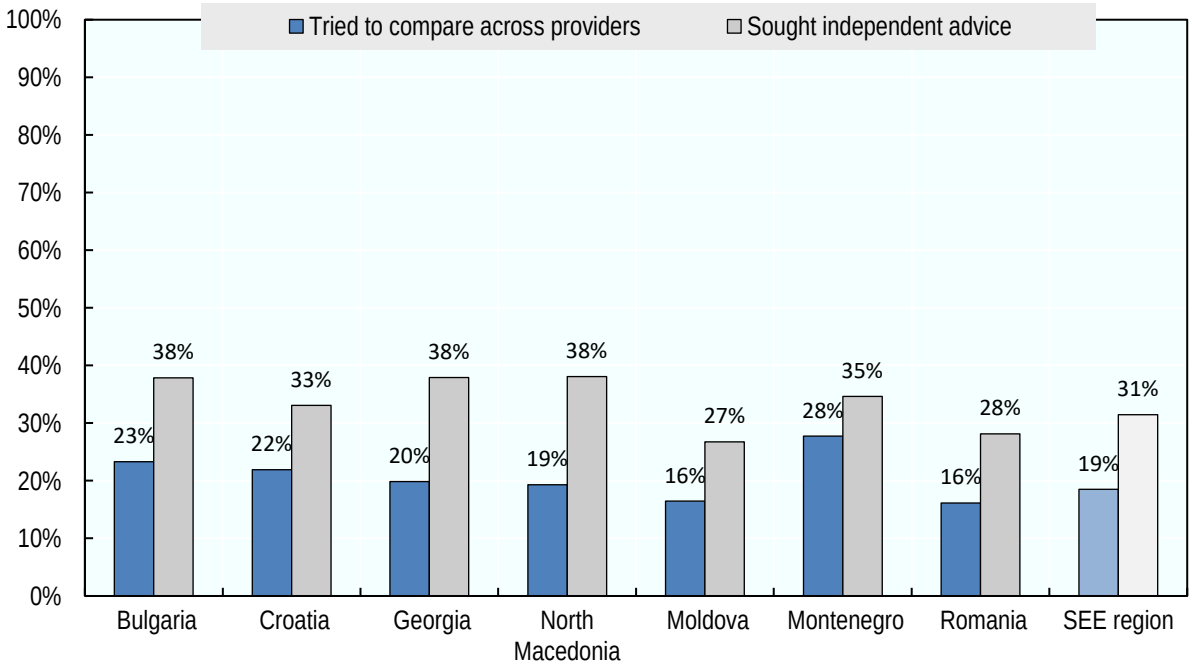
The low percentage for both categories appear somewhat worrying. Comparing across providers for the best conditions or costs, as well as looking for informed and independent advice, are two basic actions of literate consumers. These figures may also suggest limited

[11] As the financial behaviour score is created for all respondents, those who did not choose a financial product will be given a score of zero for this behaviour. The variable therefore partly reflects financial inclusion, or the extent to which people are looking for new or replacement financial products. Furthermore, the approach that a respondent takes will, to some extent, vary according to the product that they chose. For these reasons, this indicator is more informative in aggregate, showing comparisons across populations or by key subsets, than on an individual level.

competition across providers, as well as limited availability of professional, truly independent, financial advice.

Figure 5.12. Making informed financial product choices

Percentages represent fractions of respondents who recently acquired a financial product.



Note: Derived variables. Independent information or advice incorporates best-buy tables and information, specialist magazines and publications, and 'a recommendation from an independent financial adviser or broker'
Source: OECD, (2020).

The survey includes questions to explore the extent to which trust and/or speed and availability of services are relevant when people make decisions.[12]

Trust was the single most important factor in the region (close to 70% of adults who recently chose a products suggested trusting the company providing the product mattered most to them), as illustrated by the chart below. Trust was the most important factor in Moldova (77%), North Macedonia (76%), and Georgia (76%); and less important in Bulgaria (50%).

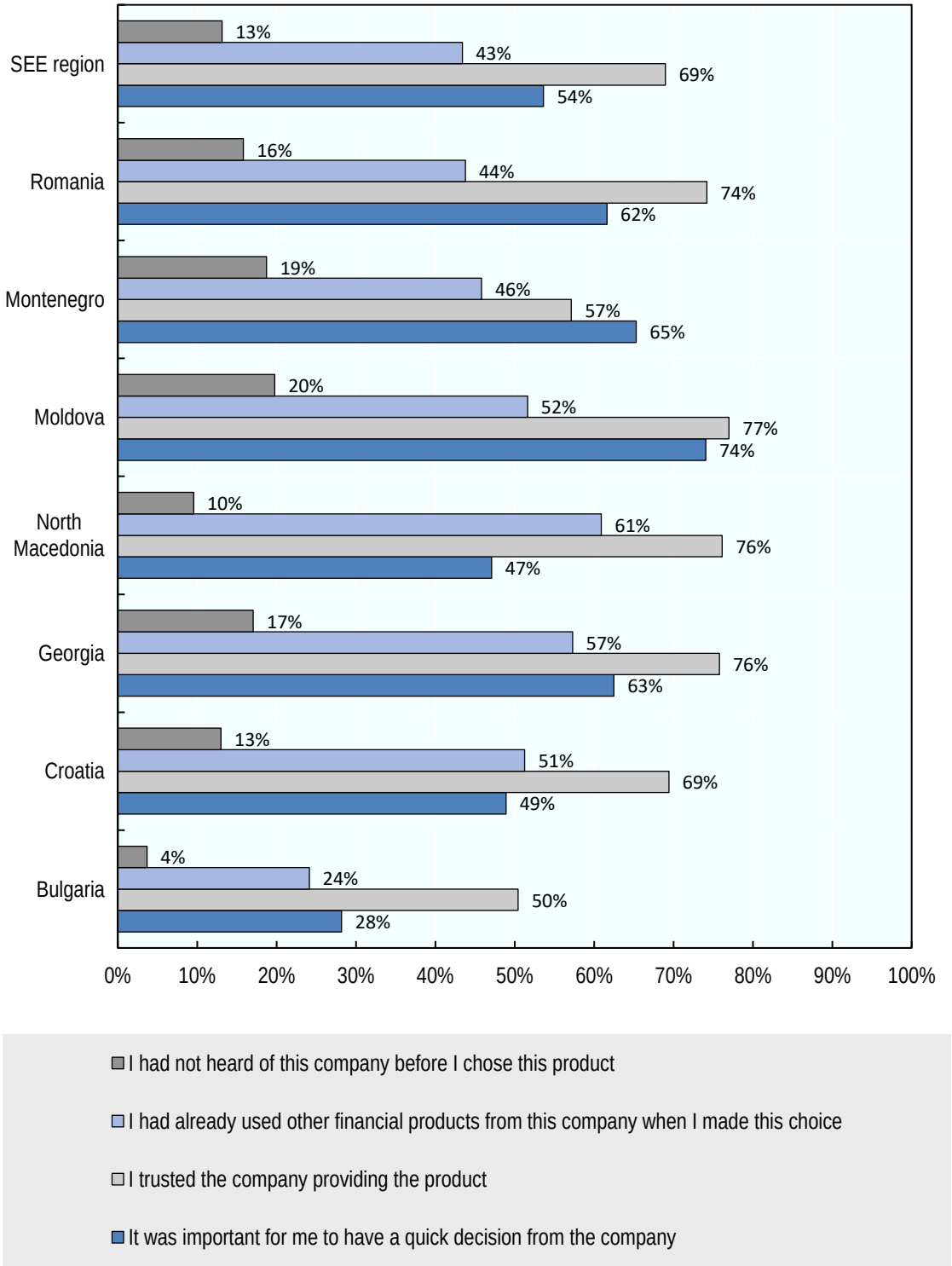
Having used another product from the same company was the third most important factor in deciding a purchase across the region (some 43%), and this adds weight to the trust factor, as repeated use illustrates trust and consumer loyalty. This factor was the second most important among respondents in North Macedonia (61%) and Croatia (51%).

Speed was the most important factor in the purchasing decision only in Montenegro (65%), however it was relatively important for respondents in all the other countries too (on average 54% respondents in the SEE Region suggested speed mattered to them).

[12] The question 'thinking about the time when you made your choice, do any of these statements apply?' had three yes/no statements: a) 'It was important to me that I could receive the product quickly' b) 'I trusted the company providing the product' and c) 'I had already used other financial products from this company when I made this choice'.

Figure 5.13. Trust and customer loyalty

Base: respondents who recently chose a product. Multiple responses possible.



Source: OECD, (2020).

Following the question on trust and consumer loyalty, the OECD toolkit enquires about what sources of financial education would be trusted by respondents. The results are reported in table 5.2, below. It suggests that a National or Central Bank of the country is the most trustworthy institution, with on average 34% of the respondents pointing to this institution. Worryingly, the second highest response was "none", suggesting limited trust in public but also private institutions in the region. The "none" response was lowest in Romania (8%), however there some 20% responded with do not know. Close to 20% of respondents in Croatia suggested that a "Government Ministry" will be a trusted source of financial education, which is considerably higher than any other public or private institution suggested in any of the other countries in the sample.

Table 5.2. Trusted financial education source

Answers to the question: "Which institution would you trust to receive financial education from?"; Multiple responses possible.

	Trusted financial education source						
	None	***Don't know***	*National or Central Bank*	*Government Ministry*	*Consumer Protection Agency / Ombudsman*	*Independent Educational Agency / NGO*	*Private institution / private bank*
Bulgaria	24%	15%	33%	7%	10%	3%	5%
Croatia	18%	9%	32%	18%	15%	3%	4%
Georgia	28%	21%	27%	10%	3%	3%	8%
North Macedonia	27%	13%	39%	4%	7%	3%	7%
Moldova	27%	15%	31%	5%	7%	6%	9%
Montenegro	39%	9%	25%	13%	4%	3%	6%
Romania	8%	20%	36%	6%	9%	6%	12%
SEE region	16%	17%	34%	8%	9%	5%	9%

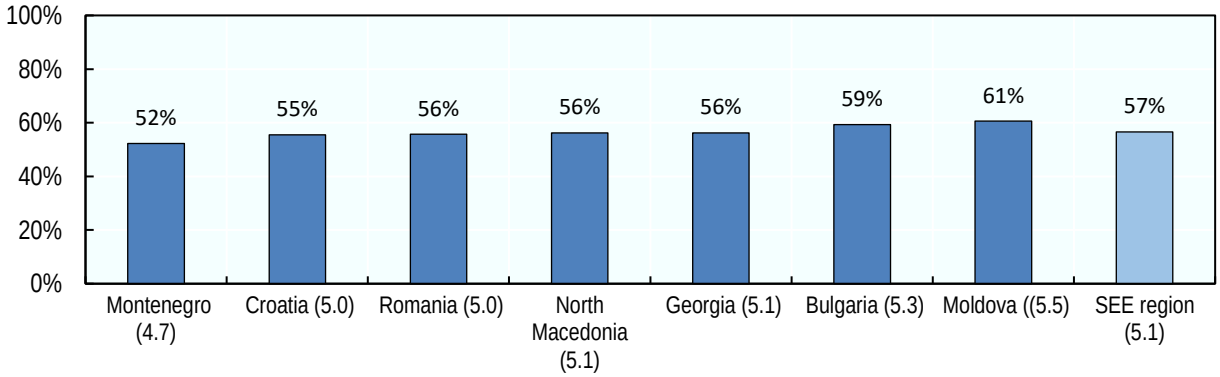
Source: OECD, (2020)

5.5. Financial behaviour score

Figure 5.14, below, present the overall financial behaviour score as computed as a percentage of the maximum possible score (9). The average score in the region was 5.1, or 57% of the maximum. Respondents in Moldova and Bulgaria (61% and 59% respectively of the maximum obtainable score in each country) achieved the highest scores (5.5 and 5.3), while those in Montenegro (52% answered correctly) achieved the lowest score (4.7).

Figure 5.14. Financial behaviour score

Percentage of financial behaviour questions answered correctly (out of 9). Actual score is in parenthesis.



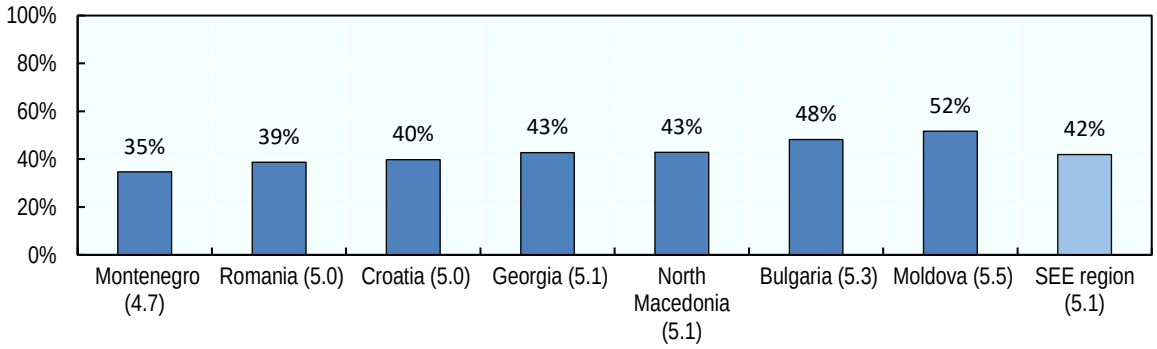
Source: OECD, (2020).

5.6. Minimum target scores for financial behaviour

Figure 5.15 focuses on minimum target scores for financial behaviour. The figure reports the percentage of adults in each country achieving a score of 6 or more out of 9 behaviours.[13] On average, under half of respondents reach this minimum target score across the 7 countries (42%), ranging from 35% in Montenegro to 52% in Moldova and 48% in Bulgaria. Across G20 countries with available data a higher proportion (52%) achieved the minimum target score.

Figure 5.15. Achieving minimum target score for financial behaviour

Base: all respondents. % exhibiting at least 6 of the 9 behaviours. Average country-level score in parenthesis.



Note: Derived variable.
Source: OECD, (2020).

[13] This is made up of derived variables indicating a respondent who: 1) is responsible for household money management and has a budget; 2) was an active saver in the previous 12 months; 3) carefully considers purchases; 4) pays bills on time; 5) keeps a close watch on their financial affairs; 6) sets long-term financial goals; 7) made an attempt to shop around for a financial product; 8) sought independent advice or information when choosing a product and 9) did not borrow to make ends meet in the previous 12 months.

6. Financial attitudes

The OECD/INFE definition of financial literacy recognises that even if an individual has sufficient knowledge and ability to act in a particular way, their attitude will influence their decision of whether or not to act. The responses to three attitude statements are therefore used in this section to gauge respondents' attitudes towards money and planning for the future (Table 6.1).

Each of the statements focuses on preferences for the short term through to attitudes on spending money. These kinds of preferences are likely to hinder behaviours that could lead to improved financial resilience and well-being. More financially literate people would tend to disagree with the statements.[14]

Table 6.1. Financial attitude questions

Text	Possible responses	Notes
I find it more satisfying to spend money than to save it for the long term (*short term attitudes*)	5 point scale: 1='Completely' agree; 5='completely' disagree	These questions are intended to indicate whether the respondent focuses exclusively on the short term (agrees) or has a preference for longer-term security (disagrees)
I tend to live for today and let tomorrow take care of itself		
Money is there to be spent ('*spending'*)		

The three charts below, Figure 6.1 / 6.2 / 6.3, show the distribution of the responses to the three questions. The neutral response dominates the first question. Around 26% of the adults in the survey across the region chose to answer at the midpoint, (which would indicate neither agreeing nor disagreeing). However, a very similar 24% completely agreed with this statement. Two exceptions are Montenegro, where a full 43% completely agree with the statement (and possibly drives the high agreement percentage in the average), while in Georgia some 29% do so. Moldova is the only country where the greatest fraction of respondents completely disagree (25%).

One third of the adults in SEE (33%) completely disagree with the second statement, which points to some long term views in the region. Adults in Montenegro, Moldova, and North Macedonia, lead in this attitude, with close to 40% completely disagreeing. The big outlier is Romania, where only 8% of the adults disagreed with the statement, but close to 40% were neutral and undecided.

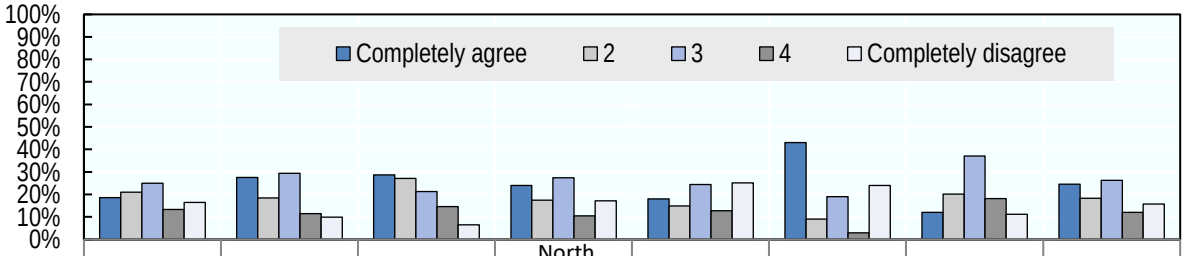
The most common response to the third statement is complete agreement (some 40% on average across the region) that money was there to be spent, suggesting that they see the

[14] In keeping with good practice for questionnaire design, these statements are interspersed with others in the questionnaire.

practical use of money in the short term[15], rather than using it as a store of value, or recognising it as a form of protection against future needs. Only in Romania about the same proportion of people feel neutral about this third statement (28% completely agree and 28% are neutral).

Figure 6.1. Financial attitudes: 1

Answers to: I find it more satisfying to spend money than to save it for the long term

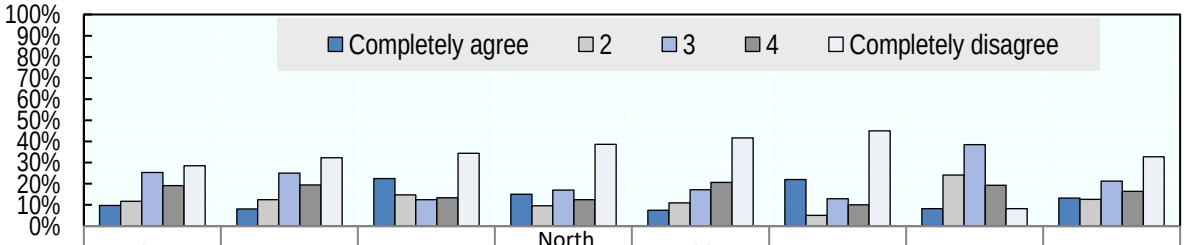


	Bulgaria	Croatia	Georgia	North Macedonia	Moldova	Montenegro	Romania	SEE region
Completely agree	18.5%	27.6%	28.7%	23.9%	17.9%	43.0%	12.1%	24.5%
2	21.0%	18.4%	27.0%	17.4%	14.8%	9.0%	20.2%	18.3%
3	25.0%	29.4%	21.3%	27.4%	24.5%	19.0%	37.1%	26.2%
4	13.4%	11.5%	14.6%	10.5%	12.7%	3.0%	18.2%	12.0%
Completely disagree	16.5%	9.9%	6.6%	17.1%	25.1%	24.0%	11.2%	15.8%

Note: The % may not sum to precisely 100% due to rounding.
Source: OECD, (2020)

Figure 6.2. Financial attitudes: 2

Answers to: I tend to live for today and let tomorrow take care of itself



	Bulgaria	Croatia	Georgia	North Macedonia	Moldova	Montenegro	Romania	SEE region
Completely agree	9.8%	8.1%	22.5%	15.1%	7.5%	22.0%	8.2%	13.3%
2	11.7%	12.5%	14.8%	9.7%	10.9%	5.0%	24.1%	12.6%
3	25.4%	25.1%	12.5%	17.0%	17.1%	13.0%	38.5%	21.2%
4	19.1%	19.5%	13.4%	12.5%	20.7%	10.0%	19.3%	16.4%
Completely disagree	28.5%	32.3%	34.4%	38.6%	41.6%	45.0%	8.3%	32.7%

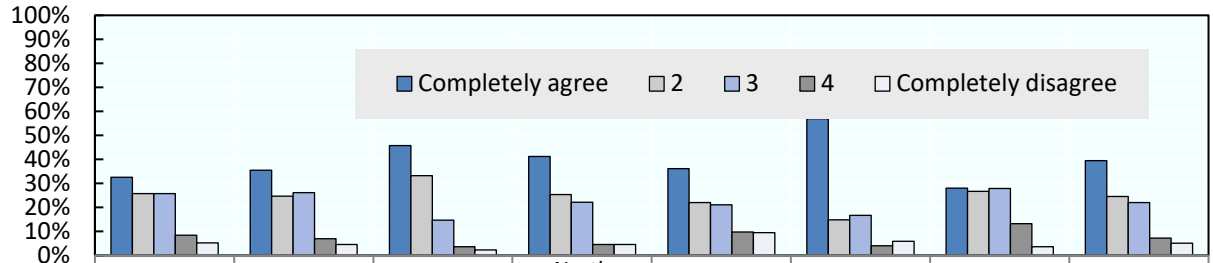
Note: The % may not sum to 100% due to rounding.

[15] It is also possible that respondents interpreted this as a more factual statement such as 'money is required for spending'. However, exploratory factor analysis indicates that the three statements contribute to a single underlying factor.

Source: OECD, (2020)

Figure 6.3. Financial attitudes: 3

Answers to: Money is there to be spent



	Bulgaria	Croatia	Georgia	North Macedonia	Moldova	Montenegro	Romania	SEE region
Completely agree	32.6%	35.5%	45.7%	41.2%	36.1%	56.9%	28.0%	39.4%
2	25.7%	24.6%	33.1%	25.3%	22.0%	14.7%	26.6%	24.6%
3	25.6%	26.1%	14.6%	22.2%	21.0%	16.7%	27.9%	22.0%
4	8.4%	6.9%	3.6%	4.5%	9.8%	3.9%	13.2%	7.2%
Completely disagree	5.2%	4.5%	2.3%	4.5%	9.4%	5.9%	3.5%	5.1%

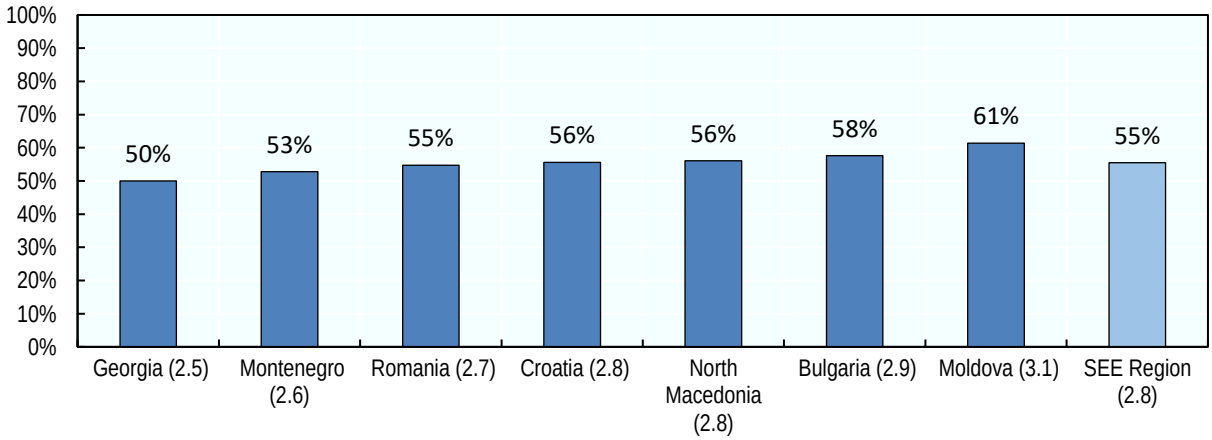
Note: The % may not sum to 100% due to rounding.
Source: OECD, (2020)

6.1. Financial attitude score

Figure 6.4, below, present the overall financial attitude score computed as a percentage of the maximum possible attitude score (5). Overall the score in the region was 2.8, or 55% of the maximum. Respondents in Moldova (61% of the maximum) achieved the highest score (3.1), while those in Georgia (50% of the maximum) achieved the lowest score (2.5).

Figure 6.4. Financial attitude score

Attitude score as a percentage of maximum possible financial attitude score (5). Actual score is in parenthesis.



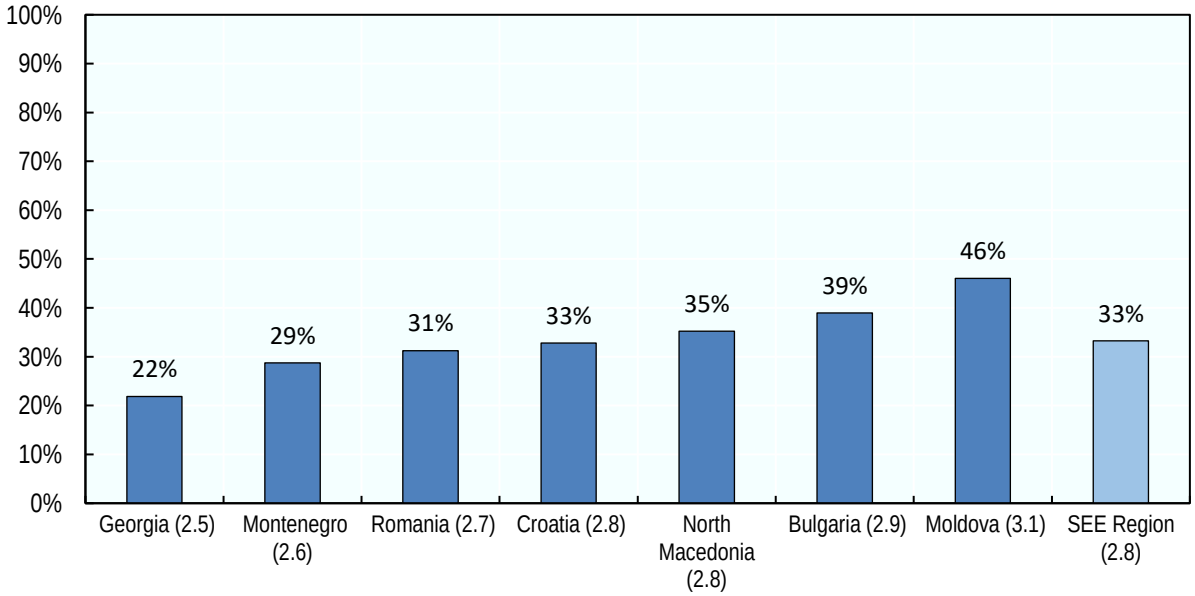
Source: OECD, (2020).

6.2. Minimum target score

Combining the responses to the three attitude statements provides an indication of general attitude towards the longer-term. Figure 6.5 reports the proportion of respondents with an attitude that is consistent with higher levels of financial literacy; that is they tend to disagree to the statements. It shows that relatively few respondents across the 7 countries had attitudes that would reinforce their overall financial literacy (33% achieved the minimum target score of 3; the average score was 2.8). This is somewhat below the G20 average of 48% achieving the minimum target score, and mean score of 3.0. In Georgia, just 1 in 5 people (about 22%) had such attitudes, rising to a maximum of 46% in Moldova.

Figure 6.5. Minimum target score: financial attitudes

Base: all respondents. % achieving minimum target score. Average country-level score reported in parenthesis.



Source: OECD, (2020).

7. Elements of financial inclusion

It is globally recognised that financial literacy and financial inclusion[16], along with a robust consumer protection framework, are vital to the empowerment of individuals and 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.[17] It focuses on measures designed to go beyond simple supply side discussion of access and provide a more nuanced view of financial inclusion from the consumer's perspective.

7.1. 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 7.1 shows that awareness was not an issue in most of the countries covered in this study, with 81% of respondents, on average across the 7 countries being aware of at least 5 types of product listed in the questionnaire. Some respondents were also making active choices, with some 37% having done so, on average across the region.

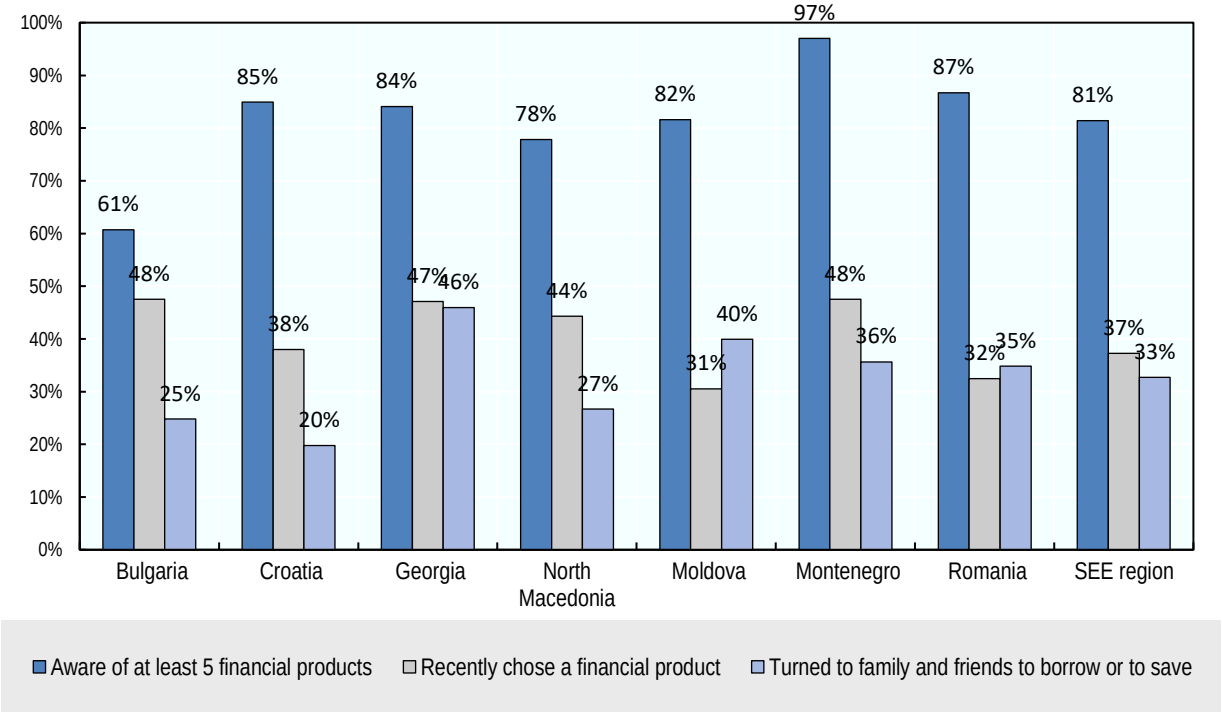
The third indicator used in Figure 7.1 seeks to highlight the extent to which individuals may also have been turning to family and friends to provide services that could be provided by the financial sector. Whilst there are many potential advantages from receiving support from family members, there are also risks on both sides. This indicator suggests that over a third of respondents (33%), on average did this – increasing to 46% in Georgia.

[16] 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).

[17] 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.

Figure 7.1. Indicators of financial inclusion

Base: all respondents. % included on each measure. Multiple categories possible.



Note: Derived variables.
Source: OECD, (2020).

7.2. Product holding

A set of four discreet indicators identify respondents that currently hold a) some form of saving, investment or retirement product; b) a payment product (or transaction account), 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); [18] c) some form of insurance (vehicle, health, personal liability or home contents); and d) some credit product or mortgage.

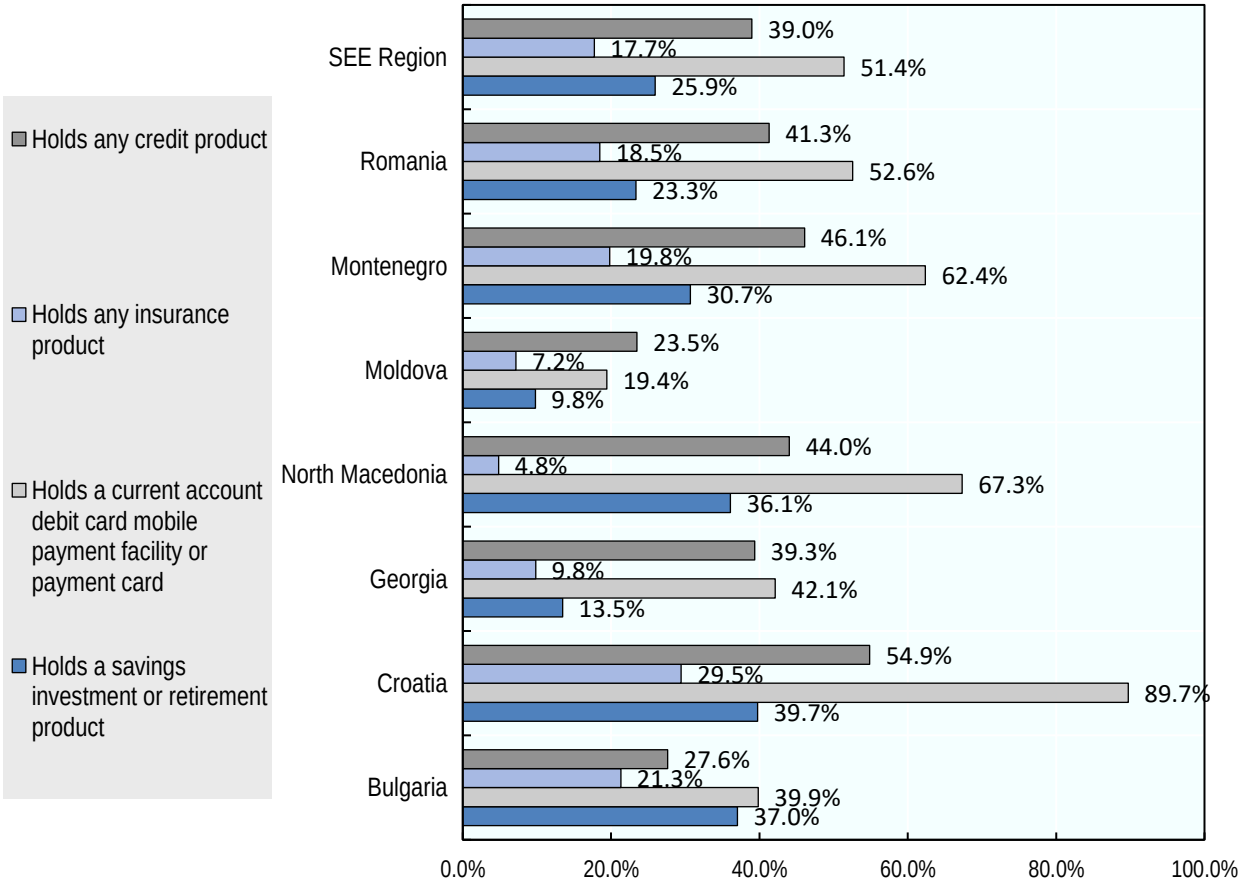
Payment products are the most common financial products held cross the 7 countries, with half of all adults (51%), on average holding such products (Figure 7.2), with close to 90% doing so in Croatia (which points to highest financial development in this country when compared to others in the region). A larger percentage of adults in Croatia also hold credit products (55%) and insurance products (30%) when compared to the other countries and the average. Holdings of savings / investment / retirement products varies from 40% in

[18] 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.

Croatia and 37% in Bulgaria, to as few as 10% of the adults in Moldova (which appears the least financially developed country in the sample).

Figure 7.2. Product holding

Base: all respondents. % of respondents holding each type of product.



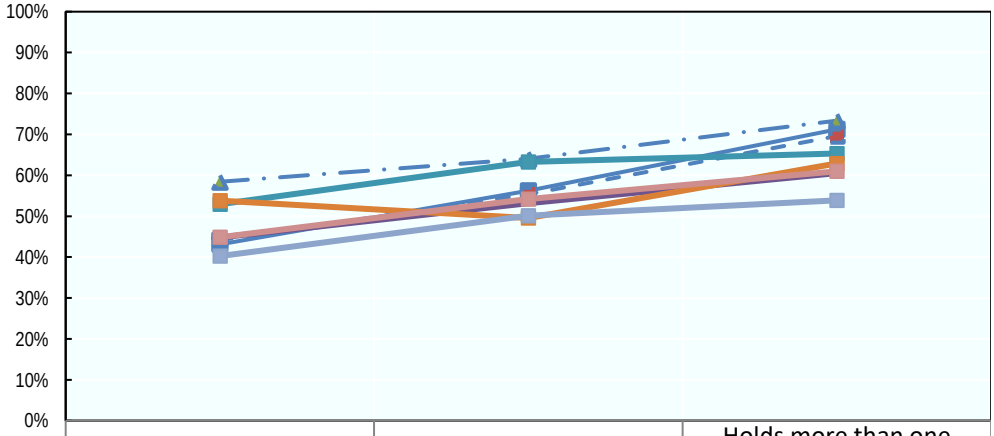
Note: Derived variables.
Source: OECD, (2020).

7.3. Financial knowledge levels and financial product holding

Figure 7.3 reports 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 financial knowledge was higher among the more financially included. The pattern is very similar across the 7 countries, even though the levels of financial literacy vary. However, in Montenegro, those holding one product do not have higher levels of knowledge than the financially excluded. While those in Moldova who hold one product type are as knowledgeable as those who hold more than one.

Figure 7.3. 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.



	Holds no products	Holds one product	Holds more than one product
Bulgaria	43%	56%	71%
Croatia	44%	55%	70%
Georgia	58%	64%	73%
North Macedonia	45%	53%	61%
Moldova	53%	63%	65%
Montenegro	54%	50%	63%
Romania	40%	50%	54%
SEE region	45%	54%	61%

Note: Count of product types discussed in Figure 9.1.
Source: OECD, (2020).

8. Elements of financial well-being

Elements of financial well-being are identified by a series of questions and statements that seek to detect how respondents feel about their financial situation, how finances interfere with their life, how stressful is their indebtedness, and ultimately how easy can adults live their lives without worrying about money. The selection of questions presented in this chapter do not represent a definition of financial well-being, but rather they can help illustrate the above elements. They may be helpful to policy makers in determining the extent to which their citizens' financial situation and the financial literacy that they have developed provide them with security and freedom of choice in their lives.[19]

Respondents in SEE appear worried and stressed about the current financial situation, their ability to meet living expenses, and their ability to make their monthly incomes last. The series of charts below, which list responses to a series of statements, illustrate this.

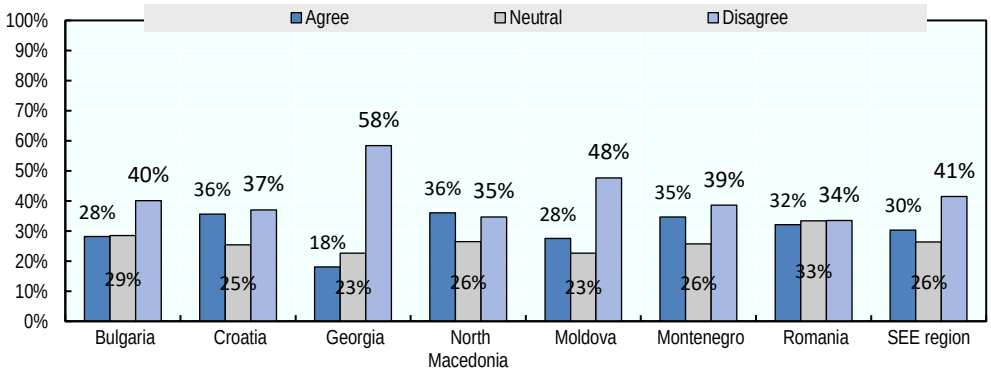
On average across the SEE region, some 41% of adults suggested there are *unsatisfied* with their present financial situation, 26% are neutral, and 30% agree they are satisfied. The country with the highest dissatisfaction is Georgia (58%), and the countries with highest satisfaction are Croatia (36%) and North Macedonia (36%). Similarly, adults consistently agree with the statement that their finance limit their ability to do the things that matter to them. Some 50% on average in the region agree, and this grows to 67% in Georgia.

Just under 60% in the region responded they are worried about meeting their current expenses and agree that money tends to control their lives. These two statement appear especially damning to the financial well-being of SEE citizens as they show an agreement that financial matters are a cause of stress and impact on their everyday lives.

[19] The US Consumer Financial Protection Bureau has developed a methodology of measuring financial well-being, which has inspired some of the questions used in the OECD Toolkit. The full methodology and associated definitions are available here: https://www.consumerfinance.gov/data-research/research-reports/financial-well-being-scale/.

Figure 8.1. Answers to: I am satisfied with my present financial situation

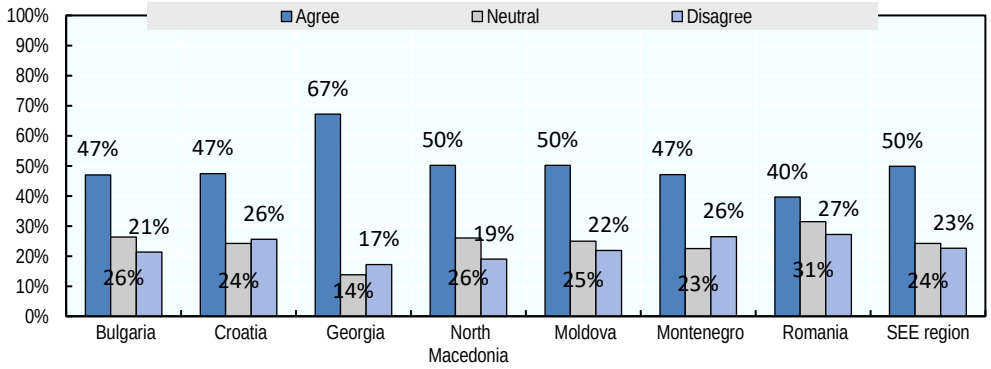
Percentages of respondents who agree / are neutral / disagree with the statement above.



Source: OECD, (2020).

Figure 8.2. Answers to: My financial situation limits my ability to do the things that are important to me

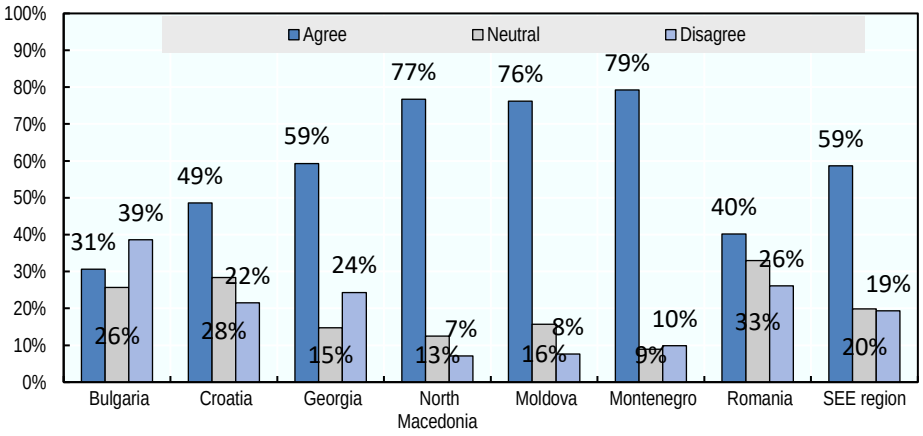
Percentages of respondents who agree / are neutral / disagree with the statement above.



Source: OECD, (2020).

Figure 8.3. Answers to: I tend to worry about paying my normal living expenses

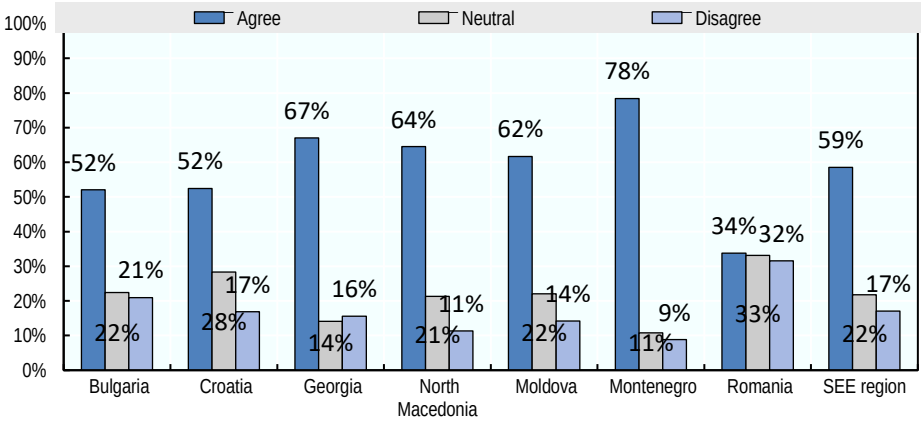
Percentages of respondents who agree / are neutral / disagree with the statement above.



Source: OECD, (2020).

Figure 8.4. Answers to: My finances control my life

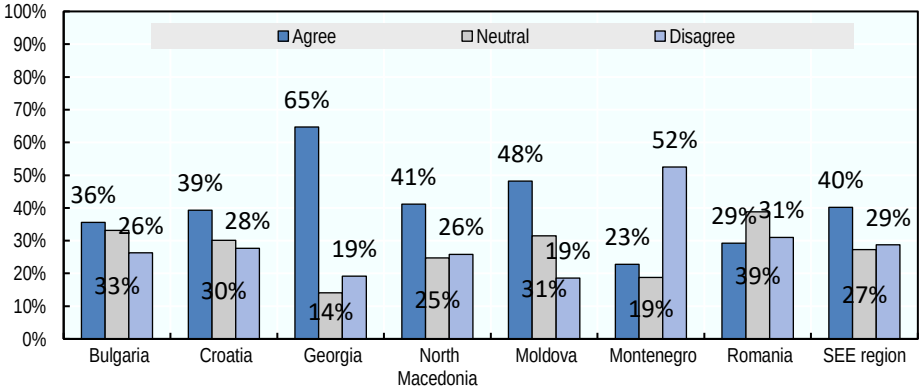
Percentages of respondents who agree / are neutral / disagree with the statement above.



Source: OECD, (2020).

Figure 8.5. Answers to: I am concerned that my money won't last

Percentages of respondents who agree / are neutral / disagree with the statement above.

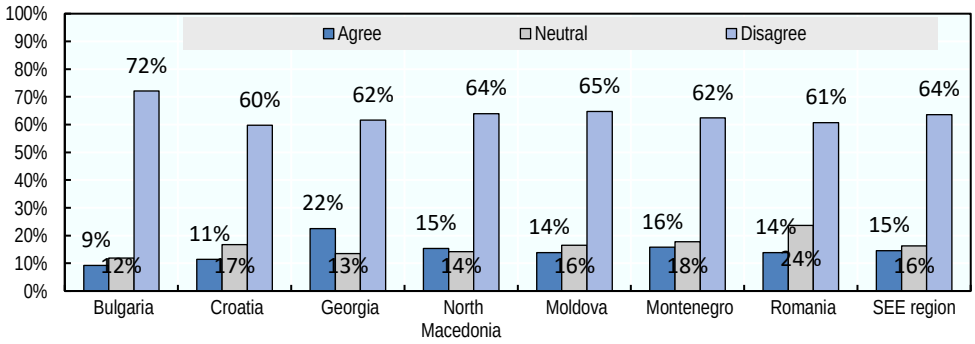


Source: OECD, (2020).

On the other hand, respondents disagree that indebtedness is the problem. On average 64% disagreed with the statement that they have too much debt, with this percentage being highest in Bulgaria (72%).

Figure 8.6. Answers to: I have too much debt right now

Percentages of respondents who agree / are neutral / disagree with the statement above.

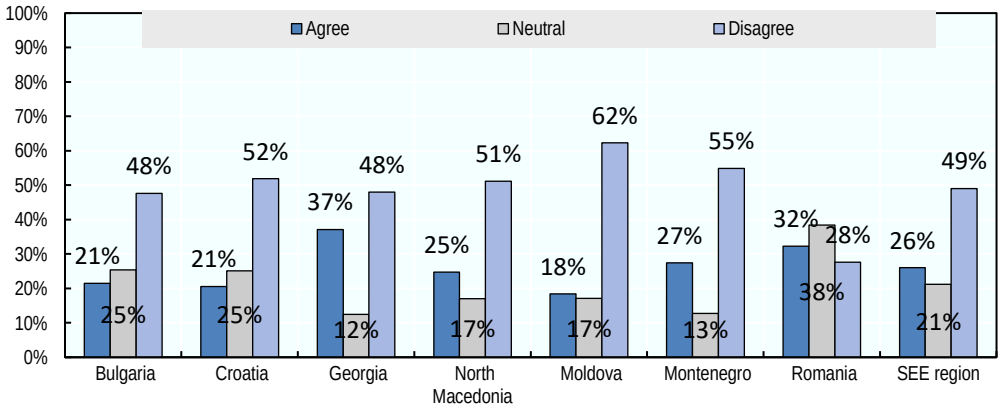


Source: OECD, (2020).

Finally, just under half of respondents (49%) disagree that they tend to have short term attitude (responding to the statement they tend to live for today and let tomorrow take care of itself), see the table below. The highest percentage of disagreement and overall aspiration to long term attitude is in Moldova (where interesting is also the highest financial attitude score). The lowest percentage of disagreement is in Romania (28%).

Figure 8.7. Answers to: Agreement with the statement, I tend to live for today and let tomorrow take care of itself

Percentages of respondents who agree / are neutral / disagree with the statement above.



Source: OECD, (2020).

9. Variations across possible target groups

This chapter looks at the significant differences in financial literacy and its elements – knowledge, behaviour, and attitude – among groups that can be identified in the sample. For the purposes of this analysis, the sample is split between the following groups:

- Gender (male and female). The sample split is 44.6% male and 55.4% female.
- Respondents who reside in rural and urban areas. The sample split is 39.8% rural and 60.2% urban residents.
- Migrants and their families (respondents who worked abroad or their families who received remittances at home, and other who did neither). The sample is split into 21% migrants and their family members, and 79% others.
- MSME owners and directors and those employed otherwise. The sample is split into 8.9% of MSME owners / directors, 91.1% others.
- Respondents who are technologically literate, approximated by those who responded yes to having used a computer in the past week, versus those who responded negatively. The sample is split into 60% computer users as a proxy to technologically savvy consumers, and 40% others.
- Different ages: young respondents (aged 18 to 29); middle aged (30 to 59 years of age), and seniors (60 to 79 years of age). The sample is composed of 18.6% young, 56.4% middle aged, and 25.0% seniors.
- The unemployed versus all the rest.[20] The sample is split into 5.5% unemployed, and 94.5% others.
- Households with children under the age of 18. This last group has been chosen to ascertain if the possible teaching channel within the family, from parents to children is viable and significant. Adult members of households with children composed 33.7% of the sample (thus 66.3% of respondents lived alone or in a household with no children under the age of 18).

This analysis is expected to be able to point to some important target groups for policy makers that would like to support specific groups within their populations with tailored and targeted financial education programmes.

9.1. Gender

The financial knowledge scores of men appear to be higher than those of women across the entire SEE region, but also in all the individual countries. Only in Bulgaria, this difference

[20] Here the unemployed are defined as those who answered positively to the question "Is your current situation: looking for work / unemployed?". Thus it is not based on the official unemployment rates reported in any of the countries during the time period of the survey.

appears to be statistically insignificant (i.e. could be caused by random variation within the sample, instead of a statistical pattern).

None of the differences in financial attitude (except in Georgia where the higher attitude score of women is significantly higher) and financial behaviour when the sample is split by gender are statistically significant. It appears that there are no statistically meaningful differences in the financial behaviour of men or women in the sample and within the individual countries.

9.1.1. Knowledge

Table 9.1. Financial knowledge scores split by gender

Absolute scores and percentage of maximum possible score (7). The t-statistic test[21] illustrated by a star (*) shows a statistical significance of the difference at the 95% confidence level.

country	male	female	total sample	male	female	total sample	T-statistic
Bulgaria	4.1	4.0	4.1	59%	57%	58%	
Croatia	4.7	4.4	4.5	67%	63%	65%	*
Georgia	4.7	4.4	4.5	67%	63%	65%	*
North Macedonia	4.1	3.7	3.9	59%	53%	56%	*
Moldova	4.2	3.9	4.0	60%	55%	57%	*
Montenegro	4.3	3.9	4.1	61%	56%	59%	*
Romania	3.5	3.4	3.5	50%	48%	49%	*
SEE region	4.2	4.0	4.1	61%	57%	58%	*

Source: OECD, (2020).

9.1.2. Behaviour

Table 9.2. Financial behaviour scores split by gender

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	male	female	total sample	male	female	total sample	T-stats
Bulgaria	5.3	5.4	5.3	59%	60%	59%	
Croatia	4.9	5.1	5.0	54%	56%	55%	
Georgia	5.1	5.1	5.1	57%	56%	56%	
North Macedonia	5.1	5.0	5.1	57%	56%	56%	
Moldova	5.5	5.5	5.5	61%	61%	61%	
Montenegro	4.8	4.6	4.7	53%	51%	52%	
Romania	5.0	5.0	5.0	56%	56%	56%	
SEE region	5.1	5.1	5.1	57%	56%	57%	

Source: OECD, (2020).

[21] The significance of the differences has been ascertained using the standard T-test. The t-test is usually used to determine if the means of two sets of data are statistically significantly different from each other.

9.1.3. Attitude

Table 9.3. Financial attitude scores split by gender

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	male	female	total sample	male	female	total sample	T-statistic
Bulgaria	2.8	2.9	2.9	57%	59%	58%	
Croatia	2.8	2.8	2.8	56%	55%	56%	
Georgia	2.4	2.6	2.5	47%	52%	50%	*
North Macedonia	2.8	2.8	2.8	55%	57%	56%	
Moldova	3.1	3.1	3.1	62%	61%	61%	
Montenegro	2.6	2.7	2.6	52%	53%	53%	
Romania	2.7	2.8	2.7	54%	55%	55%	
SEE region	2.7	2.8	2.8	55%	56%	55%	

Source: OECD, (2020).

9.2. Rural versus urban residents

The financial knowledge scores of urban residents appear to be higher than those of rural residents across the entire SEE region, but also in all the individual countries with the exception of Montenegro where the scores are identical. This pattern is consistent across behaviour scores. Attitude scores however differ across countries. Urban residents have significantly higher attitude scores in Bulgaria and Croatia, but significantly lower across North Macedonia, Moldova, Montenegro, and Romania.

9.2.1. Knowledge

Table 9.4. Financial knowledge scores split by area of residence

Absolute scores and percentage of maximum possible score (7). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Rural	Urban	total sample	Rural	Urban	total sample	T-statistic
Bulgaria	3.8	4.2	4.1	54%	59%	58%	*
Croatia	4.2	4.8	4.5	60%	69%	65%	*
Georgia	4.0	4.9	4.5	58%	69%	65%	*
North Macedonia	3.6	4.2	3.9	51%	59%	56%	*
Moldova	3.9	4.2	4.0	55%	60%	57%	*
Montenegro	4.1	4.1	4.1	58%	59%	59%	
Romania	3.2	3.6	3.5	46%	51%	49%	*
SEE region	3.8	4.3	4.1	55%	61%	58%	*

Source: OECD, (2020).

9.2.2. Behaviour

Table 9.5. Financial behaviour scores split by area of residence

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Rural	Urban	total sample	Rural	Urban	total sample	T-statistic
Bulgaria	4.8	5.5	5.3	54%	61%	59%	*
Croatia	4.8	5.2	5.0	53%	57%	55%	*
Georgia	4.7	5.3	5.1	53%	59%	56%	*
North Macedonia	4.9	5.2	5.1	54%	58%	56%	*
Moldova	5.4	5.5	5.5	60%	61%	61%	
Montenegro	4.4	4.9	4.7	49%	54%	52%	*
Romania	4.9	5.1	5.0	54%	57%	56%	*
SEE region	4.8	5.2	5.1	54%	58%	57%	*

Source: OECD, (2020).

9.2.3. Attitude

Table 9.6. Financial attitude scores split by area of residence

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Rural	Urban	total sample	Rural	Urban	total sample	T-statistics
Bulgaria	2.7	2.9	2.9	54%	59%	58%	*
Croatia	2.7	2.9	2.8	54%	57%	56%	*
Georgia	2.5	2.5	2.5	49%	51%	50%	
North Macedonia	3.0	2.7	2.8	59%	54%	56%	*
Moldova	3.1	3.0	3.1	63%	60%	61%	*
Montenegro	2.8	2.6	2.6	56%	51%	53%	*
Romania	2.8	2.7	2.7	56%	54%	55%	*
SEE region	2.8	2.8	2.8	56%	55%	55%	

Source: OECD, (2020).

9.3. Migrants and their families

The financial knowledge scores of migrants and their families (recipients of remittances) appear to be significantly lower in Bulgaria, Croatia, and North Macedonia. The attitude scores do not appear instructive, as the differences are not significant apart form in Croatia (where migrants have lower scores) and North Macedonia (where migrants have higher scores). Migrants and their families appear to have higher behaviour scores on average in the region and also in Georgia, North Macedonia, Moldova, and Romania.

9.3.1. Knowledge

Table 9.7. Financial knowledge scores split by migrants and others

Absolute scores and percentage of maximum possible score (7). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Migrants	other	total sample	Migrants	other	total sample	T-statistics
Bulgaria	3.5	4.2	4.1	50%	59%	58%	*
Croatia	4.1	4.6	4.5	59%	66%	65%	*
Georgia	4.7	4.5	4.5	67%	64%	65%	
North Macedonia	3.6	4.0	3.9	51%	57%	56%	*
Moldova	4.0	4.0	4.0	58%	57%	57%	
Montenegro	4.1	4.1	4.1	58%	59%	59%	
Romania	3.3	3.5	3.5	48%	50%	49%	
SEE region	3.9	4.1	4.1	56%	59%	58%	

Source: OECD, (2020).

9.3.2. Behaviour

Table 9.8. Financial behaviour scores split by migrants and others

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Migrants	other	total sample	Migrants	other	total sample	T-statistic
Bulgaria	5.1	5.4	5.3	57%	60%	59%	
Croatia	5.3	5.0	5.0	59%	55%	55%	
Georgia	5.6	4.9	5.1	62%	54%	56%	*
North Macedonia	5.3	5.0	5.1	59%	56%	56%	*
Moldova	5.6	5.4	5.5	63%	60%	61%	*
Montenegro	4.7	4.7	4.7	52%	52%	52%	
Romania	5.4	4.9	5.0	60%	55%	56%	*
SEE region	5.3	5.0	5.1	59%	56%	57%	*

Source: OECD, (2020).

9.3.3. Attitude

Table 9.9. Financial attitude scores split by migrants and others

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Migrants	other	total sample	Migrants	other	total sample	T-statistics
Bulgaria	2.9	2.9	2.9	57%	58%	58%	
Croatia	2.6	2.8	2.8	52%	56%	56%	*
Georgia	2.5	2.5	2.5	50%	50%	50%	
North Macedonia	3.0	2.8	2.8	60%	55%	56%	*
Moldova	3.1	3.1	3.1	61%	62%	61%	
Montenegro	2.7	2.6	2.6	54%	53%	53%	
Romania	2.7	2.7	2.7	54%	55%	55%	
SEE region	2.8	2.8	2.8	56%	55%	55%	

Source: OECD, (2020).

9.4. MSME owners and directors

MSME owners and directors appear to have consistently higher knowledge, attitude, and behaviour scores. These are significant statistically across all the individual countries and on average in the region, with the exception of the attitude scores of Bulgaria, Georgia, North Macedonia, and Romania.

9.4.1. Knowledge

Table 9.10. Financial knowledge scores split by MSME owners

Absolute scores and percentage of maximum possible score (7). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	MSME	other	total sample	MSME	other	total sample	T-statistic
Bulgaria	5.1	4.0	4.1	73%	57%	58%	*
Croatia	5.6	4.4	4.5	80%	63%	65%	*
Georgia	5.1	4.5	4.5	73%	64%	65%	*
North Macedonia	5.1	3.8	3.9	73%	54%	56%	*
Moldova	4.9	3.9	4.0	70%	56%	57%	*
Montenegro	4.9	4.0	4.1	69%	58%	59%	*
Romania	4.3	3.4	3.5	61%	49%	49%	*
SEE region	5.0	4.0	4.1	71%	57%	58%	*

Source: OECD, (2020).

9.4.2. Behaviour

Table 9.11. Financial behaviour scores split by MSME owners

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	MSME	other	total sample	MSME	other	total sample	T-statistic
Bulgaria	6.3	5.2	5.3	70%	58%	59%	*
Croatia	5.9	4.9	5.0	66%	54%	55%	*
Georgia	5.9	5.0	5.1	66%	55%	56%	*
North Macedonia	6.1	4.9	5.1	68%	55%	56%	*
Moldova	6.3	5.4	5.5	70%	60%	61%	*
Montenegro	6.1	4.6	4.7	68%	51%	52%	*
Romania	6.1	4.9	5.0	68%	55%	56%	*
SEE region	6.1	5.0	5.1	68%	55%	57%	*

Source: OECD, (2020)

9.4.3. Attitude

Table 9.12. Financial attitude scores split by MSME owners

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	MSME	other	total sample	MSME	other	total sample	T-statistic
Bulgaria	3.1	2.9	2.9	61%	57%	58%	
Croatia	3.0	2.8	2.8	59%	55%	56%	*
Georgia	2.4	2.5	2.5	48%	50%	50%	
North Macedonia	2.8	2.8	2.8	56%	56%	56%	
Moldova	3.3	3.0	3.1	66%	61%	61%	*
Montenegro	2.9	2.6	2.6	58%	52%	53%	*
Romania	2.7	2.7	2.7	54%	55%	55%	
SEE region	2.9	2.8	2.8	58%	55%	55%	

Source: OECD, (2020)

9.5. Digitally literate

In this sample split, the report approximates technologically savvy people with respondents who report having used a computer in the past week. The patterns exhibited suggest that those respondents have consistently, and significantly, higher financial knowledge. This is also true for their behaviour scores. This suggests that digital literacy may be consistent with higher financial knowledge and more resilient financial behaviour patterns. Attitude scores appear lower, i.e. those respondents exhibit short term attitudes. These scores are significant only in Bulgaria, Montenegro and Romania. Respondents of this group in Moldova, on the other hand have significantly higher attitude scores, which is an exception.

9.5.1. Knowledge

Table 9.13. Financial knowledge split by computer usage

Absolute scores and percentage of maximum possible score (7). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	yes	no	total sample	yes	no	total sample	T-statistic
Bulgaria	4.7	3.2	4.1	67%	46%	58%	*
Croatia	4.8	4.0	4.5	68%	57%	65%	*
Georgia	5.0	4.0	4.5	72%	57%	65%	*
North Macedonia	4.5	3.3	3.9	64%	48%	56%	*
Moldova	4.3	3.5	4.0	62%	50%	57%	*
Montenegro	4.3	3.8	4.1	62%	54%	59%	*
Romania	3.7	3.0	3.5	53%	43%	49%	*
SEE region	4.5	3.6	4.1	64%	51%	58%	*

Source: OECD, (2020).

9.5.2. Behaviour

Table 9.14. Financial attitude split by computer usage

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	yes	no	total sample	yes	no	total sample	T-statistic
Bulgaria	5.8	4.7	5.3	64%	53%	59%	*
Croatia	5.2	4.5	5.0	57%	50%	55%	*
Georgia	5.5	4.6	5.1	61%	51%	56%	*
North Macedonia	5.5	4.6	5.1	61%	51%	56%	*
Moldova	5.8	4.9	5.5	64%	55%	61%	*
Montenegro	5.0	4.3	4.7	55%	48%	52%	*
Romania	5.3	4.5	5.0	59%	50%	56%	*
							*
SEE region	5.4	4.6	5.1	60%	51%	57%	*

Source: OECD, (2020).

9.5.3. Attitude

Table 9.15. Financial attitude split by computer usage

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	yes	no	total sample	yes	no	total sample	T-statistic
Bulgaria	2.8	3.0	2.9	56%	59%	58%	*
Croatia	2.8	2.8	2.8	55%	57%	56%	
Georgia	2.5	2.5	2.5	51%	49%	50%	
North Macedonia	2.8	2.8	2.8	56%	57%	56%	
Moldova	3.1	3.0	3.1	63%	59%	61%	*
Montenegro	2.5	2.8	2.6	51%	56%	53%	*
Romania	2.7	2.8	2.7	54%	57%	55%	*
SEE region	2.7	2.8	2.8	55%	56%	55%	

Source: OECD, (2020).

9.6. Age groups

Age groups present important categories of possible target groups. 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 their high financial literacy will 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 any specifics of the financial literacy of 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 (60-79 years old).

Young people appear to have lower *financial knowledge* than the rest of the sample, however the differences are not statistically significant, except in Bulgaria. The group of middle aged has significantly higher financial knowledge across the region on average, as well as in all the countries with the exception of Croatia (where the differences is not significant). Seniors on the other hand have lower financial knowledge across the board. This can be an important guidance to policy makers who would like to design financial education programmes based on age.

Financial attitude is lower among young people everywhere in the region. This is except in Georgia and Moldova where the trend is the opposite – young people have significantly better attitudes. The differences for middle aged adults are not significant, while the seniors have significantly higher attitudes. Again the exception among older respondents are Georgia (where attitudes are lower for this age group), and Moldova (where the difference however is not significant).

Patters in *financial behaviour* appear consistent. Young people have consistently and significantly lower behaviour score (except in Moldova, where they have *the highest relative behaviour score* among any age group).Middle aged respondents have consistently higher and significant behaviour scores, while seniors have consistently lower and largely significant scores.

All the scores are exhibited in the following tables.

9.6.1. Knowledge

Table 9.16. Financial knowledge scores split by age group

Absolute scores and percentage of maximum possible score (7)). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

				Youth age group (18-29 years old)			
country	youth	other	total sample	youth	other	total sample	T-statistic
Bulgaria	4.0	4.1	4.1	57%	58%	58%	*
Croatia	4.1	4.7	4.5	58%	67%	65%	
Georgia	4.5	4.5	4.5	64%	65%	65%	
North Macedonia	3.8	4.0	3.9	54%	56%	56%	
Moldova	3.9	4.1	4.0	55%	58%	57%	
Montenegro	4.2	4.1	4.1	60%	58%	59%	
Romania	3.3	3.5	3.5	47%	50%	49%	
SEE region	3.9	4.1	4.1	56%	59%	58%	

				Middle age group (30-59 years old)			
country	Middle	other	total sample	Middle	other	total sample	T-statistic
Bulgaria	4.4	3.7	4.1	63%	53%	58%	*
Croatia	4.6	4.5	4.5	66%	64%	65%	
Georgia	4.7	4.3	4.5	67%	62%	65%	*
North Macedonia	4.2	3.6	3.9	60%	52%	56%	*
Moldova	4.2	3.8	4.0	60%	55%	57%	*
Montenegro	4.3	3.9	4.1	61%	55%	59%	*
Romania	3.6	3.2	3.5	51%	45%	49%	*
							*
SEE region	4.3	3.9	4.1	61%	55%	58%	*

				Old age group (60-79 years old)			
country	ageing	other	total sample	ageing	other	total sample	T-statistic
Bulgaria	3.5	4.3	4.1	50%	61%	58%	*
Croatia	4.9	4.4	4.5	70%	64%	65%	*
Georgia	4.3	4.7	4.5	61%	67%	65%	*
North Macedonia	3.6	4.1	3.9	51%	58%	56%	*
Moldova	3.8	4.1	4.0	55%	59%	57%	*
Montenegro	3.4	4.3	4.1	49%	61%	59%	*
Romania	3.0	3.5	3.5	44%	50%	49%	*
SEE region	3.8	4.2	4.1	54%	60%	58%	*

Source: OECD, (2020).

9.6.2. Behaviour

Table 9.17. Financial behaviour scores split by age group

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

	Youth age group (18-29 years old)							
country	Youth	other	total sample	T-statistic	Youth	other	total sample	T-statistic
Bulgaria	4.8	5.4	5.3		54%	60%	59%	*
Croatia	4.8	5.0	5.0		53%	56%	55%	
Georgia	5.0	5.1	5.1		56%	56%	56%	
North Macedonia	4.7	5.1	5.1		52%	57%	56%	*
Moldova	5.9	5.4	5.5		65%	60%	61%	*
Montenegro	4.4	4.8	4.7		49%	53%	52%	*
Romania	4.9	5.1	5.0		54%	56%	56%	
								*
SEE region	4.9	5.1	5.1		55%	57%	57%	*

	Middle age group (30-59 years old)						
country	Middle	other	total sample	Middle	other	total sample	T-statistic
Bulgaria	5.6	4.9	5.3	63%	55%	59%	*
Croatia	5.1	4.8	5.0	57%	54%	55%	*
Georgia	5.4	4.7	5.1	60%	52%	56%	*
North Macedonia	5.2	4.9	5.1	58%	54%	56%	*
Moldova	5.6	5.3	5.5	62%	59%	61%	*
Montenegro	5.0	4.4	4.7	55%	48%	52%	*
Romania	5.1	4.8	5.0	57%	53%	56%	*
SEE region	5.3	4.8	5.1	59%	54%	57%	*

	Old age group (60-79 years old)						
country	ageing	other	total sample	ageing	other	total sample	T-statistic
Bulgaria	5.0	5.5	5.3	56%	61%	59%	*
Croatia	4.8	5.0	5.0	54%	56%	55%	
Georgia	4.5	5.3	5.1	50%	59%	56%	*
North Macedonia	5.0	5.1	5.1	55%	57%	56%	
Moldova	5.0	5.6	5.5	55%	63%	61%	*
Montenegro	4.3	4.8	4.7	48%	53%	52%	*
Romania	4.7	5.1	5.0	52%	56%	56%	*

Source: OECD, (2020).

9.6.3. Attitude

Table 9.18. Financial attitude scores split by age group

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

	Youth age group (18-29 years old)						
country	youth	other	total sample	youth	other	total sample	T-statistic
Bulgaria	2.4	3.0	2.9	48%	59%	58%	*
Croatia	2.6	2.8	2.8	52%	57%	56%	*
Georgia	2.7	2.5	2.5	53%	49%	50%	*
North Macedonia	2.6	2.8	2.8	53%	57%	56%	*
Moldova	3.2	3.0	3.1	64%	61%	61%	*
Montenegro	2.3	2.7	2.6	47%	55%	53%	*
Romania	2.5	2.8	2.7	51%	56%	55%	*
SEE region	2.6	2.8	2.8	53%	56%	55%	*

	Middle age group (30-59 years old)						
country	Middle	other	total sample	Middle	other	total sample	T-statistic
Bulgaria	2.8	2.9	2.9	57%	58%	58%	
Croatia	2.8	2.8	2.8	56%	55%	56%	
Georgia	2.5	2.5	2.5	50%	50%	50%	
North Macedonia	2.8	2.8	2.8	56%	56%	56%	
Moldova	3.0	3.1	3.1	61%	62%	61%	
Montenegro	2.6	2.6	2.6	53%	53%	53%	
Romania	2.7	2.7	2.7	55%	55%	55%	
SEE region	2.8	2.8	2.8	55%	56%	55%	

	Old age group (60-79 years old)						
country	ageing	other	total sample	ageing	other	total sample	T-statistic
Bulgaria	3.2	2.8	2.9	64%	55%	58%	*
Croatia	2.9	2.7	2.8	58%	55%	56%	*
Georgia	2.4	2.5	2.5	48%	51%	50%	*
North Macedonia	2.9	2.8	2.8	57%	56%	56%	
Moldova	3.0	3.1	3.1	60%	62%	61%	
Montenegro	3.1	2.5	2.6	61%	51%	53%	*
Romania	3.0	2.7	2.7	60%	54%	55%	*
SEE region	2.9	2.7	2.8	58%	55%	55%	*

Source: OECD, (2020).

9.7. Unemployed

The unemployed can be seen as an economically vulnerable group that is worth special attention by policy makers. Given they have limited financial resources, they have to be even more prudent in managing them. Splitting the sample into unemployed (this is a category of people who responded they are not in employment and seeking work; it excludes those who responded they are not looking for work, those who stay at home parents, and others; following the economic definition of the unemployed) and the rest gives some instructive results.

The unemployed appear to have consistently lower scores of knowledge, attitude, and behaviour; however few of these are statistically significant. Only in Bulgaria the financial knowledge of the unemployed is statistically significant. Only in North Macedonia do they have statistically significant attitude scores. However the unemployed exhibit significantly worse behaviour scores across all countries and the entire sample with the exception of Croatia.

Of note is the exception of Romania, where only 2 respondents identified themselves as unemployed and thus the results are not statistically meaningful in any way.

9.7.1. Knowledge

Table 9.19. Financial knowledge scores split by unemployed and the rest

Absolute scores and percentage of maximum possible score (7). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	unemployed	other	total sample	unemployed	other	total sample	T-statistic
Bulgaria	2.6	4.1	4.1	37%	59%	58%	*
Croatia	4.2	4.6	4.5	60%	65%	65%	
Georgia	4.6	4.5	4.5	65%	65%	65%	
North Macedonia	3.7	4.0	3.9	53%	56%	56%	
Moldova	3.8	4.0	4.0	54%	58%	57%	
Montenegro	4.1	4.1	4.1	59%	59%	59%	
Romania (see note below)	-	-	-	- -	-	-	
SEE region	4.0	4.1	4.1	57%	59%	58%	

Note: Only two respondents in Romania classified themselves as unemployed, thus this result is an outlier (and is statistically meaningless) and has been ignored for this category of sample split.
Source: OECD, (2020)

9.7.2. Behaviour

Table 9.20. Financial behaviour scores split by unemployed and the rest

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	unemployed	other	total sample	unemployed	other	total sample	T-statistic
Bulgaria	3.5	5.4	5.3	38%	60%	59%	*
Croatia	4.6	5.0	5.0	51%	56%	55%	
Georgia	4.4	5.1	5.1	49%	57%	56%	*
North Macedonia	4.0	5.2	5.1	44%	58%	56%	*
Moldova	5.0	5.5	5.5	56%	61%	61%	*
Montenegro	3.2	4.8	4.7	36%	54%	52%	*
Romania (see note below)	-	-	-	- -	-	-	
SEE region	4.2	5.1	5.1	47%	57%	57%	*

Note: Only two respondents in Romania classified themselves as unemployed, thus this result is an outlier (and is statistically meaningless) and has been ignored for this category of sample split.
Source: OECD, (2020)

9.7.3. Attitude

Table 9.21. Financial attitude scores split by unemployed and the rest

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	unemployed	other	total sample	unemployed	other	total sample	T-statistic
Bulgaria	2.6	2.9	2.9	51%	58%	58%	
Croatia	2.8	2.8	2.8	57%	56%	56%	
Georgia	2.5	2.5	2.5	50%	50%	50%	
North Macedonia	2.6	2.8	2.8	52%	57%	56%	*
Moldova	3.0	3.1	3.1	60%	62%	61%	
Montenegro	2.7	2.6	2.6	54%	53%	53%	
Romania (see note below)	-	-	-	- -	-	-	
SEE region	2.6	2.8	2.8	52%	56%	55%	

Note: Only two respondents in Romania classified themselves as unemployed, thus this result is an outlier (and is statistically meaningless) and has been ignored for this category of sample split.
Source: OECD, (2020)

9.8. Households with children

It is widely accepted that children and young people learn about financial matters first (and perhaps foremost) from the adults closest to them. OECD's PISA 2015 results of student's financial literacy (OECD, 2017[9]), suggests that parents have an important role in transmitting financial values, habits and skills to their children. PISA 2015 data show that students who talk to their parents about money and saving also tend to have higher financial literacy.

It is therefore interesting to know whether adults living with children under the age of 18 are well prepared to hold meaningful conversations with the children in their care. The analysis below looks to see whether adults in households with children are at least as financially literate as their peers without children living at home.

9.8.1. Knowledge

In terms of financial knowledge, there are no statistically significant differences when the sample is split into members of households with children and the rest. The sole exception is Romania where such adults have significantly higher knowledge score.

Table 9.22. Financial knowledge scores split by households with children under 18 years old

Absolute scores and percentage of maximum possible score (7). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Household	other	total sample	Household	other	total sample	T-statistic
Bulgaria	4.3	4.0	4.1	61%	57%	58%	
Croatia	4.5	4.5	4.5	65%	65%	65%	
Georgia	4.6	4.5	4.5	66%	64%	65%	
North Macedonia	3.9	3.9	3.9	56%	56%	56%	
Moldova	4.2	4.0	4.0	59%	57%	57%	
Montenegro	4.1	4.1	4.1	59%	59%	59%	
Romania	3.8	3.3	3.5	54%	47%	49%	*
SEE region	4.2	4.0	4.1	60%	58%	58%	

Source: OECD, (2020).

9.8.2. Behaviour

The financial behaviour scores of adults from households with children in Georgia, Moldova, and Montenegro are higher (i.e. these adults have 'better' financial behaviour), while the rest of the countries and the total sample for the region there are no significant differences.

Table 9.23. Financial behaviour scores split by households with children under 18 years old

Absolute scores and percentage of maximum possible score (9). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Household	other	total sample	Household	other	total sample	T-statistic
Bulgaria	5.4	5.3	5.3	60%	59%	59%	
Croatia	5.2	4.9	5.0	57%	55%	55%	
Georgia	5.2	4.9	5.1	58%	55%	56%	*
North Macedonia	5.0	5.1	5.1	56%	56%	56%	
Moldova	5.7	5.4	5.5	63%	60%	61%	*
Montenegro	4.9	4.6	4.7	54%	51%	52%	*
Romania	5.0	5.0	5.0	55%	56%	56%	
SEE region	5.2	5.0	5.1	58%	56%	57%	

Source: OECD, (2020).

9.8.3. Attitude

Only in Bulgaria and Moldova do adults from households with children have significantly different attitude scores. Interestingly, in Bulgaria such adults have lower attitude scores (i.e. shorter term attitude), while in Moldova they have higher scores (i.e. longer term attitudes).

Table 9.24. Financial attitude scores split by households with children under 18 years old

Absolute scores and percentage of maximum possible score (5). The t-statistic test illustrated by a star (*) illustrates a statistical significance of the difference at the 95% confidence level.

country	Household	other	total sample	Household	other	total sample	T-statistic
Bulgaria	2.6	3.0	2.9	53%	60%	58%	*
Croatia	2.8	2.8	2.8	56%	56%	56%	
Georgia	2.5	2.5	2.5	51%	49%	50%	
North Macedonia	2.8	2.8	2.8	56%	56%	56%	
Moldova	3.2	3.0	3.1	64%	60%	61%	*
Montenegro	2.7	2.6	2.6	54%	52%	53%	
Romania	2.8	2.7	2.7	55%	54%	55%	
SEE region	2.8	2.8	2.8	55%	55%	55%	

Source: OECD, (2020).

10. Policy recommendations

The SEE countries are now fully connected to the global financial system. Their citizens can benefit from the wide savings/investment and responsible borrowing opportunities, but also face the associated risks and take on greater individual financial responsibility. As risks are amplified in the current volatile economic environment, appropriate financial knowledge, skills, and attitudes are crucially important for SEE consumers' financial resilience and well-being.

The attributes of financial literacy, surveyed and discussed in this report, have been identified by the OECD and its INFE to support the kind of financial knowledge that allows individuals to navigate the existing complexity of financial products, and understand the effects of financial phenomenon such as inflation and policy tools such as interest rates on income and savings. These attributes in addition help individuals develop certain attitudes towards money and behaviours that allow them to be in control of their finances, pursue long term financial aims through active saving and investment, avoid delayed payments and falling into debt and make a range of financial decisions that will lead to higher level of financial wellbeing.

Such attributes are the foundations of financially resilient consumers but they also underpin the stability of the financial and banking system. The 2020 crisis (a pandemic acting as a negative economic shock to both supply and demand) has underlined the value of individual resilience boosted by availability of buffer savings, while the 2008 crisis (a credit crunch translating into an acute negative demand shock) illustrated the need to manage indebtedness both at the individual and institutional level.

The key highlights from the OECD survey among adults in the SEE reflect the significant variations in these competencies across countries and between groups within each country. They illustrate the overall low levels of financial literacy of the population across the region, especially in comparison to the EU and OECD economies.

The results suggest the need to strengthen financial education policies and develop policy tools, including digital technologies or behavioural insights, for instance, which could be further harnessed to improve financial knowledge and behaviour conducive to enhanced individual financial resilience. The results also suggest that financial education needs to be used as a supporting policy to economic and financial reforms, for example aimed at improving financial systems stability and consumer confidence.

Strengthen basic financial knowledge to ensure good budgeting, planning, and saving practices, taking into account differences among certain groups

- Strengthen financial knowledge as an essential – though not sufficient – component of financial literacy. It enables people to know and understand matters such as the ways in which external factors may influence their financial situation or how changes in the financial products they hold will affect them.

- Apply a comprehensive approach to financial education. Countries that have adopted wide-ranging financial education programmes (through existing national strategies), like Croatia and Georgia, exhibit the highest scores in financial knowledge. Others, however, lag considerably behind.
- Ensure a comprehensive provision of financial education to foster possession of basic financial skills, such as budgeting understanding of interest rates and the effects of inflation, realising the benefits of consistent saving, but also ability to understand risk. Promote the use of budgeting tools, of which digital ones proliferate for free on multiple platforms.
- Start financial education early and ideally in school, given the lower financial knowledge of youth. Such provision will need to start as early as possible and certainly in schools in order to embed the knowledge of basic financial concepts comprehensively in the population.[22] For adults, financial education in the workplace, for instance, can offer coverage of basic concepts and provide information on tools that can help utilising those skills.
- Target socio-economic groups in order to provide support or apply different and deeper approaches compared to financial education provision to others:
    - Across all participating countries, women had lower levels of financial knowledge than men. Policy makers need to be aware of these differences and ensure that they are monitored and targeted through gender sensitive policies.[23]
    - Ageing participants (defined in this survey as over 60 years old) also exhibit lower knowledge than participants of other ages. Not only specialised programmes, but also appropriate delivery channels will be needed to reach this potential target group, for instance digital channels may be less suitable in this instance.
    - Similarly, adults living in urban areas exhibit higher scores in knowledge, attitude, and behaviour, than those in rural areas. Residents in rural areas will thus need special attention and carefully tailored delivery channels in order to improve their skills.
    - MSME owners and operators have higher financial literacy scores and may benefit more from tailored financial education programmes that focus on more specialised knowledge.[24]

Encourage positive financial behaviours and attitudes to improve financial resilience and pursue long-term rewards

- Strive to improve financial behaviour and increase the numbers of active savers. Across the SEE countries, just 42% of the population achieved the minimum target score on financial behaviour (exhibiting six of the nine behaviours that were captured in the survey). Some 67% were identified as active savers, while 40%

[22] See OECD/INFE guidelines on financial education in schools (2012).

[23] See the OECD/INFE policy guidance on addressing women's and girls' needs for financial awareness and education (2013), endorsed by G20 leaders in 2013.

[24] See for example the OECD/INFE Core competencies framework on financial literacy for MSMEs (2018), which suggests competencies specifically suitable for MSME owners.

reported striving to achieve long-term goals. However as much as one quarter (24.3%) of the adults respondents were not active savers *and* did not set long term goals.

- Utilise simple tools with proven efficiency in the first instance, to 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. For example:
  - *Digital tools*: online calculators, simulators, reminders and commitment devices could help people focusing on their longer-term priorities and support them in planning ahead. Promoting transparency (like more user-friendly company disclosures), easier access to information, including tools to compare products and the availability of impartial advice could help consumers to make smarter financial product choices.[25]
  - *Behavioural insights* can help incentivise and encourage people to set long term goals and commit to them.[26] 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.
- Frame financial education programmes to the real life concerns of people:
  - Financial worry is prominent among adults in the region when discussing their current financial situation and their ability to meet living expenses. Some 41% of adults suggested there are unsatisfied with their present financial situation and only a third agree they are satisfied. This appears not to be caused by excessive debt (64% reject this statement), but more likely low incomes relative to the cost of living.
  - Just under 60% responded they are worried about meeting their current expenses and agree that money tends to control their lives. Retirement plans are also a concern - between a quarter and a third of adults suggested they will need to rely on family or own savings for their pension needs.
- Draw on financial regulation and consumer protection frameworks to further help people to become more resilient, for example by helping them carefully decide if and when to use debt products, and by reducing the likelihood that they will choose unsuitable financial products that further weaken their financial situation.

[25] 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.

[26] 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

- Ensure that regulators made themselves available to hear complaints, but also concerns, questions and difficulties that financial consumers and investors are facing in financial markets. The advice function – which is part of the OECD financial education definition - is particularly important during difficult circumstances.
- Encourage greater support from regulated, independent advice services, which are also essential to guide people through the rapidly evolving financial landscape and help meet their long-term goals.[27]

Measure financial literacy repeatedly and consider disseminating the results widely to promote confidence in the formal financial system

- Measure financial literacy in order to inform policy decisions, receive feedback on targets and enable data-driven and tailored policy approaches.
    - Whilst it may be difficult to change people's knowledge, behaviour and attitudes in the short run, it is good to know what they are so that they can be taken into account when designing initiatives. Initiatives that aim to show people how to save for the long-term may have little impact on people with short-term behaviour and attitudes, unless they are first helped to meet their immediate needs.
- Repeat the measurement exercises at regular intervals (perhaps 4 or 5 years) and in a comparative manner (for instance utilising the same toolkit, such as the internationally-vetted OECD/INFE Toolkit). This can allow to observe progress or re-focus policies.
- Share the results and the policy outcomes to help encourage transparency and inspire confidence in the activities of policy makers. Importantly, financial literacy measurements can be publicised alongside other important financial and economic news.
    - Communicating simply and transparently messages of current research can create a public debate and familiarise people with the existing financial literacy challenges.
    - Using informal networks (family, friends, the community), or technology, to reach people and explain the value of saving now to improve well-being in the future, can also become promising ways of helping people focus on the long term.
    - Disseminate results to help consumers get better acquainted with the workings of the economy (and act as educational tool on its own), but also boost consumer confidence in the formal financial system.

[27] OECD's work on financial consumer protection has produced many policy and practical tools to support policy makers. The G20 High-level Principles on Financial Consumer Protection (2011) provide high-level advice.

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About the OECD

The Organisation for Economic Co-operation and Development (OECD) provides a setting where governments can compare and exchange policy experiences, identify good practices in light of emerging challenges, and promote decisions and recommendations to produce better policies for better lives. The OECD's mission is to promote policies that improve economic and social well-being of people around the work.

About the OECD International Network on Financial Education (OECD/INFE)

OECD governments officially recognised the importance of financial literacy in 2002 and launched a comprehensive initiative on financial education. In 2008 they established an International Network on Financial Education (INFE), which meets twice a year to share experiences, discuss strategic priorities and develop policy responses to topical issues.

The OECD/INFE has high-level membership from over 240 public institutions – including central banks, financial regulators and supervisors, ministries of finance and ministries of education – in more than 115 countries. OECD/INFE methodology and high-level principles on financial education have been endorsed and/or supported by G20 leaders and other international and regional fora.

About the Technical Assistance Project for Financial Education in the Constituency Program of the Netherlands Ministry of Finance

Building on the OECD/INFE's internationally recognised expertise and longstanding commitment to advancing financial literacy around the world, this five-year project aims to provide guidance on the design and implementation of effective financial education initiatives in the participating countries, considering their specific needs. The project encompasses the following three work streams, in addition to mutual learning and knowledge sharing:

- Research: mapping current activities, establishing the current level of financial literacy within participating countries and identifying priorities and target groups;
- Development: supporting the design of a national strategy for financial education (where relevant) and the development of an evaluation process to measure its effectiveness;
- Implementation: supporting the implementation of national strategies and their evaluation.

The seven countries that are part of the project are: Bulgaria, Croatia, Georgia, North Macedonia, Moldova, Montenegro, and Romania (hereinafter DCP countries).

This initiative is being undertaken with financial support from the Ministry of Finance of the Netherlands and benefits from the technical expertise of its Money Wise Platform and its participation in project activities.

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